MEMORANDUM ON INTERNAL CONTROL

Board of Trustees
Marin/Sonoma Mosquito and Vector Control District
Cotati, California

In planning and performing our audit of the basic financial statements of the Marin/Sonoma Mosquito and Vector Control District as of and for the year ended June 30, 2022, in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. 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.

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

Maze + Associates

Pleasant Hill, California
November 14, 2022

Accountancy Corporation
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MARIN/SONOMA MOSQUITO AND VECTOR CONTROL DISTRICT

REQUIRED COMMUNICATIONS

FOR THE YEAR ENDED JUNE 30, 2022

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MARIN/SONOMA MOSQUITO AND
VECTOR CONTROL DISTRICT

REQUIRED COMMUNICATIONS

For the Year Ended June 30, 2022

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REQUIRED COMMUNICATIONS

To the Board of Trustees
Marin/Sonoma Mosquito and Vector Control District
Cotati, California

We have audited the basic financial statements of the Marin/Sonoma Mosquito and Vector Control District (District) for the year ended June 30, 2022. Professional standards require that we communicate to you the provide you with information about our responsibilities under generally accepted auditing standards 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 June 30, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Accounting Policies - 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. No new accounting policies were adopted, and the application of existing policies was not changed during the year.

Unusual Transactions, Controversial or Emerging Areas - 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 - 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 estimate(s) affecting the District's financial statements were:

> *Estimated Net Pension Liabilities and Pension-Related Deferred Outflows and Inflows of Resources:* Management's estimate of the net pension liabilities and deferred outflows/inflows of resources are disclosed in Note 6 to the financial statements and are based on actuarial studies provided by MCERA. We evaluated the key factors and assumptions used to develop the estimate and determined that it is reasonable in relation to the basic financial statements taken as a whole.
>
> *Estimated Net OPEB Liabilities and OPEB-Related Deferred Outflows and Inflows of Resources:* Management's estimate of the net OPEB liabilities and deferred outflows/inflows of resources are disclosed in Note 7 to the financial statements and are based on actuarial studies determined by a consultant, which are based on the experience of the District. We evaluated the key factors and assumptions used to develop the estimate and determined that it is reasonable in relation to the basic financial statements taken as a whole.

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Estimated Fair Value of Investments: As of June 30, 2022, the District held approximately $15.7 million of cash and investments as measured by fair value as disclosed in Note 3 to the financial statements. Fair value is essentially market pricing in effect as of June 30, 2022. These fair values are not required to be adjusted for changes in general market conditions occurring subsequent to June 30, 2022.

Estimate of Depreciation: Management's estimate of the depreciation is based on useful lives determined by management. These lives have been determined by management based on the expected useful life of assets as disclosed in Note 4 to the financial statements. We evaluated the key factors and assumptions used to develop the depreciation estimate and determined that it is reasonable in relation to the basic financial statements taken as a whole.

Estimate of Compensated Absences: Accrued compensated absences which are comprised of accrued vacation, holiday, and certain other compensating time is estimated using accumulated unpaid leave hours and hourly pay rates in effect at the end of the fiscal year as disclosed in Note 2F to the financial statements. We evaluated the key factors and assumptions used to develop the accrued compensated absences and determined that it is reasonable in relation to the basic financial statements taken as a whole.

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

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

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.

Professional standards require us to accumulate all known and likely uncorrected misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. We have no such misstatements to report to the Board of Trustees.

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 a management representation letter dated November 14, 2022.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

Other Matters

We applied certain limited procedures to the required supplementary information that accompanies and 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 required supplementary information and do not express an opinion or provide any assurance on the required supplementary information.

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This information is intended solely for the use of the Audit Committee, Board of Trustees and management and is not intended to be, and should not be, used by anyone other than these specified parties.

Maze + Associates

Pleasant Hill, California
November 14, 2022

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MARIN/SONOMA MOSQUITO AND VECTOR CONTROL DISTRICT

COTATI, CALIFORNIA

BASIC FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2022

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MARIN/SONOMA MOSQUITO AND VECTOR CONTROL DISTRICT
BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

Page

INTRODUCTORY SECTION

FINANCIAL SECTION

MARIN/SONOMA MOSQUITO AND VECTOR CONTROL DISTRICT
BOARD OF TRUSTEES
JUNE 30, 2022

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Marin/Sonoma Mosquito and Vector Control District
Cotati, California

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Marin/Sonoma Mosquito and Vector Control District, California (District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the Table of Contents.

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirement relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management's 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; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and other required supplementary information as listed in the Table of Contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Maze + Associates

Pleasant Hill, California
November 14, 2022

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MARIN/SONOMA MOSQUITO AND VECTOR CONTROL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

This discussion reflects the District's present and future programs for the fiscal year beginning July 1, 2021 and ending June 30, 2022 and offers its readers a narrative overview and analysis of the District's financial activities.

FINANCIAL HIGHLIGHTS JULY 1, 2021—JUNE 30, 2022

- The District's general fund cash balance (invested with the County of Marin Treasury and the Exchange Bank) at the beginning of the fiscal year was $13,770,697 and $13,906,287 at the end of the fiscal year.
- The District's capital replacement fund cash balance (invested with the County of Marin Treasury) at the beginning of the fiscal year was $1,170,467 and $948,960 at the end of the fiscal year.
- The District's Public Health Emergency fund reserve balance at the beginning of the fiscal year was $2,013,559 and $1,838,570 at the end of the fiscal year.
- The District received revenues and charges for services in the amount of $10,735,683 and spent $9,758,104 on programmatic and capital expenses. The District's fund balances increased by $913,278.
- The District continued efforts to reduce long-term OPEB and retirement liabilities by setting aside $1.1 million in a new Pension Prefunding Trust.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statement is comprised of four (4) components:

- Government-wide Financial Statements
- Fund Financial Statements
- Notes to Basic Financial Statements
- Required Supplementary Information

REPORTING ENTITY

The "Marin Mosquito Abatement District" was formed in May of 1915 and later became a California Special District. In the 1990's, to reflect the full range of services it grew to provide, and the territory served, the District was renamed as the "Marin/Sonoma Mosquito & Vector Control District". The District is empowered under the California Health and Safety Code to take all necessary steps to abate mosquitoes and other vectors, such as rats and yellowjackets. The District also provides robust public outreach and normally operates an Education Program within the Marin and Sonoma County school systems. The District is governed by a twenty-four (24) member appointed Board of Trustees, which represents both counties and each city or town. As of June 30, 2022, there were five vacant seats, Corte Madera, Cotati, Sausalito, Ross, and one Sonoma County at Large. The District covers an area of almost 2,300 sq. miles and has a payroll of 35 regular hire, full-time employees, assisted by a seasonal workforce of five employees and one part time Management Aide.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The Statement of Net Position and the Statement of Activities include all of the financial activities of the District, including long-term items such as capital assets. The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the District's 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 (a) charges paid by recipients of goods or services offered by the programs and (b) funds and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues.

	FY 2020/21	FY 2021/22	% CHANGE
TOTAL ASSETS	$23,444,013	$28,278,562	20.62%
TOTAL DEFERRED OUTFLOWS OF RESOURCES	7,394,652	3,484,303	(52.88%)
TOTAL LIABILITIES	13,235,664	609,445	(95.40%)
TOTAL DEFERRED INFLOWS OF RESOURCES	2,798,442	11,843,015	323.20%
NET POSITION			
Net Investment in Capital Assets	5,144,896	5,655,461	9.92%
Restricted for Pension Prefunding Trust	0	1,100,000	
Unrestricted	9,659,663	12,554,944	29.97%
TOTAL NET POSITION	$14,804,559	$19,310,405	30.44%

As of June 30, 2022, the District reported its proportionate share of the net pension liability (Note 6B) as well as the deferred outflows and inflows of resources related to the legacy retiree healthcare plan (OPEB) (Note 7F). The District's net position for fiscal year 2021/22 increased by $4,505,846 or 30.44%.

STATEMENT OF ACTIVITIES & CHANGES IN NET POSITION

	FY 2020/21	FY 2021/22	% Change
GENERAL REVENUE			
Taxes/Assessments	$9,832,449	$10,406,717	5.84%
Use of Money and Property	91,729	24,656	-73.12%
Other/Program Revenues	354,404	304,310	-14.13%
TOTAL GENERAL REVENUE	**$10,278,582**	**$10,735,683**	4.45%
EXPENSES	**$8,709,758**	**$9,758,104**	11.69%
Change in Net Position	1,646,208	913,278	-44.52%
Beginning Net Position	13,158,351	16,629,552	26.38%
Ending Net Position	**$14,804,559**	**$17,542,830**	18.50%

The District has two main revenue components: Ad valorem property taxes and two Benefit Assessment Districts. The District experienced an increase in assessments and property tax revenue of 5.84%. At the same time, however, use of money and property (investment income) decreased by 73.12% compared to the prior year. Other Revenues include reimbursement for miscellaneous work performed by the District throughout the year, insurance refunds/reimbursements, miscellaneous reimbursements and sale of equipment. Program revenue consists of contract work performed by the District and the amount received is variable from year to year.

FUND FINANCIAL STATEMENTS

The fund financial statements provide information about the District's funds. The emphasis of fund financial statements is on major individual funds, each of which is displayed in a separate column.

MAJOR FUNDS

GASB Statement No. 34 defines major funds and requires that the District's major governmental type funds be identified and presented separately in the financial statements. Major funds are defined as funds that either have assets, deferred inflows, liabilities, deferred outflows, revenues, or expenditures equal to or greater than ten percent of their fund-type total and five percent of the grand total of all fund types. The District has elected to show all funds as major funds.

The General Fund is the main operating fund of the District. This fund is used to account for financial resources not accounted for in other funds.

The Capital Replacement Fund is used to account for all capital related purchases.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The projected budget for the 2022/23 Fiscal Year expenditures is $10,619,740 with anticipated revenues of $10,775,554. Revenues are projected to exceed anticipated expenses by an estimated $155,814. In accordance with the adopted Reserve Fund Strategy, $337,200 will be transferred from the Operating Fund to the Capital Replacement Fund. The strategy is to adhere to a funding schedule that would set aside sufficient funds through equal annual deposits to meet the District's capital replacement needs over the next 20 years. Ad Valorem taxes represent approximately 57% of the District's total revenues. For the 2022/23 fiscal year, we have assumed an increase of 4.75% over our estimated revenues for the current year. In the last four years, these revenues have increased an average of 5% per year. Although mortgage rates have increased, which tends to depress sales, demand continues to be strong and supply limited, forcing up prices. Both Sonoma and Marin Counties are desirable areas and we anticipate property values to continue to increase. Special Assessment revenues represent an additional 40% of revenue. Assessment District #1 revenues remain relatively constant year to year, as the rate per single-family equivalent is capped at $12. Although costs have increased and District #2 Assessments could have increased according to the CPI, the Board decided to hold the District #2 assessments for fiscal year 2022/23 at the 2021/22 rate. The District's investment in the Marin County Treasury is currently earning approximately 1.1%. However, during fiscal year 2021/22, treasury earnings were approximately 0.1% - 0.3% and interest revenues were well below the budget amount. Additionally, the District's funds held at the Vector Control Joint Powers Agency suffered an unrealized investment loss of $64,301. For 2022/23, we projected only a modest increase in interest earnings, as rates start to increase due to inflation. We are projecting interest earnings of $29,377 for the next fiscal year, up from less than $10,000 this year.

The following factors were considered in preparing the District's Budget for fiscal year 2022/23:

- Working with the valuable guidance of the Budget Committee, while preparing the budget for fiscal year 2022/23, staff continued to implement improved methodologies designed to forecast revenues and expenditures with increased accuracy. Staff closely examined past trends in salaries, benefits, services and supplies to arrive at a precise expenditure forecast, taking into account prior year actuals. Refinements in financial forecasting were further aided by the budget preparation module included as part of the District's new financial management system. This was the first budget to be prepared and presented using the new software. Financial planning and reporting will continue to improve as more data is added each fiscal year.

- Staff remains vigilant in controlling costs to the extent possible, adhering closely to the adopted budget and continuing efforts to plan for the specific needs of individual departments. A new policy was adopted allowing the District Manager to authorize budget transfers between accounts in the same fund as needed to make minor, administrative budget adjustments. This will improve overall budget maintenance and tracking and reduce the need to prepare a comprehensive mid-year budget adjustment for Board consideration.

- Represented employees entered the third year of a four-year Memorandum of Understanding with the District and realized a 2.75% cost of living allowance applied to salaries on July 1, 2022. Employees continue to make a 1.75% contribution to the employer paid member contribution to MCERA as well as contributions toward medical premiums.

- For fiscal year 2022/23, employer rates for MCERA contributions decreased to 28.77% for the Classic Tier and 21.91% for the PEPRA Tier. The percentage of the budget to be spent on pension contributions will be 10.00%. This year, the District will not need to pay into the established CalPERS OPEB Trust since the most recent actuarial report showed that the District was fully funded. At the June meeting, the Board of Trustees approved the establishment of a Section 115 Pension Prefunding Trust with CalPERS CEPPT, and made an initial contribution of $1.1M for fiscal year 2021/22. The eventual goal is to accumulate three years of pension contribution expenses in the Section 115 Trust, or approximately $3M. The anticipated contribution to the Pension Prefunding Trust for fiscal year 2022/23 is $600,000.

- The capital items planned for purchase or replacement this year include:

  1 Flatbed Truck
  3 Trucks for Vector Control Technician use
  2 ARGO amphibious vehicles
  1 All-Terrain Vehicle
  GPS System for the new airboat
  Pressure Washer for vehicle & equipment wash racks
  Fuel Management System for vehicle gasoline tanks
  A Mist Blower for ground-based application of mosquito control materials
  Remodel of the Financial Office
  Facility site needs assessment to explore adding office space.

Grand Total Capital Fund Anticipated Expenditures: $654,505

In February 2020, the District completed a thorough analysis of the capital asset replacement program and target fund balances, resulting in a detailed schedule of capital cost projections ending in fiscal year 2039/40. The Board adopted a strategy that sets aside an annual flat contribution of $337,200 into the Capital Replacement Fund, with the understanding that capital costs will be higher in some years than others. This strategy will aid in preparing budgeting projections and assist in providing funding for those years with increased replacement needs.

<u>FUTURE EVENTS THAT WILL FINANCIALLY IMPACT THE DISTRICT</u>

- Demand for services continues to increase each year, taxing the District's operational capacities. Two positions scheduled for hiring this fiscal year include the Environmental Biologist and the Environmental Programs Manager which could enhance staff capabilities and allow for further training and development of the UAS (drone) program.

- Invasive *Aedes aegypti* and *albopictus* mosquitoes continue their spread, with the recent detection of a colony established in Martinez, Contra Costa County. Although surveillance has not yet detected these mosquitoes in the District's service area, it is quite likely that they will spread here in the future. Other mosquito districts' experience has been that substantial additional staffing, equipment, and supplies are needed to contain and attempt to eradicate such an infestation. Dealing with invasive *Aedes* is very labor-intensive compared to the existing mosquito populations. Accordingly, the District maintained its public health emergency reserve at 20% of annual budgeted expenditures and purchased specialized equipment that would be deployed if invasive *Aedes* were to be found within the District. This equipment can be cross-utilized and has already proved helpful in regular mosquito-control operations.

- The administrative staff completed the project to replace the legacy accounting hardware and software with a state-of-the-art financial management information system (FMIS) and "went live" on October 1, 2021. This has alleviated the previous vulnerabilities of operating with an unsupported legacy system and has improved efficiencies by allowing for integration with modern technologies and enhanced training opportunities for staff. As time goes by, the data housed in the new FMIS will become increasingly useful for financial projections and budgeting.

- Staff continues to deal with the challenges posed by COVID-19, particularly staff outages and specialized administration of leaves, etc. Supplemental Paid Sick Leave for COVID-19 has been extended again, this time until December 31st, 2022. The overall budgetary impact is anticipated to be approximately $20,000 , similar to last year.

- Preliminary environmental and architectural studies are underway to assess the potential for adding space to the District's headquarters. Once the constraints and opportunities are identified, a full report will be made to the Board. Remodeling and expanding the District's facilities would significantly increase their utility but the process is likely to be expensive.

- Due to anticipated sea level rise, endangered species issues, and the need for restoration of tidal marshes and seasonal wetlands, the potential for large-scale sources of mosquito production is increasing. This increases the needs for labor, equipment and materials (e.g., mosquito larvicides and adulticides.

- Supply chain issues over the last couple of years compounded by inflationary pressures have substantially increased the cost of equipment and materials (e.g. vehicles, ATVs, boats, handheld application equipment, larvicides and adulticides).

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the District's finances for all those with an interest. Questions concerning the information provided in this report or requests for additional financial information should be addressed to the Marin/Sonoma Mosquito and Vector Control District, 595 Helman Lane, Cotati, CA 94931.

MARIN/SONOMA MOSQUITO AND VECTOR CONTROL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2022

	Governmental Activities
ASSETS	
Current assets:	
Cash and investments (Note 3)	$14,855,247
Restricted Cash (Note 3 and 6C)	1,100,000
Deposits held by VCJPA (Notes 3 and 8)	796,574
Accounts receivable	2,003,344
Property taxes receivable	435,178
Inventory (Note 2E)	307,301
Total current assets	19,497,644
Capital assets (Note 4):	
Nondepreciable:	
Land	675,000
Construction in progress	124,054
Depreciable:	
Structures and improvements	6,910,024
Office equipment	387,259
Office furniture	37,619
Field equipment	199,094
Vehicles	2,907,896
Less: Accumulated depreciation	(5,585,485)
Total capital assets, net	5,655,461
Net OPEB asset (Note 7C)	630,000
Collective net pension asset (Note 6B)	2,495,457
Total Assets	28,278,562
DEFERRED OUTFLOWS OF RESOURCES	
Pension related (Note 6B)	2,621,303
OPEB related (Note 7F)	863,000
Total Deferred Outflows of Resources	3,484,303
LIABILITIES	
Current liabilities:	
Accounts payable	47,991
Compensated absences (Note 2F)	252,654
Total current liabilities	300,645
Non-current liabilities:	
Compensated absences (Note 2F)	308,800
Total non-current liabilities	308,800
Total Liabilities	609,445
DEFERRED INFLOWS OF RESOURCES	
Pension related (Note 6B)	7,878,015
OPEB related (Note 7F)	3,965,000
Total Deferred Inflows of Resources	11,843,015
NET POSITION (Note 5)	
Net investment in capital assets	5,655,461
Restricted for pension prefunding trust	1,100,000
Unrestricted	12,554,944
Total Net Position	$19,310,405

See accompanying notes to financial statements

MARIN/SONOMA MOSQUITO AND VECTOR CONTROL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

Functions/Programs	Expenses	Program Revenues Charges for Services	Net (Expense) Revenue and Change in Net Position
Governmental Activities:			
Public Health	($6,467,095)	$264,049	($6,203,046)
Total Governmental Activities	($6,467,095)	$264,049	(6,203,046)
General revenues:			
Taxes and assessments			10,406,717
Use of money and property			24,656
Other revenues			277,519
Total General Revenues			10,708,892
Change in Net Position			4,505,846
Net Position - Beginning			14,804,559
Net Position - Ending			$19,310,405

See accompanying notes to financial statements

MARIN/SONOMA MOSQUITO AND VECTOR CONTROL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2022

	General Fund	Capital Replacement Fund	Totals
ASSETS			
Cash and investments (Note 3)	$13,906,287	$948,960	$14,855,247
Restricted Cash (Note 6C)	1,100,000		1,100,000
Deposits with VCJPA (Notes 3 and 8)	796,574		796,574
Accounts receivable	2,003,344		2,003,344
Property taxes receivable	435,178		435,178
Inventory (Note 2E)	307,301		307,301
Total Assets	$18,548,684	$948,960	$19,497,644
LIABILITIES			
Accounts payable	$47,991		$47,991
Total Liabilities	47,991		47,991
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - accounts receivable	1,906,823		1,906,823
Total Deferred Inflows of Resources	1,906,823		1,906,823
FUND BALANCES (Note 5)			
Nonspendable: inventory	307,301		307,301
Restricted for pension prefunding trust	1,100,000		1,100,000
Committed for dry period funding	4,596,424		4,596,424
Committed for public health emergencies	1,838,570		1,838,570
Assigned for insurance	796,574		796,574
Assigned for future capital replacements		$948,960	948,960
Unassigned	7,955,001		7,955,001
Total Fund Balances	16,593,870	948,960	17,542,830
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$18,548,684	$948,960	$19,497,644

See accompanying notes to financial statements

MARIN/SONOMA MOSQUITO AND VECTOR CONTROL DISTRICT
Reconciliation of the
GOVERNMENTAL FUNDS -- BALANCE SHEET
with the
STATEMENT OF NET POSITION
JUNE 30, 2022

FUND BALANCE OF GOVERNMENTAL FUNDS		$17,542,830
Amounts reported for Governmental Activities in the Statement of Net Position are different from those reported in the Governmental Funds Balance Sheet because of the following:		
Capital assets used in Governmental Activities are not current resources, and therefore, are not reported in the Governmental Fund Balance Sheet.		
Capital assets at historical cost	$11,240,946	
Less: accumulated depreciation	(5,585,485)	5,655,461
The liabilities and deferred outflows/inflows below are not due and payable in the current period, and therefore, are not reported in the Governmental Fund Balance Sheet.		
Unavailable revenue	1,906,823	
Compensated absences payable	(561,454)	
Net OPEB asset	630,000	
Deferred outflows related to pension	2,621,303	
Deferred outflows related to OPEB	863,000	
Net pension asset	2,495,457	
Deferred inflows related to pension	(7,878,015)	
Deferred inflows related to OPEB	(3,965,000)	(3,887,886)
NET POSITION OF GOVERNMENTAL ACTIVITIES		$19,310,405

See accompanying notes to financial statements

MARIN/SONOMA MOSQUITO AND VECTOR CONTROL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2022

	General Fund	Capital Replacement Fund	Totals
REVENUES:			
Taxes and assessments	$10,406,717		$10,406,717
Use of money and property	23,918	$738	24,656
Other revenues	304,310		304,310
Total Revenues	10,734,945	738	10,735,683
EXPENDITURES:			
Current:			
Salaries and benefits	6,477,377		6,477,377
General and administrative	2,471,282		2,471,282
Capital outlay		809,445	809,445
Total Expenditures	8,948,659	809,445	9,758,104
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,786,286	(808,707)	977,579
OTHER FINANCING SOURCES (USES)			
Gain (loss) on investment in VCJPA	(64,301)		(64,301)
Transfers in		587,200	587,200
Transfers (out)	(587,200)		(587,200)
Total other financing sources (uses)	(651,501)	587,200	(64,301)
NET CHANGE IN FUND BALANCES	1,134,785	(221,507)	913,278
BEGINNING FUND BALANCES	15,459,085	1,170,467	16,629,552
ENDING FUND BALANCES	$16,593,870	$948,960	$17,542,830

See accompanying notes to financial statements

MARIN/SONOMA MOSQUITO AND VECTOR CONTROL DISTRICT
Reconciliation of the
NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS
with the
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

The schedule below reconciles the Net Changes in Fund Balances reported on the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance, which measures only changes in current assets and current liabilities on the modified accrual basis, with the Change in Net Position of Governmental Activities reported in the Statement of Activities, which is prepared on the full accrual basis.

NET CHANGE IN FUND BALANCES		$913,278
Amounts reported for governmental activities in the Statement of Activities are different because of the following:		
Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is capitalized and allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay expenditures are added back to fund balance	$809,445	
Amount charged to general and administrative	(1,448)	
Depreciation expense is not reportable in the governmental fund	(297,432)	510,565
Net Pension Liability is not a current liability, and therefore, governmental funds record pension expense as it is paid. However, in the Statement of Activities those costs are reversed as deferred outflows/(inflows) and an increase/(decrease) in net pension liability.		1,518,936
Other Post Employment Benefits payable is not a current liability, and therefore, is not recorded in the governmental fund statements. This amount represents the amount of the change in the payable and related deferred outflows/(inflows) in the current period.		1,345,253
The amounts below included in the Statement of Activities do not provide or (require) the use of current financial resources, and therefore, are not reported as revenue or expenditures in governmental fund statements. The net changes are as follows:		
Unearned revenue		237,258
Compensated absences		(19,444)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES		$4,505,846

See accompanying notes to financial statements

MARIN/SONOMA MOSQUITO AND VECTOR CONTROL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2022

	Budget Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Taxes and assessments:				
Assessments	$3,182,590	$3,182,590	$3,217,410	$34,820
Current secured	5,502,670	5,502,670	5,744,248	241,578
Current unsecured	142,190	142,190	143,442	1,252
Prior unsecured	3,260	3,260	4,692	1,432
Homeowners' property tax relief	28,290	28,290	27,260	(1,030)
Annexation revenue	1,039,630	1,039,630	1,009,937	(29,693)
Supplemental assessments	21,860	21,860	79,429	57,569
Other aid			180,299	180,299
Total taxes and assessments	9,920,490	9,920,490	10,406,717	486,227
Use of money and property:				
Interest income	92,380	92,380	23,918	(68,462)
Other revenues:				
Contract work	135,000	135,000	264,049	129,049
Refunds and reimbursements	15,000	15,000	40,261	25,261
Total other revenues	150,000	150,000	304,310	154,310
Total Revenues	10,162,870	10,162,870	10,734,945	572,075
EXPENDITURES				
Current:				
Employees' compensation				
Salaries and wages	4,203,763	4,196,687	4,007,172	189,515
MCERA contributions	1,176,998	1,155,018	1,128,904	26,114
Retiree Medical	273,315	286,963	276,354	10,609
Retirement Trust	343,000	343,000	343,000	
Employee benefits	847,752	820,843	721,947	98,896
Total employees' compensation	6,844,828	6,802,511	6,477,377	325,134
General and administrative:				
Materials and supplies	807,500	827,025	904,817	(77,792)
Equipment and tools	90,190	92,440	87,258	5,182
Maintenance and repair	172,369	194,494	143,482	51,012
Professional services	605,787	578,712	451,763	126,949
Other purchased services	883,344	897,165	852,222	44,943
Other expense	50,000	40,000	31,740	8,260
Capital Outlay				
Total general and administrative	2,609,190	2,629,836	2,471,282	158,554
Total Expenditures	9,454,018	9,432,347	8,948,659	483,688

(Continued)

MARIN/SONOMA MOSQUITO AND VECTOR CONTROL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2022

	Budget Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
OTHER FINANCING SOURCES (USES)				
Gain (loss) on investment in VCJPA			($64,301)	($64,301)
Transfers in (out)			(587,200)	(587,200)
Total other financing sources (uses)			(651,501)	(651,501)
NET CHANGE IN FUND BALANCE	$708,852	$730,523	1,134,785	$404,262
BEGINNING FUND BALANCE			15,459,085	
ENDING FUND BALANCE			$16,593,870	

See accompanying notes to financial statements

NOTE 1 – GENERAL

Formed in 1915, the Marin/Sonoma Mosquito and Vector Control District (District) is a California Special District empowered to take all necessary steps for the abatement of mosquito and other vectors such as yellow jackets and rats. The District is also empowered to abate as nuisances all standing water that produces mosquitoes. A twenty-four (24) member appointed Board of Trustees governs the District. As of June 30, 2022, there were three vacant seats.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the District conform with accounting principles generally accepted in the United States of America and are applicable to governments. The following is a summary of the significant policies.

A. Basis of Presentation

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

These Statements require that the following financial statements be presented:

District-wide Financial Statements: The District's financial statements reflect only its own activities; it has no component units (other government units overseen by the District). The Statement of Net Position and Statement of Activities include the financial activities of the overall District government. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues.

Governmental Fund Financial Statements: The fund financial statements provide information about the District's funds. Separate statements for each governmental fund are presented. The emphasis of fund financial statements is on major individual funds, each of which is displayed in a separate column.

The District reported the following major governmental funds in the accompanying financial statements:

General Fund – The General Fund is the main operating fund of the District. All financial resources, except those required to be accounted for in another fund, are accounted for in the General Fund.

Capital Replacement Fund – The Capital Replacement Fund is used to account for all capital purchases.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Accounting

The District-wide financial statements are reported using the *economic resources measurement focus* and the full *accrual basis* of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are *incurred*, regardless of when the related cash flows take place.

Governmental funds are reported using the *current financial resources* measurement focus and the *modified accrual* basis of accounting. Under this method, revenues are recognized when "measurable and available." The District considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as *expenditures* in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as *other financing sources*.

Those revenues susceptible to accrual are property taxes, certain charges for services and interest revenue.

Non-exchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include taxes, grants, entitlements, and donations. On the accrual basis, revenue from taxes is recognized in the fiscal year for which the taxes are levied or assessed. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The District may fund programs with a combination of cost-reimbursement grants and general revenues. Thus, both restricted and unrestricted net position may be available to finance program expenditures. The District's policy is to first apply restricted grant resources to such programs, followed by general revenues if necessary.

C. Property Taxes

Revenue is recognized in the fiscal year for which the tax and assessment is levied. The Counties of Marin and Sonoma levy, bill and collect property taxes and benefit assessments for the District; the Counties remit the entire amount levied and handle all delinquencies, retaining interest and penalties. Secured and unsecured property taxes are levied on January 1 of the preceding fiscal year.

Secured property tax is due in two installments, on November 1 and February 1, and becomes a lien on those dates. It becomes delinquent on December 10 and April 10, respectively. Unsecured property tax is due on July 1 and becomes delinquent on August 31.

The term "unsecured" refers to taxes on personal property other than real estate, land and buildings. These taxes are secured by liens on the personal property being taxed.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property tax revenue is recognized in the fiscal year for which the tax is levied. Marin and Sonoma Counties distribute property tax (termed "settlements") under the Teeter Plan, which allows the District to receive all property taxes in the year in which they are levied. The Counties retain any collections of interest, penalties and delinquencies under this plan. Sonoma County's Teeter Plan includes current year secured and supplemental ad valorem taxes but does not include any direct charges (benefit assessments) or unsecured taxes. A settlement apportionment for 95% of unsecured property taxes is received in October, with the remainder distributed in June. Secured property taxes are received in three settlements and apportioned as follows: 55% in December, 40% in April and 5% in June.

D. Budgets and Budgetary Accounting

The District follows the procedures established by the State of California for special districts in establishing the budgetary data reflected in the financial statements. During the year, the General Fund was the only fund for which a budget was required.

E. Inventory

Inventories consist primarily of pesticides and are stated at cost (first-in, first-out basis) and are recorded as expenditures at the time the inventory is consumed.

F. Compensated Absences

Accumulated unpaid employee vacation and compensated hours, are recognized as liabilities of the District to the extent they vest. Sick leave has also been included as employees receive 50% of their accumulated sick leave upon termination of employment. The liability is recorded in the Statement of Net Position. The General Fund has been used to liquidate compensated absences. At June 30, 2022, the balance of compensated absences was $561,454, of which $252,654 as estimated to be the current portion.

G. Use of Estimates

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America and, as such, include amounts based on informed estimates and judgments of management with consideration given to materiality. Actual results could differ from those amounts.

H. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position or balance sheet reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position or fund balance that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of net position or balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources,* represents an acquisition of net position or fund balance that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs are inputs – other than quoted prices included within level 1 – that are observable for an asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for an asset or liability.

If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

J. Lease Accounting

A lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles, and equipment. The District does not current have any leases that meet the definition under GASB 87.

NOTE 3 – CASH AND INVESTMENTS

A. Policies and Classification

California Law requires banks and savings and loan institutions to pledge government securities with a market value of 110% of the District's cash on deposit, or first trust deed mortgage notes with a market value of 150% of the deposit, as collateral for these deposits. Under California Law this collateral is held in a separate investment pool by another institution in the District's name and places the District ahead of general creditors of the institution. Deposits with JPA are reserves held by the Vector Control Joint Powers Agency (VCJPA) and are uncollateralized and uninsured (See Note 8).

The District's investments are carried at fair value, as required by generally accepted accounting principles. The District adjusts the carrying value of its investments to reflect their fair value at each fiscal year end, and it includes the effects of these adjustments in income for that fiscal year.

NOTE 3 – CASH AND INVESTMENTS (Continued)

The District's cash and investments consist of the following at June 30, 2022:

Cash on hand	$350
Deposits with financial institutions	127,940
County of Marin Treasury	14,726,957
Sub-total	14,855,247
Cash and investments held in Pension Trust	1,100,000
Deposits with VCJPA	796,574
Total cash and investments	$16,751,821

B. Permitted Investments

The District has authorized staff to deposit cash with the Marin County Treasurer in a series of pooled accounts with cash from various other governmental entities within the County, for investment purposes. The County's investment policies are governed by State statutes. In addition, the County has an investment committee, which prescribes written investment policies regarding the types of investments that may be made. The policies limit amounts that may be invested in any one financial institution or amounts, which may be invested in long-term instruments. Interest earned from such time deposits and investments is allocated quarterly to the District based on its average daily cash balances. The fair value of the account at June 30, 2022 was provided by the County Treasurer.

Authorized Investment Type	Maximum Maturity	Minimum Rating	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Investment Fund (LAIF)	N/A	N/A	None	$75 million
Certificates of Deposit - Negotiable	N/A	None	30%	None
Certificates of Deposit - Non-negotiable	None	None	None	None
Money Market Funds	N/A	Highest ranking	20%	10%
U.S. Treasury Obligations	None	None	None	None
U.S. Agency Obligations	None	None	None	None
U.S. Government Securities	None	None	None	None
California Local Agency Bonds, Notes & Warrants	None	None	None	None
Medium-term Notes	2 years	A	30%	None
County Cash Pool	3 years	AAA	None	5%
Bankers Acceptances	180 days	None	30%	None
Commercial Paper	270 days	A	40%	None
Repurchase Agreements	None	None	None	None

NOTE 3 – CASH AND INVESTMENTS (Continued)

C. Fair Value Hierarchy

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The District's only investment is in the County of Marin Treasury Pool which is classified as Level 2 of the fair value hierarchy and is valued using quoted prices for identical instruments in markets that are not active as provided by the County Treasurer. Fair value is defined as the quoted market value on the last trading day of the period. These prices are obtained from various pricing sources.

D. Credit Rate Risk

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. The District's only investments are Marin County Treasury Fund which not rated.

E. Credit Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value 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 invests in the Marin County Treasury (County), which sponsors an investment pool to invest funds of the County and external public entities, such as the District. The County's pool activity is governed by California Government Code Sections 27000.1 and 53607 as well as the County's Investment Policy, which delegate the County Treasurer to invest in securities issued by the United States, certain corporate bonds and notes, bankers' acceptances, certificates of deposit, commercial paper, repurchase agreements, the State of California Local Agency Investment Fund, and securities lending transactions. Participants' equity in the County's investment pool is determined by the dollar amount of participant deposits, adjusted for withdrawals and distributed investment income. Investment income is determined on an amortized cost basis. Interest payments, accrued interest, accreted discounts, amortized premiums, and realized capital gains and losses, net of administrative fees, are apportioned to pool participants every quarter.

NOTE 4 – CAPITAL ASSETS

Purchased capital assets are stated at historical cost or estimated historical cost when original cost is not available. Donated capital assets are recorded at their acquisition fair value at the date of donation. The District's policy is to capitalize all capital assets with costs exceeding a minimum threshold of $5,000. Depreciation is recorded using the straight-line method over the estimated useful lives of capital assets which range from 20 to 50 years for structures and improvements, 3 to 40 years for office equipment, 3 to 20 years for office furniture, 10 to 20 years for field equipment, and 5 to 15 years for vehicles.

Capital asset activity for the fiscal year ended June 30, 2022 was as follows:

	Balance June 30, 2021	Additions	Deletions & Adjustments	Balance June 30, 2022
Capital assets not being depreciated:				
Land	$675,000			$675,000
Construction in Progress		$124,054		124,054
Total capital assets not being depreciated	675,000	124,054		799,054
Capital assets being depreciated:				
Structures and improvements	6,845,481	60,414	$4,129	6,910,024
Office equipment	387,259			387,259
Office furniture	37,619			37,619
Field equipment	199,094			199,094
Vehicles	2,283,216	624,980	(300)	2,907,896
Total capital assets being depreciated	9,752,669	685,394	3,829	10,441,892
Accumulated depreciation:				
Structures and improvements	(2,834,385)	(161,585)	(5,927)	(3,001,897)
Office equipment	(308,633)	(13,261)		(321,894)
Office furniture	(37,619)			(37,619)
Field equipment	(122,256)	(10,910)	(20)	(133,186)
Vehicles	(1,979,880)	(111,676)	667	(2,090,889)
Total accumulated depreciation	(5,282,773)	(297,432)	(5,280)	(5,585,485)
Total capital assets, being depreciated, net	4,469,896	$387,962	(1,451)	4,856,407
Capital assets, net	$5,144,896			$5,655,461

NOTE 5 – NET POSITION AND FUND BALANCES

Net Position is measured on the full accrual basis while Fund Balances are measured on the modified accrual basis.

A. Net Position

Net Position is the excess of all the District's assets and deferred outflows over all its liabilities and deferred inflows, regardless of fund. Net Position is divided into three captions which is determined at the District-wide level, and is described below:

Net Investment in Capital Assets describes the portion of Net Position which is represented by the current net book value of the District's capital assets.

Restricted describes the portion of Net Position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the District cannot unilaterally alter.

Unrestricted describes the portion of Net Position which is not restricted to use.

B. Fund Balance

The District's fund balances are classified in accordance with Governmental Accounting Standards Board Statement Number 54 (GASB 54), *Fund Balance Reporting and Governmental Fund Type Definitions*, which requires the District to classify its fund balances based on spending constraints imposed on the use of resources. For programs with multiple funding sources, the District prioritizes and expends funds in the following order: Restricted, Committed, Assigned, and Unassigned. Each category in the following hierarchy is ranked according to the degree of spending constraint:

Nonspendables represents balances set aside to indicate items do not represent available, spendable resources even though they are a component of assets. Fund balances required to be maintained intact and assets not expected to be converted to cash, such as prepaids, notes receivable, and inventories are included. However, if proceeds realized from the sale or collection of nonspendable assets are restricted, committed or assigned, then Nonspendable amounts are required to be presented as a component of the applicable category.

Restricted fund balances have external restrictions imposed by creditors, grantors, contributors, laws, regulations, or enabling legislation which requires the resources to be used only for a specific purpose. Encumbrances and nonspendable amounts subject to restrictions are included along with spendable resources.

Committed fund balances have constraints imposed by formal action of the Board of Trustees which may be altered only by formal action of the Board of Trustees. Encumbrances and nonspendable amounts subject to Board commitments are included along with spendable resources.

NOTE 5 – FUND BALANCES AND NET ASSETS (Continued)

Assigned fund balances are amounts constrained by the District's intent to be used for a specific purpose but are neither restricted nor committed. Intent is expressed by the Board of Trustees or its designee and may be changed at the discretion of the Board of Trustees or its designee. This category includes encumbrances when it is the District's intent to use proceeds or collections for a specific purpose, and residual fund balances, if any, of the Capital Replacement Fund which have not been restricted or committed.

Unassigned fund balance represents residual amounts that have not been restricted, committed, or assigned. This includes the residual General Fund balance and residual fund deficits, if any, of other governmental funds.

NOTE 6 – PENSION PLANS

A. General Information about the Pension Plans

Plan Descriptions – The District contributes to the Marin County Employees' Retirement Association (MCERA). The MCERA provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and their beneficiaries. MCERA is a cost sharing multiple-employer plan administered by the County of Marin.

Benefits Provided – Employees hired before January 1, 2013 vest after 10 years of service and may receive retirement benefits at the age of 50. Employees hired on or after January 1, 2013 vest after 10 years of service and may receive retirement benefits at age 62. These benefit provisions and all requirements are by the County Employees' Retirement Law of 1937, as amended and set forth in Section 34150 et. seq. of the government code.

Employees Covered by Benefit Terms – Membership in the plan consisted of the following at the measurement date of June 30, 2021:

Active plan members	33
Inactive employees or beneficiaries currently receiving benefit payments	23
Inactive employees entitled to but not yet receiving benefit payments	2
Total	58

Copies of MCERA's annual financial reports, which include required supplementary information for each participant in the plan, may be obtained from the Marin County Employees' Retirement Association, One McInnis Parkway, Suite 100, San Rafael, California 94903.

NOTE 6 – PENSION PLANS (Continued)

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

	Miscellaneous	
	Tier 1 - Classic	Tier 2 - PEPRA
Hire date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2% @ 55.5	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50	52
Monthly benefits, as a % of eligible compensation	100%	100%
Required employee contribution rates	8.32% - 12.90%	10.75%
Required employer contribution rates	34.35%	27.78%

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 both Plans are determined annually on an actuarial basis as of June 30 by MCERA. 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.

For the year ended June 30, 2022, the contributions recognized as part of pension expense for the Plans were as follows:

	Miscellaneous
Contributions - employer	$1,128,094

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

As of June 30, 2022, the District reported its proportionate share of the net pension liability (asset) of each Plan as follows:

	Proportionate Share of Net Pension Liability (Asset)
Miscellaneous	($2,495,457)
Total Net Pension Liability (Asset)	($2,495,457)

NOTE 6 – PENSION PLANS (Continued)

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

	Miscellaneous
Proportion - June 30, 2020	1.5544%
Proportion - June 30, 2021	1.5366%
Change - Increase (Decrease)	-0.0178%

For the year ended June 30, 2022, the District recognized pension expense of $(1,518,936). At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$1,128,094	
Differences between actual and expected experience	283,021	
Changes in assumptions	388,082	
Difference between District contributions and proportionate share of contributions	28,602	$261,256
Change in proportion	793,504	441,602
Net differences between projected and actual earnings on plan investments		7,175,157
Total	$2,621,303	$7,878,015

$1,128,094 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 (asset) in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	Annual Amortization
2022	($1,607,436)
2023	(1,121,752)
2024	(1,643,709)
2025	(2,011,909)
Total	($6,384,806)

NOTE 6 – PENSION PLANS (Continued)

Actuarial Assumptions – The total pension liability as of June 30, 2021 was determined by an actuarial valuation as of June 30, 2021, using the following actuarial assumptions applied to all prior periods included in the measurement. The key assumptions in the valuation were:

	Miscellaneous
Measurement Date	June 30, 2021
Valuation Date	June 30, 2020
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Return on Assets	6.75%, net of investment expenses
Discount Rate	6.75%
Projected Salary Increase	3.0% plus merit component based on employee classification and years of service
Price Inflation	2.50%
Post Retirement COLA	Assumed at the rate of 2.5% for members with a 4% COLA cap, 2.4% for members with a 3% COLA cap, and 1.9% for members with a 2% COLA cap
Mortality	Mortality rates for Miscellaneous active members are based on the sex distinct Public General 2010 Employee Mortality Table, with generational mortality improvements projected from 2010 using Projection Scale MP-2020, with no adjustments. Mortality rates for Miscellaneous retired members are based on the sex distinct Public General 2010 Healthy Retiree Mortality Table, with generational mortality improvements projected from 2010 using Projection Scale MP-2020, with no adjustments.

Discount Rate – The discount rate used to measure the Total Pension Liability was 6.75%.

We have assumed that the employees will continue to contribute to the Plan at the required rates and the employers will continue the historical and legally required practice of contributing to the Plan based on an actuarially determined contribution, reflecting a payment equal to annual Normal Cost, a portion of the expected Administrative Expenses, an amortization payment for the extraordinary losses from 2009 amortized over a closed period (21 years remaining as of the June 30, 2017 actuarial valuation) and an amount necessary to amortize the remaining Unfunded Actuarial Liability as a level percentage of payroll over a closed period (20 years remaining as of the June 30, 2017 actuarial valuation).

NOTE 6 – PENSION PLANS (Continued)

The MCERA Board of Retirement has adopted an Investment Policy Statement (IPS), which provides the framework for the management of MCERA's investments. The IPS establishes MCERA's investment objectives and defines the principal duties of the Retirement Board, the custodian bank, and the investment managers. The asset allocation plan is an integral part of the IPS and is designed to provide an optimum and diversified mix of asset classes with return expectations to satisfy expected liabilities while minimizing risk exposure. MCERA currently employs external investment managers to manage its assets subject to the provisions of the policy. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the Plan. The following was the Retirement Board's adopted asset allocation policy as of June 30, 2022:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	32%	4.60%
International Equity	22%	4.80%
Fixed Income	23%	0.25%
Public Real Assets	7%	2.90%
Real Estate	8%	3.75%
Private Equity	8%	6.00%
Total	100%	

Sensitivity of the Proportionate Share of the Net pension liability (asset) to Changes in the Discount Rate – The discount rate used to measure the Total Pension Liability was 7.00%. Related to the discount rate is the funding assumption that employees will continue to contribute to the plan at the required rates and employers will continue the historical and legally required practice of contributing to the plan based on an actuarially determined contribution, reflecting a payment equal to annual normal cost, a portion of the expected administrative expenses, an amortization payment for the extraordinary losses from 2009 amortized over a closed period (21 years remaining as of the June 30, 2017 actuarial valuation) and an amount necessary to amortize the remaining Unfunded Actuarial Liability as a level percentage of payroll over a closed period (13 years remaining as of the June 30, 2017 actuarial valuation).

A change in the discount rate would affect the measurement of the TPL. A lower discount rate results in a higher TPL and higher discount rates results in a lower TPL. Because the discount rate does not affect the measurement of assets, the percentage change in the NPL can be very significant for a relatively small change in the discount rate. A one percent decrease in the discount rate increases the TPL by approximately 13% and increases the NPL by approximately 96%. A one percent increase in the discount rate decreases the TPL by approximately 11% and decreases the NPL by approximately 79%.

NOTE 6 – PENSION PLANS (Continued)

The following presents the District's proportionate share of the net pension liability (asset) for each Plan, calculated using the discount rate for each Plan, as well as what the District's proportionate share of the net pension liability (asset) 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:

	1% Decrease 5.75%	Discount Rate 6.75%	1% Increase 7.75%
Total Pension Liability	$56,140,246	$49,680,108	$44,360,145
Fiduciary Net Position	52,175,565	52,175,565	52,175,565
Net Pension Liability (Asset)	$3,964,681	($2,495,457)	($7,815,420)

Pension Plan Fiduciary Net Position – Detailed information about each pension plan's fiduciary net position is available in the separately issued MCERA financial reports.

C. Section 115 Pension Trust Fund

During the year, the District established a Section 115 irrevocable trust with the California Employers' Pension Prefunding Trust (CEPPT) fund. The Trust Account allows more control and flexibility in investment allocations compared to the District's portfolio, which is restricted by State regulations to fixed income instruments. During the fiscal year ended June 30, 2022, the District contributed $1,100,000 to the CEPPT account. As of June 30, 2022, the Authority reported the account balance of $1,100,000 as restricted investments in the General Fund. In addition, $1,100,000 million of the General Fund's fund balance is reported as Committed to pension funding.

NOTE 7 – OTHER POST EMPLOYMENT BENEFITS

A. Plan Description, Benefits Provided and Funding Policy

The District's Post Employment Benefit Plan is an agent multiple employer plan. The following is a summary of Plan benefits as of June 30, 2022:

	Benefit Summary
Eligibility	-Hired July 30, 2014 or earlier: -Retire directly from the District under Marin County Employees' Retirement Association (Service Retirement at Age 50 or 55 depending on Retirement Tier with 10 years MCERA service or disability -10 years of District Service -Hired after July 30, 2014: -Not eligible for District payment of retiree medical premiums
Benefit	-Hired July 30, 2014 or earlier: -District pays the full medical and Medicare B premiums for retirees -For retirees hired prior to July 1, 2009, the District also pays the premium for 1 dependent -Hired after July 30, 2014: -No District contributions towards retiree medical premiums, but may participate in District medical plans if pays premium '-Eligible for Health Reimbursement Account (HRA) contributions after 2 years of service with the District
Surviving Spouse Benefit	-Premium paid for those hired prior to July 1, 2009 -Same benefit continues to surviving spouse
Dental, Vision, & Life	-None
Medical Plans	-County of Marin Medical Plans

The District's policy is to contribute the full Actuarially Determined Contribution (ADC). The District began making contributions to a CERBT trust during fiscal year 2014-2015.

Membership in the plan consisted of the following at June 30, 2022, the date of the latest actuarial valuation:

Active plan members	21
Inactive employees or beneficiaries currently receiving benefit payments	21
Inactive employees entitled to but not yet receiving benefit payments	
Total	42

NOTE 7 – OTHER POSTEMPLOYMENT BENEFITS (Continued)

B. *Net OPEB Liability (Asset)*

Actuarial Methods and Assumptions – The District's net OPEB liability (asset) was measured as of June 30, 2021 and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation dated July 1, 2020 that was rolled forward using standard update procedures to determine the District's total OPEB liability as of June 30, 2021, based on the following actuarial methods and assumptions:

	Actuarial Assumptions
Valuation Date	July 1, 2021
Measurement Date	June 30, 2021
Actuarial Assumptions:	
Discount Rate	6.25%
Expected Rate of Return on Assets	6.25%
Inflation	2.5% per year
Payroll Growth	Aggregate - 2.75% annually Merit - MCERA 2017-2020 Experience Study
Mortality, Termination, Service Retirement, Disability	MCERA 2017-2020 Experience Study
Mortality Improvement	Mortality projected fully generational with Scale MP-2020
Medical Trend	- Non-Medicare - 6.5% for 2023, decreasing to an ultimate rate of 3.75% in 2076 - Medicare (Non-Kaiser) 5.65% for 2023, decreasing to an ultimate rate of 3.75% in 2076 - Medicare (Kaiser) - 460% for 2023, decreasing to an ultimate rate of 3.75% in 2076
Medicare B Trend	4.85% for 2022, Medicare medical trend in 2023 and later years
Participation for future retirees	- Hired 7/30/14 or earlier: 100% - Hired after 7/30/14: Ineligible

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

NOTE 7 – OTHER POSTEMPLOYMENT BENEFITS (Continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	59%	4.56%
Fixed Income	25%	0.78%
Treasury Inflation-Protected Securities	5%	-0.08%
Commodities	3%	1.22%
REITs	8%	4.06%
Total	100%	
Assumed Long-Term Rate of Inflation		2.50%
Margin for Adverse Deviation		0.25%
Assumed Long-Term Net Rate of Return, Rounded		6.25%

The Expected Long-Term Rate of Return is provided by CalPERS' Strategic Asset Allocation Overview in August 2011 – Strategy 1.

Discount Rate

The discount rate used to measure the total OPEB liability was 6.250%. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

C. *Change in Net OPEB Liability (Asset)*

	Increase (Decrease)		
	Total OPEB Liability (a)	**Plan Fiduciary Net Position (b)**	**Net OPEB Liability/(Asset) (c) = (a) - (b)**
Balance at June 30, 2021	$9,748,000	$4,170,000	$5,578,000
Changes Recognized for the Measurement Period:			
Service Cost	191,000	-	191,000
Interest on the total OPEB liability	637,000	-	637,000
Changes in benefit terms	-	-	-
Difference between expected and actual experience	(1,575,000)	-	(1,575,000)
Changes of assumptions	(913,000)	-	(913,000)
Contributions from the employer	-	3,052,000	(3,052,000)
Net investment income	-	1,498,000	(1,498,000)
Administrative expenses	-	(2,000)	2,000
Benefit payments and refunds	(271,000)	(271,000)	-
Net Changes	(1,931,000)	4,277,000	(6,208,000)
Balance at June 30, 2022 (6/30/21 measurement date)	$7,817,000	$8,447,000	($630,000)

The benefit payments and refunds include implied subsidy benefit payments in the amount of $56,000.

NOTE 7 – OTHER POSTEMPLOYMENT BENEFITS (Continued)

D. Sensitivity of the Net OPEB Liability (Asset) to Change in the Discount Rate

The following presents the net OPEB liability (asset) of the District, as well as what the District's net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.25%) or 1-percentage-point higher (7.25%) than the current discount rate:

Plan's Net OPEB Liability/(Asset)		
Discount Rate -1% (5.25%)	**Current Discount Rate (6.25%)**	**Discount Rate +1% (7.25%)**
$443,000	($630,000)	($1,518,000)

E. Sensitivity of the Net OPEB Liability (Asset) to Changes in the Health Care Cost Trend Rates

Plan's Net OPEB Liability/(Asset)		
Decrease -1%	**Current Healthcare Cost Trend Rates**	**Increase Rate +1%**
($1,598,000)	($630,000)	$547,000

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued plan financial report.

F. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB

For the year ended June 30, 2022, the District recognized OPEB expense of $(1,345,253). At June 30, 2022, the District reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Employer contributions made subsequent to the measurement date	$653,000	
Difference between expected and actual experience	-	$2,287,000
Changes in assumptions	210,000	839,000
Net difference between projected and actual earnings on plan investments		839,000 -
Total	$863,000	$3,965,000

NOTE 7 – OTHER POSTEMPLOYMENT BENEFITS (Continued)

$653,000 reported as deferred outflows of resources related to employer contributions made subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (asset) in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as future OPEB expense as follows:

Measurement Period Ended June 30	Annual Amortization
2023	($1,153,000)
2024	(1,189,000)
2025	(906,000)
2026	(507,000)
2027	-
Total	($3,755,000)

G. *Deferred Compensation Plan*

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is available for full-time employees. The Internal Revenue Services regulations allow an employer to designate a 457(b) Deferred Compensation Plan as an alternative to social security. The plan permits employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. However, participants are allowed to borrow against their account value, up to 50%.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights (until paid or made available to the employee or other beneficiary) are held in trust by third party administrators for the exclusive benefit of the plan participants and their beneficiaries as prescribed by Internal Revenue Code Section 457 (g). Accordingly, these assets have been excluded from the accompanying financial statements.

NOTE 8 – RISK MANAGEMENT

The District participates with other public entities in a joint venture under a joint powers agreement which established the Vector Control Joint Powers Agency (VCJPA) which is a workers' compensation and general liability risk pool. The relationship between the District and VCJPA is such that VCJPA is not a component unit of the District for financial reporting purposes. The District reports all of its risk management activities in its VCJPA Fund. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Should there be a need for a retrospective adjustment due to adverse claim activity, the District may be assessed additional premiums.

The VCJPA is a consortium of thirty-five (35) mosquito abatement or vector control districts in the State of California. It was established under the provisions of California Government Code section 6500 et seq. The VCJPA is governed by a Board of Directors, which meets four times per year, consisting of one member from each of the four regions as well as two trustees of the Mosquito and Vector Control Association of California (MVCAC). A risk management group employed by the VCJPA handles the day-to-day business.

NOTE 8 – RISK MANAGEMENT (Continued)

The following is a summary of the insurance policies in force carried by the Authority as of June 30, 2022:

Type of Coverage	District Limits	District Deductibles
General Liability	$29,500,000	$1,000,000
Employment Practices	3,000,000	25,000
Workers' Compensation	Statutory	500,000
Boiler and Machinery	100,000,000	10,000 to 350,000
All-risk Property	400,000,000	25,000
Auto Physical Damage (per vehicle)	50,000	1,000
Business Travel Accident	150,000	None
Group Fidelity	1,000,000	2,500
Alliant Deadly Weapon Response	500,000	10,000

As defined by Government Accounting Standards Board (GASB) Statement 10, the Vector Control Joint Powers Agency is “a claims servicing or account pool.” VCJPA manages separate accounts for each pool member from whom losses and expenses of that member are paid, up to the retention limit. VCJPA purchases commercial excess insurance. The annual assessment of each member includes allocation for loss payments, expenses and excess insurance premiums.

Annually, VCJPA evaluates the assets of each pool member in comparison with expected future liabilities. The “financial risk position” of each member is determined by subtracting case reserves, claims incurred but not reported amounts and claim development from members’ deposit balances. If a negative risk position is found, a supplemental amount is added to the member’s annual assessment.

In accordance with GASB 10, the District has recorded its deposit with VCJPA as an asset at June 30, 2022. The District had no claims losses outstanding at June 30, 2022. Settled claims for the District have not exceeded coverage in any of the past three years.

The District has reserves of $796,574 on deposit with VCJPA for member contingencies to cover the District’s self-insured retentions (SIR) for two claims in each type of coverage. The VCJPA has also purchased insurance to cover catastrophic losses.

Financial statements may be obtained from Vector Control Joint Powers Agency, 1750 Creekside Oaks Drive, Suite 200, Sacramento, California 95833.

REQUIRED SUPPLEMENTARY INFORMATION

MARIN/SONOMA MOSQUITO & VECTOR CONTROL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability (Asset)
Last 10 years*

Measurement Date	**6/30/2014**	**6/30/2015**	**6/30/2016**	**6/30/2017**	**6/30/2018**	**6/30/2019**	**6/30/2020**	**6/30/2021**
District's proportionate share	1.3670%	1.0675%	1.1722%	1.2260%	1.5506%	1.1125%	1.5544%	1.5366%
Proportionate share of total pension liability	$30,836,408	$26,359,459	$30,203,230	$32,918,302	$43,908,650	$32,908,754	$47,925,548	$49,680,108
Proportionate share of fiduciary net position	27,458,012	22,224,119	24,600,929	28,397,350	38,787,052	28,840,290	40,807,894	52,175,565
Proportionate share of the net pension liability (asset)	$3,378,396	$4,135,340	$5,602,301	$4,520,952	$5,121,598	$4,068,464	$7,117,654	($2,495,457)
Plan fiduciary net position as a percentage of the total pension liability (asset)	89.04%	84.31%	81.45%	86.27%	88.34%	87.64%	85.15%	105.02%
Covered payroll	$3,105,278	$2,845,790	$2,856,069	$2,965,789	$3,051,566	$3,265,466	$3,405,838	$3,398,039
Net pension liability (asset) as a percentage of covered payroll	108.80%	145.31%	196.15%	152.44%	167.84%	124.59%	208.98%	-73.44%

* Historical information is required only for the measurement periods for which GASB 68 is applicable.

MARIN/SONOMA MOSQUITO & VECTOR CONTROL DISTRICT
Cost-Sharing Multiple Employer Defined Benefit Retirement Plan
Last 10 Years*
SCHEDULE OF CONTRIBUTIONS

	Fiscal Year 2014 - 2015	Fiscal Year 2015 - 2016	Fiscal Year 2016 - 2017	Fiscal Year 2017 - 2018	Fiscal Year 2018 - 2019	Fiscal Year 2019 - 2020	Fiscal Year 2020 - 2021	Fiscal Year 2021 - 2022
Actuarially determined contribution	$856,583	$968,417	$994,927	$1,041,782	$990,343	$981,142	$1,016,367	$1,128,094
Contributions in relation to the actuarially determined contributions	856,583	968,417	994,927	1,041,782	990,343	981,142	1,016,367	1,128,094
Contribution deficiency (excess)	$0	$0	$0	$0	$0	$0	$0	$0
Covered payroll	$2,845,790	$2,856,069	$2,965,789	$3,051,566	$3,265,466	$3,405,838	$3,398,039	$3,541,729
Contributions as a percentage of covered payroll	30.10%	33.91%	33.55%	34.14%	30.33%	28.81%	29.91%	31.85%

* Historical information is required only for the measurement periods for which GASB 68 is applicable.

MARIN/SONOMA MOSQUITO AND VECTOR CONTROL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION (Unaudited)
SCHEDULE OF CHANGES IN NET OPEB LIABILITY (ASSET) AND RELATED RATIOS
For the Year Ended June 30, 2022

Last Ten Fiscal Years *

Other Post-Employment Benefits (OPEB)

Measurement date	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021
Total OPEB liability						
Service cost	$213,000	$212,000	$247,000	$237,000	$199,000	$191,000
Interest	618,000	659,000	672,000	711,000	614,000	637,000
Differences between expected and actual experience	-	(1,109,000)	-	(2,057,000)	-	(1,575,000)
Assumption changes	-	1,380,000	-	(73,000)	(160,000)	(913,000)
Benefit payments, including refunds of employee contributions	(248,000)	(246,000)	(282,000)	(298,000)	(288,000)	(271,000)
Net change in total OPEB liability	583,000	896,000	637,000	(1,480,000)	365,000	(1,931,000)
Total OPEB liability - beginning	8,747,000	9,330,000	10,226,000	10,863,000	9,383,000	9,748,000
Total OPEB liability - ending (a)	$9,330,000	$10,226,000	$10,863,000	$9,383,000	$9,748,000	$7,817,000
OPEB fiduciary net position						
Contributions - employer	$417,000	$624,000	$636,000	$2,355,000	$955,000	$3,052,000
Net investment income	3,000	56,000	79,000	153,000	138,000	1,498,000
Benefit payments, including refunds of employee contributions	(248,000)	(246,000)	(282,000)	(298,000)	(288,000)	(271,000)
Administrative expense	-	-	(2,000)	-	(2,000)	(2,000)
Net change in plan fiduciary net position	172,000	434,000	431,000	2,210,000	803,000	4,277,000
Plan fiduciary net position - beginning	120,000	292,000	726,000	1,157,000	3,367,000	4,170,000
Plan fiduciary net position - ending (b)	$292,000	$726,000	$1,157,000	$3,367,000	$4,170,000	$8,447,000
Plan net OPEB liability (asset) - ending (a) - (b)	$9,038,000	$9,500,000	$9,706,000	$6,016,000	$5,578,000	($630,000)
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	3.13%	7.10%	10.65%	35.88%	42.78%	108.06%
Covered payroll	$2,709,398	$2,747,596	$2,699,763	$2,053,078	$2,824,492	$2,711,878
Plan net OPEB liability (asset) as a percentage of covered payroll	333.58%	345.76%	359.51%	293.02%	197.49%	-23.23%

* Historical information is required only for the measurement periods for which GASB 75 is applicable.

MARIN/SONOMA MOSQUITO AND VECTOR CONTROL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION (Unaudited)
SCHEDULE OF CONTRIBUTIONS
For the Year Ended June 30, 2022

Last Ten Fiscal Years *

Other Post-Employment Benefits (OPEB)

Fiscal Year	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Actuarially determined contribution	$817,000	$857,000	$1,081,000	$950,000	$712,000	$705,000
Contributions in relation to the actuarially determined contribution	624,000	635,651	2,355,304	955,293	3,051,747	653,000
Contribution deficiency (excess)	$193,000	$221,349	($1,274,304)	($5,293)	($2,339,747)	$52,000
Covered payroll	$2,747,596	$2,699,763	$2,053,078	$2,824,492	$2,711,878	$2,425,568
Contributions as a percentage of covered payroll	22.71%	23.54%	114.72%	33.82%	112.53%	26.92%

* GASB 75 requires this information for plans funding with OPEB trusts be reported in the employer's Required Supplementary Information for 10 years or as many years as are available upon implementation.

Notes to Schedule:

Methods and assumptions used to determine contribution rates:

Valuation Date	July 1, 2019
Actuarial Cost Method	Entry Age Normal, Level Percentage of Payroll
Amortization Method	Level dollar
Remaining Amortization	19-year fixed period for 2021/22
Asset Valuation Method	Market value of assets
Discount Rate	6.50%
General Inflation	2.75%
Medical Trend	- Non-Medicare - 7.25% for 2021, decreasing to an ultimate rate of 4.0% in 2076 - Medicare - 6.3% for 2021, decreasing to an ultimate rate of 4.0% in 2076
Mortality	MCERA 2014-2017 Experience Study
Mortality Improvement	Mortality projected fully generational with Scale MP-2018

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