



**Shasta Mosquito and  
Vector Control District  
Annual Financial Report  
For the Fiscal Year Ended June 30, 2021**



## **Our Mission Statement**

***“To protect the public’s health from vector-borne disease and nuisance, through a comprehensive mosquito and vector control program focused on innovation, experience and efficiency”.***

### Board of Trustees as of June 30, 2021

<u>Name</u>	<u>Area Represented</u>	<u>Title</u>	<u>Term Expiration</u>
<b>Philip Cramer</b>	<b>City of Redding</b>	<b>President</b>	<b>12/31/2022</b>
<b>Dave Maron</b>	<b>Shasta County</b>	<b>Vice President</b>	<b>12/31/2024</b>
<b>Ann Morningstar</b>	<b>City of Shasta Lake</b>	<b>Secretary</b>	<b>12/31/2022</b>
<b>Benjamin Hanna</b>	<b>Shasta County</b>	<b>Trustee</b>	<b>12/31/2024</b>
<b>Vacant</b>	<b>City of Anderson</b>	<b>Vacant</b>	<b>Vacant</b>

**Shasta Mosquito and Vector Control District**  
**Peter Bonkrude, MS, District Manager**  
**19200 Latona Road**  
**Anderson, CA 96007 • (530) 365-3768**  
**[www.shastamosquito.org](http://www.shastamosquito.org)**

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**Annual Financial Report**  
**For the Fiscal Year Ended June 30, 2021**

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# **Financial Section**





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## Independent Auditor's Report

Board of Trustees  
Shasta Mosquito and Vector Control District  
Anderson, California

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities of the Shasta Mosquito and Vector Control District (District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

#### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the State Controller's Minimum Audit Requirements for California Special Districts. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

#### *Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Shasta Mosquito and Vector Control District as of June 30, 2021, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## Independent Auditor's Report, continued

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 7, and the required supplementary information on pages 44 through 50, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated June 20, 2022, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance, and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance. This report can be found on pages 51 and 52.

*Fedak & Brown LLP*

**Fedak & Brown LLP**

Cypress, California

June 20, 2022



**Shasta Mosquito and Vector Control District**  
*Management's Discussion and Analysis*  
**For the Fiscal Year Ended June 30, 2021**

The following Management's Discussion and Analysis (MD&A) of activities and financial performance of the Shasta Mosquito and Vector Control District (District), provides an introduction to the financial statements of the District for the fiscal year ended June 30, 2021. We encourage readers to consider the information presented here with additional information that we have furnished in the accompanying basic financial statements and related notes, which follow this section.

**Financial Highlights**

- In 2021, the District's net position increased 46.72% or \$643,900 to \$2,022,205.
- In 2021, total revenues from all sources increased 8.88% or \$257,007 to \$3,151,193.
- In 2021, total expenses decreased 18.69%, or \$576,294 to \$2,507,293.

**Using This Financial Report**

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities and performance of the District using accounting methods similar to those used by private sector companies.

The Statement of Net Position includes all of the District's investments in resources (assets), deferred outflows of resources, the obligations to creditors (liabilities), and deferred inflows of resources. They also provide the basis for computing a rate of return, evaluating the capital structure of the District, and assessing the liquidity and financial flexibility of the District. All of the year's revenues and expenses are accounted for in the Statement of Activities. This statement measures the success of the District's operations over the past year and can be used to determine the District's net operating reserves and credit worthiness.

**District Activities**

Formed in 1919, the District is a special district charged with the mission "To protect the public's health from vector-borne disease and nuisance, through a comprehensive mosquito and vector control program focused on innovation, experience and efficiency." The District serves 1,110 square miles of Shasta County including; Cottonwood, Anderson, Redding, Shasta Lake City, Palo Cedro, French Gulch, Igo, Ono, Shingletown, Castella, Millville, Viola and Bella Vista.

The District is an independent special district, organized to control and/or provide educational information and surveillance for vector like mosquitoes, ticks, and rodents. The District serves an area of approximately 1,100 square miles and 135,000 residents. The District utilizes an integrated vector management approach consisting of surveillance, sanitation, education and judicious use of insecticides and rodenticides. The District also has a public education responsibility that serves the District's residences and provides technical support to other public service agencies.

The District is a public health agency. By utilizing the most efficient, reliable, and scientifically sound mosquito and vector control techniques, the District is able to reduce current mosquito and vector-borne disease issues while maintaining surveillance for future emerging diseases.

The District's mission is primarily to suppress mosquito-transmitted disease and to also reduce the annoyance levels of mosquitoes and diseases associated with ticks, fleas, and other vectors through environmentally compatible control practices and public education.

**Shasta Mosquito and Vector Control District**  
**Management's Discussion and Analysis, continued**  
**For the Fiscal Year Ended June 30, 2021**

**Government-wide Financial Statements**

**Statement of Net Position and Statement of Activities**

One of the most important questions asked about the District's finances is, "Is the District better off or worse off as a result of this year's activities?" The Statement of Net Position and the Statement of Activities report information about the District in a way that helps answer this question. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the *accrual basis of accounting*, which is similar to the accounting used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

These two statements report the District's *net position* and changes in it. Think of the District's net position – the difference between assets and deferred outflows of resources, less liabilities and deferred inflows of resources – as one way to measure the District's financial health, or *financial position*. Over time, *increases or decreases* in the District's net position are one indicator of whether its *financial health* is improving or deteriorating. You will need to consider other non-financial factors, such as changes in the District's property tax and assessment base to assess the *overall health* of the District.

**Governmental Fund Financial Statements**

**Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance**

*Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

**Fiduciary Fund Financial Statements**

**Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position**

The District is the trustee, or fiduciary, for its CalPERS California Employers' Retiree Benefit Trust (CERBT) Fund (Fiduciary Fund). The Fiduciary Fund is a Section 115 trust fund that was solely setup to prefund Other Post-Employment Benefits (OPEB) for all its retirees and/or their beneficiaries. The Fiduciary Fund is legally protected from creditors of the District and CalPERS. Also, plan assets in the Fiduciary Fund may only be used to provide OPEB benefits to plan members in accordance with the plan's benefit terms.

All of the District's fiduciary activities are reported in the separate Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position on pages 16 and 17. The District excludes these activities from its other financial statements because the District cannot use these assets to finance its operations. The District is responsible for ensuring that the assets reported in these funds are used for their intended purpose.

**Shasta Mosquito and Vector Control District**  
**Management's Discussion and Analysis, continued**  
**For the Fiscal Year Ended June 30, 2021**

**Notes to the Basic Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 18 through 43.

**Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources of the District exceeded liabilities and deferred inflows of resources by \$2,022,205 as of June 30, 2021.

A large portion of the District's net position (57.47% or \$1,162,148), reflects its investment in capital assets (net of accumulated depreciation) less any debt used to acquire those assets that are still outstanding. The District uses these capital assets for operations; consequently, these assets are *not* available for future spending. At the end of fiscal year 2021, the District reflected a positive balance in its unrestricted net position of \$860,057 that may be utilized in future years. (See note 10 for further information)

**Condensed Statements of Net Position**

	<u>2021</u>	<u>2020</u>	<u>Change</u>
<b>Assets:</b>			
Current assets	\$ 3,639,009	3,289,700	349,309
Non-current assets	<u>1,162,148</u>	<u>1,129,470</u>	<u>32,678</u>
<b>Total assets</b>	<u>4,801,157</u>	<u>4,419,170</u>	<u>381,987</u>
<b>Deferred outflows of resources</b>	<u>672,257</u>	<u>375,891</u>	<u>296,366</u>
<b>Liabilities:</b>			
Current liabilities	171,874	116,354	55,520
Non-current liabilities	<u>3,028,008</u>	<u>2,964,805</u>	<u>63,203</u>
<b>Total liabilities</b>	<u>3,199,882</u>	<u>3,081,159</u>	<u>118,723</u>
<b>Deferred inflows of resources</b>	<u>251,327</u>	<u>335,597</u>	<u>(84,270)</u>
<b>Net position:</b>			
Net investment in capital assets	1,162,148	1,129,470	32,678
Unrestricted	<u>860,057</u>	<u>248,835</u>	<u>611,222</u>
<b>Total net position</b>	<u>\$ 2,022,205</u>	<u>1,378,305</u>	<u>643,900</u>

The statement of activities (see next page) shows how the District's net position changed during the fiscal year. In the case of the District, net position increased 46.72% or \$643,900 to \$2,022,205, which is comprised of an increase from ongoing operations.

The District's total revenues from all sources increased 8.88% or \$257,007 to \$3,151,193. Program revenues increased \$56,741, primarily due to the receipt of property assessments. General revenues increased \$200,266, primarily due to increases of \$79,006 in property taxes, \$38,235 in gain on sale of capital assets, and \$45,797 in other revenues consisting of insurance proceeds from Vector Control Joint Powers Authority.

**Shasta Mosquito and Vector Control District**  
**Management's Discussion and Analysis, continued**  
**For the Fiscal Year Ended June 30, 2021**

**Government-wide Financial Analysis, continued**

The District's total expenses decreased 18.69%, or \$576,294 to \$2,507,293, primarily due to decreases of \$601,435 in pension and OPEB actuarial adjustments recorded under salaries and benefits, which was offset by an increase of \$25,141 in other expenses consisting of services, materials and supplies, utilities, and depreciation.

**Condensed Statements of Activities**

	<u>2021</u>	<u>2020</u>	<u>Change</u>
<b>Expenses:</b>			
Mosquito and vector control	\$ 2,507,293	3,083,587	(576,294)
<b>Total expenses</b>	<u>2,507,293</u>	<u>3,083,587</u>	<u>(576,294)</u>
<b>Program revenues</b>	1,510,850	1,454,109	56,741
<b>General revenues</b>	<u>1,640,343</u>	<u>1,440,077</u>	<u>200,266</u>
<b>Total revenues</b>	<u>3,151,193</u>	<u>2,894,186</u>	<u>257,007</u>
<b>Changes in net position</b>	643,900	(189,401)	833,301
<b>Net position, beginning of year</b>	<u>1,378,305</u>	<u>1,567,706</u>	<u>(189,401)</u>
<b>Net position, end of year</b>	<u>\$ 2,022,205</u>	<u>1,378,305</u>	<u>643,900</u>

**Governmental Funds Financial Analysis**

The focus of the District's *governmental funds* is to provide information on near-term inflows, outflows, and balance of *spendable* resources. Such information is useful in assessing the District's financing requirements. In particular, the *unreserved fund balance* may serve as a useful measure of the government's net resource for spending at the end of the fiscal year.

As of June 30, 2021, the District's General Fund reported a fund balance of \$3,467,135. The amount of \$2,434,812 constitutes unassigned fund balance which is available for future District operations. The amount of \$932,000 constitutes committed fund balance that are reserved for specific uses and require Board approval for access. These committed funds include: Public Health Emergency, Pension liability, Fixed Asset, IT Replacement, Facility Improvement (Building and Facilities), and a Revenue Stabilization Fund. The remaining fund balance of \$100,323 is not available for future spending because it has already been used to pay for materials and supplies inventory.

**General Fund Budgetary Highlights**

The final actual expenditures for the General Fund at year-end were \$181,434 less than budgeted. The variance is due primarily to salaries and benefits of \$103,918, materials and supplies of \$59,303, and services of \$33,430 being less than the anticipated budget. Actual revenues were greater than the anticipated budget by \$193,514. (See Budgetary Comparison Schedule – General Fund under Required Supplementary Information section on pages 44 through 45)

**Shasta Mosquito and Vector Control District**  
**Management's Discussion and Analysis, continued**  
**For the Fiscal Year Ended June 30, 2021**

**Capital Asset Administration**

The change in capital assets for 2021, was as follows:

	<u>Balance</u> <u>2020</u>	<u>Additions</u>	<u>Deletions/ Transfers</u>	<u>Balance</u> <u>2021</u>
Non-depreciable assets	\$ 51,273	-	-	51,273
Depreciable assets	2,932,082	139,293	(119,460)	2,951,915
Accumulated depreciation	<u>(1,853,885)</u>	<u>(106,615)</u>	<u>119,460</u>	<u>(1,841,040)</u>
Total capital assets, net	<u>\$ 1,129,470</u>	<u>32,678</u>	<u>-</u>	<u>1,162,148</u>

The District's investment in capital assets (net of accumulated depreciation) amounted to \$1,162,148. This investment in capital assets includes buildings and improvements, vehicles, and furniture and equipment. Capital asset additions during the year included District vehicle and equipment purchases totaling \$139,293. See note 3 for further information.

**Debt Administration**

The change in long-term debt for 2021, was as follows:

	<u>Balance</u> <u>2020</u>	<u>Additions</u>	<u>Principal Payments</u>	<u>Balance</u> <u>2021</u>
Long-term debt:				
Loan payable	\$ <u>164,931</u>	<u>-</u>	<u>(18,385)</u>	<u>146,546</u>
Total long-term debt	<u>\$ 164,931</u>	<u>-</u>	<u>(18,385)</u>	<u>146,546</u>

The District's long term debt decreased \$18,385, primarily due to principal payments. See note 6 for further information.

**Conditions Affecting Current Financial Position**

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of businesses. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings. However, the related financial impact on the District and the duration cannot be estimated at this time.

Management is unaware of any other conditions, which could have a significant impact on the District's current financial position, net position, or operating results in terms of past, present, and future.

**Requests for Information**

The financial report is designed to provide the District's present users with a general overview of the District's basic finances and to demonstrate the District's accountability with an overview of the District's financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional information, please contact the District Manager, Peter Bonkrude, at the Shasta Mosquito and Vector Control District, 19200 Latona Road, Anderson, CA 96007 or (530) 365-3768.

# **Basic Financial Statements**

**Shasta Mosquito and Vector Control District**  
**Statement of Net Position**  
**June 30, 2021**

	<b>2021</b>
<b>Current assets:</b>	
Cash and cash equivalents (note 2)	\$ 3,527,603
Accounts receivable	11,083
Inventory	100,323
<b>Total current assets</b>	<b>3,639,009</b>
<b>Non-current assets:</b>	
Capital assets, not being depreciated (note 3)	51,273
Capital assets, being depreciated (note 3)	1,110,875
<b>Total non-current assets</b>	<b>1,162,148</b>
<b>Total assets</b>	<b>4,801,157</b>
<b>Deferred outflows of resources:</b>	
Deferred pension outflows (note 8)	549,626
Deferred OPEB outflows (note 7)	122,631
<b>Total deferred outflows of resources</b>	<b>672,257</b>

Continued on next page

See accompanying notes to the basic financial statements

**Shasta Mosquito and Vector Control District**  
**Statement of Net Position, continued**  
**June 30, 2021**

	<b>2021</b>
<b>Current liabilities:</b>	
Accounts payable and accrued expenses	40,662
Unearned revenue (note 4)	54,260
Long-term liabilities – due within one year:	
Compensated absences (note 5)	57,969
Loan payable (note 6)	18,983
<b>Total current liabilities</b>	<b>171,874</b>
<b>Non-current liabilities:</b>	
Long-term liabilities – due in more than one year:	
Compensated absences (note 5)	117,693
Loan payable (note 6)	127,563
OPEB liability (note 7)	234,160
Net pension liability (note 8)	2,548,592
<b>Total non-current liabilities</b>	<b>3,028,008</b>
<b>Total liabilities</b>	<b>3,199,882</b>
<b>Deferred inflows of resources:</b>	
Deferred pension outflows (note 8)	48,718
Deferred OPEB outflows (note 7)	202,609
<b>Total deferred inflows of resources</b>	<b>251,327</b>
<b>Net position:</b>	
Net investment in capital assets	1,162,148
Unrestricted (note 10)	860,057
<b>Total net position</b>	<b>\$ 2,022,205</b>

See accompanying notes to the basic financial statements



**Shasta Mosquito and Vector Control District**  
**Statement of Activities**  
**For the Fiscal Year Ended June 30, 2021**

	<b>2021</b>
<b>Expenses:</b>	
Mosquito and vector control:	
Salaries and benefits	\$ 1,678,631
Services	301,554
Materials and supplies	301,002
Repair and maintenance	50,526
Utilities	40,611
Other	28,354
Depreciation	106,615
<b>Total expenses</b>	<b>2,507,293</b>
<b>Program revenues:</b>	
Property assessments	1,485,876
Charges for services	24,234
Operating grants and contributions	740
<b>Total program revenues</b>	<b>1,510,850</b>
<b>Net program expense</b>	<b>(996,443)</b>
<b>General revenues:</b>	
Property taxes	1,522,387
Investment earnings	22,393
Unrealized gain on investment	2,518
Insurance proceeds	49,115
Gain on sale of capital assets	38,235
Other	5,695
<b>Total general revenues</b>	<b>1,640,343</b>
<b>Changes in net position</b>	<b>643,900</b>
<b>Net position, beginning of year</b>	<b>1,378,305</b>
<b>Net position, end of year</b>	<b>\$ 2,022,205</b>

See accompanying notes to the basic financial statements

**Shasta Mosquito and Vector Control District**  
**Balance Sheet**  
**June 30, 2021**

	<u>General Fund</u>	<u>Reclassifications &amp; Eliminations</u>	<u>Statement of Net Position</u>
<b>Current assets:</b>			
Cash and cash equivalents (note 2)	\$ 3,527,603	-	3,527,603
Accounts receivable	11,083	-	11,083
Inventory	100,323	-	100,323
<b>Total current assets</b>	<u>3,639,009</u>	<u>-</u>	<u>3,639,009</u>
<b>Non-current assets:</b>			
Capital assets, not being depreciated (note 3)	-	51,273	51,273
Capital assets, being depreciated (note 3)	-	1,110,875	1,110,875
<b>Total non-current assets</b>	<u>-</u>	<u>1,162,148</u>	<u>1,162,148</u>
<b>Total assets</b>	<u>3,639,009</u>	<u>1,162,148</u>	<u>4,801,157</u>
<b>Deferred outflows of resources:</b>			
Deferred pension outflows (note 8)		549,626	549,626
Deferred OPEB outflows (note 7)	-	122,631	122,631
<b>Total deferred outflows of resources</b>	<u>-</u>	<u>672,257</u>	<u>672,257</u>

Continued on next page

See accompanying notes to the basic financial statements

**Shasta Mosquito and Vector Control District**  
**Balance Sheet**  
**June 30, 2021**

	<b>General Fund</b>	<b>Reclassifications &amp; Eliminations</b>	<b>Statement of Net Position</b>
<b>Current liabilities:</b>			
Accounts payable and accrued expenses	40,662	-	40,662
Unearned revenue (note 4)	54,260		54,260
Long-term liabilities – due within one year:			
Compensated absences (note 5)	57,969	-	57,969
Loan payable (note 6)	18,983	-	18,983
<b>Total current liabilities</b>	<b>171,874</b>	<b>-</b>	<b>171,874</b>
<b>Non-current liabilities:</b>			
Long-term liabilities – due in more than one year:			
Compensated absences (note 5)	-	117,693	117,693
Loan payable (note 6)	-	127,563	127,563
OPEB liability (note 7)	-	234,160	234,160
Net pension liability (note 8)	-	2,548,592	2,548,592
<b>Total non-current liabilities</b>	<b>-</b>	<b>3,028,008</b>	<b>3,028,008</b>
<b>Total liabilities</b>	<b>171,874</b>	<b>3,028,008</b>	<b>3,199,882</b>
<b>Deferred inflows of resources:</b>			
Deferred pension outflows (note 8)		48,718	48,718
Deferred OPEB outflows (note 7)	-	202,609	202,609
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>251,327</b>	<b>251,327</b>
<b>Fund balance: (note 9)</b>			
Non-spendable	100,323	(100,323)	-
Committed	932,000	(932,000)	
Unassigned	2,434,812	(2,434,812)	-
<b>Total fund balance</b>	<b>3,467,135</b>	<b>(3,467,135)</b>	<b>-</b>
<b>Total liabilities and fund balance</b>	<b>\$ 3,639,009</b>		
<b>Net position:</b>			
Net investment in capital assets		1,162,148	1,162,148
Unrestricted (note 10)		860,057	860,057
<b>Total net position</b>		<b>2,022,205</b>	<b>2,022,205</b>

Continued on next page

See accompanying notes to the basic financial statements

**Shasta Mosquito and Vector Control District**  
**Reconciliation of the Balance Sheet of Governmental Type Funds**  
**to the Statement of Net Position**  
**June 30, 2021**

**Reconciliation:**

<b>Fund balance of governmental funds</b>	\$	3,467,135
Amounts reported for governmental activities in the statements of net position are different because:		
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental fund balance sheet.		
Capital assets, net (note 3)		1,162,148
Deferred outflows of resources		672,257
Long-term liabilities applicable to the District are not due and payable in the current period and, accordingly, are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statements of net position as follows:		
Compensated absences (note 5)		(117,693)
Loan payable (note 6)		(127,563)
OPEB liability (note 7)		(234,160)
Net pension liability (note 8)		(2,548,592)
Deferred inflows of resources		<u>(251,327)</u>
<b>Net position of governmental activities</b>	<b>\$</b>	<b><u>2,022,205</u></b>

See accompanying notes to the basic financial statements

**Shasta Mosquito and Vector Control District**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**For the Fiscal Year Ended June 30, 2021**

	<u>General Fund</u>	<u>Reclassifications &amp; Eliminations</u>	<u>Statement of Activities</u>
<b>Expenditures/Expenses:</b>			
Mosquito and vector control:			
Salaries and benefits	\$ 2,014,449	(335,818)	1,678,631
Services	301,554	-	301,554
Materials and supplies	301,002	-	301,002
Repair and maintenance	50,526	-	50,526
Utilities	40,611	-	40,611
Other	28,354	-	28,354
Capital outlay	139,293	(139,293)	-
Depreciation	-	106,615	106,615
<b>Total expenditures/expenses</b>	<u>2,875,789</u>	<u>(368,496)</u>	<u>2,507,293</u>
<b>Program revenues:</b>			
Property assessments	1,485,876	-	1,485,876
Charges for services	24,234	-	24,234
Operating grants	740	-	740
<b>Total program revenues</b>	<u>1,510,850</u>	<u>-</u>	<u>1,510,850</u>
<b>Net program expense</b>			<u>996,443</u>
<b>General revenues:</b>			
Property taxes	1,522,387	-	1,522,387
Investment earnings	22,393	-	22,393
Unrealized gain on investment	2,518	-	2,518
Insurance proceeds	49,115	-	49,115
Gain on sale of capital assets	38,235	-	38,235
Other	5,695	-	5,695
<b>Total general revenues</b>	<u>1,640,343</u>	<u>-</u>	<u>1,640,343</u>
<b>Total revenues</b>	<u>3,151,193</u>	<u>-</u>	<u>3,151,193</u>
<b>Excess of revenues         over expenditures</b>	275,404	368,496	-
<b>Changes in net position</b>	-	(368,496)	643,900
<b>Fund balance/Net position, beginning of period</b>	<u>3,191,731</u>	<u>-</u>	<u>1,378,305</u>
<b>Fund balance/Net position, end of period</b>	<u>\$ 3,467,135</u>	<u>-</u>	<u>2,022,205</u>

Continued on next page

See accompanying notes to the basic financial statements

**Shasta Mosquito and Vector Control District**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes in**  
**Fund Balance of Governmental Type Funds to the Statement of Activities**  
**For the Fiscal Year Ended June 30, 2021**

**Reconciliation:**

Net change in fund balance of governmental fund	\$	275,404
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Amounts reported for governmental activities in the statements of activities is different because:

Governmental funds report capital outlay as expenditures. However, in the statements of activities, the cost of those assets are included as capital assets and allocated over their estimated useful lives as depreciation expense; and gain and losses resulting from the disposal of the capital assets are recognized. The effects of capital assets to the governmental funds are as follows:

Capital outlay		139,293
Depreciation expense		(106,615)

Some expenses reported in the statements of activities do not require the use of current financial resources and, therefore, are not reported as expenses in the governmental funds as follows:

Change in compensated absences		3,492
Change in loan payable		37,375
Change in net pension liability		403,515
Change in net OPEB liability		<u>(108,564)</u>

Changes in net position of governmental activities	\$	<u><u>643,900</u></u>
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See accompanying notes to the basic financial statements

**Shasta Mosquito and Vector Control District**  
**Statement of Fiduciary Net Position**  
**June 30, 2021**

	<u>2021</u>
<b>Current assets:</b>	
Cash and cash equivalents (note 2)	\$ <u>1,033,544</u>
<b>Total assets</b>	<u>1,033,544</u>
<b>Net position:</b>	
Held in trust for other post-employment benefits	<u>1,033,544</u>
<b>Total net position</b>	\$ <u><u>1,033,544</u></u>

See accompanying notes to the basic financial statements

**Shasta Mosquito and Vector Control District**  
**Statement of Changes in Fiduciary Net Position**  
**June 30, 2021**

		<u>2021</u>
<b>Additions:</b>		
Total additions	\$	-
<b>Deductions:</b>		
Total deductions		<u>-</u>
<b>Changes in net position</b>		<u>-</u>
<b>Net position, beginning of period</b>		<u>1,033,544</u>
<b>Net position, end of period</b>	\$	<u><u>1,033,544</u></u>

See accompanying notes to the basic financial statements



**Shasta Mosquito and Vector Control District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

**(1) Reporting Entity and Summary of Significant Accounting Policies**

**A. Organization and Operations of the Reporting Entity**

The Shasta Mosquito and Vector Control District is located in Anderson, CA. The District was formed pursuant to Section 2200 et. Seq., of the California Health and Safety Code and formed in the State of California in 1919. The District covers approximately 1,100 square miles within Shasta County and includes the cities of Redding, Shasta Lake and Anderson. The purpose of the District is to provide operational mosquito and other vector control to protect the residents within the District's service area from mosquito-borne disease and from other disease carriers and vectors. The District is governed by a Board of Trustees, which consists of 5 members, one member from each city and two from the county-at-large.

The District is an autonomous Special District of the State of California, formed in accordance with the Health and Safety Codes, Chapter 5, Article 2, Division 3, and is governed by a five (5) member Board of Trustees. The Board of Trustees is comprised of two trustees representing Shasta County, one trustee from City of Redding, one trustee from City of Shasta Lake, and one trustee from City of Anderson. The trustees are appointed by the agency they represent.

The District's financial statements include all transactions for which the District is financially accountable. Financial accountability is defined as appointment of a majority of a component unit's Board and either the ability to impose the will of the District or the possibility that the component unit will provide a financial benefit to or impose a financial burden on the District. Based on these criteria, the District has determined that there are no component units that come under the criteria for inclusion. The District is not a component unit of any other government entity.

**B. Basis of Accounting and Measurement Focus**

The *basic financial statements* of the District are comprised of the following:

- Government-wide financial statements
- Governmental Fund financial statements
- Fiduciary Fund financial statements
- Notes to the basic financial statements

***Government-wide Financial Statements***

These statements are presented on an *economic resources* measurement focus and the accrual basis of accounting. Accordingly, all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets, are included in the accompanying Statements of Net Position. The Statements of Activities present changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which the liability is incurred. The Statements of Activities demonstrate the degree to which direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. The types of transactions reported as program revenues for the District are to be reported in three categories, if applicable: 1) charge for services, 2) operating grants and contributions, and 3) capital grants and contributions. Charge for services include revenues from customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function. Grants and contributions include revenues restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

**Shasta Mosquito and Vector Control District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Year Ended June 30, 2021**

**(1) Reporting Entity and Summary of Significant Accounting Policies, continued**

**B. Basis of Accounting and Measurement Focus, continued**

***Governmental Fund Financial Statements***

These statements include the Balance Sheet and the Statement of Revenues, Expenditures, and Changes in Fund Balance for all major governmental funds. Incorporated into these statements is a schedule to reconcile and explain the difference in fund balance as presented in these statements to the net position presented in the Government-wide Financial Statements. The District has presented its General Fund as its major fund in these statements to meet the qualifications of GASB Statement No. 34.

Governmental funds are accounted for on a spending or *current financial resources* measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balance presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) of net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60-days after year-end) are recognized when due. The primary sources susceptible to accrual for the District are property taxes and assessments, interest earnings, investment revenue, and operating and capital grant revenues. Under the modified accrual basis of accounting, expenditures are generally recognized when the related fund liability is incurred. However, exceptions to this rule include principal and interest on debt, which are recognized when due.

The District reports the following major governmental fund:

**General Fund** – is a government’s primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund when necessary.

***Fiduciary Fund Financial Statements***

These statements include the Statements of Fiduciary Net Position and the Statements of Changes in Fiduciary Net Position for all funds held by a governmental unit in a trustee or agent capacity for others. Fiduciary funds should be used to report assets held in a trustee or agency capacity for others and, therefore, cannot be used to support the government’s own programs. Fiduciary activities, whose resources are not available to finance the government’s programs, should be excluded from the Government-wide Financial Statements. The District has presented its Trust Fund, as its major fund to account for resources legally held in trust by the District in a trustee capacity, in these statements to meet the qualifications of GASB Statement No. 34. The District’s trust fund was established to account for the Other Post-Employment Benefits (OPEB) pursuant to the California Employers’ Pension Prefunding Trust (CEPPT) Fund. CEPPT is a Section 115 trust fund dedicated to prefunding employer contributions to defined benefit pension systems for eligible California public agencies.

Fiduciary funds are accounted for on an *economic resources* measurement focus and the accrual basis of accounting. *Fiduciary fund* reporting focuses on net position and changes in net position. Fiduciary fund financial statements should include information of all fiduciary funds of the primary government, as well as component units that are fiduciary in nature.

**Shasta Mosquito and Vector Control District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Year Ended June 30, 2021**

**(1) Reporting Entity and Summary of Significant Accounting Policies, continued**

**C. Financial Reporting**

The District's basic financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The District has adopted the following GASB pronouncement in the current year:

In January 2017, the GASB issued Statement No. 84 – *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria.

In August 2018, the GASB issued Statement No. 90 – *Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value.

For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit, and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit.

This Statement also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. Transactions presented in flows statements of the component unit in that circumstance should include only transactions that occurred subsequent to the acquisition.

**Shasta Mosquito and Vector Control District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Year Ended June 30, 2021**

**(1) Reporting Entity and Summary of Significant Accounting Policies, continued**

**D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position/Fund Balance**

**1. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources, and disclosures of contingent assets, deferred outflows of resources, liabilities, and deferred inflows of resources at the date of the financial statements and the reported changes in District net position during the reporting period. Actual results could differ from those estimates.

**2. Uncertainty**

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of businesses. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings. However, the related financial impact on the District and the duration cannot be estimated at this time.

**3. Cash and Cash Equivalents**

Substantially all of the District's cash is invested in interest bearing cash accounts. The District considers all highly liquid investments, with initial maturities of three months or less, to be cash equivalents.

**4. Investments and Investment Policy**

The cash balances of substantially all funds are pooled and invested by the County Treasurer for the purpose of increasing earnings through investment activities. The pool's investments are reported at fair value at June 30, 2021, based on market prices. The individual funds' portions of the pool's fair value are presented as "Cash in County." Earnings on the pooled funds are apportioned and paid or credited to the funds quarterly based on the average daily balance of each participating fund.

Changes in fair value that occur during a fiscal year are recognized as unrealized gains or losses and reported for that fiscal year. Investment income comprises interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments.

**5. Property Taxes and Assessments**

The Shasta County Assessor's Office assesses all real and personal property within the County each year. The Shasta County Tax Collector's Office bills and collects the District's share of property taxes and assessments. The Shasta County Treasurer's Office remits current and delinquent property tax collections to the District throughout the year. Property tax in California is levied in accordance with Article 13A of the State Constitution at one percent (1%) of countywide assessed valuations.

Property taxes and special assessments receivable at year-end are related to property taxes collected by Shasta County which have not been credited to the District's cash balance as of June 30<sup>th</sup>. The property tax calendar is as follows:

Lien date	January 1
Levy date	July 1
Due dates	November 1 and February 1
Collection dates	December 10 and April 10

**Shasta Mosquito and Vector Control District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Year Ended June 30, 2021**

**(1) Reporting Entity and Summary of Significant Accounting Policies, continued**

**D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position/Fund Balance, continued**

**6. Materials and Supplies Inventory**

Materials and supplies inventory consists primarily of pesticides and chemicals used to eradicate certain vectors. Inventory is valued at cost using the first-in, first-out (FIFO) cost method. Inventory items are charged to expense at the time that individual items are withdrawn from inventory or consumed.

**7. Capital Assets**

Capital assets are recorded in the government-wide financial statements. Included in capital assets are land, building and improvements, vehicles, and furniture and equipment. District policy has set the capitalization threshold for reporting capital assets at \$5,000. Donated assets are recorded at estimated fair market value at the date of donation. Capital outlay is recorded as expenditures of the General Fund and as assets in the government-wide financial statements to the extent the District's capitalization threshold is met. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets as follows:

- Vehicles – 5 years
- Furniture and equipment – 5 to 7 years
- Building and improvements – 10 to 39 years

**8. Deferred Outflows of Resources**

Deferred outflows of resources represent the consumption of resources that is applicable to future periods.

**9. Compensated Absences**

The District's compensated leave policy allow full-time employees to accumulate vacation, compensatory time off, and sick leave. Vacation leave is accrued at varying rates depending on the employee's years of service. Vacation leave may be accumulated to a maximum of 320 hours at March 1st of each year. Once this accrual limit is reached at March 1, vacation no longer accrues until vacation is taken. Per Catastrophic Leave policy any employee who wishes to contribute may authorize that a portion of his/her accrued vacation or compensatory time be deducted from those account(s) and credited to the Catastrophic Leave Bank. Employees may donate hours, hour for hour, either to a specific eligible employee or to the general bank. No employee will receive pay in lieu of vacation except on the termination of his or her employment. No vacation accrues during a layoff, disability leave or other unpaid leave of absence. Vacation accruals recommence when the employee returns to work and/or paid status. On termination of employment, the employee shall be paid all accrued but unused vacation at the employee's regular rate of pay at the time of his or her termination.

In lieu of paid overtime, non-exempt employees may elect to receive compensatory time off (CTO). CTO is provided at the rate of one and one-half (1.5) hours of paid time off for each hour of overtime worked. A non-exempt employee that qualifies under the FLSA definition of "seasonal activities" is allowed by policy to accrue a calendar year maximum of 300 cumulative hours of CTO, or 200 of overtime hours worked. All employees that do not fall under "seasonal activities" exception is limited to accrue a calendar year maximum of 240 cumulative hours CTO, or 160 overtime hours worked. Any overtime hours worked over this maximum accrual limit must be compensated in cash.

**Shasta Mosquito and Vector Control District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Year Ended June 30, 2021**

**(1) Reporting Entity and Summary of Significant Accounting Policies, continued**

**D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position/Fund Balance, continued**

**9. Compensated Absences, continued**

Employees shall strive to use all accrued CTO prior to March 1 of any given year. An employee who has remaining accrued CTO after March 1 shall not work any overtime hours until after he or she has used all accrued CTO unless otherwise approved by the Manager. Compensatory time off will be scheduled and used prior to the use of vacation time. An employee separating from District service shall be paid for accumulated compensatory time in a lump sum payment. In the case of an employee whose service is terminated by death, such payment shall be made to the employee's beneficiary.

Compensated absences represent accumulated unpaid employee vacation leave and compensatory time (CTO) earned. The outstanding liability for compensated absences for both accrued vacation and compensatory leave is reported as current and long-term liability in the statement of net position.

**10. Deferred Inflows of Resources**

Deferred inflows of resources represent the acquisition of resources that is applicable to future periods.

**11. Pension**

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

GASB 68 requires that the reported results must pertain to the liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

- Valuation Date: June 30, 2019
- Measurement Date: June 30, 2020
- Measurement Period: July 1, 2019 to June 30, 2020

**12. Net Position**

The financial statements utilize a net position presentation. Net position is categorized as follows:

- **Net investment in capital assets** – consists of capital assets, net of accumulated depreciation and reduced by any debt outstanding against the acquisition, construction, or improvement of those assets.
- **Unrestricted** – consists of the net amount of assets and deferred outflows of resources, less liabilities and deferred inflows of resources that are not included in the determination of the *net investment in capital assets* or *restricted* (if applicable) components of net position.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, and then unrestricted resources as they are needed.

**Shasta Mosquito and Vector Control District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Year Ended June 30, 2021**

**(1) Reporting Entity and Summary of Significant Accounting Policies, continued**

**E. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position/Fund Balance, continued**

**13. Fund Balance**

The governmental fund financial statements report fund balance as non-spendable, restricted, committed, assigned, or unassigned, based primarily on the extent to which the District is bound to honor constraints on how specific amounts can be spent. In the fund financial statements, the District has implemented the requirements of *GASB No. 54 – Fund Balance Reporting and Governmental Fund Type Definitions*.

The Board of Trustees formally adopted the following fund balance classifications:

- **Non-spendable fund balance** – amounts that cannot be spent because they are either (a) not spendable in form or (b) legally or contractually required to be maintained intact.
- **Committed fund balance** – amounts that can only be used for specific purposes determined by formal action of the District’s highest level of decision-making authority (the Board of Trustees) and that remain binding unless removed in the same manner. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.
- **Unassigned fund balance** – the residual classification for the District’s general fund that includes amounts not contained in the other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

***Fund Balance Policy***

The Board of Trustees establishes, modifies, or rescinds fund balance commitments and assignments by passage of an ordinance or resolution. This is done through adoption of the budget and subsequent budget amendments that occur throughout the year.

When both restricted and unrestricted resources are available for use, it is the District’s policy to use restricted resources first, followed by the unrestricted, committed, assigned, and unassigned resources as they are needed.

The District believes that sound financial management principles require sufficient funds to be retained by the District, to provide a stable financial base at all time. To retain this stable financial base, the District needs to maintain an unrestricted fund balance sufficient to fund cash flows of the District and to provide financial reserves for unanticipated expenditures and/or revenue shortfalls of an emergency nature. Committed, assigned, and unassigned fund balance classifications are considered unrestricted.

The purpose of the District’s fund balance policy is to maintain a prudent level of financial resources to protect against reducing service levels or raising taxes and fees because of temporary revenue shortfalls or unpredicted one-time expenditures.

**14. Reclassification**

The District has reclassified certain prior year information to conform to current year presentations.

**Shasta Mosquito and Vector Control District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Year Ended June 30, 2021**

**(2) Cash and Cash Equivalents**

Cash and cash equivalents as of June 30, are classified in the accompanying financial statements as follows:

	<b>2021</b>
Statement of Net Position:	
Cash and cash equivalents	\$ 3,527,603
Statement of Fiduciary Net Position:	
Cash and cash equivalents	1,033,544
Total cash and cash equivalents	\$ <u>4,561,147</u>

Cash and cash equivalents for governmental activities as of June 30, consist of the following:

	<b>2021</b>
Statement of Net Position:	
Deposits held with financial institutions	\$ 408,094
Deposits held with VCJPA	262,760
Deposits held with Shasta County Treasury	<u>2,856,749</u>
Total cash and cash equivalents	\$ <u>3,527,603</u>

Cash and cash equivalents for fiduciary activities as of June 30, consist of the following:

	<b>2021</b>
Statement of Fiduciary Net Position:	
Held in trust for other post employment benefits	\$ <u>1,033,544</u>
Total cash and cash equivalents	\$ <u>1,033,544</u>

***Authorized Deposits and Investments***

In accordance with Section 53601 of the California Government Code, the District are authorized to invests in certain types of investments as listed in Note 1(D)(4) to the financial statements.

***Custodial Credit Risk***

The custodial credit risk for *deposits* is the risk that, in the event of failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party.

The custodial credit risk for *investments* is the risk that, in the event of failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as Shasta County Treasury).



**Shasta Mosquito and Vector Control District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Year Ended June 30, 2021**

**(2) Cash and Cash Equivalents, continued**

***Custodial Credit Risk, continued***

The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision: The California Government Code requires that a financial institution secure deposit made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by public agencies.

As of June 30, 2021, the carrying amount of the District's bank deposits was \$408,094 and the respective bank balances totaled \$431,594. Of the District's bank balance, up to \$250,000 is federally insured and the remaining balance is collateralized in accordance with the Code; however, the collateralized securities are not held in the District's name.

***Interest Rate Risk***

Interest rate risk is the risk that the change in market interest rates will adversely affect the fair value of an investment. The longer the maturity an investment has the greater its fair value has sensitivity to the change in market interest rates. The District's follows the Code as it relates to limits on investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates. The District's investment in the Shasta County Treasurer investment pool had an average maturity of 736 days.

***Credit Risk***

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This risk is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's Cash in County pool consisted of debt securities and the ratings ranged from A2 through AA+ by Moody's ratings.

***Concentration of Credit Risk***

The District's investment policy contains no limitations on the amounts that can be invested in any one issuer as beyond that stipulated by the California Government Code. There were no investments in any one issuer (other than U.S. Treasury securities, mutual funds, and/or external investment pools) that represent 5% or more of the District's total investments as of June 30, 2021.

**Shasta Mosquito and Vector Control District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Year Ended June 30, 2021**

**(3) Capital Assets**

	<u>Balance 2020</u>	<u>Additions</u>	<u>Deletions/ Transfers</u>	<u>Balance 2021</u>
Non-depreciable assets:				
Land	\$ 51,273	-	-	51,273
Total non-depreciable assets	<u>51,273</u>	<u>-</u>	<u>-</u>	<u>51,273</u>
Depreciable assets:				
Building & improvements	2,018,187	-	-	2,018,187
Vehicles	589,792	81,607	(18,767)	652,632
Furniture and equipments	324,103	57,686	(100,693)	281,096
Total depreciable assets	<u>2,932,082</u>	<u>139,293</u>	<u>(119,460)</u>	<u>2,951,915</u>
Less accumulated depreciation:				
Building & improvements	(996,576)	(73,697)	-	(1,070,273)
Vehicles	(551,571)	(20,836)	18,767	(553,640)
Furniture and equipments	(305,738)	(12,082)	100,693	(217,127)
Total accumulated depreciation	<u>(1,853,885)</u>	<u>(106,615)</u>	<u>119,460</u>	<u>(1,841,040)</u>
Total depreciable assets, net	<u>1,078,197</u>	<u>32,678</u>	<u>-</u>	<u>1,110,875</u>
Total capital assets, net	<u>\$ 1,129,470</u>			<u>1,162,148</u>

Major depreciable capital asset additions during the year include additions to vehicles, and furniture and equipment.

**(4) Unearned Revenue**

On March 12, 2021, the District received a Community Power Resiliency grant from the California Office of Emergency Services (Cal OES) in the amount of \$55,000. Eligible activities under the grant includes support for critical infrastructure and resiliency with a particular focus on public safety, vulnerable communities, and individuals with access and functional needs. The performance period states that the grant must be expended by December 31, 2022. As of June 30, 2021, the unspent portion of the grant amounted to \$54,260, which is reported as unearned revenue in the statement of net position.

**(5) Compensated Absences**

Compensated absences comprise of unpaid vacation and compensatory time off which is accrued as earned. The District's liability for compensated absences is determined annually. Compensated absences are recorded as a liability on the Statement of Net Position and will be liquidated through the general fund.

	<u>Balance 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 2021</u>	<u>Due Within One Year</u>	<u>Due in more than one year</u>
\$	<u>181,778</u>	<u>115,724</u>	<u>(121,840)</u>	<u>175,662</u>	<u>57,969</u>	<u>117,693</u>

**Shasta Mosquito and Vector Control District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Year Ended June 30, 2021**

**(6) Long-Term Debt**

The change in long-term debt for the year ended June 30, 2021, are as follows:

	<u>Balance</u> <u>2020</u>	<u>Additions</u>	<u>Principal</u> <u>Payments</u>	<u>Balance</u> <u>2021</u>
Loan payable				
Municipal Finance Corporation	\$ 164,931	-	(18,385)	146,546
Total long-term debt	164,931	-	(18,385)	146,546
Less: current portion	(18,385)			(18,983)
Non-current portion	\$ 146,546			127,563

***Municipal Finance Corporation Loan***

On May 10, 2017, the District entered into an installment sale agreement (agreement) with Municipal Finance Corporation (Corporation) for various capital projects at a rate of 3.25% maturing on July 1, 2028. The project was for lab remodel/expansion, women’s locker room addition, and additional office space. The District makes annual payment of \$23,746, including principal and interest on July 1<sup>st</sup> of each year.

Annual debt service requirements for the loan are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 18,983	4,763	23,746
2023	19,600	4,146	23,746
2024	20,237	3,509	23,746
2025	20,895	2,851	23,746
2026	21,574	2,172	23,746
2027-2028	45,257	2,219	47,476
Total	146,546	19,660	166,206
Less current	(18,983)		
Non-current	\$ 127,563		

**(7) Other Post-Employment Benefits**

***General Information about the OPEB Plan***

*Plan description* – The District contracts for healthcare for its active and retired employees under the Public Employee Medical Hospital Care Act (PEMHCA) (the Plan). The Plan provides lifetime healthcare insurance for eligible employees and their eligible family members through the District's group insurance plan, which covers both active and retired members. Benefit provisions are established and may be amended by the District's Board of Trustees authorized by bylaws. The Plan provides for the District to contribute a retiree benefits stipend in accordance with the MOU up to 80% of the cost of health insurance between 60 and the age of Medicare.

*Benefits provided* – The plan provides healthcare benefits for retirees and their dependents. The benefit terms provide for payment of 55 percent of health insurance premiums for non-Medicare-eligible retirees and 55 percent of supplemental health insurance premiums for Medicare-eligible retirees.

**Shasta Mosquito and Vector Control District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Year Ended June 30, 2021**

**(7) Other Post-Employment Benefits, continued**

**General Information about the OPEB Plan, continued**

*Employee covered by benefit terms* – At June 30 the following employees were covered by the benefit terms:

	<b>2021</b>
Participating active employees	14
Inactive employees or beneficiaries currently receiving benefit payments	9
Total plan membership	23

*Contributions* – The contribution requirements of Plan members and the District are established and may be amended by the District’s Board of Directors. The Board establishes rates based on an actuarially determined rate. For the year ended June 30, 2021, the District’s “pay as you go” cost of providing retiree health benefits amounted to \$92,614.

**Net OPEB Liability**

The District’s net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2021. The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Actuarial cost method	Entry Age Normal cost method in accordance with the requirements of GASB Statement No. 75
Inflation	2.50% per annum
Salary increases	3.00% per annum
Investment rate of return	6.30% per annum
Discount rate	6.2% reflecting 0.10% for trust administrative fees
Healthcare cost trend rates	6.5% effective January 2021

The long-term expected rate of return on OPEB plan investments was derived from information published by CalPERS for CERBT Strategy 2. CalPERS determined its returns using a building-block method and best estimate ranges of expected future real rates of return for each major asset class. The target allocation and best estimates of geometric real rates of return published by CalPERS for each major class are summarized in the following table on the next page:

**Shasta Mosquito and Vector Control District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Year Ended June 30, 2021**

**(7) Other Post-Employment Benefits, continued**

*Net OPEB Liability, continued*

<u>Asset Class</u>	<u>Percentage of Portfolio</u>	<u>Expected Real Rate of Return</u>
Global Equity	40.000 %	4.800 %
Fixed Income	43.000 %	1.100 %
Global Real Estate Investment Trusts	8.000 %	3.200 %
Treasury Inflation Protected Securities	5.000 %	0.250 %
Commodities	4.000 %	1.500 %
<b>Total</b>	<u>100.000 %</u>	

*Discount rate* – The discount rate used to measure the total OPEB liability was 6.2%, reflecting the District’s expectation of the long-term return on trust assets as of the measurement date. The projection of cash flows used to determine the discount rate assumed that liabilities and cash flow will vary based on the number and demographic characteristics of employees and retirees. The discount rate was set by projecting plan benefits for each future year and applying the plan specific benefit payments to CalPERS’ bifurcated return expectations, where the single equivalent long-term rate of return to be 6.30% (approved by the District). To develop the actuarially determined contributions for prefunding the plan, the single equivalent long-term rate of 6.30% was decreased by 10 basis points to accommodate expected trust administrative fees.

***Changes in the Net OPEB Liability***

For the year ended June 30, 2021, the District’s changes in the net OPEB liability are as follows:

	<u>Increase (Decrease)</u>		
	<u>Total OPEB Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net OPEB Liability/(Asset) (c) = (a) - (b)</u>
Balance at beginning of year	\$ 1,277,794	980,727	297,067
Changes during the year:			
Service cost	16,195	-	16,195
Interest	78,222	-	78,222
Contributions - employer	-	104,739	(104,739)
Net investment income	-	53,069	(53,069)
Administrative expenses	-	(484)	484
Benefit payments	(104,739)	(104,739)	-
Net changes	<u>(10,322)</u>	<u>52,585</u>	<u>(62,907)</u>
Balance at end of year	\$ <u>1,267,472</u>	<u>1,033,312</u>	<u>234,160</u>

**Shasta Mosquito and Vector Control District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Year Ended June 30, 2021**

**(7) Other Post-Employment Benefits, continued**

*Sensitivity of the net OPEB liability to changes in the discount rate and healthcare cost trend rates*

As of June 30, 2021, the following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

		<b>Discount Rate - 1% 5.30%</b>	<b>Current Discount Rate 6.30%</b>	<b>Discount Rate + 1% 7.30%</b>
District's net OPEB liability	\$	<u>387,004</u>	<u>234,160</u>	<u>107,206</u>

As of June 30, 2021, the following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

		<b>1% Decrease Healthcare Cost Trend 5.50%</b>	<b>Current Healthcare Cost Trend 6.50%</b>	<b>1% Increase Healthcare Cost Trend 7.50%</b>
District's net OPEB liability	\$	<u>103,313</u>	<u>234,160</u>	<u>393,470</u>

***OPEB Expense and Deferred Outflows (Inflows) of Resources Related to OPEB***

For the fiscal year ended June 30, 2021, the District recognized OPEB expense (credit) of (\$102,935). At June 30, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<b>Description</b>		<b>2021</b>	
		<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
OPEB contributions subsequent to measurement date	\$	92,614	-
Differences between expected and actual experience		-	(202,609)
Changes in assumptions		23,571	-
Net differences between projected and actual earnings on plan investments		<u>6,446</u>	<u>-</u>
Total	\$	<u>122,631</u>	<u>(202,609)</u>

As of June 30, 2021, the District reported \$92,614, as deferred outflows of resources related to contributions subsequent to the measurement date. As of June 30, 2021, contributions made subsequent to the measurement date will be recognized as a reduction to the net OPEB liability for the year ended June 30, 2022.

**Shasta Mosquito and Vector Control District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Year Ended June 30, 2021**

**(7) Other Post-Employment Benefits, continued**

***OPEB Expense and Deferred Outflows (Inflows) of Resources Related to OPEB, continued***

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<b>Fiscal Year Ending June 30,</b>	<b>Deferred Net Outflows/ (Inflows) of Resources</b>
2022	\$ (43,453)
2023	(42,648)
2024	(42,498)
2025	(15,451)
2026	(17,193)
Remaining	(11,349)

***OPEB plan fiduciary net position***

Detailed information about the OPEB plan’s fiduciary net position is available in the separately issued CalPERS financial report for CERBT.

***Payable to the OPEB Plan***

At June 30, 2021, the District reported no amounts outstanding as required contributions to CERBT.

**(8) Defined Benefit Pension Plan**

***Plan Description***

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Pension Plan (Plan or PERF C) administered by the California Public Employees’ Retirement System (CalPERS). The Plan consists of a miscellaneous risk pool and a safety risk pool, which are comprised of individual employer miscellaneous and safety plans, respectively. Benefit provisions under the Plan are established by State statute and the District’s resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions, and membership information and can be found on the CalPERS website.

***Benefits Provided***

CalPERS provides service retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: The Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for the Plan are applied as specified by the Public Employees’ Retirement Law.

On September 12, 2012, the California Governor signed the California Public Employees’ Pension Reform Act of 2013 (PEPRA) into law. PEPRA took effect January 1, 2013. The new legislation closed the District’s CalPERS 2.5% at 55 Miscellaneous Risk Pool Retirement Plan to new employee entrants effective December 31, 2012. All employees hired after January 1, 2013, are eligible for the District’s CalPERS 2.0% at 62 Miscellaneous Risk Pool Retirement Plan under PEPRA.

**Shasta Mosquito and Vector Control District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Year Ended June 30, 2021**

**(8) Defined Benefit Pension Plan, continued**

*Benefits Provided, continued*

The District participates in the Plan's miscellaneous risk pool. The Plan's provision and benefits in effect at June 30, 2021, are summarized as follows:

	<b>Miscellaneous Pool</b>	
	<b>Classic</b>	<b>PEPRA</b>
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2.0% @ 55	2.0% @ 62
Benefit vesting schedule	5 years of service	
Benefit payments	monthly for life	
Retirement age	50 - 55	52 - 67
Monthly benefits, as a % of eligible compensation	2.0% to 2.5%	1.0% to 2.5%
Required employee contribution rates	6.91%	6.75%
Required employer contribution rates	11.03%	7.73%

*Contributions*

Section 20814(c) of the California Public Employees' Retirement Law requires that employer contribution rates for all public employers be determined on an annual basis by an actuary and shall be effective on July 1, following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30, by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the year ended June 30, 2021, the contributions recognized as part of pension expense for the Plan was as follows:

	<b>2021</b>
Contributions – employer	\$ <u><u>334,818</u></u>

*Net Pension Liability*

As of the fiscal year ended June 30, 2021, the District reported net pension liabilities for its proportionate share of the net pension liability of the Plan as follows:

	<b>2021</b>
Proportionate share of net pension liability	\$ <u><u>2,548,592</u></u>

The District's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2020 (the measurement date), and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019 (the valuation date), rolled forward to June 30, 2020, using standard update procedures. The District's proportion of the fiduciary net position was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.



**Shasta Mosquito and Vector Control District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Year Ended June 30, 2021**

**(8) Defined Benefit Pension Plan, continued**

*Net Pension Liability, continued*

The District's proportionate share of the net pension liability for the Plan as of the measurement date June 30, 2020, was as follows:

	<u>Miscellaneous</u>
Proportion – June 30, 2019	0.02342%
Changes in proportion	0.00000%
Proportion – June 30, 2020	0.02342%

*Deferred Pension Outflows(Inflows) of Resources*

For the fiscal year ended June 30, 2021, the District recognized pension expense (credit) of (\$192,016).

At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 334,818	-
Differences between actual and expected experience	131,337	-
Change in assumptions	-	(18,178)
Net difference between projected and actual earnings on plan investments	75,710	-
Difference between actual contribution and proportionate share of contribution	-	(30,540)
Net adjustment due to difference in proportions of net pension liability	7,761	-
Total	\$ 549,626	(48,718)

For the year ended June 30, 2021, the District's deferred outflows of resources related to contributions subsequent to the measurement date totaled \$334,818; and other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized as pension expense as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Deferred Outflows/ (Inflows) of Resources</u>
2022	\$ 9,214
2023	65,908
2024	54,655
2025	36,313

**Shasta Mosquito and Vector Control District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Year Ended June 30, 2021**

**(8) Defined Benefit Pension Plan, continued**

***Actuarial Assumptions***

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

Valuation date	June 30, 2020
Measurement date	June 30, 2021
Actuarial cost method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial assumptions	
Discount rate	7.15%
Inflation	2.50%
Salary increase	Varies by entry age and service
Mortality Table*	Derived using CalPERS membership data
Period upon which actuarial Experience survey assumptions were based	1997 – 2015
Post-retirement benefit increase	Contract COLA up to 2.50% until PPPA floor on purchasing power applies; 2.50% thereafter

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

On December 21, 2016, the Board lowered the discount rate for the PERF C for funding purposes from 7.50% to 7.00% percent using a three-year phase-in beginning with the June 30, 2016 actuarial valuations.

On December 19, 2017, the Board of Administration adopted new actuarial assumptions based on the recommendations in the December 2017 CalPERS Experience Study and Review of Actuarial Assumptions. This study reviewed the retirement rates, termination rates, mortality rates, rates of salary increases, and inflation assumption. These new assumptions are incorporated into the June 30, 2017 actuarial valuations.

***Discount Rate***

The discount rate used to measure the total pension liability as of June 30, 2021, for the PERF C was 7.15%. This discount rate is not adjusted for administrative expenses.

The PERF C fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return for those pension plans' investments were applied to all periods of projected benefit payments to determine the total pension liability.

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

**Shasta Mosquito and Vector Control District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Year Ended June 30, 2021**

**(8) Defined Benefit Pension Plan, continued**

*Discount Rate, continued*

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Real Return Years 1-10</u>	<u>Real Return Year 11+</u>
Global Equity	50.00 %	4.80 %	5.98
Global Fixed Income	28.00	1.00	2.62
Inflation Sensitive	-	0.77	1.81
Private Equity	8.00	6.30	7.23
Real Asset	13.00	3.75	4.93
Liquidity	1.00	-	(0.92)
Total	<u>100.00 %</u>		

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

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

As of June 30, 2021, the District's net pension liability at the current discount rate, using a discount rate that is one-percentage point lower, and using a discount rate that is one-percentage point higher, are as follows:

	<u>Discount Rate - 1%</u>	<u>Current Discount Rate</u>	<u>Discount Rate + 1%</u>
	<u>6.15%</u>	<u>7.15%</u>	<u>8.15%</u>
District's net pension liability	\$ <u>3,831,184</u>	<u>2,548,592</u>	<u>1,488,827</u>

*Pension Plan Fiduciary Net Position*

Detailed information about the Plan's fiduciary net position is available in separately issued CalPERS financial reports. See pages 46 through 48 for the Required Supplementary Information.

**Shasta Mosquito and Vector Control District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Year Ended June 30, 2021**

**(9) Fund Balance**

Fund balance is presented in the following categories: nonspendable, committed, and unassigned.

A detailed schedule of fund balance and their funding composition at June 30 is as follows:

	<b>2021</b>
Fund balance:	
Non-spendable:	
Materials and supplies inventory	\$ <u>100,323</u>
Total non-spendable	<u>100,323</u>
Committed:	
Pension liability	200,000
Public Health Emergency	300,000
Facility Improvement	200,000
Fixed Asset Replacement	107,000
IT Equipment	75,000
Revenue Stabilization	<u>50,000</u>
Total committed	<u>932,000</u>
Unassigned	<u>2,434,812</u>
Total fund balance	<u>\$ <u>3,467,135</u></u>

**(10) Unrestricted Net Position**

Calculation of the unrestricted net position as of June 30 was as follows:

	<b>2021</b>
Non-spendable net position:	
Materials and supplies inventory	\$ <u>100,323</u>
Total non-spendable net position	<u>100,323</u>
Spendable net position:	
Designated for vector control	<u>759,734</u>
Total spendable net position	<u>759,734</u>
Total unrestricted net position	<u>\$ <u>860,057</u></u>

**Shasta Mosquito and Vector Control District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Year Ended June 30, 2021**

**(11) Risk Management**

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District, as a member of the Vector Control Joint Powers Authority (VCJPA), has purchased various insurance policies to manage the potential liabilities that may occur from the previously named sources.

The VCJPA was established in 1979, for the purpose of funding and developing programs to provide various insurance coverages for its member mosquito abatement and vector control districts in California. The VCJPA is a public entity risk pool operating a common risk management insurance program and organized pursuant to the provisions of the California Government Code for the purpose of providing insurance coverage for member districts. VCJPA is a Joint Powers Agency of 35 mosquito abatement and/or vector control districts in the State of California.

At June 30, 2021, the District participated in the liability and property programs of the VCJPA as follows:

- Commercial general and automobile liability, public officials and employees' errors and omission insurance
- Property insurance
- Government crime insurance
- Workers' compensation insurance

*Commercial General and Automobile Liability, Public Officials and Employees' Errors and Omission Insurance:* Annual deposits are paid by member agencies and are adjusted retrospectively to cover costs. There is a \$25,000 self-insured retention under this program. The first \$1 million in coverage is pooled in a risk sharing plan with other agencies in the VCJPA. Additional coverage purchased by the VCJPA includes \$14 million in excess liability coverage and \$2 million in employment practice liability coverage.

*Property Insurance:* The District has a \$500 deductible for personal property, \$2,500 deductible for boiler and machinery coverage, \$10,000 deductible for all-risk property insurance coverage, and a \$1,000 deductible for auto physical damage coverage. The following insurance limits apply: personal property - \$10,000 for any one loss; boiler and machinery - \$100 million per occurrence limit; and auto physical damage - \$50,000 per accident.

*Government Crime Insurance:* The District has a \$2,500 deductible for public employees' crime insurance coverage. The coverage limit is \$1 million for each loss.

*Worker's Compensation Insurance:* Annual deposits are paid by member agencies and are adjusted retrospectively to cover costs. The first \$500,000 in coverage is pooled under a risk sharing plan with other agencies in the VCJPA. Additional statutory coverage was purchased by VCJPA.

Settled claims have not exceeded any of the coverage amounts in any of the last three fiscal years and there were no reductions in the District's insurance coverage during the year ended June 30, 2021. Liabilities are recorded when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated net of the respective insurance coverage. Liabilities include an amount for claims that have been incurred but not reported (IBNR). There was no IBNR claims payable as of June 30, 2021.

**Shasta Mosquito and Vector Control District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Year Ended June 30, 2021**

**(12) Governmental Accounting Standards Board Statements Issued, Not Yet Effective**

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to the issue date, that have effective dates that may impact future financial presentations.

***Governmental Accounting Standards Board Statement No. 87***

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

The requirements of this Statement were effective for reporting periods beginning after December 15, 2019; however, in light of the COVID-19 pandemic, the effective date has been postponed by 18 months. Earlier application is encouraged.

***Governmental Accounting Standards Board Statement No. 89***

In June 2018, the GASB issued Statement No. 89 – *Accounting for Interest Cost incurred Before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

The requirements of this Statement were effective for reporting periods beginning after December 15, 2019; however, in light of the COVID-19 pandemic, the effective date has been postponed by one year. Earlier application is encouraged. The requirements of this Statement should be applied prospectively.

***Governmental Accounting Standards Board Statement No. 91***

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

**Shasta Mosquito and Vector Control District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Year Ended June 30, 2021**

**(12) Governmental Accounting Standards Board Statements Issued, Not Yet Effective, continued**

***Governmental Accounting Standards Board Statement No. 91, continued***

This Statement also addresses arrangements—often characterized as leases—that are associated with conduit debt obligations. In those arrangements, capital assets are constructed or acquired with the proceeds of a conduit debt obligation and used by third-party obligors in the course of their activities. Payments from third-party obligors are intended to cover and coincide with debt service payments. During those arrangements, issuers retain the titles to the capital assets. Those titles may or may not pass to the obligors at the end of the arrangements.

This Statement requires issuers to disclose general information about their conduit debt obligations, organized by type of commitment, including the aggregate outstanding principal amount of the issuers' conduit debt obligations and a description of each type of commitment. Issuers that recognize liabilities related to supporting the debt service of conduit debt obligations also should disclose information about the amount recognized and how the liabilities changed during the reporting period.

The requirements of this Statement were effective for reporting periods beginning after December 15, 2020; however, in light of the COVID-19 pandemic, the effective date has been postponed by one year. Earlier application is encouraged.

***Governmental Accounting Standards Board Statement No. 92***

In January 2020, the GASB issued Statement No. 92 – *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements.

The requirements of this Statement were as follows: (1) The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance; (2) The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 are effective for fiscal years beginning after June 15, 2020; (3) The requirements related to application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective for reporting periods beginning after June 15, 2020; and (4) The requirements related to the measurement of liabilities (and assets, if any) associated with AROs in a government acquisition are effective for government acquisitions occurring in reporting periods beginning after June 15, 2020; however, in light of the COVID-19 pandemic, the effective date has been postponed by one year. Earlier application is encouraged and is permitted by topic.

***Governmental Accounting Standards Board Statement No. 93***

In March 2020, the GASB issued Statement No. 93 – *Replacement of Interbank Offered Rates*. The objective of this Statement is to address accounting and financial reporting implications that result from the replacement of an IBOR. This Statement achieves that objective by: (1) Providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment; (2) Clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate; (3) Clarifying that the uncertainty related to the continued availability of IBORs does not, by itself, affect the assessment of whether the occurrence of a hedged expected transaction is probable; (4) Removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap; (5) Identifying a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of an interest rate swap; (6) Clarifying the definition of reference rate, as it is used in Statement 53, as amended; and (7)

**Shasta Mosquito and Vector Control District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Year Ended June 30, 2021**

**(12) Governmental Accounting Standards Board Statements Issued, Not Yet Effective, continued**

***Governmental Accounting Standards Board Statement No. 93, continued***

Providing an exception to the lease modifications guidance in Statement 87, as amended, for certain lease contracts that are amended solely to replace an IBOR as the rate upon which variable payments depend.

The requirements of this Statement were effective as follows: (1) The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021; and (2) All other requirements of this Statement are effective for reporting periods beginning after June 15, 2020; however, in light of the COVID-19 pandemic, the effective dates have been postponed by one year. Earlier application is encouraged.

***Governmental Accounting Standards Board Statement No. 94***

In March 2020, the GASB issued Statement No. 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement.

This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged.

***Governmental Accounting Standards Board Statement No. 96***

In May 2020, the GASB issued Statement No. 96 – *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged.



**Shasta Mosquito and Vector Control District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Year Ended June 30, 2021**

**(12) Governmental Accounting Standards Board Statements Issued, Not Yet Effective, continued**

***Governmental Accounting Standards Board Statement No. 97***

In June 2020, the GASB issued Statement No. 97 – *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 41 and No. 84, and a supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

The requirements of this Statement that (1) exempt primary governments that perform the duties that a governing board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution OPEB plans, or other employee benefit plans and (2) limit the applicability of the financial burden criterion in paragraph 7 of Statement 84 to defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement 67 or paragraph 3 of Statement 74, respectively, are effective immediately. The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this Statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021. Earlier application of those requirements is encouraged and permitted by requirement as specified within this Statement. The Board considered the effective dates for the requirements of this Statement in light of the COVID-19 pandemic and in concert with Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance.

**(13) Contingencies**

***Litigation***

The District accounts for material liability claims and judgments in accordance with GASB standards. When it is probable that a claim liability has been incurred at year end, and the amount of the loss can be reasonably estimated, the District records the estimated loss net of insurance coverage. The District had no material claims that would require loss provision in the financial statements during this reporting period.

In the ordinary course of operations, the District is subject to claims and litigation from outside parties. After consultation with legal counsel, the District believes the ultimate outcome of such matters, if any, will not materially affect its financial condition.

**Shasta Mosquito and Vector Control District**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Year Ended June 30, 2021**

**(14) Subsequent Event**

Events occurring after June 30, 2021, have been evaluated for possible adjustment to the financial statements or disclosure as of June 20, 2022, which is the date the financial statements were available to be issued. The District is not aware of any further subsequent events that would require recognition or disclosure in the financial statements.

## **Required Supplementary Information**



**Shasta County Mosquito and Vector Control District  
Budgetary Comparison Schedule – General Fund  
For the Year Ended June 30, 2021**

	<b>Adopted Original Budget</b>	<b>Board Approved Changes</b>	<b>Revised Budget</b>	<b>Actual Budgetary Basis</b>	<b>Variance Positive (Negative)</b>
<b>Expenditures/Expenses:</b>					
Mosquito and vector control operations:					
Salaries and benefits	\$ 2,118,367	-	2,118,367	2,014,449	103,918
Services	334,984	-	334,984	301,554	33,430
Materials and supplies	360,305	-	360,305	301,002	59,303
Repairs and maintenance	49,440	-	49,440	50,526	(1,086)
Utilities	35,000	-	35,000	40,611	(5,611)
Other	34,127	-	34,127	28,354	5,773
Capital outlay	125,000	-	125,000	139,293	(14,293)
<b>Total expenditures</b>	<b>3,057,223</b>	<b>-</b>	<b>3,057,223</b>	<b>2,875,789</b>	<b>181,434</b>
<b>Program revenues:</b>					
Property assessments	1,479,659	-	1,479,659	1,485,876	6,217
Charge for services	18,000	-	18,000	24,234	6,234
Operating grants	-	-	-	740	740
<b>Total program revenues</b>	<b>1,497,659</b>	<b>-</b>	<b>1,497,659</b>	<b>1,510,850</b>	<b>13,191</b>
<b>General revenues:</b>					
Property taxes	1,423,020	-	1,423,020	1,522,387	99,367
Investment earnings	30,000	-	30,000	22,393	(7,607)
Unrealized gain(loss) on investment	-	-	-	2,518	2,518
Insurance proceeds	-	-	-	49,115	49,115
Gain on sale of capital assets	2,000	-	2,000	38,235	36,235
Other	5,000	-	5,000	5,695	695
<b>Total general revenues</b>	<b>1,460,020</b>	<b>-</b>	<b>1,460,020</b>	<b>1,640,343</b>	<b>180,323</b>
<b>Total revenues</b>	<b>2,957,679</b>	<b>-</b>	<b>2,957,679</b>	<b>3,151,193</b>	<b>193,514</b>
<b>Deficiency(Excess) of revenues over expenditures</b>	<b>(99,544)</b>	<b>-</b>	<b>(99,544)</b>	<b>275,404</b>	<b>374,948</b>
<b>Fund balance – beginning of year</b>	<b>3,191,731</b>		<b>3,191,731</b>	<b>3,191,731</b>	
<b>Fund balance – end of year</b>	<b>\$ 3,092,187</b>		<b>3,092,187</b>	<b>3,467,135</b>	

**Notes to Required Supplementary Information**

**(1) Budgets and Budgetary Data**

Per Government Code Section 61110, on or before July 1 of each year or the board of directors may adopt a preliminary budget that conforms to generally accepted accounting and budgeting procedures for special districts.

The board of directors may divide the preliminary budget into categories, including, but not limited to Maintenance and operation, Services and supplies, Employee compensation, Capital outlay, Interest and redemption for indebtedness, Designated reserve for capital outlay, Designated reserve for contingencies.

**Shasta County Mosquito and Vector Control District  
Budgetary Comparison Schedule – General Fund, continued  
For the Year Ended June 30, 2021**

**Notes to Required Supplementary Information, continued**

**(1) Budgets and Budgetary Data, continued**

On or before July 1 of each year the board of directors shall publish a notice stating either that it has adopted a preliminary budget or that the general manager has prepared a proposed final budget which is available for inspection at a time and place within the district specified in the notice; and the date, time, and place when the board of directors will meet to adopt the final budget and that any person may appear and be heard regarding any item in the budget or regarding the addition of other items.

The board of directors shall publish the notice at least two weeks before the hearing in at least one newspaper of general circulation in the district pursuant to Government Code Section 6061.

At the time and place specified for the hearing, any person may appear and be heard regarding any item in the budget or regarding the addition of other items. The hearing on the budget may be continued from time to time.

On or before September 1 of each year the board of directors shall adopt a final budget that conforms to generally accepted accounting and budgeting procedures for special districts. The general manager shall forward a copy of the final budget to the auditor of each county in which the district is located.

**Shasta Mosquito and Vector Control District**  
**Schedules of the District's Proportionate Share of the Net Pension Liability**  
**As of June 30, 2021**  
**Last Ten Years\***

<u>Description</u>	<u>Measurement Dates</u>						
	<u>6/30/20</u>	<u>6/30/19</u>	<u>6/30/18</u>	<u>6/30/17</u>	<u>6/30/16</u>	<u>6/30/15</u>	<u>6/30/14</u>
District's proportion of the net pension liability (asset)	0.02342%	0.02342%	0.02336%	0.02574%	0.02348%	0.02440%	0.02520%
District's proportionate share of the net pension liability (asset)	\$ <u>2,548,592</u>	<u>2,400,000</u>	<u>2,251,000</u>	<u>2,553,000</u>	<u>2,032,000</u>	<u>1,675,000</u>	<u>1,529,000</u>
District's covered-employee payroll	\$ <u>1,113,209</u>	<u>1,125,400</u>	<u>1,071,954</u>	<u>1,012,543</u>	<u>916,924</u>	<u>956,691</u>	<u>932,322</u>
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	<u>228.94%</u>	<u>213.26%</u>	<u>209.99%</u>	<u>252.14%</u>	<u>221.61%</u>	<u>175.08%</u>	<u>164.00%</u>
Plan's fiduciary net position as a percentage of the total pension liability	<u>75.10%</u>	<u>75.26%</u>	<u>75.26%</u>	<u>73.31%</u>	<u>74.06%</u>	<u>78.40%</u>	<u>80.43%</u>

**Notes to the Schedules of the District's Proportionate Share of the Net Pension Liability**

***Change in Benefit Terms***

Public agencies can make changes to their plan provisions, and such changes occur on an ongoing basis. A summary of the plan provisions that were used for a specific plan can be found in the plan's annual valuation report.

***Change of Assumptions and Methods***

In December 2017, the CalPERS Board adopted new mortality assumptions for plans participating in the PERF. The new mortality table was developed from the December 2017 experience study and includes 15 years of projected ongoing mortality improvement using 90% of scale MP 2016 published by the Society of Actuaries. The inflation assumption is reduced from 2.75% to 2.50%.

The assumptions for individual salary increases and overall payroll growth are reduced from 3.00% to 2.75%. These changes will be implemented in two steps commencing in the June 30, 2017 funding valuation. However, for financial reporting purposes, these assumption changes are fully reflected in the results for fiscal year 2018.

**Shasta Mosquito and Vector Control District**  
**Schedules of the District's Proportionate Share of the Net Pension Liability, continued**  
**As of June 30, 2021**  
**Last Ten Years\***

**Notes to the Schedules of the District's Proportionate Share of the Net Pension Liability, continued**

*Change of Assumptions and Method, continued*

In fiscal year 2017, the financial reporting discount rate for the PERF C was lowered from 7.65% to 7.15%. In December 2016, the CalPERS Board approved lowering the funding discount rate used in the PERF C from 7.50% to 7.00%, which is to be phased in over a three-year period (7.50% to 7.375%, 7.375% to 7.25%, and 7.25% to 7.00%) beginning with the June 30, 2016, valuation reports. The funding discount rate includes a 15 basis-point reduction for administrative expenses, and the remaining decrease is consistent with the change in the financial reporting discount rate.

In fiscal year 2015, the financial reporting discount rate was increased from 7.50% to 7.65% resulting from eliminating the 15 basis-point reduction for administrative expenses. The funding discount rate remained at 7.50% during this period, and remained adjusted for administrative expenses.

\* The District has presented information for those years for which information is available until a full 10-year trend is compiled.



**Shasta County Mosquito and Vector Control District**  
**Schedules of Pension Plan Contributions**  
**As of June 30, 2021**  
**Last Ten Years\***

<u>Description</u>	<b>Fiscal Years</b>						
	<u>6/30/21</u>	<u>6/30/20</u>	<u>6/30/19</u>	<u>6/30/18</u>	<u>6/30/17</u>	<u>6/30/16</u>	<u>6/30/15</u>
Actuarially determined contribution	\$ 334,818	297,395	262,956	228,245	213,509	191,569	152,559
Contributions in relation to the actuarially determined contribution	<u>(334,818)</u>	<u>(297,395)</u>	<u>(262,956)</u>	<u>(228,245)</u>	<u>(213,509)</u>	<u>(191,569)</u>	<u>(152,559)</u>
Contribution deficiency (excess)	\$ -	-	-	-	-	-	-
District's covered payroll	\$ <u>1,113,209</u>	<u>1,125,400</u>	<u>1,071,954</u>	<u>1,012,543</u>	<u>916,924</u>	<u>956,691</u>	<u>932,322</u>
Contribution's as a percentage of covered payroll	<u>30.08%</u>	<u>26.43%</u>	<u>24.53%</u>	<u>22.54%</u>	<u>23.29%</u>	<u>20.02%</u>	<u>16.36%</u>

**Notes to the Schedules of Pension Plan Contributions**

\* The District has presented information for those years for which information is available until a full 10- year trend is compiled.

**Shasta County Mosquito and Vector Control District**  
**Schedules of Changes in Net OPEB Liability and Related Ratios**  
**For the Year Ended June 30, 2021**  
**Last Ten Years\***

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB Liability</b>				
Service cost	\$ 16,195	19,349	18,740	21,980
Interest	78,222	92,038	91,357	102,800
Differences between expected and actual experience	-	(157,585)	-	(202,612)
Changes of assumptions	-	25,885	-	10,452
Benefit payments	<u>(104,739)</u>	<u>(100,238)</u>	<u>(100,953)</u>	<u>(97,864)</u>
<b>Net change in total OPEB liability</b>	(10,322)	(120,551)	9,144	(165,244)
<b>Total OPEB liability - beginning of year</b>	<u>1,277,794</u>	<u>1,398,345</u>	<u>1,389,201</u>	<u>1,554,445</u>
<b>Total OPEB liability - end of year (a)</b>	\$ <u>1,267,472</u>	<u>1,277,794</u>	<u>1,398,345</u>	<u>1,389,201</u>
<b>Plan fiduciary net position</b>				
Contributions - employer	\$ 104,739	100,238	100,953	97,864
Net investment income	53,069	64,372	53,373	58,316
Benefit payments	(104,739)	(100,238)	(100,953)	(97,864)
Administrative expenses	(484)	(197)	(454)	(425)
Other expenses	<u>-</u>	<u>-</u>	<u>(1,144)</u>	<u>-</u>
<b>Net change in plan fiduciary net position</b>	52,585	64,175	51,775	57,891
<b>Plan fiduciary net position - beginning of year</b>	<u>980,727</u>	<u>916,552</u>	<u>864,777</u>	<u>806,886</u>
<b>Plan fiduciary net position - end of year (b)</b>	<u>1,033,312</u>	<u>980,727</u>	<u>916,552</u>	<u>864,777</u>
<b>Net OPEB liability - ending (a) - (b)</b>	\$ <u><u>234,160</u></u>	<u><u>297,067</u></u>	<u><u>481,793</u></u>	<u><u>524,424</u></u>
<b>Plan fiduciary net position as a percentage of the total OPEB liability</b>	<u>81.53%</u>	<u>76.75%</u>	<u>65.55%</u>	<u>62.25%</u>
<b>Covered - payroll</b>	<u>1,113,209</u>	<u>1,125,400</u>	<u>1,071,954</u>	<u>1,012,543</u>
<b>Net OPEB liability as a percentage of covered-payroll</b>	<u>21.03%</u>	<u>26.40%</u>	<u>44.95%</u>	<u>51.79%</u>

**Notes to Schedule**

**Benefit Changes** – None noted

**Changes of Assumptions** – None noted

\* The District has presented information for those years for which information is available until a full 10-year trend is completed.

**Shasta County Mosquito and Vector Control District**  
**Schedules of OPEB Contributions**  
**For the Year Ended June 30, 2021**  
**Last Ten Years\***

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2019</u>
Actuarially determined contribution	\$ 41,043	65,360	64,692	84,682
Contributions in relation to the actuarially determined contribution	<u>92,614</u>	<u>104,739</u>	<u>100,238</u>	<u>100,953</u>
Contribution deficiency (excess)	<u>\$ (51,571)</u>	<u>(39,379)</u>	<u>(35,546)</u>	<u>(16,271)</u>

**Notes to Schedule**

Since establishing the OPEB trust, the District has made regular contributions toward funding the Actuarially Determined Contribution (ADC) and confirmed its intention to continue doing so. The chart above shows the contributions for the years since GASB 75 was implemented.

\* The District has presented information for those years for which information is available until a full 10-year trend is compiled.

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# **Report on Internal Controls and Compliance**





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## **Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

Board of Trustees  
Shasta Mosquito and Vector Control District  
Anderson, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Shasta Mosquito and Vector Control (District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated .

### **Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

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

**Independent Auditor's Report on Internal Control over Financial Reporting  
and on Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards*, continued**

**Purpose of this Report**

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

A handwritten signature in black ink that reads "Fedak & Brown LLP". The signature is written in a cursive, slightly slanted style.

**Fedak & Brown LLP**  
Cypress, California  
June 20, 2022