

**SUTTER-YUBA MOSQUITO & VECTOR  
CONTROL DISTRICT,  
CALIFORNIA**

**FINANCIAL STATEMENTS  
TOGETHER WITH  
INDEPENDENT AUDITOR'S REPORT  
FOR THE YEAR ENDED  
JUNE 30, 2023**

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# **SUTTER-YUBA MOSQUITO & VECTOR CONTROL DISTRICT**

## **Annual Financial Report For the Year Ended June 30, 2023**

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## **INTRODUCTORY SECTION**

- **List of Officials**

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**SUTTER-YUBA MOSQUITO & VECTOR CONTROL DISTRICT**

**List of Officials**

**For the Year Ended June 30, 2023**

**Board of Trustees**

David Schmidl	President
John Sanbrook	Trustee
Vincenzo Corazza	Trustee
Lakhvir Ghag	Trustee
Justin Guzman	Trustee
Wade Kirchner	Trustee
John Link	Trustee

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## **FINANCIAL SECTION**

- **Independent Auditor's Report**
- **Basic Financial Statements**
- **Required Supplementary Information**

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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Trustees  
Sutter-Yuba Mosquito & Vector Control District  
Yuba City, California

**Report on the Audit of the Financial Statements****Opinions**

We have audited the accompanying financial statements of the governmental activities and the major fund of Sutter-Yuba Mosquito & Vector Control District, California (District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the District as of June 30, 2023, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinions**

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

**Responsibilities of Management for the Financial Statements**

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

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

To the Board of Trustees  
Sutter-Yuba Mosquito & Vector Control District  
Yuba City, California

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

To the Board of Trustees  
Sutter-Yuba Mosquito & Vector Control District  
Yuba City, California

### **Required Supplementary Information**

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

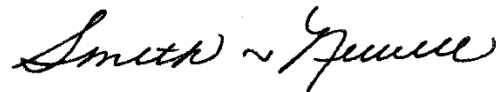
### **Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with Government Auditing Standards, we have also issued our report dated November 21, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the District's 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.



Smith & Newell CPAs  
Yuba City, California  
November 21, 2023

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**Management's Discussion and Analysis**  
**(Unaudited)**

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# **SUTTER-YUBA MOSQUITO AND VECTOR CONTROL DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2023**

The Sutter-Yuba Mosquito & Vector Control District was formed in 1946 to conduct field surveillance to facilitate the detection and control of mosquitos in order to suppress their population and prevent the transmission of mosquito borne diseases. The District's Board consists of seven trustees. The District is a special district within Sutter and Yuba Counties.

As management of the District, we offer readers of our financial statements this narrative overview and analysis of the financial activities for the year ended June 30, 2023.

## **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other required supplementary information in addition to the basic financial statements themselves.

**Government-Wide Financial Statements.** *The government-wide financial statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private sector business.

The *Statement of Net Position* presents information on all of the District's assets and liabilities, with the difference between the two reported as net position.

The *Statement of Activities* presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods. (i.e. earned but unused vacation leave).

The government-wide financial statements can be found on pages 9 & 10 of this report.

**Fund Financial Statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Fund financial statements report essentially the same functions as those reported in the government-wide financial statements. However, unlike the government-wide financial statements, 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.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate the comparison between the governmental fund and government-wide statements. The fund financial statements can be found on pages 11 through 14 of this report.

The District adopts an annual appropriated budget for its General fund. A budgetary comparison statement has been provided for the General fund to demonstrate compliance with the budget and can be found on page 36 of this report.

**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 15 through 32 of this report.

**SUTTER-YUBA MOSQUITO AND VECTOR CONTROL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2023**

**Required Supplementary Information.** In accordance with generally accepted accounting principles, the District presents required supplementary information other than the Management's Discussion and Analysis, including District pension information and the budgetary comparison information. The District adopts an annual appropriated budget for its General fund. The budgetary comparison schedule demonstrates compliance with the budget. Required Supplementary Information can be found on pages 33 through 37 of this report.

**Government-Wide Financial Analysis**

The District presents its financial statements under the reporting model required by the Governmental Accounting Standards Board Statement No. 34 (GASB 34), *Basic Financial Statements – and Management's Discussion and Analysis (MD&A) – for State and Local Governments*. A comparative analysis of government-wide data is included with the prior fiscal year.

Net position may serve over time as useful indicator of a government's financial position. In the case of the District, assets exceed liabilities by \$8,846,227 at the close of the most recent fiscal year. The most significant portion of the District's net position is its cash in the amount of \$6,470,993.

The District's net position increased overall by approximately 9.1 percent during the current fiscal year. This increase is explained in the government financial analysis, which follows.

**Governmental Activities:**

Table 1  
Governmental Net Position at June 30

	<b>2023</b>	<b>2022</b>
Cash and investments	\$ 6,470,993	\$ 5,770,399
Other assets	1,373,746	1,335,807
Capital assets	1,205,955	1,149,189
<b>Total Assets</b>	<b>9,050,694</b>	<b>8,255,395</b>
<b>Deferred Outflows of Resources</b>	<b>285,059</b>	<b>349,301</b>
Current liabilities	137,723	227,885
Long-term debt	176,298	119,077
<b>Total Liabilities</b>	<b>314,021</b>	<b>346,962</b>
<b>Deferred Inflows of Resources</b>	<b>175,505</b>	<b>148,309</b>
Net Position:		
Net investment in Capital assets	1,165,598	1,149,189
Restricted for:		
Public health	4,894,166	4,894,166
Unrestricted	2,786,463	2,066,070
<b>Total Net Position</b>	<b>\$ 8,846,227</b>	<b>\$ 8,109,425</b>

**SUTTER-YUBA MOSQUITO AND VECTOR CONTROL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2023**

Table 2  
Changes in Governmental Net Position at June 30

	<u>2023</u>	<u>2022</u>
<b>Revenues:</b>		
Program revenues:		
Charges for service	\$ 49,727	\$ 70,524
Operating grants and contributions	40,361	26,478
General Revenues:		
Property taxes	4,602,507	4,333,162
Interest and investment earnings	93,735	(206,685)
Other general revenues	96,158	68,667
Loss on disposal of capital asset	(9,957)	-
<b>Total Revenues</b>	<u>4,872,531</u>	<u>4,292,146</u>
<b>Expenses:</b>		
Public health	<u>4,135,729</u>	<u>3,589,169</u>
<b>Total Expenses</b>	<u>4,135,729</u>	<u>3,589,169</u>
Change in Net Position	736,802	702,977
Net Position - Beginning	<u>8,109,425</u>	<u>7,406,448</u>
Net Position - Ending	<u>\$ 8,846,227</u>	<u>\$ 8,109,425</u>

**Financial Analysis of the District's Governmental Funds**

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

For the year ended June 30, 2023, the District reported an ending fund balance of \$7,463,804, an increase of \$753,500 from the prior year. This increase represents the amount of revenues in excess of expenditures for the year ended June 30, 2023. This was primarily due to an increase in revenues.

Sutter-Yuba Mosquito & Vector Control District  
Comparison

	<u>FY 2022-2023</u>	<u>FY 2021-2022</u>
Total revenue	\$ 4,882,488	\$ 4,258,717
Total expenditures	<u>4,181,260</u>	<u>3,671,938</u>
Excess of revenue over expenditures	701,228	586,779
Other financing sources (uses)	52,272	43,827
Fund Balance - Beginning	<u>6,710,304</u>	<u>6,079,698</u>
Fund Balance - Ending	<u>\$ 7,463,804</u>	<u>\$ 6,710,304</u>

Total expenditures increased from \$3,671,938 to \$4,181,260, an increase of \$509,332 from the prior year.

**SUTTER-YUBA MOSQUITO AND VECTOR CONTROL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2023**

**Capital Assets and Debt Administration**

***Capital Assets***

At the end of the current fiscal year, the District had net capital assets totaling \$1,205,955.

***Debt Administration***

At the end of the current fiscal year, the District's debt consisted of accrued compensated absences and net pension liability.

**Economic Factors and Next Year's Budget**

The operating budget for the fiscal year ending (FYE) June 30, 2023 is \$4,168,343 with an overall budget including Fixed Assets of \$175,500. The District's total revenues exceeded the budgeted amount by \$302,328.

The District's Benefit Assessment for the Meridian area is in its 29<sup>th</sup> year. The District is focused on maintaining control of mosquitoes at their breeding sources, in the town of Meridian and at individual homes throughout the annexed area. By examining the actual costs to provide service to the annexed area, and cutting back on some services including aerial applications and wide area adulticiding, we are able to continue to impact mosquito abundance and potential mosquito-borne disease, while reducing the per parcel cost, to stay below the \$45 assessment cap established in Resolution 08-08-96, when Meridian was initially annexed.

The operating budget for the fiscal year ending (FYE) June 30, 2024 is \$4,421,625 with an overall budget including Fixed Assets of \$4,708,375. Revenues for the 2023-2024 fiscal year are expected to meet or exceed the budgeted amount. Some significant Fixed Asset expenditures include replacement of three vehicles, purchase of specialized mosquito control equipment, purchase of predatory bird exclusion netting for our mosquitofish rearing ponds in the District yard, and replacement of the District network server and system hardware and software components.

**The following factors were considered in preparing the District's budget for the FYE June 30, 2023:**

- Continued need to effectively identify and respond to the occurrence of West Nile virus and other vector-borne diseases within the District.
- Continued need to effectively prevent adult mosquitoes through the use of Integrated Vector Management; which includes public education and outreach programs, source reduction measures, biological control and appropriate use of mosquito larvicides, as well as the ability to quickly respond to high adult mosquito populations with appropriate adult mosquito control measures.
- Increase in costs or changes in availability of some mosquito control products and application equipment.
- Need to evaluate efficacy of mosquito control techniques and products, and continually assess for pesticide resistance in the mosquito populations.
- Need to evaluate and protect against risk of new or emerging vectors and vector-borne disease in the District.
- Need to properly staff the District to provide a consistent service level.

**SUTTER-YUBA MOSQUITO AND VECTOR CONTROL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2023**

- Need to stay keenly aware of new and changing COVID-19 legislative and public health regulations and recommendations; and implement, comply with and train on these laws and regulations.
- Need to collaborate with neighboring vector control agencies, other local and state agencies, private property landowners/land managers, and state associations to address issues affecting vectors and vector control on a regional and state-wide basis.
- Continued need for maintenance of facility, vehicle fleet, field data collection and database systems, laboratory certifications, and equipment.
- Continued need to comply with the NPDES Vector Control General Permit.
- Continued need to fund requirements and procedures required by current and new legislative and regulatory measures.
- The need of surveillance and control after invasive *Aedes* mosquito detection(s).

**Future events that will financially impact the District:**

- Expected need to add full time staff to service an expanding residential population in areas within the District like Plumas Lake and the new development in Sutter Pointe.
- Expected need to add full time staff to mitigate a challenging temporary labor market.
- Expected need to comply with current and future legislation and regulations.
- Continued and/or increased West Nile virus activity.
- The need to expand monitoring, surveillance, and control efforts to detect and control a possible reemergence of St. Louis encephalitis.
- Increase in costs due to high economic inflation.
- Increasing costs for mosquito control materials, including for use on organic crops and those that current mosquito populations show resistance/tolerance to.
- Need to address invasive mosquito species and/or new mosquito-borne disease (e.g. *Aedes notoscriptus*, *Aedes aegypti*, *Aedes albopictus*, chikungunya virus, Zika virus, dengue fever, yellow fever).
- Identify, address, and provide services to the new development in south Sutter County known as Sutter Pointe.
- Transition to electric vehicles and necessary infrastructure to provide secure charging facilities.

**Request for Information**

This financial report is designed to provide a general overview of the District's finances for all those interested. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Steve Abshier, District Manager of the Sutter-Yuba Mosquito & Vector Control District, 701 Bogue Road, Yuba City, California 95991.

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## **Basic Financial Statements**

- **Government-Wide Financial Statements**

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**SUTTER-YUBA MOSQUITO & VECTOR CONTROL DISTRICT**  
**Statement of Net Position**  
**June 30, 2023**

	<b>Total Governmental Activities</b>
<b>ASSETS</b>	
Cash and investments	\$ 6,470,993
Receivables:	
Taxes	225,444
Interest	44,341
Lease	36,667
Inventory	578,484
Prepaid insurance	281,378
Net pension asset	207,432
Capital assets:	
Non-depreciable	143,812
Depreciable, net	1,062,143
Total capital assets	<u>1,205,955</u>
<b>Total Assets</b>	<u>9,050,694</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred pension adjustments	<u>285,059</u>
<b>Total Deferred Outflows of Resources</b>	<u>285,059</u>
<b>LIABILITIES</b>	
Accounts payable	137,723
Long-term liabilities:	
Due within one year	136,805
Due in more than one year	<u>39,493</u>
<b>Total Liabilities</b>	<u>314,021</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred lease revenues	35,780
Deferred pension adjustments	<u>139,725</u>
<b>Total Deferred Inflows of Resources</b>	<u>175,505</u>
<b>NET POSITION</b>	
Net investment in capital assets	1,165,598
Restricted for:	
Public health	4,894,166
Unrestricted	<u>2,786,463</u>
<b>Total Net Position</b>	<u><u>\$ 8,846,227</u></u>

The notes to the basic financial statements are an integral part of this statement.

# SUTTER-YUBA MOSQUITO & VECTOR CONTROL DISTRICT

## Statement of Activities

For the Year Ended June 30, 2023

		Program Revenues			Net (Expense)
			Operating	Capital	Revenue and
	Expenses	Charges for	Grants and	Grants and	Changes in
<u>Functions/Programs:</u>		Services	Contributions	Contributions	Net Position
					<u>Total</u>
Governmental activities:					<u>Governmental</u>
Public health	\$ 4,134,644	\$ 49,727	\$ 40,361	\$ -	<u>Activities</u>
Interest on long-term debt	1,085	-	-	-	
<b>Total Governmental Activities</b>	<u>4,135,729</u>	<u>49,727</u>	<u>40,361</u>	<u>-</u>	<u>(4,045,641)</u>
<b>Total</b>	<u>\$ 4,135,729</u>	<u>\$ 49,727</u>	<u>\$ 40,361</u>	<u>\$ -</u>	<u>(4,045,641)</u>
<b>General revenues:</b>					
Taxes:					
Property taxes					
					4,602,507
Interest and investment earnings					
					93,735
Miscellaneous					
					96,158
Loss on disposal of capital assets					
					<u>(9,957)</u>
<b>Total General Revenues</b>					<u>4,782,443</u>
<b>Change in Net Position</b>					736,802
<b>Net Position - Beginning</b>					<u>8,109,425</u>
<b>Net Position - Ending</b>					<u>\$ 8,846,227</u>

The notes to the basic financial statements are an integral part of this statement.

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## **Basic Financial Statements**

- **Fund Financial Statements**

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**SUTTER-YUBA MOSQUITO & VECTOR CONTROL DISTRICT**

**Balance Sheet  
Governmental Fund  
June 30, 2023**

	<u><b>General</b></u>
<b>ASSETS</b>	
Cash and investments	\$ 6,470,993
Receivables:	
Taxes	225,444
Interest	44,341
Lease	36,667
Inventory	578,484
Prepaid insurance	281,378
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<b>Total Assets</b>	<b>\$ 7,637,307</b>
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<b>LIABILITIES</b>	
Accounts payable	\$ 137,723
	<hr/>
<b>Total Liabilities</b>	<b>137,723</b>
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<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred lease revenues	35,780
	<hr/>
<b>Total Deferred Inflows of Resources</b>	<b>35,780</b>
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<b>FUND BALANCE</b>	
Nonspendable	859,862
Committed	3,045,000
Assigned	1,849,166
Unassigned	1,709,776
	<hr/>
<b>Total Fund Balance</b>	<b>7,463,804</b>
	<hr/>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<b>\$ 7,637,307</b>
	<hr/>

The notes to the basic financial statements are an integral part of this statement.

**SUTTER-YUBA MOSQUITO & VECTOR CONTROL DISTRICT**  
**Reconciliation of the Governmental Fund Balance Sheet to the**  
**Government-Wide Statement of Net Position - Governmental Activities**  
**June 30, 2023**

<b>Total Fund Balance - Total Governmental Fund</b>	<b>\$ 7,463,804</b>
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental fund balance sheet.	1,205,955
Other long-term assets are not available to pay for current period expenditures and therefore are not reported in the governmental fund.	
Net pension asset	207,432
Deferred outflows of resources related to pension are not reported in the governmental fund.	285,059
Deferred inflows of resources related to pension are not reported in the governmental fund.	(139,725)
Certain liabilities are not due and payable in the current period and therefore are not reported in the governmental fund.	
Leases on right to use assets	(40,357)
Compensated absences	(135,941)
<b>Net Position of Governmental Activities</b>	<b><u>\$ 8,846,227</u></b>

The notes to the basic financial statements are an integral part of this statement.

**SUTTER-YUBA MOSQUITO & VECTOR CONTROL DISTRICT**  
**Statement of Revenues, Expenditures and**  
**Changes in Fund Balance**  
**Governmental Fund**  
**For the Year Ended June 30, 2023**

	<b>General</b>
<b>REVENUES</b>	
Taxes and assessments	\$ 4,625,124
Intergovernmental revenue	40,361
Use of money and property	93,735
Charges for services	27,110
Other revenue	96,158
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<b>Total Revenues</b>	<b>4,882,488</b>
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<b>EXPENDITURES</b>	
Current public health:	
Salaries and benefits	2,107,640
Chemicals	1,024,347
Clothing and personal supplies	13,061
Communications	15,085
Household expenses	621
Insurance	143,521
Repairs and maintenance	48,564
Memberships	13,932
Office expenses	14,478
Professional services	418,211
Publications and legal notices	13,585
Rents and leases	4,644
Small tools and supplies	1,460
Special department expense	7,255
Biological control	10,296
Entomology lab	26,068
Transportation and travel	58,818
Utilities	12,911
Miscellaneous	8,778
Debt service:	
Principal	11,915
Interest	1,085
Capital Outlay	224,985
	<hr/>
<b>Total Expenditures</b>	<b>4,181,260</b>
	<hr/>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>701,228</b>
	<hr/>
<b>OTHER FINANCING SOURCES (USES)</b>	
Proceeds from debt	52,272
	<hr/>
<b>Total Other Financing Sources (Uses)</b>	<b>52,272</b>
	<hr/>
<b>Net Change in Fund Balance</b>	<b>753,500</b>
	<hr/>
<b>Fund Balance - Beginning</b>	<b>6,710,304</b>
	<hr/>
<b>Fund Balance - Ending</b>	<b>\$ 7,463,804</b>
	<hr/>

The notes to the basic financial statements are an integral part of this statement.

**SUTTER-YUBA MOSQUITO & VECTOR CONTROL DISTRICT**  
**Reconciliation of the Statement of Revenues, Expenditures and**  
**Changes in Fund Balance of the Governmental Fund to the**  
**Government-Wide Statement of Activities - Governmental Activities**  
**For the Year Ended June 30, 2023**

<b>Net Change in Fund Balance - Total Governmental Fund</b>	<b>\$ 753,500</b>
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Expenditures for capital outlay	172,713
Capital outlay related to right to use capital assets	52,272
Less current year depreciation/amortization	(158,262)

Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the Statement of Activities, a gain or loss is reported for each disposal. This is the net cost of the capital assets disposed.

(9,957)

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Principal retirements	11,915
Proceeds related to right to use capital assets	(52,272)

Certain changes in deferred outflows and deferred inflows of resources reported in the Statement of Activities are related to long-term liabilities and are not reported in the governmental fund.

Change in deferred outflows of resources related to pension	(64,242)
Change in deferred inflows of resources related to pension	(46,580)

Some expenses reported in the Statement of Activities, do not require the use of current financial resources and therefore are not reported as expenditures in the governmental fund.

Change in compensated absences	(16,864)
Change in net pension asset	94,579

<b>Change in Net Position of Governmental Activities</b>	<b>\$ 736,802</b>
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The notes to the basic financial statements are an integral part of this statement.



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## **Basic Financial Statements**

- **Notes to Basic Financial Statements**

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# **SUTTER-YUBA MOSQUITO & VECTOR CONTROL DISTRICT**

## **Notes to Basic Financial Statements**

**For the Year Ended June 30, 2023**

### **NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **A. Reporting Entity**

Sutter-Yuba Mosquito & Vector Control District is a special district within Sutter and Yuba Counties governed by an independent seven-member Board of Trustees. The District was formed in 1946 with the primary goal to conduct field surveillance to facilitate the detection and control of mosquitos in order to suppress their populations and prevent the transmission of mosquito borne diseases. The basic operations of the District are supported by ad valorem property taxes.

#### **Component Units**

Generally accepted accounting principles require government financial statements to include the primary government and its component units. Component units of a governmental entity are legally separate entities for which the primary government is considered to be financially accountable and for which the nature and significance of their relationship with the primary government are such that exclusion would cause the combined financial statements to be misleading. The primary government is considered to be financially accountable if it appoints a majority of an organization's governing body and is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the primary government.

Based on the application of the criteria set forth by the Governmental Accounting Standards Board, management has determined that there are no component units of the District.

#### **Joint Agencies**

The District is a member of the Vector Control Joint Powers Authority (VCJPA). 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. Complete audited financial statements can be obtained at 1750 Creekside Oaks Drive, Suite 200, Sacramento, CA 95833. The District is not financially accountable for this organization and therefore it is not a component unit under Statement Nos. 14, 39 and 61 of the Governmental Accounting Standards of Board.

#### **B. Basis of Presentation**

##### **Government-Wide Financial Statements**

The Statement of Net Position and Statement of Activities display information on all of the activities of the District. These statements include the financial activities of the overall District. These statements report the governmental activities of the District, which are normally supported by taxes, assessments and intergovernmental revenues. The District had no business-type activities at June 30, 2023.

**SUTTER-YUBA MOSQUITO & VECTOR CONTROL DISTRICT**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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

**B. Basis of Presentation (Continued)**

**Government-Wide Financial Statements (Continued)**

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and; therefore, are clearly identifiable to a particular function. Program revenues include 1) charges paid by the recipients of goods and services offered by the program, 2) operating grants and contributions, and 3) capital grants and contributions. Taxes and other items not properly included among program revenues are reported instead as general revenues.

**Fund Financial Statements**

Fund financial statements of the District are organized into one fund, which is considered to be a separate accounting entity. The fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures. The fund of the District is organized into the governmental category and is treated as a major fund.

The District reports the following major governmental fund:

- The General fund is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the District.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, assessments, grants, entitlements, and donations. Under the accrual basis, revenue from property taxes and assessments is recognized in the fiscal year for which the taxes are levied. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Property taxes, assessments, interest, certain state and federal grants and charges for services are considered susceptible to accrual and are accrued when their receipt occurs within thirty days after the end of the fiscal year. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to claims and judgments are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of governmental long-term debt and acquisitions under capital leases are reported as other financing sources.

**D. Non-Current Governmental Assets/Liabilities**

Non-current governmental assets and liabilities, such as capital assets and long-term liabilities, are reported in the governmental activities column in the government-wide Statement of Net Position.

# **SUTTER-YUBA MOSQUITO & VECTOR CONTROL DISTRICT**

## **Notes to Basic Financial Statements**

**For the Year Ended June 30, 2023**

### **NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

#### **E. Investments**

The District pools all cash and investments with the County of Sutter. The Sutter County Treasury is an external investment pool for the District and the District is considered an involuntary participant. The District's share in this pool is displayed in the accompanying financial statements as cash and investments.

Participant's equity in the investment pool is determined by the dollar amount of participant deposits, adjusted for withdrawals and distributed investment income. Investment income is determined on an amortized cost basis. Interest payments, accrued interest, accreted discounts, amortized premiums, and realized capital gains and losses, net of administrative fees, are apportioned to pool participants every quarter. This method differs from the fair value method used to value investments in these financial statements as unrealized gains or losses are not apportioned to pool participants.

#### **F. Receivables**

Receivables for governmental activities consist mainly of taxes and interest revenues. Management believes its receivables are fully collectible and, accordingly, no allowance for doubtful accounts is required.

#### **G. Other Assets**

##### **Inventory**

Inventory is stated at cost using the first-in, first-out method of accounting. Inventory consists of chemicals. The cost of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

##### **Investments in JPA**

The District's cash reserve in the Vector Control Joint Powers Authority is recorded as Prepaid Insurance on the government-wide and fund financial statements. The net change is shown as an income or expense item.

#### **H. Capital Assets**

Capital assets are defined by the District as assets with a cost of \$2,500 or more and a useful life of 5 years or more. Capital assets, including public domain infrastructure, are recorded at historical or estimated historical cost if actual historical cost is unavailable. Contributed capital assets are recorded at their acquisition value at the date of donation.

Capital assets used in operations are depreciated or amortized using the straight-line method over the assets' estimated useful lives in the government-wide financial statements. The range of estimated useful lives by type of asset is as follows:

<u>Depreciable Asset</u>	<u>Estimated Lives</u>
Structures and improvements	30 years
Equipment	7-15 years
Office furniture and equipment	5 years

**SUTTER-YUBA MOSQUITO & VECTOR CONTROL DISTRICT**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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

**H. Capital Assets (Continued)**

Maintenance and repairs are charged to operations when incurred. Betterments and major improvements which significantly increase values, change capacities or extend useful lives are capitalized. Upon sale or retirement of capital assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

**I. Compensated Absences**

The District's policy regarding compensated absences is to permit employees to accumulate earned but unused vacation leave and comp time. In the government-wide financial statements the accrued compensated absences is recorded as an expense and related liability, with the current portion estimated based on historical trends. In the governmental fund financial statements, the expenditures and liabilities related to those obligations are recognized only when they mature.

**J. Pension**

The Sutter-Yuba Mosquito & Vector Control District is the sole plan sponsor and contributor of a defined benefit pension plan administered by the Sutter-Yuba Mosquito & Vector Control District for the benefit of District employees. Investments are reported at fair value.

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

Valuation Date	June 30, 2023
Measurement Date	June 30, 2023
Measurement Period	June 30, 2022 to June 30, 2023

**K. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has one item that qualifies for reporting in this category. The item relates to the outflows from changes in the net pension liability and is reportable on the Statement of Net Position.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category. The first item relates to the deferred inflows from leases receivable. The second item relates to the inflows from changes in the net pension liability and is reportable on the Statement of Net Position.

**L. Property Tax**

Sutter and Yuba Counties are responsible for the collection and allocation of property taxes. Under California law, property taxes are assessed and collected by the County of Sutter and County of Yuba up to 1 percent of the full cash value of taxable property, plus other increases approved by the voter and distributed in accordance with statutory formulas.

## **SUTTER-YUBA MOSQUITO & VECTOR CONTROL DISTRICT**

### **Notes to Basic Financial Statements**

**For the Year Ended June 30, 2023**

#### **NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

##### **L. Property Tax (Continued)**

The valuation/lien date for all taxes is January 1. Secured property tax is due in two installments, the first is due November 1 and delinquent with penalties after December 10; the second is due February 1 and delinquent with penalties after April 10. Unsecured property tax is due on March 1, and becomes delinquent if unpaid on August 31.

The Counties use the alternative method of property tax apportionment known as the “Teeter Plan”. Under this method of property tax apportionment, the Counties remit the entire amount levied and handle all delinquencies, retaining interest and penalties.

##### **M. Assessments**

The District levies special assessments on the property owners within the District boundaries. An assessment of \$26.52 was levied upon taxable parcels of land within the Meridian area of the District. The special assessments are collected along with property taxes by Sutter and Yuba Counties.

Sutter and Yuba Counties assess properties, bill, collect, and distribute the assessments to the District.

Assessments are due in two installments (secured roll) on November 1 and February 1 and become delinquent after December 10 and April 10, respectively.

##### **N. Estimates**

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

##### **O. Implementation of Governmental Accounting Standards Board (GASB) Statements**

The following Governmental Accounting Standards Board (GASB) Statements have been implemented, if applicable, in the current financial statements.

**Statement No. 91**, Conduit Debt Obligations. This statement improves the comparability of financial reporting for issuers by eliminating the option to recognize a liability for a conduit debt obligation.

**Statement No. 94**, Public-Private and Public-Public Partnerships and Availability Payment Arrangements. This statement will improve financial reporting by establishing the definitions of PPPs and APAs and providing uniform guidance on accounting and financial reporting for transactions that meet those definitions.

**Statement No. 96**, Subscription-Based Information Technology Arrangements. This statement will improve financial reporting by establishing a definition for SBITAs and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. The definition and uniform guidance will result in greater consistency in practice.

**SUTTER-YUBA MOSQUITO & VECTOR CONTROL DISTRICT**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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

**O. Implementation of Governmental Accounting Standards Board (GASB) Statements (Continued)**

**Statement No. 99**, Omnibus 2022. This statement will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature. Consistent authoritative literature enables governments and other stakeholders to more easily locate and apply the correct accounting and financial reporting provisions, which improves the consistency with which such provisions are applied. The comparability of financial statements also will improve as a result of this Statement. Better consistency and comparability improve the usefulness of information for users of state and local government financial statements.

**P. Future Accounting Pronouncements**

The following GASB Statements will be implemented, if applicable, in future financial statements:

Statement No. 99 “Omnibus 2022” The requirements of this statement related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023. (FY 23/24)

Statement No. 100 “Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62” The requirements of this statement are effective for fiscal years beginning after June 15, 2023. (FY 23/24)

Statement No. 101 “Compensated Absences” The requirements of this statement are effective for fiscal years beginning after December 15, 2023. (FY 24/25)

**NOTE 2: CASH AND INVESTMENTS**

**A. Financial Statement Presentation**

As of June 30, 2023, the District’s cash and investments consisted of the following:

Cash:	
Cash on hand	\$ <u>200</u>
Total Cash	<u>200</u>
Investments:	
Sutter County Treasurer’s Pool	<u>6,470,793</u>
Total Investments	<u>6,470,793</u>
Total Cash and Investments	\$ <u><u>6,470,993</u></u>



# SUTTER-YUBA MOSQUITO & VECTOR CONTROL DISTRICT

## Notes to Basic Financial Statements

For the Year Ended June 30, 2023

### NOTE 2: CASH AND INVESTMENTS (CONTINUED)

#### B. Investments

The District has an investment policy, the purpose of which is to provide the basis for the management of a prudent conservative investment program. At June 30, 2023, all investments of the District were in the County of Sutter investment pool. Under the provisions of the County's investment policy and the California Government Code, the County may invest or deposit in the following:

- U.S. Treasury Notes, Bonds, Bills
- U.S. Government Agencies
- Medium-Term Notes
- Commercial Paper of Prime Quality
- Negotiable Certificates of Deposit
- Local Agency Investment Fund (LAIF)
- California Asset Management Program (CAMP)
- Investment Trust of California (CalTRUST)
- Bankers' Acceptances
- Repurchase Agreements
- Certificates of Deposit
- Money Market Mutual Funds
- State or Local Agency Obligations

**Fair Value of Investments** - The District measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy as follows:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than quoted market prices; and,
- Level 3: Unobservable inputs

The District's position in external investment pools is in itself regarded as a type of investment and looking through to the underlying investments of the pool is not appropriate. Therefore, the District's investment in external investment pools are not recognized in the three-tiered fair value hierarchy described above.

At June 30, 2023, the District had the following recurring fair value measurements:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Fair Value Measurements Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments by Fair Value Level				
None	\$ -	\$ -	\$ -	\$ -
Total Investments Measured at Fair Value	-	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Investments in External Investment Pool				
Sutter County Treasurer's Pool	<u>6,470,793</u>			
Total Investments	<u>\$ 6,470,793</u>			

**SUTTER-YUBA MOSQUITO & VECTOR CONTROL DISTRICT**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**NOTE 2: CASH AND INVESTMENTS (CONTINUED)**

**B. Investments (Continued)**

Interest Rate Risk - Interest rate risk is the risk of loss due to the fair value of an investment falling due to interest rates rising. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. To limit exposure to fair value losses from increases in interest rates, the County's investment policy limits investment maturities to a term appropriate to the need for funds so as to permit the County to meet all projected obligations.

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 is measured by the assignment of a rating by a nationally recognized statistical rating organization. The County's investment policy sets specific parameters by type of investment to be met at the time of purchase. As of June 30, 2023, the District's investments were all held in the County of Sutter Investment Pool which is not rated by a nationally recognized statistical rating organization.

Custodial Credit Risk - Custodial credit risk for investments is the risk that, in the event of the failure of a depository financial institution, the District will not be able to recover its deposits or collateral securities that are in the possession of an outside party. Custodial credit risk does not apply to a local government's indirect investments in securities through the use of mutual funds or government investment pools.

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investment in a single issuer of securities. When investments are concentrated in one issuer, this concentration presents a heightened risk of potential loss. State law and the investment policy of the County contain limitations on the amount that can be invested in any one issuer. All investments of the District were in the Sutter County investment pool which contains a diversification of investments.

**C. Investments in External Pool**

The Sutter County Pooled Investment Fund is a pooled investment fund program governed by the County which monitors and reviews the management of public funds maintained in the investment pool in accordance with the County investment policy and the California Government Code. The Board of Supervisors review and approve the investment policy annually. The County Treasurer prepares and submits a comprehensive investment report to the Board of Supervisors every month. The report covers the type of investments in the pool, maturity dates, par value, actual cost and fair value. Investments in the Sutter County Pooled Investment Fund are highly liquid as deposits and withdrawals can be made at any time without penalty. The Pool does not impose a maximum investment limit. Required disclosure information regarding categorization of investments and other deposit and investment risk disclosures can be found in the County's financial statements. The County of Sutter's financial statements may be obtained by contacting the County of Sutter Auditor Controller's office at 1160 Civic Center Blvd. #D, Yuba City, CA 95993

**SUTTER-YUBA MOSQUITO & VECTOR CONTROL DISTRICT**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**NOTE 3: LEASES RECEIVABLE**

The District's lease receivable is measured at the present value of the lease payments expected to be received during the lease term. A deferred inflow of resources is recorded for the lease. The deferred inflow is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

On May 1, 2021, the District entered into a six-month lease with Jeffery T. Helm, Inc., to lease a warehouse building located at 905 Market Street, Yuba City, to the lessee. The initial fixed payment was \$1,500 per month. The lease was amended on November 18, 2021 to extend the lease term an additional 36 months through October 31, 2024. The fixed payment increases by \$50 per month each November.

On January 1, 2023, the District entered into a one-year lease with Sharpe Software, Inc., to lease an office building located at 925 Market Street, Yuba City, to the lessee. The fixed payment was \$1,696 per month.

Lease receivable is measured at the present value of the future minimum rent payments expected to be received during the lease term at an incremental borrowing rate of 0.20% for the 905 Market Street lease and 2.40% for the 925 Market Street property.

In fiscal year 2022/2023, the District recognized \$39,421 of lease revenue and \$231 of interest revenue under the leases, which is included in use of money on the Statement of Revenue, Expenditures, and Changes in Fund Balance – Governmental Funds.

The cost of the leased space is included in the structures and improvements category in Note 4, and the amount of accumulated depreciation thereon. The amount of cost attributable to only the leased space is not determinable and therefore not disclosed here.

The future minimum lease payments are due as follows:

Year Ended June 30	Payments		
	Principal	Interest	Total
2024	\$ 29,970	\$ 106	\$ 30,076
2025	6,697	3	6,700
Total	<u>\$ 36,667</u>	<u>\$ 109</u>	<u>\$ 36,776</u>

**SUTTER-YUBA MOSQUITO & VECTOR CONTROL DISTRICT**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**NOTE 4: CAPITAL ASSETS**

Capital assets activity for the year ended June 30, 2023, was as follows:

	Balance July 1, 2022	Additions	Retirements	Balance June 30, 2023
Capital Assets, Not Being Depreciated				
Land	\$ 143,812	\$ -	\$ -	\$ 143,812
Construction in progress	130,000	-	( 130,000)	-
Total Capital Assets, Not Being Depreciated	273,812	-	( 130,000)	143,812
Capital Assets, Being Depreciated				
Right to use leased asset	10,398	52,272	( 10,398)	52,272
Structures and improvements	990,846	121,242	129,867	1,241,955
Machinery and equipment	1,452,159	51,471	( 30,536)	1,473,094
Total Capital Assets, Being Depreciated	2,453,403	224,985	88,933	2,767,321
Less Accumulated				
Depreciation/Amortization For:				
Right to use leased asset	( 10,398)	( 12,388)	10,398	( 12,388)
Structures and improvements	( 538,710)	( 39,164)	40	( 577,834)
Machinery and equipment	( 1,028,918)	( 106,710)	20,672	( 1,114,956)
Total Accumulated Depreciation/Amortization	( 1,578,026)	( 158,262)	31,110	( 1,705,178)
Total Capital Assets, Being Depreciated, Net	875,377	66,723	120,043	1,062,143
Total Capital Assets, Net	\$ 1,149,189	\$ 66,723	(\$ 9,957)	\$ 1,205,955

**Depreciation/Amortization**

Depreciation/amortization expense was charged to governmental activities as follows:

Public Health	\$ 159,122
Total Depreciation/Amortization Expense	\$ 159,122

**NOTE 5: LONG-TERM LIABILITIES**

The following is a summary of changes in long-term liabilities for the year ended June 30, 2023:

Type of Indebtedness	Balance July 1, 2022	Additions	Retirements	Balance June 30, 2023	Amounts Due Within One Year
Right to use leases	\$ -	\$ 52,272	(\$ 11,915)	\$ 40,357	\$ 12,204
Compensated absences	119,077	172,239	( 155,375)	135,941	124,601
Total	\$ 119,077	\$ 224,511	(\$ 167,290)	\$ 176,298	\$ 136,805

**NOTE 6: LEASED ASSET**

The District has entered into agreements to lease certain land. The lease agreements qualify as other than short-term leases under GASB 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

# SUTTER-YUBA MOSQUITO & VECTOR CONTROL DISTRICT

## Notes to Basic Financial Statements

**For the Year Ended June 30, 2023**

### NOTE 6: LEASED ASSET (CONTINUED)

The first lease agreement was executed on May 31, 2022 for the period of July 1, 2022 through June 30, 2025 to lease 10 acres of land and required payments of \$5,000 each November. There are no variable components of this lease. The lease liability is measured at the incremental borrowing rate of 2.40%, which was the rate established by the State of California. As a result of this lease, the District recorded a right to use asset with a net book value of \$9,668.

The second lease agreement was executed on May 31, 2022 for the period of July 1, 2022 through June 30, 2027 to lease 9 acres of land and required payments of \$4,500 each November. There are no variable components of this lease. The lease liability is measured at the incremental borrowing rate of 2.40%, which was the rate established by the State of California. As a result of this lease, the District recorded a right to use asset with a net book value of \$16,997.

The third lease agreement was executed on May 31, 2022 for the period of July 1, 2022 through June 30, 2027 to lease 7 acres of land and required payments of \$3,500 each November. There are no variable components of this lease. The lease liability is measured at the incremental borrowing rate of 2.40%, which was the rate established by the State of California. As a result of this lease, the District recorded a right to use asset with a net book value of \$13,219.

As of June 30, 2022, principal and interest requirements to maturity were as follows:

Year Ended June 30	Right to Use Leases		
	Principal	Interest	Total
2024	\$ 12,204	\$ 796	\$ 13,000
2025	12,500	500	13,000
2026	7,733	267	8,000
2027	7,920	80	8,000
Total	<u>\$ 40,357</u>	<u>\$ 1,643</u>	<u>\$ 42,000</u>

### NOTE 7: NET POSITION

The government-wide financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

- **Net investment in capital assets** - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- **Restricted net position** - consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- **Unrestricted net position** - all other net position that does not meet the definition of “restricted” or “net investment in capital assets”.

## **SUTTER-YUBA MOSQUITO & VECTOR CONTROL DISTRICT**

### **Notes to Basic Financial Statements**

**For the Year Ended June 30, 2023**

#### **NOTE 7: NET POSITION (CONTINUED)**

##### **Net Position Flow Assumption**

When a government funds outlays for a particular purpose from both restricted and unrestricted resources, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted net position are available, it is considered that restricted resources are used first, followed by the unrestricted resources.

#### **NOTE 8: FUND BALANCE**

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. Fund balances for governmental funds can be made up of the following:

- **Nonspendable fund balance** - amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example: inventories and prepaid amounts.
- **Restricted fund balance** - amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws and regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.
- **Committed fund balance** - amounts that can only be used for the specific purposes determined by formal action of the District’s highest level of decision-making authority. The Board of Trustees is the highest level of decision-making authority for the District that can, by Board action, commit fund balance. Once adopted, the limitation imposed remains in place until a similar action is taken to remove or revise the limitation. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.
- **Assigned fund balance** - amounts that are constrained by the District’s intent to be used for specific purposes. The intent can be established at either the highest level of decision-making, or by a body or an official designated for that purpose.
- **Unassigned fund balance** - the residual classification for the District’s General fund that includes all amounts not contained in the other classifications.

**SUTTER-YUBA MOSQUITO & VECTOR CONTROL DISTRICT**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**NOTE 8: FUND BALANCE (CONTINUED)**

The fund balance for the governmental fund as of June 30, 2023, was distributed as follows:

	<u>General Fund</u>
<b>Nonspendable:</b>	
Inventory	\$ 578,484
Prepaid insurance	<u>281,378</u>
Subtotal	<u>859,862</u>
<b>Committed to:</b>	
Special district projects	2,250,000
Capital outlay	<u>795,000</u>
Subtotal	<u>3,045,000</u>
<b>Assigned to:</b>	
Research	50,000
Emergency	1,500,000
Vehicle replacement	74,166
Drone aircraft	30,000
Invasive Aedes Detection Response	125,000
Adulticide fogger	<u>70,000</u>
Subtotal	<u>1,849,166</u>
<b>Unassigned</b>	<u>1,709,776</u>
Total	<u>\$ 7,463,804</u>

**Fund Balance Flow Assumption**

When a government funds outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance), a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted fund balance are available, it is considered that restricted fund balance is depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

**Fund Balance Policy**

The Board of Trustees has adopted a fund balance policy for financial statement reporting. The policy establishes procedures for reporting fund balance classifications, establishes prudent reserve requirements and establishes a hierarchy of fund balance expenditures. The policy also provides for a measure of financial protection for the District against unforeseen circumstances and to comply with GASB 54. The minimum unrestricted fund balance may be recognized within the committed, assigned, or unassigned classifications.

**SUTTER-YUBA MOSQUITO & VECTOR CONTROL DISTRICT**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**NOTE 9: PENSION PLAN**

**A. General Information about the Pension Plan**

**Plan Description**

All qualified employees of the District are eligible to participate in the District's single-employer defined benefit pension plan administered by the District. Benefit provisions under the Plan are established by State statute and District resolution.

Effective January 1, 2013, the District added retirement tiers for the Miscellaneous Rate Tier for new employees as required under the Public Employee Pension Reform Act (PEPRA). New employees hired on or after January 1, 2013 will be subject to new, lower pension formulas, caps on pensionable income levels and new definitions of pensionable income. As of the valuation date there were no Miscellaneous PEPRA employees and this Plan is closed to new enrollment.

**Summary of Rate Tiers and Eligible Participants**

Closed to New Enrollment

Miscellaneous

Miscellaneous members hired before January 1, 2013

**Benefits Provided**

All employees who meet the eligibility requirements of 6 months of service and age 18 enter the plan on July 1<sup>st</sup> of the plan year in which the employee completes the requirements. Participants who retire at or after age 62 are entitled to an annual retirement benefit in the amount of 2.00 percent of their average compensation of the highest five consecutive years of participation in the last ten years.

Each Rate Tier's specific provisions and benefits in effect at June 30, 2023, are summarized as follows:

	<u>Benefit Formula</u>	<u>Retirement Age</u>	<u>Monthly Benefits as a % of Eligible Compensation</u>
Miscellaneous	2.0% @ 62	62	2.0%

**Employees Covered**

At June 30, 2023, the following employees were covered by the benefit terms for the Miscellaneous Plan:

	<u>Inactive Employees or Beneficiaries Currently Receiving Benefits</u>	<u>Inactive Employees Entitled to But Not Yet Receiving Benefits</u>	<u>Active Employees</u>
Miscellaneous	0	0	3



**SUTTER-YUBA MOSQUITO & VECTOR CONTROL DISTRICT**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**NOTE 9: PENSION PLAN (CONTINUED)**

**A. General Information about the Pension Plan (Continued)**

**Contributions**

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan is determined annually on an actuarial basis as of June 30 by a certified actuary. 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.

	<u>Employer Contribution Rates</u>	<u>Employee Contribution Rates</u>	<u>Employer Paid Member Contribution Rates</u>
Miscellaneous	20.000%	0.000%	0.000%

For the year ended June 30, 2023, the contributions recognized as part of pension expense for the Plan were as follows:

	<u>Contributions-Employer</u>	<u>Contributions-Employee (Paid by Employer)</u>
Miscellaneous	\$ 66,122	\$ -

The District's net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2022, using an annual actuarial valuation as of June 30, 2023. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

**B. Net Pension Liability**

**Actuarial Assumptions**

The total pension liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2023
Actuarial Cost Method	Entry Age Normal Cost (level percent of pay)
Asset Valuation Method	Market Value of Assets
Expected Long-Term Return on Assets	5.00%
Discount Rate	5.00%
Salary Increase	5.50% per year
General Inflation Rate	2.50% per year

**Changes of Assumptions**

Salary increase assumption changed from 4.50% to 5.50% based on plan experience.

**SUTTER-YUBA MOSQUITO & VECTOR CONTROL DISTRICT**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**NOTE 9: PENSION PLAN (CONTINUED)**

**B. Net Pension Liability (Continued)**

**Discount Rate**

The discount rate used to measure the total pension liability was 5.00 percent for the Plan. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from the District will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension fund's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. In theory, the discount rate may differ from the long-term expected rate of return discussed previously. However, based on the projected availability of the pension fund's fiduciary net position, the discount rate is equal to the long-term expected rate of return on pension plan investments, and was applied to all periods of projected benefit payments to determine the total pension liability.

**C. Changes in the Net Pension Liability**

As of June 30, 2023, the changes in the net pension liability of the single-employer defined benefit pension plan is as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Miscellaneous:			
Balance at June 30, 2022	\$ 2,340,218	\$ 2,453,071	(\$ 112,853)
Changes in the year:			
Service cost	74,302	-	74,302
Interest cost	120,726	-	120,726
Expected investment income	-	124,307	( 124,307)
Employer contributions	-	66,122	( 66,122)
Change of assumptions	36,020	-	36,020
Plan experience	( 28,281)	-	( 28,281)
Investment experience	-	106,917	( 106,917)
Net changes	202,767	297,346	( 94,579)
Balance at June 30, 2023	\$ 2,542,985	\$ 2,750,417	(\$ 207,432)

**Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate**

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

	1% Decrease 4.00%	Discount Rate 5.00%	1% Increase 6.00%
Miscellaneous	\$ 160,905	(\$ 207,432)	(\$ 492,364)

# SUTTER-YUBA MOSQUITO & VECTOR CONTROL DISTRICT

## Notes to Basic Financial Statements

For the Year Ended June 30, 2023

### NOTE 9: PENSION PLAN (CONTINUED)

#### C. Changes in the Net Pension Liability (Continued)

##### Pension Plan Fiduciary Net Position

Detailed information about the Pension Plan's fiduciary net position is available in the separately issued Actuarial Valuation Report prepared by MacLeod Watts.

#### D. Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pension

For the year ended June 30, 2023, the District recognized pension expense of \$82,365. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 140,920	(\$ 42,549)
Changes of assumptions	144,139	( 67,261)
Differences between projected and actual earnings on pension plan investments	-	( 29,915)
Total	<u>\$ 285,059</u>	<u>(\$ 139,725)</u>

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

Year Ended <u>June 30</u>	
2024	\$ 31,996
2025	( 210)
2026	88,492
2027	( 463)
2028	20,922
Thereafter	<u>4,597</u>
Total	<u>\$ 145,334</u>

### NOTE 10: DEFINED CONTRIBUTION RETIREMENT PLAN

During the year ended June 30, 2014, Sutter-Yuba Mosquito & Vector Control District established a defined contribution pension plan. All permanent employees are eligible to participate in the plan. The plan is funded on a pay-as-you-go (cash) basis. During the year ended June 30, 2023, 16 employees participated in the program at a cost to the District of \$120,050.

### NOTE 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.

There is no claims liability to be reported on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

**SUTTER-YUBA MOSQUITO & VECTOR CONTROL DISTRICT**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**NOTE 11: RISK MANAGEMENT (CONTINUED)**

There are no significant reductions in insurance coverage from prior years and there have been no settlements exceeding the insurance coverages for each of the past three fiscal years.

The District is a member of Vector Control Joint Powers Agency (VCJPA), a joint powers agency which provides the District with a shared risk layer of coverage above the self-insured required retentions for liability and workers' compensation. The VCJPA is composed of 35 member districts and is governed by a board of directors. The governing board has authority over budgeting and financing. The District pays an annual premium to VCJPA for its insurance coverage.

VCJPA is a joint powers agency organized in accordance with Article 1, Chapter 5, Division 7, Title 1 of the California Government Code. The purpose is to create a common pool of funds to be used to meet obligations of the parties to provide workers' compensation benefits for their employees and to provide excess liability insurance. The District provides claims processing administrative services, risk management services, and actuarial studies. The District trustees do not have significant oversight responsibility, since they evenly share all factors of responsibility with the other districts. However, ultimate liability for payment of claims and insurance premiums resides with member districts. The Agency is empowered to make supplemental assessments as needed to eliminate deficit positions of member districts. If the VCJPA becomes insolvent, the District is responsible only to the extent of any deficiency in its equity balance.

Upon termination of the VCJPA agreement, all property of the Agency will vest in the respective parties which theretofore transferred, conveyed or leased said property to the Agency. Any surplus of funds will be returned to the parties in proportion to actual balances of each equity.

The District's investment in the VCJPA of \$281,378 is recorded in the General fund as prepaid insurance. The net change is shown as an income or expense item in the General fund.

**NOTE 12: OTHER INFORMATION**

**A. Subsequent Events**

Management has evaluated events subsequent to June 30, 2023 through November 21, 2023, the date on which the financial statements were available for issuance. Management has determined no subsequent events requiring disclosure have occurred.

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**Required Supplementary Information  
(Unaudited)**

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**SUTTER-YUBA MOSQUITO & VECTOR CONTROL DISTRICT**  
**Required Supplementary Information**  
**District Pension Plan**  
**Schedule of Changes in Net Pension Liability and Related Ratios**  
**For the Year Ended June 30, 2023**  
**Last 10 Years\***

<b>Measurement Date</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
<b>Miscellaneous</b>				
<b>Total Pension Liability</b>				
Service Cost	\$ 92,375	\$ 95,146	\$ 100,760	\$ 64,039
Interest	205,872	190,720	176,095	137,004
Change of assumptions	-	-	-	181,327
Plan experience	9,096	-	189,459	121,826
Benefit payments, including refunds of employee contributions	(1,226,305)	-	(1,167,969)	(1,254,833)
<b>Net Change in Total Pension Liability</b>	(918,962)	285,866	(701,655)	(750,637)
<b>Total Pension Liability - Beginning</b>	4,638,212	3,719,250	4,005,116	3,303,461
<b>Total Pension Liability - Ending (a)</b>	<u>\$ 3,719,250</u>	<u>\$ 4,005,116</u>	<u>\$ 3,303,461</u>	<u>\$ 2,552,824</u>
<b>Plan Fiduciary Net Position</b>				
Contributions - employer	\$ 339,987	\$ 241,000	\$ 189,861	\$ 91,027
Net investment income	180,965	182,404	175,937	136,274
Investment experience	170,480	56,801	101,763	(155,936)
Benefit payments, including refunds of employee contributions	(1,226,305)	-	(1,167,969)	(1,254,833)
<b>Net Change in Plan Fiduciary Net Position</b>	(534,873)	480,205	(700,408)	(1,183,468)
<b>Plan Fiduciary Net Position - Beginning</b>	4,062,457	3,527,584	4,007,789	3,307,381
<b>Plan Fiduciary Net Position - Ending (b)</b>	<u>\$ 3,527,584</u>	<u>\$ 4,007,789</u>	<u>\$ 3,307,381</u>	<u>\$ 2,123,913</u>
<b>Net Pension Liability (Asset) - Ending (a)-(b)</b>	<u>\$ 191,666</u>	<u>\$ (2,673)</u>	<u>\$ (3,920)</u>	<u>\$ 428,911</u>
Plan fiduciary net position as a percentage of the total pension liability	94.85%	100.07%	100.12%	83.20%
Covered payroll	\$ 503,802	\$ 528,160	\$ 440,844	\$ 364,466
Net pension liability (asset) as a percentage of covered payroll	38.04%	-0.51%	-0.89%	117.68%

\* The District implemented GASB 68 for fiscal year June 30, 2017, therefore only seven years are shown.



<u>2020/21</u>	<u>2021/22</u>	<u>2022/23</u>
\$ 88,847	\$ 65,671	\$ 74,302
111,750	114,561	120,726
(19,488)	(63,694)	36,020
(20,370)	(1,876)	(28,281)
(488,007)	-	-
(327,268)	114,662	202,767
2,552,824	2,225,556	2,340,218
<u>\$ 2,225,556</u>	<u>\$ 2,340,218</u>	<u>\$ 2,542,985</u>
\$ 371,282	\$ 75,000	\$ 66,122
607,246	(236,363)	231,224
-	-	-
(488,007)	-	-
490,521	(161,363)	297,346
2,123,913	2,614,434	2,453,071
<u>\$ 2,614,434</u>	<u>\$ 2,453,071</u>	<u>\$ 2,750,417</u>
<u>\$ (388,878)</u>	<u>\$ (112,853)</u>	<u>\$ (207,432)</u>
117.47%	104.82%	108.16%
\$ 317,166	\$ 335,891	\$ 359,298
-122.61%	-33.60%	-57.73%

**SUTTER-YUBA MOSQUITO & VECTOR CONTROL DISTRICT**  
**Required Supplementary Information**  
**District Pension Plan**  
**Schedule of Contributions**  
**For the Year Ended June 30, 2023**  
**Last 10 Years\***

<b>Fiscal Year</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
<b>Miscellaneous</b>				
Contractually required contributions (actuarially determined)	\$ 322,941	\$ 207,545	\$ 189,861	\$ 92,575
Contributions in relation to the actuarially determined contributions	<u>(339,987)</u>	<u>(241,000)</u>	<u>(189,861)</u>	<u>(91,027)</u>
Contribution deficiency (excess)	<u>\$ (17,046)</u>	<u>\$ (33,455)</u>	<u>\$ -</u>	<u>\$ 1,548</u>
Covered payroll	\$ 503,802	\$ 528,160	\$ 440,844	\$ 364,466
Contributions as a percentage of covered payroll	67.48%	45.63%	43.07%	24.98%

\* The District implemented GASB 68 for fiscal year June 30, 2017, therefore only seven years are shown.

<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>
\$ 249,856	\$ 37,496	\$ 61,122
<u>(371,282)</u>	<u>(75,000)</u>	<u>(66,122)</u>
<u>\$ (121,426)</u>	<u>\$ (37,504)</u>	<u>\$ (5,000)</u>
\$ 317,166	\$ 335,891	\$ 359,298
117.06%	22.33%	18.40%

**SUTTER-YUBA MOSQUITO & VECTOR CONTROL DISTRICT**  
**Required Supplementary Information**  
**District Pension Plan**  
**Notes to District Pension Plan**  
**For the Year Ended June 30, 2023**

**NOTE 1: SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**

Benefit changes: The figures do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2023 valuation date.

Salary increase assumption changed from 4.50% to 5.50% based on plan experience.

**NOTE 2: SCHEDULE OF CONTRIBUTIONS**

Methods and assumptions used to determine the contribution rates were as follows:

Valuation date	July 1, 2022
Actuarial cost method	Individual Aggregate
Amortization method/period	5-year straight-line amortization
Investment rate of return	5.50%
Salary increases	4.50%
Retirement age	Age 62
Pre-retirement discount rate	5.50%

# SUTTER-YUBA MOSQUITO & VECTOR CONTROL DISTRICT

## Required Supplementary Information

### Budgetary Comparison Schedule

#### General Fund

For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Taxes and assessments	\$ 4,368,657	\$ 4,368,657	\$ 4,625,124	\$ 256,467
Intergovernmental revenue	26,477	26,477	40,361	13,884
Use of money and property	81,330	81,330	93,735	12,405
Charges for services	35,029	35,029	27,110	(7,919)
Other revenue	68,667	68,667	96,158	27,491
<b>Total Revenues</b>	<u>4,580,160</u>	<u>4,580,160</u>	<u>4,882,488</u>	<u>302,328</u>
<b>EXPENDITURES</b>				
Current general government:				
Salaries and benefits	2,301,193	2,301,193	2,107,640	193,553
Chemicals	1,050,000	1,050,000	1,024,347	25,653
Clothing and personal supplies	19,000	19,000	13,061	5,939
Communications	18,000	18,000	15,085	2,915
Household expenses	2,000	2,000	621	1,379
Insurance	85,500	85,500	143,521	(58,021)
Repairs and maintenance	53,000	53,000	48,564	4,436
Memberships	14,000	14,000	13,932	68
Office expenses	15,500	15,500	14,478	1,022
Professional services	430,000	430,000	418,211	11,789
Publications and legal notices	15,000	15,000	13,585	1,415
Rents and leases	18,250	18,250	4,644	13,606
Small tools and supplies	4,000	4,000	1,460	2,540
Special department expense	10,000	10,000	7,255	2,745
Biological control	10,000	10,000	10,296	(296)
Entomology lab	24,000	24,000	26,068	(2,068)
Transportation and travel	77,500	77,500	58,818	18,682
Utilities	15,000	15,000	12,911	2,089
Miscellaneous	6,400	6,400	8,778	(2,378)
Debt service:				
Principal	-	-	11,915	(11,915)
Interest	-	-	1,085	(1,085)
Capital Outlay	175,500	175,500	224,985	(49,485)
<b>Total Expenditures</b>	<u>4,343,843</u>	<u>4,343,843</u>	<u>4,181,260</u>	<u>162,583</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>236,317</u>	<u>236,317</u>	<u>701,228</u>	<u>464,911</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from debt	-	-	52,272	52,272
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>52,272</u>	<u>52,272</u>
<b>Net Change in Fund Balance</b>	236,317	236,317	753,500	517,183
<b>Fund Balances - Beginning</b>	<u>6,710,304</u>	<u>6,710,304</u>	<u>6,710,304</u>	<u>-</u>
<b>Fund Balances - Ending</b>	<u>\$ 236,317</u>	<u>\$ 6,946,621</u>	<u>\$ 7,463,804</u>	<u>\$ 517,183</u>

# **SUTTER-YUBA MOSQUITO & VECTOR CONTROL DISTRICT**

## **Required Supplementary Information Note to Budgetary Comparison Schedule For the Year Ended June 30, 2023**

### **NOTE 1: BUDGETARY BASIS OF ACCOUNTING**

Formal budgetary integration is employed as a management control device during the year. The District presents a comparison of annual budget to actual results for the General fund. The amounts reported on the budgetary basis are generally on a basis consistent with accounting principles generally accepted in the United States of America (GAAP).

The following procedures are performed by the District in establishing the budgetary data reflected in the financial statements:

- (1) The District Manager submits to the Board of Trustees a recommended budget for the fiscal year commencing the following July 1. The budget includes recommended expenditures and the means of financing them.
- (2) The Board of Trustees reviews the recommended budget at regularly scheduled meetings, which are open to the public.
- (3) The budget is adopted by motion.
- (4) From the effective date of the budget, the amounts stated therein, as recommended expenditures become appropriations to the District. The Board may amend the budget by motion during the fiscal year.

The District does not use encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation.

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**OTHER REPORT**

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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**

To the Board of Trustees  
Sutter-Yuba Mosquito & Vector Control District  
Yuba City, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of Sutter-Yuba Mosquito & Vector Control District, California (District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 21, 2023.

**Report on Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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 or significant deficiencies may exist that were not identified.

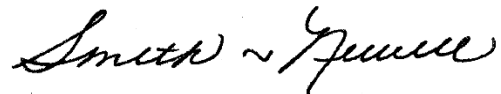
To the Board of Trustees  
Sutter-Yuba Mosquito & Vector Control District  
Yuba City, California

### **Report on Compliance and Other Matters**

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

### **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, appearing to read "Smith & Newell", is written over a faint, light blue circular stamp.

Smith & Newell CPAs  
Yuba City, California  
November 21, 2023