

**SOLANO COUNTY
MOSQUITO ABATEMENT DISTRICT**

ANNUAL FINANCIAL REPORT

With Independent Auditor's Report Thereon

JUNE 30, 2022

SOLANO COUNTY MOSQUITO ABATEMENT DISTRICT

ANNUAL FINANCIAL REPORT

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor’s Report	1-3
Management’s Discussion and Analysis	4-7
FINANCIAL STATEMENTS	
Governmental Fund Balance Sheet and Statement of Net Position	8
Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance and Statement of Activities	9
Notes to Basic Financial Statements	10-25
REQUIRED SUPPLEMENTARY INFORMATION	
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	26
Notes to Required Supplementary Information – Post-Employment Benefits	27
Required Supplementary Information – Pensions.....	28-29

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Solano County Mosquito Abatement District
Fairfield, California

Opinion

We have audited the accompanying financial statements of the governmental activities of the Solano Mosquito Abatement District as of and for the year ended June 30, 2022 and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Solano Mosquito Abatement 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 the 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 Solano Mosquito Abatement District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of X, State Y's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Solano County Mosquito Abatement 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
Solano County Mosquito Abatement District

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information and pension and OPEB 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.

Fechter & Company
Certified Public Accountants


Sacramento, California
February 13, 2023

**SOLANO COUNTY MOSQUITO ABATEMENT DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

The following Management’s Discussion and Analysis (MD&A) of the Solano County Mosquito Abatement District’s (the District) activities and financial performance provides an introduction to the financial statements of the District for the fiscal year ending June 30, 2022. The District is required to undergo an annual financial statement audit under California Government Code Section 26909.

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

DISTRICT ACTIVITY HIGHLIGHTS

The District is headquartered in Solano County on Industrial Court in Fairfield. The District has provided mosquito control in Solano County since it was established in 1930. The Board of Trustees consists of eight trustees, one appointed by the County and one appointed by each of the seven cities located in the County. The general manager coordinates and oversees the activities of the District and supervises eight employees who work together in the public interest.

Mosquitoes that can carry St. Louis encephalitis, Western Equine encephalitis, West Nile virus, and canine heartworm are prevalent throughout the District.

Mosquito and vector control activities include public education, larval control, adult control, trapping, and monitoring. Activities are conducted year-round; however, the highest level of activity is in the spring and summer months when insect growth and activity is greatest. Surveillance is performed throughout the District. Mosquito specimens are collected at many sites for virus testing and to evaluate mosquito concentrations, breeding data, and species. Surveillance also includes routine inspections of areas known to breed high concentrations of mosquitoes and collection and evaluation of dead birds that may be infected with vector borne diseases.

Since the summer of 2004, West Nile virus has been detected in Solano County. This virus is carried by mosquitoes and presents a threat to the public health. The District monitors surveillance results from other disease control agencies in California and around the country and conducts its own surveillance activities for this virus. The virus has been detected in Solano County in 2017. The following table shows the number of cases reported by year:

<u>Year</u>	<u>Number of Cases Reported</u>
2009	0
2010	0
2011	0
2012	2
2013	1
2014	5
2015	1
2016	4
2017	1
2018	0
2019	0
2020	0
2021	1
2022	0

None of the human cases were fatal.

**SOLANO COUNTY MOSQUITO ABATEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

Financial activities are supported from property tax revenues collected by the County of Solano and remitted to the District.

FINANCIAL POSITION SUMMARY

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

	2022	2021
ASSETS		
Current assets and other	\$ 10,623,971	\$ 7,873,869
Capital assets	1,313,474	1,346,823
TOTAL ASSETS	11,937,445	9,220,692
 LIABILITIES		
Current and other liabilities	1,299,021	2,577,347
TOTAL LIABILITIES	1,299,021	2,577,347
 NET POSITION		
Capital assets, net	1,313,474	1,346,823
Unrestricted	9,324,950	5,296,522
TOTAL NET POSITION	\$ 10,638,424	\$ 6,643,345

The District's assets exceeded liabilities by \$10,638,424 at June 30, 2022. Cash makes up the majority of the assets, representing 54% of assets. These assets are used by District employees to provide control services to the public. Capital assets, before depreciation, decreased by \$33,349 in 2022 due to current year depreciation expense. The District has plans to continually replace equipment when the need arises.

FINANCIAL POSITION SUMMARY (continued)

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

**SOLANO COUNTY MOSQUITO ABATEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

FINANCIAL OPERATIONS HIGHLIGHTS

	<u>2022</u>	<u>2021</u>
Revenues	\$ 6,026,925	\$ 3,214,921
Operating expenses	<u>2,024,811</u>	<u>2,737,411</u>
Excess of Revenues over Expenses	<u><u>\$ 4,002,114</u></u>	<u><u>\$ 477,510</u></u>

Revenues increased \$2,812,004 and operating expenses decreased by \$712,600, primarily due to the GASB 68 adjustments to pension expense which result in a pension credit at year-end, rather than a pension expense as in the prior year.

ANALYSIS OF SIGNIFICANT BUDGET-TO-ACTUAL VARIATIONS

	<u>June 30, 2022</u>		
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Revenues	\$ 3,427,242	\$ -	\$ 3,427,242
Operating expenses	<u>3,187,876</u>	<u>3,404,350</u>	<u>216,474</u>
Excess of Revenues over Expenses	<u><u>\$ 239,366</u></u>	<u><u>\$ (3,404,350)</u></u>	<u><u>\$ 3,210,768</u></u>

The District prepares an annual budget and measures actual results versus budgeted amounts on a monthly and annual bases. The budget is prepared by management and approved by the Board of Trustees. This budget did not include a budget for revenues, resulting in the \$0 budget balance shown. Expenditures were less than budgeted in an amount totaling \$216,474. The County determines the assessed valuations for the property tax rolls and the amount actually received is generally different than the budgeted amount due to changes in assessments and collections that occur during the year.

Operating expenses of the District are budgeted based on historical amounts and anticipated needs and events expected during the fiscal year. Overall operating expenses were significantly less than total budgeted expenses. Higher operating expenses due to the presence of West Nile virus were anticipated— fortunately, the viral activity was less than expected.

FINANCIAL STATEMENTS

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

**SOLANO COUNTY MOSQUITO ABATEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

DESCRIPTION OF SIGNIFICANT CAPITAL ASSET ACTIVITIES

The District prepares a capital budget each year to plan for the orderly replenishment of equipment and facilities. Capital investments are usually financed internally from operations. During fiscal year 2022, the District purchased several new all-terrain vehicles and new lab equipment. There are current plans to continue replacing equipment on an as-needed basis.

DESCRIPTION OF CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS

The West Nile virus was first discovered in the eastern United States in 1999. The virus is mosquito borne and is carried by birds along their migratory paths. West Nile virus was found in birds in the District in the summer of 2004 and human cases were first reported in the summer of 2005. Birds have been infected every year since. Human cases were reported for years 2005 through 2008 and again in 2012, 2013, 2014, 2015, 2017 and 2021. The District anticipated this continued West Nile virus activity and continues to provide surveillance, monitoring, abatement, and public education regarding this disease. Fortunately, the viral activity in Solano County has not reached the levels found in some of the surrounding counties where substantial additional funds have been expended in responding to the increased threat.

USING THIS AUDIT REPORT

This annual financial report consists of two parts: The Management's Discussion and Analysis (this section) and the basic financial statements. The financial statements also include Notes to the Financial Statements that further explain some of the information in the financial statements and provide additional data regarding the District's operations.

ADDITIONAL FINANCIAL INFORMATION

This financial report is designed to provide interested parties with an overview of the District's financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional information, please contact the District's Manager at 2950 Industrial Court, Fairfield, California, 94533.

SOLANO COUNTY MOSQUITO ABATEMENT DISTRICT
GOVERNMENTAL FUND BALANCE SHEET AND STATEMENT OF NET POSITION
JUNE 30, 2022

	General Fund	Adjustments	Statement of Net Position
ASSETS			
Cash and investments	\$ 6,442,802	\$ -	\$ 6,442,802
Inventory	213,161	-	213,161
Capital assets, net of accumulated depreciation	-	1,313,474	1,313,474
Net pension asset - long-term	-	1,414,820	1,414,820
	\$ 6,655,963	2,728,294	9,384,257
DEFERRED OUTFLOWS OF RESOURCES			
Pensions	\$ -	1,320,019	1,320,019
OPEB	-	1,233,169	1,233,169
LIABILITIES			
Accrued expenses	68,351	-	68,351
Compensated absences	-	88,379	88,379
Net pension liability - long-term	-	-	-
Net OPEB liability - long-term	-	89,904	89,904
	68,351	178,283	246,634
DEFERRED INFLOWS OF RESOURCES			
Pensions	-	528,702	528,702
OPEB	-	523,685	523,685
FUND BALANCES			
Non-spendable	213,161	(213,161)	-
Assigned for contingency/public health emergency	1,000,000	(1,000,000)	-
Assigned for GASB 68	1,000,000	(1,000,000)	-
Assigned for Working Capital Fund	2,160,133	(2,160,133)	-
Assigned for Capital Improvements	1,000,000	(1,000,000)	-
Unassigned	1,214,318	(1,214,318)	-
	6,587,612	(6,587,612)	
Total fund balances	\$ 6,587,612	(6,587,612)	
Total Liabilities and Fund Balances	\$ 6,655,963		
Net Position			
Invested in capital assets, net of related debt		1,313,474	1,313,474
Unrestricted		9,324,950	9,324,950
Total Net Position		\$ 10,638,424	\$ 10,638,424

The accompanying notes are an integral part of these financial statements.

**SOLANO COUNTY MOSQUITO ABATEMENT DISTRICT
GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE AND STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED
JUNE 30, 2022**

	General Fund	Adjustments	Statement of Activities
REVENUES			
Property taxes	\$ 2,559,759	\$ -	\$ 2,559,759
Other tax revenue	823,416	-	823,416
Pension credit	-	2,593,727	2,593,727
Use of money and property	33,932	-	33,932
Miscellaneous	10,135	5,956	16,091
Total revenues	<u>3,427,242</u>	<u>2,599,683</u>	<u>6,026,925</u>
EXPENDITURES			
Salaries and wages	936,343	16,007	952,350
Employee benefits	1,289,376	(1,218,378)	70,998
Pesticides	311,929	-	311,929
Aircraft services	75,800	-	75,800
Insurance	74,612	-	74,612
Structure and grounds maintenance	51,873	-	51,873
Property tax administration	39,817	-	39,817
Utilities	42,236	-	42,236
Motor vehicles and equipment maintenance	37,502	-	37,502
Gas and oil	37,577	-	37,577
Materials and supplies	42,017	-	42,017
Professional services	88,659	-	88,659
Memberships	18,704	-	18,704
Publishing	36,559	-	36,559
Conference	7,297	-	7,297
Communications	9,794	-	9,794
Continuing education	1,704	-	1,704
Travel	750	-	750
Capital outlay	85,327	(85,327)	-
Depreciation expense	-	124,633	124,633
Total expenditures	<u>3,187,876</u>	<u>(1,163,065)</u>	<u>2,024,811</u>
Net changes in Fund Balances/Net Position	239,366	3,762,748	4,002,114
Fund Balances/Net Position - July 1, 2021	<u>6,348,246</u>	288,064	<u>6,636,310</u>
Fund Balances/Net Position - June 30, 2022	<u>\$ 6,587,612</u>	<u>\$ 4,050,812</u>	<u>\$ 10,638,424</u>

The accompanying notes are an integral part of these financial statements.

SOLANO COUNTY MOSQUITO ABATEMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1: NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of the Reporting Entity

The Solano County Mosquito Abatement District (the District) was formed by joint resolution of the Board of Supervisors of Solano County on June 18, 1930. The purpose of the District is to provide protection to the people against mosquito-borne diseases and relief from serious pest nuisance. The governing powers are found in the State Health and Safety Code, Chapter five of Division three. The District is governed by a Board of Trustees consisting of eight members. The City Council of each of the seven cities in the county is responsible for appointing one member, and the eighth member is appointed by the Solano County Board of Supervisors.

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments. Certain of the significant changes in the Statement include the following:

- A Management’s Discussion and Analysis (MD&A) section providing an analysis of the District’s overall financial position and results of operations. This is required supplementary information.
- Government-wide financial statements prepared using the economic resources measurement focus and the accrual basis of accounting for all of the District’s activities.

These and other changes are reflected in the accompanying financial statements, including these notes to financial statements.

Government-Wide and Fund Financial Statements

The government-wide financial statements (Statement of Net Position and Statement of Activities) report information on all of the nonfiduciary activities of the primary government.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment. Other items not properly included among program revenues are reported instead as general revenues.

**SOLANO COUNTY MOSQUITO ABATEMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1: NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Fund Accounting

The District uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts.

Governmental Funds

The “measurement focus” of a Governmental Fund is upon determination of financial position and changes in financial positions (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the Governmental Funds used by the District:

General Fund – the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of the fund’s present increases (i.e., revenues) and decreases (i.e., expenditures) in net current assets.

SOLANO COUNTY MOSQUITO ABATEMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1: NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Accounting (continued)

The modified accrual basis of accounting is used by the governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available.) “Measurable” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The District considers property taxes as available if they are collected within 60 days after year-end. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recorded when the related fund liability is incurred.

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

Inventory

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

Capital Assets

General capital assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

Capital assets over \$1,000 are capitalized at cost, where historical records are available, and are updated for additions and retirements during the year. Donated fixed assets are valued at their estimated fair market value on the date received. Capital assets are depreciated over their estimated useful lives, using the straight-line method, ranging from 5 to 30 years.

Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Generally, earned vacation may be accumulated up to a maximum of 240 hours by all personnel. District employees do not receive compensation for accumulated sick leave upon termination of employment; however, accrued unused sick

SOLANO COUNTY MOSQUITO ABATEMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1: NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Compensated Absences (continued)

leave at the time of termination shall be allowed as service time for purposes of PERS retirement benefits, so long as it is consistent with the applicable PERS contract and statutes. Accordingly, no sick leave has been accrued.

Reserved Fund Balances

Reservations of fund balances are used to indicate the portion of the fund balance that is not available for expenditure or is segregated for a specific future use.

Portions of unreserved fund balances may be designated to indicate tentative plans for financial resource utilization in a future period, such as for general contingencies or debt service. Such plans or intent are subject to change and may never be legally authorized or result in expenditures.

Net Position

Net position presents the difference between assets and liabilities in the statement of net position. Net position invested in capital assets are reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are legal limitations imposed on their use by District legislation or external restrictions by creditors, grantors, laws, or regulations of other governments.

Budgets and Budgetary Accounting

The Board of Trustees approves a tentative budget no later than June 30 of each year, and adopts a final budget no later than August 30.

From the effective date of the budget, the amounts stated therein as proposed expenditures become appropriations. The Board of Trustees may amend the budget by motion during the fiscal year or make transfers from one object or purpose to another within the same budget unit. The original budget is presented in the financial statements. Appropriations lapse at the end of each fiscal year.

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

SOLANO COUNTY MOSQUITO ABATEMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1: NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred Compensation Plan

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457, and accounts for the liability and related assets (investments). The Plan, available to all full-time District employees, permits them to defer up to \$19,000 per year. Participants over the age of 50 may defer up to an additional \$6,000. The deferred compensation is not available to employees until termination, retirement, death, or reaching age 70 ½.

The District has a fiduciary responsibility for the assets of the plan and is prohibited from using plan assets for purposes other than paying benefits. Registered investments held by the deferred compensation fund are recorded at market value.

Estimates and Assumptions

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fund Balances

In February 2009, the GASB issued Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, which establishes accounting and financial reporting standards for all governments that report governmental funds.

Under GASB 54, fund balances for governmental funds should be reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are now broken out in five categories:

- Non-spendable Fund Balance – this fund balance classification includes amounts that cannot be spent because they are either not in spendable form (i.e. – prepaid expenses) or legally or contractually required to be maintained intact.
- Restricted Fund Balance – this fund balance classification should be reported when there are constraints placed on the use of resources externally (by creditors, grant sources, contributors, etc.) or imposed by law or enabling legislation.

SOLANO COUNTY MOSQUITO ABATEMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1: NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Balances (continued)

- Committed Fund Balance – this fund balance classification can only be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision-making authority (i.e. – fund balance designations passed by board resolution).
- Assigned Fund Balance – this fund balance classification includes amounts that are constrained by the government’s intent to be used for specific purposes, but are neither restricted nor committed.
- Unassigned Fund Balance – this fund balance classification is the residual classification for the general fund.

NOTE 2: CASH AND INVESTMENTS

The District’s Management is responsible for maintaining a cash and investment pool for all funds in accordance with the District’s investment policy that is updated as necessary. The District maintains two checking accounts with a bank and invests cash in excess of immediate needs with the State of California Local Agency Investment Fund (LAIF). Funds invested with LAIF are treated as cash equivalents since they are immediately available. Total cash and investments are allocated to the District’s individual funds based on their equity in the pooled amount. Interest income is allocated to those funds that are required by law or administrative action to receive interest. Interest is allocated on a quarterly basis based on the aggregate cash balances in each fund receiving interest.

As of June 30, 2022, the carrying value of funds invested with the LAIF investment pool totaled \$1,237,351, which approximates market. The District also has funds in the Solano County Treasury of \$5,169,176 and Wells Fargo Bank of \$36,277.

The District’s pooled deposits are categorized to give an indication of the level of risk assumed by the District at fiscal year-end. The categories are described as follows:

Category 1 - Insured or collateralized with securities held by the District or by its agent in the District’s name.

Category 2 - Collateralized with securities held by the pledging financial institution’s trust department or agent in the District’s name.

Category 3 - Uncollateralized.

**SOLANO COUNTY MOSQUITO ABATEMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 2: CASH AND INVESTMENTS (continued)

Deposits, categorized by level of risk, are:

	Bank	Category		
	Balance	1	2	3
Pooled Cash & Cash Equivalents	\$ 5,205,453	\$ 5,205,453	\$ -	\$ -
LAIF (Uncategorized)	1,237,351	-	-	-
Total	<u>\$6,442,804</u>	<u>\$ 5,205,453</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 3: EMPLOYEES RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN)

Plan Description

The District contributes to the California Public Employees Retirement System (PERS), an agent multiple-employer public employee defined benefit pension plan that acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute and District ordinance. Copies of the PERS annual financial report may be obtained from the executive office at 400 P Street, Sacramento, CA 95814.

Funding Policy

All full-time District employees are eligible to participate in PERS. The Plan requires an employee contribution of 7% of annual covered salary; however, as stated in the Memorandum of Understanding, the District has agreed to pay the employees' retirement contribution. Employees under PEPRAs pay their portion of retirement. The District is required to contribute the remaining amounts necessary to fund the benefits for its members, using the actuarial basis recommended by PERS actuaries and actuarial consultants and adopted by the Board of Administration. The contribution requirements of plan members and the District are established and may be amended by PERS. The District was required to contribute at an actuarially determined rate; the current rates of annual covered payroll for the 2022 fiscal year was 9.680% for miscellaneous employees and 6.99% for employees covered under PEPRAs. In addition, the District was also required to contribute a payment towards the present unfunded liability that was not calculated as part of the overall contribution rate. That amount totaled \$119,815 for the 2022 fiscal year.

At June 30, 2022, the District reported a liability of \$743,359 in the Statement of Net Position for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the

**SOLANO COUNTY MOSQUITO ABATEMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

**NOTE 3: EMPLOYEES RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN)
(continued)**

Funding Policy (continued)

pension plan relative to the projected contributions of all Pension Plan participants, which was actuarially determined. For the fiscal year ended June 30, 2022, the District recognized pension credit of \$2,593,727 in its Government-Wide financial statements. Pension credit represents the change in the net pension liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, actuarial gain/loss, actuarial assumptions or method, and plan benefits.

Actuarial Assumptions

The total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions. Total pension liability represents the portion of the actuarial present value of projected benefit payments attributable to past periods of service for current and inactive employees.

- Discount Rate/Rate of Return – 7.15%, net of investment expense
- Inflation Rate – 2.50%
- Salary increases – Varies by Entry Age and Service
- COLA Increases – up to 2.75%
- Post-Retirement Mortality – Derived using CalPERS’ Membership Data for all Funds

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2018.

The long-term expected rate of return on pension plan investments (7.15%) was determined using a building-block method in which best-estimate ranges of expected future real rates of return (Expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Real Return Years 1-10</u>	<u>Real Return Years 11+</u>
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Estate	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	-0.92%

**SOLANO COUNTY MOSQUITO ABATEMENT DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 JUNE 30, 2022**

**NOTE 3: EMPLOYEES RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN)
 (continued)**

Actuarial Assumptions (continued)

The discount rate used to measure the total pension liability was 7.15 percent. The projection of cash flows used to determine the discount rate assumed that 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.

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

The following presents what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.15%) or 1 percentage point higher (8.15%) than the current rate:

	1% Decrease 6.15%	Discount Rate 7.15%	1% Increase 8.15%
District's proportionate share of the net pension plan liability	\$ 2,111,988	\$ 743,359	\$ (386,348)

Detailed information about the pension fund's fiduciary net position is available in the separately issued CALPERS comprehensive annual financial report which may be obtained by contacting PERS.

SOLANO COUNTY MOSQUITO ABATEMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 4: CAPITAL ASSETS

The District's recorded capital asset balances changed during the year as follows:

	Beginning Balance	Additions	Deletions	Reclassifications	Ending Balance
Capital assets, not being depreciated:					
Land	\$ 501,804	\$ -	\$ -	\$ -	\$ 501,804
Total capital assets, not being depreciated	501,804	-	-	-	501,804
Capital assets, being depreciated:					
Buildings and improvements	2,704,720	-	-	-	2,704,720
Automotive equipment	414,371	69,998	(33,163)	(10,818)	440,388
Equipment	195,546	14,289	(2,129)	(28,804)	178,902
Office equipment	51,720	1,040	(5,062)	14,192	61,890
Total capital assets, being depreciated	3,366,357	85,328	(40,354)	(25,431)	3,385,900
Accumulated depreciation	(2,521,338)	(124,633)	40,354	31,387	(2,574,230)
Total capital assets being depreciated, net	845,019	(39,305)	-	5,956	811,670
Capital assets, net of depreciation	\$ 1,346,823	\$ (39,305)	\$ -	\$ 5,956	\$ 1,313,474

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Depreciation expense was \$124,633 for the year ended June 30, 2022.

NOTE 5: ADJUSTMENTS

Total Fund Balance - Total Governmental Funds	\$ 6,587,612
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets, net of accumulated depreciation, are not financial resources and therefore are not reported in the governmental funds balance sheet.	1,313,474
Deferred outflows of resources are not a current financial expenditure	2,553,188
Long-term liabilities are not due and payable in the current period and are not reported in the Governmental funds balance sheet.	<u>184,150</u>
Net Position of Governmental Activities	<u>\$ 10,638,424</u>

**SOLANO COUNTY MOSQUITO ABATEMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 5: ADJUSTMENTS (continued)

Net Change in Governmental Fund Balance	\$ 239,366
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>	
<p>The change in compensated absences reported in the Statement of Activities does not require the use of current financial resources and, therefore, is not reported as an expenditure in governmental funds.</p>	
	(16,007)
Change in deferred pension liability and OPEB	3,812,105
<p>Depreciation expense, net of capital outlay, on capital assets is reported in the government-wide Statement of Activities and changes in net position, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as an expenditure in governmental funds.</p>	
	<u>(33,350)</u>
Change in Net Position of Governmental Activities	<u>\$ 4,002,114</u>

NOTE 6: SELF-INSURANCE PROGRAM

The Solano County Mosquito Abatement District entered into a Joint Powers Authority (JPA) agreement with other special districts throughout California to form a Self-Insurance Fund for the purpose of creating an insurance fund for comprehensive general liability and property damage, and to provide worker’s compensation benefits for their employees. The pool uses a combination of self-insurance and excess insurance for potential claims. Condensed financial information (audited) of the Special District Risk Management Authority, at June 30, 2021 is presented below:

	Total Joint Venture
Current Assets	\$ 36,016,221
Other Assets	99,000,179
Capital Assets	4,844,514
Deferred outflows	606,052
Total Assets	<u>\$140,466,966</u>
Current Liabilities	\$ 24,860,246
Non-current Liabilities	49,026,419
Deferred inflows	237,014
Net Position	66,343,287
Total Liabilities and Net Position	<u>\$140,466,966</u>

**SOLANO COUNTY MOSQUITO ABATEMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 6: SELF-INSURANCE PROGRAM (continued)

Total Revenue	\$ 83,228,109
Total Expenditures	78,306,334
Other Non-Operating Income	<u>478,878</u>
Increase in Net Position	5,400,653
Net Position, July 1, 2020	<u>60,942,634</u>
Net Position, June 30, 2021	<u><u>\$ 66,343,287</u></u>

NOTE 7: LONG-TERM LIABILITIES

A schedule of changes in long-term liabilities for the year ended June 30, 2022 is as follows:

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Compensated absences	\$ 72,373	\$ 16,007	\$ -	\$ 88,379
Net OPEB liability	1,015,001	-	(925,097)	89,904
Net Pension liability	<u>568,698</u>	<u>-</u>	<u>(1,983,518)</u>	<u>(1,414,820)</u>
Total Governmental Activities	<u><u>\$ 1,656,072</u></u>	<u><u>\$ 16,007</u></u>	<u><u>\$ (2,908,615)</u></u>	<u><u>\$ (1,236,537)</u></u>

NOTE 8: POST-RETIREMENT BENEFITS

Plan Description and Benefits Provided

The District provides post-employment health care benefits to certain employees who are eligible to retire with PERS and have a retirement date within 120 days of separation of employment.

For the year ended June 30, 2022, eight retirees received health benefits. Expenditures for post-employment health care benefits are recognized as the premiums are paid. During the year ended June 30, 2022, expenditures of \$82,335 were recognized for post-employment health care benefits.

Funding Policy

The required contribution is based on projected pay-as-you-go financing requirements, with an amount of funding the actuarial accrued liability as determined annually by the Board. For the fiscal year ended June 30, 2022, the District contributed the annual required contribution. For reporting purposes, this amount is capitalized as a deferred outflow of resources as the measurement period for the liability is June 30, 2021.

**SOLANO COUNTY MOSQUITO ABATEMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 8: POST-RETIREMENT BENEFITS (continued)

Employees Covered by Benefit Terms

At the OPEB liability measurement date of June 30, 2021, the following employees were covered by the benefit terms:

- Active employees – 9
- Retirees – 9

Total OPEB Liability

The District’s total OPEB liability was measured as of June 30, 2021 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75%
Salary increases	3.25%
Medical cost trend	5-7% increases
Discount rate	7.28%

	2021	2020
Total beginning OPEB Liability	\$ 1,015,001	\$ 952,913
Service cost	32,377	31,358
Interest	133,588	129,735
Change of assumptions	53,422	-
Change of benefit terms	-	-
Experience differences	(289,278)	(8,170)
Employer contributions	(573,953)	(62,202)
Investment earnings	(281,653)	(29,037)
Administrative expenses	400	404
Net change in total OPEB liability	(925,097)	62,088
Total OPEB liability - ending	\$ 89,904	\$ 1,015,001

**SOLANO COUNTY MOSQUITO ABATEMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 8: POST-RETIREMENT BENEFITS (continued)

Sensitivity of the District's Net Pension Liability to Changes in the Discount Rate

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

	1% Decrease 6.28%	Discount Rate 7.28%	1% Increase 8.28%
District's net OPEB plan liability (asset)	\$ 319,299	\$ 89,904	\$ (95,101)

Sensitivity of the District's Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

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

	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net pension plan liability (asset)	\$ (98,801)	\$ 89,904	\$ 324,218

OPEB expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2022 the District recognized OPEB credit of \$30,291. OPEB credit represents the change in the net OPEB liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss and actuarial assumptions. At June 30, 2022 the District reported deferred outflows and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net differences between projected and actual earnings	\$ 63,654	\$ 248,220
Change in assumptions	44,806	99,792
Differences between projected and actual experience	22,903	175,673
Contributions subsequent to measurement date	1,101,806	-
	\$ 1,233,169	\$ 523,685

**SOLANO COUNTY MOSQUITO ABATEMENT DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 JUNE 30, 2022**

NOTE 8: POST-RETIREMENT BENEFITS (continued)

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

<u>Year Ending June 30,</u>	<u>Amount</u>
2023	\$ (95,914)
2024	(81,320)
2025	(83,485)
2026	(85,515)
2027	(38,502)
Thereafter	<u>(7,604)</u>
Total	<u>\$ (392,340)</u>

NOTE 9: DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES - PENSIONS

Pursuant to GASB Statement No. 63, the District recognized deferred outflows of resources in the government-wide and proprietary fund statements. These items are a consumption of net position by the District that is applicable to a future reporting period.

The District has one item that is reportable on the Government-Wide Statement of Net Position as Deferred Outflows of Resources which is related to pensions that are the PERS premiums for the 2022 fiscal year which will be recognized in a subsequent reporting period. The District is also reporting deferred outflows of resources relating to differences between projected and actual investment earnings, change in employer proportions, and differences between the employer's contributions and their proportionate share of contributions. Lastly, during the 2022 fiscal year, the District made a payment of \$136,042 to CalPERS as a payment towards its unfunded liability. Due to the fact that this is applicable to a future reporting it has been recorded as a deferred outflow of resource. The sum total of these amounts at period were \$1,320,019 and they will be amortized over a 3.8-year period.

The District also recognized deferred inflows of resources in the government-wide financial statements. These are related to differences between expected and actual experience, changes of assumptions, and differences between employer's contributions and the District's proportionate share of contributions. This amount totaled \$528,702 and will be amortized over a 3.8-year period.

Under the modified accrual basis of accounting, it is not enough that revenue is earned; it must also be available to finance expenditures of the current period. Governmental funds will therefore include deferred inflows of resources for amounts that have been earned but are not available to finance expenditures in the current period.

Deferred outflows of resources and deferred inflows of resources above represent the unamortized portion of changes to net pension liability to be recognized in future periods in a systematic and rational manner.

SOLANO COUNTY MOSQUITO ABATEMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 9: DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES - PENSIONS
(continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Amount
2023	\$ 246,391
2024	276,317
2025	307,038
2026	<u>341,308</u>
Total	<u>\$ 1,171,054</u>

NOTE 10: COVID CONSIDERATIONS

In January 2022, the virus SARS-Cov-2 was transmitted to the United States from overseas sources. This virus, responsible for the Coronavirus disease COVID-19, has provided to be extremely virulent with transmission rates as yet unknown. The impact to the District was minimal since the vector control activities were considered essential. The long-term economic impact in the State of California is as yet unknown and therefore any impact on the District is not yet known.

NOTE 11: SUBSEQUENT EVENTS

The date of management review is through February 13, 2023. No additional events have occurred that would materially affect the carrying amount of the assets and liabilities reported on the District's year-end financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

SOLANO COUNTY MOSQUITO ABATEMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED
JUNE 30, 2022

REVENUES	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Property taxes	\$ -	\$ -	\$ 2,559,759	\$ 2,559,759
Other tax revenue	-	-	823,416	823,416
Use of money and property	-	-	33,932	33,932
Miscellaneous	-	-	10,135	10,135
Total revenues	-	-	3,427,242	3,427,242
EXPENDITURES				
Salaries and wages	962,000	1,002,000	936,343	65,657
Employee benefits	830,000	720,000	1,289,376	(569,376)
Pesticides	475,000	600,000	311,929	288,071
Aircraft services	140,000	140,000	75,800	64,200
Insurance	90,000	95,000	74,612	20,388
Structure and grounds maintenance	60,000	70,000	51,873	18,127
Property tax administration	44,000	44,000	39,817	4,183
Utilities	50,000	60,000	42,236	17,764
Motor vehicles and equipment maintenance	43,000	43,000	37,502	5,498
Gas and oil	60,000	80,000	37,577	42,423
Materials and supplies	72,024	71,850	42,017	29,833
Professional services	80,000	80,000	88,659	(8,659)
Memberships	30,000	30,000	18,704	11,296
Publishing	40,000	40,000	36,559	3,441
Conference	16,000	16,000	7,297	8,703
Communications	23,000	23,000	9,794	13,206
Continuing education	2,500	2,500	1,704	796
Travel	2,000	2,000	750	1,250
Capital outlay	285,000	285,000	85,327	199,673
Total expenditures	3,304,524	3,404,350	3,187,876	216,474
Excess (deficiency) of revenues over expenditures	<u>\$ (3,304,524)</u>	<u>\$ (3,404,350)</u>	239,366	<u>3,210,768</u>
Fund balance, beginning of year			<u>6,348,246</u>	
Fund balance, end of year			<u>\$ 6,587,612</u>	

**SOLANO COUNTY MOSQUITO ABATEMENT DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION –
POST EMPLOYMENT BENEFITS
JUNE 30, 2022**

**Schedule of Changes in the
Net OPEB Liability and Related Ratios
Last Ten Fiscal Years ***

	<u>FY 2022</u>	<u>FY 2021</u>	<u>FY 2020</u>	<u>FY 2019</u>	<u>FY 2018</u>
Total beginning OPEB liability	\$ 1,015,001	\$ 952,913	\$ 1,054,754	\$ 1,066,403	\$ 1,243,828
Service cost	32,377	31,358	34,660	33,009	26,485
Interest	133,588	129,735	129,483	122,483	127,598
Change of assumptions	53,422	-	(159,102)	-	(180,901)
Change of benefit terms	-	-	(52,816)	-	-
Experience differences	(289,278)	(8,170)	117,464	1,225	15,299
Employer contributions	(573,953)	(62,202)	(127,342)	(120,394)	(111,665)
Investment earnings	(281,653)	(29,037)	(44,342)	(48,298)	(54,518)
Administrative expenses	400	404	154	326	277
Net change in OPEB liability	<u>(925,097)</u>	<u>62,088</u>	<u>(101,841)</u>	<u>(11,649)</u>	<u>(177,425)</u>
Total ending OPEB liability	<u>\$ 89,904</u>	<u>\$ 1,015,001</u>	<u>\$ 952,913</u>	<u>\$ 1,054,754</u>	<u>\$ 1,066,403</u>
Covered employee payroll	\$ 810,898	\$ 730,419	\$ 810,898	\$ 799,061	\$ 799,061
Total OPEB liability as a percentage of covered payroll	11.09%	131.99%	117.51%	132.00%	133.46%
Plan fiduciary net position as a percentage of total OPEB Liability	94.80%	45.78%	46.50%	40.59%	36.60%
Measurement date	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017

* Fiscal year 2018 was the first year of implementation.

SOLANO COUNTY MOSQUITO ABATEMENT DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION – PENSIONS
JUNE 30, 2022

Schedule of the District’s Proportionate Share of Net Pension Liability
Last Ten Fiscal Years *

	<u>6/30/2014</u>	<u>6/30/2015</u>	<u>6/30/2016</u>	<u>6/30/2017</u>
District's proportion of the net pension liability	0.06652%	0.06780%	0.06341%	0.04631%
District's proportionate share of the net pension liability	\$ 2,052,688	\$ 1,859,341	\$ 2,025,825	\$ 1,825,707
District's covered-employee payroll	916,462	972,275	982,985	984,244
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	223.97%	191.24%	206.09%	185.49%
Plan Fiduciary net position as a percentage of the total pension liability	76.53%	78.26%	77.81%	80.44%
	<u>6/30/2018</u>	<u>6/30/2019</u>	<u>6/30/2020</u>	<u>6/30/2021</u>
District's proportion of the net pension liability	0.03321%	0.01856%	0.00523%	-0.03139%
District's proportionate share of the net pension liability	\$ 1,251,581	\$ 743,359	\$ 568,698	\$ (1,414,820)
District's covered-employee payroll	920,204	983,989	837,082	837,082
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	136.01%	75.55%	67.94%	-169.02%
Plan Fiduciary net position as a percentage of the total pension liability	87.06%	92.69%	75.10%	90.49%

* FY 2015 was the first year of implementation.
Additional years will be presented as they become available.

SOLANO COUNTY MOSQUITO ABATEMENT DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION – PENSIONS
JUNE 30, 2022

Schedule of District Contributions
Last Ten Fiscal Years *

	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>
Actuarially determined contribution	\$ 239,925	\$ 230,712	\$ 192,741	\$ 166,084
Total action contribution	<u>239,925</u>	<u>230,712</u>	<u>192,741</u>	<u>166,084</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 916,462	\$ 972,275	\$ 982,985	\$ 984,244
Contributions as a percentage of covered-employee payroll	26.17%	23.73%	19.61%	16.87%
	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>
Actuarially determined contribution	\$ 128,640	\$ 104,392	\$ 139,787	\$ 136,042
Total action contribution	<u>128,640</u>	<u>104,392</u>	<u>139,787</u>	<u>136,042</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 920,204	\$ 983,989	\$ 837,082	\$ 837,082
Contributions as a percentage of covered-employee payroll	13.98%	10.61%	16.70%	16.25%

* FY 2015 was the first year of implementation.
Additional years will be presented as they become available.