GREATER LOS ANGELES COUNTY
VECTOR CONTROL DISTRICT

SANTA FE SPRINGS, CALIFORNIA

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
JUNE 30, 2018

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GREATER LOS ANGELES COUNTY
VECTOR CONTROL DISTRICT

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2018

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CPAs AND ADVISORS

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Greater Los Angeles County Vector Control District
Santa Fe Springs, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Greater Los Angeles County Vector Control District (the District) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

To the Board of Trustees
Greater Los Angeles County Vector Control District
Santa Fe Springs, California

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Greater Los Angeles County Vector Control District as of June 30, 2018, 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.

Change in Accounting Principle

As discussed in Note 1 to the financial statements, in 2018 the District adopted new accounting guidance, *GASBS No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedules for the general fund and Mobile Science and Vector Education Foundation fund, the schedules of plan contributions, the schedule of proportionate share of the net pension liability, and the schedule of changes in net OPEB and related ratios be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 23, 2018 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Lance, Soll & Lunghard, LLP

Brea, California
October 23, 2018

Greater Los Angeles County Vector Control District
Management's Discussion and Analysis
For the Year Ended June 30, 2018

As management of the Greater Los Angeles County Vector Control District (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities and performance of the District for the fiscal year ended June 30, 2018. Please read it in conjunction with additional information that we have furnished in the accompanying basic financial statements, which follow this section.

Financial Highlights

The District's net position decreased 24.5% to $8,002,921 as a result of a decrease of $2,593,012 change in net position, which is a direct result of implementing GASB 75.

During the year, the District's property (benefit) assessment revenue increased by .2% or $21,949 to $10,243,084 and the District's property tax revenue increased by 5.9% or $101,535 to $1,835,968.

Total revenues from all sources increased 4.4% or $535,676 to $12,823,441, from the prior year, which is primarily the result of increased assessment and miscellaneous income.

Total expenses increased 10.6% or $1,219,172 to $12,750,668 from the prior year.

Total cost for the District's general fund programs was over the 2018 adopted final budget by .9% or $113,530.

Using This Financial Report

This annual report consists of a series of financial statements. The Statement of net position and the Statement of Activities provide information about the activities and performance of the District using accounting methods similar to those used by private sector companies. The Statement of net position includes all of the District's investments in resources (assets) and the obligations to creditors (liabilities). It also provides the basis for computing a rate of return, evaluating the capital structure of the District and assessing the liquidity and financial flexibility of the District. All of the current year's revenue and expenses are accounted for in the Statement of Activities. This statement measures the success of the District's operations over the past year and can be used to determine the District's net operating reserves and credit worthiness.

District Activities

The District is an independent special district, organized since early 1952 to control primarily mosquitoes, but also nuisance black flies and midges. The District's mosquito control, surveillance, and outreach efforts were amplified to fight West Nile virus beginning in 2003 when the virus first appeared in California. After the discovery of invasive *Aedes* species mosquitoes in the San Gabriel Valley in 2011, the District recalibrated again to implement new control and surveillance strategies that would be most effective against the *Aedes'* day-biting behavior and egg-laying habits. Operational staff increased source identification and treatment efforts using door-to-door campaigns and the creation of a dedicated *Aedes* control team. In February 2016, the World Health Organization declared an international public health emergency after an outbreak of *Aedes*-transmitted Zika virus was linked to birth defects. Fiscal year 2017-2018 was aimed at further escalation of control, surveillance, and outreach activities related to *Aedes* mosquitoes to prevent local outbreaks of such illnesses as Zika, dengue, and chikungunya viruses, while maintaining a comprehensive West Nile virus control program.

The District utilizes an enhanced GIS/ARCVIEW mapping technology to track all of its breeding and treatment sources and completed roll-out of a hand-held, field data collection system for each operational field division to improve operational efficiency. The new field technology was first implemented with the *Aedes* control program and has proven successful in streamlining data collection and analysis. The fiscal year ending June 30, 2018 was focused on fine-tuning the use of this field data collection system for all operational staff and bringing online the new urban water program which targets widespread installation of municipal water recapture devices.

The District continues to provide services and manage its funds prudently and judiciously based on vector control needs and the ability of the District to collect revenues from two principal sources: 1) property (benefit) assessments, and 2) shared distribution of the county's .1% property tax levy. Property assessment and property tax revenues are collected by the County Treasurer and received by the District according to a "disbursement schedule" administered by the County. A "Cash Flow Reserve" (replaces previous Authorized General Reserve) is implemented to defray District expenses between the beginning of a fiscal year and the time of distribution of the tax receipts in a fiscal year.

Government-wide Financial Statements

Statement of Net position and Statement of Activities

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

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

Governmental Funds Financial Statements

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

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

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

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

The District has implemented GASB Statement No. 80, Blending Requirements for Certain Component Units, which is designed to clarify how certain component units incorporated as not-for-profit corporations should be presented in state or local government financial statements. GASB Statement No. 80 requires that the Mobile Science and Vector Education Foundation be blended into the District's financial statement in a manner similar to a department or activity of the District.

Statement No. 80 was designed to enhance the comparability of financial statements among those units and improve the value of information for users of state and local government financial statements.

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 21 through 45.

Other Information

The basic financial statements also present information concerning the District's budgetary information and compliance. The information can be found starting on page 49.

Government-wide Financial Analysis

Condensed Statement of Net Position

	2018	2017	Change
Assets:			
Current assets	$11,273,158	$11,081,738	$191,420
Capital assets, net	8,067,473	8,263,900	(196,427)
Total Assets	19,340,631	19,345,638	(5,007)
Deferred Outflows of Resources:			
Deferred pension-related items	2,783,354	2,181,762	601,592
Deferred other post-employment benefits-related items	959,327	0	959,327
Total Deferred	3,742,681	2,181,762	1,560,919
Liabilities:			
Current and non-current liabilities	14,808,678	10,664,244	4,144,434
Total Liabilities	14,808,678	10,664,244	4,144,434
Deferred Inflows of Resources:			
Deferred pension-related items	217,426	267,223	(49,797)
Deferred other post-employment Benefits-related items	54,287	0	54,287
Total Deferred Inflows	271,713	267,223	4,490
Net Position:			
Invested in capital assets	8,067,473	8,263,900	(196,427)
Restricted and unrestricted	(64,552)	2,332,033	(2,396,585)
Total Net Position	$ 8,002,921	$10,595,933	$(2,593,012)

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of the District exceeded liabilities and deferred inflows by $8,002,921.

A portion of the District's net position $8,067,473 reflects its investment in capital assets. The District uses these capital assets for operations; consequently, these assets are *not* available for future spending. At the end of fiscal year 2018, the District reflected a negative balance in its unrestricted net position of $106,798 which is a direct result of the recognition of the Other Post-Employment Benefits.

Government-wide Financial Analysis, Continued

The District receives a bulk of its funding from the Los Angeles Tax Collector at the end of the months of December and April, which coincides with the property tax payment dates of December 10 and April 10. The District will need to utilize its six-month operating reserve until this funding is received.

Condensed Statement of Activities

	2018	2017	Change
Expenses:			
Mosquito and vector control	$ 12,750,668	$ 11,531,496	$1,219,172
Total Expenses	12,750,668	11,531,496	1,219,172
Program revenues	10,563,301	10,343,111	220,190
General revenues	2,260,140	1,944,654	315,486
Total Revenues	12,823,441	12,287,765	535,676
Change in Net position	72,773	756,269	(683,496)
Net Position - Beginning of Period	10,595,933	9,839,664	756,269
Net Position Restatement	(2,665,785)	-	(2,665,785)
Net Position - End of Period	$ 8,002,921	$ 10,595,933	$(2,593,012)

The statement of activities shows how the District's net position changed during the fiscal year. In the case of the District, net position decreased by $2,593,012 during the fiscal year ending June 30, 2018.

Governmental Funds Financial Analysis

The focus of the District's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the District's financing requirements. In particular, the *unassigned fund balance* may serve as a useful measure of the government's net resources for spending at the end of the fiscal year. These statements can be found on pages 17 through 20.

As of June 30, 2018, the District reported a fund balance of $10,914,604. An amount of $10,780,767 constitutes the District's *spendable fund balance,* which is further classified as restricted, committed or unassigned.

The District's General Fund has committed use of its fund balance as follows:

Designated for compensated absences	20,000
Designated for operations reserves	400,821
Designated for disease emergency	1,202,278
Designated for OPEB reserves	100,696
Designated for capital assets	451,489
Designated for vehicle replacements	200,460
	$ 2,375,744

General Fund Budgetary Highlights

The final actual expenditures for the General Fund at year-end were $113,530 more than budgeted. The variance is a result of the District using designated reserves for capital improvements. Actual revenues were greater than the anticipated budget by $572,355. The General Fund budget to actual comparison schedule can be found on page 49.

Capital Asset Administration

Changes in capital assets for the year were as follows:

	Balance 2017	Additions	Deletions/ Transfers	Balance 2018
Non-depreciable assets	$ 2,228,045	$ -	$ -	$ 2,228,045
Depreciable assets	12,118,253	259,838	240,321	12,137,770
Accumulated depreciation	(6,082,398)	(452,402)	(236,458)	(6,298,342)
Total capital assets, net	$ 8,263,900	$ (192,564)	$ 3,863	$ 8,067,473

At the end of fiscal year 2018, the District's investment in capital assets amounted to $8,067,473 (net of accumulated depreciation). This investment in capital assets includes buildings and improvements, vehicles, equipment, machinery and furniture and fixtures. Major capital asset additions during the year included vehicles, various equipment, furniture, and machinery items (totaling $ 259,838).

Conditions Affecting Current Financial Position

The District has been able to create and project a substantial cash flow reserve to defray expenses between the beginning of a fiscal year and the time of distribution of the tax receipts in the fiscal year (dry period) to yield sufficient revenue. Currently, the District has cash flow reserves over 57% of revenue received in 2018, and 58% of the 2018 expenditures. The budgeted expenditures for fiscal year 2019 are $16,447,354, and cash flow reserves will cover 45% of these expenditures which provides the District with a reasonable cushion of funds prior to the County of Los Angeles Auditor's Office initial distribution of property taxes and assessments in late December.

West Nile Virus is now endemic to Southern California and continues to be a major public health concern in Los Angeles County. Dedicated funding and reserves for emergency disease control is critical to the District's mission of protecting public health. Unfortunately, the arrival of invasive *Aedes* species mosquitoes has created new control challenges and poses threats of emerging exotic viruses such as Zika, chikungunya, and dengue. In future years, existing and emerging vector-borne diseases may potentially require much greater expenditures to suppress disease spread and curb outbreaks throughout the District, thus creating the need to increase property assessments.

Conditions Affecting Current Financial Position, Continued

The District has implemented a TIER II benefit structure for all employees hired after February 1, 2009 in an effort to control and reduce ever increasing benefit costs. This effort has materially reduced employee benefit costs for the 15 TIER II employees hired since February 1, 2009. As additional employees are hired to replace existing staff, future savings will accrue mitigating rising costs. Effective January 1, 2013 a TIER III was established for new hires that were not previously in the California Public Employees' Retirement System prior to coming to the District. TIER III employees will now be subject to the new pension rules established under the Public Employees' Pension Reform Act (PEPRA). PEPRA will result in substantial savings in future pension cost for the District. Currently, the District has 26 TIER III employees.

Requests for Information

The District's basic financial statements are designed to present users with a general overview of the District's finances and to demonstrate the District's accountability. If you have any questions about the report or need additional information, please contact the District's Director of Fiscal Operations, Carolyn Weeks, at the Greater Los Angeles County Vector Control District, 12545 Florence Avenue, Santa Fe Springs, California, 90670 or (562) 944-9656.

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BASIC FINANCIAL STATEMENTS

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STATEMENT OF NET POSITION
JUNE 30, 2018

		Governmental Activities
Assets:		
Cash and investments	$	10,666,427
Taxes and assessments receivable		451,479
Accrued interest receivable		21,415
Inventories		133,837
Capital assets, not being depreciated		2,228,045
Capital assets, net of depreciation		5,839,428
Total Assets		**19,340,631**
Deferred Outflows of Resources:		
Deferred pension-related items		2,783,354
Deferred other post-employment benefits-related items		959,327
Total Deferred Outflows of Resources		**3,742,681**
Liabilities:		
Accounts payable		261,906
Accrued liabilities		96,648
Noncurrent liabilities:		
Compensated absences, due within one year		136,573
Compensated absences, due in more than one year		991,253
Net pension liability		6,381,787
Net other post-employment benefits liability		6,940,511
Total Liabilities		**14,808,678**
Deferred Inflows of Resources:		
Deferred pension-related items		217,426
Deferred other post-employment benefits-related items		54,287
Total Deferred Inflows of Resources		**271,713**
Net Position:		
Investment in capital assets		8,067,473
Restricted for mobile science and vector education		42,246
Unrestricted		(106,798)
Total Net Position	**$**	**8,002,921**

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

GREATER LOS ANGELES COUNTY VECTOR CONTROL DISTRICT

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

		Program Revenues			Net (Expenses) Revenues and Changes in Net Position
	Expenses	Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants	Governmental Activities
Functions/Programs					
Governmental Activities:					
Vector control	$ 12,531,107	$ 10,243,084	$ 313,997	$ -	$ (1,974,026)
Mobile science and vector education	219,561	-	6,220	-	(213,341)
Total Governmental Activities	**$ 12,750,668**	**$ 10,243,084**	**$ 320,217**	**$ -**	**(2,187,367)**
General Revenues:					
Property taxes, levied for general purpose					1,835,968
Use of money and property					145,514
Gain on sale of capital assets					37,000
Other					241,658
Total General Revenues					**2,260,140**
Change in Net Position					72,773
Net Position at the Beginning of the Year, as Originally Reported					10,595,933
Restatement					(2,665,785)
Net Position at the Beginning of the Year, as Restated					7,930,148
Net Position at the End of the Year					**$ 8,002,921**

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

GREATER LOS ANGELES COUNTY VECTOR CONTROL DISTRICT

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2018

	General Fund	Special Revenue Fund Mobile Science and Vector Education Foundation	Total Governmental Funds
Assets:			
Cash and investments	$ 10,624,181	$ 42,246	$ 10,666,427
Taxes and assessments receivable	451,479	-	451,479
Accrued interest receivable	21,415	-	21,415
Inventories	133,837	-	133,837
Total Assets	**$ 11,230,912**	**$ 42,246**	**$ 11,273,158**
Liabilities and Fund Balances:			
Liabilities:			
Accounts payable	$ 261,906	$ -	$ 261,906
Accrued liabilities	96,648	-	96,648
Total Liabilities	**358,554**	**-**	**358,554**
Fund Balances:			
Nonspendable:			
Inventories	133,837	-	133,837
Restricted:			
Mobile science and vector education	-	42,246	42,246
Committed:			
Disease emergency	1,202,278	-	1,202,278
Capital asset replacement	451,489	-	451,489
Operations	400,821	-	400,821
Other post-employment benefits	100,696	-	100,696
Vehicle replacement	200,460	-	200,460
Compensated Absences	20,000	-	20,000
Unassigned	8,362,777	-	8,362,777
Total Fund Balances	**10,872,358**	**42,246**	**10,914,604**
Total Liabilities and Fund Balances	**$ 11,230,912**	**$ 42,246**	**$ 11,273,158**

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

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
JUNE 30, 2018

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balances - governmental funds		$ 10,914,604
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		8,067,473
Compensated absences are not due and payable in the current period, and, therefore, are not reported in the funds.		(1,127,826)
Governmental funds report all pension contributions as expenditures; however, in the statement of net position, the excess of the total pension liability over the plan fiduciary net position is reported as a net pension liability.		(6,381,787)
Pension-related deferred outflows of resources that have not been included as financial uses in the governmental fund activity are as follows:		
Contributions made after the actuarial measurement date	$ 1,047,772	
Changes in assumptions	1,075,419	
Difference between expected and actual experiences	8,667	
Net difference between projected and actual earnings on plan investments	243,216	
Adjustments due to differences in proportions	225,697	
Difference in proportionate share	182,583	2,783,354
Pension-related deferred inflows of resources that have not been included as financial resources in the governmental fund activity are as follows:		
Changes in assumptions	(82,002)	
Difference between expected and actual experiences	(124,176)	
Adjustments due to differences in proportions	(1,699)	
Difference in proportionate share	(9,549)	(217,426)
Governmental funds report all other post-employment benefits contributions as expenditures; however, in the statement of net position, the excess of the total other post-employment benefits liability over the plan fiduciary net position is reported as a net other post-employment benefits liability.		(6,940,511)
Other post-employment benefits-related deferred outflows of resources that have not been included as financial uses in the governmental fund activity are as follows:		
Contributions made after the actuarial measurement date		959,327
Other post-employment benefits-related deferred inflows of resources that have not been included as financial resources in the governmental fund activity are as follows:		
Net difference between projected and actual earnings on plan investments		(54,287)
Net position of governmental activities		**$ 8,002,921**

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

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2018

	General Fund	Special Revenue Fund Mobile Science and Vector Education Foundation	Total Governmental Funds
Revenues:			
Taxes	$ 1,835,968	$ -	$ 1,835,968
Assessments	10,243,084	-	10,243,084
Intergovernmental	313,997	-	313,997
Use of money and property	145,514	-	145,514
Contributions	-	6,220	6,220
Miscellaneous	241,658	-	241,658
Total Revenues	**12,780,221**	**6,220**	**12,786,441**
Expenditures:			
Current:			
Vector control	11,883,557	-	11,883,557
Mobile science and vector education	-	213,352	213,352
Capital outlay	250,547	9,292	259,839
Total Expenditures	**12,134,104**	**222,644**	**12,356,748**
Excess (Deficiency) of Revenues Over Expenditures	646,117	(216,424)	429,693
Other Financing Sources (Uses):			
Transfers in	-	216,626	216,626
Transfers out	(216,626)	-	(216,626)
Proceeds from sale of capital assets	29,334	7,666	37,000
Total Other Financing Sources (Uses)	**(187,292)**	**224,292**	**37,000**
Net Change in Fund Balances	458,825	7,868	466,693
Fund Balance at the Beginning of the Year,	10,413,533	34,378	10,447,911
Fund Balance at the End of the Year	**$ 10,872,358**	**$ 42,246**	**$ 10,914,604**

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

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2018

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds		$ 466,693
Governmental funds report capital outlays are expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.		
Capital outlay	$ 259,838	
Depreciation	(452,402)	
Loss on disposal of capital assets	(3,863)	
		(196,427)
Compensated absences expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		(43,739)
Pension obligation expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		(266,630)
Other post-employment benefits obligation expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		112,876
Change in net position of governmental activities		**$ 72,773**

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

I. SIGNIFICANT ACCOUNTING POLICIES

Note 1: Reporting Entity and Summary of Significant Accounting Policies

a. Organization and Operations of the Reporting Entity

The Greater Los Angeles County Vector Control District (the “District”) is located in Santa Fe Springs, California. The District was formed pursuant to Section 2200 et. Seq., of the Health and Safety Code and incorporated in the State of California in 1952 as the Southeast Mosquito Abatement District. The District covers a wide area of southeast Los Angeles County, the San Fernando and Santa Clarita Valleys and includes the cities of Artesia, Bell, Bellflower, Bell Gardens, Burbank, Carson, Cerritos, Commerce, Cudahy, Diamond Bar, Downey, Gardena, Glendale, Hawaiian Gardens, Huntington Park, La Cañada Flintridge, Lakewood, La Habra Heights, La Mirada, Long Beach, Lynwood, Maywood, Montebello, Norwalk, Paramount, Pico Rivera, San Fernando, San Marino, Santa Clarita, Santa Fe Springs, Signal Hill, South El Monte, South Gate, Whittier, portions of Los Angeles City and areas of unincorporated territory in Los Angeles County.

The purpose of the District is to provide operational vector control to protect the residents of the District from mosquito-borne disease and from other vectors. The District is governed by a Board of Trustees, which consists of 36 members, one member from each city and a representative of Los Angeles County.

The accompanying financial statements include the financial activities of the District, as the primary government, and its blended component unit, the Mobile Science and Vector Education Foundation (the “Foundation”), for which the District is considered to be financially accountable. A blended component unit is, in substance, part of the primary government’s operations, even though they are legally separate entities. Thus, the activities of the Foundation have been appropriately presented as a fund of the District.

Blended Component Unit

The *Mobile Science and Vector Education Foundation* provides educational services to schools and similar facilities within the service area of the Greater Los Angeles County Vector Control District. The Foundation receives its operational revenue from the District and tax-deductible contributions from individuals and businesses, along with grants and other funds from similar charitable organizations. The Foundation commenced operations in September 2002, and has been providing educational services in classrooms since creation. The Foundation is governed by a seven-member Board of Directors who are appointed by the District. Separately issued financial statements for the Foundation are not available.

b. Basis of Accounting and Measurement Focus

The basic financial statements of the District are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the financial statements

Financial reporting is based upon all Governmental Accounting Standard Board (“GASB”) pronouncements.

Note 1: Reporting Entity and Summary of Significant Accounting Policies (Continued)

Government-Wide Financial Statements

The government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Accordingly, all of the District's assets, liabilities, deferred outflows of resources, and deferred inflows of resources including capital assets and long-term debt, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which the liability is incurred. The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. The types of transactions reported as program revenues for the District are to be reported in three categories, if applicable: 1) charges for services, 2) operating grants and contributions, and, 3) capital grants and contributions. Charges for services include revenues from customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function. Grants and contributions include revenues restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues. The effect of interfund activity has been removed from these statements.

Fund Financial Statements

The fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all governmental funds. The emphasis of the governmental fund financial statements is on the presentation of major governmental funds, each displayed in a separate column, with all remaining governmental funds aggregated and reported as nonmajor funds. Incorporated into these statements are schedules to reconcile and explain the differences in fund balance and relating changes in fund balance as presented in these statements, to the net position and relating changes in net position presented in the government-wide financial statements.

The District reports the following major governmental funds:

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

The *Mobile Science and Vector Education Foundation Fund* accounts for the activities relating to the mobile education unit program.

Governmental funds are accounted for using a spending or current financial resources measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balance present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded only when received in cash, except for those revenues subject to accrual, which are recognized when due. For this purpose, the District considered amounts due as of the end of the fiscal year

Note 1: Reporting Entity and Summary of Significant Accounting Policies (Continued)

to be revenue if it is collected within 60 days of the end of the fiscal year, except for assessments, which are recognized if received within 120 days of the end of the fiscal year. The primary sources susceptible to accrual for the district are property taxes and assessments, interest earnings, investment revenue and operating and capital grant revenues. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. However, exceptions to this rule include principal and interest on debt, which are recognized when due.

c. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1. Cash and Investments

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

2. Investments and Investment Policy

The District has adopted an investment policy directing the Director of Fiscal Operations to deposit funds in financial institutions. Investments are to be made in the following areas:

- Los Angeles County Pooled Investment Fund (LACPIF)
- State of California Local Agency Investment Fund (LAIF)
- Vector Control Joint-Powers Authority (VCJPA)
- CalTRUST

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

Los Angeles County Pooled Investment Fund

The Los Angeles County Pooled Investment Fund (LACPIF) is a pooled investment fund program governed by the County of Los Angeles Board of Supervisors, and administered by the County of Los Angeles Treasurer and Tax Collector. Investments in LACPIF are highly liquid as deposits and withdrawals can be made at any time without penalty. LACPIF does impose a minimum investment limit of $50,000; however, the District's Board has approved a maximum balance of $200,000 to remain in LACPIF with the remaining collected revenues to be deposited in LAIF.

The County of Los Angeles' bank deposits are either federally insured or collateralized in accordance with the California Government Code. Pool detail is included in the County of Los Angeles' Comprehensive Annual Financial Report (CAFR). Copies of the CAFR may be obtained from the County of Los Angeles Auditor-Controller's Office — 500 West Temple Street — Los Angeles, CA 90012.

Note 1: Reporting Entity and Summary of Significant Accounting Policies (Continued)

Local Agency Investment Fund

LAIF is regulated by California Government Code (Code) Section 16429 and is under the management of the State of California Treasurer's Office with oversight provided by the Local Agency Investment Advisory Board.

LAIF is carried at fair value based on the value of each participating dollar as provided by LAIF. The fair value of the District's position in the LAIF is the same as the value of its pooled share. Investments in securities of the U.S. government or its agencies are carried at fair value based on quoted market prices. Bank balances are secured by the pledging of a pool of eligible securities to collateralize the District's deposits with the bank in accordance with the Code.

Vector Control Joint Powers Authority

Certain funds are deposited with the Vector Control Joint Powers Authority, which was formed to provide member districts with self insurance risk financing. Funds are held in trust and pooled with other districts' funds and are primarily deposited with LAIF and PFM Asset Management, LLC.

Authorized investments below are permitted by the District, but only when yields of these instruments may become exceptionally or significantly higher than those noted above and are fiscally advantageous to the District.

- Negotiable certificates of deposit
- United States treasury securities
- Government agency issues
- California municipals
- Certain repurchase agreements
- Medium-term corporate notes
- Insured certificates of deposit

CalTRUST

Certain funds are deposited with CalTRUST, a joint powers authority created by public agencies in 2005 to provide a convenient method for public agencies to pool their assets for investment purposes. Funds are held in trust and pooled with other agencies' funds and are managed by BlackRock.

3. Materials and Supplies Inventory

Materials and supplies inventory consists primarily, of pesticides and chemicals used to eradicate certain vectors. Inventory is valued at cost using an actual cost method. Inventory items are charged to expense at the time that individual items are withdrawn from inventory or consumed.

4. Capital Assets

Capital assets are recorded in the government-wide financial statements. Included in capital assets are land, building, building improvements, equipment and furniture and fixtures. District policy has set the capitalization threshold for reporting capital assets at $500. Donated capital assets, donated works of art and similar items, and capital

Note 1: Reporting Entity and Summary of Significant Accounting Policies (Continued)

assets received in a service concession arrangement are reported at acquisition value at the time of acquisition by the District. Capital outlay is recorded as expenditures of the governmental funds and as assets in the government-wide financial statements to the extent the District's capitalization threshold is met.

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

- Buildings, structures and improvements — 50 years
- Vehicles — 5 - 10 years
- Exhibits — 10 years
- Computers, Equipment — 3 - 5 years
- Machinery — 10 years
- Furniture and fixtures — 10 years

5. Net Pension Liability

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. CalPERS audited financial statements are publicly available reports that can be obtained at CalPERS' website under Forms and Publications.

GASB 68 requires 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 (VD) June 30, 2016

Measurement Date (MD) June 30, 2017

Measurement Period (MP) July 1, 2016 to June 30, 2017

6. Net Other Post-Employment Benefits Liability (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's plan (OPEB Plan), the assets of which are held by CalPERS, and additions to/deductions from the OPEB Plan's fiduciary net position have been determined by an independent actuary. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

Note 1: Reporting Entity and Summary of Significant Accounting Policies (Continued)

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, 2017
Measurement Date	June 30, 2017
Measurement Period	July 1, 2016 to June 30, 2017

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense.

The Plan's Expected Average Remaining Service Life ("EARSL") is 7.13 years for deferred resources arising in this fiscal year. Liability changes due to plan experience which differs from what was assumed in the prior year and/or from assumption changes during the year are recognized over the EARSL period. GASB 75 requires that changes in the Fiduciary Net Position due to investment performance different from the assumed earnings rate are always recognized over 5 years. Liability changes attributable to benefit changes occurring during the period are recognized immediately.

7. Compensated Absences

The District's policy is to permit full time employees to accumulate earned vacation and sick leave. Employees with more than one year but less than 5 years may accumulate 10 days of vacation; 15 days for the sixth through tenth year of employment; 20 days for the eleventh through twenty-fifth year of employment and 25 days thereafter. Vacations may accumulate beyond the end of the calendar year. A maximum of forty hours (5 days) of previously accumulated vacation may be paid in the following calendar year.

Sick leave is granted at a rate of 96 hours per year for each full-time employee for each calendar year. In the event the time is not fully utilized, 50% of the accumulated time, a maximum of 48 hours, is paid on January of the subsequent calendar year. Remaining sick leave is accumulated and credited towards retirement.

Note 1: Reporting Entity and Summary of Significant Accounting Policies (Continued)

8. Deferred Outflows/Inflows of Resources

   In addition to assets, the statement of net position and the governmental funds balance sheet 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(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District only has two items that qualify for reporting in this category. The deferred outflows relating to the net pension and net OPEB obligations reported in the statement of net position. See Note 7 and Note 9 for relating deferred outflows of resources. Pension and OPEB contributions subsequent to the measurement date are treated as a reduction of net pension liability in the subsequent period. All other amounts are deferred and amortized over the expected average remaining service life time, except for the net difference between projected and actual earnings on plan investments which is amortized over five years.

   In addition to liabilities, the statement of net position and the governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category which are deferred inflows relating to the net pension and net OPEB obligations reported in the statement of net position. See Note 7 and Note 9 for relating deferred inflows of resources. These amounts are deferred and amortized over the expected average remaining service life time, except for the net difference between projected and actual earnings on plan investments which is amortized over five years.

9. Net Position and Net Position Flow Assumption

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

   - Net Investment in Capital Assets — This component of net position consists of capital assets, net of accumulated depreciation and reduced by any debt outstanding against the acquisition, construction or improvement of those assets. Since, no outstanding is related to the capital assets this will be noted as Investment in Capital assets.

   - Restricted — This component consists of constraints placed on net position use through external constraints imposed by creditors, grantors, contributors, or laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation.

   - Unrestricted — This consists of net position that does not meet the definition of restricted or net investment in capital assets.

   In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Note 1: Reporting Entity and Summary of Significant Accounting Policies (Continued)

10. Fund Balance and Fund Balance Flow Assumptions

In the fund financial statements, governmental funds report the following fund balance classifications:

- Nonspendable includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- Restricted includes amounts that are constrained on the use of resources by either (a) external creditors, grantors, contributors, or laws or regulations of other governments or (b) by law through constitutional provisions or enabling legislation.
- Committed includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest authority, Board of Trustees. The formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is through resolution.
- Assigned includes amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. The Board of Trustees is authorized to assign amounts to a specific purpose, which was established by the governing body in state policy, resolution, ordinance, etc.
- Unassigned includes the residual amounts that have not been restricted, committed, or assigned to specific purposes.

An individual governmental fund could include nonspendable resources and amounts that are restricted or unrestricted (committed, assigned, or unassigned) or any combination of those classifications. In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted fund balance to have been 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.

d. Property Taxes and Assessments

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

Note 1: Reporting Entity and Summary of Significant Accounting Policies (Continued)

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

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

e. Use of Estimates

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

f. Change in Accounting Principle

During the fiscal year ended June 30, 2018, the District implemented the GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits other than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*.

As a result of this change in accounting principle, beginning net position as reported in the government-wide statement of net position has been restated (see note 12 for more information).

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Note 2: Stewardship, Compliance, and Accountability

Excess of Expenditures over Appropriations

At June 30, 2018, excesses of expenditures over appropriations are as follows:

	Expenditures	Appropriations	Excess
General Fund			
Vector control			
Salaries and benefits	$ 9,502,863	$ 9,221,615	$ 281,248
Public education	18,049	12,500	5,549
Capital Outlay	250,547	57,690	192,857
Mobile Science and Vector Education Foundaton Fund			
Capital Outlay	9,292	-	9,292

III. DETAILED NOTES ON ALL FUNDS

Note 3: Cash and Investments

Cash and investments as of June 30, 2018, consist of the following:

Cash on hand	$ 500
Deposits held with financial institutions	290,353
Deposits held with Los Angeles County Pooled Investment Fund (LACPIF)	1,533,493
Deposits held with Vector Control Joint Powers Agency (VCJPA)	1,065,413
Deposits held with California Local Agency Investment Fund (LAIF)	4,098,102
Deposits held with CalTRUST	3,678,566
Total	$ 10,666,427

Authorized Deposits and Investments

Under provisions of the District's investment policy, and in accordance with Section 53601 of the California Government Code, the District may invest in certain types of investments as listed in Note 1(c)(2) to the financial statements. Investments in the listed investment pools are carried at fair value, based on the value of each participating dollar as provided by the pool. The fair value of the District's position in these pools is the same as the value of its pooled share.

At June 30, 2018, the carrying amount of the District's deposits was $290,353 and the bank balance was $1,025,831. The $735,477 difference represents outstanding checks and other reconciling items.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the District's investment policy does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. Up to $250,000 of the bank balance is federally insured and the remaining balance is collateralized in accordance with the Code; however, the collateralized securities are not held in the District's name. The District may waive the collateral requirement for deposits that are fully insured up to $250,000 by the Federal Deposit Insurance Corporation ("FDIC").

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Code and the District's investment policy contain legal and policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LACPIF and LAIF).

Note 3: Cash and Investments (Continued)

Interest Rate Risk

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

As of June 30, 2018, the District had the following investments and original maturities:

	6 months or less
Investments:	
Vector Control Joint Powers Agency (VCJPA)	$ 1,065,413
Los Angeles County Pooled Investment Fund (LACPIF)	1,533,493
CalTRUST	3,678,566
California Local Agency Investment Fund (LAIF)	4,098,102
Total Investments	$ 10,375,574

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; however, LAIF and VCJPA are not rated. LACPIF rates can be obtained from the investment pool’s website.

Concentration of Credit Risk

The District's investment policy contains various limitations on the amounts that can be invested in any one governmental agency or non-governmental issuer as stipulated by the California Government Code. The District's deposit portfolio with governmental agencies, LAIF, is 39% of the District's total depository and investment portfolio. There were no investments in any one non-governmental issuer that represent 5% or more of the District's total investments.

Investment in State Investment Pool (LAIF)

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the District’s investment in this pool is reported in the accompanying financial statements at amounts based on the District’s pro rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. LAIF is not registered with the Securities and Exchange Commission and is not rated. Deposits and withdrawals in LAIF are made on the basis of $1 and not fair value. Accordingly, the District’s investment in this pool is measured on uncategorized inputs not defined as Level 1, 2, or 3.

Note 3: Cash and Investments (Continued)

Fair Value Hierarchy

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

The District has the following recurring fair value measurements as of June 30, 2018:

	Total Fair Value	Level 1	Level 2	Level N/A
Investments:				
LACPIF	$ 1,533,493	$ -	$ 1,533,493	$ -
VCJPA	1,065,413	-	1,065,413	-
CalTRUST	3,678,566	-	3,678,566	-
LAIF	4,098,102	-	-	4,098,102
Total Investments	$ 10,375,574	$ -	$ 6,277,472	$ 4,098,102

Note 4: Capital Assets

Capital assets activity for the year ended June 30, 2018, was as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
Capital assets, not being depreciated:				
Land	$ 2,228,045	$ -	$ -	$ 2,228,045
Total capital assets, not being depreciated	2,228,045	-	-	2,228,045
Capital assets, being depreciated:				
Building and improvements	7,523,243	196,031	2,495	7,716,779
Vehicles	3,146,216	35,762	226,359	2,955,619
Exhibits	31,942	-	-	31,942
Equipment	889,397	16,529	11,467	894,459
Machinery	247,341	8,231	-	255,572
Furniture and fixtures	280,114	3,285	-	283,399
Total capital assets, being depreciated	12,118,253	259,838	240,321	12,137,770
Less accumulated depreciation:				
Building and improvements	2,608,302	180,186	2,495	2,785,993
Vehicles	2,128,015	229,866	222,496	2,135,385
Exhibits	12,161	347	-	12,508
Equipment	836,804	33,221	11,467	858,558
Machinery	229,031	5,137	-	234,168
Furniture and fixtures	268,085	3,645	-	271,730
Total accumulated depreciation	6,082,398	452,402	236,458	6,298,342
Total capital assets being depreciated, net	6,035,855	(192,564)	3,863	5,839,428
Governmental Activities Capital Assets, Net	$ 8,263,900	$ (192,564)	$ 3,863	$ 8,067,473

Note 4: Capital Assets (Continued)

Depreciation expense was charged to the functions/programs of the governmental activities of the District as follows:

Governmental activities:	
Vector control	$450,057
Mobile science and vector education	2,345
Total depreciation expense - governmental activities	$452,402

Note 5: Interfund Transactions

During the normal course of business, the District moves resources from a fund receiving revenue to the fund through with the resources are expended. Such transactions are recorded as transfers. Transfers for the year ended June 30, 2018 are as follows:

	Transfers Out	
	General Fund	Total
Transfers In		
Mobile Science and Vector Education Foundation	$ 216,626	$ 216,626
Total	$ 216,626	$ 216,626

The general fund made a transfer in the amount of $216,626 to the Mobile Science and Vector Education Foundation special revenue fund to cover payroll costs, scientific and laboratory costs, public education costs, materials and services costs, and insurance costs for the year.

Note 6: Compensated Absences

Compensated absences activity for the year ended June 30, 2018, was as follows:

Balance at beginning of year	$ 1,084,087
Additions	175,015
Payments to employees	(131,276)
Balance at end of year	$ 1,127,826
Due within one year	$ 136,573
Due in more than one year	991,253
	$ 1,127,826

The District's liability for vested and unpaid compensated absences (accrued vacation and compensatory time) in the governmental activities has been accrued and amounts to $1,127,826 at June 30, 2018. There is no fixed payment schedule for compensated absences. Compensated absences are paid, if matured, out of the General Fund.

Note 7: Other Post-Employment Benefits (OPEB) Obligation

Plan Description

The District provides post-retirement health care, vision care, and dental care benefits through participation in the California Employer's Retiree Benefit Trust Program (CERBT) Prefunding Plan (the Plan). CERBT is administered by CalPERS and is an agent multiple-employer defined benefit retiree healthcare plan. The District has three benefit plans (Tier I, Tier II, and Tier III) for employees depending on when they were hired.

Tier I employees are current employees hired before February 1, 2009, and all current retirees of the District. For these employees and retirees, the District contributes 100% of the selected CalPERS health plan costs for health care benefits and 100% of the premium for vision and dental care.

All employees hired on or after February 1, 2009, but before January 1, 2013, are considered Tier II employees. Tier II employees receive 100% premium coverage for selected CalPERS health care, but no District paid benefits for dental or vision coverage, which can be individually purchased by the employee, if desired.

All employees hired on or after January 1, 2013, are considered Tier III employees. Tier III employees receive 100% premium coverage for selected CalPERS health care, but no District paid benefits for dental or vision coverage, which can be individually purchased by the employee, if desired.

The following requirements must be satisfied in order to be eligible for lifetime post-employment medical benefits:

- Tier I: (1) Be a minimum age of 50, and have worked a minimum of 5 consecutive years of full-time service with the District, and (2) qualify for retirement from CalPERS to obtain 100% fully paid health care. To obtain fully paid dental and vision benefits, the Tier I employee must (1) be a minimum age of 50, and have worked a minimum of 10 consecutive years of full-time service with the District, and (2) qualify for retirement from CalPERS.

- Tier II and Tier III: Upon qualifying for CalPERS retirement, employees must have worked a minimum of 10 years with the District to receive 50% paid health care benefit upon retirement. For every year of employment beyond 10 years, the District contribution for retirement health care increases 5% per year of service reaching 100% contribution after 20 years of employment. Tier II and Tier III employees do not receive dental or vision benefits.

Employees Covered

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

Active	75
Inactive employees or beneficiaries currently receiving benefits	25
Inactive employees entitled to, but not yet receiving benefits	7
	107

Note 7: Other Post-Employment Benefits (OPEB) Obligation (Continued)

Contributions

The District is required to contribute the actuarially determined contribution, and funds the plan on a prefunding basis. For the measurement date ended June 30, 2017, the District's cash contributions were $860,912 in total payments, which were recognized as a reduction to the OPEB liability.

Net OPEB Liability

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

Actuarial Cost Method	Entry age normal cost, level percent of pay
Actuarial Assumptions:	
Discount Rate	7.28%
Inflation	2.75%
Salary Increases	3.25%
Investment Rate of Return	7.28%
Mortality Rate [1]	MacLeod Watts Scale 2017 applied generationally
Pre-Retirement Turnover [1]	Derived from CalPERS' Membership Data for all funds
Healthcare Trend Rate	Medical plan premiums, benefit caps, and age-related claims costs are assumed to increase once each year. The increases over the prior year's levels are assumed to be effective on the dates shown below:

Effective January 1	Premium Increase	Effective January 1	Premium Increase
2018	Actual	2022	6.00%
2019	7.50%	2023	5.50%
2020	7.00%	2024	5.00%
2021	6.50%	2025+	5.00%

Notes:
[1] Demographic actuarial assumptions used in the 2017 valuation are based on the 2014 experience study of the California Public Employees Retirement System using data from 1997 to 2011, except for (a) point retirement dates used for 3 employees and (b) a different basis used to project future mortality improvements. Mortality rates used were those published by CalPERS, adjusted to back out 20 years of Scale BB to central year 2008, and then projected.

Note 7: Other Post-Employment Benefits (OPEB) Obligation (Continued)

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

Asset Class	Target Allocation	Long-term expected real rate of return
TIPS	5.00%	0.20%
Global Fixed Income	27.00%	3.90%
Global Equities	57.00%	11.10%
REITs	8.00%	7.60%
Commodities	3.00%	-14.00%
Total	100.00%	

Discount Rate

The discount rate used to measure the total OPEB liability was 7.28 percent. The projection of cash flows used to determine the discount rate assumed that District contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Changes in the OPEB Liability

The changes in the net OPEB liability for the Plan are as follows:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (c) = (a) - (b)
Balance at June 30, 2017 (valuation date 6/30/2017)	$ 9,788,369	$ 2,728,121	$ 7,060,248
Changes recognized for the measurement period:			
Service cost	352,082	-	352,082
Interest	726,872	-	726,872
Contributions - employer	-	911,901	(911,901)
Net investment income	-	288,253	(288,253)
Benefit payments	(311,901)	(311,901)	-
Administrative expenses	-	(1,463)	1,463
Net Changes	767,053	886,790	(119,737)
Balance at June 30, 2018 (measurement date 6/30/2017)	$ 10,555,422	$ 3,614,911	$ 6,940,511

Note 7: Other Post-Employment Benefits (OPEB) Obligation (Continued)

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the District if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2017:

	1% Decrease (6.28%)	Current Discount Rate (7.28%)	1% Increase (8.28%)
Net OPEB Liability	$ 8,615,894	$ 6,940,511	$ 5,591,361

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates

The following presents the net OPEB liability of the District if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2017:

	1% Decrease (6.50%HMO/6.50%PPO decreasing to 4.00%HMO/4.00%PPO)	Current Healthcare Cost Trent Rates (7.50%HMO/7.50%PPO decreasing to 5.00%HMO/5.00%PPO)	1% Increase (8.50%HMO/8.50%PPO decreasing to 6.00%/6.00%PPO)
Net OPEB Liability	$ 5,432,519	$ 6,940,511	$ 8,983,711

OPEB Plan Fiduciary Net Position

Copies of CalPERS annual financial report may be obtained from their executive office: 400 “P” Street, Sacramento, California 95814.

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2018, the District recognized OPEB expense of $846,451. As of fiscal year ended June 30, 2018, the District reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	$ 959,327	$ -
Net difference between projected and actual earnings on OPEB plan investments	-	54,287
Total	**$ 959,327**	**$ 54,287**

Note 7: Other Post-Employment Benefits (OPEB) Obligation (Continued)

The $959,327 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2017 measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2019. Other amounts reported as deferred outflows of resources related to OPEB will be recognized as expense as follows:

For the Fiscal Year Ending June 30	Recognized Net Deferred Outflows (Inflows) of Resources
2019	($13,572)
2020	(13,572)
2021	(13,572)
2022	(13,571)

Note 8: Deferred Compensation Savings Programs and Defined Contribution Plan

Deferred Compensation Savings Programs

For the benefit of its employees, the District participates in three 457 Deferred Compensation Programs (Programs). The purpose of these Programs is to provide deferred compensation for public employees that elect to participate in the Programs. Generally, eligible employees may defer receipt of a portion of their salary until termination, retirement, death or unforeseeable emergency. Until the funds are paid or otherwise made available to the employee, the employee is not obligated to report the deferred salary for income tax purposes.

Federal law requires deferred compensation assets to be held in trust for the exclusive benefit of the participants. Accordingly, the District is in compliance with this legislation. Therefore, these assets are not the legal property of the District, and are not subject to claims of the District's general creditors. Market value of the plan assets held in trust by ICMA Retirement Corporation, at June 30, 2018, was $6,193,359 for 52 participants. Market value of the plan assets held in trust by Tax Deferred Solutions at June 30, 2018, was approximately $647,964 for 15 participants.

The District has implemented GASB Statement No. 32, Accounting and Financial Reporting for internal Revenue Code Section 457 Deferred Compensation Plans. Since the District has little administrative involvement and does not perform the investing function for this plan, the assets and related liabilities are not shown on the statement of net position.

Defined Contribution Plan

In addition to the above deferred compensation plan, the District for the benefit of its' employees offers a Defined Contribution Plan (Plan). The Plan provides for a fixed annual contribution by the District of 6.75% of eligible salaries for each fiscal year and optional contributions by covered employees.

The Plan covers only regular and limited-term full-time employees hired before February 1, 2009, after one year of service. Full vesting of the employer's contribution occurs after five years. As a defined contribution plan, it carries no obligation on the part of the District to meet investment objectives and the individual plan members may choose, within certain limitations, the investment securities in his or her plan account. Market value of the plan assets held in trust by ICMA Retirement Corporation at June 30, 2018, was $535,489.

Note 9: Defined Benefit Pension Plan

Plan Descriptions

All qualified permanent and probationary employees are eligible to participate in the District's Miscellaneous and PEPRA Miscellaneous, cost-sharing multiple-employer defined benefit pension plans, administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and Local Government resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law. The Plans' provisions and benefits in effect at June 30, 2017, are summarized as follows:

	Miscellaneous	PEPRA Miscellaneous
Hire date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2.0% @ 55	2.0% @ 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 63	52 - 67
Monthly benefits, as a % of eligible compensation	1.426% - 2.418%	1.000% - 2.500%
Required employee contribution rates	7.000%	6.250%
Required employer contribution rates	14.030%	6.568%

Contribution Description

Section 20814(c) of the California Public Employees' Retirement Law (PERL) 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. The total plan contributions are determined through the CalPERS' annual actuarial valuation process. For public agency cost-sharing plans covered by either the Miscellaneous or Safety risk pools, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2018, the District's contributions recognized as a reduction to the net pension liability for both the Miscellaneous and PEPRA Miscellaneous plans was $981,455.

Note 9: Defined Benefit Pension Plan (Continued)

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

For the year ended June 30, 2018, the District reported a net pension liability for its proportionate share of the net pension liability of the Miscellaneous Plan in the amount of $6,381,787.

The District's net pension liability for each plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the plans is measured as of June 30, 2017, and the total pension liability for each plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016 rolled forward to June 30, 2017 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The District's proportionate share of the net pension liability for each plan as of June 30, 2016 and 2017 was as follows:

Proportions as a percentage of the CalPERS total plan (Miscellaneous):

	Miscellaneous
Proportion - June 30, 2016	0.15728%
Proportion - June 30, 2017	0.16189%
Change - Increase (Decrease)	0.00461%

For the year ended June 30, 2018 the District recognized pension expense of $1,314,403 for all plans in total. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 1,047,772	$ -
Changes in assumptions	1,075,419	(82,002)
Differences between expected and actual experience	8,667	(124,176)
Net difference between projected and actual earnings on pension plan investments	243,216	-
Differences between actual contributions and the proportionate share of contributions	225,697	(1,699)
Adjustment due to difference in proportions	182,583	(9,549)
Total Deferred Pension Related Items	**$ 2,783,354**	**$ (217,426)**

Note 9: Defined Benefit Pension Plan (Continued)

The $1,047,772 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows or resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Period ended June 30,	Deferred Outflows/(Inflows) of Resources
2018	$ 406,604
2019	766,390
2020	489,563
2021	(144,401)
	$ 1,518,156

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For the measurement period ended June 30, 2017, (the measurement date), the total pension liability was determined by rolling forward the June 30, 2016 total pension liability. The June 30, 2016 and the June 30, 2017, total pension liabilities were based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial Assumptions	
Discount Rate	7.15%
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table (1)	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

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

All other actuarial assumptions used in the June 30, 2016, valuation were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website under Forms and Publications.

Note 9: Defined Benefit Pension Plan (Continued)

Change of Assumptions

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

Discount Rate

The discount rate used to measure the total pension liability was 7.15 percent for each plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15 percent discount rate is adequate, and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15 percent is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB 68 section.

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

Note 9: Defined Benefit Pension Plan (Continued)

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

Asset Class	Assumed Asset Allocation	Real Return Years 1 - 10 (1)	Real Return Years 11+ (2)
Global Equity	47.0%	4.90%	5.38%
Fixed Income	19.0	0.80	2.27
Inflation Assets	6.0	0.60	1.39
Private Equity	12.0	6.60	6.63
Real Estate	11.0	2.80	5.21
Infrastructure and Forestland	3.0	3.90	5.36
Liquidity	2.0	(0.40)	(0.90)

(1) An expected inflation of 2.5% used for this period
(2) An expected inflation of 3.0% used for this period

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

The following presents the net pension liability/(asset) of the Plan as of the measurement date, calculated using the discount rate of 7.15 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15 percent) or 1 percentage-point higher (8.15 percent) than the current rate:

Miscellaneous	Discount Rate -1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate +1% (8.15%)
Plan's Net Pension Liability	$ 9,926,677	$ 6,381,787	$ 3,445,846

Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

Note 10: Risk Management

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District, as a member of the Vector Control Joint Powers Authority (VCJPA) participates in self-insured pools to manage the potential liabilities that may occur from the previously named sources. The VCJPA is a consortium of 35 mosquito abatement and/or vector control districts in the State of California. VCJPA's purpose is to arrange and administer programs of self-insured losses and to purchase excess or group insurance coverage. The day-to-day business is handled by a risk management group contracted by the VCJPA. The District participates in the liability and property programs of the VCJPA as follows:

- General and auto liability, public officials and employees' errors and omissions.
- Workers' compensation
- Property damage
- Auto physical damage
- Business travel (Optional Insurance policy)
- Group fidelity (Optional Insurance policy)

The District is covered for the first $1,000,000 of each general liability claim and $500,000 of each workers' compensation claim through the VCJPA. The District has the right to receive dividends, if declared by the Board of Directors for a program year in which the District participated, and the obligation to pay assessments based on a formula which, among other expenses, charges the District's account for liability losses under $10,000 and workers' compensation losses under $25,000. The VCJPA participates in an excess pool which provides general liability coverage from $1,000,000 to $29,000,000 and in an excess pool which provides worker's compensation coverage over $500,000 to $5,000,000 and purchases excess insurance above $5,000,000 up to the statutory limit. Financial statement information for the VCJPA can be obtained at 1750 Creekside Oaks, Dr., Suite 200, Sacramento, CA 95833 or (916) 244-1100.

Settled claims have not exceeded any of the coverage amounts in any of the last three fiscal years and there were no reductions in the District's insurance coverage during the year ending June 30, 2018. Liabilities are recorded when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated net of the respective insurance coverage. Liabilities include an amount for claims that have been incurred but not reported (IBNR). There were no IBNR claims payables as of June 30, 2018.

Note 11: Restatement of Net Position

Beginning net position in the government-wide Statement of Net Position was restated by $2,665,785 to reflect the change in accounting principle by the District in the implementation of GASB Statement No. 75. The table below describes the restatement in detail:

To remove the net OPEB liability previously reported	$ 3,482,562
To record the beginning net OPEB liability as of June 30, 2017, in accordance with GASB 75	(7,060,248)
To record the OPEB contribution made as of June 30, 2017, as a deferred outflow of resources	911,901
Total Restatement of Beginning Net Position	**$ (2,665,785)**

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REQUIRED SUPPLEMENTARY INFORMATION

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GREATER LOS ANGELES COUNTY VECTOR CONTROL DISTRICT

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 10,413,533	$ 10,413,533	$ 10,413,533	$ -
Resources (Inflows):				
Taxes	1,707,000	1,707,000	1,835,968	128,968
Assessments	10,305,600	10,305,600	10,243,084	(62,516)
Intergovernmental	-	-	313,997	313,997
Use of money and property	133,500	133,500	145,514	12,014
Miscellaneous	91,100	91,100	241,658	150,558
Proceeds from sale of capital assets	-	-	29,334	29,334
Amounts Available for Appropriations	**22,650,733**	**22,650,733**	**23,223,088**	**572,355**
Charges to Appropriation (Outflows):				
Vector control				
Salaries and benefits	9,308,634	9,221,615	9,502,863	(281,248)
Scientific, field and laboratory	932,797	932,797	778,414	154,383
Public education	12,500	12,500	18,049	(5,549)
Facilities and maintenance	131,640	131,640	102,557	29,083
Materials and services	1,025,662	1,102,601	972,112	130,489
Insurance	511,484	511,484	509,562	1,922
Capital outlay	47,690	57,690	250,547	(192,857)
Transfers out	266,793	266,873	216,626	50,247
Total Charges to Appropriations	**12,237,200**	**12,237,200**	**12,350,730**	**(113,530)**
Budgetary Fund Balance, June 30	**$ 10,413,533**	**$ 10,413,533**	**$ 10,872,358**	**$ 458,825**

The notes to required supplementary information are an integral part of this schedule.

BUDGETARY COMPARISON SCHEDULE
MOBILE SCIENCE AND VECTOR EDUCATION FOUNDATION
FOR THE YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 34,378	$ 34,378	$ 34,378	$ -
Resources (Inflows):				
Contributions	-	-	6,220	6,220
Proceeds from sale of capital assets	-	-	7,666	7,666
Transfers in	-	-	216,626	216,626
Amounts Available for Appropriations	**34,378**	**34,378**	**264,890**	**230,512**
Charges to Appropriation (Outflows):				
Mobile science and vector education	266,793	266,793	213,352	53,441
Capital outlay	-	-	9,292	(9,292)
Total Charges to Appropriations	**266,793**	**266,793**	**222,644**	**44,149**
Budgetary Fund Balance, June 30	**$ (232,415)**	**$ (232,415)**	**$ 42,246**	**$ 274,661**

The notes to required supplementary information are an integral part of this schedule.

GREATER LOS ANGELES COUNTY VECTOR CONTROL DISTRICT

COST-SHARING MULTIPLE-EMPLOYER MISCELLANEOUS PENSION PLAN
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)

	2018	2017	2016	2015
Proportion of the Net Pension Liability	0.16189%	0.15728%	0.15395%	0.16774%
Proportionate Share of the Net Pension Liability	$ 6,381,787	$ 5,463,768	$ 4,223,440	$ 4,145,721
Covered Payroll	$ 5,405,439	$ 5,102,579	$ 4,915,469	$ 4,734,266
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	118.06%	107.08%	85.92%	87.57%
Plan Fiduciary Net Position as a Percentage of Plan Total Pension Liability	75.39%	74.06%	78.39%	73.52%

Notes to Schedule of Proportionate Share of the Net Pension Liability:

Benefit Changes: None

Changes of Assumptions: In 2018, the accounting discount rate reduced from 7.65 percent to 7.15 percent.

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal year 2014-15 was the first year of implementation, therefore only four years are shown.

GREATER LOS ANGELES VECTOR CONTROL DISTRICT

COST-SHARING MULTIPLE-EMPLOYER MISCELLANEOUS PENSION PLAN
SCHEDULE OF PLAN CONTRIBUTIONS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)

	2018	2017	2016	2015
Actuarially Determined Contribution	$ 1,047,772	$ 981,455	$ 632,834	$ 624,491
Contribution in Relation to the Actuarially Determined Contribution	(1,047,772)	(981,455)	(632,834)	(624,491)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -
Covered Payroll	$ 5,603,677	$ 5,405,439	$ 5,102,549	$ 4,915,469
Contributions as a Percentage of Covered Payroll	18.70%	18.16%	12.40%	12.70%

Note to Schedule of Plan Contributions:

Valuation Date:	June 30, 2015
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll
Remaining amortization period	20 years as of valuation date
Assets valuation method	5-year ramp-up/ramp-down
Inflation	2.75% compounded annually
Salary Increases	3.00% compounded annually
Investment rate of return	7.50% compounded annually (net of expenses)
Retirement age	Minimum 50 years
Mortality	RP-2000 Health Annuity Mortality Table

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal year 2014-15 was the first year of implementation, therefore only four years are shown.

GREATER LOS ANGELES COUNTY VECTOR CONTROL DISTRICT

AGENT MULTIPLE-EMPLOYER OPEB PLAN
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)

	2018
Total OPEB Liability	
Service cost	$ 352,082
Interest	726,872
Benefit payments	(311,901)
Net change in total OPEB liability	**767,053**
Total OPEB liability - beginning	**9,788,369**
Total OPEB liability - ending (a)	**$ 10,555,422**
Plan Fiduciary Net Position	
Contribution - employer	$ 911,901
Net investment income	288,253
Benefit payments	(311,901)
Administrative expense	(1,463)
Net change in plan fiduciary net position	**886,790**
Plan fiduciary net position - beginning	**2,728,121**
Plan fiduciary net position - ending (b)	**$ 3,614,911**
Net OPEB Liability/(Assets) - ending (a) - (b)	**$ 6,940,511**
Plan fiduciary net position as a percentage of the total OPEB liability	34.25%
Covered-employee payroll	$ 5,405,439
Net OPEB liability as a percentage of covered-employee payroll	128.40%

Notes to Schedule of Changes in the Net OPEB Liability and Related Ratios:

Changes in assumptions: None

(1) Historical information is required only for the measurement periods for which GASB 75 is applicable. Fiscal Year 2018 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

GREATER LOS ANGELES COUNTY VECTOR CONTROL DISTRICT

AGENT MULTIPLE-EMPLOYER OPEB PLAN
SCHEDULE OF PLAN CONTRIBUTIONS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)

		2018
Actuarially determined contribution during fiscal year *	$	926,042
Contributions in relation to the actuarially determined contribution		959,327
Contribution deficiency (excess)	$	(33,285)
Covered employee payroll during fiscal year	$	5,603,677
Contributions as a percentage of covered employee payroll		17.12%

Notes to Schedule of Plan Contributions:

*The actuarially determined contribution for the District's fiscal year ending June 30, 2018 was determined and presented in the July 2015 Actuarial Valuation report.

Methods and assumptions used to determine contributions:

Actuarial Cost Method	Entry Age Normal
Amortization Valuation Method/Period	Level percent of payroll over an open rolling 22-year period
Asset Valuation Method	Market value
Inflation	2.75%
Payroll Growth	3.25%
Investment Rate of Return	7.28%
Healthcare cost-trend rates	4.50% per year
Retirement Age	Tier 1 employees - 2.00% @55 and Tier 2 and 3 employees - 2.00% @62 The probabilities of Retirement are based on the 2014 CalPERS Experience Study for the period of 1997 to 2011
Mortality	Pre-retirement mortality probability based on 2014 CalPERS 1997 to 2011 Experience Study covering CalPERS participants. Post-retirement mortality probability based on CalPERS Experience Study 2007 to 2011 covering participants in CalPERS

(1) Historical information is required only for the measurement periods for which GASB 75 is applicable. Fiscal Year 2018 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

Note 1: Budgets and Budgetary Data

The District follows specific procedures in establishing the budgetary data reflected in the financial statements. Each year, the District's General Manager and Director of Fiscal Operations prepare and submit an operating budget to the Board of Trustees for the District, no later than June of each year. The basis used to prepare the budget does not differ substantially from the modified accrual basis of accounting. The adopted budget becomes operative on July 1. The Board of Trustees must approve all supplemental appropriations to the budget and transfers between major accounts. The District's annual budget is presented as a balanced budget (inflows and reserves equal outflows and reserves) adopted for the General Fund and the Mobile Science and Vector Education Foundation fund, at the detailed expenditure-type level.

The District presents a comparison of the annual budget to actual results for the General Fund and Mobile Science and Vector Education Foundation fund, at the functional expenditure-type, major object level, for financial reporting purposes. The final budgeted expenditure amounts represent the revised, adopted budget. No Board approved supplemental appropriations were made. The budgeted revenue amounts represent the adopted budget as originally approved.

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