SANTA CLARA LAFCO

Local Agency Formation Commission of Santa Clara County
777 North First Street
Suite 410
San Jose, CA 95112
SantaClaraLAFCO.org

Commissioners
Sylvia Arenas
Jim Beall
Rosemary Kamei
Yoriko Kishimoto
Otto Lee
Terry Trumbull
Mark Turner

Alternate Commissioners
Pamela Campos
Helen Chapman
Betty Duong
Zach Hilton
Teresa O'Neill

Executive Officer
Neelima Palacherla

REGULAR MEETING

Board of Supervisors' Chambers, 70 West Hedding Street, First Floor, San Jose

and

City Administration Conference Room, Gilroy City Hall, 7351 Rosanna Street, Gilroy

February 4, 2026 ▪ 1:15 PM

AGENDA

Chairperson: Rosemary Kamei ▪ Vice Chairperson: Yoriko Kishimoto

PUBLIC ACCESS AND PARTICIPATION

This meeting will be held in person at the location listed above. As a courtesy, and technology permitting, members of the public may also attend by virtual teleconference. However, LAFCO cannot guarantee that the public's access to teleconferencing technology will be uninterrupted, and technical difficulties may occur from time to time. Unless required by the Brown Act, the meeting will continue despite technical difficulties for participants using the teleconferencing option. To attend the meeting by virtual teleconference, access the meeting at **https://sccgov-org.zoom.us/j/81644087746** or by dialing **(669) 900-6833** and entering **Meeting ID 816 4408 7746#** when prompted.

PUBLIC COMMENT INSTRUCTIONS

Written Public Comments may be submitted by email to LAFCO@ceo.sccgov.org. Written comments will be distributed to the Commission and posted to the agenda on the LAFCO website as quickly as possible but may take up to 24 hours.

Spoken public comments may be provided in-person at the meeting. Persons who wish to address the Commission on an item are requested to complete a Request to Speak Form and place it in the designated tray near the dais. Request to Speak Forms must be submitted prior to the start of public comment for the desired item. For items on the Consent Calendar or items added to the Consent Calendar, Request to Speak Forms must be submitted prior to the call for public comment on the Consent Calendar. Individual speakers will be called to speak in turn. Speakers are requested to limit their comments to the time limit allotted.

Spoken public comments may also be provided through the teleconference meeting. To address the Commission virtually, click on the link Invite Link **https://sccgov-org.zoom.us/j/81644087746** to access the meeting and follow the instructions below:

- You will be asked to enter an email address and name. We request that you identify yourself by name as this will be visible online and will be used to notify you when it is your turn to speak.
- When the Chairperson calls for the item on which you wish to speak, click on "raise hand" icon. The Clerk will activate and unmute speakers in turn. Speakers will be notified shortly before they are called to speak. Call-in attendees press *9 to request to speak, and *6 to unmute when prompted.
- When called to speak, please limit your remarks to the time limit allotted.

NOTICE TO THE PUBLIC

- Pursuant to Government Code §84308, no LAFCO commissioner shall accept, solicit, or direct a contribution of more than $500 from any party, or a party's agent; or any participant or the participant's agent if the commission knows or has reason to know that the participant has a financial interest, while a LAFCO proceeding is pending, and for 12 months following the date a final decision is rendered by LAFCO. Prior to rendering a decision on a LAFCO proceeding, any LAFCO commissioner who received a contribution of more than $500 within the preceding 12 months from a party or participant shall disclose that fact on the record of the proceeding. If a commissioner receives a contribution which would otherwise require disqualification returns the contribution within 30 days from the time the commissioner knows or should have known, about the contribution and the proceeding, the commissioner shall be permitted to participate in the proceeding. A party to a LAFCO proceeding shall disclose on the record of the proceeding any contribution of more than $500 within the preceding 12 months by the party, or the party's agent, to a LAFCO commissioner. For forms, visit the LAFCO website at www.santaclaralafco.org. No party, or the party's agent and no participant, or the participant's agent, shall make a contribution of more than $500 to any LAFCO commissioner during the proceeding and for 12 months following the date a final decision is rendered by LAFCO.
- Pursuant to Government Code Sections 56100.1, 56300, 56700.1, 57009 and 81000 et seq., any person or combination of persons who directly or indirectly contribute(s) a totalof $1,000 or more or expend(s) a total of $1,000 or more in support of or in opposition to specified LAFCO proposals or proceedings, which generally include proposed reorganizations or changes of organization, may be required to comply with the disclosure requirements of the Political Reform Act (See also, Section 84250 et seq.). These requirements contain provisions for making disclosures of contributions and expenditures at specified intervals. More information on the scope of the required disclosures is available at the web site of the FPPC: www.fppc.ca.gov. Questions regarding FPPC material, including FPPC forms, should be directed to the FPPC's advice line at 1-866-ASK-FPPC (1-866-275- 3772).
- Pursuant to Government Code §56300(c), LAFCO adopted lobbying disclosure requirements which require that any person or entity lobbying the Commission or Executive Officer in regard to an application before LAFCO must file a declaration prior to the hearing on the LAFCO application or at the time of the hearing if that is the initial contact. In addition to submitting a declaration, any lobbyist speaking at the LAFCO hearing must so identify themselves as lobbyists and identify on the record the name of the person or entity making payment to them. Additionally, every applicant shall file a declaration under penalty of perjury listing all lobbyists that they have hired to influence the action taken by LAFCO on their application. For forms, visit the LAFCO website atwww.santaclaralafco.org.
- Any disclosable public records related to an open session item on the agenda and distributed to all or a majority of the Commissioners less than 72 hours prior to that meeting are available for public inspection at the LAFCO Office, 777 North First Street, Suite 410, San Jose, California, during normal business hours. (Government Code §54957.5.)
- In compliance with the Americans with Disabilities Act, those requiring accommodation for this meeting should notify the LAFCO Clerk 24 hours prior to meeting at (408) 993- 4709.

1. ROLL CALL

2. PUBLIC COMMENTS

This portion of the meeting provides an opportunity for members of the public to address the Commission on matters not on the agenda, provided that the subject matter is within the jurisdiction of the Commission. No action may be taken on off-agenda items unless authorized by law. Speakers are limited to THREE minutes. All statements that require a response will be referred to staff for reply in writing.

3. APPROVE CONSENT CALENDAR

The Consent Calendar includes Agenda Items marked with an asterisk (*). The Commission may add to or remove agenda items from the Consent Calendar.

All items that remain on the Consent Calendar are voted on in one motion. If an item is approved on the Consent Calendar, the specific action recommended by staff is adopted. Members of the public who wish to address the Commission on Consent Calendar items should comment under this item.

*4. APPROVE MINUTES OF DECEMBER 3, 2025 LAFCO MEETING

ITEMS FOR ACTION / INFORMATION

5. REVISED REQUEST FOR PROPOSALS FOR COUNTYWIDE WATER AND WASTEWATER SERVICE REVIEW

Recommended Action:

1. Authorize staff to issue a revised Request for Proposals (RFP) for a professional services firm to prepare a Countywide Water & Wastewater Service Review.
2. Delegate authority to the LAFCO Chair to enter into an agreement with the most qualified consultant, as determined by the Consultant Interview Panel, in an amount not to exceed $200,000, which may be amended with a contingency amount of up to $10,000; and to execute any necessary amendments subject to LAFCO Counsel's review and approval.

6. REQUEST RECEIVED TO INITIATE A LAFCO STUDY OF THE SANTA CLARA COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

Recommended Action: Accept report and provide direction on the identified options.

7. FINANCE COMMITTEE FOR FISCAL YEAR 2026-2027

Recommended Action: Establish a committee composed of three commissioners to work with staff to develop and recommend the proposed FY 2026-2027 LAFCO work plan and budget for consideration by the full commission.

8. AUTHORIZE THE LAFCO EXECUTIVE OFFICER TO ENGAGE THE SERVICES OF COVIVE LLC FOR LAFCO WEBSITE UPGRADE AND ACCESSIBILITY IMPROVEMENTS

Recommended Action: Authorize the Executive Officer to engage the services of Covive LLC to upgrade the LAFCO website and improve accessibility compliance in an amount not to exceed $28,000.

***9. SANTA CLARA LAFCO POLICIES AND PROCEDURES MANUAL**

For information only

10. CALAFCO RELATED ACTIVITIES

***10.1 Report on the CALAFCO Regional/Board Restructure Working Group Efforts**

For information only.

10.2 Designation of Voting Delegate for CALAFCO's 2026 Special Corporate Business Meetings

Recommended Action: Appoint a voting delegate for the 2026 CALAFCO Special Corporate Business Meeting to be held on February 23, 2026, and for any future special CALAFCO business meetings in 2026.

***10.3 2026 CALAFCO Staff Workshop**

Recommended Action: Authorize staff to attend the 2026 CALAFCO Staff Workshop and authorize travel expenses funded by the LAFCO budget.

***11. EXECUTIVE OFFICER'S REPORT**

Recommended Action: Accept report and provide direction, as necessary.

11.1 Presentation on LAFCO to Leadership Sunnyvale

11.2 Quarterly Special Districts Association Meeting

11.3 Quarterly Meeting with County Planning Department

11.4 Santa Clara County Association of Planning Officials' Meeting

12. COMMISSIONER REPORTS

13. NEWSPAPER ARTICLES / NEWSLETTERS

14. WRITTEN CORRESPONDENCE

15. ADJOURN

Adjourn to the regular LAFCO meeting on April 1, 2026 at 1:15 PM in the Board of Supervisors' Chambers, 70 West Hedding Street, San Jose.

ITEM # 4

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Zach Hilton
Teresa O'Neill

Executive Officer
Neelima Palacherla

LAFCO MEETING MINUTES
WEDNESDAY, DECEMBER 3, 2025

CALL TO ORDER

The meeting was called to order at 1:21 p.m.

1. ROLL CALL

Commissioners

- Sylvia Arenas, Chairperson (Absent)
- Rosemary Kamei, Vice Chairperson
- Jim Beall
- Yoriko Kishimoto
- Otto Lee
- Terry Trumbull
- Mark Turner

Alternate Commissioners

- Pamela Campos (Absent)
- Helen Chapman
- Betty Duong (Absent)
- Zach Hilton (Attended remotely from City Administration Conference Room, Gilroy City Hall)
- Teresa O'Neill

Staff

- Neelima Palacherla, Executive Officer
- Dunia Noel, Assistant Executive Officer
- Emmanuel Abello, Analyst
- Sonia Humphrey, Clerk
- Mala Subramanian, Counsel

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2. PUBLIC COMMENTS

There were five public speakers: Vincent Ushikubo, SEIU 521 Assistant Chief Steward for Santa Clara County Mosquito and Vector Control District (MVCD); Liya, SEIU 521 Steward for MVCD; Kathy Tran, Operations Aide / Community Resource Specialist, MVCD; Karla Vazquez, Operations Aide / Technician, MVCD; and Menou, Senior Technician, MVCD.

Commission Action: The Commission directed staff to bring the item back at the next meeting for discussion and any action.

3. APPROVE CONSENT CALENDAR

MOTION: Turner	SECOND: Trumbull	
AYES: Beall, Kamei, Kishimoto, Lee, Trumbull, Turner		
NOES: None	ABSTAIN: None	ABSENT: Arenas

Commission Action: The Commission added #14 and #15 to the consent calendar and approved the Consent Calendar, including Items #4, #8, #9, #10, #11, #12, #14 and #15.

4. *TAKEN ON CONSENT:* APPROVE MINUTES OF OCTOBER 1, 2025 LAFCO MEETING

The Commission approved the minutes of the October 1, 2025 meeting.

PUBLIC HEARING

5. COMPREHENSIVE REVIEW AND UPDATE OF LAFCO POLICIES – CHAPTER 3.9 INCORPOATION POLICIES

MOTION: Kishimoto	SECOND: Lee	
AYES: Beall, Kamei, Kishimoto, Lee, Trumbull, Turner		
NOES: None	ABSTAIN: None	ABSENT: Arenas

One public speaker: Sharon Luna, San Martin Neighborhood Association

Commission Action:

1. The Commission adopted the "Chapter 3.9 Incorporation Policies."
2. The Commission determined that the proposed update of LAFCO policies is not subject to the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines §15060(c)(2) and §15060(c)(3).

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ITEMS FOR ACTION / INFORMATION

6. COUNTYWIDE WATER AND WASTEWATER SERVICE REVIEW REQUEST FOR PROPOSALS

MOTION: Turner	SECOND: Beall	
AYES: Beall, Kamei, Kishimoto, Lee, Trumbull, Turner		
NOES: None	ABSTAIN: None	ABSENT: Arenas

One public speaker: Sharon Luna, San Martin Neighborhood Association

Commission Action:

1. The Commission authorized staff to issue a Request for Proposals (RFP) for a professional services firm to prepare a Countywide Water and Wastewater Service Review.
2. The Commission delegated authority to the LAFCO Chair to enter into an agreement with the most qualified consultant, as determined by the Consultant Interview Panel, in an amount not to exceed $160,000, which may be amended with a contingency amount of up to $10,000; and to execute any necessary amendments subject to LAFCO Counsel's review and approval.

7. ANNUAL FINANCIAL AUDIT REPORT - JUNE 30, 2025

MOTION: Turner	SECOND: Kamei	
AYES: Beall, Kamei, Kishimoto, Lee, Trumbull, Turner		
NOES: None	ABSTAIN: None	ABSENT: Arenas

Commission Action:

1. Received a presentation from Paul Pham, Partner, Chavan & Associates, on LAFCO's Annual Financial Audit Report for fiscal year ending June 30, 2025.
2. Received and filed the Annual Financial Audit Report (June 30, 2025) prepared for Santa Clara LAFCO by Chavan & Associates, LLP.

8. *TAKEN ON CONSENT:* AMENDMENT TO SERVICES AGREEMENT BETWEEN LAFCO AND COVIVE LLC FOR WEBSITE HOSTING AND MAINTENANCE

Commission Action:

1. The Commission approved an amendment to the services agreement between LAFCO and Covive LLC for website hosting and maintenance.

9. *TAKEN ON CONSENT:* ADOPTION OF SCHEDULE OF 2026 LAFCO MEETINGS

Commission Action: The Commission adopted the schedule of 2026 LAFCO meetings.

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10. *TAKEN ON CONSENT:* APPOINTMENT OF 2026 LAFCO CHAIRPERSON AND VICE CHAIRPERSON

Commission Action: The Commission appointed Vice Chair Rosemary Kamei to serve as Chairperson for 2026; and Commissioner Yoriko Kishimoto to serve as Vice-Chairperson for 2026.

11. *TAKEN ON CONSENT:* EXECUTIVE OFFICER'S REPORT

Commission Action: The Commission accepted the report.

12. *TAKEN ON CONSENT:* CALAFCO RELATED ACTIVITIES

Commission Action: The Commission accepted the report.

13. COMMISSIONER REPORTS

There were none.

14. NEWSPAPER ARTICLES / NEWSLETTERS

There were none.

15. WRITTEN CORRESPONDENCE

There were none.

CLOSED SESSION

16. PERFORMANCE EVALUATION

Public Employee Performance Evaluation (Government Code §54957)

Title: LAFCO Executive Officer

The Commission adjourned to Closed Session at 2:09 p.m.

17. REPORT OUT OF CLOSED SESSION

The Commission reconvened at 2:21 p.m., with no reportable action.

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18. ADJOURN

The Commission adjourned at 2:22 p.m. to the next regular LAFCO meeting on February 4, 2026, at 1:15 p.m., in the Board of Supervisors' Chambers, 70 West Hedding Street, San Jose.

Approved on February 4, 2026

_____
Rosemary Kamei, Chairperson
Local Agency Formation Commission of Santa Clara County

Prepared by: _____
Sonia Humphrey, LAFCO Clerk

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ITEM #5

SANTA CLARA LAFCO

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Executive Officer
Neelima Palacherla

LAFCO MEETING: **February 4, 2026**

TO: **LAFCO**

FROM: **Neelima Palacherla, Executive Officer**
Dunia Noel, Asst. Executive Officer

SUBJECT: **REVISED REQUEST FOR PROPOSALS FOR COUNTYWIDE WATER AND WASTEWATER SERVICE REVIEW**

STAFF RECOMMENDATION

1. Authorize staff to issue a revised Request for Proposals (RFP) for a professional services firm to prepare a Countywide Water & Wastewater Service Review.
2. Delegate authority to the LAFCO Chair to enter into an agreement with the most qualified consultant, as determined by the Consultant Interview Panel, in an amount not to exceed $200,000, which may be amended with a contingency amount of up to $10,000; and to execute any necessary amendments subject to LAFCO Counsel's review and approval.

BACKGROUND

Approval and Release of RFP to Potential Consultants in December 2025

At the December 3, 2025 LAFCO meeting, the Commission: (1) authorized LAFCO staff to issue a revised Request for Proposals (RFP) for a professional services firm to prepare a Countywide Water & Wastewater Service Review; and (2) delegated authority to the LAFCO Chair to enter into an agreement with the most qualified consultant, as determined by the Consultant Interview Panel, in an amount not to exceed $160,000, which may be amended with a contingency amount of up to $10,000; and to execute any necessary amendments subject to LAFCO Counsel's review and approval.

One Proposal Received

On December 5, 2025, LAFCO staff released the RFP to firms on LAFCO's consultant list and posted it on the LAFCO and CALAFCO websites, with proposals due December 19, 2025.

Staff received one proposal from a well-established firm that has conducted many LAFCO service reviews across the state. However, that proposal exceeded the Commission-approved budget and did not include the full scope of services identified in the RFP. In consultation with Chair Kamei, LAFCO staff decided not to interview this firm and instead seek further direction from the Commission on preferred next steps.

Prior to submitting their proposal, the firm contacted LAFCO staff to discuss expectations concerning project scope and budget. The firm indicated they could not conduct the service review as described within LAFCO's established budget but would submit an alternative proposal for LAFCO to consider. According to the firm, a more appropriate budget for such a major project would be around $200,000 based on their prior experience.

Since close of the RFP response period, LAFCO staff has also consulted with another well-established firm and learned that the typical cost for such a large countywide (involving dozens of agencies across the entire county) and complex service review (one that comprehensively reviews multiple service types and addresses special focus areas), now ranges around $200,000.

Given these results, LAFCO is unlikely to receive a suitable proposal from a qualified consultant unless it increases the budget or significantly reduces the scope of services for the Countywide Water and Wastewater Service Review.

INCREASE BUDGET & CIRCULATE REVISED RFP

LAFCO staff recommends increasing the budget rather than reducing the scope. LAFCO's 2011 Countywide Water Service Review was comprehensive and has proven to be a valuable resource to LAFCO staff and stakeholders over the years. A similarly robust Countywide Water and Wastewater Service Review would provide comparable long-term value.

Proposed Revised Budget

Staff recommends an allocation of $200,000 for the Countywide Water and Wastewater Service Review, which may be amended with a contingency amount of up to $10,000, with LAFCO Counsel's review and approval. The contingency amount would be used to address unforeseen changes to the scope of work or undue circumstances (e.g. unplanned edits to documents and unplanned follow-up with affected agencies). The LAFCO Executive Officer would negotiate the final project cost with the selected firm.

The selected consultant's work on the Countywide Water and Wastewater Service Review is now anticipated to begin in April 2026 (this fiscal year) and continue well into the next fiscal year, concluding in Spring of 2027. Staff recommends that the Service Review be budgeted over this fiscal year and next fiscal year. The LAFCO budget for this Fiscal Year (2025-2026) includes sufficient funding to commence the

Service Review and the Commission can budget for the remaining balance as part of its upcoming Fiscal 2026-2027 budget planning process.

Consultant Selection Process and Timeline

The process used to select a consultant will not change. LAFCO staff will convene a Consultant Interview Panel, consisting of a subgroup of TAC members. The Panel, along with LAFCO staff, will evaluate the proposals submitted and interview the consultant teams and provide a recommendation. If authorized by the Commission, the LAFCO Chair may enter into an agreement with the most qualified consultant.

The following is a new estimated timeline for the consultant selection process:

- Issue RFP to potential consultant firms: February 5, 2026
- Proposals due to LAFCO: February 19, 2026
- Consultant interviews and selection: late February/early March 2026
- Selected consultant firm begins Service Review: late March / early April 2026

It is expected that the service review will take a year or so to complete. A detailed timeline/project schedule for completing the project, based on the key steps listed in the RFP and Scope of Services, will be negotiated between EO Palacherla and the selected consultant and included in the executed professional services agreement.

NEXT STEPS

Upon LAFCO authorization, staff will send the Revised Final RFP to the firms on LAFCO's consultant list and will post the RFP on the LAFCO website and the CALAFCO website for other interested firms. Responses to the RFP will be due by Friday, February 20, 2026 at 5 PM, as specified in greater detail in the Revised Final RFP. The Consultant Interview Panel will review the responses, interview qualified consultants, and make a recommendation. If authorized by the Commission, the LAFCO Chair will enter into an agreement with the most qualified consultant, as determined by the Consultant Interview Panel, in an amount not to exceed $200,000, which may be amended with a contingency amount of up to $10,000; and execute any necessary amendments subject to LAFCO Counsel's review and approval.

ATTACHMENT

Attachment A:	Request for Proposals (Revised 2/4/2026): Countywide Water and Wastewater Service (with increased budget, new proposal due date, and new project start date)

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REQUEST FOR PROPOSALS (Revised 2/4/2026)

COUNTYWIDE WATER AND WASTEWATER SERVICE REVIEW

I. OBJECTIVE

The Local Agency Formation Commission (LAFCO) of Santa Clara County is seeking proposals from professional service firms to prepare a Countywide Water and Wastewater Service Review. This work is to be completed in compliance with applicable California Government Code sections and Santa Clara LAFCO policies. In Santa Clara County, service reviews are intended to serve as a tool to help LAFCO, the public and other agencies better understand the public service governance and delivery and evaluate options for the provisions of efficient and effective public services, and to develop information to update the spheres of influence of special districts and cities in the county. LAFCO is not required to initiate boundary changes based on service reviews. However, LAFCO, local agencies or the public may subsequently use the service reviews together with additional research and analysis where necessary, to pursue changes in jurisdictional boundaries or spheres of influence.

II. BACKGROUND

The Cortese Knox Hertzberg Local Government Reorganization Act (CKH Act) mandates that LAFCO conduct service reviews prior to or in conjunction with sphere of influence updates and requires that LAFCO once every five years, as necessary, review and update the sphere of influence of each city and special district [Government Code § 56430]. The Service Review must include an analysis and written statement of determination regarding each of the following seven categories:

- Growth and population projections for the affected area
- The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence
- Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere of influence
- Financial ability of agencies to provide services

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- Status of, and opportunities for, shared facilities
- Accountability for community service needs, including governmental structure and operational efficiencies
- Any other matter related to effective or efficient service delivery, as required by commission

Additionally, as part of the sphere of influence updates LAFCO must prepare an analysis and written statement of determinations for each special district regarding certain factors. [Government Code § 56425(e)]

Santa Clara LAFCO is responsible for establishing, reviewing, and updating Spheres of Influence for 41 public agencies in Santa Clara County (15 cities and 26 special districts). LAFCO's Service Review Policies (amended August 6, 2025), provide guidance to LAFCO in preparing and conducting service reviews.

LAFCO completed and adopted its first round of service reviews and sphere of influence updates prior to January 1, 2008 and its second round of service reviews and sphere of influence updates for all cities and special districts prior to January 1, 2015.

LAFCO's most recent Countywide Water Service Review was adopted in 2011. LAFCO's Special District Service Review: Phase 2 was adopted in December 2013 and includes information on special districts that provide sanitary/sewer service. LAFCO's Cities Service Review was adopted in December 2015 and includes information on wastewater service and stormwater management services provided by cities in the county.

These Reports, which are all available on the LAFCO website, have been a valuable resource for LAFCO, the public, and other local agencies seeking to gain a better understanding on how these services are provided in the county.

LAFCO, at its December 2, 2020 meeting set priorities for the completion of LAFCO's third round of service reviews and sphere of influence updates. LAFCO's service reviews work plan calls for the completion of 4 studies (i.e. countywide fire service review, countywide water and wastewater service review, special districts service review, and cities service review). It is anticipated that these studies will be conducted by professional service firms under the operational direction of the LAFCO Executive Officer. LAFCO's first priority, a countywide fire service review was completed in October 2023. **LAFCO's next priority, a countywide review of water service and wastewater service in Santa Clara County and sphere of influence updates for special districts that provide water and wastewater service, is the subject of this Request for Proposal (RFP).**

III. SCOPE OF SERVICES

A draft Scope of Services is enclosed with this RFP as **Attachment 1**. A final statement of services to be provided will be negotiated with the firm selected to conduct the service review and will be included as part of the professional services agreement.

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IV. BUDGET

A final budget amount for this project will be negotiated with the firm selected for the work prior to reaching agreement. The project cost of the proposal should not exceed **$200,000.**

V. SCHEDULE

It is anticipated that the firm will start work in **March/April 2026** and that the service review will be conducted over the next 12 months or so. The final schedule for this project will be negotiated with the firm selected for the work prior to reaching an agreement and will be based on the key steps listed in the Scope of Services.

VI. PROPOSAL REQUIREMENTS

Response to this RFP must include all of the following:

1. A statement about the firm that describes its history as well as the competencies and resumes of the principal and all professionals who will be involved in the work. This statement should describe the firm's level of expertise in the following areas:

   General Expertise

   - Familiarity with CKH Act, the role and functions of LAFCO, and the service review process
   - Ability to analyze and present information in an organized format
   - Ability to quickly interpret varied budget and planning documents
   - Ability to facilitate and synthesize input from a variety of stakeholders
   - Familiarity with public input processes and experience in managing the presentation and dissemination of public information for review and comment
   - Experience in fostering multi-agency partnerships and cooperative problem-solving
   - Ability to provide flexible and creative alternatives where necessary to resolve service and policy issues

   Water Service and Wastewater Service Expertise

   - Management level understanding of how water service and wastewater service are financed and delivered
   - Expertise in various aspects of 1) water service provision (i.e. water supply, water quality, water delivery, recycled water, water conservation and stewardship, groundwater recharge and pumping, flood control, stormwater runoff and management, etc.); and 2) sanitary/sewer service provision (i.e. wastewater collection, treatment, and management, etc.)

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- Expertise in the financial analysis of water and wastewater service delivery systems, including identifying financing constraints / opportunities and cost avoidance opportunities
- Expertise in water service and wastewater service organization analysis, including evaluating government structure options (advantages and disadvantages of the consolidation or reorganization of service providers)
- Experience with the operational aspects of various types of water service and wastewater service providers in California, including special districts (water districts, sanitary/sewer districts, and community services districts), city/county departments (public works, utilities, and environmental health), and others (private water companies, mutual water companies, small public water systems, state small water systems, private water systems and community/individual onsite wastewater treatment systems)
- Experience in evaluating water and wastewater service delivery systems, including performance measurements and benchmarking techniques
- Experience in evaluating impacts of recent climate change (floods, sea level rise) and their impact on water service and wastewater service

2. Identification of the lead professional responsible for the project and identification of the professional(s) who will be performing the day-to-day work.
3. Identification of any associate consultant firms to be involved. If associate consultant firms are proposed, describe the work they will perform and include the same information for each as required for items 1 and 2 above.
4. A statement of related experience accomplished in the last five years and references for each such project, including the contact name, address, and telephone number.
5. A statement regarding the anticipated approach for this project, including conducting community engagement and outreach, and explicitly discussing and identifying suggested changes to the draft Scope of Services (**Attachment 1**).
6. Identification of any information, materials and/or work assistance required from LAFCO and / or involved water service and wastewater service providers to complete the project. The expectation is that the consultant will use all available data sources to develop/update information for agency profiles in an effort to minimize the workload for affected agencies.
7. An overall project schedule, including the timing of each work task.
8. Information about the availability of all professionals who will be involved in the work, including any associate consultants.
9. The anticipated project cost, including:
   a. A not-to-exceed total budget amount.
   b. The cost for each major sub-task identified in the draft Scope of Services.

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c. The hourly rates for each person who will be involved in the work, including the rates of any associate consultants.

10. Comments about the draft services agreement (**Attachment 2**) specifically including the ability of the firm to meet the insurance requirements and other provisions.

VII. SUBMISSION REQUIREMENTS

Responses to RFP will be accepted by email only at lafco@ceo.sccgov.org and should be addressed to Neelima Palacherla, LAFCO Executive Officer. Proposals should be submitted in a complete, single electronic file, to the email specified in this notice.

DUE DATE AND TIME: Thursday, February 19, 2026 by 5:00 PM.
Proposals received after that time and date will not be considered.

VIII. EVALUATION CRITERIA AND SELECTION PROCESS

Firms will be selected for further consideration and follow-up interviews based on the following criteria:

- Relevant work experience
- The completeness of the responses
- Overall project approaches identified
- Proposed project budget

A consultant selection committee will conduct interviews and the most qualified firm will be selected based on the above evaluation criteria and reference checks. **Interviews will be held during the week of February 23rd (specific date/time TBD)**. The selection committee is expected to make a decision soon after. Following the selection of the most qualified firm, a final services agreement including budget, schedule, and final Scope of Services statement will be negotiated before executing the contract.

LAFCO reserves the right to reject any or all proposals, to issue addenda to the RFP, to modify the RFP or to cancel the RFP.

IX. LAFCO CONTACT

Neelima Palacherla, Executive Officer
LAFCO of Santa Clara County
Voice: (408) 993-4713
Email: lafco@ceo.sccgov.org

X. ATTACHMENTS

1. Draft Scope of Services (**Attachment 1**)
2. Draft Professional Service Agreement and insurance obligations (**Attachment 2**)

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XI. REFERENCE INFORMATION

Please refer to LAFCO's website (www.santaclaralafco.org) for general information about Santa Clara LAFCO and the following links for further information:

1. LAFCO's Service Review Policies (Amended August 6, 2025): (https://santaclaralafco.org/resources/policies/service-review-policies)
2. LAFCO Service Reviews Webpage: (https://santaclaralafco.org/cities-and-special-districts/service-reviews)
3. Countywide Water Service Review (Adopted December 7, 2011): (https://santaclaralafco.org/cities-and-special-districts/service-reviews/second-round/2011-countywide-water-service-review)
4. Special Districts Service Review: Phase 2 (Adopted December 4, 2013): (https://santaclaralafco.org/cities-and-special-districts/service-reviews/second-round/special-districts-service-review-phase-2)
5. Cities Service Review (Adopted December 2, 2015): (https://santaclaralafco.org/cities-and-special-districts/service-reviews/second-round/cities-service-review)

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SCOPE OF SERVICES

COUNTYWIDE WATER AND WASTEWATER SERVICE REVIEW AND SPHERE OF INFLUENCE UPDATES

The Countywide Water and Wastewater Service Review Report will provide a comprehensive overview of all the agencies that provide water services (including recycled water), wastewater services, and stormwater management in the County; evaluate the provision of these services; and recommend actions to promote efficient service delivery; and review and update the spheres of influence of special districts that provide water and/or wastewater services in Santa Clara County (where Santa Clara LAFCO is the principal LAFCO).

I. SERVICE REVIEW AND SPHERE OF INFLUENCE UPDATES REQUIREMENTS

Pursuant to California Government Code §56430, LAFCO is required to adopt a written statement of determination for each of the following considerations:

1. Growth and population projections for the affected area.
2. Location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence
3. Present and planned capacity of public facilities, adequacy of public services and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere of influence
4. Financial ability of agencies to provide services.
5. Status of, and opportunities for, shared facilities.
6. Accountability for community service needs, including governmental structure and operational efficiencies.
7. Any other matter related to effective or efficient service delivery, as required by commission policy.

California Government Code §56425 requires LAFCO, when determining the sphere of influence of each local agency, to prepare and adopt a written statement of determination for each city and special district regarding the following considerations:

1. The present and planned land uses in the area, including agricultural and open-space lands.
2. The present and probable need for public facilities and services in the area.
3. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.

4. The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency
5. For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protections that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.
6. Nature, location, and extent of any functions or classes of services provided by existing districts

II. IDENTIFICATION OF SERVICE PROVIDERS FOR STUDY

Agencies that are required to have a Spheres of Influence (SOI) [i.e. special districts and cities] will be the focus of service reviews. Other agencies will also be reviewed to the extent necessary to establish relationships, quantify services, designate or map service location/facilities and provide a complete overview of services in the area. The following agencies and organizations that provide water service (including recycled water), wastewater service, and stormwater management in Santa Clara County will be included in the service review:

Water Districts

1. Aldercroft Heights County Water District (serves a small unincorporated community near Lexington Reservoir in the Santa Cruz Mountains)
2. Pacheco Pass Water District (serves a small unincorporated area in southern Santa Clara County and also includes lands in San Benito County. San Benito LAFCO is principal LAFCO)
3. Purissima Hills County Water District (serves a portion of Los Altos Hills and adjacent unincorporated area)
4. San Martin County Water District (serves a portion of the unincorporated community of San Martin)
5. Santa Clara Valley Water District (countywide)

Special Districts that Provide Wastewater Services

1. Burbank Sanitary District (serves two non-contiguous unincorporated islands surrounded by the City of San Jose)
2. County Sanitation District 2-3 (serves two non-contiguous unincorporated areas surrounded by or adjacent to the City of San Jose)
3. Cupertino Sanitary District (serves majority of the City of Cupertino, portion of City of Saratoga, small areas of City of San Jose, Sunnyvale and Los Altos, and adjacent unincorporated areas)

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4. West Bay Sanitary District (serves a small unincorporated area along the San Mateo County boundary and also includes lands in San Mateo County. San Mateo LAFCO is principal LAFCO)
5. West Valley Sanitation District (serves City of Campbell, Town of Los Gatos, City of Monte Sereno, portion of the City of Saratoga, and several non-contiguous unincorporated areas)
6. Lions Gate Community Services District (serves the small unincorporated community of CordeValle, located south of Morgan Hill)
7. Lake Canyon Community Services District (serves the small unincorporated community of Lake Canyon near Lexington Reservoir in the Santa Cruz Mountains)

Cities (review specific to water service, wastewater service, and stormwater management service)

1. City of Campbell
2. City of Cupertino
3. City of Gilroy
4. Town of Los Altos
5. City of Los Altos Hills
6. Town of Los Gatos
7. City of Milpitas
8. City of Monte Sereno
9. City of Morgan Hill
10. City of Mountain View
11. City of Palo Alto
12. City of San Jose
13. City of Santa Clara
14. City of Saratoga
15. City of Sunnyvale

Other Service Providers (included for comprehensiveness and/or to address a focus issue)

<u>Private Water Companies</u>

1. San Jose Water Company (serves Cities of Campbell, Saratoga, Los Gatos, Monte Sereno, part of Cupertino, parts of San Jose, and adjacent unincorporated areas)

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2. California Water Service Company (serves parts of Cities of Cupertino and Los altos, parts of Los Altos Hills and Mountain View, parts of Sunnyvale, and adjacent unincorporated areas)
3. Great Oaks Water Company (serves parts of San Jose, and adjacent unincorporated area south of San Jose)
4. West San Martin Water Works (purchased by California American Water, serves a portion of the unincorporated community of San Martin)

Miscellaneous

1. Stanford University (serves the University)
2. San Francisco Public Utilities Commission (wholesale agency to portions of North County)
3. Bay Area Water Supply and Conservation Agency (provides water conservation programs and conducts water supply planning activities for their members)
4. South Bay Water Recycling
5. County Department of Environmental Health
6. Palo Alto Regional Water Quality Control Plant
7. San Jose-Santa Clara Regional Wastewater Facility
8. South County Regional Wastewater Authority
9. Sunnyvale Water Pollution Control Plant
10. Mutual Water Companies, including small water systems

Please note that in addition to the above listed agencies, there may be other agencies within the county that provide water, wastewater, and/or stormwater management related services. It may be necessary to include those agencies in the service review.

III. PROJECT SCOPE OF WORK

Service Review Determinations

Based on the elements above, Consultant will draft proposed service review determinations for the cities and special districts that provide water and/or wastewater services (where Santa Clara LAFCO is the Principal LAFCO) that meet the legal requirements as identified in Government Code §56430.

Sphere of Influence Update

Analyze and propose, if deemed appropriate, sphere of influence updates for each of the special districts that provide water and/or wastewater services (where Santa Clara LAFCO is the Principal LAFCO) and prepare a written statement of determination for each district as required by Government Code §56425

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Focus Issues

The service review will also consider the following issue and identify potential options/opportunities for addressing this issue in Santa Clara County:

Small Water Systems in the Unincorporated Area

The State Water Resources Control Board's Division of Drinking Water (DDW) staff have identified many small water systems in south Santa Clara County that experience technical, managerial, and financial difficulties from time to time. In response, there have been many interagency discussions on potential options for helping these current systems, including the potential consolidation of these struggling systems with better managed or maintained systems located nearby. However, there does not appear to be any readily available solution.

Discussions concerning the feasibility and practicality of consolidation or infrastructure extension to these existing systems noted various challenges, including the long distances involved, terrain challenges, high costs, lack of funding sources, water supply availability, and overall uncertainty. Furthermore, it is important that any such solutions are consistent with LAFCO law, and LAFCO's mandate to preserve agricultural lands and open space, curb urban sprawl, and encourage efficient delivery of services; and local/affected agencies' policies.

Consultant will identify potential options/opportunities for addressing this issue in Santa Clara County and consider the fiscal, economic, political, social and policy implications of each identified option/opportunity.

Other Issues

Consultant will also consider ongoing and emerging issues, including status of water quality issues in the southern part of Santa Clara County (e.g. septic system concerns, nitrates, perchlorate, etc.); water availability during multi-year droughts, capacity of water systems to fight wildfires (i.e. water supply, flow rate, hydrants, etc.), implications of sea level rise on water service and wastewater service, and stormwater management; and rising demand for water for data centers.

IV. SERVICE REVIEW TASKS OVERVIEW

The Countywide Water & Wastewater Service Review will be conducted in accordance with LAFCO's Service Review Policies (adopted August 6, 2025). It is expected that the service review will begin in **March/April 2026** and be conducted over the next 12 months or so. The final schedule for this project will be negotiated with the firm selected for the work prior to reaching an agreement and will be based on the following key steps, although other activities may be necessary:

1. Kick-Off & Stakeholder / Public / Community Engagement and Outreach

- Attend kick-off meetings with LAFCO staff and Technical Advisory Committee (TAC).
- Develop a community engagement and outreach approach for the service review, consisting of meetings, surveys, etc.

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- Conduct up to three (3) public workshops on LAFCO's Countywide Water and Wastewater Service Review to engage the community and receive input on water, wastewater, and stormwater related issues/concerns.
- Prepare summary memos of input received at each meeting and in the survey.
- Consider the findings and recommendations of prior service reviews for the affected agency or service area and consider the affected agency's implementation efforts. Prepare a memo summarizing any key takeaways and relation to current service review.

2. Development of Evaluation Criteria and Data Collection

- Develop, in coordination with LAFCO staff and the TAC, appropriate criteria to be used for service evaluation and for making service review determinations, as necessary.
- Develop and present to LAFCO staff and TAC, a questionnaire or a request for information related to the evaluation categories for service reviews.
- Collect and compile necessary data from available data resources (i.e., agency websites, and other relevant sources). Create a custom questionnaire for each agency to collect any other necessary data and distribute the questionnaire to each agency for their completion.
- Conduct interviews with affected agencies as necessary to follow up on information gaps and seek clarification on matters. LAFCO staff may attend interviews when feasible.
- Compile profiles of each of the agencies using a standard format, based on the interviews and data collected and obtain a level of consistency in the data.
- Provide each agency with their agency profile for their internal review and comment, to ensure accuracy prior to analysis.

Work Products: Consultant must deliver to LAFCO staff a complete profile for each agency and organization.

3. Data Analysis and Preliminary Findings

- Analyze data to make required determinations for each agency and to develop any recommendations, where appropriate.
- Present and discuss the required determinations and any recommendations with LAFCO staff.
- Present preliminary findings, as necessary to TAC.

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Work Products: Consultant must deliver analysis and findings and recommendations to LAFCO staff.

4. Administrative Draft Service Review Report

- Prepare an Administrative Draft Report for LAFCO staff review, in accordance with the project schedule.
- LAFCO staff will review and provide comments on the Administrative Draft Report, in accordance with the schedule

Work Products: Consultant must deliver Administrative Draft Report to LAFCO staff.

5. Draft Service Review Report & Community Workshops and LAFCO Public Hearing

- Address LAFCO staff's comments and prepare a Draft Service Review Report
- LAFCO staff will distribute the Draft Report for a 21-day public review and comment period
- Conduct up to three (3) public workshops to present the Draft Report and receive input and prepare summary memos of input received at each meeting
- Provide written responses to comments received during the public review period
- Present the Draft Report at the LAFCO Public Hearing

Work Products: Consultant must deliver MS Word version and a PDF version of the Draft Report.

6. Revised Draft Report & LAFCO Public Hearing

- Revise the Draft Report to address comments and submit the Revised Draft Report to LAFCO staff
- LAFCO staff will distribute the Revised Draft Report for a 21-day public review and comment period
- Provide written responses to comments received during the public review period
- Present the Revised Draft Report at the LAFCO Public Hearing

Work Products: Consultant must deliver a MS Word version and a PDF version of the Revised Draft Report.

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7. Final Service Review Report

- Following LAFCO adoption of the Service Review, prepare the Final Report.

Work Products: Consultant must deliver a MS Word version, a PDF version, and 3 hard copies of the Final Report.

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SERVICES AGREEMENT BETWEEN THE LOCAL AGENCY FORMATION COMMISSION OF SANTA CLARA COUNTY AND _____ FOR COUNTYWIDE WATER AND WASTEWATER SERVICE REVIEW AND SPHERE OF INFLUENCE UPDATES

This Services Agreement ("Agreement") is made effective _____ ("Effective Date"), by and between the Local Agency Formation Commission of Santa Clara County ("LAFCO") and _____ ("Contractor") to provide consulting services for the development of a countywide service review for water and wastewater services within Santa Clara County and for sphere of influence updates for the special districts providing water and/or wastewater services in Santa Clara County (where Santa Clara LAFCO is the principal LAFCO).

WHEREAS, pursuant to the Cortese-Knox-Hertzberg Act, Government Code section 56000 et seq., LAFCO is an independent body; and

WHEREAS, LAFCO needs assistance with the preparation of a countywide service review of water and wastewater services in Santa Clara County; and

WHEREAS, Contractor has experience and expertise necessary to provide such services; and

WHEREAS, at the _____ meeting of LAFCO, the Commission delegated authority to the LAFCO Executive Officer to execute an agreement with the most qualified consultant for preparation of the countywide water and wastewater service review;

THEREFORE, the parties agree as follows:

1. Nature of Services.

Contractor will provide to LAFCO the services described in Exhibit A1, Scope of Services, which is attached hereto and incorporated herein by this reference. Contractor shall perform the services in accordance with the project timeline as described in Exhibit A2, which is attached hereto and incorporated herein by this reference.

2. Term of Agreement.

This Agreement is effective from the Effective Date to, and including, _____, unless terminated earlier in accordance with Section 4. The parties may, by mutual, written consent, extend the term of this Agreement if necessary to complete the services. Time is of the essence and Contractor shall perform its services in a prompt and timely manner within the term of this Agreement. Delays shall not entitle Contractor to any additional compensation regardless of the party responsible for the delay.

3. Compensation.

A. Contractor will be compensated for services provided under this Agreement in accordance with the rate schedule included in Exhibit A3, which is attached hereto and incorporated herein by this reference. Contractor will complete all the work and tasks described in Exhibit A1 for an amount not to exceed _____ ("Contract Price"). Contractor shall be paid based on the rate schedule indicated in Exhibit A3, and the

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percentage of sub-tasks completed monthly, but compensation and expenses shall not exceed the Contract Price or the individual sub-task amount.

B. Contractor will provide LAFCO with monthly invoices specifying the percentage of completion for each sub-task based on tasks described in Exhibit A1. Contractor shall submit its final invoice to LAFCO within thirty (30) days from the last date of providing services or expiration or termination of this Agreement and failure by the Contractor to submit a timely invoice may constitute a waiver of its right to final payment.

C. Contractor shall deliver the administrative draft report, the draft report addressing staff comments for public review and comment, the revised draft report for public review and comment, and the final report adopted by LAFCO in accordance with the project timeline provided in Exhibit A2. or as otherwise determined by mutual written agreement of the parties. If the foregoing reports are not delivered according to the timeline in Exhibit A2 or as otherwise mutually agreed or if they do not comply with the requirements in the Scope of Services, it is understood, acknowledged and agreed that LAFCO will suffer damage. As fixed and liquidated damages, LAFCO shall withhold from Contractor the payment of the sum of $200 per calendar day for each and every calendar day of delay beyond the date that each report is due in accordance with the timeline in Exhibit A2, or as otherwise mutually agreed.

4. Termination.

A. Termination Without Cause. LAFCO may terminate this Agreement without cause by giving Contractor ten (10) days written notice. Contractor may terminate this Agreement without cause, if approved by the Executive Officer in consultation with LAFCO Counsel, in her or his sole and absolute discretion, by giving LAFCO ten (10) days written notice.

B. Termination for Cause. LAFCO may terminate this Agreement for cause upon ten (10) days written notice to Contractor. For purposes of this Agreement, cause includes, but is not limited to, any of the following: (1) material breach of this Agreement by Contractor, (b) violation by Contractor of any applicable laws, (c) assignment by Contractor of this Agreement without the written consent of LAFCO pursuant to Section 13, or (d) failure to provide services in a satisfactory manner. The termination notice shall specify the reason for termination and shall indicate the effective date of such termination.

C. In the event of termination with or without cause, Contractor will deliver to LAFCO copies of all Documents & Data whether complete or incomplete, and upon receipt thereof, Contractor will be compensated based on the completion of services provided prior to termination, as solely and reasonably determined by LAFCO. Contractor shall not be entitled to payment for unperformed services, and shall not be entitled to damages or compensation for termination of the Agreement.

5. Project Managers; Substitution

A. Contractor designates _____ as the Contractor's Project Manager for the purpose of performing the services under this Agreement. _____ will serve as day-to-day contact for LAFCO and work directly with staff.

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B. LAFCO designates the LAFCO Executive Officer as its Project Manager for the purpose of managing the services performed under this Agreement.

C. Contractor may not substitute anyone to replace _____ to serve as Project Manager without the written permission and the sole discretion of the LAFCO Executive Officer or their authorized representative. Any such substitution shall be with a person or firm of commensurate experience and knowledge necessary for the tasks to be undertaken.

6. Conflicts of Interest.

Contractor covenants that it presently has no interest, and will not acquire any interest, direct or indirect, financial or otherwise, which would conflict in any manner or degree with the performance of the services.

Contractor further covenants that, in the performance of this Agreement, it will not employ any contractor or person having such an interest.

7. Indemnification/Insurance.

Contractor's indemnification and insurance obligations with respect to this Agreement are set forth in Exhibit B, attached hereto and incorporated herein by this reference.

8. Compliance with all Laws; Standard of Care.

Contractor shall, during the term of this Agreement, comply with all applicable federal, state, and local rules, regulations, and laws. Contractor's services will be performed in accordance with generally accepted professional practices and principles and in a manner consistent with the level of care and skill ordinarily exercised by members of the profession currently practicing under similar conditions.

9. Maintenance of Records.

Contractor shall maintain books, documents, financial records, and other evidence pertaining to costs incurred and adequate to show that LAFCO funds paid under this Agreement were used for purposes consistent with the terms of this Agreement. These records shall be maintained and made available at all reasonable times during the term of this Agreement and for a period of three (3) years from expiration or termination of this Agreement or until all claims, if any, have been resolved, whichever period is longer, or longer if otherwise required under other provisions of this Agreement.

10. Nondiscrimination.

Contractor will comply with all applicable federal, state, and local laws and regulations including Santa Clara County's equal opportunity requirements. Such laws include but are not limited to the following: Title VII of the Civil Rights Act of 1964 as amended; Americans with Disabilities Act of 1990; The Rehabilitation Act of 1973 (Sections 503 and 504); California Fair Employment and Housing Act (Government Code sections 12900 et seq.); California Labor Code sections 1101 and 1102. Contractor will not discriminate against any subcontractor, employee, or applicant for employment because of

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age, race, color, national origin, ancestry, religion, sex/gender, sexual orientation, mental disability, physical disability, medical condition, political beliefs, organizational affiliations, or marital status in the recruitment, selection for training including apprenticeship, hiring, employment, utilization, promotion, layoff, rates of pay or other forms of compensation. Nor will Contractor discriminate in providing services under this Agreement because of age, race, color, national origin, ancestry, religion, sex/gender, sexual orientation, mental disability, physical disability, medical condition, political beliefs, organizational affiliations, or marital status.

11. Notices.

All notices required by this Agreement shall be given in writing and delivered email, personally, or deposited in the United States mail, postage prepaid, return receipt requested, addressed to the other party at the address set forth below or at such other address as the party may designate in writing in accordance with this section and shall be effective upon receipt thereof.

To Contractor: _____
_____
_____
_____

To LAFCO: LAFCO Executive Officer
777 North First Street, Suite 410
San Jose, CA 95112

12. Governing Law.

This Agreement has been executed and delivered in, and will be construed and enforced in accordance with, the laws of the State of California. Venue shall be in Santa Clara County or the federal Northern District of California.

13. Assignment.

Contractor has been selected to perform services under this Agreement based upon the qualifications and experience of Contractor's personnel. Contractor may not assign, sublet, or transfer this Agreement or any rights or obligations hereunder without the specific written consent of LAFCO, which may be withheld for any reason. Any attempted assignment or subcontract without prior written consent will be null and void and will be cause, in LAFCO's sole and absolute discretion, for immediate termination of the Agreement. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Agreement.

14. Relationships of Parties; Independent Contractor.

Contractor will perform all work and services described herein as an independent contractor and not as an officer, agent, servant or employee of LAFCO. None of the provisions of this Agreement is intended to create, nor shall be deemed or construed to create, any relationship between the parties other than that of independent parties contracting with each other for purpose of effecting the provisions of this Agreement. The

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parties are not, and will not be construed to be in a relationship of joint venture, partnership or employer-employee. Neither party has the authority to make any statements, representations or commitments of any kind on behalf of the other party, or to use the name of the other party in any publications or advertisements, except with the written consent of the other party or as is explicitly provided herein. Contractor will be solely responsible for the acts and omissions of its officers, agents, employees, contractors, and subcontractors, if any. LAFCO reserves its right to employ other consultants, in connection with this project or other projects. Nothing in this Agreement shall be construed to give any rights or benefits to anyone other than LAFCO and the Contractor.

15. Entire Agreement.

This document represents the entire Agreement between the parties with respect to the subject matter hereof and supersedes and cancels any prior or contemporaneous oral or written understanding, promises or representations with respect to those matters covered hereunder. Each party acknowledges that no representations, inducements, promises or agreements have been made by any person which are not incorporated herein, and that any other agreements shall be void. This is an integrated Agreement.

16. Amendments.

This Agreement may be amended only by an instrument signed by the parties.

17. Counterparts; Authority.

This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument. The persons executing this Agreement on behalf of the parties hereto warrant that they are duly authorized to execute this Agreement on behalf of said parties and that by doing so, the parties hereto are formally bound to the provisions of this Agreement.

18. Severability.

If any provision of this Agreement is found by a court of competent jurisdiction to be void, invalid or unenforceable, the same will either be reformed to comply with applicable law or stricken if not so conformable, so as not to affect the validity or enforceability of this Agreement, and the remaining provisions of this Agreement shall remain in full force and effect.

19. Waiver.

No delay or failure to require performance of any provision of this Agreement shall constitute a waiver of that provision as to that or any other instance. Any waiver granted by a party must be in writing and shall apply to the specific instance expressly stated.

20. Ownership of Materials and Confidentiality.

A. Documents & Data; Licensing of Intellectual Property. This Agreement creates a non-exclusive and perpetual license for LAFCO to copy, use, modify, reuse, or sublicense any and all copyrights, designs, and other intellectual property embodied in plans, specifications, studies, drawings, estimates, and other documents or works of authorship fixed in any tangible medium of expression, including but not limited to, physical drawings or data magnetically or otherwise recorded on computer diskettes, which are

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prepared or caused to be prepared by Contractor under this Agreement ("Documents & Data"). Contractor shall require all sub consultants to agree in writing that LAFCO is granted a non-exclusive and perpetual license for any Documents & Data the sub consultant prepares under this Agreement. Contractor represents and warrants that Contractor has the legal right to license any and all Documents & Data. Contractor makes no such representation and warranty in regard to Documents & Data which were prepared by design professionals other than Contractor or provided to Contractor by LAFCO. LAFCO shall not be limited in any way in its use of the Documents & Data at any time, provided that any such use not within the purposes intended by this Agreement shall be at LAFCO's sole risk.

B. Confidentiality. All ideas, memoranda, specifications, plans, procedures, drawings, descriptions, computer program data, input record data, written information, and other Documents & Data either created by or provided to Contractor in connection with the performance of this Agreement shall be held confidential by Contractor. Such materials shall not, without the prior written consent of Contractor, be used by Contractor for any purposes other than the performance of the Agreement. Nor shall such materials be disclosed to any person or entity not connected with the performance of the Agreement. Nothing furnished to Contractor which is otherwise known to Contractor or is generally known, or has become known, to the related industry shall be deemed confidential. Contractor shall not use LAFCO's name or insignia, photographs of the Services, or any publicity pertaining to the Services in any magazine, trade paper, newspaper, television or radio production or other similar medium without the prior written consent of LAFCO.

C. Confidential Information. LAFCO shall refrain from releasing Contractor's proprietary information ("Proprietary Information") unless LAFCO's legal counsel determines that the release of the Proprietary Information is required by the California Public Records Act or other applicable state or federal law, or order of a court of competent jurisdiction, in which case LAFCO shall notify Contractor of its intention to release Proprietary Information. Contractor shall have five (5) working days after receipt of the Release Notice to give LAFCO written notice of Contractor's objection to LAFCO's release of Proprietary Information. Contractor shall indemnify, defend and hold harmless LAFCO, and its officers, directors, employees, and agents from and against all liability, loss, cost or expense (including attorney's fees) arising out of a legal action brought to compel the release of Proprietary Information. LAFCO shall not release the Proprietary Information after receipt of the Objection Notice unless either: (1) Contractor fails to fully indemnify, defend (with LAFCO's choice of legal counsel), and hold LAFCO harmless from any legal action brought to compel such release; and/or (2) a final and non-appealable order by a court of competent jurisdiction requires that LAFCO release such information.

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SIGNATURE PAGE FOR SERVICES AGREEMENT BETWEEN THE LOCAL AGENCY FORMATION COMMISSION OF SANTA CLARA COUNTY AND _____ FOR COUNTYWIDE WATER AND WASTEWATER SERVICE REVIEW AND SPHERE OF INFLUENCE UPDATES

IN WITNESS WHEREOF, LAFCO and Contractor have executed this Agreement as follows:

LAFCO	Contractor
_____, LAFCO Chair	_____
Santa Clara LAFCO	_____
Date: _____	Date: _____

APPROVED AS TO FORM:

_____

Malathy Subramanian, LAFCO Counsel

Exhibits to this Agreement:
- Exhibit A1 - Scope of Services
- Exhibit A2 - Project Timeline
- Exhibit A3 - Rate Schedule
- Exhibit B - Indemnification and Insurance

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INSURANCE REQUIREMENTS FOR STANDARD SERVICE CONTRACTS ABOVE $100,000

Indemnity

The Contractor shall indemnify, defend, and hold harmless the Local Agency Formation Commission of Santa Clara County (hereinafter "LAFCO"), its officers, agents and employees from any claim, liability, loss, injury or damage arising out of, or in connection with, performance of this Agreement by Contractor and/or its agents, employees or sub-contractors, excepting only loss, injury or damage caused by the sole negligence or willful misconduct of personnel employed by LAFCO. It is the intent of the parties to this Agreement to provide the broadest possible coverage for LAFCO. The Contractor shall reimburse LAFCO for all costs, attorneys' fees, expenses and liabilities incurred with respect to any litigation in which the Contractor contests its obligation to indemnify, defend and/or hold harmless the LAFCO under this Agreement and does not prevail in that contest.

Insurance

Without limiting the Contractor's indemnification of LAFCO, the Contractor shall provide and maintain at its own expense, during the term of this Agreement, or as may be further required herein, the following insurance coverages and provisions:

A. Evidence of Coverage

Prior to commencement of this Agreement, the Contractor shall provide a Certificate of Insurance certifying that coverage as required herein has been obtained. Individual endorsements executed by the insurance carrier shall accompany the certificate. In addition, a copy of the policy or policies shall be provided by the Contractor upon request.

This verification of coverage shall be sent to the LAFCO Executive Officer, unless otherwise directed. The Contractor shall not receive a Notice to Proceed with the work under the Agreement until it has obtained all insurance required and such insurance has been approved by LAFCO Executive Officer. This approval of insurance shall neither relieve nor decrease the liability of the Contractor.

B. Qualifying Insurers

All coverages, except surety, shall be issued by companies which hold a current policyholder's alphabetic and financial size category rating of not less than A-:V, according to the current Best's Key Rating Guide or a company of equal financial stability that is approved by the LAFCO Executive Officer.

C. Notice of Cancellation

All coverage as required herein shall not be canceled or changed so as to no longer meet the specified insurance requirements without 30 days' prior written notice of such cancellation or change being delivered to the LAFCO Executive Officer.

D. Insurance Required

1. Commercial General Liability Insurance

Coverage at least as broad as Insurance Services Office (“ISO”) Form CG 00 01 covering commercial general liability on an “occurrence” basis, including products and completed operations, property damage, bodily injury and personal and advertising injury with limits no less than $2,000,000.00 per occurrence. If a

general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.

2. Automobile Liability Insurance

   Coverage at least as broad as ISO Form Number CA 0001 covering, Code 1 (any auto), or if Contractor has no owned autos, Code 8 (hired) and 9 (non-owned), with limits no less than $1,000,000.00 combined single limit for bodily injury and property damage.

3. Workers' Compensation and Employer's Liability Insurance

   Workers' Compensation Insurance as required by the State of California, with statutory limits, and Employer's Liability Insurance with limit of no less than $1,000,000.00 per accident for bodily injury or disease. *(Not required if Contractor provides written verification it has no employees)*

E. Special Provisions

The following provisions shall apply to this Agreement:

1. The foregoing requirements as to the types and limits of insurance coverage to be maintained by the Contractor and any approval of said insurance by the LAFCO Executive Officer or insurance consultant(s) are not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by the Contractor pursuant to this Agreement, including but not limited to the provisions concerning indemnification.
2. LAFCO acknowledges that some insurance requirements contained in this Agreement may be fulfilled by self-insurance on the part of the Contractor. However, this shall not in any way limit liabilities assumed by the Contractor under this Agreement. Any self-insurance shall be approved in writing by LAFCO upon satisfactory evidence of financial capacity. Contractors obligation hereunder may be satisfied in whole or in part by adequately funded self-insurance programs or self-insurance retentions.
3. Contractor's general liability and automobile liability policies shall be endorsed to (1) be primary and shall not seek contribution from the LAFCO's coverage and (2) add LAFCO and its officers, officials, employees, and agents as additional insureds under such policies using Insurance Services Office form CG 20 10 and CG 20 37 (or equivalent) on the general liability policy.
4. Contractor hereby grants to LAFCO a waiver of any right to subrogation which any insurer of said Contractor may acquire against the LAFCO by virtue of the payment of any loss under such insurance. Contractor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation from its insurers, but this provision applies regardless of whether or not the LAFCO has received a waiver of subrogation endorsement from the insurer. The Workers' Compensation Policy shall be endorsed with a waiver of subrogation in favor of the LAFCO for all work performed by Contractor, its employees, agents and subcontractors.
5. Should any of the work under this Agreement be sublet, the Contractor shall require each of its subcontractors of any tier to carry the aforementioned coverages, or Contractor may insure subcontractors under its own policies.

6. LAFCO reserves the right to withhold payments to or terminate the contract with the Contractor in the event of material noncompliance with the insurance requirements outlined above.

F. Fidelity Bonds (Required only if contractor will be receiving advanced funds or payments)

Before receiving compensation under this Agreement, Contractor will furnish LAFCO with evidence that all officials, employees, and agents handling or having access to funds received or disbursed under this Agreement, or authorized to sign or countersign checks, are covered by a BLANKET FIDELITY BOND in an amount of AT LEAST fifteen percent (15%) of the maximum financial obligation of the LAFCO cited herein. If such bond is canceled or reduced, Contractor will notify LAFCO immediately, and LAFCO may withhold further payment to Contractor until proper coverage has been obtained. Failure to give such notice may be cause for termination of this Agreement, at the option of LAFCO.

ITEM # 6

SANTA CLARA LAFCO

Local Agency Formation Commission of Santa Clara County
777 North First Street
Suite 410
San Jose, CA 95112
SantaClaraLAFCO.org

Commissioners
Sylvia Arenas
Jim Beall
Rosemary Kamei
Yoriko Kishimoto
Otto Lee
Terry Trumbull
Mark Turner

Alternate Commissioners
Pamela Campos
Helen Chapman
Betty Duong
Zach Hilton
Teresa O'Neill

Executive Officer
Neelima Palacherla

LAFCO MEETING: **February 4, 2026**

TO: **LAFCO**

FROM: **Neelima Palacherla, Executive Officer**
Dunia Noel, Asst. Executive Officer

SUBJECT: **REQUEST RECEIVED TO INITIATE A LAFCO STUDY OF THE SANTA CLARA COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT**

STAFF RECOMMENDATION

1. Accept report and provide direction on the identified options.

BACKGROUND

Request Received at December 3, 2025 LAFCO Meeting

At the December 3, 2025 LAFCO meeting, under Agenda Item #2 "Public Comments," speakers identifying themselves as SEIU 521 stewards and/or staff members of the Santa Clara County Mosquito and Vector Control District (District) addressed the Commission. They shared concerns about the District's financial transparency and reduced ability to deliver essential public health services and requested the Commission's assistance. The group asked that their request be placed on the February 4, 2026 LAFCO meeting agenda for Commission consideration. The Commission directed LAFCO staff to agendize this item for discussion and any further direction.

The group also submitted written materials **(Attachment A)** detailing their concerns and requesting "the Commission to review these written materials and consider initiating an assessment of the District's financial practices, operational capacity, and public reporting."

LAFCO staff have reviewed these materials for informational purposes only. LAFCO staff have **not** independently verified the accuracy or validity of the information or the conclusions contained in the materials submitted. This would need to be addressed through a LAFCO service review of the District.

Overview of District

The District was formed in May 1998 as a dependent special district and is governed by the Santa Clara County Board of Supervisors. The District is part of the County's Consumer and Environmental Protection Agency (CEPA). The boundary of the District is countywide and includes 1,304 square miles. The District provides

mosquito, rat, and other vector and wildlife control services throughout Santa Clara County. More specifically, these services include 1) detection of the presence and prevalence of vector-borne diseases such as plague, West Nile Virus, rabies and Lyme Disease through ongoing and comprehensive vector surveillance and testing, 2) reducing vectors or exposure to vectors that transmit diseases, 3) conducting routine inspections and treatment as necessary of known mosquito and rodent sources, 4) responding to public service requests for identification, advice and/or initiation of control measures for mosquitoes, rodents, wildlife, and miscellaneous invertebrates (e.g., ticks, yellow jackets, cockroaches, bees, fleas, flies, etc.), 5) providing public information through a variety of channels, including a website, social media and educational presentations for schools, homeowners associations, private businesses, civic groups and other interested groups regarding vectors and vector-borne diseases, and 6) preventing disease and illness by identifying, inventorying, inspecting, and treating sources of vector development.

The District is currently funded by two benefit assessments on properties located within the District (approved in 1996 and in 2005).

The most recent LAFCO service review for the District **(Attachment B)** was completed in 2013 and did not identify any pressing issues for the District.

District's Current Budget and Proposed 2026-2027 Benefit Assessment Levy

According to a January 13, 2026 staff report to the District's governing board, the District now faces a significant structural deficit as revenues have not kept pace with rising operational costs. For FY 2025-2026, the District projects a $2.77 million shortfall, primarily due to payroll costs that have risen 32% since 2020, while assessment revenue increased only 12%. The District currently operates under two benefit assessments approved in 1996 and 2005. Without additional revenue, the District may need to reduce services by approximately 30% in FY 2026-2027, with further cuts in subsequent years. District staff recommended pursuing a 2026 assessment ballot to increase revenue.

On January 13, 2026, the County Board of Supervisors, acting as the District's governing board, accepted the Engineer's Report and initiated a mail-in ballot process to seek property owner approval for a new benefit assessment of $15.75 per Single Family Equivalent unit in Zone A and $7.88 per unit in Zone B for FY 2026-2027. Future increases would be limited to the annual CPI-U for San Francisco-Oakland-Hayward without further balloting.

Per the January 13, 2026 staff report, the following is the schedule of next steps for the District's Benefit Assessment process:

TASKS	EVENTS	TIMELINE (estimated)
1	Education and Outreach	January – March 2026
2	Proposition 2018 Ballot Proceedings Services and the 45-day mail-in voting period	March 11, 2026 – May 5, 2026
3	Closing of Ballot Proceeding & Initiating Tabulation	May 19, 2026
4	Tabulation Results	June 2, 2026

LAFCO Staff Meets Individually with Affected Parties about Request

LAFCO staff periodically receive inquiries from interested parties raising concerns or questions about a specific special district and requesting LAFCO assistance, such as conducting a service review or special study. In such cases, staff first seek to better understand the issue(s) by meeting with the affected parties.

In Fall 2025, at the request of several SEIU 521 stewards for and/or employees of the District, LAFCO staff met with them regarding their concerns. The stewards indicated that they planned to request LAFCO to conduct a review of the District to address these issues. On January 23, 2026, LAFCO staff met with District staff including Edgar Nolasco, Director of the County's Consumer and Environmental Protection Agency (CEPA), to learn more about the District, the District's perspective on the concerns raised, and to answer any questions about LAFCO. Subsequently, they submitted documents **(Attachment C)** for the Commission's consideration.

LAFCO'S OVERSIGHT OF SPECIAL DISTRICTS

LAFCO provides broad oversight of special districts related to efficient service delivery, examining adequacy of public services and infrastructure, financial ability, accountability, and operational efficiencies. Santa Clara LAFCO's mission includes encouraging efficient service delivery, promoting public accountability and transparency, and exploring and facilitating regional opportunities for fiscal sustainability.

The Cortese-Knox-Hertzberg Act mandates that LAFCO conduct service reviews prior to or in conjunction with sphere of influence updates (Government Codes §56425 and §56430). A service review comprehensively evaluates certain services within a designated area by obtaining information; evaluating service provision; and recommending actions when necessary, to promote the efficient provision of those services.

In the past, the Santa Clara County Civil Grand Jury (CGJ) has reviewed Santa Clara LAFCO's oversight of special districts. For example, in 2011 the CGJ issued a report entitled "LAFCO's Responsibility for Special Districts: Overseen or Overlooked?" which alleged that Santa Clara LAFCO took "a passive approach in its oversight of special districts." LAFCO has a robust service review program which has resulted in

special districts successfully implementing measures that enhance public accountability and transparency, and service efficiency.

LAFCO'S CURRENT SERVICE REVIEW WORKPLAN FOR THE DISTRICT

LAFCO's current service review workplan calls for a review of Mosquito and Vector Control District in 2027.

At its December 2, 2020 meeting, LAFCO revised its priorities for its third round of service reviews to start with Countywide Fire Service Review (completed 2023), followed by the Countywide Water and Wastewater Service Review (currently underway), the Special Districts Service Review, and lastly, the Cities Service Review.

LAFCO staff are preparing to begin the Countywide Water and Wastewater Service Review, anticipated to take approximately one year to complete. See Agenda Item #5 for more information. The Special Districts Service Review is scheduled for 2027, followed by the Cities Service Review. Per this workplan, the Mosquito and Vector Control District would be addressed in the 2027 Special Districts Service Review.

The Commission can revise the workplan if circumstances warrant, including conducting a focused service review for a specific agency. The Mosquito and Vector Control District (District) does not need to be included in the larger 2027 Special Districts Service Review, as the District is the only one of its kind in the county.

Example of a Focused Service Review

LAFCO has previously conducted focused service reviews when warranted. For example, in 2012, LAFCO conducted an audit and service review of the El Camino Hospital District (now called the El Camino Healthcare District). The scope of the study was designed to provide determinations required under the Cortese-Knox-Hertzberg Act and answer specific questions raised by the Santa Clara County Civil Grand Jury and other parties on the District's governance structure, financial relationships with El Camino Hospital Corporation and affiliated non-profits, financial condition, reserve availability, source and use of taxpayer funds for hospital operations and capital improvements (including acquisition of the Los Gatos Hospital campus), and other related topics.

OPTIONS FOR ADDRESSING THIS REQUEST

Option 1: Consider the Issues Raised at the time of the 2027 Special Districts Service Review

Address the identified concerns/issues as part of the Special Districts Service Review scheduled for 2027 per LAFCO's current service review workplan. LAFCO staff will include these issues in the draft RFP and scope of services for Commission consideration and approval at that time. LAFCO staff would provide a proposed budget for this option at that time.

Option 2: Conduct a Focused Service Review for the District beginning in Late Summer/Fall 2026

LAFCO staff is currently dedicated to the Countywide Water and Wastewater Service Review, a year-long effort requiring significant staff attention, particularly through the important initial phase (Spring/early Summer 2026). Concurrently, the District is focused on a benefit assessment process to address its structural deficit, with results expected on June 2, 2026.

Beginning the District service review in late Summer/early Fall 2026 would allow LAFCO staff to:

- Successfully complete the initial phase of the Water and Wastewater Service Review and allow for the redirection of staff resources, and
- Obtain a clearer picture of the District's financial and operational environment (following resolution of the District's benefit assessment process) through the service review analysis; and would allow District staff to have more time to engage in the service review process.

LAFCO staff contacted a few firms and found that a single-agency service review typically costs between $40,000 and $90,000, depending on scope and complexity. The proposed District service review will require a more comprehensive financial analysis than usual to address the questions raised. Therefore, costs will likely fall in the upper part of this range. For reference, the 2012 Audit and Service Review for the El Camino Hospital District cost $68,740.

LAFCO staff would provide a proposed budget for this option along with a draft RFP and scope of services, for the Commission's consideration at its June 3, 2026 meeting.

NEXT STEPS DEPENDING ON PREFERRED OPTION

Under Option 1, no additional action is required by the Commission or LAFCO staff until the Commission is ready to initiate the Special Districts Service Review in 2027.

Under Option 2, LAFCO staff would prepare a Draft Request for Proposal with a Scope of Services for a professional firm to conduct a service review of the Santa Clara County Mosquito and Vector Control District, including addressing specific issues raised for the District, for the Commission's consideration and potential approval at its June 3, 2026 meeting. Under this proposed process, the service review could likely begin in August 2026.

ATTACHMENTS

Attachment A:	Written Materials provided by SEIU 521 stewards and/or employees of Santa Clara County Mosquito and Vector Control District (dated November 25, 2025)

Attachment B:	LAFCO Service Review for Santa Clara County Mosquito and Vector Control District (adopted June 5, 2013 as part of Special Districts Service Review: Phase 1)
Attachment C:	Written Materials provided by Edgar Nolasco, Director of CEPA and Buu Thai, Administrative Services Manager of CEPA (provided January 27, 2026)

ITEM # 6
Attachment A

From: Concerned Staff Members of the Santa Clara County Mosquito and Vector Control District

To: Santa Clara County LAFCO
777 North First Street, Suite 410
San Jose, CA 95112

Tuesday, November 25, 2025

Subject: Submission of Materials Regarding Budget Transparency Concerns at the Santa Clara County Mosquito and Vector Control District and Negative Public Health Impacts

Dear Commissioners,

We, the concerned staff members of the Santa Clara County Mosquito and Vector Control District, respectfully submit the attached packet to bring forward significant concerns regarding the District's lack of financial transparency and its reduced ability to deliver essential public health services. The materials provided outline substantial delays in disease testing, reduced surveillance capacity, persistent staffing shortages, and severe limitations on public outreach - all of which directly affect the health and safety of the Santa Clara County community.

The packet also documents the District's rapid financial decline, as a result of 40% of the District's budget going towards overhead costs paid to the Consumer and Environmental Protection Agency for services that remain unclear. These financial trends, along with limited transparency surrounding budget decisions, have contributed to operational gaps that leave residents increasingly vulnerable to vectors and vector-borne diseases.

We respectfully request that the Commission reviews the attached information and considers initiating an assessment of the District's financial practices, operational capacity, and public reporting. Independent oversight will be essential to ensuring that the District can meet its mandated responsibilities and restore accountability to the community it serves.

Thank you for your time and consideration.

Sincerely,
Concerned Staff Members



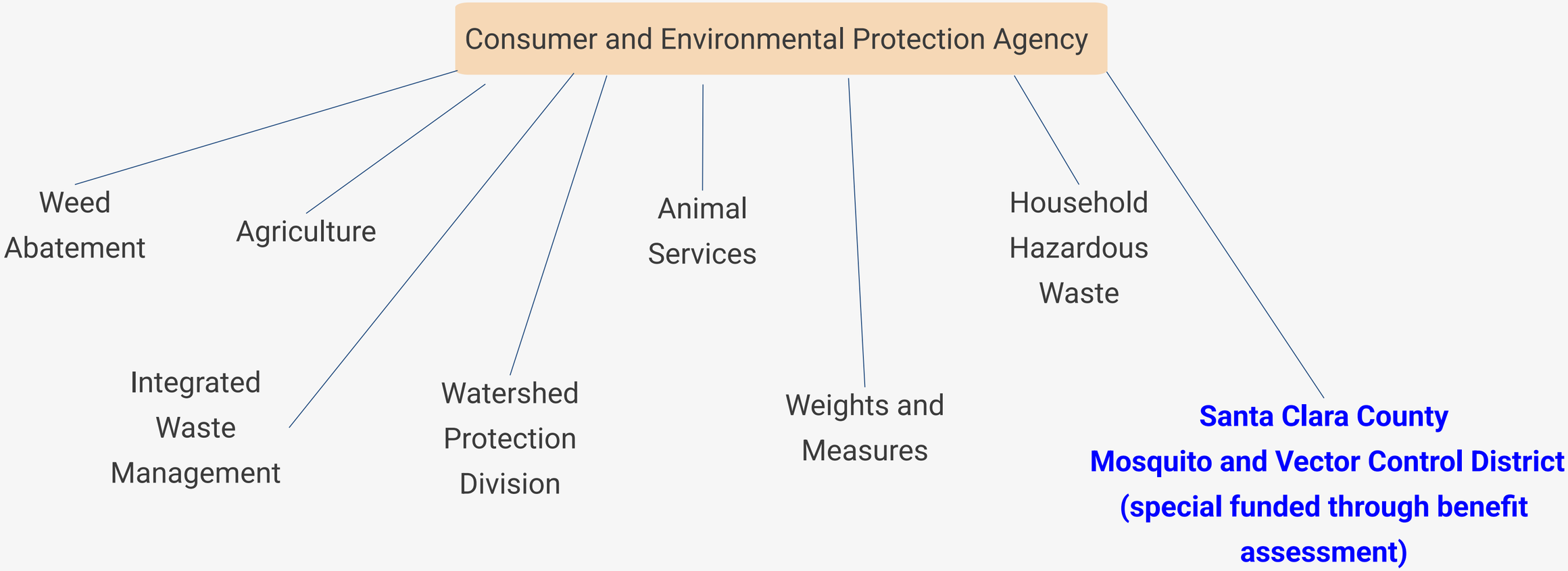
URGENT:

Budget Transparency Concerns

Community Health at Risk

Santa Clara County Mosquito and Vector Control District

The District is one division within the County's Consumer and Environmental Protection Agency



District Mission

Detect and **minimize** vector-borne diseases, **abate** mosquitoes, and **assist the public** in resolving problems with rodents, wildlife, and insects that can cause disease, discomfort or injury to humans.

This means timely disease testing, surveillance, operations, and outreach.

Financial Concerns

These funds are meant to primarily protect public health by reducing vector populations and the risk of diseases.

Lack of Transparency

Staff members have made multiple attempts to raise concerns about this issue with the Consumer and Environmental Protection Agency - however their lack of communication has left important questions ignored. District leadership has been unable to provide answers. Attempts have also been made to communicate this concern to the Board of Supervisors, but no changes have occurred.

Gaps in Reporting

Accessing essential fiscal information has required public records requests, yet even when provided those documents are unclear in how the District's money is being spent. It is unclear what services the District is being charged for by the Consumer and Environmental Protection Agency and how those allocations were determined.

Our Overhead vs. Other Similar Districts

The overhead paid by other similar districts is only between **10-15%** of their budget, enabling them to sustain their operations effectively. Santa Clara County Mosquito and Vector Control District is paying **close to 40%** of the budget into overhead costs, for unclear services to the Consumer and Environmental Protection Agency.

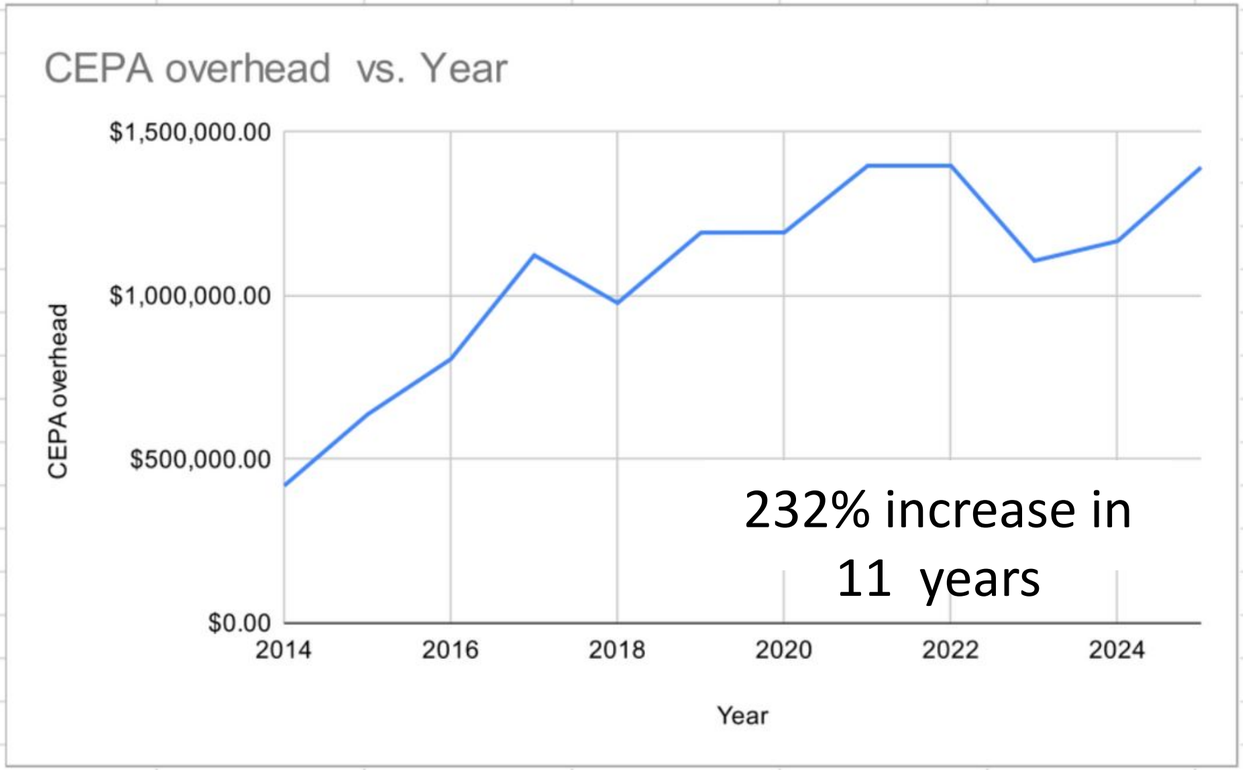
Funding is Not Aligned with Services

Inadequate alignment between funding and services threatens the District's ability to control vectors and protect the community.

Consumer and Environmental Protection Agency

Salary and Benefits Costs

Year	CEPA overhead
2014	$419,780.00
2015	$637,627.00
2016	$806,819.00
2017	$1,124,081.00
2018	$978,052.00
2019	$1,193,083.00
2020	$1,193,560.00
2021	$1,397,438.00
2022	$1,397,438.00
2023	$1,106,913.00
2024	$1,167,326.00
2025	$1,392,601.00



Overhead Percentage of Other Similar “Dependent” Districts

County of San Diego FY25-26 VCP Budget		
VCP Direct Cost	$13,740,875.00	
VCP Dept Internal Overhead	$1,822,166	
VCP Dept External Overhead	$733,270	
Total Program Cost	$16,296,211	Perventage of budget to overhead
Total Internal/External Overhead	$2,555,436	15.70%
County of Santa Cruz FY 25-26 VCP Budget		
IT Services	$76,248	
Fleet Services	$35,900	
Custodial and Maintenance Services	$88,598	
Purchasing Services	$9,130	
Ag Department (amangement Services)	$123,760	
Assessment Administration	$29,277	
Total Overhead	$362,913	
County of Alameda FY 23-24 VCP Budget		
Salaries and Benefits	$2,683,156	
Martials, supplies, and Services	$886,491	
County Outlay	$418,175	
Total Expenditures	$3,987,822	percentage of expenditures to OH
Total Overhead	$418,175	10.50%

Negative Impact to District Services



Poor response to invasive mosquitoes



Restrictions on public education and outreach



Delays in disease testing



Staff shortages that hinder services

Poor Response to new Invasive Aedes Mosquito



- Unlike Santa Clara County’s vector control program, comparable dependent districts have sufficient funding to expand operations and respond quickly to invasive Aedes mosquitoes. Their administrative overhead is typically only 10–15% of their total budget.

- In contrast, nearly 40% of Santa Clara County Vector Control’s budget is absorbed by overhead paid to the Consumer and Environmental Protection Agency, limiting the District’s ability to fund essential program needs.

- As a result, slow surveillance capacity, restrictions on treatment, and limited community outreach have allowed invasive Aedes mosquitoes to spread and become established in the county.

Areas with Aedes - 2024

Location
East San José (Machado Lane and Fleming Avenue)
Gilroy (Hanna Street and W. 10th Street)
Santa Clara (Amethyst and Chromite Drives)
San José (nearby Oak Hill Memorial Park)
South San José (nearby Santa Teresa County Park)
San José (Cortez Avenue and Orlando Drive)

6 areas in the county

Areas with Aedes - 2025

Last updated: 11/20/25

Location
South San José (Cypress Point Court and Fairway Glen Lane)
San José (Cortez Avenue and Orlando Drive)
East San José (Fleming Avenue and Story Road)
South Central San José (Curtner Avenue and Monterey Road)
Gilroy (Hanna Street and W. 10th Street)
Santa Clara (Amethyst and Chromite Drives)
South Central San José (Foxworthy and Meridian Avenue)
East San José (Bayard Drive and McLaughlin Avenue)
Santa Clara (Hayes and Pruneridge avenues)
San José (S. 12th and Martha streets)
San José (E. San Antonio and S. King streets)
West San José and Campbell (Pamlar Avenue and Spruance Street)
Sunnyvale and Santa Clara (Robbia and Chopin drives)
San José and Santa Clara (Luther Avenue and Race Street)
Cupertino, San José and Saratoga (Rainbow Drive and S. Stelling Road)
Milpitas (Los Coches and S. Hillview drives)

16 areas in the county



Restrictions to Outreach and Public Education

- District outreach is being restricted and limited due to budget constraints.
- Public education presentations and events have **decreased by 50%** from 2024.
- Reduced opportunities to reach residents with information to protect themselves from vectors and vector-borne diseases.

Public Education Conducted in 2024

Number of events:

30

People reached:

8,406

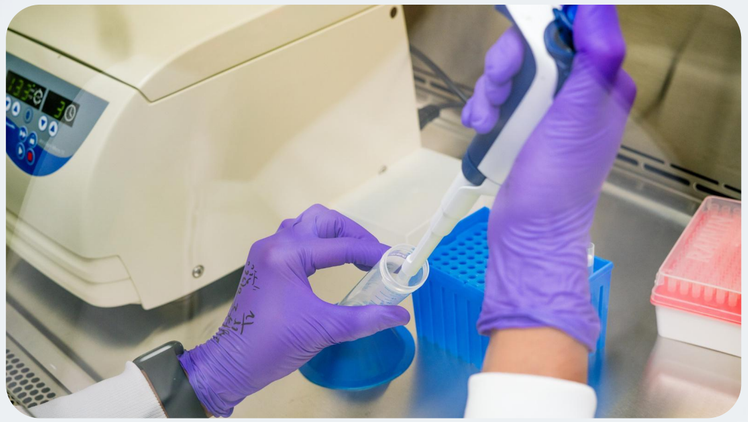
Public Education Conducted in 2025

Number of events:

15

People reached:

2,957



Delay in Disease Testing

- West Nile virus testing is delayed by **at least a week.**
- Tick and flea testing is running **3-4 months late**.
- Unable to sample the entire county in a timely manner.
  - Interns were not hired because of lack of funds.
    - Yet, surveillance relies on interns during mosquito season to efficiently sample the entire county and test mosquitoes collected in a timely manner.
  - District can’t sample and test efficiently because of staff shortages.
    - Surveillance staffing has been reduced by 60% and trapping efforts have dropped by 31%
  - Community is not getting timely information about potential risks.

	Jan. 1st - Nov. 19 2024	Jan. 1st - Nov. 19 2025	
Traps set and Collected	5941	4860	19.6% reduction in traps
Vector Ecologists	4	2	
Operation Aides	3	2	
Interns	4	0	175% decrease in staff

West Nile Virus Detections 2024

West Nile Virus Treatments - 2024

Progress	Treatment Date and Location	Treatment Zip Codes	Treatment Map Link	Press Release Link	Translations	Pesticide Used	Pesticide Label	Pesticide Safety Data Sheet
Completed	Date: 9/19/24 Location: San José and Unincorporated Santa Clara County	95118, 95124, and 95125	Interactive Map	Press Release	Español tiếng Việt 中文 Tagalog	Zenivex	Label	Safety Data Sheet
Completed	Date: 9/17/24 Location: San José and Campbell	95008, 95070, 95117, 95124, and 95138	Interactive Map	Press Release	Español tiếng Việt 中文 Tagalog	Zenivex	Label	Safety Data Sheet
Completed	Date: 9/12/24 Location: Sunnyvale and Santa Clara	94085, 94086, 94087, and 95051	Interactive Map	Press Release	Español tiếng Việt 中文 Tagalog	Zenivex	Label	Safety Data Sheet
Completed	Date: 9/10/24 Location: San José	95120	Interactive Map	Press Release	Español tiếng Việt 中文 Tagalog	Zenivex	Label	Safety Data Sheet
Completed	Date: 9/4/24 Location: San José	95118, 95124, 95125, 95126 and 95136	Interactive Map	Press Release	Español tiếng Việt 中文 Tagalog	Zenivex	Label	Safety Data Sheet
Completed	Date: 8/29/24 Location: San José	95112, 95131, and 95133	Interactive Map	Press Release	Español tiếng Việt 中文 Tagalog	Zenivex	Label	Safety Data Sheet
Completed	Date: 8/26/24 Location: San José and Unincorporated Santa Clara County	95116, 95127, 95132 and 95134	Interactive Map	Press Release	Español tiếng Việt 中文 Tagalog	Zenivex	Label	Safety Data Sheet
Completed	Date: 8/26/24 Location: Palo Alto	94301, 94303, and 94306	Interactive Map	Press Release	Español tiếng Việt 中文 Tagalog	Merus 3.0	Label	Safety Data Sheet
Completed	Date: 8/22/24 Location: San José and Unincorporated Santa Clara County	95111, 95112, 95125, and 95136	Interactive Map	Press Release	Español tiếng Việt 中文 Tagalog	Zenivex	Label	Safety Data Sheet
Completed	Date: 8/20/24 Location: San José	95123	Interactive Map	Press Release		Zenivex	Label	Safety Data Sheet
Completed	Date: 8/15/24 Location: San José	95116 and 95133	Interactive Map	Press Release		Zenivex	Label	Safety Data Sheet
Completed	Date: 8/13/24 Location: San José and Milpitas	95035, 95131 and 95132	Interactive Map	Press Release		Zenivex	Label	Safety Data Sheet
Completed	Date: 8/6/24 Location: San José	95123 and 95136	Interactive Map	Press Release		Zenivex	Label	Safety Data Sheet
Completed	Date: 8/1/24 Location: San José and unincorporated Santa Clara County	95116, 95127, 95131, 95132, and 95133	Interactive Map	Press Release		Zenivex	Label	Safety Data Sheet
Completed	Date: 7/29/24 Location: San José and unincorporated Santa Clara County	95111, 95112, 95121, and 95122	Interactive Map	Press Release		Zenivex	Label	Safety Data Sheet
Completed	Date: 7/24/24 Location: San José and unincorporated Santa Clara County	95127 and 95148	Interactive Map	Press Release		Zenivex	Label	Safety Data Sheet

West Nile Virus Detections 2025

2025 Adult Mosquito Control Treatment Schedule

Press Release: First Mosquitoes Infected with West Nile Virus Detected in the County

Progress	Treatment Date and Location	Time	Treatment Zip Codes	Treatment Map Link	Translations	Pesticide Used	Pesticide Label	Pesticide Safety Data Sheet
Completed	Date: 9/23/25 Location: San José	Approximately 10 p.m.	95119, 95123, 95138, 95139	Map	Español tiếng Việt 中文 Tagalog	Zenivex	Label	Safety Data Sheet
Completed	Date: 9/2/25 Location: San José	Approximately 10 p.m.	95120	Map	Español tiếng Việt 中文 Tagalog	Zenivex	Label	Safety Data Sheet
Completed	Date: 8/29/25 Location: San José	Approximately 10 p.m.	95118, 95124, 95125, and 95136	Map	Español tiếng Việt 中文 Tagalog	Zenivex	Label	Safety Data Sheet

It’s not that there wasn’t high West Nile virus activity this year, it’s that the District was not able to sample and test efficiently and adequately, due to staff shortages caused by budget restrictions.



Vacant positions = Inadequate services

- Budget constraints has led to the inability to hire for vacant positions.

- These limitations has hindered our ability to fully function and provide services, fieldwork, timely surveillance, and outreach as needed.

The problem will get worse...

The Consumer and Environmental Protection Agency plans to

- Cut critically needed vacant positions which will weaken the District’s ability to meet basic program needs.
- Reduce program costs by further reducing staffing which would directly limit the District’s capacity to meet mandated program requirements.
- Pick and choose which service requests to prioritize which will result in delayed or incomplete responses to the community and increase risk of vector-borne diseases.

Negative Impacts on the Community

Increased Disease Vulnerability

means the risk of community members being exposed to diseases spread by vectors will increase, lowering the quality of life in Santa Clara County.

Decreased Awareness of Protective Measures

is leaving community members exposed to disease risks that could otherwise be prevented.

An Increase in Vector-Borne Diseases

means a higher risk of diseases like West Nile virus, Zika, and dengue in the County.

The health and safety of community members is compromised.

The District is not functioning effectively

Reduced programs and services
negatively impacts the community.

Delayed testing
causes a slower disease detection.

Budget limitations
caused by 40% of the District’s budget going to overhead costs prevents the expansion or maintenance of programs required to meet the State's Health and Safety Code mandates.

Insufficient staffing
reduces the Districts ability to respond effectively.

Reduced outreach
leaves community members unaware of protective measures.

Delayed mosquito control treatments
results in higher mosquito populations in the county and puts public health at risk.

The community deserves the services they fund.

LAFCO MISSION:

…promote sustainable growth and good governance in the county by:

- Preserving agricultural lands and open space;
- Curbing urban sprawl;
- **Encouraging efficient delivery of services;**
- Exploring and facilitating regional opportunities for fiscal sustainability; and
- **Promoting public accountability and transparency of local agencies**

Final Service Review - Santa Clara County LAFCO - 2006:

"...the District's annual budget is contained within the County's budget. This structure provides **cost savings** for the District because it only needs to pay for the District's portion of administrative **overhead expenses**."

This structure is no longer saving the district money, and another review from LAFCO would help with…

Ensuring Transparency and Accountability

We need LAFCO’s help to:

- Review District budget and finances.
- Align funding spending with mission and community needs.
- Increase transparency and public accountability.
- Request the Consumer and Environmental Protection Agency provide itemized list of services rendered and costs per service.
- Protect Santa Clara County community members.



Building a stronger Mosquito and Vector Control District

requires transparency, immediate action, and the intervention from LAFCO to ensure a safer and healthier community.



Thank you

For your time, and support in protecting the health of our community members.

Reference Appendix

Attachments:

A - Delay in treatment for invasive *Aedes* mosquitoes
B - San Diego Vector Control District Budget and Overhead
C - List of Consumer and Environmental Protection Agency Employees Funded by Vector Control Budget (FY24)
D - 2023 Alameda County Mosquito Abatement District Final Report
E - Consumer and Environmental Protection Agency Organizational Chart 9/15/2025
F - Email Further Reducing Staff at Vector Control District Caused by Budget Deficit
G - FY15 Consumer and Environmental Protection Overhead
H - FY24 Consumer and Environmental Protection Overhead
I - Overhead Costs for other Dependent Districts
J - CPRA Request - Departmental Charges
K - Contra Costa Mosquito and Vector Control District - Financial Statements
L - Consumer and Environmental Protection Agency Overhead Over the Years
M - Provided Overhead Figures for FY25
N - Copy of Budget Deficit Plan Presentation by Consumer and Environmental Protection Agency
O - Santa Clara County Vector Control District Financial Statements and Independent Auditor's Report - 2017
P - 2005-2006 Santa Clara County Civil Grand Jury Report
Q - 2018 Santa Clara County Vector Control District Financial Statements
R - Consumer and Environmental Protection Agency Report on District Prop 2018 Assessment Ballot
S - Email Communication from 2024 - Previous Attempt to Raise Concerns About This Issue
S1 - 2024 Reply From District 1 Regarding This Issue
S2 - 2024 Reply from District 4 Regarding This Issue
S3 - 2024 Reply District 5 Regarding This Issue
T - FY 21-22 Consumer and Environmental Protection Agency Overhead
U - FY23-24 San Mateo County Annual Comprehensive Financial Report
V - 2022 Santa Clara County Vector Control District Audited Financial Statements and Independent Auditors Report
W - 2023 Santa Clara County Vector Control District Audited Financial Statements and Independent Auditors Report
X - 2024 Santa Clara County Vector Control District Audited Financial Statements and Independent Auditors Report
Y - 2020 Santa Clara County Vector Control District Audited Financial Statements and Independent Auditors Report
Z - 2019 Santa Clara County Vector Control District Audited Financial Statements
AA - 2015 Santa Clara County Vector Control District Audit Report
BB - 2016 Santa Clara County Vector Control District Audit Report
CC - Consumer and Environmental Protection Agency Overhead Costs vs. Year
DD - 2021 Santa Clara County Vector Control District Audited Financial Statements and Independent Auditors Report

Reference Appendix

EE - CPRA Request - IC Departmental Charges FY15-25
FF - 2006 Santa Clara County Vector Control District Engineer's Report

From: Biswas, Sutapa
To: Ayala, Efrain; Bernil, Patrick; Brooks, Daniel; Chiu, Liya; Escobar, Anselmo; Escobar, Anthony; Fass, Marlene; Garcia, Andrew; Hofer, Sheila; Hun, Lewis; Hwangbo, Sachi; Kelly, Taylor; Khan, Abdul; Liu, Jenny; McFarland, Brenton; Morales01, Sonia; Naddaf, Saied; Perez, Beverly; Pham, Bao; Phillips, Victoria; Pineda, Derek; Pineda, Lindsay; Rodriguez, Yutaka; Roth, Elizabeth; Shannon, Jeremy; Shatzel, Richard; Stolpman, Morgan; Thaopraseuth, Menou; Tietze, Noor; Tran, Ryan; Tran02, Kathy; Ushikubo, Vincent; Vahidi01, Mike; Vazquez, Karla; Williams, Regina; Young, Anthony; Zahiri, Nayer
Subject: RE: Tentative A1 Larvicide Treatment in zone 412-volunteers sign up sheet (Tuesday, 8/1)
Date: Friday, August 1, 2025 1:27:16 PM

Dear Team,

I hope this will be my final update regarding the 8/5 A1 operation. I would like to inform you that we need to postpone the operation from **8/5/25** (Tuesday) to **8/6/25** (Wednesday), as Edgar has requested that, moving forward, all operations be reviewed by him, along with Buu and Carloyn.

If you signed up to volunteer, please note the new date of the operation is **8/6**. We truly appreciate your support and willingness to help.

Thank you for your flexibility and have a wonderful weekend!

Sutapa

From: Biswas, Sutapa
Sent: Friday, August 1, 2025 9:32 AM
To: Ayala, Efrain <efrain.ayala@cep.sccgov.org>; Bernil, Patrick <patrick.bernil@cep.sccgov.org>; Brooks, Daniel <Daniel.Brooks@cep.sccgov.org>; Chiu, Liya <liya.chiu@cep.sccgov.org>; Escobar, Anselmo <Anselmo.Escobar@cep.sccgov.org>; Escobar, Anthony <anthony.escobar@cep.sccgov.org>; Fass, Marlene <marlene.fass@cep.sccgov.org>; Garcia, Andrew <andrew.garcia@cep.sccgov.org>; Hofer, Sheila <sheila.hofer@cep.sccgov.org>; Hun, Lewis <lewis.hun@cep.sccgov.org>; Hwangbo, Sachi <sachi.hwangbo@cep.sccgov.org>; Kelly, Taylor <taylor.kelly@cep.sccgov.org>; Khan, Abdul <abdul.khan@cep.sccgov.org>; Liu, Jenny <jenny.liu@cep.sccgov.org>; McFarland, Brenton <brenton.mcfarland@cep.sccgov.org>; Morales01, Sonia <sonia.morales01@cep.sccgov.org>; Naddaf, Saied <saied.naddaf@cep.sccgov.org>; Perez, Beverly <beverly.perez@cep.sccgov.org>; Pham, Bao <bao.pham@cep.sccgov.org>; Phillips, Victoria <victoria.phillips@cep.sccgov.org>; Pineda, Derek <derek.pineda@cep.sccgov.org>; Pineda, Lindsay <lindsay.pineda@cep.sccgov.org>; Rodriguez, Yutaka <yutaka.rodriguez@cep.sccgov.org>; Roth, Elizabeth <elizabeth.roth@cep.sccgov.org>; Shannon, Jeremy <jeremy.shannon@cep.sccgov.org>; Shatzel, Richard <Richard.Shatzel@cep.sccgov.org>; Stolpman, Morgan <morgan.stolpman@cep.sccgov.org>; Thaopraseuth, Menou <Menou.Thaopraseuth@cep.sccgov.org>; Tietze, Noor <Noor.Tietze@cep.sccgov.org>; Tran, Ryan <ryan.tran@cep.sccgov.org>; Tran02, Kathy <kathy.tran02@cep.sccgov.org>; Ushikubo, Vincent <vincent.ushikubo@cep.sccgov.org>; Vahidi01, Mike <mike.vahidi01@cep.sccgov.org>; Vazquez, Karla <karla.vazquez@cep.sccgov.org>; Williams, Regina <regina.williams@cep.sccgov.org>; Young, Anthony <Anthony.Young@cep.sccgov.org>; Zahiri, Nayer <nayer.zahiri@cep.sccgov.org>

Subject: RE: Tentative A1 Larvicide Treatment in zone 412-volunteers sign up sheet (Tuesday, 8/1)

Correction:

We are planning to conduct a larvicide treatment **next week** on **8/5 (Tuesday) in Zone 412**.

From: Biswas, Sutapa
Sent: Friday, August 1, 2025 9:28 AM
To: Ayala, Efrain <efrain.ayala@cep.sccgov.org>; Bernil, Patrick <patrick.bernil@cep.sccgov.org>; Brooks, Daniel <Daniel.Brooks@cep.sccgov.org>; Chiu, Liya <liya.chiu@cep.sccgov.org>; Escobar, Anselmo <Anselmo.Escobar@cep.sccgov.org>; Escobar, Anthony <anthony.escobar@cep.sccgov.org>; Fass, Marlene <marlene.fass@cep.sccgov.org>; Garcia, Andrew <andrew.garcia@cep.sccgov.org>; Hofer, Sheila <sheila.hofer@cep.sccgov.org>; Hun, Lewis <lewis.hun@cep.sccgov.org>; Hwangbo, Sachi <sachi.hwangbo@cep.sccgov.org>; Kelly, Taylor <taylor.kelly@cep.sccgov.org>; Khan, Abdul <abdul.khan@cep.sccgov.org>; Liu, Jenny <jenny.liu@cep.sccgov.org>; McFarland, Brenton <brenton.mcfarland@cep.sccgov.org>; Morales01, Sonia <sonia.morales01@cep.sccgov.org>; Naddaf, Saied <saied.naddaf@cep.sccgov.org>; Perez, Beverly <beverly.perez@cep.sccgov.org>; Pham, Bao <bao.pham@cep.sccgov.org>; Phillips, Victoria <victoria.phillips@cep.sccgov.org>; Pineda, Derek <derek.pineda@cep.sccgov.org>; Pineda, Lindsay <lindsay.pineda@cep.sccgov.org>; Rodriguez, Yutaka <yutaka.rodriguez@cep.sccgov.org>; Roth, Elizabeth <elizabeth.roth@cep.sccgov.org>; Shannon, Jeremy <jeremy.shannon@cep.sccgov.org>; Shatzel, Richard <Richard.Shatzel@cep.sccgov.org>; Stolpman, Morgan <morgan.stolpman@cep.sccgov.org>; Thaopraseuth, Menou <Menou.Thaopraseuth@cep.sccgov.org>; Tietze, Noor <Noor.Tietze@cep.sccgov.org>; Tran, Ryan <ryan.tran@cep.sccgov.org>; Tran02, Kathy <kathy.tran02@cep.sccgov.org>; Ushikubo, Vincent <vincent.ushikubo@cep.sccgov.org>; Vahidi01, Mike <mike.vahidi01@cep.sccgov.org>; Vazquez, Karla <karla.vazquez@cep.sccgov.org>; Williams, Regina <regina.williams@cep.sccgov.org>; Young, Anthony <Anthony.Young@cep.sccgov.org>; Zahiri, Nayer <nayer.zahiri@cep.sccgov.org>
Subject: Tentative A1 Larvicide Treatment in zone 412-volunteers sign up sheet (Tuesday, 8/1)

Hi Team,

We are planning to conduct a larvicide treatment on **8/1 (Tuesday) in Zone 412**.

Volunteers need to report to the District at **5:00 AM** on the **day of operation**.

If you are interested and available to volunteer, please sign up by **Monday (8/4) at 8:00 AM.**

https://forms.office.com/g/rmTkPj2PZB

Please let me know if you have any questions or need further information.

Your support is greatly appreciated!

Thank you,
Sutapa

SANTA CLARA COUNTY
VECTOR CONTROL DISTRICT

AUDIT REPORT

YEAR ENDED JUNE 30, 2015

Vargas and Company
certified public accountants

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
June 30, 2015

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Vargas and Company
certified public accountants

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of
Santa Clara County Vector Control District
San Jose, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, major fund, and the remaining fund information of the Santa Clara County Vector Control District (the "District"), a component unit of the County of Santa Clara, as of and for the year ended June 30, 2015, 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. 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.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, major fund, and remaining fund information of the Santa Clara County Vector Control District, as of June 30, 2015, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedule, schedule of changes in net pension liability and related ratios, and schedule of plan contributions on pages 3-10 and 31-33 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 August 7, 2015, on our consideration of the Santa Clara County Vector Control 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 Santa Clara County Vector Control District's internal control over financial reporting and compliance.

Vargas and Company
San Jose, California
August 7, 2015

Management's Discussion and Analysis
(Required Supplementary Information)

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
Management's Discussion And Analysis
Year Ended June 30, 2015

This section of the Santa Clara County Vector Control District (the "District") annual financial report presents a discussion and analysis of the District's financial performance for the fiscal year ended June 30, 2015. The District's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosure following this section.

FINANCIAL HIGHLIGHTS

- The assets of the District exceeded liabilities by $13,178,614 (net position) for the fiscal year reported. Of this amount, $9,273,386 is restricted for general purposes, $350,545 is restricted for debt service, and $3,554,683 is net investment in capital assets.

- The District's total net position increased by $226,039 during the fiscal year. However, a prior period adjustment of $4,412,028 is recognized in compliance with the requirement of GASB Statement No. 68.

- As of June 30, 2015, the District's governmental funds reported combined ending fund balances of $14,478,300. The entire amount is restricted to be spent only for the missions the District is committed to.

- At the end of the fiscal year, restricted fund balance for the general fund was $14,189,400 or 200% of total general fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: (1) **Government-wide** financial statements, (2) **Fund** financial statements, and (3) **Notes** to the basic financial statements. Required Supplementary Information is included in addition to the basic financial statements.

Government-wide Financial Statements

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

The ***statement of net position*** presents information on all of the District's assets, deferred outflow, liabilities, and deferred inflow with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether or not the financial position of the District is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The only governmental activity of the District is health and sanitation. The District does not have any business-type activities.

Fund Financial Statements

The fund financial statements are designed to report information about groupings of related accounts which are used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into one category only, governmental funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements—i.e. most of the District's basic services are reported in governmental funds. These statements, however, focus on (1) how cash and other financial assets can readily be converted to available resources and (2) the balances left at year-end that are available for spending. Such information may be useful in determining what financial resources are available in the near future to finance the District's programs.

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 financial decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains two governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and capital projects.

The District does not have any proprietary and fiduciary funds.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information

The required supplementary information is presented concerning the District budgetary comparison schedule. The District adopts an annual appropriated budget for its General Fund and Capital Project. A budgetary comparison schedule has been provided for the General Fund to demonstrate compliance with this budget and to satisfy the requirement of GASB Statement No. 34.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by $13,178,614 at the close of the most recent fiscal year.

Net Position

	Governmental Activities		
	2015	2014	Increase (Decrease) %
Assets:			
Current and other assets	$14,601,851	$14,604,369	(.02%)
Capital assets, (net)	6,742,864	6,731,889	.2%
Total assets	21,344,715	21,336,258	.04%
Deferred outflow of resources	319,340	-	-
Liabilities:			
Current and other liabilities	375,568	412,959	(9%)
Non-current – due beyond one year	7,218,034	3,558,696	103%
Total liabilities	7,593,602	3,971,655	91%
Deferred inflow of resources	891,839	-	-
Net position:			
Net investment in capital assets	3,554,683	3,345,109	6%
Restricted net position	9,623,931	14,019,494	(32%)
Total net position	$13,178,614	$17,364,603	(24%)

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
Management's Discussion And Analysis
Year Ended June 30, 2015

Analysis of Net Position

The larger portion of the District's net position $9,623,931 (73%) represents resources that are subject to external restrictions on how they may be used.

The remaining balance of the District's net position of $3,554,683 (27%) represents net investment in capital assets (e.g. land, building and improvements, vehicles, and equipment). The District uses these capital assets to provide services to citizens; consequently, these are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

At the end of the current fiscal year, the District reported positive balances in both categories of net position.

Governmental Activities. Governmental activities increased the District's net position by $226,039, (excluding prior period adjustment) thereby accounting for 100% of the total increase in net position of the District.

The following table indicates the changes in net position for governmental activities:

Changes in Net Position

	Governmental Activities		
	2015	2014	Increase (Decrease) %
Revenues:			
General revenues:			
Benefit assessment	$ 6,993,223	$ 6,928,348	.9%
Interest income	59,490	51,699	15%
Intergovernmental	16,601	52,025	(68%)
Miscellaneous	72,080	50,963	41%
Total revenues	7,141,394	7,083,035	.82%
Expenses:			
Health and sanitation	6,915,355	6,021,701	15%
Total expenses	6,915,355	6,021,701	15%
Change in net position	226,039	1,061,334	(79)
Net position, beginning	17,364,603	16,303,269	7%
Prior period adjustment	(4,412,028)	-	-
Net position, ending	$13,178,614	$17,364,603	(24%)

Analysis of Changes in Net Position

A key element of the increase in net position of $226,039 (excluding prior period adjustment) was due to the benefit assessment revenue being more than the expenditures.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

Governmental Funds

The general government functions are contained in the General Funds and the Capital Project. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balance of spendable resources. Such information is useful in assessing the District's financing requirements.

At June 30, 2015, the District's governmental funds reported combined ending fund balances of $14,478,300 an increase of $44,803 in comparison with the prior year. All of the combined ending fund balances constitutes restricted fund balance, 2% or $350,545 is restricted for debt service and the rest is for general purposes.

The general fund is the chief operating fund of the District. At June 30, 2015, restricted fund balance of the general fund was $14,189,400 while total fund balance reached $14,478,300. Total fund balance of the general fund represents 200% of total general fund expenditures of $7,096,591.

Revenues for governmental functions totaled $7,141,394 in fiscal year 2014-2015, which represents an increase of .82% from the previous fiscal year. Expenditures for governmental functions, totaling $7,096,591, increased by 14% from the previous fiscal year. In the fiscal year 2014-2015, revenues for governmental functions exceeded expenditures by $44,803.

The following table presents the amount of revenues from various sources as well as increases or decreases from the prior year.

Revenues Classified by Source
Governmental Funds

	FY 2015		FY 2014		Increase/(Decrease)	
Revenues by Source	Amount	% of Total	Amount	% of Total	Amount	% of Change
Benefit assessment	$6,993,223	98%	$6,928,348	97%	$ 64,875	0.94%
Interest income	59,490	.8%	51,699	1%	7,791	15.07%
Intergovernmental revenue	16,601	.2%	52,025	1%	(35,424)	(68.09%)
Other revenues	72,080	1%	50,963	1%	21,117	41.44%
Total	$7,141,394	100%	$7,083,035	100%	$58,359	0.82%

Intergovernmental revenues represent mainly transfer from County through payroll to fund CalPERS Employers Retiree Benefit Trust (CERBT) to assure the unfunded liability for the District is addressed in a prorata fashion. Other revenues represent water pollution control and plant mosquito control provided by the District to the City of San Jose, the level of which fluctuates every year.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the year, actual revenues were less than budgetary estimates by $7,441. This unfavorable variance is mainly due to two factors. First, benefit assessment and second, intergovernmental revenue were both lower than estimated. Actual expenditures were less than budgetary estimates by $216,469. This favorable variance is mainly due to postponement of spending on lab equipment, computer hardware and vehicle purchase.

CAPITAL ASSETS AND DEBT ADMINISTRATION

The District's capital assets for its governmental activities as of June 30, 2015, amounted to $6,742,864 (net of accumulated depreciation). The capital assets include land, building and improvements, vehicles, and equipment. The net increase in the District's capital assets for the current period was $10,975 which was mainly due to net effect of new acquisitions over vehicle and equipment retirements and depreciation.

Capital assets for the governmental activities are presented below to illustrate changes from the prior year:

	Governmental Activities		Increase/ (Decrease) % of Change
	2015	2014	
Land	$2,352,000	$2,352,000	-
Building and improvements	4,556,516	4,556,516	-
Vehicles	1,058,115	851,965	24%
Equipment	493,827	534,067	(8%)
Total cost	8,460,458	8,294,548	2%
Less: accumulated depreciation	(1,717,594)	(1,562,659)	10%
Capital assets, net	$6,742,864	$6,731,889	.2%

Long-term debt

The District increased its long-term debt mainly due to recognition of net pension liability.

	2015	2014	% of Change
Certificates of Participation (including premium)	$3,188,181	$3,386,780	(6%)
Compensated absences	415,110	400,670	4%
Net pension liability	3,854,068	-	-
Total long-term debt	$7,457,359	$3,787,450	97%

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Mosquito, Vector and Disease Control Assessment relies on two benefit assessments to fulfill the District Service Mission "to detect and minimize vector borne disease, to abate mosquitoes, and to assist the public in resolving problems with rodents, wildlife, and insects of medical significance". Several factors help to maintain the stability of the revenue stream from the benefit assessments, and thus, the consistency of the economic picture. The number of parcels added to the District's benefit assessment roll rises at less than 1 percent annually; the current assessments do not include a 'sunset clause'; annual assessed amounts cannot contain a CPI-U (maximum 3%) adjustment without the approval from the District Board of Trustees; and no additional assessments are being proposed. Revenue from the two benefit assessments totaled $6,993,223 during FY 2015 and projected to total $7,008,075 for FY 2016.

One significant development on the horizon is the potential establishment of two invasive mosquito species. The Asian Tiger Mosquito (ATM) currently appears to be established in southern California, and the Yellow Fever Mosquito (YFM) has been discovered in multiple locations in Madera and Clovis, California, and more recently in San Mateo County near our northern border. These infestations have persisted since at least in 2013. If established in our County, these two species will significantly alter mosquito control operations and place additional burden on the District.

All California districts face uncertainty related to regulatory oversight. Though these costs do not significantly alter the financial outlook for the District they highlight the need to maintain budget reserves and to coordinate with other Districts to ensure that unforeseen costs are covered.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Santa Clara County Vector Control District, 1580 Berger Drive, San Jose, CA 95112-2716.

Basic
Financial Statements

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
Statement of Net Position
June 30, 2015

	Governmental Activities
Assets	
Cash and investments	$ 14,569,146
Receivables	17,497
Due from other governmental units - other	15,208
Capital assets, net	6,742,864
Total Assets	21,344,715
Deferred Outflows of Resources	319,340
Liabilities	
Accounts payable	8,047
Accrued salaries and benefits	115,504
Accrued interest	12,692
Non-current liabilities	
Due within one year	239,325
Due beyond one year	3,363,966
Net pension liability - due beyond one year	3,854,068
Total Liabilities	7,593,602
Deferred Inflows of Resources	891,839
Net Position	
Net investment in capital assets	3,554,683
Restricted	
Debt service	350,545
General purposes	9,273,386
Total Net Position	$ 13,178,614

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

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
Statement of Activities
Year Ended June 30, 2015

Functions/Programs	Expenses	Net (Expenses) Revenues and Changes in Net Position Governmental Activities
Governmental Activities		
Health and sanitation	$ 6,915,355	$ (6,915,355)
Total Governmental Activities	$ 6,915,355	(6,915,355)
General Revenues		
Benefit assessment		6,993,223
Interest income		59,490
Intergovernmental		16,601
Miscellaneous		72,080
Total General Revenues		7,141,394
Change in Net Position		226,039
Net Position, Beginning		17,364,603
Prior period adjustment		(4,412,028)
Net Position, Ending		$ 13,178,614

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

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
Balance Sheet - Governmental Funds
June 30, 2015

	General	Capital Project	Total
Assets			
Cash and investments	$ 14,280,641	$ 288,505	$ 14,569,146
Receivables	17,102	395	17,497
Due from other governmental agencies - other	15,208	-	15,208
Total Assets	$ 14,312,951	$ 288,900	$ 14,601,851
Liabilities			
Accounts payable	$ 8,047	$ -	$ 8,047
Accrued salaries and benefits	115,504	-	115,504
Due to other funds	-	-	-
Due to other governmental agencies - interest	-	-	-
Due to other governmental agencies	-	-	-
Total Liabilities	123,551	-	123,551
Fund Balances			
Restricted	14,189,400	288,900	14,478,300
Total Fund Balances	14,189,400	288,900	14,478,300
Total Liabilities and Fund Balances	$ 14,312,951	$ 288,900	$ 14,601,851

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

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
Reconciliation of the Governmental Funds Balance Sheet to the Government-wide Statement of Net Position - Governmental Activities
June 30, 2015

Fund Balances - Total Governmental Funds		$ 14,478,300
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		6,742,864
Deferred outflow of resources used in governmental activities are not reported in the governmental funds.		319,340
Interest payable on long-term debt does not require the use of current financial resources and, therefore, is not accrued as a liability in the governmental funds.		(12,692)
Long-term liabilities, including bonds payable and net pension liability, are not due and payable in the current period and therefore, are not reported in the governmental funds.		
Certificates of participation	$ (3,085,000)	
Unamortized premium	(103,181)	
Compensated absences	(415,110)	
Net pension liability	(3,854,068)	(7,457,359)
Deferred inflow of resources used in governmental activities are not reported in the governmental funds.		(891,839)
Net Position of Governmental Activities		$ 13,178,614

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

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds
Year Ended June 30, 2015

	General	Capital Project	Total
Revenues			
Benefit assessment	$ 6,993,223	$ -	$ 6,993,223
Interest income	58,154	1,336	59,490
Intergovernmental revenue	16,601	-	16,601
Other revenue	72,080	-	72,080
Total Revenues	7,140,058	1,336	7,141,394
Expenditures			
Salaries and benefits	4,080,246	-	4,080,246
Services and supplies	2,430,126	-	2,430,126
Capital outlay	234,339	-	234,339
Debt service:			
Principal	190,000	-	190,000
Interest	159,900	-	159,900
Fees	1,980	-	1,980
Total Expenditures	7,096,591	-	7,096,591
Net Change in Fund Balances	43,467	1,336	44,803
Fund Balances, Beginning	14,145,933	287,564	14,433,497
Fund Balances, Ending	$ 14,189,400	$ 288,900	$ 14,478,300

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

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Government-wide Statement of Activities

Governmental Activities

Year Ended June 30, 2015

Net Change in Fund Balances - Total Governmental Funds		$ 44,803
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which loss on retirement, addition to accumulated depreciation and depreciation exceeded capital outlays in the current period.		
Expenditures for general capital assets, infrastructure, and other related capital assets adjustment	$ 257,325	
Current year depreciation	(246,350)	10,975
Repayments of debt principal is an expenditure in the governmental funds, but the repayment reduces the long-term liabilities in the statement of net position.		190,000
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Change in accrued interest payable	641	
Amortization of bond premium	8,599	
Change in compensated absences	(14,440)	
Pension expense	(14,539)	(19,739)
Change in Net Position of Governmental Activities		$ 226,039

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

Notes to the Basic Financial Statements

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
Notes to the Basic Financial Statements
Year Ended June 30, 2015

NOTE 1. ORGANIZATION

The Santa Clara County Vector Control District (the "District") was organized May 3, 1988, in conformity with the Government Code Section 25842.5, Health and Safety Code Section 2200, et seq., Health and Safety Code Section 1800, et seq., California Penal Code, Title X, and Uniform Housing Code Section 1001 (b) 12. The District provides services to prevent vector borne diseases and reduce exposure to pests, mosquitoes, rodents and insects which affect the public health and well being. The District serves all fifteen incorporated cities and the unincorporated areas of the County.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The District complies with generally accepted accounting principles (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this Note.

A. Basis of Presentation

Government-wide Financial Statements

The statement of net position and statement of activities display information about the District. These statements include the financial activities of the overall government. Governmental activities are normally supported by taxes and intergovernmental revenues.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues would include charges paid by the recipients of goods or services offered by the programs, as well as grants and contributions that are restricted to meeting the operational or capital requirements of the programs. Revenues that are not classified as program revenues, including all kinds of taxes, are presented as general revenues. The comparison of program revenues and direct expenses identifies the extent to which each program is self-financing or draws from the general revenues of the District.

When both restricted and unrestricted net positions are available, restricted resources are used only after the unrestricted resources are depleted.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Fund Financial Statements

Fund financial statements are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. There are separate statements for each fund category. The emphasis of fund financial statements is on major governmental and enterprise funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The internal service fund is presented in a single column in the proprietary fund financial statements. The District has two funds, the general fund and capital project, both of which are categorized as governmental funds. There are no proprietary nor fiduciary funds.

Governmental Funds

The District reports two governmental funds:

- The General Fund is the primary operating fund of the District and is always classified as a major fund. It is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the District that are not accounted for through other funds. For the District, the General Fund's primary activity is health and sanitation.

- Capital Project is used to account for financial resources to be used for the acquisition or construction of major capital assets.

B. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

The government-wide, proprietary, and fiduciary fund financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This differs from the manner in which governmental fund financial statements are prepared. Therefore, governmental fund financial statements include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds. The District has no proprietary nor fiduciary funds.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

The accounting objectives of the economic resources measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Fund equity is classified as net position.

Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Non-exchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes. On an accrual basis, revenue from benefit assessment is recognized in the fiscal year for which the assessment is levied.

The governmental fund financial statements are prepared using the current financial resources measurement focus and the modified accrual basis of accounting.

In the current financial resources measurement focus, only current financial assets and liabilities are generally included on the balance sheets. The operating statements present sources and uses of available spendable financial resources during a given period. The fund balance is used as the measure of available spendable financial resources at the end of the period.

Under the modified accrual basis of accounting, revenues are recognized when measurable and available. Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year end. Expenditures (including capital outlay) are recorded when the related liability is incurred, except for debt service expenditures (principal and interest), as well as expenditures related to compensated absences which are reported when due.

C. Budgets and Budgetary Accounting

The District prepares its budget on a basis of accounting that differs from generally accepted accounting principles (GAAP). The actual results of operations are presented in the Budgetary Comparison Schedule - General Fund - Budgetary Basis on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis of accounting and GAAP is that encumbrances are recorded as expenditures under the budgetary basis.

These budgets are revised by the District's governing body during the year to give consideration to unanticipated income and expenditures. The original and final revised budgets are presented for the General Fund in the financial statements.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

D. Cash and Investments

Cash held in banks are insured by the Federal Depository Insurance Corporation. All cash held by the financial institutions is fully insured or collateralized, except those which exceeds the maximum insured levels of the FDIC.

The District maintains substantially all its cash in the Santa Clara County Treasury. The county pools these funds with those of other Departments in the county and invests the cash. These pooled funds are carried at cost, which approximates market value. Interest earned is deposited quarterly into participating funds. Any investment losses are netted against interest income and proportionately shared by all funds in the pool.

E. Capital Assets

In the government-wide financial statements, capital assets purchased or acquired with an original cost of $5,000 or more are recorded at historical cost or at estimated historical cost, if actual historical cost is not available. Donated capital assets are valued at their estimated fair market value on the date of donation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation expense is provided over the assets' estimated useful lives using the straight-line method of depreciation. The estimated useful lives by type of assets are as follows:

Buildings and improvements	5-50 years
Vehicles and Equipment	3-30 years

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

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Upon sale of capital assets, the proceeds from sale of capital assets is included in the results of operations as other financing sources.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

F. Compensated Absences

Accumulated unpaid vacation and sick leave are recorded as a liability when future payments for such compensation absences have been earned by employees based on pay and salary rates in effect at year end. This liability is recorded as long-term debt in the government-wide financial statement of net position. The liability is not accrued in the governmental fund financial statement but is recognized only if it is due and payable in an event of termination.

G. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan's 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.

H. Deferred Outflow/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

I. Long-term Debt

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of applicable bond premium or discount. Bond issue costs are expensed when incurred.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

In the fund financial statements, governmental funds recognized bond premiums and discounts as well as bond issuance costs, during the current period. The face amount of the debt issued, premiums, or discounts are reported as other financing sources/uses, whereas, issuance costs, are reported as debt service expenditures.

J. Equity Classifications

In government-wide and proprietary fund financial statements, equity is classified as net position and divided into three components:

- *Net Investment in Capital Assets* – This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.

- *Restricted Net Position* – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

- *Unrestricted Net Position* – This category represents net position of the District, not restricted for any project or other purpose.

Governmental funds report fund balances in classifications based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. Fund balance for governmental funds can consist of the following:

- *Nonspendable Fund Balance* – includes amounts that are (a) not in spendable form–such as inventory, prepaid amounts or long-term notes receivable, or (b) legally or contractually required to be maintained intact–such as a trust that must be retained in perpetuity. The "not in spendable form" criterion includes items that are expected to be converted to cash.

- *Restricted Fund Balance* – constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation. Restriction may effectively be changed or lifted only with the consent of resource providers.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

- *Committed Fund Balance* – amounts that can be used only be used for the specific purposes determined by a formal action of the District's highest level of decision-making authority, the Board. Commitments may be changed or lifted by the District taking the same formal action that imposed the constraint originally.

- *Assigned Fund Balance* – comprises amounts intended to be used by the District for specific purposes that are neither restricted nor committed. Intent is expressed by (a) the District's Board or (b) a body (e.g., a budget or finance committee) or official to which the District's Board has delegated the authority to assign, modify, rescind amounts to be used for specific purposes. With the exception of the General Fund, this is the residual fund balance classification for all governmental funds with positive balances.

- *Unassigned Fund Balance* – the residual classification for the General Fund. It is also used to report negative fund balance in other governmental funds.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is generally depleted in the order of restricted, committed, assigned, and unassigned.

K. Estimates

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

L. Subsequent Events

Management has evaluated subsequent events through August 7, 2015.

NOTE 3. CASH AND INVESTMENTS

Cash and investments as of June 30, 2015 consist of the following:

	Carrying Amount	Fair Value
Cash and investments in County Treasury common pool:		
General Fund	$13,930,096	$13,915,815
Capital Project Fund	288,505	288,209
Investment with Fiscal Agents	350,545	350,545
Total cash and investments	$14,569,146	$14,554,569

NOTE 3. CASH AND INVESTMENTS - Continued

The District's fair value is based on their cash position as of June 30, 2015, in proportion to the entire cash held in the commingled County Pool. The fair value includes the amortization of premiums and discounts. The County's investments are registered with the SEC.

Governmental Accounting Standards Board, Statement No. 31, "Accounting and Financial Reporting for Certain Investment and for External Investment Pools" establishes accounting and financial reporting standards for all investments held by governmental external investment pools. The statement requires governmental entities to report investments at fair value in the balance sheet.

Based on the County's calculations, the application of GASB, Statement No. 31, would have reflected a decrease to cash and interest and investment income of $14,281 and $296 in the General Fund and Capital Project Fund, respectively. However, since such application is not material, the District's cash balance is stated at cost.

A. Cash in County Treasury

Funds with the County Treasurer are invested pursuant to investment policy established by the Treasurer and approved by the Board of Trustees. The objectives of the policy are, in order of priority, preservation of capital, liquidity and yield. The policy addresses the soundness of financial institutions in which the County deposits funds, the types of investment instruments and the percentage of the portfolio which may be invested in certain instruments, as permitted by Section 53600 et seq. of the Government Code of the State of California. The County Treasury common pool at June 30, 2015 consisted of cash in bank, U.S. government and agency securities, corporate bonds, negotiable certificates of deposit, commercial paper, and deposits in the State's local agency investment fund. Additional information regarding the deposit and investment custodial credit, interest rate and credit risks of the County Treasury common pool can be found in the County's June 30, 2015 comprehensive annual financial report. A copy of that report may be obtained by contacting the County's Finance Agency, Controller-Treasurer Department, 70 West Hedding Street, 2nd Floor, East Wing, San Jose, CA 95110.

B. Investment with Fiscal Agents

The District maintains some funds with the fiscal agents as per the terms in the bond indenture. As per the investment policy of the bond indenture, these funds are invested in short-term investments. As of June 30, 2015, total investment of $350,545 was invested in the Federated Treasury Fund which is rated as AAA.

NOTE 4. CAPITAL ASSETS

The capital assets activities for the year ended June 30, 2015 are as follows:

	Balance 6/30/14	Additions/ Adjustments	Deletions/ Adjustments	Balance 6/30/15
Capital assets, not being Depreciated				
Land	$2,352,000	$ - .	$ - .	$2,352,000
Total capital assets, not being depreciated	2,352,000	- .	- .	2,352,000
Capital assets being Depreciated				
Building and improvements	4,556,516	- .	- .	4,556,516
Vehicles	851,965	248,027	41,877	1,058,115
Equipment	534,067	33,964	74,204	493,827
Total capital assets, being Depreciated	5,942,548	281,991	116,081	6,108,458
Less accumulated depreciation for				
Building and improvements	486,815	91,130	- .	577,945
Vehicles	663,988	82,156	17,211	728,933
Equipment	411,856	73,064	74,204	410,716
Total accumulated Depreciation	1,562,659	246,350	91,415	1,717,594
Total capital assets, being depreciated, net	4,379,889	35,641	24,666	4,390,864
Government activities capital assets, net	$6,731,889	$35,641	$24,666	$6,742,864

NOTE 5. LONG-TERM DEBT

A. Certificates of Participation, 2006 Series TT

In November 2006, the District issued Certificates of Participation for $4,495,000, through California Special Districts Association (CSDA) Finance Corporation, to finance the acquisition of an office building.

Date of Issuance	Interest Rate	Maturity Date	Amount of Original Issue	Amount Outstanding July 1, 2014	Redeemed Current Year	Amount Outstanding June 30, 2015
11/15/2006	3.75-6.5%	6/1/2027	$4,495,000	$3,275,000	$190,000	$3,085,000

Debt Service Requirements to Maturity

Year ending June 30:	Principal	Interest	Total
2016	$ 195,000	$ 152,300	$ 347,300
2017	205,000	144,500	349,500
2018	215,000	134,250	349,250
2019	225,000	123,500	348,500
2020	235,000	112,250	347,250
2021-2025	1,365,000	372,750	1,737,750
2026-2027	645,000	48,750	693,750
Total	3,085,000	$1,088,300	$4,173,300
Bond Premium, net of amortization	103,181		
Book Balance	$3,188,181		

NOTE 5. LONG-TERM DEBT - Continued

B. Changes in Long-term Debt

The following is a summary of changes in long-term debt for the year ended June 30, 2015:

	Balance July 1, 2014	Additions	Deductions	Balance June 30, 2015	Due within one year	Due beyond one year
Certificates of Participation	$3,275,000	$ - .	$190,000	$3,085,000	$195,000	$2,890,000
Premium	111,780	- .	8,599	103,181	8,599	94,582
subtotal	3,386,780	- .	198,599	3,188,181	203,599	2,984,582
Compensated absences	400,670	14,440	- .	415,110	35,726	379,384
Net pension liability	- .	3,854,068	- .	3,854,068	- .	3,854,068
Totals	$3,787,450	$3,868,508	$198,599	$7,457,359	$239,325	$7,218,034

NOTE 6. PENSION PLANS

A. General Information about the Pension Plan

The full description of the general information about the pension plan (outline below) can be found in the County's June 30, 2015 CAFR. A copy of that report may be obtained by contacting the County's Finance Agency, Controller-Treasurer Department, 70 West Hedding Street, 2nd Floor, East Wing, San Jose, CA 95110.

- Plan Description, Benefits Provided and Employees Covered
- Contribution Description
- Actuarial Methods and Assumptions Used to Determine Total Pension Liability
- Discount Rate
- Pension Plan Fiduciary Net Position
- Sensitivity of the Net Pension Liability to Changes in the Discount Rate
- Subsequent Events and
- Recognition of Gains and Losses

NOTE 6. PENSION PLANS - Continued

B. Changes in the Net Pension Liability

The following table shows the changes in net pension liability recognized over the measurement period (presented at .198%, which is the County of Santa Clara's calculation of the District's proportional share).

	Increase(Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (c) = (a) - (b)
Balance at: 6/30/13 (VD)[1]	$16,035,069	$11,250,028	$4,785,041
Changes Recognized for the Measurement Period			
• Service Cost	401,638		401,638
• Interest on the Total Pension Liability	1,191,780		1,191,780
• Changes of Benefit Terms	-		-
• Difference between Expected and Actual Experience	-		-
• Changes of Assumptions	-		-
• Contributions from the Employers		373,013	(373,013)
• Contributions from Employees		200,145	(200,145)
• Net Investment Income[2]		1,951,233	(1,951,233)
• Benefit Payments, including Refunds of Employee Contributions	(690,979)	(690,979)	-
Net Changes during 2013-14	$902,439	$1,833,412	$(930,973)
Balance at: 6/30/14 (MD)[1]	$16,937,508	$13,083,440	$3,854,068

[1]The fiduciary net position includes receivable for employee service buybacks, deficiency reserves, fiduciary self-insurance and OPEB expense. This may differ from the plan assets reported in the funding actuarial valuation report.

[2] Net of administrative expenses.

NOTE 6. PENSION PLANS - Continued

C. Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

For the measurement period ending June 30, 2014 (the measurement date), the District incurred a total pension expense of $333,879 for the Plan.

No adjustments have been made for contributions subsequent to the measurement date. Adequate treatment of any contributions made after the measurement date is the responsibility of the employer.

As of June 30, 2014, the District has deferred outflows and deferred inflows of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Experience	$ -	$ -
Changes of Assumptions	-	-
Net Difference between Projected And Actual Earnings on Pension Plan Investments	-	$(891,839)

The amounts above are net of outflows and inflows recognized in the 2013-14 measurement period expense.

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

Measurement Period Ended June 30:	Deferred Outflows/(Inflows) of Resources
2015	$ (222,960)
2016	(222,960)
2017	(222,960)
2018	(222,960)
2019	-
Thereafter	-

The District's employer contributions for the year ending June 30, 2015 is $319,340.

NOTE 7. RETIREMENT BENEFIT

Information regarding post employment benefits and post employment benefits other than pensions (OPEB) can be found in the County's June 30, 2015 CAFR. A copy of that report may be obtained by contacting the County's Finance Agency, Controller-Treasurer Department, 70 West Hedding Street, 2nd Floor, East Wing, San Jose, CA 95110.

NOTE 8. PRIOR PERIOD ADJUSTMENT

A prior period adjustment of $4,412,028 is recognized in compliance with the requirement of GASB Statement No. 68.

Required Supplementary Information
(Other than MD&A)

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
Budgetary Comparison Schedule - General Fund
Year Ended June 30, 2015

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Favorable (Unfavorable)
Budgetary Fund Balances, Beginning	$ 14,145,933	$ 14,145,933	$ 14,145,933	$ -
Resources (Inflows)				
Benefit assessment	7,008,075	7,008,075	6,993,223	(14,852)
Interest income	62,376	62,376	58,154	(4,222)
Intergovernmental revenue	1,000	34,816	16,601	(18,215)
Other revenue	42,232	42,232	72,080	29,848
Amounts Available for Appropriation	7,113,683	7,147,499	7,140,058	(7,441)
Charges to Appropriations (Outflows)				
Health and sanitation				
Salaries and benefits	3,999,211	4,103,777	4,080,246	23,531
Services and supplies	2,758,243	2,536,979	2,430,126	106,853
Capital outlay	-	292,304	234,339	57,965
Debt service:				
Principal	205,000	205,000	190,000	15,000
Interest	175,000	175,000	159,900	15,100
Fees	-	-	1,980	(1,980)
Total Charges to Appropriations	7,137,454	7,313,060	7,096,591	216,469
Budgetary Fund Balances, Ending	$ 14,122,162	$ 13,980,372	$ 14,189,400	$ 209,028

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/Inflows of Resources	
Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule	$ 7,140,058
No reconciling items.	-
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Fund	$ 7,140,058
Uses/Outflows of Resources	
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	$ 7,096,591
No reconciling items.	-
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Fund	$ 7,096,591

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
Schedule of Changes in Net Pension Liability and Related Ratios
Last Ten Fiscal Years*

Measurement Period	2013-2014
TOTAL PENSION LIABILITY	
Service Cost	$ 401,638
Interest	1,191,780
Changes of Benefits Terms	-
Difference Between Expected and Actual Experience	-
Change of Assumptions	-
Benefit Payments, Including Refunds of Employee Contributions	(690,979)
Net Change in Total Pension Liability	902,439
Total Pension Liability - Beginning	16,035,069
Total Pension Liability - Ending (a)	$ 16,937,508
PLAN FIDUCIARY NET POSITION	
Contributions - Employer	$ 373,013
Conributions - Employee	200,145
Net Investment Income [1]	1,951,233
Benefit Payments, Including Refunds of Employee Contributions	(690,979)
Other Changes n Fiduciary Net Position	-
Net Change in Fiduciary Net Position	1,833,412
Plan Fiduciary Net Position - Beginning	11,250,028
Plan Fiduciary Net Position - Ending (b)	$ 13,083,440
Plan Net Pension Liability/(Asset) - Ending (a) - (b)	$ 3,854,068
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.25%
Covered-Employee Payroll	$ 2,361,882
Plan Net Pension Liability/(Asset) as a Percentage of Covered-Employee Payroll	163.18%

The above is presented at 0.198%, which is the County of Santa Clara's calculation of the District's proportionate share.

[1] Net of administrative expenses.

Notes to Schedule:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2013. This applies for voluntary benefit changes as well as any offers of Two Years Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions: There were no changes in assumptions.

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT

Schedule of Plan Contributions[1]

Last Ten Fiscal Years*

Fiscal Year	2013-2014
Actuarially Determined Contribution[2]	$ 373,013
Contribution in Relation to the Actuarially Determined Contribution	(373,013)
Contribution Deficiency (Excess)	$ -
Covered-Employee Payroll[3] [4]	$ 2,361,882
Contributions as a Percentage of Covered-Employee Payroll	15.79%

The above is presented at 0.198%, which is the County of Santa Clara's calculation of the District's proportionate share.

[1] Historical information is required only for measurement periods for which GASB 68 is applicable.

[2] Employers are assumed to make contributions equal to the actuarially determined contributions. However, some employers may choose to make additional contributions towards their unfunded liability. Employer contributions for such plans exceed the actuarially determined contributions.

[3] Covered-Employee Payroll represented above is based on pensionable earnings provided by the employer. However, GASB 68 defines covered-employee payroll as the total payroll of employees that are provided pensions through the pension plan. Accordingly, if pensionable earnings are different than total earnings for covered-employees, the employer should display in the disclosure footnotes the payroll based on total earnings for the covered group and recalculate the required payroll-related ratios.

[4] Payroll from prior year $1,158,125,769 was assumed to increase by the 3.00 percent payroll growth assumption.

Notes to Schedule:

The actuarial methods and assumptions used to set the actuarially detemined contibutions for Fiscal Year 2013-14 were from the June 30, 2011 public agency valuations.

Actuarial Cost Method	Entry Age Normal
Amortization Method/Period	For details, see June 30, 2011 Funding Valuation Report
Asset Valuation Method	Actuarial Value of Assets. For details, see June 30, 2011 Funding Valuation Report.
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Payroll Growth	3%
Investment Rate or Return	7.5% Net of Pension Plan Investmet and Administrative Expenses; includes Inflation.
Retirement Age	The probabilities of Retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007.
Mortality	The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997-2007. Pre-retirement and Post-retirement rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Vargas and Company
certified public accountants

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Trustees of
Santa Clara County Vector Control District
San Jose, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, major fund, and remaining fund information of Santa Clara County Vector Control District (the "District"), a component unit of the County of Santa Clara, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated August 7, 2015.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Vargas and Company
San Jose, California
August 7, 2015

Schedule of Findings
and
Questioned Costs

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
Schedule of Findings and Questioned Costs
Year Ended June 30, 2015

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified.
Internal control over financial reporting:	
• Material weakness(es) identified?	No.
• Significant deficiency(ies) identified?	None reported.
Noncompliance material to financial statements noted?	No.
Federal Awards	Not applicable.

Section II - Financial Statement Findings

Our audit of the accompanying basic financial statements of Santa Clara County Vector Control District, as of and for the year ended June 30, 2015, disclosed no findings nor questioned costs.

Our report on Santa Clara County Vector Control District's internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards*, as of and for the year ended June 30, 2015, disclosed no findings nor questioned costs.

Section III - Federal Award Findings and Questioned Costs

The Santa Clara County Vector Control District has no major federal program as of and for the year ended June 30, 2015.

Summary Schedule of Prior Audit Findings

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2015

Section I - Financial Statement Findings

The audit of the basic financial statements of Santa Clara County Vector Control District, as of and for the year ended June 30, 2014, disclosed no findings nor questioned costs.

The report on Santa Clara County Vector Control District's internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards*, as of and for the year ended June 30, 2014, disclosed no findings nor questioned costs.

Section II - Federal Award Findings and Questioned Costs

The Santa Clara County Vector Control District has no major federal program as of and for the year ended June 30, 2014.

Fiscal Year 25-26 SD Vector Control Program

County of San Diego FY25-26 VCP Budget

VCP Direct Cost	$	13,740,875	84.3%	
VCP Dept Internal Overhead Cost	$	1,822,166	11.2%	15.7%
VCP Dept External Overhead Cost	$	733,170	4.5%	
Total VCP Program Cost	**$**	**16,296,211**		

SD-County = 1.8

SD-DEH = 733K

Fiscal Year 25-26 SC Vector Control Program

IT services	76,248
Fleet services	35,900
custodial & maint services	88,598
purchasing services	9,130
to Ag dept (management services)	123,760
Assessment administration (Assessor & Auditor services)	29,277
Total	362,913

SC-County = 362K

Fiscal Year 23-24 Alameda Vector Control Program

Total county and DEH charges are 11% of their revenue

Revenues		**4,922,549**
Expenditures.		
Salaries and benefits	2,683,156	
Martials, supplies, and services	886,491	
County outlay	418,175	
Total Expenditures:		**3,987,822**

SANTA CLARA COUNTY
VECTOR CONTROL DISTRICT

AUDIT REPORT

YEAR ENDED JUNE 30, 2016

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
June 30, 2016

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of
Santa Clara County Vector Control District
San Jose, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, major fund, and the remaining fund information of the Santa Clara County Vector Control District (the "District"), a component unit of the County of Santa Clara, as of and for the year ended June 30, 2016, 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 opuuons 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. 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.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, major fund, and remaining fund information of the Santa Clara County Vector Control District, as of June 30, 2016, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedule, schedule of changes in net pension liability and related ratios, and schedule of plan contributions on pages 3-10 and 31-33 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 cettain 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 Reqnired by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 9, 2016, on our consideration of the Santa Clara County Vector Control 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 repOtting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Santa Clara County Vector Control District's internal control over financial reporting and compliance.



Patel and Associates, LLP
San Jose, California
September 9, 2016

Management's Discussion and Analysis
(Required Supplementary Information)

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
Management's Discussion And Analysis
Year Ended June 30,2016

This section of the Santa Clara County Vector Control District (the "District") annual financial report presents a discussion and analysis of the District's financial performance for the fiscal year ended June 30, 2016. The District's financial perfonnance is discussed and analyzed within the context of the accompanying financial statements and disclosure following this section.

FINANCIAL HIGHLIGHTS

- The assets of the District exceeded liabilities by $13,242, 102 (net position) for the fiscal year reported. Of this amount, $9,264,288 is restricted for general purposes, $350,586 is restricted for debt service, and $3,627,228 is net investment in capital assets.

- The District's total net position increased by $63,488 during the fiscal year.

- As of June 30, 2016, the District's governmental funds reported combined ending fund balances of $14,381,244. The entire amount is restricted to be spent only for the missions the District is committed to.

- At the end of the fiscal year, restricted fund balance for the general fund was $14,090,288 or 194% of total general fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: (I) Government-wide financial statements, (2) Fund financial statements, and (3) Notes to the basic financial statements. Required Supplementary Information is included in addition to the basic financial statements.

Government-wide Financial Statements

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

The *statement of net position* presents information on all of the District's assets, deferred outflow, liabilities, and deferred inflow with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether or not the financial position of the District is improving or deteriorating.

The *statement of activities* presents infonnation showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in fhture fiscal periods, such as revenues pertaining to uncollected taxes and expenses pertaining to earned but unused vacation and sick leave.

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues *(governmental activities)* from other functions that are intended to recover all or a significant portion of their costs through user fees and charges *(business-type activities).* The only governmental activity of the District is health and sanitation. The District does not have any business-type activities.

Fund Financial Statements

The fund financial statements are designed to report infonnation about groupings of related accounts which are used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into one category only, governmental funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements-i.e. most of the District's basic services are reported in governmental funds. These statements, however, focus on (1) how cash and other financial assets can readily be converted to available resources and (2) the balances left at year-end that are available for spending. Such infonnation may be useful in detennining what financial resources are available in the near future to finance the District's programs.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the infonnation 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-tenn impact of the government's near-tenn financial decisions. Both the governmental fhnds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains two governmental funds. lnfonnation is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and capital projects.

The District does not have any proprietary and fiduciary funds.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information

The required supplementary information is presented concerning the District budgetary comparison schedule. The District adopts an annual appropriated budget for its General Fund and Capital Project. A budgetary comparison schedule has been provided for the General Fund to demonstrate compliance with this budget and to satisfy the requirement of GASB Statement No. 34.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by $13,242,102 at the close of the most recent fiscal year.

Net Position

	Governmental Activities		
	2016	2015	Increase (Decrease) %
Assets:			
Current and other assets	$14,614,776	$14,601,851	(.09%)
Capital assets, (net)	6,611,810	6,742,864	(2%)
Total assets	21,226,586	21,344,715	(.55%)
Deferred outflow of resources	1,060,398	319 340	232%
Liabilities:			
Current and other liabilities	502,963	375,568	34%
Non-current – due beyond one year	7,501,501	7,218,034	4%
Total liabilities	8,004,464	7,593,602	5%
Deferred inflow of resources	I 040 418	891 839	17%
Net position:			
Net investment in capital assets	3,627,228	3,554,683	2%
Restricted net position	9,614,874	9,623,931	(.09%)
Total net position	$13 242 1Q2	$13 178 614	(.48%)

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
Management's Discussion And Analysis
Year Ended June 30,2016

Analysis of Net Position

The larger portion of the District's net position $9,614,874 (73%) represents resources that are subject to external restrictions on how they may be used.

The remaining balance of the District's net position of $3,627,228 (27%) represents net investment in capital assets (e.g. land, building and improvements, vehicles, and equipment). The District uses these capital assets to provide services to citizens; consequently, these are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

At the end of the current fiscal year, the District reported positive balances in both categories of net position.

Governmental Activities. Governmental activities increased the District's net position by $63,488, thereby accounting for 100% of the total increase in net position of the District.

The following table indicates the changes in net position for governmental activities:

Changes in Net Position

	Governmental Activities		Increase (Decreasel %
Revenues:			
General revenues:			
Benefit assessment	$ 7,003,599	$ 6,993,223	.15%
Interest income	91,557	59,490	54%
Intergovernmental	19,646	16,60 I	18%
Miscellaneous	47 236	72 080	(35%)
Total revenues	7,162,038	7 141 394	.29%
Expenses:			
Health and sanitation	7,098,550	6,915,355	3%
Total expenses	7,098,550	6,915,355	3%
Change in net position	63,488	226,039	(72%)
Net position, beginning	13,178,614	17,364,603	(24%)
Prior period adjustment	_____	(4,412,028)	
Net position, ending	$13,242 102	$13 178 614	.5%

Analysis of Changes in Net Position

A key element of the increase in net position of$63,488 (excluding prior period adjustment) was due to the benefit assessment revenue being more than the expenditures.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

Governmental Funds

The general government functions are contained in the General Funds and the Capital Project. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balance of spendable resources. Such information is useful in assessing the District's financing requirements.

At June 30, 2016, the District's governmental funds reported combined ending fund balances of $14,381,244 a decrease of $97,056 in comparison with the prior year. All of the combined ending fund balances constitutes restricted fund balance, 2% or $350,586 is restricted for debt service and the rest is for general purposes.

The general fund is the chief operating fund of the District. At June 30,2016, restricted fund balance of the general fund was $14,090,288 while total fund balance reached $14,381,244. Total fund balance of the general fund represents 194% of total general fund expenditures of$7,259,094.

Revenues for governmental functions totaled $7,162,038 in fiscal year 2015-2016, which represents an increase of .29% from the previous fiscal year. Expenditures for governmental functions, totaling $7,259,094, increased by 2% from the previous fiscal year. In the fiscal year 2015-2016, expenditures for governmental functions exceeded revenues by $97,056.

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
Management's Discussion And Analysis
Year Ended June 30,2016

The following table presents the amount of revenues from various sources as well as increases or decreases from the prior year.

Revenues Classified by Source
Governmental Funds

	FY 2016		FY 2015		lncrease/(Decrease)	
Revenues by Source	Amount	%of Total	Amount	%of Total	Amount	%of Change
Benefit assessment	$7,003,599	98%	$6,993,223	97%	$ 10,376	0.15%
Interest income	91,557	.8%	59,490	1%	32,067	53.90%
Intergovernmental revenue	19,646	.2%	16,601	1%	3,045	18.34%
Other revenues	47 236	_1%	72,080	_1%	(24,844)	(34.47%)
Total	$1,162,038	lllil%	*$1 141* 324	100%	$20.644	0.29%

Intergovernmental revenues represent mainly transfer from County through payroll to fund CalPERS Employers Retiree Benefit Trust (CERBT) to assure the unfunded liability for the District is addressed in a prorata fashion. Other revenues represent water pollution control and plant mosquito control provided by the District to the City of San Jose, the level of which fluctuates every year.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the year, actual revenues were less than budgetary estimates by $30,390. This favorable variance is mainly due to interest income. Actual expenditures were less than budgetary estimates by $622,122. This favorable variance is mainly due to postponement of spending on lab equipment, computer hardware and vehicle purchase.

CAPITAL ASSETS AND DEBT ADMINISTRATION

The District's capital assets for its governmental activities as of June 30, 2016, amounted to $6,611,810 (net of accumulated depreciation). The capital assets include land, building and improvements, vehicles, and equipment. The net decrease in the District's capital assets for the current period was $131,054 which was mainly due to net effect of depreciation over new acquisitions over vehicle and equipment.

Capital assets for the governmental activities are presented below to illustrate changes from the prior year:

	Governmental Activities		Increase/ (Decrease) %of Change
	2016	2015	
Land	$2,352,000	$2,352,000	
Building and improvements	4,556,516	4,556,516	
Vehicles	I,108,147	1,058,115	5%
Equipment	514 804	493,827	4%
Total cost	8,531,467	8,460,458	.8%
Less: accumulated depreciation	(1,919,657)	(I 717 594)	12%
Capital assets, net	$6,611,810	$6 742 864	(2%)

Long-term debt

The District increased its long-term debt mainly due to recognition of net pension liability.

	20!6	2015	%of Change
Certificates of Participation (including premium)	$2,984,582	$3,188,181	(6%)
Compensated absences	470,072	415,110	13%
Net pension liability	4,304,236	3,854,068	12%
Total long-term debt	$7,758,890	$7,457,359	4%

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Mosquito, Vector and Disease Control Assessment relies on two benefit assessments to fulfill the District Service Mission "to detect and minimize vector bome disease, to abate mosquitoes, and to assist the public in resolving problems with rodents, wildlife, and insects of medical significance". Several factors help to maintain the stability of the revenue stream from the benefit assessments, and thus, the consistency of the economic picture. The number of parcels added to the District's benefit assessment roll rises at less than l percent annually; the current assessments do not include a 'sunset clause'; annual assessed amounts cannot contain a CPI-U (maximum 3%) adjustment without the approval from the District Board of Trustees; and no additional assessments are being proposed. Revenue from the two benefit assessments totaled $7,003,599 during FY 2016 and projected to total $7,008,075 for FY 2017.

One significant development on the horizon is the potential establishment of two invasive mosquito species. The Asian Tiger Mosquito (ATM) currently appears to be established in southern California, and the Yellow Fever Mosquito (YFM) has been discovered in multiple locations throughout California, including San Mateo and Alameda Counties. These infestations have persisted and increased in number since 2013. If established in our County, these two species will significantly alter mosquito control operations and place additional burden on the District. Of even greater import is the fact that these two species transmit Zika, Dengue and Chikungunya viruses, and that imported cases of these diseases have been and will continue to occur within the County as people travel to and from areas where these viruses are widespread.

All California districts face uncertainty related to regulatory oversight, and the increasing complexity and costs of doing vector control. Though these costs do not significantly alter the financial outlook for the District they highlight the need to maintain budget reserves and to coordinate with other Districts to ensure that unforeseen costs are covered.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Santa Clara County Vector Control District, 1580 Berger Drive, San Jose, CA 95112-2716.

Basic
Financial Statements

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
Statement of Net Position
June 30, 2016

	Governmental Activities
Assets	
Cash and investments	$ 14,544,090
Receivables	25,997
Due from other governmental units- other	44,689
Capital assets, net	6,611,810
Total Assets	21,226,586
Deferred Outflows of Resources	1,060,398
Liabilities	
Accounts payable	72,289
Accrued salaries and benefits	160,905
Due to other governmental units- other	338
Accrued interest	12,042
Non-current liabilities	
Due within one year	257,389
Due beyond one year	3,197,265
Net pension liability- due beyond one year	4,304,236
Total Liabilities	8,004,464
Deferred Inflows of Resources	1,040,418
Net Position	
Net investment in capital assets	3,627,228
Restricted	
Debt service	350,586
General purposes	9,264,288
Total Net Position	$ 13,242,102

The notes to the basicjilumcial statements are m1 integral part of this statement.

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
Statement of Activities
Year Ended June 30,2016

Functions/Programs	Expenses	Net (Expenses) Revenues and Changes in Net Position Governmental Activities
Governmental Activities		
Health and sanitation	$ 7,098,550	$ (7,098,550)
Total Governmental Activities	$ 7,098,550	(7,098,550)
General Revenues		
Benefit assessment		7,003,599
Interest income		91,557
Intergovernmental		19,646
Miscellaneous		47,236
Total General Revenues		7,162,038
Change in Net Position		63,488
Net Position, Beginning		13,178,614
Net Position, Ending		$ 13,242,102

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

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
Balance Sheet - Governmental Funds
June 30, 2016

	General	Capital Project	Total
Assets			
Cash and investments	$ 14,253,722	$ 290,368	$ 14,544,090
Receivables	25,409	588	25,997
Due from other governmental agencies - other	44,689		44,689
Total Assets	$ 14,323,820	$ 290,956	$ 14,614,776
Liabilities			
Accounts payable	$ 72,289	$	$ 72,289
Accrued salaries and benefits	160,905		160,905
Due to other governmental agencies	338		338
Total Liabilities	233,532		233,532
Fund Balances			
Restricted	14,090,288	290,956	14,381,244
Total Fund Balances	14,090,288	290,956	14,381,244
Total Liabilities and Fund Balances	$ 14,323,820	$ 290,956	$ 14,614,776

The notes to the basic jiJillltcial statements are au integral part of this statement.

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
Reconciliation of the Governmental Funds Balance Sheet to the
Government-wide Statement of Net Position - Governmental Activities
June 30, 2016

Fund Balances - Total Governmental Funds		$ 14,381,244
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		6,611,810
Deferred outflow of resources used in governmental activities are not repmied in the governmental funds.		1,060,398
Interest payable on long-term debt does not require the use of current financial resources and, therefore, is not accrued as a liability in the governmental funds.		(12,042)
Non-current liabilities, including bonds payable and net pension liability, are not due and payable in the current period and therefore, are not repmied in the governmental funds.		
Certificates of participation	$ (2,890,000)	
Unamortized premium	(94,582)	
Compensated absences	(470,072)	
Net pension liability	(4,304,236)	(7,758,890)
Deferred inflow of resources used in governmental activities are not reported in the governmental funds.		**(**1,040,418)
Net Position of Governmental Activities		$ 13,242,102

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

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds
Year Ended June 30,2016

	General	Capital Project	Total
Revenues			
Benefit assessment	$ 7,003,599	$	$ 7,003,599
Interest income	89,501	2,056	91,557
Intergovernmental revenue	19,646		19,646
Other revenue	47,236		47,236
Total Revenues	7,159,982	2,056	7,162,038
Expenditures			
Salaries and benefits	4,313,943		4,313,943
Services and supplies	2,488,628		2,488,628
Capital outlay	83,418		83,418
Loss on fixed asset transfer	23,825		23,825
Debt service:			
Principal	195,000		195,000
Interest	152,300		152,300
Fees	1,980		1,980
Total Expenditures	7,259,094		7,259,094
Net Change in Fund Balances	(99,112)	2,056	(97,056)
Fund Balances, Beginning	14,189,400	288,900	14,478,300
Fund Balances, Ending	$ 14,090,288	$ 290,956	$ 14,381,244

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

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Government-wide Statement of Activities
Governmental Activities
Year Ended June 30,2016

Net Change in Fund BalancesTotal Governmental Funds		$ (97,056)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which loss on retirement, addition to accumulated depreciation and depreciation exceeded capital outlays in the current period.		
Expenditures for general capital assets, infrastructure, and other related		
Capital assets adjustment	$ 71,009	
Current year depreciation	(202,063)	(131,054)
Repayments of debt principal is an expenditure in the governmental funds, but the repayment reduces the long-term liabilities in the statement of net position.		195,000
Some expenses rep011ed in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Change in accrued interest payable	650	
Amortization of bond premium	8,599	
Change in compensated absences	(54,962)	
Pension expense	142,311	96,598
Change in Net Position of Governmental Activities		$ ==6;;;;3,;,;,4;;;8

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

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
Notes to the Basic Financial Statements
Year Ended June 30, 2016

NOTE 1. ORGANIZATION

The Santa Clara County Vector Control District (the "District") was organized May 3, 1988, in conformity with the Government Code Section 25842.5, Health and Safety Code Section 2200, et seq., Health and Safety Code Section 1800, et seq., California Penal Code, Title X, and Uniform Housing Code Section 1001 (b) 12. The District provides services to prevent vector borne diseases and reduce exposure to pests, mosquitoes, rodents and insects which affect the public health and well being. The District serves all fifteen incorporated cities and the unincorporated areas of the County.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The District complies with generally accepted accounting principles (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this Note.

A. Basis of Presentation

Government-wide Financial Statements

The statement of net position and statement of activities display information about the District. These statements include the financial activities of the overall government. Governmental activities are normally supported by taxes and intergovernmental **revenues.**

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues would include charges paid by the recipients of goods or services offered by the programs, as well as grants and contributions that are restricted to meeting the operational or capital requirements of the programs. Revenues that are not classified as program revenues, including all kinds of taxes, are presented as general revenues. The comparison of program revenues and direct expenses identifies the extent to which each program is self-financing or draws from the general revenues of the District.

When both restricted and unrestricted net positions are available, restricted resources are used only after the unrestricted resources are depleted.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- Continued

Fund Financial Statements

Fund financial statements are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. There are separate statements for each fund category. The emphasis of fund financial statements is on major governmental and enterprise funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The internal service fund is presented in a single column in the proprietary fund fmancial statements. The District has two funds, the general fund and capital project, both of which are categorized as govenunental funds. There are no proprietary nor fiduciary funds.

Governmental Funds

The District reports two governmental funds:

- The General Fund is the primary operating fund of the District and is always classified as a major fund. It is used to account for all revenues and expenditures necessary to cany out basic governmental activities of the District that are not accounted for through other funds. For the District, the General Fund's primary activity is health and sanitation.

- Capital Project is used to account for financial resources to be used for the acquisition or construction of major capital assets.

B. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

The government-wide, proprietary, and fiduciary fund financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This differs from the manner in which governmental fund financial statements are prepared. Therefore, governmental fund financial statements include a reconciliation with brief explanations to better identifY the relationship between the government-wide statements and the statements for governmental funds. The District has no proprietary nor fiduciary funds.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

The accounting objectives of the economic resources measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Fund equity is classified as net position.

Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Non-exchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes. On an accrual basis, revenue from benefit assessment is recognized in the fiscal year for which the assessment is levied.

The governmental fund financial statements are prepared using the current financial resources measurement focus and the modified accrual basis of accounting.

In the current financial resources measurement focus, only current financial assets and liabilities are generally included on the balance sheets. The operating statements present sources and uses of available spendable financial resources during a given period. The fund balance is used as the measure of available spendable financial resources at the end of the period.

Under the modified accrual basis of accounting, revenues are recognized when measurable and available. Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year end. Expenditures (including capital outlay) are recorded when the related liability is incurred, except for debt service expenditures (principal and interest), as well as expenditures related to compensated absences which are reported when due.

C. Budgets and Budgetary Acconnting

The District prepares its budget on a basis of accounting that differs from generally accepted accounting principles (GAAP). The actual results of operations are presented in the Budgetary Comparison Schedule - General Fund - Budgetary Basis on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis of accounting and GAAP is that encumbrances are recorded as expenditures under the budgetary basis.

These budgets are revised by the District's governing body during the year to give consideration to unanticipated income and expenditures. The original and final revised budgets are presented for the General Fund in the financial statements.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

D. Cash and Investments

Cash held in banks are insured by the Federal Depository Insurance Corporation. All cash held by the financial institutions is fully insured or collateralized, except those which exceeds the maximum insured levels of the FDIC.

The District maintains substantially all its cash in the Santa Clara County Treasury. The county pools these funds with those of other Departments in the county and invests the cash. These pooled funds are carried at cost, which approximates market value. Interest earned is deposited quarterly into participating funds. Any investment losses are netted against interest income and proportionately shared by all funds in the pool.

E. Capital Assets

In the government-wide financial statements, capital assets purchased or acquired with an original cost of $5,000 or more are recorded at historical cost or at estimated historical cost, if actual historical cost is not available. Donated capital assets are valued at their estimated fair market value on the date of donation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation expense is provided over the assets' estimated useful lives using the straight-line method of depreciation. The estimated useful lives by type of assets are as follows:

Buildings and improvements	5-50 years
Vehicles and Equipment	3-30 years

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

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Upon sale of capital assets, the proceeds from sale of capital assets is included in the results of operations as other financing sources.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- Continued

F. Compensated Absences

Accumulated unpaid vacation and sick leave are recorded as a liability when future payments for such compensation absences have been earned by employees based on pay and salary rates in effect at year end. This liability is recorded as long-term debt in the government-wide financial statement of net position. The liability is not accrued in the governmental fund financial statement but is recognized only if it is due and payable in an event of termination.

G. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan's 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 repmted at fair value.

H. Deferred Outflow/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

I. Long-term Debt

In the government-wide financial statements, long-term debt and other long-term obligations are repmted as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of applicable bond premium or discount. Bond issue costs are expensed when incurred.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- Continued

In the fund financial statements, governmental funds recognized bond premiums and discounts as well as bond issuance costs, during the current period. The face amount of the debt issued, premiums, or discounts are reported as other financing sources/uses, whereas, issuance costs, are reported as debt service expenditures.

J. Equity Classifications

In government-wide and proprietary fund financial statements, equity is classified as net position and divided into three components:

- *Net Investment in Capital Assets* – This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.

- *Restricted Net Position* – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

- *Unrestricted Net Position*- This category represents net position of the District, not restricted for any project or other purpose.

Governmental funds report fund balances in classifications based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. Fund balance for governmental funds can consist of the following:

- *Nonspendable Fund Balance*- includes amounts that are (a) not in spendable form- such as inventory, prepaid amounts or long-term notes receivable, or (b) legally or contractually required to be maintained intact-such as a trust that must be retained in perpetuity. The "not in spendable form" criterion includes items that are expected to be converted to cash.

- *Restricted Fund Balance* – constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation. Restriction may effectively be changed or lifted only with the consent of resource providers.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

- *Committed Fund Balance* – amounts that can be used only be used for the specific purposes determined by a formal action of the District's highest level of decision-making authority, the Board. Commitments may be changed or lifted by the District taking the same formal action that imposed the constraint originally.

- *Assigned Fund Balance* – comprises amounts intended to be used by the District for specific purposes that are neither restricted nor committed. Intent is expressed by (a) the District's Board or (b) a body (e.g., a budget or finance committee) or official to which the District's Board has delegated the authority to assign, modifY, rescind amounts to be used for specific purposes. With the exception of the General Fund, this is the residual fund balance classification for all governmental funds with positive balances.

- *Unassigned Fund Balance* – the residual classification for the General Fund. It is also used to report negative fund balance in other governmental funds.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is generally depleted in the order of restricted, committed, assigned, and unassigned.

K. Estimates

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

L. Subsequent Events

Management has evaluated subsequent events through September 9, 2016.

NOTE 3. CASH AND INVESTMENTS

Cash and investments as of June 30, 2016 consist of the following:

	Carrying Amount	Fair Value
Cash and investments in County Treasury common pool:		
General Fund	$13,903,136	$13,928,504
Capital Project Fund	290,368	290,898
Investment with Fiscal Agents	350,586	350 586
Total cash and investments	$14 544 090	$14.569 988

NOTE 3. CASH AND INVESTMENTS - Continued

The District's fair value is based on their cash position as of June 30, 2016, in proportion to the entire cash held in the commingled County Pool. The fair value includes the amortization of premiums and discounts. The County's investments are registered with the SEC.

Based on the County's calculations, the District would have reflected an increase to cash and interest and investment income of $25,368 and $530 in the General Fund and Capital Project Fund, respectively. However, since such application is not material, the District's cash balance is stated at cost.

A. Cash in County Treasury

Funds with the County Treasurer are invested pursuant to investment policy established by the Treasurer and approved by the Board of Trustees. The objectives of the policy are, in order of priority, preservation of capital, liquidity and yield. The policy addresses the soundness of financial institutions in which the County deposits funds, the types of investment instruments and the percentage of the portfolio which may be invested in certain instruments, as permitted by Section 53600 et seq. of the Government Code of the State of California. The County Treasllly common pool at June 30, 2016 consisted of cash in bank, U.S. government and agency securities, corporate bonds, negotiable certificates of deposit, commercial paper, and deposits in the State's local agency investment fund. Additional information regarding the deposit and investment custodial credit, interest rate and credit risks of the County Treasury common pool can be found in the County's June 30, 2016 comprehensive annual financial report. A copy of that report may be obtained by contacting the County's Finance Agency, Controller-Treasurer Department, 70 West Hedding Street, 2nd Floor, East Wing, San Jose, CA 95110.

B. Investment with Fiscal Agents

The District maintains some funds with the fiscal agents as per the terms in the bond indenture. As per the investment policy of the bond indenture, these funds are invested in short-term investments. As of June 30, 2016, total investment of $350,586 was invested in the Federated Treasury Fund which is rated as AAA.

NOTE 4. CAPITAL ASSETS

The capital assets activities for the year ended June 30,2016 are as follows:

	Balance 6/30115	Additions/ Adjustments	Deletions/ Adjustments	Balance 6/30/16
Capital assets, not being Depreciated				
Land	$2,352,000	$	$	$2,352,000
Total capital assets, not being depreciated	2,352,000			2,352,000
Capital assets being Depreciated				
Building and improvements	4,556,516			4,556,516
Vehicles	1,058,115	80,205	30,173	1,108,147
Equipment	493,827	40 557	19,580	514 804
Total capital assets, being Depreciated	6,108,458	120,762	49,753	6 179 467
Less accumulated depreciation for				
Building and improvements	577,945	91,130		669,075
Vehicles	728,933	95,294	6,745	817,482
Equipment	410 716	29 571	7 187	433 100
Total accumulated Depreciation	1 717 594	215,995	13,932	1919657
Total capital assets, being depreciated, net	4,390,864	95,233	35,821	4,259,810
Govemment activities capital assets, net	$6,742 864	$2,Ull	$35,821	$6 611 810

NOTE 5. LONG-TERM DEBT

A. Certificates of Participation, 2006 Series TT

In November 2006, the District issued Certificates of Participation for $4,495,000, through California Special Districts Association (CSDA) Finance Corporation, to finance the acquisition of an office building.

Date of Issuance	Interest Rate	Maturity Date	Amount of Original Issue	Amount Outstanding July 1, 2015	Redeemed Current Year	Amount Outstanding June 30, 2016
11/15/2006	3.75-6.5%	6/1/2027	$4,495,000	$3,188,181	$195,000	$2,984,582

Debt Service Requirements to Maturity

Year ending June 30:	Principal	Interest	Total
2017	$ 205,000	$ 144,500	$ 349,500
2018	215,000	134,250	349,250
2019	225,000	123,500	348,500
2020	235,000	112,250	347,250
2021	245,000	100,500	345,500
2022-2026	1,435,000	304,500	1,739,500
2027	330,000	16,500	346,500
Total	2,890,000	$936,000	$3,826,000
Bond Premium, net of amortization	94,582		
Book Balance	$2,984,582		

NOTE 5. LONG-TERM DEBT - Continued

B. Changes iu Long-term Debt

The following is a summary of changes in long-term debt for the year ended June 30,2016:

	Balance July 1, 2015	Additions	Deductions	Balance June 30, 2016	Due within one year	Due beyond one year
Certificates of Participation	$3,085,000	$	$195,000	$2,890,000	$205,000	$2,685,000
Premium	103,181		8 599	94 582	8 599	85 983
subtotal	3,188,181		203,599	2,984,582	213,599	2,770,983
Compensated absences	415,110	54,962		470,072	43,790	426,282
Net pension liability	3.854,068	450,168		4,304,236		4,304,236
Totals	$7,457,352	$SQS l3Q	$203 592	$7,758 82Q	$257,389	$7 5Ql SQ!

NOTE 6. PENSION PLANS

A. General Information about the Pension Plan

The full description of the general information about the pension plan (outline below) can be found in the County's June 30, 2016 CAFR. A copy of that report may be obtained by contacting the County's Finance Agency, Controller-Treasurer Department, 70 West Hedding Street, 2"d Floor, East Wing, San Jose, CA 95110.

- Plan Description, Benefits Provided and Employees Covered
- Contribution Description
- Actuarial Methods and Assumptions Used to Determine Total Pension Liability
- Discount Rate
- Pension Plan Fiduciary Net Position
- Sensitivity of the Net Pension Liability to Changes in the Discount Rate
- Subsequent Events and
- Recognition of Gains and Losses

NOTE 6. PENSION PLANS- Continued

B. Changes in the Net Pension Liability

The following table shows the changes in net pension liability recognized over the measurement period (presented at **.19856614%,** which is the County of Santa Clara's calculation of the District's proportional share).

	lncrease(Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (c)= (a)- (b)
Balance at: 6/30/14 (VD)[1]	$16,985,937	$13,120,850	$3,865,087
Changes Recognized for the Measurement Period			
• Service Cost	397,932		397,932
• Interest on the Total Pension Liability	l,260,548		1,260,548
• Changes of Benefit Terms	-		-
• Difference between Expected and Actual Experience	26,168		(26,168)
• Change of Assumptions	(309,086)		(309,086)
• Plan to Plan Resource Movement		(1,148)	I,148
• Contributions from the Employers		413,251	(413,251'
• Contributions from Employees		193,685	(193,685)
• Net Investment Income'		293,231	(293,231)
• Benefit Payments, including Refunds of Employee Contributions	(743,800	(743,800)	-
• Administrative Expenses		(14,942)	14,942
Net Changes during 2014-15	$579,426	$140,277	$439,149
Balance at: 6/30/14 (MD)[1]	$17,565,363	$13,261,127	$4,304,236

[1]The fiduciary net position includes receivable for employee service buybacks, deficiency reserves, fiduciary self-insurance and OPEB expense. This may differ from the plan assets repotted in the funding actuarial **valuation report.**

[2] **Net of administrative expenses.**

NOTE 6. PENSION PLANS - Continued

C. Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

For the measurement period ending June 30, 2015 (the measurement date), the District incurred a total pension expense of $142,311 for the Plan.

No adjustments have been made for contributions subsequent to the measurement date. Adequate treatment of any contributions made after the measurement date is the responsibility of the employer.

As of June 30, 2015, the District has deferred outflows and deferred inflows of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and l\ctual Experience	-	$ (19,626)
Changes of Assumptions	-	(231,814)
Net Difference between Projected And Actual Earnings on Pension Plan Investments	$ 561,445	(670,792)

The amounts above are net of outflows and inflows recognized in the 2014-15 measurement period expense.

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

Measurement Period Ended June 30:	Deferred Outflows/(Inflows) of Resources
2016	$(167,049)
2017	(167,049)
2018	(167,049)
2019	(222,960)
2020	140,361
Remaining	-

The District's employer contributions for the year ending June 30,2016 is $378,216.

NOTE 7. RETIREMENT BENEFIT

Information regarding post employment benefits and post employment benefits other than pensions (OPEB) can be found in the County's June 30,2016 CAFR. A copy of that report may be obtained by contacting the County's Finance Agency, Controller-Treasurer Department, 70 West Hedding Street, 2nd Floor, East Wing, San Jose, CA 95110.

Required Supplementary Information
(Other than MD&A)

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
Budgetary Comparison Schedule- General Fund
Year Ended June 30, 2016

	Original Budget	Final Bud et	Actual Amount	Variance with Final Budget Favorable (Unfavorable)
Budgetary Fund Balances, Beginning	$ 14,189,400	$ 14,189,400	$ 14,189,400	$
Resources (Inflows)				
Benefit assessment	7,008,075	7,008,075	7,003,599	(4,476)
Interest income	62,376	62,376	89,501	27,125
Intergovernmental revenue	1,000	16,909	19,646	2,737
Other revenue	42,232	42,232	47,236	5,004
Amounts Available for Appropriation	7,113,683	7,129,592	7,159,982	30,390
Charges to Appropriations (Outflows)				
Health and sanitation				
Salaries and benefits	4,205,435	4,384,475	4,313,943	70,532
Services and supplies	3,045,606	2,964,736	2,488,628	476,108
Capital outlay		128,180	83,418	44,762
Debt service:				
Principal	205,000	205,000	195,000	10,000
Interest	175,000	175,000	152,300	22,700
Fees			1,980	(1,980)
Total Charges to Appropriations	7,631,041	7,857,391	7,235,269	622,122
Budgetary Fund Balances, Ending	$ 13,672,042	$ 13,461,601	$ 14,114,113	$ 652,512

Explanation of Differences behnen Budgetary Inflows and Outflows and GAAP Re\-'enues and Expenditures

Sources/Inflows of Resources	
Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule	$ 7,159,982
No reconciling items.	
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance- Governmental Fund	$ 7,159,982
Uses/Outflows of Resources	
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	$ 7,235,269
No reconciling items.	
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance-Governmental Fund	$ 7,235,269

Santa Clara County Vector Control District
Schedule of Changes in Net Pension Liability and Related Ratios
Safety Plan
Last Ten Fiscal Years*

Fiscal year	2015-16	2014-15
Mesurement period	2014-15	2013-14
TOTAL PENSION LIABILITY		
Service Cost	$ 397,932	$ 8,571,796
Interest	1,260,548	34,357,237
Changes of Benefit Terms		
Changes of Assumptions	(309,086)	
Differences Between Expected and Actual Experience	(26,168)	
Benefit Payments, including Refunds of Employee Contributions	(743,800)	(23,105,970)
Net Change in Total Pension Liability	579,426	19,823,063
Total Pension Liability - Beginning	16,985,937	465,363,578
Total Pension Liability- Ending (a)	$ 17,565,363	$ 485,186,641
PLAN FIDUCIARY NET POSITION		
Contributions - Employer	$ 413,251	$ 10,233,261
Contributions - Employees	193,685	3,886,260
Net Investment Income	293,231	55,532,305
Benefit Payments, including Refunds of Employee Contributions	(743,800)	(23,105,970)
Plan to Plan Resource Movement	(1,148)	
Administrative Expense	(14,942)	
Other Changes in Fiduciary Net Position		
Net Change in Fiduciary Net Position	140,277	46,545,856
Plan Fiduciary Net Position- Beginning	13,120,850	322,265,227
Plan Fiduciary Net Position- Ending (b)	$ 13,261,127	$ 368,811,083
Plan Net Pension Liability/(Asset)- Ending (a)- (b)	$ 4,304,236	$ 116,375,558
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.50%	76.01%
Covered-Employee Payroll	2,465,809	2,361,882
Plan Net Pension Liability/(Asset) as a Percentage of Covered-Employee Payroll	174.56%	4927.24%

[1] Net of administrative expenses. (2013-14 measurement period)

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

Notes to Schedule:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2014 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions: The discount rate was changed from 7.5 percent (net of administrative expense) to 7.65 percent.

Santa Clara County Vector Control District

Schedule of Plan Contributions

Safety Plan

Last Ten Fiscal Years*

Fiscal Year	2015-16	2014-15	2013-14
Actuarially Determined Contribution [1]	$ 378,216	$ 413,251	$ 373,013
Contributions in Relation to the Actuarially Determined Contribution'	(378,216)	(413,251)	(373,013)
Contribution Deficiency (Excess)	$	$	$
Covered-Employee Payroll[2],3	$ 2,465,809	$ 2,361,882	$ 2,293,089
Contributions as a Percentage of Covered-Employee Payroll'	15.34%	17.50%	16.27%

[1] **Employers are assumed to make contributions equal to the actuarially determined contributions. However, some** employers may choose to make additional contributions towards their unfunded liability. Employer contributions for such plans exceed the actuarially determined contributions.

[2] Covered-Employee Payroll represented above is based on pensionable earnings provided by the employer. However, GASB 68 defines covered-employee payroll as the total payroll of employees that are provided pensions through the pension plan. Accordingly, if pensionable earnings are different than total earnings for covered-employees, the employer should display in the disclosure footnotes the payroll based on total earnings for the covered group and recalculate the required payroll-related ratios.

[3] Payroll from prior year $2,361,882 was assumed to increase by the 3.00 percent payroll growth assumption.

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

Notes to **Schedule:**

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2013-14 were from the June 30, 2011 public agency valuations.

Actuarial Cost Method	Entry Age Normal
Amortization Method/Period	For details, see June 30,2011 Funding Valuation Report.
Asset Valuation Method	Actuarial Value of Assets. For details, see June 30, 2011 Funding Valuation Report.
Inflation	2.75%
Salmy Increases	Varies by Entry Age and Service
Payroll Growth	3.00%
Investment Rate of Return	7.50% Net of Pension Plan Investment and Administrative Expenses; includes Inflation.
Retirement Age	The probabilities of Retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007.
Mortality	The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and Post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Trustees of
Santa Clara County Vector Control District
San Jose, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, major fund, and remaining fund information of Santa Clara County Vector Control District (the "District"), a component unit of the County of Santa Clara, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated September 9, 2016.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Patel & Associates, LLP

Patel and Associates, LLP
San Jose, California
September 9, 2016

Schedule of Findings and Questioned Costs

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
Schedule of Findings and Questioned Costs
Year Ended June 30, 2016

Section I - Summary of Auditors' Results

Fbumcial Statements

Type of auditors' report issued:	Unmodified.
Internal control over financial reporting:	
• Material weakness(es) identified?	No.
• Significant deficiency(ies) identified?	None rep01ted.
Noncompliance material to financial statements noted?	No.
Federal Awards	Not applicable.

Section II– Financial Statement Findings

Our audit of the accompanying basic financial statements of Santa Clara County Vector Control District, as of and for the year ended June 30, 2016, disclosed no findings nor questioned costs.

Our report on Santa Clara County Vector Control District's internal control over financial rep01ting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards,* as of and for the year ended June 30, 2016, disclosed no findings nor questioned costs.

Section III– Federal Award Findings and Questioned Costs

The Santa Clara County Vector Control District has no major federal program as of and for the year ended June 30, 2016.

Summary Schedule of Prior Audit Findings

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
Summary Schedule of Prior Audit Findings
Year Ended June 30,2016

Section I– Financial Statement Findings

The audit of the basic financial statements of Santa Clara County Vector Control District, as of and for the year ended June 30, 2015, disclosed no findings nor questioned costs.

The repm1 on Santa Clara County Vector Control District's internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards,* as of and for the year ended June 30, 2015, disclosed no findings nor questioned costs.

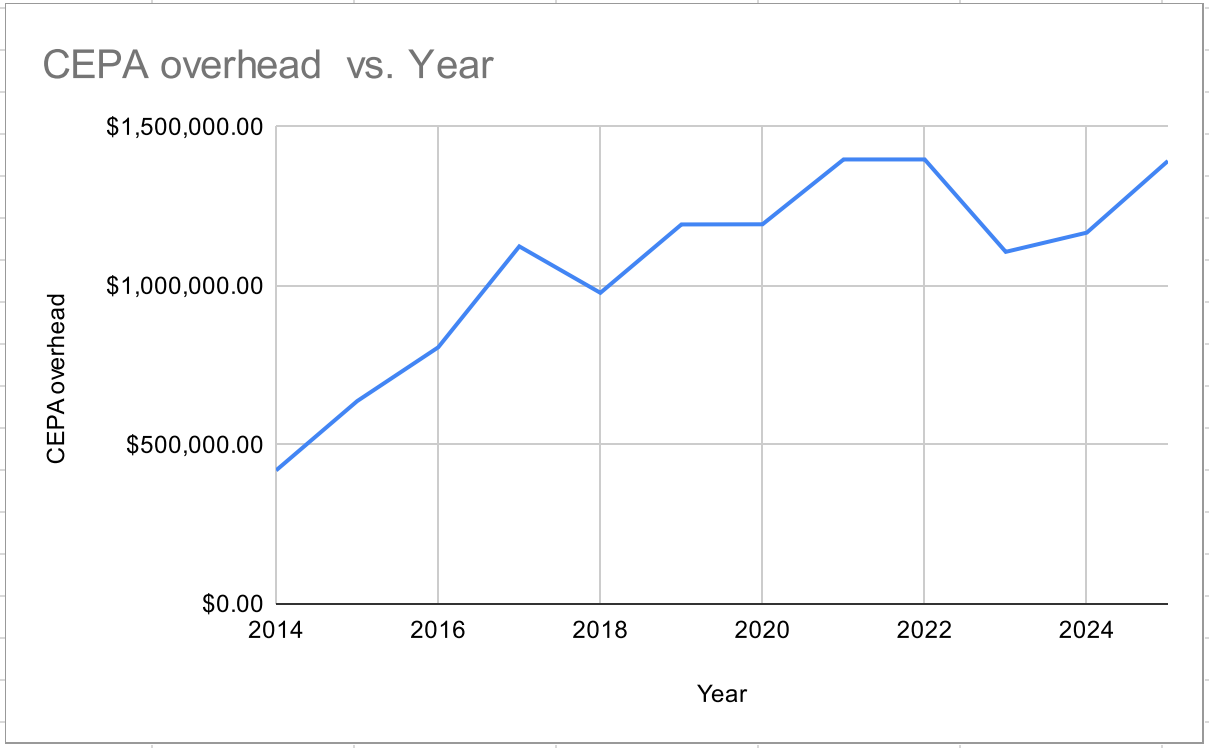
Section II - Federal Award Findings and Questioned Costs

The Santa Clara County Vector Control District has no major federal program as of and for the year ended June 30,2015.

Appendix C -
List of Consumer and Environmental Protection Agency Employees Funded by Vector Control Budget (FY23-24)

Job Code	Job Title	Projected Salar	% From VCD	$ From VCD
A50	Dir. CEPA	$331,005.00	42%	$139,022.10
A55	Ag Commisioner	$293,173	15%	$43,975.95
B1P	Mgmt Analyst	$204,051	10%	$20,405.10
B1P	Mgmt Analyst	$204,051	35%	$71,417.85
B2K	Admin Serv Mgr III	$278,565	15%	$41,784.75
B2R	Admin Support Officer I	$164,877	10%	$16,487.70
B77	Accountant III	$193,458	40%	$77,383.20
B78	Accountant II	$167,380	36%	$60,256.80
B78	Accountant II	$171,942		$0.00
B96	Dept Fiscal Officer	$245,641	36%	$88,430.76
C08	Sr. Exec. Assistant	$179,267	25%	$44,816.75
C29	Exec assistant I		20%	$0.00
C5H	Senior Comms Officer	$217,986	15%	$32,697.90
D09	Office Specialist III	$127,270		$0.00
D09	Office Specialist III	$127,270		$0.00
D09	Office Specialist III	$130,459		$0.00
D09	Office Specialist III	$127,270	100%	$127,270.00
D09	Office Specialist III	$127,270	100%	$127,270.00
D49	Office Specialist II	$123,267		$0.00
D49	Office Specialist II	$111,834		$0.00
D96	Accountant Assistant		36%	$0.00
G1T	IT Field Support Specialist	$215,292	30%	$64,587.60
G5F	Application Developer	$261,434	25%	$65,358.50
G6L	IT Manager	$315,899	60%	$189,539.40
G9F	IT Business Analyst	$237,097	50%	$118,548.50
V46	Env. Hlth. Safety Comp Speciali	$232,246	45%	$104,510.70
X09	Sr Office Specialist	$137,968		$0.00
X09	Sr Office Specialist	$137,968		$0.00
G5Q	Business Systems Analyst	$275,466	10%	$27,546.60
			Total	$1,461,310.16

Year	CEPA overhead
2014	$419,780.00
2015	$637,627.00
2016	$806,819.00
2017	$1,124,081.00
2018	$978,052.00
2019	$1,193,083.00
2020	$1,193,560.00
2021	$1,397,438.00
2022	$1,397,438.00
2023	$1,106,913.00
2024	$1,167,326.00
2025	$1,392,601.00



MAZE & ASSOCIATES

January 16, 2024

Mr. Ryan Clausnitzer
General Manager
Alameda County Mosquito Abatement District
23187 Connecticut Street
Hayward, CA 94545

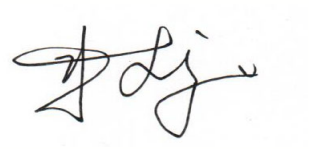
Dear Mr. Clausnitzer:

We are pleased to enclose the California State Controller's Annual Special Districts Transactions Report for the Alameda County Mosquito Abatement District for the fiscal year ended June 30, 2023. We have not audited the data as provided by the District in preparing the report as noted in the enclosed compilation report that is for your records.

Please have the District's Fiscal Officer electronically sign cover page to complete the submission of the report on or before **January 31, 2024**. In addition, email a copy of your audited financial statements to **SDSupport@sco.ca.gov.** A copy of the report is also enclosed for your files.

We appreciate this opportunity to serve you. If you have any questions or need additional information, please do not hesitate to call.

Yours very truly,



Grace Zhang

GZ :hm

Enclosures

Accountancy Corporation
3478 Buskirk Avenue, Suite 217
Pleasant Hill, CA 94523

T 925.228.2800
E maze@mazeassociates.com
W mazeassociates.com

Special District Name: Alameda County Mosquito Abatement District
Special Districts' Financial Transactions Report
General Information

Fiscal Year: 2023

District Mailing Address

Street 1	23187 Connecticut Street	☐ Has Address Changed?			
Street 2					
City	Hayward	State	CA	Zip	94545-1605
Email	ryan@mosquitoes.org				

Members of the Governing Body

	First Name	M. I.	Last Name	Title
Member 1	Victor		Aguilar	President
Member 2	Cathy		Roache	Vice President
Member 3	Steven		Cox	Secretary
Member 4	Robin		Lopez	Trustee
Member 5	George		Syrop	Trustee
Member 6	Kashef		Qaadri	Trustee
Member 7	Subru		Bhat	Trustee
Member 8	Eric		Hentschke	Trustee
Member 9	Valerie		Arkin	Trustee
Member 10	Courtney		Welch	Trustee
Member 11	Hope		Salzer	Trustee
Member 12	P. Robert		Beatty	Trustee
Member 13	Jan	O	Washburn	Trustee
Member 14	Tyler		Savage	Trustee
Member 15	George		Young	Trustee
Member				

District Fiscal Officers

	First Name	M. I.	Last Name	Title	Email
Official 1	Ryan		Clausnitzer	General Manager	ryan@mosquitoes.org
Officials					

Report Prepared By

First Name	Grace	M. I.		Last Name	Zhang
Telephone	(925) 228-2800	Email	gracez@mazeassociates.com		

Independent Auditor

Firm Name	Maze & Associates				
First Name	Vikki	M. I.	M	Last Name	Rodriguez
Telephone	(925) 228-2800				

1. Is this district a component unit of a City, County, or Special District (Choose one)? If “Yes”, answer question 2. ○ Yes ◉ No

2. Is this district a blended component unit (BCU) or a discretely presented component unit (DPCU) of a City, County, or Special District (Choose one)? Refer to the Financial Transactions Report (FTR) instructions for definitions of these terms. If the district is a BCU, answer questions 3 - 5.

○ BCU ○ DPCU

3. Is financial data of this BCU included in the financial statements or Annual Comprehensive Financial Report (ACFR) of a City, County, or Special District (Choose one)?

○ City ○ County ○ Special District

4. In which City, County, or Special District financial statements or ACFR is the financial data of this BCU included?

City name:

County name:

Special District name:

5. Is financial data of this BCU included in the City, County, or Special District FTR (Choose one)? ○ Yes ○ No

6. In preparing the District’s financial transactions reports for governmental fund type accounts, which basis of accounting was used? (Choose one):

○ Cash basis ○ Modified cash basis ◉ Modified accrual basis ○ Full accrual basis ○ N/A

7. In preparing the District’s financial transactions reports for proprietary fund type accounts (Internal Service Funds and Enterprise Funds), which basis of accounting was used? (Choose one):

○ Cash basis ○ Modified cash basis ○ Modified accrual basis ○ Full accrual basis ◉ N/A

8. In preparing the District’s financial transactions reports for fiduciary fund type accounts, which basis of accounting was used? (Choose one):

○ Cash basis ○ Modified cash basis ○ Modified accrual basis ○ Full accrual basis ◉ N/A

Special District Name: Alameda County Mosquito Abatement District
Special Districts' Financial Transactions Report - Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances

Fiscal Year: 2023

Activity: (1 of 1) (Record Completed) Pest Control

		General	Special Revenue	Debt Service	Capital Projects	Permanent	Total Governmental Funds
	Revenues						
	Taxes and Assessments						
R01.	Current Secured and Unsecured (1%)	3,005,363					3,005,363
R02.	Voter-Approved Taxes						
R03.	Pass-through and Residual Property Taxes (ABX1 26)	456,130					456,130
R05.	Tax Increment						
R06.	Parcel Tax						
R07.	Property Assessments	1,999,781					1,999,781
R09.	Prior-Year Taxes and Assessments						
R10.	Penalties and Costs of Delinquent Taxes and Assessments						
R11.	Other Taxes and Assessments						
R12.	Total Taxes and Assessments	5,461,274	0	0	0	0	5,461,274
R13.	Licenses, Permits, and Franchises						
R14.	Fines, Forfeitures, and Penalties						
	Revenue from Use of Money and Property						
R15.	Investment Income	362,688					362,688
R16.	Rents, Leases, Concessions, and Royalties						
R17.	Other Revenue from Use of Money and Property						
R18.	Total Revenue from Use of Money and Property	362,688	0	0	0	0	362,688
	Intergovernmental – Federal						
R19.	Aid for Construction						
R20.	Other Intergovernmental – Federal						
R21.	Total Intergovernmental – Federal	0	0	0	0	0	0
	Intergovernmental – State						
R22.	Aid for Construction						
R23.	State Water Project						
R24.	Homeowners Property Tax Relief	15,832					15,832
R25.	Timber Yield						
R26.	Other Intergovernmental – State						
R27.	Total Intergovernmental – State	15,832	0	0	0	0	15,832
R28.	Intergovernmental – Other						
R29.	Charges for Current Services						
R30.	Contributions from Property Owners						
	Self-Insurance Only						
R31.	Member Contributions						
R32.	Claim Adjustments						
R33.	Total Self-Insurance Only	0	0	0	0	0	0
R34.	Other Revenues	160,724					160,724
R35.	**Total Revenues**	$6,000,518	$0	$0	$0	$0	$6,000,518
	Expenditures						
R36.	Salaries and Wages	2,318,987					2,318,987
R37.	Employee Benefits	1,163,437					1,163,437

R38.	Services and Supplies	994,633					994,633
R39.	Self-Insurance Only – Claims Paid						
R40.	Contributions to Outside Agencies						
	Debt Service						
R40.5	Lease Financing, Principal and Interest Payments						
R41.	Principal Payments on Long-Term Debt						
R42.	Interest Payments on Long-Term Debt						
R43.	Principal and Interest on Short-Term Notes and Warrants						
R44.	Other Debt Service						
R45.	Total Debt Service	0	0	0	0	0	0
R46.	Capital Outlay	49,535					49,535
R47.	Other Expenditures						
R48.	**Total Expenditures**	$4,526,592	$0	$0	$0	$0	$4,526,592
R49.	**Excess (Deficiency) of Revenues Over (Under) Expenditures**	$1,473,926	$0	$0	$0	$0	$1,473,926
	Other Financing Sources (Uses)						
R49.5	Lease Financing						
R50.	Long-Term Debt (Bonds, COPs, and Other Agency Debt)						
R51.	Construction Financing and Other Long-Term Debt						
R51.6	Proceeds from Refinancing on Loans, Notes, and Other						
R51.7	Payments to Refinanced Loans, Notes, and Other						
R52.	Refunding Bonds Proceeds						
R53.	Premium on Bonds Issued						
R54.	Discount on Bonds Issued						
R55.	Payments to Refunded Bond Escrow Agent						
R56.	Demand Bonds						
R57.	Proceeds from Sale of Capital Assets						
R59.	Insurance Recoveries						
R60.	Transfers In						
R61.	Transfers Out						
R61.5	Other Financing Sources (Uses) – Other						
R62.	**Total Other Financing Sources (Uses)**	$0	$0	$0	$0	$0	$0
	Special and Extraordinary Items						
R63.	Special Item						
R64.	Extraordinary Item						
R65.	**Total Special and Extraordinary Items**	0	0	0	0	0	0
R66.	**Net Change in Fund Balances**	$1,473,926	$0	$0	$0	$0	$1,473,926
R67.	**Fund Balances (Deficits), Beginning of Fiscal Year**	$11,668,314	$0	$0	$0	$0	$11,668,314
R68.	**Adjustment**						
R69.	Reason for Adjustment						
R70.	**Fund Balances (Deficits), End of Fiscal Year**	$13,142,240	$0	$0	$0	$0	$13,142,240

Special District Name: Alameda County Mosquito Abatement District
Special Districts' Financial Transactions Report
Balance Sheet
Governmental Funds

Fiscal Year: 2023

		General	Special Revenue	Debt Service	Capital Projects	Permanent	Total Governmental Funds
	Assets						
R01.	Cash and Investments	13,299,779					13,299,779
R02.	Investments						
R03.	Accounts Receivable (net)						
R04.	Taxes Receivable						
R05.	Interest Receivable (net)						
R05.5	Leases Receivable						
R07.	Due from Other Funds						
R08.	Due from Other Governments						
R09.	Advances to Other Funds						
R10.	Inventories						
R11.	Prepaid Items						
R12.	Loans, Notes, and Contracts Receivable						
R13.	Other Assets 1						
R14.	Other Assets 2						
R15.	Other Assets 3						
R16.	**Total Assets**	$13,299,779	$0	$0	$0	$0	$13,299,779
R17.	**Deferred Outflows of Resources**						
R18.	**Total Assets and Deferred Outflows of Resources**	$13,299,779	$0	$0	$0	$0	$13,299,779
	Liabilities						
R19.	Accounts Payable	157,539					157,539
R20.	Contracts and Retainage Payable						
R21.	Interest Payable						
R22.	Due to Other Funds						
R23.	Due to Other Governments						
R24.	Advances from Other Funds						
R25.	Deposits and Advances						
R26.	Loans and Notes Payable						
R27.	Other Liabilities 1						
R28.	Other Liabilities 2						
R29.	Other Liabilities 3						
R30.	**Total Liabilities**	$157,539	$0	$0	$0	$0	$157,539
R31.	**Deferred Inflows of Resources**						
R32.	**Total Liabilities and Deferred Inflows of Resources**	$157,539	$0	$0	$0	$0	$157,539

	Fund Balances (Deficits)						
R33.	Nonspendable						
R34.	Restricted						
R35.	Committed						
R36.	Assigned	13,142,240					13,142,240
R37.	Unassigned						
R38.	**Total Fund Balances (Deficits)**	$13,142,240	$0	$0	$0	$0	$13,142,240
R39.	**Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)**	$13,299,779	$0	$0	$0	$0	$13,299,779

Special District Name: Alameda County Mosquito Abatement District
Special Districts' Financial Transactions Report
Noncurrent Assets, Deferred Outflows of Resources,
Noncurrent Liabilities, and Deferred Inflows of Resources
Governmental Funds

Fiscal Year: 2023

		Noncurrent Assets/Deferred Outflows of Resources	Noncurrent Liabilities/Deferred Inflows of Resources
	Noncurrent Assets		
R00.5	Lease Receivable		
	Capital Assets		
R01.	Land	61,406	
R02.	Buildings and Improvements	4,760,618	
R03.	Equipment	1,778,277	
R04.	Infrastructure		
R05.	Intangible Assets – Amortizable		
R05.5	Lease Assets (Lessee)		
R06.	Construction in Progress	26,128	
R07.	Intangible Assets – Nonamortizable		
R08.	Other Capital Assets		
R09.	Less: Accumulated Depreciation/Amortization	-4,570,934	
R10	Net Pension Asset		
R11	Net OPEB Asset	1,199,826	
R12	Other Noncurrent Assets 1		
R13	Other Noncurrent Assets 2		
R14	Other Noncurrent Assets 3		
R15.	**Total Noncurrent Assets**	$3,255,321	
	Deferred Outflows of Resources		
R16	Related to Pensions	1,900,029	
R17	Related to OPEB	659,431	
R18	Related to Debt Refunding		
R19	Other Deferred Outflows of Resources		
R20.	**Total Deferred Outflows of Resources**	$2,559,460	
R21.	**Total Noncurrent Assets and Deferred Outflows of Resources**	$5,814,781	

	Noncurrent Liabilities		
R22.	Deposits and Advances		
R23.	Compensated Absences		210,892
R24.	General Obligation Bonds		
R25.	Revenue Bonds		
R26.	Certificates of Participation		
R27.	Other Bonds		
R28.	Loans (Other Long-Term Debt)		
R29.	Notes (Other Long-Term Debt)		
R30.	Other (Other Long-Term Debt)		
R31.	Construction Financing – Federal		
R32.	Construction Financing – State		
R32.5	Lease Liability		
R33.	Lease Obligations (Purchase Agreements)		
R34.	Net Pension Liability		4,327,920
R35.	Net OPEB Liability		
R36.	Other Noncurrent Liabilities 1		
R37.	Other Noncurrent Liabilities 2		
R38.	Other Noncurrent Liabilities 3		
R39.	**Total Noncurrent Liabilities**		$4,538,812
	Deferred Inflows of Resources		
R40	Related to Pensions		272,874
R41	Related to OPEB		667,236
R42	Related to Debt Refunding		
R42.5	Related to Leases		
R43	Other Deferred Inflows of Resources		
R44.	**Total Deferred Inflows of Resources**		$940,110
R45.	**Total Noncurrent Liabilities and Deferred Inflows of Resources**		$5,478,922

Special District Name: Alameda County Mosquito Abatement District
Special Districts' Financial Transactions Report
Appropriations Limit Information

Fiscal Year: 2023

R01.	Appropriations Limit	
R02.	Total Annual Appropriations Subject to the Limit	
R03.	**Revenues Received (Over) Under Appropriations Limit**	

Special District Name: Alameda County Mosquito Abatement District
Special Districts' Financial Transactions Report
Summary

Fiscal Year: 2023

		Governmental Funds	Internal Service Fund	Enterprise Fund	Total
	Governmental Revenues				
R01.	General	6,000,518			
R02.	Special Revenue				
R03.	Debt Service				
R04.	Capital Projects				
R05.	Permanent				
R06.	Transportation				
R07.	**Total Governmental Revenues**	$6,000,518			
	Internal Service Revenues				
R08.	Total Operating Revenues		$0		
R09.	Total Non-Operating Revenues		$0		
R10.	**Total Internal Service Revenues**		$0		
	Enterprise Revenues				
	Operating Revenues				
R11.	Airport				
R12.	Electric				
R13.	Gas				
R14.	Harbor and Port				
R15.	Hospital				
R16.	Sewer				
R17.	Solid Waste				
R18.	Transit				
R19.	Water				
R20.	Other Enterprise				
R21.	Conduit				
R22.	Transportation				
R23.	**Total Operating Revenues**			$0	
	Non-Operating Revenues				
R24.	Airport				
R25.	Electric				
R26.	Gas				
R27.	Harbor and Port				
R28.	Hospital				
R29.	Sewer				
R30.	Solid Waste				
R31.	Transit				
R32.	Water				
R33.	Other Enterprise				
R34.	Conduit				
R35.	Transportation				
R36.	**Total Non-Operating Revenues**			$0	
R36.5	**Total Revenues**	$6,000,518	$0	$0	$6,000,518
	Governmental Expenditures				

R37.	General	4,526,592			
R38.	Special Revenue				
R39.	Debt Service				
R40.	Capital Projects				
R41.	Permanent				
R42.	Transportation				
R43.	**Total Governmental Expenditures**	$4,526,592			
	Internal Service Expenses				
R44.	Total Operating Expenses		$0		
R45.	Total Non-Operating Expenses		$0		
R46.	**Total Internal Service Expenses**		$0		
	Enterprise Expenses				
	Operating Expenses				
R47.	Airport				
R48.	Electric				
R49.	Gas				
R50.	Harbor and Port				
R51.	Hospital				
R52.	Sewer				
R53.	Solid Waste				
R54.	Transit				
R55.	Water				
R56.	Other Enterprise				
R57.	Conduit				
R58.	Transportation				
R59.	**Total Operating Expenses**			$0	
	Non-Operating Expenses				
R60.	Airport				
R61.	Electric				
R62.	Gas				
R63.	Harbor and Port				
R64.	Hospital				
R65.	Sewer				
R66.	Solid Waste				
R67.	Transit				
R68.	Water				
R69.	Other Enterprise				
R70.	Conduit				
R71.	Transportation				
R72.	**Total Non-Operating Expenses**			$0	
R72.5	**Total Expenditures/Expenses**	$4,526,592	$0	$0	$4,526,592
R73.	Transfer In				
R74.	Transfer Out				
R75.	**Change in Fund Balance/Net Position**	$1,473,926	$0	$0	$1,473,926
R76.	**Fund Balance/Net Position (Deficit), Beginning of Fiscal Year**	$11,668,314	$0	$0	$11,668,314
R77.	Adjustments				
R78.	**Fund Balance/Net Position (Deficit), End of Fiscal Year**	$13,142,240	$0	$0	$13,142,240

	Assets				
R79.	Total Current Assets	13,299,779			13,299,779
R80.	Total Noncurrent Assets				
R81.	**Total Assets**	$13,299,779	$0	$0	$13,299,779
	Liabilities				
R82.	Total Current Liabilities	157,539			157,539
R83.	Total Noncurrent Liabilities				
R84.	**Total Liabilities**	$157,539	$0	$0	$157,539
R85.	**Total Fund Balance/Net Position (Deficit)**	$13,142,240	$0	$0	$13,142,240

Special District of Alameda County Mosquito Abatement District
Special District Financial Transactions Report
Footnotes

Fiscal Year: 2023

FORM DESC	FIELD NAME	FOOTNOTES
RevenuesExpendituresChangesFundBalances	(R34)Gen-OtherRevenues	(Pest Control) Miscellaneous
RevenuesExpendituresChangesFundBalances	(R46)Gen-CapitalOutlay	(Pest Control) Purchase of new vehicle and microscope in current year.
AppropriationsLimitInformation	(R01)AppropriationsLimit	The District is exempt from preparing a board approved appropriation limit set forth in the provisions of California Constitutional Article XIII B due to the provision in Health and Safety Code section 2072 (b) "this section shall not apply to a district which existed on January 1, 1978, and that did not as of the 1977-78 fiscal year levy an ad valorem tax on property in excess of twelve and one-half cents ($0.125 per one hundred dollars of assessed value.
AppropriationsLimitInformation	(R02)TotalAnnualAppropriationsSubjecttotheLimit	The District is exempt from preparing a board approved appropriation limit set forth in the provisions of California Constitutional Article XIII B due to the provision in Health and Safety Code section 2072 (b) "this section shall not apply to a district which existed on January 1, 1978, and that did not as of the 1977-78 fiscal year levy an ad valorem tax on property in excess of twelve and one-half cents ($0.125 per one hundred dollars of assessed value.
NoncurrentAssetsLiabilities	(R06)CapAsst-ConstructioninProgress	There is an addition of construction in progress in current year.
NoncurrentAssetsLiabilities	(R34)Liab-NetPensionLiability	The County reported $4,327,920 as their net pension liability for its proportionate shares of NPL of the cost sharing plan.

Total Footnote: 6

MAZE & ASSOCIATES

ACCOUNTANTS COMPILATION REPORT

Board of Directors
Alameda County Mosquito Abatement District
Hayward, California

Management is responsible for the accompanying Annual Financial Transactions Report of the Alameda County Mosquito Abatement District, as of and for the year ended June 30, 2023, included in the accompanying prescribed form in accordance with the requirements of Government Code Section 53891 and the California State Controller's Office's Special Districts Financial Transactions Report Instructions dated 11/2023. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial information included in the accompanying Annual Financial Transactions Report prescribed form nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the financial information included in the accompanying Annual Financial Transactions Report prescribed form.

The financial information included in the accompanying Annual Financial Transactions Report prescribed form are presented in accordance with the requirements of the California State Controller's Office, and are not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

Management has omitted the disclosures ordinarily included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America, because such disclosures are not a requirement of the Annual Financial Transactions Report prescribed form.

This report is intended solely for the information and use of the District and the California State Controller's Office, and is not intended to be and should not be used by anyone other than these specified parties.

Maze & Associates

Pleasant Hill, California
January 16, 2024

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SANTA CLARA VECTOR CONTROL DISTRICT

AUDITED FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT

JUNE 30, 2021



HARSHWAL & COMPANY LLP

CERTIFIED PUBLIC ACCOUNTANTS

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HARSHWAL® & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Santa Clara County Vector Control District
San Jose, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the remaining fund information of the Santa Clara County Vector Control District (the "District"), a component unit of the County of Santa Clara, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express 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. 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 District'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 District'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.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Santa Clara County Vector Control District, as of June 30, 2021, and the respective changes in financial position thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 - 10, budgetary comparison schedule - general fund, schedule of proportionate share of net pension liability and related ratios, schedule of changes in net OPEB liability and related ratios, and schedule of plan contributions - pension and OPEB on pages 36 - 42 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 November 11, 2021, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Harshwal & Company LLP

Oakland, California
November 11, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS
(REQUIRED SUPPLEMENTARY INFORMATION)

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021

This section of the Santa Clara County Vector Control District (the "District") annual financial report presents a management discussion and analysis of the District's financial performance for the fiscal year ended June 30, 2021. The District's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosure following this section:

FINANCIAL HIGHLIGHTS

- The total assets and deferred outflow of resources of the District exceeded total liabilities and deferred inflow of resources by $9,713,394 (net position) for the fiscal year reported. Of this amount, $6,421,576 is a net investment in capital assets, while $3,291,818 was restricted for general purposes.
- The District's total net position increased by $638,395 during the fiscal year, after including the effect of restatement recorded.
- As of June 30, 2021, the District's governmental funds reported combined ending fund balances of $10,905,316. The entire amount is restricted to be spent only for the missions that the District is committed to.
- At the end of the fiscal year, the restricted fund balance for the general fund was $10,592,044, or 135% of the total general fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: (1) Government-wide financial statements, (2) Fund financial statements, and (3) Notes to the basic financial statements. Required Supplementary Information is included in addition to the basic financial statements.

Government-wide Financial Statements

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

The *statement of net position* presents information on all of the District's assets, deferred outflow, liabilities, and deferred inflow with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether or not the financial position of the District is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The only governmental activity of the District is health and sanitation. The District does not have any business-type activities.

Fund Financial Statements

The fund financial statements are designed to report information about groupings of related accounts, which are used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into one category only, governmental funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements - i.e., most of the District's basic services are reported in governmental funds. These statements, however, focus on (1) how cash and other financial assets can readily be converted to available resources and (2) the balances left at year-end that are available for spending. Such information may be useful in determining what financial resources are available in the near future to finance the District's programs.

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 financial decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains two governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and capital projects.

The District does not have any proprietary and fiduciary funds.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information

The required supplementary information is presented concerning the District's budgetary comparison schedule. The District adopts an annual appropriated budget for its General Fund and Capital Project Fund. A budgetary comparison schedule has been provided for the General Fund to demonstrate compliance with this budget and to satisfy the requirement of GASBS No. 34, as amended.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Governmental net position

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 outflow of resources exceeded liabilities and deferred inflow of resources by $9,713,394 at the close of the most recent fiscal year.

NET POSITION
GOVERNMENTAL ACTIVITIES

	2021	2020	Change %
ASSETS			
Current and other assets	$11,171,880	$10,425,078	7.16 %
Noncurrent assets	6,421,576	6,337,303	1.33 %
Total assets	17,593,456	16,762,381	4.96 %
DEFERRED OUTFLOWS OF RESOURCES	1,432,324	1,381,376	3.69 %
LIABILITIES			
Current and other liabilities	298,054	357,847	(16.71)%
Noncurrent liabilities	7,926,024	7,989,006	(0.79)%
Total liabilities	8,224,078	8,346,853	(1.47)%
DEFERRED INFLOWS OF RESOURCES	1,088,308	721,905	50.76 %
NET POSITION			
Net investment in capital assets	6,421,576	6,337,303	1.33 %
Restricted	3,291,818	2,737,696	20.24 %
Total net position	$ 9,713,394	$ 9,074,999	7.03 %

Analysis of Net Position

The larger balance of the District's net position of $6,421,576, 66% of the total net position, represents a net investment in capital assets (e.g., land, building and improvements, vehicles, and equipment). The District uses these capital assets to provide services to citizens; consequently, these are not available for future spending.

The remaining portion of the District's net position of $3,291,818, 34% of the total net position, represents resources that are subject to external restrictions on how they may be used.

At the end of the current fiscal year, the District reported positive balances in both categories of net position.

Governmental Activities

Governmental activities increased the District's total net position by $638,395, including restatement recorded, thereby accounting for 7.03% of the total increase in net position of the District. The following table indicates the changes in net position for governmental activities:

CHANGES IN NET POSITION
GOVERNMENTAL ACTIVITIES

	2021	2020	Change %
REVENUES			
Benefit assessment	$ 7,289,163	$ 7,130,975	2.22 %
Interest income	89,336	176,765	(49.46)%
Gain on sale of capital assets	-	4,062	(100.00)%
Intergovernmental	1,235,806	92,232	1,239.89 %
Other revenues	33,776	26,570	27.12 %
Total revenues	8,648,081	7,430,604	16.38 %
EXPENSES			
Health and sanitation	7,957,716	8,481,668	(6.18)%
Total expenses	7,957,716	8,481,668	(6.18)%
Change in net position	690,365	(1,051,064)	(165.68)%
Net position - beginning of year	9,074,999	10,070,908	(9.89)%
Restatement	(51,970)	55,155	(194.23)%
Net position - beginning of year, restated	9,023,029	10,126,063	(10.89)%
Net position - end of year	$ 9,713,394	$ 9,074,999	7.03 %

Analysis of Changes in Net Position

A key element of an increase in net position by $638,395 was an increase in intergovernmental revenue received as reimbursements for the District's staff assisting as DSW's in COVID response. Also, there has been a decrease in overall expenses and an increase in assessment revenues.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

Governmental Funds

The general government functions are contained in the General Funds and the Capital Project. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balance of spendable resources. Such information is useful in assessing the District's financing requirements.

As of June 30, 2021, the District's governmental funds reported combined ending fund balances of $10,905,316, an increase of $823,850 in comparison with the prior year, largely due to an increase in cash and investment of the general fund. All of the combined ending fund balances constitute restricted fund balance for general purposes.

The general fund is the chief operating fund of the District. As of June 30, 2021, the restricted fund balance of the general fund was $10,592,044, while the total fund balance reached $10,905,316. The total fund balance of the general fund represents 135% of the total general fund expenditures of $7,824,231.

Revenues for governmental functions totaled $8,648,081 in the current fiscal year, which represents an increase of $1,217,477 from the previous fiscal year. Expenditures for governmental functions totaled $7,824,231, which represents a decrease of $87,613 from the previous fiscal year. In the current fiscal year, revenues for governmental functions exceeded expenditures by $823,850.

The following table presents the revenues from various sources as well as increases or decreases from the prior year.

REVENUES CLASSIFIED BY SOURCE
GOVERNMENTAL FUNDS

	2021		2020		
	Amount	% of Total	Amount	% of Total	Change %
Revenues by source					
Benefit assessment	$7,289,163	84.29 %	$7,130,975	95.97 %	2.22 %
Interest income	89,336	1.03 %	176,765	2.38 %	(49.46)%
Gain on sale of capital assets	-	- %	4,062	0.05 %	(100.00)%
Intergovernmental revenue	1,235,806	14.29 %	92,232	1.24 %	1,239.89 %
Other revenues	33,776	0.39 %	26,570	0.36 %	27.12 %
Total	$8,648,081	100.00 %	$7,430,604	100.00 %	16.38 %

Intergovernmental revenues represent mainly transfer from County as reimbursements for the District's staff assisting as DSW's in COVID response. Other revenues represent water pollution control and plant mosquito control provided by the District to the City of San Jose, the level of which fluctuates every year.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the year, actual revenues were more than budgetary estimates by $1,348,963. This favorable variance is mainly due to a surge in intergovernmental transfer income which was not included in the budget. Actual expenditures were less than budgetary estimates by $2,367,081. This favorable variance is due to a decrease in salary expenditure because of staff vacancies and a decrease in expenditures for professional services, advertising, capital outlay, and departmental charges.

CAPITAL ASSETS AND DEBT ADMINISTRATION

CAPITAL ASSETS

The District's capital assets for its governmental activities as of June 30, 2021, amounted to $6,421,576 (net of accumulated depreciation). The capital assets include land, building and improvements, vehicles, and equipment. An increase in the District's capital assets for the current period was $84,273, mainly due to the net effect of capital assets additions, as reduced by depreciation over assets in use.

Capital assets for the governmental activities are presented below to illustrate changes from the prior year:

	Governmental Activities		
	2021	2020	Change %
Land	$ 2,352,000	$ 2,352,000	- %
Building and improvements	4,630,727	4,556,516	1.63 %
Vehicles	1,869,106	1,545,831	20.91 %
Equipment	556,146	525,675	5.80 %
Total Cost	9,407,979	8,980,022	4.77 %
Less: accumulated depreciation	(2,986,403)	(2,642,719)	(13.00)%
Capital assets, net	$ 6,421,576	$ 6,337,303	1.33 %

LONG TERM LIABILITIES

The District's long-term liabilities for its governmental activities as of June 30, 2021, amounted to $7,926,024. Long-term liabilities consist of compensated absences, net pension liabilities, and net OPEB liabilities. A decrease in long-term liabilities for an amount of $62,982 was mainly due to a decrease in net OPEB liability.

Long term liabilities for the governmental activities are presented below to illustrate changes from the prior year:

	Governmental Activities		
	2021	2020	Change %
Compensated absences	$ 374,822	$ 366,162	2.37 %
Net OPEB liability	1,891,622	2,318,213	(18.40)%
Net pension liability	5,659,580	5,304,631	6.69 %
Totals	$ 7,926,024	$ 7,989,006	(0.79)%

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Mosquito, Vector and Disease Control Assessment relies on two benefit assessments to fulfill the District Service Mission "to detect and minimize vector borne disease, to abate mosquitoes, and to assist the public in resolving problems with rodents, wildlife, tick borne diseases and insects of medical significance". Several factors help to maintain the stability of the revenue stream from the benefit assessments, and thus, the consistency of the economic picture. The number of parcels added to the District's benefit assessment roll rises at less than 1 percent annually; the current assessments do not include a "sunset clause"; annual assessed amounts cannot contain a CPI U (maximum 3%) adjustment without the approval from the District Board of Trustees; and no additional assessments are being proposed. Historically, the Board has approved recommended CPI U adjustments. Revenue from the two benefit assessments totaled $7,289,163 for FY 2021 and projected to total $ 7,417,311 for FY 2022. The District will also be increasing the 2005 benefit assessment by 1.72% in FY 2022 to reflect changes in the CPI-U for the San Francisco region, increasing that assessment by $0.14 per SFE. Assessment increase was approved by the Board on June 22, 2021.

One significant development on the horizon is the potential invasion and establishment of three invasive daytime-biting mosquito species. The *Aedes albopictus*, Asian Tiger Mosquito (ATM) is currently established in southern California, and the *Aedes aegypti*, Yellow Fever Mosquito (YFM) has been discovered in multiple locations throughout California, including San Mateo, Alameda, San Joaquin, Placer, and Sacramento Counties, and *Aedes notoscriptus (Skuse)*, the Australian backyard mosquito was discovered within 44 cities in Los Angeles County in 2014. These infestations have continued to expand since 2013. When established in the County, these three species will significantly alter mosquito control operations and place additional financial burden on the District. Of even greater import is the fact that these two species transmit Zika, Dengue and Chikungunya viruses, and that imported cases of these diseases have been and will continue to occur within the County as people travel to and from areas where these viruses are widespread. The District plan to address more surveillance for invasive mosquitoes in FY22. There is a "New Finding" in neighboring Alameda county for Murine typhus in fleas in their unhoused residence, the District conducted surveillance for Murine typhus in Santa Clara County homeless camp in 2019. Because of the pandemic, the Pilot study was placed on hold. The last part of the murine typhus pilot study will be conducted by March 2022. The primary location consisted of homeless encampments, but also included the Newbie Island dump in Milpitas. On September 2021 California Department of Public Heath (CDPH) informed the District of a probable case of a tick-borne disease (Rickettsia 364 D) from Saratoga. This is the second confirmed human case associated with the bacteria from the same location, which was transmitted by Pacific Coast tick (*Dermacentor occidentalis*). The District will schedule to collect the ticks from the area to perform in-house testing for the disease. In FY22, American Dog Ticks (*Dermacentor variabilis*) will be collected and tested by the District to look for potential zoonotic disease.

All California districts face uncertainty related to regulatory oversight, and the increasing complexity and costs of doing vector control. The District has seasonal staff assigned to reduce the mosquito population. No further increases planned untill the end of fiscal year. Though these costs do not significantly alter the financial outlook for the District they highlight the need to maintain budget reserves and to coordinate with other Districts to ensure that unforeseen costs are covered.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Santa Clara County Vector Control District, 1580 Berger Dr. San Jose, CA 95112.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2021

	Governmental Activities
ASSETS	
Cash and investments	$ 11,145,985
Interest receivable	16,448
Due from other government	9,447
Capital assets, net	6,421,576
Total assets	17,593,456
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources - pension	1,051,057
Deferred outflows of resources - OPEB	381,267
Total deferred outflows of resources	1,432,324
Total assets and deferred outflows of resources	19,025,780
LIABILITIES	
Accounts payable	30,911
Accrued salaries and benefits	235,653
Compensated absences - due within one year	31,490
Compensated absences - due beyond one year	374,822
Net OPEB liability	1,891,622
Net pension liability	5,659,580
Total liabilities	8,224,078
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources - pension	180,735
Deferred inflows of resources - OPEB	907,573
Total deferred inflows of resources	1,088,308
Total liabilities and deferred inflows of resources	9,312,386
NET POSITION	
Net investment in capital assets	6,421,576
Restricted:	
General purposes	3,291,818
Total net position	9,713,394
Total liabilities, deferred inflows of resources and net position	$ 19,025,780

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

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

Functions/Programs	Expenses	Net (Expenses) Revenues, and Changes in Net Position Governmental Activities
Governmental Activities:		
Health and sanitation	$ 7,957,716	$ (7,957,716)
Total governmental activities	$ 7,957,716	(7,957,716)
General Revenues:		
Benefit assessment		7,289,163
Interest income		89,336
Intergovernmental revenues		1,235,806
Other revenue		33,776
Total general revenues		8,648,081
Change in net position		690,365
Net position - beginning of year		9,074,999
Restatement		(51,970)
Net position - beginning of year, restated		9,023,029
Net position - end of year		$ 9,713,394

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

FUND FINANCIAL STATEMENTS

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2021

	General Fund	Capital Project	Total Governmental Funds
ASSETS			
Cash and investments	$10,833,274	$ 312,711	$ 11,145,985
Interest receivables	15,887	561	16,448
Due from other government	9,447	-	9,447
Total assets	10,858,608	313,272	11,171,880
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	30,911	-	30,911
Accrued salaries and benefits	235,653	-	235,653
Total liabilities	266,564	-	266,564
FUND BALANCES			
Restricted	10,592,044	313,272	10,905,316
Total fund balances	10,592,044	313,272	10,905,316
Total liabilities and fund balances	$10,858,608	$ 313,272	$ 11,171,880

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

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
JUNE 30, 2021

		Governmental Funds
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Fund balances - total governmental funds		$ 10,905,316
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds.		
Governmental capital assets, net		6,421,576
Deferred outflows of resources related to pensions and OPEB are applicable to future periods and therefore, are not reported in the governmental funds		1,432,324
Deferred inflows of resources related to pensions and OPEB are applicable to future periods and therefore, are not reported in the governmental funds		(1,088,308)
Liabilities are not due and payable in the current period and therefore, are not reported as liabilities in the funds. Liabilities at year end consist of:		
Net pension liability	(5,659,580)	
Net OPEB liability	(1,891,622)	
Compensated absences	(406,312)	(7,957,514)
Net position of governmental activities		$ 9,713,394

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

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	General Fund	Capital Project	Total
REVENUES			
Benefit assessment	$ 7,289,163	$ -	$ 7,289,163
Interest income	86,174	3,162	89,336
Intergovernmental revenue	1,235,806	-	1,235,806
Other revenue	33,776	-	33,776
Total revenues	8,644,919	3,162	8,648,081
EXPENDITURES			
Current:			
Salaries and benefits	5,157,535	-	5,157,535
Services and supplies	2,240,284	-	2,240,284
Capital outlay	426,412	-	426,412
Total expenditures	7,824,231	-	7,824,231
Net change in fund balances	820,688	3,162	823,850
Fund balances - beginning of year	9,771,356	310,110	10,081,466
Fund balances - end of year	$10,592,044	$ 313,272	$10,905,316

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

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

		Governmental Funds
Amounts reported for governmental activities in the Statement of Activities are different because:		
Net changes in fund balances - total governmental funds		$ 823,850
Capital outlays are reported in governmental funds as expenditures and sale of capital assets as revenues. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which additions to capital outlay exceeds depreciation expense in the period.		
Capital outlay	426,412	
Less: Depreciation	(290,168)	136,244
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.		
Change in compensated absences		(25,915)
Governmental funds report the District's pension and OPEB contributions as expenditures. However, in the Statement of Activities, the cost of pension and OPEB benefits earned net of employee contributions is reported as pension and OPEB expenses:		
Net pension incomes (expenses)	(356,801)	
Net OPEB incomes (expenses)s	112,987	(243,814)
		$ 690,365

NOTE 1 - ORGANIZATION

The Santa Clara County Vector Control District (the "District") was organized on May 3, 1988, in conformity with the Government Code Section 25842.5, Health and Safety Code Section 2200, et seq., Health and Safety Code Section 1800, et seq., California Penal Code, Title X, and Uniform Housing Code Section 1001 (b) 12. The District provides services to prevent vector borne diseases and reduce exposure to pests, mosquitoes, rodents and insects which affect the public health and wellbeing. The District serves all fifteen incorporated cities and the unincorporated areas of the County.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The District complies with generally accepted accounting principles (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

A. Basis of Presentation

Government-wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the District. These statements include the financial activities of the overall government. Governmental activities are normally supported by taxes and intergovernmental revenues.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function. Program revenues would include charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of the programs. Revenues that are not classified as program revenues, including all kinds of taxes, are presented as general revenues. The comparison of program revenues and direct expenses identifies the extent to which each program is self-financing or draws from the general revenues of the District.

When both restricted and unrestricted net positions are available, restricted resources are used only after the unrestricted resources are depleted.

Fund Financial Statements

Fund financial statements are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses.

Funds are organized into three major categories: governmental, proprietary, and fiduciary. There are separate statements for each fund category. The emphasis of fund financial statements is on major governmental and enterprise funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The internal service fund is presented in a single column in the proprietary fund financial statements. The District has two funds, the general fund, and capital project, both of which are categorized as governmental funds. There are no proprietary nor fiduciary funds.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

A. Basis of Presentation - Cont'd

Governmental Funds

The District reports two governmental funds:

- General Fund is the primary operating fund of the District and is always classified as a major fund. It is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the District that are not accounted for through other funds. For the District, the General Fund's primary activity is health and sanitation.
- Capital Project is used to account for financial resources to be used for the acquisition or construction of major capital assets.

B. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

The government-wide, proprietary, and fiduciary fund financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This differs from the manner in which governmental fund financial statements are prepared. Therefore, governmental fund financial statements include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds. The District has no proprietary nor fiduciary funds.

The accounting objectives of the economic resources measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Fund equity is classified as net position.

Under the accrual basis of accounting, revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred or economic assets used. Revenues, expenses, gains, losses, assets, and liabilities resulting from the exchange and exchange-like transactions are recognized when the exchange takes place. Non-exchange transactions, where the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes. On an accrual basis, revenue from benefit assessment is recognized in the fiscal year for which the assessment is levied.

The governmental fund financial statements are prepared using the current financial resources measurement focus and the modified accrual basis of accounting.

In the current financial resources measurement focus, only current financial assets and liabilities are generally included on the balance sheet. The operating statements present sources and uses of available spendable financial resources during a given period. The fund balance is used as a measure of available spendable financial resources at the end of the period.

Under the modified accrual basis of accounting, revenues are recognized when measurable and available. Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year-end. Expenditures (including capital outlay) are recorded when the related liability is incurred, except for debt expenditures (principal and interest), as well as expenditures related to compensated absences which are reported when expense is due.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

C. Budgets and Budgetary Accounting

The District prepares its budget on the basis of accounting that differs from generally accepted accounting principles (GAAP). The actual results of operations are presented in the Budgetary Comparison Schedule - General Fund on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis of accounting and GAAP is that encumbrances are recorded as expenditures under the budgetary basis.

These budgets are revised by the District's governing body during the year to give consideration to unanticipated income and expenditures. The original and final revised budgets are presented for the general fund in the financial statements. For the year ended June 30, 2021, there was no budget overrun for General Fund.

D. Cash and Investments

Cash held in banks is insured by the Federal Depository Insurance Corporation. All cash held by the financial institutions are fully insured or collateralized, except those which exceed the maximum insured levels of the FDIC.

The District maintains substantially all its cash in the Santa Clara County Treasury. The County pools these funds with those of other Departments in the County and invests the cash. These pooled funds are carried at cost, which approximates market value. Interest earned is deposited quarterly into participating funds. Any investment losses are netted against interest income and proportionately shared by all funds in the pool.

E. Capital Assets

In the government-wide financial statements, capital assets purchased or acquired with an original cost of $5,000 or more are recorded at historical cost or estimated historical cost, if actual historical cost is not available. Donated capital assets are recorded at acquisition value at the time they are received.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation expense is provided over the assets' estimated useful lives using the straight-line method of depreciation. The estimated useful lives by type of assets are as follows:

Asset Class	Estimated useful life
Buildings and improvements	5 - 50 years
Vehicles and Equipment	3 - 30 years

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

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Upon sale of capital assets, the proceeds from sale of capital assets are included in the results of operations as other financing sources.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

F. Compensated Absences

Accumulated unpaid vacation and sick leave are recorded as a liability when future payments for such compensation absences have been earned by employees based on pay and salary rates in effect at year-end. This liability is recorded as long-term debt in the government-wide financial statement. The liability is not accrued in the governmental fund financial statement but is recognized only if it is due and payable in the event of termination.

G. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as the County of Santa Clara reports them. 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.

H. 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 Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as the County of Santa Clara reports them. 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.

I. Deferred Outflow/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.

J. Long-term Debt

In the government-wide financial statements, long-term debt, and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of applicable bond premium or discount.

In the fund financial statements, governmental funds recognize bond premiums or discounts and bond issuance cost, during the current period. The face amount of the debt issued, premiums or discounts are reported as other financing sources/uses, whereas issuance costs are reported as debt service expenditures.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

K. Equity Classifications

In government-wide and proprietary fund financial statements, equity is classified as net position and divided into three components:

- *Net Investment in Capital Assets* – This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.
- *Restricted Net Position* – This category presents external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- *Unrestricted Net Position* – This category represents the net position of the District, not restricted for any project or other purpose.

Governmental funds report fund balances in classifications based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. Fund balance for governmental funds can consist of the following:

- *Nonspendable Fund Balance* – includes amounts that are (a) not in spendable forms, such as inventory, prepaid amounts, or long-term notes receivable, or (b) legally or contractually required to be maintained intact, such as a trust that must be retained in perpetuity. The “not in spendable form” criterion includes items that are expected to be converted to cash. The District does not have a nonspendable fund balance.
- *Restricted Fund Balance* – constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation. Restriction may effectively be changed or lifted only with the consent of resource providers.
- *Committed Fund Balance* – amounts that can only be used for the specific purposes determined by formal action of the District’s highest level of decision-making authority, the Board. Commitments may be changed or lifted by the District taking the same formal action that imposed the constraint originally. The District does not have a committed fund balance.
- *Assigned Fund Balance* – comprises amounts intended to be used by the District for specific purposes that are neither restricted nor committed. The intent is expressed by (a) the District’s Board or (b) a body (e.g., a budget or finance committee) or official to which the District’s Board has delegated the authority to assign, modify, rescind amounts to be used for specific purposes. With the exception of the General Fund, this is the residual fund balance classification for all governmental funds with positive balances. The District does not have an assigned fund balance.
- *Unassigned Fund Balance* – is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds. The District does not have an unassigned fund balance.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is generally depleted in the order of restricted, committed, assigned, and unassigned.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

L. Estimates

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

NOTE 3 - CASH AND INVESTMENTS

Cash and investments as of June 30, 2021, were as follows:

	Carrying Amount	Fair Value
Cash and investments in County Treasury common pool:		
General Fund	$ 10,833,274	$ 10,869,482
Capital Project Fund	312,711	313,756
Total cash and investments	$ 11,145,985	$ 11,183,238

The District's fair value is based on their cash position as of June 30, 2021, in proportion to the entire cash held in the commingled County Pool. The fair value includes the amortization of premiums and discounts. The County's investments are registered with the SEC.

Based on the County's calculations, the District would have reflected an increase to cash, interest, and investment income of $36,208 and $1,045 in the General Fund and Capital Project Fund, respectively. However, since such application is not material, the District's cash balance is stated at cost.

Cash in County Treasury

Funds with the County Treasurer are invested pursuant to an investment policy established by the Treasurer and approved by the Board of Trustees. The objectives of the policy are, in order of priority, preservation of capital, liquidity, and yield. The policy addresses the soundness of financial institutions in which the County deposits funds, the types of investment instruments, and the percentage of the portfolio which may be invested in certain instruments, as permitted by Section 53600 et seq. of the Government Code of the State of California. The County Treasury common pool as of June 30, 2021, consisted of cash in bank, U.S. government and agency securities, corporate bonds, negotiable certificates of deposit, commercial paper, and deposits in the State's local agency investment fund. Additional information regarding the deposit and investment custodial credit, interest rate and credit risks of the County Treasury common pool can be found in the County's June 30, 2021, comprehensive annual financial report. A copy of that report may be obtained by contacting the County's Finance Agency, Controller-Treasurer Department, 70 West Hedding Street, 2nd Floor, East Wing, San Jose, CA 95110.

NOTE 4 - CAPITAL ASSETS

The capital asset activities for the year ended June 30, 2021, were as follows:

	Beginning balance	Additions	Deletions	Adjustments	Ending balance
Capital assets, not being depreciated:					
Land	$ 2,352,000	$ -	$ -	$ -	$ 2,352,000
Total capital assets, not being depreciated	2,352,000	-	-	-	2,352,000
Capital assets being depreciated:					
Building and improvements	4,556,516	74,211	-	-	4,630,727
Vehicles	1,545,831	352,201	-	(28,926)	1,869,106
Equipment	525,675	-	-	30,471	556,146
Total capital assets, being depreciated	6,628,022	426,412	-	1,545	7,055,979
Less - accumulated depreciation:					
Building and improvements	1,033,596	94,841	-	-	1,128,437
Vehicles	1,111,959	178,416	-	20,213	1,310,588
Equipment	497,164	16,912	-	33,302	547,378
Total accumulated depreciation	2,642,719	290,169	-	53,515	2,986,403
Total capital assets, being depreciated, net	3,985,303	136,243	-	(51,970)	4,069,576
Total capital assets, net	$ 6,337,303	$ 136,243	$ -	$ (51,970)	$ 6,421,576

Depreciation expense allocated to the Health and sanitation function for the year ended June 30, 2021, was $290,169.

NOTE 5 - LONG-TERM LIABILITIES

The following was the summary of changes in long-term liabilities for the year ended June 30, 2021:

	Beginning balance	Additions	Deductions	Ending balance	Due within one year	Due beyond one year
Net OPEB liability	$ 2,318,213	$ -	$ 426,591	$ 1,891,622	$ -	$ 1,891,622
Compensated absences	380,397	26,644	729	406,312	31,490	374,822
Net pension liability	5,304,631	354,949	-	5,659,580	-	5,659,580
Totals	$ 8,003,241	$ 381,593	$ 427,320	$ 7,957,514	$ 31,490	$ 7,926,024

NOTE 6 - PENSION PLANS

A. General Information about the Pension Plan

The full description of the general information about the Pension Plan (outline below) can be found in the County's June 30, 2021 CAFR. A copy of that report may be obtained by contacting the County's Finance Agency, Controller-Treasurer Department, 70 West Hedding Street, 2nd Floor, East Wing, San Jose, CA 95110.

The following information regarding the Plan is available in County's CAFR:

- Plan Description, Benefits Provided and Employees Covered
- Contribution Description
- Actuarial Methods and Assumptions Used to Determine Total Pension Liability
- Discount Rate
- Pension Plan Fiduciary Net Position
- Sensitivity of the Net Pension Liability to Changes in the Discount Rate
- Subsequent Events and
- Recognition of Gains and Losses

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.

Reporting date	June 30, 2021
Measurement date	June 30, 2020
Measurement period	July 1, 2019 to June 30, 2020
Valuation date	June 30, 2019

NOTE 6 - PENSION PLANS - CONT'D

B. Changes in the Net Pension Liability

The following table shows the changes in net pension liability recognized over the measurement period (presented at 0.157%, which is the County of Santa Clara's calculation of the District's proportional share).

	Increase(Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (c) = (a) - (b)
Balance at: June 30, 2019 (VD)	$ 18,265,208	$ 13,060,040	$ 5,205,168
Changes recognized for the measurement period:			
Service cost	460,929	-	460,929
Interest on the Total Pension Liability	1,302,928	-	1,302,928
Change in assumptions	-	-	-
Difference between expected and actual experience	148,524	-	148,524
Net Plan to Plan resource movement	-	220	(220)
Contributions from the employers	-	607,781	(607,781)
Contributions from employees	-	214,293	(214,293)
Net investment income	-	654,087	(654,087)
Benefit payments, including refunds of employee contributions	(842,852)	(842,852)	-
Administrative expenses	-	(18,412)	18,412
Other miscellaneous income/(expense)	-	-	-
Net changes during 2019-20	1,069,529	615,117	454,412
Balance at: June 30, 2020 (MD)	$ 19,334,737	$ 13,675,157	$ 5,659,580

C. Sensitivity of the Net Pension Liability to Changes in the Discount Rate

	6.15% (1% Decrease)	7.15% (Current Rate)	8.15% (1% Increase)
Plan's net pension liability/assets	$ 8,242,691	$ 5,659,580	$ 3,520,581

NOTE 6 - PENSION PLANS - CONT'D

D. Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

For the measurement period ending June 30, 2020 (the measurement date), the District incurred a total pension expense of $356,801 for the Plan.

Adjustments have been made for contributions subsequent to the measurement date. Adequate treatment of any contributions made after the measurement date is the responsibility of the employer. As of June 30, 2021, the District has deferred outflows and deferred inflows of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	$ 22,506	$ 48,483
Difference between expected and actual experience	283,616	374
Employer contribution subsequent to measurement date	633,752	-
Net difference between projected and actual earnings on pension plan investments	111,183	-
Difference in actual and proportionate contributions	-	62,165
Difference in proportionate share of beginning balances	-	69,713
Total deferred outflows and inflows	$ 1,051,057	$ 180,735

The amounts above are net of outflows and inflows recognized in the 2019-20 measurement period expense. Amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

Measurement Period Ended June 30:	Deferred Outflows/ (Inflows) of Resources
2021	$ 6,541
2022	76,562
2023	78,683
2024	74,784
2025	-
Thereafter	-
Total	$ 236,570

The District's employer contributions for the year ending June 30, 2021 is $633,752.

NOTE 7 - OTHER POST EMPLOYMENT BENEFITS

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) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

Reporting date	June 30, 2021
Measurement date	June 30, 2020
Measurement period	July 01, 2020 to June 30, 2021
Valuation date	June 30, 2020

Plan Description

The County of Santa Clara (the "County") maintains a cost sharing multiple-employer defined benefit retiree healthcare plan (OPEB Plan), which covers all employees of the District. The OPEB Plan provides heathcare benefits to eligible District employees and their surviving spouses.

The District employees hired prior to August 12, 1996 are eligible for health benefits upon attaining age 50 with 5 years of service. Employees hired on or after August 12, 1996 and before June 19, 2006 are eligible upon attaining age 50 with 8 years of service. Employees hired on or after June 19, 2006 are eligible upon attaining age 50 with 10 years of service. The County has established a 15-year retiree health benefit service requirement that applies to employees hired mostly on or after September 30, 2013. For all eligible health benefits, employees must retire from CalPERS directly from the District.

Retirees retired prior to December 5, 1983 have their full premium cost subsidized by the District. In addition, the District subsidizes the Part B premium cost for retirees in Medicare status who are not receiving health-in-lieu benefits. For most of the retirees retired since December 5, 1983, the District contribution is limited to the cost of Kaiser under age 65 retiree only rate over the plan year. Retirees pay the difference between the District contribution and the premium rate required by the OPEB Plan.

Contributions

The District's OPEB funding policy is to contribute 100 percent or more of the actuarially determined contribution each year. Benefit payments occur in the form of direct payments for premiums and taxes (explicit subsidies) and indirect payments to retirees in the form of higher premiums for active employees (implicit subsidies). For the fiscal year ended June 30, 2021, the District's actual contributions were $200,947.

Net OPEB Liability and actuarial assumptions

The Net OPEB liability of the District measured as of June 30, 2020, was $1,891,622 (presented at 0.177%, which is the County of Santa Clara's calculation of the Districts proportional share).

The following table shows the actuarial assumptions over the measurement period (presented at 0.177%, which is the County of Santa Clara's calculation of the Districts proportional share). The District's Net OPEB liability was measured as of June 30, 2020 and the Total OPEB liability used to calculate the Net OPEB liability was determined by an actuarial valuation dated June 30, 2020 that was rolled forward to determine the June 30, 2020 Total OPEB liability, based on the following actuarial methods and assumptions:

NOTE 7 - OTHER POST EMPLOYMENT BENEFITS - CONT'D

Net OPEB Liability and actuarial assumptions - Cont'd

Actuarial Assumptions	
Discount rate	7.00%
Price inflation	2.50%
Wage inflation	2.75%, assumed in projecting future growth in payroll over 27-year closed amortization period
Salary increases	Miscellaneous: 9.75% to 3.25%, varying by service, including wage inflation
	Safety: 15.95% to 4.25%, varying by service, including wage inflation
Investment rate of return	7.00%
Medical cost trend rate	
Non-medicare medical plan	6.75% graded down to an ultimate of 4.50% over 9 years
Medicare medical plan	6.25% graded down to an ultimate of 4.50% over 7 years
Medicare part B	4.50%

Target Assets Allocation

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 inflation) are developed for each major asset class. These returns 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 and subtracting expected investment expenses and a risk margin. The target allocation and best estimates of arithmetic real rates of return for each major asset class after deducting inflation, but before deducting investment expenses, used in the derivation of the long-term expected investment rate of return assumption are summarized in the following table:

Asset Class	Target Allocation	Long-term expected real rate of return
International Equity	59.00%	7.89%
Fixed Income	25.00%	0.99%
Real Estate	8.00%	4.24%
Treasury Inflation Protected Securities	5.00%	0.60%
Commodities	3.00%	4.19%
Total	100.00%	

NOTE 7 - OTHER POST EMPLOYMENT BENEFITS - CONT'D

Discount Rate

The discount rate used to measure the Total OPEB liability was 7.00 percent as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that District contributions will be made at rates equal to the actuarially determined contribution rates. For this purpose, only employee and employer contributions that are intended to fund benefits for current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the OPEB Plan's fiduciary net position was projected to be available to make all projected OPEB future benefit payments for current plan members. 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 as of June 30, 2020.

Sensitivity of the Net OPEB Liability to changes in the discount rate. The following presents the Net OPEB Liability (NOL) of the District as of June 30, 2020, calculated using the discount rate of 7.00%, as well as what the District's NOL would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	Discount Rate-1% (6.00%)	Current Discount Rate(7.00%)	Discount Rate+1% (8.00%)
Miscellaneous	$ 2,184,653	$ 1,677,406	$ 1,261,104
Safety	278,995	214,216	161,052
Total	$ 2,463,648	$ 1,891,622	$ 1,422,156

Sensitivity of the Net OPEB Liability to changes in the trend rate. The following presents the Net OPEB Liability of the District as of June 30, 2020, as well as what the District's Net OPEB Liability would be if it were calculated using a trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

	1% Decrease	Current Trend Rate*	1% Increase
Miscellaneous	$ 1,220,679	$ 1,677,406	$ 2,244,820
Safety	155,889	214,216	286,679
Total	$ 1,376,568	$ 1,891,622	$ 2,531,499

* *Current trend rates: 6.75% graded down to 4.50% over 9 years for Non-Medicare medical plan costs; 6.25% graded down to 4.50% over 7 years for Medicare medical plan costs and 4.50% for all years for Medicare Part B subsidy cost. In addition, trend rates of 6.75% and 6.25% were reduced by 0.60% to 6.15% and 5.65% for non-Medicare and Medicare plans, respectively, to reflect the estimated impact of the Health Insurance Tax (HIT) taking effect in calender year 2021.*

NOTE 7 - OTHER POST EMPLOYMENT BENEFITS - CONT'D

Recognition of Deferred Outflows and Deferred Inflows of Resources

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 recognition period differs depending on the source of the gain or loss:

Net difference between projected and actual earnings on OPEB plan investments	5 Years
District specific amounts	7 Years
All other amounts	Expected average remaining service lifetime (EARSL) (7.37 Years at June 30, 2019)

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

For the fiscal year ended June 30, 2021, the District recognized OPEB expenses/(incomes) of $(112,987). As of fiscal year ended June 30, 2021, the District reported deferred outflows of resources related to OPEB from the following sources:

Miscellaneous plan	Deferred outflow of resources	Deferred inflow of resources
Changes in proportion and differences between entity's contributions and proportionate share of contributions	$ 38,090	$ 8,761
Changes of assumptions or other inputs	54,665	118,006
Employer contribution subsequent to measurement date	178,192	-
Net excess of actual over projected earnings on OPEB plan investments	45,681	-
Difference between expected and actual experience in the Total OPEB Liability	-	422,504
Difference in actual and proportionate contributions	18,008	-
Difference in proportionate share of beginning balances	-	222,742
Total	$ 334,636	$ 772,013

Safety Plan	Deferred outflow of resources	Deferred inflow of resources
Changes in proportion and differences between entity's contributions and proportionate share of contributions	$ 8,761	$ 38,090
Changes of assumptions or other inputs	6,981	15,070
Employer contribution subsequent to measurement date	22,755	-
Net excess of actual over projected earnings on OPEB plan investments	5,834	-
Difference between expected and actual experience in the Total OPEB Liability	-	53,957
Difference in actual and proportionate contributions	2,300	-
Difference in proportionate share of beginning balances	-	28,443
Total	$ 46,631	$ 135,560

NOTE 7 - OTHER POST EMPLOYMENT BENEFITS - CONT'D

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB - Cont'd

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

Year Ended June 30	Miscellaneous plan	Safety plan
2022	$ (136,222)	$ (23,796)
2023	(128,768)	(22,844)
2024	(99,764)	(18,177)
2025	(77,758)	(13,998)
2026	(91,588)	(15,321)
2027	(70,303)	(14,080)
2028	(11,166)	(3,468)
Total	$ (615,569)	$ (111,684)

NOTE 8 - NET POSITION RESTATEMENT

During the year ended June 30, 2021, the District reconciled the capital asset inventory listing, as a result of which a prior period adjustment was made to the government-wide financial statements. The beginning balance of accumulated depreciation was underreported due to clerical error in the preceding year. Accumulated depreciation was adjusted to $51,970 to restate the net position correctly.

NOTE 9 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 11, 2021 the date at which the financial statements were available to be issued and have determined that no adjustments are necessary to the amounts reported in the accompanying financial statements nor have any subsequent events occurred, the nature of which would require disclosure.

As the COVID-19 pandemic is complex and rapidly evolving. At this point, we cannot reasonably estimate the duration and severity of this pandemic, which could have a material adverse impact on our business, results of operations, and financial position.

REQUIRED SUPPLEMENTARY INFORMATION

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Budgetary fund balances - beginning	$ 6,665,685	$ 5,799,681	$ 9,771,356	$ 3,971,675
Resources (Inflows):				
Benefit assessment	7,112,778	7,112,778	7,289,163	176,385
Interest income	111,097	111,097	86,174	(24,923)
Intergovernmental revenue	4,260	4,260	1,235,806	1,231,546
Other revenue	67,821	67,821	33,776	(34,045)
Amount available for appropriation	7,295,956	7,295,956	8,644,919	1,348,963
Charges to Appropriations (Outflows):				
Current:				
Salaries and benefits	5,781,431	5,781,431	5,157,535	623,896
Services and supplies	3,957,493	3,919,144	2,240,284	1,678,860
Capital outlay	-	490,737	426,412	64,325
Total charge to appropriations	9,738,924	10,191,312	7,824,231	2,367,081
Budgetary fund balances - ending	$ 4,222,717	$ 2,904,325	$10,592,044	$ 7,687,719

See accompanying notes to required supplementary information.

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY AND RELATED RATIOS
FOR THE LAST TEN YEARS*
JUNE 30, 2021

Fiscal year	2021	2020	2019	2018	2017	2016	2015
Measurement period ending	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
TOTAL PENSION LIABILITY							
Service cost	$ 460,929	$ 423,234	$ 424,960	$ 482,208	$ 383,459	$ 397,932	$ 401,638
Interest	1,302,928	1,254,682	1,214,801	1,376,423	1,233,071	1,260,548	1,191,780
Changes of assumptions	-	-	(168,539)	1,151,971	-	(309,086)	-
Differences between expected and actual experience	148,524	249,558	117,532	(19,152)	24,248	(26,168)	-
Benefit payments, including refunds of employee contributions	(842,852)	(800,146)	(768,288)	(842,726)	(740,023)	(743,800)	(690,979)
Net change in total pension liability	1,069,529	1,127,328	820,466	2,148,724	900,755	579,426	902,439
Total pension liability - beginning	18,265,208	17,486,897	17,212,897	18,298,110	16,272,611	16,985,937	16,035,069
Total pension liability - ending (a)	19,334,737	18,614,225	18,033,363	20,446,834	17,173,366	17,565,363	16,937,508
PLAN FIDUCIARY NET POSITION							
Contributions - employer	607,781	535,930	459,190	526,396	441,602	413,251	373,013
Contributions - employees	214,293	201,109	187,362	215,845	190,781	193,685	200,145
Net investment income	654,087	828,933	1,025,753	1,451,616	64,785	293,231	1,951,233
Benefit payments, including refunds of employee contributions	(842,852)	(800,146)	(768,288)	(842,726)	(740,023)	(743,800)	(690,979)
Net Plan to Plan resource movement	220	(48)	20	(201)	321	(1,148)	-
Administrative expense	(18,412)	(8,958)	(18,850)	(19,247)	(7,487)	(14,942)	-

See accompanying notes to required supplementary information.

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY AND RELATED RATIOS FOR THE LAST TEN YEARS*

JUNE 30, 2021

Other miscellaneous income/(expense)[1]	$ -	$ 29	$ (35,793)	$ -	$ -	$ -	$ -
Net change in fiduciary net position	615,117	756,849	849,394	1,331,683	(50,021)	140,277	1,833,412
Plan fiduciary net position - beginning[2]	13,060,040	12,552,745	12,095,625	13,036,205	12,285,153	13,120,850	11,250,028
Plan fiduciary net position - ending (b)	13,675,157	13,309,594	12,945,019	14,367,888	12,235,132	13,261,127	13,083,440
Plan net pension liability/(asset) - ending (a) - (b)	$ 5,659,580	$ 5,304,631	$ 5,088,344	$ 6,078,946	$ 4,938,234	$ 4,304,236	$ 3,854,068
Plan fiduciary net position as a percentage of the total pension liability	70.73 %	71.50 %	71.78 %	70.26 %	71.24 %	75.50 %	77.25 %
Covered employee payroll[3]	$ 2,773,339	$ 2,471,870	$ 2,482,531	$ 2,770,038	$ 2,428,650	$ 2,465,809	$ 2,361,882
Plan net pension liability/ (asset) as a percentage of covered - employee payroll	204.07 %	214.60 %	204.97 %	219.45 %	203.33 %	174.56 %	163.18 %

[1]During Fiscal Year 2017-18, as a result of Governmental Accounting Standards Board Statement (GASB) No. 75, Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions (GASB 75), CalPERS reported its proportionate share of activity related to postemployment benefits for participation in the State of California's agent OPEB plan. Accordingly, CalPERS recorded a one-time expense as a result of the adoption of GASB 75. Additionally, CalPERS employees participate in various State of California agent pension plans and during Fiscal Year 2017-18, CalPERS recorded a correction to previously reported financial statements to properly reflect its proportionate share of activity related to pensions in accordance with GASB Statement No. 68, Accounting and Financial Reporting for Pensions (GASB 68).

[2]Includes any beginning of year adjustment.

[3]Includes one year's payroll growth using 2.75 percent payroll growth assumption for fiscal years ended June 30, 2018-20; 3.00 percent payroll growth assumption for fiscal years ended June 30, 2014-17.

** Fiscal Year 2015 was the first year of implementation, therefore only seven years are shown.*

See accompanying notes to required supplementary information.

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
SCHEDULE OF PLAN CONTRIBUTION - PENSION
FOR THE LAST TEN YEARS*
FOR THE YEAR ENDED JUNE 30, 2021

Fiscal Year	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution[1]	$ 607,781	$ 535,930	$ 447,994	$ 433,225	$ 399,717	$ 378,216	$ 441,602
Contribution in relation to the actuarially determined contribution[1]	(607,781)	(535,930)	(447,994)	(433,225)	(399,717)	(378,216)	(441,602)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered - employee payroll[2]	$ 2,773,339	$ 2,471,870	$ 2,482,531	$ 2,770,038	$ 2,428,650	$ 2,465,809	$ 2,361,882
Contribution as a percentage of covered-employee payroll[2]	21.92 %	21.68 %	18.05 %	15.64 %	16.46 %	15.34 %	18.70 %

[1]Employers are assumed to make contributions equal to the actuarially determined contributions. However, some employers may choose to make additional contributions towards their unfunded liability. Employer contributions for such plans exceed the actuarially determined contributions.

[2]Includes one year's payroll growth using 2.75 percent payroll growth assumption for fiscal years ended June 30, 2018-20; 3.00 percent payroll growth assumption for fiscal years ended June 30, 2014-17.

** Fiscal Year 2015 was the first year of implementation, therefore only seven years are shown.*

See accompanying notes to required supplementary information.

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
FOR THE LAST TEN YEARS*
JUNE 30, 2021

Reporting Date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Measurement Date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Total OPEB liability				
Service cost	$ 124,468	$ 134,111	$ 113,769	$ 145,373
Interest on the total	288,106	318,888	288,780	347,544
Difference between actual and expected experience	(169,798)	(270,604)	(62,127)	(404,177)
Changes in assumption	(121,686)	37,355	75,357	(91,027)
Benefit payments, including implicit subsidies net of retiree contributions	(159,787)	(173,886)	(156,887)	(169,439)
Net change in Total OPEB liability	(38,697)	45,864	258,892	(171,726)
Total OPEB liability - beginning	4,071,225	4,508,386	4,090,106	4,904,257
Total OPEB liability - ending	4,032,528	4,554,250	4,348,998	4,732,531
Plan's fiduciary net position				
Contributions - employer	208,442	210,782	298,169	290,226
Contributions - employee	13,427	13,054	12,062	13,313
Net investment income	71,174	131,700	130,639	167,551
Benefit payments, including implicit subsidies net of retiree contributions	(159,787)	(173,887)	(156,887)	(169,439)
Administrative expense	(4,820)	(6,580)	(7,730)	(5,660)
Other	13,587	49,429	25,730	40,167
Net change in plan's fiduciary net position	142,023	224,498	301,983	336,158
Plan's Fiduciary Net Position – beginning	1,998,883	2,011,539	1,638,440	1,559,629
Plan's Fiduciary Net Position – ending	$ 2,140,906	$ 2,236,037	$ 1,940,423	$ 1,895,787
Net OPEB Liability – ending	$ 1,891,622	$ 2,318,213	$ 2,408,575	$ 2,836,744
Plan's fiduciary net position as a percentage of the Total OPEB Liability	53.09 %	49.10 %	44.62 %	40.00 %
Covered employee payroll	$ 3,524,488	$ 3,618,391	$ 3,200,647	$ 3,512,016
Plan Net OPEB liability as percentage of covered employee payroll	53.67 %	64.07 %	75.25 %	81.00 %

** Fiscal Year 2018 was the first year of implementation, therefore only four years are shown.*

See accompanying notes to required supplementary information.

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
SCHEDULE OF PLAN CONTRIBUTION - OPEB
FOR THE LAST TEN YEARS*
FOR THE YEAR ENDED JUNE 30, 2021

Fiscal Year Ended	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Actuarially determined contribution (ADC)	$ 243,805	$ 275,801	$ 298,169	$ 340,635
Contributions in relation to the ADC	(231,625)	(275,801)	(298,169)	(340,635)
Contribution deficiency (excess)	$ 12,180	$ -	$ -	$ -
Covered - employee payroll	$ 3,524,488	$ 3,618,391	$ 3,200,647	$ 3,512,016
Contributions as a % of covered-employee payroll	6.57 %	7.62 %	9.32 %	9.69 %

** Fiscal Year 2018 was the first year of implementation, therefore only four years are shown.*

Notes to Schedule:

Actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2020 were from the June 30, 2018 funding valuation.

Methods and assumptions used to establish "actuarially determined contribution" rates:

Valuation date	Actuarially determined contribution rates are calculated as of June 30, one year prior to the end of the fiscal year in which contributions are reported
Actuarial cost method	Entry Age Actuarial Cost Method
Amortization method	30-Year Closed Amortization; level percent of payroll
Remaining amortization period	29 years as of June 30, 2018
Asset valuation method	Market value
Actuarial assumptions:	June 30, 2019 (used for establishing the ADC for the year ended June 30, 2020)
Investment rate of return	7.00%, net of investment expenses
Price inflation	2.50%
Wage inflation	2.75%
Salary Increases	Miscellaneous: 9.75% to 3.25%, varying by service, including wage inflation Safety: 15.95% to 4.25%, varying by service, including wage inflation
Medical cost trend rates	
Non-Medicare medical plan	7.00% applied to 2018-2019 plan year premiums to calculate 2019-2020 plan year premiums, graded down 0.25% per year until the 4.50% ultimate rate is reached
Medicare medical plan	6.50% applied to 2018-2019 plan year premiums to calculate 2019-2020 plan year premiums, graded down 0.25% per year until the 4.50% ultimate rate is reached
Medicare Part B	4.50%
Other assumptions	Same as those used in the June 30, 2018 funding actuarial valuation for the OPEB Plan

See accompanying notes to required supplementary information.

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2021

NOTE 1 - EXPLANATION OF DIFFERENCES BETWEEN BUDGETARY INFLOWS AND OUTFLOWS AND GAAP REVENUES AND EXPENDITURES

Sources/Inflows of Resources	
Actual amounts (budgetary basis) "available for appropriation" from the Budgetary comparison schedule	$ 8,644,919
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Fund	$ 8,644,919
Uses/Outflows of Resources	
Actual amounts (budgetary basis) "total charges to appropriations" from the Budgetary comparison schedule	$ 7,824,231
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and changes in Fund Balance - Governmental Fund	$ 7,824,231

COMPLIANCE SECTION

HARSHWAL® & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Trustees
Santa Clara County Vector Control District
San Jose, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standard applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the remaining fund information of Santa Clara County Vector Control District (the "District"), a component unit of the County of Santa Clara as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 11, 2021.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Harshwal & Company LLP

Oakland, California
November 11, 2021

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2021

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
• Material weaknesses identified?	No
• Significant deficiencies identified that a not considered to be material weakness?	None reported
Noncompliance material to the financial statements noted?	No

SECTION II - FINANCIAL STATEMENT FINDINGS

There were no findings reported in the current year.

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2021

There were no findings reported in the prior year that requires a status update.

CONSUMER & ENVIRONMENTAL PROTECTION AGENCY
County of Santa Clara
Organizational Chart by Cost Center
Rev. 09/15/2025

CONSUMER & ENVIRONMENTAL PROTECTION AGENCY (BU 262/5665)
Director
A50–18554 Edgar Nolasco

Senior Communications Officer
C5H-55080 Carolyn Le

Sr Executive Assistant
C08-47231 Adriana Lopez

(BU 262/5665)
Administrative Services Mgr III
B2K-41790 Buu Thai

INFORMATION SERVICES (BU 262/5665)
IT Manager
G6L-58136 Alma De La Vara

Assoc. Application Developer
G5H-59941 Michael Quach
IT Field Sup Specialist
G1T-51931 Michael Schuster
IT Business Analyst
G31-53222 Michael Tran

(BU 411/4224)
Business Systems Analyst
G5Q-54093 Nimoal Sun

WEED ABATEMENT (1188)
Weed Abatement Mgr
X70-43503 Garik Iosilevsky

Weed Abatement Inspector
X81-27156 Madeline Wien
X81-54464 Danny Robles

AEM CUSTOMER SUPPORT
Admin Support Officer I
B2R-37288 Brenda Petroni

Sr Office Specialist
X09-42203 Joanna Kincaid (S)
Office Specialist III
D09-41783 Maribel Bautista
D09-41504 Gilbert Vasquez
D09-41507 Sonia Morales
Office Specialist II
D49-52551 Dominic Dello Buono
D49-29042 VACANT

CEPA HUMAN RESOURCES
Mgmt Analyst
B1N-46330 Jami Roth

CEPA SAFETY
Env Health & Safety Comp Specialist
V46-48404 Joy Austin-Lane

FISCAL SERVICES (BU 262/5665)
Department Fiscal Officer
B96-40337 Steffan Thomas

Accountant III
B77-49557 Jennifer Mai
Accountant II
B78-49556 Elizabeth Gavarrete
B78-49558 Trisha Lam

AEM ACCOUNTING/CUSTOMER SUPPORT/CONTRACTS
Management Analyst
B1P-46324 Mary Nguyen (V)

HOUSEHOLD HAZARDOUS WASTE (1192)
Haz Materials Program Mgr
V52-40338 Billy Puk

Sr Management Analyst
B1N-40345 Teresa Curiel (S)

Management Analyst
B1N-46327 Andrew Park

FIELD SUPPORT
Supv Haz Materials Specialist
V2G-55886 Matt Burge

Haz Materials Technician
V21-40341 John Dam
V21-40342 Juan Urrutia
V21-40340 Richard Allgood

INTEGRATED WASTE/WATERSHED PROTECTION SERVICES (BU 262)
Program Mgr II
B3N-47661 Vanessa Marcadejas

CLEAN WATER (5662)
Management Analyst
B1P-46328 VACANT
B1P-46329 Julianna Martin
B1P-48084 Zhenzhen Jiang (M)

RECYCLING/WASTE (1187)
Sr Management Analyst
B1N-46332 Michele Young

Management Analyst
B1P-29620 Clifton Chew
Associate Management Analyst
B1R-46326 Matthew Abraham

AGRICULTURE/WEIGHTS & MEASURES (BU 262/5665)
Ag Commissioner/Sealer
A55-39739 Priscilla Yeaney

NORTH (5663)
Deputy Ag Comm/Sealer
V26-18538 Stan Toy

Sr Biologist/Standards Specialist
V1M-55671 Elliot McIntosh
V1M-55669 Pablo Gomez (S)
V1M-55665 Ryan Atwood
V1M-55680 Ramona Hockett
Biologist/Standards Specialist
V1L-55670 Steven Frehe
Assoc Biologist/Standards Specialist
V1K-55668 Azolan Clarke

NORTH (5660)
Deputy Ag Comm/Sealer
V03-18526 Michelle Thom

Sr Biologist/Standards Specialist
V1M-55676 Chinh Nguyen (V)
V1M-55664 Shannon Lundin
V1M-55673 Julius Calso
Biologist/Standards Specialist
V1L-55675 Jennifer Gracy
V1L-55666 Khoi Nguyen
V1L-55674 Amy Chang

NORTH (5660)
Deputy Ag Comm/Sealer
V03-52550 Drew Raymond

Sr Biologist/Standards Specialist
V1M-55683 Paulo Philippidis
V1M-55667 Nancy Barrera
Biologist/Standards Specialist
V1L-55663 Jana Centoni
V1L-55885 Nina Alvarado
Assoc Biologist/Standards Specialist
V1K-55684 Karl Stagen
V1K-55681 John Waldron
V1K-55679 Carly Miranda

SOUTH (5660/5663)
Deputy Ag Comm/Sealer
V03-18525 Helena Roberts

Sr Biologist/Standards Specialist
V1M-55672 Martin Lobato (S)
V1M-55678 Nick Otterlei
V1M-55662 Ericka Mora
V1M-55674 Kristian Barbeau
V1M-55674 James Schilling

ANIMAL SERVICES (BU 262/5670)
Program Mgr II
B3N-47298 Lisa Jenkins

Veterinarian
V5J-53883 Kieu Vuong
V5J-43947 Chelsea Kramer

(BU 262/5665)
Sr Office Specialist
X09-41517 Estela Cabral de Lara (S)

ANIMAL CENTER OPERATIONS
Animal Center Operations Mgr
V99-33817 Lorance Gomez

VETERINARY SERVICES
Registered Veterinarian Tech
P8B-47610 Mikhaele Polaschek
P8B-54643 Wendy Wilson
P8B-60368 Elizabeth Andrade (S)
P8B-63145 VACANT
Veterinarian Assistant
P8A-39923 Julissa Buenrostro (S)
P8A-54644 Kathryn Pauley
CEPA Operations Aide
V1C-55881 Alanis Trujillo
V1C-55883 VACANT
V1C-55882 Lillian Tellez
V1C-55884 Sybl Saisselin
Animal Services Assistant
V58-43158 Faith Throneberry (S)
V58-59928 Maria Macias
V58-60365 VACANT
V58-60366 Jasmine Poso
V58-60367 Isaac Munoz
V58-59929 Sandra Primeaux
V58-59930 Galilea Jauregui (S)
Volunteer Coordinator
T20-58682 Monique Rodriguez

(BU 262/5665)
Office Specialist III
D09-28010 Laurie Vogt

FIELD SERVICES
Animal Field Services Mgr
B6V-18552 Stephanie Riley

Animal Control Officer
V57-18545 Julie Gonzalez
V57-26543 Jessica Ibanez
V57-47487 Jennifer Bouton-Espino (S)
V57-41793 Tiffany Dhami

MOSQUITO & VECTOR CONTROL (BU 411/4224)
VC District Manager
X74 -14242 Nayer Zahiri

SURVEILLANCE COORD & LAB
VC Scientific-Technical Services Mgr
X85-25065 Taylor Kelly

Vector Ecologist
X73-14240 VACANT
X73-52584 Sheila Hofer
X73-52583 VACANT
X73-60205 Saied Naddaf-Dezfoli (PV)
CEPA Operations Aide
V1C-58141 Mike Vahidi
V1C-55903 Ryan Tran

MVCD COMMUNICATIONS
Community Resources Specialist
X83-26626 Beverly Perez (S)
X83-60671 VACANT
V1C-58140 Kathy Tran

FIELD OPERATIONS
Assistant Mgr
X75-26625 Jeremy Shannon

(BU262/5665)
Office Specialist III
D09-41510 Marlene Fass

Program Mgr I
B3P-58137 Sutapa Biswas

VC Technician III
X76-14246 Anselmo Escobar
X76-14245 Regina Williams
X76-54162 Jenny Liu
VC Technician II
X77-14259 Vincent Ushikubo
X77-14261 VACANT
X77-14258 Sachi Hwangbo
X77-14253 Elizabeth Roth

Program Mgr I
B3P-55906 Lewis Hun

VC Technician III
X76-14244 Bao Pham
X76-33845 Yutaka Rodriguez
X76-52585 Anthony Young
X76-54160 Derek Pineda (S)
VC Technician II
X77-14247 Lindsay Pineda
X77-14257 Brenton McFarland
Facilities Materials Coordinator
M22-49910 Anthony Escobar

Program Mgr I
B3P-55905 Victoria Phillips

VC Technician III
X76-33846 Menou Thaopraseuth
X76-14243 Liya Chiu
VC Technician II
X77-33842 Andrew Garcia (S)
X77-14256 Efrain Ayala (S)
X77-59513 Abdul 'Hannaan' Khan

Operations Supervisor
X84-14269 Richard Shatzel

VC Technician II
X77-14250 Matt Yaley
VC Technician I
X79-59936 Patrick Bernil (T)
CEPA Operations Aide
V1C-58143 Karla Vazquez-Aguilera (S)
V1C-58142 VACANT
V1C-55904 VACANT

Bilingual Differential (noted in red):
(M) Mandarin
(S) Spanish
(V) Vietnamese

Senior Leadership Team (boxed in light blue)

Report: ZGLR008 Date: 08/01/2025 Time: 09:05:23
User: THOMASS01 System: S4P / 777
Total Records 60

Year	Period	Pstng Date	FI Doc No	Account	Fund	Funds Ctr	Cost Ctr	Order	WBS	DT	Amount	Reference	Document Header Text	Item Text	Entry Date	User Name
2015	5	11/4/2014	101633516	5259100	28	4114224	4224			SA	88,760.11	RECLASS-AEM-5665	Reclass-FY15-Q1	Reclass-AEM CC5665-FY15-Q1	11/5/2014	RESUELLOJ01
2015	6	12/24/2014	101659771	5259100	28	4114224	4224			ZI	45,215.00		AEM Admin OH - FY15	AEM Admin OH - FY15	12/24/2014	CHANL01
2015	6	12/30/2014	101661645	5259100	28	4114224	4224			SA	110,930.64	OH ALLOCATION	FY15-Q2 PP1420 to PP1426	OH Allocation-FY15-Q2-PP1420 to PP1426	12/30/2014	RESUELLOJ01
2015	10	4/13/2015	101714787	5259100	28	4114224	4224			SA	93,955.62	FY15-Q3 DEH&VCD	RECLASS-FY15-Q3-DEH &VCD	Reclass-FY15-Q3-DEH&VCD PP1501-PP1506	4/14/2015	RESUELLOJ01
2015	12	6/30/2015	101762093	5259100	28	4114224	4224			SA	114,577.04	RECLASS-5665	Reclass-FY15-Q4-DEH&VCD	Reclass-FY15-Q4-DEH & VCD PP1507-PP1513	7/2/2015	RESUELLOJ01
2015	12	6/30/2015	101766912	5259100	28	4114224	4224			ZI	228,632.04	FY15 ALLOCATION	FY15 Admin Allocation	FY15 YE Admin OH Allocation	7/10/2015	LALB01
2016	3	9/30/2015	101810470	5259100	28	4114224	4224			SA	136,255.00	FY16-Q1-RECLASS	CEPA FY16-Q1 ADMIN OH	CEPA FY16-Q1 ADMIN OH Allocation	10/7/2015	RESUELLOJ01
2016	4	10/27/2015	101820968	5259100	28	4114224	4224			SA	-24,628.37	RECLAS-J.SIMON	J. Simon-FY16-Q1-Reclass	Joseph Simon-FY16-Q1 reclass	10/28/2015	RESUELLOJ01
2016	6	12/9/2015	101841964	5259100	28	4114224	4224			ZI	108,666.28	ADMIN OH - FY16	Admin OH - FY16	AEM Admin OH - FY16	12/9/2015	CHANL01
2016	6	12/30/2015	101852470	5259100	28	4114224	4224			SA	24,628.37	RECLASS GLA	Reclass SAP#101820968	Joseph Simon- FY16 Q1	12/30/2015	BALTAZARE01
2016	6	12/31/2015	101854168	5259100	28	4114224	4224			SA	159,595.00	RECLASS Q2 FY16	FY16 Q2- CEPA ADMIN OH	FY16 Q2 - CEPA ADMIN OH Allocation	1/4/2016	BALTAZARE01
2016	9	3/28/2016	101901741	5259100	28	4114224	4224			SA	123,548.00	RECLASS FY16-Q3	FY16-Q3- CEPA Admin OH	FY16-Q3- CEPA Admin OH Allocation	3/29/2016	RESUELLOJ01
2016	12	6/29/2016	101957998	5259100	28	4114224	4224			SA	162,071.00	RECLASS-FY16-Q4	FY16-Q4- CEPA Admin OH	FY16-Q4-CEPA Admin OH Allocation	6/29/2016	RESUELLOJ01
2016	12	6/30/2016	101968234	5259100	28	4114224	4224			SA	353,630.00	FY16 ALLOCATION	FY16 Admin Allocation	FY16- YE Admin OH Allocation	7/8/2016	RESUELLOJ01
2017	5	11/21/2016	102044358	5259100	28	4114224	4224			SA	209,756.00	FY17/Q1-RECLASS	FY17-Q1-PP16/14-PP16/20	Reclass-FY17-Q1 CEPA Adm OH	11/22/2016	RESUELLOJ01
2017	6	12/15/2016	102059345	5259100	28	4114224	4224			ZI	259,193.29		FY17 Admin Overhead	AEM Admin OH - FY17	12/15/2016	CHANL01
2017	6	12/30/2016	102067842	5259100	28	4114224	4224			SA	144,381.00	GLA RECLASS	Q2 Department Charge	FY17 Q2 PP1621 (09/26/16)-PP1626(12/18/16 6PPS	1/3/2017	BALTAZARE01
2017	9	3/23/2017	102119666	5259100	28	4114224	4224			SA	121,483.00	FY17/Q3-ADMIN	FY17-Q3-PP17/01 -PP17/06	FY17-Q3-CEPA Admin OH	3/23/2017	RESUELLOJ01
2017	12	6/30/2017	102195624	5259100	28	4114224	4224			SA	162,828.00	CEPA-FY17-Q4	FY17-Q4 CEPA ADM OH ALLOC	FY17-Q4 CEPA ADM OH Alloc	7/5/2017	RESUELLOJ01
2017	12	6/30/2017	102208727	5259100	28	4114224	4224			SA	387,649.00	VCD-ADMIN OH	VCD-Admin OH Allocation	VCD-Admi OH Allocation-FY17	7/14/2017	RESUELLOJ01
2018	3	9/30/2017	102266506	5259100	28	4114224	4224			SA	157,137.00	CEPA-FY18-Q1	FY18-Q1 CEPA ADM OH Alloc	FY18-Q1 CEPA ADM OH Alloc	10/6/2017	RYANR01
2018	5	11/27/2017	102298706	5259100	28	4114224	4224			ZI	230,406.20		AEM Admin OH	AEM Admin OH - FY18	11/27/2017	CHANL01
2018	6	12/29/2017	102327310	5259100	28	4114224	4224			SA	121,755.00	FY18-Q2-RECLASS	FY18-Q2- PP17/21-PP17/26	Reclass-FY18-Q2-PP17/21-PP17/26	1/3/2018	RESUELLOJ01
2018	9	3/31/2018	102395464	5259100	28	4114224	4224			SA	149,939.00	FY18-Q3-OH ALLOC	FY18-Q3-CEPA Adm OH	FY18-Q3- CEPA Adm OH	4/5/2018	RESUELLOJ01
2018	12	6/26/2018	102461032	5259100	28	4114224	4224			SA	147,082.00	FY18Q4 OH ALLOC	Q4 CEPA support staffcost	FY18-Q4 CEPA Adm OH	6/26/2018	GAVARRETEE01
2018	12	6/30/2018	102478420	5259100	28	4114224	4224			SA	426,888.00	VCD-ADMIN OH	VCD-Admin OH Alloc-FY18	VCD-Admin OH Allocation-FY18	7/13/2018	RESUELLOJ01
2019	3	9/28/2018	102538830	5259100	28	4114224	4224			SA	204,134.00	FY19Q1 OH ALLOC	Q1 CEPA support staffcost	FY19-Q1 CEPA Adm OH	10/4/2018	GAVARRETEE01
2019	4	10/31/2018	102559356	5259100	28	4114224	4224			ZI	150,919.36	AEM_ADMINOH 18	AEM ADMIN OH FY18'	AEM ADMIN OH - FOR FY 18	11/1/2018	BRYANTA01
2019	6	12/31/2018	102604092	5259100	28	4114224	4224			SA	158,428.00	FY19Q2 OH ALLOC	Q2 CEPA support staffcost	FY19-Q2 CEPA Adm OH	1/7/2019	GAVARRETEE01
2019	9	3/28/2019	102669088	5259100	28	4114224	4224			SA	158,971.00	FY19Q3 OH ALLOC	Q3 CEPA support staffcost	FY19-Q3 CEPA Adm OH	4/5/2019	GAVARRETEE01
2019	12	6/28/2019	102747472	5259100	28	4114224	4224			SA	146,285.00	FY19Q4 OH ALLOC	Q4 CEPA support staffcost	FY19-Q4 CEPA Adm OH	7/11/2019	GAVARRETEE01
2019	12	6/30/2019	102749646	5259100	28	4114224	4224			SA	374,346.00	VCD-ADMIN OH	VCD-ADMIN OH ALLOC-FY19	VCD-ADMIN OH ALLOC- FY19	7/12/2019	RESUELLOJ01
2020	3	9/30/2019	102807313	5259100	28	4114224	4224			SA	197,401.00	FY20Q1 OH ALLOC	Q1 CEPA support staffcost	FY20-Q1 CEPA Adm OH	10/7/2019	GAVARRETEE01
2020	5	11/13/2019	102837190	5259100	28	4114224	4224			SA	126,442.01	AEM_ADMINOH 19	AEM ADMIN OH FY19'	AEM ADMIN OH - For FY 19-VCD	11/13/2019	BRYANTA01
2020	6	12/1/2019	102865595	5259100	28	4114224	4224			SA	-126,442.01	AEM_ADMINOH 19	AEM ADMIN OH FY19'		12/24/2019	BRYANTA01
2020	6	12/24/2019	102865611	5259100	28	4114224	4224			SA	236,950.47	AEM_ADMINOH 19	AEM ADMIN OH FY19'	AEM ADMIN OH - For FY 19 - VCD	12/24/2019	BRYANTA01
2020	6	12/31/2019	102873219	5259100	28	4114224	4224			SA	163,251.00	FY20Q2 OH ALLOC	Q2 CEPA support staffcost	FY20-Q2 CEPA Adm OH	1/7/2020	GAVARRETEE01
2020	10	4/14/2020	102945595	5259100	28	4114224	4224			SA	162,434.00	FY20Q3 OH ALLOC	Q3 CEPA support staffcost	FY20-Q3 CEPA Adm OH	4/14/2020	GAVARRETEE01
2020	12	6/30/2020	103006285	5259100	28	4114224	4224	999999		SA	124,823.00	FY20Q4 OH ALLOC	Q4 CEPA support staffcost	FY20-Q4 CEPA Adm OH	7/8/2020	GAVARRETEE01
2020	12	6/30/2020	103007741	5259100	28	4114224	4224	999999		SA	24,193.00	FY20Q3 OH ALLOC2	Q3 CEPA support staffcost	FY20-Q3 CEPA Adm OH - IT portion (Aaron's Team)	7/9/2020	GAVARRETEE01
2020	12	6/30/2020	103008222	5259100	28	4114224	4224	999999		SA	243,978.00	VCD-IT ADMIN OH	VCD-ITADMIN OH ALLOC-FY20	VCD-IT Admin OH Allocation-FY20	7/9/2020	GAVARRETEE01
2021	3	9/30/2020	103194910	5259100	28	4114224	4224	999999		SA	147,679.50	FY21Q1 OH ALLOC	Q1 CEPA support staffcost	FY21-Q1 CEPA Adm OH	10/7/2020	GAVARRETEE01
2021	5	11/18/2020	103282665	5259100	28	4114224	4224	999999		SA	247,115.22	AEM_ADMINOH 20	AEM ADMIN OH FY20'	AEM ADMIN OH - FY20 - VCD	11/20/2020	BRYANTA01
2021	6	12/31/2020	103382228	5259100	28	4114224	4224	999999		SA	125,837.00	FY21Q2 OH ALLOC	Q2 CEPA support staffcost	FY21-Q2 CEPA Adm OH	1/7/2021	GAVARRETEE01
2021	9	3/31/2021	103534913	5259100	28	4114224	4224	999999		SA	71,205.00	FY21Q3 OH ALLOC	Q3 CEPA support staffcost	FY21-Q3 CEPA Adm OH	4/7/2021	GAVARRETEE01
2021	12	6/30/2021	103673212	5259100	28	4114224	4224	999999		SA	86,703.00	FY21Q4 OH ALLOC	Q4 CEPA support staffcost	FY21-Q4 CEPA Adm OH	7/6/2021	GAVARRETEE01
2022	3	9/30/2021	103813828	5259100	28	4114224	4224	999999		SA	172,893.00	FY22Q1 OH ALLOC	Q1 CEPA support staffcost	FY22-Q1 CEPA Adm OH	10/7/2021	GAVARRETEE01
2022	6	12/1/2021	103878636	5259100	28	4114224	4224	999999		SA	168,072.32	AEM_ADMINOH 21	AEM_ADMIN OH FY21'	AEM ADMIN OH - FOR FY22 - VCD	1/3/2022	BRYANTA01
2022	6	12/31/2021	103947193	5259100	28	4114224	4224	999999		SA	182,039.47	FY22Q2 OH ALLOC	Q2 CEPA support staffcost	FY22-Q2 CEPA Adm OH	1/7/2022	GAVARRETEE01
2022	9	3/31/2022	104072507	5259100	28	4114224	4224	999999		SA	125,355.69	FY22Q3 OH ALLOC	Q3 CEPA support staffcost	FY22-Q3 CEPA Adm OH	4/7/2022	GAVARRETEE01
2022	12	6/30/2022	104238470	5259100	28	4114224	4224	999999		SA	103,403.53	FY22Q4 OH ALLOC	Q4 CEPA support staffcost	FY22-Q4 CEPA Adm OH	7/14/2022	GAVARRETEE01

Year	Period	Pstng Date	FI Doc No	Account	Fund	Funds Ctr	Cost Ctr	Order	WBS	DT	Amount	Reference	Document Header Text	Item Text	Entry Date	User Name
2023	11	5/10/2023	104724018	5259100	28	4114224	4224	999999		SA	250,000.00	AEM ADMINOH 22-1	AEM ADMIN OH FY22 Prelim	FY22 AEM ADMIN OH Charged in FY23 -VCD Preliminary	5/10/2023	GAVARRETEE01
2023	11	5/10/2023	104735360	5259100	28	4114224	4224	999999		SA	-250,000.00	104724018 REVRSE	AEM ADMIN OH FY22 Prelim	FY22 AEM ADMIN OH Charged in FY23 -VCD Preliminary	5/19/2023	GAVARRETEE01
2023	12	6/30/2023	104834435	5259100	28	4114224	4224	999999		SA	256,430.73	CEP_ADMINOH22VCD	CEP_AdminOH22	CEP_AdminOH22 VCD Annual	7/14/2023	MAIJ01
2023	12	6/30/2023	104834439	5259100	28	4114224	4224	999999		SA	1,112,364.20	CEP_ADMINOH23VCD	CEP_AdminOH23VCD	CEP_AdminOH23 Quarterly OH VCD	7/14/2023	MAIJ01
2024	10	4/30/2024	105321179	5259100	28	4114224	4224	999999		SA	1,084,987.72	OHSPECIALFUNDPRG	Q1-Q324OHtoSpecialFundPrg	FY24 Q1-Q3 VCD Overhead Charges	5/7/2024	GAVARRETEE01
2024	12	6/30/2024	105449686	5259100	28	4114224	4224	999999		SA	158,411.49	OHSPECIALFUNDPRG	Q424OH toSpecialFundPrg-a	FY24 Q4 VCD Overhead Charges	7/12/2024	GAVARRETEE01
2025	1	7/1/2024	105449929	5259100	28	4114224	4224	999999		SA	80,000.00	OHSPECIALFUNDPRG	Q424OH toSpecialFundPrg-b	FY24 Q4 VCD Overhead Charges	7/12/2024	GAVARRETEE01
2025	12	6/30/2025	106191575	5259100	28	4114224	4224			SA	1,103,207.84	OHSPECIALFUNDPRG	Q1-Q425OHtoSpecialFundPrg	FY25 Q1-Q4 VCD Overhead Charges	7/10/2025	GAVARRETEE01
2025	12	6/30/2025	106191575	5259100	28	4114224	4224			SA	537,385.00	OHSPECIALFUNDPRG	Q1-Q425OHtoSpecialFundPrg	FY25 Q1-Q4 VCD Overhead Charges (County Cost Plan)	7/10/2025	GAVARRETEE01
*				5259100							12,353,537.76					
**											12,353,537.76					

Pineda, Lindsay

From: Thai, Buu
Sent: Friday, September 5, 2025 9:23 AM
Subject: Announcement - Reassignment & Welcome Sonia!
Attachments: CEPA Org Chart_9 15 2025.pdf

Dear Colleagues,

The Mosquito and Vector Control District (MVCD) is currently reviewing its projected structural deficit to ensure long-term sustainability. As part of this effort, we are exploring ways to improve operational efficiency and cost savings. Following an assessment, it was determined that the MVCD can be effectively supported with one Office Specialist III position, rather than two. As a result, we had the opportunity to reassign one of the Office Specialist III positions back to Agricultural and Environmental Management (AEM) – Berger 1.

I'm pleased to announce that starting September 15, Marleen Fass will continue to provide administrative support to MVCD, and Sonia Morales will be joining the CEPA Admin Support team at Berger 1 to perform a variety of administrative support duties for CEPA divisions.

Join me in welcoming Sonia to Berger office!

Thanks, Buu

This email is for informational purposes only. – I Bcc'd the entire CEPA organization to help reduce "Reply All" response.

Buu Thai, Ed.D
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Review this Version & send. April 2006 Version.

14.0 SANTA CLARA COUNTY VECTOR CONTROL DISTRICT

The vector control services that are provided by the District are evaluated within this service review.

14.1 LOCATION, ADMINISTRATION, AND OPERATIONS

The Santa Clara County Vector Control District was formed in May 1988 pursuant to Government Code Section 25842.5, Health and Safety Code Section 2200, et seq., Health and Safety Code Section 1800, et seq., California Penal Code, Title X, and Uniform Housing Code Section 1001 (b) 12. The District provides mosquito and general vector control. The District encompasses the entire County. The District's SOI is coterminous with the District's boundary. The District is the largest of the 10 Bay Area mosquito and vector control districts.

The District is governed by the Santa Clara County Board of Supervisors. The Board meets regularly on the first and third Tuesday of each month. When the District has public matters to be heard at the meetings, the Chair of the Board announces that they are acting as trustees of the District. On more routine matters, the Chair announces at the beginning of the meeting that they are sitting as the County Board of Supervisors and the governing board for the various special districts in the County. District meetings and activities are held pursuant to the Brown Act. Meeting agendas are posted on the County's website and outside of the County Board Chambers. If special noticing is required a local newspaper is also utilized.

Mission Statement

Santa Clara County Vector Control District's mission is to detect and minimize vector-borne diseases, to abate mosquitoes, and to assist the public in resolving problems with rodents, wildlife, and insects of medical significance. Primary services include the following:

- Detection of the presence/prevalence of vector-borne disease through planned tests, surveys, and samples
- Inspection and treatment of known mosquito and rodent sources
- Response to customer-initiated service requests for identification, advisory, and/or control measures for mosquitoes, rodents, wildlife, and miscellaneous invertebrates (e.g., ticks, yellowjackets, cockroaches, bees, fleas, flies)
- Promotion of public awareness through outreach and educational services

The District ensures disease and illness prevention by ensuring that sources of vector development are identified, inventoried, inspected, and treated as often as needed. This includes 300 miles of streams, 5,000 acres of marshlands, and 27,000 storm drain catch basins. Prevention focuses on eradicating the water and vegetative conditions that are conducive to breeding. Mosquito fish are used as a control

technique and, as a last resort, chemical agents are used. The District also conducts disease surveillance activities for such vector-borne diseases as encephalitis, plague, hantavirus, Lyme disease, and other insect and animal-borne pathogens. The District conducts education and outreach activities to inform the community about vector-borne diseases. The District has 32.5 professional and technical staff members who are responsible for providing services.

For its operations, the District divides the County into 13 smaller districts. Field workers target between 500 and 600 inventory sources of mosquitoes in the County; these are places where, based on historical data, mosquitoes are likely to breed. Staff members visit high-risk sources once a week, sometimes checking strategically located traps; other sources are visited once or twice a month. ABAG projects the County to experience a moderate growth rate of 1.19 percent annually through 2025. This is not expected to impact the District's service operations.

The Vector Control District is required to report its activities to the County's Department of Environmental Health. The District also submits an annual report to the County Board of Supervisors in their role as the District's Board of Trustees. The District's financial activities are also independently audited on an annual basis. In addition, the 2003–2004 Grand Jury evaluated District activities and concluded that the District has a well-developed plan to meet the threat of West Nile Virus.

The County provides many administrative services to the District, and the District's annual budget is contained within the County's budget. This structure provides cost savings for the District because it only needs to pay for the District's portion of administrative overhead expenses. The District also participates in joint financing and purchasing efforts to minimize costs. For example, the District has a new Vector Control Service Yard that was partially financed by the County, and the District participates in the County's buying power by utilizing the County Procurement Department for all purchases. The District does not have specific arrangements for sharing facilities with other agencies; however, the District does (from time to time) share equipment and staff with the County of Santa Clara Department of Environmental Health. In addition, the District has an unwritten mutual-aid agreement with respect to materials and supplies from other mosquito and vector-control districts within the region.

The District's revenue is limited to benefit assessments (97.8 percent of revenue) and interest income. The District has been facing budget constraints as expenditures have exceeded revenues for several years. Due to the budget constraints, the District has utilized a small "temporary facility" since 1992. Funding issues have constrained the move into a new facility. In FY 2003-2004 the District's revenues totaled $2,692,162 and expenditures totaled $3,169,551; meaning that expenditures exceeded revenues by $477,389. Approximately 98 percent of the District's fund balances at the end of FY 2003-2004 ($1,990,977) consisted of unrestricted fund balance, which is available to meet the District's needs. The remainder of the fund balance (approximately $35,000) is reserved for encumbrances. The District's most recent audit states that this reserve amount is sufficient for the next several years to adjust for economic uncertainty and anticipated increases to staff salaries and benefits.

The Vector Control District uses a system of assessment units, benefit zones, benefit units, and benefit factors to determine what each property owner pays. Depending upon the use of the property

and the amount of service dispensed, a parcel receives a specific level of vector-control benefit. Assessment units are assigned in proportion to the benefit received. These different assessments are reflected in annual rates that vary from $.67 to $27.02. However, the great majority of landowners currently pay $5.08 annually per parcel on their property tax bill. The District has recently implemented a benefit assessment increase that was approved by voters in August 2005. This is the first increase in rates since 1997. The new assessment begun in 2006 and is $8.36 annually for the majority of landowners. The increase will provide the District with an additional $4 million in funding annually. In addition to other uses, this funding would allow the District to begin to look for a more permanent facility that would better accommodate the District's activities.

14.2 SERVICE REVIEW DETERMINATIONS FOR THE SANTA CLARA COUNTY VECTOR CONTROL DISTRICT

The Service Review guidelines prepared by the State Office of Planning and Research recommend that issues relevant to the jurisdiction be addressed through written determinations called for in the CKH Act. Based on the above information, following are the written determinations for the District.

Infrastructure Needs and Deficiencies

1. The District moved into a small "temporary facility" in 1992, and funding issues have constrained the move into a new larger facility. However, the recent passage of the increased assessment will provide financing to obtain a larger, more functional facility.

Growth and Population

1. Based upon ABAG projections, the County is expected to experience a moderate growth rate of 1.19 percent annually through 2025. This growth is not expected to impact the District's service provision capabilities.

Financing Constraints and Opportunities

1. The District has been facing budget constraints. Expenditures have exceeded revenues for several years. However, voters have recently approved a benefit assessment increase. The increase will provide the District with an additional $4 million in funding annually.

2. The District's revenue is limited to benefit assessments and interest income. No additional financing opportunities have been identified.

Cost-Avoidance Opportunities

1. The County provides many administrative services to the District, and the District's annual budget is contained within the County's budget. This structure provides cost savings for the District because it only pays for the District's portion of administrative overhead expenses.

2. The District participates in several joint financing and purchasing efforts to minimize costs.

Opportunities for Rate Restructuring

1. The District has recently implemented a benefit assessment increase that was approved by voters in August 2005. This is the first increase in rates since 1997.

2. Increases to benefit assessments, which are the only rates that the District levies, must be approved by two-thirds of the voters. Hence, no opportunities for rate restructuring have been identified.

Opportunities for Shared Facilities

1. The District shares equipment and staff with the County of Santa Clara Department of Environmental Health.

2. The District has an unwritten mutual-aid agreement with respect to materials and supplies from other mosquito and vector-control districts within the region.

Government Structure Options

1. The District is governed by the County Board of Supervisors. No government structure options have been identified.

Evaluation of Management Efficiencies

1. The 2003–2004 Grand Jury evaluated District activities and concluded that the District has a well-developed plan to meet the threat of West Nile Virus.

2. An evaluation of management efficiencies of the District is implemented through activity reports to the County Department of Environmental Health. The District also submits an annual report to the County Board of Supervisors in their capacity as the Board of Trustees.

Local Accountability and Governance

1. The County Board of Supervisors is the governing body for the Vector Control District in addition to other various special districts in the County. Meeting agendas are posted on the County's website and outside of the County Board Chambers along with the Board's other agenda items. Local accountability and governance standards are met through this established process.

14.3 SOI RECOMMENDATION FOR THE SANTA CLARA COUNTY VECTOR CONTROL DISTRICT

Current SOI Boundary

The District encompasses the entire County and has an existing SOI that is coterminous with the County boundaries.

SOI Recommendation

As the existing SOI for the Vector Control District is coterminous with the County boundaries, no further outward expansion is possible. Therefore, it is recommended that LAFCO reaffirm the existing SOI for the Santa Clara County Vector Control District.

14.4 SOI DETERMINATIONS FOR THE SANTA CLARA COUNTY VECTOR CONTROL DISTRICT

As detailed previously in Section 1.1.2, Government Code section 56425 requires written determinations with respect to the following four factors to update an agency's SOI. Based upon the information above, the following determinations are provided to update the existing District's SOI.

1. The Present and Planned Land Uses in the Area, Including Agricultural and Open-Space Lands

The District encompasses the entire County. The County of Santa Clara contains a wide range of land uses, including all types of urban uses to large areas of hillside, open space, and agricultural uses. Generally, unincorporated areas within the County are designated Rural County. However, numerous unincorporated pocket areas exist that are developed with urban uses. Development within the cities ranges from fully developed urban areas to expansive hillside, open space, and agricultural lands.

Finding: Planned land uses throughout the County are generally similar to those of the existing uses, with the exception of the proposed Coyote Valley Specific Plan area located in the unincorporated area south of San Jose. The Specific Plan Area is currently undeveloped. If implemented, the Specific Plan would create an urban community comprising a minimum development of 50,000 jobs and 25,000 dwelling units.

2. The Present and Probable Need for Public Facilities and Services in the Area

The County is expected to experience a moderate growth rate of 1.19 percent annually through 2025. The need for vector-control services may grow in the future. However, this is largely dependant upon the potential creation of new water and vegetative and other conditions that are conducive to vector breeding.

Finding: The need for vector-control services may grow in the future depending on the creation of conditions that are conducive to vector breeding.

3. The Present Capacity of Public Facilities and Adequacy of Public Services That the Agency Provides or Is Authorized to Provide

The District's "temporary facility" is inadequate; however, passage of an increased assessment will provide financing to obtain a larger, more functional facility.

Finding: The present level of services provided by the District appears to be adequate.

4. The Existence of Any Social or Economic Communities of Interest in the Area if the Commission Determines That They Are Relevant to the Agency

The District encompasses the entire County.

Finding: The District currently encompasses all of the communities of interest in the County.

Appendix G
FY15 Consumer and Environmental Protection Overhead

Job Code	Title	VCD $	VCD %	Total Salary
A50	Dir. CEPA	$27,197.81	10.10%	$269,285.27
B77	Accountant III	$4,894.42	3.20%	$152,950.48
B96	Dept. Fiscal Officer	$23,920.04	15.00%	$159,466.96
D09	Office Specialist III	$3,578.44	100.00%	$3,578.44
X09	Sr Office Specialist	$17,881.66	18.21%	$98,202.86
D09	Office Specialist III	$83,303.61	100.00%	$83,303.61
V1C	Accountant Assistant	$1,906.39	4.70%	$40,561.43
B76	Sr Accountant	$37,407.54	25.54%	$146,488.91
D96	Accountant Assistant	$82,030.36	83.88%	$97,795.58
D09	Office Specialist III	$1,859.11	4.70%	$39,555.51
X17	Exec Assistance I	$31,222.15	26.25%	$118,949.68
B2N	Admin Support Officer I	$14,696.11	19.92%	$73,763.29
B1N	Sr. Mgmt Analyst	$14,357.91	23.19%	$61,901.40
B1P	Management Analyst	$4,694.52	5.00%	$93,890.33
D09	Office Specialist III	$91,934.01	91.59%	$100,380.99
B78	Accountant II	$1,014.67	0.83%	$122,195.03
B2K	Admin Serv Mgr III	$16,513.69	9.80%	$168,506.99
B2J	Admin Serv Mgr II	$3,341.57	9.80%	$34,097.70
D96	Accountant Assistant	$9,666.52	8.83%	$109,469.38
C29	Exec Assistant I	$7,029.68	6.20%	$113,381.88
D97	Account Clerk II	$4,337.94	4.94%	$87,827.91
		$482,788.15		

Appendix I
Overhead Costs for Other Dependent Districts

County of San Diego FY25-26 VCP Budget		
VCP Direct Cost	$13,740,875.00	
VCP Dept Internal Overhead	$1,822,166	
VCP Dept External Overhead	$733,270	
Total Program Cost	$16,296,211	Perventage of budget to overhead
Total Internal/External Overhead	$2,555,436	15.70%
County of Santa Cruz FY 25-26 VCP Budget		
IT Services	$76,248	
Fleet Services	$35,900	
Custodial and Maintenance Services	$88,598	
Purchasing Services	$9,130	
Ag Department (amangement Services)	$123,760	
Assessment Administration	$29,277	
Total Overhead	$362,913	
County of Alameda FY 23-24 VCP Budget		
Salaries and Benefits	$2,683,156	
Martials, supplies, and Services	$886,491	
County Outlay	$418,175	
Total Expenditures	$3,987,822	percentage of expenditures to OH
Total Overhead	$418,175	10.50%

FY15 IC-Departmental Charges

Document Journal

FM Area 1SCC
Year Commitment Item
Commitment Item 5259100
Funds Center 04114224
Fund
Layout /TSS_ZELA

User THOMASS01
Date/Time 08/26/2025 15:05:16

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FY15 IC-Departmental Charges

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FY16 IC-Departmental Charges

Document Journal

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User THOMASS01
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FY16 IC-Departmental Charges

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FY17 IC Dept Charges

Document Journal

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FY17 IC Dept Charges

Document Journal

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Document Journal

FM Area 1SCC
Year Commitment Item
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User THOMASS01
Date/Time 08/28/2025 12:30:21

RefDocNo	Ref Item	PO Type	FM Pstg.Dt	Value Type Text	Amt Type	Amount type	Payment budget FMAC	WBS Element	Order	Funded Prg	Fund	Funds Center	Cmmt Item	Carryfwd	VT	Text	Supplier	Name 1
102266506	5		09/30/2017	Profit transfer postings	0100	Original	157,137.00			DEFAULT	0028	04114224	5259100		66	FY18-Q1 CEPA ADM OH Alloc		
102298706	8		11/27/2017	Profit transfer postings	0100	Original	230,406.20			DEFAULT	0028	04114224	5259100		66	AEM Admin OH - FY18		
102327310	5		12/29/2017	Profit transfer postings	0100	Original	121,755.00			DEFAULT	0028	04114224	5259100		66	Reclass-FY18-Q2-PP17/21-PP17/26		
102395464	5		03/31/2018	Profit transfer postings	0100	Original	149,939.00			DEFAULT	0028	04114224	5259100		66	FY18-Q3- CEPA Adm OH		
102461032	5		06/26/2018	Profit transfer postings	0100	Original	147,082.00			DEFAULT	0028	04114224	5259100		66	FY18-Q4 CEPA Adm OH		
102478420	1		06/30/2018	Profit transfer postings	0100	Original	426,888.00			DEFAULT	0028	04114224	5259100		66	VCD-Admin OH Allocation-FY18		
							1,233,207.20											

Doc.Type : SA (G/L account document) Parked document

Doc. Number	101633516	Company Code	1SCC	Fiscal Year	2015
Doc. Date	11/04/2014	Posting Date	11/04/2014	Period	05

Calculate Tax ☑
Ref.Doc. RECLASS-AEM-5665
Doc. Currency USD
Doc. Hdr Text Reclass-FY15-Q1

It	PK	Account	Account short text	Tx	Amount	Text	Cost	Fund	Funds Ctr	Ref.k	PmtMt	Order	BnkT
1	40	5259100	IC-Dept Charge-Intnl		212,584.27	Reclass-AEM CC5665-FY15-Q1	1190	0030					
2	40	5259100	IC-Dept Charge-Intnl		15,267.22	Reclass-AEM CC5665-FY15-Q1	1196	0030					
3	40	5259100	IC-Dept Charge-Intnl		102,282.32	Reclass-AEM CC5665-FY15-Q1	1198	0030					
4	40	5259100	IC-Dept Charge-Intnl		10,155.30	Reclass-AEM CC5665-FY15-Q1	1199	0030					
5	40	5259100	IC-Dept Charge-Intnl		88,760.11	Reclass-AEM CC5665-FY15-Q1	4224	0028					
6	50	5440400	IC-Reimb-Dept Charg		429,049.22-	Reclass-AEM CC5665-FY15-Q1	5665	0001					
*					0.00								

AEM ADMIN CC5665 - DEPARTMENT CHARGE ALLOCATION

FY15 Q1

AEM CC5665 Name of Employee	ECLS	FY15 Q1 TOTAL	Dept Charge JE	Q1 Dept Charge Total	Name of Employee	OH % Alloc CC5665	Dept Charge CC1190	Dept Charge CC1196	Dept Charge CC1198	Dept Charge CC1199	Dept Charge CC4224	TOTAL
		559,082.10	(91,213)	467,869.46		38,820.24	212,584.27	15,267.22	102,282.32	10,155.30	88,760.11	467,869.46
#101632384 11/03/14	CC1196		(1,579)									467,869.46
#101632384 11/03/14	CC1199		(961)									429,049.22
#101632374 11/03/14	CC1199		(14,742)									
#101632374 11/03/14	CC1196		(7,938)									
#101632345 11/03/14	CC1190		(3,828)									
#101633471 11/04/14	CC1197		(3,878)									
#101632165 10/31/14	CC1197		(56,724)									
#101632165 10/31/14	Cc1187		(1,561)									
		559,082.10	(91,213)	467,869.46								
CC 5665 Total		380,839.02		380,839.02		380,839.02						380,839.02
		939,921.12	(91,212.64)	848,708.48		419,659.26	212,584.27	15,267.22	102,282.32	10,155.30	88,760.11	848,708.48
											429,049.22	848,708.48
JE Reclass-Q1 Sal&Ben					JE#	101633516						
G Vasquezc#101581506 1414	07/25/14	(3,826.03)			GLA-5259100	CC1190	212,584.27					
#101632192 G Vasquez-correction	11/03/14	3,826.03			GLA-5259100	CC1196	15,267.22					
G Vasquezc#101582149 1415	07/25/14	(3,878.22)			GLA-5259100	CC1198	102,282.32					
#101633465 G Vasquez-correction	11/04/14	3,878.22			GLA-5259100	CC1199	10,155.30					
E Baltazar#101586917	07/31/14	*(1,472.25)*			GLA-5259100	CC4224	88,760.11					
L Chan#101586917	07/31/14	*(9,310.26)*			GLA-5440400	CC5665	(429,049.22)					
T Lam#101586917	07/31/14	*(3,243.06)*										

Administration Fund 0001- CC 5665

Cost center	Fund	CLB FY15	Est. for FY 2016 CLB	+/-
CC 1187	0037	**65,417**	**123,261**	57,844
CC 1188	0031	**44,428**	**55,636**	11,208
CC 1194	0030	**94,952**	**147,978**	53,026
CC 1197	0030	**0**	**110,427**	110,427
CC 4224	0028	**28,019**	**45,215**	17,196
		232,816	**482,518**	249,702

Journal entries:

GLA 5440200	5665 Credit	AEM Admin OH - FY15
GLA 5258200	1187 Debit	AEM Admin OH - FY15
GLA 5258200	1188 Debit	AEM Admin OH - FY15
GLA 5259100	1194 Debit	AEM Admin OH - FY15
GLA 5259100	1197 Debit	AEM Admin OH - FY15
GLA 5259100	4224 Debit	AEM Admin OH - FY15

Footnotes:
Reverse the Admin overhead estimate posted in FY14 and process a JE to book the actual admin overhead for FY15

Overhead cost

Actual Administrative Costs FY 2014

	Object 1	Object 2	FY 2014
Agriculture/PDCP	548,441	281,637	830,079
Clean Water Program	1,269	558	1,828
Animal Care and Control	563,176	224,682	787,858
Cooperative Extension	9,011	8,480	17,490
Weed Abatement	29,941	25,695	55,636
Recycling & Waste Reduction	60,305	62,957	123,261
Household Hazardous Waste	39,196	71,231	110,427
Weights & Measures	206,223	126,315	332,538
DEH	170,844	22,349	193,193
Total	**1,628,407**	**823,903**	**2,452,310**

	FY 2013	FY 2014	+/-
Agriculture/PDCP	1,065,732	830,079	(235,653)
Clean Water Program	0	1,828	1,828
Animal Care and Control	827,201	787,858	(39,343)
Cooperative Extension	21,717	17,490	(4,227)
Weed Abatement	44,421	55,636	11,215
Recycling & Waste Reduction	89,580	123,261	33,681
Household Hazardous Waste	0	110,427	110,427
Weights & Measures	396,803	332,538	(64,265)
DEH	122,970	193,193	70,223
Total	**2,568,424**	**2,452,310**	**(116,114)**

AEM Admin Cost Allocation to DEH & Vector Control
FY 2015

	AEM Actual Costs to DEH/VCD
Object 1	170,844.38
Object 2	22,349.10
	193,193.48

	FTE	%	% Allocation	CC
DEH	126.0	76.60%	147,977.99	1194
VCD	38.5	23.40%	45,215.50	4224
	164.5		**193,193.48**	

ALLOCATION OF EXPENDITURES- OBJECT 2
FY 2014

	% Ag.	%CW	%ACC	%UC	%WA	%RWRC	%HHW	%WM	%DEH	
Standard Allocation from ExpSum Object 1	33.7%	0.1%	34.6%	0.6%	1.8%	3.7%	2.4%	12.7%	10.5%	100.0%

Object 2 - Administration

Account	Description	Amount	% Ag.	%CW	%ACC	%UC	%WA	%RWRC	%HHW	%WM	%DEH	Amt to Ag.	Amt to CW	Amt to ACC	Amt to UC	Amt to WA	Amt to RWRC	Amt to HHW	Amt to WM	Amt to DEH		
1308000	Low Value Assets	1,523.59										448.40		542.92	8.97	27.26	81.56	63.59	188.93	161.96	$1,523.59	0.00
5205100	Communications and Telephone Svcs	10,284.63										1,051.55		7,879.37	392.06	186.56	186.56	186.56	215.41	186.56	$10,284.63	0.00
5205300	IC - Landline Phone - Internal	37,960.12										11,171.86		13,526.87	223.58	679.09	2,032.07	1,584.25	4,707.27	4,035.14	$37,960.12	0.00
5205350	IC - Cell Phone -Internal	1,023.13										301.11		364.59	6.03	18.30	54.77	42.70	126.87	108.76	$1,023.13	0.00
5220200	IC-Insurance	91,001.00										45,636.60		26,937.46					18,426.94		$91,001.00	0.00
5230400	Maintenance - Equipment-Other	16,039.04										838.88		14,630.86	113.86	113.86	113.86	113.86	113.86		$16,039.04	0.00
5250100	Office Expense	29,393.68										4,292.98		4,243.61	3,903.25	3,903.25	4,220.20	3,890.47	3,988.77	951.15	$29,393.68	0.00
5250200	Postage Expense - External	187.00										0.00		187.00	0.00	0.00	0.00		0.00	0.00	$187.00	0.00
5250250	IC-Postage Expense - Internal	12,733.49										3,183.37		3,183.37		3,183.38			3,183.37	0.00	$12,733.49	0.00
5250300	P-card PMTs	(9,659.48)										(1,605.86)		(6,159.15)		(1,078.86)			(815.61)	0.00	($9,659.48)	0.00
5250700	Printing - External	184.35										87.99		18.49					77.87	0.00	$184.35	0.00
5250750	IC-Printing-Internal	22,019.76										1,732.56		5,861.09	2,148.25	564.42	564.42	564.42	10,020.18	564.42	$22,019.76	0.00
5250900	Education Expense - Other	883.54												563.54						320.00	$883.54	0.00
5256650	IC-Data Processing Services - Internal	441,239.71	36.3%	0.1%	21.6%	0.1%	3.3%	10.3%	13.7%	14.6%		159,949.39	441.24	95,351.90	573.61	14,560.91	45,359.44	60,538.09	64,465.12	0.00	$441,239.71	0.00
5256650	IC-Data Processing Services - Internal	150,000.00	33.7%	0.1%	34.6%	0.6%	1.8%	3.7%	2.4%	12.7%	10.5%	50,519.43	116.93	51,876.75	830.00	2,757.99	5,554.96	3,610.53	18,996.14	15,737.26	$150,000.00	0.00
5260100	Publications and Legal Notices	200.00										72.70		43.22	0.25	6.60	20.57	27.44	29.23	0.00	$200.00	0.00
5265110	Rents and Leases - Equip- Copy Machin	5,992.73										1,347.60		1,588.68	0.00	713.42	713.42	713.42	916.19	0.00	$5,992.73	0.00
5280000	Special Department Expense	1,390.00										(378.12)		3,280.60		(378.12)	(378.12)	(378.12)	(378.12)	0.00	$1,390.00	0.00
5285110	IC-Fuel - Internal	430.82										0.00		0.00	0.00	0.00	430.82		0.00	0.00	$430.82	0.00
5285200	IC-Automobile Services - Internal	3,710.87										0.00		0.00	0.00	0.00	3,710.87		0.00	0.00	$3,710.87	0.00
5285300	Mileage	3,536.70										1,071.00		232.45	232.45	232.45	232.45	232.45	1,071.00	232.45	$3,536.70	0.00
5285800	Business Travel	1,381.36										340.61		520.60	33.91	33.91	33.91	33.91	340.60	43.91	$1,381.36	0.00
5350100	Miscellaneous Expense - Others	60.00										7.50		7.50	7.50	7.50	7.50	7.50	7.50	7.50	$60.00	0.00
8210000	Settlement-External For Seller & Buyer	2,386.99										1,567.85		0.00	5.79	163.02	17.28		633.06		$2,386.99	0.00
	Total Administration	**823,903.03**										**281,637.40**	**558.17**	**224,681.72**	**8,479.52**	**25,694.94**	**62,956.54**	**71,231.06**	**126,314.58**	**22,349.10**	**$823,903.03**	
																				823,903.03		

Notes: Based on actual cost

Transfers reimb. from other divisions are not included in Admin. Obj 2 costs

(263,816.03)

DIRECT LABOR COSTS									
FY 2014	**Berg, Jason**			**Blanco, Belen**			**Brown, Amy**		
Administration Actuals Salary & Benefits	74,641.85			29,337.96			257,696.77		
Administration	Hrs per Program	%of Hrs per Prgrm	Direct Labor Costs per Program	Hrs per Program	%of Hrs per Prgrm	Direct Labor Costs per Program	Hrs per Program	%of Hrs per Prgrm	Direct Labor Costs per Program
1. Agriculture	915.00	52.78%	$39,398		0.00%	$0	219.20	14.95%	$38,531
2. Clean Water		0.00%	$0		0.00%	$0	7.00	0.48%	$1,230
3. Animal Control	799.50	46.12%	$34,425	1,562.19	100.00%	$29,338	439.50	29.98%	$77,256
4. Cooperative Extension	19.00	1.10%	$818		0.00%	$0	8.30	0.57%	$1,459
5. Weed Abatement		0.00%	$0		0.00%	$0	30.30	2.07%	$5,326
6. Recycling & Waste		0.00%	$0		0.00%	$0	246.30	16.80%	$43,295
7. Household		0.00%	$0		0.00%	$0	14.50	0.99%	$2,549
8. Weights & Measures		0.00%	$0		0.00%	$0	76.30	5.20%	$13,412
9. DEH		0.00%	$0		0.00%	$0	424.60	28.96%	$74,637
Total Administration Costs	1,733.50	100.00%	$74,641	1,562.19	100.00%	$29,338	1,466.00	100.00%	$257,695
Leave/Holiday/Admin	354.5						622.00		
Grand Total	2,088.00		$0.85	1,562.19		($0)	2,088.00		$2

DIRECT LABOR COSTS									
FY 2014	Cancilla-Conde, Sue			Chan, Isabelita			Chapa, Joanne		
Administration Actuals Salary & Benefits	88,218.09			30,811.91			50,520.68		
Administration	Hrs per Program	%of Hrs per Prgrm	Direct Labor Costs per Program	Hrs per Program	%of Hrs per Prgrm	Direct Labor Costs per Program	Hrs per Program	%of Hrs per Prgrm	Direct Labor Costs per Program
1. Agriculture	177.30	12.47%	$10,997	78.00	18.96%	$5,840			$17,015
2. Clean Water		0.00%	$0		0.00%	$0			$39
3. Animal Control	14.00	0.98%	$868	30.00	7.29%	$2,246			$17,472
4. Cooperative Extension		0.00%	$0		0.00%	$0			$280
5. Weed Abatement		0.00%	$0		0.00%	$0			$929
6. Recycling & Waste		0.00%	$0		0.00%	$0			$1,871
7. Household		0.00%	$0	274.50	66.71%	$20,554			$1,216
8. Weights & Measures	1,231.00	86.55%	$76,353	29.00	7.05%	$2,171			$6,398
9. DEH		0.00%	$0		0.00%	$0			$5,300
Total Administration Costs	1,422.30	100.00%	$88,218	411.50	100.00%	$30,811	0.00	0.00%	$50,521
Leave/Holiday/Admin	674.20			356.50			1,456.60		
Grand Total	2,096.50		$0	768.00		$1	1,456.60		$0

DIRECT LABOR COSTS									
FY 2014	Dam Nguyen, Mary			Dehertel, Colleen			Deviney, Joseph		
Administration Actuals Salary & Benefits	103,340.67			74,138.31			191,849.10		
Administration	Hrs per Program	%of Hrs per Prgrm	Direct Labor Costs per Program	Hrs per Program	%of Hrs per Prgrm	Direct Labor Costs per Program	Hrs per Program	%of Hrs per Prgrm	Direct Labor Costs per Program
1. Agriculture		0.00%	$0	1,440.80	82.74%	$61,344	1,599.50	92.56%	$177,583
2. Clean Water		0.00%	$0		0.00%	$0		0.00%	$0
3. Animal Control	380.50	74.46%	$76,949	300.50	17.26%	$12,794		0.00%	$0
4. Cooperative Extension		0.00%	$0		0.00%	$0		0.00%	$0
5. Weed Abatement	64.50	12.62%	$13,044		0.00%	$0		0.00%	$0
6. Recycling & Waste		0.00%	$0		0.00%	$0		0.00%	$0
7. Household		0.00%	$0		0.00%	$0		0.00%	$0
8. Weights & Measures	66.00	12.92%	$13,347		0.00%	$0	128.50	7.44%	$14,267
9. DEH		0.00%	$0		0.00%	$0		0.00%	$0
Total Administration Costs	511.00	100.00%	$103,340	1,741.30	100.00%	$74,138	1,728.00	100.00%	$191,850
Leave/Holiday/Admin	1,577.00			346.70			360.00		
Grand Total	2,088.00		$0.67	2,088.00		$0.31	2,088.00		($0.90)

DIRECT LABOR COSTS									
FY 2014	**Do, Vyloan**			**Hernandez, Carol**			**Keener, Mario**		
Administration Actuals Salary & Benefits	140,293.90			81,289.99			24,378.47		
Administration	Hrs per Program	%of Hrs per Prgrm	Direct Labor Costs per Program	Hrs per Program	%of Hrs per Prgrm	Direct Labor Costs per Program	Hrs per Program	%of Hrs per Prgrm	Direct Labor Costs per Program
1. Agriculture	467.50	34.89%	$48,946		0.00%	$0	157.50	41.56%	$10,131
2. Clean Water		0.00%	$0		0.00%	$0		0.00%	$0
3. Animal Control	224.50	16.75%	$23,504	1,659.00	100.00%	$81,290	56.50	14.91%	$3,634
4. Cooperative Extension	6.00	0.45%	$628		0.00%	$0		0.00%	$0
5. Weed Abatement	19.00	1.42%	$1,989		0.00%	$0		0.00%	$0
6. Recycling & Waste	72.00	5.37%	$7,538		0.00%	$0		0.00%	$0
7. Household	95.00	7.09%	$9,946		0.00%	$0		0.00%	$0
8. Weights & Measures	159.00	11.87%	$16,647		0.00%	$0	165.00	43.54%	$10,613
9. DEH	297.00	22.16%	$31,095		0.00%	$0		0.00%	$0
		0.00%							
Total Administration Costs	1,340.00	100.00%	$140,293	1,659.00	100.00%	$81,290	379.00	100.00%	$24,378
Leave/Holiday/Admin	746.00						568.00		
							485.50		
Grand Total	2,086.00		$0.90	1,659.00		($0.01)	1,432.50		$0.47

DIRECT LABOR COSTS									
FY 2014	**Kincaid, Joanna**			**Ribardo, Michele**			**Rodriguez, Jermaine**		
Administration Actuals Salary & Benefits	71,435.35			175,002.98			3,649.97		
Administration	Hrs per Program	%of Hrs per Prgrm	Direct Labor Costs per Program	Hrs per Program	%of Hrs per Prgrm	Direct Labor Costs per Program	Hrs per Program	%of Hrs per Prgrm	Direct Labor Costs per Program
1. Agriculture	764.70	80.49%	$57,502	162.00	12.51%	$21,887		0.00%	$0
2. Clean Water		0.00%	$0		0.00%	$0		0.00%	$0
3. Animal Control	24.20	2.55%	$1,820	536.50	41.42%	$72,484		0.00%	$0
4. Cooperative Extension		0.00%	$0	39.50	3.05%	$5,337		0.00%	$0
5. Weed Abatement	12.50	1.32%	$940	34.50	2.66%	$4,661		0.00%	$0
6. Recycling & Waste	5.00	0.53%	$376	40.00	3.09%	$5,404		0.00%	$0
7. Household		0.00%	$0	36.50	2.82%	$4,931		0.00%	$0
8. Weights & Measures	49.10	5.17%	$3,692	57.00	4.40%	$7,701	19.00	100.00%	$3,650
9. DEH	94.50	9.95%	$7,106	389.30	30.05%	$52,597		0.00%	$0
Total Administration Costs	950.00	100.00%	$71,436	1,295.30	100.00%	$175,002	19.00	100.00%	$3,650
Leave/Holiday/Admin	1,152.00			792.7			6		
Grand Total	2,102.00		($0.65)	2,088.00		$1	25.00		($0)

DIRECT LABOR COSTS

FY 2014 Administration	Roth, Jami			Selbach, Jeremy			Valdez, Laura			SUMMARY	
Actuals Salary & Benefits	110,325.35			99,893.70			21,584.66			A	B
Administration	Hrs per Program	%of Hrs per Prgrm	Direct Labor Costs per Program	Hrs per Program	%of Hrs per Prgrm	Direct Labor Costs per Program	Hrs per Program	%of Hrs per Prgrm	Direct Labor Costs per Program	**Direct HOURS / Program**	**Direct Labor COSTS per Program**
1. Agriculture	493.20	48.11%	$53,080		0.00%	$0	108.20	28.66%	$6,187	6,582.90	$548,441
2. Clean Water		0.00%	$0		0.00%	$0		0.00%	$0	7.00	$1,269
3. Animal Control	230.00	22.44%	$24,754	1,820.50	97.56%	$97,458	120.40	31.89%	$6,884	8,197.79	$563,176
4. Cooperative Extension	3.00	0.29%	$323		0.00%	$0	2.90	0.77%	$166	78.70	$9,011
5. Weed Abatement	18.10	1.77%	$1,948		0.00%	$0	19.30	5.11%	$1,104	198.20	$29,941
6. Recycling & Waste	0.50	0.05%	$54		0.00%	$0	30.90	8.19%	$1,767	394.70	$60,305
7. Household		0.00%	$0		0.00%	$0		0.00%	$0	420.50	$39,196
8. Weights & Measures	280.30	27.34%	$30,167	45.50	2.44%	$2,436	93.90	24.87%	$5,369	2,399.60	$206,223
9. DEH		0.00%	$0		0.00%	$0	1.90	0.50%	$109	1,207.30	$170,844
Total Administration Costs	1,025.10	100.00%	$110,326	1,866.00	100.00%	$99,894	377.50	100.00%	$21,586	19,486.69	$1,628,407
Leave/Holiday/Admin	1,062.90			261.00			78.80			10,414.90	
Grand Total	2,088.00		($1)	2,127.00		($0.30)	456.30		-1.34	30,387.09	1,628,407

DIRECT LABOR COSTS					
FY 2014					
Administration Actuals Salary & Benefits	**FY 14 Actual costs** **1,628,410**				
Administration	AGRICULTURAL PROGRAMS				
		ALL			
1. Agriculture	1. Agriculture	33.68%	$548,441		17,015
2. Clean Water	2. Clean Water Program	0.08%	$1,269		39
3. Animal Control	3. Animal Control	34.58%	$563,176		17,472
4. Cooperative Extension	4. Cooperative Extension	0.55%	$9,011		280
5. Weed Abatement	5. Weed Abatement	1.84%	$29,941	Non-GF	929
6. Recycling & Waste	6. Recycling & Waste	3.70%	$60,305	Non-GF	1,871
7. Household	7. Household Hazardous	2.41%	$39,196	Non-GF	1,216
8. Weights & Measures	8. Weights & Measures	12.66%	$206,223		6,398
9. DEH	9. DEH	10.49%	$170,844	Non-GF	5,300
			$1,628,407		
Total Administration Costs	Total Administration Costs	100.00%			

Leave/Holiday/Admin

Grand Total **Grand Total**

Admin Overhead

Cost Center	FY11	FY 12	FY 13	FY14	Average
1187	85,111.00	73,577.00	65,393.24	123,261.47	86,835.68
1188	73,884.00	75,723.00	44,421.01	55,635.84	62,415.96
1194	52,287.71	60,376.04	94,951.69	147,977.99	88,898.36
1197	0.00	0.00	0.00	110,427.10	27,606.78
4224	16,677.98	19,093.28	28,018.53	45,215.50	27,251.32
	227,960.69	228,769.32	232,784.47	482,517.90	293,008.10

Doc.Type : SA (G/L account document) Parked document

Doc. Number	101661645	Company Code	1SCC	Fiscal Year	2015
Doc. Date	12/30/2014	Posting Date	12/30/2014	Period	06

Calculate Tax ☑
Ref.Doc. OH ALLOCATION
Doc. Currency USD
Doc. Hdr Text FY15-Q2 PP1420 to PP1426

It	PK	Account	Account short text	Tx	Amount	Text	Cost	Fund	Funds Ctr	Ref.k	PmtMt	Order	BnkT
1	40	5259100	IC-Dept Charge-Intnl		315,634.08	OH Allocation-FY15-Q2-PP1420 ..	1190	0030					
2	40	5259100	IC-Dept Charge-Intnl		16,906.16	OH Allocation-FY15-Q2-PP1420 ..	1196	0030					
3	40	5259100	IC-Dept Charge-Intnl		127,535.04	OH Allocation-FY15-Q2-PP1420 ..	1198	0030					
4	40	5259100	IC-Dept Charge-Intnl		7,373.94	OH Allocation-FY15-Q2-PP1420 ..	1199	0030					
5	40	5259100	IC-Dept Charge-Intnl		110,930.64	OH Allocation-FY15-Q2-PP1420 ..	4224	0028					
6	50	5440400	IC-Reimb-Dept Charg		578,379.86-	OH Allocation-FY15-Q2-PP1420 ..	5665	0001					
*					0.00								

OH % ALLOC CC5665	Dept Charge CC1190	Dept Charge CC1196
JE# xxxxxxxxx-12-30-2014		
GLA-525910	CC1190	315,634.08
GLA-525910	CC1196	16,906.16
GLA-525910	CC1198	127,535.04
GLA-525910	CC1199	7,373.94
GLA-525910	CC4224	110,930.64
GLA-544040	CC5665	(578,379.86)

DOC# 10166 1645 12/30/14

CC5665

FY15 Q2 PP1420 (09/28/14)-PP1426 (12/21/14)

GLA 5259100-IC Dept Charge Int'l

GLA 5440400-IC Reimb-Dept Charge

AEM CC5665		FY15 Q2	JE Processed		Q1 Dept Charge		OH % ALLOC	Dept Charge	Dept Charge	Dept Charge	Dept Charge	Dept Charge		
Name of Employee	ECLS	TOTAL	Doc#	Amt	Total	TOTAL	CC5665	CC1190	CC1196	CC1198	CC1199	CC4224	TOTAL	
Baltazar, Elizabeth	B80	31,308.17			31,308.17	100%	5,566.59	8,646.46	1,721.77	15,104.22	269.12	-	31,308.17	
Rina Banks	X09	26,199.07			26,199.07	100%	-	-	-	26,199.07	-	-	26,199.07	
Melissa Belloso	D09	22,766.15			22,766.15	100%	-	22,766.15		-		-	22,766.15	
Let Chan	B77	39,497.98			39,497.98	100%	39,497.98	-		-		-	39,497.98	
Raquel Duenas	X09	29,315.92			29,315.92	100%	-	29,315.92		-		-	29,315.92	
Garcia, Candace	D49	15,120.06			15,120.06	100%		15,120.06					15,120.06	
Heather Holley	X09	25,936.07			25,936.07	100%		13,184.17	1,512.94	3,674.28	648.40	6,916.29	25,936.07	
Linda Kealey	D09	22,357.71			22,357.71	100%	-	-		-		22,357.71	22,357.71	
Mario Keener	D09	19,499.69			19,499.69	100%	-	19,499.69		-		-	19,499.69	
Kong, Meiyee	D09	3,193.96			3,193.96	100%		2,214.00	254.07	617.02	108.89	-	3,193.96	
Kou, Clara	B76	39,324.25			39,324.25	100%	10,656.87	13,200.21	1,522.25	5,607.53	594.45	7,742.94	39,324.25	
Basant Lal	D96	26,404.23			26,404.23	100%	5,201.63	-	-	-	-	21,202.60	26,404.23	
Trisha Lam	B80	30,516.19	see below	(28,696)	1,820.35	0%							-	
Maher, Michele	D09	21,004.29			21,004.29	100%		21,004.29					21,004.29	
Cynthia Mana-ay	X17	32,077.35			32,077.35	100%	3,207.74	14,675.39	1,684.06	4,089.86	721.74	7,698.56	32,077.35	
Marshall, Shannon	D97	15,684.63	see below	(3,075)	12,609.54	100%	2,076.79	3,472.04	657.04	6,350.92	52.75	-	12,609.54	
Daisy Mendez	D09/X09	23,751.15			23,751.15	100%	-	23,751.15		-		-	23,751.15	
Marialena Morris	B2N	39,718.69			39,718.69	100%	-	20,190.33	2,316.92	5,626.81	992.97	10,591.65	39,718.69	
Gabriel Olguin	D49	15,399.62			15,399.62	100%	-	15,399.62		-		-	15,399.62	
Owens, Arika	B1P	28,670.07			28,670.07	100%	-	14,573.95	1,672.42	4,061.59	716.75	7,645.35	28,670.07	
Jorge Palomino	D09	25,737.96			25,737.96	100%	-	-		-		25,737.96	25,737.96	
Somira Pech	D09	26,612.50			26,612.50	100%	-	-		26,612.50		-	26,612.50	
Porcari, Grant	D09	5,451.43			5,451.43	100%		3,778.83	433.64	1,053.12	185.84	-	5,451.43	
Juan Rayas	X09	28,836.41			28,836.41	100%	-	28,836.41		-		-	28,836.41	
Resuello, Joselyn	B78	32,486.43			32,486.43	100%	2,748.35	15,413.67	1,565.66	10,769.73	1,989.02	-	32,486.43	
Ryan, Rosemarie	D96	28,901.97			28,901.97	100%	-	16,234.29	2,054.02	8,857.79	718.29	1,037.58	28,901.97	
Gilbert Vasquez	D09	26,796.26	see below	(25,265)	1,531.46	0%	-	-		-		-	-	
Chris Widmann	X09	26,454.27	see below	(26,454)	0.00	100%	-	-	-	-	-	-	-	
Yung, Sin-Yin (Cindy)	D97	25,335.02			25,335.02	100%	179.88	14,357.46	1,511.37	8,910.60	375.72	-	25,335.02	DEH&VCD
		734,357.50	-	(83,490)	650,867.50		69,135.83	315,634.08	16,906.16	127,535.04	7,373.94	110,930.64	647,515.69	578,379.86

Doc.Type : SA (G/L account document) Parked document

Doc. Number	101714787	Company Code	1SCC	Fiscal Year	2015
Doc. Date	04/13/2015	Posting Date	04/13/2015	Period	10
Calculate Tax	☒				
Ref.Doc.	FY15-Q3 DEH&VCD				
Doc. Currency	USD				
Doc. Hdr Text	RECLASS-FY15-Q3-DEH&VCD				

It	PK	Account	Account short text	Tx	Amount	Text	Cost	Fund	Funds Ctr	Ref.k	PmtMt	Order	BnkT
1	40	5259100	IC-Dept Charge-Intnl		276,386.33	Reclass-FY15-Q3-DEH&VCD PP150 ...	1190	0030					
2	40	5259100	IC-Dept Charge-Intnl		15,331.82	Reclass-FY15-Q3-DEH&VCD PP150 ...	1196	0030					
3	40	5259100	IC-Dept Charge-Intnl		109,671.51	Reclass-FY15-Q3-DEH&VCD PP150 ...	1198	0030					
4	40	5259100	IC-Dept Charge-Intnl		8,868.07	Reclass-FY15-Q3-DEH&VCD PP150 ...	1199	0030					
5	40	5259100	IC-Dept Charge-Intnl		93,955.62	Reclass-FY15-Q3-DEH&VCD PP150 ...	4224	0028					
6	50	5440400	IC-Reimb-Dept Charg		504,213.35-	Reclass-FY15-Q3-DEH&VCD PP150 ...	5665	0001					
*					0.00								

CC5665

FY15 Q3 PP1501 (12/22/14)-PP1506 (03/15/15) 6 PPs

GLA 5259100-IC Dept Charge Int'l (SEE detail)

GLA 5440400-IC Reimb-Dept Charge (CC5665)

AEM CC5665		Q3	JE Processed		Q3 Dept Chrg	OH %	Dept Charge	Dept Charge	Dept Charge	Dept Charge	Dept Charge			OH % ALLOC	Dept Charge	Dept Charge	Dept Charge	Dept Charge	Dept Charge		
ne of Emplo	ECLS	Total	Doc#	Amount	Allocation	CC5665	CC1190	CC1196	CC1198	CC1199	CC4224	TOTAL	ne of Emplo	CC5665	CC1190	CC1196	CC1198	CC1199	CC4224	TOTAL	
Baltazar, E	B80	27,913			27,913	15.59%	27.81%	6.11%	49.00%	1.50%	0.00%	100%	Baltazar, E	4,352	7,761	1,704	13,677	419	0	27,913	0
Rina Banks	X09	22,907	JE#10171 2470, JE#10166 9975	(392)	22,515				100.00%			100%	Rina Banks	0	0	0	22,515	0	0	22,515	392
Melissa Be	D09	19,242			19,242		100.00%					100%	Melissa Be	0	19,242		0		0	19,242	0
Let Chan	B77	37,614			37,614	100.00%						100%	Let Chan	37,614	0	0	0	0	0	37,614	0
Raquel Du	X09	25,185			25,185		100.00%					100%	Raquel Du	0	25,185	0	0	0	0	25,185	0
Garcia, Ca	D49	13,135			13,135		100.00%					100%	Garcia, Ca	0	13,135	0	0	0	0	13,135	0
Heather H	X09	22,682			22,682		49.46%	5.38%	14.52%	2.69%	27.96%	100%	Heather H	0	11,218	1,220	3,293	609	6,342	22,682	0
Linda Jong	D97	8,400			8,400		40.30%	6.40%	53.00%	0.30%	0.00%	100%	Linda Jong	0	3,385	538	4,452	25	0	8,400	0
Linda Keal	D09	19,164			19,164						100.00%	100%	Linda Keal	0	0	0	0	0	19,164	19,164	0
Mario Kee	D09	16,647			16,647		100.00%					100%	Mario Kee	0	16,647	0	0	0	0	16,647	0
Kou, Clara	B76	33,742			33,742	23.18%	31.08%	5.45%	11.99%	1.70%	26.61%	100%	Kou, Clara	7,821	10,487	1,837	4,046	574	8,977	33,742	0
Basant Lal	D96	23,204			23,204	13.00%	1.57%	0.21%	0.47%	0.11%	84.65%	100%	Basant Lal	3,016	363	48	109	26	19,642	23,204	0
Trisha Lan	B80	26,689		(26,689)	0							0%	Trisha Lam							0	26,689
Maher, Mic	D09	19,779			19,779		100.00%					100%	Maher, Michele		19,779					19,779	0
Cynthia Ma	X17	27,408			27,408	10.00%	44.51%	4.84%	13.06%	2.42%	25.16%	100%	Cynthia Ma	2,741	12,200	1,327	3,581	662	6,897	27,408	0
Daisy Men	D09/X09	20,816			20,816		100.00%					100%	Daisy Men	0	20,816	0	0	0	0	20,816	0
Marialena	B1N	35,553			35,553	43.79%	32.39%	2.54%	6.84%	1.27%	13.18%	100%	Marialena	15,569	11,516	901	2,432	450	4,685	35,553	0
Gabriel Olg	D49	13,302			13,302		100.00%					100%	Gabriel Olg	0	13,302	0	0	0	0	13,302	0
Owens, Ar	B1P	29,503			29,503		65.22%	7.09%	19.14%	3.54%	5.00%	100%	Owens, Ar	0	19,243	2,093	5,648	1,045	1,475	29,503	0
Jorge Palo	D09	23,231			23,231						100.00%	100%	Jorge Palo	0	0	0	0	0	23,231	23,231	0
Somira Pe	D09	22,657			22,657				100.00%			100%	Somira Pe	0	0	0	22,657	0	0	22,657	0
Porcari, G	D09	17,339			17,339		68.66%	7.47%	20.15%	3.73%	0.00%	100%	Porcari, Gr	0	11,904	1,295	3,494	646	0	17,339	0
Juan Raya	X09	24,717			24,717		100.00%					100%	Juan Ryas	0	24,717	0	0	0	0	24,717	0
Resuello, J	B78	29,177			29,177	5.32%	37.18%	5.50%	39.00%	12.00%	1.00%	100%	Resuello, J	1,552	10,848	1,605	11,379	3,501	292	29,177	0
Ryan, Rose	D96	25,762			25,762		53.27%	6.87%	27.40%	2.68%	9.80%	100%	Ryan, Rose	0	13,722	1,769	7,059	689	2,523	25,762	0
Gilbert Va	D09	22,968		(22,968)	0							0%	Gilbert Va	0	0		0		0	0	22,968
Chris Widn	X09	22,675	E#1017123	(22,675)	0			7.00%		93.00%		100%	Chris Widn	0	0	0	0	0	0	0	22,675
Yung, Sin-Y	D97	18,200			18,200	0.04%	59.98%	5.48%	29.29%	1.22%	4.00%	100%	Yung, Sin-Y	6	10,916	996	5,331	222	728	18,200	DEH&VCD
		649,609	0	(72,724)	576,885									72,672	276,386	15,332	109,672	8,868	93,956	576,885	504,213.35
Berg, Jason	D49	17,975			17,975	100%						100%	Berg, Jason	17,975						17,975	
Brown, An	A50	63,022			63,022	100%						100%	Brown, An	63,022						63,022	
Cancilla-Co	D09	22,178			22,178	100%						100%	Cancilla-Co	22,178						22,178	
Dam Nguy	B1R	27,600			27,600	100%						100%	Dam Nguy	27,600						27,600	
De Hertel, C	D49	18,084			18,084	100%						100%	De Hertel,	18,084						18,084	
Deviney, Jo	A55	47,342			47,342	100%						100%	Deviney, Jo	47,342						47,342	
Do, Vyloan	B96	36,675			36,675	100%						100%	Do, Vyloan	36,675						36,675	
Hernandez	D09	19,922			19,922	100%						100%	Hernandez	19,922						19,922	
Kincaid, Jo	D09	18,361			18,361	100%						100%	Kincaid, Jo	18,361						18,361	
Justin Kirk	D09	20,477			20,477	100%						100%	Justin Kirks	20,477						20,477	
Ribardo, M	B2J/B2K	46,020			46,020	100%						100%	Ribardo, M	46,020						46,020	
Roth, Jami	B2R	27,660			27,660	100%						100%	Roth, Jami	27,660						27,660	
Valdez, Lau	C29	26,279			26,279	100%						100%	Valdez, Lau	26,279						26,279	
CC 5665 Total		391,595			391,595									391,595						391,595	
		1,041,204		(72,724)	968,480									464,267	276,386	15,332	109,672	8,868	93,956	968,480	
																			504,213		

968,480

JE# xxxxxxxx-04-xx-2 FY15 Q3 DEH & VCD PP1501-PP1506

GLA-5259 CC1190 276,386.32 ~~3~~

GLA-5259-CC1196	15,331.82
GLA-5259-CC1198	109,671.51
GLA-5259-CC1199	8,868.07
GLA-5259-CC4224	93,955.62
GLA-5440-CC5665	(504,213.35)

CC5665

FY15 Q4 PP1507 (03/16/15)-PP1513 (06/21/15) 7PPs

GLA 5259100-IC Dept Charge Int'l (SEE detail)

GLA 5440400-IC Reimb-Dept Charge (CC5665)

AEM CC5665		Q4	JE Processed		Q4 Dept Chrg	OH %	Dept Charge	Dept Charge	Dept Charge	Dept Charge	Dept Charge			OH % ALLOC	Dept Charge	Dept Charge	Dept Charge	Dept Charge	Dept Charge	
Name of Employee	ECLS	Total	Doc#	Amount	Allocation	CC5665	CC1190	CC1196	CC1198	CC1199	CC4224	TOTAL	Name of Employee	CC5665	CC1190	CC1196	CC1198	CC1199	CC4224	TOTAL
Baltazar, Elizabeth	B80	31,773	OK		31,773	15.59%	27.81%	6.11%	49.00%	1.50%	0.00%	100%	Baltazar, Elizabeth	4,953	8,835	1,940	15,569	477	0	31,773
Rina Banks	X09	16,076	OK		16,076				100.00%			100%	Rina Banks	0	0	0	16,076	0	0	16,076
Melissa Belloso	D09	23,922	OK		23,922		100.00%					100%	Melissa Belloso	0	23,922		0		0	23,922
Let Chan	B77	41,983	See below	(2,781)	39,202	100.00%						100%	Let Chan	39,202	0	0	0	0	0	39,202
Raquel Duenas	X09	30,021	OK		30,021		100.00%					100%	Raquel Duenas	0	30,021	0	0	0	0	30,021
Garcia, Candace	D09	19,028	OK		19,028		100.00%					100%	Garcia, Candace	0	19,028	0	0	0	0	19,028
Heather Holley	X09	27,793	#101755913	(2,954)	24,839		49.10%	4.99%	14.77%	2.59%	28.54%	100%	Heather Holley	0	12,196	1,239	3,669	645	7,090	24,839
Linda Jong	D97	9,268	OK		9,268		43.40%	6.80%	49.50%	0.30%	0.00%	100%	Linda Jong	0	4,022	630	4,588	28	0	9,268
Linda Kealey	D09	22,502	#101755913	(120)	22,382						100.00%	100%	Linda Kealey	0	0	0	0	0	22,382	22,382
Mario Keener	D09	19,984	OK		19,984		100.00%					100%	Mario Keener	0	19,984	0	0	0	0	19,984
Kou, Clara	B76	39,716	OK		39,716	23.18%	31.08%	5.45%	11.99%	1.70%	26.61%	100%	Kou, Clara	9,206	12,344	2,163	4,762	675	10,566	39,716
Basant Lal	D96	27,139	OK		27,139	13.00%	1.57%	0.21%	0.47%	0.11%	84.65%	100%	Basant Lal	3,528	425	56	128	30	22,973	27,139
Trisha Lam	B80	31,347	See below	(31,347)	0							0%	Trisha Lam							0
Maher, Michele	D09	24,631	OK		24,631		100.00%					100%	Maher, Michele		24,631					24,631
Cynthia Mana-ay	X17	32,057			32,057	19.96%	39.30%	3.99%	11.82%	2.08%	22.85%	100%	Cynthia Mana-ay	6,399	12,599	1,280	3,790	666	7,324	32,057
Daisy Mendez	X09	25,957	OK		25,957		100.00%					100%	Daisy Mendez	0	25,957	0	0	0	0	25,957
Marialena Morris s	B1N	43,371	OK		43,371	51.88%	26.27%	2.14%	6.35%	1.11%	12.26%	100%	Marialena Morris s	22,498	11,390	930	2,754	483	5,316	43,371
Gabriel Olguin	V1C	17,267	OK		17,267	100.00%						100%	Gabriel Olguin	17,267	0	0	0	0	0	17,267
Owens, Arika start	B1P	35,717	OK		35,717		65.28%	6.63%	19.64%	3.45%	5.00%	100%	Owens, Arika start	0	23,316	2,370	7,014	1,232	1,786	35,717
Jorge Palomino	D09	27,278			27,278						100.00%	100%	Jorge Palomino	0	0	0	0	0	27,278	27,278
Somira Pech	D09	27,855	#101755913	(2,485)	25,370				100.00%			100%	Somira Pech	0	0	0	25,370	0	0	25,370
Porcari, Grant	D09	22,007	#101755913	(2,173)	19,834		68.72%	6.98%	20.67%	3.63%	0.00%	100%	Porcari, Grant	0	13,629	1,385	4,100	720	0	19,834
Juan Rayas	X09	28,906	OK		28,906		100.00%					100%	Juan Ryas	0	28,906	0	0	0	0	28,906
Resuello, Joselyn	B78	32,785	OK		32,785	5.32%	37.18%	5.50%	39.00%	12.00%	1.00%	100%	Resuello, Joselyn	1,744	12,190	1,803	12,786	3,934	328	32,785
Reyna, Susanna	B2N	21,699	OK		21,699	7.67%	45.34%	4.61%	13.64%	2.40%	26.35%	100%	Reyna, Susanna	1,664	9,838	1,000	2,959	520	5,719	21,699
Ryan, Rosemarie	D96	29,684	OK		29,684		53.27%	6.87%	27.40%	2.68%	9.80%	100%	Ryan, Rosemarie	0	15,811	2,038	8,133	794	2,908	29,684
Gilbert Vasquez	D09	27,056	See below	(27,056)	0							0%	Gilbert Vasquez	0	0		0		0	0
Chris Widmann	X09	27,593	#101755913	(27,593)	0			20.00%		80.00%		100%	Chris Widmann	0	0	0	0	0	0	0
Yung, Sin-Yin (Cir	D97	22,720	OK		22,720	0.04%	59.98%	5.48%	29.29%	1.22%	4.00%	100%	Yung, Sin-Yin (Cir	8	13,627	1,244	6,655	277	909	22,720
		787,133	0	(96,509)	690,624									106,469	322,668	18,077	118,352	10,480	114,577	690,624
		1,310,068		(96,509)	1,213,560									629,405	322,668	18,077	118,352	10,480	114,577	1,213,560
																			584,154	1,213,560

1,213,560

Let Chan	AP10	04/30/2015	101726003	366.51
	AP11	05/30/2015	101741920	977.36
	AP12	06/29/2015	101758312	1,437.30
	Q4	**TOTAL**		**2,781.17**

Trisha Lam	AP10	04/30/2015	101726968	9,855.27
	AP11	06/22/2015	101752661	9,407.29
	AP12	06/29/2015	101758160	9,830.88
	Q4	**TOTAL**		**29,093.44**

Gilbert Vasquez	AP10	04/30/2015	101726974	8,444.04
	AP11	05/29/2015	101742871	8,060.22
	AP12	06/29/2015	101758154	8,858.57
	Q4	**TOTAL**		**25,362.83**

Chris Widmann	**Q4**	**06/30/2015**	**101762835**	**25,816.34**

CPD SCANNING OT charged to CC1190

Chris Widmann	Q4	06/25/2015	101755913	1,776.73	27,593.07
Grant Porcari	Q4			2,173.25	
Heather Holley	Q4			2,953.73	
Jorge Palomino	Q4			0.00	
Linda Kealey	Q4			120.16	
Somira Pech	Q4			2,484.81	
	Q4	**TOTAL**		**9,508.68**	

JE# 101762093-07-1-15 FY15 Q4 DEH & VCD PP1507-PP1513

GLA-5259100	CC1190	322,668.39
GLA-5259100	CC1196	18,077.18
GLA-5259100	CC1198	118,351.72
GLA-5259100	CC1199	10,480.03
GLA-5259100	CC4224	114,577.04
GLA-5440400	CC5665	(584,154.36)

Lal, Basant

From: Kou, Clara
Sent: Friday, July 10, 2015 9:12 AM
To: Lal, Basant
Subject: YE OH alloc JE
Attachments: FS FY15 AP12 OH Alloc Summary - 06-30-15 Preliminary.pdf

Hello Basant,

Please process 06/30/2015 YE JE for CC1194 Admin OH Allocation to CC4224 VCD. Attached is allocation worksheet.

Thank you very much!

Debit CC4224 ..... GLA#5259100-IC Depart Charge $228,632.04
Credit CC1194 ..... GLA#5440200-IC Reimb-Prof&Spec ...<$228,632.04>

Clara Kou, Sr. Accountant
Departmental of Environmental Health
County of Santa Clara
Phone: 408-918-3410

VENDOR # _____
REQ # _____
P.O. # _____
INV.DOC # 101766912
WARRANT # _____
DATE ISSUED: _____

Fund 30 - Summary of Allocated Costs
FY 15 AP 12 - 06/30/2015 Preliminary

	1190 CPD	1196 S/MW	1197 HHW	1198 HM	1199 LOP	4224 VC	Total
Personnel from 1194	452,242.34	45,959.59	27,346.68	136,040.38	23,898.99	119,205.53	804,693.50
Other Exp &FA from 1194	360,822.43	40,498.71	-	115,908.21	21,710.24	109,484.01	648,423.60
AEM OH-Admin	103,566.10	10,629.12	(50,000.00)	32,731.03	5,385.48	-	102,311.73
CCPlan before Berger credit	190,400.26	23,115.27	51,200.36	66,029.68	12,769.92	(57.50)	343,458.00
Sub-Total	1,107,031.13	120,202.70	28,547.03	350,709.30	63,764.62	228,632.04	1,898,886.83
For S.P. AP10 proj allo w/HHW	58.30%	6.33%	1.50%	18.47%	3.36%	12.04%	100.00%
For S.P. AP10 proj allo w/o HHW	59.19%	6.43%		18.75%	3.41%	12.22%	100.00%
Interest Revenue	(31,940.17)	(7,552.04)	(3,318.39)	(26,002.47)	(1,459.91)	-	(70,272.98)
Transfer In	(27,644.77)	(2,809.43)	-	(8,315.91)	(1,460.90)	-	(40,231.00)
Retiree Drug & Misc Rev	(9,871.20)	(1,003.17)	-	(2,969.38)	(521.65)	-	(14,365.40)
Total for allocated int/rebate	(69,456.14)	(11,364.64)	(3,318.39)	(37,287.76)	(3,442.46)	-	(124,869.38)
For S.P. AP10 proj allocation	57.14%	9.35%		30.68%	2.83%		100.00%
Net allocation	1,037,575.00	108,838.06	25,228.65	313,421.54	60,322.16	228,632.04	1,774,017.45
	58.49%	6.14%	1.42%	17.67%	3.40%	12.89%	100.00%

Personnel 1194	56.20%	5.71%	3.40%	16.91%	2.97%	14.81%	100.00%
Other Exp &FA from 1194	55.65%	6.25%	0.00%	17.88%	3.35%	16.88%	100.00%
AEM OH-Fiscal Unit Personnel							0.00%
AEM OH-Admin w/HHW	101.23%	10.39%	-48.87%	31.99%	5.26%		100.00%
AEM OH-Admin w/o HHW	103,566.10	10,629.12		32,731.03	5,385.48		152,312
AEM OH-Admin w/o HHW	68.00%	6.98%	0.00%	21.49%	3.54%		100.00%
CCPlan before Berger credit	55.44%	6.73%	14.91%	19.22%	3.72%	-0.02%	100.00%
Interest/Rebate 1194	55.62%	9.10%	2.66%	29.86%	2.76%	0.00%	100.00%

Overhead Rate before Interest and misc allocation (as % of CC personnel)

Total Allocation 1194	11.88%	14.14%	3.43%	12.42%	11.05%	5.60%

Overhead Rate after Interest and misc allocation (as % of CC personnel)

Total Allocation 1194	11.13%	12.81%	3.03%	11.10%	10.45%	5.60%

Doc.Type : SA (G/L account document) Parked document

Doc. Number	101810470	Company Code	1SCC	Fiscal Year	2016
Doc. Date	10/05/2015	Posting Date	09/30/2015	Period	03
Calculate Tax	☒				
Ref.Doc.	FY16-Q1-RECLASS				
Doc. Currency	USD				
Doc. Hdr Text	CEPA FY16-Q1 ADMIN OH				

It	PK	Account	Account short text	Tx	Amount	Text	Cost	Fund	Funds Ctr	Ref.k	PmtMt	Order	BnkT
1	40	5259100	IC-Dept Charge-Intnl		318,627.00	CEPA FY16-Q1 ADMIN OH Allocat…	1190	0030	02611190				
2	40	5259100	IC-Dept Charge-Intnl		26,196.00	CEPA FY16-Q1 ADMIN OH Allocat…	1196	0030	02611196				
3	40	5259100	IC-Dept Charge-Intnl		109,016.00	CEPA FY16-Q1 ADMIN OH Allocat…	1198	0030	02611198				
4	40	5259100	IC-Dept Charge-Intnl		13,455.00	CEPA FY16-Q1 ADMIN OH Allocat…	1199	0030	02611199				
5	40	5259100	IC-Dept Charge-Intnl		136,255.00	CEPA FY16-Q1 ADMIN OH Allocat…	4224	0028	04114224				
6	50	5440400	IC-Reimb-Dept Charg		603,549.00-	CEPA FY16-Q1 ADMIN OH Allocat…	5665	0001	02625665				
*					0.00								

CC5665

FY16 Q1 PP1514 (06/22/15)-PP1519 (09/13/15) 6 PPs

GLA 5259100-IC Dept Charge Int'l

AEM CC5665 Name of Employee	ECLS	FY15 Q1 TOTAL	Dept Charge JE	Q1 Dept Charge Total	Dept Charge CC5665	Dept Charge CC1190	Dept Charge CC1196	Dept Charge CC1198	Dept Charge CC1199	Dept Charge CC4224	TOTAL
Baltazar, Elizabeth	B80	27,879		27,879	7,441	4,515	657	15,175	91	0	27,879
Belloso, Melissa	D09	22,032		22,032	0	22,032		0		0	22,032
Duenas, Raquel	X09	27,665		27,665	0	27,665		0		0	27,665
Garcia, Candace	D09	17,977	(1,748)	16,229	0	9,494	0	0	6,735	0	16,229
Holley, Heather	X09	22,938	(273)	22,665	0	10,925	815	3,913	489	6,522	22,665
Jong, Linda	D97	8,775		8,775	0	4,908	528	3,310	28	0	8,775
Kealey, Linda	D09	19,757		19,757	0	0		0		19,757	19,757
Keener, Mario	D09	17,866		17,866	0	17,866		0		0	17,866
Kou, Clara	B76	35,204		35,204	5,291	11,863	833	4,197	1,767	11,252	35,204
Lal, Basant	D96	23,662		23,662	4,259	0	0	0	0	19,403	23,662
Law, Markita	V33	8,326		8,326	0	8,326	0	0	0	0	8,326
Maher, Michele	D09	22,829		22,829	0	22,829	0	0	0	0	22,829
Mana-ay, Cynthia	X17	28,182		28,182	9,103	9,196	686	3,294	412	5,490	28,182
Mendez, Daisy	X09	23,764		23,764	0	23,764		0		0	23,764
Morris, Marialena Burton	B1N	38,299		38,299	16,277	10,615	792	3,802	475	6,337	38,299
Olguin, Gabriel	D49	15,670		15,670	0	15,670		0		0	15,670
Owens, Arika	B1P	32,149		32,149	0	21,758	1,624	7,794	974	0	32,149
Palomino, Jorge	D09	23,890		23,890	0	0		0		23,890	23,890
Pech, Somira	D09	23,512	(518)	22,994	0	0		22,994		0	22,994
Porcari, Grant	D09	18,721	(529)	18,192	0	12,312	919	4,410	551	0	18,192
Rapp, Stacey	B1P	10,315		10,315	0	0	0	0	0	10,315	10,315
Rayas, Juan	X09	25,319		25,319	0	25,319		0		0	25,319
Reyna, Susanna	B2N	34,157		34,157	10,247	11,525	860	4,128	516	6,880	34,157
Resuello, Joselyn	B78	29,230		29,230	1,187	10,957	706	15,080	645	655	29,230
Ryan, Rosemarie	D96	26,961		26,961	0	13,914	1,131	7,086	545	4,284	26,961
Wallace, Lisa	V1C	8,437		8,437	0	8,437	0	0	0	0	8,437
Widmann, Chris	X09	24,846	(1,041)	23,805	0	0	15,473	8,332	0	0	23,805
William, Regina	V1C	19,611		19,611	0	0	0	0	0	19,611	19,611
Yung, Sin-Yin (Cindy)	D97	23,491		23,491	0	14,738	1,170	5,499	226	1,858	23,491
TOTAL FY16 Q1 DEPT CHARGE JE		661,464	(4,109)	657,355	53,805	318,627	26,196	109,016	13,455	136,255	657,355
									467,295	*136,255*	657,355
										603,550	657,355

DEH TTL	VCD TTL	REIMB TTL
467,294.76	136,255.20	603,549.96
		657,354.50

JE Reclass-Q1 Department Charge	CC1190	CC5665
09/21/2015 JE#101803141	CPD Scanning OT	
Garcia, Candace		(1,748)
Holley, Heather		(273)
Pech, Somira		(518)
Porcari, Grant		(529)
Widmann, Chris		(1,041)
CC1190	4,109	

JE Reclass-Q1 Department Charge	
09/30/2015 JE#101810470	Department Charge/Reimbursement
CC1190	318,627
CC1196	26,196
CC1198	109,016
CC1199	13,455
CC4224	136,255
CC5665	(603,549)

Doc.Type : SA (G/L account document) Parked document

Doc. Number	101820968	Company Code	1SCC	Fiscal Year	2016
Doc. Date	10/27/2015	Posting Date	10/27/2015	Period	04
Calculate Tax	☒				
Ref.Doc.	RECLAS-J.SIMON				
Doc. Currency	USD				
Doc. Hdr Text	J. Simon-FY16-Q1-reclass				

It	PK	Account	Account short text	Tx	Amount	Text	Cost	Fund	Funds Ctr	Ref.k	PmtMt	Order	BnkT
1	50	5259100	IC-Dept Charge-Intnl		24,628.37-	Joseph Simon-FY16-Q1 reclass	4224	0028					
2	40	5259100	IC-Dept Charge-Intnl		24,628.37	Joseph Simon-FY16-Q1 reclass	1194	0030					
*					0.00								

Resuello, Joselyn DOC# 101820968

From: Kou, Clara
Sent: Tuesday, October 27, 2015 4:05 PM
To: Resuello, Joselyn
Cc: Do, Vyloan
Subject: FY16 IT Admin OH allocation - Joseph Simon

Hello Joselyn,

Please reclassify Joseph Simon quarterly salary and benefits base on the following information.

FY16 Q1, $34,580.69, DEH FTE Count 71.22% = $24,628.37

Credit CC4224 GLA 5259100 <$24,628.37>
Debit CC1194 GLA 5259100 $24,628.37

Please let me know if you have any questions.

Clara Kou, Sr. Accountant
Departmental of Environmental Health
County of Santa Clara
Phone: 408-918-3410

From: Kou, Clara
Sent: Tuesday, October 27, 2015 9:25 AM
To: Ho, Aaron <aaron.ho@deh.sccgov.org>
Cc: Resuello, Joselyn (Joselyn.Resuello@deh.sccgov.org) <Joselyn.Resuello@deh.sccgov.org>
Subject: FY16 IT Admin OH allocation rate

Hello Aaron,

Thank you!

1) **Joselyn will process JE to reclass Joseph's salary and benefits based upon FTE /DEH & VCD.**
2) **I will allocate all IT staff in CC1194 through OH allocation.**

Clara Kou, Sr. Accountant
Departmental of Environmental Health
County of Santa Clara
Phone: 408-918-3410

From: Ho, Aaron
Sent: Tuesday, October 27, 2015 8:07 AM
To: Kou, Clara <clara.kou@deh.sccgov.org>
Subject: RE: FY16 IT Admin OH allocation rate

Hi Clara, please use the following allocation:

All I.T. staff straight FTE allocation. (including Joseph). So everyone should look like myself or Jim as to allocation.
aaron

From: Kou, Clara
Sent: Tuesday, October 27, 2015 7:43 AM
To: Ho, Aaron <aaron.ho@deh.sccgov.org>
Subject: FY16 IT Admin OH allocation rate

Hello Aaron,

Sorry to bother you one more time for IT staff allocation rate.

Here is what I have, please let me know if there is any change we should make. See attached for the % allocated.

Aaron Ho ..... allocated by FTE/DEH and VCD (like Larry Tanaka used to be)

The rest ..... all 10% to VCD, 90% by FTE/ DEH

Thanks!

Clara Kou, Sr. Accountant
Departmental of Environmental Health
County of Santa Clara
Phone: 408-918-3410

Administration Fund 0001- CC 5665

		Object 1			
Cost center	**Fund**	**Fiscal Staff**	**Support Staff**	**Object 2**	**Total**
CC 1187	0037	18,489.72	34,798.96	38,919.90	92,208.58
CC 1188	0031	6,031.73	30,995.65	19,190.85	56,218.23
CC 1194	0030	66,023.37	198,120.61	7,902.81	272,046.79
CC 1197	0030	40,006.95	18,111.61	52,782.41	110,900.97
CC 4224	0028	29,356.81	76,153.21	3,156.26	108,666.28
		159,908.59	358,180.03	121,952.23	640,040.85

Journal entries:

GLA 5440200	5665	Credit	AEM Admin OH - FY16	640,040.85
GLA 5259100	1187	Debit	AEM Admin OH - FY16	92,208.58
GLA 5259100	1188	Debit	AEM Admin OH - FY16	56,218.23
GLA 5259100	1194	Debit	AEM Admin OH - FY16	272,046.79
GLA 5259100	1197	Debit	AEM Admin OH - FY16	110,900.97
GLA 5259100	4224	Debit	AEM Admin OH - FY16	108,666.28

Chan, Let

From: Kou, Clara
Sent: Tuesday, November 17, 2015 11:05 AM
To: Chan, Let
Subject: FT15 FTE Count

Hello Let,

The following FTE count is FY2015 AP12 Final.

DEH total 89.5
1190.....61.5
1196..... 6.25
1198..... 18.5
1199..... 3.25

VCD total 35.75
4224..... 35.75

Clara Kou, Sr. Accountant
Departmental of Environmental Health
County of Santa Clara
Phone: 408-918-3410

FY 2015 OBJECT 1 SUMMARY

ADMINISTRATION SUPPORT

EMPLOYEE *	Total Costs	% AG	Cost to Ag	% CW	Cost to CW	% Wts	Cost to Wts	% AC	Cost to AC	% UC	Cost to UC	%IWM/FF	Cost to IWM/FF	% WA	Cost to WA	% HHW	Cost to HHW	% DEH	Cost to DEH
BERG, JASON	46,787.63	2.5%	1,169.69		0.00		0.00	97.5%	45,617.94		0.00		0.00		0.00		0.00		0.00
BLANCO, BELEN	5,451.44		0.00		0.00		0.00	100.0%	5,451.44		0.00		0.00		0.00		0.00		0.00
BROWN, AMY	275,295.15	22.0%	60,564.93	4.1%	11,204.51	8.9%	24,556.33	19.9%	54,893.85	0.1%	357.88	5.2%	14,232.76	2.4%	6,579.55	1.9%	5,258.14	35.5%	97,647.19
CABRAL DE LARA, ESTELA	21,199.35	65.8%	13,951.29		0.00	28.5%	6,043.93	4.0%	854.33	0.2%	44.52	0.4%	86.92	1.0%	218.35		0.00		0.00
CANCILLA-CONDE, SUE	95,878.15	0.9%	834.14		0.00	98.2%	94,104.41	0.8%	738.26		0.00		0.00	0.2%	201.34		0.00		0.00
CHAN, LET	156,214.01	24.2%	37,756.93	0.4%	671.72	22.3%	34,773.24	4.6%	7,123.36	0.3%	406.16	3.5%	5,420.63	1.0%	1,546.52	32.7%	51,081.98	11.2%	17,433.48
CHAPA, JOANNE	3,410.88	31.4%	1,071.02	3.3%	112.90	19.0%	648.41	22.3%	760.97		0.00	7.4%	253.77	3.3%	112.90	13.2%	450.92		0.00
DEHERTEL, COLLEEN	68,791.16	74.1%	50,974.25		0.00		0.00	25.9%	17,816.91		0.00		0.00		0.00		0.00		0.00
DEVINEY, JOSEPH	208,177.99	86.7%	180,490.31		0.00	13.3%	27,687.67		0.00		0.00		0.00		0.00		0.00		0.00
DO, VYLOAN	163,025.93	23.0%	37,528.57	1.0%	1,695.47	6.9%	11,183.58	3.7%	6,080.87	0.3%	505.38	6.1%	9,928.28	1.3%	2,103.03	5.3%	8,575.16	52.4%	85,425.58
HERNANDEZ, CAROL	87,583.98		0.00		0.00		0.00	100.0%	87,583.98		0.00		0.00		0.00		0.00		0.00
KINCAID, JOANNA	81,588.98	40.0%	32,660.07	18.3%	14,955.26	0.6%	522.17	23.4%	19,051.03		0.00		0.00		0.00	1.2%	987.23	16.4%	13,413.23
KIRKSEY, JUSTIN	86,393.36		0.00		0.00	77.8%	67,214.04	22.2%	19,179.33		0.00		0.00		0.00		0.00		0.00
MORRIS, MARIALENA	63,282.91	2.3%	1,430.19		0.00		0.00	2.4%	1,512.46		0.00	0.5%	335.40	0.3%	170.86	0.3%	170.86	94.3%	59,663.13
NGUYEN, MARY	118,220.22	1.4%	1,595.97	0.3%	366.48	12.0%	14,221.89	73.5%	86,832.75		0.00	0.3%	366.48	12.6%	14,836.64		0.00		0.00
RIBARDO, MICHELE	207,126.40	17.1%	35,315.05	3.5%	7,290.85	4.6%	9,507.10	27.2%	56,276.24	1.1%	2,361.24	6.1%	12,593.29	3.1%	6,503.77	3.0%	6,213.79	34.3%	71,065.07
ROTH, JAMI	122,253.96	50.2%	61,347.04	1.7%	2,053.87	19.8%	24,157.38	28.1%	34,328.91		0.00	0.2%	195.61	0.1%	171.16		0.00		0.00
SEIDEN, JERI	21,774.97		0.00		0.00		0.00	100.0%	21,774.97		0.00		0.00		0.00		0.00		0.00
SELBACH, JEREMY	11,395.81		0.00		0.00		0.00	100.0%	11,395.81		0.00		0.00		0.00		0.00		0.00
VALDEZ, LAURA	115,912.32	23.9%	27,726.23	3.2%	3,755.56	18.5%	21,397.41	27.6%	31,980.21	0.1%	92.73	3.7%	4,265.57	1.0%	1,101.17	0.5%	625.93	21.5%	24,967.51
DEH ALLOCATION	105,402.54	31.4%	33,096.40	3.3%	3,488.82	19.0%	20,037.02	22.3%	23,515.31	0.0%	0.00	7.4%	7,841.95	3.3%	3,488.82	13.2%	13,934.22	0.0%	0.00
	2,065,167.13		577,512.07		45,595.44		356,054.59		532,768.92		3,767.91		55,520.65		37,034.12		87,298.23		369,615.19
Net of Direct Labor w/o DEH	1,959,764.59																		
Net of Direct Labor w/o AC&C Staff & DEH	1,830,147.51																		
Diff of Direct Billing	52,528.00																		
	1,882,675.51																		
		27.96%		2.21%		17.24%		25.80%		0.18%		2.69%		1.79%		4.23%		17.90%	
Allocation (rounded)		28.0%		2.2%		17.2%		25.8%		0.2%		2.7%		1.8%		4.2%		17.9%	

* Total costs is net of direct costs of Agriculture.

% is based on the Daily. If no Daily, charge to the program they are supporting.

Joanne Chapa's % is based on FTE allocation same as DEH

Actual Administrative Costs FY 2015

	Object 1	Object 2	FY 2015
Agriculture/PDCP	578,389	241,894	820,282
Clean Water Program	45,574	17,606	63,180
Animal Care and Control	532,109	189,816	721,924
Cooperative Extension	3,750	4,639	8,389
Weed Abatement	37,027	19,191	56,218
Recycling & Waste Reduction	53,289	38,920	92,209
Household Hazardous Waste	58,119	52,782	110,901
Weights & Measures	355,850	109,378	465,228
DEH/VCD	369,654	11,059	380,713
Total	**2,033,760**	**685,285**	**2,719,045**

	FY 2014	FY 2015	+/-
Agriculture/PDCP	830,079	820,282	(9,796)
Clean Water Program	1,828	63,180	61,353
Animal Care and Control	787,858	721,924	(65,934)
Cooperative Extension	17,490	8,389	(9,101)
Weed Abatement	55,636	56,218	582
Recycling & Waste Reduction	123,261	92,209	(31,053)
Household Hazardous Waste	110,427	110,901	474
Weights & Measures	332,538	465,228	132,690
DEH/VCD	193,193	380,713	187,520
Total	**2,452,310**	**2,719,045**	**266,735**

S:\Let_Chan\Admin Overhead Costs\Labor Cost with FY15 Actuals.xlsxLabor Cost with FY15 Actuals.xlsxFY16 Adm OH costs

INDIRECT LABOR COSTS

FY 2015	Berg, Jason			Blanco, Belen			Brown, Amy		
Administration Actuals Salary & Benefits	$46,787.63			$5,451.44			$275,295.15		
Administration	Hrs per Program	%of Hrs per Prgrm	Direct Labor Costs per Program	Hrs per Program	%of Hrs per Prgrm	Direct Labor Costs per Program	Hrs per Program	%of Hrs per Prgrm	Direct Labor Costs per Program
1. Agriculture	21.50	2.51%	$1,174		0.00%	$0	340.50	22.00%	$60,574
2. Clean Water		0.00%	$0		0.00%	$0	63.00	4.07%	$11,207
3. Animal Control	835.50	97.49%	$45,614		100.00%	$5,451	308.50	19.94%	$54,881
4. Cooperative Extension		0.00%	$0		0.00%	$0	2.00	0.13%	$356
5. Weed Abatement		0.00%	$0		0.00%	$0	37.00	2.39%	$6,582
6. Recycling & Waste		0.00%	$0		0.00%	$0	80.00	5.17%	$14,232
7. Household Hazardous		0.00%	$0		0.00%	$0	29.50	1.91%	$5,248
8. Weights & Measures		0.00%	$0		0.00%	$0	138.00	8.92%	$24,550
9. DEH		0.00%	$0		0.00%	$0	549.00	35.48%	$97,665
Total Administration Costs	857.00	100.00%	$46,788	0.00	100.00%	$5,451	1,547.50	100.00%	$275,295
Leave/Holiday/Admin	369.00						540.50		
Grand Total	**1,226.00**		**($0.37)**	**0.00**		**$0**	**2,088.00**		**$0**

INDIRECT LABOR COSTS

FY 2015	Cabral de Lara, Estela			Cancilla-Conde, Sue			Chan, Let		
Administration Actuals Salary & Benefits	$21,199.35			$95,878.15			$156,214.01		
Administration	Hrs per Program	%of Hrs per Prgrm	Direct Labor Costs per Program	Hrs per Program	%of Hrs per Prgrm	Direct Labor Costs per Program	Hrs per Program	%of Hrs per Prgrm	Direct Labor Costs per Program
1. Agriculture	318.50	65.81%	$13,950	12.50	0.87%	$835	309.75	24.17%	$37,758
2. Clean Water		0.00%	$0		0.00%	$0	5.45	0.43%	$664
3. Animal Control	19.50	4.03%	$854	11.00	0.77%	$734	58.50	4.56%	$7,131
4. Cooperative Extension	1.00	0.21%	$44		0.00%	$0	3.30	0.26%	$402
5. Weed Abatement	5.00	1.03%	$219	3.00	0.21%	$200	12.75	0.99%	$1,554
6. Recycling & Waste	2.00	0.41%	$88		0.00%	$0	44.50	3.47%	$5,425
7. Household Hazardous		0.00%	$0		0.00%	$0	419.00	32.70%	$51,076
8. Weights & Measures	138.00	28.51%	$6,044	1,409.40	98.15%	$94,109	285.25	22.26%	$34,772
9. DEH		0.00%	$0		0.00%	$0	143.00	11.16%	$17,432
Total Administration Costs	484.00	100.00%	$21,199	1,435.90	100.00%	$95,878	1,281.50	100.00%	$156,214
Leave/Holiday/Admin	132.00			650.30			804.50		
Grand Total	**616.00**		**$0**	**2,086.20**		**$0**	**2,086.00**		**$0**

INDIRECT LABOR COSTS

FY 2015 Administration Actuals Salary & Benefits Administration	Chapa, Joanne $3,410.88 Hrs per Program	%of Hrs per Prgrm	Direct Labor Costs per Program	Dehertel, Colleen $68,791.16 Hrs per Program	%of Hrs per Prgrm	Direct Labor Costs per Program	Deviney, Joseph $208,177.99 Hrs per Program	%of Hrs per Prgrm	Direct Labor Costs per Program
1. Agriculture		31.40%	$1,071	1,059.50	74.07%	$50,950	1,503.50	86.71%	$180,505
2. Clean Water		3.30%	$113		0.00%	$0		0.00%	$0
3. Animal Control		22.30%	$761	371.00	25.93%	$17,841		0.00%	$0
4. Cooperative Extension		0.00%	$0		0.00%	$0		0.00%	$0
5. Weed Abatement		3.30%	$113		0.00%	$0		0.00%	$0
6. Recycling & Waste		7.40%	$252		0.00%	$0		0.00%	$0
7. Household Hazardous		13.20%	$450		0.00%	$0		0.00%	$0
8. Weights & Measures		19.00%	$648		0.00%	$0	230.50	13.29%	$27,673
9. DEH		0.00%	$0		0.00%	$0		0.00%	$0
Total Administration Costs	0.00	99.90%	$3,408	1,430.50	100.00%	$68,791	1,734.00	100.00%	$208,178
Leave/Holiday/Admin				365.50			344.00		
Grand Total	**0.00**		**$2.88**	**1,796.00**		**$0.16**	**2,078.00**		**($0.01)**

INDIRECT LABOR COSTS

FY 2015	Do, Vyloan			Hernandez, Carol			Kincaid, Joanna		
Administration Actuals Salary & Benefits	$163,025.93			$87,583.98			$81,588.98		
Administration	Hrs per Program	%of Hrs per Prgrm	Direct Labor Costs per Program	Hrs per Program	%of Hrs per Prgrm	Direct Labor Costs per Program	Hrs per Program	%of Hrs per Prgrm	Direct Labor Costs per Program
1. Agriculture	376.00	23.02%	$37,525		0.00%	$0	595.80	40.03%	$32,658
2. Clean Water	17.00	1.04%	$1,697		0.00%	$0	272.80	18.33%	$14,953
3. Animal Control	61.00	3.73%	$6,088		100.00%	$87,584	347.50	23.35%	$19,047
4. Cooperative Extension	5.00	0.31%	$499		0.00%	$0		0.00%	$0
5. Weed Abatement	21.00	1.29%	$2,096		0.00%	$0		0.00%	$0
6. Recycling & Waste	99.50	6.09%	$9,930		0.00%	$0		0.00%	$0
7. Household Hazardous	86.00	5.26%	$8,583		0.00%	$0	18.00	1.21%	$987
8. Weights & Measures	112.00	6.86%	$11,178		0.00%	$0	9.60	0.64%	$526
9. DEH	856.00	52.40%	$85,430		0.00%	$0	244.80	16.45%	$13,418
Total Administration Costs	1,633.50	100.00%	$163,026	0.00	100.00%	$87,584	1,488.50	100.00%	$81,589
Leave/Holiday/Admin	454.50						648.30		
Grand Total	**2,088.00**		**($0.07)**	**0.00**		**($0.02)**	**2,136.80**		**($0.02)**

INDIRECT LABOR COSTS

FY 2015 Administration Actuals Salary & Benefits Administration	Kirksey, Justin $86,393.36 Hrs per Program	%of Hrs per Prgrm	Direct Labor Costs per Program	Morris, Marialena $63,282.91 Hrs per Program	%of Hrs per Prgrm	Direct Labor Costs per Program	Nguyen, Mary $118,220.22 Hrs per Program	%of Hrs per Prgrm	Direct Labor Costs per Program
1. Agriculture		0.00%	$0	8.50	2.26%	$1,431	6.50	1.35%	$1,597
2. Clean Water		0.00%	$0		0.00%	$0	1.50	0.31%	$368
3. Animal Control	2.00	22.22%	$19,199	9.00	2.39%	$1,515	353.50	73.45%	$86,829
4. Cooperative Extension		0.00%	$0		0.00%	$0		0.00%	$0
5. Weed Abatement		0.00%	$0	1.00	0.27%	$168	60.40	12.55%	$14,836
6. Recycling & Waste		0.00%	$0	2.00	0.53%	$337	1.50	0.31%	$368
7. Household Hazardous		0.00%	$0	1.00	0.27%	$168		0.00%	$0
8. Weights & Measures	7.00	77.78%	$67,195		0.00%	$0	57.90	12.03%	$14,222
9. DEH		0.00%	$0	354.50	94.28%	$59,664		0.00%	$0
Total Administration Costs	9.00	100.00%	$86,394	376.00	100.00%	$63,283	481.30	100.00%	$118,220
Leave/Holiday/Admin	1,833.50			480			1606.7		
Grand Total	**1,842.50**		**($0.64)**	**856.00**		**($0)**	**2,088.00**		**$0**

INDIRECT LABOR COSTS									
FY 2015	**Ribardo, Michele**			**Roth, Jami**			**Seiden, Jeri**		
Administration Actuals Salary & Benefits	$207,126.40			$122,253.96			$21,774.97		
Administration	Hrs per Program	%of Hrs per Prgrm	Direct Labor Costs per Program	Hrs per Program	%of Hrs per Prgrm	Direct Labor Costs per Program	Hrs per Program	%of Hrs per Prgrm	Direct Labor Costs per Program
1. Agriculture	247.00	17.05%	$35,319	554.90	50.89%	$62,220		0.00%	$0
2. Clean Water	51.00	3.52%	$7,293	18.20	1.67%	$2,041		0.00%	$0
3. Animal Control	393.50	27.17%	$56,268	300.00	27.52%	$33,639		100.00%	$21,775
4. Cooperative Extension	16.50	1.14%	$2,359		0.00%	$0		0.00%	$0
5. Weed Abatement	45.50	3.14%	$6,506	1.50	0.14%	$168		0.00%	$0
6. Recycling & Waste	88.00	6.08%	$12,583	1.70	0.16%	$191		0.00%	$0
7. Household Hazardous	43.50	3.00%	$6,220		0.00%	$0		0.00%	$0
8. Weights & Measures	66.50	4.59%	$9,509	214.00	19.63%	$23,996		0.00%	$0
9. DEH	497.00	34.31%	$71,068		0.00%	$0		0.00%	$0
Total Administration Costs	1,448.50	100.00%	$207,125	1,090.30	100.00%	$122,255	0.00	100.00%	$21,775
Leave/Holiday/Admin	639.50			997.20					
Grand Total	**2,088.00**		**$1**	**2,087.50**		**($1.04)**			

INDIRECT LABOR COSTS

FY 2015 Administration Actuals Salary & Benefits Administration	Selbach, Jeremy $11,395.81 Hrs per Program	%of Hrs per Prgrm	Direct Labor Costs per Program	Valdez, Laura $115,912.32 Hrs per Program	%of Hrs per Prgrm	Direct Labor Costs per Program	DEH Staff $105,402.54 Hrs per Program	%of Hrs per Prgrm	Direct Labor Costs per Program
1. Agriculture		0.00%	$0	275.80	23.92%	$27,720		31.40%	$33,102
2. Clean Water		0.00%	$0	37.35	3.24%	$3,754		3.31%	$3,484
3. Animal Control		100.00%	$11,396	318.20	27.59%	$31,982		22.31%	$23,520
4. Cooperative Extension		0.00%	$0	0.90	0.08%	$90		0.00%	$0
5. Weed Abatement		0.00%	$0	10.95	0.95%	$1,101		3.31%	$3,484
6. Recycling & Waste		0.00%	$0	42.45	3.68%	$4,267		7.44%	$7,840
7. Household Hazardous		0.00%	$0	6.25	0.54%	$628		13.22%	$13,938
8. Weights & Measures		0.00%	$0	212.85	18.46%	$21,393		19.01%	$20,035
9. DEH		0.00%	$0	248.50	21.55%	$24,977		0.00%	$0
Total Administration Costs	0.00	100.00%	$11,396	1,153.25	100.00%	$115,912	0.00	100.00%	$105,403
Leave/Holiday/Admin				970.25			970.25		
Grand Total				**2,123.50**		**0.32**	**970.25**		**0.01**

INDIRECT LABOR COSTS					
FY 2015	SUMMARY				
Administration Actuals Salary & Benefits	A	B	FY 15 Actual costs $2,065,167.14		
Administration	Direct HOURS / Program	Direct Labor COSTS per Program			
			ALL		
1. Agriculture	5,630.25	$578,389	28.01%	$578,389	
2. Clean Water	466.30	$45,574	2.21%	$45,574	
3. Animal Control	3,388.70	$532,109	25.77%	$532,109	
4. Cooperative Extension	28.70	$3,750	0.18%	$3,750	
5. Weed Abatement	198.10	$37,027	1.79%	$37,027	Non-GF
6. Recycling & Waste	361.65	$55,513	2.69%	$55,513	Non-GF
7. Household Hazardous	603.25	$87,298	4.23%	$87,298	Non-GF
8. Weights & Measures	2,881.00	$355,850	17.23%	$355,850	
9. DEH	2,892.80	$369,654	17.90%	$369,654	Non-GF
				$2,065,164	
Total Administration Costs	16,450.75	$2,065,164	100.00%		
Leave/Holiday/Admin	10,835.75				
Grand Total	27,286.50				

ALLOCATION OF EXPENDITURES—OBJECT 2

FY 2015

	% Ag.	%CW	%Wts.	%AC	%UC	%IWM/FF	%WA	%HHW	%DEH	
Standard Allocation from ExpSum Object 1	28.0%	2.2%	17.2%	25.8%	0.2%	2.7%	1.8%	4.2%	17.9%	100.00%

NOTE: The "standard" allocation is determined from the Expenditure Summary using allocated Object 1 costs for each division. The allocation is revised as necessary in individual Object 2 accounts. Refer to the account books since unexpended accounts are often depleted at yearend and may include costs typically applied to other accounts.

Object 2 - Administration

Account	Description	Amount	% Ag.	% CW	%Wts.	%AC	%UC	%IWM	%WA	%HHW	%DEH	Amt. to Ag.	Amt. to CW	Amt. to Wts.	Amt. to AC	Amt. To UC	Amt. To IWM	Amt. To WA	Amt. To HHW	Amt. To DEH		
5205100	Communications & Telephone Svcs	9,804.76	9.1%	0.0%	1.1%	87.6%	2.2%	0.0%	0.0%	0.0%	0.0%	890.21		112.34	8,588.96	213.25					$9,804.76	0.00
5205300	IC - Landline Phone - Internal	49,687.25	28.0%	2.2%	17.2%	25.8%	0.2%	2.7%	1.8%	4.2%	17.9%	13,894.75	1,097.01	8,566.56	12,818.25	90.65	1,335.61	891.03	2,100.37	8,892.82	$49,687.25	0.00
5205350	IC - Cell Phone - Internal	1,506.04	28.0%	2.2%	17.2%	25.8%	0.2%	2.7%	1.8%	4.2%	17.9%	421.16	33.25	259.66	388.53	2.75	40.49	27.01	63.66	269.54	$1,506.04	0.00
5220200	IC - Insurance	83,999.00	48.9%	0.0%	20.8%	30.3%	0.0%	0.0%	0.0%	0.0%	0.0%	41,068.05	0.00	17,454.75	25,456.19	0.00	0.00	0.00	0.00	0.00	$83,999.00	0.00
5230400	Maintenance - Equipment - Other	12,719.04	36.1%	3.6%	15.3%	22.4%	0.0%	7.8%	3.4%	11.4%	0.0%	190.26	18.95	80.83	12,309.68	0.25	40.91	17.72	60.25	0.00	$12,719.04	0.00
5250100	Office Expense	25,778.69	42.7%	0.0%	18.8%	24.8%	0.1%	9.8%	3.8%	0.0%	0.0%	11,014.07	0.00	4,852.17	6,388.02	14.69	2,527.72	982.02	0.00	0.00	$25,778.69	0.00
5250200	Postage Expense - External	52.64	0.00%	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%				52.64						$52.64	0.00
5250250	IC - Postage Expense - Internal	13,515.06	46.8%		19.9%	29.0%			4.4%			6,322.91	0.00	2,686.06	3,917.37	0.00	0.00	589.73	0.00	0.00	$13,515.06	0.00
5250700	Printing - External	1,230.24	4.3%	2.9%	23.5%	69.3%	0.0%	0.0%	0.0%	0.0%	0.0%	52.54	35.79	288.76	853.15						$1,230.24	0.00
5250750	IC - Printing - Internal	25,023.43	28.0%	2.2%	17.2%	25.8%	0.2%	2.7%	1.8%	4.2%	17.9%	2,183.23	453.30	5,476.03	11,784.51	3,956.00	118.26	78.88	185.94	787.28	$25,023.43	0.00
5250800	PC Software	899.03	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	899.03									$899.03	0.00
5250900	Education Expense - Other	145.00	28.0%	2.2%	17.2%	25.8%	0.2%	2.7%	1.8%	4.2%	17.9%	40.55	3.20	25.00	37.41	0.26	3.90	2.60	6.13	25.95	$145.00	0.00
5255650	IC - Data Processing Services - Inte	438,368.60	36.1%	3.6%	15.3%	22.4%	0.0%	7.8%	3.4%	11.4%	0.0%	158,252.59	15,762.06	67,227.82	98,045.74	205.32	34,029.99	14,734.93	50,110.15	0.00	$438,368.60	0.00
5255650	IC - County Counsel - Legal - Intern	552.00	42.51%	0.00%	18.06%	26.34%	0.00%	9.14%	3.98%	0.00%	0.00%	234.64	0.00	99.68	145.37	0.00	50.46	21.85	0.00	0.00	$552.00	0.00
5265110	Rents & Leases - Equip - Copy Mac	6,669.30	42.51%	0.00%	18.06%	26.34%	0.00%	9.14%	3.98%	0.00%	0.0%	2,834.97	0.00	1,204.33	1,756.41	0.00	609.62	263.96	0.00	0.00	$6,669.30	0.00
5280000	Special Department Expense	5,181.74	28.0%	2.2%	17.2%	25.8%	0.2%	2.7%	1.8%	4.2%	17.9%	1,017.75	149.07	627.48	938.90	6.64	97.84	1,538.84	153.85	651.37	$5,181.74	0.00
5285110	IC - Fuel - Internal	575.01	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%				575.01						$575.01	0.00
5285200	IC - Automobile Services - Internal	2,986.55	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%				2,986.55						$2,986.55	0.00
5285300	Mileage	3,224.13	28.0%	2.2%	17.2%	25.8%	0.2%	2.7%	1.8%	4.2%	17.9%	1,980.41	38.73	302.46	452.57	3.20	47.18	31.46	74.16	313.96	$3,224.13	0.00
5285600	Business Travel	2,150.02	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%				2,150.02						$2,150.02	0.00
8210000	Settlement - External for Seller & Bu	1,217.20	28.0%	2.2%	17.2%	25.8%	0.2%	2.7%	1.8%	4.2%	17.9%	598.68	14.57	113.79	170.27	146.27	17.74	11.84	27.90	118.13	$1,217.20	0.00
	Total Object 2	685,284.73										241,893.80	17,605.94	109,377.71	189,815.75	4,639.29	39,919.80	19,190.85	52,782.41	11,059.07	$685,284.73	0.00
	0.00	685,284.73																			$0.00	685,284.73

DEH - Overhead Allocation
FY2015

Employee	FY15 Qtr 1	FY15 Qtr 2	FY15 Qtr 3	FY15 Qtr 4	Total
Baltazar, Elizabeth	3,318.13	5,566.59	4,351.56	4,953.47	18,189.75
Kou, Clara	6,495.24	10,656.87	7,821.48	9,206.12	34,179.72
Lal, Basant	1,285.76	5,201.63	3,016.50	3,528.01	13,031.90
Resuello, Joselyn	586.70	2,748.35	1,552.19	1,744.18	6,631.42
Marshall, Shannon		2,076.79			2,076.79
Mana-ay, Cynthia		3,207.74	2,740.78	6,398.51	12,347.03
Olguin, Gabriel				17,267.04	17,267.04
Reyna, Susanna				1,664.35	1,664.35
Yung, Cindy			6.46	8.07	14.53
Total	11,685.83	29,457.98	19,488.98	44,769.75	105,402.54

	RWRC 1187	WA 1188	HHW 1197	AG/PD 5660/5664	CW 5662	WM 5663	AC 5670	Total
FTE	4.50	2.00	8.00	19.00	2.00	11.50	13.50	60.50
% allocation	7.44%	3.31%	13.22%	31.40%	3.31%	19.01%	22.31%	100.00%
Baltazar, Elizabeth	1,352.96	601.31	2,405.26	5,712.48	601.31	3,457.56	4,058.87	18,189.75
Kou, Clara	2,542.29	1,129.91	4,519.63	10,734.13	1,129.91	6,496.97	7,626.88	34,179.72
Lal, Basant	969.32	430.81	1,723.23	4,092.66	430.81	2,477.14	2,907.95	13,031.90
Resuello, Joselyn	493.25	219.22	876.88	2,082.60	219.22	1,260.52	1,479.74	6,631.42
Marshall, Shannon	154.47	68.65	274.62	652.22	68.65	394.76	463.42	2,076.79
Mana-ay, Cynthia	918.37	408.17	1,632.67	3,877.58	408.17	2,346.96	2,755.12	12,347.03
Olguin, Gabriel	1,284.33	570.81	2,283.24	5,422.71	570.81	3,282.16	3,852.98	17,267.04
Reyna, Susanna	123.79	55.02	220.08	522.69	55.02	316.36	371.38	1,664.35
Yung, Cindy	1.08	0.48	1.92	4.56	0.48	2.76	3.24	14.53
Total	7,839.86	3,484.38	13,937.53	33,101.62	3,484.38	20,035.19	23,519.57	105,402.54

Admin Indirect Hour Report

between 7/1/2014 And 6/30/2015

Verify the total hours on timesheet:		Amy Brown	Colleen Dehertel	Estela de Lara	Jami Roth	Jason Berg	Joanna Kincaid	Joseph Deviney	Justin Kirksey	Laura Valdez	Laurie Teeling	Laurie Teelingwms	Let Chan	Marialena Morris	Mary Nguyen	Michele Ribardo	Sue Conde	Vyloan Do	Total
AEM	Agriculture(cc5660/	340.5	1059.5	318.5	554.9	21.5	595.8	1503.5		275.8			309.8	8.5	6.5	247.0	12.5	376.0	5630.3
	Clean Water	63.0			18.2		272.8			37.4			5.5		1.5	51.0		17.0	466.3
	Weights &	138.0		138.0	214.0		9.6	230.5	7.0	212.9		21.5	285.3		57.9	66.5	1409.4	112.0	2902.5
	Franchise			2.0									9.3					2.0	13.3
	Animal	308.5	371.0	19.5	300.0	835.5	347.5		2.0	318.2			58.5	9.0	353.5	393.5	11.0	61.0	3388.7
	Cooperative	2.0		1.0						0.9			3.3			16.5		5.0	28.7
	Recycling & Waste	80.0			1.7					42.5			35.3	2.0	1.5	88.0		97.5	348.4
	Weed	37.0		5.0	1.5					11.0			12.8	1.0	60.4	45.5	3.0	21.0	198.1
	Household	29.5					18.0			6.3			419.0	1.0		43.5		86.0	603.3
	SubTotal	998.5	1430.5	484.0	1090.3	857.0	1243.7	1734.0	9.0	904.8		21.5	1138.5	21.5	481.3	951.5	1435.9	777.5	13579.45
DEH	DEH - Consumer	2.0					29.0			1.5			18.5	45.0		64.0		71.0	231.0
	DEH -	450.0					27.5			231.5			63.3	309.5		253.5		567.0	1902.3
	DEH -	2.0											2.0			2.5		6.0	12.5
	DEH - Hazardous						34.0						3.0			23.0		19.0	79.0
	DEH - Site						143.3									0.5		10.0	153.8
	DEH - Vector	95.0					11.0			15.5			56.3			153.5		183.0	514.3
	SubTotal	549.0					244.8			248.5			143.0	354.5		497.0		856.0	2892.8
Other	Misc.	220.5	9.0	63.5	674.0		309.2		1700.5	492.7			454.5	306.0	1187.8	311.5	350.8	102.5	6182.5
	Leave/Holiday	320.0	356.5	68.5	323.2	369.0	339.1	344.0	133.0	477.6			350.0	174.0	418.9	328.0	299.5	352.0	4653.3
	SubTotal	540.5	365.5	132.0	997.2	369.0	648.3	344.0	1833.5	970.3			804.5	480.0	1606.7	639.5	650.3	454.5	10835.75
TotDirect	TotalDirect		299.5		0.5	864.5	8.3	10.0	109.5		315.5		2.0				53.0		1662.8
	SubTotal		299.5		0.5	864.5	8.3	10.0	109.5		315.5		2.0				53.0		1662.8
Grand Total		2088.0	2095.5	616.0	2088.0	2090.5	2145.1	2088.0	1952.0	2123.5	315.5	21.5	2088.0	856.0	2088.0	2088.0	2139.2	2088.0	28970.8

AEM Admin Cost Allocation to DEH & Vector Control
FY 2015

	AEM Actual Costs to DEH/VCD	DEH	VCD	
Object 1	369,654.00	264,143.98	105,510.02	369,654.00
Object 2	11,059.07	7,902.49	3,156.58	11,059.07
	380,713.07	272,046.47	108,666.61	380,713.07

	FTE	%	% Allocation	CC
DEH	89.5	71.46%	272,046.47	1194
VCD	35.8	28.54%	108,666.61	4224
	125.3		**380,713.07**	

Admin Overhead

Cost Center	FY11	FY 12	FY 13	FY14	FY15	Average
1187	85,111	73,577	65,393	123,261	92,209	87,910
1188	73,884	75,723	44,421	55,636	56,218	61,176
1194	52,288	60,376	94,952	147,978	272,047	125,528
1197	0	0	0	110,427	110,901	44,266
4224	16,678	19,093	28,019	45,216	108,666	43,534
	227,961	228,769	232,784	482,518	640,041	362,415

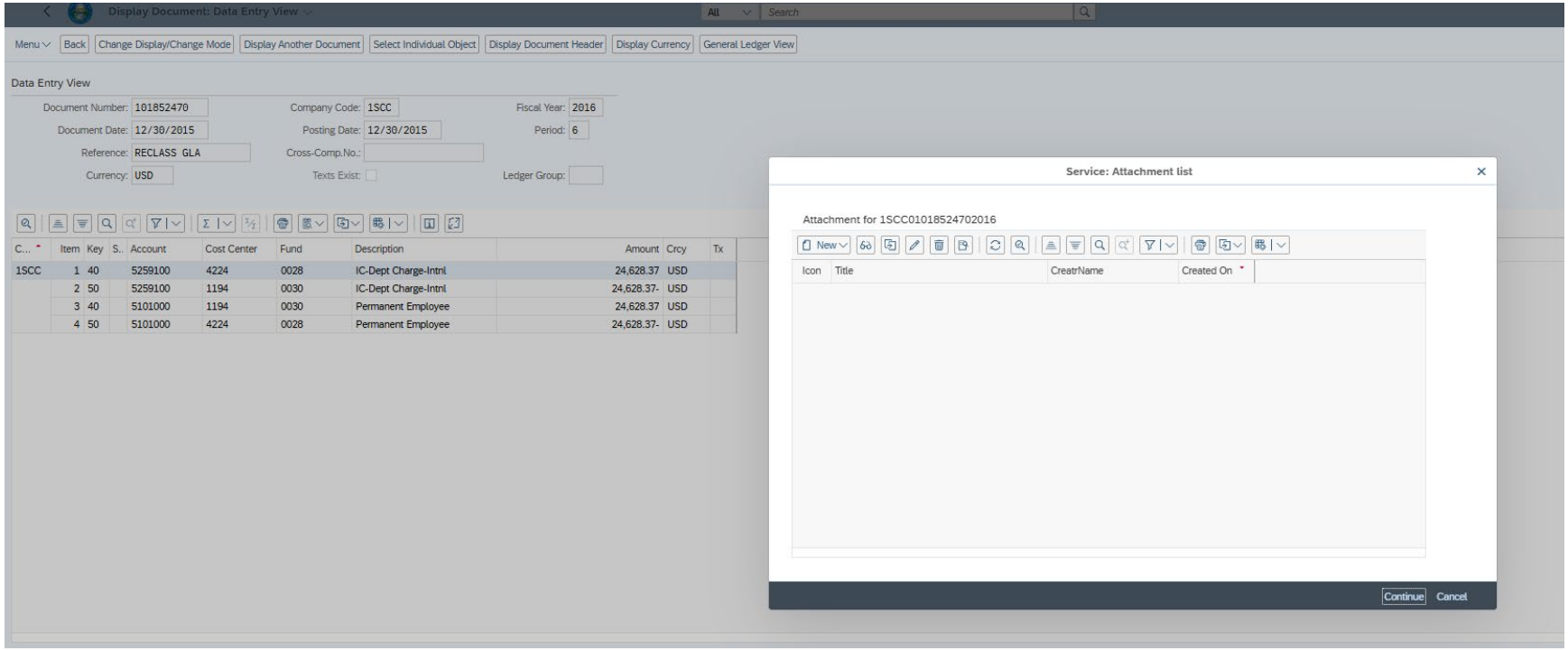
S:\Let_Chan\Admin Overhead Costs\Labor Cost with FY15 Actuals.xlsxLabor Cost with FY15 Actuals.xlsxAverage

Salary & benefits reclass
L. Chan
7/01/14-6/30/15

Month	CC 1187	CC 1197	Total	Document #
14-Jul	$211.60	$9,098.66	$9,310.26	101632165
14-Aug	$493.73	$6,912.16	$7,405.89	101632165
14-Sep	$282.13	$3,032.88	$3,315.01	101632165
14-Oct	$0.00	$2,786.02	$2,786.02	101632185
14-Nov	$0.00	$1,269.58	$1,269.58	101646928
14-Dec	$0.00	$176.33	$176.33	101660867
15-Jan	$423.19	$1,375.38	$1,798.57	101678645
15-Feb	$91.69	$1,622.24	$1,713.93	101690832
15-Mar	$211.60	$634.79	$846.39	101711602
15-Apr	$21.56	$344.95	$366.51	101726003
15-May	$452.75	$524.61	$977.36	101741920
15-Jun	$35.93	$1,401.37	$1,437.30	101758312
	$2,224.18	$29,178.97	$31,403.15	

Program	Obj 1
Recycling & Waste	$53,288.68
Weed Abatement	$37,027.38
Environmental Health	$264,143.98
Household Hazardous	$58,118.56
Vector Control	$105,510.02
Total	$518,088.62

	Fiscal Staff									
Program	Chan, L	Do, V	Baltazar, E	Kou, C	Lal, B	Resuello, J	Yung, C	Total	Support Staff	Total
Recycling & Waste	$3,200.82	$9,930.00	$1,352.96	$2,542.29	$969.32	$493.25	$1.08	$18,489.72	$34,798.96	$53,288.68
Weed Abatement	$1,554.00	$2,096.00	$601.31	$1,129.91	$430.81	$219.22	$0.48	$6,031.73	$30,995.65	$37,027.38
Environmental Health	$4,975.09	$61,048.28						$66,023.37	$198,120.61	$264,143.98
Household Hazardous	$21,897.03	$8,583.00	$2,405.26	$4,519.63	$1,723.23	$876.88	$1.92	$40,006.95	$18,111.61	$58,118.56
Vector Control	$4,975.09	$24,381.72						$29,356.81	$76,153.21	$105,510.02
Total	$36,602.04	$106,039.00	$4,359.53	$8,191.83	$3,123.36	$1,589.35	$3.48	$159,908.59	$358,180.03	$518,088.62


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Document Date: 12/30/2015
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Period: 6
Reference: RECLASS GLA
Cross-Comp.No.:
Currency: USD
Texts Exist:
Ledger Group:
C... Item Key S.. Account Cost Center Fund Description Amount Crcy Tx
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2 50 5259100 1194 0030 IC-Dept Charge-Intnl 24,628.37- USD
3 40 5101000 1194 0030 Permanent Employee 24,628.37 USD
4 50 5101000 4224 0028 Permanent Employee 24,628.37- USD
Service: Attachment list
Attachment for 1SCC01018524702016
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Title
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Cancel

FY2016 Q2 Department Charge

Dept Charge Name of Employee	Dept Charge CC5665	Dept Charge CC1190	Dept Charge CC1196	Dept Charge CC1198	Dept Charge CC1199	Dept Charge CC4224	TOTAL
Baltazar, Elizabeth	7,742	9,666	982	15,900	118	0	34,408
Belloso, Melissa	0	24,437	29	198	17	0	24,681
Duenas, Raquel	0	21,032	140	11,191	84	1,195	33,642
Garcia, Candace	0	0	0	1,784	16,609	0	18,393
Holley, Heather	0	14,267	1,086	5,645	651	9,119	30,769
Jong, Linda	192	4,907	720	7,211	84	575	13,689
Kealey, Linda	0	0		0		24,101	24,101
Keener, Mario	0	21,016	34	177	20	434	21,680
Kou, Clara	6,900	13,130	1,654	7,234	670	11,482	41,071
Lal, Basant	5,167	0	0	0	0	23,536	28,703
Law, Markita	0	13,638	0	0	0	0	13,638
Maher, Michele	0	26,387	20	104	12	0	26,523
Mendez, Daisy	0	26,431		0		0	26,431
Olguin, Gabriel	0	8,991		0		0	8,991
Owens, Arika	0	26,370	2,028	10,548	1,217	0	40,164
Palomino, Jorge	0	0		488		28,239	28,728
Pech, Somira	0	984	546	27,797	45	0	29,372
Porcari, Grant	0	14,175	1,090	5,670	654	0	21,589
Rapp, Stacey	0	0	0	0	0	37,357	37,357
Rayas, Juan	0	29,898	103	538	155	0	30,695
Reyna, Susanna	1,082	13,915	1,047	5,442	628	8,791	30,905
Resuello, Joselyn	2,613	12,010	1,361	17,460	1,092	1,211	35,746
Ryan, Rosemarie	327	16,352	1,555	12,170	628	1,693	32,727
Tran, Doan Trinh N	7,204						7,204
Wallace, Lisa	0	7,544	0	0	0	0	7,544
Widmann, Chris	0	662	16,927	11,464	21	0	29,074
William, Regina	14,728	0	0	0	0	11,065	25,793
Yung, Sin-Yin (Cindy	421	16,675	907	9,198	94	795	28,090
	46,375	**322,486**	**30,229**	**150,222**	**22,802**	**159,595**	**731,708**
					525,738	***685,333***	
							1,470,650

JE Reclass-Q2 Department Charge

12/31/2015 JE#	Department Charge/Reimbursement
CC1190	322,486
CC1196	30,229
CC1198	150,222
CC1199	22,802
CC4224	159,595
CC5665	(685,333)

Doc.Type : SA (G/L account document) Parked document							
Doc. Number	101901741	Company Code	1SCC	Fiscal Year	2016		
Doc. Date	03/28/2016	Posting Date	03/28/2016	Period	09		
Calculate Tax	☒						
Ref.Doc.	RECLASS FY16-Q3						
Doc. Currency	USD						
Doc. Hdr Text	FY16-Q3- CEPA Admin OH						

It	PK	Account	Account short text	Tx	Amount	Text	Cost	Fund	Funds Ctr	Ref.k	PmtMt	Order	BnkT
1	50	5440400	IC-Reimb-Dept Charg		562,990.00-	FY16-Q3- CEPA Admin OH Alloca…	5665	0001					
2	40	5259100	IC-Dept Charge-Intnl		276,486.00	FY16-Q3- CEPA Admin OH Alloca…	1190	0030					
3	40	5259100	IC-Dept Charge-Intnl		23,471.00	FY16-Q3- CEPA Admin OH Alloca…	1196	0030					
4	40	5259100	IC-Dept Charge-Intnl		116,558.00	FY16-Q3- CEPA Admin OH Alloca…	1198	0030					
5	40	5259100	IC-Dept Charge-Intnl		22,927.00	FY16-Q3- CEPA Admin OH Alloca…	1199	0030					
6	40	5259100	IC-Dept Charge-Intnl		123,548.00	FY16-Q3- CEPA Admin OH Alloca…	4224	0028					
*					0.00								

CC5665

FY16 Q3 PP1601 (12/21/15)-PP1606 (03/13/16) 6 PPs

GLA 5259100-IC Dept Charge Int'l

FY2016 Q3 Department Charge

AEM CC5665 Name of Employee	ECLS		ID	FY15 Q1 TOTAL	Dept Charge JE	Q1 Dept Charge Total	CC5665	Dept Charge CC1190	Dept Charge CC1196	Dept Charge CC1198	Dept Charge CC1199	Dept Charge CC4224	Dept Charge TOTAL	Dept Charge Name of Employee	Dept Charge CC5665	Dept Charge CC1190	Dept Charge CC1196	Dept Charge CC1198	Dept Charge CC1199	Dept Charge CC4224	TOTAL
Baltazar, Elizabeth	B80	EC	50702	29,020		29,020	21.76%	25.48%	1.65%	49.27%	1.84%	0.00%	100%	Baltazar, Elizabeth	6,315	7,395	478	14,297	535	0	29,020
Belloso, Melissa	D09	EC	52715	20,405		20,405		98.19%	0.26%	1.36%	0.19%	0.00%	100%	Belloso, Melissa	0	20,035	53	278	40	0	20,405
Duenas, Raquel	X09	EC	42572	27,046		27,046		66.57%	1.36%	30.24%	1.02%	0.82%	100%	Duenas, Raquel	0	18,001	368	8,179	276	221	27,046
Garcia, Candace	D09	EC	61534	16,245		16,245			1.69%	0.00%	98.31%		100%	Garcia, Candace	0	0	274	0	15,970	0	16,245
Garcia, Jeremy	V33	EC		2,616		2,616		70.00%	4.44%	22.22%	3.33%	0.00%	100%	Garcia, Jeremy	0	1,831	116	581	87	0	2,616
Holley, Heather	X09	EC	34259	22,473		22,473		51.22%	3.25%	16.26%	2.44%	26.83%	100%	Holley, Heather	0	11,510	731	3,654	548	6,029	22,473
Jong, Linda	D97	EC	64478	15,545		15,545	1.00%	44.67%	5.77%	46.93%	0.83%	0.80%	100%	Jong, Linda	155	6,943	897	7,295	129	124	15,545
Kealey, Linda	D09	EC	49189	20,242		20,242						100.00%	100%	Kealey, Linda	0	0		0		20,242	20,242
Keener, Mario	D09	EC	59225	18,218		18,218		98.10%	0.28%	1.42%	0.21%	1.98%	100%	Keener, Mario	0	17,508	52	259	39	361	18,218
Kou, Clara	B76	EC	50848	35,204		35,204	22.87%	32.52%	3.16%	14.64%	2.31%	24.50%	100%	Kou, Clara	8,051	11,447	1,114	5,153	814	8,626	35,204
Lal, Basant	D96	EC	40749	12,138		12,138	18.00%					82.00%	100%	Lal, Basant	2,185	0	0	0	0	9,953	12,138
Law, Markita	V33	EC	63857	6,550		6,550		100.00%					100%	Law, Markita	0	6,550	0	0	0	0	6,550
Maher, Michele	D09	EC	61471	22,460		22,460		98.48%	0.23%	1.13%	0.17%	0.00%	100%	Maher, Michele	0	22,118	51	254	38	0	22,460
Mendez, Daisy	X09	EC	58045	25,380		25,380		99.32400%	0.13%	0.46%	0.09%	0.00%	100%	Mendez, Daisy	0	25,208	32	116	24	0	25,380
Owens, Arika	B1N	EC	35933	34,850		34,850		70.00%	4.44%	22.22%	3.33%		100%	Owens, Arika	0	24,395	1,549	7,744	1,162	0	34,850
Palomino, Jorge	D09	EC	07868	24,375		24,375				0.00%	0.00%	100.00%	100%	Palomino, Jorge	0	0		0		24,375	24,375
Pech, Somira	D09	EC	26532	23,984		23,984		5.82%	0.37%	93.53%	0.28%	0.00%	100%	Pech, Somira	0	1,397	89	22,432	67	0	23,984
Porcari, Grant	D09	EC	61985	18,820		18,820	50.00%	35.00%	2.22%	11.11%	1.67%		100%	Porcari, Grant	9,410	6,587	418	2,091	314	0	18,820
Rapp, Stacey	B1P	EC	61673	32,200		32,200						100.00%	100%	Rapp, Stacey	0	0	0	0	0	32,200	32,200
Rayas, Juan	X09	EC	52118	25,853		25,853		98%	0.30%	1.49%	0.49%	0.00%	100%	Rayas, Juan	0	25,264	77	385	127	0	25,853
Reyna, Susanna	B2N	EC	11533	34,157		34,157	11.35%	45.41%	2.88%	14.41%	2.16%	23.78%	100%	Reyna, Susanna	3,877	15,509	985	4,924	739	8,124	34,157
Resuello, Joselyn	B78	EC	32938	30,331		30,331	3.10%	55.95%	3.07%	32.11%	4.17%	1.59%	100%	Resuello, Joselyn	940	16,971	932	9,741	1,265	482	30,331
Rosas, Christina	V1C	EC	65286	5,239		5,239		70.00%	4.44%	22.22%	3.33%	0.00%	100%	Rosas, Christina	0	3,667	233	1,164	175	0	5,239
Ryan, Rosemarie	D96	EC	27918	27,442		27,442	0.00%	51.92%	8.22%	35.18%	1.72%	2.98%	100%	Ryan, Rosemarie	0	14,244	2,255	9,655	471	817	27,442
Wallace, Lisa	V1C	EC	60145	4,335		4,335		100.00%					100%	Wallace, Lisa	0	4,335	0	0	0	0	4,335
Wang, Fan	D96	EC		15,689		15,689	27.50%					72.50%	100%	Wang, Fan	4,314	0	0	0	0	11,374	15,689
Widmann, Chris	X09	EC	42932	23,820		23,820		1.77%	50.12%	48.03%	0.08%		100%	Widmann, Chris	0	422	11,936	11,441	20	0	23,820
Yung, Sin-Yin (Cindy)	D97	EC	43160	23,765		23,765	0.68%	63.74%	3.50%	29.09%	0.38%	2.61%	100%	Yung, Sin-Yin (Cindy)	162	15,149	831	6,913	90	620	23,765
TOTAL FY16 Q3 DEPT CHARGE JE				**598,399**	**0**	**598,399**									**35,409**	**276,486**	**23,471**	**116,558**	**22,927**	**123,548**	**598,399**
																			439,442	***562,990***	
Green, Tammy	V1C	FSR	64141	6,985		6,985								Green, Tammy	6,985						6,985
Lam, Trisha	B80	FSR	54955	28,035		28,035								Lam, Trisha	28,035						28,035
Vasquez, Gilbert	D09	FSR	39003	25,207		25,207								Vasquez, Gilbert	25,207						25,207
CC1187/ CC1197				**60,227**		**60,227**									**60,227**						**60,227**
Tran, Doan Trinh	V1C	EC		9,421		9,421							100%	Tran, Doan Trinh	9,421						9,421
Nguyen, Katherine	V18	EC	49735	48,149		48,149							100%	Nguyen, Katherine	48,149						48,149
Health Nail				**57,570**		**57,570**									**57,570**						**57,570**
Berg, Jason	D49		38131	19,163		19,163	100.00%						100%	Berg, Jason	19,163						19,163
Brown, Amy	A50		57703	66,523		66,523	100.00%						100%	Brown, Amy	66,523						66,523
Cabral De Lara, Estela	D09		62813	19,366		19,366	100.00%						100%	Cabral De Lara, Estela	19,366						19,366
Cancilla-Conde, Sue	X09		35558	23,813		23,813	100.00%						100%	Cancilla-Conde, Sue	23,813						23,813
Chan, Isabelita	B77		09021	35,520		35,520	100.00%						100%	Chan, Isabelita	35,520						35,520
Dam Nguyen, Mary	B1R		40630	30,693		30,693	100.00%						100%	Dam Nguyen, Mary	30,693						30,693
De Hertel, Colleen	D49		26577	19,414		19,414	100.00%						100%	De Hertel, Colleen	19,414						19,414
Deviney, Joseph	A55		57150	50,161		50,161	100.00%						100%	Deviney, Joseph	50,161						50,161
Do, Vyloan	B96		07935	43,078		43,078	100.00%						100%	Do, Vyloan	43,078						43,078
Hernandez, Carol	D09		08733	10,121		10,121	100.00%						100%	Hernandez, Carol	10,121						10,121
Kincaid, Joanna	V1C		56442	20,439		20,439	100.00%						100%	Kincaid, Joanna	20,439						20,439
Kirksey, Justin	D09		54760	13,368		13,368	100.00%						100%	Kirksey, Justin	13,368						13,368
Mana-ay, Cynthia	X17		31878	29,150		29,150	100.00%						100%	Mana-ay, Cynthia	29,150						29,150
Morris, Marialena Burton	B1N		46021	38,276		38,276	100.00%						100%	Morris, Marialena Burton	38,276						38,276
Ribardo, Michele	B2K		10932	50,237		50,237	100.00%						100%	Ribardo, Michele	50,237						50,237
Roth, Jami	B2R		31547	29,743		29,743	100.00%						100%	Roth, Jami	29,743						29,743
Valdez, Laura	C29		45670	26,780		26,780	100.00%						100%	Valdez, Laura	26,780						26,780
William, Regina	V1C		63632	20,358		20,358	100.00%						100%	William, Regina	20,358						20,358
CC 5665 Total				**546,200**		**546,200**									**546,200**						**546,200**
TOTAL FY16 Q1 ADMIN SAL&BENEFITS				**1,262,397**	**0**	**1,262,397**															**1,262,396**

JE Reclass-Q3 Department Charge

03/28/2016 JE#101901741	Department Charge/ Reimbursement
CC1190	$276,486
CC1196	$23,471
CC1198	$116,558
CC1199	$22,927
CC4224	$123,548
CC5665	($562,990)

Doc.Type : SA (G/L account document) Parked document							
Doc. Number	101957998	Company Code	1SCC	Fiscal Year	2016		
Doc. Date	06/29/2016	Posting Date	06/29/2016	Period	12		
Calculate Tax	☒						
Ref.Doc.	RECLASS-FY16-Q4						
Doc. Currency	USD						
Doc. Hdr Text	FY16-Q4- CEPA Admin OH						

It	PK	Account	Account short text	Tx	Amount	Text	Cost	Fund	Funds Ctr	Ref.k	PmtMt	Order	BnkT
1	50	5440400	IC-Reimb-Dept Charg		657,578.00-	FY16-Q4-CEPA Admin OH Allocat…	5665	0001					
2	40	5259100	IC-Dept Charge-Intnl		309,509.00	FY16-Q4-CEPA Admin OH Allocat…	1190	0030					
3	40	5259100	IC-Dept Charge-Intnl		30,263.00	FY16-Q4-CEPA Admin OH Allocat…	1196	0030					
4	40	5259100	IC-Dept Charge-Intnl		131,172.00	FY16-Q4-CEPA Admin OH Allocat…	1198	0030					
5	40	5259100	IC-Dept Charge-Intnl		24,563.00	FY16-Q4-CEPA Admin OH Allocat…	1199	0030					
6	40	5259100	IC-Dept Charge-Intnl		162,071.00	FY16-Q4-CEPA Admin OH Allocat…	4224	0028					
*					0.00								

Data statistics	Number of
Records passed	6
Calculated total records	1

DOC# 10195 7998
6/29/16

CC5665
FY16 Q4 PP1607 (03/14/16)-PP1613 (06/19/16) 7 PPs
GLA 5259100-IC Dept Charge Int'l

FY2016 Q4 Department Charge

AEM CC5665 Name of Employee	Q1 Dept Charge Total	CC5665	Dept Charge CC1190	Dept Charge CC1196	Dept Charge CC1198	Dept Charge CC1199	Dept Charge CC4224	Dept Charge TOTAL	Dept Charge Name of Employee	Dept Charge CC5665	Dept Charge CC1190	Dept Charge CC1196	Dept Charge CC1198	Dept Charge CC1199	Dept Charge CC4224	TOTAL
Baltazar, Elizabeth	32,819	25.00%	15.53%	3.41%	53.51%	2.55%	0.00%	100%	Baltazar, Elizabeth	8,205	5,095	1,119	17,562	838	0	32,819
Belloso, Melissa	25,668		95.76%	0.91%	2.94%	0.45%	0.00%	100%	Belloso, Melissa	0	24,581	233	756	117	0	25,686
Duenas, Raquel	32,633		88.67%	1.36%	8.48%	0.68%	0.81%	100%	Duenas, Raquel	0	28,931	443	2,768	222	263	32,626
Garcia, Candace	21,011		12.15%	2.09%	4.24%	73.55%	7.97%	100%	Garcia, Candace	0	2,553	439	890	15,453	1,675	21,011
Garcia, Jeremy	10,872		100.00%	0.00%	0.00%	0.00%	0.00%	100%	Garcia, Jeremy	0	10,872	0	0	0	0	10,872
Goupil, Sylvia	2,422		100.00%					100%	Goupil, Sylvia	0	2,422	0	0	0	0	2,422
Holley, Heather	29,058		69.57%	6.52%	20.65%	3.26%	0.00%	100%	Holley, Heather	0	20,214	1,895	6,001	948	0	29,058
Jong, Linda	18,429	16.00%	46.74%	6.66%	30.09%	0.50%	0.00%	100%	Jong, Linda	2,949	8,614	1,228	5,546	93	0	18,429
Kealey, Linda	23,687						100.00%	100%	Kealey, Linda	0	0		0		23,687	23,687
Keener, Mario (use Q3)	9,545		96.08%	0.42%	1.32%	0.21%	1.98%	100%	Keener, Mario	0	9,170	40	126	20	189	9,545
Kou, Clara	41,191	20.02%	31.70%	4.54%	11.69%	2.33%	29.73%	100%	Kou, Clara	8,246	13,055	1,869	4,814	958	12,245	41,188
Law, Markita	326		100.00%					100%	Law, Markita	0	326	0	0	0	0	326
Maher, Michele	26,931		96.42%	0.77%	2.43%	0.38%	0.00%	100%	Maher, Michele	0	25,966	207	655	103	0	26,931
Mendez, Daisy	30,339		99.19%	0.17%	0.38%	0.09%	0.00%	100%	Mendez, Daisy	0	30,093	53	115	26	0	30,287
Munoz, Ricardo	3,420	0.00%	69.57%	6.52%	20.65%	3.26%	0.00%	100%	Munoz, Ricardo	0	2,379	223	706	112	0	3,420
Owens, Arika	42,173		69.57%	6.52%	20.65%	3.26%		100%	Owens, Arika	0	29,338	2,750	8,710	1,375	0	42,173
Palomino, Jorge	28,558				0.00%	0.00%	100.00%	100%	Palomino, Jorge	0	0		0		28,558	28,558
Pech, Somira	27,763		9.46%	1.06%	88.95%	0.53%	0.00%	100%	Pech, Somira	0	2,627	294	24,695	147	0	27,763
Rapp, Stacey	37,716						100.00%	100%	Rapp, Stacey	0	0	0	0	0	37,716	37,716
Resuello, Joselyn	35,238	6.04%	43.49%	4.39%	41.49%	4.58%	0.20%	100%	Resuello, Joselyn	2,128	15,325	1,546	14,619	1,613	70	35,301
Reyna, Susanna	39,974	0.00%	47.76%	4.48%	14.18%	2.24%	31.34%	100%	Reyna, Susanna	0	19,092	1,790	5,668	895	12,529	39,974
Rosas, Christina	21,327		69.57%	6.52%	20.65%	3.26%	0.00%	100%	Rosas, Christina	0	14,836	1,391	4,405	695	0	21,327
Ryan, Rosemarie	31,678	0.15%	60.65%	6.36%	26.61%	2.34%	3.88%	100%	Ryan, Rosemarie	48	19,210	2,016	8,429	742	1,230	31,675
Wallace, Lisa	3,898		100.00%					100%	Wallace, Lisa	0	3,898	0	0	0	0	3,898
Wang, Fan	30,021	30.00%					70.00%	100%	Wang, Fan	9,006	0	0	0	0	21,015	30,021
Widmann, Chris	27,882		9.26%	41.08%	49.23%	0.43%		100%	Widmann, Chris	0	2,582	11,450	13,726	121	0	27,879
Wien, Madeline	5,188				100.00%			100%	Wien, Madeline	0	0	0	5,188	0	0	5,188
Williams, Regina	26,793	18.24%					81.76%	100%	Williams, Regina	4,887	0	0	0	0	21,906	26,793
Yung, Sin-Yin (Cindy)	27,808	4.79%	65.92%	4.59%	20.84%	0.31%	3.55%	100%	Yung, Sin-Yin (Cindy)	1,332	18,330	1,276	5,796	86	987	27,808
TOTAL FY16 Q3 DEPT C	**694,366**									**36,801**	**309,509**	**30,263**	**131,172**	**24,563**	**162,071**	**694,379**
														495,507	***657,578***	

JE Reclass-Q4 Department Charge + 5259100

06/29/2016 JE#xxxxxxxxx	Department Charge/ Reimbursement
CC1190	$309,509
CC1196	$30,263
CC1198	$131,172
CC1199	$24,563
CC4224	$162,071
CC5665	($657,578)

(5440400) -

Doc.Type : SA (G/L account document) Parked document

Doc. Number	101968234	Company Code	1SCC	Fiscal Year	2016
Doc. Date	07/08/2016	Posting Date	06/30/2016	Period	12
Calculate Tax	☒				
Ref.Doc.	FY16 ALLOCATION				
Doc. Currency	USD				
Doc. Hdr Text	FY16 Admin Allocation				

It	PK	Account	Account short text	Tx	Amount	Text	Cost	Fund	Funds Ctr	Ref.k	PmtMt	Order	BnkT
1	40	5259100	IC-Dept Charge-Intnl		353,630.00	FY16- YE Admin OH Allocation	4224	0028					
2	50	5440200	IC - Reimb-Prof&Spec		353,630.00-	FY16- YE Admin OH Allocation	1194	0030					
*					0.00								

Data statistics	Number of
Records passed	2
Calculated total records	1

Resuello, Joselyn

DOC# 101968234
7/8/16

From: Kou, Clara
Sent: Friday, July 08, 2016 2:35 PM
To: Resuello, Joselyn
Subject: DEH Admin OH Charge
Attachments: FS FY16 AP12 Admin Summary 2016-07-08 Preliminary.pdf

Importance: High

Hello Joselyn,

Please process Year-End JE to charge Vector Control FY2016 Admin OH Allocation of $353,630.

FY16 AP12 Allocation Summary worksheet is attached.

Thank you!

Debit CC4224 GLA#5259100 ..... $353,630
Credit CC1194 GLA#5440200 ..... <$353,630>

Clara Kou, Sr. Accountant
Consumer and Environmental Protection
County of Santa Clara
Phone: 408-918-3410
Clara.kou@cep.sccgov.org

Updated 07/08/2016 Draft

Fund 30 - Summary of Allocated Costs
FY 16 AP 12 - 06/30/2016 Preliminary 07-08-2016

	1190 CPD	1196 S/MW	1197 HHW	1198 HM	1199 LOP	4224 VC	Total
Personnel from 1194	500,497.93	38,648.49	-	171,985.78	23,189.09	303,390.64	1,037,711.93
Other Exp &FA from 1194	389,063.47	30,515.30	8,052.29	138,963.92	17,745.26	50,362.95	634,703.20
AEM OH-Admin	185,421.36	14,318.25	-	63,716.22	8,590.95	-	272,046.79
CCPlan	452,997.20	46,180.73	63,126.08	154,907.43	28,375.06	(123.50)	745,463.00
Sub-Total	1,527,979.97	129,662.77	71,178.37	529,573.35	77,900.37	353,630.09	2,689,924.92
AEM	68.16%	5.26%		23.42%	3.16%		100.00%
CCPlan	60.77%	6.19%	8.47%	20.78%	3.81%	-0.02%	100.00%
Interest Revenue	(64,438.46)	(16,181.86)	(2,158.64)	(51,725.67)	(2,742.92)	-	(137,247.56)
Transfer In	(31,155.66)	(2,405.84)	-	(10,706.00)	(1,443.51)	-	(45,711.00)
Retiree Drug & Misc Rev	(11,229.61)	(867.15)	-	(3,858.82)	(520.29)	-	(16,475.87)
Total for allocated int/rebate	(106,823.72)	(19,454.86)	(2,158.64)	(66,290.49)	(4,706.71)	-	(199,434.43)
Net allocation	1,421,156	110,208	69,020	463,283	73,194	353,630	2,490,490
	57.06%	4.43%	2.77%	18.60%	2.94%	14.20%	100.00%
DEH NET ALLOC %	**782,738**	**49,709**	**5,894**	**244,659**	**36,228**	**353,754**	**1,472,981**
	53.14%	**3.37%**	**0.40%**	**16.61%**	**2.46%**	**24.02%**	**100.00%**
Personnel 1194	48.23%	3.72%	0.00%	16.57%	2.23%	29.24%	100.00%
Other Exp &FA from 1194	61.30%	4.81%	1.27%	21.89%	2.80%	7.93%	100.00%
CCPlan before Berger credit	60.77%	6.19%	8.47%	20.78%	3.81%	-0.02%	100.00%
Interest/Rebate 1194	53.56%	9.76%	1.08%	33.24%	2.36%	0.00%	100.00%

Overhead Rate before Interest and misc allocation (as % of CC personnel)

Total Allocation 1194	15.29%	19.91%	6.97%	16.41%	15.39%	8.20%

Overhead Rate after Interest and misc allocation (as % of CC personnel)

Total Allocation 1194	14.22%	16.92%	6.75%	14.36%	14.46%	8.20%

Doc.Type : SA (G/L account document) Parked document

Doc. Number	102044358	Company Code	1SCC	Fiscal Year	2017
Doc. Date	11/21/2016	Posting Date	11/21/2016	Period	05
Calculate Tax	☒				
Ref.Doc.	FY17-Q1-RECLASS				
Doc. Currency	USD				
Doc. Hdr Text	FY17-Q1-PP16/14-PP16/20				

It	PK	Account	Account short text	Tx	Amount	Text	Cost	Fund	Funds Ctr	Ref.k	PmtMt	Order	BnkT
1	40	5259100	IC-Dept Charge-Intnl		337,574.00	Reclass-FY17-Q1 CEPA Adm OH	1190	0030					
2	**40**	**5259100**	**IC-Dept Charge-Intnl**		**23,691.00**	**Reclass-FY17-Q1 CEPA Adm OH**	**1196**	**0030**					
3	40	5259100	IC-Dept Charge-Intnl		145,545.00	Reclass-FY17-Q1 CEPA Adm OH	1198	0030					
4	**40**	**5259100**	**IC-Dept Charge-Intnl**		**15,541.00**	**Reclass-FY17-Q1 CEPA Adm OH**	**1199**	**0030**					
5	40	5259100	IC-Dept Charge-Intnl		209,756.00	Reclass-FY17-Q1 CEPA Adm OH	4224	0028					
6	**50**	**5440400**	**IC-Reimb-Dept Charg**		**732,107.00-**	**Reclass-FY17-Q1 CEPA Adm OH**	**5665**	**0001**					
*					0.00								

DOC #102044358
11/21/16

CC5665
FY17 Q1 PP1614 (06/20/16)-PP1620 (09/25/16) 7 PPs
GLA 5259100-IC Dept Charge Int'l

AEM CC5665 Name of Employee	Q1 Dept Charge Total	Dept Charge CC5665	Dept Charge CC1190	Dept Charge CC1196	Dept Charge CC1198	Dept Charge CC1199	Dept Charge CC4224	TOTAL
Baltazar, Elizabeth	33,890	10,573	5,527	740	16,107	942	0	33,889
Belloso, Melissa	26,550	0	9,105	175	17,154	117	0	26,550
Chiprez, Angela	19,218	0	12,995	1,098	4,393	732	0	19,218
Duenas, Raquel	33,654	0	30,670	475	1,674	222	613	33,654
Garcia, Candace	21,606	0	9,865	857	3,914	3,838	3,132	21,606
Garcia, Jeremy	16,584	0	11,214	948	3,791	632	0	16,584
Goupil, Sylvia	22,402	0	22,402	0	0	0	0	22,402
Holley, Heather	28,715	0	19,417	1,641	6,563	1,094	0	28,715
Jong, Linda	19,099	3,726	9,008	877	5,383	104	0	19,099
Kealey, Linda	24,399	0	0		0		24,399	24,399
Kou, Clara	42,622	6,681	11,824	1,237	4,369	1,379	17,132	42,622
Maher, Michele	28,260	0	26,982	162	647	108	361	28,260
Mendez, Daisy	31,067	0	30,294	136	545	91	0	31,067
Munoz, Ricardo	24,434	0	16,522	1,396	5,585	931	0	24,434
Owens, Arika	44,148	0	5,970	505	2,018	336	35,318	44,148
Palomino, Jorge	29,414	0	0		0		29,414	29,414
Pech, Somira	28,618	0	3,050	258	25,138	172	0	28,618
Rapp, Stacey	27,989	0	0	0	0	0	27,989	27,989
Resuello, Joselyn	35,234	2,436	15,618	1,326	13,497	1,168	1,189	35,234
Reyna, Susanna	41,334	0	20,101	1,699	6,795	1,132	11,608	41,334
Rosas, Christina	22,330	0	15,099	1,276	5,104	851	0	22,330
Ryan, Rosemarie	32,772	0	18,277	1,588	7,948	867	4,092	32,772
Wang, Fan	32,010	5,762	0	0	0	0	26,248	32,010
Widmann, Chris	29,388	0	13,214	6,355	9,094	725	0	29,388
Wien, Madeline	11,047	0	11,047	0	0	0	0	11,047
Williams, Regina	27,353	0	0	0	0	0	27,353	27,353
Yung, Sin-Yin (Cindy	28,518	1,366	19,371	943	5,828	102	907	28,518
TOTAL FY16 Q3 DE	**762,652**	**30,544**	**337,574**	**23,691**	**145,545**	**15,541**	**209,756**	**762,652**
						522,351	***732,107***	***762,652***
Lam, Trisha	33,890	33,890						33,890
Vasquez, Gilbert	30,469	30,469						30,469
CC1187/ CC1197	**64,359**	**64,359**						**64,359**
Tran, Doan Trinh	14,713	14,713						14,713
Dang, Hien	696	696						696
Nguyen, Katherine	65,760	65,760						65,760
Health Nail	**81,169**	**81,169**						**81,169**
CC 5665 Total	**710,852**	**710,852**						**710,852**
TOTAL FY16 Q4 AD	**1,619,033**							**1,619,033**

JE Reclass-Q4 Department Charge

11/21/2016 JE#		Department Charge/ Reimbursement
CC1190	GLA 5259100	$337,574
CC1196	GLA 5259100	$23,691
CC1198	GLA 5259100	$145,545
CC1199	GLA 5259100	$15,541
CC4224	GLA 5259100	$209,756
CC5665	GLA 5440400	($732,107)

Administration Fund 0001- CC 5665

		Object 1			
Cost center	**Fund**	**Fiscal Staff**	**Support Staff**	**Object 2**	**Total**
CC 1187	0037	15,849.21	20,886.59	27,647.51	64,383.31
CC 1188	0031	6,508.61	28,965.95	27,366.61	62,841.17
CC 1194	0030	91,792.70	507,743.28	27,806.13	627,342.11
CC 1197	0030	27,451.00	40,431.00	66,212.92	134,094.92
CC 4224	0028	37,931.30	209,771.72	11,490.27	259,193.29
		179,532.82	807,798.53	160,523.44	1,147,854.79

Journal entries:

GLA 5440400	5665	Credit	AEM Admin OH - FY17	1,147,854.79
GLA 5259100	1187	Debit	AEM Admin OH - FY17	64,383.31
GLA 5259100	1188	Debit	AEM Admin OH - FY17	62,841.17
GLA 5259100	1190	Debit	AEM Admin OH - FY17	427,596.38
GLA 5259100	1196	Debit	AEM Admin OH - FY17	32,998.20
GLA 5259100	1197	Debit	AEM Admin OH - FY17	134,094.92
GLA 5259100	1198	Debit	AEM Admin OH - FY17	146,923.52
GLA 5259100	1199	Debit	AEM Admin OH - FY17	19,824.01
GLA 5259100	4224	Debit	AEM Admin OH - FY17	259,193.29

Actual Administrative Costs FY 2016

	Object 1	Object 2	FY 2016
Agriculture/PDCP	630,658	226,679	857,337
Clean Water Program	42,725	20,143	62,868
Animal Care and Control	457,905	146,333	604,238
Cooperative Extension	11,757	28,074	39,831
Weed Abatement	35,475	27,367	62,841
Recycling & Waste Reduction	36,736	27,648	64,383
Household Hazardous Waste	67,882	66,213	134,095
Weights & Measures	379,711	101,375	481,086
DEH/VCD	847,239	39,296	886,535
Total	**2,510,087**	**683,127**	**3,193,215**

	FY 2015	FY 2016	+/-
Agriculture/PDCP	820,282	857,337	37,055
Clean Water Program	63,180	62,868	(312)
Animal Care and Control	721,924	604,238	(117,686)
Cooperative Extension	8,389	39,831	31,442
Weed Abatement	56,218	62,841	6,623
Recycling & Waste Reduction	92,209	64,383	(27,826)
Household Hazardous Waste	110,901	134,095	23,194
Weights & Measures	465,228	481,086	15,858
DEH/VCD	380,713	886,535	505,822
Total	**2,719,044**	**3,193,215**	**474,171**

Admin Overhead Charges

Cost Center	FY11	FY 12	FY 13	FY14	FY15	FY16	FY17	Average
1187	85,111	73,577	65,393	123,261	64,383	92,209	64,383	58,818
1188	73,884	75,723	44,421	55,636	62,841	56,218	62,841	44,644
1190							427,596	427,596
1194	52,288	60,376	94,952	147,978	627,342	272,047	0	209,164
1196							32,998	32,998
1197				110,427	134,095	110,901	134,095	122,379
1198							146,924	146,924
1199							19,824	19,824
4224	16,678	19,093	28,019	45,216	259,193	108,666	259,193	105,151
	227,961	228,769	232,784	482,518	1,147,855	640,041	1,147,855	

AEM Admin Cost Allocation to DEH & Vector Control
FY 2016

	AEM Actual Costs to DEH/VCD	DEH	VCD	
Object 1	847,239.00	599,535.98	247,703.02	847,239.00
Object 2	39,296.40	27,807.51	11,488.89	39,296.40
	886,535.40	627,343.49	259,191.91	886,535.40

	FTE	%	% Allocation	CC
DEH	95.0	70.76%	627,343.49	1194
VCD	39.3	29.24%	259,191.91	4224
	134.3		**886,535.40**	

Chan, Let

From: Kou, Clara
Sent: Thursday, December 08, 2016 11:55 AM
To: Chan, Let
Subject: FY16 FTE Count

Use the FTE to allocate the overhead cost between DEH + Vector Control

Hello Let,

The following FTE count is FY2016 Final.

DEH total 95
1190 ..... 64.75
1196 5
1198 ..... 22.25
1199 3

VCD total 39.25
4224 ..... 39.25

Clara Kou, Sr. Accountant
Consumer and Environmental Protection
County of Santa Clara
Phone: 408-918-3410
Clara.kou@cep.sccgov.org

Program (Non-General Fund)	Obj 1
Recycling & Waste	$36,735.80
Weed Abatement	$35,474.56
Environmental Health	$599,535.98
Household Hazardous	$67,882.00
Vector Control	$247,703.02
Total	$987,331.35

	Fiscal Staff												
Program	Chan, L	Do, V	Baltazar, E	Jong, L	Kou, C	Lal, B	Resuello, J	Ryan, R	Wang, F	Yung, C	Total	Support Staff	Total
Recycling & Waste	$4,112.00	$4,876.00	$2,200.18	$25.71	$1,499.42	$1,470.88	$508.72	$27.78	$986.67	$141.85	$15,849.21	$20,886.59	$36,735.80
Weed Abatement	$641.00	$2,438.00	$1,100.09	$12.86	$748.71	$735.44	$254.36	$13.89	$493.33	$70.93	$6,508.61	$28,965.95	$35,474.56
Environmental Health	$22,930.49	$68,862.22									$91,792.70	$507,743.28	$599,535.98
Household Hazardous	$17,700.00	$9,751.00									$27,451.00	$40,431.00	$67,882.00
Vector Control	$9,475.51	$28,455.78									$37,931.30	$209,771.72	$247,703.02
Total	$54,859.00	$114,383.00	$3,300.27	$38.57	$2,248.13	$2,206.32	$763.08	$41.67	$1,480.00	$212.78	$179,532.82	$807,798.53	$987,331.35

CEPA - Support Staff Overhead Allocation
FY2016

Employee	FY16 Q1	FY16 Q2	FY16 Q3	FY16 Q4	Total
Baltazar, Elizabeth	7,441	7,742	6,315	8,205	29,702
Jong, Linda	0	192	155	0	347
Kealey, Linda	0	0	0	2,949	2,949
Kou, Clara	5,291	6,900	8,051	0	20,242
Lal, Basant	4,259	5,167	2,185	8,246	19,857
Mana-ay, Cynthia	9,103	0	0		9,103
Morris, Marialena Burton	16,277	0	0		16,277
Porcari, Grant	0	0	9,410		9,410
Reyna, Susanna	10,247	1,082	3,877		15,206
Resuello, Joselyn	1,187	2,613	940	2,128	6,868
Ryan, Rosemarie	0	327	0	48	375
Tran, Doan Trinh N		7,204	0		7,204
Wang, Fan			4,314	9,006	13,320
William, Regina	0	14,728	0	4,887	19,615
Yung, Sin-Yin (Cindy)	0	421	162	1,332	1,915
Total	**53,805**	**46,375**	**35,409**	**36,801**	**172,389**

	1187	1188	5662	5660/5664	5663	5670	Total
FTE count	**4**	**2**	**3**	**19**	**11.5**	**14.5**	**54**
% allocation	**7.41%**	**3.70%**	**5.56%**	**35.19%**	**21.30%**	**26.85%**	**100.00%**
Baltazar, Elizabeth	2,200.18	1,100.09	1,650.13	10,450.85	6,325.51	7,975.65	29,702.41
Jong, Linda	25.71	12.86	19.28	122.13	73.92	93.20	347.10
Kealey, Linda	218.42	109.21	163.81	1,037.48	627.95	791.76	2,948.63
Kou, Clara	1,499.42	749.71	1,124.56	7,122.23	4,310.82	5,435.38	20,242.12
Lal, Basant	1,470.88	735.44	1,103.16	6,986.68	4,228.78	5,331.94	19,856.88
Mana-ay, Cynthia	674.27	337.14	505.71	3,202.80	1,938.54	2,444.25	9,102.71
Morris, Marialena Burton	1,205.69	602.85	904.27	5,727.04	3,466.37	4,370.64	16,276.86
Porcari, Grant	697.04	348.52	522.78	3,310.93	2,003.98	2,526.76	9,410.00
Reyna, Susanna	1,126.37	563.18	844.78	5,350.24	3,238.30	4,083.08	15,205.95
Resuello, Joselyn	508.72	254.36	381.54	2,416.43	1,462.58	1,844.12	6,867.75
Ryan, Rosemarie	27.78	13.89	20.83	131.94	79.86	100.69	375.00
Tran, Doan Trinh N	533.63	266.81	400.22	2,534.74	1,534.19	1,934.41	7,204.00
Wang, Fan	986.67	493.33	740.00	4,686.67	2,836.67	3,576.67	13,320.00
William, Regina	1,452.96	726.48	1,089.72	6,901.57	4,177.27	5,266.99	19,615.00
Yung, Sin-Yin (Cindy)	141.85	70.93	106.39	673.80	407.82	514.21	1,915.00
Sub-total	12,769.59	6,384.79	9,577.19	60,655.54	36,712.56	46,289.75	172,389.42
Deduct:							
(Already captured in the Daily)							
Mana-ay, Cynthia	711.15	284.46	568.92	2,986.83	1,564.53	2,986.83	9,102.72
Morris, Marialena Burton	1,271.63	508.65	1,017.30	5,340.85	2,797.59	5,340.85	16,276.87
(Support Healthy Nail Program)							
Tran, Doan Trinh N	562.81	225.13	450.25	2,363.81	1,238.19	2,363.81	7,204.00
William, Regina	1,532.42	612.97	1,225.94	6,436.17	3,371.33	6,436.17	19,615.00
Sub-total	4,078.01	1,631.21	3,262.41	17,127.66	8,971.64	17,127.66	52,198.59
Total	**8,691.58**	**4,753.58**	**6,314.78**	**43,527.88**	**27,740.92**	**29,162.09**	**120,190.83**

DEH - Overhead Allocation
FY2015

Employee	FY15 Qtr 1	FY15 Qtr 2	FY15 Qtr 3	FY15 Qtr 4	Total
Baltazar, Elizabeth	3,318.13	5,566.59	4,351.56	4,953.47	18,189.75
Kou, Clara	6,495.24	10,656.87	7,821.48	9,206.12	34,179.72
Lal, Basant	1,285.76	5,201.63	3,016.50	3,528.01	13,031.90
Resuello, Joselyn	586.70	2,748.35	1,552.19	1,744.18	6,631.42
Marshall, Shannon		2,076.79			2,076.79
Mana-ay, Cynthia		3,207.74	2,740.78	6,398.51	12,347.03
Olguin, Gabriel				17,267.04	17,267.04
Reyna, Susanna				1,664.35	1,664.35
Yung, Cindy			6.46	8.07	14.53
Total	11,685.83	29,457.98	19,488.98	44,769.75	105,402.54

	RWRC	WA	HHW	AG/PD	CW	WM	AC	
	1187	1188	1197	5660/5664	5662	5663	5670	Total
FTE	4.50	2.00	8.00	19.00	2.00	11.50	13.50	60.50
% allocation	7.44%	3.31%	13.22%	31.40%	3.31%	19.01%	22.31%	100.00%
Baltazar, Elizabeth	1,352.96	601.31	2,405.26	5,712.48	601.31	3,457.56	4,058.87	18,189.75
Kou, Clara	2,542.29	1,129.91	4,519.63	10,734.13	1,129.91	6,496.97	7,626.88	34,179.72
Lal, Basant	969.32	430.81	1,723.23	4,092.66	430.81	2,477.14	2,907.95	13,031.90
Resuello, Joselyn	493.25	219.22	876.88	2,082.60	219.22	1,260.52	1,479.74	6,631.42
Marshall, Shannon	154.47	68.65	274.62	652.22	68.65	394.76	463.42	2,076.79
Mana-ay, Cynthia	918.37	408.17	1,632.67	3,877.58	408.17	2,346.96	2,755.12	12,347.03
Olguin, Gabriel	1,284.33	570.81	2,283.24	5,422.71	570.81	3,282.16	3,852.98	17,267.04
Reyna, Susanna	123.79	55.02	220.08	522.69	55.02	316.36	371.38	1,664.35
Yung, Cindy	1.08	0.48	1.92	4.56	0.48	2.76	3.24	14.53
Total	7,839.86	3,484.38	13,937.53	33,101.62	3,484.38	20,035.19	23,519.57	105,402.54

Source document: Fund30 - Summary of Allocated Costs (FY16 AP12)
This worksheet is used to allocate the AEM Admin Overhead in Cost Center 1194 to the other cost centers

Cost Center	% of allocation	Amount
1194		$627,342.11
1190	68.16%	$427,596.38
1196	5.26%	$32,998.20
1198	23.42%	$146,923.52
1199	3.16%	$19,824.01
	100.00%	$627,342.11

Updated 07/18/2016 Final

Fund 30 - Summary of Allocated Costs
FY 16 AP 12 - 06/30/2016 Final 07-18-2016

	1190 CPD	1196 S/MW	1197 HHW	1198 HM	1199 LOP	4224 VC	Total
Personnel from 1194	500,497.93	38,648.49	-	171,985.78	23,189.09	303,390.64	1,037,711.93
Other Exp &FA from 1194	389,063.47	30,515.30	8,052.29	138,963.92	17,745.26	50,362.95	634,703.20
AEM OH-Admin	185,421.36	14,318.25	-	63,716.22	8,590.95	-	272,046.79
CCPlan	452,997.20	46,180.73	63,126.08	154,907.43	28,375.06	(123.50)	745,463.00
Sub-Total	1,527,979.97	129,662.77	71,178.37	529,573.35	77,900.37	353,630.09	2,689,924.92
Interest Revenue	(87,312.51)	(21,926.02)	(5,077.09)	(70,087.00)	(3,716.59)	-	(188,119.21)
Transfer In	(31,155.66)	(2,405.84)	-	(10,706.00)	(1,443.51)	-	(45,711.00)
Retiree Drug & Misc Rev	(11,229.61)	(867.15)	-	(3,858.82)	(520.29)	-	(16,475.87)
Total for allocated int/rebate	(129,697.77)	(25,199.02)	(5,077.09)	(84,651.82)	(5,680.38)	-	(250,306.08)
Net allocation	1,398,282	104,464	66,101	444,922	72,220	353,630	2,439,619
	57.32%	4.28%	2.71%	18.24%	2.96%	14.50%	100.00%
DEH NET ALLOC % (excluding AEM & CCP)	**759,864 53.43%**	**43,965 3.09%**	**2,975 0.21%**	**226,298 15.91%**	**35,254 2.48%**	**353,754 24.88%**	**1,422,109 100.00%**
Personnel 1194	48.23%	3.72%	0.00%	16.57%	2.23%	29.24%	100.00%
Other Exp &FA from 1194	61.30%	4.81%	1.27%	21.89%	2.80%	7.93%	100.00%
AEM OH	68.16%	5.26%	0.00%	23.42%	3.16%	0.00%	100.00%
CCPlan	60.77%	6.19%	8.47%	20.78%	3.81%	-0.02%	100.00%
Interest/Rebate 1194	51.82%	10.07%	2.03%	33.82%	2.27%	0.00%	100.00%

Overhead Rate before Interest and misc allocation (as % of CC personnel)

Total Allocation 1194	15.29%	19.91%	6.97%	16.41%	15.39%	8.20%

Overhead Rate after Interest and misc allocation (as % of CC personnel)

Total Allocation 1194	13.99%	16.04%	6.47%	13.79%	14.27%	8.20%

Use to allocate the AEM OH to the diff. cost centers in DEH effective FY 17

ALLOCATION OF EXPENDITURES--OBJECT 2
FY2016

	% Ag.	%CW	%Wts.	%AC	%UC	%IWM/FF	%WA	%HHW	%DEH/VCD	
Standard Allocation from ExpSum Object 1	25.1%	1.7%	15.1%	18.2%	0.5%	1.5%	1.4%	2.7%	33.8%	100.00%

NOTE: The "standard" allocation is determined from the Expenditure Summary using allocated Object 1 costs for each division. The allocation is revised as necessary in individual Object 2 accounts. Refer to the account books since unexpended accounts are often depleted at yearend and may include costs typically applied to other accounts.

Object 2 - Administration

Account	Description	Amount	% Ag.	% CW	%Wts.	%AC	%UC	%IWM	%WA	%HHW	%DEH	Amt. to Ag.	Amt. to CW	Amt. to Wts.	Amt. to AC	Amt. To UC	Amt. To IWM	Amt. To WA	Amt. To HHW	Amt. To DEH/VCD
5205100	Communications & Telephone Svcs	2,900.29	30.3%	0.7%	6.6%	36.8%	8.7%	0.6%	0.6%	1.2%	14.4%	879.59	21.07	190.98	1,067.82	253.41	18.09	17.47	33.59	418.27
5205300	IC - Landline Phone - Internal	28,077.40	37.6%	3.7%	14.7%	22.2%	0.1%	5.3%	3.4%	12.9%	0.0%	10,571.14	1,041.67	4,138.61	6,221.95	39.31	1,488.10	960.25	3,616.37	0.00
5205350	IC - Cell Phone - Internal	2,200.26	25.1%	1.7%	15.1%	18.2%	0.5%	1.5%	1.4%	2.7%	33.8%	552.93	37.40	332.90	401.33	10.34	32.12	31.02	59.63	742.59
5220200	IC - Insurance	89,209.00	25.1%	1.7%	15.1%	18.2%	0.5%	1.5%	1.4%	2.7%	33.8%	22,418.22	1,516.55	13,497.32	16,271.72	419.28	1,302.45	1,257.85	2,417.56	30,108.05
5230400	Maintenance - Equipment - Other	16,746.16	1.5%	0.1%	0.9%	1.1%	94.0%	0.1%	0.1%	0.2%	2.0%	255.54	17.29	153.85	185.48	15,734.06	14.85	14.34	27.56	343.19
5250100	Office Expense	21,960.14	38.7%	3.0%	14.0%	20.6%	1.4%	4.2%	4.7%	10.2%	3.1%	8,508.09	663.40	3,082.96	4,517.96	310.35	928.04	1,025.40	2,238.29	685.65
5250200	Postage Expense - External	63.46	77.21%	0.00%	0.00%	22.79%	0.00%	0.00%	0.00%	0.00%	0.00%	49.00	0.00	0.00	14.46	0.00	0.00	0.00	0.00	0.00
5250250	IC - Postage Expense - Internal	12,714.91	25.0%	0.0%	25.0%	25.0%	0.0%	0.0%	25.0%	0.0%	0.0%	3,178.72	0.00	3,178.73	3,178.73	0.00	0.00	3,178.73	0.00	0.00
5250700	Printing - External	810.57	40.2%	0.2%	36.0%	19.1%	0.1%	0.2%	0.2%	0.3%	3.9%	325.47	1.58	292.03	154.44	0.44	1.36	1.31	2.52	31.42
5250750	IC - Printing - Internal	21,259.56	7.8%	0.2%	19.8%	27.8%	41.2%	0.3%	1.7%	0.8%	0.5%	1,650.00	50.43	4,208.07	5,902.87	8,750.98	69.11	360.44	165.41	102.25
5250900	Education Expense - Other	95.00	30.4%	2.5%	15.0%	19.9%	0.3%	3.1%	2.3%	7.0%	19.5%	28.88	2.42	14.22	18.90	0.31	2.92	2.14	6.64	18.57
5255150	Advertising	258.51	25.1%	1.7%	15.1%	18.2%	0.5%	1.5%	1.4%	2.7%	33.8%	64.96	4.39	39.11	47.15	1.21	3.77	3.64	7.01	87.27
5255650	IC - Data Processing Services - Internal	398,334.42	37.7%	3.7%	14.7%	22.2%	0.1%	5.3%	3.4%	12.9%	0.0%	149,972.91	14,778.21	58,714.49	88,270.91	557.67	21,111.72	13,623.04	51,305.47	0.00
5255660	IC - Entpse Lic. Agrmt	44,638.08	37.7%	3.7%	14.7%	22.2%	0.1%	5.3%	3.4%	12.9%	0.0%	16,806.24	1,656.07	6,579.65	9,891.80	62.49	2,365.82	1,526.62	5,749.39	0.00
5255850	IC - County Counsel - Legal - Internal	165.20	25.13%	1.70%	15.13%	18.24%	0.47%	1.46%	1.41%	2.71%	33.75%	41.51	2.81	24.99	30.13	0.78	2.41	2.33	4.48	55.76
5265110	Rents & Leases - Equip - Copy Machines	8,895.12	36.19%	0.00%	25.20%	13.42%	0.00%	0.00%	25.20%	0.00%	0.00%	3,219.05	0.00	2,241.13	1,193.80	0.00	0.00	2,241.14	0.00	0.00
5280000	Special Department Expense	13,943.60	21.5%	1.3%	12.0%	24.9%	0.4%	1.2%	9.8%	2.1%	26.8%	3,002.72	187.91	1,672.38	3,473.51	51.95	161.38	1,363.66	299.56	3,730.53
5285110	IC - Fuel - Internal	615.65	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00	0.00	0.00	615.65	0.00	0.00	0.00	0.00	0.00
5285200	IC - Automobile Services - Internal	2,712.64	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00	0.00	0.00	2,712.64	0.00	0.00	0.00	0.00	0.00
5285300	Mileage	4,771.73	36.3%	1.4%	12.9%	15.5%	0.4%	1.2%	1.2%	2.3%	28.7%	1,733.57	68.98	613.96	740.16	19.07	59.25	57.22	109.98	1,369.54
5285800	Business Travel	99.90	37.6%	3.7%	14.7%	22.2%	0.1%	5.3%	3.4%	12.9%	0.0%	37.61	3.71	14.73	22.14	0.14	5.29	3.42	12.86	0.00
5341000	Overtime Meal	169.00	37.7%	3.7%	14.7%	22.2%	0.1%	5.3%	3.4%	12.9%	0.0%	63.63	6.27	24.91	37.45	0.24	8.96	5.78	21.76	0.00
5350100	Miscellaneous Expense - Others	75.00	25.1%	1.7%	15.1%	18.2%	0.5%	1.5%	1.4%	2.7%	33.7%	18.85	1.28	11.35	13.68	0.35	1.10	1.06	2.02	25.31
8210000	Settlement - External for Seller & Buyer	12,411.62	26.6%	0.7%	18.9%	10.9%	15.0%	0.6%	13.6%	1.1%	12.7%	3,300.36	81.24	2,348.38	1,348.69	1,861.61	70.77	1,689.75	132.82	1,578.00
	Total Object 2	**683,127.22**										**226,678.99**	**20,142.68**	**101,374.75**	**146,333.37**	**28,073.99**	**27,647.51**	**27,366.61**	**66,212.92**	**39,296.40**
	0.00	**683,127.22**																		
	Healthy Nail Program	**31,416.64**																		
		714,543.86																		

Object 2 - Agriculture

Pierce's Disease % Obj. 1 included in Agriculture

Account	Description	Amount	% Ag.	% CW	%Wts.	%AC	%UC	%IWM	%WD	%HHW	%DEH	Amt. to Ag.	Amt. to CW	Amt. to Wts.	Amt. to AC	Amt. To UC	Amt. To IWM	Amt. To WA	Amt. To HHW	Amt. To DEH
5205100	Communications and Telephone Svcs	141.63	100%	0%	0%	0%	0%	0%	0%	0%	0%	141.63	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5205300	IC - Landline Phone - Internal	695.61	100%	0%	0%	0%	0%	0%	0%	0%	0%	695.61	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5205350	IC - Wireless Voice & Data Services	3,119.39	100%	0%	0%	0%	0%	0%	0%	0%	0%	3,119.39	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5240100	Medical Dental & Laboratory Supplies	888.02	100%	0%	0%	0%	0%	0%	0%	0%	0%	888.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5245100	Membership Dues & Fees	4,900.00	100%	0%	0%	0%	0%	0%	0%	0%	0%	4,900.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5250100	Office Expense	(17.28)	100%	0%	0%	0%	0%	0%	0%	0%	0%	(17.28)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5250200	Postage Expense - External	1,583.29	100%	0%	0%	0%	0%	0%	0%	0%	0%	1,583.29	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5250750	IC - Printing - Internal	6,485.89	100%	0%	0%	0%	0%	0%	0%	0%	0%	6,485.89	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5280900	Education Expense - Other	447.62	100%	0%	0%	0%	0%	0%	0%	0%	0%	447.62	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5255100	Professional & Specialized Services	77,567.46	100%	0%	0%	0%	0%	0%	0%	0%	0%	77,567.46	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5255650	IC - Data Processing Services - Internal	70,452.00	100%	0%	0%	0%	0%	0%	0%	0%	0%	70,452.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5275100	Small Tools & Instruments	5,325.92	100%	0%	0%	0%	0%	0%	0%	0%	0%	5,325.92	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5280000	Special Department Expense	9,456.88	100%	0%	0%	0%	0%	0%	0%	0%	0%	9,456.88	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5285110	IC - Fuel - Internal	9,950.06	100%	0%	0%	0%	0%	0%	0%	0%	0%	9,950.06	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5285200	IC - Automobile Services - Internal	93,140.13	100%	0%	0%	0%	0%	0%	0%	0%	0%	93,140.13	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5285300	Mileage	2,624.35	100%	0%	0%	0%	0%	0%	0%	0%	0%	2,624.35	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5285800	Business Travel	22,269.81	100%	0%	0%	0%	0%	0%	0%	0%	0%	22,269.81	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5341200	Non-Overtime Travel Meal Reimbursement	1,487.44	100%	0%	0%	0%	0%	0%	0%	0%	0%	1,487.44	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8210000	Settlement - External for Seller & Buyer	2,733.10	100%	0%	0%	0%	0%	0%	0%	0%	0%	2,733.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total Agriculture's Object 2	**313,251.32**										**313,251.32**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
	Pierces Disease's Obj 2																			
5205100	Communications and Telephone Svcs	858.44	100%	0%	0%	0%	0%	0%	0%	0%	0%	858.44	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5205350	IC - Wireless Voice & Data Services	1,212.64	100%	0%	0%	0%	0%	0%	0%	0%	0%	1,212.64	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5255500	Contract Service	9,913.06	100%	0%	0%	0%	0%	0%	0%	0%	0%	9,913.06	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5255650	IC - Data Processing Services - Internal	7,099.00	100%	0%	0%	0%	0%	0%	0%	0%	0%	7,099.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5281600	IC - Overhead - Internal	90,000.00	100%	0%	0%	0%	0%	0%	0%	0%	0%	90,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5285110	IC-Fuel - Internal	4,161.49	100%	0%	0%	0%	0%	0%	0%	0%	0%	4,161.49	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5285200	IC-Automobile Services - Internal	50,194.62	100%	0%	0%	0%	0%	0%	0%	0%	0%	50,194.62	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5285300	Mileage	632.04	100%	0%	0%	0%	0%	0%	0%	0%	0%	632.04	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total PD's Object 2	**164,071.29**										**164,071.29**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
	Total Agriculture & PD	**477,322.61**										**477,322.61**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
Total Object 2 Agriculture & Administration		**1,160,449.83**										**704,001.60**	**20,142.68**	**101,374.75**	**146,333.37**	**28,073.99**	**27,647.51**	**27,366.61**	**66,212.92**	**39,296.40**

INDIRECT LABOR COSTS - ADMININSTRATION

FY 2016 Administration Actual Salary & Benefits Administration	Berg, Jason $45,594.62 Hrs per Program	%of Hrs per Prgrm	Direct Labor Costs per Program	Brown, Amy $283,079.22 Hrs per Program	%of Hrs per Prgrm	Direct Labor Costs per Program	Cabral de Lara, Estela $84,580.90 Hrs per Program	%of Hrs per Prgrm	Direct Labor Costs per Program
1. Agriculture	14.50	1.86%	$846	274.98	13.22%	$37,423	1,246.80	71.57%	$60,537
2. Clean Water		0.00%	$0	43.47	2.09%	$5,916	11.80	0.68%	$573
3. Animal Control	767.00	98.14%	$44,749	209.66	10.08%	$28,534	57.00	3.27%	$2,768
4. Cooperative Extension		0.00%	$0	28.91	1.39%	$3,935	1.50	0.09%	$73
5. Weed Abatement	-	0.00%	$0	28.91	1.39%	$3,935	2.50	0.14%	$121
6. Recycling & Waste		0.00%	$0	57.82	2.78%	$7,870	6.00	0.34%	$291
7. Household Hazardous		0.00%	$0	115.65	5.56%	$15,739		0.00%	$0
8. Weights & Measures		0.00%	$0	166.40	8.00%	$22,646	416.40	23.90%	$20,218
9. DEH		0.00%	$0	1,154.19	55.49%	$157,081		0.00%	$0
Total Administration Costs	781.50	100.00%	$45,595	2,080.00	100.00%	$283,079	1,742.00	100.00%	$84,581
Leave/Holiday/Admin	369.50						384.70		
Grand Total	**1,151.00**		**($0.38)**	**2,080.00**		**$0.22**	**2,126.70**		**($0.10)**

INDIRECT LABOR COSTS - ADMI

FY 2016	Cancilla-Conde, Sue			Chan, Let			Dam Nguyen, Mary		
Administration Actual Salary & Benefits	$102,265.06			$153,670.92			$133,003.25		
Administration	Hrs per Program	%of Hrs per Prgrm	Direct Labor Costs per Program	Hrs per Program	%of Hrs per Prgrm	Direct Labor Costs per Program	Hrs per Program	%of Hrs per Prgrm	Direct Labor Costs per Program
1. Agriculture		0.00%	$0	478.30	46.37%	$71,263		0.00%	$0
2. Clean Water		0.00%	$0	3.80	0.37%	$566	7.50	1.48%	$1,970
3. Animal Control	7.00	0.53%	$540	56.80	5.51%	$8,463	390.10	77.05%	$102,478
4. Cooperative Extension		0.00%	$0	0.30	0.03%	$45		0.00%	$0
5. Weed Abatement		0.00%	$0	4.30	0.42%	$641	26.90	5.31%	$7,067
6. Recycling & Waste		0.00%	$0	27.60	2.68%	$4,112		0.00%	$0
7. Household Hazardous		0.00%	$0	118.80	11.52%	$17,700		0.00%	$0
8. Weights & Measures	1,316.30	99.32%	$101,571	124.00	12.02%	$18,475	81.80	16.16%	$21,489
9. DEH	2.00	0.15%	$154	217.50	21.09%	$32,406		0.00%	$0
Total Administration Costs	1,325.30	100.00%	$102,265	1,031.40	100.00%	$153,671	506.30	100.00%	$133,004
Leave/Holiday/Admin	748.00			1,065.00			1,589.70		
Grand Total	**2,073.30**		**$0.06**	**2,096.40**		**($0.08)**	**2,096.00**		**($0.75)**

INDIRECT LABOR COSTS - ADMI

FY 2016	**Dehertel, Colleen**			**Deviney, Joseph**			**Do, Vyloan**		
Administration Actual Salary & Benefits	$73,786.78			$215,795.94			$175,378.74		
Administration	Hrs per Program	%of Hrs per Prgrm	Direct Labor Costs per Program	Hrs per Program	%of Hrs per Prgrm	Direct Labor Costs per Program	Hrs per Program	%of Hrs per Prgrm	Direct Labor Costs per Program
1. Agriculture	1,057.70	73.55%	$54,273	1,492.00	86.34%	$186,324	274.98	13.22%	$23,185
2. Clean Water		0.00%	$0		0.00%	$0	43.47	2.09%	$3,665
3. Animal Control	380.30	26.45%	$19,514		0.00%	$0	209.66	10.08%	$17,678
4. Cooperative Extension		0.00%	$0		0.00%	$0	28.91	1.39%	$2,438
5. Weed Abatement		0.00%	$0		0.00%	$0	28.91	1.39%	$2,438
6. Recycling & Waste		0.00%	$0		0.00%	$0	57.82	2.78%	$4,876
7. Household Hazardous		0.00%	$0		0.00%	$0	115.65	5.56%	$9,751
8. Weights & Measures		0.00%	$0	236.00	13.66%	$29,472	166.40	8.00%	$14,030
9. DEH		0.00%	$0		0.00%	$0	1,154.19	55.49%	$97,318
Total Administration Costs	1,438.00	100.00%	$73,787	1,728.00	100.00%	$215,796	2,080.00	100.00%	$175,379
Leave/Holiday/Admin	396.90			368.00					
Grand Total	**1,834.90**		**($0.22)**	**2,096.00**		**($0.06)**	**2,080.00**		**($0.26)**

INDIRECT LABOR COSTS - ADMI

FY 2016	**Hess, Traci**			**Kincaid, Joanna**			**Kirksey, Justin**		
Administration Actual Salary & Benefits	$32,654.41			$77,475.43			$59,175.86		
Administration	Hrs per Program	%of Hrs per Prgrm	Direct Labor Costs per Program	Hrs per Program	%of Hrs per Prgrm	Direct Labor Costs per Program	Hrs per Program	%of Hrs per Prgrm	Direct Labor Costs per Program
1. Agriculture	42.30	13.22%	$4,317	34.00	2.86%	$2,218	140.66	13.22%	$7,823
2. Clean Water	6.69	2.09%	$682	140.50	11.83%	$9,167	22.24	2.09%	$1,237
3. Animal Control	32.26	10.08%	$3,292	212.20	17.87%	$13,846	107.25	10.08%	$5,965
4. Cooperative Extension	4.45	1.39%	$454		0.00%	$0	14.79	1.39%	$823
5. Weed Abatement	4.45	1.39%	$454	7.00	0.59%	$457	14.79	1.39%	$823
6. Recycling & Waste	8.90	2.78%	$908		0.00%	$0	29.58	2.78%	$1,645
7. Household Hazardous	17.79	5.56%	$1,816	32.00	2.69%	$2,088	59.16	5.56%	$3,290
8. Weights & Measures	25.60	8.00%	$2,612	116.40	9.80%	$7,595	85.12	8.00%	$4,734
9. DEH	177.57	55.49%	$18,120	645.30	54.35%	$42,105	590.41	55.49%	$32,837
Total Administration Costs	320.00	100.00%	$32,655	1,187.40	100.00%	$77,476	1,064.00	100.00%	$59,177
Leave/Holiday/Admin				703.00					
Grand Total	**320.00**		**($0.59)**	**1,890.40**		**($0.57)**	**1,064.00**		**($1.14)**

INDIRECT LABOR COSTS - ADMI

FY 2016	**Mana-ay, Cynthia**			**Morris, Marialena**			**Porcari, Grant**		
Administration Actual Salary & Benefits	$126,195.62			$166,047.85			$28,511.47		
Administration	Hrs per Program	%of Hrs per Prgrm	Direct Labor Costs per Program	Hrs per Program	%of Hrs per Prgrm	Direct Labor Costs per Program	Hrs per Program	%of Hrs per Prgrm	Direct Labor Costs per Program
1. Agriculture	278.50	18.01%	$22,733	0.50	0.06%	$97	198.00	25.92%	$7,389
2. Clean Water	10.50	0.68%	$857		0.00%	$0	12.00	1.57%	$448
3. Animal Control	25.00	1.62%	$2,041		0.00%	$0		0.00%	$0
4. Cooperative Extension		0.00%	$0		0.00%	$0		0.00%	$0
5. Weed Abatement		0.00%	$0		0.00%	$0	24.00	3.14%	$896
6. Recycling & Waste	4.50	0.29%	$367		0.00%	$0		0.00%	$0
7. Household Hazardous	5.50	0.36%	$449		0.00%	$0		0.00%	$0
8. Weights & Measures	24.50	1.58%	$2,000		0.00%	$0	530.00	69.37%	$19,779
9. DEH	1,197.50	77.46%	$97,749	853.00	99.94%	$165,951		0.00%	$0
Total Administration Costs	1,546.00	100.00%	$126,196	853.50	100.00%	$166,048	764.00	100.00%	$28,512
Leave/Holiday/Admin	556.50			1,240.50			28		
Grand Total	**2,102.50**		**($0.38)**	**2,094.00**		**($0.15)**	**792.00**		**($0.53)**

INDIRECT LABOR COSTS - ADMI

FY 2016	Ribardo, Michele			Rosa, Brian			Roth, Jami		
Administration Actual Salary & Benefits	$286,946.43			$8,661.10			$128,624.97		
Administration	Hrs per Program	%of Hrs per Prgrm	Direct Labor Costs per Program	Hrs per Program	%of Hrs per Prgrm	Direct Labor Costs per Program	Hrs per Program	%of Hrs per Prgrm	Direct Labor Costs per Program
1. Agriculture	253.82	13.22%	$37,934		0.00%	$0	302.00	29.15%	$37,495
2. Clean Water	40.13	2.09%	$5,997		0.00%	$0	38.50	3.72%	$4,780
3. Animal Control	193.54	10.08%	$28,924		0.00%	$0	373.00	36.00%	$46,310
4. Cooperative Extension	26.69	1.39%	$3,989		0.00%	$0		0.00%	$0
5. Weed Abatement	26.69	1.39%	$3,989		100.00%	$8,661	7.00	0.68%	$869
6. Recycling & Waste	53.38	2.78%	$7,977		0.00%	$0		0.00%	$0
7. Household Hazardous	106.75	5.56%	$15,954		0.00%	$0	4.50	0.43%	$559
8. Weights & Measures	153.60	8.00%	$22,956		0.00%	$0	290.50	28.04%	$36,067
9. DEH	1,065.41	55.49%	$159,227		0.00%	$0	20.50	1.98%	$2,545
Total Administration Costs	1,920.00	100.00%	$286,947	0.00	100.00%	$8,661	1,036.00	100.00%	$128,625
Leave/Holiday/Admin							1060.00		
Grand Total	**1,920.00**		**($0.57)**	**0.00**		**$0.10**	**2,096.00**		**($0.03)**

INDIRECT LABOR COSTS - ADMI

FY 2016	**Valdez, Laura**			**Hernandez, Carol**			**Rayas, Juan**		
Administration Actual Salary & Benefits	$115,946.20			$54,317.04			$29,116.59		
Administration	Hrs per Program	%of Hrs per Prgrm	Direct Labor Costs per Program	Hrs per Program	%of Hrs per Prgrm	Direct Labor Costs per Program	Hrs per Program	%of Hrs per Prgrm	Direct Labor Costs per Program
1. Agriculture	310.40	28.69%	$33,268						
2. Clean Water	5.20	0.48%	$557						
3. Animal Control	104.00	9.61%	$11,147		100.00%	$54,317		100.00%	$29,117
4. Cooperative Extension		0.00%	$0						
5. Weed Abatement	3.40	0.31%	$364						
6. Recycling & Waste		0.00%	$0						
7. Household Hazardous	5.00	0.46%	$536						
8. Weights & Measures	264.30	24.43%	$28,327						
9. DEH	389.50	36.00%	$41,746						
Total Administration Costs	1,081.80	100.00%	$115,945	0.00	100.00%	$54,317	0.00	100.00%	$29,117
Leave/Holiday/Admin	1,014.30								
Grand Total	**2,096.10**		**$1.20**	**0.00**		**$0.00**	**0.00**		**$0.00**

INDIRECT LABOR COSTS - ADMI

FY 2016 Administration Actual Salary & Benefits	Seiden, Jeri $5,867.32			Vogt, Laurie $3,196.66			DEH Staff $120,190.83		
Administration	Hrs per Program	%of Hrs per Prgrm	Direct Labor Costs per Program	Hrs per Program	%of Hrs per Prgrm	Direct Labor Costs per Program	Hrs per Program	%of Hrs per Prgrm	Direct Labor Costs per Program
1. Agriculture								36.22%	$43,533
2. Clean Water								5.25%	$6,310
3. Animal Control		100.00%	$5,867		100.00%	$3,197		24.26%	$29,158
4. Cooperative Extension								0.00%	$0
5. Weed Abatement								3.96%	$4,760
6. Recycling & Waste								7.23%	$8,690
7. Household Hazardous								0.00%	$0
8. Weights & Measures								23.08%	$27,740
9. DEH								0.00%	$0
Total Administration Costs	0.00	100.00%	$5,867	0.00	100.00%	$3,197	0.00	100.00%	$120,191
Leave/Holiday/Admin									
Grand Total	**0.00**		**$0.00**	**0.00**		**$0.00**	**0.00**		**$0.00**

INDIRECT LABOR COSTS - ADMI

FY 2016

Administration
Actual Salary & Benefits

SUMMARY

FY 16 Actual costs

Administration	A Direct HOURS / Program	B Direct Labor COSTS per Program		$2,510,083.21	
			ALL		
1. Agriculture	6,399.44	$630,658	25.12%	$630,658	
2. Clean Water	385.80	$42,725	1.70%	$42,725	
3. Animal Control	3,124.77	$457,905	18.24%	$457,905	
4. Cooperative Extension	105.55	$11,757	0.47%	$11,757	
5. Weed Abatement	178.85	$35,475	1.41%	$35,475	Non-GF
6. Recycling & Waste	245.60	$36,736	1.46%	$36,736	Non-GF
7. Household Hazardous	580.80	$67,882	2.70%	$67,882	Non-GF
8. Weights & Measures	3,997.32	$379,711	15.13%	$379,711	
9. DEH	7,467.07	$847,239	33.75%	$847,239	Non-GF
				$2,510,087	
Total Administration Costs	22,485.20	$2,510,087	100.00%		
Leave/Holiday/Admin	9,524.10				
Grand Total	32,009.30	($4.23)			

FY 2016 OBJECT 1 SUMMARY

ADMINISTRATION SUPPORT

Cost Center - 5665	Total Costs	% AG	Cost to Ag	% CW	Cost to CW	% Wts	Cost to Wts	% AC	Cost to AC	% UC	Cost to UC	%IWM/FF	Cost to IWM/FF	% WA	Cost to WA	% HHW	Cost to HHW	% DEH/VCD	Cost to DEH/VCD	% Total	Total Cost
BERG, JASON	45,594.62	1.86%	848.06		0.00		0.00	98.14%	44,746.56		0.00		0.00		0.00		0.00		0.00	100%	45,594.62
BROWN, AMY	283,079.22	13.22%	37,423.07	2.09%	5,916.36	8.00%	22,646.34	10.08%	28,534.39	1.39%	3,934.80	2.78%	7,869.60	1.39%	3,934.80	5.56%	15,739.20	55.49%	157,080.66	100%	283,079.22
CABRAL DE LARA, ESTELA	84,580.90	71.57%	60,537.93	0.68%	570.92	23.91%	20,219.06	3.27%	2,767.49	0.09%	72.74	0.34%	290.96	0.14%	121.80		0.00		0.00	100%	84,580.90
CANCILLA-CONDE, SUE	102,265.06		0.00		0.00	99.32%	101,569.66	0.53%	542.00		0.00		0.00		0.00		0.00	0.15%	153.40	100%	102,265.06
CHAN, ISABELITA	153,670.92	46.39%	71,287.94	0.36%	553.22	12.03%	18,486.61	5.50%	8,451.90	0.02%	30.73	2.67%	4,103.01	0.41%	630.05	11.52%	17,702.89	21.10%	32,424.56	100%	153,670.92
DAM NGUYEN, MARY	133,003.25		0.00	1.48%	1,968.45	16.16%	21,493.33	77.05%	102,479.00		0.00		0.00	5.31%	7,062.47		0.00		0.00	100%	133,003.25
DE HERTEL, COLLEEN	73,786.78	73.55%	54,270.18		0.00		0.00	26.45%	19,516.60		0.00		0.00		0.00		0.00		0.00	100%	73,786.78
DEVINEY, JOSEPH	215,795.94	86.34%	186,318.21		0.00	13.66%	29,477.73		0.00		0.00		0.00		0.00		0.00		0.00	100%	215,795.94
DO, VYLOAN	175,378.74	13.22%	23,185.07	2.09%	3,665.42	8.00%	14,030.30	10.08%	17,678.18	1.39%	2,437.76	2.78%	4,875.53	1.39%	2,437.76	5.56%	9,751.06	55.49%	97,317.66	100%	175,378.74
HERNANDEZ, CAROL	54,317.04		0.00		0.00		0.00	100.00%	54,317.04		0.00		0.00		0.00		0.00		0.00	100%	54,317.04
HESS, TRACI	32,654.41	13.22%	4,316.91	2.09%	682.48	8.00%	2,612.35	10.08%	3,291.56	1.39%	453.90	2.78%	907.79	1.39%	453.90	5.56%	1,815.59	55.49%	18,119.93	100%	32,654.41
KINCAID, JOANNA	77,475.43	2.86%	2,218.12	11.83%	9,166.89	9.80%	7,594.92	17.87%	13,845.63		0.00		0.00	0.59%	457.11	2.70%	2,087.96	54.35%	42,104.80	100%	77,475.43
KIRKSEY, JUSTIN	59,175.86	13.22%	7,823.05	2.09%	1,236.78	8.00%	4,734.07	10.08%	5,964.93	1.39%	822.54	2.78%	1,645.09	1.39%	822.54	5.56%	3,290.18	55.49%	32,836.68	100%	59,175.86
MANA-AY, CYNTHIA	126,195.62	18.01%	22,727.83	0.68%	858.13	1.58%	1,993.89	1.62%	2,044.37		0.00	0.29%	365.97		0.00	0.36%	454.30	77.46%	97,751.13	100%	126,195.62
MORRIS, MARIALENA BURTON	166,047.85	0.06%	99.63		0.00		0.00		0.00		0.00		0.00		0.00		0.00	99.94%	165,948.22	100%	166,047.85
PORCARI, GRANT	28,511.47	25.91%	7,388.18	1.57%	447.92	69.38%	19,779.83		0.00		0.00		0.00	3.14%	895.55		0.00		0.00	100%	28,511.47
RAYAS, JUAN	29,116.59		0.00		0.00		0.00	100.00%	29,116.59		0.00		0.00		0.00		0.00		0.00	100%	29,116.59
RIBARDO, MICHELE	286,946.43	13.22%	37,934.32	2.09%	5,997.18	8.00%	22,955.71	10.08%	28,924.20	1.39%	3,988.56	2.78%	7,977.11	1.39%	3,988.56	5.56%	15,954.22	55.49%	159,226.57	100%	286,946.43
ROSA, BRIAN	8,661.10		0.00		0.00		0.00		0.00		0.00		0.00	100.00%	8,661.10		0.00		0.00	100%	8,661.10
ROTH, JAMI	128,624.97	29.15%	37,494.18	3.72%	4,784.85	28.04%	36,066.44	36.00%	46,304.99		0.00		0.00	0.68%	874.65	0.43%	553.09	1.98%	2,546.77	100%	128,624.97
SEIDEN, JERI	5,867.32		0.00		0.00		0.00	100.00%	5,867.32		0.00		0.00		0.00		0.00		0.00	100%	5,867.32
VALDEZ, LAURA	115,946.20	28.70%	33,276.56	0.48%	556.54	24.43%	28,325.66	9.61%	11,142.43		0.00		0.00	0.31%	359.43	0.46%	533.35	36.01%	41,752.23	100%	115,946.20
VOGT, LAURIE	3,196.66		0.00		0.00		0.00	100.00%	3,196.66		0.00		0.00		0.00		0.00		0.00	100%	3,196.66
DEH ALLOCATION	120,190.83	36.22%	43,527.88	5.25%	6,314.78	23.08%	27,740.92	24.26%	29,162.09	0.00%	0.00	7.23%	8,691.58	3.96%	4,753.58	0.00%	0.00	0.00%	0.00	100%	120,190.83
TOTAL	**2,510,083.21**		**630,677.12**		**42,719.90**		**379,726.81**		**457,893.94**		**11,741.04**		**36,726.64**		**35,453.29**		**67,881.84**		**847,262.62**		**2,510,083.21**
Labor costs w/o DEH/VCD	2,389,892.38																				
Labor costs w/o DEH/VCD & Animal Control Staff	2,297,394.77																				
AG Direct labor costs	61,063.00																				
Total Administration labor costs	2,358,457.77																				
Allocation of Administration Obj.1		**25.13%**		**1.70%**		**15.13%**		**18.24%**		**0.47%**		**1.46%**		**1.41%**		**2.70%**		**33.75%**		**100.00%**	
Allocation (Rounded)		**25.1%**		**1.7%**		**15.1%**		**18.2%**		**0.5%**		**1.5%**		**1.4%**		**2.7%**		**33.8%**		**100.0%**	
TOTAL	5,038,823.10		3,159,417.01		42,719.90		379,726.81		457,893.94		11,741.04		36,726.64		35,453.29		67,881.84		847,262.62		5,038,823.10

Admin Indirect Hour Report

between 7/1/2015 And 6/30/2016

Verify the total hours on timesheet:		Colleen Dehertel	Cynthia Manaay	Estela de Lara	Grant Porcari	Jami Roth	Jason Berg	Joanna Kincaid	Joseph Deviney	Laura Valdez	Laurie Teeling	Laurie Teelingwms	Let Chan	Marialena Morris	Mary Nguyen	Sue Conde	Total
AEM	Agriculture(cc5660/	1057.7	278.5	1246.8	198.0	302.0	14.5	34.0	1492.0	310.4			478.3	0.5			5412.6
	Clean Water		10.5	11.8	12.0	38.5		140.5		5.2			3.8		7.5		229.7
	Weights &		24.5	416.4	530.0	290.5		116.4	236.0	264.3	8.5	23.0	124.0		81.8	1316.3	3431.7
	Franchise			6.0									1.3				7.3
	Animal	380.3	25.0	57.0		373.0	767.0	212.2		104.0	12.0		56.8		390.1	7.0	2384.4
	Cooperative			1.5									0.3				1.8
	Recycling & Waste		4.5										26.3				30.8
	Weed			2.5	24.0	7.0		7.0		3.4			4.3		26.9		75.1
	Household		5.5			4.5		32.0		5.0			118.8				165.8
	SubTotal	1438.0	348.5	1741.9	764.0	1015.5	781.5	542.1	1728.0	692.3	20.5	23.0	813.5	0.5	506.3	1323.3	11738.82
DEH	DEH - Consumer					11.0		18.0						75.0			104.0
	DEH -		1193.0			4.0		64.5		377.7			126.5	778.0			2543.7
	DEH -		4.5							7.0							11.5
	DEH - Hazardous					5.0		513.8									518.8
	DEH - Site					0.5											0.5
	DEH - Vector							49.0		4.8			91.0			2.0	146.8
	SubTotal		1197.5			20.5		645.3		389.5			217.5	853.0		2.0	3325.25
Other	Leave/Holiday	392.9	474.5	335.2	28.0	307.7	366.5	375.6	368.0	468.8			354.0	473.5	450.0	733.0	5127.7
	Misc.	4.0	82.0	49.5		752.3	3.0	327.4		545.5			711.0	767.0	1139.7	15.0	4396.4
	SubTotal	396.9	556.5	384.7	28.0	1060.0	369.5	703.0	368.0	1014.3			1065.0	1240.5	1589.7	748.0	9524.08
TotDirect	TotalDirect	261.1		6.1			946.5	264.8			321.5					40.0	1840.0
	SubTotal	261.1		6.1			946.5	264.8			321.5					40.0	1839.95
Grand Total		2096.0	2102.5	2132.6	792.0	2096.0	2097.5	2155.2	2096.0	2096.0	342.0	23.0	2096.0	2094.0	2096.0	2113.3	26428.1

Note:
FTE count was used to calculate the % of Amy, Michele, Traci, Vyloan & Justin Kirksey.

10206842

CC5665 FY2017 Q2 Department Charge

FY17 Q2 PP1621 (09/26/16)-PP1626 (12/18/16) 6 PPs

GLA 5259100-IC Dept Charge Int'l

AEM CC5665 Name of Employee	FY17 Q2 TOTAL	Dept Charge JE/Adj	Q2 Dept Charge Total	Dept Charge Name of Employee	Dept Charge CC5665	Dept Charge CC1190	Dept Charge CC1196	Dept Charge CC1198	Dept Charge CC1199	Dept Charge CC4224	TOTAL
Baltazar, Elizabeth	29,414		29,414	Baltazar, Elizabeth	5,784	5,888	639	15,929	698	475	29,414
Belloso, Melissa	23,100		23,100	Belloso, Melissa	0	642	36	22,398	24	0	23,100
Chiprez, Angela	18,836		18,836	Chiprez, Angela	0	18,836	0	0	0	0	18,836
Duenas, Raquel	10,363		10,363	Duenas, Raquel	0	9,422	147	537	69	187	10,363
Garcia, Candace	19,454		19,454	Garcia, Candace	0	6,435	1,231	2,750	6,087	2,951	19,454
Garcia, Jeremy	14,828		14,828	Garcia, Jeremy	0	9,838	855	3,564	570	0	14,828
Goupil, Sylvia	20,144		20,144	Goupil, Sylvia	0	20,144	0	0	0	0	20,144
Holley, Heather	24,605	(6,639)	17,967	Holley, Heather	0	11,920	1,037	4,319	691	0	17,967
Jong, Linda	16,671		16,671	Jong, Linda	2,246	5,613	874	7,777	161	0	16,671
Kealey, Linda	21,234		21,234	Kealey, Linda	0	0		0		21,234	21,234
Kou, Clara	37,043		37,043	Kou, Clara	5,807	9,700	1,091	4,382	1,211	14,853	37,043
Maher, Michele	24,500		24,500	Maher, Michele	0	24,081	25	103	16	275	24,500
Mendez, Daisy	26,711		26,711	Mendez, Daisy	0	26,711	0	0	0	0	26,711
Munoz, Ricardo	21,747		21,747	Munoz, Ricardo	0	14,429	1,255	5,228	836	0	21,747
Owens, Arika	38,315		38,315	Owens, Arika	0	2,542	221	921	147	34,483	38,315
Palomino, Jorge	25,538		25,538	Palomino, Jorge	0	0		0		25,538	25,538
Pech, Somira	24,850		24,850	Pech, Somira	0	2,144	186	22,395	124	0	24,850
Resuello, Joselyn	30,593		30,593	Resuello, Joselyn	3,920	12,247	1,089	10,985	1,581	771	30,593
Reyna, Susanna	35,900		35,900	Reyna, Susanna	0	17,202	1,496	6,233	997	9,972	35,900
Rosas, Christina	20,547		20,547	Rosas, Christina	0	20,547	0	0	0	0	20,547
Ryan, Rosemarie	28,388		28,388	Ryan, Rosemarie	148	15,376	1,576	9,606	789	892	28,388
Wang, Fan	25,184		25,184	Wang, Fan	4,533	0	0	0	0	20,651	25,184
Widmann, Chris	25,367		25,367	Widmann, Chris	0	589	11,774	12,969	34	0	25,367
Wien, Madeline	10,914	(3,982)	6,933	Wien, Madeline	0	6,933	0	0	0	0	6,933
Williams, Regina	24,143		24,143	Williams, Regina	0	0	0	12,750	0	11,393	24,143
Yung, Sin-Yin (Cindy	24,681		24,681	Yung, Sin-Yin (Cindy)	111	13,739	970	9,015	139	706	24,681
TOTAL FY17 Q2 DE	**623,071**	**(10,620)**	**612,451**		**22,550**	**254,978**	**24,502**	**151,862**	**14,177**	**144,381**	**612,451**
						9			***445,520***	***589,901***	***612,451***
TOTAL FY16 Q4 AD	**1,361,627**	**0**	**1,361,627**								**1,361,627**

Note:

1. Madeline Wien, JE reclass to CC5670 $1,386.40 (PPE12-04-18)
   No reclasee for PPE 12-18-16
   starting Q3 move her to AEM, use FSR

2. Regina use DAILY

JE Reclass-Q2 Department Charge

12/30/2016 JE#xxxxxxxxx		Department Charge/ Reimbursement	
CC1190	GLA 5259100	$254,978	
CC1196	GLA 5259100	$24,502	
CC1198	GLA 5259100	$151,862	
CC1199	GLA 5259100	$14,177	
CC4224	GLA 5259100	$144,381	
CC5665	GLA 5440400		($589,901)

Doc.Type : SA (G/L account document) Parked document

Doc. Number	102119666	Company Code	1SCC	Fiscal Year	2017
Doc. Date	03/23/2017	Posting Date	03/23/2017	Period	09
Calculate Tax	☒				
Ref.Doc.	FY17/Q3-ADMIN				
Doc. Currency	USD				
Doc. Hdr Text	FY17-Q3-PP17/01 -PP17/06				

It	PK	Account	Account short text	Tx	Amount	Text	Cost	Fund	Funds Ctr	Ref.k	PmtMt	Order	BnkT
1	40	5259100	IC-Dept Charge-Intnl		269,102.00	FY17-Q3-CEPA Admin OH	1190	0030					
2	40	5259100	IC-Dept Charge-Intnl		26,245.00	FY17-Q3-CEPA Admin OH	1196	0030					
3	40	5259100	IC-Dept Charge-Intnl		156,659.00	FY17-Q3-CEPA Admin OH	1198	0030					
4	40	5259100	IC-Dept Charge-Intnl		12,206.00	FY17-Q3-CEPA Admin OH	1199	0030					
5	40	5259100	IC-Dept Charge-Intnl		121,483.00	FY17-Q3-CEPA Admin OH	4224	0028					
6	50	5440400	IC-Reimb-Dept Charg		585,695.00-	FY17-Q3-CEPA Admin OH	5665	0001					
*					0.00								

DOC# 10211966
3/23/17

CC5665
FY17 Q3 PP1701 (12/19/16)-PP1706 (03/12/17) 6 PPs
GLA 5259100-IC Dept Charge Int'l

AEM CC5665 Name of Employee	ECLS		ID	Q2 Dept Charge Total	Dept Charge CC5665	Dept Charge CC1190	Dept Charge CC1196	Dept Charge CC1198	Dept Charge CC1199	Dept Charge CC4224	TOTAL
Baltazar, Elizabeth	B80	EC	[redacted]	29,471	7,355	6,324	1,063	13,576	779	374	29,471
Belloso, Melissa	X09	EC	[redacted]	23,144	0	545	43	21,847	710	0	23,144
Chiprez, Angela	D49	EC	[redacted]	19,791	0	19,791	0	0	0	0	19,791
Garcia, Candace	X09	EC	[redacted]	19,821	0	9,736	2,859	3,051	3,971	205	19,821
Garcia, Jeremy	D49	EC	[redacted]	14,995	0	14,995	0	0	0	0	14,995
Goupil, Sylvia	D09	EC	[redacted]	20,823	0	20,823	0	0	0	0	20,823
Holley, Heather	X09	EC	[redacted]	12,655	0	8,804	688	2,751	413	0	12,655
Jong, Linda	D97	EC	[redacted]	16,848	2,862	5,417	927	7,633	10	0	16,848
Kealey, Linda	D09	EC	[redacted]	21,426	0	0		0		21,426	21,426
Kou, Clara	B76	EC	[redacted]	37,364	5,857	10,541	1,093	4,124	1,160	14,589	37,364
Maher, Michele	D09	EC	[redacted]	24,805	0	24,470	26	103	15	190	24,805
Mendez, Daisy	X09	EC	[redacted]	27,013	0	27,013	0	0	0	0	27,013
Munoz, Ricardo	D09	EC	[redacted]	21,932	0	15,257	1,192	4,768	715	0	21,932
Owens, Arika	B1N	EC	[redacted]	38,610	0	6,715	525	2,098	315	28,958	38,610
Palomino, Jorge	D09	EC	[redacted]	25,735	0	0		0		25,735	25,735
Pech, Somira	D09	EC	[redacted]	25,064	0	2,220	173	22,567	104	0	25,064
Resuello, Joselyn	B78	EC	[redacted]	30,835	1,587	14,290	937	12,094	1,927	0	30,835
Reyna, Susanna	B2N	EC	[redacted]	34,685	0	18,196	1,422	5,686	853	8,529	34,685
Rosas, Christina	D09	EC	[redacted]	21,061	0	20,820	43	172	26	0	21,061
Ryan, Rosemarie	D96	EC	[redacted]	28,594	1,592	16,113	1,514	8,660	632	83	28,594
Solis, Joseph	D09	EC	[redacted]	15,103	0	10,506	821	3,283	492	0	15,103
Wang, Fan	D96	EC	[redacted]	25,589	4,734	0	0	0	0	20,855	25,589
Widmann, Chris	X09	EC	[redacted]	25,476	0	835	11,960	12,659	22	0	25,476
Williams, Regina	V1C	EC	[redacted]	24,056	0	0	0	24,056	0	0	24,056
Yung, Sin-Yin (Cindy	D97	EC	[redacted]	24,875	91	15,691	960	7,531	63	540	24,875
TOTAL FY17 Q2 DEPT CHARGE JE				**609,773**	**24,078**	**269,101**	**26,245**	**156,659**	**12,206**	**121,483**	**609,773**
					4%				***464,212***	***585,695***	***609,773***
CC1187/ CC1197				**54,249**	**54,249**						**54,249**
Health Nail				**75,864**	**75,864**						**75,864**
CC 5665 Total				**673,329**	**673,329**						**673,329**
TOTAL FY16 Q4 ADMIN SAL&BENEFITS				**1,413,216**							**1,413,216**

JE Reclass-Q3 Department Charge

03/23/2017 JE#		Department Charge/ Reimbursement
CC1190	GLA 5259100	$269,10[illegible]
CC1196	GLA 5259100	$26,245
CC1198	GLA 5259100	$156,659
CC1199	GLA 5259100	$12,206
CC4224	GLA 5259100	$121,483
CC5665	GLA 5440400	($585,695)

Doc.Type : SA (G/L account document) Parked document							
Doc. Number	102195624	Company Code	1SCC	Fiscal Year	2017		
Doc. Date	06/30/2017	Posting Date	06/30/2017	Period	12		
Calculate Tax	☒						
Ref.Doc.	CEPA-FY17-Q4						
Doc. Currency	USD						
Doc. Hdr Text	FY17-Q4 CEPA ADM OH Alloc						

It	PK	Account	Account short text	Tx	Amount	Text	Cost	Fund	Funds Ctr	Ref.k	PmtMt	Order	BnkT
1	40	5259100	IC-Dept Charge-Intnl		337,305.00	FY17-Q4 CEPA ADM OH Alloc	1190	0030					
2	40	5259100	IC-Dept Charge-Intnl		31,456.00	FY17-Q4 CEPA ADM OH Alloc	1196	0030					
3	40	5259100	IC-Dept Charge-Intnl		168,011.00	FY17-Q4 CEPA ADM OH Alloc	1198	0030					
4	40	5259100	IC-Dept Charge-Intnl		10,538.00	FY17-Q4 CEPA ADM OH Alloc	1199	0030					
5	40	5259100	IC-Dept Charge-Intnl		162,828.00	FY17-Q4 CEPA ADM OH Alloc	4224	0028					
6	50	5440400	IC-Reimb-Dept Charg		710,138.00-	FY17-Q4 CEPA ADM OH Alloc	5665	0001					
*					0.00								

CC5665

FY17 Q4 PP1707 (03/13/17)-PP1713 (06/18/17) 7 PPs

GLA 5259100-IC Dept Charge Int'l

AEM CC5665 Name of Employee	ECLS		ID	Dept Charge Total	Dept Charge CC5665	Dept Charge CC1190	Dept Charge CC1196	Dept Charge CC1198	Dept Charge CC1199	Dept Charge CC4224	TOTAL
Baltazar, Elizabeth	B80	EC	[redacted]	35,717	6,384	7,307	1,724	19,159	820	324	35,717
Belloso, Melissa	X09	EC	[redacted]	30,087	17,949	1,606	0	10,532	0	0	30,087
Chiprez, Angela	D09	EC	[redacted]	26,092	0	26,092	0	0	0	0	26,092
Dang, Hung	D09	EC	[redacted]	11,018		7,665	599	2,395	359	0	11,018
Flores, Vincent	B1P	EC	[redacted]	14,640						14,640	14,640
Garcia, Candace	X09	EC	[redacted]	22,391	0	22,002	69	278	42	0	22,391
Garcia, Jeremy	D49	EC	[redacted]	19,038	0	18,707	59	236	35	0	19,038
Goupil, Sylvia	D09	EC	[redacted]	24,260	0	24,260	0	0	0	0	24,260
Holley, Heather	C29	FTE	[redacted]	42,201	0	22,138	1,730	6,918	1,038	10,377	42,201
Jong, Linda	D97	EC	[redacted]	20,182	8,971	4,530	736	5,919	27	0	20,182
Kealey, Linda	D09	VCD	[redacted]	24,879	0	0		0		24,879	24,879
Kou, Clara	B76	EC	[redacted]	43,363	8,100	14,076	1,531	6,058	1,223	12,376	43,363
Maher, Michele	D09	EC	[redacted]	4,856	0	4,790	5	20	3	37	4,856
Mendez, Daisy	X09	EC	[redacted]	33,459	0	33,459	0	0	0	0	33,459
Munoz, Ricardo	D09	EC	[redacted]	26,285	0	18,286	1,429	5,714	857	0	26,285
Nguyen, Elaine	V1C	TH	[redacted]	5,459		5,459					5,459
Owens, Arika	B1N	NA	[redacted]	46,426	0	16,148	1,262	5,046	757	23,213	46,426
Palomino, Jorge	D09	VCD	[redacted]	29,875	0	0		0		29,875	29,875
Pech, Somira	D09/X09	EC	[redacted]	32,511	0	1,509	118	29,848	1,036	0	32,511
Resuello, Joselyn	B78	EC	[redacted]	37,728	4,471	16,142	1,194	13,602	2,116	203	37,728
Reyna, Susanna	B2N	FTE	[redacted]	27,190	0	14,264	1,114	4,457	669	6,686	27,190
Rosas, Christina	D09/X09	EC	[redacted]	25,624	0	25,624	0	0	0	0	25,624
Ryan, Rosemarie	D96	EC	[redacted]	34,302	330	19,148	1,930	11,978	705	212	34,302
Solis, Joseph	D09	EC	[redacted]	23,397	0	16,276	1,272	5,086	763	0	23,397
Wang, Fan	D96	NA	[redacted]	32,426	5,999	0	0	0	0	26,427	32,426
Widmann, Chris	X09	EC	[redacted]	30,162	0	436	15,372	14,333	20	0	30,162
Williams, Regina	V1C	EC	[redacted]	29,021	0	0	0	15,999	0	13,022	29,021
Yung, Sin-Yin (Cindy	D97	EC	[redacted]	29,966	214	17,381	1,314	10,432	68	557	29,966
TOTAL FY17 Q2 DEPT CHARGE JE				**762,555**	**52,417**	**337,304**	**31,456**	**168,011**	**10,538**	**162,828**	**762,555**
					7%	44.23%	4.13%	22.03%	***1.38%***	***21.35%***	
						DEH & VCD DEPT CHRGS			***547,310***	***162,828***	***710,138***

JE Reclass-Q4 Department Charge

06/30/2017 JE#		Department Charge/ Reimbursement
CC1190	GLA 5259100	$337,304.5
CC1196	GLA 5259100	$31,456
CC1198	GLA 5259100	$168,011
CC1199	GLA 5259100	$10,538
CC4224	GLA 5259100	$162,828
CC5665	GLA 5440400	($710,138)

Resuello, Joselyn

From: Kou, Clara
Sent: Monday, July 03, 2017 2:05 PM
To: Resuello, Joselyn
Subject: CEPA Q4 Department Charges
Attachments: FY17 Q4 CEPA Adm OH Alloc.pdf

Hello Joselyn,

Please post payment to reimburse AEM for admin department charges. Attached is the worksheet as supporting document.

Total reimbursement is $710,138. Please use posting date 06/30/2017.

Thank you!

Clara Kou, Sr. Accountant
Consumer and Environmental Protection
County of Santa Clara
Phone: 408-918-3410
Clara.kou@cep.sccgov.org

Doc.Type : SA (G/L account document) Parked document

Doc. Number	102208727	Company Code	1SCC	Fiscal Year	2017
Doc. Date	06/30/2017	Posting Date	06/30/2017	Period	12
Calculate Tax	☒				
Ref.Doc.	VCD-ADMIN OH				
Doc. Currency	USD				
Doc. Hdr Text	VCD-Admin OH Allocation				

It	PK	Account	Account short text	Tx	Amount	Text	Cost	Fund	Funds Ctr	Ref.k	PmtMt	Order	BnkT
1	40	5259100	IC-Dept Charge-Intnl		387,649.00	VCD-Admi OH Allocation-FY17	4224	0028					
2	50	5440200	IC - Reimb-Prof&Spec		387,649.00-	VCD-Admi OH Allocation-FY17	1194	0030					
*					0.00								

Resuello, Joselyn

DOC# 102208727
6/30/17

From: Kou, Clara
Sent: Friday, July 14, 2017 12:11 PM
To: Resuello, Joselyn
Subject: YE - VCD OH Allocation
Attachments: FS FY17 AP12 Preliminary- VCD OH 2017-07-14.pdf

Hello Joselyn,

Please process SAP JV to charge VCD FY17 Admin OH allocation from CC1194. See attached. Thank you!

Debit: CC4224/ GLA5259100 $387,649
Credit: CC1194/ GLA5440200 <$387,649>

Clara Kou, Sr. Accountant
Consumer and Environmental Protection
County of Santa Clara
Phone: 408-918-3410
Clara.kou@cep.sccgov.org

Updated 07/14/2017

Fund 30 - Summary of Allocated Costs
FY 17 AP 12 - 06/30/2017 Preliminary

	1190 CPD	1196 S/MW	1197 HHW	1198 HM	1199 LOP	4224 VC	Total
Personnel from 1194	613,002.23	50,876.92	-	197,148.07	29,678.20	320,100.63	1,210,806.06
Other Exp &FA from 1194	525,997.85	47,480.41	3,962.99	187,346.47	27,175.13	67,579.25	859,542.10
AEM OH-Admin	-	-	-	-	-	-	-
CCPlan	456,601.37	45,974.48	61,092.19	156,133.31	30,746.64	(31.00)	750,517.00
Sub-Total	1,595,601.45	144,331.81	65,055.18	540,627.86	87,599.98	387,648.89	2,820,865.16
CCPlan	60.84%	6.13%	8.14%	20.80%	4.10%	0.00%	100.00%
Interest Revenue	(85,366.81)	(23,364.23)	(3,867.76)	(67,274.35)	(3,475.71)	-	(183,348.86)
Transfer In	(110,651.76)	(9,909.11)	-	(38,397.81)	(5,780.32)	-	(164,739.00)
Retiree Drug & Misc Rev	(12,685.20)	(1,135.99)	-	(4,401.95)	(662.66)	-	(18,885.80)
Total for allocated int/rebate	(208,703.77)	(34,409.33)	(3,867.76)	(110,074.12)	(9,918.69)	-	(366,973.66)
Net allocation	1,386,898	109,922	61,187	430,554	77,681	387,649	2,453,892
	56.52%	4.48%	2.49%	17.55%	3.17%	15.80%	100.00%
DEH NET ALLOC %	**930,296**	**63,948**	**95**	**274,420**	**46,935**	**387,680**	**1,703,375**
	54.61%	**3.75%**	**0.01%**	**16.11%**	**2.76%**	**22.76%**	**100.00%**
Personnel 1194	50.63%	4.20%	0.00%	16.28%	2.45%	26.44%	100.00%
Other Exp &FA from 1194	61.20%	5.52%	0.46%	21.80%	3.16%	7.86%	100.00%
CCPlan before Berger credit	60.84%	6.13%	8.14%	20.80%	4.10%	0.00%	100.00%
Interest/Rebate 1194	56.87%	9.38%	1.05%	30.00%	2.70%	0.00%	100.00%

Overhead Rate before Interest and misc allocation (as % of CC personnel)

Total Allocation 1194	15.10%	18.92%	6.73%	15.83%	13.79%	8.80%

Overhead Rate after Interest and misc allocation (as % of CC personnel)

Total Allocation 1194	13.12%	14.41%	6.33%	12.61%	12.23%	8.80%

CC5665

FY18 Q1 PP1714 (06/19/17)-PP1720 (09/24/17) 7 PPs

GLA 5259100-IC Dept Charge Int'l

AEM CC5665 Name of Employee	ECLS		ID	FY17 Q4 TOTAL	Dept Charge JE	Dept Charge Total	Dept Charge CC5665	Dept Charge CC1190	Dept Charge CC1196	Dept Charge CC1198	Dept Charge CC1199	Dept Charge CC4224	TOTAL
Baltazar, Elizabeth	B80	EC	[redacted]	34,926		34,926	15,717	0	3,493	15,717	0	0	34,926
Belloso, Melissa	X09	EC		30,747		30,747	30,747	0	0	0	0	0	30,747
Chiprez, Angela	D09	EC		25,754		25,754	0	25,754	0	0	0	0	25,754
Dang, Hung	D09	EC		20,642		20,642		13,893	1,588	4,565	595	0	20,642
Flores, Vincent	B1P	EC		35,417		35,417						35,417	35,417
Garcia, Jeremy	D49	EC		20,297		20,297	0	18,863	0	1,434	0	0	20,297
Goupil, Sylvia	X09	EC		26,063		26,063	0	26,063	0	0	0	0	26,063
Holley, Heather	C29	FTE		40,075		40,075	0	18,702	2,137	6,145	802	12,290	40,075
Jong, Linda	D97	EC		20,600		20,600	7,931	7,172	764	4,716	17	0	20,600
Kealey, Linda	D09	VCD		24,934		24,934	0	0		0		24,934	24,934
Kou, Clara	B76	EC		43,558		43,558	14,062	8,596	2,182	3,489	1,503	13,725	43,558
Mendez, Daisy	X09	EC		13,777		13,777	0	13,777	0	0	0	0	13,777
Munoz, Ricardo	D09	EC		28,475		28,475	0	28,475	0	0	0	0	28,475
Nguyen, Elaine	D09	TH		19,932		19,932		19,932					19,932
Nguyen, John	V1C	EC		11,498		11,498	0	11,498	0	0	0	0	11,498
Owens, Arika	B1N	NA		47,547		47,547	0	32,003	3,657	10,515	1,372	0	47,547
Palomino, Jorge	D09	VCD		18,341		18,341	0	0		0		18,341	18,341
Pech, Somira	X09	EC		33,097		33,097	0	65	7	30,247	2,777	0	33,097
Piccolotto, Alexandra	V1C	EC		6,327		6,327	0	6,327	0	0	0	0	6,327
Resuello, Joselyn	B78	EC		37,268		37,268	2,943	16,553	1,669	13,373	2,634	95	37,268
Reyna, Susanna	B2N	FTE		13,998		13,998	0	6,532	747	2,146	280	4,293	13,998
Rosas, Christina	X09	EC		27,418		27,418	0	27,418	0	0	0	0	27,418
Ryan, Rosemarie	D96	EC		34,503		34,503	142	20,531	2,381	9,214	675	1,560	34,503
Schuster, Michael	V1C	FTE		3,281	1,882	1,399	0	653	75	214	28	429	1,399
Solis, Joseph	D09	EC		23,842		23,842	0	16,048	1,834	5,273	688	0	23,842
Wang, Fan	D96	NA		32,083		32,083	5,935	0	0	0	0	26,148	32,083
Widmann, Chris	X09	EC		29,847		29,847	0	3	15,633	14,212	0	0	29,847
Williams, Regina	V1C	EC		30,844		30,844	0	0	0	11,692	0	19,152	30,844
Yung, Sin-Yin (Cindy	D97	EC		30,335		30,335	196	20,566	1,159	7,602	60	753	30,335
TOTAL FY17 Q2 DEPT CHARGE JE				**765,426**	**1,882**	**763,543**	**77,673**	**339,424**	**37,324**	**140,555**	**11,431**	**157,137**	**763,543**
						765,426	***10%***	44.45%	4.89%	18.41%	***1.50%***	***20.58%***	
								DEH & VCD DEPT CHRGS			***528,734***	***157,137***	***685,871***
TOTAL FY16 Q4 ADMIN SAL&BENEFITS				**1,694,103**	**1,882**	**1,692,221**							**1,692,221**

1,694,103 JE Reclass-Q1 Department Charge

09/30/2017	JE#	Department Charge/ Reimbursement
CC1190	GLA 5259100	$339,424
CC1196	GLA 5259100	$37,324
CC1198	GLA 5259100	$140,555
CC1199	GLA 5259100	$11,431
CC4224	GLA 5259100	$157,137
CC5665	GLA 5440400	($685,871)

Ryan, Rosemarie

From: Kou, Clara
Sent: Friday, October 06, 2017 12:09 PM
To: Ryan, Rosemarie
Cc: Resuello, Joselyn
Subject: FY18 CEPA Q1 Department Charges
Attachments: FY18 Q1 CEPA Adm OH - JE 2017-09-30.xlsx; FY17-Q4-CEPAADMOHAlloc_20171006190259.399_X.pdf

Hello Rosemarie,

Please post payment to reimburse AEM for admin department charges. Attached is the worksheet as supporting document.

Total reimbursement is $685,871. **Please use posting date 09/30/2017.**

Also attached, for your reference, is the JE and supporting documents posted for FY17 Q4.

If you have any questions please let me know. Thank you!

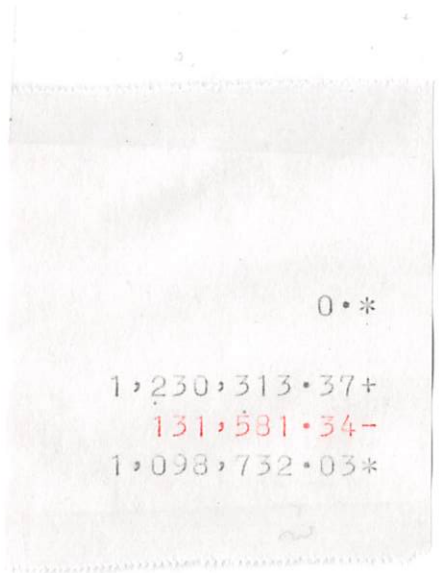
Clara Kou, Sr. Accountant
Consumer and Environmental Protection
County of Santa Clara
Phone: 408-918-3410
Clara.kou@cep.sccgov.org

Administration Fund 0001- CC 5665

Cost center	Fund	Fiscal Staff	Object 1 Support Staff	Sub-total	Object 2	Total
CC 1187	0037	13,191.77	31,720.49	44,912.26	43,364.15	88,276.41
CC 1188	0031	6,682.57	89,569.20	96,251.77	35,329.57	131,581.34
CC 1194	0030	98,276.38	481,693.12	579,969.49	28,852.20	608,821.69
CC 1197	0030	26,884.64	64,796.98	91,681.62	79,546.11	171,227.73
CC 4224	0028	37,183.83	182,303.38	219,487.20	10,919.00	230,406.20
		182,219.19	850,083.15	1,032,302.34	198,011.03	1,230,313.37

Journal entries:

GLA 5440400	5665	Credit	AEM Admin OH - FY18	1,230,313.37
GLA 5259100	1187	Debit	AEM Admin OH - FY18	88,276.41
GLA 5259100	1188	Debit	AEM Admin OH - FY18	131,581.34
GLA 5259100	1190	Debit	AEM Admin OH - FY18	408,932.87
GLA 5259100	1196	Debit	AEM Admin OH - FY18	36,620.85
GLA 5259100	1197	Debit	AEM Admin OH - FY18	171,227.73
GLA 5259100	1198	Debit	AEM Admin OH - FY18	141,905.81
GLA 5259100	1199	Debit	AEM Admin OH - FY18	21,362.16
GLA 5259100	4224	Debit	AEM Admin OH - FY18	230,406.20



Actual Administrative Costs FY 2017

	Object 1	Object 2	FY 2017
Agriculture/PDCP	621,983	279,276	901,258
Clean Water Program	45,598	29,754	75,352
Animal Care and Control	604,813	219,383	824,196
Cooperative Extension	16,134	16,385	32,519
Weed Abatement	96,252	35,330	131,581
Recycling & Waste Reduction	44,912	43,364	88,276
Household Hazardous Waste	91,682	79,546	171,228
Weights & Measures	396,056	138,857	534,913
DEH/VCD	799,457	39,771	839,228
Total	**2,716,887**	**881,665**	**3,598,551**

	FY 2016	FY 2017	+/-
Agriculture/PDCP	857,337	901,258	43,921
Clean Water Program	62,868	75,352	12,484
Animal Care and Control	604,238	824,196	219,958
Cooperative Extension	39,831	32,519	(7,312)
Weed Abatement	62,841	131,581	68,740
Recycling & Waste Reduction	64,383	88,276	23,893
Household Hazardous Waste	134,095	171,228	37,133
Weights & Measures	481,086	534,913	53,827
DEH/VCD	886,535	839,228	(47,307)
Total	**3,193,214**	**3,598,551**	**405,337**

S:\Let_Chan\Admin Overhead Costs\Labor Cost with FY17 Actuals.xlsxLabor Cost with FY17 Actuals.xlsxFY17 Adm costs

Hoa - gia - fund

0 *

131,581.00+
88,276.00+
171,228.00+
839,228.00+
1,230,313.00*

Fiscal & Support Staff
Object 1
FY17

Program (Non-General Fund)	Obj 1
Recycling & Waste	$44,912.26
Weed Abatement	$96,251.77
Environmental Health	$579,969.49
Household Hazardous	$91,681.62
Vector Control	$219,487.20
Total	$1,032,302.34

	Fiscal Staff											
Program	Chan, L	Do, V	Baltazar, E	Jong, L	Kou, C	Resuello, J	Ryan, R	Wang, F	Yung, C	Total	Support Staff	Total
Recycling & Waste	$1,084.69	$5,129.57	$1,881.00	$1,112.81	$1,652.81	$775.88	$129.38	$1,314.25	$111.38	$13,191.77	$31,720.49	$44,912.26
Weed Abatement	$619.82	$2,573.98	$940.50	$556.41	$826.41	$387.94	$64.69	$657.13	$55.69	$6,682.57	$89,569.20	$96,251.77
Environmental Health	$25,406.89	$72,869.48								$98,276.38	$481,693.12	$579,969.49
Household Hazardous	$5,113.52	$9,560.50	$3,291.75	$1,947.42	$2,892.42	$1,357.78	$226.41	$2,299.94	$194.91	$26,884.64	$64,796.98	$91,681.62
Vector Control	$9,612.95	$27,570.88								$37,183.83	$182,303.38	$219,487.20
Total	$41,837.86	$117,704.41	$6,113.25	$3,616.64	$5,371.64	$2,521.60	$420.48	$4,271.32	$361.98	$182,219.19	$850,083.15	$1,032,302.34

AEM - Support Staff Overhead Allocation
FY2017

Employee	FY17 Q1	FY17 Q2	FY17 Q3	FY17 Q4	Total
Baltazar, Elizabeth	10,573	5,784	7,355	6,384	30,096
Jong, Linda	3,726	2,246	2,862	8,971	17,805
Holley, Heather		6,639			6,639
Kou, Clara	6,681	5,807	5,857	8,100	26,445
Belloso, Melissa				17,949	17,949
Resuello, Joselyn	2,436	3,920	1,587	4,471	12,414
Ryan, Rosemarie		148	1,592	330	2,070
Wein, Madeline		3,982			3,982
Wang, Fan	5,762	4533	4,734	5,999	21,028
Yung, Sin-Yin (Cindy)	1,366	111	91	214	1,782
Total	**30,544**	**33,170**	**24,078**	**52,418**	**140,210**

	1187	1188	1197	5660/5664	5662	5663	5670	Total
FTE count	**4**	**2**	**7**	**19**	**3**	**12**	**17**	**64**
% allocation	**6.25%**	**3.13%**	**10.94%**	**29.69%**	**4.69%**	**18.75%**	**26.56%**	**100.00%**
Baltazar, Elizabeth	1,881.00	940.50	3,291.75	8,934.75	1,410.75	5,643.00	7,994.25	30,096.00
Jong, Linda	1,112.81	556.41	1,947.42	5,285.86	834.61	3,338.44	4,729.45	17,805.00
Holley, Heather	414.94	207.47	726.14	1,970.95	311.20	1,244.81	1,763.48	6,639.00
Kou, Clara	1,652.81	826.41	2,892.42	7,850.86	1,239.61	4,958.44	7,024.45	26,445.00
Belloso, Melissa	1,121.81	560.91	1,963.17	5,328.61	841.36	3,365.44	4,767.70	17,949.00
Resuello, Joselyn	775.88	387.94	1,357.78	3,685.41	581.91	2,327.63	3,297.47	12,414.00
Ryan, Rosemarie	129.38	64.69	226.41	614.53	97.03	388.13	549.84	2,070.00
Wein, Madeline	248.88	124.44	435.53	1,182.16	186.66	746.63	1,057.72	3,982.00
Wang, Fan	1,314.25	657.13	2,299.94	6,242.69	985.69	3,942.75	5,585.56	21,028.00
Yung, Sin-Yin (Cindy)	111.38	55.69	194.91	529.03	83.53	334.13	473.34	1,782.00
Total	**8,763.13**	**4,381.56**	**15,335.47**	**41,624.84**	**6,572.34**	**26,289.38**	**37,243.28**	**140,210.00**
Non-General Fund	6,977.50	3,488.75	12,210.63					

ALLOCATION OF EXPENDITURES--OBJECT 2
FY2017

	% Ag.	%CW	%Wts.	%AC	%UC	%IWM/FF	%WA	%HHW	%DEH/VCD	
Standard Allocation from ExpSum Object 1	22.89%	1.68%	14.58%	22.26%	0.59%	1.65%	3.54%	3.37%	29.43%	100.00%

NOTE: The "standard" allocation is determined from the Expenditure Summary using allocated Object 1 costs for each division. The allocation is revised as necessary in individual Object 2 accounts. Refer to the account books since unexpended accounts are often depleted at yearend and may include costs typically applied to other accounts.

Object 2 - Administration

Account	Description	Amount	% Ag.	% CW	%Wts.	%AC	%UC	%IWM	%WA	%HHW	%DEH	Amt. to Ag.	Amt. to CW	Amt. to Wts.	Amt. to AC	Amt. To UC	Amt. To IWM	Amt. To WA	Amt. To HHW	Amt. To DEH/VCD
5205100	Communications & Telephone Svcs	16,572.10	4.99%	-0.05%	-0.19%	95.49%	0.00%	-0.07%	-0.04%	-0.13%	0.00%	826.28	(7.49)	(31.02)	15,825.45	(0.32)	(11.85)	(7.33)	(21.61)	0.00
5205300	IC - Landline Phone - Internal	23,256.64	35.15%	3.82%	16.12%	23.95%	0.17%	6.04%	3.74%	11.02%	0.00%	8,174.58	888.03	3,749.92	5,568.85	38.43	1,405.35	869.30	2,562.18	0.00
5205350	IC - Wireless Voice & Data Services	3,658.33	35.15%	3.82%	16.12%	23.95%	0.17%	6.04%	3.74%	11.02%	0.00%	1,285.88	139.69	589.87	875.99	6.05	221.07	136.74	403.04	0.00
5220200	IC - Insurance	110,347.00	22.89%	1.68%	14.58%	22.26%	0.59%	1.65%	3.54%	3.37%	29.43%	25,261.97	1,851.99	16,085.92	24,564.64	655.27	1,824.12	3,909.29	3,723.67	32,470.12
5230400	Maintenance - Equipment - Other	695.79	22.89%	1.68%	14.58%	22.26%	0.59%	1.65%	3.54%	3.37%	29.43%	159.29	11.68	101.43	154.89	4.13	11.50	24.65	23.48	204.74
5250100	Office Expense	36,565.19	32.65%	3.51%	14.88%	24.44%	1.00%	4.18%	3.99%	7.71%	7.64%	11,936.82	1,285.25	5,439.15	8,938.05	367.19	1,527.83	1,457.64	2,819.71	2,793.55
5250200	Postage Expense - External	18.90	50.69%	1.80%	7.57%	30.21%	0.05%	2.80%	1.75%	5.13%	0.00%	9.58	0.34	1.43	5.71	0.01	0.53	0.33	0.97	0.00
5250250	IC - Postage Expense - Internal	13,307.44	25.00%	0.00%	25.00%	25.00%	0.00%	0.00%	25.00%	0.00%	0.00%	3,326.86	0.00	3,326.86	3,326.86	0.00	0.00	3,326.86	0.00	0.00
5250700	Printing - External	387.24	36.23%	9.17%	23.81%	19.51%	0.17%	0.48%	1.04%	0.99%	8.60%	140.31	35.50	92.19	75.54	0.67	1.87	4.01	3.82	33.31
5250750	IC - Printing - Internal	26,007.76	7.40%	0.50%	19.95%	16.83%	49.55%	0.69%	0.69%	1.29%	3.10%	1,924.64	130.41	5,187.89	4,375.88	12,887.12	178.86	179.77	335.99	807.18
5250800	PC Software	20,076.00	34.62%	3.76%	15.88%	23.58%	0.16%	5.95%	5.19%	10.85%	0.00%	6,950.10	755.01	3,188.21	4,734.68	32.67	1,194.84	1,042.08	2,178.39	0.00
5250900	Education Expense - Other	53.74	22.89%	1.67%	14.57%	22.26%	0.60%	1.66%	3.54%	3.37%	29.42%	12.30	0.90	7.83	11.96	0.32	0.89	1.90	1.81	15.81
5255150	Advertising	0.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5255650	IC - Information Technology Services	542,146.93	35.15%	3.82%	16.12%	23.95%	0.17%	6.04%	3.74%	11.02%	0.00%	190,561.69	20,701.33	87,416.16	129,818.17	895.85	32,760.89	20,264.63	59,728.22	0.00
5255660	IC - Entpse Lic. Agrmt	46,010.23	35.15%	3.82%	16.12%	23.95%	0.17%	6.04%	3.74%	11.02%	0.00%	16,172.34	1,756.85	7,418.72	11,017.24	76.03	2,780.31	1,719.79	5,068.94	0.00
5255850	IC - County Counsel - Legal - Internal	364.50	22.89%	1.68%	14.58%	22.26%	0.59%	1.65%	3.54%	3.37%	29.43%	83.45	6.12	53.14	81.14	2.16	6.03	12.91	12.30	107.26
5265110	Rents & Leases - Equip - Copy Machines	8,061.71	28.46%	14.94%	14.94%	26.73%	0.00%	0.00%	14.94%	0.00%	0.00%	2,294.72	1,204.12	1,204.12	2,154.63	0.00	0.00	1,204.12	0.00	0.00
5275100	Small Tools & Instruments	85.31	35.14%	3.82%	16.12%	23.95%	0.16%	6.04%	3.74%	11.02%	0.00%	29.98	3.26	13.75	20.43	0.14	5.15	3.19	9.40	0.00
5275200	PC Hardware	17,447.24	35.15%	3.82%	16.12%	23.95%	0.17%	6.04%	3.74%	11.02%	0.00%	6,132.61	666.21	2,813.21	4,177.78	28.83	1,054.30	652.15	1,922.16	0.00
5280000	Special Department Expense	3,037.46	24.74%	1.76%	12.79%	27.23%	0.45%	2.07%	3.08%	4.04%	23.84%	751.32	53.55	388.48	826.96	13.61	63.00	93.60	122.68	724.25
5285300	Mileage	2,140.05	22.89%	1.68%	14.58%	22.26%	0.59%	1.65%	3.54%	3.37%	29.43%	489.92	35.92	311.96	476.40	12.71	35.38	75.81	72.22	629.71
5285700	Local Meals & Meetings	723.11	22.89%	1.68%	14.58%	22.26%	0.59%	1.65%	3.54%	3.37%	29.43%	165.54	12.14	105.41	160.97	4.29	11.95	25.62	24.40	212.78
5285800	Business Travel	3,704.19	22.89%	1.68%	14.58%	22.26%	0.59%	1.65%	3.54%	3.37%	29.43%	848.01	62.17	539.98	824.60	22.00	61.23	131.23	125.00	1,089.98
5350100	Miscellaneous Expense - Others	2,319.44	22.89%	1.68%	14.58%	22.26%	0.59%	1.65%	3.54%	3.37%	29.43%	530.99	38.93	338.12	516.34	13.77	38.34	82.17	78.27	682.51
8210000	Settlement - External for Seller & Buyer	4,678.53	25.79%	2.60%	10.98%	18.15%	28.31%	4.12%	2.55%	7.50%	0.00%	1,206.42	121.68	513.82	849.38	1,324.48	192.56	119.11	351.07	0.00
	Total Object 2	**881,664.83**										**279,275.60**	**29,753.59**	**138,856.55**	**219,382.54**	**16,385.41**	**43,364.15**	**35,329.57**	**79,546.11**	**39,771.20**
	0.00	**881,664.83**																		
	Healthy Nail Program	**57,296.13**																		
	Other Expenses incldg Healthy Nail	**938,960.96**																		

FY 2017 OBJECT 1 SUMMARY

ADMINISTRATION SUPPORT																				
Cost Center - 5665	Total Costs	% AG	Cost to Ag	% CW	Cost to CW	% W & M	Cost to W & M	% AC	Cost to AC	% UC	Cost to UC	%IWM/FF	Cost to IWM/FF	% WA	Cost to WA	% HHW	Cost to HHW	% DEH/VCD	Cost to DEH/VCD	% Total	Total Cost
BERG, JASON	46,977.85	2.80%	1,315.38		0.00		0.00	97.20%	45,662.47		0.00		0.00		0.00		0.00		0.00	100.00%	46,977.85
BROWN, AMY	296,683.05	13.24%	39,280.84	2.09%	6,200.68	8.21%	24,357.68	11.05%	32,783.48	1.39%	4,123.89	2.79%	8,277.46	1.40%	4,153.56	5.20%	15,427.52	54.63%	162,077.95	100.00%	296,683.05
CABRAL DE LARA, ESTELA	86,394.08	68.20%	58,920.76		0.00	19.00%	16,414.88	12.80%	11,058.44		0.00		0.00		0.00		0.00		0.00	100.00%	86,394.08
CABRAL DE LARA, ESTELA (Animal Control)	8,304.77		0.00		0.00		0.00	100.00%	8,304.77		0.00		0.00		0.00		0.00		0.00	100.00%	8,304.77
CANCILLA-CONDE, SUE	11,811.74		0.00		0.00	100.00%	11,811.74		0.00		0.00		0.00		0.00		0.00		0.00	100.00%	11,811.74
CHAN, ISABELITA	154,955.05	45.00%	69,729.77	0.20%	309.91	15.30%	23,708.12	12.50%	19,369.38		0.00	0.70%	1,084.69	0.40%	619.82	3.30%	5,113.52	22.60%	35,019.84	100.00%	154,955.05
DAM NGUYEN, MARY	117,018.81		0.00		0.00	23.60%	27,616.44	63.30%	74,072.91		0.00		0.00	13.10%	15,329.46		0.00		0.00	100.00%	117,018.81
DE HERTEL, COLLEEN	79,820.54	70.60%	56,353.30		0.00		0.00	29.40%	23,467.24		0.00		0.00		0.00		0.00		0.00	100.00%	79,820.54
DEVINEY, JOSEPH	132,415.40	74.70%	98,914.30		0.00	25.30%	33,501.10		0.00		0.00		0.00		0.00		0.00		0.00	100.00%	132,415.40
DO, VYLOAN	183,855.69	13.24%	24,342.49	2.09%	3,842.58	8.21%	15,094.55	11.05%	20,316.05	1.39%	2,555.59	2.79%	5,129.57	1.40%	2,573.98	5.20%	9,560.50	54.63%	100,440.36	100.00%	183,855.69
HESS, TRACI	214,525.50	13.24%	28,403.18	2.09%	4,483.58	8.21%	17,612.54	11.05%	23,705.07	1.39%	2,981.90	2.79%	5,985.26	1.40%	3,003.36	5.20%	11,155.33	54.63%	117,195.28	100.00%	214,525.50
HO, AARON	188,124.78	13.24%	24,907.72	2.09%	3,931.81	8.21%	15,445.04	11.05%	20,787.79	1.39%	2,614.93	2.79%	5,248.68	1.40%	2,633.75	5.20%	9,782.49	54.63%	102,772.57	100.00%	188,124.78
HOLLEY, HEATHER	19,982.00	13.24%	2,645.62	2.09%	417.62	8.21%	1,640.52	11.05%	2,208.01	1.39%	277.75	2.79%	557.50	1.40%	279.75	5.20%	1,039.06	54.63%	10,916.17	100.00%	19,982.00
KALUS, GARY	65,377.51	13.24%	8,655.98	2.09%	1,366.39	8.21%	5,367.49	11.05%	7,224.21	1.39%	908.75	2.79%	1,824.03	1.40%	915.29	5.20%	3,399.63	54.63%	35,715.73	100.00%	65,377.51
KINCAID, JOANNA	99,494.60	3.60%	3,581.81	4.00%	3,979.78	71.90%	71,536.62	2.70%	2,686.35		0.00		0.00	0.30%	298.48		0.00	17.50%	17,411.56	100.00%	99,494.60
MANA-AY, CYNTHIA	132,103.21	15.40%	20,343.89	1.50%	1,981.55	2.30%	3,038.37	1.90%	2,509.96	0.10%	132.10	1.90%	2,509.96		0.00	2.40%	3,170.48	74.50%	98,416.89	100.00%	132,103.21
MORRIS, MARIALENA BURTON	174,117.11	13.24%	23,053.11	2.09%	3,639.05	8.21%	14,295.01	11.05%	19,239.94	1.39%	2,420.23	2.79%	4,857.87	1.40%	2,437.64	5.20%	9,054.09	54.63%	95,120.18	100.00%	174,117.11
PORCARI, GRANT	88,570.40	38.60%	34,188.17	2.30%	2,037.12	35.80%	31,708.20	10.50%	9,299.89		0.00		0.00	12.80%	11,337.01		0.00		0.00	100.00%	88,570.40
RAYAS, JUAN (Animal Control)	78,692.44		0.00		0.00		0.00	100.00%	78,692.44		0.00		0.00		0.00		0.00		0.00	100.00%	78,692.44
ROSA, BRIAN	72,953.32	23.80%	17,362.89	8.00%	5,836.27		0.00	10.10%	7,368.29		0.00		0.00	58.10%	42,385.88		0.00		0.00	100.00%	72,953.32
ROTH, JAMI	139,474.64	31.80%	44,352.94	0.50%	697.37	30.10%	41,981.87	37.20%	51,884.57		0.00		0.00	0.40%	557.90		0.00		0.00	100.00%	139,474.64
SHUSTER, MICHAEL	3,887.13	13.24%	514.66	2.09%	81.24	8.21%	319.13	11.05%	429.53	1.39%	54.03	2.79%	108.45	1.40%	54.42	5.20%	202.13	54.63%	2,123.54	100.00%	3,887.13
TEELING, LAURIE	1,310.77					100.00%	1,310.77													100.00%	1,310.77
VALDEZ, LAURA	41,329.81	31.50%	13,018.89	0.30%	123.99	25.80%	10,663.09	5.60%	2,314.47		0.00		0.00	0.40%	165.32		0.00	36.40%	15,044.05	100.00%	41,329.81
VOGT, LAURIE (Animal Control)	90,237.85		0.00		0.00		0.00	100.00%	90,237.85		0.00		0.00		0.00		0.00		0.00	100.00%	90,237.85
WEIN, MADELINE	43,617.37	22.60%	9,857.53		0.00	4.50%	1,962.78	30.80%	13,434.15		0.00	1.00%	436.17	11.60%	5,059.61	18.80%	8,200.07	10.70%	4,667.06	100.00%	43,617.37
WINKLER, RYAN	4,641.26	13.24%	614.50	2.09%	97.00	8.21%	381.05	11.05%	512.86	1.39%	64.51	2.79%	129.49	1.40%	64.98	5.20%	241.35	54.63%	2,535.52	100.00%	4,641.26
DEH ALLOCATION	140,210.00	29.69%	41,624.84	4.69%	6,572.34	18.75%	26,289.38	26.56%	37,243.28			6.25%	8,763.13	3.13%	4,381.56	10.94%	15,335.47			100.01%	140,210.00
TOTAL - CC 5665	2,716,886.68		621,982.57		45,598.28		396,056.38		604,813.40		16,133.70		44,912.26		96,251.77		91,681.62		799,456.70		2,716,886.68

Footnotes:

The personnel highlighted in blue uses FTE for allocation

Brian Rosa's allocation - Use actual per email (No hours on the Daily)

Laurie Teeling is in cost center 5660

All the rest of the personnel uses the percentage on the Daily for allocation

Chan, Let

From: Kou, Clara
Sent: Tuesday, November 14, 2017 7:55 AM
To: Chan, Let
Subject: FY17 FTE

Hello Let,

FY2017 FTE is as follow; let me know if additional information is needed.

CC1190 ... 67
CC1196 ... 6
CC1198 ... 23.25
CC1199 ... 3.5
CC4224 ... 37.75

99.75 DEH

Total 137.5

Use the FTE to allocate the DEH/VCD admin costs

Clara Kou, Sr. Accountant
Consumer and Environmental Protection
County of Santa Clara
Phone: 408-918-3410
Clara.kou@cep.sccgov.org

AEM Admin Cost Allocation to DEH & Vector Control
FY 2017

	AEM Actual Costs to DEH/VCD	DEH	VCD	Check Figure
Object 1	799,456.70	579,969.49	219,487.20	799,456.70
Object 2	39,771.20	28,852.20	10,919.00	39,771.20
	839,227.90	608,821.69	230,406.20	839,227.90

	*FY17 FTE	%	% Allocation	CC
DEH	99.75	72.55%	608,821.69	1194
VCD	37.75	27.45%	230,406.20	4224
	137.5		**839,227.90**	

Footnotes:
*FY17 FTE count is from Clara

Cost Center 1194 Overhead Allocation
This worksheet is used to allocate the AEM Admin Overhead in Cost Center 1194 to the other cost centers

Cost Center	FY17 FTE Count	% of allocation	Amount
1194			$608,821.69
1190	67.00	67.17%	$408,932.87
1196	6.00	6.02%	$36,620.85
1198	23.25	23.31%	$141,905.81
1199	3.50	3.51%	$21,362.16
	99.75	100.00%	$608,821.69

DOC# 102327310
12/29/17

CC5665

FY18 Q2 PP1721 (09/25/17)-PP1726 (12/17/17) 6 PPs

GLA 5259100-IC Dept Charge Int'l

AEM CC5665 Name of Employee	ECLS		ID	FY18 Q2 TOTAL	Dept Charge JE	Dept Charge Total	Dept Charge CC5665	Dept Charge CC1190	Dept Charge CC1196	Dept Charge CC1198	Dept Charge CC1199	Dept Charge CC4224	TOTAL
Baltazar, Elizabeth	B80/B78	EC	[redacted]	30,926	6,856	24,070	0	0	4,333	19,737	0	0	24,070
Belloso, Melissa	X09	EC	[redacted]	25,367		25,367	12,000	13,139	54	154	20	0	25,367
Chavez, Ruben	D09	EC	[redacted]	16,422		16,422						16,422	16,422
Chiprez, Angela	D09	EC	[redacted]	21,472		21,472	0	21,472	0	0	0	0	21,472
Dang, Hung	D09/X09	EC	[redacted]	19,333		19,333		6,566	10,248	2,238	281	0	19,333
Flores, Vincent	B1P/B1N	EC	[redacted]	31,202		31,202						31,202	31,202
Garcia, Jeremy	D49	EC	[redacted]	17,476		17,476	0	17,023	0	453	0	0	17,476
Goupil, Sylvia	X09	EC	[redacted]	22,838		22,838	0	22,838	0	0	0	0	22,838
Holley, Heather	B2P	FTE	[redacted]	27,527		27,527	0	12,846	1,468	4,221	551	8,442	27,527
Jong, Linda	D97	EC	[redacted]	17,982		17,982	4,250	9,198	540	3,133	862	0	17,982
Kealey, Linda	D09	VCD	[redacted]	22,283		22,283	0	0		0		22,283	22,283
Kou, Clara	B76	EC	[redacted]	37,776		37,776	10,651	10,240	2,010	3,679	429	10,768	37,776
Lam, Trisha	B78	FSR	[redacted]			3,422	3,422						3,422
Munoz, Ricardo	D09	EC	[redacted]	26,034		26,034	0	26,034	0	0	0	0	26,034
Nguyen, Elaine	D09	TH	[redacted]	19,124		19,124		19,124					19,124
Nguyen, John	V1C	EC	[redacted]	3,679		3,679	0	3,679	0	0	0	0	3,679
Owens, Arika	B1N	NA	[redacted]	41,194		41,194	0	27,726	3,169	9,110	1,188	0	41,194
Pech, Somira	X09	EC	[redacted]	26,886		26,886	0	556	64	24,736	1,530	0	26,886
Piccolotto, Alexandra	V1C	EC	[redacted]	6,902		6,902	0	6,902	0	0	0	0	6,902
Porcari, Grant	D09		[redacted]	21,513		21,513		21,513					21,513
Resuello, Joselyn	B78	EC	[redacted]	31,544		31,544	2,493	14,889	2,413	10,507	1,165	78	31,544
Rosas, Christina	X09	EC	[redacted]	24,480		24,480	0	24,480	0	0	0	0	24,480
Ryan, Rosemarie	D96	EC	[redacted]	29,430		29,430	121	17,512	2,031	7,859	576	1,331	29,430
Solis, Joseph	D09	EC	[redacted]	20,934		20,934	0	14,090	1,610	4,630	604	0	20,934
Wang, Fan	D96	NA	[redacted]	27,387		27,387	6,847	0	0	0	0	20,540	27,387
Widmann, Chris	X09	EC	[redacted]	27,162		27,162	0	10,646	7,079	8,981	456	0	27,162
Williams, Regina	V1C	EC	[redacted]	25,650		25,650	0	0	0	15,219	545	9,885	25,650
Yung, Sin-Yin (Cindy)	D97	EC	[redacted]	25,818		25,818	61	14,422	1,176	9,293	63	804	25,818
TOTAL FY17 Q2 DEPT CHARGE JE				**648,340**	**6,856**	**644,907**	**39,843**	**314,896**	**36,193**	**123,950**	**8,269**	**121,755**	**644,907**
						651,762	*6%*	48.83%	5.61%	19.22%	*1.28%*	*18.88%*	*100%*
								DEH & VCD DEPT CHRGS			*483,308*	*121,755*	*605,063*
CC 5665 Total				**604,540**	**0**	**604,540**	**604,540**						**604,540**
TOTAL FY16 Q4 ADMIN SAL&BENEFITS				**1,390,556**	**10,278**	**1,390,556**							**1,390,556**

0.00 1,400,834 JE Reclass-Q2 Department Charge

12/29/2017 JE#		Department Charge/ Reimbursement
CC1190	GLA 5259100	$314,896
CC1196	GLA 5259100	$36,193
CC1198	GLA 5259100	$123,950
CC1199	GLA 5259100	$8,269
CC4224	GLA 5259100	$121,755
CC5665	GLA 5440400	($605,063)

CC5665

FY18 Q3 PP1801 (12/18/17)-PP1807 (03/25/18) 7 PPs

GLA 5259100-IC Dept Charge Int'l

AEM CC5665 Name of Employee	ECLS		ID	FY18 Q3 TOTAL	Dept Charge JE	Dept Charge Total	Dept Charge CC5665	Dept Charge CC1190	Dept Charge CC1196	Dept Charge CC1198	Dept Charge CC1199	Dept Charge CC4224	TOTAL
Baltazar, Elizabeth	B78	%	[redacted]	37,693	20,866	16,827	0	0	0	16,827	0	0	16,827
Belloso, Melissa	X09	%	[redacted]	29,770		29,770	0	1,489	0	28,282	0	0	29,770
Burgess, Kimberly	D09	CPD	[redacted]	16,224		16,224		16,224					16,224
Chavez, Ruben	D09	VCD	[redacted]	28,674		28,674						28,674	28,674
Chiprez, Angela	D09	CPD	[redacted]	25,949		25,949	0	25,949	0	0	0	0	25,949
Dang, Hung	X09	SM/HMP	[redacted]	23,725		23,725		0	12,308	11,417	0	0	23,725
Darathep, Eric	EC4	INV	[redacted]	14,092		14,092		5,758	1,020	7,311	2	0	14,092
Flores, Vincent	B1N	VCD	[redacted]	39,961		39,961						39,961	39,961
Garcia, Jeremy	D49	CPD	[redacted]	21,825		21,825	0	21,825	0	0	0	0	21,825
Goupil, Sylvia	X09	CPD	[redacted]	27,707		27,707	0	27,707	0	0	0	0	27,707
Holley, Heather	B2P	DEH/VCD	[redacted]	32,300		32,300	0	16,275	1,753	5,509	751	8,012	32,300
Jong, Linda	D96	ENV	[redacted]	22,729		22,729	8,447	10,823	303	2,175	980	0	22,729
Kealey, Linda	D09	VCD	[redacted]	25,398		25,398	0	0		0		25,398	25,398
Kou, Clara	B76	ENV	[redacted]	44,062		44,062	11,246	15,322	3,059	6,277	712	7,446	44,062
Lam, Trisha	B78	FSR	[redacted]	0	see below	0	0						0
Munoz, Ricardo	D09	CPD	[redacted]	32,398		32,398	0	32,398	0	0	0	0	32,398
Nguyen, Elaine	D09	CPD	[redacted]	22,812		22,812		22,812					22,812
Owens, Arika	B1N	DEH	[redacted]	48,055		48,055	0	32,202	3,468	10,899	1,486	0	48,055
Pech, Somira	X09	ENV	[redacted]	31,693		31,693	0	1,037	112	28,628	1,917	0	31,693
Piccolotto, Alexandra	V1C	CPD	[redacted]	8,983		8,983	0	8,983	0	0	0	0	8,983
Porcari, Grant	D09	CPD	[redacted]	25,150		25,150		25,150					25,150
Resuello, Joselyn	B78	ENV	[redacted]	36,330		36,330	2,612	12,981	4,010	12,988	1,172	2,568	36,330
Rosas, Christina	X09	CPD	[redacted]	27,884		27,884	0	27,884	0	0	0	0	27,884
Ryan, Rosemarie	D96	ENV	[redacted]	34,689		34,689	90	18,522	2,179	9,910	750	3,239	34,689
Solis, Joseph	D09	DEH	[redacted]	24,479		24,479	0	16,403	1,766	5,552	757	0	24,479
Wang, Fan	D96	%	[redacted]	32,419		32,419	8,105	0	0	0	0	24,315	32,419
Widmann, Chris	X09	DEH	[redacted]	29,694		29,694	0	19,901	2,140	6,735	918	0	29,694
Williams, Regina	V1C	ENV	[redacted]	30,458		30,458	0	0	0	21,181	0	9,277	30,458
Yung, Sin-Yin (Cindy)	D97	ENV	[redacted]	30,699		30,699	0	14,177	1,535	13,836	101	1,048	30,699
TOTAL FY18 Q3 DEPT CHARGE JE				**805,853**	**20,866**	**784,987**	**30,499**	**373,822**	**33,652**	**187,527**	**9,548**	**149,939**	**784,987**
						805,853	***4%***	***47.62%***	***4.29%***	***23.89%***	***1.22%***	***19.10%***	***100%***
								DEH & VCD DEPT CHRGS			***604,550***	***149,939***	***754,488***

SHARED OVERHEAD ALLOCATION
DEH ADMINISTRATION-FY18 Q3/7 PPs (AP09 03-31-2018)

Name of Employee	10 days ACCRUAL	6/19/17-9/10/17 PP17/14-17/19	9/11/17 - 9/24/17 PP17/20
Balliet, Michael	(11,313.09)	61,696.89	10,048.51
Hahn, Melissa	(5,058.83)	30,589.04	5,134.63
Ho, Daniel	(5,590.27)	33,784.21	5,747.88
Jeyaraj, Carola	(5,435.05)	38,522.24	6,408.00
Poedjosoedarmo, Chiptoning	(5,750.64)	34,774.25	5,782.98
Rayas, Juan	(5,011.91)	30,237.70	5,030.06
Schuster, Michael		8,225.89	2,381.09
Soto, Richard	(3,399.72)	21,142.41	3,605.73
Tran, Michael	(4,925.47)	29,657.90	5,028.00
	(46,484.98)	288,630.53	49,166.88

10/17/17 J Simon Q1 Allocation JE#102271648
12/19/17 J Simon Q2 Allocation JE#102317775
03/31/18 J Simon Q3 Allocation JE#1018xxxxxx
06/30/18 J Simon Q4 Allocation JE#1019xxxxx

	(46,484.98)	288,630.53	49,166.88

Per Books

1.00

9/25/17 - 12/03/17 PP17/21-17/25	12/04/17 - 12/17/17 PP17/26	10 days ACCRUAL	FY18 YE TOTAL	
50,622.88	10,395.13	10,395.13	131,393.38	Balliet, Michael
26,136.80	5,190.18	5,190.18	67,182.00	Hahn, Melissa
29,717.03	5,950.07	5,950.07	75,558.99	Ho, Daniel
32,407.52	6,772.17	6,772.17	85,447.05	Jeyaraj, Carola
29,283.40	5,889.78	5,889.78	75,869.55	Poedjosoedarmo, Chiptoning
25,511.75	5,130.21	5,130.21	66,028.02	Rayas, Juan
11,075.60	1,956.93	1,956.93	25,596.44	Schuster, Michael
19,467.47	4,074.40	4,074.40	48,964.69	Soto, Richard
25,454.69	5,229.99	5,229.99	65,675.10	Tran, Michael
249,677.14	50,588.86	50,588.86	641,715.22	
			44,469.89	J Simon
			32,000.61	J Simon
				J Simon
				J Simon
249,677.14	50,588.86	50,588.86	718,185.72	
		50,362.79	718,185.72	
		226.07	0.00	*$452.07 variance add to Ball
	Director Ttl		131,393.38	Balliet, Michael
	J Simon Ttl		76,470.50	J Simon
			718,185.72	

CC5665

FY18 Q4 PP1808 (03/26/18)-PP1813 (06/17/18) 6 PPs

GLA 5259100-IC Dept Charge Int'l

FY2018 Q4 Department Charge

AEM CC5665 Name of Employee	ECLS		ID	FY18 Q4 TOTAL	Dept Charge JE	Dept Charge Total	CC5665	Dept Charge TOTAL	Dept Charge Name of Employee	Dept Charge CC5665	Dept Charge CC1190	Dept Charge CC1196	Dept Charge CC1198	Dept Charge CC1199	Dept Charge CC4224	TOTAL
Baltazar, Elizabeth	B78	%	[redacted]	32,291	25,227	7,064		100%	Baltazar, Elizabeth	0	0	0	7,064	0	0	7,064
Belloso, Melissa	X09	%		24,664		24,664	0.00%	100%	Belloso, Melissa	0	1,233	0	23,431	0	0	24,664
Burgess, Kimberly	D09	CPD		20,465		20,465		100%	Burgess, Kimberly		20,465					20,465
Chavez, Ruben	D09	VCD		12,272		12,272		100%	Chavez, Ruben						12,272	12,272
Chiprez, Angela	D09	CPD		7,551		7,551		100%	Chiprez, Angela	0	7,551	0	0	0	0	7,551
Dang, Hung	X09	SM/HM		20,316		20,316		100%	Dang, Hung		0	10,158	10,158	0	0	20,316
Darathep, Eric	EC4	INV		12,532		12,532	10.31%	100%	Darathep, Eric	1,292	5,820	1,010	4,350	60	0	12,532
Dickson, Briana	D09	CPD		3,159		3,159		100%	Dickson, Briana		3,159					3,159
Flores, Vincent	B1N	VCD		35,141		35,141		100%	Flores, Vincent						35,141	35,141
Garcia, Jeremy	D49	CPD		17,965		17,965		100%	Garcia, Jeremy	0	17,965	0	0	0	0	17,965
Gavarrete, Elizabeth	B80	ENV		8,782		8,782	30.08%	100%	Gavarrete, Elizabeth	2,642	884	354	308	38	4,556	8,782
Goupil, Sylvia	X09	CPD		23,856		23,856		100%	Goupil, Sylvia	0	23,856	0	0	0	0	23,856
Holley, Heather	B2P	DEH/V		27,650		27,650		100%	Holley, Heather	0	13,436	1,363	4,673	584	7,594	27,650
Jong, Linda	D96	ENV		20,124		20,124	33.16%	100%	Jong, Linda	6,674	9,050	397	1,685	2,318	0	20,124
Kealey, Linda	D09	VCD		21,747		21,747		100%	Kealey, Linda	0	0		0		21,747	21,747
Kou, Clara	B76	ENV		37,712		37,712	30.81%	100%	Kou, Clara	11,621	10,583	1,531	5,049	688	8,240	37,712
Munoz, Ricardo	D09	CPD		26,234		26,234	0.00%	100%	Munoz, Ricardo	0	26,234	0	0	0	0	26,234
Nguyen, Elaine	D09	CPD		19,618		19,618		100%	Nguyen, Elaine		19,618					19,618
Owens, Arika	B1N	DEH		42,760		42,760		100%	Owens, Arika	0	28,645	2,906	9,964	1,245	0	42,760
Pech, Somira	X09	ENV		27,618		27,618		100%	Pech, Somira	0	1,823	185	22,688	2,921	0	27,618
Piccolotto, Alexandra	V1C	CPD		5,022		5,022		100%	Piccolotto, Alexandra	0	5,022	0	0	0	0	5,022
Porcari, Grant	D09	CPD		21,826		21,826		100%	Porcari, Grant		21,826					21,826
Resuello, Joselyn	B78	ENV		31,860		31,860	5.46%	100%	Resuello, Joselyn	1,739	11,849	3,905	10,422	1,947	1,998	31,860
Rosas, Christina	X09	CPD		24,270		24,270		100%	Rosas, Christina	0	24,270	0	0	0	0	24,270
Ryan, Rosemarie	D96	ENV		31,431		31,431	0.73%	100%	Ryan, Rosemarie	229	16,257	1,870	7,345	621	5,109	31,431
Solis, Joseph	D09	DEH		20,997		20,997		100%	Solis, Joseph	0	14,066	1,427	4,893	612	0	20,997
Wang, Fan	D96	%		31,283		31,283	19.67%	100%	Wang, Fan	6,153	0	0	0	0	25,129	31,283
Widmann, Chris	X09	DEH		26,339		26,339	40.00%	100%	Widmann, Chris	10,536	10,590	1,071	3,682	460	0	26,339
Williams, Regina	V1C	ENV		26,504		26,504		100%	Williams, Regina	0	0	0	1,803	0	24,701	26,504
Yung, Sin-Yin (Cindy)	D97	ENV		25,976		25,976	0.00%	100%	Yung, Sin-Yin (Cindy)	0	13,832	1,472	9,948	127	596	25,976
TOTAL FY18 Q3 DEPT CHARGE JE				**687,966**	**25,227**	**662,739**				**40,885**	**308,036**	**27,650**	**127,464**	**11,623**	**147,082**	**662,739**
						687,966				***6%***	***46.48%***	***4.17%***	***19.23%***	***1.75%***	***22.19%***	***100%***
											DEH & VCD DEPT CHRGS			***474,772***	***147,082***	***621,854***
				########		1,566,171										

(0.40)

JE Reclass-Q4 Department Charge

03/31/2018 JE#102395464		Department Charge/ Reimbursement
CC1190	GLA 5259100	308,036
CC1196	GLA 5259100	27,650
CC1198	GLA 5259100	127,464
CC1199	GLA 5259100	11,623
CC4224	GLA 5259100	147,082
CC5665	GLA 5440400	(621,854)
		621,854

DOC# 102478420

Preliminary 07/13/2018

Fund 30 - Summary of Allocated Costs
FY 18 AP 12 - 06/30/2018

	1190 CPD	1196 S/MW	1187 RWRD	1197 HHW	1198 HM	1199 LOP	4224 VC	Total
Personnel from 1194	724,064	64,010		0	209,687	26,487	350,950	1,375,197
Other Exp &FA from 1194	694,980	75,538	0	16,698	250,659	30,850	75,939	1,144,665
AEM OH-Admin	0	0		0	0	0	0	0
CCPlan	551,731	62,528		43,880	190,710	35,510	0	884,359
Sub-Total	1,970,775	202,076	0	60,579	651,056	92,847	426,888	3,404,221
CCPlan	62.39%	7.07%		4.96%	21.56%	4.02%	0.00%	100.00%
Interest Revenue	(121,573)	(33,580)		(6,639)	(98,523)	(5,375)	0	(265,690)
Transfer In	(94,917)	(10,271)		0	(33,646)	(4,250)	0	(143,084)
Retiree Drug & Misc Rev	(13,525)	(1,464)		0	(4,794)	(606)	0	(20,389)
Total for allocated int/rebate	(230,016)	(45,314)		(6,639)	(136,964)	(10,231)	0	(429,163)
Net allocation	1,740,759	156,762	0	53,940	514,093	82,616	426,888	2,975,059
	58.51%	5.27%	0.00%	1.81%	17.28%	2.78%	14.35%	100.00%
DEH NET ALLOC %	**1,189,028**	**94,234**	**0**	**10,060**	**323,383**	**47,106**	**426,888**	**2,090,700**
	56.87%	**4.51%**	**0.00%**	**0.48%**	**15.47%**	**2.25%**	**20.42%**	**100.00%**
Personnel 1194	52.65%	4.65%		0.00%	15.25%	1.93%	25.52%	100.00%
Other Exp &FA from 1194	60.71%	6.60%		1.46%	21.90%	2.70%	6.63%	100.00%
CCPlan before Berger credit	62.39%	7.07%		4.96%	21.56%	4.02%	0.00%	100.00%
Interest/Rebate 1194	53.60%	10.56%		1.55%	31.91%	2.38%	0.00%	100.00%

Overhead Rate before Interest and misc allocation (as % of CC personnel)

Total Allocation 1194	18.25%	17.57%	6.45%	17.92%	14.70%	8.96%

Overhead Rate after Interest and misc allocation (as % of CC personnel)

Total Allocation 1194	16.12%	13.63%	5.74%	14.15%	13.08%	8.96%

CONTRA COSTA MOSQUITO AND VECTOR CONTROL DISTRICT
CONCORD, CALIFORNIA

BASIC FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2024

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CONTRA COSTA MOSQUITO AND VECTOR CONTROL DISTRICT
BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

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CONTRA COSTA MOSQUITO AND VECTOR CONTROL DISTRICT
BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

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CONTRA COSTA MOSQUITO AND VECTOR CONTROL DISTRICT
APPOINTED OFFICIALS AND MANAGEMENT TEAM
JUNE 30, 2024

BOARD OF TRUSTEES

Richard Ainsley
Perry Carlston
Warren Clayton
Chris Cowen
Randall Diamond
Jim Dolgonas
Chris Dupin
James Frankenfield
Eric Hinzel
Jennifer Hogan
Peggie Howell
Michael Krieg
Kevin Marker
Vinoy Mereddy
Peter Pay
Daniel Pellegrini
James Pinckney
Damian Wong
Darryl Young

MANAGEMENT TEAM

Paula Macedo, General Manager
Natalie Martini, Financial Administrator

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Contra Costa Mosquito and
Vector Control District
Concord, California

Opinions

We have audited the accompanying financial statements of the governmental activities and the General Fund of the Contra Costa Mosquito And Vector Control District (District), California, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the Table of Contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and general fund of the District as of June 30, 2024, and the changes in financial position and the general fund budgetary comparisons listed as part of the basic financial statement in the Table of Contents for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

Required Supplementary Information

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

Maze + Associates

Pleasant Hill, California
October 14, 2024

Contra Costa Mosquito and Vector Control District

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2024

This section of the Contra Costa Mosquito and Vector Control District's (the District) basic financial statements presents management's overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2024. We encourage the reader to consider the information represented here in conjunction with the financial statements as a whole.

Introduction to the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's audited financial statements, which are comprised of the basic financial statements. This annual report is prepared in accordance with the Governmental Accounting Standards Board (GASB) Statement No. 34, Basic Financial Statements – and Management's Decision and Analysis – for States and Local Governments. The Single Governmental Program for Special Purpose Governments reporting model is used which best represents the activities of the District.

The required financial statements include the Combined Government-wide and Fund Financial statements; Statement of Net Position and Governmental Funds Balance Sheet; Statement of Activities and Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances; and the Statement of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual-General Fund.

These statements are supported by notes to the financial statements. All sections must be considered together to obtain a complete understanding of the financial picture of the District.

The Basic Financial Statements

The Basic Financial Statements comprise the Combined Government-wide Financial Statements and the Fund Financial Statements; these two sets of financial statements provide two different views of the District's financial activities and financial position.

The Government-wide Financial Statements provide a longer-term view of the District's activities as a whole, and comprise the Statement of Net Position and the Statement of Activities. The Statement of Net Position provides information about the financial position of the District as a whole, including all of its capital assets and long-term liabilities on the full accrual basis, similar to that used by corporations. The Statement of Activities provides information about all of the District's revenues and all of its expenses, also on the full accrual basis, with the emphasis on measuring net revenues or expenses of the District's programs. The Statement of Activities explains in detail the change in Net Position for the year.

All of the District's activities are grouped into Government Activities, as explained below.

The Fund Financial Statements report the District's operations in more detail than the Government-wide statements and focus primarily on the short-term activities of the District's General Fund and other Major Funds. The Fund Financial Statements measure only current revenues and expenditures and fund balances; they exclude capital assets, long-term debt and other long-term amounts.

Major Funds account for the major financial activities of the District and are presented individually. Major Funds are explained below.

The Government-wide Financial Statements

Government-wide financial statements are prepared on the accrual basis, which means they measure the flow of all economic resources of the District as a whole.

The Statement of Net Position and the Statement of Activities present information about the following:

Governmental Activities – The District's basic services are considered to be governmental activities. These services are supported by general District revenues such as taxes, and by specific program revenues such as contract fees and charges.

Fund Financial Statements

The Fund Financial Statements provide detailed information about each of the District's most significant funds, called Major Funds. The concept of Major Funds, and the determination of which are Major Funds, was established by GASB Statement No. 34 and replaces the concept of combining like funds and presenting them in total. Instead, each Major Fund is presented individually, with all Non-major funds summarized and presented only in a single column. Major Funds present the major activities of the District for the year, and may change from year to year as a result of changes in the pattern of the District's activities.

The District only has one fund, the General Fund, which is a Major Fund.

Governmental Fund Financial Statements are prepared on the modified accrual basis, which means they measure only current financial resources and uses. Capital assets and other long-lived assets, along with long-term liabilities, are not presented in the Governmental Fund Financial Statements.

Comparisons of Budget and Actual financial information are presented for the General Fund as required by GASB 34.

Governmental Activities

Table 1 - Governmental Net Position

	Governmental Activities		
ASSETS	FY 2021-2022	FY 2022-2023	FY 2023-2024
Current Assets:			
Cash and investments	12,926,255	15,239,324	17,876,640
Deposit with VCJPA	1,217,683	1,230,493	1,287,519
Interest receivable	22,503	97,608	146,533
Prepaid retirement expense	350,333	409,584	254,824
Other assets	(24,180)	8,269	
Total current assets	14,492,594	16,985,278	19,565,516
Non Current Assets:			
Collective net pension asset	643,711		
Capital assets, nondepreciable	778,640	778,640	778,640
Capital assets, depreciable, net of accum. depreciation	581,339	695,755	694,805
Total non current assets	2,003,690	1,474,395	1,473,445
Total assets	16,496,284	18,459,673	21,038,961
DEFERRED OUTFLOW OF RESOURCES			
Pension related	1,232,405	3,718,140	3,617,742
OPEB related	1,026,250	1,085,009	742,411
Total Deferred Outflows of Resources	2,258,655	4,803,149	4,360,153
LIABILITIES			
Current liabilities:			
Accounts payable	917	45,094	86,049
Total current liabilities	917	45,094	86,049
Non current liabilities:			
Compensated absences	425,442	399,158	425,091
Net OPEB liability	1,463,901	871,085	3,745,387
Collective net pension liability		3,952,156	186,285
Total non current liabilities	1,889,343	5,222,399	4,356,763
Total Liabilities	1,890,260	5,267,493	4,442,812
DEFERRED INFLOWS OF RESOURCES			
Pension related	2,262,915	87,354	41,172
OPEB related	176,470	700,702	846,939
Total Deferred Inflows of Resources	2,439,385	788,056	888,111
NET POSITION			
Net investment in capital assets	1,359,979	1,474,395	1,473,445
Unrestricted	13,065,315	15,732,878	18,594,746
Total Net Position	**14,425,294**	**17,207,273**	**20,068,191**

Table 2 - Changes in Net Position

	FY 2021-2022	FY 2022-2023	FY 2023-2024
EXPENSES			
District Operations	6,664,293	7,611,383	7,636,652
Total Expenses	6,664,293	7,611,383	7,636,652
REVENUES			
Property taxes	6,976,161	7,735,112	7,731,744
Benefit assessments	2,074,580	2,082,513	2,086,779
Miscellaneous	20,050	51,339	66,505
Interest		309,398	612,542
Total Revenues	9,070,791	10,178,362	10,497,570
Change in Net Position	2,406,498	2,566,979	2,860,918
Net position - Beginning	12,018,796	14,640,294	17,207,273
Net Position - Ending	**14,425,294**	**17,207,273**	**20,068,191**

Current Year Financial Highlights

The District fiscal year 2023/2024 total current assets increased 15.2% or $2,580,238 from fiscal year 2022/2023. District general fund revenues were $508,019 over the amount budgeted for fiscal year 2023/2024, primarily due to interest on District's investments. The District expenditures were $1,832,985 less than the budgeted amount for fiscal year 2023/2024 due to savings in the areas of employee salaries, professional services, delayed building expenses, and delayed purchase of vehicles.

The District has continued to contribute to an irrevocable trust for Other Post-Employment Benefits (OPEB), designed to cover medical costs for retirees of the District. Per actuarially determined requirements, the District contributed $215,000 to the PARS 115 trust in fiscal year 2023/2024 and did not take a distribution. The fund's net position increased by $689,726 in fiscal year 2023/2024, and had a balance of $4,291,994 at June 30, 2024. The District's net OPEB liability was $186,285, and the net position as a percentage of the total OPEB liability increased to 95.84%.

The total net pension liability of the District at December 31, 2023, was $3,745,387 with the District being 88.06% funded at that point in time. This amount is determined by the Contra Costa County Employees Retirement Association Act 37 retirement plan.

Capital Assets

Total Capital Assets were recorded at approximately $1.47 million. There was no significant change (less than 0.1%) on the total Capital Assets this year. See Note 4 in the accompanying financial statements for more information on current year activity.

Requests for Information

This financial report is designed to provide, citizens, customers, taxpayers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have any questions about this report or need any additional information, contact the District at (925) 685-9301.

CONTRA COSTA MOSQUITO AND VECTOR CONTROL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2024

	Governmental Activities
ASSETS	
Current assets:	
Cash and investments (Note 3)	$17,876,640
Deposit with VCJPA (Notes 3 and 8)	1,287,519
Interest receivable	146,533
Prepaid retirement expense	254,824
Total current assets	19,565,516
Non current assets:	
Capital assets, nondepreciable (Note 4)	778,640
Capital assets, depreciable, net of accumulated depreciation (Note 4)	694,805
Total non current assets	1,473,445
Total Assets	21,038,961
DEFERRED OUTFLOWS OF RESOURCES	
Pension related (Note 6)	3,617,742
OPEB related (Note 7)	742,411
Total Deferred Outflows of Resources	4,360,153
LIABILITIES	
Current liabilities:	
Accounts payable	86,049
Total current liabilities	86,049
Non current liabilities:	
Compensated absences (Note 2E)	425,091
Collective net pension liability (Note 6)	3,745,387
Net OPEB liability (Note 7)	186,285
Total non current liabilities	4,356,763
Total Liabilities	4,442,812
DEFERRED INFLOWS OF RESOURCES	
Pension related (Note 6)	41,172
OPEB related (Note 7)	846,939
Total Deferred Inflows of Resources	888,111
NET POSITION (Note 5)	
Net investment in capital assets	1,473,445
Unrestricted	18,594,746
Total Net Position	$20,068,191

See accompanying notes to financial statements

CONTRA COSTA MOSQUITO AND VECTOR CONTROL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

Functions/Programs	Expenses	Program Revenues Charges for Services	Net (Expense) Revenue and Change in Net Position Governmental Activities
Governmental Activities:			
District operations	$7,808,040	$171,388	($7,636,652)
Total Governmental Activities	$7,808,040	$171,388	(7,636,652)
General revenues:			
Property taxes (Note 2C)			7,731,744
Benefit assessments			2,086,779
Interest			612,542
Miscellaneous			66,505
Total General Revenues			10,497,570
Change in Net Position			2,860,918
Net Position - Beginning			17,207,273
Net Position - Ending			$20,068,191

See accompanying notes to financial statements

CONTRA COSTA MOSQUITO AND VECTOR CONTROL DISTRICT
GOVERNMENTAL FUND - GENERAL FUND
BALANCE SHEET
JUNE 30, 2024

ASSETS	
Cash and investments (Note 3)	$17,876,640
Deposit with VCJPA (Notes 3 and 8)	1,287,519
Interest receivable	146,533
Prepaid retirement expense	254,824
Total Assets	$19,565,516
LIABILITIES	
Accounts payable	$75,923
Accrued payroll and benefits	10,126
Total Liabilities	86,049
FUND BALANCES (Note 5)	
Nonspendable:	
Deposit with VCJPA	1,287,519
Prepaid retirement expense	254,824
Committed for:	
Emergency Reconstruction Response	500,000
Operations	4,981,330
Vehicle and Equipment Replacement	250,000
IT Equipment Replacement	250,000
Capital Improvement	5,000,000
Public Health Emergency	2,500,000
Unassigned	4,455,794
Total Fund Balances	19,479,467
Total Liabilities and Fund Balances	$19,565,516

See accompanying notes to financial statements

CONTRA COSTA MOSQUITO AND VECTOR CONTROL DISTRICT
Reconciliation of the
GOVERNMENTAL FUNDS - BALANCE SHEET
with the
STATEMENT OF NET POSITION
JUNE 30, 2024

Total fund balances reported on the governmental funds balance sheet	$19,479,467
Amounts reported for Governmental Activities in the Statement of Net Position are different from those reported in the Governmental Funds above because of the following:	
CAPITAL ASSETS	
Capital assets used in Governmental Activities are not current assets or financial resources and therefore are not reported in the Governmental Funds.	1,473,445
DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES	
Deferred outflows of resources - pension related	3,617,742
Deferred inflows of resources - pension related	(41,172)
Deferred outflows of resources - OPEB related	742,411
Deferred inflows of resources - OPEB related	(846,939)
LONG TERM ASSETS AND LIABILITIES	
The assets and liabilities below are not due and payable in the current period and therefore are not reported in the Funds:	
Non-current portion of compensated absences	(425,091)
Collective net pension liability	(3,745,387)
Net OPEB Liability	(186,285)
NET POSITION OF GOVERNMENTAL ACTIVITIES	$20,068,191

See accompanying notes to financial statements

CONTRA COSTA MOSQUITO AND VECTOR CONTROL DISTRICT
GOVERNMENTAL FUND - GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2024

REVENUES	
Property taxes (Note 2C)	$7,731,744
Benefit assessment	2,086,779
Contract billing	171,388
Interest income	612,542
Sale of fixed asset	48,992
Miscellaneous income	17,513
Total Revenues	10,668,958
EXPENDITURES	
Current:	
Salaries	5,567,063
Fringe benefits	729,076
OPEB contributions	215,000
Operation Expense	121,436
Control Expenses	184,092
Equipment maintenance	107,250
Building maintenance	18,720
Professional special services	254,930
Administrative Expenses	33,632
Insurance	372,724
Professional memberships	31,825
Lab Services	47,950
Utilities	77,313
Information & Technology	57,456
Public Affairs	90,249
Training Board and Staff	62,002
Taxes and assessments	3,775
Rents and leases	9,720
Capital outlay	145,462
Total Expenditures	8,129,675
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,539,283
BEGINNING FUND BALANCE	16,940,184
ENDING FUND BALANCE	$19,479,467

See accompanying notes to financial statements

CONTRA COSTA MOSQUITO AND VECTOR CONTROL DISTRICT
Reconciliation of the
NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS
with the
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

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

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	$2,539,283
Amounts reported for governmental activities in the Statement of Activities are different because of the following:	
CAPITAL ASSETS TRANSACTIONS	
Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is capitalized and allocated over their estimated useful lives and reported as depreciation expense.	
Purchase of capital assets	152,409
Depreciation expense is deducted from fund balance	(153,359)
NON-CURRENT ITEMS	
The amounts below included in the Statement of Activities do not provide or (require) the use of current financial resources and therefore are not reported as revenue or expenditures in governmental funds (net change):	
Compensated absences	(25,933)
Pension expense, net of deferred inflows and outflows	152,553
Salary and benefit expenses related to OPEB	195,965
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	$2,860,918

See accompanying notes to financial statements

CONTRA COSTA MOSQUITO AND VECTOR CONTROL DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2024

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Property taxes	$7,814,983	$7,731,744	($83,239)
Benefit assessment	2,083,936	2,086,779	$2,843
Contract billing	52,020	171,388	119,368
Interest income	100,000	612,542	512,542
Sale of fixed asset	60,000	48,992	(11,008)
Miscellaneous income	50,000	17,513	(32,487)
Total Revenues	10,160,939	10,668,958	508,019
EXPENDITURES			
Current:			
Salaries	5,765,695	5,567,063	198,632
Fringe benefits	824,915	729,076	95,839
OPEB contributions	215,000	215,000	
Operation Expense	178,500	121,436	57,064
Control Expenses	870,000	184,092	685,908
Equipment maintenance	89,000	107,250	(18,250)
Building maintenance	39,500	18,720	20,780
Professional special services	374,900	254,930	119,970
Administrative Expenses	19,800	33,632	(13,832)
Insurance	395,250	372,724	22,526
Professional memberships	30,000	31,825	(1,825)
Lab Services	50,000	47,950	2,050
Utilities	122,500	77,313	45,187
Information & Technology	118,100	57,456	60,644
Public Affairs	112,000	90,249	21,751
Training Board and Staff	67,000	62,002	4,998
Taxes and assessments	450,000	3,775	446,225
Rents and leases	8,500	9,720	(1,220)
Capital Outlay	232,000	145,462	86,538
Total Expenditures	9,962,660	8,129,675	1,832,985
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	198,279	2,539,283	2,341,004
NET CHANGE IN FUND BALANCE	$198,279	2,539,283	$2,341,004
BEGINNING FUND BALANCE		16,940,184	
ENDING FUND BALANCE		$19,479,467	

See accompanying notes to financial statements

NOTE 1 - GENERAL

The Contra Costa Mosquito Abatement District was formed in 1926 and began operations on April 15, 1927. The original district, comprised of approximately 61 square miles, then annexed and merged with other districts to become the county-wide Contra Costa Mosquito Abatement District, effective July 1, 1986. Effective July 1, 1993, Contra Costa County's Vector Control program was merged into Contra Costa Mosquito Abatement District, forming the Contra Costa Mosquito and Vector Control District (the District).

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation

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

These Statements require that the financial statements described below be presented.

Government-wide Financial Statements: The District's financial statements reflect only its own activities; it has no component units (other government units overseen by the District). The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues.

Fund Financial Statements: Fund Financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. General fund operations are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows, liabilities, deferred inflows, fund equity, revenues, and expenditures (or expenses) as appropriate. The District's resources are accounted for based on the purposes for which they are to be spent and the means by which spending activities are controlled. An emphasis is placed on major funds, each of which is displayed in a separate column. The District has only one fund, the General Fund, which is always reported as a major fund.

Governmental Funds:

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Accounting

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

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

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

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Property Taxes

Property Tax Levy, Collection and Maximum Rates – The State of California (State) Constitution Article XIII (A) provides that the combined maximum property tax rate on any given property may not exceed one percent of its assessed value when an additional amount for general obligation debt has been approved by voters. Assessed value is calculated at 100 percent of market value as define by Article XIII (A) and may be adjusted by no more than two percent per year unless the property is sold or transferred. The State Legislature has determined the method of distribution of receipts from a one percent tax levy to the counties, cities, school districts and other districts.

The County of Contra Costa is responsible for assessing, collecting and apportioning property taxes for the District. Taxes are levied for each fiscal year on taxable real and personal property situated in the District. The levy is based on the assessed values as of the preceding January 1st, which is also the lien date. State code requires tax rates to be set no later than the first workday in September unless the County of Contra Costa Board of Supervisors elects to extend the deadline to October 3rd. Property taxes on the secured roll are due in two installments: November 1st and February 1st and become delinquent after December 10th and April 10th, respectively. Supplemental property taxes are levied based on changes in assessed values between the date of real property sales or construction and the preceding assessment date. The additional supplemental property taxes are prorated from the first day of the month following the date of such occurrence. Property taxes on the unsecured roll are due in the lien date (January 1st), and become delinquent if unpaid by August 31st.

D. Budgets and Budgetary Accounting

The District follows the procedures established by the State of California for special districts in establishing the budgetary data reflected in the financial statements.

During the year, the General Fund was the only fund for which a budget was required. The budget was prepared on the cash basis. Differences between the cash basis budget and the modified accrual financial records are not considered to be material.

E. Accumulated Compensated Absences

Compensated absences are comprised of unpaid vacation. Vacation is accrued as earned and sick leave is not accrued since it does not vest. The General Fund has been used to liquidate compensated absences. As of June 30, 2024, the District's compensated absences balance is $425,091.

F. Use of Estimates

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Deferred Outflows/Inflows of Resources

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

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

H. Fair Value Measurements

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

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

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

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

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

I. OPEB Liabilities, OPEB Expenses and Deferred Outflows/Inflows of Resources Related to 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 OPEB Plan and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by Public Agency Retirement Services (PARS). 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 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Lease Accounting

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

NOTE 3 - CASH AND INVESTMENTS

A. Policies

California Law requires banks and savings and loan institutions to pledge government securities with a market value of 110% of the District's cash on deposit, or first trust deed mortgage notes with a market value of 150% of the deposit, as collateral for these deposits. Under California Law this collateral is held in a separate investment pool by another institution in the District's name and places the District ahead of general creditors of the institution. The District has funds held by the VCJPA which are uncollateralized and uninsured.

The District's investments are carried at fair value, as required by generally accepted accounting principles. The District adjusts the carrying value of its investments to reflect their fair value at each fiscal year end, and it includes the effects of these adjustments in income for that fiscal year. The District's cash and investments consist of the following at June 30, 2024:

Cash in banks	$2,719,840
Carrying value of investments:	
Local Agency Investment Fund	13,099,446
California CLASS	2,057,354
Deposits with Joint Powers Authority	1,287,519
Total District cash and investments	$19,164,159

NOTE 3 - CASH AND INVESTMENTS (Continued)

B. Investments Authorized by the California Government Code and the District's Investment Policy

The District's Investment Policy and the California Government Code allow the District to invest in the following, provided the credit ratings of the issuers are acceptable to the District, and approved percentages and maturities are not exceeded. The table below also identifies certain provisions of the California Government Code, or the District's Investment Policy where the District's Investment Policy is more restrictive.

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum Percentage of Portfolio	Maximum Investment In One Issuer
Local Agency Investment Fund	Upon Demand	N/A	None	100%
Interest Bearing Checking Account	N/A	N/A	None	100%
Fund	N/A	N/A	None	10%
Certificates of Deposit	5 years	A-1	20%	$250,000
U.S. Treasury Bills and Notes	5 years	N/A	None	100%
U.S. Government and Agency Securities	5 years	N/A	None	100%
Bankers Acceptances	180 days	A	40%	30%
Commercial Paper	365 days	A-1	15%	10%
Repurchase Agreements	30 days	N/A	20%	100%
Medium Term Notes	5 years	A	30%	10%
Negotiable Certificates of Deposit	5 years	A-1	30%	10%

*Irwin Union Quality Code Index

C. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Normally, the longer the maturity is of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District generally manages its interest rate risk by holding investments to maturity.

All of the District's investments mature in less than twelve months.

The District is a participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The District reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. The balance available for withdrawal is based on the accounting records maintained by LAIF, which are maintained on an amortized cost basis. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, United States Treasury Notes and Bills, and corporations. At June 30, 2024, these investments matured in an average of 217 days.

NOTE 3 - CASH AND INVESTMENTS (Continued)

The District is a participant in the Prime Fund of the California Cooperative Liquid Assets Securities System (California CLASS), a joint powers authority and public agency established by its members under the provisions of Section 6509.7 of the California Government Code. Members and participants are limited to California public agencies and certain nonprofit corporations whose membership is confined to public agencies or public officials. California CLASS is governed by a Board of Trustees of eligible participants of the program. The District reports its investment in California CLASS at the fair value amount provided by California CLASS, which is the same as the value of the pool shares. The balance in the Prime Fund is available for withdrawal on demand, and is based on the accounting records maintained by California CLASS. Included in California CLASS' investment portfolio are: United States Treasury Notes, Bills, Bonds or Certificates of Indebtedness; registered state warrants or treasury notes or bonds; California local agency bonds, notes, warrants or other indebtedness; federal agency or United States government sponsored enterprise obligations; bankers acceptances; commercial paper; negotiable certificates of deposit; repurchase agreements; medium-term notes; money market mutual funds; notes, bonds or other obligation secured by a first priority security interest in securities authorized under Government Code Section 53651; and mortgage passthrough securities, collateralized mortgage obligations, and other asset – backed securities.

California CLASS' Prime Fund has a target portfolio duration of less than 60-120 days. On June 30, 2024, these investments matured in an average of 27 days.

D. 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. None of the District's investments are subject to credit ratings.

E. Fair Value Hierarchy

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

The California Local Agency Investment Fund and California CLASS are exempt from the fair value hierarchy and is valued based on the fair value factor provided by the Treasurer of the State of California, which is calculated as the fair value divided by the amortized cost of the investment pool.

NOTE 4 - CAPITAL ASSETS

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated fair market value on the date contributed.

The purpose of depreciation is to spread the cost of capital assets equitably among all users over the life of these assets. The amount charged to depreciation expense each year represents that year's pro rata share of the cost of capital assets.

Depreciation is provided using the straight-line method which means the cost of the asset is divided by its expected useful life in years and the result is charged to expense each year until the asset is fully depreciated. Total depreciation expense for the year was $153,359 which is entirely allocated to the District Operations function. The District has assigned the useful lives listed below to capital assets:

Buildings	30 years
Landscaping	10 years
Vehicles, trailers and boats	8 years
Field and operations equipment	8 - 10 years
Office and administrative equipment	3 - 20 years
Office furniture	10 years
Solar panels	25 years
Solar inverter	10 years

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period. Capital assets with a value of $5,000 or more and with a useful life of one year or more are capitalized.

NOTE 4 - CAPITAL ASSETS (Continued)

Capital assets at June 30 comprise the following:

	Balance June 30, 2023	Additions	Retirements	Balance June 30, 2024	NBV June 30, 2024
Governmental activities					
Capital assets not being depreciated:					
Land	$778,640			$778,640	$778,640
Total capital assets not being depreciated	778,640			778,640	$778,640
Capital assets being depreciated:					
Building	3,901,628			3,901,628	
Landscaping	26,226			26,226	
Vehicles, trailers and boats	1,547,927	$131,693	($21,569)	1,658,051	526,593
Field and operations equipment	128,771	20,716		149,487	20,491
Office and admin equipment	75,238		(5,000)	70,238	
Office furniture	23,863			23,863	
Solar panels	410,340			410,340	147,721
Solar inverter	65,000			65,000	
Total capital assets being depreciated	6,178,993	152,409	(26,569)	6,304,833	$694,805
Less accumulated depreciation for:					
Building	(3,900,997)	(631)		(3,901,628)	
Landscaping	(26,226)			(26,226)	
Vehicles, trailers and boats	(1,022,406)	(130,621)	21,569	(1,131,458)	
Field and operations equipment	(123,303)	(5,693)		(128,996)	
Office and admin equipment	(75,238)		5,000	(70,238)	
Office furniture	(23,863)			(23,863)	
Solar panels	(246,205)	(16,414)		(262,619)	
Solar inverter	(65,000)			(65,000)	
Total accumulated depreciation	(5,483,238)	(153,359)	26,569	(5,610,028)	
Total depreciable assets	695,755	($950)		694,805	
Total capital assets	$1,474,395			$1,473,445	

NOTE 5 - FUND BALANCES AND NET POSITION

A. Net Position

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

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

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

NOTE 5 - FUND BALANCES AND NET POSITION (Continued)

B. Fund Balance

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

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

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

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

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

Unassigned fund balance represents residual amounts that have not been restricted, committed, or assigned. This includes the residual general fund balance and residual fund deficits, if any, of other governmental funds. The District strives to maintain 50% of operating expenditures in reserves, which is reflected in the large unassigned fund balance.

NOTE 6 - PENSION PLAN

A. General Information about the Pension Plan

Plan Description – The District participates in the Contra Costa County Employees' Retirement Association (CCCERA), a cost-sharing multiple employer-defined benefit pension plan. CCCERA is governed by the Board of Retirement (Board) under the County Employee's Retirement Law of 1937, as amended on July 1, 1945. It provides benefits upon retirement, death or disability of members, and covers substantially all of the employees of the County of Contra Costa and sixteen other member agencies.

Plan Membership – On December 31, 2023, pension plan membership (for all employers) consisted of the following:

Retired members or beneficiaries currently receiving benefits	10,805
Inactive vested members entitled to, but not yet receiving benefits	4,109
Active members	10,349
Total	25,263

Benefits Provided – Benefits are based on years of credited service, equal to one year of full-time employment. Members may elect service retirement at age of 50 with 10 years of service credit, age 70 regardless of service, or with thirty years of service, regardless of age. For members hired on or after January 1, 2013, members may elect service retirement at age of 52 with 5 years of service credit, or age 70 regardless of service.

Benefits are administered by the Board under the provision of the 1937 Act. Annual cost-of-living adjustments (COLA) to retirement benefits may be granted by the Board as provided by State statutes. Service retirements are based on age, length of service and final average salary. Employees may withdraw contributions, plus interest credited, or leave them on deposit for a deferred retirement when they terminate or transfer to a reciprocal retirement system.

The Plan's provisions and benefits in effect on June 30, 2024, are summarized as follows:

	Miscellaneous Plan	
Hire date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2% at 55	2.5% at 67
Benefit vesting schedule	10 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50	52
Monthly benefits, as a % of eligible compensation	0% to 100%	No limit
Required employee contribution rates	7.83%-16.26%	11.11% - 11.40%
Required employer contribution rates	30.49%	29.27%

NOTE 6 - PENSION PLAN (Continued)

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

For the year ended June 30, 2024, the contributions recognized as part of pension expense for the Plan were as follows:

	Miscellaneous Plan
Contributions - employer	$677,380

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

As of June 30, 2024, the District reported net pension liabilities (asset) for its proportionate share of the net pension liability (asset) of the Plan as follows:

	Proportionate Share of Net Pension Liability (Asset)
Miscellaneous Plan	$3,745,387
Total Net Pension Liability	$3,745,387

NOTE 6 - PENSION PLAN (Continued)

The District's net pension liability (asset) for the Plan is measured as the proportionate share of the net pension liability (asset). The net pension liability (asset) of the Plan is measured as of December 31, 2023, and the total pension liability for each Plan used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2022 rolled forward to December 31, 2023, using standard update procedures. The District's proportion of the net pension liability (asset) was based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The District's proportionate share of the net pension liability (asset) for the Plan as of June 30, were as follows:

Reporting Date for Employer under GASB 68 as of June 30	Proportion of the Net Pension Liability (Asset)	Proportionate share of Net Pension Liability (Asset)	Covered payroll	Proportionate share of the Net Pension Liability (Asset) as a percentage of its covered payroll	Plan Fiduciary Net Pension as a percentage of the Total Pension Liability (Asset)
2014	0.427%	$6,281,902	$2,787,246	225.38%	74.40%
2015	0.427%	5,104,681	2,840,172	179.73%	79.57%
2016	0.376%	5,665,700	2,956,365	191.64%	77.84%
2017	0.367%	5,140,418	3,081,368	166.82%	80.32%
2018	0.372%	3,017,908	3,190,908	94.60%	88.49%
2019	0.332%	4,737,389	3,235,876	146.40%	82.28%
2020	0.325%	2,807,582	3,339,694	84.07%	89.91%
2021	0.291%	1,341,891	3,491,144	38.44%	95.33%
2022	0.265%	(643,711)	3,399,814	-18.93%	102.22%
2023	0.233%	3,745,387	3,426,833	109.30%	86.55%
2024	0.235%	3,745,487	3,697,810	101.29%	88.06%

For the year ended June 30, 2024, the District recognized negative pension expense of $152,553. On June 30, 2024, 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	$677,380	
Differences between expected and actual experience	481,486	$2,497
Changes of assumptions	174,195	4,387
Change in proportion and differences between employer contributions and proportionate share of contributions	526,007	34,288
Net excess of projected over actual earnings on pension plan investments	1,758,674	
Total	$3,617,742	$41,172

NOTE 6 - PENSION PLAN (Continued)

The $677,380 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	Annual Amortization
2025	$849,826
2026	920,995
2027	1,134,720
2028	(6,351)
Total	$2,899,190

Actuarial Assumptions – The total pension liabilities in the December 31, 2022 actuarial valuations were determined using the following actuarial assumptions:

	Miscellaneous Plan
Valuation Date	December 31, 2022
Measurement Date	December 31, 2023
Actuarial Cost Method	Entry Age Actuarial Cost Method
Amortization Method	Level percent of payroll
Actuarial Assumptions:	
Discount Rate	6.75%
Inflation Rate	2.50%
Administrative Expenses	1.17% of payroll
Payroll Growth	3.50% (1)
Projected Salary Increase	3.50% - 14.00%(2)
Cost of Living Adjustments	2.75%
Investment Rate of Return	6.75% (3)
Mortality Rates	'Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table

(1) Plus "across the board" real salary increases of 0.5% per year

(2) Vary by service, including inflation

(3) Net of pension plan investment expenses, including inflation

Discount Rate – The discount rate used to measure the total pension liability was 6.75% for the Plan. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the actuarially determined contribution rates. For this purpose, only employee and employer contributions that are intended to fund benefits for current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as December 31, 2022.

NOTE 6 - PENSION PLAN (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumption are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large Cap U.S. Equity	10%	5.40%
Small Cap U.S. Equity	3%	6.17%
Developed International Equity	10%	6.13%
Emerging Markets Equity	9%	8.17%
Core Fixed	4%	0.39%
Short-Term Govt/Credit	14%	-0.14%
Cash & Investments	3%	-0.73%
Private Equity	15%	10.83%
Private Credit	13%	5.93%
Infrastructure	3%	6.30%
Value Add Real Estate	5%	7.20%
Opportunistic Real Estate	5%	8.50%
Risk Parity	3%	3.80%
Hedge Funds	3%	2.40%
Total	100%	

Sensitivity of the Proportionate Share of the Net pension liability (asset) to Changes in the Discount Rate – The following presents the District's proportionate share of the net pension liability (asset) for the Plan, calculated using the discount rate for the Plan, as well as what the District's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Miscellaneous Plan
1% Decrease	5.75%
Net Pension Liability (Asset)	$7,951,537
Current Discount Rate	6.75%
Net Pension Liability (Asset)	$3,745,387
1% Increase	7.75%
Net Pension Liability (Asset)	$297,866

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

NOTE 7 - OTHER POST EMPLOYMENT BENEFITS

A. Plan Description and Funding Policy

The District provides postretirement health care benefits to all employees who retire on or after attaining age 55; for those hired prior to July 1, 2007, the employee must have a minimum of 5 years of public service to be eligible and for those hired on or after July 1, 2017, the employee must have a minimum of 10 years of public service. All eligible retirees can continue medical coverage with the plan provided for active employees. The District covers up to the lowest cost Health Maintenance Organization's plan available to retirees. The cost of the benefits provided by the Plan was being paid by the District on a pay-as-you-go basis until June 2011, when the District joined the Public Agencies Post-Retirement Health Care Plan, an agent multiple-employer defined benefit healthcare plan trust administered by the Public Agency Retirement Services (PARS). PARS issues a financial report that includes financial statement and required supplementary information. That report may be obtained from PARS, 4350 Von Karman Avenue, Suite 100, Newport Beach, CA 92660.

Employees Covered by Benefit Terms – Membership in the plan consisted of the following at the measurement date of June 30, 2024:

Active employees	32
Inactive employees or beneficiaries currently receiving benefit payments	18
Inactive employees entitled to but not yet receiving benefit payments	3
Total	53

B. Net OPEB Liability

Actuarial Methods and Assumptions – The District's net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2023, that was rolled forward using standard update procedures to determine the District's total OPEB liability as of June 30, 2024, based on the following actuarial methods and assumptions:

	Actuarial Assumptions
Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Actuarial Assumptions:	
Discount Rate	6.40%
Inflation Rate	2.50%
Payroll Growth	3.00%
Investment Rate of Return	6.40% net of OPEB plan investment expense
Pre-Retirement Mortality Rate	CCCERA 2020 Experience Study
Post-Retirement Mortality Rate	MacLeod Watts Scale 2022
Healthcare Cost Trend Rate	Above-Median Mortality Table for Males or Females 6.2% (effective January 1, 2025) and then fluctuate to an ultimate increase rate of 3.9% for years 2075 and later

NOTE 7 - OTHER POST EMPLOYMENT BENEFITS (Continued)

Investment Policy **–** The District's policy regarding the allocation of the plan's invested assets is established and may be amended by District management. The primary objective is to maximize total Plan return, subject to the risk and quality constraints set forth in the investment guidelines. The investment objective the District has selected is Medium to High risk tolerance. The following is the District's adopted asset allocation policy as of June 30, 2024:

Asset Class	Asset Allocation
Equities	60.0%
Fixed Income	35.0%
Cash	5.0%

Investment Rate of Return **–** For the year ended June 30, 2024, the annual money-weighted rate of return on investments, net of investment expense, was 6.40% as required by GASB 75. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount Rate – The discount rate used to measure the total OPEB liability was 6.40% as of June 30, 2024. 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 future benefit payments of current plan members. Therefore, the long term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

C. Changes in Net OPEB Liability

The changes in the net OPEB liability follows:

	Increase (Decrease)		
	Total OPEB Liability (a)	**Plan Fiduciary Net Position (b)**	**Net OPEB Liability/(Asset) (a) - (b)**
Balance at June 30, 2023 (Measurement Date)	$4,473,353	$3,602,268	$871,085
Changes Recognized for the Measurement Period:			
Service Cost	147,091		147,091
Interest on the total OPEB liability	270,631		270,631
Expected investment income		221,200	(221,200)
Changes in benefit terms			
Differences between expected and actual experience		275,082	(275,082)
Changes of assumptions	(223,112)		(223,112)
Contributions from the employer		404,684	(404,684)
Net investment income			
Administrative expenses		(21,556)	21,556
Benefit payments	(189,684)	(189,684)	
Net changes	4,926	689,726	(684,800)
Balance at June 30, 2024 (Measurement Date)	$4,478,279	$4,291,994	$186,285

NOTE 7 - OTHER POST EMPLOYMENT BENEFITS (Continued)

D. Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trend Rates

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.98%) or 1-percentage-point higher (6.98%) than the current discount rate:

Net OPEB Liability/(Asset)		
Discount Rate -1% (4.98%)	Discount Rate (5.98%)	Discount Rate +1% (6.98%)
$747,594	$186,285	($280,669)

The following presents the net OPEB liability of1 the District, as well as what the District's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

Net OPEB Liability/(Asset)		
1% Decrease (5% decreasing to 4%)	Healthcare Cost Trend Rates (6% decreasing to 5%)	1% Increase (7% decreasing to 6.00%)
($361,277)	$186,285	$861,265

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

For the year ended June 30, 2024, the District recognized OPEB expense of $208,719. At June 30, 2024, the District reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	$134,706	487,874
Changes of assumptions	607,705	$254,871
Net differences between projected and actual earnings on plan investments		104,194
Total	$742,411	$846,939

NOTE 7 - OTHER POST EMPLOYMENT BENEFITS (Continued)

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

Year Ended June 30	Annual Amortization
2025	($24,636)
2026	119,434
2027	(12,071)
2028	(67,202)
2029	(72,513)
Thereafter	(47,540)
Total	($104,528)

NOTE 8 - RISK MANAGEMENT

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

The VCJPA is a consortium of thirty-four (34) mosquito abatement or vector control districts in the State of California. It was established under the provisions of California Government Code section 6500 et seq. The VCJPA is governed by a Board of Directors, which meets four times per year, consisting of one member from each of the four regions as well as two trustees of the Mosquito and Vector Control Association of California (MVCAC). A risk management group employed by the VCJPA handles the day-to-day business.

The following is a summary of the insurance policies in force carried by the Authority as of June 30, 2024:

Type of Coverage	District Limits	District Deductibles
General Liability, Automobile Liability and Errors & Omissions	$30,500,000	$0
Employment Practices (per occurrence)	4,000,000	25,000
Workers' Compensation (per loss)	500,000	Statutory
Excess Workers' Compensation	5,000,000	500,000
Property Damage	25,000	500
Boiler and Machinery	100,000,000	10,000 - 350,000
All-Risk Property	400,000,000	25,000
Auto Physical Damage (per accident)	50,000	1,000
Business Travel Accident (per accident)	150,000	0
Group Fidelity	1,000,000	2,500
Deadly Weapon Response	500,000	10,000

NOTE 8 - RISK MANAGEMENT (Continued)

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

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

In accordance with GASB 10, the District has recorded its deposit with VCJPA as an asset at June 30, 2024. The District had no claims losses outstanding at June 30, 2024. Settled claims for the District have not exceeded coverage in any of the past three years.

The District has reserves of $1,287,519 in deposit with VCJPA for member contingencies to cover the District's self-insured retentions (SIR) for two claims in each type of coverage. The VCJPA has also purchased insurance to cover catastrophic losses.

Financial statements may be obtained from Vector Control Joint Powers Agency, 1831 K Street, Sacramento, California 95814.

REQUIRED SUPPLEMENTARY INFORMATION

CONTRA COSTA MOSQUITO AND VECTOR CONTROL DISTRICT
Cost-Sharing Multiple Employer Defined Benefit Retirement Plan
As of fiscal year ending June 30, 2024
Last 10 Years*
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS

Measurement Date	**12/31/23**	**12/31/22**	**12/31/21**
Total Pension Liability			
Service Cost	$652,489	$615,707	$661,660
Interest on the Total Pension Liability	1,863,019	1,760,730	1,923,456
Expensed portion of current-period changes in proportion and difference between employer's contributions and proportionate share of contributions	105,255	68,479	(19,187)
Expensed portion of current-period benefit changes			-
Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	101,418	52,959	3,955
Expensed portion of current-period changes of assumptions or other inputs			130,767
Member contributions	(312,503)	(286,738)	(307,546)
Projected earnings on plan investments	(1,588,973)	(1,794,221)	(1,840,771)
Expensed portion of current-period differences between actual and projected earnings on plan investments	(91,086)	956,873	(367,739)
Administrative expense	30,374	27,050	29,534
Other	2,215	8,722	3,265
Recognition of beginning of year deferred outflows of resources as pension expense	1,172,111	561,211	507,366
Recognition of beginning of year deferred inflows of resources as pension expense	(739,103)	(759,518)	(760,671)
Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	47,681	(43,593)	(32,898)
Net change in total pension liability	$1,242,897	$1,167,661	($68,809)
Reconciliation of Net Pension Liability			
Beginning Net Pension Liability	$3,952,156	($643,711)	$1,341,891
Pension expense	1,242,897	1,167,661	(68,809)
Employer contributions	(1,334,902)	(1,225,282)	(1,228,794)
New net deferred inflows	(18,510)	4,009,670	(1,002,124)
Change in allocation of prior deferred inflows/outflows	25,517	166,350	94,692
New net deferred outflows to change in proportion	358,918	235,568	(66,770)
Recognition of prior deferred inflows/outflows	(433,008)	198,307	253,305
Recognition of prior deferred flows due to change in proportion	(47,681)	43,593	32,898
Net pension liability - ending	$3,745,387	$3,952,156	($643,711)
Plan fiduciary net position as a percentage of the total pension liability	88.06%	56.55%	102.22%
Covered payroll	$3,697,810	$3,426,833	$3,399,814
Net pension liability as percentage of covered payroll	101.29%	115.33%	-18.93%

Notes to Schedule:

Changes in assumptions - In fiscal 2017, amounts reported as changes in assumptions resulted primarily from adjustments to expected retirement ages of general employees.

* Fiscal year 2015 was the 1st year of implementation; additional years' information will be reported as it becomes available.

12/31/20	12/31/19	12/31/18	12/31/17	12/31/16	12/31/15	12/31/14
$701,973	$758,916	$766,137	$795,771	$749,158	$725,251	$820,780
2,069,063	2,208,901	2,151,528	2,293,954	2,187,895	2,189,183	2,395,941
(12,539)	21,425	(58,408)	28,662	12,992	(114,998)	7,670
-	-	-	-	-	-	-
(6,609)	86,763	38,339	(24,401)	(16,141)	(51,663)	(170,401)
(11,611)		(67,596)	-	-	60,037	(70)
(333,949)	(355,696)	(346,257)	(361,657)	(328,155)	(320,894)	(334,097)
(1,888,543)	(1,851,911)	(1,945,725)	(1,933,538)	(1,800,784)	(1,881,788)	(1,994,327)
(138,650)	(390,842)	518,738	(348,352)	(4,910)	321,013	(11,406)
31,630	33,444	31,224	34,289	31,366	30,508	29,799
3,341	3,639	12,145	4,562	(32,994)	2,512	-
568,024	853,379	338,970	380,016	374,631	-	-
(714,020)	(434,363)	(486,551)	(232,595)	(208,249)	(160,153)	-
(915)	(76,553)	(68,744)	(94,336)	(107,328)	7,670	-
$267,195	$857,102	$883,800	$542,375	$857,481	$806,678	$743,889
$2,807,582	$4,737,389	$3,017,908	$5,140,418	$5,665,700	$5,104,681	$6,281,902
267,195	857,102	883,800	542,375	857,481	806,678	743,889
(1,265,878)	(1,236,556)	(1,248,984)	(1,242,766)	(1,277,784)	(1,385,627)	(1,289,400)
(617,825)	(1,258,832)	1,970,504	(1,480,763)	(77,263)	1,313,527	(659,320)
47,415	(24,261)	106,352	9,119	(15,044)	78,751	-
(43,509)	75,203	(208,516)	102,610	46,382	(404,793)	27,610
145,996	(419,016)	147,581	(147,421)	(166,382)	160,153	-
915	76,553	68,744	94,336	107,328	(7,670)	-
$1,341,891	$2,807,582	$4,737,389	$3,017,908	$5,140,418	$5,665,700	$5,104,681
95.33%	89.91%	82.28%	88.49%	80.32%	77.84%	79.57%
$3,491,144	$3,329,694	$3,235,876	$3,190,169	$3,081,368	$2,956,365	$2,840,172
38.44%	84.07%	146.40%	94.60%	166.82%	191.64%	179.73%

CONTRA COSTA MOSQUITO AND VECTOR CONTROL DISTRICT
Cost-Sharing Multiple Employer Defined Benefit Retirement Plan
As of fiscal year ending June 30, 2024
Last 10 Years*
SCHEDULE OF CONTRIBUTIONS

Fiscal Year Ended June 30:	**2024**	**2023**	**2022**	**2021**	**2020**
Actuarially determined contribution	$ 1,334,902	$ 1,225,282	$ 1,228,794	$ 1,265,878	$ 1,236,556
Contributions in relation to the actuarially determined contributions	1,334,902	1,225,282	1,228,794	1,265,878	1,236,556
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 3,697,810	$ 3,426,833	$ 3,399,814	$ 3,491,144	$ 3,329,694
Contributions as a percentage of covered payroll	36.10%	35.76%	36.14%	36.26%	37.14%
Notes to Schedule					
Valuation date:	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	7 years **
Asset valuation method	5-year semi-annually
Inflation	2.50%
Salary increases	3.5% to 14:00% for fiscal years ended June 30, 2021, 2022 and 2023, 4.00% to 15:00% for fiscal year ended June 30, 2019; 4%-13.25% for previous fiscal years
Investment rate of return	6.75%, net of pension plan investment expense, including inflation
Retirement age	50 years Classic, 52 50 years Classic, 52 years PEPRA
Mortality	RP-2014 Healthy A RP-2014 Healthy Annuitant Mortality Table with setbacks and forwards

* Fiscal year 2015 was the 1st year of implementation; additional years' information will be reported as it becomes available.

** Remaining balance of December 31, 2007 UAAL is amortized over a fixed (decreasing or closed) period with 7 years remaining as of December 31, 2015. Any changes in UAAL after December 31, 2007 will be separately amortized over a fixed 18-year period effective with that valuation. Any changes in UAAL due to plan amendments will be amortized over a 10-year fixed period effective with that valuation.

2019	2018	2017	2016	2015
$ 1,248,984	$ 1,242,766	$ 1,277,784	$ 1,385,627	$ 1,289,400
1,248,984	1,242,766	1,277,784	1,385,627	1,289,400
$ -	$ -	$ -	$ -	$ -
$ 3,235,876	$ 3,190,169	$ 3,081,368	$ 2,956,365	$ 2,840,172
38.60%	38.96%	41.47%	46.87%	45.40%
12/31/2017	12/31/2016	12/31/2015	12/31/2014	12/31/2013

CONTRA COSTA MOSQUITO AND VECTOR CONTROL DISTRICT
Agent Multiple-Employer Other Post-Employment Defined Benefits Plan
Schedule of Changes in the
Net OPEB Liability and Related Ratios
Last Ten Fiscal Years *

Measurement Date	**06/30/24**	**06/30/23**	**6/30/22**	**6/30/21**	**6/30/20**	**6/30/19**	**6/30/18**
Total OPEB Liability							
Service Cost	$147,091	$142,682	$138,526	$83,491	$81,059	$83,420	$105,325
Interest	270,631	259,637	247,382	192,276	183,308	168,947	176,075
Changes of benefit terms		(5,059)					
Differences between expected and actual experience		(674,442)		269,550		63,772	
Changes of assumptions	(223,112)	373,282		729,199		(404,174)	
Benefit payments	(189,684)	(199,892)	(144,099)	(120,563)	(112,481)	(76,193)	(43,870)
Net change in total OPEB liability	4,926	(103,792)	241,809	1,153,953	151,886	(164,228)	237,530
Total OPEB liability - beginning	4,473,353	4,577,145	4,335,336	3,181,383	3,029,497	3,193,725	2,956,195
Total OPEB liability - ending (a)	$4,478,279	$4,473,353	$4,577,145	$4,335,336	$3,181,383	$3,029,497	$3,193,725
Plan fiduciary net position							
Contributions - employer	$404,684	$414,892	$359,099	$325,563	$288,481	$192,639	$176,000
Net investment income	496,282	274,024	(485,300)	661,752	78,790	161,494	145,741
Administrative expense	(21,556)				(13,459)	(11,448)	(11,009)
Benefit payments	(189,684)	(199,892)	(144,099)	(120,563)	(112,481)	(76,193)	(43,870)
Net change in plan fiduciary net position	689,726	489,024	(270,300)	866,752	241,331	266,492	266,862
Plan fiduciary net position - beginning	3,602,268	3,113,244	3,383,544	2,516,792	2,275,461	2,008,969	1,742,107
Plan fiduciary net position - ending (b)	$4,291,994	$3,602,268	$3,113,244	$3,383,544	$2,516,792	$2,275,461	$2,008,969
Net OPEB liability - ending (a)-(b)	$186,285	$871,085	$1,463,901	$951,792	$664,591	$754,036	$1,184,756
Plan fiduciary net position as a percentage of the total OPEB liability	95.84%	80.53%	68.02%	78.05%	79.11%	75.11%	62.90%
Covered payroll	$3,895,446	$3,462,896	$3,607,562	$3,525,372	$3,442,363	$3,235,876	$3,190,169
Net OPEB liability as a percentage of covered payroll	4.78%	25.15%	40.58%	27.00%	19.31%	23.30%	37.14%

* Fiscal year 2018 was the first year of implementation.

CONTRA COSTA MOSQUITO AND VECTOR CONTROL DISTRICT
Agent Multiple-Employer Other Post-Employment Defined Benefits Plan
Schedule of Contributions
Last Ten Fiscal Years*

Fiscal Year Ended June 30,	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**
Actuarially determined contribution	$204,225	$200,349	$194,513	$219,797	$149,327	$144,978	$168,407
Contributions in relation to the actuarially determined contribution	404,684	414,892	359,099	325,563	288,481	192,639 **	176,000
Contribution deficiency (excess)	($200,459)	($214,543)	($164,586)	($105,766)	($139,154)	($47,661)	($7,593)
Covered payroll	$3,895,446	$3,462,896	$3,607,562	$3,525,372	$3,442,363	$3,235,876	$3,190,169
Contributions as a percentage of covered payroll	10.4%	11.98%	9.95%	9.23%	8.38%	5.95%	5.52%

Notes to Schedule

Methods and assumptions used to determine contribution rates:

Valuation Date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2021	July 1, 2018	July 1, 2018	July 1, 2016
Actuarial Assumptions:							
Discount Rate	6.40%	5.98%	5.62%	5.62%	6.00%	6.00%	6.00%
Payroll Growth	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%

* Fiscal year 2018 was the first year of implementation.
** Contribution includes implied subsidy

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Appendix L
Consumer and Environmental Protection Agency Overhead Over the Years

Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	$7,157,889.00	$7,148,705.00	$7,130,798.00	$7,187,251.00	$7,245,251.00	$7,184,727.00	$7,152,767.00	$7,298,860.00	$8,146,648.00	$7,759,511.00	$7,759,511.00	$8,144,978.00
Overhead Figures												
CEPA OH	$419,780.00	$637,627.00	$806,819.00	$1,124,081.00	$974,052.00	$1,193,083.00	$1,193,560.00	$1,397,438.00	$1,397,438.00	$1,106,913.00	$1,167,326.00	$1,392,601.39
County OH	$612,295.00	$628,648.00	$697,850.00	$862,658.00	$828,528.00	$882,092.00	$826,068.00	$1,054,271.00	$1,279,498.00	$1,130,400.00	$1,215,697.00	
Supplies	$1,491,406.00	$1,270,704.00	$1,460,067.00	$1,423,074.00	$1,364,898.00	$1,531,245.00	$1,483,042.00	$1,467,435.00	$1,633,813.00	$1,771,272.00	$1,651,006.00	
Total	$2,523,481.00	$2,536,979.00	$2,964,736.00	$3,409,813.00	$3,167,478.00	$3,606,420.00	$3,502,670.00	$3,919,144.00	$4,310,749.00	$4,008,585.00	$4,034,029.00	
Internal Costs												
IT	$144,889.00	$150,561.00	$158,393.00	$165,600.00	$167,982.00	$363,652.00	$465,497.00	$474,859.00	$494,660.00	$227,498.00	$246,957.00	
Admin	$173,230.00	-	-	-	-	-	-	-	-	-	-	
Comms	$247,021.00	$255,897.00	$269,235.00	$284,851.00	$288,502.00	$303,706.00	$284,081.00	$299,407.00	$318,239.00	$324,490.00	$337,765.00	
Management	$663,125.00	$691,283.00	$771,832.00	$840,739.00	$867,809.00	$913,669.00	$927,618.00	$954,258.00	$1,183,050.00	$1,396,767.00	$1,500,946.00	
Specialists	$114,482.00	$201,016.00	$205,476.00	$229,758.00	$214,329.00	$229,676.00	$611,057.00	$685,576.00	$629,837.00	$625,667.00	$830,126.00	
Techs	$2,702,967.00	$2,805,020.00	$2,979,539.00	$3,155,663.00	$3,285,239.00	$3,356,019.00	$3,118,239.00	$3,367,331.00	$3,378,108.00	$3,245,688.00	$3,356,681.00	
Total	$4,045,714.00	$4,103,777.00	$4,384,475.00	$4,676,611.00	$4,823,861.00	$5,166,722.00	$5,406,492.00	$5,781,431.00	$6,003,894.00	$5,820,110.00	$6,272,475.00	
FTE	36.5	35.5	35.5	35.5	35.5	37.5	39.5	39.5	39.5	39.5	40.5	

Appendix M
Provided Overhead Figures for FY25

Job Code	Job Title	VCD%	VCD %$	Projected total salary/ Benefits
A50	Dir, CEPA	37%	$150,884.05	$407,794.73
B1P	Mgmt Analyst	35%	$78,726.51	$224,932.89
B1P	Mgmt Analyst	35%	$65,584.70	$187,384.86
B2K	Admin Serv Mgr III	35%	$101,393.27	$289,695.06
B2R	Admin Support Officer !	12%	$16,086.50	$134,054.17
B77	Accountant III	37%	$73,111.24	$197,597.95
B78	Accountant II	36%	$63,140.01	$175,388.92
B96	Dept Fiscal Offier	37%	$99,072.55	$267,763.65
C08	Sr Executive Aisstant	37%	$67,196.61	$181,612.46
C5H	Sr Comm Officer	15%	$18,836.23	$125,574.87
D09	Office Specialist III	96%	$114,654.44	$119,431.71
D09	Office Specialist III	96%	$136,041.81	$141,710.22
V46	Envmntl hl sfty Comp Sp	36%	$82,602.50	$229,451.39
G6L	IT Manager	30%	$99,062.62	$330,208.73
G1T	IT Field Support Spcialist	25%	$55,386.96	$221,547.84
G5F	Application Developer	35%	$92,520.02	$264,342.91
G9F	IT Business Analyst	20%	$48,280.04	$241,400.20
G5Q	Business Systems Analy	10%	$30,021.33	$300,213.30
		Totals	$1,392,601.39	$4,040,105.84

Benefit Assessment Revenue	Fiscal Year 2024-2025
1995 Benefit Assessment	$2,857,297
2005 Benefit Assessment	$4,972,682
Other Revenues	$314,999
Total Revenues	**$8,144,978**

Vector Control Expenditures	Fiscal Year 2024-2025
Salaries and Benefits	$5,866,485
Vector Operations	$1,260,957
Other expenditures	$3,124,996
Total Expenditures	**$10,252,438**
	($2,107,460)
Use of Fund Balance	**($2,107,460)**

1

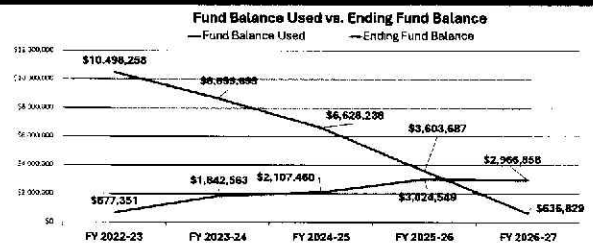
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1. Increased of program services:
   - More inspections/treatments –> usage of extra help hours and overtime
   - More pesticides usage
   - New vectors – Aedes
   - Increased vector activity - WNV
2. Rising operation costs:
   - Higher price of equipment
   - Increased cost of pesticides
   - Increased vehicle maintenance
   - Increased labor costs

2

2



3

3

These strategies will keep Mosquito and Vector Control District operational at the essential services level:

- ❑Reduce CEPA overhead
- ❑Reduce Overtime and Extra Help Hours
- ❑Reduce Program Costs
  - ❑No discretionary travel for conferences and trainings
  - ❑Essential supplies purchases
- ❑No vehicle replacement
- ❑Increase revenue agreements with jurisdictions

4

4

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- We're not out of the woods yet
- Fiscal 2026-27
  Fund balance to cover operations expenses
- FY 2027-2028
  Fund balance will not be enough to cover the full year
- CEPA continues to look for revenue agreements

5

5

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- Fiscal Year 2027-2028
  Structural Deficit
- If 3rd benefit assessment does not pass:
  - Deleting vacant positions
  - Reduce program costs
  - Strategic prioritization of service requests

6

6

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
BASIC FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED
JUNE 30, 2017

Patel &
Associates, LLP
Certified Public Accountants

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
JUNE 30, 2017
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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
Santa Clara County Vector Control District
San Jose, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, major fund, and the remaining fund information of the Santa Clara County Vector Control District (the "District"), a component unit of the County of Santa Clara, as of and for the year ended June 30, 2017, 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. 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.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, major fund, and remaining fund information of the Santa Clara County Vector Control District, as of June 30, 2017, and the respective changes in financial position thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedule , schedule of changes in net pension liability and related ratios, and schedule of plan contributions on pages 3 - 9 and 26 - 28 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 August 09, 2017, on our consideration of the Santa Clara County Vector Control 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 Santa Clara County Vector Control District's internal control over financial reporting and compliance.

Patel & Associates, LLP
Certified Public Accountants

Patel & Associates, LLP

Oakland, California
August 09, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS
(REQUIRED SUPPLEMENTARY INFORMATION)

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017

This section of the Santa Clara County Vector Control District (the "District") annual financial report presents a discussion and analysis of the District's financial performance for the fiscal year ended June 30, 2017. The District's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosure following this section:

FINANCIAL HIGHLIGHTS

- The assets/deferred outflow of the District exceeded liabilities/deferred inflow by $13,259,296 (net position) for the fiscal year reported. Of this amount, $6,563,418 is net investment in capital assets while $6,695,878 is restricted for general purposes.

- The District's total net position increased by $17,194 during the fiscal year.

- As of June 30, 2017, the District's governmental funds reported combined ending fund balances of $11,219,996. The entire amount is restricted to be spent only for the missions the District is committed to.

- At the end of the fiscal year, restricted fund balance for the general fund was $10,926,159 or 105% of total general fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: (1) Government-wide financial statements, (2) Fund financial statements, and (3) Notes to the basic financial statements. Required Supplementary Information is included in addition to the basic financial statements.

Government-wide Financial Statements

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

The *statement of net position* presents information on all of the District's assets, deferred outflow, liabilities, and deferred inflow with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether or not the financial position of the District is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges *(business-type activities*). The only governmental activity of the District is health and sanitation. The District does not have any business-type activities.

Fund Financial Statements

The fund financial statements are designed to report information about groupings of related accounts which are used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into one category only, governmental funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements—i.e. most of the District's basic services are reported in governmental funds. These statements, however, focus on (1) how cash and other financial assets can readily be converted to available resources and (2) the balances left at year-end that are available for spending. Such information may be useful in determining what financial resources are available in the near future to finance the District's programs.

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 financial decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains two governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and capital projects.

The District does not have any proprietary and fiduciary funds.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information

The required supplementary information is presented concerning the District budgetary comparison schedule. The District adopts an annual appropriated budget for its General Fund and Capital Project. A budgetary comparison schedule has been provided for the General Fund to demonstrate compliance with this budget and to satisfy the requirement of GASB Statement No. 34.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets/deferred outflow exceeded liabilities/deferred inflow by $13,259,296 at the close of the most recent fiscal year.

NET POSITION
GOVERNMENTAL ACTIVITIES

	2017	2016	Increase (Decrease) %
ASSETS			
Current and other assets	$11,473,349	$14,614,776	(21)%
Capital assets, net	6,563,418	6,611,810	(0.73)%
Total Assets	18,036,767	21,226,586	(15)%
Deferred Outflows of Resources	1,974,421	1,060,398	86 %
LIABILITIES			
Current and other liabilities	274,962	502,963	(45)%
Non-current - due beyond one year	5,411,551	7,501,501	(28)%
Total Liabilities	5,686,513	8,004,464	(29)%
Deferred Inflows of Resources	1,065,379	1,040,418	2 %
NET POSITION			
Net investment in capital assets	6,563,418	3,627,228	81 %
Restricted net position	6,695,878	9,614,874	(30)%
Total Net Position	$13,259,296	$13,242,102	0.13 %

Analysis of Net Position

The larger portion of the District's net position $6,695,878 (51%) represents resources that are subject to external restrictions on how they may be used.

The remaining balance of the District's net position of $6,563,418 (49%) represents net investment in capital assets (e.g. land, building and improvements, vehicles, and equipment). The District uses these capital assets to provide services to citizens; consequently, these are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

At the end of the current fiscal year, the District reported positive balances in both categories of net position.

Governmental Activities

Governmental activities increased the District's net position by $17,194 thereby accounting for 100% of the total increase in net position of the District.

The following table indicates the changes in net position for governmental activities:

CHANGES IN NET POSITION
GOVERNMENTAL ACTIVITIES

	2017	2016	Increase (Decrease) %
REVENUES:			
Benefit assessment	$ 7,035,981	$ 7,003,599	0.46 %
Interest income	124,681	91,557	36 %
Intergovernmental	78,949	19,646	302 %
Miscellaneous	40,962	47,236	(13)%
Total revenues	7,280,573	7,162,038	2 %
EXPENSES:			
Health and Sanitation	7,263,379	7,098,550	2 %
Total expenses	7,263,379	7,098,550	2 %
Change in net position	17,194	63,488	(73)
Net position - beginning of year	13,242,102	13,178,614	0.48 %
Net position - end of year	$13,259,296	$13,242,102	0.13 %

Analysis of Changes in Net Position

A key element of the increase in net position of $17,194 was due to the benefit assessment revenue being more than the expenditures.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

Governmental Funds

The general government functions are contained in the General Funds and the Capital Project. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balance of spendable resources. Such information is useful in assessing the District's financing requirements.

At June 30, 2017, the District's governmental funds reported combined ending fund balances of $11,219,996 a decrease of $3,161,248 in comparison with the prior year largely due to redemption of outstanding bond. All of the combined ending fund balances constitutes restricted fund balance for general purposes.

The general fund is the chief operating fund of the District. At June 30, 2017, restricted fund balance of the general fund was $10,926,159 while total fund balance reached $11,219,996 Total fund balance of the general fund represents 105% of total general fund expenditures of $10,441,821.

Revenues for governmental functions totaled $7,280,573 in fiscal year 2016-2017, which represents an increase of 2% from the previous fiscal year. Expenditures for governmental functions, totaling $10,441,821, increased by 44% from the previous fiscal year. In the fiscal year 2016-2017, expenditures for governmental functions exceeded revenues by $3,161,248.

The following table presents the amount of revenues from various sources as well as increases or decreases from the prior year.

REVENUES CLASSIFIED BY SOURCE
GOVERNMENTAL FUNDS

	FY 2017		FY 2016		Increase/(Decrease)	
Revenues by source	Amount	% of Total	Amount	% of Total	Amount	% of Change
Benefit assessment	$ 7,035,981	97 %	$ 7,003,599	98 %	$ 32,382	0.46 %
Interest income	124,681	2 %	91,557	1 %	33,124	36.18 %
Intergovernmental revenue	78,949	1 %	19,646	-	59,303	301.86 %
Miscellaneous	40,962	1 %	47,236	1 %	(6,274)	(13.28)%
Total	$ 7,280,573	100 %	$ 7,162,038	100 %	$ 118,535	1.66 %

Intergovernmental revenues represent mainly transfer from County through property tax/benefit assessment to fund CalPERS Employers Retiree Benefit Trust (CERBT) to assure the unfunded liability for the District is addressed in a prorata fashion. Other revenues represent water pollution control and plant mosquito control provided by the District to the City of San Jose, the level of which fluctuates every year.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the year, actual revenues were more than budgetary estimates by $91,781. This favorable variance is mainly due to surge in interest income and intergovernmental revenues. Actual expenditures were less than budgetary estimates by $980,403. This favorable variance is mainly due to postponement of spending on laboratory equipment, computer hardware and vehicle purchase.

CAPITAL ASSETS AND DEBT ADMINISTRATION

The District's capital assets for its governmental activities as of June 30, 2017, amounted to $6,563,418 (net of accumulated depreciation). The capital assets include land, building and improvements, vehicles, and equipment. The net decrease in the District's capital assets for the current period was $48,392 which was mainly due to net effect of capital assets disposal and depreciation over new acquisitions.

Capital assets for the governmental activities are presented below to illustrate changes from the prior year:

	Governmental Activities		Increase/ (Decrease)
	2017	2016	% of Change
Land	$ 2,352,000	$ 2,352,000	-
Building and improvements	4,556,516	4,556,516	-
Vehicles	1,163,825	1,108,147	5.02 %
Equipment	525,675	514,804	2.11 %
Total Cost	8,598,016	8,531,467	0.78 %
Less: accumulated depreciation	(2,034,598)	(1,919,657)	5.99 %
Capital assets, net	$ 6,563,418	$ 6,611,810	(0.73)%

Long-term debt

The District increased its long-term debt mainly due to recognition of net pension liability.

	2017	2016	% of Change
Certificates of Participation	$ -	$ 2,984,582	(100)%
Compensated absences	494,926	470,072	5 %
Net pension liability	4,938,234	4,304,236	15 %
Total long-term debt	$ 5,433,160	$ 7,758,890	(30)%

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Mosquito, Vector and Disease Control Assessment relies on two benefit assessments to fulfill the District Service Mission "to detect and minimize vector borne disease, to abate mosquitoes, and to assist the public in resolving problems with rodents, wildlife, and insects of medical significance". Several factors help to maintain the stability of the revenue stream from the benefit assessments, and thus, the consistency of the economic picture. The number of parcels added to the District's benefit assessment roll rises at less than 1 percent annually; the current assessments do not include a 'sunset clause'; annual assessed amounts cannot contain a CPI-U (maximum 3%) adjustment without the approval from the District Board of Trustees; and no additional assessments are being proposed. Revenues from the two benefit assessments totaled $7,035,981 during FY 2017 and projected to total $6,975,057 for FY 2018.

During FY17, the District fulfilled redemption of Certificates of Participation related to the District's purchase and improvement of a parcel of land on Berger Drive. The cost of redemption was $2,694,946, which was funded from the District's reserve account. It is likely that operational and personnel costs will continue to rise and necessitate further expenditures from reserves or increase in benefit assessment revenues.

Other significant development on the horizon is the potential establishment of two invasive mosquito species. The Asian Tiger Mosquito (ATM) currently appears to be established in southern California, and the Yellow Fever Mosquito (YFM) has been discovered in multiple locations throughout California, including San Mateo and Alameda Counties. These infestations have persisted and increased in number since 2013. If established in our County, these two species will significantly alter mosquito control operations and place additional burden on the District. Of even greater import is the fact that these two species transmit Zika, Dengue and Chikungunya viruses, and that imported cases of these diseases have been and will continue to occur within the County as people travel to and from areas where these viruses are widespread.

All California districts face uncertainty related to regulatory oversight, and the increasing complexity and costs of doing vector control. Though these costs do not significantly alter the financial outlook for the District they highlight the need to maintain budget reserves and to coordinate with other Districts to ensure that unforeseen costs are covered.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Santa Clara County Vector Control District, 1580 Berger Drive, San Jose, CA 95112-2716.

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2017

	Governmental Activities
ASSETS	
Cash and investments	$ 11,422,205
Receivables	34,264
Due from other governmental units- other	16,880
Capital assets, net	6,563,418
Total Assets	18,036,767
Deferred Outflows of Resources	1,974,421
LIABILITIES	
Accounts payable	57,389
Accrued salaries and benefits	195,761
Due to other governmental units - other	203
Non-current liabilities:	
Due within one year	21,609
Due in more than one year	473,317
Net pension liability- due beyond one year	4,938,234
Total Liabilities	5,686,513
Deferred Inflows of Resources	1,065,379
NET POSITION	
Net investment in capital assets	6,563,418
Restricted:	
General purposes	6,695,878
Total Net Position	$ 13,259,296

The accompanying notes are an integral part of these financial statements

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

	Expenses	Net (Expense) Revenue and Changes in Net Position Governmental Activities
Functions/Programs		
Governmental Activities		
Health and sanitation	$ 7,263,379	$ (7,263,379)
Total governmental activities	$ 7,263,379	(7,263,379)
General Revenues:		
Benefit assessment		7,035,981
Interest income		124,681
Gain on sale of capital assets		6,290
Intergovernmental		78,949
Miscellaneous		34,672
Total general revenues		7,280,573
Change in net position		17,194
Net position - beginning		13,242,102
Net position - ending		$ 13,259,296

The accompanying notes are an integral part of these financial statements

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2017

	General Fund	Capital Project	Total Governmental Funds
ASSETS:			
Cash and investments	$ 11,129,193	$ 293,012	$ 11,422,205
Receivables	33,439	825	34,264
Due from other governmental agencies- other	16,880	-	16,880
Total assets	11,179,512	293,837	11,473,349
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	57,389	-	57,389
Accrued salaries and benefits	195,761	-	195,761
Due to other governmental agencies	203	-	203
Total liabilities	253,353	-	253,353
Fund balances:			
Restricted	10,926,159	293,837	11,219,996
Total fund balances	10,926,159	293,837	11,219,996
Total liabilities and fund balances	$ 11,179,512	$ 293,837	$ 11,473,349

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION

JUNE 30, 2017

Total fund balances - governmental funds		$ 11,219,996
Amounts reported for Governmental Activities in the Statement of Net Position are different because:		
Capital assets used for governmental activities are not financial resources, and therefore, are not reported as assets in governmental funds.		6,563,418
Deferred outflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the governmental funds		1,974,421
Deferred inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the governmental funds		(1,065,379)
Non-current liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Non-current liabilities at year end consist of:		
Net Pension liability	(4,938,234)	
Compensated absences	(494,926)	(5,433,160)
Total net position - governmental activities		$ 13,259,296

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2017

	General Fund	Capital Project	Total
REVENUES			
Benefit assessment	$ 7,035,981	$ -	$ 7,035,981
Interest income	121,800	2,881	124,681
Gain on sale of capital assets	6,290	-	6,290
Intergovernmental revenue	78,949	-	78,949
Other revenue	34,672	-	34,672
Total revenues	7,277,692	2,881	7,280,573
EXPENDITURES			
Salaries and benefits	4,404,986	-	4,404,986
Services and supplies	2,830,065	-	2,830,065
Capital outlay	160,344	-	160,344
Debt service:			
Principal	2,890,000	-	2,890,000
Interest	154,196	-	154,196
Fees	2,230	-	2,230
Total expenditures	10,441,821	-	10,441,821
Net change in fund balance	(3,164,129)	2,881	(3,161,248)
Fund balances, beginning	14,090,288	290,956	14,381,244
Fund balances, ending	$ 10,926,159	$ 293,837	$ 11,219,996

The accompanying notes are an integral part of these financial statements

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2017

Total net change in fund balances - governmental funds		$ (3,161,248)
Amounts reported for Governmental Activities in the Statement of Activities are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which additions to capital outlay exceeds depreciation expense in the period.		
Capital assets acquisitions	160,343	
Retirement of capital assets	(93,795)	
Less: Depreciation	(114,940)	(48,392)
Repayments of debt principal is an expenditure in the governmental funds, but the repayment reduces the long-term liabilities in the statement of net position.		2,890,000
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Reversal of accrued interest payable	12,042	
Amortization of bond premium (discount)	94,582	
Change in compensated absences	(24,854)	
Pension expense	255,064	336,834
Changes in net position - governmental activities		$ 17,194

NOTE 1: ORGANIZATION

The Santa Clara County Vector Control District (the "District") was organized May 3, 1988, in conformity with the Government Code Section 25842.5, Health and Safety Code Section 2200, et seq., Health and Safety Code Section 1800, et seq., California Penal Code, Title X, and Uniform Housing Code Section 1001 (b) 12. The District provides services to prevent vector borne diseases and reduce exposure to pests, mosquitoes, rodents and insects which affect the public health and well being. The District serves all fifteen incorporated cities and the unincorporated areas of the County.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The District complies with generally accepted accounting principles (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this Note.

A. Basis of Presentation

Government-wide Financial Statements

The statement of net position and statement of activities display information about the District. These statements include the financial activities of the overall government. Governmental activities are normally supported by taxes and intergovernmental revenues.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues would include charges paid by the recipients of goods or services offered by the programs, as well as grants and contributions that are restricted to meeting the operational or capital requirements of the programs. Revenues that are not classified as program revenues, including all kinds of taxes, are presented as general revenues. The comparison of program revenues and direct expenses identifies the extent to which each program is self-financing or draws from the general revenues of the District.

When both restricted and unrestricted net positions are available, restricted resources are used only after the unrestricted resources are depleted.

Fund Financial Statements

Fund financial statements are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Funds are organized into three major categories: governmental, proprietary, and fiduciary. There are separate statements for each fund category. The emphasis of fund financial statements is on major governmental and enterprise funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The internal service fund is presented in a single column in the proprietary fund financial statements. The District has two funds, the general fund and capital project, both of which are categorized as governmental funds. There are no proprietary nor fiduciary funds.

Governmental Funds

The District reports two governmental funds:

- The General Fund is the primary operating fund of the District and is always classified as a major fund. It is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the District that are not accounted for through other funds. For the District, the General Fund's primary activity is health and sanitation.

- Capital Project is used to account for financial resources to be used for the acquisition or construction of major capital assets.

B. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

The government-wide, proprietary, and fiduciary fund financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This differs from the manner in which governmental fund financial statements are prepared. Therefore, governmental fund financial statements include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds. The District has no proprietary nor fiduciary funds.

The accounting objectives of the economic resources measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Fund equity is classified as net position.

Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Non-exchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes. On an accrual basis, revenue from benefit assessment is recognized in the fiscal year for which the assessment is levied.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

The governmental fund financial statements are prepared using the current financial resources measurement focus and the modified accrual basis of accounting.

In the current financial resources measurement focus, only current financial assets and liabilities are generally included on the balance sheets. The operating statements present sources and uses of available spendable financial resources during a given period. The fund balance is used as the measure of available spendable financial resources at the end of the period.

Under the modified accrual basis of accounting, revenues are recognized when measurable and available. Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year end. Expenditures (including capital outlay) are recorded when the related liability is incurred, except for debt expenditures (principal and interest), as well as expenditures related to compensated absences which are reported when expense due.

C. Budgets and Budgetary Accounting

The District prepares its budget on a basis of accounting that differs from generally accepted accounting principles (GAAP). The actual results of operations are presented in the Budgetary Comparison Schedule - General Fund - Budgetary Basis on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis of accounting and GAAP is that encumbrances are recorded as expenditures under the budgetary basis.

These budgets are revised by the District's governing body during the year to give consideration to unanticipated income and expenditures. The original and final revised budgets are presented for the General Fund in the financial statements.

D. Cash and Investments

Cash held in banks are insured by the Federal Depository Insurance Corporation. All cash held by the financial institutions is fully insured or collateralized, except those which exceeds the maximum insured levels of the FDIC.

The District maintains substantially all its cash in the Santa Clara County Treasury. The county pools these funds with those of other Departments in the county and invests the cash. These pooled funds are carried at cost, which approximates market value. Interest earned is deposited quarterly into participating funds. Any investment losses are netted against interest income and proportionately shared by all funds in the pool.

E. Capital Assets

In the government-wide financial statements, capital assets purchased or acquired with an original cost of $5,000 or more are recorded at historical cost or at estimated historical cost, if actual historical cost is not available. Donated capital assets are valued at their estimated fair market value on the date of donation.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation expense is provided over the assets' estimated useful lives using the straight-line method of depreciation. The estimated useful lives by type of assets are as follows:

Buildings and improvements	5-50 years
Vehicles and Equipment	3-30 years

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

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Upon sale of capital assets, the proceeds from sale of capital assets is included in the results of operations as other financing sources.

F. Compensated Absences

Accumulated unpaid vacation and sick leave are recorded as a liability when future payments for such compensation absences have been earned by employees based on pay and salary rates in effect at year end. This liability is recorded as long-term debt in the government-wide financial statement of net position. The liability is not accrued in the governmental fund financial statement but is recognized only if it is due and payable in an event of termination.

G. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan's 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.

H. Deferred Outflow/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

I. Long-term Debt

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of applicable bond premium or discount. Bond issue costs are expensed when incurred.

In the fund financial statements, governmental funds recognized bond premiums and discounts as well as bond issuance costs, during the current period. The face amount of the debt issued, premiums, or discounts are reported as other financing sources/uses, whereas, issuance costs, are reported as debt service expenditures.

J. Equity Classifications

In government-wide and proprietary fund financial statements, equity is classified as net position and divided into three components:

- *Net Investment in Capital Assets* – This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.

- *Restricted Net Position* – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

- *Unrestricted Net Position* – This category represents net position of the District, not restricted for any project or other purpose.

Governmental funds report fund balances in classifications based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. Fund balance for governmental funds can consist of the following:

- *Nonspendable Fund Balance* – includes amounts that are (a) not in spendable form–such as inventory, prepaid amounts or long-term notes receivable, or (b) legally or contractually required to be maintained intact–such as a trust that must be retained in perpetuity. The "not in spendable form" criterion includes items that are expected to be converted to cash.

- *Restricted Fund Balance* – constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation. Restriction may effectively be changed or lifted only with the consent of resource providers.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

- *Committed Fund Balance* – amounts that can be used only be used for the specific purposes determined by a formal action of the District's highest level of decision-making authority, the Board. Commitments may be changed or lifted by the District taking the same formal action that imposed the constraint originally.

- *Assigned Fund Balance* – comprises amounts intended to be used by the District for specific purposes that are neither restricted nor committed. Intent is expressed by (a) the District's Board or (b) a body (e.g., a budget or finance committee) or official to which the District's Board has delegated the authority to assign, modify, rescind amounts to be used for specific purposes. With the exception of the General Fund, this is the residual fund balance classification for all governmental funds with positive balances.

- *Unassigned Fund Balance* – the residual classification for the General Fund. It is also used to report negative fund balance in other governmental funds.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is generally depleted in the order of restricted, committed, assigned, and unassigned.

K. Estimates

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

L. Subsequent Events

Management has evaluated subsequent events through August 09, 2017.

NOTE 3. CASH AND INVESTMENTS

Cash and investments as of June 30, 2017 consist of the following:

	Carrying Amount	Fair Value
Cash and investments in County Treasury common pool:		
General Fund	$ 11,129,193	$ 11,103,506
Capital Project Fund	293,012	292,336
Total cash and investments	$ 11,422,205	$ 11,395,842

The District's fair value is based on their cash position as of June 30, 2017, in proportion to the entire cash held in the commingled County Pool. The fair value includes the amortization of premiums and discounts. The County's investments are registered with the SEC.

NOTE 3. CASH AND INVESTMENTS (CONT'D)

Based on the County's calculations, the District would have reflected a decrease to cash and interest and investment income of $25,687 and $676 in the General Fund and Capital Project Fund, respectively. However, since such application is not material, the District's cash balance is stated at cost.

Cash in County Treasury

Funds with the County Treasurer are invested pursuant to investment policy established by the Treasurer and approved by the Board of Trustees. The objectives of the policy are, in order of priority, preservation of capital, liquidity and yield. The policy addresses the soundness of financial institutions in which the County deposits funds, the types of investment instruments and the percentage of the portfolio which may be invested in certain instruments, as permitted by Section 53600 et seq. of the Government Code of the State of California. The County Treasury common pool at June 30, 2017 consisted of cash in bank, U.S. government and agency securities, corporate bonds, negotiable certificates of deposit, commercial paper, and deposits in the State's local agency investment fund. Additional information regarding the deposit and investment custodial credit, interest rate and credit risks of the County Treasury common pool can be found in the County's June 30, 2017 comprehensive annual financial report. A copy of that report may be obtained by contacting the County's Finance Agency, Controller-Treasurer Department, 70 West Hedding Street, 2nd Floor, East Wing, San Jose, CA 95110.

NOTE 4. CAPITAL ASSETS

The capital assets activities for the year ended June 30, 2017 are as follows:

	Balance 6/30/16	Additions/ Adjustments	Deletions/ Adjustments	Balance 6/30/17
Capital assets, not being depreciated:				
Land	$ 2,352,000	$ -	$ -	$ 2,352,000
Total capital assets, not being depreciated	2,352,000	-	-	2,352,000
Capital assets being depreciated:				
Building and improvements	4,556,516	-	-	4,556,516
Vehicles	1,108,148	101,877	46,200	1,163,825
Equipment	514,804	58,466	47,595	525,675
Total capital assets, being depreciated	6,179,468	160,343	93,795	6,246,016
Less - accumulated depreciation for:				
Building and improvements	669,075	91,130	-	760,205
Vehicles	817,482	107,621	60,247	864,856
Equipment	433,101	24,030	47,594	409,537
Total accumulated depreciation	1,919,658	222,781	107,841	2,034,598
Total capital assets, being depreciated, net	4,259,810	62,438	14,046	4,211,418
Government activities capital assets, net	$ 6,611,810	$ 62,438	$ 14,046	$ 6,563,418

NOTE 5. LONG-TERM DEBT

A. Certificates of Participation, 2006 Series TT

In November 2006, the District issued Certificates of Participation (COPs) for $4,495,000, through California Special Districts Association (CSDA) Finance Corporation, to finance the acquisition of an office building.

On May 23, 2017, the Board of Supervisors approved a resolution authorizing the Director of the Consumer and Environmental Protection Agency to execute and deliver all documents and take all other actions necessary to effectuate the redemption of said COPs.

The COPs are scheduled to be paid in full in 2027, however paying the COPs now will allow the District to save approximately $791,500. This cost savings will allow the District to delay or reduce the amount of future assessment increases.

B. Changes in Long-term Debt

The following is a summary of changes in long-term debt for the year ended June 30, 2017:

	Balance July 1, 2016	Additions	Deductions	Balance June 30, 2017	Due within one year	Due beyond one year
Certificates of Participation	$ 2,890,000	$ -	$ 2,890,000	$ -	$ -	$ -
Premium	94,582	-	94,582	-	-	-
subtotal	2,984,582	-	2,984,582	-	-	-
Compensated absences	470,072	24,854	-	494,926	21,609	473,317
Net pension liability	4,304,236	633,998	-	4,938,234	-	4,938,234
Totals	$ 7,758,890	$ 658,852	$ 2,984,582	$ 5,433,160	$ 21,609	$5,411,551

NOTE 6. PENSION PLANS

A. General Information about the Pension Plan

The full description of the general information about the pension plan (outline below) can be found in the County's June 30, 2017 CAFR. A copy of that report may be obtained by contacting the County's Finance Agency, Controller-Treasurer Department, 70 West Hedding Street, 2nd Floor, East Wing, San Jose, CA 95110.

- Plan Description, Benefits Provided and Employees Covered
- Contribution Description
- Actuarial Methods and Assumptions Used to Determine Total Pension Liability
- Discount Rate
- Pension Plan Fiduciary Net Position
- Sensitivity of the Net Pension Liability to Changes in the Discount Rate
- Subsequent Events and
- Recognition of Gains and Losses

B. Changes in the Net Pension Liability

The following table shows the changes in net pension liability recognized over the measurement period (presented at **.18395233%**, which is the County of Santa Clara's calculation of the District's proportional share).

	Increase(Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (c) = (a) - (b)
Balance at: 6/30/15 (VD)[1]	$ 16,272,611	$ 12,285,153	$ 3,987,458
Changes Recognized for the Measurement Period			
• Service Cost	383,459	-	383,459
• Interest on the Total Pension Liability	1,233,071	-	1,233,071
• Difference between Expected and Actual Experience	24,248	-	24,248
• Plan to Plan Resource Movement	-	321	(321)
• Contributions from the Employers	-	441,602	(441,602)
• Contributions from Employees	-	190,781	(190,781)
• Net Investment Income[2]	-	64,785	(64,785)
• Benefit Payments, including Refunds of Employee Contributions	(740,023)	(740,023)	-
• Administrative Expenses	-	(7,487)	7,487
Net Changes during 2015-16	900,755	(50,021)	950,776
Balance at: 6/30/16 (MD)[1]	$ 17,173,366	$ 12,235,132	$ 4,938,234

[1] The fiduciary net position includes receivable for employee service buybacks, deficiency reserves, fiduciary self-insurance and OPEB expense. This may differ from the plan assets reported in the funding actuarial valuation report.

[2] Net of administrative expenses.

NOTE 6. PENSION PLANS (CONT'D)

C. Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

For the measurement period ending June 30, 2016 (the measurement date), the District incurred a total pension expense of $255,064 for the Plan.

No adjustments have been made for contributions subsequent to the measurement date. Adequate treatment of any contributions made after the measurement date is the responsibility of the employer.

As of June 30, 2016, the District has deferred outflows and deferred inflows of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	$ -	$ (143,169)
Difference between Expected and Actual Experience	18,186	(12,121)
Net Difference between Projected And Actual Earnings on Pension Plan Investments	1,084,713	(414,283)
Total	$ 1,102,899	$ (569,573)

The amounts above are net of outflows and inflows recognized in the 2015-16 measurement period expense.

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

Measurement Period Ended June 30:	Deferred Outflows/ (Inflows) of Resources
2017	$ 24,961
2018	24,961
2019	309,748
2020	173,655
2021	-
Thereafter	-

The District's employer contributions for the year ending June 30, 2017 is $399,717.

NOTE 7. RETIREMENT BENEFIT

Information regarding post employment benefits and post employment benefits other than pensions (OPEB) can be found in the County's June 30, 2017 CAFR. A copy of that report may be obtained by contacting the County's Finance Agency, Controller-Treasurer Department, 70 West Hedding Street, 2nd Floor, East Wing, San Jose, CA 95110.

REQUIRED SUPPLEMENTARY INFORMATION
(OTHER THAN MD&A)

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Favorable (Unfavorable)
Budgetary Fund Balances, Beginning	$14,090,288	$14,090,288	$14,090,288	$ -
Resources (Inflows)				
Benefit assessment	7,008,075	7,008,075	7,035,981	27,906
Interest income	58,140	58,140	121,800	63,660
Gain on sale of capital assets	-	-	6,290	6,290
Intergovernmental revenue	2,583	77,464	78,949	1,485
Other revenue	42,232	42,232	34,672	(7,560)
Amounts Available for Appropriation	7,111,030	7,185,911	7,277,692	91,781
Charges to Appropriations (Outflows)				
Health and sanitation				
Salaries and benefits	4,601,727	4,676,611	4,404,986	271,625
Services and supplies	3,476,277	3,409,813	2,830,065	579,748
Capital outlay	-	235,800	160,344	75,456
Debt service:				
Principal	205,000	2,890,000	2,890,000	-
Interest	175,000	200,000	154,196	45,804
Fees	-	10,000	2,230	7,770
Total charge to appropriations	8,458,004	11,422,224	10,441,821	980,403
Budgetary Fund Balances, Ending	$12,743,314	$ 9,853,975	$ 10,926,159	$ 1,072,184

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/Inflows of Resources	
Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule	$ 7,277,692
No reconciling items	-
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Fund	$ 7,277,692
Uses/Outflows of Resources	
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	$ 10,441,821
No reconciling items.	-
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Fund	$ 10,441,821

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
SAFETY PLAN
LAST TEN FISCAL YEARS*

Fiscal year Mesurement period	2016-17 2015-16	2016-15 2014-15	2014-15 2013-14
TOTAL PENSION LIABILITY			
Service Cost	$ 383,459	$ 397,932	$ 401,638
Interest	1,233,071	1,260,548	1,191,780
Changes of Assumptions	-	(309,086)	-
Differences Between Expected and Actual Experience	24,248	(26,168)	-
Benefit Payments, including Refunds of Employee Contributions	(740,023)	(743,800)	(690,979)
Net Change in Total Pension Liability	**900,755**	**579,426**	**902,439**
Total Pension Liability - Beginning	**16,272,611**	**16,985,937**	**16,035,069**
Total Pension Liability - Ending (a)	**$ 17,173,366**	**17,565,363**	**$ 16,937,508**
PLAN FIDUCIARY NET POSITION			
Contributions - Employer	$ 441,602	$ 413,251	$ 373,013
Contributions - Employees	190,781	193,685	200,145
Net Investment Income	64,785	293,231	1,951,233
Benefit Payments, including Refunds of Employee Contributions	(740,023)	(743,800)	(690,979)
Plan to Plan Resource Movement	321	(1,148)	-
Administrative Expense	(7,487)	(14,942)	-
Net Change in Fiduciary Net Position	**(50,021)**	**140,277**	**1,833,412**
Plan Fiduciary Net Position - Beginning	**12,285,153**	**13,120,850**	**11,250,028**
Plan Fiduciary Net Position - Ending (b)	**$ 12,235,132**	**$ 13,261,127**	**$ 13,083,440**
Plan Net Pension Liability/(Asset) - Ending (a) - (b)	**$ 4,938,234**	**$ 4,304,236**	**$ 3,854,068**
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	**71.24%**	**75.50%**	**77.25%**
Covered-Employee Payroll	**2,428,650**	**2,465,809**	**2,361,882**
Plan Net Pension Liability/(Asset) as a Percentage of Covered-Employee Payroll	**203.33%**	**174.56%**	**163.18%**

[1] Net of administrative expenses.

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

Notes to Schedule:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2015 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions: In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expenses) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2014, amounts reported were based on the 7.5 percent discount rate.

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
SCHEDULE OF PLAN CONTRIBUTION
SAFETY PLAN
LAST TEN FISCAL YEARS*

Fiscal Year	2016-17	2015-16	2014-15	2013-14
Actuarially Determined Contribution[1]	$ 399,717	$ 378,216	$ 441,602	$ 373,013
Contributions in Relation to the Actuarially Determined Contribution[1]	(399,717)	(378,216)	(441,602)	(373,013)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -
Covered-Employee Payroll[2,3]	$ 2,428,650	$ 2,465,809	$ 2,361,882	$ 2,293,089
Contributions as a Percentage of Covered-Employee Payroll[2]	16.46%	15.34%	18.70%	16.27%

[1] Employers are assumed to make contributions equal to the actuarially determined contributions. However, some employers may choose to make additional contributions towards their unfunded liability. Employer contributions for such plans exceed the actuarially determined contributions.

[2] Covered-Employee Payroll represented above is based on pensionable earnings provided by the employer. However, GASB 68 defines covered-employee payroll as the total payroll of employees that are provided pensions through the pension plan. Accordingly, if pensionable earnings are different than total earnings for covered-employees, the employer should display in the disclosure footnotes the payroll based on total earnings for the covered group and recalculate the required payroll-related ratios.

[3] Includes one year's payroll growth using 3.00 percent payroll assumption.

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

Notes to Schedule:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2015-16 were from the June 30, 2013 public agency valuations.

Actuarial Cost Method	Entry Age Normal
Amortization Method/Period	For details, see June 30, 2013 Funding Valuation Report.
Asset Valuation Method	Actuarial Value of Assets. For details, see June 30, 2011 Funding Valuation Report.
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Payroll Growth	3.00%
Investment Rate of Return	7.50% Net of Pension Plan Investment and Administrative Expenses; includes Inflation.
Retirement Age	The probabilities of Retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007.
Mortality	The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and Post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Trustees of
Santa Clara County Vector Control District
San Jose, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, major fund, and remaining fund information of Santa Clara County Vector Control District (the "District"), a component unit of the County of Santa Clara as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report dated August 09, 2017.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Patel & Associates, LLP
Certified Public Accountants

Patel & Associates, LLP

Oakland, California
August 09, 2017

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2017

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	No
Federal Awards	Not applicable

Section II - Financial Statement Findings

Our audit of the accompanying basic financial statements of Santa Clara County Vector Control District, as of and for the year ended June 30, 2017, disclosed no findings nor questioned costs.

Our report on Santa Clara County Vector Control District's internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with Government Auditing Standards, as of and for the year ended June 30, 2017, disclosed no findings nor questioned costs.

Section III - Federal Award Findings and Questioned Costs

The Santa Clara County Vector Control District has no major federal program as of and for the year ended June 30, 2017.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2017

Section I - Financial Statement Findings

The audit of the basic financial statements of Santa Clara County Vector Control District, as of and for the year ended June 30, 2016, disclosed no findings nor questioned costs.

The report on Santa Clara County Vector Control District's internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with Government Auditing Standards, as of and for the year ended June 30, 2016, disclosed no findings nor questioned costs.

Section II - Federal Award Findings and Questioned Costs

The Santa Clara County Vector Control District has no major federal program as of and for the year ended June 30, 2016.

INDEPENDENT SPECIAL DISTRICTS – OVERSIGHT FALLS FAR SHORT!

Summary

Most citizens are not aware that special districts are agencies of California state, county, and municipal governments. In Santa Clara County (County), special districts and related organizations spend approximately $1 billion annually (equivalent to almost 1/3 of the annual County budget) and are responsible for $2 billion in debt, as of Fiscal Year (FY) 2003 (see Appendix B). In 2000, a California Little Hoover Commission (LHC) did a comprehensive review of these government agencies and concluded that "independent special districts often lack the kind of oversight and citizen involvement necessary to promote their efficient operation and evolution."

To examine the current level of oversight, the 2005-2006 Santa Clara County Civil Grand Jury (Grand Jury) randomly selected four independent special districts. The Grand Jury found that, six years after its publication, the observations and conclusions of the LHC report are still valid for all four of the following districts reviewed:

- Guadalupe-Coyote Resource Conservation District
- Loma Prieta Resource Conservation District
- Saratoga Cemetery District
- South Santa Clara Valley Memorial District

The Grand Jury makes both systemic and district-specific findings and recommendations summarized as follows:

ISSUES THAT APPEAR TO BE SYSTEMIC

1. The special districts reviewed appear to be essentially invisible to County government and to the public, thereby making effective oversight and accountability impossible. A lead County role (management-audit agent) for regular oversight of special districts should be established.
2. LAFCO provides little guidance or impetus for streamlining special districts. Reasons for the continued existence of special districts seem never to be questioned and re-validated. LAFCO should refocus its efforts and coordinate

with the proposed County oversight function, including decisions about consolidation and/or dissolution of districts where appropriate.

3. Prudent financial oversight and accountability appear to be lacking:

   3a. The proposed annual budgets of Districts appear to receive no review in terms of performance and management from the County. The County Board of Supervisors (BOS) should implement a management review process, including evaluation of accomplishments against measurable objectives and an assessment of value added to the community.

   3b. Property tax revenues are apportioned to special districts in an automatic, ongoing manner according to formulas at the state level. The proposed management-audit agent should require districts to justify their financial plans, independent of formulaic property tax allocations.

   3c. The Grand Jury could not identify any guidelines for managing financial reserves of special districts within the County. An advisory panel should be formed, including financial management expertise from local industry and other government agencies, to help establish and implement prudent best-practice guidelines for determining appropriate reserve levels and for their management.

4. Mechanisms are lacking to inform and engage the public affected directly by special districts so they can understand and judge the appropriateness, effectiveness, and efficiency of district activities.

   4a. Property tax bills show little detail of where public money is going. Mechanisms should be developed to make it easier for individuals to obtain information about how their tax dollars are spent.

   4b. Results of district analyses done by the management-audit agent in Recommendation 1 should be made publicly available.

ISSUES RELATED TO INDIVIDUAL DISTRICTS

5. The budget management processes of Guadalupe-Coyote and Loma Prieta Resource Conservation Districts do not appear to meet prudent financial practices that best serve the public interest. The Districts should create plans containing up-to-date, and measurable objectives. The District budget should be structured and managed in accordance with these District plans.

6. The Guadalupe-Coyote and Loma Prieta Resource Conservation Districts have not held elections for board members in at least the last four years. Vacant board positions are most often filled by appointment by the BOS with minimal public review. The BOS should promote public elections. If that is not possible, the BOS should openly recruit fully qualified and competent candidates and conduct an interview/selection process in a manner similar to that used to select managerial-level county employees.

7. Each of the four Districts examined has a substantial discretionary reserve balance which the Grand Jury was unable to assess for lack of accepted criteria and management justification. The reserves of each special district should be reviewed regularly and adjusted in accordance with the criteria established under Recommendation 3c.

8. The non-property tax revenues of the Saratoga Cemetery District are nearly sufficient to fund that District solely as an enterprise district. The status of the District should be re-evaluated.

9. The South Santa Clara Valley Memorial District's internal financial statements contain numerous errors and offer no comprehensible audit trail of District activities. If District management cannot remedy these serious shortcomings immediately, the BOS should replace the existing board with persons who can effectively oversee District affairs. This board should hire, using accepted County procurement procedures, a qualified outside management firm to conduct operations.

Background

WHAT ARE SPECIAL DISTRICTS?

Special districts are "agencies of the state for the local performance of governmental or proprietary functions within limited boundaries" (see Government Code § 16271 (d); Mizany and Manatt, "What's So Special About Special Districts?"; and the LHC report). Simply stated, a special district is a separate agency of local government that delivers public services to a particular area – from airports to zoos. Fire districts, irrigation districts, pest abatement districts, and others exist ostensibly because taxpayers want and are willing to pay for the public services provided (see Appendix A). Special districts localize the costs and benefits of public services. An elected or appointed board governs each district and has corporate power (the ability to make decisions and get things done) and tax powers (the authority to raise money). Very rarely do special districts have police power (the authority to regulate private behavior to accomplish a public goal).

Special districts may have a combination of the following characteristics:

- *Single-function* (e.g., sewer service) or *multi-function* (water sales and creek management). About 85% of special districts in the State are single-function

- *Enterprise* (fee supported) or *non-enterprise* (tax supported). About 27% of the special districts in the State are enterprise

- *Independent* (self-governed by a Board of Directors) or *dependent* (governed by a county board of supervisors or a city council). About 65% of the special districts in the State are independent

To provide further perspective, it should be noted that specials districts are distinct from:

- State, county, or city government
- School districts
- Benefit assessment (Mello-Roos or Proposition 218) districts – these only serve to raise money and do not deliver services
- Redevelopment agencies, which serve to eliminate blight

Special districts most often operate under a *principal act*, one of about 60 generic California statutes that apply to special districts of particular types. For example, the Fire Protection District Law of 1987 in the State Health and Safety Code governs all 386 fire districts in the State. When local circumstances fail to fit the conditions anticipated by a generic principal act, the Legislature may create a *special act* district tailored to the unique needs of a specific area. For example, the Santa Clara Valley Water District was created in 1968 by a special act of the Legislature (Santa Clara Valley Water District Act, California Water Code Appendix, Chapter 60).

WHAT ARE LOCAL AGENCY FORMATION COMMISSIONS OR LAFCOS?

LAFCOs were introduced into California law in 1963 to deal with the explosive post World War II growth that resulted in the formation of many new local government agencies, often with no coordination or adequate planning. LAFCOs were intended to put order on the multitude of overlapping, inefficient jurisdictional and service boundaries; and to manage the conversion and loss of California's agricultural and open-space lands. Today, each county has a LAFCO whose goals are to:

- Encourage the orderly formation of local governmental agencies
- Preserve agricultural land resources
- Discourage urban sprawl

An important charge given to these commissions in 1972 was the adoption of the concept of managing spheres of influence for local governments (California Government Code § 56000 et seq.). A sphere of Influence is the physical boundary and service area boundary that a local government agency is expected to serve. Establishment of these boundaries is necessary to determine which governmental agencies can provide services in the most efficient way to the people and property in a given area. "Regulatory powers authorize LAFCO to control city and special district boundaries and service provisions. Planning powers allow LAFCOs to influence land use. Although it is not authorized to make any land-use decisions, many LAFCO actions indirectly affect land use ... LAFCOs regulate, through approval or denial, the boundary changes proposed by other public agencies or individuals." In 1994, an important statutory

change authorized LAFCO to initiate proposals for the consolidation and dissolution of special districts.

LAFCO AND SPECIAL DISTRICTS IN SANTA CLARA COUNTY

LAFCO in Santa Clara County consists of a total of five members – two members from the BOS, one from the San Jose City Council, one from another City Council within the County, and one public member chosen by the other four members. This Commission lists about 30 special districts in the County over which it has jurisdiction. About 30 additional entities exist in the County, including other special districts, Joint Powers Authorities (JPAs) and financing authorities, over which LAFCO has no authority.

Meetings of County special districts must be open to the public, and are held periodically (twice monthly, monthly, or quarterly, depending upon the district). As public agencies, the districts are subject to the Brown Act (Government Code § 54950 et seq.). Announcements of district meetings and agenda notices are posted in advance, sometimes in local newspapers and, increasingly, using electronic mail and websites.

Depending on the nature and size of a district and its financial resources, it may have the option of managing its own finances or using County services. The Controller-Treasurer's Office of the County Finance Agency may serve as the steward of District funds, thereby assuring professional oversight of District assets.

Elections to independent District Boards are carried out by the Registrar of Voters, who advertises district elections, makes candidates' statements available, verifies residences and/or other requirements for participation in each District election, and issues statements of election to be forwarded to the Board of Supervisors.

RESOURCE CONSERVATION DISTRICTS (RCD)

Division 9 of the California Public Resources Code (Resource Conservation) establishes the framework for conducting the business of resource conservation in California. It delineates responsibilities, authorities, and operation of various resource divisions and commissions, including Resource Conservation Districts, known formerly as Soil Conservation Districts. Division 9 history dates back to the 1930s when it was recognized that local participation and leadership were required to combat the degradation of land resources. In 1937, the federal government introduced Standard State Conservation District Law, more commonly known as the Standard Act. California adopted a modified version of this Act in 1938, which became Division 9 of the California Public Resources Code. The main difference between the state and federal versions of this code is that Division 9 authorized Soil Conservation Districts to levy property taxes to fund their activities.

Division 9 was periodically repealed and reenacted over the ensuing decades, with the last general revision occurring in 1975. Resource conservation spending within the state reached an all time high in 1967, but was severely reduced through the next decade. In 1978, the Soil Conservation Commission ceased to function, even though

Division 9 still authorized its existence. Further impacts occurred in 1978 with the passage of Proposition 13. Since 1987, resource conservation programs have again received expanded State support.

The powers and responsibilities of RCDs are broad as outlined in Public Resources Code § 9151 et seq. Statutes encourage the election of district board members, but in 1985 a change was introduced (§ 9314). This section provides an option under which a board of supervisors, upon written district request, may appoint district board directors. This provision apparently was passed because of numerous uncontested elections and/or insufficient district monies available to conduct elections.

Under § 9413, district boards are encouraged, but not required, to develop, adopt, and update one- and five-year plans with measurable goals and accomplishments. Such plans can provide a concrete basis for district budgeting, estimating resource requirements, communicating results with the public, and making district management more transparent.

Guadalupe-Coyote RCD

The Guadalupe-Coyote RCD was named in 1995, and has its roots in the Black Mountain and Evergreen Soil Conservation Districts which date back to the mid-1940s. In 1972, the original Evergreen Soil Conservation District was renamed as the Evergreen Resource Conservation District. In 1977, it merged with the Black Mountain District. In 1995, the current name was adopted to better reflect the District's boundaries and scope of interests. The area within this District includes at least a portion of ten distinct watersheds. It lies on the east and west sides of northern Santa Clara Valley and encompasses approximately 557 square miles (see Figure 1).

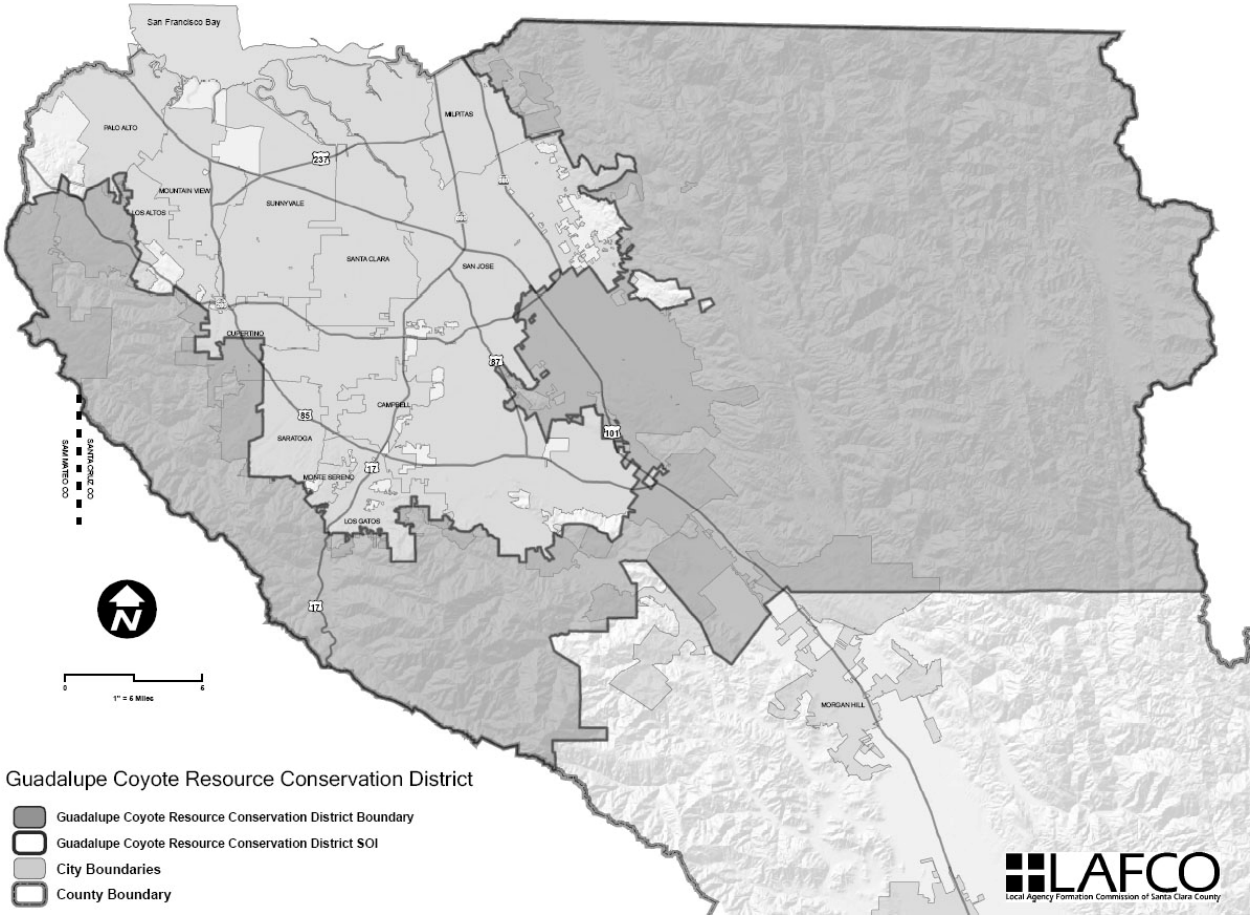


Figure 1: Sphere of Influence for Guadalupe-Coyote Resource Conservation District

Loma Prieta RCD

The Loma Prieta RCD was formed in 1942 to develop and administer a program of soil, water and related resource conservation services for the southern portion of Santa Clara County and a portion of northern San Benito County. The District boundaries have changed over time, and the District now serves an area within southern Santa Clara County of approximately 463 square miles (see Figure 2).

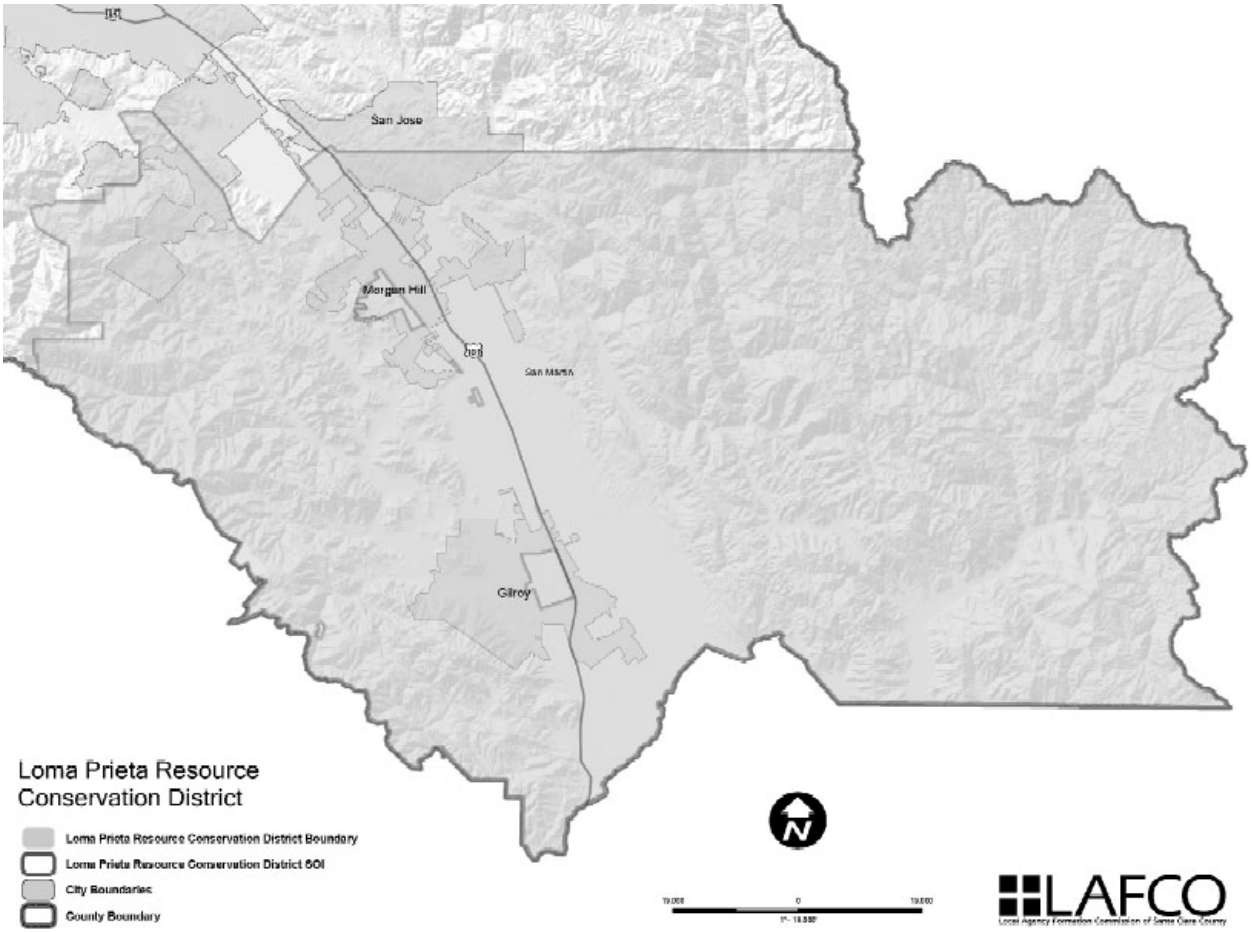


Figure 2: Sphere of Influence for Loma Prieta Resource Conservation District

SARATOGA CEMETERY DISTRICT

The Saratoga Cemetery District governs the Madronia Cemetery in Saratoga. It is the city's oldest institution, serving the community since 1854, when it originated as a potter's field. Over the years, the cemetery size has increased from its original two acres. In 1987, the area served by the District expanded from the Saratoga Union Elementary School District to include all of Saratoga and Monte Sereno. In 2003, the District increased its cemetery land size by two acres, through a purchase of adjoining land for the sum of $1,600,000, and is now 12½ acres in size. From its original purpose, this cemetery has evolved into an upscale community cemetery, serving the affluent communities of Monte Sereno and Saratoga.

This District is chartered by the California State Health and Safety Code § 9000, known as the Public Cemetery District Law. In 1909, the Legislature authorized the creation of public cemetery districts "to assume responsibility for the ownership, improvement, expansion, and operation of cemeteries and the provision of interment services from fraternal, pioneer, religious, social, and other organizations that were unable to provide for those cemeteries." This law has been in existence for nearly a

century, and interment customs and practices have changed considerably during that time. However, “it is the intent of the Legislature to create and continue a broad statutory authority for a class of special districts that can own, improve, expand, and operate public cemeteries that provide respective and cost-effective interments.”

SOUTH SANTA CLARA VALLEY MEMORIAL DISTRICT

The South Santa Clara Valley Memorial District is chartered under the California Military and Veterans Code. It was formerly called the South Santa Clara Valley War Memorial District and was established in 1946 by State mandate with County funding at its present location. By current code requirement, the District lies entirely within Santa Clara County. Gilroy is the only incorporated city within the District, and includes approximately 40% of the District population.

The District serves the non-medical social needs of veterans residing in the area, and provides free or low-cost facilities for veteran groups. Division 6 of the Military and Veterans Code deals with Veterans’ Buildings, Memorials, and Cemeteries. Of particular interest are § 1190 et seq. which address the following management powers and rights of memorial districts:

1. Provide for and maintain halls, buildings, facilities and recreation parks and facilities for use by veterans and certain non-veterans.
2. Purchase, or otherwise obtain, real or personal property related to the above.
3. Purchase, construct, lease, or build facilities related to the above.
4. Provide furnishings for above facilities.
5. Enter into agreements with public authorities or agencies for leases and/or rentals of said district properties.
6. Sell or lease district property to responsible private bidders.
7. Sell or lease district property to government agencies.
8. Adopt rules and regulations for facilities use.
9. Enter into Joint Power Agreements (JPAs) for senior citizen or recreational services.

At present, four veterans’ groups use the building as their meeting place, including American Legion Posts 217 and 669, Veterans of Foreign War Post 6309, and the Gilroy Chapter of the American GI Forum. The building also houses the Ladies' Auxiliary of VFW Post 6309. Activities are conducted according to user, national, or state organization mandates, and the District does not dictate user group policies.

Discussion

Only four relatively large special districts in Santa Clara County have received significant Grand Jury attention in the past eight years – the Santa Clara Valley Water District, the Santa Clara Valley Transportation Authority, the Santa Clara Valley Vector Control District, and the Saratoga Fire District. The 2005-2006 Grand Jury undertook the current review in response to a recommendation by the 2004-2005 Grand Jury that more detailed reviews of independent districts be conducted in the future.

The following presents the results of the Grand Jury inquiry into County and district management and oversight procedures for the four randomly chosen, independent districts. The inquiries were conducted by reviewing district documents, interviewing district board and management personnel, attending various district public meetings, interviewing LAFCO management, reviewing LAFCO documents, and interviewing the County Controller-Treasurer.

SYSTEMIC ISSUES AND SANTA CLARA COUNTY OVERSIGHT

This section discusses the following observations:

- For the most part, special districts are ignored by County Government and are invisible to the public
- LAFCO provides little oversight of special districts. Reasons for continued existence of special districts seem never to be questioned or re-validated
- Prudent financial oversight and accountability appear to be lacking in three of the four districts investigated
- Property tax allocations are automatic and are essentially viewed by the districts as entitlements
- Guidelines for managing cash reserves do not exist

The Grand Jury investigated the budget review process for the four subject independent special districts. Annual budgets are submitted to the Controller-Treasurer's Office, where they are checked for minimum accounting requirements and filed. Districts receive tax income based on complex apportionment formulas, independent of their self-generated and self-approved budgets. Based on budget preparation procedures reviewed by the Grand Jury, some districts appear to view this income essentially as an entitlement. Budgets often take little account of the previous year's actual expenditures, revenue from other sources, reserve account balances, or other liquid assets.

For the most part, the laws that establish and set out the authorities of independent special districts do not provide for County oversight. The law establishing the Santa Clara Valley Water District (SCVWD), which is not a subject of this report, is an exception (California Water Code Appendix, Chapter 60, 1968). In this act, § 20 establishes an annual District budget oversight authority for the BOS. In the past year,

this authority has been the subject of discussion between the SCVWD and the BOS and an effort is underway to sever this oversight through legislative modification to the SCVWD Act. Rather than severing it, the Grand Jury believes it might better serve as a model for establishing improved oversight for other special districts in the County.

The Grand Jury found no evidence that anyone in the County exercises effective oversight of special districts, including LAFCO. Similarly, there is no assessment or re-validation of reasons for continued existence of these districts. Once established, districts seem to perpetuate themselves, even if their original reasons for existence may no longer be valid. In two of the four districts investigated, the Grand Jury could find no evidence of measurable services or benefits resulting from district activities. LAFCO service reviews, covering the special districts included in this report, appear to be highly general in nature and provide little insight into the efficiency and effectiveness of district operation.

County LAFCO, by its own admission, spends very little time on special district oversight. It is understaffed and lacks expertise and resources to ensure accountability by special districts to the people they serve. For example, LAFCO currently contracts for and issues infrequent reviews of special districts. The current reports examined by the Grand Jury for the two RCDs covered in this inquiry contain mostly “boilerplate” information and no detail about measurable district goals and accomplishments.

The four districts that are the subject of this report appear to have levels of reserves that are difficult to justify. Some districts assert that these reserves are needed to pay for future or unplanned projects. The Grand Jury could not find any guidelines for districts about accumulating or using reserves. Unless the money is held by the County, reserves invested by a district are effectively invisible to the County and there is no oversight of the investment practices. Much more transparency and consistency appear necessary. As noted in the LHC report six years ago, “Property tax bills should identify for taxpayers the independent special districts that provide services to them, along with the tax allocation, reserves and other financial information about those districts.” Such documentation should answer for the taxpayer why these funds should be held in district accounts rather than being returned to the taxpayers themselves.

The Grand jury contends that most of the public does not know that these special districts exist or how much of their money is directed to each district. Elections are of little interest to the public. Candidates for board seats are often unopposed, resulting in appointments by the BOS. Individual property tax bills bear no indication of allocations to most special districts. There is a complicated mechanism by which a member of the public can enter their APN (Assessor’s Parcel Number) into a website at the County Assessor’s Office (http://www.sccgov.org/portal/site/asr/) and get a breakdown of their overall property tax bill, including which special districts they are supporting. To find out what tax rate applies to each of these districts, the user has to navigate to still other sites for the County Finance Agency and the Association of Bay Area Governments to look up district-specific information in various tables. The Grand Jury believes that this process is much too cumbersome and that very few members of the public know about it, much less have the expertise to access the information available.

GUADALUPE-COYOTE AND LOMA PRIETA RCDS

The Grand Jury met with Guadalupe-Coyote and Loma Prieta RCD officials, reviewed documents provided by the Districts, and attended public meetings. Documentation reviewed included meeting agendas and minutes, budget statements, general ledger statements, annual and long-range plans, and other general information documents.

This section discusses the following observations:

- Budget processes lack rigor and transparency, and do not follow acceptable financial practices, especially for the Guadalupe-Coyote RCD
- RCD work plans and reports do not contain measurable goals and accomplishments
- RCD board members are often appointed by the BOS, further reducing public visibility of the District
- Discretionary reserves appear to be substantial and lack justification

These RCDs are funded primarily by property tax apportionments, as well as investment interest income. The District Boards meet regularly each month. Board members do not receive a stipend for meeting attendance but are compensated for travel and miscellaneous expenses.

The Grand Jury has no reason to doubt that the boards of these Districts are well intentioned. However, from recent annual District progress reports, the Grand Jury did not find evidence of measurable goals and accomplishments of these two Districts.

Budgets

The Guadalupe-Coyote RCD budgets were compared for FYs 2004 and 2005. Overall, the budgets appear to be inflated by 100-200% per year over actual expenditures. When asked how the next year's budget was formed, the District staff response was, "Any budget surplus from the old Fiscal Year is rolled over and added to the estimated amount we receive from the county. That makes up our estimated budget for the new Fiscal Year." In the opinion of the Grand Jury, the Guadalupe-Coyote budget process does not meet acceptable business practices.

Table 1 shows budgets and actual expenses, illustrating the inflated nature of the budgets. The budget for each year is set to the property tax revenue for the current year plus the unexpended balance from the previous year. Nothing in the current budget process affects the allocation of the property tax monies to this District. In addition, the District had approximately $161,000 in reserves invested with the County, as of June 30, 2005.

Fiscal Year	2004	2005
Income (budget)	$255,000	$241,000
Actual expenses	$108,701	$ 75,779
% of income over actual expenses	135%	218%

Table 1: Summary of Guadalupe-Coyote RCD Income and Expense

The Loma Prieta RCD actual expenditures more closely track income, i.e., property tax revenues, as shown in Table 2. In addition, the District had approximately $93,000 in reserves invested with the County, as of June 30, 2005.

Fiscal Year	2004	2005
Income (budget)	$45,225	$45,825
Actual expenses	$43,746	$34,927
% of income over actual expenses	3%	31%

Table 2: Summary of Loma Prieta RCD Income and Expense

Work Plans Encouraged by Statute

Public Resources Code § 9413 states: “Each district may develop district-wide comprehensive annual and long-range work plans as provided in this section. These plans shall address the full range of soil and related resource problems that are found to occur in the district.” Consistent with the long-range district plan, the relevant parts of Paragraph (c) state: “The annual work plans shall serve the following functions:

1. “Identification of high priority actions to be undertaken by the district during the year covered by the plan.
2. “Identification of the person or persons responsible for undertaking each planned task, how it will be performed, when it will be completed, what constitutes completion, and the cost.
3. “Demonstration of the relationship of annual tasks to the long-range district goals identified in the long-range work plan. … ”

Paragraph (d) provides for an annual report that “shall serve the following functions:

1. “To report on the district’s achievements during the reporting period to the commission, the department, the board of supervisors of any county in which the district is located, and any agency that review(s) district requests for funding assistance.
2. “To increase public awareness of district activities.
3. “To compare district accomplishments during the reporting period with annual work plan objectives for that period and to identify potential objectives for the next annual work plan.”

The Grand Jury examined the one- and five-year plans of both the Guadalupe-Coyote and Loma Prieta RCDs, and found them to be very general in nature and without measurable objectives. These RCDs claim to participate in a wide variety of resource conservation activities, such as watershed, floodplain, and riparian corridor management. They also claim to be active in creek stewardship, soil conservation, rural landowner workshops, and farm/range land management. It is difficult to determine what, if any, actual accomplishments have resulted from their activities. The stated activities of these Districts are described by verb phrases such as “participate in,” “increase participation in,” ”monitor,” “interface with,” “seek funding to allow,” “influence,” “review,” “encourage,” “co-sponsor,” “promote,” “continue to attend,” “communicate,” “provide guidance,” etc. When asked about specific accomplishments, the Districts acknowledged that their achievements are difficult to quantify, and are more of an ongoing nature. No specific measurable goals, achievements, or assigned personnel were included in the plans and reports, as detailed by Division 9 Code. The annual work plans for the Loma Prieta RCD are generic to the extent that the FY 2003 and FY 2004 plans are word-for-word identical.

District Board Elections

Public Resources Code § 9301 et seq. provide for elections of board members in special districts. It also provides for alternative approaches where candidates are uncontested or election costs are prohibitively high. The alternative (§ 9314) allows the BOS to appoint district board members, or select them based on an interview process. The Guadalupe-Coyote RCD has not had a board member election since before 2002. Nevertheless, $70,000 was budgeted for an election in FY 2004. The District stated that this was done in order to pay for a possible election which was never held. $5,000 was budgeted for an election the following year which was also not held.

The Grand Jury believes that these budget items are unwarranted under the circumstances, and simply reflect an excuse to appear to balance the budget. More importantly, appointing rather than electing board members further reduces transparency and accountability of the District to the public.

SARATOGA CEMETERY DISTRICT

The Grand Jury visited this District and reviewed budget statements, financial statements, and other descriptive documentation. District board members are appointed by the BOS and receive a stipend ($100) for each meeting. They are compensated as well for attending relevant outside meetings and travel expenses. This District appears to be well-organized, and the general manager is knowledgeable about District activities and cemetery governance codes.

This section discusses the following findings:

- This District could be essentially self-sufficient as an enterprise district
- This District has substantial discretionary reserve funds, about $1,300,000

- This District appears to do a business-like job of budgeting

Revenue and expenses for FYs 2002, 2003 and 2004 are shown in Table 3.

Fiscal Year	2002	2003	2004
Property tax allocation	$400,000	$423,000	$430,000
Enterprise and other income	$405,000	$450,000	$414,000
Total income	$805,000	$873,000	$844,000
Actual expenses	$399,000	$428,000	$433,000
% of income over actual expenses	102%	104%	95%

Table 3: Summary of Saratoga Cemetery District Income and Expense

For the three years shown, about 50% of the annual income was unspent. The income from other than property tax allocation is nearly sufficient to fund this District as an enterprise district (or a stand-alone business). The District acknowledged this condition, and stated that in order to sustain itself without tax income, fees would have to be increased somewhat.

Unspent income is allocated to four reserve funds–Maintenance and Operations, Land Acquisition and Capital Improvement; Endowment Care, and Pre-Need. At present, there is no active long-term capital acquisition plan. The Endowment Care Fund and Pre-Need Fund are restricted by law and proceeds can only be spent for designated purposes. Fund balances as of March 31, 2006 are seen below in Table 4. The two discretionary funds, Maintenance and Operations, and Land Acquisition and Capital, Improvement appear to be substantial. The Grand Jury could find no criteria for judging the appropriateness of current levels.

Maintenance and Operations	$513,000
Land Acquisition and Capital Improvement	$779,000
Endowment Care	$1,461,000
Pre-Need	$342,000
Total	$3,095,000

Table 4: Details of Saratoga Cemetery District Reserve Fund Allocations

SOUTH SANTA CLARA VALLEY MEMORIAL DISTRICT

The Grand Jury visited this District and reviewed documentation covering board meeting agendas and minutes, budget statements, general ledger statements, and other descriptive information.

This section discusses the following findings:

- The District has no long-range management plan
- Financial skills of management personnel are questionable and need improvement
- Accurate internal month-to-month financial statements are not available
- Budgets appear to be inflated
- Reserves are high compared to expenses with no justification

In recent years, the District has contracted facility/property management to South Valley Property Management in Gilroy. The District pays a commission to the management company for all rentals secured. Rental of the building is available to the public, as well as to veterans. The facility has roofing problems and limited restroom and kitchen access for disabled persons. The District does not appear to have any long-range plan to address such issues. It has inquired of several real estate brokers/agents about alternate properties to replace the current facility. Sale of the existing facility is possible under the statutory powers of the District. It has no apparent plans for property sale or purchase at this time.

The internal monthly financial statements from this District were found to be in such disarray that it was not possible for the Grand Jury to reconstruct an audit trail of expenses. Month-to-month statements contain numerous significant errors which the District could not explain. The financial accounting is careless, difficult to follow, and does not meet acceptable practices. It appears possible that financial abuse could be masked by this disarray in the records and cash handling processes.

This District has an annual budget of about $130,000. Little justification was offered for a $14,000 budget increase (11%) in FY 2005. In FY 2004, the District underspent its budget by 20%. In FY 2005, the District came in 37% below the budgeted amount. Inflating or overstating budgets appears to be a routine practice. There has been no effective oversight of the financial practices of this District. It is cash-rich, with over $238,000 in reserves as shown in recent County general ledger statements.

Conclusions

Three of the four selected special districts appear to be drifting along with minimal oversight of their management and financial practices. It is not apparent to the Grand Jury why two of the districts continue to exist, and why a third continues to receive property tax subsidy. County officials and the public appear to be uninformed and unengaged in district matters. If the status of these four randomly selected Districts is at all representative of the nearly 60 special districts, JPAs, and financing authorities in the County, then there is a serious systemic problem. Whereas the annual expenditures of most individual special districts may amount to a few hundred thousand or millions of dollars, in the aggregate, special districts in the County spend a

substantial amount of public monies (about $1 billion annually). This lack of oversight seems to be endemic to the special district machinery established by the State Legislature. It permits failures in carrying out both County and special district management responsibilities.

The following details both systemic and district-specific Grand Jury findings and recommendations:

ISSUES THAT APPEAR TO BE SYSTEMIC

Finding 1

The special districts reviewed in this report are essentially invisible to County government and to the public, thereby making effective oversight and accountability impossible. The Board of Supervisors, LAFCO, the Controller-Treasurer, and County audit functions all appear to have no active continuing role in district oversight.

Recommendation 1

The County Board of Supervisors should begin immediate action to put in place a set of standards against which special districts are measured. They should also designate a management-audit agent (perhaps under the County Auditor's function) to perform regular performance, management, and financial audits. The mandate of this agent should be to assure prudent planning, budgeting, and control of activities and expenditures reflected in the substantial amounts of public monies involved.

Finding 2

LAFCO provides little guidance or impetus for the efficient management or streamlining of special districts. It only issues periodic generic service review reports containing information largely supplied by the districts themselves. Reasons for continued existence of districts appear never to be questioned or re-validated.

Recommendation 2

LAFCO should refocus its efforts and coordinate with the management-audit agent referenced in Recommendation 1. Efforts should more effectively provide performance, management, and fiscal evaluations, based upon community needs and benefits, including consolidation and/or dissolution recommendations for districts where appropriate.

Finding 3

Prudent County financial oversight and accountability of districts appear to be lacking.

3a. Proposed annual budgets of Districts appear to receive little to no review in terms of performance and management from the County.

3b. Property tax revenues are apportioned to special districts in an automatic, ongoing manner, almost as entitlements. No justifications for continued full allocations occur, even if sufficient reserves or other revenues are readily available to cover justified district expenses.

3c. The County does not monitor, nor does it have guidelines for determining, prudent levels or management of financial reserves for special districts.

Recommendation 3

The Grand Jury recognizes that the authority to oversee and control budgets, reserves, and functions of special districts rests by current statute with the boards of independent districts. The BOS should work with state legislative representatives to implement changes to the appropriate state laws to authorize the following detailed recommendations, perhaps using the precedent of the intended BOS oversight in the Santa Clara Valley Water District Act as a model.

3a. The BOS should implement a review process that examines budget details, including income and previous year actual expenditures against projections. This should include evaluating accomplishments against measurable objectives, and the value added by each district to the community. Management audits performed on a regular basis would aid in this process.

3b. The management-audit agent to be appointed under Recommendation 1 should require districts to justify their annual budgets in terms of plans, projected costs, and history of actual expenditures. These justifications should not rely on formulaic property tax allocations.

3c. The BOS should form a panel, including financial management expertise from local industry and other government agencies. This panel should advise on establishing prudent best-practice guidelines for financial reserve management. These guidelines should include quantitative actuarial approaches, along with policy practices to define appropriate reserve levels. The management-audit agent in Recommendation 1 should review special districts in the County for compliance with these reserve guidelines.

Finding 4

Special districts are essentially invisible to the public. Mechanisms are lacking to inform and engage the public affected directly by special districts so they can understand and judge the appropriateness, effectiveness, and efficiency of district activities. For example, there is no breakdown on property tax bills of the allocations to individual special districts.

Recommendation 4

4a. The County Assessor's website must be improved significantly in terms of usability. The property tax bill should have a pointer to the Assessor's website to make it easier, using best practices from e-commerce, for individuals to understand in detail how their tax dollars are spent.

4b. The results of analyses by the management-audit agent in Recommendation 1 should be made publicly available on a website, through printed documents in public libraries and government offices, and by inclusion in annual reports of individual special districts.

ISSUES RELATED TO INDIVIDUAL DISTRICTS

Finding 5

The budget management processes of Guadalupe-Coyote and Loma Prieta Resource Conservation Districts do not appear to meet prudent financial practices that best serve the public interest. No annual and long-range work plans containing specific measurable goals could be found. It is impossible to determine what, if any, demonstrable added value these two districts contribute.

Recommendation 5

Design, vet, and maintain annual and long-range district plans, such as described under Public Resource Code § 9413. These plans should contain complete, up-to-date, and measurable objectives. The district budget should be structured and managed in accordance with these district plans.

Finding 6

The Guadalupe-Coyote and Loma Prieta RCDs have not held elections for board members in at least the last four years. Vacant board positions, including uncontested re-election and mid-term vacancies, are most often filled by appointment by the BOS,

despite the fact that the legislature (in Public Resources Code § 9314) encourages public election of district directors. In practice, elections are considerably more expensive than appointments.

Recommendation 6

If the BOS is unwilling to make routine public election of board members economically affordable, then the appointment process should be made more accountable to the public. This means the BOS should openly recruit fully qualified and competent candidates and conduct an interview/selection process in a manner similar to that used to select managerial-level county employees. Lobbyists should be excluded from any such appointments.

Finding 7

Each of the four districts examined has a substantial discretionary financial reserve balance which the Grand Jury was unable to assess for lack of accepted criteria and management justification.

Recommendation 7

The reserves of each special district should be reviewed regularly and adjusted in accordance with the criteria established under Recommendation 3c.

Finding 8

The revenues of the Saratoga Cemetery District, other than property taxes, are nearly sufficient to fully fund that District as an enterprise district (or as a stand-alone business).

Recommendation 8

The Saratoga Cemetery District should be evaluated to determine if its status warrants change to be solely an enterprise district.

Finding 9

The South Santa Clara Valley Memorial District’s internal financial statements contain numerous errors and provide no comprehensible audit trail of District activities. Meetings with District management confirmed, but provided no resolution of, these problems.

Recommendation 9

If South Santa Clara Valley Memorial District management cannot remedy these serious shortcomings immediately, the BOS should replace the existing Board with persons who can effectively oversee District affairs. This Board should hire, using accepted County procurement procedures, a qualified outside management firm to conduct operations.

PASSED and ADOPTED by the Santa Clara County Civil Grand Jury on this 16th day of May, 2006.

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Thomas C. Rindfleisch
Foreperson

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Documents

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3. Senate Local Government Committee report, Mizany K and Manatt A, "What's So Special About Special Districts? A Citizen's Guide to Special Districts in California," Third Edition, February 2002, http://www.sen.ca.gov/locgov/wssasdreport.htm (last visited March 9, 2006).

4. Santa Clara Valley Water District Act, California Water Code Appendix, Chapter 60, 1968 and subsequent modifications, http://www.scvwd.dst.ca.us/About_Us/District_Info/District_Act/_Complete_text/Distact-2002.shtm (last visited May 7, 2006).

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7. E-mail from Guadalupe-Coyote RCD staff re district budgeting practices, November 8, 2005.

8. Demystifying the California Property Tax Apportionment System, David G. Elledge, Controller-Treasurer, County of Santa Clara.

9. Letter from Jeanie Guimarin, Controller-Treasurer office, County of Santa Clara, to Santa Clara County Special districts, Subject: Fiscal Year 2005 Approved Budgets (minimum SAP account number requirements).

10. Guadalupe-Coyote RCD Jan.2003 to Dec. 2003 Annual Report March 2004.

11. Guadalupe-Coyote RCD Budget Analysis Comparisons, 12 Periods Ended June 30 '04 and June 30 '05.

12. Guadalupe-Coyote RCD Annual Budgets, FYs 2004, 2005, and 2006.

13. Guadalupe-Coyote RCD Meeting Minutes, April 2005 – October 2005.

Documents – Continued

14. Guadalupe-Coyote RCD Long Range Plan 2004-2009.
15. Guadalupe-Coyote RCD Annual Report Jan. 2003 to Dec. 31, 2004 [sic].
16. Loma Prieta RCD Annual Work Plans, FYs 2003 and 2004.
17. Loma Prieta RCD General Ledger Account Analyses, Santa Clara County, FYs 2004 and 2005.
18. Loma Prieta RCD Board Meeting Minutes, July 2004 – October 2005.
19. Loma Prieta RCD Budgets, FYs 2003, 2004, 2005, and 2006 proposed.
20. Loma Prieta RCD Long Range Program, 2002-2007.
21. Countywide Water Service Review, LAFCO, Santa Clara County (Public Review Draft), March 2005.

Interviews

1. October 14, 2005, Executive Officer, Santa Clara County LAFCO.
2. November 9, 2005, Management Audit Manager, Santa Clara County Board of Supervisors Management Audit Division.
3. April 7, 2006, Saratoga Cemetery District General Manager.
4. April 19, 2006, Santa Clara County Controller-Treasurer.

Meetings Attended

1. August 16, 2005, Loma Prieta Resource Conservation District.
2. November 15, 2005, Loma Prieta Resource Conservation District.
3. September 6, 2005, Guadalupe-Coyote Resource Conservation District.
4. October 24, 2005, Guadalupe-Coyote Resource Conservation District.
5. December 5, 2995, California Special Districts Association Meeting, San Jose, CA.
6. April 3, 2006, Guadalupe-Coyote Resource Conservation District.
7. April 4, 2006, South Santa Clara Valley Memorial District.

Appendix A
Summary of Types of Special Districts in California

According to the Mizany and Manatt report, “What’s So Special About Special Districts?”, the following table shows the number of special districts in California by type for 1998-99, totaling 3,361 districts:

County Service Area	897
Fire Protection	386
Community Services	313
Cemetery	253
County Water	174
California Water	141
Reclamation	152
Recreation and Park	110
Resource Conservation	99
County Sanitation	91
Irrigation	97
Sanitary	76
Hospital	77
Public Utility	54
Mosquito Abatement	47
Storm Water Drainage and Conservation	49
County Waterworks	34
Municipal Water	40
Flood Control and Water Conservation	39
Water Agency or Authority	30
Memorial	27
Drainage	23

Levee	15
Harbor and Port	13
Library	13
Transit	13
Water Conservation	13
Airport	9
Water Storage	8
Citrus Pest Control	8
Waste Disposal	7
Pest Control	7
Municipal Improvement	5
Municipal Utility	5
Police Protection	3
Sanitation and Flood Control	2
Sewer	2
Water Replenishment	2
Bridge and Highway	1
Joint Highway	1
Metropolitan Water	1
Separation of Grade	1
Toll Tunnel Authority	1

Appendix B
Summary of Financial Information by Special District in Santa Clara County

The following data are derived from the California State Controller's report, "Special Districts Annual Report 2002-03".

NAME OF SPECIAL DISTRICT	TOTAL REVENUES	TOTAL EXPENDITURES	TOTAL DEBT
ALDERCROFT HEIGHTS COUNTY WATER DISTRICT	$154,511	$172,777	
BAY AREA COMMUNITY COLLEGE DISTRICTS JPA	$4,049,478	$3,013,022	
BURBANK SANITARY DISTRICT (SANTA CLARA)	$661,708	$309,634	$396,456
CENTRAL FIRE PROTECTION DISTRICT (SANTA CLARA)	$53,816,754	$54,834,985	$4,380,000
CITY OF SAN JOSE BERRYESSA PROJECT CORPORATION (INACTIVE)	$0	$0	
CITY OF SANTA CLARA FACILITIES FINANCING CORPORATION	$1,230,938	$24,503,093	$39,865,000
COUNTY LIGHTING SERVICE DISTRICT	$322,659	$313,612	
COUNTY SANITATION No. 2-3	$2,061,049	$2,097,295	$1,371,667
CUPERTINO PUBLIC FACILITIES CORPORATION	$4,312,449	$9,865,705	$54,770,000
CUPERTINO SANITARY DISTRICT	$5,911,483	$6,485,406	$7,046,510
EL CAMINO HOSPITAL DISTRICT	$8,664,000	$223,000	
FIRST 5 SANTA CLARA COUNTY	$27,271,090	$17,777,285	
GAVILAN COLLEGE FINANCING CORPORATION	$0	$0	
GILROY U.S.D. SCHOOL BUILDING CORPORATION	$2,945,297	$3,799,562	$28,585,000
GUADALUPE COYOTE R.C.D	$120,365	$131,014	
LAKE CANYON COMMUNITY SERVICE DISTRICT	$68,250	$111,848	$250,000
LEXINGTON DRIVE MAINTENANCE DISTRICT (SANTA CLARA)	$5,946	$0	
LOMA PRIETA R.C.D.	$43,571	$36,666	
LOMA SERENA STREET LIGHTING MAINTENANCE DISTRICT	$1,756	$2,064	
LOS ALTOS HILLS COUNTY FIRE DISTRICT	$4,759,449	$3,179,233	
MIDPENINSULA REGIONAL OPEN SPACE DISTRICT	$22,070,132	$25,357,792	$117,505,859
MORGAN HILL WASTEWATER FACILITIES FINANCING CORPORATION	$220,233	$380,233	$4,525,000
MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY	$24,181,000	$10,290,000	$55,025,000
NORTH COUNTY LIBRARY AUTHORITY	$704,937	$700,333	
NORTHERN CALIFORNIA COMMUNITY COLLEGE POOL	$2,319,728	$2,239,624	
OVERLOOK ROAD MAINTENANCE DISTRICT	$21,532	$5,554	
PALO ALTO PUBLIC IMPROVEMENT CORPORATION	$1,336,844	$2,495,293	$12,905,000
PARKING AUTHORITY OF THE CITY OF SAN JOSE (INACTIVE)	$0	$0	
PURISSIMA HILLS WATER DISTRICT	$3,406,650	$2,843,939	
RANCHO RINCONADA RECREATION AND PARK DISTRICT	$318,844	$289,398	
RECLAMATION DISTRICT #1663 (INACTIVE)	$0	$0	
ROSE-ANDREWS STREET LIGHTING DISTRICT	$1,203	$1,033	
SAN JOSE CIVIC IMPROVEMENT AUTHORITY (INACTIVE)	$0	$0	
SAN JOSE FINANCING AUTHORITY	$17,460,728	$40,526,515	$578,100,000

Appendix B - Continued

NAME OF SPECIAL DISTRICT	TOTAL REVENUES	TOTAL EXPENDITURES	TOTAL DEBT
SAN JOSE-SANTA CLARA CLEAN WATER FINANCING AUTHORITY	$10,010,335	$12,960,061	$99,285,000
SAN MARTIN COUNTY WATER DISTRICT	$0	$0	
SANTA CLARA COUNTY ABANDONED VEHICLE ABATEMENT SERVICE AUTHORITY	$1,441,101	$1,441,101	
SANTA CLARA COUNTY BUILDING AUTHORITY (INACTIVE)	$0	$0	
SANTA CLARA COUNTY FINANCING AUTHORITY	$21,625,356	$35,001,110	$517,505,767
SANTA CLARA COUNTY OPEN-SPACE AUTHORITY	$12,807,085	$7,123,710	
SANTA CLARA COUNTY PUBLIC FACILITIES CORPORATION	$63,975	$1,671,719	
SANTA CLARA COUNTY SCHOOLS INSURANCE GROUP	$22,535,689	$23,977,746	
SANTA CLARA COUNTY VECTOR CONTROL DISTRICT	$2,711,158	$2,873,477	
SANTA CLARA COUNTY-EL CAMINO HOSPITAL DISTRICT FACILITIES AUTHORITY		$2,100,000	$60,100,000
SANTA CLARA VALLEY TRANSPORTATION AUTHORITY	$304,194,821	$382,334,545	$417,469,961
SANTA CLARA VALLEY TRANSPORTATION AUTHORITY	$32,677,396	$32,677,396	
SANTA CLARA VALLEY WATER DISTRICT (FLOOD CONTROL & WATER CONSERVATION)	$114,590,866	$123,635,147	$203,885,000
SANTA CLARA VALLEY WATER DISTRICT (WATER ENTERPRISE)	$132,681,203	$116,217,545	$101,191,465
SARATOGA CEMETERY DISTRICT	$879,088	$2,055,826	$1,120,574
SARATOGA FIRE PROTECTION DISTRICT	$3,884,552	$4,844,906	$5,908,737
SCHOOL ALLIANCE FOR WORKERS COMPENSATION EXCESS SELF-FUNDED JPA	$20,528,613	$1,197,326	
SILICON VALLEY ANIMAL CONTROL AUTHORITY	$1,934,300	$1,754,254	
SILICON VALLEY LIBRARY SYSTEM	$603,418	$634,241	
SOUTH BAY AREA SCHOOL INSURANCE AUTHORITY	$1,479,958	$1,261,510	
SOUTH BAY DISCHARGERS AUTHORITY (INACTIVE)	$0	$0	
SOUTH SANTA CLARA COUNTY FIRE DISTRICT	$3,057,283	$2,821,216	
SOUTH SANTA CLARA VALLEY MEMORIAL DISTRICT	$87,363	$86,056	
SPORTS & OPEN SPACE AUTHORITY OF THE CITY OF SANTA CLARA (INACTIVE)	$0	$0	
SUNNYVALE FINANCING AUTHORITY	$22,802,465	$22,741,962	$48,945,000
SUNOL SANITARY DISTRICT (SANTA CLARA)	$116,085	$98,988	$184,190
WEST VALLEY SANITATION DISTRICT OF SANTA CLARA COUNTY	$11,883,311	$12,802,676	$17,209,389
TOTALS	**$911,038,005**	**$1,004,298,433**	**$2,377,530,575**

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED

JUNE 30, 2018

HARSHWAL & COMPANY LLP
Certified Public Accountants
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SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
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HARSHWAL® & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Santa Clara County Vector Control District
San Jose, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, and each major fund of the Santa Clara County Vector Control District (the "District"), a component unit of the County of Santa Clara, 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. 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.

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

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 Santa Clara County Vector Control District, as of June 30, 2018, and the respective changes in financial position thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedule, schedule of changes in net pension liability, OPEB liability and related ratios, and schedule of plan contributions on pages 3 - 9 and 32 - 36 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 September 11, 2018, on our consideration of the Santa Clara County Vector Control 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 the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Santa Clara County Vector Control District's internal control over financial reporting and compliance.

Harshwal & Company, LLP
Certified Public Accountants

Harshwal & Company LLP

Oakland, California
September 11, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS
(REQUIRED SUPPLEMENTARY INFORMATION)

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018

This section of the Santa Clara County Vector Control District (the "District") annual financial report presents a discussion and analysis of the District's financial performance for the fiscal year ended June 30, 2018. The District's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosure following this section:

FINANCIAL HIGHLIGHTS

- The assets/deferred outflow of the District exceeded liabilities/deferred inflow by $9,383,480 (net position) for the fiscal year reported. Of this amount, $6,688,208 is net investment in capital assets while $2,695,272 is restricted for general purposes.
- The District's total net position decreased by $821,414 during the fiscal year.
- As of June 30, 2018, the District's governmental funds reported combined ending fund balances of $10,763,019. The entire amount is restricted to be spent only for the missions the District is committed to.
- At the end of the fiscal year, restricted fund balance for the general fund was $10,464,937 or 133% of total general fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: (1) Government-wide financial statements, (2) Fund financial statements, and (3) Notes to the basic financial statements. Required Supplementary Information is included in addition to the basic financial statements.

Government-wide Financial Statements

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

The *statement of net position* presents information on all of the District's assets, deferred outflow, liabilities, and deferred inflow with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether or not the financial position of the District is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges *(business-type activities*). The only governmental activity of the District is health and sanitation. The District does not have any business-type activities.

Fund Financial Statements

The fund financial statements are designed to report information about groupings of related accounts which are used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into one category only, governmental funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements—i.e. most of the District's basic services are reported in governmental funds. These statements, however, focus on (1) how cash and other financial assets can readily be converted to available resources and (2) the balances left at year-end that are available for spending. Such information may be useful in determining what financial resources are available in the near future to finance the District's programs.

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 financial decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains two governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and capital projects.

The District does not have any proprietary and fiduciary funds.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information

The required supplementary information is presented concerning the District budgetary comparison schedule. The District adopts an annual appropriated budget for its General Fund and Capital Project. A budgetary comparison schedule has been provided for the General Fund to demonstrate compliance with this budget and to satisfy the requirement of GASB Statement No. 34.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets/deferred outflow exceeded liabilities/deferred inflow by $9,383,480 at the close of the most recent fiscal year.

NET POSITION
GOVERNMENTAL ACTIVITIES

	2018	2017	Increase (Decrease) %
ASSETS			
Current and other assets	$11,207,492	$11,473,349	(2)%
Capital assets, net	6,688,208	6,563,418	1.90 %
Total Assets	17,895,700	18,036,767	(1)%
Deferred Outflows of Resources	1,858,527	1,974,421	(6)%
LIABILITIES			
Current and other liabilities	484,421	274,962	76 %
Non-current - due beyond one year	9,328,351	5,411,551	72 %
Total Liabilities	9,812,772	5,686,513	73 %
Deferred Inflows of Resources	557,975	1,065,379	(48)%
NET POSITION			
Net investment in capital assets	6,688,208	6,563,418	2 %
Restricted net position	2,695,272	6,695,878	(60)%
Total Net Position	$ 9,383,480	$13,259,296	(29.23)%

Analysis of Net Position

The larger balance of the District's net position of $6,688,208 (71%) represents net investment in capital assets (e.g. land, building and improvements, vehicles, and equipment). The District uses these capital assets to provide services to citizens; consequently, these are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The remaining portion of the District's net position $2,695,272 (29%)represents resources that are subject to external restrictions on how they may be used.

At the end of the current fiscal year, the District reported positive balances in both categories of net position.

Governmental Activities

Governmental activities decreased the District's net position by $821,414 thereby accounting for 100% of the total increase in net position of the District.

The following table indicates the changes in net position for governmental activities:

CHANGES IN NET POSITION
GOVERNMENTAL ACTIVITIES

	2018	2017	Increase (Decrease) %
REVENUES:			
Benefit assessment	$ 7,085,337	$ 7,035,981	0.70 %
Interest income	142,521	124,681	14 %
Intergovernmental	52,291	78,949	(34)%
Miscellaneous	139,220	40,962	240 %
Total revenues	7,419,369	7,280,573	2 %
EXPENSES:			
Health and Sanitation	8,240,783	7,263,379	13 %
Total expenses	8,240,783	7,263,379	13 %
Change in net position	(821,414)	17,194	(4,877)%
Restatement	3,054,402	-	100.00 %
Net position - beginning of year	13,259,296	13,242,102	0.13 %
Net position - end of year	$ 9,383,480	$13,259,296	(29.23)%

Analysis of Changes in Net Position

A key element of the decrease in net position of $(821,414) was due to the benefit assessment revenue being more than the expenditures.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

Governmental Funds

The general government functions are contained in the General Funds and the Capital Project. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balance of spendable resources. Such information is useful in assessing the District's financing requirements.

At June 30, 2018, the District's governmental funds reported combined ending fund balances of $10,763,019 a decrease of $456,977 in comparison with the prior year largely due to redemption of outstanding bond. All of the combined ending fund balances constitutes restricted fund balance for general purposes.

The general fund is the chief operating fund of the District. At June 30, 2018, restricted fund balance of the general fund was $10,464,937 while total fund balance reached $10,763,019 Total fund balance of the general fund represents 133% of total general fund expenditures of $7,876,346.

Revenues for governmental functions totalled $7,419,369 in fiscal year 2017-2018, which represents an increase of 1.90% from the previous fiscal year. Expenditures for governmental functions, totalling $7,876,346, decreased by 25% from the previous fiscal year. In the fiscal year 2017-2018, expenditures for governmental functions exceeded revenues by $456,977.

The following table presents the amount of revenues from various sources as well as increases or decreases from the prior year.

REVENUES CLASSIFIED BY SOURCE
GOVERNMENTAL FUNDS

	2018		2017		Increase/(Decrease)	
Revenues by source	Amount	% of Total	Amount	% of Total	Amount	% of Change
Benefit assessment	$ 7,085,337	95 %	$ 7,035,981	97 %	$ 49,356	0.70 %
Interest income	142,521	2 %	124,681	2 %	17,840	14.31 %
Intergovernmental revenue	52,291	1 %	78,949	1 %	(26,658)	(33.77)%
Miscellaneous	139,220	2 %	40,962	1 %	98,258	239.88 %
Total	$ 7,419,369	100 %	$ 7,280,573	100 %	$ 138,796	1.91 %

Intergovernmental revenues represent mainly transfer from County through property tax/benefit assessment to fund CalPERS Employers Retiree Benefit Trust (CERBT) to assure the unfunded liability for the District is addressed in a prorata fashion. Other revenues represent water pollution control and plant mosquito control provided by the District to the City of San Jose, the level of which fluctuates every year.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the year, actual revenues were more than budgetary estimates by $172,254. This favourable variance is mainly due to surge in benefit assessment and interest income. Actual expenditures were less than budgetary estimates by $489,787. This favourable variance is mainly due to postponement of spending on laboratory equipment, computer hardware and vehicle purchase.

CAPITAL ASSETS AND DEBT ADMINISTRATION

The District’s capital assets for its governmental activities as of June 30, 2018, amounted to $6,688,208 (net of accumulated depreciation). The capital assets include land, building and improvements, vehicles, and equipment. The net decrease in the District’s capital assets for the current period was $124,790 which was mainly due to net effect of capital assets disposal and depreciation over new acquisitions.

Capital assets for the governmental activities are presented below to illustrate changes from the prior year:

	Governmental Activities		Increase/ (Decrease)
	2018	2017	% of Change
Land	$ 2,352,000	$ 2,352,000	- %
Building and improvements	4,556,516	4,556,516	- %
Vehicles	1,458,024	1,163,825	25.28 %
Equipment	525,676	525,675	- %
Total Cost	8,892,216	8,598,016	3.42 %
Less: accumulated depreciation	(2,204,008)	(2,034,598)	8.33 %
Capital assets, net	$ 6,688,208	$ 6,563,418	1.90 %

Long-term debt

The District increased its long-term debt mainly due to recognition of net pension liability.

	2018	2017	% of Change
Compensated absences	452,856	494,926	(9)%
Net pension liability	6,078,699	4,938,234	23 %
Total long-term debt	$ 6,531,555	$ 5,433,160	20 %

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Mosquito, Vector and Disease Control Assessment relies on two benefit assessments to fulfill the District Service Mission "to detect and minimize vector borne disease, to abate mosquitoes, and to assist the public in resolving problems with rodents, wildlife, tick borne diseases and insects of medical significance". Several factors help to maintain the stability of the revenue stream from the benefit assessments, and thus, the consistency of the economic picture. The number of parcels added to the District's benefit assessment roll rises at less than 1 percent annually; the current assessments do not include a "sunset clause"; annual assessed amounts cannot contain a CPI-U (maximum 3%) adjustment without the approval from the District Board of Trustees; and no additional assessments are being proposed. Revenue from the two benefit assessments totaled $7,085,337 for FY 2018 and projected to total $6,975,057 for FY 2019.

One significant development on the horizon is the potential invasion and establishment of two invasive mosquito species. The Asian Tiger Mosquito (ATM) is currently established in southern California, and the Yellow Fever Mosquito (YFM) has been discovered in multiple locations throughout California, including San Mateo and Alameda Counties. These infestations have continued to expand since 2013. When established in our County, these two species will significantly alter mosquito control operations and place additional financial burden on the District. Of even greater import is the fact that these two species transmit Zika, Dengue and Chikungunya viruses, and that imported cases of these diseases have been and will continue to occur within the County as people travel to and from areas where these viruses are widespread. The Vector Control District (VCD) received grant funds for $45,000 in FY17 and $15,000 in FY18 from Public Health Foundation Enterprises, Inc. dba Helena Health (PHFE/HH) in August 2017 to perform activities related to invasive mosquitos. District plan to address more surveillance for invasive mosquitoes in FY19.

All California districts face uncertainty related to regulatory oversight, and the increasing complexity and costs of doing vector control. District plan to increase two more seasonal in FY19 to treat all catch basin and reduce the mosquito population. Though these costs do not significantly alter the financial outlook for the District they highlight the need to maintain budget reserves and to coordinate with other Districts to ensure that unforeseen costs are covered.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Santa Clara County Vector Control District, 1580 Berger Dr. San Jose, CA 95112.

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT

STATEMENT OF NET POSITION

JUNE 30, 2018

	Governmental Activities
ASSETS	
Cash and investments	$ 11,103,343
Receivables	41,759
Due from other governmental units- other	62,390
Capital assets, net	6,688,208
Total Assets	17,895,700
Deferred Outflows of Resources	
Pension	1,517,892
OPEB	340,635
LIABILITIES	
Accounts payable	257,930
Accrued salaries and benefits	186,524
Due to other governmental units - other	19
Non-current liabilities:	
Due within one year	39,948
Due in more than one year	412,908
OPEB liability	2,836,744
Net pension liability- due beyond one year	6,078,699
Total Liabilities	9,812,772
Deferred Inflows of Resources	
Pension	97,211
OPEB	460,764
NET POSITION	
Net investment in capital assets	6,688,208
Restricted	
General purposes	2,695,272
Total Net Position	$ 9,383,480

The accompanying notes are an integral part of these financial statements

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2018

	Expenses	Net (Expense) Revenue and Changes in Net Position Governmental Activities
Functions/Programs		
Governmental Activities		
Health and sanitation	$ 8,240,783	$ (8,240,783)
Total governmental activities	$ 8,240,783	(8,240,783)
General Revenues:		
Benefit assessment		7,085,337
Interest income		142,521
Gain on sale of capital assets		26,543
Intergovernmental		52,291
Miscellaneous		112,677
Total general revenues		7,419,369
Change in net position		(821,414)
Net position - beginning,		13,259,296
Restatement		(3,054,402)
Net position - ending, *Restated*		10,204,894
Net position - ending		$ 9,383,480

The accompanying notes are an integral part of these financial statements

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2018

	General Fund	Capital Project	Total Governmental Funds
ASSETS:			
Cash and investments	$ 10,806,512	$ 296,831	$ 11,103,343
Receivables	40,508	1,251	41,759
Due from other governmental agencies- other	62,390	-	62,390
Total assets	10,909,410	298,082	11,207,492
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	257,930	-	257,930
Accrued salaries and benefits	186,524	-	186,524
Due to other governmental agencies	19	-	19
Total liabilities	444,473	-	444,473
Fund balances:			
Restricted	10,464,937	298,082	10,763,019
Total fund balances	10,464,937	298,082	10,763,019
Total liabilities and fund balances	$ 10,909,410	$ 298,082	$ 11,207,492

The accompanying notes are an integral part of these financial statements

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION

JUNE 30, 2018

Total fund balances - governmental funds		$ 10,763,019
Amounts reported for Governmental Activities in the Statement of Net Position are different because:		
Capital assets used for governmental activities are not financial resources, and therefore, are not reported as assets in governmental funds.		6,688,208
Deferred outflows of resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the governmental funds		1,858,527
Deferred inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the governmental funds		(557,975)
Non-current liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Non-current liabilities at year end consist of:		
Net Pension liability	(6,078,699)	
Other Post-employment benefits liability	(2,836,744)	
Compensated absences	(452,856)	(9,368,299)
Total net position - governmental activities		$ 9,383,480

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 2018

	General Fund	Capital Project	Total
REVENUES			
Benefit assessment	$ 7,085,337	$ -	$ 7,085,337
Interest income	138,276	4,245	142,521
Gain on sale of capital assets	26,543	-	26,543
Intergovernmental revenue	52,291	-	52,291
Other revenue	112,677	-	112,677
Total revenues	7,415,124	4,245	7,419,369
EXPENDITURES			
Salaries and benefits	4,763,907	-	4,763,907
Services and supplies	2,751,805	-	2,751,805
Capital outlay	360,634	-	360,634
Total expenditures	7,876,346	-	7,876,346
Net change in fund balance	(461,222)	4,245	(456,977)
Fund balances, beginning	10,926,159	293,837	11,219,996
Fund balances, ending	$ 10,464,937	$ 298,082	$ 10,763,019

The accompanying notes are an integral part of these financial statements

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2018

Total net change in fund balances - governmental funds		$ (456,977)
Amounts reported for Governmental Activities in the Statement of Activities are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which additions to capital outlay exceeds depreciation expense in the period.		
Capital assets acquisitions	360,634	
Less: Depreciation	(235,844)	124,790
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
OPEB expenses	97,530	
Change in compensated absences	42,070	
Pension expense	(628,827)	(489,227)
Changes in net position - governmental activities		$ (821,414)

The accompanying notes are an integral part of these financial statements

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

NOTE 1: ORGANIZATION

The Santa Clara County Vector Control District (the "District") was organized May 3, 1988, in conformity with the Government Code Section 25842.5, Health and Safety Code Section 2200, et seq., Health and Safety Code Section 1800, et seq., California Penal Code, Title X, and Uniform Housing Code Section 1001 (b) 12. The District provides services to prevent vector borne diseases and reduce exposure to pests, mosquitoes, rodents and insects which affect the public health and well being. The District serves all fifteen incorporated cities and the unincorporated areas of the County.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The District complies with generally accepted accounting principles (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this Note.

A. Basis of Presentation

Government-wide Financial Statements

The statement of net position and statement of activities display information about the District. These statements include the financial activities of the overall government. Governmental activities are normally supported by taxes and intergovernmental revenues.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues would include charges paid by the recipients of goods or services offered by the programs, as well as grants and contributions that are restricted to meeting the operational or capital requirements of the programs. Revenues that are not classified as program revenues, including all kinds of taxes, are presented as general revenues. The comparison of program revenues and direct expenses identifies the extent to which each program is self-financing or draws from the general revenues of the District.

When both restricted and unrestricted net positions are available, restricted resources are used only after the unrestricted resources are depleted.

Fund Financial Statements

Fund financial statements are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- (Cont'd)

A. Basis of Presentation - (Cont'd)

Funds are organized into three major categories: governmental, proprietary, and fiduciary. There are separate statements for each fund category. The emphasis of fund financial statements is on major governmental and enterprise funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The internal service fund is presented in a single column in the proprietary fund financial statements. The District has two funds, the general fund and capital project, both of which are categorized as governmental funds. There are no proprietary nor fiduciary funds.

Governmental Funds

The District reports two governmental funds:

- The General Fund is the primary operating fund of the District and is always classified as a major fund. It is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the District that are not accounted for through other funds. For the District, the General Fund's primary activity is health and sanitation.
- Capital Project is used to account for financial resources to be used for the acquisition or construction of major capital assets.

B. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

The government-wide, proprietary, and fiduciary fund financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This differs from the manner in which governmental fund financial statements are prepared. Therefore, governmental fund financial statements include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds. The District has no proprietary nor fiduciary funds.

The accounting objectives of the economic resources measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Fund equity is classified as net position.

Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Non-exchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes. On an accrual basis, revenue from benefit assessment is recognized in the fiscal year for which the assessment is levied.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- (Cont'd)

B. Measurement Focus and Basis of Accounting - (Cont'd)

The governmental fund financial statements are prepared using the current financial resources measurement focus and the modified accrual basis of accounting.

In the current financial resources measurement focus, only current financial assets and liabilities are generally included on the balance sheets. The operating statements present sources and uses of available spendable financial resources during a given period. The fund balance is used as the measure of available spendable financial resources at the end of the period.

Under the modified accrual basis of accounting, revenues are recognized when measurable and available. Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year end. Expenditures (including capital outlay) are recorded when the related liability is incurred, except for debt expenditures (principal and interest), as well as expenditures related to compensated absences which are reported when expense due.

C. Budgets and Budgetary Accounting

The District prepares its budget on a basis of accounting that differs from generally accepted accounting principles (GAAP). The actual results of operations are presented in the Budgetary Comparison Schedule - General Fund - Budgetary Basis on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis of accounting and GAAP is that encumbrances are recorded as expenditures under the budgetary basis.

These budgets are revised by the District's governing body during the year to give consideration to unanticipated income and expenditures. The original and final revised budgets are presented for the General Fund in the financial statements.

D. Cash and Investments

Cash held in banks are insured by the Federal Depository Insurance Corporation. All cash held by the financial institutions is fully insured or collateralized, except those which exceeds the maximum insured levels of the FDIC.

The District maintains substantially all its cash in the Santa Clara County Treasury. The county pools these funds with those of other Departments in the county and invests the cash. These pooled funds are carried at cost, which approximates market value. Interest earned is deposited quarterly into participating funds. Any investment losses are netted against interest income and proportionately shared by all funds in the pool.

E. Capital Assets

In the government-wide financial statements, capital assets purchased or acquired with an original cost of $5,000 or more are recorded at historical cost or at estimated historical cost, if actual historical cost is not available. Donated capital assets are recorded at acquisition value.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- (Cont'd)

E. Capital Assets - (Cont'd)

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation expense is provided over the assets' estimated useful lives using the straight-line method of depreciation. The estimated useful lives by type of assets are as follows:

Buildings and improvements	5-50 years
Vehicles and Equipment	3-30 years

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

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Upon sale of capital assets, the proceeds from sale of capital assets is included in the results of operations as other financing sources.

F. Compensated Absences

Accumulated unpaid vacation and sick leave are recorded as a liability when future payments for such compensation absences have been earned by employees based on pay and salary rates in effect at year end. This liability is recorded as long-term debt in the government-wide financial statement of net position. The liability is not accrued in the governmental fund financial statement but is recognized only if it is due and payable in an event of termination.

G. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan's 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.

H. Deferred Outflow/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- (Cont'd)

I. Long-term Debt

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of applicable bond premium or discount. Bond issue costs are expensed when incurred.

In the fund financial statements, governmental funds recognized bond premiums and discounts as well as bond issuance costs, during the current period. The face amount of the debt issued, premiums, or discounts are reported as other financing sources/uses, whereas, issuance costs, are reported as debt service expenditures.

J. Equity Classifications

In government-wide and proprietary fund financial statements, equity is classified as net position and divided into three components:

- *Net Investment in Capital Assets* – This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.
- *Restricted Net Position* – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- *Unrestricted Net Position* – This category represents net position of the District, not restricted for any project or other purpose.

Governmental funds report fund balances in classifications based primarily on the extent to which the District is bound to honour constraints on the specific purposes for which amounts in the funds can be spent. Fund balance for governmental funds can consist of the following:

- *Nonspendable Fund Balance* – includes amounts that are (a) not in spendable form–such as inventory, prepaid amounts or long-term notes receivable, or (b) legally or contractually required to be maintained intact–such as a trust that must be retained in perpetuity. The "not in spendable form" criterion includes items that are expected to be converted to cash.
- *Restricted Fund Balance* – constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation. Restriction may effectively be changed or lifted only with the consent of resource providers.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- (Cont'd)

J. Equity Classifications - (Cont'd)

- *Committed Fund Balance* – amounts that can be used only be used for the specific purposes determined by a formal action of the District's highest level of decision-making authority, the Board. Commitments may be changed or lifted by the District taking the same formal action that imposed the constraint originally.
- *Assigned Fund Balance* – comprises amounts intended to be used by the District for specific purposes that are neither restricted nor committed. Intent is expressed by (a) the District's Board or (b) a body (e.g., a budget or finance committee) or official to which the District's Board has delegated the authority to assign, modify, rescind amounts to be used for specific purposes. With the exception of the General Fund, this is the residual fund balance classification for all governmental funds with positive balances.
- *Unassigned Fund Balance* – the residual classification for the General Fund. It is also used to report negative fund balance in other governmental funds.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is generally depleted in the order of restricted, committed, assigned, and unassigned.

K. Estimates

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

L. Subsequent Events

Management has evaluated subsequent events through September 11, 2018.

NOTE 3. CASH AND INVESTMENTS

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

	Carrying Amount	Fair Value
Cash and investments in County Treasury common pool:		
General Fund	$ 10,806,512	$ 10,644,718
Capital Project Fund	296,831	292,387
Total cash and investments	$ 11,103,343	$ 10,937,105

The District's fair value is based on their cash position as of June 30, 2018, in proportion to the entire cash held in the commingled County Pool. The fair value includes the amortization of premiums and discounts. The County's investments are registered with the SEC.

NOTE 3. CASH AND INVESTMENTS - (CONT'D)

Based on the County's calculations, the District would have reflected a decrease to cash and interest and investment income of $161,795 and $4,444 in the General Fund and Capital Project Fund, respectively. However, since such application is not material, the District's cash balance is stated at cost.

Cash in County Treasury

Funds with the County Treasurer are invested pursuant to investment policy established by the Treasurer and approved by the Board of Trustees. The objectives of the policy are, in order of priority, preservation of capital, liquidity and yield. The policy addresses the soundness of financial institutions in which the County deposits funds, the types of investment instruments and the percentage of the portfolio which may be invested in certain instruments, as permitted by Section 53600 et seq. of the Government Code of the State of California. The County Treasury common pool at June 30, 2018 consisted of cash in bank, U.S. government and agency securities, corporate bonds, negotiable certificates of deposit, commercial paper, and deposits in the State's local agency investment fund. Additional information regarding the deposit and investment custodial credit, interest rate and credit risks of the County Treasury common pool can be found in the County's June 30, 2018 comprehensive annual financial report. A copy of that report may be obtained by contacting the County's Finance Agency, Controller-Treasurer Department, 70 West Hedding Street, 2nd Floor, East Wing, San Jose, CA 95110.

NOTE 4. CAPITAL ASSETS

The capital assets activities for the year ended June 30, 2018 are as follows:

	Balance 6/30/17	Additions/ Adjustments	Deletions/ Adjustments	Balance 6/30/18
Capital assets, not being depreciated:				
Land	$ 2,352,000	$ -	$ -	$ 2,352,000
Total capital assets, not being depreciated	2,352,000	-	-	2,352,000
Capital assets being depreciated:				
Building and improvements	4,556,516	-	-	4,556,516
Vehicles	1,163,825	360,634	(66,434)	1,458,025
Equipment	525,675	-	-	525,675
Total capital assets, being depreciated	6,246,016	360,634	(66,434)	6,540,216
Less - accumulated depreciation for:				
Building and improvements	760,205	91,130	-	851,335
Vehicles	864,856	111,914	(66,434)	910,336
Equipment	409,537	32,800	-	442,337
Total accumulated depreciation	2,034,598	235,844	(66,434)	2,204,008
Total capital assets, being depreciated, net	4,211,418	124,790	-	4,336,208
Government activities capital assets, net	$ 6,563,418	$ 124,790	$ -	$ 6,688,208

NOTE 5. LONG-TERM DEBT

A. Change in Long-term Debt

The following is a summary of changes in long-term debt for the year ended June 30, 2018:

	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018	Due within one year	Due beyond one year
OPEB liability	$ -	$2,836,744	$ -	$ 2,836,744	$ -	$2,836,744
Compensated absences	494,926	-	(42,070)	452,856	39,948	412,908
Net pension liability	4,938,234	1,140,465	-	6,078,699	-	6,078,699
Totals	$ 5,433,160	$3,977,209	$ (42,070)	$ 9,368,299	$ 39,948	$9,328,351

NOTE 6. PENSION PLANS

A.General Information about the Pension Plan

The full description of the general information about the pension plan (outline below) can be found in the County's June 30, 2018 CAFR. A copy of that report may be obtained by contacting the County's Finance Agency, Controller-Treasurer Department, 70 West Hedding Street, 2nd Floor, East Wing, San Jose, CA 95110.

- Plan Description, Benefits Provided and Employees Covered
- Contribution Description
- Actuarial Methods and Assumptions Used to Determine Total Pension Liability
- Discount Rate
- Pension Plan Fiduciary Net Position
- Sensitivity of the Net Pension Liability to Changes in the Discount Rate
- Subsequent Events and
- Recognition of Gains and Losses

NOTE 6. PENSION PLANS-(CONT'D)

B. Changes in the Net Pension Liability

The following table shows the changes in net pension liability recognized over the measurement period (presented at **.196%**, which is the County of Santa Clara's calculation of the District's proportional share).

	Increase(Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (c) = (a) - (b)
Balance at: 6/30/16 (VD)[1]	$ 18,298,110	$ 13,036,205	$ 5,261,905
Changes Recognized for the Measurement Period			
• Service Cost	482,208	-	482,208
• Interest on the Total Pension Liability	1,376,423	-	1,376,423
• Change in assumptions	1,151,971	-	1,151,971
• Difference between Expected and Actual Experience	(19,152)	-	(19,152)
• Plan to Plan Resource Movement	-	(201)	201
• Contributions from the Employers	-	526,396	(526,396)
• Contributions from Employees	-	215,845	(215,845)
• Net Investment Income[2]	-	1,451,616	(1,451,616)
• Benefit Payments, including Refunds of Employee Contributions	(842,726)	(842,726)	-
• Administrative Expenses	-	(19,247)	19,247
Net Changes during 2016-17	2,148,724	1,331,683	817,041
Balance at: 6/30/17 (MD)[1]	$ 20,446,834	$ 14,367,888	$ 6,078,946
Rounding off difference			247
Adjusted balance at: 6/30/17			$ 6,078,699

C. Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

For the measurement period ending June 30, 2017 (the measurement date), the District incurred a total pension expense of $628,827 for the Plan.

No adjustments have been made for contributions subsequent to the measurement date. Adequate treatment of any contributions made after the measurement date is the responsibility of the employer.

NOTE 6. PENSION PLANS (CONT'D)

As of June 30, 2018, the District has deferred outflows and deferred inflows of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	$ 871,003	$ (76,273)
Difference between Expected and Actual Experience	12,918	(20,938)
Employer contribution subsequent to measurement date	443,225	-
Net Difference between Projected And Actual Earnings on Pension Plan Investments	190,745	-
Total	$ 1,517,891	$ (97,211)

The amounts above are net of outflows and inflows recognized in the 2016-17 measurement period expense.

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

Measurement Period Ended June 30:	Deferred Outflows/ (Inflows) of Resources
2019	197,713
2020	501,151
2021	356,144
2022	(77,552)
2023	-
Thereafter	-

The District's employer contributions for the year ending June 30, 2018 is $443,225.

NOTE 7. OTHER POST EMPLOYMENT BENEFITS

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) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

NOTE 7.OTHER POST EMPLOYMENT BENEFITS-(CONT'D)

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

Plan Description

The District has established a Retiree Healthcare Plan (HC Plan), and participates in an agent multiple-employer defined benefit retiree healthcare plan. The HC Plan provides employees who retire directly from the District, at a minimum age of 55, with a minimum of five years of service, a cash subsidy for monthly medical insurance premiums up to a cap of $200 per employee or $320 for employee plus spouse. Payments cease at age 65 when the retiree or spouse is eligible for Medicare. If applicable, a cash subsidy for the monthly medical premium continues up to a cap of $160 for a spouse until age 65 is attained. Surviving spouses are also eligible for this benefit.

Employees who retire directly from the District at a minimum age of 55 with a minimum of five years of service are eligible to continue medical coverage as a participant with active employees at a blended premium rate until eligible for Medicare at age 65 as an implied subsidy. A separate financial report is not prepared for the HC Plan.

Contributions

The HC Plan and its contribution requirements are established by Memoranda of Understanding with the applicable employee bargaining units and may be amended by agreements between the District and the bargaining units. The annual contribution is based on the actuarially determined contribution. For the fiscal year ended June 30, 2018, the District's contributions were $340,635.

In Fiscal Year 2016, the District created a trust with Public Agency Retirement Services (PARS) for the purpose of prefunding obligations for past services.

NOTE 7. OTHER POST EMPLOYMENT BENEFITS-(CONT'D)

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, 2016 that was rolled forward to determine the June 30, 2017 total OPEB liability, based on the following actuarial methods and assumptions:

	Actuarial Assumptions
Discount Rate	7.00%
Inflation	2.75%
Salary Increases	Miscellaneous: 10.90% to 3.30%, vary by service, including wage inflation. Salary Increases
	Safety: 16.90% to 4.50%, vary by service, including wage inflation
Investment Rate of Return	7.00%
Mortality Rate(1)	Derived using CalPERS' Membership Data for all funds
Pre-Retirement Turnover(2)	Derived using CalPERS' Membership Data for all funds
Healthcare Trend Rate	7.00% HMO/7.50% PPO decreasing to 4.50% HMO4.50% PPO

Notes:

1. Pre-retirement mortality information was derived from data collected during 1997 to 2011 CalPERS Experience Study dated January 2014 and post-retirement mortality information was derived from the 2007 to 2011 CalPERS Experience Study. The Experience Study Reports may be accessed on the CalPERS website www.calpers.ca.gov under Forms and Publications.

2. The pre-retirement turnover information was developed based on CalPERS' specific data. For more details, please refer to the 2007 to 2011 Experience Study Report. The Experience Study Report may be accessed on the CalPERS website www.calpers.ca.gov under Forms and Publications.

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:

NOTE 7. OTHER POST EMPLOYMENT BENEFITS-(CONT'D)

Asset Class	Target Allocation	Long-term expected real rate of return
Inflation Assets	5.0%	1.25%
Global Debt Securities	27.0%	2.25%
Global Equities	57.0%	5.25%
REITs	8.0%	4.5%
Commodities	3.0%	1.25%
Total	100%	

Discount Rate

The discount rate used to measure the total OPEB liability was 7.00 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.

Sensitivity of the Net OPEB Liability to changes in the discount rate. The following presents the Net OPEB Liability (NOL) of the County of Santa Clara as of June 30, 2017, calculated using the discount rate of 7.00%, as well as what the County of Santa Clara's NOL would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	Discount Rate-1% (6%)	Current Discount Rate(7%)	Discount Rate+1% (8%)
Miscellaneous	$ 3,082,420	$ 2,481,982	$ 1,991,127
Safety	$ 440,586	$ 354,762	$ 284,602
Total	$ 3,523,006	$ 2,836,744	$ 2,275,729

Sensitivity of the Net OPEB Liability to changes in the trend rate. The following presents the Net OPEB Liability of the County of Santa Clara as of June 30, 2017, as well as what the County's Net OPEB Liability would be if it were calculated using a trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
Miscellaneous	$ 1,888,705	$ 2,481,982	$ 3,268,190
Safety	$ 269,962	$ 354,762	$ 467,139
Total	$ 3,523,006	$ 2,836,744	$ 2,275,729

(*Current trend rates: 7.00% graded down to 4.50% over 10 years for Non-Medicare medical plan costs; 6.50% graded down to 4.50% over 8 years for Medicare medical plan costs and 4.50% for all years for Medicare part B subsidy cost.)

NOTE 7.OTHER POST EMPLOYMENT BENEFITS-(CONT'D)

Recognition of Deferred Outflows and Deferred Inflows of Resources

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 recognition period differs depending on the source of the gain or loss:

Net difference between projected and actual earnings on OPEB plan investments	5 Years
All other amounts	Expected average remaining service lifetime (EARSL) (6.0 Years at June 30,2017)

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 $(97,530). As of fiscal year ended June 30, 2018, the District reported deferred outflows of resources related to OPEB from the following sources:

Miscellaneous Plan

	Deferred outflow of resources	Deferred inflow of resources
Changes in proportion and differences between entity's contributions and proportionate share of contributions	$ 11,239	$ -
Changes of assumptions or other inputs	-	67,352
Employer contribution subsequent to measurement date	298,036	-
Net excess of actual over projected earnings on OPEB plan investments (if any)	-	36,731
Difference between expected and actual experience in the Total OPEB Liability	-	299,058
Total deferred inflow and outflow	$ 309,275	$ 403,141

NOTE 7. OTHER POST EMPLOYMENT BENEFITS-(CONT'D)

Safety Plan

	Deferred outflow of resources	Deferred inflow of resources
Changes in proportion and differences between entity's contributions and proportionate share of contributions	$ -	$ 11,239
Changes of assumptions or other inputs	-	9,627
Employer contribution subsequent to measurement date	42,600	-
Net excess of actual over projected earnings on OPEB plan investments (if any)	-	5,250
Difference between expected and actual experience in the Total OPEB Liability	-	42,746
Total deferred inflow and outflow	$ 42,600	$ 68,862

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

Reporting Date for Employer under GAS 75 Year Ended June 30:

	Miscellaneous Plan	Saftey plan
2019	$73,995	$12,920
2020	$73,995	$12,920
2021	$73,995	$12,920
2022	$73,995	$12,920
2023	$64,812	$11,608
2024	$31,110	$5,572
Thereafter	-	-

NOTE 8. NET POSITION RESTATEMENT

A prior period adjustment of $3,054,402 has been reflected in the District's net position to record the net OPEB asset/liability, deferred outflows/inflows, and adjusted OPEB expense and net position in accordance to GASB 75

Beginning net position as previously reported at June 30, 2017	$ 13,259,296
Net OPEB liability (measurement date)	(3,344,628)
Deferred outflow-County's contribution made during the fiscal year 2017	290,226
Total prior period adjustment	(3,054,402)
Net position restated, June 30, 2017	$ 10,204,894

REQUIRED SUPPLEMENTARY INFORMATION
(OTHER THAN MD&A)

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2018

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Favourable (Unfavourable)
Budgetary Fund Balances, Beginning	$ 10,926,159	$ 10,926,159	$ 10,926,159	$ -
Resources (Inflows)				
Benefit assessment	6,975,057	6,975,057	7,085,337	110,280
Interest income	100,042	100,042	138,275	38,233
Gain on sale of capital assets	-	-	26,543	26,543
Intergovernmental revenue	3,097	51,017	52,291	1,274
Other revenue	56,753	116,753	112,677	(4,076)
Amounts Available for Appropriation	7,134,949	7,242,869	7,415,123	172,254
Charges to Appropriations (Outflows)				
Health and sanitation				
Salaries and benefits	4,625,941	4,823,861	4,763,907	59,954
Services and supplies	3,306,756	3,167,478	2,751,805	415,673
Capital outlay	-	374,794	360,634	14,160
Total charge to appropriations	7,932,697	8,366,133	7,876,346	489,787
Budgetary Fund Balances, Ending	$ 10,128,411	$ 9,802,895	$ 10,464,936	$ 662,041

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/Inflows of Resources	
Actual amounts (budgetary basis) "available for appropriation" from the Budgetary comparison schedule	7,415,123
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Fund	$ 7,415,123
Uses/Outflows of Resources	
Actual amounts (budgetary basis) "total charges to appropriations" from the Budgetary comparison schedule	7,876,346
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Fund	$ 7,876,346

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
SAFETY PLAN
LAST TEN FISCAL YEARS*

Fiscal year Mesurement period	2017-18 2016-17	2016-17 2015-16	2016-15 2014-15	2014-15 2013-14
TOTAL PENSION LIABILITY				
Service Cost	$ 482,208	$ 383,459	$ 397,932	$ 401,638
Interest	1,376,423	1,233,071	1,260,548	1,191,780
Changes of Assumptions	1,151,971	-	(309,086)	-
Differences Between Expected and Actual Experience	(19,152)	24,248	(26,168)	-
Benefit Payments, including Refunds of Employee Contributions	(842,726)	(740,023)	(743,800)	(690,979)
Net Change in Total Pension Liability	**2,148,724**	**900,755**	**579,426**	**902,439**
Total Pension Liability - Beginning	**18298110.00**	**16,272,611**	**16,985,937**	**16,035,069**
Total Pension Liability - Ending (a)	**$ 20,446,834**	**$ 17,173,366**	**17,565,363**	**$ 16,937,508**
PLAN FIDUCIARY NET POSITION				
Contributions - Employer	$ 526,396	$ 441,602	$ 413,251	$ 373,013
Contributions - Employees	215,845	190,781	193,685	200,145
Net Investment Income	1,451,616	64,785	293,231	1,951,233
Benefit Payments, including Refunds of Employee Contributions	(842,726)	(740,023)	(743,800)	(690,979)
Plan to Plan Resource Movement	(201)	321	(1,148)	-
Administrative Expense	(19,247)	(7,487)	(14,942)	-
Net Change in Fiduciary Net Position	**1,331,683**	**(50,021)**	**140,277**	**1,833,412**
Plan Fiduciary Net Position - Beginning	**13,036,205**	**12,285,153**	**13,120,850**	**11,250,028**
Plan Fiduciary Net Position - Ending (b)	**$ 14,367,888**	**$ 12,235,132**	**$ 13,261,127**	**$ 13,083,440**
Plan Net Pension Liability/(Asset) - Ending (a) - (b)	**$ 6,078,946**	**$ 4,938,234**	**$ 4,304,236**	**$ 3,854,068**
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	**70.26%**	**71.24%**	**75.50%**	**77.25%**
Covered-Employee Payroll	**2,770,038**	**2,428,650**	**2,465,809**	**2,361,882**
Plan Net Pension Liability/(Asset) as a Percentage of Covered-Employee Payroll	**219.45%**	**203.33%**	**174.56%**	**163.18%**

[1] Net of administrative expenses.

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

Notes to Schedule:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2016 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions: In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2014, amounts reported were based on the 7.5 percent discount rate.

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT

SCHEDULE OF PLAN CONTRIBUTION

SAFETY PLAN

LAST TEN FISCAL YEARS*

Fiscal Year	2017-18	2016-17	2015-16	2014-15	2013-14
Actuarially Determined Contribution[1]	$ 433,225	$ 399,717	$ 378,216	$ 441,602	$ 373,013
Contributions in Relation to the Actuarially Determined Contribution[1]	(433,225)	(399,717)	(378,216)	(441,602)	(373,013)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
Covered-Employee Payroll[2,3]	$ 2,770,038	$ 2,428,650	$ 2,465,809	$ 2,361,882	$ 2,293,089
Contributions as a Percentage of Covered-Employee Payroll[2]	15.63%	16.46%	15.34%	18.70%	16.27%

[1] Employers are assumed to make contributions equal to the actuarially determined contributions. However, some employers may choose to make additional contributions towards their unfunded liability. Employer contributions for such plans exceed the actuarially determined contributions.

[2] Covered-Employee Payroll represented above is based on pensionable earnings provided by the employer. However, GASB 68 defines covered-employee payroll as the total payroll of employees that are provided pensions through the pension plan. Accordingly, if pensionable earnings are different than total earnings for covered-employees, the employer should display in the disclosure footnotes the payroll based on total earnings for the covered group and recalculate the required payroll-related ratios.

[3] Includes one year's payroll growth using 3.00 percent payroll assumption.

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

Notes to Schedule:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2016-17 were from the June 30, 2014 public agency valuations.

Actuarial Cost Method	Entry Age Normal
Amortization Method/Period	For details, see June 30, 2014 Funding Valuation Report.
Asset Valuation Method	Market Value of Assets. For details, see June 30, 2014 Funding Valuation Report.
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Payroll Growth	3.00%
Investment Rate of Return	7.50% Net of Pension Plan Investment and Administrative Expenses; includes Inflation.
Retirement Age	The probabilities of Retirement are based on the 2014 CalPERS Experience Study for the period from 1997 to 2007.
Mortality	The probabilities of mortality are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011. Pre-retirement and Post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Society of Actuaries.

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
FOR THE PERIOD ENDED JUNE 30, 2018

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

	Total OPEB liability (a)	Plan Fiduciary NP (b)	Net OPEB Liability(a)-(b)
Balance at June 30, 2017	$ 4,904,257	$ 1,559,629	$ 3,344,628
Changes recognised for the measurement period:			
Service cost	145,373	-	145,373
Interest	347,544	-	347,544
Change in benefit terms	-	-	-
Difference b/w actual and expected experience	(404,177)	-	(404,177)
Changes in assumption	(91,027)	-	(91,027)
Benefit payments, including implicit subsidies net of retiree contributions	(169,439)	-	(169,439)
Contributions-employer	-	290,226	(290,226)
Contributions-employee	-	13,313	(13,313)
Net investment income	-	167,551	(167,551)
Benefit payments, including implicit subsidies net of retiree contributions	-	(169,439)	169,439
Administrative expense	-	(5,660)	5,660
Other	-	40,167	(40,167)
Net change	(171,726)	336,158	(507,884)
Balance at June 30, 2017	$ 4,732,531	$ 1,895,787	$ 2,836,744
Plan's fiduciary net position as a percentage of the Total OPEB Liability			40 %
Covered employee payroll			$ 3,512,016
Plan Net OPEB Liability as percentage of covered employee payroll			81 %

Notes to Schedule:

Changes in assumption. The discount rate was changed from 7.28 percent (net of administrative expense) to 7.00 percentage for the measurement period ended June 30, 2017.

Historical information is required only for the measurement periods for which GASB 75 is applicable. Further years' information will be displayed upto 10 years as information becomes available.

OPEB Plan Fiduciary Net Position

PARS issues a publicly available financial report that may be obtained from the Public Agency Retirement Services, 4350 Von Karman Ave, Newport Beach, CA 92660.

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
SCHEDULE OF CONTRIBUTIONS
LAST 10 FISCAL YEARS

Fiscal Year Ended June 30, 2018		
Actuarially Determined Contribution (ADC)	$	340,635
Contributions in relation to the ADC		340,635
Contribution deficiency (excess)		-
Covered-employee payroll	$	3,512,016
Contributions as a % of covered-employee payroll		9.69%

Notes to Schedule:
Actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2018 were from the June 30, 2016 actuarial valuation.

Methods and assumptions used to establish "actuarially determined contribution" rates:

Valuation date	Actuarially determined contribution rates are calculated as of June 30, one year prior to the end of the fiscal year in which contributions are reported
Actuarial cost method	Entry Age Actuarial Cost Method
Amortization method	30-Year Closed Amortization; level percent of payroll
Remaining amortization period	30 years as of June 30, 2017
Asset valuation method	Market value
Actuarial assumptions:	June 30, 2017 Valuation Date
Investment rate of return	7.00%, net of investment expenses
Price inflation	2.75%
Wage inflation	3.00%
Salary Increases	Miscellaneous: 10.90% to 3.30%, varying by service, including wage inflation
	Safety: 16.90% to 4.50%, varying by service, including wage inflation
Medical cost trend rates	
Non-Medicare medical plan	7.00% graded down to an ultimate of 4.50% over 10 years
Medicare medical plan	6.50% graded down to an ultimate of 4.50% over 8 years
Medicare Part B	4.50%
Other assumptions	Same as those used in the June 30, 2017 funding actuarial valuation for the OPEB Plan

HARSHWAL® & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Trustees of
Santa Clara County Vector Control District
San Jose, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, eac major fund of Santa Clara County Vector Control District (the "District"), a component unit of the County of Santa Clara 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, and have issued our report dated September 11, 2018.

Internal Control over Financial Reporting

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

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

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

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material missta

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

Purpose of this Report

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

Harshwal & Company, LLP
Certified Public Accountants



Oakland, California
September 11, 2018

SCHEDULE OF FINDINGS AND RESPONSES

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT

SCHEDULE OF FINDINGS AND RESPONSES

FOR THE YEAR ENDED JUNE 30, 2018

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

• Material weakness(es) identified?	☐ Yes	☑ No
• Significant deficiency(ies) identified that are not considered to be material weakness?	☐ Yes	☑ None reported
• Noncompliance material to financial statements noted?	☐ Yes	☑ No

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FOR THE YEAR ENDED JUNE 30, 2018

There were no findings in the prior year.

County of Santa Clara
Consumer and Environmental Protection Agency

123482 C

DATE: March 20, 2025

TO: Housing, Land Use, Environment, and Transportation Committee

FROM: Edgar Nolasco, Director, Consumer/Environmental Protection Agency

SUBJECT: Report on Vector Control District's Proposition 218 Assessment Ballot

RECOMMENDED ACTION

Receive report from the Consumer and Environmental Protection Agency relating to the Vector Control District Proposition 218 assessment ballot proceeding and benefits assessment.

FISCAL IMPLICATIONS

There are no fiscal implications associated with receipt of this report. The following tables provide a financial summary of revenues and expenditures for Fiscal Year (FY) 2024-2025, which highlight the shortfall in the Santa Clara County Vector Control District's (District) current year budget and steps to address the shortfall in the current year.

Table 1. Vector Control District Revenue

Revenues	**Fiscal Year 2024-2025**
1995 Benefit Assessment	$2,886,028
2005 Benefit Assessment	$4,998,049
Other Revenues	$302,077
Total Revenues	**$8,186,154**
Use of Fund Balance	$3,669,603
Total Revenue and Use of Reserves	**$11,855,757**

Table 2: Vector Control District Expenditures

Expenditures	**Fiscal Year 2024-2025**
Salaries and Benefits	$6,014,229
Vector Operations	$1,335,482
Other expenditures	$4,506,046

Total Expenditures	**$11,855,757**
Budget Shortfall	**($3,669,603)**

The District has been drawing down reserves to address recent deficits, which is not a sustainable long-term solution. In FY 2024-2025, the District is using $3,669,603 in fund balance to balance the current year budget. To address the deficit for the long-term, the District has implemented cost reductions and operational efficiencies, but these measures are insufficient to address forecasted future year deficits. To date, the District reduced expenditures without impacting services by limiting non-essential spending and re-negotiating contracts with suppliers to get bulk pricing on vector control supplies. Also, the District has reduced staffing costs by holding certain vacancies, limiting the use of extra help staff, and deploying add/delete of positions for salary savings.

Table 3: Vector Control District Fund Balance Use

Fiscal Year	Reserves Offset	Ending Fund Balance
Fiscal Year 2022-2023	$677,351	$10,498,258
Fiscal Year 2023-2024	$1,840,469	$8,657,789
Fiscal Year 2024-2025 (estimated)	$3,669,603	$4,988,186
Fiscal Year 2025-2026 (estimated)	$4,117,514	$1,132,572
Fiscal Year 2026-2027 (With no additional revenue)	$3,413,401	($1,999,572)

Additionally, with respect to fiscal implications, on April 8, 2025, the District will submit to the Board of Supervisors, in its capacity as the District Board of Trustees, a service agreement with SCI Consulting Group to conduct an opinion research survey and provide benefit assessment ballot proceedings. The cost estimate for the scope of work is $776,600.

REASONS FOR RECOMMENDATION AND BACKGROUND

Overview of the District

The Santa Clara County Vector Control District (District) was established in 1988, its jurisdiction is countywide, and its funding comes from a countywide property benefit assessment on non-exempt parcels. The District protects the health and safety of residents through surveillance, prevention, and treatment of disease-carrying vectors. The District monitors diseases such as West Nile virus, Lyme disease, and rabies; inspects known mosquito breeding locations and treats them with pesticides to stop mosquitoes from becoming adults; conducts adult mosquito control treatments when mosquitoes with West Nile virus are found; provides surveillance of disease-carrying vectors, such as, ticks, fleas,

Gmail **Arika Pineda <arika.lindsay.pineda@gmail.com>**

Vector Control District Concerns

Arika Pineda <arika.lindsay.pineda@gmail.com> Wed, Feb 7, 2024 at 9:54 PM
To: district1@bos.sccgov.org, Cindy.Chavez@bos.sccgov.org, Supervisor.Lee@bos.sccgov.org, supervisor.ellenberg@bos.sccgov.org, supervisor.simitian@bos.sccgov.org
Cc: Mandy Lu <mandy.lu@seiu521.org>

Good Evening

Good Evening

My name is Arika Lindsay Pineda, I currently work at the Santa Clara County Vector Control District and I am the chief steward for the department as well. I come to you with a request from the steward team, technicians and ecologists employed in this department. We ask that you support us in addressing the budgetary concerns regarding the district. Our technicians have been told that in three years our department will cease to exist due to lack of funds, that our department is currently operating at a deficit and we believe that these issues have been exacerbated by poor decision making on the part of our current upper management.

We have made multiple requests that management consider increasing our technician staff. We have felt for a very long time that our work is not effectively managed with the staff that we have on hand. While we have made this request at every opportunity, we have instead witnessed more management (Program Manager) positions open up at higher pay while doing work that is much the same as lower paid Operations Supervisors. We have witnessed more ecologist positions (that do not assist as much in the field, but actually require technician assistance for their functions) and we have also watched CEPA Operations Aides begin to do work that previously fell only under the Technician umbrella and that is only nebulously associated with the CEPA Ops Aide position job specification. These actions have ultimately taken away many opportunities for in-house hiring and internal promotion and have placed the CEPA operations Aides in a position where they are doing a lot of the work that technicians do without receiving the appropriate level of pay or even experience that would be credible when promotions are considered.

During many of the changes mentioned above, the Technicians and stewards have warned that these decisions may not be in the best interests of the District and that there may be better ways to use this money. At every turn, we have been ignored.

Following our labor management meeting on February 5th, 2024, we have further questions regarding whether the District is receiving appropriate legal counsel. We have been told many times that our management relies on county counsel when making determinations of legality, but we have concerns that without consulting an attorney specializing in special district law, we may be left in a situation where we are open to legal liability.

We have also had concerns brought to us regarding assessed money being used to pay general fund employees as this may not be acceptable. This reiterates to me that more effort should be put into ensuring that our actions are completely within the letter of the law and to ensure that a lawyer specializing in special districts should be brought to consult and ensure that these decisions will not place liability on VCD or the county as a whole.

Per the Santa Clara LAFCO website, the Santa Clara County Vector Control District has not updated their information on services since 2013. There are significant differences between the Engineer's report located on their website and the current iteration that has been accepted for this year. Namely, there are services that we are no longer providing that the community may not be fully aware of. We have not participated in plague surveillance for as long as I have personally been in this District and our District has drastically scaled back services relating to wildlife. It is worth reading through these documents as it clearly highlights the changes in our functions as well as informing on the services that are no longer performed but that the public is still paying for.

We continue to hear concerns about layoffs from technicians and our primary concern is whether or not the layoff of field technicians and needed staff would be acceptable to the community when CEPA management and VCD management continue to be paid with these funds. CEPA and VCD Management pay should not take precedence over needed field technicians when it comes to public health and safety. Further, It has come to light that our District may be paying a portion of the Agricultural Commissioners salary and that is a conflict of interest due to their department overseeing ours. We believe that this situation can only be seen as a conflict of interest.

We have concerns that these decisions from VCD and CEPA management have placed our District in the situation that it is in and we would appreciate your support in helping us address it, as these decisions could lead to massive ramifications for the District, the employees, and the community. Please assist us in addressing this situation.

Best Regards,

Arika Lindsay Pineda
408.834.0643
arika.lindsay.pineda@gmail.com

Gmail **Arika Pineda <arika.lindsay.pineda@gmail.com>**

Vector Control District Concerns

McGarrity, Patrick <patrick.mcgarrity@bos.sccgov.org> Tue, Feb 13, 2024 at 10:08 AM
To: "arika.lindsay.pineda@gmail.com" <arika.lindsay.pineda@gmail.com>
Cc: "Le, Nancy (BOS)" <nancy.l.le@bos.sccgov.org>, "Lam01, Victoria" <victoria.lam01@bos.sccgov.org>

Hi Arika – thank you for sending us this information. Our team will be looking into this.

Best,

Patrick

Patrick McGarrity

Policy & Budget Director

Office of Supervisor Sylvia Arenas, District 1 | County of Santa Clara

70 West Hedding Street, East Wing, 10th Floor San Jose, CA 95110

E: Patrick.McGarrity@bos.sccgov.org

C: 408-982-6849

From: Arika Pineda <arika.lindsay.pineda@gmail.com>
Sent: Wednesday, February 7, 2024 9:55 PM
To: District1 <District1@bos.sccgov.org>; Chavez, Cindy <Cindy.Chavez@bos.sccgov.org>; Supervisor.Lee <Supervisor.Lee@BOS.SCCGOV.ORG>; Ellenberg, Supervisor <supervisor.ellenberg@BOS.SCCGOV.ORG>; Supervisor Simitian <Supervisor.Simitian@bos.sccgov.org>
Cc: Mandy Lu <mandy.lu@seiu521.org>
Subject: [EXTERNAL] Vector Control District Concerns

Good Evening
[Quoted text hidden]

Gmail **Arika Pineda <arika.lindsay.pineda@gmail.com>**

Vector Control District Concerns

Office of Supervisor Susan Ellenberg <supervisor.ellenberg@bos.sccgov.org> Fri, Feb 9, 2024 at 3:45 PM
Reply-To: Office of Supervisor Susan Ellenberg <supervisor.ellenberg@bos.sccgov.org>
To: Arika Pineda <arika.lindsay.pineda@gmail.com>
Cc: David Fernandez <david.fernandez01@bos.sccgov.org>

SUSAN ELLENBERG

Representing the 4th District of Santa Clara County

Hi Arika,

My name is David Fernandez and staff Supervisor Ellenberg on Vector Control issues. Thank you for reaching out and your patience with my reply.

I will make sure to share this information with Supervisor Ellenberg. Please feel free to share any further information on this issue. Have a nice weekend!

Best,
David Fernandez

Sincerely,
Susan Ellenberg
Board President
Santa Clara County Supervisor, District 4

70 West Hedding
East Wing, 10th Floor
San Jose, CA 95110
(408) 299-5040
Email Supervisor Ellenberg
District 4 Website



[0E75E3-43DK0]

Gmail **Arika Pineda <arika.lindsay.pineda@gmail.com>**

Vector Control District Concerns

Estaniel, Peter <peter.estaniel@bos.sccgov.org> Thu, Feb 8, 2024 at 4:26 PM
To: "arika.lindsay.pineda@gmail.com" <arika.lindsay.pineda@gmail.com>

Ms. Pineda,

Good afternoon, this is Peter from Supervisor Simitian's office where I staff him on CEPA related issues among other things. I wanted to let you know what we've received your email and that we will bring this before the Supervisor.

Sincerely,

Peter

From: Arika Pineda <arika.lindsay.pineda@gmail.com>
Sent: Wednesday, February 7, 2024 9:54:39 PM
To: District1 <District1@bos.sccgov.org>; Chavez, Cindy <Cindy.Chavez@bos.sccgov.org>; Supervisor.Lee <Supervisor.Lee@BOS.SCCGOV.ORG>; Ellenberg, Supervisor <supervisor.ellenberg@BOS.SCCGOV.ORG>; Supervisor Simitian <Supervisor.Simitian@bos.sccgov.org>
Cc: Mandy Lu <mandy.lu@seiu521.org>
Subject: [EXTERNAL] Vector Control District Concerns

[Quoted text hidden]

Appendix T
FY 21-22 Consumer and Environmental Protection Agency Overhead

Job Code	Title	Salary + Benefits	VCD $	VCD %
A50	Dir CEPA	$319,837.00	$134,332.00	42.00%
A55	Ag Commissioner	$277,995.00	$41,699.00	15.00%
B1P	Mgmt Analyst	$192,732.00	$19,273.00	10.00%
B1P	Mgmt Analyst	$184,819.00	$73,928.00	40.00%
B2K	Admin Serv Mgr III	$264,554.00	$39,683.00	15.00%
B2R	Admin Support Officer I	$151,366.00	$45,410.00	30.00%
B77	Accountant III	$189,597.00	$75,839.00	40.00%
B78	Accountant II	$155,144.00	$56,222.00	36.24%
B78	Accountant II	$159,422.00		0.00%
B96	Dept Fiscal Officer	$232,537.00	$93,015.00	40.00%
C08	Sr Exec Assistant	$155,820.00		0.00%
C29	Exec Assistant I	$123,937.00	$30,984.00	25.00%
C5H	Sr Comms Officer	$205,682.00	$82,273.00	40.00%
D09	Office Specialist III	$116,087.00		0.00%
D09	Office Specialist III	$116,087.00		0.00%
D09	Office Specialist III	$119,028.00		0.00%
D09	Office Specialist III	$116,087.00	$116,087.00	100.00%
D09	Office Specialist III	$115,059.00	$115,059.00	100.00%
D49	Office Specialist II	$112,071.00		0.00%
D49	Office Specialist II	$109,360.00		0.00%
D96	Accountant Assistant	$131,539.00		0.00%
G1T	IT Field Support Specialis	$200,126.00		0.00%
G5F	Application Developer	$233,321.00	$58,330.00	25.00%
G6L	IT Manager	$272,003.00	$136,002.00	50.00%
G9F	IT Business Analyst	$224,622.00	$112,311.00	50.00%
V46	Env HI Sfty Comp Spc	$202,738.00	$91,232.00	45.00%
X09	Sr Office Specialist	$127,247.00		0.00%
X09	Sr Office Specialist	$127,247.00		0.00%
		Total	$1,321,679.00	



SAN MATEO COUNTY
MOSQUITO & VECTOR
CONTROL DISTRICT

Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30th, 2024







1351 ROLLINS RD. BURLINGAME CA 94010
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San Mateo County Mosquito and Vector Control District

Burlingame, California

Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2024

San Mateo County Mosquito and Vector Control District
Annual Comprehensive Financial Report
For the Year Ended June 30, 2024

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San Mateo County Mosquito and Vector Control District
Annual Comprehensive Financial Report
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SAN MATEO COUNTY
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Protecting public health since 1916

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phone (650) 344-8592
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TO THE MEMBERS OF THE BOARD OF TRUSTEES AND RESIDENTS OF SAN MATEO COUNTY:

State law requires special districts to annually publish a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of certified public accountants. Pursuant to that requirement, we hereby issue the annual comprehensive financial statements of the San Mateo County Mosquito and Vector Control District (District) for the fiscal year ended June 30, 2024.

This report consists of management's representations concerning the finances of the District. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, the management of the District has established a comprehensive internal control framework that is designed both to protect the District's assets from loss, theft, or misuse and to compile sufficient and reliable information for the preparation of the District's financial statements in conformity with GAAP. The cost of internal controls should not outweigh their benefits. Therefore, the District's comprehensive internal controls framework has been designed to provide reasonable, rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Pun Group, LLP, Certified Public Accountants, have audited the District's financial statements. The goal of the independent audit was to provide reasonable assurance that the District's financial statements for the fiscal year ended June 30, 2024, are free of material misstatements. The independent audit involved examining on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Based upon the audit, the independent auditor concluded that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the fiscal year ended June 30, 2024, were fairly presented, in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of the Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the independent auditors' report.

District Description

The San Mateo County Mosquito and Vector Control District is an independent special district formed by the residents of San Mateo County in 1916 to control mosquitoes and protect the health and comfort of local residents. The District currently encompasses all 455 square miles of San Mateo County. It covers most of the Peninsula south of San Francisco, bordered east by San Francisco Bay and west by the Pacific Ocean. The area enjoys a mild Mediterranean climate ranging in temperature from an average low of 42 degrees F in winter to an average high of 80 degrees F in summer. The average annual rainfall is 23 inches, most of which is received between November and May. Approximately 765,000 people live within the District's boundaries. Services provided by the District include mosquito control, yellowjacket and wasp nest removal, municipal rat control, surveillance for vector-borne diseases, and advice to property owners on vector issues. In FY 23-24, the District had an annual budget of approximately $9.0 million. It is supported by a Special Mosquito Control parcel tax and ad valorem taxes in the original District and a benefit assessment in the North and West County Assessment area (Figure 1).

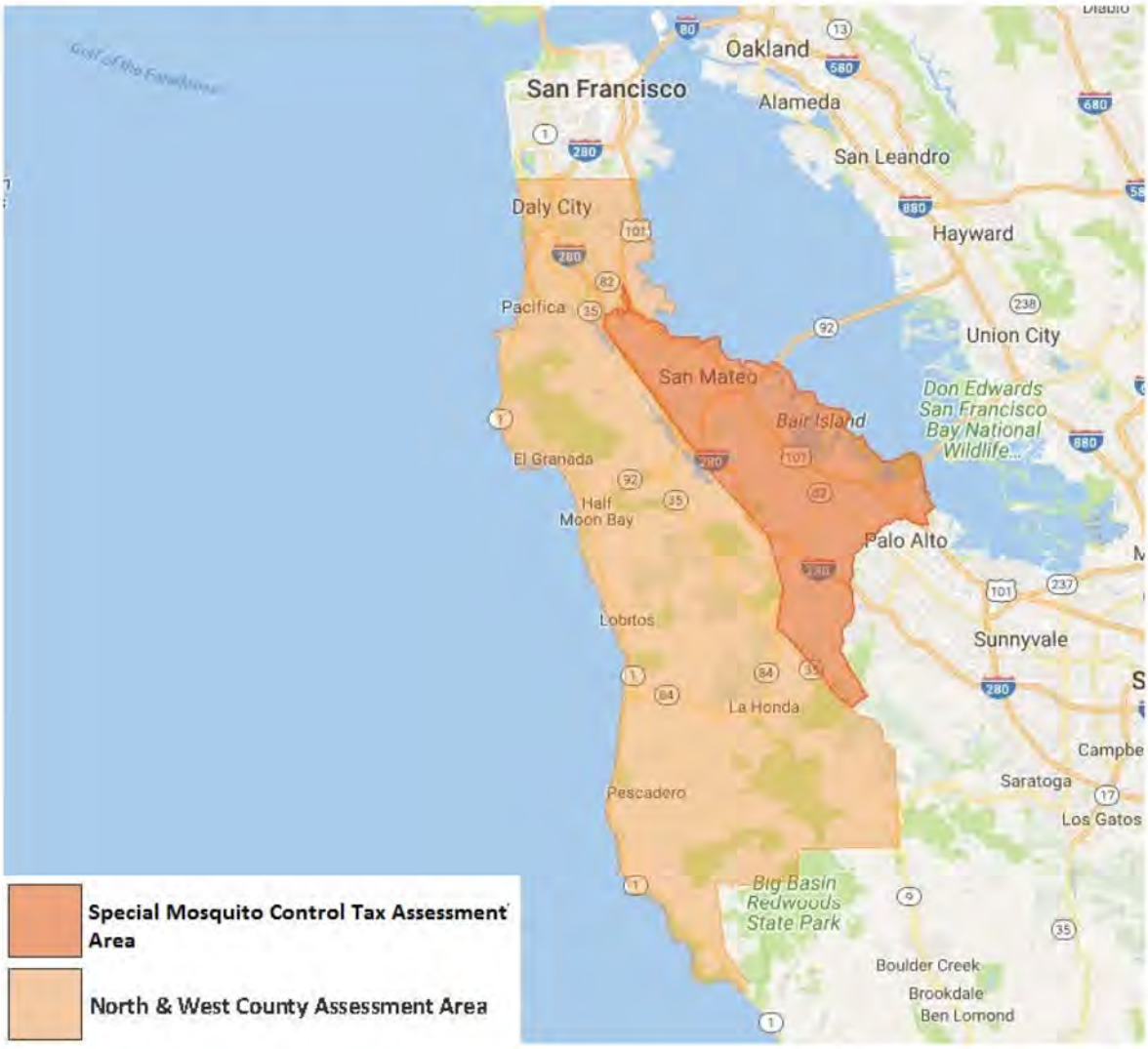


Figure 1: Map of the San Mateo County Mosquito and Vector Control District Assessment Areas.

The District is governed by a 21-member Board of Trustees, consisting of one representative from each city in the County and one representing the County at large. The Board of Trustees meets ten times a year and oversees the District's finances, setting policy and supervising the District Manager.

Staff positions include 23 permanent and between 8 and 10 seasonal staff. The permanent staff consists of a District Manager, Field Operations Director, Finance Director, Laboratory Director, Information and Technology Director, Public Health Education & Outreach Coordinator, a Field Operations Supervisor, ten field staff, a Facilities Manager, and a support staff consisting of two finance staff, and three laboratory positions.

History

The San Mateo County Mosquito and Vector Control District was formed in 1916 following the passage of enabling legislation, the Mosquito Abatement Act of California (California Health and Safety Code Section 2000-2093). It is one of the oldest vector control districts in California. The original agency, Three Cities Mosquito Abatement District, was formed in 1916 to control mosquitoes in San Mateo, Burlingame, and Hillsborough using an integrated mosquito management program developed by entomologists from the University of California. In 1953, the Three Cities Mosquito Abatement District and the Pulgas Mosquito Abatement District merged to form the San Mateo County Mosquito Abatement District, which covered the area from Burlingame to the southern border of the county, on the eastern side of the Coast Ranges from approximately Hwy 280 to San Francisco Bay. In 2003, the District annexed the cities of Brisbane, Colma, Daly City, South San Francisco, most parcels in San Bruno, and communities west of I-280 such as Año Nuevo, Half Moon Bay, El Granada, and Pacifica, and other unincorporated areas in San Mateo County generally located west of Interstate 280 (the "North and West County Assessment Areas" Figure 1). In 2007, the County Department of Environmental Health asked the District to take over responsibility for all vector control services that had formerly come under the County's purview. The District changed its name to the San Mateo County Mosquito and Vector Control District.

Program Description

San Mateo County Mosquito and Vector Control District uses integrated vector management to protect the public from disease, discomfort, and injury caused by mosquitoes and other vectors. Integrated vector management is the coordinated use of information about pest population, biology, and the host environment, combined with the best available control methods to prevent disease and discomfort using the most economical means while minimizing possible impacts to people, property, and the environment. The District's program uses various techniques to protect public health, including surveillance of vector populations and disease risk, public outreach and education, and physical, biological, and chemical control measures to reduce vector populations.

Funding

The District is supported primarily by property taxes. These revenues are from three sources: a portion of ad valorem taxes from properties in the original district, a Special Mosquito Control tax passed by voters in 1974, and a benefit assessment passed by voters in 2003. The ad valorem tax and Special Mosquito Control tax apply only to properties within the boundaries of the original district (outlined in dark orange on the map in Figure 1).

The North and West Assessment Area (the area in tan on the map above) was added to the District in 2003, pay the benefit assessment. Ad valorem taxes are 0.000018505 cents per $1.00 of property taxes. The Special Mosquito Control Tax is a flat $3.74 per parcel and does not allow for cost-of-living adjustments. The North and West Assessment Area is divided into two zones. Zone B includes rural mountainous parts of the District; Zone A encompasses the remaining densely populated portion of the annexed area.

In fiscal year 2023-24, there was a 3.5% change from the prior year in the amount of Benefit Assessment levied: $20.78 and $20.41 per Single Family Equivalent (SFE) in Zone A or B, respectively. This Benefit Assessment Area is subject to annual adjustments tied to the Consumer Price Index (CPI) for the San Francisco Bay Area, with a maximum yearly adjustment of up to 3% plus any CPI adjustments for prior years that were not levied. The District currently has used the remaining banked CPI in FY 24-25. In fiscal year 2023-24, the District budgeted $9.0 million in revenue from all sources where appropriate, including the use of the District's Real Property Acquisition Reserve in the amount of $2.0 million. It is Board policy for the District to pass balanced budgets annually.

Long Term Financial Planning

In 2018, the District Board of Trustees adopted a Financial Projection Model to be used as a basis for future decision-making (Figure 2). Based on historical information and projections of revenues and expenditures, the District is looking at a relatively stable financial outlook over the next eight years. Annual fund balance varies insignificantly on a year-to-year basis. Average revenue and expenditure growth during the projection period is 2.9% annually. The resulting fund balance is stable but potentially increases by approximately 6.8% over the 9-year projection period. That said, District management and the Board are committed to passing a balanced budget each fiscal year. The District plans for long-term capital needs through a Long-Term Capital Improvement Plan. The Financial Projection Model and Long-Term Capital Improvement Plan are reviewed and updated annually. The graph below (Figure 2) shows Revenues, Expenditures, and Fund Balance projections as they existed at the beginning of fiscal year 2019-20. As illustrated, in fiscal year 19-20, there was a one-time increase in revenue due to the sale of District property located in Redwood City, CA. This was incorporated into the budget for fiscal year 19-20. The graph below (Figure 3) shows the fund balance projection components for the same time period. In FY 21-22, there was a reduction in fund balances due to the use of the Real Property Acquisition Reserve to purchase real property, which was consummated in July 2021.

Budgetary Control

The Board of Trustees adopts on an annual basis the District Budget consisting of the General Fund and Capital Improvement. Fund. The level of budgetary control consists of the main categories of Salaries and Wages, Employee Benefits, Training, Administration, Insurance Computer, Facilities, Utilities, Operations, Laboratory, Public Outreach, Debt Service, and Capital Improvements. Any changes to these major categories must be approved by the Board of Trustees at any given meeting. Changes to subcategories within these accounts are delegated to the District Manager for approval.

Figure 2: Financial projection of Revenues, Expenditures, and Fund Balances for fiscal year 2018-19 through 28-30.

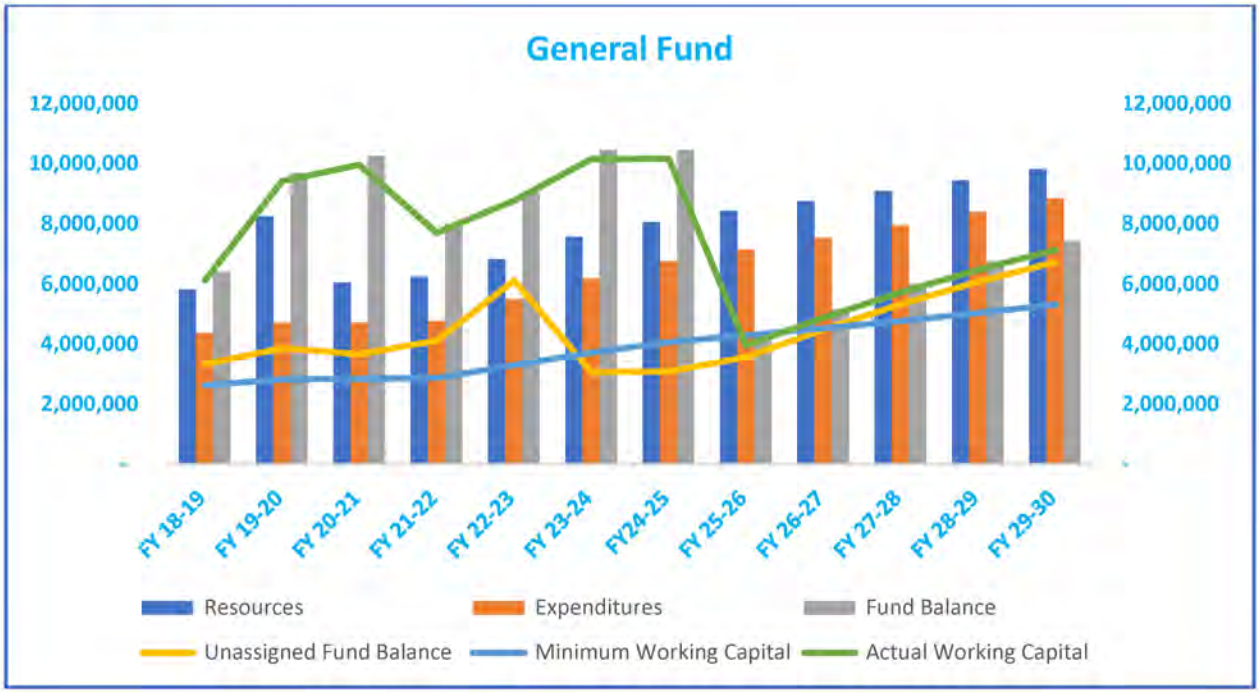
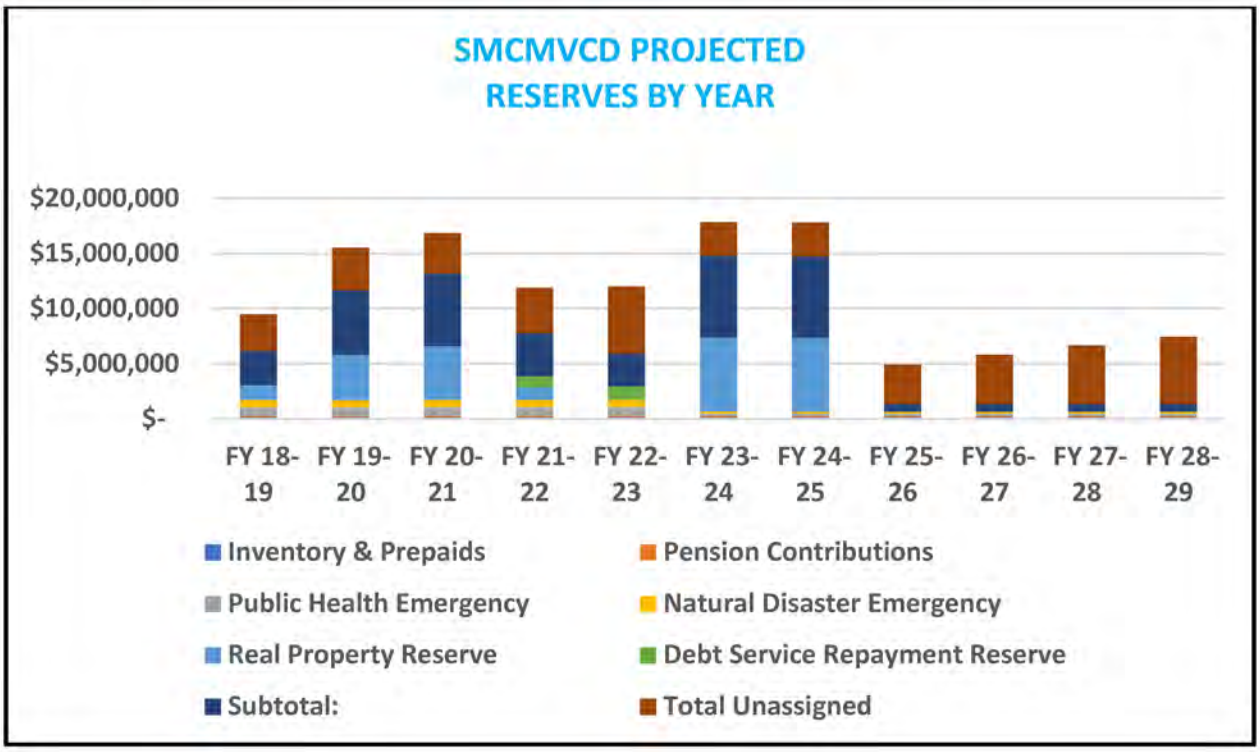


Figure 3: Projections of components of fund balance from FY 18-19 through FY 28-29.



Financial Policies

The District has a broad range of Financial Policies that impact the financial aspects of District operations. They include the following:

- Fixed Asset Control
- District Insurance Programs
- Fraud Prevention
- Cash Management
- District Reserves
- Disposal of Surplus Property
- Cash Disbursements
- Investment of District Funds
- Accounts Payable Management
- Budget Preparation
- Journal Entry Approval

New for FY 2023-24

The District has initiated a long-term real property construction and rehabilitation project for its newly acquired facility at 1415 N. Carolan Ave., Burlingame. As of now, it is too early to provide a precise estimate of the project's final costs. However, initial projections suggest expenses may range from $9.0 to $ 11.0 million. The District will determine the most advantageous financing strategy once more accurate estimates are obtained through bid proposals from construction contractors.

Additionally, the District has established a second depository for District funds. Currently, the primary depository remains the County of San Mateo County Treasury. In addition to this, the District has recently set up an alternative depository with California CLASS, a joint powers authority authorized to accept public funds in compliance with all relevant California and local government regulations. An initial deposit of $200,000 including subsequent deposits has already been transferred, and further transfers are planned to continue in FY 2024-25.

Strategic Plan

In September 2018, the Board of Trustees approved an update to the Strategic Plan. The strategic plan defines the Board's Vision for the future and serves as the basis for budgeting decisions and allocating financial resources.

Vision Statement

We are an agency that protects public health through a science-based program of integrated vector management, which is responsive to the community and prepared to adapt to new challenges.

Mission Statement

To safeguard the health and comfort of the citizens of San Mateo County through a science-based program of integrated vector management.

Strategic Objectives

1. Reduce or eliminate host-seeking vector populations and maintain consistency in control operations by evaluating vector populations before and after they are carried out.

2. Use scientific methods to evaluate the distribution of vectors and vector-borne diseases in nature and work toward preventing the occurrence of human cases among District residents.
3. Engage in research and development to optimize the District's ability to carry out its mission with available resources.
4. Maintain a highly motivated, productive staff that is aware of, and has access to, the latest materials, technologies, and techniques in vector control.
5. Ensure residents are aware of the District's Integrated Vector Management Program and cooperate with the recommendations to reduce populations of vectors and minimize the risk to human health posed by vectors.
6. Ensure that residents are aware of District services, utilize them as needed, and are satisfied with the service they receive.
7. Cultivate strong, mutually beneficial relationships with local, state, county, and federal agencies.
8. Conduct all aspects of District business in a transparent and accountable manner.
9. Adequately maintain the District's physical assets and keep them up to date with the best technology available.
10. Anticipate and be prepared to respond to future scientific, operational, and financial challenges.
11. Ensure that the Board of Trustees operates in an ethical manner, makes sound decisions based on current and complete information, and has the capacity to lead the agency effectively.
12. Ensure that District finances are adequately managed to provide for long term financial stability and sustainability.

Awards and Acknowledgements

In 2023, the District renewed its District of Distinction Accreditation and its District Transparency Certificate of Excellence. The District earned these honors for the first time in 2016 and has continuously maintained certification. The District Transparency Certificate of Excellence and the District of Distinction Accreditation are programs administered by the Special District Leadership Foundation (SDLF) and supported by the California Special Districts Association. The SDLF is an independent, non-profit organization that promotes good governance and best practices among California's special districts through certification, accreditation, and other recognition programs.

The District of Distinction Accreditation is a way for districts to highlight their prudent fiscal practices along with other areas important to effectively operate and govern a special district, including:

- Operates in a fiscally responsible and transparent manner.
- Has current and relevant policies and procedures in place.
- Emphasizes continuing education of both Board and Staff.
- Provides sound policies in board governance and conduct.

The District Transparency Certificate of Excellence covers all general, website, and outreach best practices and requirements regarding transparency for special districts and demonstrates that the District:

- Follows best practices and other requirements regarding district transparency.
- Demonstrates the District's effort to being open and accessible to constituents and stakeholders.
- Supports the District's commitment to creating greater awareness of District activities.

Finally, this will be the seventh Annual Comprehensive Financial Report submitted to the Governmental Financial Officers Association. The District received the Excellence in Financial Reporting award for fiscal years ended June 30, 2018, through June 30, 2023.

The preparation of this report would not have been possible without the efficient and dedicated service of the District staff. We want to express our appreciation to all employees of the District who assisted and contributed to preparing this report. Credit must also be given to the Board of Trustees, particularly the Finance Committee, for their unfailing support in maintaining the highest standards of professionalism in managing the District's finances.

Respectfully submitted,

Richard S. Arrow

Richard S. Arrow, CPA
Finance Director

Brian Weber

Brian Weber
District Manager

Date: December 3, 2024

SAN MATEO COUNTY
MOSQUITO & VECTOR
CONTROL DISTRICT
Protecting public health since 1916

1351 Rollins Road
Burlingame, CA 94010

phone (650) 344-8592
fax (650) 344-3843

www.smcmvcd.org

Board of Trustees as of June 30, 2024

Trustee Name	City/Town
Mason Brutschy	Atherton
Chuck Cotten	Belmont
Carolyn Parker	Brisbane
Rena Gilligan	Burlingame
Laura Walsh	Colma
Desiree LaBeaud	County-at-Large
Glenn R. Sylvester	Daly City
Donna Rutherford	East Palo Alto
Paul Norton	Foster City
Kati Martin	Half Moon Bay
D. Scott Smith	Hillsborough
Catherine Carlton	Menlo Park
Muhammad Baluom	Millbrae
Peter DeJarnatt	Pacifica
Ray Williams	Portola Valley
Kat Lion	Redwood City
Robert Riechel	San Bruno
Ron Collins	San Carlos
Ed Degliantoni	San Mateo
Michael Yoshida	South San Francisco
Paul Fregulia	Woodside

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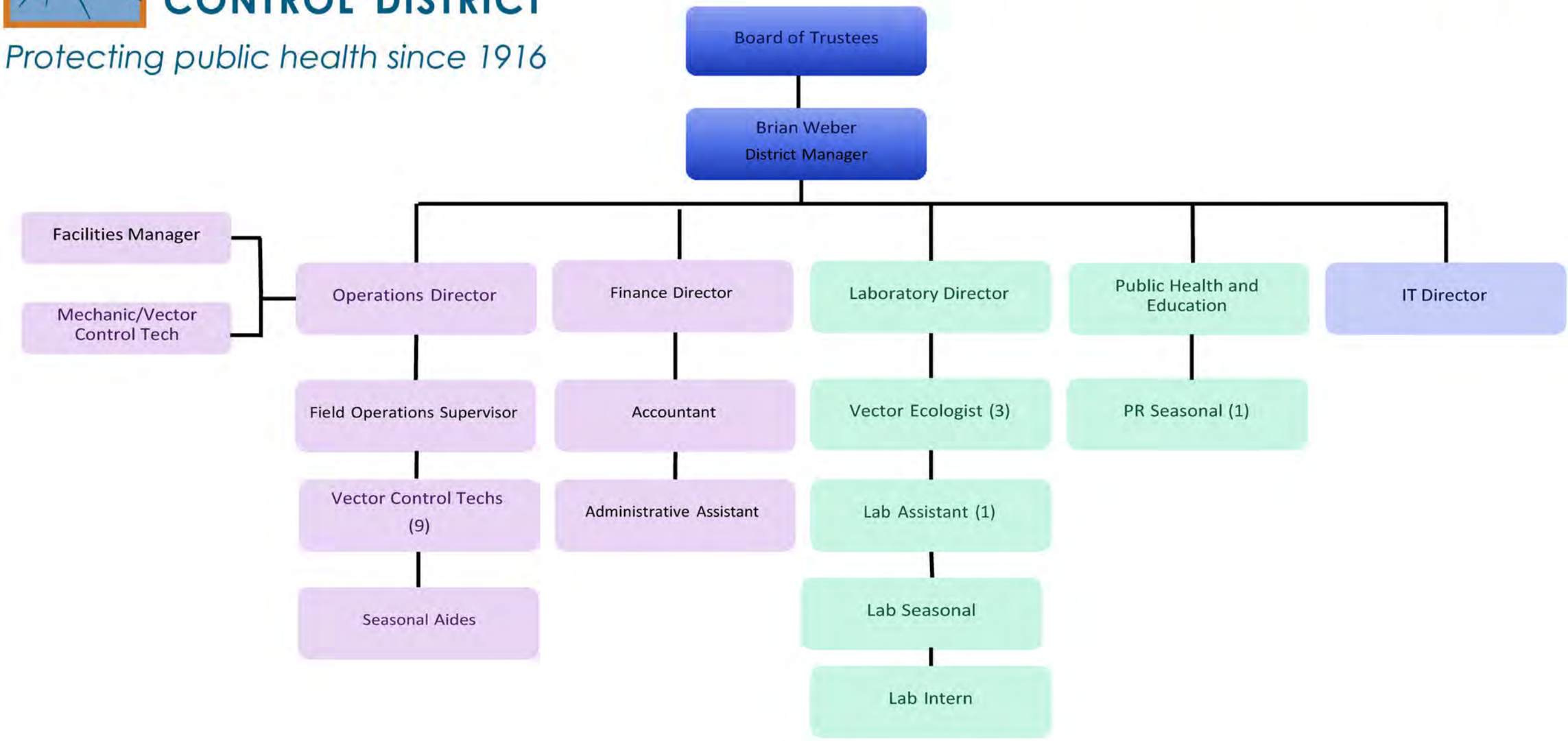
San Mateo County Mosquito & Vector Control District
Executive Staff as of June 30, 2024

District Manager	**Brian Weber**
Finance Director	**Richard S. Arrow, CPA**
Laboratory Director	**Angie Nakano**
Public Outreach Officer	**Rachel Curtis-Robles**
Information & Technology Director	**Matthew Nienhuis**
Operations Director	**Casey Stevenson**

SAN MATEO COUNTY
MOSQUITO & VECTOR
CONTROL DISTRICT

Protecting public health since 1916

SMCMVCD Org Chart



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

San Mateo County
Mosquito & Vector Control District
California

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION

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THE PUN GROUP
ACCOUNTANTS & ADVISORS

200 E. Sandpointe Avenue, Suite 600
Santa Ana, California 92707

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
of the San Mateo County Mosquito and Vector Control District
Burlingame, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the San Mateo County Mosquito and Vector Control District (the "District") as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund information of the District, as of June 30, 2024, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Schedule – General Fund, the Schedule of the District's Proportionate Share of the Net Pension Liability, the Schedule of Contributions – Pensions, the Schedule of the Changes in the Net OPEB Liability and Related Ratios, and the Schedule of Contributions – OPEB as listed in the table of contents, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Capital Projects Fund budgetary comparison schedule is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Capital Projects Fund budgetary schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2024, on our consideration of District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.

The Pun Group, LLP

Santa Ana, California
December 3, 2024

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San Mateo County Mosquito and Vector Control District
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2024

The following Management's Discussion and Analysis (MD&A) introduces the financial statements of the San Mateo County Mosquito & Vector Control District (District) for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with the basic financial statements and related notes, which follow this section.

Financial Highlights

- The District's net position of $18,437,914 was an increase of 8.9%, or $1,504,132 from the prior year.
- General Fund - Total revenue from all sources increased by 11.1%, or $759,399 from the prior year. This was primarily due to an increase in property taxes due to growth in property values and investment pool earnings derived from the District's investment pool due to required "mark to market" adjustments required by accounting principles promulgated by the Governmental Accounting Standards Board.
- General Fund - Total expenditures increased by $713,399 (12.7%) from the prior fiscal year primarily due to salary and wages increasing by $254,211 (8.5%), Employee Benefits by $427,846 (47.3%) and materials and services by $31,342 (2.5%). These increases resulted from collective bargaining agreements, a significant increase in employee retirement expenditures due to updated required contributions promulgated by the San Mateo County Retirement Association, and general inflationary pressures experienced by the District.
- The outstanding long-term debt of the district ($3,455,895) includes real estate financing as well as lease agreements.
- District obligations for Other Post Employee Benefits (OPEB) are fully funded by an OPEB Trust established in 2015 (see note 6 of the financial statements).
- In fiscal year 2018-19, the District began accounting for Capital Expenditures in a separate Capital Projects Fund. These expenditures were previously accounted for in the General Fund in fiscal year 2017-18. The District's Long Term Capital Improvement Plan outlines how the District will budget to maintain its equipment and infrastructure.
- In fiscal year 2018-19, the Board established a Pension Rate Stabilization Reserve Fund to pay for potential unfunded liabilities that may arise in the future and cause increases in the District's Required Employer Contribution Rate. Such increases have arisen in the past due to changes in economic market conditions or actuarial assumptions used by the county pension fund.

Using This Financial Report

This annual financial report consists of a series of financial statements. The Government-wide Financial Statements include the Statement of Net Position and the Statement of Activities. These statements provide information about the long term financial status, 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 evaluating the District's capital structure and assessing its liquidity and financial flexibility. 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 financial operations over the past year and can be used to determine the District's performance and creditworthiness.

Government-wide Financial Statements

Condensed Statement of Net Position				
	June 30, 2024	June 30, 2023	Change	% Change
Assets				
Current Assets	$ 11,376,213	$ 10,011,458	$ 1,364,755	13.6%
Non Current Assets	877,642	829,105	48,537	5.9%
Capital Assets, Net	10,282,381	10,549,554	(267,173)	-2.5%
Total Assets:	$ 22,536,236	$ 21,390,117	$ 1,146,119	5.4%
Deferred Outflows of Resources	$ 1,496,672	$ 1,133,393	$ 363,279	32.1%
Liabilities:				
Current Liabilities	$ 722,449	$ 483,889	$ 238,560	49.3%
Non Current Liabilities	4,617,687	4,691,281	(73,594)	-1.6%
Total Liabilities:	$ 5,340,136	$ 5,175,170	$ 164,966	3.2%
Deferred Inflows of Resources	$ 254,858	$ 414,558	$ (159,700)	-38.5%
Net Position:				
Net Investment In Capital Assets	$ 6,826,486	$ 6,854,060	$ (27,574)	-0.4%
* Restricted	981,943	114,879	867,064	754.8%
Unrestricted	10,629,485	9,964,843	664,642	6.7%
Total Net Position	$ 18,437,914	$ 16,933,782	$ 1,504,132	8.9%
* Includes restriction for pension contributions plus restriction for OPEB. Prior year did not include OPEB.				

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 or worse off as a result of this year's financial 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 to it. 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. Other non-financial factors need to be considered as well, such as changes in the District's property tax base, to assess the *District's overall health.* The District's revenues increased for fiscal year 2023-24, and its net position improved.

Governmental Fund Financial Statements

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

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

Because the focus of governmental fund statements 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. The *Reconciliation of the Governmental Funds Balance Sheet to the Government-wide Statement of Net Position* (page 28) and the *Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Government-Wide Statement of Activities* (page 30) facilitate this comparison between the government-wide financial statements and the fund financial statements.

Notes to the Basic Financial Statements

The notes provide additional information essential to fully understanding the data provided in the government-wide and fund financial statements.

Analysis - Government-Wide Financial Statements

As noted earlier, net position may serve, over time, as a useful indicator of a government's long term financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $18,437,914 as of June 30, 2024. As a result, the District's Total Net Position improved by $1,504,132 in FY 23-24.

At the end of fiscal year 2024, the District showed a positive balance in its unrestricted net position of $10,629,485 an increase of $664,642 from the prior year. This was due principally to revenue greater than budgeted ($658,294) and less than anticipated expenditures (net of transfers) of ($711,025), including various changes to reserve levels approved by the District Board on June 30, 2024.

The Condensed Statement of Activities below shows how the District's net position changed during the fiscal year. The increase in Net Position resulted from higher revenues and lower expenses than those in the previous fiscal year.

Condensed Statements of Activities

	June 30, 2024	June 30, 2023	Change	% Change
Program Revenues	$ 2,488,989	$ 2,410,576	$ 78,413	3.3%
Expenses	$ (6,141,642)	$ (5,452,420)	$ (689,222)	12.6%
Net Program Expense	$ (3,652,653)	$ (3,041,844)	$ (610,809)	20.1%
General Revenues	$ 5,156,785	$ 4,443,714	$ 713,071	16.0%
Change in Net Position	$ 1,504,132	$ 1,401,870	$ 102,262	7.3%
Net Position - Beginning of Year	$ 16,933,782	$ 15,531,912	$ 1,401,870	9.0%
Net Position - End of Year	$ 18,437,914	$ 16,933,782	$ 1,504,132	8.9%

Total revenues from all sources increased by 11.5%, or $791,484 from the prior year. The table below shows the sources of Program and General Revenues received in 2023-24. The District's ad valorem property tax increased by 4.8% or $164,218, while there were negligible changes to the benefit assessment and special control tax.

Tax revenue for the year increased primarily due to increased property tax revenue, which grew due to a 2% rate increase of all classes of property and an average increase of 7.9% in the taxable property values driven by increased local real estate market values. Also, accounting for the change included in FY 23-24, there was a significant increase in investment earnings due to the "mark to market conditions" experienced in FY 22-23 as required by GASB.

Sources of Program and General Revenue

Program Revenue:	June 30, 2024	June 30, 2023	Change	% Change
Service Abatement Revenue	$ 178,946	$ 196,867	$ (17,921)	-9.1%
Operating Grants and Contributions				
Special Benefit Assessment	1,820,829	1,724,614	96,215	5.6%
Special Mosquito Control Tax	489,214	489,095	119	0.0%
Total Program Revenues	$ 2,488,989	$ 2,410,576	$ 78,413	3.3%
General Revenue:				
Property Taxes	$ 3,573,660	$ 3,409,442	$ 164,218	4.8%
Other Tax Revenue	921,949	828,713	93,236	11.3%
Investment Earnings	621,023	186,772	434,251	NA
Other Revenues	40,153	18,787	21,366	113.7%
Total General Revenues	$ 5,156,785	$ 4,443,714	$ 713,071	16.0%
Total Revenues	$ 7,645,774	$ 6,854,290	$ 791,484	11.5%

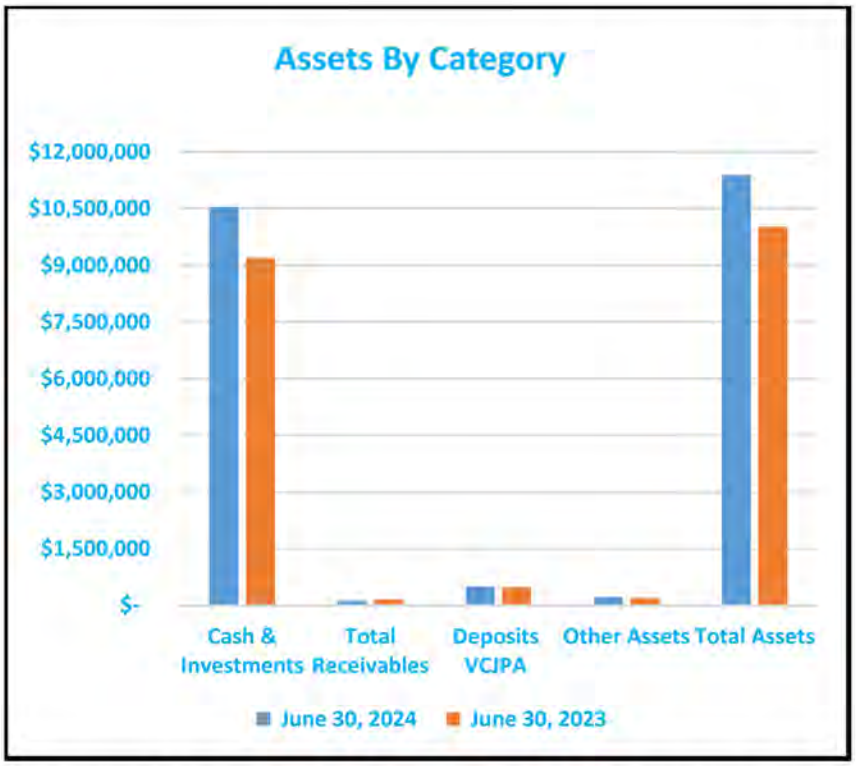
Total expenses increased 12.6% ($ 689,722) in the current year. This includes operational expenses, depreciation of capital assets, and interest expense for vehicle leases. Included in Operations are all salaries, benefits, services, and supplies that are contained in the tables included herein. Operations expenses increased by 11.9% due to increased salary, benefits, and other operational costs. Depreciation and amortization Expense increased by $99,817 due to purchasing District facilities (real property). Debt service expenses decrease primarily due to the scheduled annual debt service payments decreased.

Total Expenses:	June 30, 2024	June 30, 2023	Change	% Change
Operations	$ 5,692,606	$ 5,086,879	$ 605,727	11.9%
Depreciation and Amortization Expense	340,491	240,674	99,817	41.5%
Debt Service	108,545	124,867	(16,322)	-13.1%
Total	$ 6,141,642	$ 5,452,420	$ 689,222	12.6%

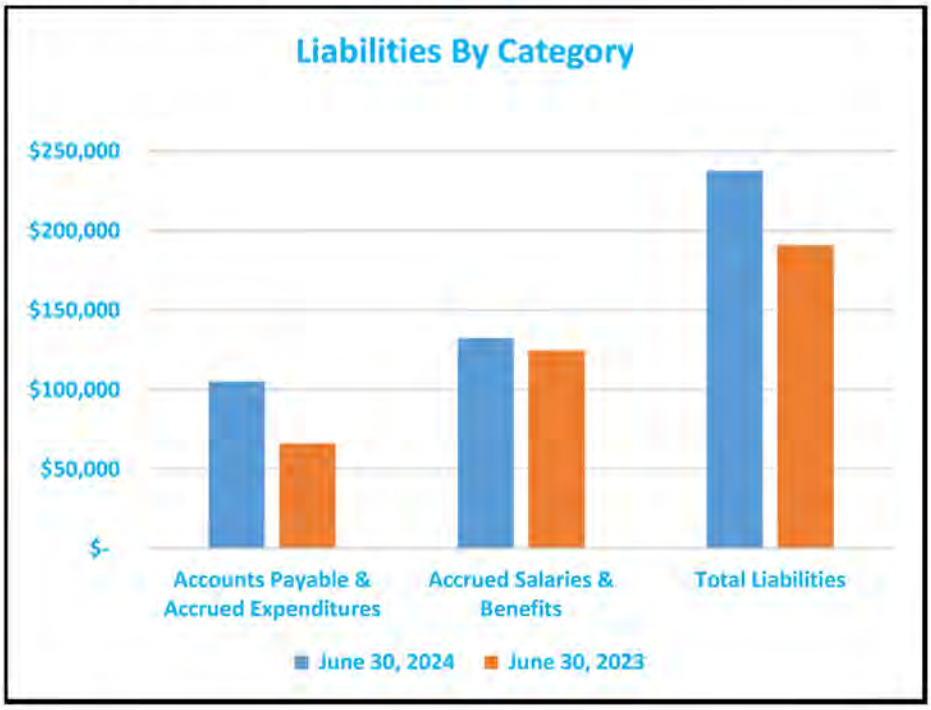
Analysis - Government Fund Financial Statements

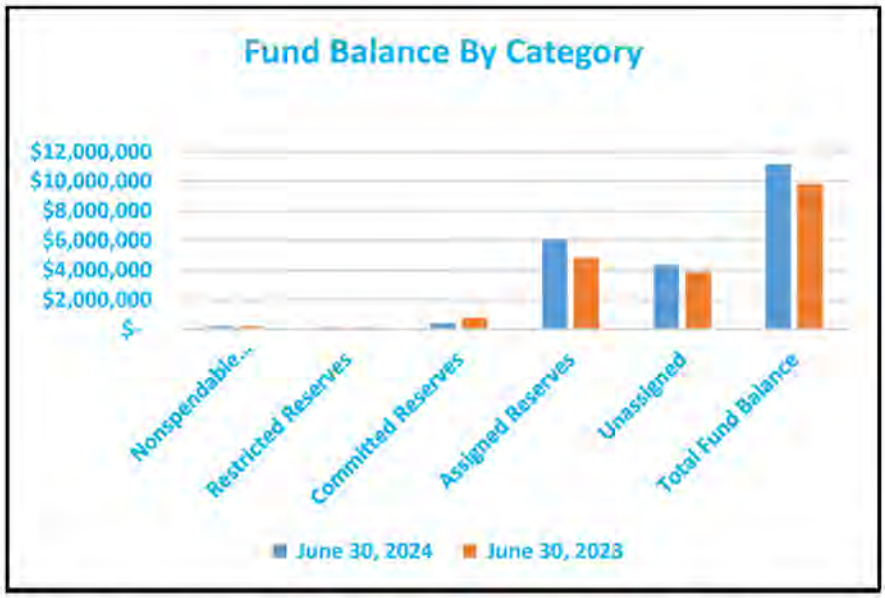
The following Balance Sheet and accompanying charts compare the District assets, liabilities, and fund balance as of June 30, 2024, to those of the previous fiscal year. Cash and Investments make up the majority of the District's assets. In FY 23-24, the District's cash and investments were 15.7% higher than in the previous fiscal year. Current liabilities were higher by 34.9%. These are represented by accounts payable, salaries and benefits payable and other accrued expenditures.

Balance Sheet (General Fund)				
	June 30, 2024	June 30, 2023	Change	% Change
Assets				
Cash and Investments	$ 9,745,822	$ 8,311,595	$ 1,434,227	17.3%
Restricted Cash and Investments	124,363	114,879	9,484	8.3%
Accrued Interest Receivable	55,076	65,423	(10,347)	-15.8%
Accounts Receivable	24,132	41,842	(17,710)	-42.3%
Other Receivables	37,049	38,863	(1,814)	-4.7%
Materials and Supplies Inventory	170,595	160,226	10,369	6.5%
Deposits VCJPA	500,948	477,718	23,230	4.9%
Prepaid Items	39,750	32,217	7,533	23.4%
Total Assets	$ 10,697,735	$ 9,242,763	$ 1,454,972	15.7%
Liabilities				
Accounts Payable and and Accrued Expenditures	$ 105,143	$ 51,645	$ 53,498	103.6%
Accrued Salaries and Benefits	132,500	124,544	7,956	6.4%
Total Liabilities	$ 237,643	$ 176,189	$ 61,454	34.9%
Fund Balance				
Reserves:				
Nonspendable	$ 210,345	$ 192,443	$ 17,902	9.3%
Restricted	124,363	114,879	9,484	8.3%
Committed	400,000	800,000	(400,000)	-50.0%
Assigned	5,384,670	4,084,670	1,300,000	31.8%
Unassigned	4,340,714	3,874,582	466,132	12.0%
Total Fund Balance	$ 10,460,092	$ 9,066,574	$ 1,393,518	15.4%
Total Liabilities and Fund Balance	$ 10,697,735	$ 9,242,763	$ 1,454,972	15.7%



* Deposits with the VCJPA represent funds on deposit with the District's self-insurance group, the Vector Control Joint Powers Agency (VCJPA). The District keeps a balance in two contingency accounts to cover two years worth of insurance premiums, deductibles, and retained limits for all insurance categories. These funds may be used for insurance or other purposes as determined by the Board of Trustees.





CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

	FY Ending 2024	FY Ending 2023	Variance	% Change
Beginning Fund Balance	$ 9,820,594	$ 8,751,531	$ (2,532,117)	NA
Revenues:				
Service Abatement Revenue	178,946	196,867	(17,921)	-9.1%
Special Benefit Assessment	1,820,829	1,724,614	96,215	5.6%
Special Mosquito Control Tax	489,214	489,095	119	0.0%
Property Taxes	3,573,660	3,409,441	164,219	4.8%
Other Tax Revenue	921,949	828,713	93,236	11.3%
Investment Earnings	621,023	186,772	434,251	232.5%
Other Revenue	40,153	18,787	21,366	113.7%
Lease Financing	-	22,641	(22,641)	-100.0%
Total Revenue	7,645,774	6,876,930	768,844	11.2%
Expenditures				
Salaries and Benefits	4,578,778	3,896,721	682,057	17.5%
Materials and Services	1,295,676	1,264,646	31,030	2.5%
Debt Service	348,144	359,027	(10,883)	-3.0%
Capital Outlay	105,200	287,473	(182,273)	-63.4%
Total Expenditures	6,327,798	5,807,867	519,931	9.0%
Net Change in Fund Balance	1,317,976	1,069,063	248,913	NA
Ending Fund Balance	$ 11,138,570	$ 9,820,594	$ 1,317,976	13.4%

District Reserves

As of June 30, 2024, the District reported a total fund balance of $11,138,570. $4,340,174 constitutes the District's *unassigned fund balance,* which is necessary to provide working capital from the beginning of the next fiscal year in July until the receipt of property tax funds in December. This represents approximately 60% of the FY 2023-24 budgeted operational expenditures.

The Board of Trustees allocated a portion of the District's Fund Balance to various Reserve Funds. Generally Accepted Accounting Principles defines the categories of reserves as follows:

- Restricted – Reserves that are legally restricted as to their use. These include funds reserved for Pension Rate Stabilization to be used if there are unexpected increases in retirement expenditures.
- Non-spendable – Reserves that are not available for expenditure. This includes resources such as inventory or other prepaid expenditures.
- Committed – Reserves that are committed for specific purposes by action of the District's governing board. Expenditure of these funds requires formal action by the governing board.
- Assigned – Reserves that are assigned for a specific purpose by the governing board
- Unassigned – All other fund balances that are not designated to the above categories. This includes amounts available for working capital.

The following table shows the Board-approved reserve balances in FY 2024 as compared to FY 2023:

Reserves	Category	June 30, 2024	June 30, 2023
Nonspendable	Nonspendable	$ 210,345	$ 192,443
Pension Rate Stabilization	Restricted	124,363	114,879
Public Health Emergency	Committed	200,000	800,000
Natural Disaster Emergency	Assigned	200,000	650,000
Real Property Reserve	Assigned	5,384,670	2,434,670
Debt Service Replacement Reserve	Assigned	-	1,000,000
Cap. Asset & Equip. Replacement	Assigned	678,478	754,020
Unassigned	Unassigned	4,340,714	3,874,582
Total		$ 11,138,570	$ 9,820,594

Significant changes in designated reserve levels for FY 2022-23 were as follows:

- Non-spendable reserves increased slightly due to the amount of pesticide inventory on June 30, 2023, and increases to prepaid expenditures.
- A Real Property Acquisition Reserve was created prior to FY 21-22. A Real Estate Needs Assessment was completed in the spring of 2019. This assessment identified an urgent need for additional secured vehicle and equipment storage and office space. As indicated above, the District purchased real property for operational use. Part of the financing was to utilize $3,715,330 of the reserve balance in addition to new financing undertaken by the District to consummate the transaction. The District Board of Trustees authorized an increase of $2,950,000 to be added to this reserve to provide for structure improvements to the recently acquired District property. This was offset by adjustments to the Public Health Emergency and Natural Disaster Emergency Reserve.
- Unassigned is the mathematical difference between all other categories and total fund balance.

Comparison of Actual Revenues and Expenditures Current and Prior Year – General Fund

As indicated on the chart below, actual revenues and expenditures comparisons between FYE 6-30-2024 and FY 6/30/23 were relatively stable with additional explanation as follows:

- Service Abatement Revenue decreased by $ 17,291 or 9.1% due reduced contractual services by our customers.
- Special Benefit Assessment revenue increased by $96,215 or 55% due to Board action of applying an authorized cost of living adjustment.
- Property Tax Revenue increased by $164,219 or 4.8%, resulting from a statutory 2% rate increase on all classes of property, as well as increases to taxable property values, driven by increased local real estate market values.
- Other Tax Revenue increased by $93,236 or 11.3% due to the receipt of excess Education Revenue Augmentation Funds and redevelopment "pass through" funds from the County of San Mateo as a result of the County's property tax allocation process.
- Other Revenue increased by $21,336 or 113.7%. This increase is considered "immaterial".
- There was a sharp increase in investment earnings of $402,165 due to applying the prior year's "mark to market" calculations as required by the Government Accounting Standards Board.
- There was a Salary and Wage Expense increase of $254,211 or 8.5% due to collective bargaining agreements applicable to FY 23-24 and normal step increases afforded employees.
- Employee Benefits increased sharply by $427,846 or 47.3% due to an increase of pension rates required by the San Mateo County Employees Association.
- Materials and Services increased $ 31,242 or 2.5% due to inflationary and other cost increases. This amount is immaterial.

Comparison of Actual Revenues, Expenditures, and Fund Balance				
GENERAL FUND:	**FY 23-24**	**FY 22-23**	**Variance**	**% Change**
Beginning Fund Balance:	$ 9,066,574	$ 8,001,587	$ 1,064,987	13.3%
Revenues:				
Service Abatement Revenue	178,946	196,867	(17,921)	-9.1%
Special Benefit Assessment	1,820,829	1,724,614	96,215	5.6%
Special Mosquito Control Tax	489,214	489,095	119	0.0%
Property Taxes	3,573,660	3,409,441	164,219	4.8%
Other Tax Revenues	921,949	828,713	93,236	11.3%
Investment Earnings	570,403	168,238	402,165	239.0%
Other Revenue	40,153	18,787	21,366	113.7%
Total Revenues	$ 7,595,154	$ 6,835,755	$ 759,399	11.1%
Expenditures:				
Salaries &Wages	$ 3,247,291	$ 2,993,080	$ 254,211	8.5%
Employee Benefits	1,331,487	903,641	427,846	47.3%
Materials & Services	1,295,676	1,264,334	31,342	2.5%
Capital Outlay	-	15,575	(15,575)	-100.0%
Debt Service	318,094	318,094	-	0.0%
Total Expenditures	6,192,548	5,494,724	713,399	12.7%
Transfers & Other:	(9,088)	(276,044)	266,956	-96.7%
Ending Fund Balance:	$ 10,460,092	$ 9,066,574	$ 1,393,518	15.4%

The table below shows a comparison of actual revenue, expenditures, and fund balances between FYE 2024 and FYE 2023:

Comparison of Actual Revenues, Expenditures, and Fund Balance				
CAPITAL IMPROVEMENT FUND	**FY 23-24**	**FY 22-23**	**Variance**	**% Change**
Beginning Fund Balance:	$ 754,020	$ 749,944	$ 4,076	0.5%
Revenues:	50,620	18,534	32,086	NA
Expenditures:	135,250	313,143	(177,893)	-56.8%
Transfers & Other:	9,088	298,685	(289,597)	-97.0%
Ending Fund Balance:	$ 678,478	$ 754,020	$ (75,542)	-10.0%

As noted, ending fund balance did not materially change between fiscal years ending on June 30. The principal differences resulting from the expenditure increase between the years resulted from acquiring the District's newly purchased facilities. This was funded by a combination of available reserves within the general fund and the acquisition of lease financing provided by CN Financing, as described in the debt table below.

Capital Asset Administration

Changes in Capital Assets at the end of fiscal year 2023-24 are as follows:

Capital Assets:	June 30, 2024	June 30, 2023	Change	% Change
Non -Depreciable Assets	$ 4,050,563	$ 3,988,830	$ 61,733	1.5%
Depreciable Assets	10,245,061	10,357,885	(112,824)	-1.1%
Accumulated Depreciation and Amortization	(4,013,243)	(3,797,161)	(216,082)	5.7%
Total Capital Assets, Net	$ 10,282,381	$ 10,549,554	$ (267,173)	-2.5%

At the end of fiscal year 2023-24, the District's investment in capital assets amounted to $10,282,381(net of accumulated depreciation). This investment in capital assets includes land, structures, improvements, furniture, equipment, and vehicles.

See note 3 of the District's financial statements for further information on the District's capital assets.

Debt Administration

The District's Long-Term Debt consists of vehicle leases and the financing of District real property completed this year. See further details in note 5 of the District's financial statements.

Debt Administration	June 30, 2024	June 30, 2023	Change	% Change
Leases	$ 51,241	$ 77,663	$ (26,422)	-34.0%
CN Financing	3,404,654	3,617,831	(213,177)	-5.9%
Total Long Term Debt:	$ 3,455,895	$ 3,695,494	$ (239,599)	-6.5%

Conditions Affecting Current Financial Position

Management is unaware of any conditions that could significantly impact the District's current or long- term financial position or any other factors that would significantly impact the District's ability to fulfill its mission.

Requests for Information

The District's basic financial statements are designed to give users a general overview of the District's finances and to demonstrate the District's accountability. If you have questions about the report or need additional information, please contact the District Manager at the San Mateo County Mosquito and Vector Control District, 1351 Rollins Road, Burlingame, California 94010, or (650) 344-8592.

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BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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San Mateo County Mosquito and Vector Control District
Statement of Net Position
June 30, 2024

ASSETS		
Current assets:		
Cash and investments	$	10,417,599
Restricted cash and investments		124,363
Accrued interest receivable		61,777
Accounts receivable		24,132
Accounts receivable-other		37,049
Materials and supplies inventory		170,595
Deposits with Vector Control Joint Powers Agency (VCJPA)		500,948
Prepaid items		39,750
Total current assets		11,376,213
Noncurrent assets:		
Net OPEB asset		877,642
Capital assets - not being depreciated		4,050,563
Capital assets - being depreciated/amortized, net		6,231,818
Total capital assets		10,282,381
Total noncurrent assets		11,160,023
Total assets		22,536,236
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources - OPEB		133,770
Deferred outflows of resources - pensions		1,362,902
Total deferred outflows of resources		1,496,672
LIABILITIES		
Current liabilities:		
Accounts payable and accrued expenses		105,143
Accrued salaries and benefits		132,500
Long-term liabilities - due in one year:		
Compensated absences		239,598
Long-term debt		245,208
Total current liabilities		722,449
Noncurrent liabilities:		
Long-term liabilities - due in more than one year:		
Compensated absences		239,599
Long-term debt		3,210,687
Net pension liability		1,167,401
Total noncurrent liabilities		4,617,687
Total liabilities		5,340,136
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources - OPEB		153,832
Deferred inflows of resources - pensions		101,026
Total deferred inflows of resources		254,858
NET POSITION		
Net investment in capital assets		6,826,486
Restricted for pension contributions		124,363
Restricted for OPEB		857,580
Unrestricted		10,629,485
Total net position	$	18,437,914

See accompanying Notes to the Basic Financial Statements

San Mateo County Mosquito and Vector Control District
Statement of Activities
For the Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Total	Governmental Activities
Governmental Activities:					
Mosquito and vector control	$ 6,141,642	$ 178,946	$ 2,310,043	$ 2,488,989	$ (3,652,653)
Total Governmental Activities	6,141,642	178,946	2,310,043	2,488,989	(3,652,653)
Total Primary Government	$ 6,141,642	$ 178,946	$ 2,310,043	$ 2,488,989	$ (3,652,653)
General Revenues:					
Taxes					4,495,609
Investment earnings					621,023
Other revenues					40,153
Total General Revenues					5,156,785
Change in Net Position					1,504,132
Net Position - Beginning of year					16,933,782
Net Position - End of year					$ 18,437,914

See accompanying Notes to the Basic Financial Statements

FUND FINANCIAL STATEMENTS

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GOVERNMENTAL FUND FINANCIAL STATEMENTS

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

Capital Projects Fund accounts for financial resources that have been restricted, committed, or assigned for equipment acquisition.

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San Mateo County Mosquito and Vector Control District
Balance Sheet
Governmental Funds
June 30, 2024

	General Fund	Capital Projects Fund	Total
ASSETS			
Cash and investments	$ 9,745,822	$ 671,777	$ 10,417,599
Restricted cash and investments	124,363	-	124,363
Accrued interest receivable	55,076	6,701	61,777
Accounts receivable	24,132	-	24,132
Accounts receivable-other	37,049	-	37,049
Materials and supplies inventory	170,595	-	170,595
Deposits with Vector Control Joint Powers Agency (VCJPA)	500,948	-	500,948
Prepaid items	39,750	-	39,750
Total assets	$ 10,697,735	$ 678,478	$ 11,376,213
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued expenditures	$ 105,143	$ -	$ 105,143
Accrued salaries and benefits	132,500	-	132,500
Total liabilities	237,643	-	237,643
Fund balances:			
Nonspendable	210,345	-	210,345
Restricted	124,363	-	124,363
Committed	400,000	-	400,000
Assigned	5,384,670	678,478	6,063,148
Unassigned	4,340,714	-	4,340,714
Total fund balances	10,460,092	678,478	11,138,570
Total liabilities and fund balances	$ 10,697,735	$ 678,478	$ 11,376,213

See accompanying Notes to the Basic Financial Statements

San Mateo County Mosquito and Vector Control District
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position
June 30, 2024

Total Fund Balances - Total Governmental Funds	$	11,138,570
Amounts reported for governmental activities in the statement of net position are different because:		
Deferred outflows of resources related to pensions and OPEB used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet. However, the statement of net position includes those deferred outflows of resources.		1,496,672
Deferred inflows of resources related to pensions and OPEB used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet. However, the statement of net position includes those deferred inflows of resources.		(254,858)
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet. However, the statement of net position includes those assets as capital assets.		10,282,381
Net OPEB asset used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet. However, the statement of net position includes those assets as OPEB assets.		877,642
Long-term liabilities applicable to the District are not due and payable in the current period and therefore are not reported in the governmental funds.		
Long-term debt - due within one year		(245,208)
Compensated absences - due within one year		(239,598)
Long-term debt - due in more than one year		(3,210,687)
Compensated absences - due in more than one year		(239,599)
Net pension liability		(1,167,401)
Net position of governmental activities	$	18,437,914

See accompanying Notes to the Basic Financial Statements

San Mateo County Mosquito and Vector Control District
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2024

	General Fund	Capital Projects Fund	Total
REVENUES:			
Service abatement revenue	$ 178,946	$ -	$ 178,946
Special benefit assessment	1,820,829	-	1,820,829
Special mosquito control tax	489,214	-	489,214
Property taxes	3,573,660	-	3,573,660
Other tax revenues	921,949	-	921,949
Investment earnings	570,403	50,620	621,023
Other revenues	40,153	-	40,153
Total revenues	7,595,154	50,620	7,645,774
EXPENDITURES			
Mosquito and vector control			
Salaries and wages	3,247,291	-	3,247,291
Employee benefits	1,331,487	-	1,331,487
Materials and services	1,295,676	-	1,295,676
Capital outlay	-	105,200	105,200
Debt service:			
Principal	213,177	26,422	239,599
Interest and fiscal charges	104,917	3,628	108,545
Total expenditures	6,192,548	135,250	6,327,798
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,402,606	(84,630)	1,317,976
OTHER FINANCING SOURCES (USES)			
Transfer in	-	9,088	9,088
Transfer out	(9,088)	-	(9,088)
Total other financing sources (uses)	(9,088)	9,088	-
NET CHANGE IN FUND BALANCES	1,393,518	(75,542)	1,317,976
FUND BALANCES:			
Beginning of year	9,066,574	754,020	9,820,594
End of year	$ 10,460,092	$ 678,478	$ 11,138,570

See accompanying Notes to the Basic Financial Statements

San Mateo County Mosquito and Vector Control District
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, 2024

Net change in fund balances - total governmental funds:	$	1,317,976
Governmental activities in the Statement of Activities were reported differently because:		
Governmental funds report capital outlay as expenditures. In the statement of activities, however, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		
Capital outlay		92,077
Loss on disposal of capital asset		(18,759)
Depreciation/amortization		(340,491)
Debt proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net position, however, issuing debt increases long-term liabilities and not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds, but reduces the liability in the statement of net position.		
Repayments of debt and lease principal		239,599
Current year employer pension contributions are recorded as expenditures in the governmental funds, however these amounts are reported a deferred outflow of resources on the Government-Wide Statement of Net Position.		692,365
Pension expense is recorded as incurred in the Government-Wide Statement of Activities, however pension expense is not recognized in the governmental funds.		(346,402)
OPEB expense is recorded as incurred in the Government-Wide Statement of Activities, however OPEB expense is not recognized in the governmental funds.		(50,350)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Change in compensated absences		(81,883)
Change in net position of governmental activities	$	1,504,132

See accompanying Notes to the Basic Financial Statements

NOTES TO BASIC FINANCIAL STATEMENTS

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San Mateo County Mosquito and Vector Control District
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For the Year Ended June 30, 2024

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San Mateo County Mosquito and Vector Control District
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Note 1 – Reporting Entity and Summary of Significant Accounting Policies

A. Organization and Operations of the Reporting Entity

The San Mateo Mosquito and Vector Control District (the "District") is a special district established in 1916 empowered to take all necessary and proper steps for the control of mosquitoes and other vectors within the District.

In the fiscal year ended June 30, 2004, the District expanded their services to the cities of San Bruno, South San Francisco, Daly City, Colma, Brisbane, Pacifica and Half Moon Bay, which encompass the North and West County District (the "NWCD"). The revenue related to servicing the NWCD is accounted for as a special assessment charge placed on the property parcels within that service area.

In the fiscal year ended June 30, 2008, the San Mateo County Board of Supervisors passed a resolution to transfer specific vector control operations and responsibilities to the San Mateo County Mosquito Abatement District. As a result, the District changed its name to the San Mateo County Mosquito and Vector Control District. The District is governed by a twenty-one-member Board of Trustees that are appointed by each of the incorporated cities and the unincorporated San Mateo County areas within the District's service area.

B. Basis of Accounting and Measurement Focus

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

Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the activities of the primary government. The effect of inter-fund activity has been removed from these statements and eliminations have been made to minimize the double counting of internal activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

In accordance with U.S. GAAP the Statement of Net Position reports separate sections for Deferred Outflows of Resources, and Deferred Inflows of Resources, when applicable.

Deferred Outflows of Resources represent outflows of resources (consumption of net assets) that apply to future periods and that, therefore, will not be recognized as an expense until that time.

Deferred Inflows of Resources represent inflows of resources (acquisition of net assets) that apply to future periods and that, therefore, are not recognized as a revenue until that time.

The government-wide financial statements are reported using the "*economic resources*" measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Note 1 – Summary of Significant Accounting Policies (Continued)

B. Basis of Accounting and Measurement Focus (Continued)

Fund Financial Statements

Governmental fund financial statements are reported using the *"current financial resources"* measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers tax revenues to be available if they are collected within 60 days of the end of the current fiscal year and other revenues when collected within one year of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due.

The primary revenue sources susceptible to accrual are property taxes, charges for services, and interest associated with the current fiscal period and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The District reports the following major funds:

Governmental Funds:

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

Capital Project Fund – is used to account for financial resources that have been restricted, committed, or assigned for capital projects and equipment acquisition.

C. Investments

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.

D. Materials and Supplies Inventory

Inventories consist of expendable supplies and are valued at cost using a first-in first-out basis.

E. Prepaid Items

Certain payments to vendors reflect costs or deposits applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. Prepayments are amortized and recognized as expenditures in the period consumed using the consumption method.

Note 1 – Summary of Significant Accounting Policies (Continued)

F. Capital Assets

Capital assets are recorded in the government-wide financial statements. Included in capital assets are equipment used at the District. District policy has set the capitalization threshold for reporting capital assets at $5,000. Donated assets are recorded at estimated acquisition cost at the date of donation. Capital outlay is recorded as expenditures of the General Fund and as assets in the government-wide financial statements to the extent the District's capitalization threshold is met. Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets as follows:

Assets	Years
Structures and improvements	7-50 years
Furniture and equipment	5-20 years
Vehicles	5-15 years

The District established a $5,000 threshold to recognize right-to-use assets, including lease assets or subscription-based information technology arrangement ("SBITA") assets ("subscription assets"), in the government-wide financial statements and proprietary fund financial statements.

Right-of-Use Lease Assets

Lease assets are recorded at the amount of the initial measurement of the lease liabilities and adjusted by any lease payments made to the lessor at or before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term along with any initial direct costs that are ancillary charges necessary to place the lease assets into service. Lease assets are amortized using the straight-line method over the shorter of the lease term or the useful life of the underlying asset, unless the lease contains a purchase option that the District has determined is reasonably certain of being exercised. In this case, the lease asset is amortized over the useful life of the underlying asset.

G. Compensated Absences

The District's policy is to permit full time employees to accumulate earned vacation time and sick leave. Earned vacation time shall be earned by each employee subject to the accrual limitations defined by District policies. Such unused compensation is calculated at the employees' then prevalent hourly rate at the time of retirement or termination. Whereas vacation time is compensated at 100% of accumulated hours. Sick leave is accrued and compensated only at retirement based on the years of employment up to a maximum of $7,500.

H. Long-Term Debt

In the Government-Wide Financial Statements, long-term debt and other long-term obligations are reported as liabilities in the appropriate activities.

The governmental fund financial statements do not present long-term debt and other financed obligations. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuances costs are reported as debt service expenditures. Principal payments and reductions in the obligation are reported as debt service expenditures. As such, long-term debt and other financed obligations are shown as reconciling items in the Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position.

Note 1 – Summary of Significant Accounting Policies (Continued)

I. Lease Liabilities

The District recognizes lease liabilities with an initial, individual value of $5,000 or more with a lease term greater than one year in the government-wide and proprietary fund financial statements. Variable payments based on future performance of the lessee or usage of the underlying asset are not included in the measurement of the lease liability.

At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made.

Key estimates and judgments related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The District uses incremental borrowing rate provided by the financial institution or the current rate at the time a new lease is executed.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the District is reasonably certain to exercise.
- Lease payments included in the measurement of the lease payable is composed of fixed payments to the lessor.

The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure any lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

J. Pension Plan

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the plans and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value. The following timeframes are used for pension reporting:

San Mateo County Employees' Retirement Association (SamCERA)

Valuation Date	June 30, 2023
Measurement Date	June 30, 2023
Measurement Period	July 1, 2022 to June 30, 2023

Gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense. The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized straight-line over 5 years. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period, which is 5 years for SamCERA.

Note 1 – Summary of Significant Accounting Policies (Continued)

K. Other Postemployment Benefits ("OPEB")

For purposes of measuring the net OPEB liability (asset), deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Authority's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. U.S. GAAP 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	June 30, 2022
Measurement Date	June 30, 2024
Measurement Period	June 30, 2023 to June 30, 2024

Gains and losses related to changes in total OPEB liability/(asset) and fiduciary net position are recognized in OPEB expense systematically over time. The first amortized amounts are 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 amortization period differs depending on the sources of gain or loss. The difference between projected and actual earnings is amortized on a straight-line basis over 5 years. All other amounts are amortized on a straight-line basis over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) at the beginning of the measurement period.

L. Property Taxes

The San Mateo County Assessor's Office assesses all real and personal property within the County each year. The San Mateo County Tax Collector's Office bills and collects the District's share of property taxes and assessments. The San Mateo County Auditor-Controller's Office remits current 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 no more than one percent (1%) of countywide assessed valuations.

Property taxes receivable at year-end are related to property taxes collected by San Mateo County, which have not been credited to the District's cash balance as of June 30. 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

Property taxes levied are recorded as revenue when received, in the fiscal year of levy, because of the adoption of the alternate method of property tax distribution known as the Teeter Plan, by the District and San Mateo County. The Teeter Plan authorizes the County Auditor-Controller to allocate 100% of the secured property tax billed but not yet received or paid to the District. San Mateo County remits tax proceeds to the District in three installments during the fiscal year as follows: 50% remitted on December 15, 40% remitted on April 15 and 10% on June 30.

M. Special Assessment Revenue

Special assessments determined by the District are included on property tax bills of San Mateo County. Special assessments are recorded as revenue when received, in the fiscal year of receipt, because of the adoption of the alternate method of property tax distribution known as the Teeter Plan, by the District and San Mateo County. San Mateo County remits the special assessments to the District on the same schedule as property taxes.

Note 1 – Summary of Significant Accounting Policies (Continued)

N. Net position

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 amortization and reduced by any outstanding debt outstanding against the acquisition, construction or improvement of those assets.

Restricted – this component of net position 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 component of net position consists of net amount of assets that are not included in the determination of restricted or net investment in capital assets.

O. Fund Balance

The financial statements, governmental funds report fund balance as nonspendable, restricted, committed, assigned or unassigned based primarily on the extent to which the District is bound to honor constraints on how specific amounts can be spent.

Nonspendable – amounts that cannot be spent because they are either (a) not spendable in form or (b) legally or contractually required to be maintained intact.

Restricted – amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions enabling legislation.

Committed – amounts that can only be used for specific purposes determined by formal action of the District's highest level of decision-making authority (the Board of Trustees) and that remain binding unless removed in the same manner. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.

Assigned – amounts that are constrained by the District's intent to be used for specific purposes. The intent can be established at either the highest level of decision-making, or by a body or an official designated for that purpose.

Unassigned – the residual classification for the District's general fund that includes amounts not contained in the other classifications.

The Board of Trustees establishes, modifies or rescinds fund balance commitments and assignments by passage of a resolution.

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

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

Note 1 – Summary of Significant Accounting Policies (Continued)

O. Fund Balance (Continued)

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

P. Use of Estimates

The preparation of financial statements in accordance with U.S. GAAP 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 District net position during the reporting period. Actual results could differ from those estimates.

Q. New Accounting Pronouncements

In 2024, the District adopted new accounting standards in order to conform to the following Governmental Accounting Standards Board Statements.

- GASB Statement No. 99 – In April 2022, the GASB issued Statement No. 99, *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements of this Statement related to extension of the use of the London Interbank Offered Rate (LIBOR), accounting for Supplemental Nutrition Assistance Program (SNAP) distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement No. 34, as amended, and terminology updates related to Statements No. 53 and No. 63 are effective upon issuance. The requirements of this Statement related to leases, Public-Private and Public-Public Partnerships (PPPs), and Subscription-Based Information Technology Arrangements (SBITAs) are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The requirements of this Statement related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement No. 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. There were no significant impacts on the District's financial statements.

- GASB Statement No. 100 – In June 2022, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections*—An Amendment of GASB Statement No. 62. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. There were no significant impacts on the District's financial statements.

Note 2 – Cash and Investments

Cash and investments as of June 30, 2024, consisted of the following:

Description	Balance
Cash on hand	$ 400
Deposits held with San Mateo County Pooled Investment Fund (SMCPIF)	5,577,071
California CLASS	4,840,128
Restricted cash and investments	124,363
Total cash and investments	$ 10,541,962

Reporting Unit	Balance
Primary Government	$ 10,541,962
Total cash and investments	$ 10,541,962

A. Custodial Credit Risk

The 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 deposits or will not be able to recover collateral securities that are in the possession of an outside party. The District's investment policy requires that collateral be held by an independent third party with whom the District has a current custodial agreement.

The custodial credit risk for investments is the risk that in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The District's investment policy requires that all security transactions are conducted on a delivery-versus-payment (DVP) method and that all securities are held by a qualified, third-party custodian, as evidenced by safekeeping receipts. The trust department of the District's bank may act as third-party custodian, provided that the custodian agreement is separate from the banking agreement. 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 SMCPIF). As of June 30, 2024 none of the District's deposits or investments were exposed to disclosable custodial credit risk.

B. Investments

Investments as of June 30, 2024, consisted of the following:

			Maturity
Description	Credit Rating	Fair Value	12 Months or Less
San Mateo County Pooled Investment Fund (SMCPIF)	Aa1/P-1	$ 5,577,071	$ 5,577,071
California CLASS	AAAm	4,840,128	4,840,128
Total cash and investments		$ 5,577,071	$ 5,577,071

C. Authorized Deposits and Investments

The District has adopted an investment policy which allows deposits into financial institutions and the San Mateo County Treasury's Pooled Investment Fund.

Note 2 – Cash and Investments (Continued)

D. San Mateo County Treasury – Pooled Investment Fund

The San Mateo County Pooled Investment Fund (SMCPIF) is a pooled investment fund program governed by the San Mateo County Board of Supervisors and administered by the San Mateo County Treasurer. Investments in SMCPIF are highly liquid as deposits and withdrawals can be made at any time without penalty. SMCPIF does not impose a maximum investment limit. The San Mateo County bank deposits are either federally insured or collateralized in accordance with the California Government Code.

The San Mateo County Treasurer has indicated to the District that as of June 30, 2024, the value of the County's portfolio approximated $8.498 billion and the portfolio holds no derivative products. The District's investment with the County Treasurer's Office as of June 30, 2024 was $5,577,071. SMCPIF's fair value factor of 0.9913 as of June 30, 2024 was used to calculate the fair value of the investments in the SMCPIF. SMCPIF does not fall under the fair value hierarchy (i.e. uncategorized) as there is no active market for the investments.

Participants' equity in the investment pool is determined by the dollar amount of participant deposits, adjusted for withdrawals and distributed investment income. Investment income is determined on an amortized cost basis. Interest payments, accrued interest, accreted discounts, amortized premiums, and realized capital gains and losses, net of administrative fees, are apportioned to pool participants every quarter. This method differs from the fair value method used to value investments in these financial statements as unrealized gains or losses are not apportioned to pool participants. Income from pooled investments is allocated to individual funds or external participants based on each fund's or participant's average daily cash balance at quarter end in relation to the total pool investments. Pool detail may be obtained from the County of San Mateo Treasurer-Tax Collector Office – 555 County Center, 1st Floor - Redwood City, CA 94063 or the Treasurer and Tax Collector's office website at www.sanmateocountytreasurer.org.

E. California CLASS

California CLASS is a pooled investment option that was created via a joint exercise of powers agreement by and among California public agencies. California CLASS provides California public agencies with a convenience method for investing in high-liquid, short to medium term securities. Deposits and withdrawals to and from California CLASS are transferred on the basis of $1 and not fair value. Accordingly, under the fair value hierarchy, California CLASS is valued based on inputs not categorized as level 1, level 2 or level 3.

As of June 30, 2024, The District had $4,840,128 invested in the California CLASS.

F. 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. As of June 30, 2024, the District's investment in the SMCPIF and California CLASS were rated by Moody as Aa1/P- 1 and AAAm, respectively, as noted in the table above.

G. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the fair values of investments with longer maturities have greater 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. The District has elected to use the segmented time distribution method of disclosure for the maturities of its investments as related to interest rate risk as noted in the table above.

Note 2 – Cash and Investments (Continued)

H. Concentration of Credit Risk

The District's investment policy contains no limitations on the amount that can be invested in any one governmental agency or non-governmental issuer beyond that stipulated by the California Government Code. There were no investments in any one governmental or non-governmental issuer that represented 5% or more of the District's total investments except for those in the SMCPIF and California CLASS.

Note 3 – Capital Assets

Changes in capital assets for the year were as follows:

	Balance July 1, 2023	Additions	Deletions	Reclassification	Balance June 30, 2024
Capital assets, not being depreciated:					
Land	$ 3,854,525	$ -	$ -	$ -	$ 3,854,525
Construction-in-progress	134,305	61,733	-	-	196,038
Total capital assets, not being depreciated	3,988,830	61,733	-	-	4,050,563
Capital assets, being depreciated:					
Structures and improvements	8,352,828	-	-	-	8,352,828
Furniture and equipment	765,364	30,344	(81,504)	-	714,204
Vehicles	808,019	-	(61,664)	(64,146)	682,209
Software	270,486	-	-	-	270,486
Total capital assets, being depreciated	10,196,697	30,344	(143,168)	(64,146)	10,019,727
Less accumulated depreciation for:					
Structures and improvements	(2,133,588)	(229,669)	-	-	(2,363,257)
Furniture and equipment	(592,114)	(33,041)	80,490	-	(544,665)
Vehicles	(780,342)	(5,572)	28,740	82,110	(675,064)
Software	(233,819)	(36,667)	-	-	(270,486)
Total accumulated depreciation	(3,739,863)	(304,949)	109,230	82,110	(3,853,472)
Total capital assets, being depreciated, net	6,456,834	(274,605)	(33,938)	17,964	6,166,255
Intangible capital assets, being amortized:					
Right-to-use lease assets - vehicles	161,188	-	-	64,146	225,334
Total intangible capital assets, net	161,188	-	-	64,146	225,334
Less accumulated amortization for:					
Right-to-use lease assets - vehicles	(57,298)	(35,542)	-	(66,931)	(159,771)
Total accumulated amortization	(57,298)	(35,542)	-	(66,931)	(159,771)
Total intangible capital assets, being amortized, net	103,890	(35,542)	-	(2,785)	65,563
Total governmental activities capital assets, net	$ 10,549,554	$ (248,414)	$ (33,938)	$ 15,179	$ 10,282,381

The depreciation and amortization in the amounts of $304,949 and $35,542, respectively were charged to Mosquito and vector control activities.

Note 3 – Capital Assets (Continued)

Intangible Right-to-Use Assets:

In FY 2022, the District implemented the guidance in GASB No. 87, *Leases* and recognized the value of vehicles leased under long-term contracts, that had previously been reported as capital leases. The leased intangible assets and related amortization have been reported on the above capital assets schedule.

Assets are being amortized over 5 years, the term of the lease. Terms of the lease are described in Note 5A.

Note 4 – Compensated Absences

Compensated absences comprise unpaid vacation leave, sick leave and compensating time off which is accrued as earned. The District's liability for compensated absences is determined annually.

The changes to the compensated absences balance at June 30, 2024 were as follows:

Balance June 30, 2023	Additions/ Transfers	Deletions/ Transfers	Balance June 30, 2024	Current Portion	Long-term Portion
$ 397,314	$ 412,581	$ (330,698)	$ 479,197	$ 239,598	$ 239,599

Note 5 – Long-Term Liabilities

The District's long-term debt activities for the year ended June 30, 2024 were as follows:

	Balance June 30, 2023	Additions	Deletions	Balance June 30, 2024	Current Portion	Long-term Portion
Leases	$ 77,663	$ -	$ (26,422)	$ 51,241	$ 25,849	$ 25,392
CN Financing	3,617,831	-	(213,177)	3,404,654	219,359	3,185,295
Total long-term debt	$ 3,695,494	$ -	$ (239,599)	$ 3,455,895	$ 245,208	$ 3,210,687

Description of the District's Long-Term Debt:

A. Leases

The District has recorded various lease agreements regarding the District's vehicle fleet. Principal and interest are payable monthly with varying annual interest rates of 3.18% - 7.23%, for a term of 60 months. The remaining principal and interest amounts will be payable as follows:

Year Ending June 30,	Principal	Interest	Total
2025	$ 25,849	$ 2,351	$ 458,801
2026	16,010	1,229	451,275
2027	8,043	453	443,560
2028	1,339	17	435,646
Total	$ 51,241	$ 4,050	$ 4,758,051
Current	$ 25,849		
Long-term	$ 25,392		

Note 5 – Long-Term Liabilities (Continued)

Description of the District's Long-Term Debt: (Continued)

B. CN Financing

On July 1, 2021, the District, through the Municipal Finance Corporation, secured a financing agreement from CN Financing in the amount of $3,825,000 at an interest rate of 2.9%. The proceeds of the loan were used to finance the acquisition of property located at 1415 N. Carolan Avenue in the City of Burlingame, California. Principal and interest payments of $318,094 are due July 29, 2022, through July 29, 2036.

The remaining principal and interest amounts will be payable as follows:

Year Ending June 30,	Principal	Interest	Payments
2025	$ 219,359	$ 98,735	$ 318,094
2026	225,721	92,373	318,094
2027	232,266	85,828	318,094
2028	239,002	79,092	318,094
2029	245,933	72,161	318,094
2030-2034	1,340,875	249,595	1,590,470
2035-2037	901,498	52,784	954,282
Total	$ 3,404,654	$ 730,568	$ 4,135,222
Current	$ 219,359		
Long-term	$ 3,185,295		

Note 6 – Other Post-Employment Benefits

A. Plan Description

The District has established an Other Postemployment Benefit plan (OPEB Plan) and participates in an agent multiple-employer defined benefit retiree healthcare plan. The District reimburses a portion of the cost of health care for eligible retirees Depending on the number of years of service and the circumstances surrounding retirement, employees may be eligible to receive health care insurance cost reimbursement between 25% to 100% and prescription drug coverage reimbursement of $500 to $1,000 per year. District employees retiring prior to 2016 were not permitted to retain their coverage in the District's healthcare plans beyond the COBRA period. However, employees retiring in 2016 or later may continue their District medical coverage through FDAC until reaching age 65 or becoming eligible for coverage under Medicare. A surviving spouse is entitled to receive the same contribution the retiree would have received for four years following the retiree's death.

B. Employees Covered

As of the June 30, 2022 actuarial valuation, the following current and former employees were covered by the benefit terms under the OPEB Plan:

Active employees	21
Inactive employees or beneficiaries currently receiving benefit payments	6
Total	27

Note 6 – Other Post-Employment Benefits (Continued)

C. Contributions

The contribution requirements of plan members and the District are established and may be amended by the District's governing board. The annual contribution is based on the actuarially determined contribution. For the fiscal year ended June 30, 2024, the District's estimated implied subsidy was $0.

D. Net OPEB Asset

The District's net OPEB asset was measured as of June 30, 2024 and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation dated June 30, 2022. The total OPEB liability was determined based on the following actuarial methods and assumptions:

Actuarial Methods and Assumptions Used to Determine Total OPEB Liability	
Actuarial Assumptions:	
Valuation Date	June 30, 2022
Measurement Date	June 30, 2024
Actuarial Cost Method	Entry Age Normal
Discount Rates	4.70%
General Inflation	2.5% per annum
Salary Increases	3.0% per year
Investment Rate of Return	4.70%
Retirement Age	50-70
Mortality Improvement	MacLeod Watts Scale 2022 applied generationally from 2010
Healthcare Trend Rate	6.8% in 2024 decreasing to 3.9% by 2076

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 weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Investment Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity	30.00%	
Large Cap Core	15.50%	6.80%
Mid Cap Core	3.00%	7.10%
Small Cap Core	4.50%	7.90%
Real Estate	1.00%	6.60%
International	4.00%	7.30%
Emerging Markets	2.00%	7.30%
Fixed Income	65.00%	
Short Term Bond	14.00%	3.30%
Intermediate Term Bond	49.25%	3.90%
High Yield	1.75%	6.10%
Cash	5.00%	2.40%
Total	100%	
Expected Return		5.30%
Expected Standard Deviation		5.28%

Note 6 – Other Post-Employment Benefits (Continued)

D. Net OPEB Asset (Continued)

At the time the valuation was prepared, the District was invested in the Moderately Conservative Portfolio, which had an expected return of 5.3%. Based on the District's OPEB trust balance, the District assumed 60 basis points in non-imbedded fees for a net expected return of 4.7%. The District approved 4.7% for valuation purposes.

E. Discount Rate

The discount rate used to measure the total OPEB liability was 4.7 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.

F. Changes in the Net OPEB Asset

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

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (c) = (a) - (b)
Balance at June 30, 2023	$ 1,382,500	$ 2,211,605	$ (829,105)
Changes recognized for the measurement period:			
Service cost	73,283	-	73,283
Interest cost	67,534	-	67,534
Difference between expected and actual experience	-	76,660	(76,660)
Assumption changes	-	-	-
Contribution - employer	-	1,039	(1,039)
Net investment income	-	103,279	(103,279)
Correction to accrued FY 22/23 benefit reimbursement	-	8,376	(8,376)
Benefit payments	(37,795)	(37,795)	-
Net Changes during July 1, 2023 to June 30, 2024	103,022	151,559	(48,537)
Balance at June 30, 2024 (Measurement Date)	$ 1,485,522	$ 2,363,164	$ (877,642)

G. Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate

	Discount Rate - 1% (3.70%)	Current Discount Rate (4.70%)	Discount Rate + 1% (5.70%)
Net OPEB Liability (Asset)	$ (607,372)	$ (877,642)	$ (1,094,583)

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

	Healthcare Trend Rate -1 Percent	Current Healthcare Trend Rate	Healthcare Trend 1% Increase
Net OPEB Liability (Asset)	$ (1,133,628)	$ (877,642)	$ (540,601)

I. OPEB Plan Fiduciary Net Position

PARS issues a publicly available financial report that may be obtained from the Public Agency Retirement Services, 4350 Von Karman Ave, Newport Beach, CA 92660.

Note 6 – Other Post-Employment Benefits (Continued)

J. Recognition of Deferred Outflows and Deferred Inflows of Resources

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 recognition period differs depending on the source of the gain or loss:

Net difference between projected and actual earnings on OPEB plan investments	5 years
All other amounts	Straight-line recognition over 11.11 years, the expected average remaining service lifetime (EARSL) of all members that are provided with benefits, determined as of the beginning of the Measurement Period. In determining the EARSL, all active, retired and inactive members are counted, with the latter two groups having 0 remaining service years.

K. OPEB Expense and Deferred Outflows/ (Inflows) of Resources Related to OPEB

For the fiscal year ended June 30, 2024, the District recognized OPEB expense of $51,389. For the fiscal year ended June 30, 2024, the District reported deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	$ 54,021	$ (33,633)
Differences between expected and actual experience	-	(120,199)
Net difference between projected and actual earnings on plan investments	79,749	-
Total	$ 133,770	$ (153,832)

The reported deferred outflows/inflows of resources balances related to OPEB will be recognized as expense as follows:

Fiscal Year Ending June 30	Deferred Outflows /(Inflows) of Resources
2025	$ 17,824
2026	56,360
2027	(29,506)
2028	(32,133)
2029	(15,376)
Thereafter	(17,231)
	$ (20,062)

Note 7 – Defined Benefit Pension Plan and the Net Pension Liability

A. Plan Description

San Mateo County Employees' Retirement Association ("SamCERA") is a cost-sharing multiple- employer, defined benefit pension plan that provides benefits for substantially all permanent employees of the County and the District. SamCERA was founded in 1944 under the authority granted by Article XVI of the Constitution of the State of California and the County Employees' Retirement Law of 1937 (the 1937 Act). SamCERA is not subject to the provisions of the Employee Retirement Income Security Act of 1974.

Management of SamCERA is vested in the Board of Retirement consisting of nine members; and its operation is governed by the 1937 Act and the by-laws, procedures, and policies adopted by the Board of Retirement. SamCERA issues a publicly available financial report that can be obtained by writing to the San Mateo County Employees' Retirement Association, 100 Marine Parkway, Suite 125, Redwood Shores, California 94065.

B. Benefits Provided

SamCERA provides service retirement, disability, and death benefits to plan members and beneficiaries based on defined benefit formulas using final average compensation, years of service, and age factors to calculate benefits payable. SamCERA has four plans that cover members classified as general, safety, or probation, and provides annual cost-of-living adjustments upon retirement to members of Plans One, Two, and Four. The benefits of Plan Three are reduced by a portion of Social Security benefits received by the member. The 1937 Act vests the County Board with the authority to initiate benefits, while Government Code Section 31592.2 empowers the Board of Retirement to provide certain ad hoc benefits when the Section 31592 reserve exceeds 1% of assets.

General members in Plans One, Two, and Four may retire at any age after 30 years of service. Safety members and Probation members may retire at any age after 20 years of service. A member who leaves County service may withdraw his or her contributions, plus any accumulated interest. Members with five years of service, permanent part-time employees with five years of full-time service, or non- contributory members (Plan Three) with 10 years of service, may elect a deferred retirement when terminating their employment with the County or District.

C. Contributions and Funding

The 1937 Act established the basic obligations for employers and members to make contributions to the pension trust fund. The employer and member contribution rates are based on recommendations made by an independent actuary and adopted by the Board of Retireme7nt. The participating employers are required by statutes to contribute the amounts necessary to fund the estimated benefits accruing to SamCERA members not otherwise funded by member contributions or expected investment earnings. Contribution rates are actuarially determined using the entry age normal method and consist of an amount for normal cost, the estimated amount necessary to finance benefits earned by members during the year, and an amount required to amortize the unfunded net pension liability. For the fiscal year ended June 30, 2024, the District's contribution was $692,365. The District's employer contribution rate was 12.10% of the covered payroll and the member contribution rate was 9.45%.

The District's contributions to the Plan for the measurement period ended June 30, 2023 was $317,002.

Note 7 – Defined Benefit Pension Plan and the Net Pension Liability (Continued)

D. Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The June 30, 2023, the measurement date, total pension liabilities were based on the following actuarial methods and assumptions:

Actuarial Methods and Assumptions Used to Determine Total Pension Liability	
Actuarial Assumptions:	
Valuation Date	June 30, 2023
Measurement Date	June 30, 2023
Actuarial Cost Method	Individual Entry Age Normal
Amortization Method:	
Level percent or level dollar	Level percent
Closed, open, or layered periods	Layered
Amortization Period for Each Layer	15-years
Asset Valuation Method:	
Recognition method	Fair Market Value
Local CPI Inflation	2.75%
National CPI-U Inflation	2.50%
Investment Rate of Return	6.42% (with included administrative expense load of 0.17%)

E. Discount Rate

The discount rate used to measure the total pension liability was 6.42 percent, which is gross of administrative and other investment expenses. A long-term investment return excluding administrative and other investment expenses would have been 6.50 percent. Management has determined that using the higher discount rate has resulted in a slightly lower total pension liability and net pension liability and the difference was deemed immaterial to the financial statements. The long-term expected rate of return on pension plan investments was determined in which best-estimate ranges of expected future real rates (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, both short-term and long- term market return expectations as well as the expected pension fund cash flows were considered. 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.

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. 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. Real returns by asset class as shown in the following table reflect the average arithmetic real return assumptions of the Plan's investment consultants as of June 30, 2023.

Note 7 – Defined Benefit Pension Plan and the Net Pension Liability (Continued)

E. Discount Rate (Continued)

Investment Type	Target Allocation	Long-Term Expected Real Rate of Return
Growth		
Public Equity	40.00%	4.00%
Private Equity	7.00%	7.70%
Opportunistic Credit	10.00%	3.90%
Diversifying		
Core Fixed Income	12.50%	1.80%
Absolute Return	7.00%	2.30%
Infation Hedge		
Real Estate	9.00%	3.30%
Private Real Assets	4.00%	4.50%
Public Real Assets	5.00%	4.50%
Liquidity		
Cash Flow Match	4.50%	1.40%
Cash and Cash Overlay	1.00%	0.80%
Total	100%	

F. District Proportionate Share of the Net Pension Liability

	Plan Total Pension Liability	Plan Fiduciary Net Position	Plan Net Pension Liability
Balance at June 30, 2022	$ 7,721,738	$ 6,830,240	$ 891,498
Balance at June 30, 2023 (Measurement Date)	9,160,113	7,992,712	1,167,401
Change	$ 1,438,375	$ 1,162,472	$ 275,903

The District's proportionate share of the net pension liability changed between fiscal years as follows:

	District Percentage
Balance at June 30, 2022 (Measurement Date)	0.1209%
Balance at June 30, 2023 (Measurement Date)	0.1331%
Change in Plan Net Pension Liability Percentage	0.0122%

The following presents the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 6.42%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.42%) or 1 percentage-point higher (7.42%) than the current rate:

Note 7 – Defined Benefit Pension Plan and the Net Pension Liability (Continued)

G. Sensitivity of the Net Pension Liability to Changes in the Discount Rate

	Plan's Net Pension Liability		
Description	Discount Rate -1% 5.42%	Current Discount Rate 6.42%	Discount Rate +1% 7.42%
Total pension liability	$ 7,870,587,794	$ 6,881,892,780	$ 6,077,432,724
Fiduciary net position	6,005,042,500	6,005,042,500	6,005,042,500
Net pension liability	1,865,545,294	876,850,280	72,390,224
Net pension liability - District share 0.1331%	$ 2,483,041	$ 1,167,401	$ 96,351

H. Pension Expense

For the measurement period ending June 30, 2023, the District incurred pension expense of $347,384 as follows:

	Plan's Pension Expense	District's Pension Expense @ 0.1331%
Pension expense:		
Service cost	$ 127,087,071	$ 169,153
Interest on the total pension liability	408,627,062	543,883
Administrative expenses and othernon-investment expenses	9,652,501	12,847
Member contributions	(77,666,128)	(103,374)
Expected investment return, net of expense	(363,155,372)	(483,360)
Recognition of Deferred Outflows/inflows:		
Recognition of economic/demographic gains (losses)	76,057,895	101,233
Recognition of assumptions changes or inputs	123,327,271	164,149
Recognition of net investment gains(losses)	53,669,510	71,434
Amortization of employer specific deferred outflows/inflows	N/A	(128,581)
Total pension expense	$ 357,599,810	$ 347,384

I. Deferred Outflows and Deferred Inflows of Resources Related to Pensions

As of June 30, 2024, the District has deferred outflows and deferred inflows of resources related to pensions as follows:

	Deferred outflows of Resources	Deferred inflows of Resources
Employer contributions to pension plan made after the measurement date	$ 692,365	$ -
Changes in proportion and differences between employer contributions and proportionate share of contributions	15,284	(101,026)
Changes of assumptions	224,692	-
Net differences between projected and actual earnings	264,114	-
Differences between expected and actual economic experience	166,447	-
Total Deferred Outflows/(Inflows) of Resources	$ 1,362,902	$ (101,026)

Note 7 – Defined Benefit Pension Plan and the Net Pension Liability (Continued)

I. Deferred Outflows and Deferred Inflows of Resources Related to Pensions (Continued)

The District will recognize $692,365 reported as deferred outflows of resources related to pensions resulting from the District's contributions subsequent to the measurement date as a reduction of the net pension liability in the fiscal year ended June 30, 2025.

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

Amortization Period Ending June 30	Deferred Outflows /(Inflows) of Resources
2025	$ 167,358
2026	97,971
2027	298,348
2028	5,834
	$ 569,511

Note 8 – Net Investment in Capital Assets

Net investment in capital assets as of June 30, 2024 consisted of the following:

Description	Balance
Capital assets - not being depreciated	$ 4,050,563
Capital assets - being depreciated and amortized, net	6,231,818
Long-term debt - current portion	(245,208)
Long-term debt - noncurrent portion	(3,210,687)
Total net investment in capital assets	$ 6,826,486

Note 9 – Fund Balance

A detailed schedule of fund balances and their funding composition at June 30, 2024 is as follows:

	General Fund	Capital Project Fund	Total
Nonspendable:			
Materials and supplies inventory	$ 170,595	$ -	$ 170,595
Prepaid items	39,750	-	39,750
Subtotal	210,345	-	210,345
Restricted:			
Restricted for pension contributions	124,363	-	124,363
Subtotal	124,363	-	124,363
Committed:			
Public health emergency	200,000	-	200,000
Subtotal	200,000	-	200,000
Assigned:			
Natural disaster emergency	200,000	-	200,000
Real Property Reserve	5,384,670	-	5,384,670
Reserve for specified capital outlay - equipment replacement	-	678,478	678,478
Subtotal	5,584,670	678,478	6,263,148
Unassigned	4,340,714	-	4,340,714
Total	$ 10,460,092	$ 678,478	$ 11,138,570

Note 10 – Deferred Compensation Savings Plan

For the benefit of its employees, the District participates in a 457 Deferred Compensation Program. The purpose of this Program is to provide deferred compensation for public employees that elect to participate in the Program. 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.

In the year 2021, The District evaluated the requirements of GASB Statement No. 84, *Fiduciary Activities* and GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans* and determined that plan didn't meet the criteria to be reported as a fiduciary activity, as required by the above mentioned GASB Statements. Moreover, the plan is classified as other employee benefits for financial reporting purposes.

As of June 30, 2024, the amount held by the Trustee for the District employees is $2,168,394.

Note 11 – Risk Management

Self-Insurance and Joint Powers Agency

The District participates with other districts in a joint venture under a joint powers agreement, which established the Vector Control Joint Powers Agency (VCJPA). The relationship between the District and the VCJPA is such that the VCJPA is not a component unit of the District for financial reporting purposes.

The VCJPA is a consortium of thirty-four districts located throughout California. It was established under the provisions of California Government Code Section 6500 et seq. The VCJPA is governed by a Board of Directors, which meets 4-5 times per year, consisting of one member from each of the four regions (Coastal, Sacramento Valley, San Joaquin Valley, and Southern California) and two members from the Trustee Advisory Council.

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 or the obligation to pay assessments based on a formula, which, among other expenses, charges the District's account for liability losses and workers' compensation losses under their individual self-insured retention (SIR). The VCJPA participates in an excess pool, which provides general liability coverage above $1,000,000 for each occurrence up to $29,500,000.

The VCJPA also participates in an excess pool, which provides workers' compensation coverage from $5,000,000 to $50,000,000.

The District's share of the VCJPA's Members Trust Fund and Property Contingency Fund balance as of June 30, 2024, totaled $500,948. The balance includes interest earnings and may be withdrawn upon leaving the plan with a sixty-day notice. At the termination of the joint powers agreement and after all claims have been settled, any excess or deficit will be divided among the districts in accordance with its governing documents.

Note 12 – Contingency

Litigation

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

REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)

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San Mateo County Mosquito and Vector Control District
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule - General Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Service abatement revenue	$ 205,358	$ 205,358	$ 178,946	$ (26,412)
Special benefit assessment	1,813,036	1,815,036	1,820,829	5,793
Special mosquito control tax	486,144	486,324	489,214	2,890
Property taxes	3,591,855	3,592,034	3,573,660	(18,374)
Other tax revenues	799,499	799,499	921,949	122,450
Investment earnings	68,000	71,517	570,403	498,886
Other revenues	16,331	30,331	40,153	9,822
Total revenues	6,980,223	7,000,099	7,595,154	595,055
EXPENDITURES:				
Mosquito and vector control				
Salaries and wages	3,277,706	3,277,706	3,247,291	30,415
Employee benefits	1,346,079	1,333,273	1,331,487	1,786
Materials and services	1,490,706	1,490,706	1,295,676	195,030
Debt service:				
Principal	213,177	213,177	213,177	-
Interest	104,917	104,917	104,917	-
Total expenditures	6,432,585	6,419,779	6,192,548	227,231
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	547,638	580,320	1,402,606	822,286
OTHER FINANCING (USES):				
Transfers out	-	-	(9,088)	(9,088)
Total other financing (uses)	-	-	(9,088)	(9,088)
NET CHANGE IN FUND BALANCE	$ 547,638	$ 580,320	1,393,518	$ 813,198
FUND BALANCE:				
Beginning of year			9,066,574	
End of year			$ 10,460,092	

San Mateo County Mosquito and Vector Control District
Required Supplementary Information (Unaudited) (Continued)
Schedule of Proportionate Share of Net Pension Liability
For the Year Ended June 30, 2024

Last Ten Fiscal Years

Measurement period	2013-14	2014-15	2015-16	2016-17	2017-18
Proportion of the net pension liability	0.3100%	0.3100%	0.3200%	0.3500%	0.2600%
Proportion share of the net pension liability	$ 1,234,942	$ 1,525,087	$ 2,280,813	$ 2,020,874	$ 1,269,703
Covered payroll	$ 1,266,066	$ 1,409,518	$ 1,736,147	$ 1,899,298	$ 1,939,368
Proportionate Share of the net pension liability as percentage of covered payroll	97.54%	108.20%	131.37%	106.40%	65.47%
Plan fiduciary net position as a percentage of the total pension liability	88.88%	87.53%	83.25%	87.49%	89.96%

Notes to Schedule:

Changes of assumptions:

In 2018, there were changes in assumptions primarily from adjusting the assumed investment return, price inflation, and general wage increase downward, modifying the mortality assumption, and adding a projection scale to reflect gradual year-to-year increase in mortality that is expected to occur in the future.

In 2020, there were changes in assumptions resulted mainly from downward adjustments to the assumed investment rate, price inflation, and general wage increases.

In 2021, changes resulted mainly from changes in demographic assumptions based on results from the latest Triennial.

In 2022, assumed investment return was lowered to 6.25% from 6.5% the previous year.

In 2023, there were no changes of assumptions.

San Mateo County Mosquito and Vector Control District
Required Supplementary Information (Unaudited) (Continued)
Schedule of Proportionate Share of Net Pension Liability (Continued)
For the Year Ended June 30, 2024

Last Ten Fiscal Years

Measurement period	2018-19	2019-20	2020-21	2021-22	2022-23
Proportion of the net pension liability	0.2400%	0.1372%	0.1206%	0.1209%	0.1331%
Proportion share of the net pension liability	$ 1,478,655	$ 1,206,995	$ 129,840	$ 891,498	$ 1,167,401
Covered payroll	$ 1,900,138	$ 2,255,787	$ 2,249,212	$ 2,275,742	$ 2,633,599
Proportionate Share of the net pension liability as percentage of covered payroll	77.82%	53.51%	5.77%	39.17%	44.33%
Plan fiduciary net position as a percentage of the total pension liability	88.46%	84.46%	98.23%	88.46%	87.26%

San Mateo County Mosquito and Vector Control District
Required Supplementary Information (Unaudited) (Continued)
Schedule of Contributions - Pension
For the Year Ended June 30, 2024

Last Ten Fiscal Years

Fiscal Year	2014-15	2015-16	2016-17	2017-18	2018-19
Contractually required contribution (actuarially	$ 522,893	$ 541,053	$ 572,799	$ 467,435	$ 466,391
Contribution in relation to the actuarially determined contributions	(522,893)	(2,051,482)	(822,799)	(467,435)	(466,391)
Contribution deficiency (excess)	$ -	$ (1,510,429)	$ (250,000)	$ -	$ -
Covered payroll	$ 1,409,518	$ 1,736,147	$ 1,899,298	$ 1,939,368	$ 1,900,138
Contributions as a percentage of covered payroll	37.10%	118.16%	43.32%	24.10%	24.55%
Valuation date:	6/30/2013	6/30/2014	6/30/2015	6/30/2016	6/30/2018

Notes to Schedule:

Methods and assumptions used to determine contribution rates:

Valuation Date	June 30, 2023
Actuarial cost method	Entry Age Normal
Amortization method	Level Percent of Payroll
Amortization period	The Unfunded Actuarial Accrued Liability (UAAL) is amortized as a level percentage of the projected salaries of present and future members of SamCERA over a 15-year period beginning July 1, 2024. This is commonly referred to as a "closed amortization method." Actuarial gains and losses for periods after the June 30, 2023 valuation are amortized over their own closed 15-year periods from the respective dates the new contribution layers are effective.
Asset Valuation Method	The actuarial value of assets recognizes asset gains and losses over 10 consecutive six-month periods. Gains and losses from a given period offset prior period losses and gains before determining if a gain or loss for the given period remains to be recognized over 10 six-month periods.
Inflation	2.75%
Payroll Growth	Various from 0.5% to 6.5% based on the years of service
Investment Rate of Return	6.42%

San Mateo County Mosquito and Vector Control District
Required Supplementary Information (Unaudited) (Continued)
Schedule of Plan Contributions - Pension (Continued)
For the Year Ended June 30, 2024

Last Ten Fiscal Years

Fiscal Year	2019-20	2020-21	2021-22	2022-23	2023-24
Contractually required contribution (actuarially	$ 282,989	$ 281,349	$ 283,877	$ 317,002	$ 695,362
Contribution in relation to the actuarially determined contributions	(282,989)	(281,349)	(283,877)	(317,002)	(695,362)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 2,255,787	$ 2,249,212	$ 2,275,742	$ 2,633,599	$ 2,851,869
Contributions as a percentage of covered payroll	12.55%	12.51%	12.47%	12.04%	24.38%
Valuation date:	6/30/2019	6/30/2020	6/30/2021	6/30/2022	6/30/2023

San Mateo County Mosquito and Vector Control District
Required Supplementary Information (Unaudited) (Continued)
Schedule of Changes in the Net OPEB Liability and Related Ratios
For the Year Ended June 30, 2024

Last Ten Fiscal Years*

Measurement period	2018	2019	2020	2021	2022
Total OPEB liability					
Service Cost	$ 69,518	$ 71,778	$ 69,266	$ 69,445	$ 68,783
Interest on the total OPEB liability	59,296	65,233	55,890	59,368	63,977
experience	-	(180,473)	-	(27,924)	-
Changes of assumptions	-	39,426	(21,357)	58,731	-
Benefit payments, including refunds of employee contributions	(28,143)	(23,844)	(36,560)	(32,282)	(49,054)
Net change in total OPEB liability	100,671	(27,880)	67,239	127,338	83,706
Total OPEB liability - beginning	994,032	1,094,703	1,066,823	1,134,062	1,261,400
Total OPEB liability - ending (a)	$ 1,094,703	$ 1,066,823	$ 1,134,062	$ 1,261,400	$ 1,345,106
OPEB fiduciary net position					
Contributions - employer	$ 2,789	$ 5,821	$ 7,855	$ -	$ -
Net investment income	127,876	136,431	86,222	303,935	(307,401)
Benefit payments, including refunds of employee contributions	(27,339)	(23,844)	(36,560)	(32,282)	(49,054)
Administrative expense	(11,471)	-	-	-	-
Other	-	-	-	-	-
Net change in plan fiduciary net position	91,855	118,408	57,517	271,653	(356,455)
Plan fiduciary net position - beginning	1,968,917	2,060,772	2,179,180	2,236,697	2,512,995
Prior period adjustment	-	-	-	4,645	-
Plan fiduciary net position - ending (b)	$ 2,060,772	$ 2,179,180	$ 2,236,697	$ 2,512,995	$ 2,156,540
Plan net OPEB liability (asset) - ending (a) - (b)	$ (966,069)	$ (1,112,357)	$ (1,102,635)	$ (1,251,595)	$ (811,434)
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	188.25%	204.27%	197.23%	199.22%	160.32%
Covered payroll	$ 1,854,957	$ 1,896,546	$ 2,255,787	$ 2,249,212	$ 2,275,742
Plan net OPEB liability as a percentage of covered payroll	-52.08%	-58.65%	-48.88%	-55.65%	-35.66%

Notes to Schedule:

*Historical information is required only for measurement periods for which GASB 75 is applicable. Future years' information will be displayed up to 10 years as information becomes available.

San Mateo County Mosquito and Vector Control District
Required Supplementary Information (Unaudited) (Continued)
Schedule of Changes in the Net OPEB Liability and Related Ratios (Continued)
For the Year Ended June 30, 2024

Last Ten Fiscal Years*

Measurement period	2023	2024
Total OPEB liability		
Service Cost	$ 70,846	$ 73,283
Interest on the total OPEB liability	68,205	67,534
experience	(26,700)	-
Changes of assumptions	(26,929)	-
Benefit payments, including refunds of employee contributions	(48,028)	(37,795)
Net change in total OPEB liability	37,394	103,022
Total OPEB liability - beginning	1,345,106	1,382,500
Total OPEB liability - ending (a)	$ 1,382,500	$ 1,485,522
OPEB fiduciary net position		
Contributions - employer	$ 789	$ 1,039
Net investment income	91,647	179,939
Benefit payments, including refunds of employee contributions	(48,028)	(37,795)
Administrative expense	-	-
Other	10,657	8,376
Net change in plan fiduciary net position	55,065	151,559
Plan fiduciary net position - beginning	2,156,540	2,211,605
Prior period adjustment	-	-
Plan fiduciary net position - ending (b)	$ 2,211,605	$ 2,363,164
Plan net OPEB liability (asset) - ending (a) - (b)	$ (829,105)	$ (877,642)
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	159.97%	159.08%
Covered payroll	$ 2,582,745	$ 2,855,947
Plan net OPEB liability as a percentage of covered payroll	-32.10%	-30.73%

Notes to Schedule:

*Historical information is required only for measurement periods for which GASB 75 is applicable. Future years' information will be displayed up to 10 years as information becomes available.

San Mateo County Mosquito and Vector Control District
Required Supplementary Information (Unaudited) (Continued)
Schedule of OPEB Contributions
For the Year Ended June 30, 2024

Last Ten Fiscal Years*

	2018	2019	2020	2021	2022
Actuarially determined contribution (ADC)	$ -	$ -	$ -	$ -	$ -
Contributions in relation to the ADC	(2,789)	(5,821)	(7,855)	-	-
Contribution deficiency (excess)	$ (2,789)	$ (5,821)	$ (7,855)	$ -	$ -
Covered-employee payroll	$ 1,854,957	$ 1,896,546	$ 2,255,787	$ 2,249,212	$ 2,275,742
Contributions as a percentage of covered payroll	0.15%	0.31%	0.35%	0.00%	0.00%

Notes to Schedule:

Methods and assumptions used to determine contribution rates:

Valuation Date	June 30, 2022
Actuarial cost method	Entry Age Normal
Amortization method/period	Level Dollar, 15 year open period
Asset valuation method	Market value
Inflation	2.50%
Payroll Growth	3.00% annual increases
Investment Rate of Return	4.70%
Healthcare cost-trend rates	6.8% in 2024 decreasing to 3.9% in 2075
Retirement Age	50 to 70
Mortality	Based on SamCERA 2020 Experience Study
Mortality Improvement	MW Scale 2022 generationally

*Historical information is required only for measurement periods for which GASB 75 is applicable. Future years' information will be displayed up to 10 years as information becomes available.

San Mateo County Mosquito and Vector Control District
Required Supplementary Information (Unaudited) (Continued)
Schedule of OPEB Contributions (Continued)
For the Year Ended June 30, 2024

Last Ten Fiscal Years

	2023	2024
Actuarially determined contribution (ADC)	$ -	$ -
Contributions in relation to the ADC	(789)	(1,039)
Contribution deficiency (excess)	$ (789)	$ (1,039)
Covered-employee payroll	$ 2,582,745	$ 2,855,947
Contributions as a percentage of covered payroll	0.03%	0.04%

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SUPPLEMENTARY INFORMATION

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San Mateo County Mosquito and Vector Control District
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Capital Projects Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Investment earnings	$ 14,000	$ 14,000	$ 50,620	$ 36,620
Total Revenues	14,000	14,000	50,620	36,620
EXPENDITURES:				
Capital outlay	1,957,554	2,529,698	105,200	2,424,498
Debt service:				
Principal	50,000	66,300	26,422	39,878
Interest and fiscal charges	-	3,628	3,628	-
Total Expenditures	2,007,554	2,599,626	135,250	2,464,376
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,993,554)	(2,585,626)	(84,630)	2,500,996
OTHER FINANCING SOURCES:				
Transfers in	-	-	9,088	9,088
Total other financing sources	-	-	9,088	9,088
NET CHANGE IN FUND BALANCE	$ (1,993,554)	$ (2,585,626)	(75,542)	$ 2,510,084
FUND BALANCE:				
Beginning of year			754,020	
End of year			$ 678,478	

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STATISTICAL SECTION
(Unaudited)

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San Mateo County Mosquito and Vector Control District
Statistical Section Overview
(Unaudited)

This part of the District's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

Financial Trends

This segment contains trend information to help the reader understand how the District's financial performance and has changed over time.

Revenue Capacity

This segment includes information to help the reader assess the District's most significant local revenue source, property tax.

Debt Capacity

This segment presents information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

Demographic and Economic Information

This segment depicts demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

Operating Information

This segment displays service and capital asset data to help the reader understand how the information in the District's financial report relates to the services the County provides and the activities it performs.

San Mateo County Mosquito and Vector Control District
Net Position by Component
Last 10 Fiscal Years

	Fiscal Year				
	2024	2023	2022	2021	2020
Governmental Actities					
Net Investment in Capital Assets	$ 6,826,486	$ 6,854,060	$ 6,634,958	$ 2,966,949	$ 2,519,614
Restricted For Pension Contributions/OPEB	981,943	114,879	110,183	125,133	110,425
Unrestricted	10,629,495	9,909,523	8,786,771	11,123,237	10,675,431
Total Governmental Actiities Net Position	$ 18,437,924	$ 16,878,462	$ 15,531,912	$ 14,215,319	$ 13,305,470
Primary Government					
Net Investment in Capital Assets	$ 6,826,486	$6,854,060	$6,634,958	$2,966,949	$2,519,614
Restricted For Pension Contributions	981,943	114,879	110,183	125,133	110,425
Unrestricted	10,629,495	9,909,523	8,786,771	11,123,237	10,675,431
Total Primary Government Net Position	$ 18,437,924	$ 16,878,462	$ 15,531,912	$ 14,215,319	$ 13,305,470

Source: District Financial Statements

San Mateo County Mosquito and Vector Control District
Net Position by Component (Continued)
Last 10 Fiscal Years

	Fiscal Year				
	2019	2018	2017	2016	2015
Governmental Actities					
Net Investment in Capital Assets	$ 3,774,486	$ 3,837,426	$ 4,042,531	$ 4,163,813	$ 4,380,420
Restricted For Pension Contributions/OPEB	-	-	-	-	-
Unrestricted	7,940,144	6,856,683	6,337,747	5,990,999	5,260,756
Total Governmental Actiities Net Position	$ 11,714,630	$ 10,694,109	$ 10,380,278	$ 10,154,812	$ 9,641,176
Primary Government					
Net Investment in Capital Assets	$3,774,486	$3,837,426	$4,042,531	$4,163,813	$4,380,420
Restricted For Pension Contributions	-	-	-	-	-
Unrestricted	7,940,144	6,856,683	6,337,747	5,990,999	5,260,756
Total Primary Government Net Position	$ 11,714,630	$ 10,694,109	$ 10,380,278	$ 10,154,812	$ 9,641,176

Source: District Financial Statements

San Mateo County Mosquito and Vector Control District
Changes in Net Position
Last 10 Fiscal Years

	Fiscal Year				
	2024	2023	2022	2021	2020
Net Position, Beginning of Year	$ 16,933,782	$ 15,531,912	$ 14,215,319	$ 13,305,470	$ 11,714,830
Position Restatement	-	-	-	-	-
Restated Net Position	16,933,782	15,531,912	14,215,319	13,305,470	11,714,830
Charges for Services	178,946	196,867	276,456	242,504	241,271
Service Abatement & Benefit Assmt.	2,310,043	2,213,709	2,210,858	2,142,695	2,113,152
General Revenue					
Taxes	4,495,609	4,238,155	3,958,021	3,651,017	3,477,414
Investment Earnings	621,023	186,772	(272,008)	(22,605)	363,015
Other Revenues	40,153	18,787	59,092	41,630	63,315
Gain On Disposal of Assets	-	-	-	-	792,569
Total General Revenue	5,156,785	4,443,714	3,745,105	3,670,042	4,696,313
Total Revenue	7,645,774	6,854,290	6,232,419	6,055,241	7,050,736
Total Expenses	6,141,642	5,452,420	4,915,826	5,145,392	5,460,096
Change in Net Position	1,504,132	1,401,870	1,316,593	909,849	1,590,640
Net Position, End of Year	$ 18,437,914	$ 16,933,782	$ 15,531,912	$ 14,215,319	$ 13,305,470

Prior Period Adjustment (FY 14-15) GASB 68 & 71 requirement to record a liability related to net pension liability.

Source: District Financial Statements

San Mateo County Mosquito and Vector Control District
Changes in Net Position (Continued)
Last 10 Fiscal Years

	Fiscal Year				
	2019	2018	2017	2016	2015
Net Position, Beginning of Year	$ 10,694,109	$ 10,380,278	$ 10,154,812	$ 9,641,176	$ 10,486,196
Position Restatement	-	(242)	-	-	(1,638,095)
Restated Net Position	10,694,109	10,380,036	10,154,812	9,641,176	8,848,101
Charges for Services	233,273	273,725	267,332	216,996	237,847
Service Abatement & Benefit Assmt.	2,128,402	2,092,299	1,986,021	1,890,221	1,888,317
General Revenue					
Taxes	3,263,495	2,951,298	2,688,885	2,503,908	2,309,119
Investment Earnings	150,110	65,816	75,861	67,152	47,466
Other Revenues	48,562	87,331	15,105	57,100	282,243
Gain On Disposal of Assets	-	-	-	-	-
Total General Revenue	3,462,167	3,104,445	2,779,851	2,628,160	2,638,828
Total Revenue	5,823,842	5,470,469	5,033,204	4,735,377	4,764,992
Total Expenses	4,803,121	5,156,396	4,807,738	4,221,741	3,971,917
Change in Net Position	1,020,721	314,073	225,466	513,636	793,075
Net Position, End of Year	$ 11,714,830	$ 10,694,109	$ 10,380,278	$ 10,154,812	$ 9,641,176

Prior Period Adjustment (FY 14-15) GASB 68 & 71 requirement to record a liability related to net pension liability.

Source: District Financial Statements

San Mateo County Mosquito and Vector Control District
Fund Balances of Governmental Funds
Last 10 Fiscal Years

	Fiscal Year				
	2024	2023	2022	2021	2020
General Fund					
Nonspendable	$ 210,345	$ 192,443	$ 202,674	$ 179,502	$ 169,061
Restricted	124,363	114,879	110,183	125,133	110,425
Committed	400,000	800,000	800,000	800,000	800,000
Assigned	5,384,670	4,084,670	2,784,670	5,500,000	4,750,000
Unassigned	4,340,714	3,874,582	4,104,060	3,655,744	3,864,573
Total Fund Balance	$ 10,460,092	$ 9,066,574	$ 8,001,587	$ 10,260,379	$ 9,694,059
Other Governmental Fund					
Assigned	$ 678,478	$ 754,020	$ 749,944	$ 1,022,269	$ 913,273
Total Fund Balance	$ 678,478	$ 754,020	$ 749,944	$ 1,022,269	$ 913,273
Total Governmental Fund					
Nonspendable	$ 210,345	$ 192,443	$ 202,674	$ 179,502	$ 169,061
Restricted	124,363	114,879	110,183	125,133	110,425
Committed	400,000	800,000	800,000	800,000	800,000
Assigned	6,063,148	4,838,690	3,534,614	6,522,269	5,663,273
Unassigned	4,340,714	3,874,582	4,104,060	3,655,744	3,864,573
Total Fund Balance	$ 11,138,570	$ 9,820,594	$ 8,751,531	$ 11,282,648	$ 10,607,332

* Capital Fund did not exist prior to FY 2018-19

Source: District Financial Statements

San Mateo County Mosquito and Vector Control District
Fund Balances of Governmental Funds (Continued)
Last 10 Fiscal Years

	Fiscal Year				
	2019	2018	2017	2016	2015
General Fund					
Nonspendable	$ 179,073	$ 106,290	$ 554,323	$ 101,399	$ 83,194
Restricted	105,707	-	-	-	-
Committed	800,000	800,000	241,061	218,744	208,780
Assigned	2,745,567	1,650,000	2,610,000	3,032,028	494,399
Unassigned	3,325,759	3,308,140	1,535,947	1,287,876	6,715,903
Total Fund Balance	$ 7,156,106	$ 5,864,430	$ 4,941,331	$ 4,640,047	$ 7,502,276
Other Governmental Fund					
Assigned	$ 745,567	$ -	$ -	$ -	$ -
Total Fund Balance	$ 745,567	$ -	$ -	$ -	$ -
Total Governmental Fund					
Nonspendable	$ 179,073	$ 106,290	$ 554,323	$ 101,399	$ 83,194
Restricted	105,707	-	-	-	-
Committed	800,000	800,000	241,061	218,744	208,780
Assigned	3,491,134	1,650,000	2,610,000	3,032,028	494,399
Unassigned	3,325,759	3,308,140	1,535,947	1,287,876	6,715,903
Total Fund Balance	$ 7,901,673	$ 5,864,430	$ 4,941,331	$ 4,640,047	$ 7,502,276

* Capital Fund did not exist prior to FY 2018-19

Source: District Financial Statements

San Mateo County Mosquito and Vector Control District
Changes in Fund Balances of Governmental Funds
Last 10 Fiscal Years

	Fiscal Year				
	2024	2023	2022	2021	2020
Beginning Fund Balance	$ 9,820,594	$ 8,751,531	$ 11,282,648	$ 10,591,708	$ 7,156,106
Revenues					
Service Abatement Revenue	$ 178,946	$ 196,867	$ 276,456	$ 242,504	$ 241,271
Special Benefit Assessment	1,820,829	1,724,614	1,631,961	1,655,926	1,627,009
Special Benefit Control Tax	489,214	489,095	487,599	486,768	486,144
Property Taxes	3,573,660	3,409,441	3,103,640	2,956,827	2,797,860
Other Tax Revenue	921,949	828,713	854,380	694,190	679,554
Investment Earnings	621,023	186,772	(272,008)	(22,605)	363,015
Other Revenue	40,153	18,787	150,391	41,630	63,313
Proceeds From Sale of Property	-	-	-	-	2,009,380
Capital Lease Financing	-	-	-	102,743	12,932
Total Revenue	$ 7,645,774	$ 6,854,289	$ 6,232,419	$ 6,157,983	$ 8,280,478
Other Financing Sources (Uses)	$ -	$ 22,641	$ 3,846,475	$ -	$ -
Expenditures					
Salaries & Benefits	$ 4,578,778	$ 3,896,720	$ 3,452,317	$ 3,477,118	$ 3,413,212
Materials and Supplies	1,295,676	1,264,646	1,332,066	1,238,260	1,299,132
Capital Outlay	105,200	287,473	7,780,475	700,375	101,733
Debt Service					
Principal	239,599	234,161	23,001	45,772	22,050
Interest	108,545	124,867	22,152	5,518	8,749
Total Debt Service	$ 348,144	$ 359,028	$ 45,153	$ 51,290	$ 30,799
Total Expenditures	$ 6,327,798	$ 5,807,867	$ 12,610,011	$ 5,467,043	$ 4,844,876
Net Change in Fund Balance	$ 1,317,976	$ 1,069,063	$ (2,531,117)	$ 690,940	$ 3,435,602
Ending Fund Balance	$ 11,138,570	$ 9,820,594	$ 8,751,531	$ 11,282,648	$ 10,591,708
Ratio of Debt Service to Non Capital Expenditures:	5.93%	6.96%	0.94%	1.09%	0.65%

* In FY 15-16 adjustent to financing sources were adjusted to adjust with GASB requirements related to pension liabilities.

Source: District Financial Statements

San Mateo County Mosquito and Vector Control District
Changes in Fund Balances of Governmental Funds (Continued)
Last 10 Fiscal Years

	Fiscal Year				
	2019	2018	2017	2016 *	2015
Beginning Fund Balance	$ 5,864,430	$ 4,941,331	$ 4,640,047	$ 7,502,276	$ 6,983,607
Revenues					
Service Abatement Revenue	$ 233,273	$ 273,725	$ 267,332	$ 216,996	$ 237,847
Special Benefit Assessment	1,624,577	1,579,436	1,499,338	1,428,542	1,427,237
Special Benefit Control Tax	485,759	491,930	486,683	461,679	461,080
Property Taxes	2,629,658	2,450,549	2,251,632	2,085,234	1,912,947
Other Tax Revenue	633,838	500,749	437,253	418,674	396,172
Investment Earnings	150,110	65,816	75,861	67,152	47,466
Other Revenue	66,629	108,264	15,105	57,100	282,243
Proceeds From Sale of Property	-	-	-	-	-
Capital Lease Financing	-	-	-	-	-
Total Revenue	$ 5,823,844	$ 5,470,469	$ 5,033,204	$ 4,735,377	$ 4,764,992
Other Financing Sources (Uses)	$ -	$ -	$ -	$ (3,482,886)	$ 108,100
Expenditures					
Salaries & Benefits	$ 3,204,327	$ 3,125,648	$ 3,403,468	$ 2,743,329	$ 2,813,791
Materials and Supplies	1,165,632	1,379,234	1,264,641	1,290,897	1,143,437
Capital Outlay	127,925	23,064	25,133	61,613	316,009
Debt Service					
Principal	25,965	14,281	38,192	18,395	80,735
Interest	8,319	5,143	486	486	451
Total Debt Service	$ 34,284	$ 19,424	$ 38,678	$ 18,881	$ 81,186
Total Expenditures	$ 4,532,168	$ 4,547,370	$ 4,731,920	$ 4,114,720	$ 4,354,423
Net Change in Fund Balance	$ 1,291,676	$ 923,099	$ 301,284	$ (2,862,229)	$ 518,669
Ending Fund Balance	$ 7,156,106	$ 5,864,430	$ 4,941,331	$ 4,640,047	$ 7,502,276
Ratio of Debt Service to Non Capital Expenditures:	0.78%	0.43%	0.83%	0.47%	2.05%

* In FY 15-16 adjustent to financing sources were adjusted to adjust with GASB requirements related to pension liabilities.

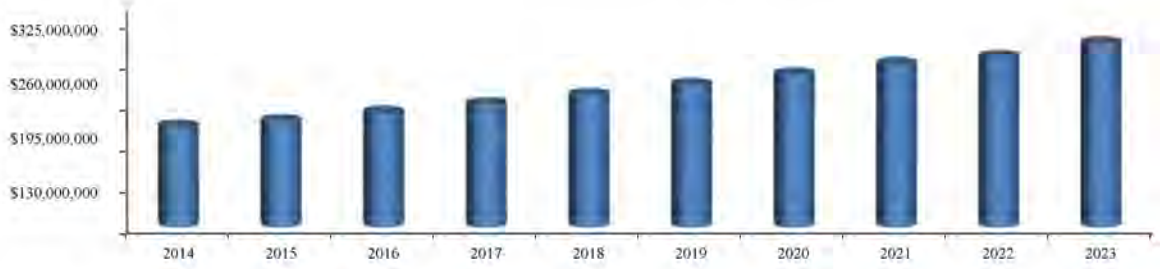
Source: District Financial Statements

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San Mateo County Mosquito and Vector Control District
Assessed Value of Taxable Property
Last Ten Fiscal Years
(In Thousands)

Fiscal Year	Real Property [2]	Personal Property	Less: Tax Exempt Real Property	Plus: Tax Exempt Homeowner	Total Taxable Assessed Value [1]	% of Change Total Taxable Assessed Value	Total Direct Tax Rate
2014	$ 156,221,561	$ 6,389,447	$ 5,036,955	$ 889,732	$ 158,463,785	6%	1%
2015	165,062,426	6,573,444	5,235,533	878,430	167,278,767	6%	1%
2016	177,738,379	6,972,721	5,501,611	870,020	180,079,509	8%	1%
2017	190,856,437	7,313,377	5,376,465	859,960	193,653,309	8%	1%
2018	205,112,738	8,339,059	5,492,569	850,200	208,809,428	8%	1%
2019	221,992,874	9,209,736	6,595,761	842,934	225,449,783	8%	1%
2020	238,245,297	9,777,421	7,568,631	835,055	241,289,142	7%	1%
2021	255,589,248	9,623,584	7,955,611	826,415	258,083,636	7%	1%
2022	267,655,100	9,425,418	8,974,402	821,011	268,927,127	4%	1%
2023	290,316,446	9,839,325	9,708,110	810,088	291,257,749	8%	1%
10 year %	85.84%	1	92.74%	-8.95%	83.80%		

Total Taxable Assessed Value



Source: Assessor's Office - County of San Mateo, California

Notes:

[1] Article XIIIA, added to the California Constitution by Proposition 13 in 1978, fixed the base for valuation of property that is subject to taxes at the full cash value that appeared on the Assessor's 1975-76 assessment roll. Thereafter, full cash value can be increased to reflect:

a) annual inflation up to 2%,

b) current market value at time of ownership change, and

c) market value for new construction.

[2] Value of taxable property in the County is not reassessed annually. Reassessment normally occurs when ownership changes.

San Mateo County Mosquito and Vector Control District
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per $100 of assessed value)

Fiscal Year [3]	Direct Rate [1]	Overlapping Rates [2]			
	County General	Local Special Districts	Schools	Cities	Total
2014	1.0000	0.0009	0.1100	0.0039	1.1148
2015	1.0000	0.0008	0.1234	0.0037	1.1279
2016	1.0000	0.0011	0.1284	0.0032	1.1327
2017	1.0000	0.0010	0.1333	0.0029	1.1372
2018	1.0000	0.0010	0.1315	0.0027	1.1352
2019	1.0000	0.0014	0.1235	0.0025	1.1274
2020	1.0000	0.0013	0.1328	0.0023	1.1364
2021	1.0000	0.0013	0.1254	0.0044	1.1311
2022	1.0000	0.0012	0.1285	0.0037	1.1334
2023	1.0000	0.0010	0.1198	0.0034	1.1242

Source: Controller's Office - County of San Mateo, California
Notes:

[1] On June 6, 1978, California voters approved a constitutional amendment to Article XIIIA of the California Constitution, commonly known as Proposition 13, that limits the taxing power of California public agencies. Legislation enacted to implement Article XIIIA (Statutes of 1978, Chapter 292, as amended) which provides that notwithstanding any other law, local agencies may not levy property taxes except to pay debt service on indebtedness approved by voters prior to July 1, 1978. Proposition 13 allows each county to levy a maximum tax of $1 per $100 of full cash value. Full cash value is equivalent to assessed value pursuant to Statutes of 1978, Senate Bill 1656.

[2] These overlapping rates are in addition to the County rate, but only apply to taxpayers within the borders of the local special districts, schools, and cities that lie within the County.

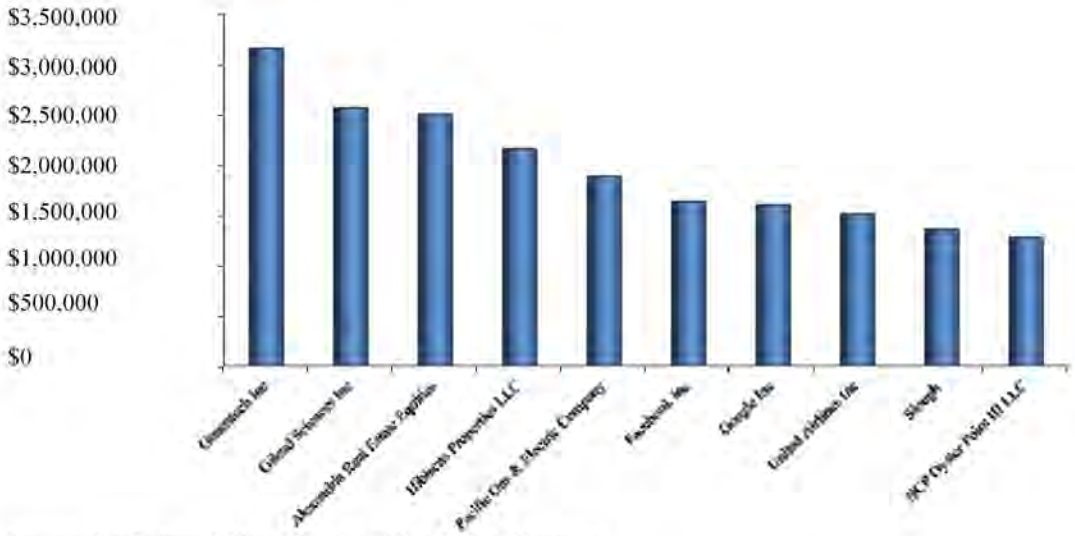
[3] Data includes retroactive revisions based on corrections to the categorization and inclusion of certain property tax rates.

San Mateo County Mosquito and Vector Control District

Principal Property Assesses
As of January 1, 2023 and January 1, 2014
(In Thousands)

		As of January 1, 2023			As of January 1, 2014		
Assessee	Nature of Business	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value [2]	Taxable Assessed Value [1]	Rank	Percentage of Total Taxable Assessed Value [2]
Genentech Inc	Biotechnology	$ 3,156,587	1	1.08%	$ 1,702,972	1	1.07%
Gilead Sciences Inc	Biopharmaceutical	2,562,195	2	0.88%	841,741	3	0.53%
Alexandria Real Estate Equities	Real Estate	2,498,468	3	0.86%	355,496	8	0.22%
Hibiscus Properties LLC	Real Estate	2,160,218	4	0.74%			
Pacific Gas & Electric Company	Natural Gas Company	1,887,077	5	0.65%			
Facebook Inc	Technology	1,640,460	6	0.56%			
Google Inc	Technology	1,605,586	7	0.55%		2	
United Airlines Inc	Air Carrier	1,515,142	8	0.52%	1,586,582		1.00%
Slough	Lease	1,363,562	9	0.47%			
HCP Oyster Point III LLC	Biotechnology	1,283,255	10	0.44%		5	
Slough BTC LLC	Lease				573,834	6	0.36%
Slough SSF LLC DE	Lease				488,848	4	0.31%
Oracle Corporation	Software				628,740	7	0.40%
Pacific Shores Investors LLC	Investment				410,058	9	0.26%
Virgin America Inc	Air Carrier				330,953	10	0.21%
Wells Real Estate Investment Trust	Real Estate	19,672,550		6.75%	326,635		0.21%
Total		$ 39,345,100		13.50%	$ 7,245,859		4.57%

Principal Property Assesses as of January 1, 2023



Source: Controller's Office - County of San Mateo, California

Notes:

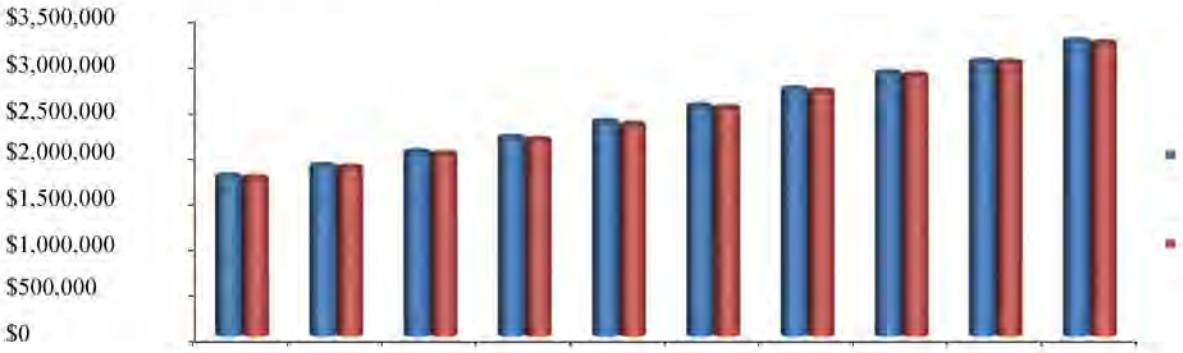
[1] Taxable assessed value includes locally and state assessed real and personal properties.

[2] Total taxable assessed value as of January 1, 2023 was approximately $290 billion.

San Mateo County Mosquito and Vector Control District
Property Tax Levies and Collections
Last Ten Fiscal Years
(In Thousands)

	Total Tax Levy for the Fiscal Year					Collected within the Fiscal Year of the Levy			Total Collections to Date	
	General Levy [1]	Debt Service Levy [2]								
Fiscal Year	Countywide	Local Special Districts	Schools	Cities	Total	Amount	Percentage of Levy	Collections in Subsequent Years	Amount	Percentage of Levy
2014	$1,584,637	$1,233	$ 151,643	$5,362	$1,742,875	$ 1,723,890	98.91%	$ 2,203	$ 1,726,093	99.04%
2015	1,672,818	1,237	179,632	5,347	1,859,034	1,838,579	98.90%	2,058	1,840,637	99.01%
2016	1,800,795	1,716	201,131	5,051	2,008,693	1,985,831	98.86%	3,950	1,989,781	99.06%
2017	1,936,533	1,636	224,731	4,865	2,167,765	2,142,107	98.82%	2,130	2,144,237	98.91%
2018	2,088,094	1,897	239,323	4,880	2,334,194	2,302,415	98.64%	2,810	2,305,225	98.76%
2019	2,254,498	2,742	242,669	4,908	2,504,817	2,483,644	99.15%	1,277	2,484,921	99.21%
2020	2,412,891	2,825	279,525	4,816	2,700,057	2,665,985	98.74%	9,861	2,675,846	99.10%
2021	2,580,836	2,824	282,494	9,823	2,875,977	2,848,982	99.06%	4,813	2,853,795	99.23%
2022	2,689,271	2,755	301,732	8,577	3,002,335	2,983,060	99.36%	11,046	2,994,106	99.73%
2023	2,912,577	2,659	304,570	8,666	3,228,472	3,205,184	99.28%	n/a	3,205,184	99.28%

Property Tax Levies and Collections



Source: Controller's Office - County of San Mateo, California

Notes:

Data includes retroactive revisions based on corrections to the categorization and inclusion of certain property tax and debt service revenues.

[1] Figures show general tax dollars from secured, unsecured, homeowners, unitary and utility assessment rolls after tax shifts to schools.

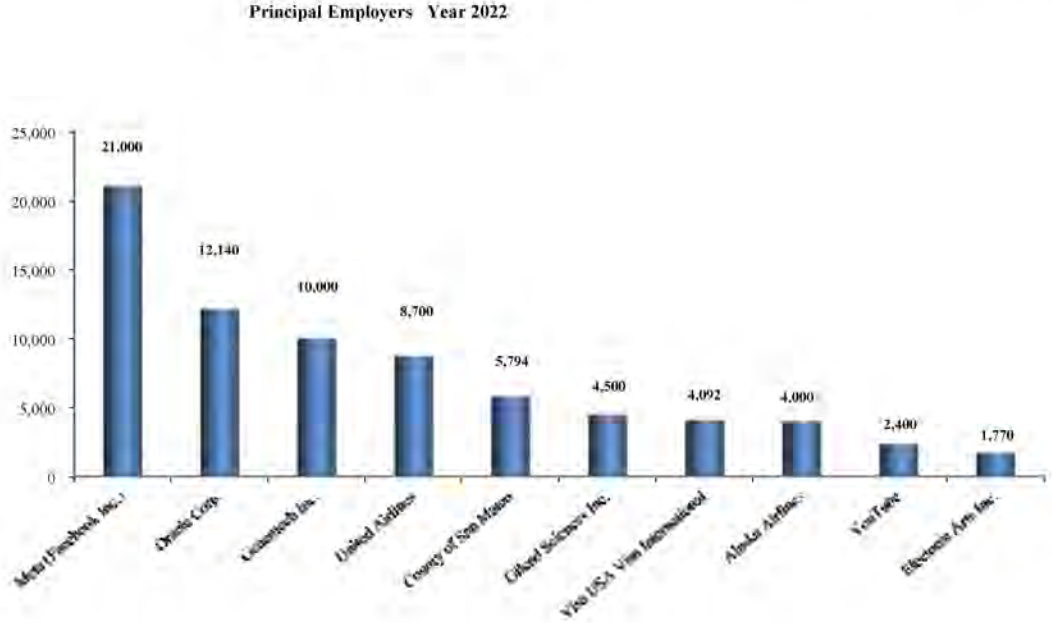
[2] Figures represent debt service levy for the local taxing agencies.

[3] Total taxes levied for each fiscal year are based on the original property value assessment rolls provided by the County Assessor's Office.

n/a - Information is unavailable.

San Mateo County Mosquito and Vector Control District
Principal Employers
Year 2022 and Year 2014

Employer	Business Type	Number of Employees	Rank	Percentage of Total County Employment	Number of Employees	Rank	Percentage of Total County Employment
Meta (Facebook Inc.)	Social Network	21000	1	4.75%	3,957	5	0.96%
Oracle Corp.	Hardware and Software	12140	2	2.75%	6,750	3	1.63%
Genentech Inc.	Biotechnology	10000	3	2.26%	9,800	2	2.37%
United Airlines	Airline	8700	4	1.97%	10,000	1	2.42%
County of San Mateo	Government	5794	5	1.31%	5,472	4	1.32%
Gilead Sciences Inc.	Biotechnology	4500	6	1.02%	3,115	8	0.75%
Visa USA/Visa International	Global Payments	4092	7	0.93%	3,500	7	0.85%
Alaska Airlines	Airline	4000	8	0.91%			
YouTube	Online Video-Streaming	2400	9	0.54%			
Electronic Arts Inc.	Video Game Developer	1770	10	0.40%			
Kaiser Permanente	Health Care				3,900	6	0.94%
Mills-Peninsula Health Services	Health Care				2,500	9	0.61%
San Mateo Community College	College				2,285	10	0.56%
Total		74,396		16.84%	51,279		12.41%



Source: San Francisco Business Times - 2023 Book of Lists. San Francisco Business Times-Confirmation Email. California Employment Development Department

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San Mateo County Mosquito and Vector Control District
Ratio of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal year	Leases	Private Placement	Total Outstanding Debt Governmental Activities	Percentage of Personal Income [1]	Population [1]	Debt Per Capita
2015	$ -	$ -	$ -	NA	765,479	$ -
2016	-	-	-	NA	767,928	-
2017	19,194	-	19,194	NA	768,658	0.02
2018	103,701	-	103,701	NA	768,410	0.13
2019	77,736	-	77,736	NA	764,810	0.10
2020	68,618	-	68,618	NA	762,478	0.09
2021	125,588	-	125,588	NA	739,149	0.17
2022	82,013	3,825,000	3,907,013	NA	728,929	5.36
2023	77,663	3,617,831	3,695,494	NA	726,353	5.09
2024	51,241	3,404,654	3,455,895	NA	723,777	4.77

[1] Personal income and population disclosed on Demographic and Economic Statistics table

San Mateo County Mosquito and Vector Control District
Direct and Overlapping Debt
as of June 30, 2024

2023-24 Assessed Valuation:	$ 307,775,168		
DIRECT AND OVERLAPPING GENERAL FUND DEBT:	Debt Outstanding	% Applicable [1]	Estimated Share of Overlapping Debt
San Mateo County General Fund Obligations	$ 554,572	100	$ 554,572
San Mateo County Board of Education Certificates of Participation	5,735	100	5,735
City of Burlingame General Fund and Pension Obligation Bonds	41,460	100	41,460
City of Pacifica General Fund and Pension Obligation Bonds	22,975	100	22,975
City of San Mateo General Fund Obligations	57,735	100	57,735
City of South San Francisco General Fund Obligations	185,105	100	185,105
Other City General Fund and Pension Obligation Bonds	84,210	100	84,210
Midpeninsula Regional Open Space Park General Fund Obligations	79,796	32	25,903
Woodside Fire Protection District General Fund Obligations	11,785	100	11,785
Highland Recreation General Fund Obligations	1,879	100	1,879
South San Francisco Unified School District Certificates of Participation	2,560	100	2,560
Jefferson Union High School District Certificates of Participation	46,845	100	46,845
Belmont-Redwood Shores School District Certificates of Participation	4,498	100	4,498
Portola Valley School District Certificates of Participation	701	100	701
San Bruno Park School District General Fund Obligations	1,450	100	1,450
San Mateo County Flood and Sea LRR District General Fund Obligations	13,065	100	13,065
San Mateo County Mosquito & Vector Control District General Fund Obligations	3,455	100	3,455
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT			$ 1,063,933
Less: City Supported Obligations			1,365
Highlands Recreation Supported Obligations			1,466
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT			$ 1,061,102
OVERLAPPING TAX AND ASSESSMENT DEBT:			
San Mateo Community College District	$ 682,237	100	$ 682,237
Cabrillo Unified School District	134,615	100	134,615
La Honda-Pescadero Unified School District	12,565	100	12,565
South San Francisco Unified School District	303,407	100	303,407
Jefferson Union High School District	338,312	100	338,312
San Mateo Union High School District	703,111	100	703,111
Sequoia Union High School District	488,322	100	488,322
Belmont-Redwood Shores School and School Facilities Improvement Districts	125,748	100	125,748
Burlingame School District	190,086	100	190,086
Hillsborough School District	98,868	100	98,868
Jefferson School District	137,920	100	137,920
Las Lomitas School District	113,960	100	113,960
Menlo Park City School District	112,068	100	112,068
Redwood City School District	255,875	100	255,875
San Carlos School District	94,589	100	94,589
San Mateo-Foster City School District	497,628	100	497,628
Other School Districts	424,284	100	424,284
Other Cities	127,740	100	127,740
Midpeninsula Open Space Park District	80,700	32	26,197
Montara Sanitary District	4,302	100	4,302
Community Facilities District	103,650	100	103,650
1915 Act Bonds	6,372	100	6,372
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			$ 4,981,856

San Mateo County Mosquito and Vector Control District
Direct and Overlapping Debt (Continued)
as of June 30, 2024

OVERLAPPING TAX INCREMENT DEBT (Successor Agencies):	$ 99,948	100	$ 99,948	
TOTAL DIRECT DEBT			$ 3,455	
TOTAL GROSS OVERLAPPING DEBT			$ 6,045,789	(2)
TOTAL NET OVERLAPPING DEBT			$ 6,042,958	
GROSS COMBINED TOTAL DEBT			$ 6,049,244	(2)
NET COMBINED TOTAL DEBT			$ 6,046,413	

(1) Percentage of overlapping agency's assessed valuation located within the boundaries of the county.
(2) Excludes enterprise revenue, mortgage revenue, tax and revenue anticipation notes, and non-bonded capital lease obligations.

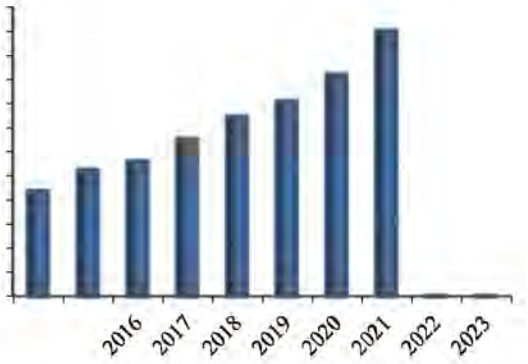
Ratios to 2023-24 Assessed Valuation:		
Total Direct Debt	$ 3,455	0.00%
Total Overlapping Tax and Assessment Debt		1.62%
Gross Combined Total Debt		2.00%
Net Combined Total Debt		2.00%
Ratios to Redevelopment Successor Agencies Incremental Valuation	$ 33,479,205	
Total Overlapping Tax Increment Debt		0.30%

AB:($350 - update)

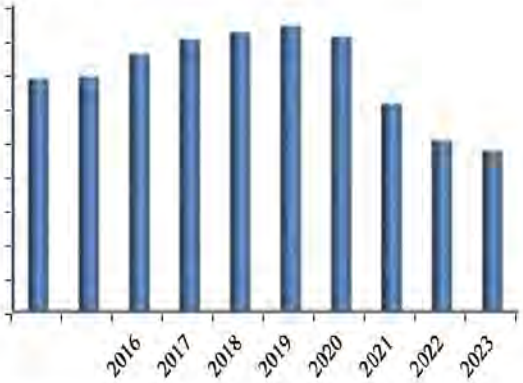
San Mateo County Mosquito and Vector Control District
Demographic and Economic Statistics
Last Ten Years

Year	Population [1] (January 1st)	Total Personal Income [5] (in millions)	Per Capita Personal Income	Median Age [4]	K-12 Public School Enrollment [2]	Average Unemployment Rate [3]
2014	758,581	$ 71,027	$ 93,802	39.4	94,667	4.2%
2015	759,155	78,525	102,639	39.8	95,187	3.3%
2016	765,895	81,488	106,115	39.5	95,502	3.3%
2017	770,256	89,149	115,556	39.9	95,620	2.9%
2018	772,372	96,226	124,705	39.9	95,155	2.5%
2019	774,231	100,799	131,180	39.9	94,234	2.2%
2020	771,061	108,470	142,264	39.8	93,554	10.8% [6]
2021	751,596	118,420	160,485	40.8	90,315	5.0%
2022	740,821	n/a	n/a	41.4	86,422	2.1%
2023	737,644	n/a	n/a	n/a	84,836	3.1%

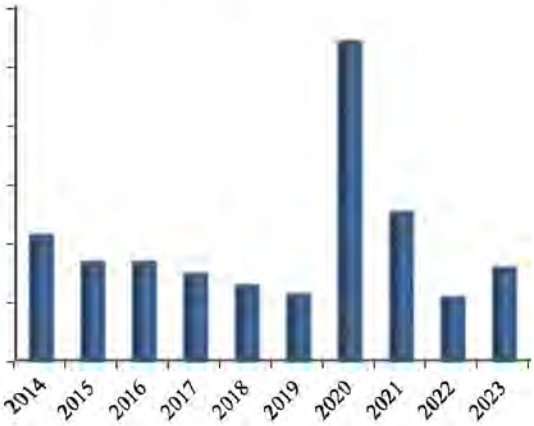
Population



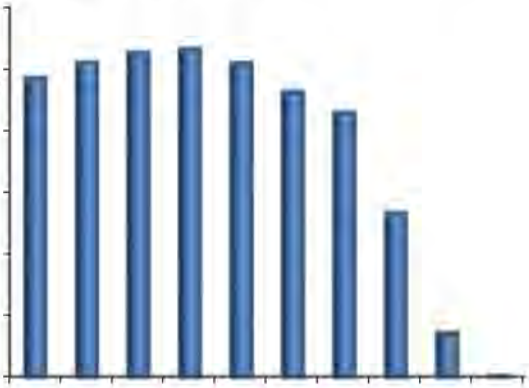
Per Capita Personal Income



K-12 Public School Enrollment



Average Unemployment Rate



Sources:

[1] Data include retroactive revisions by the State of California Department of Finance, Demographic Research Unit.

[2] Data include retroactive revisions by the State of California Department of Education.

[3] Data include retroactive revisions by the State of California Employment Development Department. Unemployment rates are non-seasonally adjusted for June.

[4] U.S. Census Bureau, American Community Survey.

[5] Data include retroactive revisions by the U.S. Department of Commerce Bureau of Economic Analysis.

[6] Unemployment rate increased in FY 2020 due to COVID-19 pandemic.

Note:

All data are presented in calendar year except for public school enrollment and average unemployment rate. n/a - Information is unavailable.

San Mateo County Mosquito and Vector Control District
Full and Part Time District Employees
Last 10 Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District Manager	1	1	1	1	1	1	1	1	1	1
Assistant Manager	0	0	0	0	1	1	1	1	1	1
Finance Director	1	1	1	1	1	1	1	1	1	1
Information Services Director	1	1	1	1	1	0	0	0	0	0
Public Health Education Officer	1	1	1	1	1	1	1	1	1	1
Accountant	1	1	1	1	1	1	1	1	1	1
Office Administrator	1	1	1	1	1	1	1	1	1	1
Facilities Maintenance Coordinator	1	1	1	1	1	1	1	1	1	1
Laboratory Director	1	1	1	1	1	1	1	1	1	1
Vector Ecologist	3	3	3	3	3	3	4	3	3	3
Laboratory Technician	1	1	1	1	1	1	1	1	1	1
Field Operations Director	1	1	1	1	0	0	0	0	0	0
Field Operations Supervisor	0	0	0	0	1	1	1	1	1	1
Vector Control Technician	9	9	9	9	8	8	8	8	8	8
Vector Control Technician/Mechanic	1	1	1	1	1	1	1	1	1	1
Total	23	23	23	23	23	22	23	22	22	22

Source: District Annual Reports

San Mateo County Mosquito and Vector Control District
Capital Assets
Last 10 Fiscal Years

	2024	2023	2022	2021	2020
Land	$ 3,854,525	$ 3,854,525	$ 3,854,525	$ 91,167	$ 91,167
Construction in Progress	196,038	134,305	-	348,315	-
Structures and Improvements	8,352,828	8,352,828	8,343,857	4,200,238	4,061,104
Furniture and Equipment	714,204	765,364	715,383	647,473	576,614
Vehicles	682,209	808,019	808,019	1,017,115	884,502
Vehicles - leased assets	225,334	161,188	161,188	-	-
Software	270,486	270,486	215,486	215,486	215,486
Total Capital Assets	$ 14,295,624	$ 14,346,715	$ 14,098,458	$ 6,519,794	$ 5,828,873
Accumulated Depreciation and Amortization	$ (4,013,243)	$ (3,797,161)	$ (3,556,487)	$ (3,427,257)	$ (3,240,641)
Total Net Capital Assets	$ 10,282,381	$ 10,549,554	$ 10,541,971	$ 3,092,537	$ 2,588,232

Source: District Financial Statements

San Mateo County Mosquito and Vector Control District
Capital Assets (Continued)
Last 10 Fiscal Years

	2019	2018	2017	2016	2015
Land	$ 710,889	$ 710,889	$ 710,889	$ 710,889	$ 710,889
Construction in Progress	-	-	25,133	181,960	159,600
Structures and Improvements	4,841,255	4,746,990	4,711,653	4,704,388	4,691,393
Furniture and Equipment	758,673	742,021	767,830	764,379	741,840
Vehicles	852,155	852,155	933,753	941,334	960,505
Vehicles - leased assets	-	-	-	-	-
Software	202,611	194,835	181,960	-	-
Total Capital Assets	$ 7,365,583	$ 7,246,890	$ 7,331,218	$ 7,302,950	$ 7,264,227
Accumulated Depreciation and Amortization	$ (3,513,161)	$ (3,305,763)	$ (3,269,493)	$ (3,081,751)	$ (2,808,026)
Total Net Capital Assets	$ 3,852,422	$ 3,941,127	$ 4,061,725	$ 4,221,199	$ 4,456,201

Source: District Financial Statements

San Mateo County Mosquito and Vector Control District
Performance Measures
Calendar Year (CY) 2013-2023

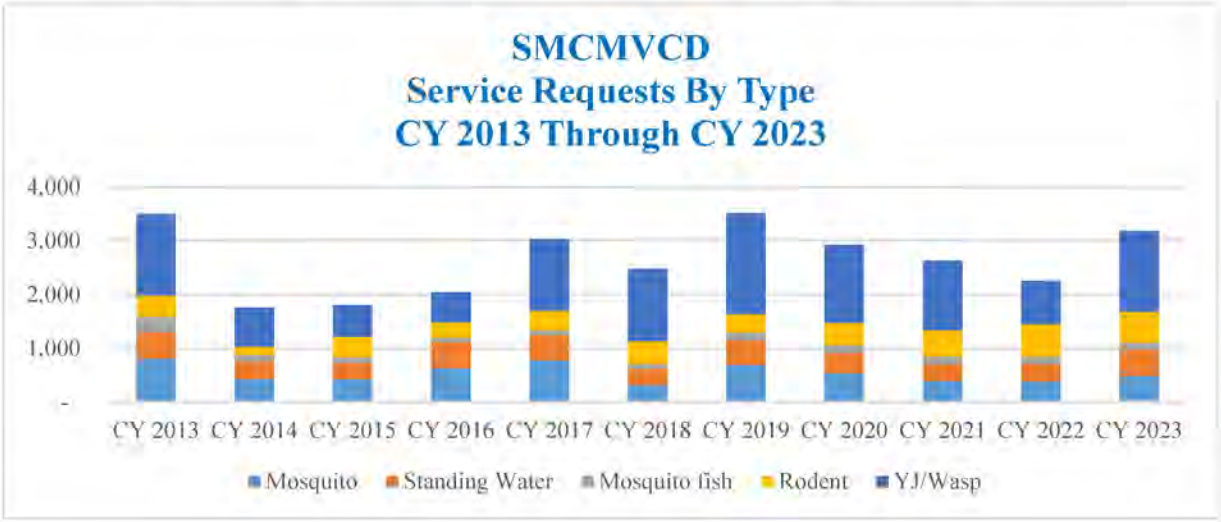
	CY 2013	CY 2014	CY 2015	CY 2016	CY 2017	CY 2018
Surveillance for Mosquitoes						
Trapping Effort - # of CO2 trap nights	486	2,015	1,715	1,154	1,030	1,129
Trapping Effort - # of trap nights (non-CO2 traps)	1,591	7,601	12,207	6,444	15,526	19,516
Number of Autocidal Gravid Ovitrap trap nights	-	3,424	3,861	994	-	-
Number of BG-Gravid Autocidal trap nights	-	-	-	-	-	175
Number of BG-Sentinel trap nights	-	60	-	12	16	42
Number of Reiter-Cummings Gravid trap nights	-	-	-	-	-	-
Number of ovicup trap nights	685	2,838	7,002	4,322	14,720	19,299
Number of Catchmaster Oasis trap nights	-	-	-	-	-	-
Number of New Jersey Light Trap trap nights	906	1,279	1,344	1,116	790	-
Number of Larval Samples submitted and identified	498	929	871	782	590	456
Inspections and Treatments for Mosquitoes						
# of Sites Inspected for Mosquito Larvae	25,713	30,093	29,213	26,780	28,314	28,558
# of Sites Treated	9,036	11,847	12,692	13,214	8,629	7,639
% of sources positive for mosquito larvae	0	0	0	0	0	0
Surveillance for West Nile Virus						
Number of Human cases	-	-	-	-	-	-
Number of Dead birds tested	62	147	158	111	79	123
Number of Sentinel Chickens maintained per season	10	19	27	29	30	14
Sentinel Chicken samples tested	480	385	407	418	420	186
Number of mosquito pools tested	175	435	204	244	4	131
Surveillance for Rodent-borne Disease						
Number of Rodents tested (Hantavirus, Plague, Borellia)	32	15	18	70	43	54
Surveillance for Tick-borne Disease						
Number of tick collection Dates	19	32	31	22	32	59
Number of Ticks collected	1,166	2,448	3,164	2,450	3,051	7,589
Number of tick pools tested	140	533	652	1,029	973	1,063

San Mateo County Mosquito and Vector Control District
Performance Measures (Continued)
Calendar Year (CY) 2013-2023

	CY 2019	CY 2020	CY 2021	CY 2022	CY 2023
Surveillance for Mosquitoes					
Trapping Effort - # of CO2 trap nights	1,355	1,604	1,552	1,491	1,514
Trapping Effort - # of trap nights (non-CO2 traps)	17,450	20,259	15,491	16,250	18,316
Number of Autocidal Gravid Ovitrap trap nights	-	-	-	-	-
Number of BG-Gravid Autocidal trap nights	2,047	1,299	774	297	305
Number of BG-Sentinel trap nights	14	10	-	10	16
Number of Reiter-Cummings Gravid trap nights	171	109	2	-	-
Number of ovicup trap nights	15,218	18,841	14,715	15,943	17,697
Number of Catchmaster Oasis trap nights	-	-	-	-	298
Number of New Jersey Light Trap trap nights	-	-	-	-	-
Number of Larval Samples submitted and identified	1,079	821	1,075	1,516	1,624
Inspections and Treatments for Mosquitoes					
# of Sites Inspected for Mosquito Larvae	27,329	32,212	30,108	38,984	37,004
# of Sites Treated	8,509	9,567	8,581	10,761	9,737
% of sources positive for mosquito larvae	0	0	0	0	0
Surveillance for West Nile Virus					
Number of Human cases	-	-	1	1	4
Number of Dead birds tested	63	85	78	64	84
Number of Sentinel Chickens maintained per season	14	14	14	14	14
Sentinel Chicken samples tested	198	171	168	182	93
Number of mosquito pools tested	118	267	127	158	497
Surveillance for Rodent-borne Disease					
Number of Rodents tested (Hantavirus, Plague, Borellia)	19	-	-	-	9
Surveillance for Tick-borne Disease					
Number of tick collection Dates	47	40	41	48	48
Number of Ticks collected	5,748	2,904	5,015	5,286	2,849
Number of tick pools tested	1,264	586	891	1,124	792

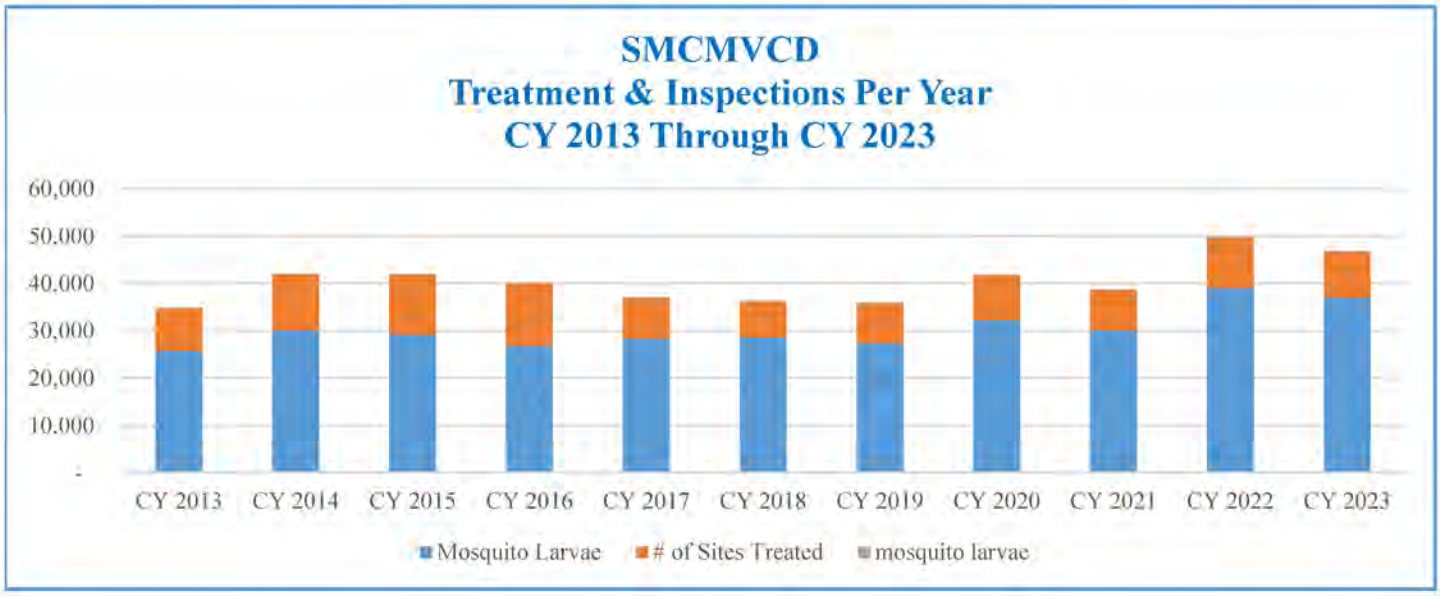
San Mateo County Mosquito and Vector Control District
Service Requests

	CY 2013	CY 2014	CY 2015	CY 2016	CY 2017	CY 2018	CY 2019	CY 2020	CY 2021	CY 2022	CY 2023
Mosquito	809	437	429	630	784	321	696	540	399	389	486
Standing Water	491	321	300	488	465	304	452	383	311	324	488
Mosquito fish	293	122	109	90	89	85	150	141	140	140	131
Rodent	396	153	383	281	364	428	344	408	488	600	576
YJ/Wasp	1,515	725	586	556	1,328	1,339	1873	1456	1296	806	1501
Grand Total	**3,504**	**1,758**	**1,807**	**2,045**	**3,030**	**2,477**	**3,515**	**2,928**	**2,634**	**2,259**	**3,182**



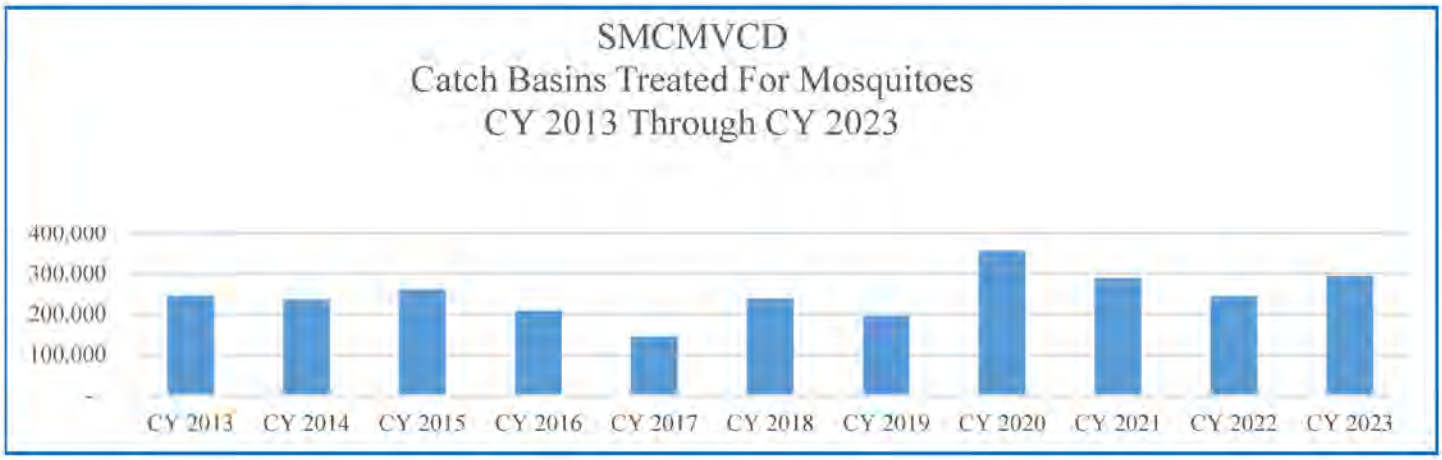
San Mateo County Mosquito and Vector Control District
Treatment and Inspections by Year

	CY 2013	CY 2014	CY 2015	CY 2016	CY 2017	CY 2018	CY 2019	CY 2020	CY 2021	CY 2022	CY 2023
# of Sites Inspected for Mosquito Larvae	25,713	30,093	29,213	26,780	28,314	28,558	27,329	32,212	30,108	38,984	37,004
# of Sites Treated	9,036	11,847	12,692	13,214	8,629	7,639	8,509	9,567	8,581	10,761	9,737
% of sources positive for mosquito larvae	35%	39%	43%	49%	30%	27%	31%	30%	29%	28%	26%



San Mateo County Mosquito and Vector Control District
Catch Basins Treated for Mosquitoes

	CY 2013	CY 2014	CY 2015	CY 2016	CY 2017	CY 2018	CY 2019	CY 2020	CY 2021	CY 2022	CY 2023
Treatments:											
# of Catch Basins Treated for Mosquitoes	**245,738**	**235,968**	**260,248**	**208,895**	**144,905**	**238,541**	**195,132**	**356,000**	**288,176**	243,904	293,944



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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Independent Auditors' Report

To the Board of Trustees
of the San Mateo County Mosquito and Vector Control District
Burlingame, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the general fund of the San Mateo County Mosquito and Vector Control District (the "District") as of and for the year ended June 30, 2024, and the related notes to the basic financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 3, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

The Pun Group, LLP

Santa Ana, California
December 3, 2024

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT

AUDITED FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT

JUNE 30, 2022

HARSHWAL & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
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HARSHWAL® & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Santa Clara County Vector Control District
San Jose, California

Report on the audit of Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Santa Clara County Vector Control District (the "District"), a component unit of the County of Santa Clara, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions.

Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 - 12, budgetary comparison schedule - general fund, schedule of proportionate share of net pension liability, schedule of changes in net OPEB liability and related ratios, and schedule of plan contributions - pension and OPEB on pages 38 - 49 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2022, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Harshwal & Company LLP

Oakland, California
November 15, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS
(REQUIRED SUPPLEMENTARY INFORMATION)

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

This section of the Santa Clara County Vector Control District (the "District") annual financial report presents a management discussion and analysis of the District's financial performance for the fiscal year ended June 30, 2022. The District's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosure following this section:

FINANCIAL HIGHLIGHTS

- The total assets and deferred outflow of resources of the District exceeded total liabilities and deferred inflow of resources by $10,926,715 (net position) for the fiscal year reported. Of this amount, $6,123,847 is a net investment in capital assets, while $4,802,868 was restricted for general purposes.
- The District's total net position increased by $1,213,321 during the fiscal year, after including the effect of restatement $11,444 recorded.
- As of June 30, 2022, the District's governmental funds reported combined ending fund balances of $11,175,610. The entire amount is restricted to be spent only for the missions that the District is committed to.
- At the end of the fiscal year, the restricted fund balance for the general fund was $10,859,825, or 132% of the total general fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: (1) Government-wide financial statements, (2) Fund financial statements, and (3) Notes to the basic financial statements. Required Supplementary Information is included in addition to the basic financial statements.

Government-wide Financial Statements

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

The *statement of net position* presents information on all of the District's assets, deferred outflow, liabilities, and deferred inflow with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether or not the financial position of the District is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The only governmental activity of the District is health and sanitation. The District does not have any business-type activities.

Fund Financial Statements

The fund financial statements are designed to report information about groupings of related accounts, which are used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into one category only, governmental funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements - i.e., most of the District's basic services are reported in governmental funds. These statements, however, focus on (1) how cash and other financial assets can readily be converted to available resources and (2) the balances left at year-end that are available for spending. Such information may be useful in determining what financial resources are available in the near future to finance the District's programs.

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 financial decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains two governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and capital projects.

The District does not have any proprietary and fiduciary funds.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information

The required supplementary information is presented concerning the District's budgetary comparison schedule. The District adopts an annual appropriated budget for its General Fund and Capital Project Fund. A budgetary comparison schedule has been provided for the General Fund to demonstrate compliance with this budget and to satisfy the requirement of GASB No. 34, as amended.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Governmental net position

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 outflow of resources exceeded liabilities and deferred inflow of resources by $10,926,715 at the close of the most recent fiscal year.

NET POSITION
GOVERNMENTAL ACTIVITIES

	2022	2021	Change $	Change %
ASSETS				
Current and other assets	$11,531,337	$11,171,880	$ 359,457	3.22 %
Noncurrent assets	6,123,847	6,421,576	(297,729)	(4.64)%
Total assets	17,655,184	17,593,456	61,728	0.35 %
DEFERRED OUTFLOWS OF RESOURCES	1,187,238	1,432,324	(245,086)	(17.11)%
LIABILITIES				
Current and other liabilities	391,077	298,054	93,023	31.21 %
Noncurrent liabilities	5,251,726	7,926,024	(2,674,298)	(33.74)%
Total liabilities	5,642,803	8,224,078	(2,581,275)	(31.39)%
DEFERRED INFLOWS OF RESOURCES	2,272,904	1,088,308	1,184,596	108.85 %
NET POSITION				
Net investment in capital assets	6,123,847	6,421,576	(297,729)	(4.64)%
Restricted	4,802,868	3,291,818	1,511,050	45.90 %
Total net position	$10,926,715	$ 9,713,394	$ 1,213,321	12.49 %

Analysis of Net Position

The larger balance of the District's net position of $6,123,847, 56% of the total net position, represents a net investment in capital assets (e.g. land, building and improvements, vehicles, and equipment). The District uses these capital assets to provide services to citizens; consequently, these are not available for future spending.

The remaining portion of the District's net position of $4,802,868, 44% of the total net position, represents resources that are subject to external restrictions on how they may be used.

At the end of the current fiscal year, the District reported positive balances in both categories of net position.

Governmental Activities

Governmental activities increased the District's total net position by $1,213,321, including restatement recorded, thereby accounting for 12.49% of the total increase in net position of the District. The following table indicates the changes in net position for governmental activities:

CHANGES IN NET POSITION
GOVERNMENTAL ACTIVITIES

	2022	2021	Change $	Change %
REVENUES				
Benefit assessment	$ 7,373,585	$ 7,289,163	$ 84,422	1.16 %
Interest income	74,552	89,336	(14,784)	(16.55)%
Gain on sale of capital assets	42,984	-	42,984	100.00 %
Intergovernmental	914,069	1,235,806	(321,737)	(26.03)%
Other revenues	54,066	33,776	20,290	60.07 %
Total revenues	8,459,256	8,648,081	(188,825)	(2.18)%
EXPENSES				
Health and sanitation	7,257,379	7,957,716	(700,337)	(8.80)%
Total expenses	7,257,379	7,957,716	(700,337)	(8.80)%
Change in net position	1,201,877	690,365	511,512	74.09 %
Net position - beginning of year	9,713,394	9,074,999	638,395	7.03 %
Restatement	11,444	(51,970)	63,414	122.02 %
Net position - beginning of year, restated	9,724,838	9,023,029	701,809	7.78 %
Net position - end of year	$10,926,715	$ 9,713,394	$ 1,213,321	12.49 %

Analysis of Changes in Net Position

A key element of an increase in net position by $1,213,321 was decrease in overall expenses and an increase in assessment revenues.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

Governmental Funds

The general government functions are contained in the General Funds and the Capital Project. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balance of spendable resources. Such information is useful in assessing the District's financing requirements.
As of June 30, 2022, the District's governmental funds reported combined ending fund balances of $11,175,610, an increase of $10,905,316 in comparison with the prior year, largely due to an increase in cash and investment of the general fund. All of the combined ending fund balances constitute restricted fund balance for general purposes.

The general fund is the chief operating fund of the District. As of June 30, 2022, the restricted fund balance of the general fund was $10,859,825, while the total fund balance reached $11,175,610. The total fund balance of the general fund represents 132% of the total general fund expenditures of $8,200,406.

Revenues for governmental functions totaled $8,416,272 in the current fiscal year, which represents an decrease of $188,825 from the previous fiscal year. Expenditures for governmental functions totaled $8,200,406, which represents an increase of $376,175 from the previous fiscal year. In the current fiscal year, revenues for governmental functions exceeded expenditures by $215,866.

The following table presents the revenues from various sources as well as increases or decreases from the prior year.

REVENUES CLASSIFIED BY SOURCE
GOVERNMENTAL FUNDS

	2022		2021			
	Amount	% of Total	Amount	% of Total	Change $	Change %
Revenues by source						
Benefit assessment	$7,373,585	87.17 %	$7,289,163	84.29 %	$ 84,422	1.16 %
Interest income	74,552	0.88 %	89,336	1.03 %	(14,784)	(16.55)%
Proceeds from sale of capital assets	42,984	0.51 %	-	- %	42,984	100.00 %
Intergovernmental revenue	914,069	10.81 %	1,235,806	14.29 %	(321,737)	(26.03)%
Other revenues	54,066	0.64 %	33,776	0.39 %	20,290	60.07 %
Total	$8,459,256	100.00 %	$8,648,081	100.00 %	$ (188,825)	(2.18)%

GENERAL FUND BUDGETARY HIGHLIGHTS

During the year, actual revenues were more than budgetary estimates by $268,206. This favorable variance is mainly due to an increase in benefit assessment revenue. Actual expenditures were less than budgetary estimates by $2,097,567. This favorable variance is due to a decrease in salary expenditure and services and supplies.

CAPITAL ASSETS AND DEBT ADMINISTRATION

CAPITAL ASSETS

The District's capital assets for its governmental activities as of June 30, 2022, amounted to $6,123,847 (net of accumulated depreciation). The capital assets include land, building and improvements, vehicles, and equipment. A decrease in the District's capital assets for the current period was $297,729, mainly due to the net effect of capital assets, as reduced by depreciation over assets in use.

Capital assets for the governmental activities are presented below to illustrate changes from the prior year:

	Governmental Activities			
	2022	2021	Change $	Change %
Land	$ 2,352,000	$ 2,352,000	$ -	- %
Building and improvements	4,630,727	4,630,727	-	- %
Vehicles	1,753,414	1,869,106	(115,692)	(6.19)%
Equipment	556,146	556,146	-	- %
Total Cost	9,292,287	9,407,979	(115,692)	(1.23)%
Less: accumulated depreciation	(3,168,440)	(2,986,403)	182,037	6.10 %
Capital assets, net	$ 6,123,847	$ 6,421,576	$ (297,729)	(4.64)%

LONG TERM LIABILITIES

The District's long-term liabilities for its governmental activities as of June 30, 2022, amounted to $5,251,726. Long-term liabilities consist of compensated absences, net pension liabilities, and net OPEB liabilities. A decrease in long-term liabilities for an amount of $2,674,298 was mainly due to a decrease in net Pension liability.

Long term liabilities for the governmental activities are presented below to illustrate changes from the prior year:

	Governmental Activities			
	2022	2021	Change $	Change %
Compensated absences	$ 420,855	$ 374,822	$ 46,033	12.28 %
Net OPEB liability	1,467,114	1,891,622	(424,508)	(22.44)%
Net pension liability	3,363,757	5,659,580	(2,295,823)	(40.57)%
Totals	$ 5,251,726	$ 7,926,024	$ (2,674,298)	(33.74)%

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Mosquito, Vector and Disease Control Assessment relies on two benefit assessments to fulfill the District Service Mission "to detect and minimize vector borne disease, to abate mosquitoes, and to assist the public in resolving problems with rodents, wildlife, tick borne diseases and insects of medical significance". Several factors help to maintain the stability of the revenue stream from the benefit assessments, and thus, the consistency of the economic picture. The number of parcels added to the District's benefit assessment roll rises at less than 1 percent annually; the current assessments do not include a "sunset clause"; annual assessed amounts cannot contain a CPI U (maximum 3%) adjustment without the approval from the District Board of Trustees; and no additional assessments are being proposed. Historically, the Board has approved recommended CPI U adjustments. Revenue from the two benefit assessments totaled $7,373,585 for FY 2022 and projected to total $ 7,573,439 for FY 2023. The District will also be increasing the 2005 benefit assessment by 2.97% in FY 2023 to reflect changes in the CPI-U for the San Francisco region, increasing that assessment by $0.26 per SFE. Assessment increase was approved by the Board on June 07, 2022.

One significant development in 2022 was the discovery of *Aedes aegypti*, Yellow Fever Mosquito (YFM) in part of the County. Other developments on the horizon are the potential invasion and establishment of the other two invasive daytimes-biting mosquito species. The *Aedes albopictus*, Asian Tiger Mosquito (ATM) is currently established in southern California, and *Aedes notoscriptus* (Skuse), the Australian backyard mosquito was discovered in Los Angeles County in 2014. These infestations have continued to expand since 2013. When established in the County, these three species will significantly alter mosquito control operations and place additional financial burden on the District. Of even greater import is the fact that these two species transmit Zika, Dengue and Chikungunya viruses, and that imported cases of these diseases have been and will continue to occur within the County as people travel to and from areas where these viruses are widespread. The District plan to address more surveillance for invasive mosquitoes in FY 23 especially in response to Yellow Fever Mosquito. The District has been conducting surveillance for Murine typhus in Santa Clara County homeless camp in 2019. Because of the pandemic, the Pilot study was placed on hold but resume in 2022. The primary location consisted of homeless encampments, but also included the Newbie Island dump in Milpitas. On September 2021 California Department of Public Heath (CDPH) informed the District of a probable case of a tick-borne disease (Rickettsia 364 D) from Saratoga. This is the second confirmed human case associated with the bacteria from the same location, which was transmitted by Pacific Coast tick (*Dermacentor occidentalis*). The District has been collecting the ticks from the area to perform in-house testing for the disease. In FY22, American Dog Ticks (*Dermacentor variabilis*) has been collected and being prepared for testing by the District to look for potential zoonotic disease.

All California districts face uncertainty related to regulatory oversight, and the increasing complexity and costs of doing vector control. The District has increased staff assigned to assist in surveillance, outreach, and to reduce the mosquito population. No further increases planned until the end of fiscal year. Although these costs do not significantly alter the financial outlook for the District they highlight the need to maintain budget reserves and to coordinate with other Districts to ensure that unforeseen costs are covered.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Santa Clara County Vector Control District,

1580 Berger Dr. San Jose,

CA 95112.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2022

ASSETS	
Cash and investments	$ 11,498,369
Interest receivable	22,763
Due from other government	10,205
Capital assets, net	6,123,847
Total assets	17,655,184
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources - pension	820,144
Deferred outflows of resources - OPEB	367,094
Total deferred outflows of resources	1,187,238
Total assets and deferred outflows of resources	18,842,422
LIABILITIES	
Accounts payable	67,833
Accrued salaries and benefits	287,650
Compensated absences - due within one year	35,350
Due to other government	244
Compensated absences - due beyond one year	420,855
Net OPEB liability	1,467,114
Net pension liability	3,363,757
Total liabilities	5,642,803
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources - pension	1,482,860
Deferred inflows of resources - OPEB	790,044
Total deferred inflows of resources	2,272,904
Total liabilities and deferred inflows of resources	7,915,707
NET POSITION	
Net investment in capital assets	6,123,847
Restricted:	
General purposes	4,802,868
Total net position	10,926,715
Total liabilities, deferred inflows of resources and net position	$ 18,842,422

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

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

Functions/Programs	Expenses	Net (Expenses) Revenues, and Changes in Net Position
Governmental Activities:		
Health and sanitation	$ 7,257,379	$ (7,257,379)
Total governmental activities	$ 7,257,379	$ (7,257,379)
General Revenues:		
Benefit assessment		7,373,585
Interest income		74,552
Gain on sale of capital assets		42,984
Intergovernmental revenues		914,069
Other revenue		54,066
Total general revenues		8,459,256
Change in net position		1,201,877
Net position - beginning of year		9,713,394
Restatement		11,444
Net position - beginning of year, *restated*		9,724,838
Net position - end of year		$ 10,926,715

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

FUND FINANCIAL STATEMENTS

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2022

	General Fund	Capital Project	Total Governmental Funds
ASSETS			
Cash and investments	$ 11,183,374	$ 314,995	$ 11,498,369
Interest receivables	21,973	790	22,763
Due from other government	10,205	-	10,205
Total assets	11,215,552	315,785	11,531,337
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	67,833	-	67,833
Accrued salaries and benefits	287,650	-	287,650
Due to other government	244	-	244
Total liabilities	355,727	-	355,727
FUND BALANCES			
Restricted	10,859,825	315,785	11,175,610
Total fund balances	10,859,825	315,785	11,175,610
Total liabilities and fund balances	$ 11,215,552	$ 315,785	$ 11,531,337

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

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
JUNE 30, 2022

Amounts reported for governmental activities in the Statement of Net Position are different because:		
Fund balances - total governmental funds		$ 11,175,610
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the governmental funds.		
Governmental capital assets, net		6,123,847
Deferred outflows and inflows of resources related to pensions and OPEB are applicable to future periods and therefore, are not reported in the governmental funds.		
Deferred outflows of resources - Pension and OPEB	1,187,238	
Deferred inflows of resources - Pension and OPEB	(2,272,904)	(1,085,666)
Liabilities are not due and payable in the current period and therefore, are not reported as liabilities in the governmental funds. Liabilities at year end consist of:		
Net pension liability	(3,363,757)	
Net OPEB liability	(1,467,114)	
Compensated absences	(456,205)	(5,287,076)
Net position - governmental activities		$ 10,926,715

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

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	General Fund	Capital Project	Total
REVENUES			
Benefit assessment	$ 7,373,585	$ -	$ 7,373,585
Interest income	72,039	2,513	74,552
Intergovernmental revenue	914,069	-	914,069
Other revenue	54,066	-	54,066
Total revenues	8,413,759	2,513	8,416,272
EXPENDITURES			
Current:			
Salaries and benefits	5,250,039	-	5,250,039
Services and supplies	2,950,367	-	2,950,367
Total expenditures	8,200,406	-	8,200,406
Excess (deficiency) of revenues over expenditures	213,353	2,513	215,866
OTHER FINANCING SOURCES (USES)			
Proceeds from sale of capital assets	42,984	-	42,984
Total other financing sources (uses)	42,984	-	42,984
Net change in fund balances	256,337	2,513	258,850
Fund balances - beginning of year	10,592,044	313,272	10,905,316
Restatement	11,444	-	11,444
Fund balances - beginning of year, *restated*	10,603,488	313,272	10,916,760
Fund balances - end of year	$ 10,859,825	$ 315,785	$ 11,175,610

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

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

Amounts reported for governmental activities in the Statement of Activities are different because:		
Net changes in fund balances - total governmental funds		$ 258,850
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which additions to capital outlay exceeds depreciation expense in the period.		
Depreciation expenses	(297,729)	(297,729)
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.		
Change in compensated absences		(49,893)
Governmental funds report the District's pension and OPEB contributions as expenditures. However, in the Statement of Activities, the cost of pension and OPEB benefits earned net of employee contributions is reported as pension and OPEB expenses:		
Net pension incomes (expenses)	762,785	
Net OPEB incomes (expenses)	527,864	1,290,649
Change in net position - governmental activities		$ 1,201,877

NOTE 1 - ORGANIZATION

Santa Clara County Vector Control District (the "District") was organized on May 3, 1988, in conformity with the Government Code Section 25842.5, Health and Safety Code Section 2200, et seq., Health and Safety Code Section 1800, et seq., California Penal Code, Title X, and Uniform Housing Code Section 1001 (b) 12. The District provides services to prevent vector borne diseases and reduce exposure to pests, mosquitoes, rodents and insects which affect the public health and well being. The District serves all fifteen incorporated cities and the unincorporated areas of the County.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The District complies with generally accepted accounting principles (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

A. Basis of Presentation

Government-wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the District. These statements include the financial activities of the overall government. Governmental activities are normally supported by taxes and intergovernmental revenues.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function. Program revenues would include charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of the programs. Revenues that are not classified as program revenues, including all kinds of taxes, are presented as general revenues. The comparison of program revenues and direct expenses identifies the extent to which each program is self-financing or draws from the general revenues of the District.

When both restricted and unrestricted net position are available, restricted resources are used only after the unrestricted resources are depleted.

Fund Financial Statements

Fund financial statements are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses.

Funds are organized into three major categories: governmental, proprietary, and fiduciary. There are separate statements for each fund category. The emphasis of fund financial statements is on major governmental and enterprise funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The internal service fund is presented in a single column in the proprietary fund financial statements. The District has two funds, the general fund, and capital project, both of which are categorized as governmental funds. There are no proprietary nor fiduciary funds.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

A. Basis of Presentation - Cont'd

Governmental Funds

The District reports two governmental funds:

- General Fund is the primary operating fund of the District and is always classified as a major fund. It is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the District that are not accounted for through other funds. For the District, the General Fund's primary activity is health and sanitation.
- Capital Project is used to account for financial resources to be used for the acquisition or construction of major capital assets.

B. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

The government-wide, proprietary, and fiduciary fund financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This differs from the manner in which governmental fund financial statements are prepared. Therefore, governmental fund financial statements include a reconciliation with brief explanations to better identify the relationship between the government-wide financial statements and the statements for governmental funds. The District has no proprietary nor fiduciary funds.

The accounting objectives of the economic resources measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Fund equity is classified as net position.

Under the accrual basis of accounting, revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred or economic assets used. Revenues, expenses, gains, losses, assets, and liabilities resulting from the exchange and exchange-like transactions are recognized when the exchange takes place. Non-exchange transactions, where the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes. On an accrual basis, revenue from benefit assessment is recognized in the fiscal year for which the assessment is levied.

The governmental fund financial statements are prepared using the current financial resources measurement focus and the modified accrual basis of accounting.

In the current financial resources measurement focus, only current financial assets and liabilities are generally included on the balance sheet. The operating statements present sources and uses of available spendable financial resources during a given period. The fund balance is used as a measure of available spendable financial resources at the end of the period.

Under the modified accrual basis of accounting, revenues are recognized when measurable and available. Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year-end. Expenditures (including capital outlay) are recorded when the related liability is incurred, except for debt expenditures (principal and interest), as well as expenditures related to compensated absences which are reported when expense is due.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

C. Budgets and Budgetary Accounting

The District prepares its budget on the basis of accounting that differs from generally accepted accounting principles (GAAP). The actual results of operations are presented in the Budgetary Comparison Schedule - General Fund on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis of accounting and GAAP is that encumbrances are recorded as expenditures under the budgetary basis.

These budgets are revised by the District's governing body during the year to give consideration to unanticipated income and expenditures. The original and final revised budgets are presented for the General Fund in the financial statements. For the year ended June 30, 2022, there was no budget overrun for General Fund.

D. Cash and Investments

Cash held in banks is insured by the Federal Depository Insurance Corporation (FDIC). All cash held by the financial institutions are fully insured or collateralized, except those which exceed the maximum insured levels of the FDIC.

The District maintains substantially all its cash in the Santa Clara County Treasury. The County pools these funds with those of other Departments in the County and invests the cash. These pooled funds are carried at cost, which approximates market value. Interest earned is deposited quarterly into participating funds. Any investment losses are netted against interest income and proportionately shared by all funds in the pool.

E. Capital Assets

In the government-wide financial statements, capital assets purchased or acquired with an original cost of $5,000 or more are recorded at historical cost or estimated historical cost, if actual historical cost is not available. Donated capital assets are recorded at acquisition value at the time they are received.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation expense is provided over the assets' estimated useful lives using the straight-line method of depreciation. The estimated useful lives by type of assets are as follows:

Asset Class	Estimated useful life
Buildings and improvements	5 - 50 years
Vehicles and Equipment	3 - 30 years

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

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Upon sale of capital assets, the proceeds from sale of capital assets are included in the results of operations as other financing sources.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

F. Compensated Absences

Accumulated unpaid vacation and sick leave are recorded as a liability when future payments for such compensation absences have been earned by employees based on pay and salary rates in effect at year-end. This liability is recorded as long-term debt in the government-wide financial statement. The liability is not accrued in the governmental fund financial statement but is recognized only if it is due and payable in the event of termination.

G. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as the County of Santa Clara reports them. 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.

H. 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 Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as the County of Santa Clara reports them. 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.

I. Deferred Outflow/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.

J. Long-term Debt

In the government-wide financial statements, long-term debt, and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of applicable bond premium or discount.

In the fund financial statements, governmental funds recognize bond premiums or discounts and bond issuance cost, during the current period. The face amount of the debt issued, premiums or discounts are reported as other financing sources/uses, whereas issuance costs are reported as debt service expenditures.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

K. Equity Classifications

In government-wide and proprietary fund financial statements, equity is classified as net position and divided into three components:

- *Net Investment in Capital Assets* – This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.
- *Restricted Net Position* – This category presents external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- *Unrestricted Net Position* – This category represents the net position of the District, not restricted for any project or other purpose.

Governmental funds report fund balances in classifications based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. Fund balance for governmental funds can consist of the following:

- *Nonspendable Fund Balance* – includes amounts that are (a) not in spendable forms, such as inventory, prepaid amounts, or long-term notes receivable, or (b) legally or contractually required to be maintained intact, such as a trust that must be retained in perpetuity. The “not in spendable form” criterion includes items that are expected to be converted to cash. The District does not have a nonspendable fund balance.
- *Restricted Fund Balance* – constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation. Restriction may effectively be changed or lifted only with the consent of resource providers.
- *Committed Fund Balance* – amounts that can only be used for the specific purposes determined by formal action of the District’s highest level of decision-making authority, the Board. Commitments may be changed or lifted by the District taking the same formal action that imposed the constraint originally. The District does not have a committed fund balance.
- *Assigned Fund Balance* – comprises amounts intended to be used by the District for specific purposes that are neither restricted nor committed. The intent is expressed by (a) the District’s Board or (b) a body (e.g., a budget or finance committee) or official to which the District’s Board has delegated the authority to assign, modify, rescind amounts to be used for specific purposes. With the exception of the General Fund, this is the residual fund balance classification for all governmental funds with positive balances. The District does not have an assigned fund balance.
- *Unassigned Fund Balance* – is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds. The District does not have an unassigned fund balance.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is generally depleted in the order of restricted, committed, assigned, and unassigned.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

L. Estimates

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

NOTE 3 - CASH AND INVESTMENTS

Cash and investments as of June 30, 2022, were as follows:

	Carrying Amount	Fair Value
Cash and investments in County Treasury common pool:		
General Fund	$ 11,183,374	$ 10,898,140
Capital Project Fund	314,995	306,961
Total cash and investments	$ 11,498,369	$ 11,205,101

The District's fair value is based on their cash position as of June 30, 2022, in proportion to the entire cash held in the commingled County Pool. The fair value includes the amortization of premiums and discounts. The County's investments are registered with the SEC.

Cash in County Treasury

Funds with the County Treasurer are invested pursuant to an investment policy established by the Treasurer and approved by the Board of Trustees. The objectives of the policy are, in order of priority, preservation of capital, liquidity, and yield. The policy addresses the soundness of financial institutions in which the County deposits funds, the types of investment instruments, and the percentage of the portfolio which may be invested in certain instruments, as permitted by Section 53600 et seq. of the Government Code of the State of California. The County Treasury common pool as of June 30, 2022, consisted of cash in bank, U.S. government and agency securities, corporate bonds, negotiable certificates of deposit, commercial paper, and deposits in the State's local agency investment fund. Additional information regarding the deposit and investment custodial credit, interest rate and credit risks of the County Treasury common pool can be found in the County's June 30, 2022, annual comprehensive financial report. A copy of that report may be obtained by contacting the County's Finance Agency, Controller-Treasurer Department, 70 West Hedding Street, 2nd Floor, East Wing, San Jose, CA 95110.

NOTE 4 - CAPITAL ASSETS

The capital asset activity for the year ended June 30, 2022, were as follows:

	Beginning balance	Additions	Deletions	Ending balance
Capital assets, not being depreciated:				
Land	$ 2,352,000	$ -	$ -	$ 2,352,000
Total capital assets, not being depreciated	2,352,000	-	-	2,352,000
Capital assets being depreciated:				
Building and improvements	4,630,727	-	-	4,630,727
Vehicles	1,869,106	-	(115,692)	1,753,414
Equipment	556,146	-	-	556,146
Total capital assets, being depreciated	7,055,979	-	(115,692)	6,940,287
Less: accumulated depreciation				
Building and improvements	(1,128,437)	(96,078)	-	(1,224,515)
Vehicles	(1,310,588)	(192,881)	115,692	(1,387,777)
Equipment	(547,378)	(8,770)	-	(556,148)
Total accumulated depreciation	(2,986,403)	(297,729)	115,692	(3,168,440)
Total capital assets, being depreciated, net	4,069,576	(297,729)	-	3,771,847
Total capital assets, net	$ 6,421,576	$ (297,729)	$ -	$ 6,123,847

Depreciation expense allocated to the Health and sanitation function for the year ended June 30, 2022, was $297,729.

NOTE 5 - LONG-TERM LIABILITIES

The following is the summary of changes in long-term liabilities for the year ended June 30, 2022:

	Beginning balance	Additions	Deductions	Ending balance	Due within one year	Due beyond one year
Net OPEB liability	$ 1,891,622	$ -	$ 424,508	$ 1,467,114	$ -	$ 1,467,114
Compensated absences	406,312	49,893	-	456,205	35,350	420,855
Net pension liability	5,659,580	-	2,295,823	3,363,757	-	3,363,757
Totals	$ 7,957,514	$ 49,893	$ 2,720,331	$ 5,287,076	$ 35,350	$ 5,251,726

NOTE 6 - PENSION PLANS

A. General Information about the Pension Plan

The full description of the general information about the Pension Plan (outline below) can be found in the County's June 30, 2022 annual comprehensive financial report. A copy of that report may be obtained by contacting the County's Finance Agency, Controller-Treasurer Department, 70 West Hedding Street, 2nd Floor, East Wing, San Jose, CA 95110, and may be accessed on the CalPERS website at www.calpers.ca.gov.

The following information regarding the Plan is available in County's ACFR:

- Plan Description, Benefits Provided and Employees Covered
- Contribution Description
- Actuarial Methods and Assumptions Used to Determine Total Pension Liability
- Discount Rate
- Pension Plan Fiduciary Net Position
- Sensitivity of the Net Pension Liability to Changes in the Discount Rate
- Subsequent Events and
- Recognition of Gains and Losses

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.

Reporting date	June 30, 2022
Measurement date	June 30, 2021
Measurement period	July 1, 2020 to June 30, 2021
Valuation date	June 30, 2020

NOTE 6 - PENSION PLANS - CONT'D

B. Changes in the Net Pension Liability

The following table shows the changes in net pension liability recognized over the measurement period (presented at 0.151%, which is the County of Santa Clara's calculation of the District's proportional share).

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (c) = (a) - (b)
Balance at: June 30, 2020	$ 18,595,830	$ 13,152,540	$ 5,443,290
Changes recognized for the measurement period:			
Service cost	455,937	-	455,937
Interest on the Total Pension Liability	1,313,816	-	1,313,816
Change in assumptions	-	-	-
Difference between expected and actual experience	(12,036)	-	(12,036)
Net Plan to Plan resource movement	-	-	-
Contributions from the employers	-	674,882	(674,882)
Contributions from employees	-	215,930	(215,930)
Net investment income	-	2,959,577	(2,959,577)
Benefit payments, including refunds of employee contributions	(873,430)	(873,430)	-
Administrative expenses	-	(13,139)	13,139
Other miscellaneous income/(expense)	-	-	-
Net changes during 2020-21	884,287	2,963,820	(2,079,533)
Balance at: June 30, 2021	$ 19,480,117	$ 16,116,360	$ 3,363,757

C. Sensitivity of the Net Pension Liability to Changes in the Discount Rate

	6.15% (1% Decrease)	7.15% (Current Rate)	8.15% (1% Increase)
Plan's net pension liability/(assets)	$ 5,947,264	$ 3,363,757	$ 1,223,075

NOTE 6 - PENSION PLANS - CONT'D

D. Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

For the measurement period ending June 30, 2021 (the measurement date), the District incurred a total pension expense (income) of $(762,785) for the Plan.

Adjustments have been made for contributions subsequent to the measurement date. Adequate treatment of any contributions made after the measurement date is the responsibility of the employer. As of June 30, 2022, the District has deferred outflows and deferred inflows of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	$ -	$ 10,761
Difference between expected and actual experience	163,183	9,419
Employer contribution subsequent to measurement date	656,961	-
Net difference between projected and actual earnings on pension plan investments	-	1,462,680
Total	$ 820,144	$ 1,482,860

The amounts above are net of outflows and inflows recognized in the 2019-20 measurement period expense. Amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

Measurement Period Ended June 30:	Deferred Outflows/ (Inflows) of Resources
2022	$ (290,714)
2023	(288,675)
2024	(334,704)
2025	(405,584)
2026	-
Thereafter	-
Total	$ (1,319,677)

The District's employer contributions for the year ending June 30, 2022 is $656,961.

NOTE 7 - OTHER POST EMPLOYMENT BENEFITS

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) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

Reporting date	June 30, 2022
Measurement date	June 30, 2021
Measurement period	July 01, 2021 to June 30, 2022
Valuation date	June 30, 2021

Plan Description

The County of Santa Clara (the "County") maintains a cost sharing multiple-employer defined benefit retiree healthcare plan (OPEB Plan), which covers all employees of the District. The OPEB Plan provides healthcare benefits to eligible District employees and their surviving spouses.

The District employees hired prior to August 12, 1996 are eligible for health benefits upon attaining age 50 with 5 years of service. Employees hired on or after August 12, 1996 and before June 19, 2006 are eligible upon attaining age 50 with 8 years of service. Employees hired on or after June 19, 2006 are eligible upon attaining age 50 with 10 years of service.

The County has established a 15-year retiree health benefit service requirement that applies to employees hired mostly on or after September 30, 2013.

Retirees retired prior to December 5, 1983 have their full premium cost subsidized by the District. In addition, the District subsidizes the Part B premium cost for retirees in Medicare status who are not receiving health-in-lieu benefits. For most of the retirees retired since December 5, 1983, the District contribution is limited to the cost of Kaiser under age 65 retiree only rate over the plan year. Retirees pay the difference between the District contribution and the premium rate required by the OPEB Plan.

Contributions

The District's OPEB funding policy is to contribute 100 percent or more of the actuarially determined contribution each year. Benefit payments occur in the form of direct payments for premiums and taxes (explicit subsidies) and indirect payments to retirees in the form of higher premiums for active employees (implicit subsidies). For the fiscal year ended June 30, 2022, the District's actual contributions were $200,947.

Net OPEB Liability and actuarial assumptions

The Net OPEB liability of the District measured as of June 30, 2021, was $1,467,114 (presented at 0.170%, which is the County of Santa Clara's calculation of the Districts proportional share).

The following table shows the actuarial assumptions over the measurement period (presented at 0.170%, which is the County of Santa Clara's calculation of the District's proportional share). The District's Net OPEB liability was measured as of June 30, 2021 and the Total OPEB liability used to calculate the Net OPEB liability was determined by an actuarial valuation dated June 30, 2021 that was rolled forward to determine the June 30, 2021 Total OPEB liability, based on the following actuarial methods and assumptions:

NOTE 7 - OTHER POST EMPLOYMENT BENEFITS - CONT'D

Net OPEB Liability and actuarial assumptions - Cont'd

Actuarial Assumptions	
Discount rate	7.00%
Price inflation	2.50%
Wage inflation	2.75%, assumed in projecting future growth in payroll over 26-year closed amortization period
Salary increases	Miscellaneous: 9.75% to 3.25%, varying by service, including wage inflation
	Safety: 15.95% to 4.25%, varying by service, including wage inflation
Investment rate of return	7.00%
Medical cost trend rate	
Non-medicare medical plan	7.50% graded down to an ultimate of 4.50% over 12 years
Medicare medical plan	6.50% graded down to an ultimate of 4.50% over 8 years
Medicare part B	4.50%

Target Assets Allocation

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 inflation) are developed for each major asset class. These returns 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, adding expected inflation and subtracting expected investment expenses and a risk margin. The target allocation and best estimates of arithmetic real rates of return for each major asset class after deducting inflation, but before deducting investment expenses, used in the derivation of the long-term expected investment rate of return assumption are summarized in the following table:

Asset Class	Target Allocation	Long-term expected real rate of return
International Equity	59.00%	7.79%
Fixed Income	25.00%	0.89%
Real Estate	8.00%	4.14%
Treasury Inflation Protected Securities	5.00%	0.89%
Commodities	3.00%	4.09%
Total	100.00%	

NOTE 7 - OTHER POST EMPLOYMENT BENEFITS - CONT'D

Discount Rate

The discount rate used to measure the Total OPEB liability was 7.00 percent as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that the District's contributions will be made at rates equal to the actuarially determined contribution rates. For this purpose, only employee and employer contributions that are intended to fund benefits for current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the OPEB Plan's fiduciary net position was projected to be available to make all projected OPEB future benefit payments for current plan members. 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 as of June 30, 2021.

Sensitivity of the Net OPEB Liability to changes in the discount rate. The following presents the Net OPEB Liability (NOL) of the District as of June 30, 2021, calculated using the discount rate of 7.00%, as well as what the District's NOL would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	Discount Rate-1% (6.00%)	Current Discount Rate (7.00%)	Discount Rate+1% (8.00%)
Miscellaneous	$ 1,835,556	$ 1,305,731	$ 870,929
Safety	226,868	161,383	107,644
Total	$ 2,062,424	$ 1,467,114	$ 978,573

Sensitivity of the Net OPEB Liability to changes in the trend rate. The following presents the Net OPEB Liability of the District as of June 30, 2021, as well as what the District's Net OPEB Liability would be if it were calculated using a trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

	1% Decrease	Current Trend Rate*	1% Increase
Miscellaneous	$ 830,171	$ 1,305,731	$ 1,896,573
Safety	102,606	161,383	234,410
Total	$ 932,777	$ 1,467,114	$ 2,130,983

* *Current trend rates: 7.50% graded down to 4.50% over 12 years for Non-Medicare medical plan costs; 6.50% graded down to 4.50% over 8 years for Medicare medical plan costs and 4.50% for all years for Medicare Part B subsidy cost.*

NOTE 7 - OTHER POST EMPLOYMENT BENEFITS - CONT'D

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

For the fiscal year ended June 30, 2022, the District recognized OPEB expenses/(incomes) of $(527,864). As of fiscal year ended June 30, 2022, the District reported deferred outflows of resources related to OPEB from the following sources:

Miscellaneous plan	Deferred outflow of resources	Deferred inflow of resources
Changes in proportion and differences between entity's contributions and proportionate share of contributions	$ 35,964	$ 6,803
Changes of assumptions or other inputs	74,946	90,023
Employer contribution subsequent to measurement date	178,843	-
Net difference between projected and actual earnings on OPEB plan investments	-	266,404
Difference between expected and actual experience in the Total OPEB Liability	34,863	308,649
Total	$ 324,616	$ 671,879

Safety Plan	Deferred outflow of resources	Deferred inflow of resources
Changes in proportion and differences between entity's contributions and proportionate share of contributions	$ 6,803	$ 35,964
Changes of assumptions or other inputs	9,263	11,127
Employer contribution subsequent to measurement date	22,104	-
Net difference between projected and actual earnings on OPEB plan investments	-	32,927
Difference between expected and actual experience in the Total OPEB Liability	4,309	38,148
Total	$ 42,479	$ 118,166

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

Year Ended June 30	Miscellaneous plan	Safety plan
2023	$ (155,662)	$ (26,485)
2024	(127,701)	(22,107)
2025	(106,483)	(18,175)
2026	(119,813)	(19,398)
2027	(23,017)	(8,848)
2028	1,107	(2,938)
2029	5,463	160
Total	$ (526,106)	$ (97,791)

NOTE 8 - RESTATEMENT

During the year ended June 30, 2022, the District made a restatement to the beginning Fund Balance - General Fund to correct the accounts receivable related to reimbursement of COVID response in the amount of $11,444 and beginning Net Position - Governmental Activities in the Government-Wide financial statements.

NOTE 9 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 15, 2022 the date at which the financial statements were available to be issued and have determined that no adjustments are necessary to the amounts reported in the accompanying financial statements nor have any subsequent events occurred, the nature of which would require disclosure.

REQUIRED SUPPLEMENTARY INFORMATION

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Resources (Inflows):				
Benefit assessment	$ 7,112,778	$ 7,112,778	$ 7,373,585	$ 260,807
Interest income	114,001	114,001	72,039	(41,962)
Intergovernmental revenue	4,260	850,953	914,069	63,116
Other revenue	67,821	67,821	54,066	(13,755)
Amount available for appropriation	7,298,860	8,145,553	8,413,759	268,206
Charges to Appropriations (Outflows):				
Current:				
Salaries and benefits	5,929,721	6,002,799	5,250,039	752,760
Services and supplies	4,153,800	4,280,749	2,950,367	1,330,382
Capital outlay	-	14,425	-	14,425
Total charge to appropriations	10,083,521	10,297,973	8,200,406	2,097,567
Excess (deficiency) of revenues over expenditures	(2,784,661)	(2,152,420)	213,353	(1,829,361)
Other financing sources (uses):				
Proceeds from sale of capital assets	-	-	42,984	2,097,567
Total other financing sources (uses)	-	-	42,984	42,984
Net change in fund balances	$ (2,784,661)	$ (2,152,420)	$ 256,337	$ (1,786,377)

See accompanying notes to required supplementary information.

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
FOR THE LAST TEN YEARS*
JUNE 30, 2022

Fiscal year	2022	2021	2020	2019	2018	2017
Measurement period ending	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
TOTAL PENSION LIABILITY						
Service cost	$ 455,937	$ 460,929	$ 423,234	$ 424,960	$ 482,208	$ 383,459
Interest	1,313,816	1,302,928	1,254,682	1,214,801	1,376,423	1,233,071
Changes of assumptions	-	-	-	(168,539)	1,151,971	-
Differences between expected and actual experience	(12,036)	148,524	249,558	117,532	(19,152)	24,248
Benefit payments, including refunds of employee contributions	(873,430)	(842,852)	(800,146)	(768,288)	(842,726)	(740,023)
Net change in total pension liability	884,287	1,069,529	1,127,328	820,466	2,148,724	900,755
Total pension liability - beginning	18,595,830	18,265,208	17,486,897	17,212,897	18,298,110	16,272,611
Total pension liability - ending (a)	19,480,117	19,334,737	18,614,225	18,033,363	20,446,834	17,173,366
PLAN FIDUCIARY NET POSITION						
Contributions - employer	674,882	607,781	535,930	459,190	526,396	441,602
Contributions - employees	215,930	214,293	201,109	187,362	215,845	190,781
Net investment income	2,959,577	654,087	828,933	1,025,753	1,451,616	64,785
Benefit payments, including refunds of employee contributions	(873,430)	(842,852)	(800,146)	(768,288)	(842,726)	(740,023)
Net plan to plan resource movement	-	220	(48)	20	(201)	321
Administrative expense	(13,139)	(18,412)	(8,958)	(18,850)	(19,247)	(7,487)
Other miscellaneous income/(expense)[1]	-	-	29	(35,793)	-	-
Net change in fiduciary net position	2,963,820	615,117	756,849	849,394	1,331,683	(50,021)
Plan fiduciary net position - beginning[2]	13,152,540	13,060,040	12,552,745	12,095,625	13,036,205	12,285,153
Plan fiduciary net position - ending (b)	16,116,360	13,675,157	13,309,594	12,945,019	14,367,888	12,235,132
Plan net pension liability/(asset) - ending (a) - (b)	$ 3,363,757	$ 5,659,580	$ 5,304,631	$ 5,088,344	$ 6,078,946	$ 4,938,234

See accompanying notes to required supplementary information.

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
FOR THE LAST TEN YEARS*
JUNE 30, 2022

Fiscal year	2016	2015
Measurement period ending	June 30, 2015	June 30, 2014
TOTAL PENSION LIABILITY		
Service cost	$ 397,932	$ 401,638
Interest	1,260,548	1,191,780
Changes of assumptions	(309,086)	-
Differences between expected and actual experience	(26,168)	-
Benefit payments, including refunds of employee contributions	(743,800)	(690,979)
Net change in total pension liability	579,426	902,439
Total pension liability - beginning	16,985,937	16,035,069
Total pension liability - ending (a)	17,565,363	16,937,508
PLAN FIDUCIARY NET POSITION		
Contributions - employer	413,251	373,013
Contributions - employees	193,685	200,145
Net investment income	293,231	1,951,233
Benefit payments, including refunds of employee contributions	(743,800)	(690,979)
Net plan to plan resource movement	(1,148)	-
Administrative expense	(14,942)	-
Other miscellaneous income/(expense)[1]	-	-
Net change in fiduciary net position	140,277	1,833,412
Plan fiduciary net position - beginning[2]	13,120,850	11,250,028
Plan fiduciary net position - ending (b)	13,261,127	13,083,440
Plan net pension liability/(asset) - ending (a) - (b)	$ 4,304,236	$ 3,854,068

See accompanying notes to required supplementary information.

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
FOR THE LAST TEN YEARS*
JUNE 30, 2022

Fiscal year	2022	2021	2020	2019	2018	2017
Measurement period ending	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
Plan fiduciary net position as a percentage of the total pension liability	82.73 %	70.73 %	71.50 %	71.78 %	70.26 %	71.24 %
Covered employee payroll[3]	$ 2,785,199	$ 2,773,339	$ 2,471,870	$ 2,482,531	$ 2,770,038	$ 2,428,650
Plan net pension liability/ (asset) as a percentage of covered - employee payroll	120.77 %	204.07 %	214.60 %	204.97 %	219.45 %	203.33 %

[1]During Fiscal Year 2017-18, as a result of Governmental Accounting Standards Board Statement (GASB) No. 75, Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions (GASB 75), CalPERS reported its proportionate share of activity related to postemployment benefits for participation in the State of California's agent OPEB plan. Accordingly, CalPERS recorded a one-time expense as a result of the adoption of GASB 75. Additionally, CalPERS employees participate in various State of California agent pension plans and during Fiscal Year 2017-18, CalPERS recorded a correction to previously reported financial statements to properly reflect its proportionate share of activity related to pensions in accordance with GASB Statement No. 68, Accounting and Financial Reporting for Pensions (GASB 68).

[2]Includes any beginning of year adjustment.

[3]Includes one year's payroll growth using 2.75 percent payroll growth assumption for fiscal years ended June 30, 2018-20; 3.00 percent payroll growth assumption for fiscal years ended June 30, 2014-17.

** Fiscal Year 2015 was the first year of implementation, therefore only eight years are shown.*

See accompanying notes to required supplementary information.

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
FOR THE LAST TEN YEARS*
JUNE 30, 2022

Fiscal year	2016	2015
Measurement period ending	June 30, 2015	June 30, 2014
Plan fiduciary net position as a percentage of the total pension liability	75.50 %	77.25 %
Covered employee payroll[3]	$ 2,465,809	$ 2,361,882
Plan net pension liability/ (asset) as a percentage of covered - employee payroll	174.56 %	163.18 %

See accompanying notes to required supplementary information.

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
SCHEDULE OF PLAN CONTRIBUTION - PENSION
FOR THE LAST TEN YEARS*
FOR THE YEAR ENDED JUNE 30, 2022

Fiscal Year	2022	2021	2020	2019	2018	2017
Actuarially determined contribution[1]	$ 674,882	$ 607,781	$ 535,930	$ 447,994	$ 433,225	$ 399,717
Contribution in relation to the actuarially determined contribution[1]	(674,882)	(607,781)	(535,930)	(447,994)	(433,225)	(399,717)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
Covered - employee payroll[2]	$ 2,785,199	$ 2,773,339	$ 2,471,870	$ 2,482,531	$ 2,770,038	$ 2,428,650
Contribution as a percentage of covered-employee payroll[2]	24.23 %	21.92 %	21.68 %	18.05 %	15.64 %	16.46 %

[1]Employers are assumed to make contributions equal to the actuarially determined contributions. However, some employers may choose to make additional contributions towards their unfunded liability. Employer contributions for such plans exceed the actuarially determined contributions.

[2]Includes one year's payroll growth using 2.75 percent payroll growth assumption for fiscal years ended June 30, 2018-20; 3.00 percent payroll growth assumption for fiscal years ended June 30, 2014-17.

** Fiscal Year 2015 was the first year of implementation, therefore only eight years are shown.*

See accompanying notes to required supplementary information.

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
SCHEDULE OF PLAN CONTRIBUTION - PENSION
FOR THE LAST TEN YEARS*
FOR THE YEAR ENDED JUNE 30, 2022

Fiscal Year	2016	2015
Actuarially determined contribution[1]	$ 378,216	$ 441,602
Contribution in relation to the actuarially determined contribution[1]	(378,216)	(441,602)
Contribution deficiency (excess)	$ -	$ -
Covered - employee payroll[2]	$ 2,465,809	$ 2,361,882
Contribution as a percentage of covered-employee payroll[2]	15.34 %	18.70 %

See accompanying notes to required supplementary information.

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
FOR THE LAST TEN YEARS*
JUNE 30, 2022

Reporting Date	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Measurement Date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Total OPEB liability					
Service cost	$ 113,246	$ 124,468	$ 134,111	$ 113,769	$ 145,373
Interest	273,326	288,106	318,888	288,780	347,544
Difference between actual and expected experience	45,235	(169,798)	(270,604)	(62,127)	(404,177)
Changes in assumption	45,953	(121,686)	37,355	75,357	(91,027)
Benefit payments, including implicit subsidies net of retiree contributions	(163,266)	(159,787)	(173,886)	(156,887)	(169,439)
Net change in Total OPEB liability	314,494	(38,697)	45,864	258,892	(171,726)
Total OPEB liability - beginning	3,873,049	4,071,225	4,508,386	4,090,106	4,904,257
Total OPEB liability - ending	4,187,543	4,032,528	4,554,250	4,348,998	4,732,531
Plan's fiduciary net position					
Contributions - employer	193,139	208,442	210,782	298,169	290,226
Contributions - employee	15,437	13,427	13,054	12,062	13,313
Net investment income	575,598	71,174	131,700	130,639	167,551
Benefit payments, including implicit subsidies net of retiree contributions	(163,266)	(159,787)	(173,887)	(156,887)	(169,439)
Administrative expense	(6,722)	(4,820)	(6,580)	(7,730)	(5,660)
Other	50,006	13,587	49,429	25,730	40,167
Net change in plan's fiduciary net position	664,192	142,023	224,498	301,983	336,158
Plan's Fiduciary Net Position – beginning	2,056,237	1,998,883	2,011,539	1,638,440	1,559,629
Plan's Fiduciary Net Position – ending	$ 2,720,429	$ 2,140,906	$ 2,236,037	$ 1,940,423	$ 1,895,787
Net OPEB Liability – ending	$ 1,467,114	$ 1,891,622	$ 2,318,213	$ 2,408,575	$ 2,836,744

See accompanying notes to required supplementary information.

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
FOR THE LAST TEN YEARS*
JUNE 30, 2022

Reporting Date	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Measurement Date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Plan's fiduciary net position as a percentage of the Total OPEB Liability	64.96 %	53.09 %	49.10 %	44.62 %	40.00 %
Covered employee payroll	$ 3,794,834	$ 3,524,488	$ 3,618,391	$ 3,200,647	$ 3,512,016
Plan Net OPEB liability as percentage of covered employee payroll	38.66 %	53.67 %	64.07 %	75.25 %	81.00 %

** Fiscal Year 2018 was the first year of implementation, therefore only five years are shown.*

See accompanying notes to required supplementary information.

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT

SCHEDULE OF PLAN CONTRIBUTION - OPEB
FOR THE LAST TEN YEARS*
FOR THE YEAR ENDED JUNE 30, 2022

Fiscal Year Ended	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Actuarially determined contribution (ADC)	$ 243,404	$ 243,805	$ 275,801	$ 298,169	$ 340,635
Contributions in relation to the ADC	(252,722)	(231,625)	(275,801)	(298,169)	(340,635)
Contribution deficiency (excess)	$ (9,318)	$ 12,180	$ -	$ -	$ -
Covered - employee payroll	$ 3,794,834	$ 3,524,488	$ 3,618,391	$ 3,200,647	$ 3,512,016
Contributions as a % of covered-employee payroll	6.66 %	6.57 %	7.62 %	9.32 %	9.69 %

** Fiscal Year 2018 was the first year of implementation, therefore only five years are shown.*

See accompanying notes to required supplementary information.

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
SCHEDULE OF PLAN CONTRIBUTION - OPEB
FOR THE LAST TEN YEARS*
FOR THE YEAR ENDED JUNE 30, 2022

Notes to Schedule:

Actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2021 were from the June 30, 2019 funding valuation.

Methods and assumptions used to establish "actuarially determined contribution" rates:

Valuation date	Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported
Measurement date	June 30, 2019 (used for establishing the ADC for the year ended June 30, 2021)
Actuarial cost method	Entry Age Actuarial Cost Method
Amortization method	30-Year Closed Amortization; level percent of payroll
Remaining amortization period	28 years as of June 30, 2019
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return	7.00%, net of investment expenses
Price inflation	2.50%
Wage inflation	2.75%
Salary Increases	Miscellaneous: 9.75% to 3.25%, varying by service, including wage inflation Safety: 15.95% to 4.25%, varying by service, including wage inflation
Medical cost trend rates	
Non-Medicare medical plan	6.75% applied to 2019-2020 plan year premiums to calculate 2020-2021 plan year premiums, graded down 0.25% per year until the 4.50% ultimate rate is reached
Medicare medical plan	6.25% applied to 2019-2020 plan year premiums to calculate 2020-2021 plan year premiums, graded down 0.25% per year until the 4.50% ultimate rate is reached
Medicare Part B	4.50%
Other assumptions	Same as those used in the June 30, 2019 funding actuarial valuation for the OPEB Plan

See accompanying notes to required supplementary information.

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2022

NOTE 1 - EXPLANATION OF DIFFERENCES BETWEEN BUDGETARY INFLOWS AND OUTFLOWS AND GAAP REVENUES AND EXPENDITURES

Sources/Inflows of Resources	
Actual amounts (budgetary basis) "available for appropriation" from the Budgetary comparison schedule	$ 8,413,759
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Fund	$ 8,413,759
Uses/Outflows of Resources	
Actual amounts (budgetary basis) "total charges to appropriations" from the Budgetary comparison schedule	$ 8,200,406
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and changes in Fund Balance - Governmental Fund	$ 8,200,406

COMPLIANCE SECTION

HARSHWAL® & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Trustees
Santa Clara County Vector Control District
San Jose, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standard applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Santa Clara County Vector Control District (the "District"), a component unit of the County of Santa Clara as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 15, 2022.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Harshwal & Company LLP

Oakland, California
November 15, 2022

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2022

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
• Material weaknesses identified?	No
• Significant deficiencies identified that a not considered to be material weakness?	None reported
Noncompliance material to the financial statements noted?	No

SECTION II - FINANCIAL STATEMENT FINDINGS

There were no findings reported in the current year.

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2022

There were no findings reported in the prior year that requires a status update.

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT

AUDITED FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT

JUNE 30, 2023



HARSHWAL & COMPANY LLP

CERTIFIED PUBLIC ACCOUNTANTS

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT

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HARSHWAL® & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Santa Clara County Vector Control District
San Jose, California

Report on the audit of Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Santa Clara County Vector Control District (the "District"), a component unit of the County of Santa Clara, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4, budgetary comparison schedule - general fund, schedule of proportionate share of net pension liability, schedule of changes in net OPEB liability and related ratios, and schedule of plan contributions - pension and OPEB on pages 32 - 43 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 07, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Harshwal & Company LLP

Oakland, California
November 07, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023

This section of Santa Clara County Vector Control District (the "District") annual financial report presents a management discussion and analysis of the District's financial performance for the fiscal year ended June 30, 2023. The District's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosure following this section:

FINANCIAL HIGHLIGHTS

- The total assets and deferred outflow of resources of the District exceeded total liabilities and deferred inflow of resources by $10,577,223 (net position) for the fiscal year reported. Of this amount, $5,958,181 is a net investment in capital assets, while $4,619,042 was restricted for general purposes.
- The District's total net position decreased by $349,492 during the fiscal year.
- As of June 30, 2023, the District's governmental funds reported combined ending fund balances of $10,502,300. The entire amount is restricted to be spent only for the missions that the District is committed to.
- At the end of the fiscal year, the restricted fund balance for the general fund was $10,178,878, or 118% of the total general fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: (1) Government-wide financial statements, (2) Fund financial statements, and (3) Notes to the basic financial statements. Required Supplementary Information is included in addition to the basic financial statements.

Government-wide Financial Statements

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

The *statement of net position* presents information on all of the District's assets, deferred outflow, liabilities, and deferred inflow with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether or not the financial position of the District is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The only governmental activity of the District is health and sanitation. The District does not have any business-type activities.

Fund Financial Statements

The fund financial statements are designed to report information about groupings of related accounts, which are used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into one category only, governmental funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements - i.e., most of the District's basic services are reported in governmental funds. These statements, however, focus on (1) how cash and other financial assets can readily be converted to available resources and (2) the balances left at year-end that are available for spending. Such information may be useful in determining what financial resources are available in the near future to finance the District's programs.

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 financial decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains two governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and capital projects.

The District does not have any proprietary and fiduciary funds.

Notes to the Basic Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information

The required supplementary information is presented concerning the District's budgetary comparison schedule. The District adopts an annual appropriated budget for its General Fund and Capital Project Fund. A budgetary comparison schedule has been provided for the General Fund to demonstrate compliance with this budget and to satisfy the requirement of GASB No. 34, as amended.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Governmental net position

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 outflow of resources exceeded liabilities and deferred inflow of resources by $10,577,223 at the close of the most recent fiscal year.

NET POSITION
GOVERNMENTAL ACTIVITIES

	2023	2022	Change $	Change %
ASSETS				
Current and other assets	$10,725,984	$11,531,337	$ (805,353)	(6.98)%
Noncurrent assets	5,958,181	6,123,847	(165,666)	(2.71)%
Total assets	16,684,165	17,655,184	(971,019)	(5.50)%
DEFERRED OUTFLOWS OF RESOURCES	2,891,108	1,187,238	1,703,870	143.52 %
LIABILITIES				
Current and other liabilities	257,440	391,077	(133,637)	(34.17)%
Noncurrent liabilities	8,407,521	5,251,726	3,155,795	60.09 %
Total liabilities	8,664,961	5,642,803	3,022,158	53.56 %
DEFERRED INFLOWS OF RESOURCES	333,089	2,272,904	(1,939,815)	(85.35)%
NET POSITION				
Net investment in capital assets	5,958,181	6,123,847	(165,666)	(2.71)%
Restricted	4,619,042	4,802,868	(183,826)	(3.83)%
Total net position	$10,577,223	$10,926,715	$ (349,492)	(3.20)%

Analysis of Net Position

The larger balance of the District's net position of $5,958,181, 56% of the total net position, represents a net investment in capital assets (e.g. land, building and improvements, vehicles, and equipment). The District uses these capital assets to provide services to citizens; consequently, these are not available for future spending.

The remaining portion of the District's net position of $4,619,042, 44% of the total net position, represents resources that are subject to external restrictions on how they may be used.

At the end of the current fiscal year, the District reported positive balances in both categories of net position.

Governmental Activities

Governmental activities decreased the District's total net position by $349,492, thereby accounting for (3.20)% of the total decrease in net position of the District. The following table indicates the changes in net position for governmental activities:

CHANGES IN NET POSITION
GOVERNMENTAL ACTIVITIES

	2023	2022	Change $	Change %
REVENUES				
Benefit assessment	$ 7,528,909	$ 7,373,585	$ 155,324	2.11 %
Interest income	236,771	74,552	162,219	217.59 %
Gain on sale of capital assets	22,234	42,984	(20,750)	(48.27)%
Intergovernmental	142,485	914,069	(771,584)	(84.41)%
Other revenues	50,486	54,066	(3,580)	(6.62)%
Total revenues	7,980,885	8,459,256	(478,371)	(5.66)%
EXPENSES				
Health and sanitation	8,330,377	7,257,379	1,072,998	14.78 %
Total expenses	8,330,377	7,257,379	1,072,998	14.78 %
Change in net position	(349,492)	1,201,877	(1,551,369)	(129.08)%
Net position - beginning of year	10,926,715	9,713,394	1,213,321	12.49 %
Restatement	-	11,444	(11,444)	(100.00)%
Net position - beginning of year, restated	10,926,715	9,724,838	1,201,877	12.36 %
Net position - end of year	$10,577,223	$10,926,715	$ (349,492)	(3.20)%

Analysis of Changes in Net Position

A key element of a decrease in net position by $349,492 was decrease in overall expenses and an increase in assessment revenues.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

Governmental Funds

The general government functions are contained in the General Funds and the Capital Project. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balance of spendable resources. Such information is useful in assessing the District's financing requirements.

As of June 30, 2023, the District's governmental funds reported combined ending fund balances of $10,502,300, a decrease of $673,310 in comparison with the prior year, largely due to an increase in cash and investment of the general fund. All of the combined ending fund balances constitute restricted fund balance for general purposes.

The general fund is the chief operating fund of the District. As of June 30, 2023, the restricted fund balance of the general fund was $10,178,878, while the total fund balance reached $10,502,300. The total fund balance of the general fund represents 118% of the total general fund expenditures of $8,654,195.

Revenues for governmental functions totaled $7,958,651 in the current fiscal year, which represents a decrease of $478,371 from the previous fiscal year. Expenditures for governmental functions totaled $8,654,195, which represents an increase of $453,789 from the previous fiscal year's total expenditure of $8,200,406. In the current fiscal year, revenues for governmental functions fell short of expenditures by $695,544.

The following table presents the revenues from various sources as well as increases or decreases from the prior year.

REVENUES CLASSIFIED BY SOURCE
GOVERNMENTAL FUNDS

	2023		2022			
	Amount	% of Total	Amount	% of Total	Change $	Change %
Revenues by source						
Benefit assessment	$7,528,909	94.34 %	$7,373,585	87.17 %	$ 155,324	2.11 %
Interest income	236,771	2.97 %	74,552	0.88 %	162,219	217.59 %
Proceeds from sale of capital assets	22,234	0.28 %	42,984	0.51 %	(20,750)	100.00 %
Intergovernmental revenue	142,485	1.79 %	914,069	10.81 %	(771,584)	(84.41)%
Other revenues	50,486	0.63 %	54,066	0.64 %	(3,580)	(6.62)%
Total	$7,980,885	100.00 %	$8,459,256	100.00 %	$ (478,371)	(5.66)%

GENERAL FUND BUDGETARY HIGHLIGHTS

During the year, actual revenues were more than budgetary estimates by $194,407. This favorable variance is mainly due to an increase in intergovernmental revenue. Actual expenditures were less than budgetary estimates by $(1,422,667). This favorable variance is due to a decrease in salary expenditure and services and supplies.

CAPITAL ASSETS AND DEBT ADMINISTRATION

CAPITAL ASSETS

The District's capital assets for its governmental activities as of June 30, 2023, amounted to $5,958,181 (net of accumulated depreciation). The capital assets include land, building and improvements, vehicles, and equipment. A decrease in the District's capital assets for the current period was $165,666, mainly due to the net effect of capital assets, as reduced by depreciation over assets in use.

Capital assets for the governmental activities are presented below to illustrate changes from the prior year:

	Governmental Activities			
	2023	2022	Change $	Change %
Land	$ 2,352,000	$ 2,352,000	$ -	- %
Building and improvements	4,630,727	4,630,727	-	- %
Vehicles	1,683,466	1,753,414	(69,948)	(3.99)%
Equipment	664,712	556,146	108,566	19.52 %
Total Cost	9,330,905	9,292,287	38,618	0.42 %
Less: accumulated depreciation	(3,372,724)	(3,168,440)	204,284	6.45 %
Capital assets, net	$ 5,958,181	$ 6,123,847	$ (165,666)	(2.71)%

LONG TERM LIABILITIES

The District's long-term liabilities for its governmental activities as of June 30, 2023, amounted to $8,441,277. Long-term liabilities consist of compensated absences, net pension liabilities, and net OPEB liabilities. An increase in long-term liabilities for an amount of $3,154,201 was mainly due to an increase in net OPEB liability and net Pension liability.

Long term liabilities for the governmental activities are presented below to illustrate changes from the prior year:

	Governmental Activities			
	2023	2022	Change $	Change %
Compensated absences	$ 392,397	$ 456,205	$ (63,808)	(13.99)%
Net OPEB liability	2,166,118	1,467,114	699,004	47.64 %
Net pension liability	5,882,762	3,363,757	2,519,005	74.89 %
Totals	$ 8,441,277	$ 5,287,076	$ 3,154,201	59.66 %

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Mosquito, Vector and Disease Control Assessment relies on two benefit assessments to fulfill the District Service Mission "to detect and minimize vector borne disease, to abate mosquitoes, and to assist the public in resolving problems with rodents, wildlife, tick borne diseases and insects of medical significance". Several factors help to maintain the stability of the revenue stream from the benefit assessments, and thus, the consistency of the economic picture. The number of parcels added to the District's benefit assessment roll rises at less than 1 percent annually; the current assessments do not include a "sunset clause"; annual assessed amounts cannot contain a CPI U (maximum 3%) adjustment without the approval from the District Board of Trustees; and no additional assessments are being proposed. Historically, the Board has approved recommended CPI U adjustments. Revenue from the two benefit assessments totaled $7,528,909 for FY 2023 and projected to total $ 7,573,429 for FY 2024. The District will also be increasing the 2005 benefit assessment by 3.00% in FY 2024 to reflect changes in the CPI-U for the San Francisco region, increasing that assessment by $0.27 per SFE. Assessment increase was approved by the Board on June 06, 2023.

The district continues to conduct sampling to detect invasive mosquito species such as Aedes aegypti, Aedes albopictus, and Aedes notoscriptus. Once established in the county, these three species could significantly impact mosquito control operations and impose an additional financial burden on the district. Of even greater concern is the fact that these species are known vectors for Zika, Dengue, and Chikungunya viruses, and imported cases of these diseases have occurred and will likely continue to do so in the county due to travel to and from areas where these viruses are prevalent. The district is also monitoring for resistance to commonly used pesticides to determine when rotation is necessary.

The district will be assessing new control measures and outreach programs, particularly focusing on tick control, especially for residents on the urban fringe.

The district is also intensifying its outreach efforts to better educate the public on the most effective ways to ensure their own and their families' safety. These efforts encompass school outreach programs, social media campaigns, traditional advertising, mailers, and collaborations with various groups, including City & County Parks departments, animal shelters, and veterinarians.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Santa Clara County Vector Control District,

1580 Berger Dr. San Jose,

CA 95112.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2023

ASSETS	
Cash and investments	$ 10,632,197
Interest receivable	78,969
Due from other government	10,777
Other assets	4,041
Capital assets, net	5,958,181
Total assets	16,684,165
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources - pension	2,114,733
Deferred outflows of resources - OPEB	776,375
Total deferred outflows of resources	2,891,108
Total assets and deferred outflows of resources	19,575,273
LIABILITIES	
Accounts payable	124,973
Accrued salaries and benefits	97,684
Due to other government	1,027
Compensated absences	392,397
Net OPEB liability	2,166,118
Net pension liability	5,882,762
Total liabilities	8,664,961
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources - pension	6,172
Deferred inflows of resources - OPEB	326,917
Total deferred inflows of resources	333,089
Total liabilities and deferred inflows of resources	8,998,050
NET POSITION	
Net investment in capital assets	5,958,181
Restricted:	
General purposes	4,619,042
Total net position	10,577,223
Total liabilities, deferred inflows of resources and net position	$ 19,575,273

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

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

Functions/Programs	Expenses	Net (Expenses) Revenues, and Changes in Net Position
Governmental Activities:		
Health and sanitation	$ 8,330,377	$ (8,330,377)
Total governmental activities	$ 8,330,377	(8,330,377)
General Revenues:		
Benefit assessment		7,528,909
Interest income		236,771
Gain on sale of capital assets		22,234
Intergovernmental revenues		142,485
Other revenue		50,486
Total general revenues		7,980,885
Change in net position		(349,492)
Net position - beginning of year		10,926,715
Net position - end of year		$ 10,577,223

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

FUND FINANCIAL STATEMENTS

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2023

	General Fund	Capital Project	Total Governmental Funds
ASSETS			
Cash and investments	$ 10,311,298	$ 320,899	$ 10,632,197
Interest receivables	76,446	2,523	78,969
Due from other government	10,777	-	10,777
Other assets	4,041	-	4,041
Total assets	10,402,562	323,422	10,725,984
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	124,973	-	124,973
Accrued salaries and benefits	97,684	-	97,684
Due to other government	1,027	-	1,027
Total liabilities	223,684	-	223,684
FUND BALANCES			
Committed	10,178,878	-	10,178,878
Restricted	-	323,422	323,422
Total fund balances	10,178,878	323,422	10,502,300
Total liabilities and fund balances	$ 10,402,562	$ 323,422	$ 10,725,984

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

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
JUNE 30, 2023

Amounts reported for governmental activities in the Statement of Net Position are different because:		
Fund balances - total governmental funds		$ 10,502,300
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the governmental funds.		
Governmental capital assets, net		5,958,181
Deferred outflows and inflows of resources related to pensions and OPEB are applicable to future periods and therefore, are not reported in the governmental funds.		
Deferred outflows of resources - Pension and OPEB	2,891,108	
Deferred inflows of resources - Pension and OPEB	(333,089)	2,558,019
Liabilities are not due and payable in the current period and therefore, are not reported as liabilities in the governmental funds. Liabilities at year end consist of:		
Net pension liability	(5,882,762)	
Net OPEB liability	(2,166,118)	
Compensated absences	(392,397)	(8,441,277)
Net position - governmental activities		$ 10,577,223

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

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	General Fund	Capital Project	Total
REVENUES			
Benefit assessment	$ 7,528,909	$ -	$ 7,528,909
Interest income	229,134	7,637	236,771
Intergovernmental revenue	142,485	-	142,485
Other revenue	50,486	-	50,486
Total revenues	7,951,014	7,637	7,958,651
EXPENDITURES			
Current:			
Salaries and benefits	5,115,731	-	5,115,731
Services and supplies	3,429,898	-	3,429,898
Capital outlay	108,566	-	108,566
Total expenditures	8,654,195	-	8,654,195
Excess (deficiency) of revenues over expenditures	(703,181)	7,637	(695,544)
OTHER FINANCING SOURCES (USES)			
Proceeds from sale of capital assets	22,234	-	22,234
Total other financing sources (uses)	22,234	-	22,234
Net change in fund balances	(680,947)	7,637	(673,310)
Fund balances - beginning of year	10,859,825	315,785	11,175,610
Fund balances - end of year	$ 10,178,878	$ 323,422	$ 10,502,300

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

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

Amounts reported for governmental activities in the Statement of Activities are different because:		
Net changes in fund balances - total governmental funds		$ (673,310)
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which additions to capital outlay exceeds depreciation expense in the period.		
Capital outlay	108,566	
Depreciation expenses	(274,232)	(165,666)
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.		
Change in compensated absences		63,808
Governmental funds report the District's pension and OPEB contributions as expenditures. However, in the Statement of Activities, the cost of pension and OPEB benefits earned net of employee contributions is reported as pension and OPEB expenses:		
Net pension incomes (expenses)	252,272	
Net OPEB incomes (expenses)	173,404	425,676
Change in net position - governmental activities		$ (349,492)

NOTE 1 - ORGANIZATION

Santa Clara County Vector Control District (the "District") was organized on May 3, 1988, in conformity with the Government Code Section 25842.5, Health and Safety Code Section 2200, et seq., Health and Safety Code Section 1800, et seq., California Penal Code, Title X, and Uniform Housing Code Section 1001 (b) 12. The District provides services to prevent vector borne diseases and reduce exposure to pests, mosquitoes, rodents and insects which affect the public health and well-being. The District serves all fifteen incorporated cities and the unincorporated areas of the County.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The District complies with generally accepted accounting principles (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

A. Basis of Presentation

Government-wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the District. These statements include the financial activities of the overall government. Governmental activities are normally supported by taxes and intergovernmental revenues.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function. Program revenues would include charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of the programs. Revenues that are not classified as program revenues, including all kinds of taxes, are presented as general revenues. The comparison of program revenues and direct expenses identifies the extent to which each program is self-financing or draws from the general revenues of the District.

When both restricted and unrestricted net position are available, restricted resources are used only after the unrestricted resources are depleted.

Fund Financial Statements

Fund financial statements are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses.

Funds are organized into three major categories: governmental, proprietary, and fiduciary. There are separate statements for each fund category. The emphasis of fund financial statements is on major governmental and enterprise funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The internal service fund is presented in a single column in the proprietary fund financial statements. The District has two funds, the general fund, and capital project, both of which are categorized as governmental funds. There are no proprietary nor fiduciary funds.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

A. Basis of Presentation - Cont'd

Governmental Funds

The District reports two governmental funds:

- General Fund is the primary operating fund of the District and is always classified as a major fund. It is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the District that are not accounted for through other funds. For the District, the General Fund's primary activity is health and sanitation.
- Capital Project is used to account for financial resources to be used for the acquisition or construction of major capital assets.

B. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

The government-wide, proprietary, and fiduciary fund financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This differs from the manner in which governmental fund financial statements are prepared. Therefore, governmental fund financial statements include a reconciliation with brief explanations to better identify the relationship between the government-wide financial statements and the statements for governmental funds. The District has no proprietary nor fiduciary funds.

The accounting objectives of the economic resources measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Fund equity is classified as net position.

Under the accrual basis of accounting, revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred or economic assets used. Revenues, expenses, gains, losses, assets, and liabilities resulting from the exchange and exchange-like transactions are recognized when the exchange takes place. Non-exchange transactions, where the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes. On an accrual basis, revenue from benefit assessment is recognized in the fiscal year for which the assessment is levied.

The governmental fund financial statements are prepared using the current financial resources measurement focus and the modified accrual basis of accounting.

In the current financial resources measurement focus, only current financial assets and liabilities are generally included on the balance sheet. The operating statements present sources and uses of available spendable financial resources during a given period. The fund balance is used as a measure of available spendable financial resources at the end of the period.

Under the modified accrual basis of accounting, revenues are recognized when measurable and available. Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year-end. Expenditures (including capital outlay) are recorded when the related liability is incurred, except for debt expenditures (principal and interest), as well as expenditures related to compensated absences which are reported when expense is due.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

C. Budgets and Budgetary Accounting

The District prepares its budget on the basis of accounting that differs from generally accepted accounting principles (GAAP). The actual results of operations are presented in the Budgetary Comparison Schedule - General Fund on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis of accounting and GAAP is that encumbrances are recorded as expenditures under the budgetary basis.

These budgets are revised by the District's governing body during the year to give consideration to unanticipated income and expenditures. The original and final revised budgets are presented for the General Fund in the financial statements. For the year ended June 30, 2023, there was no budget overrun for General Fund.

D. Cash and Investments

Cash held in banks is insured by the Federal Depository Insurance Corporation (FDIC). All cash held by the financial institutions are fully insured or collateralized, except those which exceed the maximum insured levels of the FDIC.

The District maintains substantially all its cash in the Santa Clara County Treasury. The County pools these funds with those of other Departments in the County and invests the cash. These pooled funds are carried at cost, which approximates market value. Interest earned is deposited quarterly into participating funds. Any investment losses are netted against interest income and proportionately shared by all funds in the pool.

E. Capital Assets

In the government-wide financial statements, capital assets purchased or acquired with an original cost of $5,000 or more are recorded at historical cost or estimated historical cost, if actual historical cost is not available. Donated capital assets are recorded at acquisition value at the time they are received.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation expense is provided over the assets' estimated useful lives using the straight-line method of depreciation. The estimated useful lives by type of assets are as follows:

Asset Class	Estimated useful life
Buildings and improvements	5 - 50 years
Vehicles and Equipment	3 - 30 years

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

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Upon sale of capital assets, the proceeds from sale of capital assets are included in the results of operations as other financing sources.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

F. Compensated Absences

Accumulated unpaid vacation and sick leave are recorded as a liability when future payments for such compensation absences have been earned by employees based on pay and salary rates in effect at year-end. This liability is recorded as long-term debt in the government-wide financial statement. The liability is not accrued in the governmental fund financial statement but is recognized only if it is due and payable in the event of termination.

G. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as the County of Santa Clara reports them. 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.

H. 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 Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as the County of Santa Clara reports them. 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.

I. Deferred Outflow/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.

J. Long-term Debt

In the government-wide financial statements, long-term debt, and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of applicable bond premium or discount.

In the fund financial statements, governmental funds recognize bond premiums or discounts and bond issuance cost, during the current period. The face amount of the debt issued, premiums or discounts are reported as other financing sources/uses, whereas issuance costs are reported as debt service expenditures.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

K. Equity Classifications

In government-wide and proprietary fund financial statements, equity is classified as net position and divided into three components:

- *Net Investment in Capital Assets* – This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.
- *Restricted Net Position* – This category presents external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- *Unrestricted Net Position* – This category represents the net position of the District, not restricted for any project or other purpose.

Governmental funds report fund balances in classifications based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. Fund balance for governmental funds can consist of the following:

- *Nonspendable Fund Balance* – includes amounts that are (a) not in spendable forms, such as inventory, prepaid amounts, or long-term notes receivable, or (b) legally or contractually required to be maintained intact, such as a trust that must be retained in perpetuity. The "not in spendable form" criterion includes items that are expected to be converted to cash. The District does not have a nonspendable fund balance.
- *Restricted Fund Balance* – constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation. Restriction may effectively be changed or lifted only with the consent of resource providers.
- *Committed Fund Balance* – amounts that can only be used for the specific purposes determined by formal action of the District's highest level of decision-making authority, the Board. Commitments may be changed or lifted by the District taking the same formal action that imposed the constraint originally.
- *Assigned Fund Balance* – comprises amounts intended to be used by the District for specific purposes that are neither restricted nor committed. The intent is expressed by (a) the District's Board or (b) a body (e.g., a budget or finance committee) or official to which the District's Board has delegated the authority to assign, modify, rescind amounts to be used for specific purposes. With the exception of the General Fund, this is the residual fund balance classification for all governmental funds with positive balances. The District does not have an assigned fund balance.
- *Unassigned Fund Balance* – is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds. The District does not have an unassigned fund balance.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is generally depleted in the order of restricted, committed, assigned, and unassigned.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

L. Estimates

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

NOTE 3 - CASH AND INVESTMENTS

Cash and investments as of June 30, 2023, were as follows:

	Carrying Amount	Fair Value
Cash and investments in County Treasury common pool:		
General Fund	$ 10,311,298	$ 10,013,320
Capital Project Fund	320,899	311,626
Total cash and investments	$ 10,632,197	$ 10,324,946

The District's fair value is based on their cash position as of June 30, 2023, in proportion to the entire cash held in the commingled County Pool. The fair value includes the amortization of premiums and discounts. The County's investments are registered with the SEC.

Cash in County Treasury

Funds with the County Treasurer are invested pursuant to an investment policy established by the Treasurer and approved by the Board of Trustees. The objectives of the policy are, in order of priority, preservation of capital, liquidity, and yield. The policy addresses the soundness of financial institutions in which the County deposits funds, the types of investment instruments, and the percentage of the portfolio which may be invested in certain instruments, as permitted by Section 53600 et seq. of the Government Code of the State of California. The County Treasury common pool as of June 30, 2023, consisted of cash in bank, U.S. government and agency securities, corporate bonds, negotiable certificates of deposit, commercial paper, and deposits in the State's local agency investment fund. Additional information regarding the deposit and investment custodial credit, interest rate and credit risks of the County Treasury common pool can be found in the County's June 30, 2023, annual comprehensive financial report. A copy of that report may be obtained by contacting the County's Finance Agency, Controller-Treasurer Department, 70 West Hedding Street, 2nd Floor, East Wing, San Jose, CA 95110.

NOTE 4 - CAPITAL ASSETS

The capital asset activity for the year ended June 30, 2023, were as follows:

	Beginning balance	Additions	Deletions	Ending balance
Capital assets, not being depreciated:				
Land	$ 2,352,000	$ -	$ -	$ 2,352,000
Total capital assets, not being depreciated	2,352,000	-	-	2,352,000
Capital assets being depreciated:				
Building and improvements	4,630,727	-	-	4,630,727
Vehicles	1,753,414	-	(69,948)	1,683,466
Equipment	556,146	108,566	-	664,712
Total capital assets, being depreciated	6,940,287	108,566	(69,948)	6,978,905
Less: accumulated depreciation				
Building and improvements	(1,224,515)	(96,078)	-	(1,320,593)
Vehicles	(1,387,777)	(161,944)	69,948	(1,479,773)
Equipment	(556,148)	(16,210)	-	(572,358)
Total accumulated depreciation	(3,168,440)	(274,232)	69,948	(3,372,724)
Total capital assets, being depreciated, net	3,771,847	(165,666)	-	3,606,181
Total capital assets, net	$ 6,123,847	$ (165,666)	$ -	$ 5,958,181

Depreciation expense allocated to the Health and sanitation function for the year ended June 30, 2023, was $274,232.

NOTE 5 - LONG-TERM LIABILITIES

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

	Beginning balance	Additions	Deductions	Ending balance	Due within one year	Due beyond one year
Net OPEB liability	$ 1,467,114	$ 699,004	$ -	$ 2,166,118	$ -	$ 2,166,118
Compensated absences	456,205	-	63,808	392,397	33,756	358,641
Net pension liability	3,363,757	2,519,005	-	5,882,762	-	5,882,762
Totals	$ 5,287,076	$ 3,218,009	$ 63,808	$ 8,441,277	$ 33,756	$ 8,407,521

NOTE 6 - PENSION PLANS

A. General Information about the Pension Plan

The full description of the general information about the Pension Plan (outline below) can be found in the County's June 30, 2023 annual comprehensive financial report. A copy of that report may be obtained by contacting the County's Finance Agency, Controller-Treasurer Department, 70 West Hedding Street, 2nd Floor, East Wing, San Jose, CA 95110, and may be accessed on the CalPERS website at www.calpers.ca.gov.

The following information regarding the Plan is available in County's ACFR:

- Plan Description, Benefits Provided and Employees Covered
- Contribution Description
- Actuarial Methods and Assumptions Used to Determine Total Pension Liability
- Discount Rate
- Pension Plan Fiduciary Net Position
- Sensitivity of the Net Pension Liability to Changes in the Discount Rate
- Subsequent Events and
- Recognition of Gains and Losses

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.

Reporting date	June 30, 2023
Measurement date	June 30, 2022
Measurement period	July 1, 2021 to June 30, 2022
Valuation date	June 30, 2021

NOTE 6 - PENSION PLANS - CONT'D

B. Changes in the Net Pension Liability

The following table shows the changes in net pension liability recognized over the measurement period (presented at 0.137%, which is the County of Santa Clara's calculation of the District's proportional share).

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (c) = (a) - (b)
Balance at: June 30, 2021	$ 17,674,014	$ 14,622,128	$ 3,051,886
Changes recognized for the measurement period:			
Service cost	461,622	-	461,622
Interest on the Total Pension Liability	1,263,513	-	1,263,513
Change in assumptions	574,877	-	574,877
Difference between expected and actual experience	260,728	-	260,728
Net Plan to Plan resource movement	-	96	(96)
Contributions from the employers	-	650,019	(650,019)
Contributions from employees	-	201,164	(201,164)
Net investment income	-	(1,112,306)	1,112,306
Benefit payments, including refunds of employee contributions	(857,301)	(857,301)	-
Administrative expenses	-	(9,109)	9,109
Other miscellaneous income/(expense)	-	-	-
Net changes during 2021-22	1,703,439	(1,127,437)	2,830,876
Balance at: June 30, 2022	$ 19,377,453	$ 13,494,691	$ 5,882,762

C. Sensitivity of the Net Pension Liability to Changes in the Discount Rate

	5.90% (1% Decrease)	6.90% (Current Rate)	7.90% (1% Increase)
Plan's net pension liability/(assets)	$ 8,533,076	$ 5,882,762	$ 3,697,171

NOTE 6 - PENSION PLANS - CONT'D

D. Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

For the measurement period ending June 30, 2022 (the measurement date), the District incurred a total pension expense (income) of $(252,272) for the Plan.

Adjustments have been made for contributions subsequent to the measurement date. Adequate treatment of any contributions made after the measurement date is the responsibility of the employer. As of June 30, 2023, the District has deferred outflows and deferred inflows of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	$ 449,904	$ -
Difference between expected and actual experience	268,553	6,172
Employer contribution subsequent to measurement date	692,209	-
Net difference between projected and actual earnings on pension plan investments	704,067	-
Total	$ 2,114,733	$ 6,172

The amounts above are net of outflows and inflows recognized in the 2021-22 measurement period expense. Amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

Measurement Period Ended June 30:	Deferred Outflows/ (Inflows) of Resources
2023	$ 343,734
2024	301,972
2025	237,664
2026	532,982
Thereafter	-
Total	$ 1,416,352

The District's employer contributions for the year ending June 30, 2023 is $692,209.

NOTE 7 - OTHER POST EMPLOYMENT BENEFITS

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) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

Reporting date	June 30, 2023
Measurement date	June 30, 2022
Measurement period	July 01, 2021 to June 30, 2022
Valuation date	June 30, 2022

Plan Description

The County of Santa Clara (the "County") maintains a cost sharing multiple-employer defined benefit retiree healthcare plan (OPEB Plan), which covers all employees of the District. The OPEB Plan provides healthcare benefits to eligible District employees and their surviving spouses.

The District employees hired prior to August 12, 1996 are eligible for health benefits upon attaining age 50 with 5 years of service. Employees hired on or after August 12, 1996 and before June 19, 2006 are eligible upon attaining age 50 with 8 years of service. Employees hired on or after June 19, 2006 are eligible upon attaining age 50 with 10 years of service.

The County has established a 15-year retiree health benefit service requirement that applies to employees hired mostly on or after September 30, 2013.

Retirees retired prior to December 5, 1983 have their full premium cost subsidized by the District. In addition, the District subsidizes the Part B premium cost for retirees in Medicare status who are not receiving health-in-lieu benefits. For most of the retirees retired since December 5, 1983, the District contribution is limited to the cost of Kaiser under age 65 retiree only rate over the plan year. Retirees pay the difference between the District contribution and the premium rate required by the OPEB Plan.

Contributions

The District's OPEB funding policy is to contribute 100 percent or more of the actuarially determined contribution each year. Benefit payments occur in the form of direct payments for premiums and taxes (explicit subsidies) and indirect payments to retirees in the form of higher premiums for active employees (implicit subsidies). For the fiscal year ended June 30, 2023, the District's actual contributions were $189,108.

Net OPEB Liability and actuarial assumptions

The Net OPEB liability of the District measured as of June 30, 2022, was $2,166,118 (presented at 0.156%, which is the County of Santa Clara's calculation of the Districts proportional share).

The following table shows the actuarial assumptions over the measurement period (presented at 0.156%, which is the County of Santa Clara's calculation of the District's proportional share). The District's Net OPEB liability was measured as of June 30, 2022 and the Total OPEB liability used to calculate the Net OPEB liability was determined by an actuarial valuation dated June 30, 2022 that was rolled forward to determine the June 30, 2022 Total OPEB liability, based on the following actuarial methods and assumptions:

NOTE 7 - OTHER POST EMPLOYMENT BENEFITS - CONT'D

Net OPEB Liability and actuarial assumptions - Cont'd

Actuarial Assumptions	
Discount rate	6.50%
Price inflation	2.30%
Wage inflation	2.80%, assumed in projecting future growth in payroll over 25-year closed amortization period
Salary increases	Miscellaneous: 9.01% to 3.34%, varying by service, including wage inflation
	Safety: 15.18% to 4.27%, varying by service, including wage inflation
Investment rate of return	6.50%
Medical cost trend rate	
Non-medicare medical plan	7.25% graded down to an ultimate of 4.50% over 11 years
Medicare medical plan	6.50% graded down to an ultimate of 4.50% over 8 years
Medicare part B	4.50%

Target Assets Allocation

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 inflation) are developed for each major asset class. These returns 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, adding expected inflation. The Target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, used in the derivation of the long-term expected investment rate of return assumption are summarized in the following table:

Asset Class	Target Allocation	Long-term expected real rate of return
International Equity	49.00%	7.12%
Fixed Income	23.00%	0.72%
Real Estate	20.00%	4.22%
Treasury Inflation Protected Securities	5.00%	0.72%
Commodities	3.00%	3.92%
Total	100.00%	

Discount Rate

The discount rate used to measure the Total OPEB liability was 6.50 percent as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that the District's contributions will be made at rates equal to the actuarially determined contribution rates. For this purpose, only employee and employer contributions that are intended to fund benefits for current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included.

NOTE 7 - OTHER POST EMPLOYMENT BENEFITS - CONT'D

Discount Rate - Cont'd

Based on those assumptions, the OPEB Plan's fiduciary net position was projected to be available to make all projected OPEB future benefit payments for current plan members. 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 as of June 30, 2022.

Sensitivity of the Net OPEB Liability to changes in the discount rate. The following presents the Net OPEB Liability (NOL) of the District as of June 30, 2022, calculated using the discount rate of 6.50%, as well as what the District's NOL would be if it were calculated using a discount rate that is 1-percentage-point lower (5.50%) or 1-percentage-point higher (7.50%) than the current rate:

	Discount Rate-1% (5.50%)	Current Discount Rate (6.50%)	Discount Rate+1% (7.50%)
Miscellaneous	$ 2,531,635	$ 1,942,623	$ 1,463,060
Safety	291,260	223,495	168,322
Total	$ 2,822,895	$ 2,166,118	$ 1,631,382

Sensitivity of the Net OPEB Liability to changes in the trend rate. The following presents the Net OPEB Liability of the District as of June 30, 2022, as well as what the District's Net OPEB Liability would be if it were calculated using a trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

	1% Decrease	Current Trend Rate*	1% Increase
Miscellaneous	$ 1,412,323	$ 1,942,623	$ 2,609,799
Safety	162,485	223,495	300,253
Total	$ 1,574,808	$ 2,166,118	$ 2,910,052

* *Current trend rates: 7.25% graded down to 4.50% over 11 years for Non-Medicare medical plan costs; 6.50% graded down to 4.50% over 8 years for Medicare medical plan costs and 4.50% for all years for Medicare Part B subsidy cost.*

NOTE 7 - OTHER POST EMPLOYMENT BENEFITS - CONT'D

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

For the fiscal year ended June 30, 2023, the District recognized OPEB expenses/(incomes) of $(173,404). As of fiscal year ended June 30, 2023, the District reported deferred outflows of resources related to OPEB from the following sources:

Miscellaneous plan	Deferred outflow of resources	Deferred inflow of resources
Changes in proportion and differences between entity's contributions and proportionate share of contributions	$ 36,928	$ 4,763
Changes of assumptions or other inputs	277,439	61,299
Employer contribution subsequent to measurement date	169,596	-
Net difference between projected and actual earnings on OPEB plan investments	184,598	-
Difference between expected and actual experience in the Total OPEB Liability	27,247	194,497
Total	$ 695,808	$ 260,559

Safety Plan	Deferred outflow of resources	Deferred inflow of resources
Changes in proportion and differences between entity's contributions and proportionate share of contributions	$ 4,764	$ 36,928
Changes of assumptions or other inputs	31,919	7,052
Employer contribution subsequent to measurement date	19,512	-
Net difference between projected and actual earnings on OPEB plan investments	21,238	-
Difference between expected and actual experience in the Total OPEB Liability	3,135	22,377
Total	$ 80,568	$ 66,357

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

Year Ended June 30	Miscellaneous plan	Safety plan
2024	$ 11,803	$ (6,373)
2025	31,431	(2,922)
2026	19,107	(3,954)
2027	108,605	5,056
2028	37,943	(407)
2029	41,987	2,388
2030	14,777	911
Total	$ 265,653	$ (5,301)

NOTE 8 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 07, 2023, the date at which the financial statements were available to be issued and have determined that no adjustments are necessary to the amounts reported in the accompanying financial statements nor have any subsequent events occurred, the nature of which would require disclosure.

REQUIRED SUPPLEMENTARY INFORMATION

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Resources (Inflows):				
Benefit assessment	$ 7,112,778	$ 7,573,429	$ 7,528,909	$ (44,520)
Interest income	111,097	111,097	229,134	118,037
Intergovernmental revenue	4,260	4,260	142,485	138,225
Other revenue	67,821	67,821	50,486	(17,335)
Amount available for appropriation	7,295,956	7,756,607	7,951,014	194,407
Charges to Appropriations (Outflows):				
Current:				
Salaries and benefits	5,820,110	5,820,110	5,115,731	(704,379)
Services and supplies	3,740,077	4,008,585	3,429,898	(578,687)
Capital outlay	60,000	248,167	108,566	(139,601)
Total charge to appropriations	9,620,187	10,076,862	8,654,195	(1,422,667)
Excess (deficiency) of revenues over expenditures	(2,324,231)	(2,320,255)	(703,181)	1,617,074
Other financing sources (uses):				
Proceeds from sale of capital assets	-	-	22,234	22,234
Total other financing sources (uses)	-	-	22,234	22,234
Net change in fund balances	$ (2,324,231)	$ (2,320,255)	$ (680,947)	$ 1,639,308

See accompanying notes to required supplementary information.

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
FOR THE LAST TEN YEARS*
JUNE 30, 2023

Fiscal year	2023	2022	2021	2020	2019	2018
Measurement period ending	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
TOTAL PENSION LIABILITY						
Service cost	$ 461,622	$ 455,937	$ 460,929	$ 423,234	$ 424,960	$ 482,208
Interest	1,263,513	1,313,816	1,302,928	1,254,682	1,214,801	1,376,423
Changes of assumptions	574,877	-	-	-	(168,539)	1,151,971
Differences between expected and actual experience	260,728	(12,036)	148,524	249,558	117,532	(19,152)
Benefit payments, including refunds of employee contributions	(857,301)	(873,430)	(842,852)	(800,146)	(768,288)	(842,726)
Net change in total pension liability	1,703,439	884,287	1,069,529	1,127,328	820,466	2,148,724
Total pension liability - beginning	17,674,014	18,595,830	18,265,208	17,486,897	17,212,897	18,298,110
Total pension liability - ending (a)	19,377,453	19,480,117	19,334,737	18,614,225	18,033,363	20,446,834
PLAN FIDUCIARY NET POSITION						
Contributions - employer	650,019	674,882	607,781	535,930	459,190	526,396
Contributions - employees	201,164	215,930	214,293	201,109	187,362	215,845
Net investment income	(1,112,306)	2,959,577	654,087	828,933	1,025,753	1,451,616
Benefit payments, including refunds of employee contributions	(857,301)	(873,430)	(842,852)	(800,146)	(768,288)	(842,726)
Net plan to plan resource movement	96	-	220	(48)	20	(201)
Administrative expense	(9,109)	(13,139)	(18,412)	(8,958)	(18,850)	(19,247)
Other miscellaneous income/(expense)[1]	-	-	-	29	(35,793)	-
Net change in fiduciary net position	(1,127,437)	2,963,820	615,117	756,849	849,394	1,331,683
Plan fiduciary net position - beginning[2]	14,622,128	13,152,540	13,060,040	12,552,745	12,095,625	13,036,205
Plan fiduciary net position - ending (b)	13,494,691	16,116,360	13,675,157	13,309,594	12,945,019	14,367,888
Plan net pension liability/(asset) - ending (a) - (b)	$ 5,882,762	$ 3,363,757	$ 5,659,580	$ 5,304,631	$ 5,088,344	$ 6,078,946

See accompanying notes to required supplementary information.

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
FOR THE LAST TEN YEARS*
JUNE 30, 2023

Fiscal year	2017	2016	2015
Measurement period ending	June 30, 2016	June 30, 2015	June 30, 2014
TOTAL PENSION LIABILITY			
Service cost	$ 383,459	$ 397,932	$ 401,638
Interest	1,233,071	1,260,548	1,191,780
Changes of assumptions	-	(309,086)	-
Differences between expected and actual experience	24,248	(26,168)	-
Benefit payments, including refunds of employee contributions	(740,023)	(743,800)	(690,979)
Net change in total pension liability	900,755	579,426	902,439
Total pension liability - beginning	16,272,611	16,985,937	16,035,069
Total pension liability - ending (a)	17,173,366	17,565,363	16,937,508
PLAN FIDUCIARY NET POSITION			
Contributions - employer	441,602	413,251	373,013
Contributions - employees	190,781	193,685	200,145
Net investment income	64,785	293,231	1,951,233
Benefit payments, including refunds of employee contributions	(740,023)	(743,800)	(690,979)
Net plan to plan resource movement	321	(1,148)	-
Administrative expense	(7,487)	(14,942)	-
Other miscellaneous income/(expense)[1]	-	-	-
Net change in fiduciary net position	(50,021)	140,277	1,833,412
Plan fiduciary net position - beginning[2]	12,285,153	13,120,850	11,250,028
Plan fiduciary net position - ending (b)	12,235,132	13,261,127	13,083,440
Plan net pension liability/(asset) - ending (a) - (b)	$ 4,938,234	$ 4,304,236	$ 3,854,068

See accompanying notes to required supplementary information.

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
FOR THE LAST TEN YEARS*
JUNE 30, 2023

Fiscal year	2023	2022	2021	2020	2019	2018
Measurement period ending	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Plan fiduciary net position as a percentage of the total pension liability	69.64 %	82.73 %	70.73 %	71.50 %	71.78 %	70.26 %
Covered employee payroll[3]	$ 2,654,525	$ 2,785,199	$ 2,773,339	$ 2,471,870	$ 2,482,531	$ 2,770,038
Plan net pension liability/ (asset) as a percentage of covered - employee payroll	221.61 %	120.77 %	204.07 %	214.60 %	204.97 %	219.45 %

[1]During Fiscal Year 2017-18, as a result of Governmental Accounting Standards Board Statement (GASB) No. 75, Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions (GASB 75), CalPERS reported its proportionate share of activity related to postemployment benefits for participation in the State of California's agent OPEB plan. Accordingly, CalPERS recorded a one-time expense as a result of the adoption of GASB 75. Additionally, CalPERS employees participate in various State of California agent pension plans and during Fiscal Year 2017-18, CalPERS recorded a correction to previously reported financial statements to properly reflect its proportionate share of activity related to pensions in accordance with GASB Statement No. 68, Accounting and Financial Reporting for Pensions (GASB 68).

[2]Includes any beginning of year adjustment.

[3]Includes one year's payroll growth using 2.75 percent payroll growth assumption for fiscal years ended June 30, 2018-20; 3.00 percent payroll growth assumption for fiscal years ended June 30, 2014-17.

** Fiscal Year 2015 was the first year of implementation, therefore only nine years are shown.*

See accompanying notes to required supplementary information.

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
FOR THE LAST TEN YEARS*
JUNE 30, 2023

Fiscal year	2017	2016	2015
Measurement period ending	June 30, 2016	June 30, 2015	June 30, 2014
Plan fiduciary net position as a percentage of the total pension liability	71.24 %	75.50 %	77.25 %
Covered employee payroll[3]	$ 2,428,650	$ 2,465,809	$ 2,361,882
Plan net pension liability/ (asset) as a percentage of covered - employee payroll	203.33 %	174.56 %	163.18 %

See accompanying notes to required supplementary information.

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
SCHEDULE OF PLAN CONTRIBUTION - PENSION
FOR THE LAST TEN YEARS*
FOR THE YEAR ENDED JUNE 30, 2023

Fiscal Year	2023	2022	2021	2020	2019	2018
Actuarially determined contribution[1]	$ 650,019	$ 674,882	$ 607,781	$ 535,930	$ 447,994	$ 433,225
Contribution in relation to the actuarially determined contribution[1]	(650,019)	(674,882)	(607,781)	(535,930)	(447,994)	(433,225)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
Covered - employee payroll[2]	$ 2,654,525	$ 2,785,199	$ 2,773,339	$ 2,471,870	$ 2,482,531	$ 2,770,038
Contribution as a percentage of covered-employee payroll[2]	24.49 %	24.23 %	21.92 %	21.68 %	18.05 %	15.64 %

[1]Employers are assumed to make contributions equal to the actuarially determined contributions. However, some employers may choose to make additional contributions towards their unfunded liability. Employer contributions for such plans exceed the actuarially determined contributions.

[2]Includes one year's payroll growth using 2.80 percent payroll growth assumption for fiscal years ended June 30, 2022; 2.75 percent payroll growth assumption for fiscal years ended June30, 2018-21; 3.00 percent payroll growth assumption for fiscal years ended June 30, 2014-17.

** Fiscal Year 2015 was the first year of implementation, therefore only nine years are shown.*

See accompanying notes to required supplementary information.

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
SCHEDULE OF PLAN CONTRIBUTION - PENSION
FOR THE LAST TEN YEARS*
FOR THE YEAR ENDED JUNE 30, 2023

Fiscal Year	2017	2016	2015
Actuarially determined contribution[1]	$ 399,717	$ 378,216	$ 441,602
Contribution in relation to the actuarially determined contribution[1]	(399,717)	(378,216)	(441,602)
Contribution deficiency (excess)	$ -	$ -	$ -
Covered - employee payroll[2]	$ 2,428,650	$ 2,465,809	$ 2,361,882
Contribution as a percentage of covered-employee payroll[2]	16.46 %	15.34 %	18.70 %

See accompanying notes to required supplementary information.

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
FOR THE LAST TEN YEARS*
JUNE 30, 2023

Reporting Date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Measurement Date	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Total OPEB liability						
Service cost	$ 108,602	$ 113,246	$ 124,468	$ 134,111	$ 113,769	$ 145,373
Interest	271,112	273,326	288,106	318,888	288,780	347,544
Change in benefit terms	28,422	-	-	-	-	-
Difference between actual and expected experience	(381)	45,235	(169,798)	(270,604)	(62,127)	(404,177)
Changes in assumption	290,579	45,953	(121,686)	37,355	75,357	(91,027)
Benefit payments, including implicit subsidies net of retiree contributions	(159,203)	(163,266)	(159,787)	(173,886)	(156,887)	(169,439)
Net change in Total OPEB liability	539,131	314,494	(38,697)	45,864	258,892	(171,726)
Total OPEB liability - beginning	3,842,687	3,873,049	4,071,225	4,508,386	4,090,106	4,904,257
Total OPEB liability - ending	4,381,818	4,187,543	4,032,528	4,554,250	4,348,998	4,732,531
Plan's fiduciary net position						
Contributions - employer	180,831	193,139	208,442	210,782	298,169	290,226
Contributions - employee	14,098	15,437	13,427	13,054	12,062	13,313
Net investment income	(341,546)	575,598	71,174	131,700	130,639	167,551
Benefit payments, including implicit subsidies net of retiree contributions	(159,203)	(163,266)	(159,787)	(173,887)	(156,887)	(169,439)
Administrative expense	(5,174)	(6,722)	(4,820)	(6,580)	(7,730)	(5,660)
Other	30,300	50,006	13,587	49,429	25,730	40,167
Net change in plan's fiduciary net position	(280,694)	664,192	142,023	224,498	301,983	336,158
Plan's Fiduciary Net Position - beginning	2,496,394	2,056,237	1,998,883	2,011,539	1,638,440	1,559,629
Plan's Fiduciary Net Position - ending	$ 2,215,700	$ 2,720,429	$ 2,140,906	$ 2,236,037	$ 1,940,423	$ 1,895,787
Net OPEB Liability - ending	$ 2,166,118	$ 1,467,114	$ 1,891,622	$ 2,318,213	$ 2,408,575	$ 2,836,744

See accompanying notes to required supplementary information.

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
FOR THE LAST TEN YEARS*
JUNE 30, 2023

Reporting Date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Measurement Date	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Plan's fiduciary net position as a percentage of the Total OPEB Liability	50.57 %	64.96 %	53.09 %	49.10 %	44.62 %	40.00 %
Covered employee payroll	$ 3,339,404	$ 3,794,834	$ 3,524,488	$ 3,618,391	$ 3,200,647	$ 3,512,016
Plan Net OPEB liability as percentage of covered employee payroll	64.87 %	38.66 %	53.67 %	64.07 %	75.25 %	81.00 %

** Fiscal Year 2018 was the first year of implementation, therefore only six years are shown.*

See accompanying notes to required supplementary information.

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
SCHEDULE OF PLAN CONTRIBUTION - OPEB
FOR THE LAST TEN YEARS*
FOR THE YEAR ENDED JUNE 30, 2023

Fiscal Year Ended	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Actuarially determined contribution (ADC)	$ 221,052	$ 243,404	$ 243,805	$ 275,801	$ 298,169	$ 340,635
Contributions in relation to the ADC	(220,748)	(252,722)	(231,625)	(275,801)	(298,169)	(340,635)
Contribution deficiency (excess)	$ 304	$ (9,318)	$ 12,180	$ -	$ -	$ -
Covered - employee payroll	$ 3,339,404	$ 3,794,834	$ 3,524,488	$ 3,618,391	$ 3,200,647	$ 3,512,016
Contributions as a % of covered-employee payroll	6.61 %	6.66 %	6.57 %	7.62 %	9.32 %	9.69 %

** Fiscal Year 2018 was the first year of implementation, therefore only six years are shown.*

See accompanying notes to required supplementary information.

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
SCHEDULE OF PLAN CONTRIBUTION - OPEB
FOR THE LAST TEN YEARS*
FOR THE YEAR ENDED JUNE 30, 2023

Notes to Schedule:

Actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2022 were from the June 30, 2020 funding valuation.

Methods and assumptions used to establish "actuarially determined contribution" rates:

Valuation date	Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported
Measurement date	June 30, 2020 (used for establishing the ADC for the year ended June 30, 2022)
Actuarial cost method	Entry Age Actuarial Cost Method
Amortization method	30-Year Closed Amortization; level percent of payroll
Remaining amortization period	27 years as of June 30, 2020
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return	7.00%, net of investment expenses
Price inflation	2.50%
Wage inflation	2.75%
Salary Increases	Miscellaneous: 9.75% to 3.25%, varying by service, including wage inflation Safety: 15.95% to 4.25%, varying by service, including wage inflation
Medical cost trend rates	
Non-Medicare medical plan	6.75% applied to 2020-2021 plan year premiums to calculate 2021-2022 plan year premiums, graded down 0.25% per year until the 4.50% ultimate rate is reached
Medicare medical plan	6.25% applied to 2020-2021 plan year premiums to calculate 2021-2022 plan year premiums, graded down 0.25% per year until the 4.50% ultimate rate is reached
Medicare Part B	4.50%
Other assumptions	Same as those used in the June 30, 2020 funding actuarial valuation for the OPEB Plan

See accompanying notes to required supplementary information.

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2023

NOTE 1 - EXPLANATION OF DIFFERENCES BETWEEN BUDGETARY INFLOWS AND OUTFLOWS AND GAAP REVENUES AND EXPENDITURES

Sources/Inflows of Resources	
Actual amounts (budgetary basis) "available for appropriation" from the Budgetary comparison schedule	$ 7,951,014
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Fund	$ 7,951,014
Uses/Outflows of Resources	
Actual amounts (budgetary basis) "total charges to appropriations" from the Budgetary comparison schedule	$ 8,654,195
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and changes in Fund Balance - Governmental Fund	$ 8,654,195

COMPLIANCE SECTION

HARSHWAL® & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Trustees
Santa Clara County Vector Control District
San Jose, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund of Santa Clara County Vector Control District (the "District"), a component unit of the County of Santa Clara as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 07, 2023.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Harshwal & Company LLP

Oakland, California
November 07, 2023

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2023

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
• Material weaknesses identified?	No
• Significant deficiencies identified that a not considered to be material weakness?	None reported
Noncompliance material to the financial statements noted?	No

SECTION II - FINANCIAL STATEMENT FINDINGS

There were no findings reported in the current year.

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2023

There were no findings reported in the prior year that requires a status update.

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT

AUDITED FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT

JUNE 30, 2024

HARSHWAL® & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
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HARSHWAL® & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Santa Clara County Vector Control District
San Jose, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Santa Clara County Vector Control District (the "District"), a component unit of the County of Santa Clara, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 - 10 and required supplementary schedules on pages 33 - 44 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 08, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Harshwal & Company LLP

Oakland, California
October 08, 2024

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2024

This section of Santa Clara County Vector Control District (the "District") annual financial report presents a management discussion and analysis of the District's financial performance for the fiscal year ended June 30, 2024. The District's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosure following this section:

FINANCIAL HIGHLIGHTS

- The total assets and deferred outflow of resources of the District exceeded the total liabilities and deferred inflow of resources by $7,927,967 (net position) for the fiscal year reported. Of this amount, $5,844,251 is a net investment in capital assets, while $2,083,716 was restricted for general purposes.
- The District's total net position decreased by $2,649,256 during the fiscal year.
- As of June 30, 2024, the District's governmental funds reported combined ending fund balances of $8,735,696. The entire amount is restricted to be spent only for the missions that the District is committed to.
- At the end of the fiscal year, the committed fund balance for the general fund was $8,400,970, or 86% of the total general fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: (1) Government-wide financial statements, (2) Fund financial statements, and (3) Notes to basic financial statements. Required Supplementary Information is included in addition to basic financial statements.

Government-Wide Financial Statements

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

The *statement of net position* presents information on all of the District's assets, deferred outflow, liabilities, and deferred inflow with the difference between the two reported as net position. Over the time, increases or decreases in net position may serve as a useful indicator of whether or not the financial position of the District is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The only governmental activity of the District is health and sanitation. The District does not have any business-type activities.

Fund Financial Statements

The fund financial statements are designed to report information about groupings of related accounts, which are used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into one category only; governmental funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements - i.e., most of the District's basic services are reported in governmental funds. These statements, however, focus on (1) how cash and other financial assets can readily be converted to available resources and (2) the balances left at year-end that are available for spending. Such information may be useful in determining what financial resources are available in the near future to finance the District's programs.

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 financial decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains two governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and capital projects.

The District does not have any proprietary and fiduciary funds.

Notes to Basic Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information

The required supplementary information concerning the District's budgetary comparison schedule, schedule of proportionate share of net pension liability, schedule of changes in net OPEB liability & related ratios and schedule of plan contribution for pension & OPEB are presented. The District adopts an annual appropriated budget for its General Fund and Capital Project Fund. A budgetary comparison schedule has been provided for the General Fund to demonstrate compliance with this budget and to satisfy the requirement of GASB No. 34, as amended.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Governmental net position

As noted earlier, net position may serve as a useful indicator of a government's financial position over time. In the case of the District, assets and deferred outflow of resources exceeded liabilities and deferred inflow of resources by $7,927,967 at the close of the most recent fiscal year.

NET POSITION
GOVERNMENTAL ACTIVITIES

	2024	2023	Change $	Change %
ASSETS				
Current and other assets	$ 8,942,906	$ 10,725,984	$ (1,783,078)	(16.62)%
Noncurrent assets	5,844,251	5,958,181	(113,930)	(1.91)%
Total assets	14,787,157	16,684,165	(1,897,008)	(11.37)%
DEFERRED OUTFLOWS OF RESOURCES	2,976,563	2,891,108	85,455	2.96%
LIABILITIES				
Current and other liabilities	246,064	257,440	(11,376)	(4.42)%
Noncurrent liabilities	9,219,090	8,407,521	811,569	9.65%
Total liabilities	9,465,154	8,664,961	800,193	9.23%
DEFERRED INFLOWS OF RESOURCES	370,599	333,089	37,510	11.26%
NET POSITION				
Net investment in capital assets	5,844,251	5,958,181	(113,930)	(1.91)%
Unrestricted	2,083,716	4,619,042	(2,535,326)	(54.89)%
Total net position	$ 7,927,967	$ 10,577,223	$ (2,649,256)	(25.05)%

Analysis of Net Position

The larger balance of the District's net position of $5,844,251, 74% of the total net position, represents a net investment in capital assets (e.g., land, building and improvements, vehicles, and equipment). The District uses these capital assets to provide services to citizens; consequently, these are not available for future spending.

The remaining portion of the District's net position of $2,083,716, 26% of the total net position, represents resources that are subject to external restrictions on how they may be used.

At the end of the current fiscal year, the District reported positive balances in the General Fund and Capital Project Fund of net position.

Governmental Activities

Governmental activities decreased the District's total net position by $2,649,256, thereby accounting for 25% of the total decrease in net position of the District. The following table indicates the changes in net position for governmental activities:

CHANGES IN NET POSITION
GOVERNMENTAL ACTIVITIES

	2024	2023	Change $	Change %
REVENUES				
Benefit assessment	$ 7,688,382	$ 7,528,909	$ 159,473	2.12%
Interest income	291,839	236,771	55,068	23.26%
Gain on sale of capital assets	13,659	22,234	(8,575)	(38.57)%
Intergovernmental	8,111	142,485	(134,374)	(94.31)%
Other revenues	27,539	50,486	(22,947)	(45.45)%
Total revenues	8,029,530	7,980,885	48,645	0.61%
EXPENSES				
Health and sanitation	10,678,786	8,330,377	2,348,409	28.19%
Total expenses	10,678,786	8,330,377	2,348,409	28.19%
Change in net position	(2,649,256)	(349,492)	(2,299,764)	658.03%
Net position - beginning of year	10,577,223	10,926,715	(349,492)	(3.20)%
Net position - end of year	$ 7,927,967	$ 10,577,223	$ (2,649,256)	(25.05)%

Analysis of Changes in Net Position

A key element of a decrease in net position by $2,649,256 was an increase in overall expenses and an increase in assessment and interest revenues.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

Governmental Funds

The general government functions are contained in the General Funds and the Capital Project. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balance of spendable resources. Such information is useful in assessing the District's financing requirements.

As of June 30, 2024, the District's governmental funds reported combined ending fund balances of $8,735,696, a decrease of $1,766,604 in comparison with the prior year, largely due to a decrease in cash and investment of the general fund. All of the combined ending fund balances constitute unrestricted fund balances for general purposes.

The general fund is the chief operating fund of the District. As of June 30, 2024, the committed fund balance of the general fund was $8,400,970, while the total fund balance reached $8,735,696. The total fund balance of the general fund represents 86% of the total general fund expenditures of $9,796,134.

Revenues for governmental functions totaled $8,029,530 in the current fiscal year, which represents an increase of $48,645 from the previous fiscal year. Expenditures for governmental functions totaled $10,678,786, which represents an increase of $2,348,409 from the previous fiscal year's total expenditure of $8,330,377. In the current fiscal year, revenues for governmental functions fell short of expenditures by $2,649,256.

The following table presents the revenues from various sources as well as increases or decreases from the prior year.

REVENUES CLASSIFIED BY SOURCE
GOVERNMENTAL FUNDS

	2024		2023			
	Amount	% of Total	Amount	% of Total	Change $	Change %
Revenues by source						
Benefit assessment	$ 7,688,382	95.75%	$ 7,528,909	94.34%	$ 159,473	2.12%
Interest income	291,839	3.63%	236,771	2.97%	55,068	23.26%
Proceeds from sale of capital assets	13,659	0.17%	22,234	0.28%	(8,575)	(38.57)%
Intergovernmental revenue	8,111	0.10%	142,485	1.79%	(134,374)	(94.31)%
Other revenues	27,539	0.34%	50,486	0.63%	(22,947)	(45.45)%
Total	$ 8,029,530	100.00%	$ 7,980,885	100.00%	$ 48,645	0.61%

GENERAL FUND BUDGETARY HIGHLIGHTS

During the year, actual revenues were more than budgetary estimates by $88,096. This favorable variance is mainly due to an increase in interest income. Actual expenditures were less than budgetary estimates by $819,086. This favorable variance is due to a decrease in salary & benefits, services & supplies and capital outlay.

CAPITAL ASSETS AND DEBT ADMINISTRATION

CAPITAL ASSETS

The District's capital assets for its governmental activities as of June 30, 2024, amounted to $5,844,251 (net of accumulated depreciation). The capital assets include land, building and improvements, vehicles, and equipment. A decrease in the District's capital assets for the current period was $113,930, mainly due to the net effect of capital assets, as reduced by depreciation over assets in use.

Capital assets for the governmental activities are presented below to illustrate changes from the prior year:

	Governmental Activities			
	2024	2023	Change $	Change %
Land	$ 2,352,000	$ 2,352,000	$ -	-%
Building and improvements	4,630,727	4,630,727	-	-%
Vehicles	1,570,750	1,683,466	(112,716)	(6.70)%
Equipments	703,267	664,712	38,555	5.80%
Total Cost	9,256,744	9,330,905	(74,161)	(0.79)%
Less: accumulated depreciation	(3,412,493)	(3,372,724)	(39,769)	(1.18)%
Capital assets, net	$ 5,844,251	$ 5,958,181	$ (113,930)	(1.91)%

LONG TERM LIABILITIES

The District's long-term liabilities for its governmental activities as of June 30, 2024, amounted to $9,257,944. Long-term liabilities consist of compensated absences, net pension liabilities, and net OPEB liabilities. An increase in long-term liabilities for an amount of $816,667 was mainly due to an increase in net OPEB liability and net pension liability.

Long-term liabilities for the governmental activities are presented below to illustrate changes from the prior year:

	Governmental Activities			
	2024	2023	Change $	Change %
Compensated absences	$ 392,148	$ 392,397	$ (249)	(0.06)%
Net OPEB liability	2,378,108	2,166,118	211,990	9.79%
Net pension liability	6,487,688	5,882,762	604,926	10.28%
Totals	$ 9,257,944	$ 8,441,277	$ 816,667	9.67%

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Mosquito, Vector and Disease Control Assessment relies on two benefit assessments to fulfill the District Service Mission "to detect and minimize vector borne disease, to abate mosquitoes, and to assist the public in resolving problems with rodents, wildlife, tick borne diseases and insects of medical significance." Several factors help to maintain the stability of the revenue stream from the benefit assessments and, thus, the consistency of the economic picture. The number of parcels added to the District's benefit assessment roll rises at less than 1 percent annually; the current assessments do not include a "sunset clause"; annual assessed amounts cannot contain a CPI U (maximum 3%) adjustment without the approval from the District Board of Trustees; and no additional assessments are being proposed. Historically, the Board has approved recommended CPI U adjustments. Revenue from the two benefit assessments totaled $7,688,382 for FY 2024 and is projected to total $7,838,650 for FY 2025. The District will also increase the 2005 benefits assessment by 3.00% in FY 2025 to reflect changes in the CPI-U for the San Francisco region, increasing that assessment by $0.27 per SFE. The assessment increase was approved by the Board on June 04, 2024.

The district continues to conduct sampling to detect invasive mosquito species such as Aedes aegypti, Aedes albopictus, and Aedes notoscriptus. Once established in the county, these three species could significantly impact mosquito control operations and impose an additional financial burden on the district. Of even greater concern is the fact that these species are known vectors for Zika, Dengue, and Chikungunya viruses, and imported cases of these diseases have occurred and will likely continue to occur in the county due to travel to and from areas where these viruses are prevalent. The district is also monitoring for resistance to commonly used pesticides to determine when rotation is necessary.

The district will be assessing new control measures and outreach programs, particularly focusing on tick control, especially for residents on the urban fringe.

The district is also intensifying its outreach efforts to better educate the public on the most effective ways to ensure their own and their families' safety. These efforts encompass school outreach programs, social media campaigns, traditional advertising, mailers, and collaborations with various groups, including City & County Parks departments, animal shelters, and veterinarians.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all those interested in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Santa Clara County Vector Control District,

1580 Berger Dr. San Jose,

CA 95112.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2024

	Governmental Activities
ASSETS	
Current assets:	
Cash and investments	$ 8,864,999
Interest receivable	73,451
Due from other governments	4,456
Total current assets	8,942,906
Noncurrent assets:	
Capital assets, net	5,844,251
Total noncurrent assets	5,844,251
Total assets	14,787,157
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources - pension	2,166,433
Deferred outflows of resources - OPEB	810,130
Total deferred outflows of resources	2,976,563
Total assets and deferred outflows of resources	17,763,720
LIABILITIES	
Current liabilities:	
Accounts payable	94,474
Accrued salaries and benefits	112,736
Compensated absences - due within one year	38,854
Total current liabilities	246,064
Noncurrent liabilities:	
Compensated absences - due beyond one year	353,294
Net OPEB liability	2,378,108
Net pension liability	6,487,688
Total noncurrent liabilities	9,219,090
Total liabilities	9,465,154
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources - pension	3,992
Deferred inflows of resources - OPEB	366,607
Total deferred inflows of resources	370,599
Total liabilities and deferred inflows of resources	$ 9,835,753

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

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2024

NET POSITION	
Net investment in capital assets	$ 5,844,251
Unrestricted	2,083,716
Total net position	7,927,967
Total liabilities, deferred inflows of resources, and net position	$ 17,763,720

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

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

Expenses:	
Health and sanitation	$ 10,678,786
Total expenses	10,678,786
Revenues:	
Benefit assessment	7,688,382
Interest income	291,839
Gain on sale of capital assets	13,659
Intergovernmental revenues	8,111
Other revenue	27,539
Total revenues	8,029,530
Change in net position	(2,649,256)
Net position - beginning of year	10,577,223
Net position - end of year	$ 7,927,967

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

FUND FINANCIAL STATEMENTS

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2024

	General Fund	Non-Major Fund Capital Project	Total Governmental Funds
ASSETS			
Cash and investments	$ 8,533,462	$ 331,537	$ 8,864,999
Interest receivable	70,262	3,189	73,451
Due from other governments	4,456	-	4,456
Total assets	8,608,180	334,726	8,942,906
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	94,474	-	94,474
Accrued salaries and benefits	112,736	-	112,736
Total liabilities	207,210	-	207,210
FUND BALANCES			
Committed	8,400,970	-	8,400,970
Restricted	-	334,726	334,726
Total fund balances	8,400,970	334,726	8,735,696
Total liabilities and fund balances	$ 8,608,180	$ 334,726	$ 8,942,906

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

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
JUNE 30, 2024

Total governmental fund balances		$ 8,735,696
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the governmental funds.		
Governmental capital assets, net		5,844,251
Deferred outflows and inflows of resources related to pensions and OPEB are applicable to future periods and therefore, are not reported in the governmental funds:		
Deferred outflows of resources - Pension and OPEB	2,976,563	
Deferred inflows of resources - Pension and OPEB	(370,599)	2,605,964
Liabilities are not due and payable in the current period and therefore, are not reported as liabilities in the governmental funds. Liabilities at year end consist of:		
Net pension liability	(6,487,688)	
Net OPEB liability	(2,378,108)	
Compensated absences	(392,148)	(9,257,944)
Net position - governmental activities		$ 7,927,967

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

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	General Fund	Non-Major Fund Capital Project	Total Governmental Funds
REVENUES			
Benefit assessment	$ 7,688,382	$ -	$ 7,688,382
Interest income	280,535	11,304	291,839
Intergovernmental revenue	8,111	-	8,111
Other revenue	27,539	-	27,539
Total revenues	8,004,567	11,304	8,015,871
EXPENDITURES			
Current:			
Salaries and benefits	5,869,811	-	5,869,811
Services and supplies	3,861,025	-	3,861,025
Capital outlay	65,298	-	65,298
Total expenditures	9,796,134	-	9,796,134
Excess (deficiency) of revenues over expenditures	(1,791,567)	11,304	(1,780,263)
OTHER FINANCING SOURCES (USES)			
Proceeds from sale of capital assets	13,659	-	13,659
Total other financing sources	13,659	-	13,659
Net change in fund balances	(1,777,908)	11,304	(1,766,604)
Fund balances - beginning of year	10,178,878	323,422	10,502,300
Fund balances - end of year	$ 8,400,970	$ 334,726	$ 8,735,696

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

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

Net changes in fund balances - total governmental funds		$ (1,766,604)
Amounts reported for governmental activities in the statement of activities are different because:		
In governmental funds, the costs of capital assets are reported as expenditures in the period when the assets are acquired. In the statement of activities, costs of capital assets are allocated over their estimated useful lives as depreciation expense. The difference between capital outlay expenditures, amortization expense, and depreciation expense for the period is:		
Expenditure for capital assets	65,298	
Less: current year depreciation	(179,228)	(113,930)
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:		
Change in compensated absences		249
Governmental funds report the District's pension and OPEB contributions as expenditures. However, in the statement of activities, the cost of pension and OPEB benefits earned net of employee contributions is reported as pension and OPEB expenses:		
Net pension incomes (expenses)	(551,046)	
Net OPEB incomes (expenses)	(217,925)	(768,971)
Change in net position - governmental activities		$ (2,649,256)

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

NOTE 1 - ORGANIZATION

Santa Clara County Vector Control District (the "District") was organized on May 3, 1988, in conformity with the Government Code Section 25842.5, Health and Safety Code Section 2200, et seq., Health and Safety Code Section 1800, et seq., California Penal Code, Title X, and Uniform Housing Code Section 1001 (b) 12. The District provides services to detect and minimize vector-borne diseases and abate mosquitoes, as well as assist the public in resolving problems with rodents, wildlife, and insects that can cause disease, discomfort, or injury in humans. The District serves all fifteen incorporated cities and the unincorporated areas of the County.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The District complies with generally accepted accounting principles (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

A. Basis of Presentation

Government-Wide Financial Statements

The statement of net position and statement of activities display information about the District. These statements include the financial activities of the overall government. Governmental activities are normally supported by taxes and intergovernmental revenues.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are, therefore, clearly identifiable to a particular function. Program revenues would include charges paid by the recipients of goods or services offered by the programs, as well as grants and contributions that are restricted to meeting the operational or capital requirements of the programs. Revenues that are not classified as program revenues, including all kinds of taxes, are presented as general revenues. The comparison of program revenues and direct expenses identifies the extent to which each program is self-financing or draws from the general revenues of the District.

When both restricted and unrestricted net positions are available, restricted resources are used only after the unrestricted resources are depleted.

Fund Financial Statements

Fund financial statements are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses.

Funds are organized into three major categories: governmental, proprietary, and fiduciary. There are separate statements for each fund category. The emphasis of fund financial statements is on major governmental and enterprise funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The internal service fund is presented in a single column in the proprietary fund financial statements. The District has two funds, the general fund and the capital project, both of which are categorized as governmental funds. There are no proprietary nor fiduciary funds.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

A. Basis of Presentation - Cont'd

Governmental Funds

The District reports two governmental funds:

- The General Fund is the primary operating fund of the District and is always classified as a major fund. It is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the District that are not accounted for through other funds. For the District, the General Fund's primary activity is health and sanitation.
- The Capital Project is used to account for financial resources to be used for the acquisition or construction of major capital assets.

B. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. The basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

The government-wide, proprietary, and fiduciary fund financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This differs from the manner in which governmental fund financial statements are prepared. Therefore, governmental fund financial statements include a reconciliation with brief explanations to better identify the relationship between the government-wide financial statements and the statements for governmental funds. The District has no proprietary or fiduciary funds.

The accounting objectives of the economic resource's measurement focus is the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Fund equity is classified as net position.

Under the accrual basis of accounting, revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred, or economic assets are used. Revenues, expenses, gains, losses, assets, and liabilities resulting from the exchange and exchange-like transactions are recognized when the exchange takes place. Non-exchange transactions, where the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes. On an accrual basis, revenue from benefit assessment is recognized in the fiscal year for which the assessment is levied.

The governmental fund financial statements are prepared using the current focus on measuring financial resources and the modified accrual basis of accounting.

In the current financial resource's measurement focus, only current financial assets and liabilities are generally included on the balance sheet. The operating statements present sources and uses of available spendable financial resources during a given period. The fund balance is used as a measure of available spendable financial resources at the end of the period.

Under the modified accrual basis of accounting, revenues are recognized when measurable and available. Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year-end. Expenditures (including capital outlay) are recorded when the related liability is incurred, except for debt expenditures (principal and interest), as well as expenditures related to compensated absences, which are reported when the expense is due.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

C. Budgets and Budgetary Accounting

The District prepares its budget on the basis of accounting that differs from generally accepted accounting principles (GAAP). The actual results of operations are presented in a Budgetary Comparison Schedule - General Fund on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis of accounting and GAAP is that encumbrances are recorded as expenditures under the budgetary basis.

These budgets are revised by the District's governing body during the year to give consideration to unanticipated income and expenditures. The original and final revised budgets are presented for the General Fund in the financial statements. For the year ended June 30, 2024, there was no budget overrun for the General Fund.

D. Cash and Investments

Cash held in banks is insured by the Federal Depository Insurance Corporation (FDIC). All cash held by the financial institutions are fully insured or collateralized, except those that exceed the maximum insured levels of the FDIC.

The District maintains substantially all its cash in the Santa Clara County Treasury. The County pools these funds with those of other Departments in the County and invests the cash. These pooled funds are carried at cost, which approximates market value. Interest earned is deposited quarterly into participating funds. Any investment losses are netted against interest income and proportionately shared by all funds in the pool.

E. Capital Assets

In the government-wide financial statements, capital assets purchased or acquired with an original cost of $5,000 or more are recorded at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at acquisition value at the time they are received.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation expense is provided over the assets' estimated useful lives using the straight-line method of depreciation. The estimated useful lives by type of assets are as follows:

Asset Class	Estimated Useful Life
Building and improvements	15 - 50 years
Vehicle and equipments	2 - 10 years

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

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Upon the sale of capital assets, the proceeds from the sale of capital assets are included in the results of operations as other financing sources.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

F. Compensated Absences

Accumulated unpaid vacation and sick leave are recorded as a liability when future payments for such compensation absences have been earned by employees based on pay and salary rates in effect at year-end. This liability is recorded as debt in the government-wide financial statement. The liability is not accrued in the governmental fund financial statement but is recognized only if it is due and payable in the event of termination.

G. Pension

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as the County of Santa Clara reports them. 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.

H. Postemployment Benefits Other Than Pensions (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 Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as the County of Santa Clara reports them. 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.

I. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.

J. Long-term Debt

In the government-wide financial statements, long-term debt, and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of applicable bond premium or discount.

In the fund financial statements, governmental funds recognize bond premiums or discounts and bond issuance costs during the current period. The face amount of the debt issued, premiums, or discounts are reported as other financing sources/uses, whereas issuance costs are reported as debt service expenditures.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

K. Equity Classifications

In government-wide and proprietary fund financial statements, equity is classified as net position and divided into three components:

- *Net Investment in Capital Assets* – This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of these assets reduce the balance in this category.
- *Restricted Net Position* – This category presents external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- *Unrestricted Net Position* – This category represents the net position of the District, not restricted to project or other purpose.

Governmental funds report fund balances in classifications based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. Fund balance for governmental funds can consist of the following:

- *Nonspendable Fund Balance* – includes amounts that are (a) not in spendable forms, such as inventory, prepaid amounts, or long-term notes receivable, or (b) legally or contractually required to be maintained intact, such as a trust that must be retained in perpetuity. The “not in spendable form” criterion includes items that are expected to be converted to cash. The District does not have a nonspendable fund balance.
- *Restricted Fund Balance* – constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.
- *Committed Fund Balance* – amounts that can only be used for the specific purposes determined by formal action of the District’s highest level of decision-making authority, the Board. Commitments may be changed or lifted by the District taking the same formal action that imposed the constraint originally.
- *Assigned Fund Balance* – comprises amounts intended to be used by the District for specific purposes that are neither restricted nor committed. The intent is expressed by (a) the District’s Board or (b) a body (e.g., a budget or finance committee) or official to which the District’s Board has delegated the authority to assign, modify, or rescind amounts to be used for specific purposes. With the exception of the General Fund, this is the residual fund balance classification for all governmental funds with positive balances. The District does not have an assigned fund balance.
- *Unassigned Fund Balance* – is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds. The District does not have an unassigned fund balance.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, the fund balance is generally depleted in the order of restricted, committed, assigned, and unassigned.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

L. Estimates

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

M. New Accounting Pronouncements

During the year ended June 30, 2024, the District implemented GASS Statement No. 99, Omnibus 2022, and Statement No. 100, Accounting Changes and Error Corrections. The adoption of these pronouncements did not have a material effect on the financial statements for the year ending June 30, 2024.

The Governmental Accounting Standards Board (GASS) has approved the following :

Statement No. 101, Compensated Absences

Statement No. 102, Certain Risk Disclosures

Statement No. 103, Financial Reporting Model Improvements

District is currently evaluating the impact of its pending adoption of the new standard on its financial statements.

NOTE 3 - CASH AND INVESTMENTS

Cash and investments as of June 30, 2024, were as follows:

	Carrying Amount	Fair Value
Cash and investments in County Treasury common pool:		
General Fund	$ 8,533,462	$ 8,407,065
Capital Project Fund	331,537	326,626
Total cash and investments	$ 8,864,999	$ 8,733,691

The District's fair value is based on its cash position as of June 30, 2024, in proportion to the entire cash held in the commingled County Pool. The fair value includes the amortization of premiums and discounts. The County's investments are registered with the SEC.

Cash in County Treasury

Funds with the County Treasurer are invested pursuant to an investment policy established by the Treasurer and approved by the Board of Trustees. The objectives of the policy are, in order of priority, preservation of capital, liquidity, and yield. The policy addresses the soundness of financial institutions in which the County deposits funds, the types of investment instruments, and the percentage of the portfolio that may be invested in certain instruments, as permitted by Section 53600 et seq. of the Government Code of the State of California. The County Treasury common pool, as of June 30, 2024, consisted of cash in banks, U.S. government and agency securities, corporate bonds, negotiable certificates of deposit, commercial paper, and deposits in the State's local agency investment fund. Additional information regarding the deposit and investment custodial credit, interest rate, and credit risks of the County Treasury common pool can be found in the County's June 30, 2024, annual comprehensive financial report. A copy of that report may be obtained by contacting the County's Finance Agency, Controller-Treasurer Department, 70 West Hedding Street, 2nd Floor, East Wing, San Jose, CA 95110.

NOTE 4 - CAPITAL ASSETS

The capital assets activities for the year ended June 30, 2024, were as follows:

	Beginning balance	Increase	Decrease	Ending balance
Capital assets, not being depreciated:				
Land	$ 2,352,000	$ -	$ -	$ 2,352,000
Total capital assets, not being depreciated	2,352,000	-	-	2,352,000
Capital assets being depreciated:				
Building and improvements	4,630,727	-	-	4,630,727
Vehicles	1,683,466	-	(112,716)	1,570,750
Equipments	664,712	65,298	(26,743)	703,267
Total capital assets, being depreciated	6,978,905	65,298	(139,459)	6,904,744
Less: accumulated depreciation				
Building and improvements	(1,320,593)	(49,785)	-	(1,370,378)
Vehicles	(1,479,773)	(105,696)	112,716	(1,472,753)
Equipments	(572,358)	(23,747)	26,743	(569,362)
Total accumulated depreciation	(3,372,724)	(179,228)	139,459	(3,412,493)
Total capital assets, being depreciated, net	3,606,181	(113,930)	-	3,492,251
Total capital assets, net	$ 5,958,181	$ (113,930)	$ -	$ 5,844,251

Depreciation expense allocated to the health and sanitation function for the year ended June 30, 2024, was $179,228.

NOTE 5 - LONG-TERM LIABILITIES

The following is the summary of changes in long-term liabilities for the year ended June 30, 2024:

	Beginning balance	Additions	Deductions	Ending balance	Due within one year	Due beyond one year
Net OPEB liability	$ 2,166,118	$ 211,990	$ -	$ 2,378,108	$ -	$ 2,378,108
Compensated absences	392,397	-	(249)	392,148	38,854	353,294
Net pension liability	5,882,762	604,926	-	6,487,688	-	6,487,688
Totals	$ 8,441,277	$ 816,916	$ (249)	$ 9,257,944	$ 38,854	$ 9,219,090

NOTE 6 - PENSION PLANS

A. General information about the pension plan

The full description of the general information about the Pension Plan (outline below) can be found in the County's June 30, 2024 annual comprehensive financial report. A copy of that report may be obtained by contacting the County's Finance Agency, Controller-Treasurer Department, 70 West Hedding Street, 2nd Floor, East Wing, San Jose, CA 95110, and may be accessed on the CalPERS website at www.calpers.ca.gov.

The following information regarding the Plan is available in County's ACFR:

- Plan Description, Benefits Provided, and Employees Covered
- Contribution Description
- Actuarial Methods and Assumptions Used to Determine Total Pension Liability
- Discount Rate
- Pension Plan Fiduciary Net Position
- Sensitivity of the Net Pension Liability to Changes in the Discount Rate
- Subsequent Events and
- Recognition of Gains and Losses

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.

Reporting date	June 30, 2024
Measurement date	June 30, 2023
Measurement period	July 1, 2022 to June 30, 2023
Valuation date	June 30, 2022

NOTE 6 - PENSION PLANS - CONT'D

B. Changes in the net pension liability

The following table shows the changes in net pension liability recognized over the measurement period (presented at 0.144%, which is the County of Santa Clara's calculation of the District's proportional share).

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (c) = (a) - (b)
Balance at: June 30, 2022	$ 20,367,542	$ 14,184,201	$ 6,183,341
Changes recognized for the measurement period:			
Service cost	509,567	-	509,567
Interest on the Total Pension Liability	1,406,239	-	1,406,239
Difference between expected and actual experience	241,825	-	241,825
Net Plan to Plan resource movement	-	4	(4)
Contributions from the employers	-	763,452	(763,452)
Contributions from employees	-	227,926	(227,926)
Net investment income	-	872,332	(872,332)
Benefit payments, including refunds of employee contributions	(967,745)	(967,745)	-
Administrative expenses	-	(10,430)	10,430
Net changes during 2022-23	1,189,886	885,539	304,347
Balance at: June 30, 2023	$ 21,557,428	$ 15,069,740	$ 6,487,688

C. Sensitivity of the net pension liability to changes in the discount rate

	5.90% (1% Decrease)	6.90% (Current Rate)	7.90% (1% Increase)
Plan's net pension liability/(assets)	$ 9,420,094	$ 6,487,688	$ 4,068,969

NOTE 6 - PENSION PLANS - CONT'D

D. Pension expenses, deferred outflows, and deferred inflows of resources related to pensions

For the measurement period ending June 30, 2023 (the measurement date), the District incurred a total pension expense (income) of $551,046 for the Plan.

Adjustments have been made for contributions subsequent to the measurement date. Adequate treatment of any contributions made after the measurement date is the responsibility of the employer. As of June 30, 2024, the District has deferred outflows and deferred inflows of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	$ 341,533	$ -
Difference between expected and actual experience	361,921	(3,992)
Employer contribution subsequent to measurement date	760,835	-
Net difference between projected and actual earnings on pension plan investments	702,144	-
Total	$ 2,166,433	$ (3,992)

The amounts above are net of outflows and inflows recognized in the 2022-23 measurement period expense. Amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expenses as follows:

Measurement Period Ended June 30:	Deferred Outflows/ (Inflows) of Resources
2024	$ 391,203
2025	323,610
2026	634,018
2027	52,775
Total	$ 1,401,606

The District's employer contributions for the year ending June 30, 2024 are $760,835.

NOTE 7 - OTHER POST EMPLOYMENT BENEFITS

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) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when they are currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

Reporting date	June 30, 2024
Measurement date	June 30, 2023
Measurement period	July 01, 2022 to June 30, 2023
Valuation date	June 30, 2023

Plan description

The County of Santa Clara (the "County") maintains a cost-sharing multiple-employer-defined benefit retiree healthcare plan (OPEB Plan), that covers all employees of the District. The OPEB Plan provides healthcare benefits to eligible District employees and their surviving spouses.

The District employees hired prior to August 12, 1996, are eligible for health benefits upon attaining age 50 with five years of service. Employees hired on or after August 12, 1996, and before June 19, 2006, are eligible upon attaining age 50 with 8 years of service. Employees hired on or after June 19, 2006, are eligible for health benefits upon attaining age 50 with ten years of service.

The County has established a 15-year retiree health benefit service requirement that applies to employees hired mostly on or after September 30, 2013.

Retirees who retired prior to December 5, 1983, have their full premium cost subsidized by the District. In addition, the District subsidizes the Part B premium cost for retirees with Medicare status who are not receiving health-in-lieu benefits. For most of the retirees retired since December 4, 1983, the District contribution is limited to the cost of Kaiser under age 65 retiree only rate over the plan year. Retirees pay the difference between the District contribution and the premium rate required by the OPEB Plan.

Contributions

The District's OPEB funding policy is to contribute 100 percent or more of the actuarially determined contribution each year. Benefit payments occur in the form of direct payments for premiums and taxes (explicit subsidies) and indirect payments to retirees in the form of higher premiums for active employees (implicit subsidies). For the fiscal year ending June 30, 2024, the District's actual contributions were $254,657.

Net OPEB liability and actuarial assumptions

The Net OPEB liability of the District measured as of June 30, 2023, was $2,378,108 (presented at 0.174%, which is the County of Santa Clara's calculation of the District's proportional share).

The following table shows the actuarial assumptions over the measurement period (presented at 0.174%, which is the County of Santa Clara's calculation of the District's proportional share). The District's Net OPEB liability was measured as of June 30, 2023, and the Total OPEB liability used to calculate the Net OPEB liability was determined by an actuarial valuation dated June 30, 2023, that was rolled forward to determine the June 30, 2023, Total OPEB liability, based on the following actuarial methods and assumptions:

NOTE 7 - OTHER POST EMPLOYMENT BENEFITS - CONT'D

Net OPEB liability and actuarial assumptions - Cont'd

Actuarial Assumptions	
Discount rate	6.50%
Price inflation	2.30%
Wage inflation	2.80%, assumed in projecting future growth in payroll over 24-year closed amortization period
Salary increases	Miscellaneous: 9.01% to 3.34%, varying by service, including wage inflation
	Safety: 15.18% to 4.27%, varying by service, including wage inflation
Investment rate of return	6.50%
Medical cost trend rate	
Non-medicare medical plan	7.25% graded down to an ultimate of 4.50% over 10 years
Medicare medical plan	6.50% graded down to an ultimate of 4.50% over 8 years
Medicare part B	4.50%

Target assets allocation

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 inflation) are developed for each major asset class. These returns 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, adding expected inflation. The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, used in the derivation of the long-term expected investment rate of return assumption are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
International Equity	49%	7.06%
Fixed Income	23%	1.46%
Real Estate	20%	3.46%
Treasury Inflation Protected Securities	5%	1.46%
Commodities	3%	4.06%
Total	100%	

Discount rate

The discount rate used to measure the Total OPEB liability was 6.50 percent as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that the District's contributions will be made at rates equal to the actuarially determined contribution rates. For this purpose, only employee and employer contributions that are intended to fund benefits for current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included.

NOTE 7 - OTHER POST EMPLOYMENT BENEFITS - CONT'D

Discount rate - Cont'd

Based on those assumptions, the OPEB Plan's fiduciary net position was projected to be available to make all projected OPEB future benefit payments for current plan members. 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 as of June 30, 2023.

Sensitivity of the Net OPEB Liability to changes in the discount rate. The following presents the Net OPEB Liability (NOL) of the District as of June 30, 2023, calculated using the discount rate of 6.50%, as well as what the District's NOL would be if it were calculated using a discount rate that is 1-percentage-point lower (5.50%) or 1-percentage-point higher (7.50%) than the current rate:

	Discount Rate-1% (5.50%)	Current Discount Rate (6.50%)	Discount Rate+1% (7.50%)
Miscellaneous	$ 2,834,394	$ 2,150,782	$ 1,594,016
Safety	299,580	227,326	168,479
Total	$ 3,133,974	$ 2,378,108	$ 1,762,495

Sensitivity of the Net OPEB Liability to changes in the trend rate. The following presents the Net OPEB Liability of the District as of June 30, 2023, as well as what the District's Net OPEB Liability would be if it were calculated using a trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

	1% Decrease	Current Trend Rate*	1% Increase
Miscellaneous	$ 1,535,330	$ 2,150,782	$ 2,924,901
Safety	162,276	227,326	309,147
Total	$ 1,697,606	$ 2,378,108	$ 3,234,048

* *Current trend rates: 7.25% graded down to 4.50% over 11 years for Non-Medicare medical plan costs; 6.50% graded down to 4.50% over 8 years for Medicare medical plan costs and 4.50% for all years for Medicare Part B subsidy cost.*

NOTE 7 - OTHER POST EMPLOYMENT BENEFITS - CONT'D

OPEB expenses and deferred outflows/inflows of resources related to OPEB

For the fiscal year ended June 30, 2024, the District recognized OPEB expenses/(incomes) of $217,925. As of the fiscal year, which ended June 30, 2024, the District reported deferred outflows of resources related to OPEB from the following sources:

Miscellaneous Plan	Deferred Outflow of Resources	Deferred Inflow of Resources
Changes in proportion and differences between group's contributions and proportionate share of contributions	$ 45,810	$ (3,663)
Changes of assumptions or other inputs	253,062	(147,587)
Employer contribution subsequent to measurement date	230,314	-
Net difference between projected and actual earnings on OPEB plan investments	168,377	-
Difference between expected and actual experience in the Total OPEB Liability	36,192	(139,232)
Total	$ 733,755	$ (290,482)

Safety Plan	Deferred Outflow of Resources	Deferred Inflow of Resources
Changes in proportion and differences between group's contributions and proportionate share of contributions	$ 3,663	$ (45,810)
Changes of assumptions or other inputs	26,747	(15,599)
Employer contribution subsequent to measurement date	24,343	-
Net difference between projected and actual earnings on OPEB plan investments	17,797	-
Difference between expected and actual experience in the Total OPEB Liability	3,825	(14,716)
Total	$ 76,375	$ (76,125)

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

Year Ended June 30	Miscellaneous Plan	Safety Plan
2025	$ 24,400	$ (6,999)
2026	10,541	(8,037)
2027	111,198	1,179
2028	31,739	(4,270)
2029	36,154	(1,226)
Thereafter	(1,073)	(4,740)
Total	$ 212,959	$ (24,093)

NOTE 8 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through October 08, 2024, the date at which the financial statements were available to be issued, and has determined that no adjustments are necessary to the amounts reported in the accompanying financial statements, nor have any subsequent events occurred, the nature of which would require disclosure.

REQUIRED SUPPLEMENTARY INFORMATION

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Resources (Inflows):				
Benefit assessment	$ 7,573,429	$ 7,733,293	$ 7,688,382	$ (44,911)
Interest income	111,097	111,097	280,535	169,438
Intergovernmental revenue	4,260	4,260	8,111	3,851
Other revenue	67,821	67,821	27,539	(40,282)
Amount available for appropriation	7,756,607	7,916,471	8,004,567	88,096
Charges to Appropriations (Outflows):				
Current:				
Salaries and benefits	6,272,475	6,272,475	5,869,811	402,664
Services and supplies	3,889,887	3,978,578	3,861,025	117,553
Capital outlay	-	364,167	65,298	298,869
Total charges to appropriations	10,162,362	10,615,220	9,796,134	819,086
Excess (deficiency) of revenues over expenditures	(2,405,755)	(2,698,749)	(1,791,567)	(730,990)
Other financing sources (uses):				
Proceeds from sale of capital assets	-	-	13,659	(13,659)
Total other financing sources	-	-	13,659	(13,659)
Net change in fund balances	$ (2,405,755)	$ (2,698,749)	$ (1,777,908)	$ (744,649)

See accompanying notes to required supplementary information.

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS*

Fiscal year	2024	2023	2022	2021	2020
Measurement period ending	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
TOTAL PENSION LIABILITY					
Service cost	$ 509,567	$ 461,622	$ 455,937	$ 460,929	$ 423,234
Interest	1,406,239	1,263,513	1,313,816	1,302,928	1,254,682
Changes of assumptions	-	574,877	-	-	-
Differences between expected and actual experience	241,825	260,728	(12,036)	148,524	249,558
Benefit payments, including refunds of employee contributions	(967,745)	(857,301)	(873,430)	(842,852)	(800,146)
Net change in total pension liability	1,189,886	1,703,439	884,287	1,069,529	1,127,328
Total pension liability - beginning	20,367,542	17,674,014	18,595,830	18,265,208	17,486,897
Total pension liability - ending (a)	21,557,428	19,377,453	19,480,117	19,334,737	18,614,225
PLAN FIDUCIARY NET POSITION					
Contributions - employer	763,452	650,019	674,882	607,781	535,930
Contributions - employee	227,926	201,164	215,930	214,293	201,109
Net investment income	872,332	(1,112,306)	2,959,577	654,087	828,933
Benefit payments, including refunds of employee contributions	(967,745)	(857,301)	(873,430)	(842,852)	(800,146)
Net plan to plan resource movement	4	96	-	220	(48)
Administrative expense	(10,430)	(9,109)	(13,139)	(18,412)	(8,958)
Other miscellaneous income/(expense)[1]	-	-	-	-	29
Net change in fiduciary net position	885,539	(1,127,437)	2,963,820	615,117	756,849
Plan fiduciary net position - beginning[2]	14,184,201	14,622,128	13,152,540	13,060,040	12,552,745
Plan fiduciary net position - ending (b)	15,069,740	13,494,691	16,116,360	13,675,157	13,309,594
Plan net pension liability/(asset) - ending (a) - (b)	$ 6,487,688	$ 5,882,762	$ 3,363,757	$ 5,659,580	$ 5,304,631

See accompanying notes to required supplementary information.

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS*

Fiscal year	2019	2018	2017	2016	2015
Measurement period ending	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
TOTAL PENSION LIABILITY					
Service cost	$ 424,960	$ 482,208	$ 383,459	$ 397,932	$ 401,638
Interest	1,214,801	1,376,423	1,233,071	1,260,548	1,191,780
Changes of assumptions	(168,539)	1,151,971	-	(309,086)	-
Differences between expected and actual experience	117,532	(19,152)	24,248	(26,168)	-
Benefit payments, including refunds of employee contributions	(768,288)	(842,726)	(740,023)	(743,800)	(690,979)
Net change in total pension liability	820,466	2,148,724	900,755	579,426	902,439
Total pension liability - beginning	17,212,897	18,298,110	16,272,611	16,985,937	16,035,069
Total pension liability - ending (a)	18,033,363	20,446,834	17,173,366	17,565,363	16,937,508
PLAN FIDUCIARY NET POSITION					
Contributions - employer	459,190	526,396	441,602	413,251	373,013
Contributions - employee	187,362	215,845	190,781	193,685	200,145
Net investment income	1,025,753	1,451,616	64,785	293,231	1,951,233
Benefit payments, including refunds of employee contributions	(768,288)	(842,726)	(740,023)	(743,800)	(690,979)
Net plan to plan resource movement	20	(201)	321	(1,148)	-
Administrative expense	(18,850)	(19,247)	(7,487)	(14,942)	-
Other miscellaneous income/(expense)[1]	(35,793)	-	-	-	-
Net change in fiduciary net position	849,394	1,331,683	(50,021)	140,277	1,833,412
Plan fiduciary net position - beginning[2]	12,095,625	13,036,205	12,285,153	13,120,850	11,250,028
Plan fiduciary net position - ending (b)	12,945,019	14,367,888	12,235,132	13,261,127	13,083,440
Plan net pension liability/(asset) - ending (a) - (b)	$ 5,088,344	$ 6,078,946	$ 4,938,234	$ 4,304,236	$ 3,854,068

See accompanying notes to required supplementary information.

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS*

Fiscal year	2024	2023	2022	2021	2020
Measurement period ending	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
Plan fiduciary net position as a percentage of the total pension liability	69.91%	69.64%	82.73%	70.73%	71.50%
Covered employee payroll[3]	$ 2,962,597	$ 2,654,525	$ 2,785,199	$ 2,773,339	$ 2,471,870
Plan net pension liability/ (asset) as a percentage of covered - employee payroll	218.99%	221.61%	120.77%	204.07%	214.60%

[1]During Fiscal Year 2017-18, as a result of Governmental Accounting Standards Board Statement (GASB) No. 75, Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions (GASB 75), CalPERS reported its proportionate share of activity related to postemployment benefits for participation in the State of California's agent OPEB plan. Accordingly, CalPERS recorded a one-time expense as a result of the adoption of GASB 75. Additionally, CalPERS employees participate in various State of California agent pension plans, and during Fiscal Year 2017-18, CalPERS recorded a correction to previously reported financial statements to properly reflect its proportionate share of activity related to pensions in accordance with GASB Statement No. 68, Accounting and Financial Reporting for Pensions (GASB 68).

[2]Includes any beginning of year adjustment.

[3]Includes one year's payroll growth using 2.80 percent payroll growth assumption for fiscal years ended in 2022 and 2023; 2.75 percent payroll growth assumption for fiscal years ended in 2018 through 2021; 3 percent payroll growth assumption for fiscal years ended in 2014 through 2017.

*Historical information is required only for measurement for which GASB 68 is applicable. The fiscal year 2024 was the tenth year of implementation, therefore only ten years are shown.

See accompanying notes to required supplementary information.

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS*

Fiscal year	2019	2018	2017	2016	2015
Measurement period ending	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Plan fiduciary net position as a percentage of the total pension liability	71.78%	70.26%	71.24%	75.50%	77.25%
Covered employee payroll[3]	$ 2,482,531	$ 2,770,038	$ 2,428,650	$ 2,465,809	$ 2,361,882
Plan net pension liability/ (asset) as a percentage of covered - employee payroll	204.97%	219.45%	203.33%	174.56%	163.18%

[1]During Fiscal Year 2017-18, as a result of Governmental Accounting Standards Board Statement (GASB) No. 75, Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions (GASB 75), CalPERS reported its proportionate share of activity related to postemployment benefits for participation in the State of California's agent OPEB plan. Accordingly, CalPERS recorded a one-time expense as a result of the adoption of GASB 75. Additionally, CalPERS employees participate in various State of California agent pension plans, and during Fiscal Year 2017-18, CalPERS recorded a correction to previously reported financial statements to properly reflect its proportionate share of activity related to pensions in accordance with GASB Statement No. 68, Accounting and Financial Reporting for Pensions (GASB 68).

[2]Includes any beginning of year adjustment.

[3]Includes one year's payroll growth using 2.80 percent payroll growth assumption for fiscal years ended in 2022 and 2023; 2.75 percent payroll growth assumption for fiscal years ended in 2018 through 2021; 3 percent payroll growth assumption for fiscal years ended in 2014 through 2017.

*Historical information is required only for measurement for which GASB 68 is applicable. The fiscal year 2024 was the tenth year of implementation, therefore only ten years are shown.

See accompanying notes to required supplementary information.

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
SCHEDULE OF PLAN CONTRIBUTIONS - PENSION
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS*

Fiscal Year	2024	2023	2022	2021	2020
Actuarially determined contribution[1]	$ 763,452	$ 650,019	$ 674,882	$ 607,781	$ 535,930
Contribution in relation to the actuarially determined contribution[1]	(763,452)	(650,019)	(674,882)	(607,781)	(535,930)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered - employee payroll[2]	$ 2,962,597	$ 2,654,525	$ 2,785,199	$ 2,773,339	$ 2,471,870
Contribution as a percentage of covered-employee payroll[2]	25.77 %	24.49 %	24.23 %	21.92 %	21.68 %

[1]Employers are assumed to make contributions equal to the actuarially determined contributions. However, some employers may choose to make additional contributions towards their unfunded liability. Employer contributions for such plans exceed the actuarially determined contributions.

[2]Includes one year's payroll growth using 2.80 percent payroll growth assumption for fiscal years ended in 2022 and 2023; 2.75 percent payroll growth assumption for fiscal years ended in 2018 through 2021; 3 percent payroll growth assumption for fiscal years ended in 2014 through 2017.

*As prescribed in GASB 68, paragraph 46, the information presented in the Schedule of Plan Contributions should also be presented as of the employer's most recent fiscal year-end. The employer is responsible for determining this information as prescribed by the standard as this data is not available to CalPERS.

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT

SCHEDULE OF PLAN CONTRIBUTIONS - PENSION
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS*

Fiscal Year	2019	2018	2017	2016	2015
Actuarially determined contribution[1]	$ 447,994	$ 433,225	$ 399,717	$ 378,216	$ 441,602
Contribution in relation to the actuarially determined contribution[1]	(447,994)	(433,225)	(399,717)	(378,216)	(441,602)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered - employee payroll[2]	$ 2,482,531	$ 2,770,038	$ 2,428,650	$ 2,465,809	$ 2,361,882
Contribution as a percentage of covered-employee payroll[2]	18.05 %	15.64 %	16.46 %	15.34 %	18.70 %

[1]Employers are assumed to make contributions equal to the actuarially determined contributions. However, some employers may choose to make additional contributions towards their unfunded liability. Employer contributions for such plans exceed the actuarially determined contributions.

[2]Includes one year's payroll growth using 2.80 percent payroll growth assumption for fiscal years ended in 2022 and 2023; 2.75 percent payroll growth assumption for fiscal years ended in 2018 through 2021; 3 percent payroll growth assumption for fiscal years ended in 2014 through 2017.

*As prescribed in GASB 68, paragraph 46, the information presented in the Schedule of Plan Contributions should also be presented as of the employer's most recent fiscal year-end. The employer is responsible for determining this information as prescribed by the standard as this data is not available to CalPERS.

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS*

Reporting Date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Measurement Date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Total OPEB liability							
Service cost	$ 160,285	$ 108,602	$ 113,246	$ 124,468	$ 134,111	$ 113,769	$ 145,373
Interest	322,142	271,112	273,326	288,106	318,888	288,780	347,544
Change in benefit terms	-	28,422	-	-	-	-	-
Difference between actual and expected experience	14,206	(381)	45,235	(169,798)	(270,604)	(62,127)	(404,177)
Changes in assumption	(124,925)	290,579	45,953	(121,686)	37,355	75,357	(91,027)
Benefit payments, including implicit subsidies net of retiree contributions	(186,288)	(159,203)	(163,266)	(159,787)	(173,886)	(156,887)	(169,439)
Net change in Total OPEB liability	185,420	539,131	314,494	(38,697)	45,864	258,892	(171,726)
Total OPEB liability - beginning	4,887,412	3,842,687	3,873,049	4,071,225	4,508,386	4,090,106	4,904,257
Total OPEB liability - ending	5,072,832	4,381,818	4,187,543	4,032,528	4,554,250	4,348,998	4,732,531
Plan's fiduciary net position							
Contributions - employer	210,390	180,831	193,139	208,442	210,782	298,169	290,226
Contributions - employee	16,631	14,098	15,437	13,427	13,054	12,062	13,313
Net investment income	161,786	(341,546)	575,598	71,174	131,700	130,639	167,551
Benefit payments, including implicit subsidies net of retiree contributions	(186,288)	(159,203)	(163,266)	(159,787)	(173,887)	(156,887)	(169,439)
Administrative expense	(942)	(5,174)	(6,722)	(4,820)	(6,580)	(7,730)	(5,660)
Other	21,789	30,300	50,006	13,587	49,429	25,730	40,167
Net change in plan's fiduciary net position	223,366	(280,694)	664,192	142,023	224,498	301,983	336,158
Plan's Fiduciary Net Position - beginning	2,471,358	2,496,394	2,056,237	1,998,883	2,011,539	1,638,440	1,559,629
Plan's Fiduciary Net Position - ending	$ 2,694,724	$ 2,215,700	$ 2,720,429	$ 2,140,906	$ 2,236,037	$ 1,940,423	$ 1,895,787
Net OPEB Liability - ending	$ 2,378,108	$ 2,166,118	$ 1,467,114	$ 1,891,622	$ 2,318,213	$ 2,408,575	$ 2,836,744

See accompanying notes to required supplementary information.

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT

SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS*

Reporting Date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Measurement Date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Plan's fiduciary net position as a percentage of the Total OPEB Liability	53.12%	50.57%	64.96%	53.09%	49.10%	44.62%	40.00%
Covered employee payroll	$ 4,132,927	$ 3,339,404	$ 3,794,834	$ 3,524,488	$ 3,618,391	$ 3,200,647	$ 3,512,016
Plan Net OPEB liability as percentage of covered employee payroll	57.54%	64.87%	38.66%	53.67%	64.07%	75.25%	81.00%

** Fiscal Year 2018 was the first year of implementation. Therefore, only seven years are shown.*

See accompanying notes to required supplementary information.

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
SCHEDULE OF PLAN CONTRIBUTIONS - OPEB
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS*

Fiscal Year Ended	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Actuarially determined contribution (ADC)	$ 225,786	$ 221,052	$ 243,404	$ 243,805	$ 275,801	$ 298,169	$ 340,635
Contributions in relation to the ADC	(248,472)	(220,748)	(252,722)	(231,625)	(275,801)	(298,169)	(340,635)
Contribution deficiency (excess)	$ (22,686)	$ 304	$ (9,318)	$ 12,180	$ -	$ -	$ -
Covered - employee payroll	$ 4,132,927	$ 3,339,404	$ 3,794,834	$ 3,524,488	$ 3,618,391	$ 3,200,647	$ 3,512,016
Contributions as a % of covered-employee payroll	6.01 %	6.61 %	6.66 %	6.57 %	7.62 %	9.32 %	9.69 %

** Fiscal Year 2018 was the first year of implementation. Therefore only seven years are shown.*

See accompanying notes to required supplementary information.

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT

SCHEDULE OF PLAN CONTRIBUTIONS - OPEB
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS*

Notes to Schedule:

Actuarial methods and assumptions used to set the actuarially determined contributions for fiscal year ending June 30, 2023 were based on the June 30, 2021 funding valuation.

Methods and assumptions used to establish "actuarially determined contribution" rates:

Valuation date	Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported
Measurement date	June 30, 2021 (used for establishing the ADC for the year ended June 30, 2023)
Actuarial cost method	Entry Age Actuarial Cost Method
Amortization method	30-Year Closed Amortization; level percent of payroll
Remaining amortization period	26 years as of June 30, 2021
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return	7%, net of investment expenses
Price inflation	2.50%
Wage inflation	2.75%
Salary Increases	Miscellaneous: 9.75% to 3.25%, varying by service, including wage inflation Safety: 15.95% to 4.25%, varying by service, including wage inflation
Medical cost trend rates	
Non-Medicare medical plan	7.50% applied to 2021-2022 plan year premiums to calculate 2022-2023 plan year premiums, graded down 0.25% per year until the 4.50% ultimate rate is reached
Medicare medical plan	6.50% applied to 2021-2022 plan year premiums to calculate 2022-2023 plan year premiums, graded down 0.25% per year until the 4.50% ultimate rate is reached
Medicare Part B	4.50%
Other assumptions	Same as those used in the June 30, 2021 funding actuarial valuation for the OPEB Plan

See accompanying notes to required supplementary information.

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2024

NOTE 1 - EXPLANATION OF DIFFERENCES BETWEEN BUDGETARY INFLOWS AND OUTFLOWS AND GAAP REVENUES AND EXPENDITURES

Sources/Inflows of Resources	
Actual amounts (budgetary basis) "available for appropriation" from the Budgetary comparison schedule	$ 8,004,567
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Fund	$ 8,004,567
Uses/Outflows of Resources	
Actual amounts (budgetary basis) "total charges to appropriations" from the Budgetary comparison schedule	$ 9,796,134
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Fund	$ 9,796,134

COMPLIANCE SECTION

HARSHWAL® & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Trustees
Santa Clara County Vector Control District
San Jose, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Santa Clara County Vector Control District (the "District"), a component unit of the County of Santa Clara as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 08, 2024.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

Harshwal & Company LLP

Oakland, California
October 08, 2024

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2024

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
• Material weaknesses identified?	No
• Significant deficiencies identified that a not considered to be material weakness?	None reported
Noncompliance material to the financial statements noted?	No

SECTION II - FINANCIAL STATEMENT FINDINGS

There were no findings reported in the current year.

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2024

There were no findings reported in the prior year that requires a status update.

SANTA CLARA VECTOR CONTROL DISTRICT

AUDITED FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT

JUNE 30, 2020

HARSHWAL & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT

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HARSHWAL® & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Santa Clara County Vector Control District
San Jose, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the remaining fund information of the Santa Clara County Vector Control District (the "District"), a component unit of the County of Santa Clara, as of and for the year ended June 30, 2020, 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. 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 District'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 District'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.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Santa Clara County Vector Control District, as of June 30, 2020, and the respective changes in financial position thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedule, schedule of changes in net pension liability and net OPEB liability and related ratios, and schedule of plan contributions - pension and OPEB on pages 4 - 10 and 36 - 42 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 December 03, 2020, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Harshwal & Company LLP

Oakland, California
December 03, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS
(REQUIRED SUPPLEMENTARY INFORMATION)

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020

This section of the Santa Clara County Vector Control District (the "District") annual financial report presents a management discussion and analysis of the District's financial performance for the fiscal year ended June 30, 2020. The District's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosure following this section:

FINANCIAL HIGHLIGHTS

- The total assets and deferred outflow of resources of the District exceeded total liabilities and deferred inflow of resources by $9,074,999 (net position) for the fiscal year reported. Of this amount, $6,337,303 is net investment in capital assets while $2,737,696 was restricted for general purposes.
- The District's total net position decreased by $995,909 during the fiscal year.
- As of June 30, 2020, the District's governmental funds reported combined ending fund balances of $10,081,466. The entire amount is restricted to be spent only for the missions that the District is committed to.
- At the end of the fiscal year, restricted fund balance for the general fund was $9,771,356 or 124% of the total general fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: (1) Government - wide financial statements, (2) Fund financial statements, and (3) Notes to the basic financial statements. Required Supplementary Information is included in addition to the basic financial statements.

Government - wide Financial Statements

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

The *statement of net position* presents information on all of the District's assets, deferred outflow, liabilities, and deferred inflow with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether or not the financial position of the District is improving or deteriorating.

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

Both of the government - wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The only governmental activity of the District is health and sanitation. The District does not have any business-type activities.

Fund Financial Statements

The fund financial statements are designed to report information about groupings of related accounts which are used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into one category only, governmental funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government - wide financial statements - i.e. most of the District's basic services are reported in governmental funds. These statements, however, focus on (1) how cash and other financial assets can readily be converted to available resources and (2) the balances left at year-end that are available for spending. Such information may be useful in determining what financial resources are available in the near future to finance the District's programs.

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 financial decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains two governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and capital projects.

The District does not have any proprietary and fiduciary funds.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government - wide and fund financial statements.

Required Supplementary Information

The required supplementary information is presented concerning the District's budgetary comparison schedule. The District adopts an annual appropriated budget for its General Fund and Capital Project Fund. A budgetary comparison schedule has been provided for the General Fund to demonstrate compliance with this budget and to satisfy the requirement of GASBS No. 34, as amended.

GOVERNMENT - WIDE FINANCIAL ANALYSIS

Governmental net position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In case of the District, assets and deferred outflow of resources exceeded liabilities and deferred inflow of resources by $9,074,999 at the close of the most recent fiscal year.

NET POSITION
GOVERNMENTAL ACTIVITIES

	2020	2019	Increase (Decrease) %
ASSETS			
Current and other assets	$10,425,078	$10,746,513	(3)%
Noncurrent assets	6,337,303	6,577,770	(3.66)%
Total assets	16,762,381	17,324,283	(3)%
DEFERRED OUTFLOWS OF RESOURCES	1,381,376	1,346,457	3 %
LIABILITIES			
Current and other liabilities	357,847	267,888	34 %
Noncurrent liabilities	7,989,006	7,797,963	2 %
Total liabilities	8,346,853	8,065,851	3 %
DEFERRED INFLOWS OF RESOURCES	721,905	533,981	35 %
NET POSITION			
Net investment in capital assets	6,337,303	6,577,770	(4)%
Restricted	2,737,696	3,493,138	(22)%
Total net position	$ 9,074,999	$10,070,908	(9.89)%

Analysis of Net Position

The larger balance of the District's net position of $6,337,303; 70% of total net position, represents net investment in capital assets (e.g. land, building and improvements, vehicles, and equipment). The District uses these capital assets to provide services to citizens; consequently, these are not available for future spending.

The remaining portion of the District's net position of $2,737,696; 30% of total net position, represents resources that are subject to external restrictions on how they may be used.

At the end of the current fiscal year, the District reported positive balances in both categories of net position.

Governmental Activities

Governmental activities decreased the District's total net position by $995,909, thereby accounting for 100% of the total decrease in net position of the District. The following table indicates the changes in net position for governmental activities:

CHANGES IN NET POSITION
GOVERNMENTAL ACTIVITIES

	2020	2019	Increase (Decrease) %
REVENUES			
Benefit assessment	$ 7,130,975	$ 7,098,105	0.46 %
Interest income	176,765	136,170	30 %
Gain on sale of capital assets	4,062	-	100 %
Intergovernmental	92,232	39,991	131 %
Other revenues	26,570	52,505	(49)%
Total revenues	7,430,604	7,326,771	1 %
EXPENSES			
Health and sanitation	8,481,668	6,639,343	28 %
Total expenses	8,481,668	6,639,343	28 %
Change in net position	(1,051,064)	687,428	(253)%
Net position - beginning of year	10,070,908	9,383,480	100.00 %
Restatement	55,155	-	100.00 %
Net position - beginning of year, restated	10,126,063	9,383,480	7.91 %
Net position - end of year	$ 9,074,999	$10,070,908	(9.89)%

Analysis of Changes in Net Position

A key element of a decrease in net position of $995,909 was due to payroll and related expenditures being more than the increase in revenues.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

Governmental Funds

The general government functions are contained in the General Funds and the Capital Project. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balance of spendable resources. Such information is useful in assessing the District's financing requirements.

As of June 30, 2020, the District's governmental funds reported combined ending fund balances of $10,081,466, a decrease of $428,827 in comparison with the prior year, largely due to a decrease in cash and investment of general fund and an increase in accrued liabilities. All of the combined ending fund balances constitutes restricted fund balance for general purposes.

The general fund is the chief operating fund of the District. As of June 30, 2020, restricted fund balance of the general fund was $9,771,356 while total fund balance reached $10,081,466. Total fund balance of the general fund represents 124% of total general fund expenditures of $7,911,844.

Revenues for governmental functions totaled $7,430,604 in fiscal year 2019-2020, which represents an increase of $103,833 from previous fiscal year. Expenditures for governmental functions, totaling $7,911,844, increased by $35,498 from the previous fiscal year. In the fiscal year 2019-2020, expenditures for governmental functions exceeded revenues by $481,240.

The following table presents the amount of revenues from various sources as well as increases or decreases from the prior year.

REVENUES CLASSIFIED BY SOURCE
GOVERNMENTAL FUNDS

	2020		2019		Increase/(Decrease)	
	Amount	% of Total	Amount	% of Total	Amount	% of Change
Revenues by source						
Benefit assessment	$7,130,975	95.97 %	$7,098,105	96.88 %	$ 32,870	0.46 %
Interest income	176,765	2.38 %	136,170	1.86 %	40,595	29.81 %
Gain on sale of capital assets	4,062	0.04 %	-	- %	4,062	100.00 %
Intergovernmental revenue	92,232	1.23 %	39,991	0.55 %	52,241	130.63 %
Other revenues	26,570	0.36 %	52,505	0.72 %	(25,935)	(49.40)%
Total	$7,430,604	100.00 %	$7,326,771	100.00 %	$ 103,833	1.42 %

Intergovernmental revenues represent mainly transfer from County through property tax/benefit assessment to fund CalPERS Employers Retiree Benefit Trust (CERBT) to assure the unfun
ded liability for the District is addressed in a prorata fashion. Other revenues represent water pollution control and plant mosquito control provided by the District to the City of San Jose, the level of which fluctuates every year.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the year, actual revenues were more than budgetary estimates by $274,774. This favorable variance is mainly due to surge in benefit assessment, interest income and intergovernmental transfer income. Actual expenditures were less than budgetary estimates by $1,444,818. This favorable variance is mainly due to decreased salary expenditure because of staff vacancies and decreased expenditures for professional services and departmental charges.

CAPITAL ASSETS AND DEBT ADMINISTRATION

CAPITAL ASSETS

The District's capital assets for its governmental activities as of June 30, 2020, amounted to $6,337,303 (net of accumulated depreciation). The capital assets include land, building and improvements, vehicles, and equipment. A decrease in the District's capital assets for the current period was $240,467 which was mainly due to net effect of capital assets disposal and depreciation over assets in use.

Capital assets for the governmental activities are presented below to illustrate changes from the prior year:

	Governmental Activities		Increase/ (Decrease)
	2020	2019	% of Change
Land	$ 2,352,000	$ 2,352,000	- %
Building and improvements	4,556,516	4,556,516	- %
Vehicles	1,545,831	1,615,223	(4.30)%
Equipment	525,675	525,675	- %
Total Cost	8,980,022	9,049,414	(0.77)%
Less: accumulated depreciation	(2,642,719)	(2,471,644)	6.92 %
Capital assets, net	$ 6,337,303	$ 6,577,770	(3.66)%

LONG TERM LIABILITIES

The District's long term liabilities for its governmental activities as of June 30, 2020, amounted to $7,989,006. Long term liabilities consist of compensated absences, net pension liabilities and net OPEB liabilities. An increase in long term liabilties for an amount of $159,375, was mainly due to an increase in net pension liability.

Long term liabilities for the governmental activities are presented below to illustrate changes from the prior year:

	Governmental Activities		Increase/ (Decrease)
	2020	2019	% of Change
Compensated absences	366,162	332,712	10.05 %
Net OPEB liability	2,318,213	2,408,575	(3.75)%
Net pension liability	5,304,631	5,088,344	4.25 %
Totals	$ 7,989,006	$ 7,829,631	2.04 %

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Mosquito, Vector and Disease Control Assessment relies on two benefit assessments to fulfill the District Service Mission "to detect and minimize vector borne disease, to abate mosquitoes, and to assist the public in resolving problems with rodents, wildlife, tick borne diseases and insects of medical significance". Several factors help to maintain the stability of the revenue stream from the benefit assessments, and thus, the consistency of the economic picture. The number of parcels added to the District's benefit assessment roll rises at less than 1 percent annually; the current assessments do not include a "sunset clause"; annual assessed amounts cannot contain a CPI U (maximum 3%) adjustment without the approval from the District Board of Trustees; and no additional assessments are being proposed. Revenue from the two benefit assessments totaled $7,130,975 for FY 2020 and projected to total $ 7,112,778 for FY 2021. The District will also be increasing the 2005 benefit assessment by 3.0% in FY 2021 to reflect changes in the CPI-U for the San Francisco region, increasing that assessment by $0.25 per SFE. Assessment increase was approved by the Board on June 02, 2020.

One significant development on the horizon is the potential invasion and establishment of two invasive mosquito species. The Asian Tiger Mosquito (ATM) is currently established in southern California, and the Yellow Fever Mosquito (YFM) has been discovered in multiple locations throughout California, including San Mateo, Alameda, San Joaquin, Placer, and Sacramento Counties. These infestations have continued to expand since 2013. When established in the County, these two species will significantly alter mosquito control operations and place additional financial burden on the District. Of even greater import is the fact that these two species transmit Zika, Dengue and Chikungunya viruses, and that imported cases of these diseases have been and will continue to occur within the County as people travel to and from areas where these viruses are widespread. The District plan to address more surveillance for invasive mosquitoes in FY21. There is a "New Finding" in neighboring Alameda county for Murine typhus in fleas in their homeless camp, the District planned to do surveillance for Murine typhus in Santa Clara County homeless camp in 2019. The Pilot study started on October 17, 2019 and ended on February 05, 2020. The primary location consisted of homeless encampments, but also included the Newbie Island dump in Milpitas. During the survey the District also noted that number of Norway rats trapped during this pilot study were 126. Number of ectoparasites collected (included fleas) were 474, and all tested fleas were negative for *R. felis* and *R. typhi*.

All California districts face uncertainty related to regulatory oversight, and the increasing complexity and costs of doing vector control. The District have 9 seasonal staff, two (2) seasonal staffs were hired in 2019 by the District, to treat all catch basin and reduce the mosquito population. No further increases planned at till the end of fiscal year. Though these costs do not significantly alter the financial outlook for the District they highlight the need to maintain budget reserves and to coordinate with other Districts to ensure that unforeseen costs are covered.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Santa Clara County Vector Control District, 1580 Berger Dr. San Jose, CA 95112.

BASIC FINANCIAL STATEMENTS

GOVERNMENT - WIDE FINANCIAL STATEMENTS

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2020

	Governmental Activities
ASSETS	
Cash and investments	$ 10,385,068
Interest receivable	36,203
Due from other government	3,807
Capital assets, net	6,337,303
Total assets	16,762,381
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources - pension	1,030,994
Deferred outflows of resources - OPEB	350,382
Total deferred outflows of resources	1,381,376
Total assets and deferred outflows of resources	18,143,757
LIABILITIES	
Accounts payable	103,664
Accrued salaries and benefits	239,948
Compensated absences - due within one year	14,235
Compensated absences - due beyond one year	366,162
Net OPEB liability	2,318,213
Net pension liability	5,304,631
Total liabilities	8,346,853
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources - pension	158,820
Deferred outflows of resources - OPEB	563,085
Total deferred inflows of resources	721,905
Total liabilities and deferred inflows of resources	9,068,758
NET POSITION	
Net investment in capital assets	6,337,303
Restricted:	
General purposes	2,737,696
Total net position	9,074,999
Total liabilities, deferred inflow of resources and net position	$ 18,143,757

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

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

Functions/Programs	Expenses	Net (Expenses) Revenues, and Changes in Net Position Governmental Activities
Governmental Activities:		
Health and sanitation	$ 8,481,668	$ (8,481,668)
Total governmental activities	$ 8,481,668	(8,481,668)
General Revenues:		
Benefit assessment		7,130,975
Interest income		176,765
Gain on sale of capital assets		4,062
Intergovernmental revenues		92,232
Other revenue		26,570
Total general revenues		7,430,604
Change in net position		(1,051,064)
Net position - beginning of year		10,070,908
Restatement		55,155
Net position - beginning of year, restated		10,126,063
Net position - end of year		$ 9,074,999

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

FUND FINANCIAL STATEMENTS

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2020

	General Fund	Capital Project	Total Governmental Funds
ASSETS			
Cash and investments	$10,076,223	$ 308,845	$ 10,385,068
Interest receivables	34,938	1,265	36,203
Due from other government	3,807	-	3,807
Total assets	10,114,968	310,110	10,425,078
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	103,664	-	103,664
Accrued salaries and benefits	239,948	-	239,948
Total liabilities	343,612	-	343,612
FUND BALANCES			
Restricted	9,771,356	310,110	10,081,466
Total fund balances	9,771,356	310,110	10,081,466
Total liabilities and fund balances	$10,114,968	$ 310,110	$ 10,425,078

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

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
JUNE 30, 2020

		Governmental Funds
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Fund balances - total governmental funds		$ 10,081,466
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds.		
Governmental capital assets, net		6,337,303
Deferred outflows of resources related to pensions and OPEB are applicable to future periods and therefore, are not reported in the governmental funds		1,381,376
Deferred inflows of resources related to pensions and OPEB are applicable to future periods and therefore, are not reported in the governmental funds		(721,905)
Liabilities are not due and payable in the current period and therefore, are not reported as liabilities in the funds. Liabilities at year end consist of:		
Net pension liability	(5,304,631)	
Net OPEB liability	(2,318,213)	
Compensated absences	(380,397)	(8,003,241)
Net position of governmental activities		$ 9,074,999

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

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	General Fund	Capital Project	Total
REVENUES			
Benefit assessment	$ 7,130,975	$ -	$ 7,130,975
Interest income	170,798	5,967	176,765
Receipts from sale of assets	4,062	-	4,062
Intergovernmental revenue	92,232	-	92,232
Other revenue	26,570	-	26,570
Total revenues	7,424,637	5,967	7,430,604
EXPENDITURES			
Salaries and benefits	5,020,751	-	5,020,751
Services and supplies	2,891,093	-	2,891,093
Total expenditures	7,911,844	-	7,911,844
Net change in fund balances	(487,207)	5,967	(481,240)
Fund balances - beginning of year	10,207,828	302,465	10,510,293
Restatement	50,735	1,678	52,413
Fund balances - beginning of year, restated	10,258,563	304,143	10,562,706
Fund balances - end of year	$ 9,771,356	$ 310,110	$10,081,466

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

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

		Governmental Funds
Amounts reported for governmental activities in the Statement of Activities are different because:		
Net changes in fund balances - total governmental funds		$ (481,240)
Capital outlays are reported in governmental funds as expenditures and sale of capital assets as revenues. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which additions to capital outlay exceeds depreciation expense in the period.		
Less: Depreciation		(243,209)
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.		
Change in compensated absences		(47,685)
Governmental funds report the District's pension and OPEB contributions as expenditures. However, in the Statement of Activities, the cost of pension and OPEB benefits earned net of employee contributions is reported as pension and OPEB expenses:		
Net pension incomes (expenses)	(274,321)	
Net OPEB incomes (expenses)	(4,609)	(278,930)
Change in net position in governmental activities		$ (1,051,064)

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

NOTE 1 - ORGANIZATION

The Santa Clara County Vector Control District (the "District") was organized on May 3, 1988, in conformity with the Government Code Section 25842.5, Health and Safety Code Section 2200, et seq., Health and Safety Code Section 1800, et seq., California Penal Code, Title X, and Uniform Housing Code Section 1001 (b) 12. The District provides services to prevent vector borne diseases and reduce exposure to pests, mosquitoes, rodents and insects which affect the public health and wellbeing. The District serves all fifteen incorporated cities and the unincorporated areas of the County.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The District complies with generally accepted accounting principles (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

A. Basis of Presentation

Government - wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the District. These statements include the financial activities of the overall government. Governmental activities are normally supported by taxes and intergovernmental revenues.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues would include charges paid by the recipients of goods or services offered by the programs, as well as grants and contributions that are restricted to meeting the operational or capital requirements of the programs. Revenues that are not classified as program revenues, including all kinds of taxes, are presented as general revenues. The comparison of program revenues and direct expenses identifies the extent to which each program is self-financing or draws from the general revenues of the District.

When both restricted and unrestricted net positions are available, restricted resources are used only after the unrestricted resources are depleted.

Fund Financial Statements

Fund financial statements are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses.

Funds are organized into three major categories: governmental, proprietary, and fiduciary. There are separate statements for each fund category. The emphasis of fund financial statements is on major governmental and enterprise funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The internal service fund is presented in a single column in the proprietary fund financial statements. The District has two funds, the general fund and capital project, both of which are categorized as governmental funds. There are no proprietary nor fiduciary funds.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

A. Basis of Presentation - Cont'd

Governmental Funds

The District reports two governmental funds:

- General Fund is the primary operating fund of the District and is always classified as a major fund. It is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the District that are not accounted for through other funds. For the District, the General Fund's primary activity is health and sanitation.
- Capital Project is used to account for financial resources to be used for the acquisition or construction of major capital assets.

B. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

The government - wide, proprietary, and fiduciary fund financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This differs from the manner in which governmental fund financial statements are prepared. Therefore, governmental fund financial statements include a reconciliation with brief explanations to better identify the relationship between the government - wide statements and the statements for governmental funds. The District has no proprietary nor fiduciary funds.

The accounting objectives of the economic resources measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Fund equity is classified as net position.

Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Non-exchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes. On an accrual basis, revenue from benefit assessment is recognized in the fiscal year for which the assessment is levied.

The governmental fund financial statements are prepared using the current financial resources measurement focus and the modified accrual basis of accounting.

In the current financial resources measurement focus, only current financial assets and liabilities are generally included on the balance sheets. The operating statements present sources and uses of available spendable financial resources during a given period. The fund balance is used as the measure of available spendable financial resources at the end of the period.

Under the modified accrual basis of accounting, revenues are recognized when measurable and available. Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year end. Expenditures (including capital outlay) are recorded when the related liability is incurred, except for debt expenditures (principal and interest), as well as expenditures related to compensated absences which are reported when expense due.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

C. Budgets and Budgetary Accounting

The District prepares its budget on a basis of accounting that differs from generally accepted accounting principles (GAAP). The actual results of operations are presented in the Budgetary Comparison Schedule - General Fund on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis of accounting and GAAP is that encumbrances are recorded as expenditures under the budgetary basis.

These budgets are revised by the District's governing body during the year to give consideration to unanticipated income and expenditures. The original and final revised budgets are presented for the general fund in the financial statements.

D. Cash and Investments

Cash held in banks are insured by the Federal Depository Insurance Corporation. All cash held by the financial institutions is fully insured or collateralized, except those which exceeds the maximum insured levels of the FDIC.

The District maintains substantially all its cash in the Santa Clara County Treasury. The County pools these funds with those of other Departments in the county and invests the cash. These pooled funds are carried at cost, which approximates market value. Interest earned is deposited quarterly into participating funds. Any investment losses are netted against interest income and proportionately shared by all funds in the pool.

E. Capital Assets

In the government - wide financial statements, capital assets purchased or acquired with an original cost of $5,000 or more are recorded at historical cost or at estimated historical cost, if actual historical cost is not available. Donated capital assets are recorded at acquisition value.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation expense is provided over the assets' estimated useful lives using the straight-line method of depreciation. The estimated useful lives by type of assets are as follows:

Asset Class	Estimated useful life
Buildings and improvements	5 - 50 years
Vehicles and Equipment	3 - 30 years

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

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Upon sale of capital assets, the proceeds from sale of capital assets is included in the results of operations as other financing sources.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

F. Compensated Absences

Accumulated unpaid vacation and sick leave are recorded as a liability when future payments for such compensation absences have been earned by employees based on pay and salary rates in effect at year end. This liability is recorded as long-term debt in the government - wide financial statement of net position. The liability is not accrued in the governmental fund financial statement but is recognized only if it is due and payable in an event of termination.

G. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan's 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.

H. Deferred Outflow/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

I. Long-term Debt

In the government - wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight - line method. Bonds payable are reported net of applicable bond premium or discount. Bond issue costs are expensed when incurred.

In the fund financial statements, governmental funds recognized bond premiums and discounts as well as bond issuance costs, during the current period. The face amount of the debt issued, premiums, or discounts are reported as other financing sources/uses, whereas, issuance costs, are reported as debt service expenditures.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

J. Equity Classifications

In government - wide and proprietary fund financial statements, equity is classified as net position and divided into three components:

- *Net Investment in Capital Assets* – This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.
- *Restricted Net Position* – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- *Unrestricted Net Position* – This category represents net position of the District, not restricted for any project or other purpose.

Governmental funds report fund balances in classifications based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. Fund balance for governmental funds can consist of the following:

- *Nonspendable Fund Balance* – includes amounts that are (a) not in spendable form–such as inventory, prepaid amounts or long-term notes receivable, or (b) legally or contractually required to be maintained intact–such as a trust that must be retained in perpetuity. The “not in spendable form” criterion includes items that are expected to be converted to cash.
- *Restricted Fund Balance* – constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation. Restriction may effectively be changed or lifted only with the consent of resource providers.
- *Committed Fund Balance* – amounts that can be used only be used for the specific purposes determined by a formal action of the District’s highest level of decision-making authority, the Board. Commitments may be changed or lifted by the District taking the same formal action that imposed the constraint originally.
- *Assigned Fund Balance* – comprises amounts intended to be used by the District for specific purposes that are neither restricted nor committed. Intent is expressed by (a) the District’s Board or (b) a body (e.g., a budget or finance committee) or official to which the District’s Board has delegated the authority to assign, modify, rescind amounts to be used for specific purposes. With the exception of the General Fund, this is the residual fund balance classification for all governmental funds with positive balances.
- *Unassigned Fund Balance* – the residual classification for the General Fund. It is also used to report negative fund balance in other governmental funds.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is generally depleted in the order of restricted, committed, assigned, and unassigned.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

K. Estimates

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

NOTE 3 - CASH AND INVESTMENTS

Cash and investments as of June 30, 2020, consist of the following:

	Carrying Amount	Fair Value
Cash and investments in County Treasury common pool:		
General Fund	$ 10,076,223	$ 10,201,621
Capital Project Fund	308,845	312,688
Total cash and investments	$ 10,385,068	$ 10,514,309

The District's fair value is based on their cash position as of June 30, 2020, in proportion to the entire cash held in the commingled County Pool. The fair value includes the amortization of premiums and discounts. The County's investments are registered with the SEC.

Based on the County's calculations, the District would had reflected an increase to cash, interest and investment income of $125,398 and $3,843, in the General Fund and Capital Project Fund, respectively. However, since such application is not material, the District's cash balance is stated at cost.

Cash in County Treasury

Funds with the County Treasurer are invested pursuant to investment policy established by the Treasurer and approved by the Board of Trustees. The objectives of the policy are, in order of priority, preservation of capital, liquidity and yield. The policy addresses the soundness of financial institutions in which the County deposits funds, the types of investment instruments and the percentage of the portfolio which may be invested in certain instruments, as permitted by Section 53600 et seq. of the Government Code of the State of California. The County Treasury common pool as of June 30, 2020, consisted of cash in bank, U.S. government and agency securities, corporate bonds, negotiable certificates of deposit, commercial paper, and deposits in the State's local agency investment fund. Additional information regarding the deposit and investment custodial credit, interest rate and credit risks of the County Treasury common pool can be found in the County's June 30, 2020, comprehensive annual financial report. A copy of that report may be obtained by contacting the County's Finance Agency, Controller-Treasurer Department, 70 West Hedding Street, 2nd Floor, East Wing, San Jose, CA 95110.

NOTE 4 - CAPITAL ASSETS

The capital asset activities for the year ended June 30, 2020, were as follows:

	Beginning balance	Additions	Deletions	Adjustments	Ending balance
Capital assets, not being depreciated:					
Land	$ 2,352,000	$ -	$ -	$ -	$ 2,352,000
Total capital assets, not being depreciated	2,352,000	-	-	-	2,352,000
Capital assets being depreciated:					
Building and improvements	4,556,516	-	-	-	4,556,516
Vehicles	1,615,223	-	(72,134)	2,742	1,545,831
Equipment	525,675	-	-	-	525,675
Total capital assets, being depreciated	6,697,414	-	(72,134)	2,742	6,628,022
Less - accumulated depreciation:					
Building and improvements	942,466	91,130	-	-	1,033,596
Vehicles	1,057,579	126,514	(72,134)	-	1,111,959
Equipment	471,599	25,565	-	-	497,164
Total accumulated depreciation	2,471,644	243,209	(72,134)	-	2,642,719
Total capital assets, being depreciated, net	4,225,770	(243,209)	-	2,742	3,985,303
Total capital assets, net	$ 6,577,770	$ (243,209)	$ -	$ 2,742	$ 6,337,303

Depreciation expense allocated to the Health and sanitation function for the year ended June 30, 2020, was $243,209.

NOTE 5 - LONG-TERM LIABILITIES

The following was the summary of changes in long-term liabilities for the year ended June 30, 2020:

	Beginning balance	Additions	Deductions	Ending balance	Due within one year	Due beyond one year
Net OPEB liability	$ 2,408,575	$ -	$ 90,362	$ 2,318,213	$ -	$ 2,318,213
Compensated absences	332,712	47,685	-	380,397	14,235	366,162
Net pension liability	5,088,344	216,287	-	5,304,631	-	5,304,631
Totals	$ 7,829,631	$ 263,972	$ 90,362	$ 8,003,241	$ 14,235	$ 7,989,006

NOTE 6 - PENSION PLANS

A. General Information about the Pension Plan

The full description of the general information about the Pension Plan (outline below) can be found in the County's June 30, 2020 CAFR. A copy of that report may be obtained by contacting the County's Finance Agency, Controller-Treasurer Department, 70 West Hedding Street, 2nd Floor, East Wing, San Jose, CA 95110.

The following information regarding the Plan is available in County's CAFR:

- Plan Description, Benefits Provided and Employees Covered
- Contribution Description
- Actuarial Methods and Assumptions Used to Determine Total Pension Liability
- Discount Rate
- Pension Plan Fiduciary Net Position
- Sensitivity of the Net Pension Liability to Changes in the Discount Rate
- Subsequent Events and
- Recognition of Gains and Losses

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.

Reporting date	June 30, 2020
Measurement date	June 30, 2019
Measurement period	July 1, 2018 to June 30, 2019
Valuation date	June 30, 2018

NOTE 6 - PENSION PLANS - CONT'D

B. Changes in the Net Pension Liability

The following table shows the changes in net pension liability recognized over the measurement period (presented at 0.160%, which is the County of Santa Clara's calculation of the District's proportional share).

	Increase(Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (c) = (a) - (b)
Balance at: 6/30/18 (VD)	$ 17,486,897	$ 12,552,745	$ 4,934,152
Changes recognized for the measurement period:			
Service cost	423,234	-	423,234
Interest on the Total Pension Liability	1,254,682	-	1,254,682
Change in assumptions	-	-	-
Difference between expected and actual experience	249,558	-	249,558
Plan to Plan resource movement	-	(48)	48
Contributions from the employers	-	535,930	(535,930)
Contributions from employees	-	201,109	(201,109)
Net investment income	-	828,933	(828,933)
Benefit payments, including refunds of employee contributions	(800,146)	(800,146)	-
Administrative expenses	-	(8,958)	8,958
Other miscellaneous income/(expense)[1]	-	29	(29)
Net changes during 2018-19	1,127,328	756,849	370,479
Balance at: 6/30/19 (MD)	$ 18,614,225	$ 13,309,594	$ 5,304,631

C. Sensitivity of the Net Pension Liability to Changes in the Discount Rate

	6.15% (1% Decrease)	7.15% (Current Rate)	8.15% (1% Increase)
Plan's net pension liability/assets	$ 7,807,654	$ 5,304,631	$ 3,232,793

NOTE 6 - PENSION PLANS - CONT'D

D. Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

For the measurement period ending June 30, 2019 (the measurement date), the District incurred a total pension expense of $274,321 for the Plan.

Adjustments have been made for contributions subsequent to the measurement date. Adequate treatment of any contributions made after the measurement date is the responsibility of the employer. As of June 30, 2020, the District has deferred outflows and deferred inflows of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	$ 252,298	$ 87,417
Difference between expected and actual experience	253,802	4,194
Employer contribution subsequent to measurement date	524,894	-
Net difference between projected and actual earnings on pension plan investments	-	67,209
Total deferred outflows and inflows	$ 1,030,994	$ 158,820

The amounts above are net of outflows and inflows recognized in the 2018-19 measurement period expense. Amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

Measurement Period Ended June 30:	Deferred Outflows/ (Inflows) of Resources
2020	$ 316,128
2021	(37,910)
2022	33,450
2023	35,612
2024	-
Thereafter	-
Total	$ 347,280

The District's employer contributions for the year ending June 30, 2020 is $524,894.

NOTE 7 - OTHER POST EMPLOYMENT BENEFITS

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) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

Reporting date	June 30, 2020
Measurement date	June 30, 2019
Measurement period	July 01, 2018 to June 30, 2019
Valuation date	June 30, 2019

Plan Description

The District has established a Retiree Healthcare Plan (HC Plan), and participates in an agent multiple-employer defined benefit retiree healthcare plan. The HC Plan provides employees who retire directly from the District, at a minimum age of 55, with a minimum of five years of service, a cash subsidy for monthly medical insurance premiums up to a cap of $200 per employee or $320 for employee plus spouse. Payments cease at age 65 when the retiree or spouse is eligible for Medicare. If applicable, a cash subsidy for the monthly medical premium continues up to a cap of $160 for a spouse until age 65 is attained. Surviving spouses are also eligible for this benefit.

Employees who retire directly from the District at a minimum age of 55 with a minimum of five years of service are eligible to continue medical coverage as a participant with active employees at a blended premium rate until eligible for Medicare at age 65 as an implied subsidy. A separate financial report is not prepared for the HC Plan.

Contributions

The HC Plan and its contribution requirements are established by Memoranda of Understanding with the applicable employee bargaining units and may be amended by agreements between the District and the bargaining units. The annual contribution is based on the actuarially determined contribution. For the fiscal year ended June 30, 2020, the District's contributions were $232,135.

In Fiscal Year 2016, the District created a trust with Public Agency Retirement Services (PARS) for the purpose of prefunding obligations for past services.

Net OPEB Liability and actuarial assumptions

The Net OPEB liability of the District measured as of June 30, 2019, was $2,318,213 (presented at 0.198%, which is the County of Santa Clara's calculation of the Districts proportional share).

The following table shows the actuarial assumptions over the measurement period (presented at 0.198%, which is the County of Santa Clara's calculation of the Districts proportional share). The District's Net OPEB liability was measured as of June 30, 2019 and the Total OPEB liability used to calculate the Net OPEB liability was determined by an actuarial valuation dated June 30, 2019 that was rolled forward to determine the June 30, 2019 Total OPEB liability, based on the following actuarial methods and assumptions:

NOTE 7 - OTHER POST EMPLOYMENT BENEFITS - CONT'D

Net OPEB Liability and actuarial assumptions - Cont'd

Actuarial Assumptions	
Discount rate	7.00%
Price inflation	2.50%
Wage inflation	2.75%
Salary increases	Miscellaneous: 9.75% to 3.25%, varying by service, including wage inflation
	Safety: 15.95% to 4.25%, varying by service, including wage inflation
Investment rate of return	7.00%, net of OPEB plan investment expense, including inflation
Medical cost trend rate	
Non-medicare medical plan	6.75% graded down to an ultimate of 4.50% over 9 years
Medicare medical plan	6.25% graded down to an ultimate of 4.50% over 7 years
Medicare part B	4.50%
Other assumptions	Same as those used in the June 30, 2019 funding actuarial valuation for the OPEB Plan

Notes:

1. The actuarial assumptions used in the June 30, 2019 valuations were based on the CalPERS Experience Study adopted on December 20, 2017 by the CalPERS Board of Administration. They are the same as the assumptions used in the June 30, 2019 funding actuarial valuations, respectively, for the County of Santa Clara OPEB Plan.

Target Assets Allocation

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 returns 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 and subtracting expected investment expenses and a risk margin. The target allocation and best estimates of arithmetic real rates of return for each major asset class after deducting inflation, but before deducting investment expenses, used in the derivation of the long-term expected investment rate of return assumption are summarized in the following table:

Asset Class	Target Allocation	Long-term expected real rate of return
International Equity	59%	6.96%
Fixed Income	25%	1.96%
Real Estate	8.0%	4.76%
Treasury Inflation Protected Securities	5.0%	1.16%
Commodities	3.0%	4.96%
Total	100%	

NOTE 7 - OTHER POST EMPLOYMENT BENEFITS - CONT'D

Discount Rate

The discount rate used to measure the Total OPEB liability was 7.00 percent as of June 30, 2019. 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 future benefit payments for current plan members. 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.

Sensitivity of the Net OPEB Liability to changes in the discount rate. The following presents the Net OPEB Liability (NOL) of the District as of June 30, 2019, calculated using the discount rate of 7.00%, as well as what the District's NOL would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	Discount Rate-1% (6.00%)	Current Discount Rate(7.00%)	Discount Rate+1% (8.00%)
Miscellaneous	$ 2,593,819	$ 2,021,841	$ 1,553,492
Safety	380,216	296,372	227,719
Total	$ 2,974,035	$ 2,318,213	$ 1,781,211

Sensitivity of the Net OPEB Liability to changes in the trend rate. The following presents the Net OPEB Liability of the District as of June 30, 2019, as well as what the District's Net OPEB Liability would be if it were calculated using a trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

	1% Decrease	Current Trend Rate*	1% Increase
Miscellaneous	$ 1,462,721	$ 2,021,841	$ 2,774,952
Safety	214,413	296,372	406,768
Total	$ 1,677,134	$ 2,318,213	$ 3,181,720

* *Current trend rates: 6.75% graded down to 4.50% over 9 years for Non-Medicare medical plan costs; 6.25% graded down to 4.50% over 7 years for Medicare medical plan costs and 4.50% for all years for Medicare Part B subsidy cost. In addition, adjustments made to these trend rates to reflect the estimated impact of the Health Insurance Tax (HIT). The weighted average increase amongst all carriers was approximately 0.59% for Non-Medicare plans and 0.56% for Medicare plans.*

NOTE 7 - OTHER POST EMPLOYMENT BENEFITS - CONT'D

Recognition of Deferred Outflows and Deferred Inflows of Resources

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 recognition period differs depending on the source of the gain or loss:

Net difference between projected and actual earnings on OPEB plan investments	5 Years
All other amounts	Expected average remaining service lifetime (EARSL) (7.22 Years at June 30, 2018)

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

For the fiscal year ended June 30, 2020, the District recognized OPEB expense of $4,608. As of fiscal year ended June 30, 2020, the District reported deferred outflows of resources related to OPEB from the following sources:

Miscellaneous plan	Deferred outflow of resources	Deferred inflow of resources
Changes in proportion and differences between entity's contributions and proportionate share of contributions	$ 10,494	$ 11,679
Changes of assumptions or other inputs	75,170	42,806
Employer contribution subsequent to measurement date	202,457	-
Net excess of actual over projected earnings on OPEB plan investments	8,621	21,800
Difference between expected and actual experience in the Total OPEB Liability	-	411,761
Total	$ 296,742	$ 488,046

Safety Plan	Deferred outflow of resources	Deferred inflow of resources
Changes in proportion and differences between entity's contributions and proportionate share of contributions	$ 11,679	$ 10,494
Changes of assumptions or other inputs	11,019	5,599
Employer contribution subsequent to measurement date	29,678	-
Net excess of actual over projected earnings on OPEB plan investments	1,264	3,196
Difference between expected and actual experience in the Total OPEB Liability	-	60,358
Total	$ 53,640	$ 79,647

NOTE 7 - OTHER POST EMPLOYMENT BENEFITS - CONT'D

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB - Cont'd

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

Year Ended June 30	Miscellaneous plan	Safety plan
2021	$ (93,014)	$ (14,638)
2022	(93,014)	(14,638)
2023	(84,813)	(13,436)
2024	(52,918)	(7,665)
2025	(28,728)	(2,561)
2026	(30,053)	(2,252)
2027	(6,613)	(496)
Total	$ (389,153)	$ (55,686)

NOTE 8 - NET POSITION RESTATEMENT

The accompanying financial statements have been adjusted in the amount of $55,155, to reflect in the District's net position the effect of previous year interest receivable on County's Treasury common pool for $52,413, that was omitted to be recorded in previous year, and the District had increased the beginning balance of capital assets that were under reported by $2,742, due to clerical error in prior year.

NOTE 9 - SUBSEQUENT EVENTS

In February 2020, the World Health Organization declared the outbreak of the novel coronavirus (COVID-19) as a “Public Health Emergency of International Concern,” which continues to spread throughout the world and has adversely impacted global commercial activity and contributed to significant declines and volatility in financial markets.

The COVID-19 pandemic is complex and rapidly evolving. At this point, we cannot reasonably estimate the duration and severity of this pandemic, which could have a material adverse impact on our business, results of operations, and financial position.

REQUIRED SUPPLEMENTARY INFORMATION

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2020

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Budgetary fund balances - beginning	$ 8,508,191	$8,006,480	$10,258,563	$ 2,252,083
Resources (Inflows):				
Benefit assessment	6,975,057	6,966,685	7,130,975	164,290
Interest income	111,097	111,097	170,798	59,701
Gain on sale of capital assets	-	-	4,062	4,062
Intergovernmental revenue	4,260	4,260	92,232	87,972
Other revenue	67,821	67,821	26,570	(41,251)
Amount available for appropriation	7,158,235	7,149,863	7,424,637	274,774
Charges to Appropriations (Outflows):				
Health and sanitation:				
Salaries and benefits	5,414,864	5,406,492	5,020,751	385,741
Services and supplies	3,585,877	3,502,670	2,891,093	611,577
Capital outlay	-	447,500	-	447,500
Total charge to appropriations	9,000,741	9,356,662	7,911,844	1,444,818
Budgetary fund balances - ending	$ 6,665,685	$5,799,681	$ 9,771,356	$ 3,971,675

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
FOR THE LAST TEN YEARS*
JUNE 30, 2020

Fiscal year	2020	2019	2018	2017	2016	2015
Measurement period ending	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
TOTAL PENSION LIABILITY						
Service cost	$ 423,234	$ 424,960	$ 482,208	$ 383,459	$ 397,932	$ 401,638
Interest	1,254,682	1,214,801	1,376,423	1,233,071	1,260,548	1,191,780
Changes of assumptions	-	(168,539)	1,151,971	-	(309,086)	-
Differences between expected and actual experience	249,558	117,532	(19,152)	24,248	(26,168)	-
Benefit payments, including refunds of employee contributions	(800,146)	(768,288)	(842,726)	(740,023)	(743,800)	(690,979)
Net change in total pension liability	1,127,328	820,466	2,148,724	900,755	579,426	902,439
Total pension liability - beginning	17,486,897	17,212,897	18,298,110	16,272,611	16,985,937	16,035,069
Total pension liability - ending (a)	18,614,225	18,033,363	20,446,834	17,173,366	17,565,363	16,937,508
PLAN FIDUCIARY NET POSITION						
Contributions - employer	535,930	459,190	526,396	441,602	413,251	373,013
Contributions - employees	201,109	187,362	215,845	190,781	193,685	200,145
Net investment income	828,933	1,025,753	1,451,616	64,785	293,231	1,951,233
Benefit payments, including refunds of employee contributions	(800,146)	(768,288)	(842,726)	(740,023)	(743,800)	(690,979)
Plan to plan resource movement	(48)	20	(201)	321	(1,148)	-
Administrative expense	(8,958)	(18,850)	(19,247)	(7,487)	(14,942)	-
Other miscellaneous income/(expense)[1]	29	(35,793)	-	-	-	-
Net change in fiduciary net position	756,849	849,394	1,331,683	(50,021)	140,277	1,833,412
Plan fiduciary net position - beginning[2]	12,552,745	12,095,625	13,036,205	12,285,153	13,120,850	11,250,028
Plan fiduciary net position - ending (b)	13,309,594	12,945,019	14,367,888	12,235,132	13,261,127	13,083,440
Plan net pension liability/(asset) - ending (a) - (b)	$ 5,304,631	$ 5,088,344	$ 6,078,946	$ 4,938,234	$ 4,304,236	$ 3,854,068

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
FOR THE LAST TEN YEARS*
JUNE 30, 2020

Plan fiduciary net position as a percentage of the total pension liability	71.50 %	71.78 %	70.26 %	71.24 %	75.50 %	77.25 %
Covered employee payroll[3]	$ 2,471,870	$ 2,482,531	$ 2,770,038	$ 2,428,650	$ 2,465,809	$ 2,361,882
Plan net pension liability/(asset) as a percentage of covered - employee payroll	214.60 %	204.97 %	219.45 %	203.33 %	174.56 %	163.18 %

[1]During Fiscal Year 2017-18, as a result of Governmental Accounting Standards Board Statement (GASB) No. 75, Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions (GASB 75), CalPERS reported its proportionate share of activity related to postemployment benefits for participation in the State of California's agent OPEB plan. Accordingly, CalPERS recorded a one-time expense as a result of the adoption of GASB 75.

Additionally, CalPERS employees participate in various State of California agent pension plans and during Fiscal Year 2017-18, CalPERS recorded a correction to previously reported financial statements to properly reflect its proportionate share of activity related to pensions in accordance with GASB Statement No. 68, Accounting and Financial Reporting for Pensions (GASB 68).

[2]Includes any beginning of year adjustment.

[3]Includes one year's payroll growth using 2.75 percent payroll growth assumption for fiscal years ended June 30, 2018-19; 3.00 percent payroll growth assumption for fiscal years ended June 30, 2014-17.

** Fiscal Year 2015 was the first year of implementation, therefore only seven years are shown.*

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT

SCHEDULE OF PLAN CONTRIBUTION - PENSION
FOR THE LAST TEN YEARS*
FOR THE YEAR ENDED JUNE 30, 2020

Fiscal Year	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution[1]	$ 535,930	$ 447,994	$ 433,225	$ 399,717	$ 378,216	$ 441,602	$ 373,013
Contribution in relation to the actuarially determined contribution[1]	(535,930)	(447,994)	(433,225)	(399,717)	(378,216)	(441,602)	(373,013)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered - employee payroll[2]	$ 2,471,870	$ 2,482,531	$ 2,770,038	$ 2,428,650	$ 2,465,809	$ 2,361,882	$ 2,293,089
Contribution as a percentage of covered-employee payroll[2]	21.68 %	18.05 %	15.64 %	16.46 %	15.34 %	18.70 %	16.27 %

[1]Employers are assumed to make contributions equal to the actuarially determined contributions. However, some employers may choose to make additional contributions towards their unfunded liability. Employer contributions for such plans exceed the actuarially determined contributions.

[2]Includes one year's payroll growth using 2.75 percent payroll growth assumption for fiscal years ended June 30, 2018-19; 3.00 percent payroll growth assumption for fiscal years ended June 30, 2014-17.

** Fiscal Year 2015 was the first year of implementation, therefore only seven years are shown.*

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
FOR THE LAST TEN YEARS*
JUNE 30, 2020

Reporting Date	June 30, 2020	June 30, 2019	June 30, 2018
Measurement Date	June 30, 2019	June 30, 2018	June 30, 2017
Total OPEB liability			
Service cost	$ 134,111	$ 113,769	$ 145,373
Interest on the total	318,888	288,780	347,544
Difference between actual and expected experience	(270,604)	(62,127)	(404,177)
Changes in assumption	37,355	75,357	(91,027)
Benefit payments, including implicit subsidies net of retiree contributions	(173,886)	(156,887)	(169,439)
Net change in Total OPEB liability	45,864	258,892	(171,726)
Total OPEB liability - beginning	4,508,386	4,090,106	4,904,257
Total OPEB liability - ending	4,554,250	4,348,998	4,732,531
Plan's fiduciary net position			
Contributions - employer	210,782	298,169	290,226
Contributions - employee	13,054	12,062	13,313
Net investment income	131,700	130,639	167,551
Benefit payments, including implicit subsidies net of retiree contributions	(173,887)	(156,887)	(169,439)
Administrative expense	(6,580)	(7,730)	(5,660)
Other	49,429	25,730	40,167
Net change in plan's fiduciary net position	224,498	301,983	336,158
Plan's Fiduciary Net Position – beginning	2,011,539	1,638,440	1,559,629
Plan's Fiduciary Net Position – ending	$ 2,236,037	$ 1,940,423	$ 1,895,787
Net OPEB Liability – ending	$ 2,318,213	$ 2,408,575	$ 2,836,744
Plan's fiduciary net position as a percentage of the Total OPEB Liability	49.10 %	44.62 %	40.00 %
Covered employee payroll	$ 3,618,391	$ 3,200,647	$ 3,512,016
Plan Net OPEB liability as percentage of covered employee payroll	64.07 %	75.25 %	81.00 %

** Fiscal Year 2018 was the first year of implementation, therefore only three years are shown.*

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
SCHEDULE OF PLAN CONTRIBUTION - OPEB
FOR THE LAST TEN YEARS*
FOR THE YEAR ENDED JUNE 30, 2020

Fiscal Year Ended	June 30, 2020	June 30, 2019	June 30, 2018
Actuarially determined contribution (ADC)	$ 275,801	$ 298,169	$ 340,635
Contributions in relation to the ADC	(275,801)	(298,169)	(340,635)
Contribution deficiency (excess)	$ -	$ -	$ -
Covered - employee payroll	$ 3,618,391	$ 3,200,647	$ 3,512,016
Contributions as a % of covered-employee payroll	7.62 %	9.32 %	9.69 %

** Fiscal Year 2018 was the first year of implementation, therefore only three years are shown.*

Notes to Schedule:

Actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2020 were from the June 30, 2019 actuarial valuation.

Methods and assumptions used to establish "actuarially determined contribution" rates:

Valuation date	Actuarially determined contribution rates are calculated as of June 30, one year prior to the end of the fiscal year in which contributions are reported
Actuarial cost method	Entry Age Actuarial Cost Method
Amortization method	30-Year Closed Amortization; level percent of payroll
Remaining amortization period	28 years as of June 30, 2019
Asset valuation method	Market value
Actuarial assumptions:	June 30, 2019 Valuation Date
Investment rate of return	7.00%, net of investment expenses
Price inflation	2.50%
Wage inflation	2.75%
Salary Increases	Miscellaneous: 9.75% to 3.25%, varying by service, including wage inflation Safety: 15.95% to 4.25%, varying by service, including wage inflation
Medical cost trend rates	
Non-Medicare medical plan	6.75% graded down to an ultimate of 4.50% over 9 years
Medicare medical plan	6.25% graded down to an ultimate of 4.50% over 7 years
Medicare Part B	4.50%
Other assumptions	Same as those used in the June 30, 2019 funding actuarial valuation for the OPEB Plan

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2020

NOTE 1 - EXPLANATION OF DIFFERENCES BETWEEN BUDGETARY INFLOWS AND OUTFLOWS AND GAAP REVENUES AND EXPENDITURES

Sources/Inflows of Resources	
Actual amounts (budgetary basis) "available for appropriation" from the Budgetary comparison schedule	$ 7,424,637
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Fund	$ 7,424,637
Uses/Outflows of Resources	
Actual amounts (budgetary basis) "total charges to appropriations" from the Budgetary comparison schedule	$ 7,911,844
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Fund	$ 7,911,844

COMPLIANCE SECTION

HARSHWAL® & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Trustees
Santa Clara County Vector Control District
San Jose, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standard applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the remaining fund information of Santa Clara County Vector Control District (the "District"), a component unit of the County of Santa Clara as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report dated December 03, 2020.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Harshwal & Company LLP

Oakland, California
December 03, 2020

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2020

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
• Material weaknesses identified?	No
• Significant deficiencies identified that a not considered to be material weakness?	None reported
Noncompliance material to the financial statements noted?	No

SECTION II - FINANCIAL STATEMENT FINDINGS

There were no findings reported in the current year.

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2020

There were no findings reported in the prior year that requires a status update.

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT

AUDITED FINANCIAL STATEMENTS

JUNE 30, 2019

HARSHWAL & COMPANY LLP
Certified Public Accountants
7677 Oakport Street, Suite 460
Oakland, CA 94621
(510) 452-5051

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT

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HARSHWAL® & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Santa Clara County Vector Control District
San Jose, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, and each major fund of the Santa Clara County Vector Control District (the "District"), a component unit of the County of Santa Clara, as of and for the year ended June 30, 2019, 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. 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.

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 Santa Clara County Vector Control District, as of June 30, 2019, and the respective changes in financial position thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedule, schedule of changes in net pension liability, net OPEB liability and related ratios, and schedule of plan contributions on pages 4 - 10 and 39 - 43 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 28, 2019, on our consideration of the Santa Clara County Vector Control District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Santa Clara County Vector Control District's internal control over financial reporting and compliance.

Harshwal & Company, LLP
Certified Public Accountants

Harshwal & Company LLP

Oakland, California
October 28, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

(REQUIRED SUPPLEMENTARY INFORMATION)

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019

This section of the Santa Clara County Vector Control District (the "District") annual financial report presents a discussion and analysis of the District's financial performance for the fiscal year ended June 30, 2019. The District's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosure following this section:

FINANCIAL HIGHLIGHTS

- The assets/deferred outflow of the District exceeded liabilities/deferred inflow by $10,070,908 (net position) for the fiscal year reported. Of this amount, $6,577,770 is net investment in capital assets while $3,493,138 is restricted for general purposes.
- The District's total net position increased by $687,428 during the fiscal year.
- As of June 30, 2019, the District's governmental funds reported combined ending fund balances of $10,510,293. The entire amount is restricted to be spent only for the missions the District is committed to.
- At the end of the fiscal year, restricted fund balance for the general fund was $10,207,828 or 135% of total general fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: (1) Government - wide financial statements, (2) Fund financial statements, and (3) Notes to the basic financial statements. Required Supplementary Information is included in addition to the basic financial statements.

Government-wide Financial Statements

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

The *statement of net position* presents information on all of the District's assets, deferred outflow, liabilities, and deferred inflow with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether or not the financial position of the District is improving or deteriorating.

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

Both of the government - wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges *(business-type activities*). The only governmental activity of the District is health and sanitation. The District does not have any business-type activities.

Fund Financial Statements

The fund financial statements are designed to report information about groupings of related accounts which are used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into one category only, governmental funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements - i.e. most of the District's basic services are reported in governmental funds. These statements, however, focus on (1) how cash and other financial assets can readily be converted to available resources and (2) the balances left at year-end that are available for spending. Such information may be useful in determining what financial resources are available in the near future to finance the District's programs.

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 financial decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains two governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and capital projects.

The District does not have any proprietary and fiduciary funds.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information

The required supplementary information is presented concerning the District budgetary comparison schedule. The District adopts an annual appropriated budget for its General Fund and Capital Project. A budgetary comparison schedule has been provided for the General Fund to demonstrate compliance with this budget and to satisfy the requirement of GASB Statement No. 34.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets/deferred outflow exceeded liabilities/deferred inflow by $10,070,908 at the close of the most recent fiscal year.

NET POSITION
GOVERNMENTAL ACTIVITIES

	2019	2018	Increase (Decrease) %
ASSETS			
Current and other assets	$10,746,513	$11,207,492	(4)%
Capital assets, net	6,577,770	6,688,208	(1.65)%
Total Assets	17,324,283	17,895,700	(3)%
Deferred Outflows of Resources	1,346,457	1,858,527	(28)%
LIABILITIES			
Current and other liabilities	267,888	484,421	(45)%
Non-current - due beyond one year	7,797,963	9,328,351	(16)%
Total Liabilities	8,065,851	9,812,772	(18)%
Deferred Inflows of Resources	533,981	557,975	(4)%
NET POSITION			
Net investment in capital assets	6,577,770	6,688,208	(2)%
Restricted net position	3,493,138	2,695,272	30 %
Total Net Position	$10,070,908	$ 9,383,480	7.33 %

Analysis of Net Position

The larger balance of the District's net position of $6,577,770 65%represents net investment in capital assets (e.g. land, building and improvements, vehicles, and equipment). The District uses these capital assets to provide services to citizens; consequently, these are not available for future spending.

The remaining portion of the District's net position $3,493,138 35% represents resources that are subject to external restrictions on how they may be used.

At the end of the current fiscal year, the District reported positive balances in both categories of net position.

Governmental Activities

Governmental activities increased the District's net position by $687,428 thereby accounting for 100% of the total increase in net position of the District. The following table indicates the changes in net position for governmental activities:

CHANGES IN NET POSITION
GOVERNMENTAL ACTIVITIES

	2019	2018	Increase (Decrease) %
REVENUES			
Benefit assessment	$ 7,098,105	$ 7,085,337	0.18 %
Interest income	136,170	142,521	(4)%
Intergovernmental	39,991	52,291	(24)%
Miscellaneous	52,505	139,220	(62)%
Total revenues	7,326,771	7,419,369	(1)%
EXPENSES			
Health and Sanitation	6,639,343	8,240,783	(19)%
Total expenses	6,639,343	8,240,783	(19)%
Change in net position	687,428	(821,414)	(184)%
Restatement	-	3,054,402	100.00 %
Net position - beginning of year, *restated*	9,383,480	10,204,894	(8.05)%
Net position - end of year	$10,070,908	$ 9,383,480	7.33 %

Analysis of Changes in Net Position

A key element of the increase in net position of $687,428 was due to the benefit assessment revenue being more than the expenditures.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

Governmental Funds

The general government functions are contained in the General Funds and the Capital Project. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balance of spendable resources. Such information is useful in assessing the District's financing requirements.

At June 30, 2019, the District's governmental funds reported combined ending fund balances of $10,510,293 a decrease of $252,726 in comparison with the prior year largely due decreased cash and investment of general fund. All of the combined ending fund balances constitutes restricted fund balance for general purposes.

The general fund is the chief operating fund of the District. At June 30, 2019, restricted fund balance of the general fund was $10,207,828 while total fund balance reached $10,510,293 Total fund balance of the general fund represents 135% of total general fund expenditures of $7,579,497.

Revenues for governmental functions totaled $7,326,771 in fiscal year 2018-2019, which represents a decrease of $92,598 from the previous fiscal year. Expenditures for governmental functions, totaling $7,579,497, decreased by $296,849 from the previous fiscal year. In the fiscal year 2018-2019, expenditures for governmental functions exceeded revenues by $252,726.

The following table presents the amount of revenues from various sources as well as increases or decreases from the prior year.

REVENUES CLASSIFIED BY SOURCE
GOVERNMENTAL FUNDS

	2019		2018		Increase/(Decrease)	
	Amount	% of Total	Amount	% of Total	Amount	% of Change
Revenues by source						
Benefit assessment	$7,098,105	96.88 %	$7,085,337	95.50 %	$ 12,768	0.18 %
Interest income	136,170	1.86 %	142,521	1.92 %	(6,351)	(4.46)%
Intergovernmental revenue	39,991	0.54 %	52,291	0.70 %	(12,300)	(23.52)%
Miscellaneous	52,505	0.72 %	139,220	1.88 %	(86,715)	(62.29)%
Total	$7,326,771	100.00 %	$7,419,369	100.00 %	$ (92,598)	(1.25)%

Intergovernmental revenues represent mainly transfer from County through property tax/benefit assessment to fund CalPERS Employers Retiree Benefit Trust (CERBT) to assure the unfunded liability for the District is addressed in a prorata fashion. Other revenues represent water pollution control and plant mosquito control provided by the District to the City of San Jose, the level of which fluctuates every year.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the year, actual revenues were more than budgetary estimates by $137,661. This favorable variance is mainly due to surge in benefit assessment and interest income. Actual expenditures were less than budgetary estimates by $1,401,645. This favorable variance is mainly due to decreased salary expenditure because of staff vacancies and decreased expenditures for pesticides.

CAPITAL ASSETS AND DEBT ADMINISTRATION

The District’s capital assets for its governmental activities as of June 30, 2019, amounted to $6,577,770 (net of accumulated depreciation). The capital assets include land, building and improvements, vehicles, and equipment. The decrease in the District’s capital assets for the current period was $110,438 which was mainly due to net effect of capital assets disposal and depreciation over new acquisitions.

Capital assets for the governmental activities are presented below to illustrate changes from the prior year:

	Governmental Activities		Increase/ (Decrease)
	2019	2018	% of Change
Land	$ 2,352,000	$ 2,352,000	- %
Building and improvements	4,556,516	4,556,516	- %
Vehicles	1,615,223	1,458,024	10.78 %
Equipment	525,675	525,676	- %
Total Cost	9,049,414	8,892,216	1.77 %
Less: accumulated depreciation	(2,471,644)	(2,204,008)	12.14 %
Capital assets, net	$ 6,577,770	$ 6,688,208	(1.65)%

Long-term debt

The District decreased its long term debt mainly due to reduction of net pension liability.

	2019	2018	% of Change
Compensated absences	332,712	452,856	(27)%
Net OPEB liability	2,408,575	2,836,744	(15)%
Net pension liability	5,088,344	6,078,699	(16)%
Total long-term debt	$ 7,829,631	$ 9,368,299	(16)%

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Mosquito, Vector and Disease Control Assessment relies on two benefit assessments to fulfill the District Service Mission "to detect and minimize vector borne disease, to abate mosquitoes, and to assist the public in resolving problems with rodents, wildlife, tick borne diseases and insects of medical significance". Several factors help to maintain the stability of the revenue stream from the benefit assessments, and thus, the consistency of the economic picture. The number of parcels added to the District's benefit assessment roll rises at less than 1 percent annually; the current assessments do not include a "sunset clause"; annual assessed amounts cannot contain a CPI U (maximum 3%) adjustment without the approval from the District Board of Trustees; and no additional assessments are being proposed. Revenue from the two benefit assessments totaled $7,098,105 for FY 2019 and projected to total $6,975,057 for FY 2020.

One significant development on the horizon is the potential invasion and establishment of two invasive mosquito species. The Asian Tiger Mosquito (ATM) is currently established in southern California, and the Yellow Fever Mosquito (YFM) has been discovered in multiple locations throughout California, including San Mateo, Alameda, San Joaquin, Placer, and Sacramento Counties. These infestations have continued to expand since 2013. When established in our County, these two species will significantly alter mosquito control operations and place additional financial burden on the District. Of even greater import is the fact that these two species transmit Zika, Dengue and Chikungunya viruses, and that imported cases of these diseases have been and will continue to occur within the County as people travel to and from areas where these viruses are widespread. District plan to address more surveillance for invasive mosquitoes in FY20. There is a "New Finding "in Alameda county our neighbor for Murine typhus in fleas in their homeless camp, the District is planning to do surveillance for Murine typhus in Santa Clara County homeless camp in 2019.

All California districts face uncertainty related to regulatory oversight, and the increasing complexity and costs of doing vector control. District plan to increase two more seasonal in FY19 to treat all catch basin and reduce the mosquito population. Though these costs do not significantly alter the financial outlook for the District they highlight the need to maintain budget reserves and to coordinate with other Districts to ensure that unforeseen costs are covered.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Santa Clara County Vector Control District, 1580 Berger Dr. San Jose, CA 95112.

BASIC FINANCIAL STATEMENTS

GOVERNMENT - WIDE FINANCIAL STATEMENTS

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2019

	Governmental Activities
ASSETS	
Cash and investments	$ 10,740,503
Receivables	
Due from other governmental	6,010
Capital assets, net	6,577,770
Total assets	17,324,283
Deferred outflows of resources	
Pension	1,067,810
OPEB	278,647
Total deferred outflows of resources	1,346,457
Total assets and deferred outflows of resources	18,670,740
LIABILITIES	
Current liabilities	
Accounts payable	72,028
Accrued salaries and benefits	159,158
Compensated absences - due within one year	31,668
Due to other governmental	5,034
Total current liabilities	267,888
Noncurrent liabilities	
Compensated absences - due beyond one year	301,044
Net OPEB liability	2,408,575
Net pension liability	5,088,344
Total noncurrent liabilities	7,797,963
Deferred inflows of resources	
Pension	137,602
OPEB	396,379
Total deferred inflows of resources	533,981
Total liabilities and deferred inflows of resources	8,599,832
NET POSITION	
Net investment in capital assets	6,577,770
Restricted	
General purposes	3,493,138
Total net position	10,070,908
Total liabilities, deferred inflow of resources and net position	$ 18,670,740

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

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

Functions/Programs	Expenses	Net (Expenses) Revenues, and Changes in Net Position Governmental Activities
Governmental Activities:		
Health and sanitation	$ 6,639,343	$ (6,639,343)
Total governmental activities	$ 6,639,343	(6,639,343)
General Revenues:		
Benefit assessment		7,098,105
Interest income		136,170
Intergovernmental		39,991
Miscellaneous		52,505
Total general revenues		7,326,771
Change in net position		687,428
Net position - beginning of year		9,383,480
Net position - end of year		$ 10,070,908

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

FUND FINANCIAL STATEMENTS

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2019

	General Fund	Capital Project	Total Governmental Funds
ASSETS			
Cash and investments	$10,438,038	$ 302,465	$ 10,740,503
Due from other governmental agencies	6,010	-	6,010
Total assets	10,444,048	302,465	10,746,513
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	72,028	-	72,028
Accrued salaries and benefits	159,158	-	159,158
Due to other governmental agencies	5,034	-	5,034
Total liabilities	236,220	-	236,220
FUND BALANCES			
Restricted	10,207,828	302,465	10,510,293
Total fund balances	10,207,828	302,465	10,510,293
Total liabilities and fund balances	$10,444,048	$ 302,465	$ 10,746,513

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

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
JUNE 30, 2019

Amounts reported for governmental activities in the Statement of Net Position are different because:		
Fund balances - Total governmental funds		$ 10,510,293
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Governmental capital assets		6,577,770
Deferred outflows of resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the governmental funds		1,346,457
Deferred inflows of resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the governmental funds		(533,981)
Non-current liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.		
Non-current liabilities at year end consist of:		
Net pension liability	(5,088,344)	
Net other post-employment benefits liability	(2,408,575)	
Compensated absences	(332,712)	(7,829,631)
Net position of governmental activities		$ 10,070,908

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2019

	General Fund	Capital Project	Total
REVENUES			
Benefit assessment	$ 7,098,106	$ -	$ 7,098,106
Interest income	131,786	4,383	136,169
Intergovernmental revenue	39,991	-	39,991
Other revenue	52,505	-	52,505
Total revenues	7,322,388	4,383	7,326,771
EXPENDITURES			
Salaries and benefits	4,578,109	-	4,578,109
Services and supplies	2,844,190	-	2,844,190
Capital outlay	157,198	-	157,198
Total expenditures	7,579,497	-	7,579,497
Excess (deficiency) of revenues over expenditures	(257,109)	4,383	(252,726)
Net change in fund balances	(257,109)	4,383	(252,726)
Fund balances - beginning of year	10,464,937	298,082	10,763,019
Fund balances - end of year	$10,207,828	$ 302,465	$10,510,293

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

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2019

Amounts reported for governmental activities are different because:

Net changes in fund balances - total governmental funds		$ (252,726)
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which additions to capital outlay exceeds depreciation expense in the period.		
Capital assets acquisitions	157,198	
Less: Depreciation	(267,636)	(110,438)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
OPEB expenses	430,566	
Change in compensated absences	120,144	
Pension expense	499,882	1,050,592
Change in net position in governmental activities		$ 687,428

NOTE 1 - ORGANIZATION

The Santa Clara County Vector Control District (the "District") was organized May 3, 1988, in conformity with the Government Code Section 25842.5, Health and Safety Code Section 2200, et seq., Health and Safety Code Section 1800, et seq., California Penal Code, Title X, and Uniform Housing Code Section 1001 (b) 12. The District provides services to prevent vector borne diseases and reduce exposure to pests, mosquitoes, rodents and insects which affect the public health and wellbeing. The District serves all fifteen incorporated cities and the unincorporated areas of the County.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The District complies with generally accepted accounting principles (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

A. Basis of Presentation

Government-wide Financial Statements

The statement of net position and statement of activities display information about the District. These statements include the financial activities of the overall government. Governmental activities are normally supported by taxes and intergovernmental revenues.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues would include charges paid by the recipients of goods or services offered by the programs, as well as grants and contributions that are restricted to meeting the operational or capital requirements of the programs. Revenues that are not classified as program revenues, including all kinds of taxes, are presented as general revenues. The comparison of program revenues and direct expenses identifies the extent to which each program is self-financing or draws from the general revenues of the District.

When both restricted and unrestricted net positions are available, restricted resources are used only after the unrestricted resources are depleted.

Fund Financial Statements

Fund financial statements are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONT'D)

A. Basis of Presentation - (Cont'd)

Funds are organized into three major categories: governmental, proprietary, and fiduciary. There are separate statements for each fund category. The emphasis of fund financial statements is on major governmental and enterprise funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The internal service fund is presented in a single column in the proprietary fund financial statements. The District has two funds, the general fund and capital project, both of which are categorized as governmental funds. There are no proprietary nor fiduciary funds.

Governmental Funds

The District reports two governmental funds:

- The General Fund is the primary operating fund of the District and is always classified as a major fund. It is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the District that are not accounted for through other funds. For the District, the General Fund's primary activity is health and sanitation.
- Capital Project is used to account for financial resources to be used for the acquisition or construction of major capital assets.

B. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

The government-wide, proprietary, and fiduciary fund financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This differs from the manner in which governmental fund financial statements are prepared. Therefore, governmental fund financial statements include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds. The District has no proprietary nor fiduciary funds.

The accounting objectives of the economic resources measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Fund equity is classified as net position.

Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Non-exchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes. On an accrual basis, revenue from benefit assessment is recognized in the fiscal year for which the assessment is levied.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONT'D)

B. Measurement Focus and Basis of Accounting - (Cont'd)

The governmental fund financial statements are prepared using the current financial resources measurement focus and the modified accrual basis of accounting.

In the current financial resources measurement focus, only current financial assets and liabilities are generally included on the balance sheets. The operating statements present sources and uses of available spendable financial resources during a given period. The fund balance is used as the measure of available spendable financial resources at the end of the period.

Under the modified accrual basis of accounting, revenues are recognized when measurable and available. Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year end. Expenditures (including capital outlay) are recorded when the related liability is incurred, except for debt expenditures (principal and interest), as well as expenditures related to compensated absences which are reported when expense due.

C. Budgets and Budgetary Accounting

The District prepares its budget on a basis of accounting that differs from generally accepted accounting principles (GAAP). The actual results of operations are presented in the Budgetary Comparison Schedule - General Fund - Budgetary Basis on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis of accounting and GAAP is that encumbrances are recorded as expenditures under the budgetary basis.

These budgets are revised by the District's governing body during the year to give consideration to unanticipated income and expenditures. The original and final revised budgets are presented for the General Fund in the financial statements.

D. Cash and Investments

Cash held in banks are insured by the Federal Depository Insurance Corporation. All cash held by the financial institutions is fully insured or collateralized, except those which exceeds the maximum insured levels of the FDIC.

The District maintains substantially all its cash in the Santa Clara County Treasury. The County pools these funds with those of other Departments in the county and invests the cash. These pooled funds are carried at cost, which approximates market value. Interest earned is deposited quarterly into participating funds. Any investment losses are netted against interest income and proportionately shared by all funds in the pool.

E. Capital Assets

In the government - wide financial statements, capital assets purchased or acquired with an original cost of $5,000 or more are recorded at historical cost or at estimated historical cost, if actual historical cost is not available. Donated capital assets are recorded at acquisition value.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONT'D)

E. Capital Assets - (Cont'd)

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation expense is provided over the assets' estimated useful lives using the straight-line method of depreciation. The estimated useful lives by type of assets are as follows:

Buildings and improvements	5-50 years
Vehicles and Equipment	3-30 years

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

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Upon sale of capital assets, the proceeds from sale of capital assets is included in the results of operations as other financing sources.

F. Compensated Absences

Accumulated unpaid vacation and sick leave are recorded as a liability when future payments for such compensation absences have been earned by employees based on pay and salary rates in effect at year end. This liability is recorded as long-term debt in the government-wide financial statement of net position. The liability is not accrued in the governmental fund financial statement but is recognized only if it is due and payable in an event of termination.

G. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan's 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.

H. Deferred Outflow/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONT'D)

I. Long-term Debt

In the government - wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight - line method. Bonds payable are reported net of applicable bond premium or discount. Bond issue costs are expensed when incurred.

In the fund financial statements, governmental funds recognized bond premiums and discounts as well as bond issuance costs, during the current period. The face amount of the debt issued, premiums, or discounts are reported as other financing sources/uses, whereas, issuance costs, are reported as debt service expenditures.

J. Equity Classifications

In government-wide and proprietary fund financial statements, equity is classified as net position and divided into three components:

- *Net Investment in Capital Assets* – This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.
- *Restricted Net Position* – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- *Unrestricted Net Position* – This category represents net position of the District, not restricted for any project or other purpose.

Governmental funds report fund balances in classifications based primarily on the extent to which the District is bound to honour constraints on the specific purposes for which amounts in the funds can be spent. Fund balance for governmental funds can consist of the following:

- *Nonspendable Fund Balance* – includes amounts that are (a) not in spendable form–such as inventory, prepaid amounts or long-term notes receivable, or (b) legally or contractually required to be maintained intact–such as a trust that must be retained in perpetuity. The “not in spendable form” criterion includes items that are expected to be converted to cash.
- *Restricted Fund Balance* – constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation. Restriction may effectively be changed or lifted only with the consent of resource providers.
- *Committed Fund Balance* – amounts that can be used only be used for the specific purposes determined by a formal action of the District’s highest level of decision-making authority, the Board. Commitments may be changed or lifted by the District taking the same formal action that imposed the constraint originally.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONT'D)

J. Equity Classifications - (Cont'd)

- *Assigned Fund Balance* – comprises amounts intended to be used by the District for specific purposes that are neither restricted nor committed. Intent is expressed by (a) the District's Board or (b) a body (e.g., a budget or finance committee) or official to which the District's Board has delegated the authority to assign, modify, rescind amounts to be used for specific purposes. With the exception of the General Fund, this is the residual fund balance classification for all governmental funds with positive balances.
- *Unassigned Fund Balance* – the residual classification for the General Fund. It is also used to report negative fund balance in other governmental funds.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is generally depleted in the order of restricted, committed, assigned, and unassigned.

K. Estimates

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

L. Subsequent Events

Management has evaluated subsequent events through October 18, 2019.

NOTE 3 - CASH AND INVESTMENTS

Cash and investments as of June 30, 2019 consist of the following:

	Carrying Amount	Fair Value
Cash and investments in County Treasury common pool:		
General Fund	$ 10,438,038	$ 10,475,018
Capital Project Fund	302,465	303,537
Total cash and investments	$ 10,740,503	$ 10,778,555

The District's fair value is based on their cash position as of June 30, 2019, in proportion to the entire cash held in the commingled County Pool. The fair value includes the amortization of premiums and discounts. The County's investments are registered with the SEC.

NOTE 3 - CASH AND INVESTMENTS - (CONT'D)

Based on the County's calculations, the District would have reflected a decrease to cash and interest and investment income of $36,980 and $1,072 in the General Fund and Capital Project Fund, respectively. However, since such application is not material, the District's cash balance is stated at cost.

Cash in County Treasury

Funds with the County Treasurer are invested pursuant to investment policy established by the Treasurer and approved by the Board of Trustees. The objectives of the policy are, in order of priority, preservation of capital, liquidity and yield. The policy addresses the soundness of financial institutions in which the County deposits funds, the types of investment instruments and the percentage of the portfolio which may be invested in certain instruments, as permitted by Section 53600 et seq. of the Government Code of the State of California. The County Treasury common pool at June 30, 2019 consisted of cash in bank, U.S. government and agency securities, corporate bonds, negotiable certificates of deposit, commercial paper, and deposits in the State's local agency investment fund. Additional information regarding the deposit and investment custodial credit, interest rate and credit risks of the County Treasury common pool can be found in the County's June 30, 2019 comprehensive annual financial report. A copy of that report may be obtained by contacting the County's Finance Agency, Controller-Treasurer Department, 70 West Hedding Street, 2nd Floor, East Wing, San Jose, CA 95110.

NOTE 4 - CAPITAL ASSETS

The capital asset activities for the year ended June 30, 2019 are as follows:

	Balance June 30, 2018	Additions/ Adjustments	Deletions/ Adjustments	Balance June 30, 2019
Capital assets, not being depreciated:				
Land	$ 2,352,000	$ -	$ -	$ 2,352,000
Total capital assets, not being depreciated	2,352,000	-	-	2,352,000
Capital assets being depreciated:				
Building and improvements	4,556,516	-	-	4,556,516
Vehicles	1,458,025	157,198	-	1,615,223
Equipment	525,675	-	-	525,675
Total capital assets, being depreciated	6,540,216	157,198	-	6,697,414
Less - accumulated depreciation for:				
Building and improvements	851,335	91,131	-	942,466
Vehicles	910,336	147,243	-	1,057,579
Equipment	442,337	29,262	-	471,599
Total accumulated depreciation	2,204,008	267,636	-	2,471,644
Total capital assets, being depreciated, net	4,336,208	(110,438)	-	4,225,770
Governmental activities capital assets, net	$ 6,688,208	$ (110,438)	$ -	$ 6,577,770

Depreciation expense for the year ended June 30, 2019 is $267,636.

NOTE 5 - LONG-TERM DEBT

A. Change in Long-term Debt

The following is a summary of changes in long-term debt for the year ended June 30, 2019:

	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019	Due within one year	Due beyond one year
Net OPEB liability	$ 2,836,744	$ -	$ 428,169	$ 2,408,575	$ -	$2,408,575
Compensated absences	452,856	-	120,144	332,712	31,668	301,044
Net pension liability	6,078,699	-	990,355	5,088,344	-	5,088,344
Totals	$ 6,531,555	$ -	$ 1,538,668	$ 7,829,631	$ 31,668	$7,797,963

NOTE 6 - PENSION PLANS

A. General Information about the Pension Plan

The full description of the general information about the pension plan (outline below) can be found in the County's June 30, 2019 CAFR. A copy of that report may be obtained by contacting the County's Finance Agency, Controller-Treasurer Department, 70 West Hedding Street, 2nd Floor, East Wing, San Jose, CA 95110.

- Plan Description, Benefits Provided and Employees Covered
- Contribution Description
- Actuarial Methods and Assumptions Used to Determine Total Pension Liability
- Discount Rate
- Pension Plan Fiduciary Net Position
- Sensitivity of the Net Pension Liability to Changes in the Discount Rate
- Subsequent Events and
- Recognition of Gains and Losses

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.

Reporting Date	June 30, 2019
Measurement Date	June 30, 2018
Measurement Period	July 1, 2017 to June 30, 2018
Valuation Date	June 30, 2017

NOTE 6 - PENSION PLANS - (CONT'D)

B. Changes in the Net Pension Liability

The following table shows the changes in net pension liability recognized over the measurement period (presented at **.165%**, which is the County of Santa Clara's calculation of the District's proportional share).

	Increase(Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (c) = (a) - (b)
Balance at: 6/30/17 (VD)[1]	$ 17,212,897	$ 12,095,625	$ 5,117,272
Changes Recognized for the Measurement Period			
• Service Cost	424,960	-	424,960
• Interest on the Total Pension Liability	1,214,801	-	1,214,801
• Change in assumptions	(168,539)	-	(168,539)
• Difference between Expected and Actual Experience	117,532	-	117,532
• Plan to Plan Resource Movement	-	20	(20)
• Contributions from the Employers	-	459,190	(459,190)
• Contributions from Employees	-	187,362	(187,362)
• Net Investment Income[2]	-	1,025,753	(1,025,753)
• Benefit Payments, including Refunds of Employee Contributions	(768,288)	(768,288)	-
• Administrative Expenses	-	(18,850)	18,850
• Other miscellaneous expense	-	(35,793)	35,793
Net Changes during 2017-18	820,466	849,394	(28,928)
Balance at: 6/30/18 (MD)[1]	$ 18,033,363	$ 12,945,019	$ 5,088,344

C. Sensitivity of the Net Pension Liability to Changes in the Discount Rate

	6.15% (1% Decrease)	7.15% (Current Rate)	8.15% (1% Increase)
Plan's net pension liability/assets	$ 7,522,378	$ 5,088,344	$ 3,073,043

During Fiscal Year 2017-18, as a result of Governmental Accounting Standards Board Statement (GASB) No. 75, Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions (GASB 75), CalPERS reported its proportionate share of activity related to postemployment benefits for participation in the State of California's agent OPEB plan. Accordingly, CalPERS recorded a one-time expense as a result of the adoption of GASB 75.

Additionally, CalPERS employees participate in various State of California agent pension plans and during Fiscal Year 2017-18, CalPERS recorded a correction to previously reported financial statements to properly reflect its proportionate share of activity related to pensions in accordance with GASB Statement No. 68, Accounting and Financial Reporting for Pensions (GASB 68).

NOTE 6 - PENSION PLANS - (CONT'D)

D. Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

For the measurement period ending June 30, 2018 (the measurement date), the District incurred a total pension expense of $(499,882) for the Plan.

No adjustments have been made for contributions subsequent to the measurement date. Adequate treatment of any contributions made after the measurement date is the responsibility of the employer. As of June 30, 2019, the District has deferred outflows and deferred inflows of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	$ 496,712	$ (129,344)
Difference between expected and actual experience	95,637	(8,258)
Employer contribution subsequent to measurement date	447,994	-
Net difference between projected and actual earnings on pension plan investments	27,467	-
Total deferred outflows and inflows	$ 1,067,810	$ (137,602)

The amounts above are net of outflows and inflows recognized in the 2017-18 measurement period expense. Amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

Measurement Period Ended June 30:	Deferred Outflows/ (Inflows) of Resources
2019	376,261
2020	254,189
2021	(110,912)
2022	(37,324)
2023	-
Thereafter	-

The District's employer contributions for the year ending June 30, 2019 is $447,994.

NOTE 7 - OTHER POST EMPLOYMENT BENEFITS

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) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. 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 7 - OTHER POST EMPLOYMENT BENEFITS - (CONT'D)

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:

Reporting date	June 30, 2019
Measurement date	June 30, 2018
Measurement period	July 01, 2017 to June 30, 2018
Valuation date	June 30, 2018

Plan Description

The District has established a Retiree Healthcare Plan (HC Plan), and participates in an agent multiple-employer defined benefit retiree healthcare plan. The HC Plan provides employees who retire directly from the District, at a minimum age of 55, with a minimum of five years of service, a cash subsidy for monthly medical insurance premiums up to a cap of $200 per employee or $320 for employee plus spouse. Payments cease at age 65 when the retiree or spouse is eligible for Medicare. If applicable, a cash subsidy for the monthly medical premium continues up to a cap of $160 for a spouse until age 65 is attained. Surviving spouses are also eligible for this benefit.

Employees who retire directly from the District at a minimum age of 55 with a minimum of five years of service are eligible to continue medical coverage as a participant with active employees at a blended premium rate until eligible for Medicare at age 65 as an implied subsidy. A separate financial report is not prepared for the HC Plan.

Contributions

The HC Plan and its contribution requirements are established by Memoranda of Understanding with the applicable employee bargaining units and may be amended by agreements between the District and the bargaining units. The annual contribution is based on the actuarially determined contribution. For the fiscal year ended June 30, 2019, the District's contributions were $202,140.

In Fiscal Year 2016, the District created a trust with Public Agency Retirement Services (PARS) for the purpose of prefunding obligations for past services.

NOTE 7 - OTHER POST EMPLOYMENT BENEFITS - (CONT'D)

Net OPEB Liability

The following table shows the actuarial assumptions over the measurement period (presented at **.191%**, which is the County of Santa Clara's calculation of the District's proportional share). The District's net OPEB liability was measured as of June 30, 2018 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2017 that was rolled forward to determine the June 30, 2018 total OPEB liability, based on the following actuarial methods and assumptions:

	Actuarial Assumptions
Discount rate	7.00%
Price inflation	2.50%
Wage inflation	2.75%
Salary increases	Miscellaneous: 9.75% to 3.25%, varying by service, including wage inflation
	Safety: 15.95% to 4.25%, varying by service, including wage inflation
Investment rate of return	7.00%, net of OPEB plan investment expense, including inflation
Medical cost trend rate	
Non-medical medical plan	7.00% graded down to an ultimate of 4.50% over 10 years*
Medicare medical plan	6.50% graded down to an ultimate of 4.50% over 8 years*
Medicare part B	4.00%
Other assumptions	Same as those used in the June 30, 2018 funding actuarial valuation for the OPEB Plan

Notes:

1. Pre-retirement mortality information was derived from data collected during 1997 to 2011 CalPERS Experience Study dated January 2014 and post-retirement mortality information was derived from the 2007 to 2011 CalPERS Experience Study. The Experience Study Reports may be accessed on the CalPERS website www.calpers.ca.gov under Forms and Publications.

2. The pre-retirement turnover information was developed based on CalPERS' specific data. For more details, please refer to the 2007 to 2011 Experience Study Report. The Experience Study Report may be accessed on the CalPERS website www.calpers.ca.gov under Forms and Publications.

Target Assets Allocation

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:

NOTE 7 - OTHER POST EMPLOYMENT BENEFITS - (CONT'D)

Target Assets Allocation - (Cont'd)

Asset Class	Target Allocation	Long-term expected real rate of return
Inflation assets	59%	7.40%
Global debt securities	25%	1.75%
Global equities	8.0%	5.10%
REITs	5.0%	4.30%
Commodities	3.0%	4.90%
Total	100%	

Discount Rate

The discount rate used to measure the total OPEB liability was 7.00 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.

Sensitivity of the Net OPEB Liability to changes in the discount rate. The following presents the Net OPEB Liability (NOL) of the County of Santa Clara as of June 30, 2018, calculated using the discount rate of 7.00%, as well as what the County of Santa Clara's NOL would be if it were calculated using a discount rate that is 1-percentage-point lower (6%) or 1-percentage-point higher (8%) than the current rate:

	Discount Rate-1% (6%)	Current Discount Rate(7%)	Discount Rate+1% (8%)
Miscellaneous	$ 2,662,702	$ 2,112,194	$ 1,661,305
Safety	$ 373,628	$ 296,381	$ 233,113
Total	$ 3,036,330	$ 2,408,575	$ 1,894,418

Sensitivity of the Net OPEB Liability to changes in the trend rate. The following presents the Net OPEB Liability of the County of Santa Clara as of June 30, 2018, as well as what the County's Net OPEB Liability would be if it were calculated using a trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

	1% Decrease	Current Rate	1% Increase
Miscellaneous	$ 1,573,517	$ 2,112,194	$ 2,831,992
Safety	$ 220,794	$ 296,381	$ 397,382
Total	$ 1,794,311	$ 2,408,575	$ 3,229,374

*(*Current trend rates: 7.00% graded down to 4.50% over 10 years for Non-Medicare medical plan costs; 6.50% graded down to 4.50% over 8 years for Medicare medical plan costs and 4.00% for all years for Medicare Part B subsidy cost. In addition,*

we have adjusted these trend rates to reflect the estimated impact of the Health Insurance Tax (HIT). The weighted average increase amongst all carriers was approximately 0.59% for Non-Medicare plans and 0.56% for Medicare plans.)

NOTE 7 - OTHER POST EMPLOYMENT BENEFITS - (CONT'D)

Recognition of Deferred Outflows and Deferred Inflows of Resources

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 recognition period differs depending on the source of the gain or loss:

Net difference between projected and actual earnings on OPEB plan investments	5 Years
All other amounts	Expected average remaining service lifetime (EARSL) (6.0 Years at June 30, 2018)

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

For the fiscal year ended June 30, 2019, the District recognized OPEB expense of $(430,566). As of fiscal year ended June 30, 2019, the District reported deferred outflows of resources related to OPEB from the following sources:

Miscellaneous plan	Deferred outflow of resources	Deferred inflow of resources
Changes in proportion and differences between entity's contributions and proportionate share of contributions	$ 12,778	$ -
Changes of assumptions or other inputs	55,886	47,696
Employer contribution subsequent to measurement date	177,266	-
Net excess of actual over projected earnings on OPEB plan investments (if any)	-	30,845
Difference between expected and actual experience in the Total OPEB Liability	-	257,857
Total deferred outflows and inflows	$ 245,930	$ 336,398

NOTE 7 - OTHER POST EMPLOYMENT BENEFITS - (CONT'D)

Safety Plan	Deferred outflow of resources	Deferred inflow of resources
Changes in proportion and differences between entity's contributions and proportionate share of contributions	$ -	$ 12,778
Changes of assumptions or other inputs	7,843	6,693
Employer contribution subsequent to measurement date	24,874	-
Net excess of actual over projected earnings on OPEB plan investments (if any)	-	4,328
Difference between expected and actual experience in the Total OPEB Liability	-	36,182
Total deferred outflows and inflows	$ 32,717	$ 59,981

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

Reporting Date for Employer under GASB 75 Year Ended June 30:

Fiscal Year	Miscellaneous plan	Safety plan
2020	$ (63,173)	$ (11,892)
2021	$ (63,173)	$ (11,892)
2022	$ (63,173)	$ (11,892)
2023	$ (55,219)	$ (10,776)
2024	$ 24,277	$ (5,383)
2025	$ 1,282	$ (303)
Thereafter	-	-

REQUIRED SUPPLEMENTARY INFORMATION

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Budgetary Fund Balances, Beginning	$ 10,128,411	$ 9,802,895	$ 10,464,937	$ 662,042
Resources (Inflows)				
Benefit assessment	6,975,057	6,975,057	7,098,106	123,049
Interest income	113,531	113,531	131,786	18,255
Intergovernmental revenue	3,901	39,386	39,991	605
Other revenue	56,753	56,753	52,505	(4,248)
Amounts Available for Appropriation	7,149,242	7,184,727	7,322,388	137,661
Charges to Appropriations (Outflows)				
Health and sanitation				
Salaries and benefits	5,131,237	5,166,722	4,578,109	588,613
Services and supplies	3,638,225	3,606,420	2,844,190	762,230
Capital outlay	-	208,000	157,198	50,802
Total charge to appropriations	8,769,462	8,981,142	7,579,497	1,401,645
Budgetary Fund Balances, Ending	$ 8,508,191	$ 8,006,480	$ 10,207,828	$ 2,201,348

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/Inflows of Resources	
Actual amounts (budgetary basis) "available for appropriation" from the Budgetary comparison schedule	$ 7,322,388
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Fund	$ 7,322,388
Uses/Outflows of Resources	
Actual amounts (budgetary basis) "total charges to appropriations" from the Budgetary comparison schedule	$ 7,579,497
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Fund	$ 7,579,497

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
FOR THE PERIOD ENDED JUNE 30, 2019

Fiscal year	2019	2018	2017	2016	2015
Measurement period ending	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
TOTAL PENSION LIABILITY					
Service cost	$ 424,960	$ 482,208	$ 383,459	$ 397,932	$ 401,638
Interest	1,214,801	1,376,423	1,233,071	1,260,548	1,191,780
Changes of assumptions	(168,539)	1,151,971	-	(309,086)	-
Differences between expected and actual experience	117,532	(19,152)	24,248	(26,168)	-
Benefit payments, including refunds of employee contributions	(768,288)	(842,726)	(740,023)	(743,800)	(690,979)
Net change in total pension liability	820,466	2,148,724	900,755	579,426	902,439
Total pension liability - beginning	17,212,897	18,298,110	16,272,611	16,985,937	16,035,069
Total pension liability - ending (a)	$ 18,033,363	$ 20,446,834	$ 17,173,366	$17,565,363	$ 16,937,508
PLAN FIDUCIARY NET POSITION					
Contributions - employer	$ 459,190	$ 526,396	$ 441,602	$ 413,251	$ 373,013
Contributions - employees	187,362	215,845	190,781	193,685	200,145
Net investment income	1,025,753	1,451,616	64,785	293,231	1,951,233
Benefit payments, including refunds of employee contributions	(768,288)	(842,726)	(740,023)	(743,800)	(690,979)
Plan to plan resource movement	20	(201)	321	(1,148)	-
Administrative expense	(18,850)	(19,247)	(7,487)	(14,942)	-
Other miscellaneous income/(expense)[1]	(35,793)	-	-	-	-
Net change in fiduciary net position	849,394	1,331,683	(50,021)	140,277	1,833,412
Plan fiduciary net position - beginning[2]	12,095,625	13,036,205	12,285,153	13,120,850	11,250,028
Plan fiduciary net position - ending (b)	12,945,019	14,367,888	12,235,132	13,261,127	13,083,440
Plan net pension liability/(asset) - ending (a) - (b)	$ 5,088,344	$ 6,078,946	$ 4,938,234	$ 4,304,236	$ 3,854,068
Plan fiduciary net position as a percentage of the total pension liability	71.78 %	70.26 %	71.24 %	75.50 %	77.25 %
Covered employee payroll[1]	$ 2,482,531	$ 2,770,038	$ 2,465,809	$ 2,465,809	$ 2,361,882
Plan net pension liability/(asset) as a percentage of covered - employee payroll	204.97 %	219.45 %	203.33 %	174.56 %	163.18 %

[1]During Fiscal Year 2017-18, as a result of Governmental Accounting Standards Board Statement (GASB) No. 75, Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions (GASB 75), CalPERS reported its proportionate share of activity related to postemployment benefits for participation in the State of California's agent OPEB plan. Accordingly, CalPERS recorded a one-time expense as a result of the adoption of GASB 75.

Additionally, CalPERS employees participate in various State of California agent pension plans and during Fiscal Year 2017-18, CalPERS recorded a correction to previously reported financial statements to properly reflect its proportionate share of activity related to pensions in accordance with GASB Statement No. 68, Accounting and Financial Reporting for Pensions (GASB 68).

[2]Includes any beginning of year adjustment.

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
SCHEDULE OF PLAN CONTRIBUTION - PENSION
FOR THE YEAR ENDED JUNE 30, 2019

Fiscal Year[1]	2019	2018	2017	2016	2015	2014
Actuarially determined contribution[2]	$ 447,994	$ 433,225	$ 399,717	$ 378,216	$ 441,602	$ 373,013
Contribution in relation to the actuarially determined contribution[2]	(447,994)	(433,225)	(399,717)	(378,216)	(441,602)	(373,013)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
Covered - employee payroll[3]	$ 2,482,531	$ 2,770,038	$ 2,428,650	$ 2,465,809	$ 2,361,882	$ 2,293,089
Contribution as a percentage of covered-employee payroll[3]	18.05 %	15.64 %	16.46 %	15.34 %	18.70 %	16.27 %

[1]As prescribed in GASB 68, paragraph 46, the information presented in the Schedule of Plan Contributions should also be presented as of the employer's most recent fiscal year-end. The employer is responsible for determining this information as prescribed by the standard as this data is not available to CalPERS.

[2]Employers are assumed to make contributions equal to the actuarially determined contributions. However, some employers may choose to make additional contributions towards their unfunded liability. Employer contributions for such plans exceed the actuarially determined contributions.

[3]Includes one year's payroll growth using 2.75 percent payroll assumption for fiscal year ended June 30, 2018; 3.00 percent payroll assumption for fiscal years ended June 30, 2014-17.

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
FOR THE PERIOD ENDED JUNE 30, 2019

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

Reporting Date Measurement Date	June 30, 2019 June 30, 2018	June 30, 2018 June 30, 2017
Total OPEB liability		
Service cost	113,769	145,373
Interest on the total	288,780	347,544
Change in benefit terms	-	-
Difference b/w actual and expected experience	(62,127)	(404,177)
Changes in assumption	75,357	(91,027)
Benefit payments, including implicit subsidies net of retiree contributions	(156,887)	(169,439)
Net change in total OPEB liability	258,892	(171,726)
Total OPEB liability - beginning	4,090,106	4,904,257
Total OPEB liability - ending	4,348,998	4,732,531
Plan's fiduciary net position		
Contributions - employer	298,169	290,226
Contributions - employee	12,062	13,313
Net investment income	130,639	167,551
Benefit payments, including implicit subsidies net of retiree contributions	(156,887)	(169,439)
Administrative expense	(7,730)	(5,660)
Other	25,730	40,167
Net change in plan's fiduciary net position	301,983	336,158
Plan's Fiduciary Net Position – beginning	1,638,440	1,559,629
Plan's Fiduciary Net Position – ending	1,940,423	1,895,787
Net OPEB Liability – ending	$ 2,408,575	$ 2,836,744
Plan's fiduciary net position as a percentage of the Total OPEB Liability	44.62%	40%
Covered employee payroll	3,200,647	3,512,016
Plan net OPEB liability as percentage of covered employee payroll	75.25%	81%

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
SCHEDULE OF PLAN CONTRIBUTIONS - OPEB
LAST 10 FISCAL YEARS

Fiscal Year Ended	June 30, 2019	June 30, 2018
Actuarially determined contribution (ADC)	$ 298,169	$ 340,635
Contributions in relation to the ADC	298,169	340,635
Contribution deficiency (excess)	-	-
Covered - employee payroll	$ 3,200,647	$3,512,016
Contributions as a % of covered-employee payroll	9.32 %	9.69 %

Notes to Schedule:
Actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2019 were from the June 30, 2017 actuarial valuation.

Methods and assumptions used to establish "actuarially determined contribution" rates:

Valuation date	Actuarially determined contribution rates are calculated as of June 30, one year prior to the end of the fiscal year in which contributions are reported
Actuarial cost method	Entry Age Actuarial Cost Method
Amortization method	30-Year Closed Amortization; level percent of payroll
Remaining amortization period	29 years as of June 30, 2018
Asset valuation method	Market value
Actuarial assumptions:	June 30, 2018 Valuation Date
Investment rate of return	7.00%, net of investment expenses
Price inflation	2.50%
Wage inflation	2.75%
Salary Increases	Miscellaneous: 9.75% to 3.25%, varying by service, including wage inflation
	Safety: 15.95% to 4.25%, varying by service, including wage inflation
Medical cost trend rates	
Non-Medicare medical plan	7.00% graded down to an ultimate of 4.50% over 10 years
Medicare medical plan	6.50% graded down to an ultimate of 4.50% over 8 years
Medicare Part B	4.00%
Other assumptions	Same as those used in the June 30, 2018 funding actuarial valuation for the OPEB Plan

COMPLIANCE SECTION

HARSHWAL® & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Trustees of
Santa Clara County Vector Control District
San Jose, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund of Santa Clara County Vector Control District (the "District"), a component unit of the County of Santa Clara as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report dated October 28, 2019.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Harshwal & Company, LLP
Certified Public Accountants

Harshwal & Company LLP

Oakland, California
October 28, 2019

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2019

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified that are not considered to be material weakness?	None reported
• Noncompliance material to financial statements noted?	No

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2019

There were no findings reported in the current year.

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2019

There were no findings in the prior year.

3. SANTA CLARA COUNTY VECTOR CONTROL DISTRICT

AGENCY OVERVIEW

Santa Clara County Vector Control District (SCCVCD) was formed in May 1988 as a dependent special district of Santa Clara County. The District is a part of the County's Department of Environmental Health. The District provides mosquito, rat and other vector and wildlife control services throughout Santa Clara County. A service review for the District was last conducted in 2006.

The principal act that governs the District is the Mosquito Abatement and Vector Control District Law, originally called Mosquito Abatement Act of California of 1915, that was revised in 2003 (SB 1588).[33] The principal act empowers such districts to conduct surveillance programs and other studies of vectors and vector-borne diseases, take appropriate actions to prevent the occurrence of vectors and vector-borne diseases, and take necessary actions to abate or control vectors and vector-borne diseases.[34] Districts must apply and obtain LAFCO approval to exercise latent powers, that is, those services authorized by the principal act but not provided by the district by the end of 2000.[35]

Boundaries

The boundary of SCCVCD is countywide and includes 1,304 square miles.

Sphere of Influence

During the most recent SOI update in 2006, LAFCO reaffirmed the District's existing coterminous SOI.

[33] California Health and Safety Code § 2000-2093

[34] California Health and Safety Code §2000-2093.

[35] California Government Code §56824.10.

Type and Extent of Services

Services Provided

The services provided by the District include 1) detection of the presence and prevalence of vector-borne diseases such as plague, West Nile Virus, rabies and Lyme Disease through ongoing and comprehensive vector surveillance and testing, 2) reducing vectors or exposure to vectors that transmit diseases, 3) conducting routine inspections and treatment as necessary of known mosquito and rodent sources, 4) responding to public service requests for identification, advice and/or initiation of control measures for mosquitoes, rodents, wildlife, and miscellaneous invertebrates (e.g., ticks, yellow jackets, cockroaches, bees, fleas, flies, etc.), 5) providing public information through a variety of channels, including a website, social media and educational presentations for schools, homeowners associations, private businesses, civic groups and other interested groups regarding vectors and vector-borne diseases, and 6) preventing disease and illness by identifying, inventorying, inspecting, and treating sources of vector development.

Service Area

Vector control services are provided by SCCVCD throughout Santa Clara County, which includes 300 miles of streams, 5,000 acres of marshlands and 27,000 storm drain catch basins.

Service to Other Agencies

SCCVCD provides mosquito control services to the San Jose/Santa Clara Water Pollution Control Plant under contract.

Contracts for Services

The District does not receive any contract services from other public agencies. The District does make use of the State Department of Public Health laboratory, if for some reason the District's own lab is unable to process certain specimens. Although there is not contract for the lab, services are billed and performed under a broader statewide disease surveillance system.

Collaboration

SCCVCD is a division of the Santa Clara County Environmental Health Department. SCCVCD receives support services from the County, such as maintenance of the District's vehicles, financial management, and purchasing, which provides cost savings for the District. The District reimburses the County for services rendered with district funds. The District also participates in joint financing and purchasing efforts to minimize costs. SCCVCD's service yard was partially financed by the County, as it is shared with the Environmental Health Department.

In addition, the District has unwritten mutual aid agreements with respect to materials and supplies with other mosquito and vector control districts within the region. The District has joined a statewide coalition of abatement districts to share the cost of expensive chemical analysis for regulatory compliance, and collaborated with other Bay Area agencies to produce a Program Environmental Impact Report under the California Environmental Quality Act.

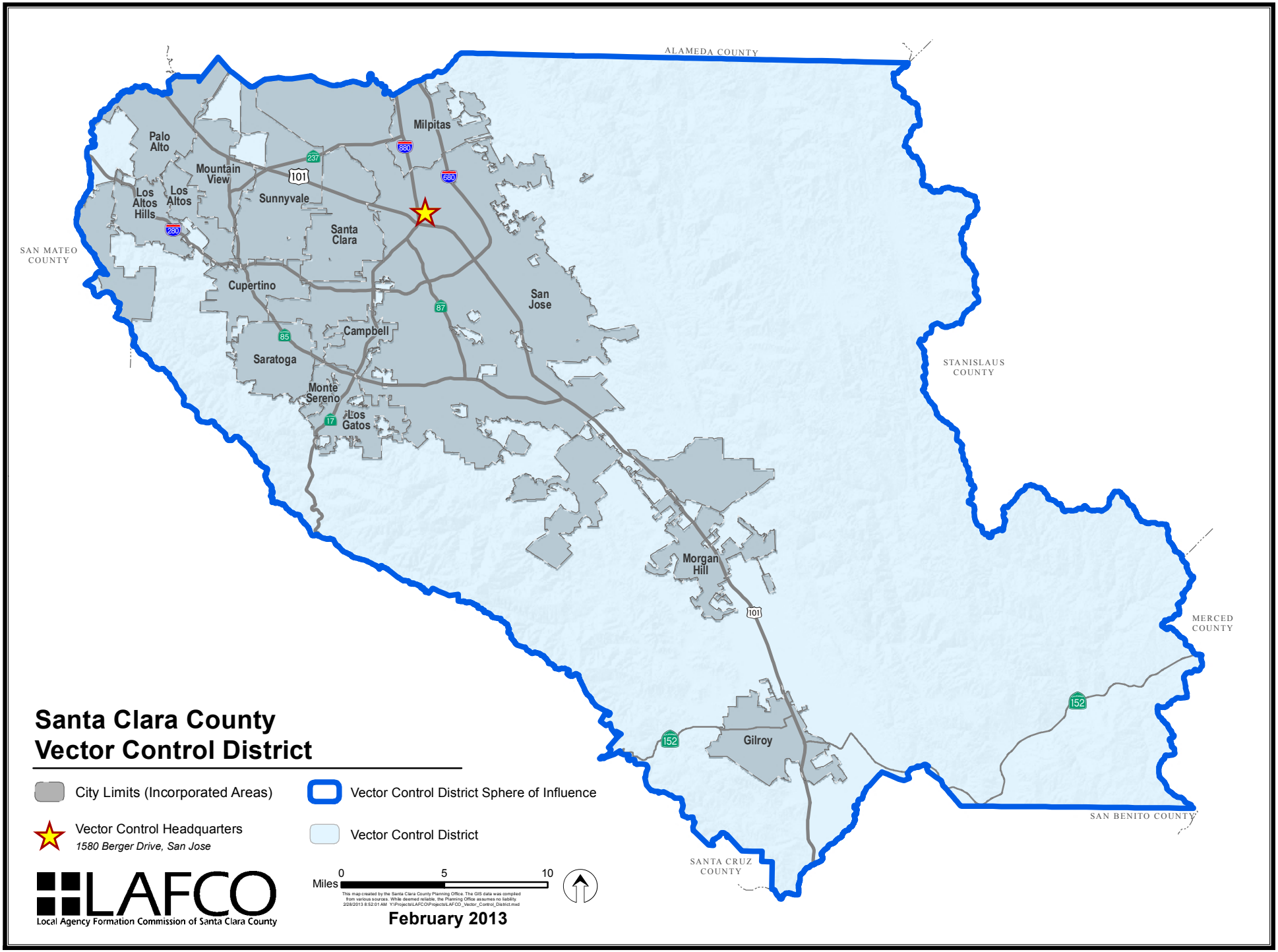
The District also interacts professionally at many levels. The Vector Biology Discussion Group meets monthly to discuss biological issues with eight other vector control districts in the Bay Area. District personnel attend meetings of the Mosquito and Vector Control Association of California, the American Mosquito Control Association, The Society for Vector Ecologists, and the Entomological Society of America.

The District uses data on threat assessment shared by Santa Clara County Department of Public Health.

SCCVDC maintains cooperative exchanges with the City of Palo Alto, City of Sunnyvale, and U.S. Fish and Wildlife Service in regards to salt marsh treatment, and with the City of Palo Alto for provision of storm drain treatment.

Overlapping and Neighboring Service Providers

There is no overlap in services provided by SCCVCD. There are, however, public agencies that provide services complimentary to the ones delivered by the District in Santa Clara County. Santa Clara County Division of Agriculture performs insect and non-medical pest identification. Individual cities in the County enforce sanitation laws which prevent vector spread. The County Department of Environmental Health addresses waste tire disposal, which is a significant mosquito breeding source. Santa Clara Valley Water District is in charge of access to and maintenance of natural streams within its jurisdiction, and design of wetlands and other structures. California Department of Fish and Game deals with wildlife problems and endangered species issues. California Department of Public Health provides laboratory support, collation of data, licensing of technicians, and West Nile Virus predictive risk analyses. The U.S. Army Corps of Engineers oversees project development related to waterways.


ALAMEDA COUNTY
SAN MATEO COUNTY
STANISLAUS COUNTY
MERCED COUNTY
SAN BENITO COUNTY
SANTA CRUZ COUNTY
Palo Alto
Mountain View
Los Altos
Los Altos Hills
Sunnyvale
Milpitas
Santa Clara
Cupertino
San Jose
Campbell
Saratoga
Monte Sereno
Los Gatos
Morgan Hill
Gilroy
237
101
880
680
280
87
85
17
152
Santa Clara County
Vector Control District
City Limits (Incorporated Areas)
Vector Control Headquarters
1580 Berger Drive, San Jose
Vector Control District Sphere of Influence
Vector Control District
0
5
10
Miles
LAFCO
Local Agency Formation Commission of Santa Clara County
February 2013

ACCOUNTABILITY AND GOVERNANCE

The District was formed as a dependent special district with the Santa Clara County Board of Supervisors as its governing body. The five county supervisors are elected to four-year terms of office with a three-term limit. Current board member names, positions, and term expiration dates are shown in Figure 3-2.

Figure 3-2: SCCVCD Governing Body

Santa Clara County Vector Control District					
District Contact Information					
Contact:	Russell Parman, Acting Vector Control Program Manager				
Address:	1580 Berger Drive, San Jose, CA 95131				
Telephone:	408-918-3497				
Email:	russell.parman@deh.sccgov.org				
Website:	http://www.sccgov.org/sites/vector/Pages/Vector-Control-District-Site-Home-Page.aspx or www.sccvector.org				
Board of Supervisors					
Member Name	**Position**	**Began Serving**	**Term Expires**	**Manner of Selection**	**Length of Term**
Mike Wasserman	District 1	2010	2014	Elected	4 years
Vacancy	District 2	N/A	N/A	N/A	N/A
Dave Cortese	District 3	2008	2016	Elected	4 years
Ken Yeager	District 4, President	2006	2014	Elected	4 years
Joe Simitian	District 5	2012	2016	Elected	4 years
Meetings					
Date:	Every other Tuesday at 9am.				
Location:	Santa Clara Board of Supervisors' Chambers, 70 West Hedding St. San Jose.				
Agenda Distribution:	Posted online and at the County Government Center.				
Minutes Distribution:	Posted online and at the County Government Center.				

The Board of Supervisors meets every other Tuesday morning at the Board of Supervisors' chambers in the County Government Center located at 70 West Hedding Street in San Jose. Each member of the Board of Supervisors receives $143,000 annually in salary. Government Code §53235 requires that if a local government provides compensation or reimbursement of expenses to its board members, that local government must establish a written policy on reimbursements, and the board members must receive two hours of training in ethics at least once every two years. The County has adopted policies related to expense reimbursements, and the members of the Board of Supervisors have completed biennial ethics training as required.

Agendas and minutes for the meetings are posted on the bulletin board at the County Government Center, and are published online on the county website. The website also contains video archives of previous Board of Supervisors' meetings.

The District conducts constituent outreach through various methods. The county website has several pages dedicated to information regarding SCCVCD, including its mission, services provided, background information, online service requests, office location, media releases, and description of vectors, vector borne diseases and disease surveillance programs. Additionally, the District maintains two full-time positions for public relations, outreach and education. The Community Resources Specialist and Health Education Associate develop and deliver press releases, public brochures, respond to requests for interviews from all media, inform other government agencies, and give presentations.

The Board of Supervisors has adopted a policy manual that articulates the ethical standards and administrative policies for the Board. This policy manual was updated in July 2012 and is published on the county website.

Government Code §87203 requires persons who hold office to disclose their investments, their interests in real property and their incomes, and file these forms with the Fair Political Practices Commission each year. All of the current members of the Board of Supervisors have filed the Form 700 Statement of Economic Interest forms in 2012.

MANAGEMENT AND STAFFING

As shown in Figure 3-3, SCCVCD has a total of 32 full-time staff and seven part-year seasonal staff (3.5 FTEs). These staff are dedicated solely to the District's activities. If SCCVCD personnel contributes to County functions, then the District is reimbursed for this support. The District's general manager is responsible for the day-to-day operations of the District. The general manager of the District is accountable to the Director of Agriculture and Environmental Management who is accountable to the County Board of Supervisors. Many SCCVCD's personnel are certified by the State of California as Certified Technicians pursuant to the provisions of the California State Health and Safety Code.

Figure 3-3: Staffing Level by Division, FY 12-13

Division	FTE
Vector Control Program Manager	1
Vector Control Assistant Manager	1
Field Operations Supervisors	2
Field Operations Support Specialist	1
Account Clerk	1
Information Services Analyst	1
Disease Assessment & Lab Services	7
Public Outreach & Education	2
North County Operations Technicians	8
South County Operations Technicians	8
Seasonal Staff (seven total)	3.5
TOTAL	**35.5**

Source: Acting Vector Control District Manager

As a dependent special district of the County, some administrative services are provided by county departments, including information systems, legislative files for board motions, legal counsel, and accounting. The County is reimbursed based on a generalized rate for overhead services (i.e., clerk time) that are financed through the County's general fund. For services such as legal counsel, the District is billed an hourly rate by County Counsel. A certified public accountant firm and private engineering firm are contracted with directly by the District, when necessary.

SCCVCD has adopted a mission statement and goals. The District's mission statement is to detect and minimize vector-borne diseases, to abate mosquitoes, and to assist the public in resolving problems with rodents, wildlife, and insects of medical significance. The District uses numerical objectives and performance measures to assess its operations. SCCVCD has recently developed a strategic plan for 2013-2015 and a *Mosquito-borne Virus Response and Operations Plan* which provides procedures and strategies for surveillance and operational response to mosquito-borne viruses, such as West Nile virus, St. Louis encephalitis and western equine encephalomyelitis. SCCVCD submits reports to the County Agricultural Commissioner, County Department of Environmental Health and the County Board of Supervisors.

Other documents that the District uses to guide efforts and services include the County's annually adopted budget, as SCCVCD is included as part of the County's compiled budget. The County has adopted a budget for FY 12-13, which is available online.

Government Code §53901 states that within 60 days after the beginning of the fiscal year each local agency must submit its budget to the county auditor. These budgets are to be filed and made available on request by the public at the county auditor's office. While, the County has reported that in recent years, it has not been the practice for special districts to file their budgets with the County, SCCVCD's budget is part of the County's budget and is readily available online.

Special districts must submit a report to the State Controller of all financial transactions of the district during the preceding fiscal year within 90 days after the close of each fiscal year, in the form required by the State Controller, pursuant to Government Code §53891. If filed in electronic format, the report must be submitted within 110 days after the close of the fiscal year. The District has complied with this requirement.

All special districts are required to submit annual audits to the County within 12 months of the completion of the fiscal year, unless the Board of Supervisors has approved a biennial or five-year schedule.[36] Although SCCVCD conducts its own annual audits of its financial statements, the District does not have to submit them to the County; the District's finances are also included in the County's Comprehensive Annual Financial Reports (CAFR) which are audited annually. The District's most recent audit was completed for FY 12.

[36] Government Code §26909.

POPULATION AND PROJECTED GROWTH

Land Uses

The District encompasses the entire County. The County of Santa Clara contains a wide range of land uses, from all types of urban uses to large areas of hillside, open space, and agricultural uses. Numerous unincorporated pocket areas exist that are developed with urban uses. Development within the cities ranges from fully developed urban areas to expansive hillside, open space, and agricultural lands.

Current Population

As of 2010, the District had approximately 1,781,642 residents, based on 2010 Census data.

Disadvantaged Unincorporated Communities

LAFCO is required to evaluate disadvantaged unincorporated communities as part of this service review, including the location and characteristics of any such communities. A disadvantaged unincorporated community is defined as any area with 12 or more registered voters, or as determined by commission policy, where the median household income is less than 80 percent of the statewide annual median.[37]

The California Department of Water Resources (DWR) has developed a mapping tool to assist in determining which communities meet the disadvantaged communities median household income definition. DWR is not bound by the same law as LAFCO to define communities with a minimum threshold of 12 or more registered voters. However, the DWR data can be used for the purposes of this report as an indicator of any larger communities that may meet the income definition of disadvantaged. Based on mapping information from DWR, there are no disadvantaged unincorporated communities within or adjacent to SCCVCD.[38]

Projected Growth

Moderate population growth is anticipated within the District's bounds based on the Association of Bay Area Government's (ABAG) projections for Santa Clara County. ABAG projects that the County will experience 36 percent growth over the 25-year period from

[37] Government Code §56033.5.

[38] DWR maps and GIS files are derived from the US Census Bureau's American Community Survey (ACS) and are compiled for the five-year period 2006-2010.

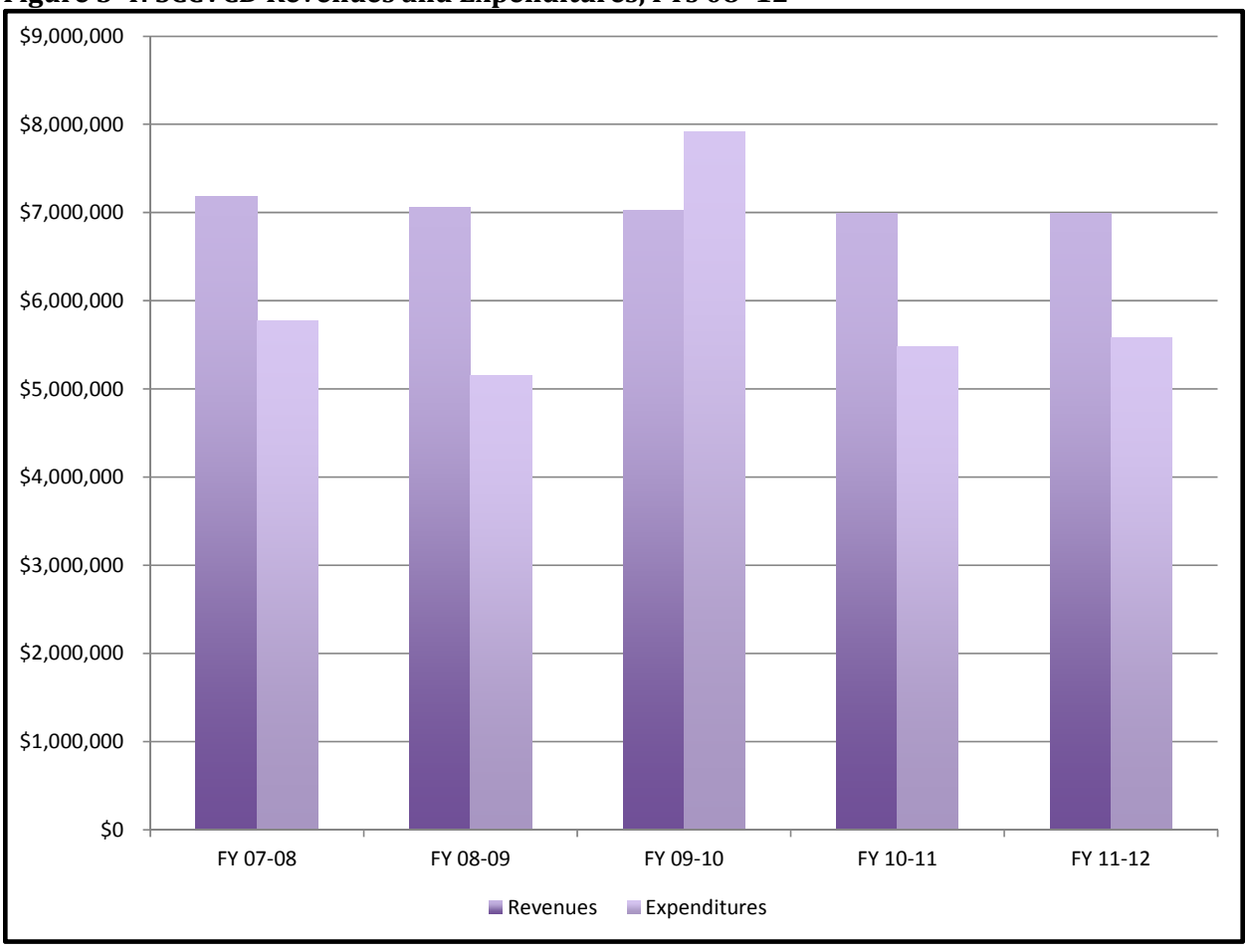
2010 to 2035, which is equivalent to 1.5 percent average annual growth.[39] By 2035, the population of SCCVCD is expected to reach 2,431,400.

FINANCING

Financial Adequacy

The District reported that the current level of financing was adequate to provide services. District revenues have exceeded expenditures in FYs 08, 09, 11, and 12, as shown in Figure 3-4. In FY 10, expenditures were higher than revenues by $889,045, due to capital improvements in the amount of $2.7 million performed by SCCVCD. The funds were spent on alterations to the new vector control building.

Figure 3-4: SCCVCD Revenues and Expenditures, FYs 08–12



Source: Annual Audited Statements for FYs 2008 through FY 2012

[39] ABAG, Projections 2009, 2009.

Revenue Sources

In FY 12, the District received $6,995,269 in revenue as depicted in Figure 3-5. The primary source of revenue for the District was benefit assessment income (98 percent). The a majority of the remaining revenue came from interest income and miscellaneous revenue, which is received for providing mosquito control services at the San Jose/Santa Clara Water Pollution Control Plant.

Figure 3-5: Revenue Sources, FY 12

Revenue Category	Revenue	% of Total Revenue
Benefit Assessment Income	$6,889,156	98%
Interest Income	$68,970	1.5%
Intergovernmental	$1,509	0%
Miscellaneous	$35,634	.5%
Total	**$6.995,269**	**100%**

Source: Vector Control FY 2012 Audit Report

Rates

SCCVCD has levies two benefit assessments on properties within the District. The first assessment began in 1996. The District annually collects approximately $2.6 million from this particular assessment. The assessment is a flat rate dependent on land use, and is not adjusted annually. There is no sunset date for the assessment. A single family residence is considered one benefit unit and is levied $2.41 annually. Other land uses are considered greater benefit units and are assessed at $2.41 per unit. The maximum assessment is $14.45 for a regional shopping center.

In 2005, SCCVCD's voters passed an assessment ballot proceeding establishing another benefit assessment to fund the District's cost of providing vector control services, maintenance and capital improvement expenses. The assessment may be inflated up to three percent annually depending on the Consumer Price Index. The assessment is to be continued in perpetuity, so long as mosquitoes and vectors remains in existence in the County and the District requires funding from the assessment for its services. In order to continue the assessment, the Board must approve an annually updated engineer's report, a budget specific to the assessment revenues, and a list of services to be provided via the assessment revenue, as well as conduct an public hearing regarding the assessment.

The assessment is based on benefit zones, which have been identified based on the proportion of benefit to the real property from services offered by the District. Areas east of the westernmost ridgeline of the Diablo Range are more remotely located and receive a reduced level of services and corresponding benefits relative to other parcels in SCCVCD.[40] These areas are referred to as Zone B. All other parcels within the County boundaries are

[40] SCCVCD, Mosquito, Vector, and Disease Control Assessment Engineer's Report, April 2009, p. 41.

within Zone A. Using district estimates for the amount of services provided to parcels in Zone B, it was found that parcels in Zone B receive approximately half of the average level of services and benefits provided to Zone A. Therefore, residents in Zone B pay 50 percent of the assessment rate per benefit unit. Figure 3-6 shows the allocation of assessments for FY 13.

Figure 3-6: Benefit Assessment by Zone, FY 13

Zone of Benefit	Total SFE* Units	Assessment per SFE*	Total Assessment
Zone A	498,926.27	$8.36	$4,171,024
Zone B	1,928.57	$4.18	$8,061
		$12.54	$4,179,085

*SFE = Single Family Equivalent
Source: Vector Control District Engineer's Report FY 2013

Expenditures

In FY 12, the District spent a total of $5.6 million as depicted in Figure 3-7. A majority of expenditures are attributable to salaries and benefits (65 percent) and service and supplies (31 percent).

Figure 3-7: SCCVCD Expenditures FY 2012

Expenditure Category	Expenditures	% of Total Expenditures
Salaries and Benefits	$3,592,361	65%
Services and Supplies	$1,744,504	31%
Capital Outlay	$(105,663)	-2%
Principal Debt Service	$170,000	3%
Interest Debt Service	$179,156	3%
Fees Debt Service	$1,800	0%
Total	**$5,582,158**	**100%**

Source: Vector Control FY 2012 Audit Report

Capital Outlays

In 2012, the County adopted an annual update of its five-year capital improvement plan (CIP). It includes one capital project for SCCVCD—alterations to the new vector control building—which has already been completed. The amount available for alterations was $2,793,617. In FY 10, the District spent $2,680,454 on the project. After the project's completion, the amount remaining was $113.163.

Reserves

Although, the District has not adopted a formal written policy regarding financial reserves, SCCVCD has a management practice to keep a reserve balance. The reserve, which is reviewed annually during the budget process, is designed to cover operating fund, retirement payoff, health insurance, PERS, building maintenance, legal liability, debt service, and early loan payoff as needed. At the end of FY 12, the District had a significant

financial reserve of $11,883,193, which was equivalent to 212 percent of the District's FY 12 expenditures. Currently, a significant portion of reserves are being set aside annually for early building loan payoff which will save the District a considerable amount of interest costs over the long run.

Debt

As shown in Figure 3-8, the District's long-term debt is represented by certificates of participation for $4,495,000 issued by SCCVCD in November 2006 through the California Special Districts Association (CSDA) Finance Corporation to finance the acquisition of an office building. At the end of FY 12, the debt balance was $3.6 million. The debt matures in 2027.

Figure 3-8: SCCVCD Long-Term Debt

Debt Instrument	Certificates of Participation, 2006 Series
Purpose:	Finance the acquisition of an office building
Date of Issue	November 15, 2006
Outstanding Amount FY 12	$3,630,000
How Financed	Special Districts Association Finance Corporation
Maturity Date:	June 1, 2027

INFRASTRUCTURE AND FACILITIES

The District owns and operates an office building and property purchased in 2006. The property is located at 1580 Berger Drive in San Jose. SCCVCD occupied the building in 2010 after tenant improvements, which included addition of a laboratory, in the amount of $3.7 million were completed. The property containing the District's office building is 1.81 acres in size with approximately 20,000 square feet of office space. The District has not made any capital improvements since 2010.

SCCVCD also occupies about 300 square feet of office space in the South County Environmental Health Department facility situated on Highland Avenue in San Martin.

The Vector Control District also owns a service yard located at 1551 Berger Drive. The property is 0.7 acres with 7,596 square feet of equipment storage.

The District's vehicle fleet consists of 38 vehicles.

Infrastructure Needs

The District's office building and the service yard appear to be well maintained. No critical deferred maintenance issues were identified. Given that significant capital improvements were made to the office building in 2010, the building appears to be in good working condition. SCCVCD's fleet has an effective replacement program and does not exceed reasonable replacement guidelines.

Shared Facilities

In addition to its own office building, SCCVCD recently began sharing office space with other county agencies in the South County Environmental Health Department. In addition, the District shares its warehouse space with the Environmental Health Department.

DEMAND FOR SERVICES

The District's field workers target between 500 and 600 inventoried mosquito breeding sources in the County. In addition, the District has inventoried over 4,000 neglected pools since 2007, and routinely treats tens of thousands of catchbasins annually. Staff members visit high-risk sources (those breeding West Nile virus vectors) once a week and other sources once or twice a month.

Property owners and residents can electronically request or call the District for a free home and yard consultation for rodent, wildlife and mosquito problems. Service technicians usually respond within two to three business days of receiving a request for service.

As shown in Figure 3-9, while the number of vector control requests received from the public has decreased over the past five years, the number of mosquito source inspections has increased. Over the course of the last few years, the number of mosquito source control applications fluctuated peaking in FY 10.

Figure 3-9: SCCVCD Service Demand, FYs 07-12

Type of Workload	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Vector Control Services (# of Requests)	7.290	5.722	4,710	4,498	4,984	4,585
Mosquito Source Inspections (# of Inspections)	5,889	5,271	3,868	6,400	7,069	8,054
Mosquito Source Control (# of Applications)	1,608	1,321	1,984	2,157	1,714	1,677

Source: Santa Clara County CAFR FY 12

GOVERNANCE STRUCTURE OPTIONS

No government structure options were identified for Santa Clara County Vector Control District.

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT SERVICE REVIEW DETERMINATIONS

Growth and Population Projections

- As of 2010, Santa Clara County Vector Control District (SCCVCD) had approximately 1,781,642 residents, based on 2010 Census data.
- Association of Bay Area Governments (ABAG) projects that the area will experience 1.5 percent average annual growth through 2035. By 2035, the population of SCCVCD is expected to reach 2,431,400.

Location and Characteristics of any Disadvantaged Unincorporated Communities Within or Contiguous to the Sphere of Influence

- There are no disadvantaged unincorporated communities within or adjacent to the SCCVCD's service area, based on mapping information provided by the State of California Department of Water Resources.

Present and Planned Capacity of Public Facilities and Adequacy of Public Services, Including Infrastructure Needs and Deficiencies

- The District's facilities have sufficient capacity, based on the absence of current infrastructure needs, lack of deferred maintenance at its buildings and warehouse, and SCCVCD's fleet being within reasonable replacement guidelines.
- SCCVCD plans for its capital improvements through the five-year Capital Improvement Plan (CIP) adopted by the County. The current CIP included one project for the District, in the form of enhancements to its new vector control building, which has already been completed.
- SCCVCD has established an adequate level of vector control services to limit the nuisance effects of mosquitoes, yellow jackets, rodents, and ticks consistent with constituent preferences and local, state and federal requirements. There are no present or recent public health advisories concerning mosquito or vector-borne illnesses in the areas served by SCCVCD.
- The District reports that all environmental and safety standards, as required by local, state, and federal programs, are strictly enforced, and there are no deficiencies related to services provided.

- Based on the response time of typically within two to three business days that SCCVCD is able to maintain, with an estimated average of 13 requests per day, it appears that the District has sufficient capacity to continue to serve existing and anticipated demand.

- SCCVCD's staff are appropriately certified by the State of California as Certified Technicians pursuant to the provisions of the California State Health and Safety Code.

Financial Ability of Agency to Provide Services

- SCCVCD reported that its financing levels were adequate to deliver services. No challenges to financing were identified.

- District revenues have exceeded expenditures in FYs 08, 09, 11, and 12. In FY 10, expenditures were higher than revenues, due to capital improvements performed by SCCVCD.

- Ninety eight percent of the District's revenues are derived from two benefit assessments.

- SCCVCD has a management practice to maintain a reserve balance. At the end of FY 12, the District had a significant financial reserve of 212 percent of the District's FY 12 expenditures. Currently, a significant portion of reserves are being set aside annually for early building loan payoff.

- The District's long-term debt is represented by certificates of participation for $4,495,000, which was used to purchase the new office building. The debt matures in 2027.

Status and Opportunities for Shared Facilities

- SCCVCD is a dependent district and a division of the County's Environmental Health Department.

- The District receives support services from the County, such as maintenance of the District's vehicles, financial management, and purchasing.

- SCCVCD shares office space in the County Environmental Health Department facility with other county agencies.

- The District participates in joint financing and purchasing efforts to minimize costs. The District's warehouse was partially financed by the County, as it is shared with the Environmental Health Department

- SCCVCD has an unwritten mutual-aid agreement with respect to materials and supplies with other mosquito and vector-control districts within the region.

- The District has joined a statewide coalition of abatement districts to share the cost of expensive chemical analysis for regulatory compliance, and collaborated with other service providers to produce a Program Environmental Impact Report under the California Environmental Quality Act.

- District personnel attend meetings of the Vector Biology Discussion group, the Mosquito and Vector Control Association of California, the American Mosquito Control Association, and the Entomological Society of America.

- The District uses data on threat assessment shared by Santa Clara County Department of Public Health.

Accountability for Community Services, Including Governmental Structure and Operational Efficiencies

- SCCVCD demonstrated accountability and transparency in its various aspects of operations. The governing body updates constituents, broadcasts its meetings, solicits constituent input, discloses its finances, and posts public documents on its website. The District's website appropriately provides information on SCCVCD services, District's activity updates, vector-related facts, and contact information to submit service requests. SCCVCD keeps its financial reporting and budgets up-to-date and readily available to the public. The District fully cooperated with LAFCO requests for information.

- The Board of Supervisors has adopted a policy manual that articulates the ethical standards and administrative policies for the Board. All four current members of the Board of Supervisors have filed the Statement of Economic Interest forms in 2012 and completed biennial ethics training. The County has adopted an ordinance on expense reimbursements for the Board of Supervisors.

- No government structure options were identified for SCCVCD.

SANTA CLARA COUNTY VECTOR CONTROL DISTRICT SPHERE OF INFLUENCE UPDATE

Existing Sphere of Influence Boundary

The District's current SOI is countywide and coterminous with SCCVCD's boundaries.

Recommended Sphere of Influence Boundary

As the existing SOI for the District is coterminous with the County's boundaries, no further outward expansion is possible. Reduction in the sphere of influence is also not recommended, as the District is the primary provider for vector abatement services throughout the County. Services provided by SCCVCD are not duplicated; other public agencies provide services complimentary to the ones delivered by the District. As there are no areas within the District's boundaries and SOI where the District's services are not provided, it is recommended for the Commission to retain the SCCVCD's coterminous SOI.

Proposed Sphere of Influence Determinations

The nature, location, extent, functions, and classes of services provided

- The services provided by the District throughout Santa Clara County include 1) detection of the presence and prevalence of vector-borne diseases through surveillance and testing, 2) reduction of vectors or exposure to vectors that transmit diseases, 3) conducting routine inspections and treatment of known mosquito and rodent sources, 4) responding to public service requests, 5) providing educational information on vectors and vector-borne diseases, and 6) preventing disease and illness by identifying, inventorying, inspecting, and treating sources of vector development.

Present and planned land uses in the area, including agricultural and open-space lands

- The countywide District contains a wide range of land uses, including all types of urban uses to large areas of hillside, open space, and agricultural uses. While the unincorporated areas are generally not developed, there are numerous unincorporated pocket areas are developed with urban uses. Development within the cities ranges from fully developed urban areas to expansive hillside, open space, and agricultural lands.

- While there are agricultural and open-space lands within SCCVCD, no impacts on agricultural resources, open space or Williamson Act contracts will occur as no service changes are proposed.

Present and probable need for public facilities and services in the area

- Given that in FY 12, SCCVCD frequently visited mosquito sources, responded to about 4,585 service requests, performed 8,054 mosquito source inspections, and completed 1,677 mosquito source control applications, there is a present need for the District's services.

- The County is expected to experience a moderate growth rate of 1.5 percent annually through 2035. As demand for vector control services is driven by growth of both human and vector populations, as well as the creation of water and vegetative conditions that are conducive to vector breeding, the need for vector-control services may grow in the future.

Present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide

- Based on the service request response time of typically within two to three business days that SCCVCD is able to maintain with an estimated average of 13 requests per day, it appears that the District has sufficient capacity to continue to serve existing and anticipated demand.

- There are no present or recent public health advisories concerning mosquito or vector-borne illnesses in the areas served by SCCVCD. The District has been successful in reducing the outbreak of illnesses, including plague and encephalitis.

- The District's facilities have sufficient capacity, based on the absence of current infrastructure needs, lack of deferred maintenance at its buildings and service yard, and SCCVCD's fleet being within reasonable replacement guidelines.

Existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency

- SCCVCD was formed to provide countywide vector control services and serve the residents of Santa Clara County. All County residents benefit from services provided by SCCVCD. Residents in Zone A who pay higher benefit assessment and receive higher level of service than residents in Zone B, have a stronger economic interest in the activities of the District.

ITEM # 6
Attachment C

County of Santa Clara
Consumer and Environmental Protection Agency

125076

DATE: June 17, 2025

TO: Governing Board of the Santa Clara County Vector Control District

FROM: Edgar Nolasco, Director, Consumer/Environmental Protection Agency

SUBJECT: Adopt Resolution for Vector Control District Name Change

RECOMMENDED ACTION

Adopt Resolution of the Board of Trustees of the Santa Clara County Vector Control District approving a name change of the Santa Clara County Vector Control District to the Santa Clara County Mosquito and Vector Control District and delegating authority to the County Executive, or designee, to take all necessary actions to effectuate the name change.

FISCAL IMPLICATIONS

There is no fiscal impact to the General Fund as a result of the Recommended Action. Any costs related to re-branding would be absorbed in the District's budget.

REASONS FOR RECOMMENDATION AND BACKGROUND

Adoption of the recommended action would rename the Santa Clara County Vector Control District to the Santa Clara County Mosquito and Vector Control District and would delegate authority to the County Executive or designee to take all necessary actions to effectuate the name change. The proposed name change aims to enhance public awareness of the District's services, including those services critical to protecting the public health through mosquito abatement, and better aligns with the naming conventions of California districts offering similar services to the public.

There are 66 special districts in the state providing vector services to address the threat of vector-borne diseases. Of the 66 special districts, at least 31 districts include "mosquito and vector control" in their official titles. The word "vector" has multiple definitions and may not clearly communicate the services offered to protect Santa Clara County residents from public health risks posed by invasive mosquitos. Revising the name to include the word "mosquito," in accordance with California Health and Safety Code section 2043, more clearly reflects the District's services. This change will help the public more easily identify the agency responsible for mosquito-related issues and seek assistance more efficiently.

With the ongoing detections of the invasive Aedes aegypti mosquito and West Nile virus activity in the county, it is crucial that the public knows where to seek assistance related to mosquitoes in their community.

Overview of the District

The Santa Clara County Vector Control District ("District") was established in 1988. Its jurisdiction is countywide, and its funding comes from countywide property benefit assessments on non-exempt parcels. The District protects the health and safety of residents through surveillance, prevention, and treatment of disease-carrying vectors. The District monitors diseases such as West Nile virus, Lyme disease, and rabies; inspects known mosquito breeding locations and treats them with pesticides to stop mosquitoes from becoming adults; conducts adult mosquito control treatments when mosquitoes with West Nile virus are found; provides surveillance of disease-carrying vectors, such as, ticks, fleas, and mites; responds to public service requests for identification of mosquitoes, other medically important vectors, rodents, and urban wildlife, yellowjacket/wasp removal, and dead bird reports; and provides educational presentations for schools, community centers, and others. The District is governed by the Board of Supervisors, acting as the Vector Control District Board of Trustees. The District is a special district governed by the Mosquito Abatement and Vector Control District Law (California Health and Safety Code section 2000 et seq.).

CHILD IMPACT

The recommended action will have no/neutral impact on children and youth.

SENIOR IMPACT

The recommended action will have no/neutral impact on seniors.

SUSTAINABILITY IMPLICATIONS

The recommended action will have no/neutral sustainability implications.

STEPS FOLLOWING APPROVAL

Upon approval of the resolution, the Clerk shall notify Adriana Lopez with CEPA.

Within 10 days of approval of the resolution, the Clerk of the Board shall file a copy of the resolution with the California Secretary of State, the County Clerk, the Board of Supervisors, and the Santa Clara County Local Agency Formation Commission, as required by Health and Safety Code section 2043.

Within 10 days of approval of the resolution, the Clerk of the Board shall file with the California Secretary of State a Registry of Public Agencies form with an amended statement indicating the District's name change, as required by Government Code section 53051.

ATTACHMENTS:

- Board Resolution_VCD Name Change_Final_6 6 2025 (PDF)

RESOLUTION NO. VCD-2025-2

RESOLUTION OF THE BOARD OF TRUSTEES OF THE SANTA CLARA COUNTY VECTOR CONTROL DISTRICT APPROVING A NAME CHANGE OF THE SANTA CLARA COUNTY VECTOR CONTROL DISTRICT TO THE SANTA CLARA COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT AND DELEGATION OF AUTHORITY TO THE COUNTY EXECUTIVE, OR DESIGNEE, TO TAKE ALL NECESSARY ACTIONS TO EFFECTUATE THE NAME CHANGE

WHEREAS, the Santa Clara County Vector Control District ("District") is a special district that was formed in 1988 to provide vector and mosquito control services within Santa Clara County;

WHEREAS, the County of Santa Clara Board of Supervisors acts as the Board of Trustees of the Santa Clara County Vector Control District ("District");

WHEREAS, Health and Safety Code section 2043 provides that the Board of Trustees may, by a two-thirds vote of its total membership, adopt a resolution to change the name of the District;

WHEREAS, the District seeks to change the name of the Santa Clara County Vector Control District to the Santa Clara County Mosquito and Vector Control District to align with the mosquito abatement services provided to the public;

WHEREAS, the Board of Trustees has reviewed and considered the name change request and intends to take action on the request in compliance with Health and Safety Code section 2043 and Government Code section 53051.

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of the Santa Clara County Vector Control District, State of California, that:

1. All the foregoing recitals are true and correct.

2. The name of the Santa Clara County Vector Control District is hereby changed to the Santa Clara County Mosquito and Vector Control District.

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Adopted: 06/17/2025

JUN 17 2025

125076

3. The Board of Trustees delegates authority to the County Executive of the County of Santa Clara or designee to take all necessary actions, including those actions required by Health and Safety Code section 2043 and Government Code section 53051, to effectuate the change of the District's name to the "Santa Clara County Mosquito and Vector Control District."

PASSED AND ADOPTED by the Board of Trustees of the Santa Clara County Vector Control District, State of California, on JUN 17 2025 by the following vote:

AYES: ABE-KOGA, ARENAS, DUONG, ELLENBERG, LEE

NOES: NONE

ABSENT: NONE

ABSTAIN: NONE

OTTO LEE, President
Board of Trustees

Signed and certified that a copy of this document has been delivered by electronic or other means to the President, Board of Trustees.

ATTEST:

CURTIS BOONE
Clerk of the Board of Trustees

APPROVED AS TO FORM AND LEGALITY:

WILLIE NGUYEN
Deputy County Counsel

Secretary of State
Registry of Public Agencies
(Government Code section 53051)

SF-405

IMPORTANT — Read Instructions before completing this form.

There is **No Fee** for a Registry of Public Agencies filing

Copy Fees – First page $1.00; each attachment page $0.50; Certification Fee - $5.00

This Space For Office Use Only

1. Type of Filing (Check one.)

- ☐ Initial Filing (first Registry of Public Agencies filing for an agency)
- ☑ Updated Filing (change to an existing Registry of Public Agencies record)

2. Agency Information

a. Full Legal Name of Public Agency
Santa Clara County Mosquito and Vector Control District

b. Nature of Update (complete if Updated Filing)
Name change to reflect services of the agency and permissible by Health & Safetey Code 2043

c. County
Santa Clara

d. Official Mailing Address
1580 Berger Drive, San Jose, CA 95112

3. Chairperson, President, or Other Presiding Officer

a. Name
Otto Lee

b. Title
President, Board of Trustees

c. Business or Residence Address
70 W. Hedding Street, 10th Fl, San Jose, CA 95110

4. Clerk or Secretary

a. Name
Curtis Boone

b. Title
Clerk, Board of Trustees

c. Business or Residence Address
70 W. Hedding Street, 10th Fl, San Jose, CA 95510

5. Other Members of the Governing Board (Enter as many as applicable. Attach additional pages for additional members.)

Name	Business or Residence Address
Sylvia Arenas	70 W. Hedding Street, 10th Fl, San Jose, CA 95110
Margaret Abe-Koga	70 W. Hedding Street, 10th Fl, San Jose, CA 95110
Betty Duong	70 W. Hedding Street, 10th Fl, San Jose, CA 95110
Susan Ellenberg	70 W. Hedding Street, 10th Fl, San Jose, CA 95110

6. Date and Sign Below (Additional members set forth on attached pages, if any, are incorporated herein by reference and made part of this Form SF-405, Registry of Public Agencies.)

6/30/2025
Date

Signature

Edgar Nolasco
Type or Print Name

County of Santa Clara
Consumer and Environmental Protection Agency

127176

DATE: January 13, 2026

TO: Governing Board of the Santa Clara County Vector Control District

FROM: Edgar Nolasco, Director, Consumer/Environmental Protection Agency

SUBJECT: Resolution for Proposed Mosquito and Vector Control District FY 2026-2027 Benefit Assessment Levy

RECOMMENDED ACTION

Consider recommendations relating to a proposed Mosquito and Vector Control District benefit assessment levy. (Mosquito and Vector Control District)

Possible action:

a. Accept the Preliminary Engineer's Report establishing a proposed benefit assessment for the Fiscal Year 2026-2027 tax roll.

b. Adopt Resolution of the Board of Trustees of the Santa Clara County Mosquito and Vector Control District initiating Proceedings; setting May 19, 2026 at no earlier than 10:00 a.m., as the date and time to close the ballot proceeding period; providing notice of its intention to levy assessments; preliminarily approving the Engineer's Report; and providing notice of public hearing, and the Mailing of Assessment Ballots.

c. Authorize the mailing of notices and assessment ballots to all property owners subject to the proposed assessment, not fewer than 45 days prior to the public hearing.

FISCAL IMPLICATIONS

There is no fiscal impact to the General Fund as a result of the Recommended Action. The Mosquito and Vector Control District (District) is funded through two benefit assessments levied on parcels in Santa Clara County and placed in a special fund. The District fully reimburses the General Fund for any work performed supporting the District.

The following tables provide a financial summary of revenues (Table 1) and expenditures (Table 2) for Fiscal Year (FY) 2025-2026, which highlight the shortfall in the District's current-year budget and steps to address the shortfall in future years.

Table 1. Revenues - Mosquito and Vector Control District

Revenues	**Fiscal Year 2025-2026**
1996 Benefit Assessment	$2,889,178
2005 Benefit Assessment	$5,218,952
Other Revenues	$195,052
Total Revenues	**$8,303,182**
Budget Shortfall and the Use of Fund Balance	$2,766,633
Total Revenue and Use of Reserves	**$11,069,815**

Table 2: Expenditures - Mosquito and Vector Control District

Expenditures	**Fiscal Year 2025-2026**
Salaries and Benefits	$6,235,810
Vector Operations	$1,567,171
*CEPA Overhead	$1,379,077
**County Overhead	$1,887,757
Capital Expenditures	$0
Total Expenditures	**$11,069,815**
Budget Shortfall	**($2,766,633)**

*CEPA overhead includes administrative, fiscal, human resources, information systems, and payroll support.
**County overhead includes legal counsel, vehicle maintenance, facilities, procurement, and IT infrastructure.

The District has been drawing down reserves to address recent deficits, which is not a sustainable long-term solution. In FY 2025-2026, the District is using $2,766,633 in fund balance to offset the current year budget deficit. To address the long-term deficit, the District has implemented cost reductions and operational efficiencies, but these measures are insufficient to address forecasted future-year deficits. To date, the District has reduced expenditures without impacting services by limiting non-essential spending and re-negotiating contracts with suppliers to get bulk pricing on vector control supplies. Also, the District has managed staffing costs by holding specific vacancies and limiting the use of extra-help staff to achieve salary savings.

Table 3: District Fund Balance Use **without 2026 Assessment**

Fiscal Year (FY)	**Revenue**	**Expenditure**	**Fund Usage/ Budget Shortfall**	**Ending Fund Balance**
FY 2022-2023	$7,980,886	$8,658,236	$677,350	$10,498,258
FY 2023-2024	$8,029,530	$9,872,092	$1,842,562	$8,655,696
FY 2024-2025	$8,147,313	$10,223,838	$2,076,525	$6,579,171
FY 2025-2026 (estimated)	$8,303,182	$11,069,815	$2,766,633	$3,812,538
FY 2026-2027 (no new revenue)	$8,470,139	$10,980,412	$2,510,273	$1,302,265
FY 2027-2028 (no new revenue)	$8,642,985	$11,630,160	$2,987,175	**($1,684,910)**

Table 3 illustrates how the District's fund balance steadily declines when operating without a 2026 Assessment due to a structural deficit whereby annual expenditure growth exceeds revenue. District revenues increase slowly each year, from $7.9 million in FY 2022-2023 to a projected $8.6 million in FY 2027-2028, for a roughly 1.6% annual increase over the five years.

By comparison, expenditures grew at a much faster rate, increasing from $8.6 million to over $11.6 million in the same period. Expenditures are increasing at about 6.1% annually, nearly four times the 1.6% annual revenue growth. As a result, the District has been drawing down its fund balance for the past few years to balance the budget. Without the 2026 Assessment, the District is not financially sustainable, and by FY 2027-2028 the District would deplete the fund balance and go negative ($1.68 million).

Table 4: District Fund Balance Use **with 2026 Assessment**

Fiscal Year (FY)	Revenue	Expenditure	Fund Usage/ Budget Shortfall or Gain	Ending Fund Balance
FY 2022-2023	$7,980,886	$8,658,236	$677,350	$10,498,258
FY 2023-2024	$8,029,530	$9,872,092	$1,842,562	$8,655,696
FY 2024-2025	$8,147,313	$10,223,838	$2,076,525	$6,579,171
FY 2025-2026 (estimated)	$8,303,182	$11,069,815	$2,766,633	$3,812,538
*FY 2026-2027 (2026 Assessment effective)	$16,844,467	$11,635,141	$5,209,326 gain	$9,021,864
**FY 2027-2028 (includes $1.8M vehicle refresh)	$17,269,947	$14,563,894	$2,706,053 gain	$11,727,917

* FY 2026-27 – expenditures include filling existing necessary vacant positions
** FY 2027-2028 – expenditures include vehicle replacements and four additional positions

Table 4 shows how the District's financial outlook would improve if a 2026 Assessment is adopted, which would take effect in FY 2026-2027. Just as in Table 3, FY 2022-2023 through FY 2025-2026 revenues grow slowly, while expenditures rise faster.

After the 2026 Assessment is implemented in FY 2026-2027 onward, revenues nearly double as the new assessment takes effect. It allows the District to fill vacant positions, add staff to help suppress the emerging *Aedes aegypti* mosquito, and replace vehicles. The District generates an operating surplus, reverses the structural deficit, restores long-term financial stability by building the fund reserve balance, and returns to a sustainable, resilient financial position.

REASONS FOR RECOMMENDATION AND BACKGROUND

The Santa Clara County Mosquito and Vector Control District (District) was established in 1988. Its jurisdiction is countywide, and its funding comes from a countywide property benefit assessment on non-exempt parcels. The District protects the health and safety of residents through:

- Surveillance, prevention, and treatment of disease-carrying vectors;

- Monitoring diseases such as West Nile virus, Lyme disease, and rabies;
- Inspecting known mosquito breeding locations and treats them with pesticides to stop mosquitoes from becoming adults;
- Conducting adult mosquito control treatments when mosquitoes with West Nile virus are found;
- Providing surveillance of disease-carrying vectors, such as, ticks, fleas, and mites;
- Responding to public service requests for mosquitoes, rodents, and urban wildlife, yellowjacket/wasp removal, dead bird reports, and identification of insects and other medically important vectors; and
- Providing educational presentations for schools, community centers, and other organizations.

The District is governed by the Board of Supervisors, acting as the Mosquito and Vector Control District Board of Trustees. The District is a special district governed by the Mosquito Abatement and Vector Control District Law (California Health and Safety Code section 2000 et seq.).

Executive Summary

The District is facing a significant structural deficit as revenues have not kept pace with rising operational costs. For FY 2025-2026, the District projects a budget shortfall of $2.77 million, primarily due to increasing payroll costs, which have risen 32% since 2020, compared to a 12% increase in assessment revenue. The District operates under two benefit assessments on parcels within Santa Clara County (approved in 1996 and 2005), which provide dedicated funding for vector control services. If no additional revenue sources are identified, the District may need to reduce services by approximately 30% in FY 2026-2027, with further cuts in subsequent years to balance the budget.

The District staff has undertaken numerous cost-saving measures to provide cost-effective services, including technology integration, data-based resource allocation, aerial drone treatments, cooperative purchasing agreements, and proactive vector surveillance. These initiatives have enabled the District to maintain the lowest charge per "benefit unit" ($14.90), which is defined as a Single-Family Equivalent (SFE) that receives a special benefit, among neighboring counties, while serving the largest population and geographic area.

In April 2025, CEPA contracted for professional services with SCI Consulting Group (SCI) to help conduct a comprehensive public opinion survey of property owners to assess the community's understanding of and support for a potential third assessment. The survey was designed to gauge overall sentiment, identify key concerns, and evaluate the extent to which property owners recognize the need for additional resources to address emerging vector-control challenges. During the summer of 2025, SCI, on behalf of the District, administered the survey to a random sample of 20,000 property owners across Santa Clara County. The opinion survey tested two rates, $15.75 with annual increases limited by the Consumer Price Index (CPI) and $19.00 without annual increases for term of 15 years.

The survey had an overall response rate of 11%. Respondents expressed strong support for an increased assessment, with 57% indicating they would favor both opinion questions, exceeding SCI's recommended threshold of 54% support needed to move forward with a ballot proceeding. Support was particularly strong among single-family residential property owners, 68% of whom indicated they would back the assessment. The District is recommending a $15.75 assessment with annual increases limited by Consumer Price Index (CPI).

The District has fully utilized its available cost-saving measures, and staff are recommending pursuing a 2026 Assessment ballot proceeding to increase revenues to support District services. In the absence of a third assessment, the District would have to reduce services by 30 percent, with subsequent reductions. The benefit assessment process will include public education, engineering studies, and a ballot proceeding.

On June 17, 2025, the Board of Trustees approved a name change of the Santa Clara County Vector Control District to the Santa Clara County Mosquito and Vector Control District, aimed at enhancing public awareness of the District's full breadth of services.

Proposition 218 Mosquito and Vector Benefit Assessment

The 2026 Assessment is a property charge, not a tax. The property-based benefit assessment provides a special benefit to assessed parcels and is governed by Article XIII D of the California Constitution, commonly known as Proposition 218. Proposition 218 requires local agencies to obtain property owner approval by mailed ballot for property-related fees, such as those for mosquito and vector control, by conferring a "special benefit" to specific parcels rather than a general public good, and by allocating funds only to that service. The Mosquito and Vector Benefit Assessment is a specific charge on property bills, determined by an Engineer's Report, to fund vital public health services like disease surveillance and control. Property owners have 45 days to vote through a mail-in ballot, ensuring funds are directly supporting the service that protects their property.

Background on District Benefit Assessments

On July 30, 1996, the Board of Trustees approved a benefit assessment of $5.08 per benefit unit. The 1996 Assessment continues to be levied at the existing rate of $5.08 per benefit unit with no annual increases.

On August 2, 2005, the Board of Trustees authorized the levy of assessments for the Mosquito, Vector and Disease Control Benefit Assessment. The levy was approved and authorized by a benefit assessment ballot proceeding conducted in 2005. The 2005 assessment approved by property owners allows the District to increase the assessment by the Consumer Price Index, All Urban Consumers (CPI-U) – San Francisco Region, up to a maximum of 3% per year. The need for ongoing increases is to keep pace with inflation. These two assessments' revenues, however, are not keeping pace with direct program costs especially payroll, which has increased by 32% since 2020, compared to a 12% increase in assessment revenues. This structural deficit poses a long-term challenge for sustaining services.

On June 3, 2025, the Board of Trustees adopted a resolution approving an Engineer's Report and levying assessments for FY 2025-2026 for the 2005 assessment. For FY 2025-2026, the District's annual benefit assessment generates approximately $5.2 million in revenue. The 2005 assessment rate is $9.82 per benefit unit, which includes a 2.8% increase based on the CPI-U.

The combined 1996 and 2005 assessments for FY 2025-2026 currently equal $14.90 per benefit unit. Notably, the District maintains the lowest charge per benefit unit compared to neighboring counties, despite Santa Clara County having the largest population and service area.

Table 5. Benefit Assessments Comparison with Neighboring Counties

County	Area (Sq/Mi)	Population	No. Staff	Charge per Benefit Unit**
Contra Costa	804	1,165,927	38	$19.51
San Mateo	744	760,000	23	$18.75
Alameda*	738	1,622,188	37	$20.83
Santa Clara	1,304	1,936,259	41	$14.90

**Alameda County is a combination of two separate districts, Mosquito Control and Vector Control*
*** The benefit unit is a Single Family Equivalent (SFE) that receives a special benefit and for which an assessment is proposed.*

The District is proposing a new mosquito, vector, and disease control assessment (2026 Assessment) to close the funding gap, add some staff to more effectively manage the infestation of *Aedes aegypti* mosquitoes, and ensure the District can maintain and enhance critical services. The following is a list of primary services and improvements that the 2026 Assessment would fund:

- Provide sufficient funding to fill current District vacancies (held vacant due to budget);
- Add four District positions to address invasive *Aedes aegypti* mosquitoes - monitoring, inspections, disease testing, and control;
- Adequately support mosquito monitoring, inspections, and control;
- Meet increasing public requests for services;
- Maintain tick surveillance and disease testing;
- Keep up with rodent abatement education and inspection; and,
- Ensure education and outreach continuity.

Information about the District's Work

Utilizing measures that increase efficiency and lower operational costs, the District continues to provide services, including surveillance, disease monitoring, community education, and targeted treatments for mosquitoes, ticks, and rodents.

The District has deployed aggressive efforts with mosquito sampling, testing, and treatment for West Nile virus, the invasive *Aedes aegypti* mosquito, which is a vector for several

viruses, including Yellow Fever, Dengue, Chikungunya, Zika, and other mosquito-borne diseases. These efforts include:

- Monitoring and treating locations where West Nile virus-positive birds and mosquitoes are found while keeping wide-area treatment events to a minimum;
- Building on the District's collaborative relationship with Santa Clara Valley Urban Runoff Pollution Prevention Program and its participating municipalities to address concerns with above and below-ground stormwater retention devices to prevent potential sources of mosquito development in urban environments;
- Studying existing municipal stormwater management systems to ensure they are not contributing to mosquito breeding;
- Performing community education and outreach that reinforces messaging to eliminate standing water and ways to protect against mosquito-borne diseases, prevent tickborne diseases, and reduce rodent populations in urban settings;
- Implementing intense surveillance and response plans to address the infestation of the invasive *Aedes aegypti* (yellow fever) and *Aedes albopictus* (Asian Tiger) mosquitoes, both of which have high disease transmission potential;
- Enhancing surveillance for tickborne diseases, such as Lyme Disease; and
- Conducting residential surveys, treatment, and monitoring for mosquito breeding in backyard swimming pools and other bodies of water. This effort remains critical with the large number of neglected properties (approximately 3,200). Research indicates an association between human cases of West Nile virus and the presence of unmaintained swimming pools.

Additional ongoing services include providing education on nuisance wildlife species and response by District field technicians to provide advice and exclusion methods to deter wildlife and prevent disease threats to public health.

<u>District Efficiency Efforts</u>

The District continues to prioritize cost-effective solutions while maintaining services essential for protecting public health. To increase financial sustainability, the District has deployed new technologies and streamlined operational processes to reduce costs and improve operational efficiency. Below are several approaches the District has implemented to be more efficient without compromising public health protection or service quality.

- <u>Technology Integration and Data Modernization</u> - The District recently acquired a new, more advanced database system with integrated service zones. This system allows for faster, more accurate data collection and analysis, enabling data-based decisions that prioritize services based on real-time surveillance and community needs. By improving efficiency in data management, the District reduces the need for costly manual data processing and avoids unnecessary duplication of work, ultimately lowering future expenses.

- Service Zone Redesign for Equity and Efficiency - Using the Census 2020 data, the District redrew its service zones to better reflect current population distributions. This ensures that resources are allocated more equitably, and that staff time is used more effectively, focusing efforts where they are needed most, avoiding unnecessary site visits, and reducing travel costs and fuel usage while providing better service to residents.
- Unmanned Aerial Systems (Drones) - The District has incorporated Unmanned Aerial Systems (UAS) into its mosquito control operations. This technology allows for faster and safer inspections and treatments in hard-to-reach areas, reducing the need for costly field deployments and improving staff safety. The drones not only save time but also minimize the need for specialized equipment and reduce vehicle wear and tear costs.
- Surveillance and Early Detection to Prevent Costly Infestations – The District's surveillance team plays a critical role in monitoring mosquito populations and detecting changes in distribution, abundance, and disease risk. With *Aedes aegypti* now established in Santa Clara County, early detection and ongoing surveillance allow the District to quickly identify new introductions, expansion into previously unaffected areas, and increases in population density. This enables timely, targeted control efforts that suppress existing populations, limit spread, and reduce disease risk. This proactive approach helps slow the spread of existing invasive species, address emerging threats such as West Nile virus and Dengue, and preserve resources while significantly reducing long-term operational costs.
- Equipment with Multi-Purpose Capabilities - The District has invested in equipment that offers broad application capabilities, such as the A1 mist blower, which can effectively treat large areas in a short amount of time. This reduces the number of staff hours needed to conduct treatments, lowers fuel costs, and maximizes productivity without compromising coverage or effectiveness.
- Cooperative Purchasing and Vendor Negotiations - Whenever possible, the District participates in cooperative purchasing programs with other districts, allowing for bulk purchasing discounts on essential supplies and equipment. Additionally, staff regularly review contracts and negotiate with vendors to secure favorable pricing on products and services.
- Public Education and Community Engagement - The District's public education campaigns not only raise awareness but also encourage residents to take preventive measures themselves, reducing service calls. This outreach reduces unnecessary operational responses and allows staff to focus on more critical areas.

Despite the District's efforts to manage rising costs, some recent significant increases are due to negotiated pay and benefits. If no additional revenue source is identified, the District would need to cut services by approximately 30% in FY 2026-2027, with further cuts expected each year as per-employee labor costs outpace revenue growth. Fewer resources

would be available to respond to existing and emerging threats within Santa Clara County, such as the West Nile virus and the established *Aedes aegypti* mosquito.

Next Steps

Upon approval of the recommended actions, SCI Consulting Group will design, print, address, and mail the notice and assessment ballots to all property owners in the service area. Below is a table of the tasks and key timeline.

Table 6. Schedule of Next Steps for 2026 Assessment Process

TASKS	EVENTS	TIMELINE (estimated)
1	Education and Outreach	January – March 2026
2	Proposition 218 Ballot Proceeding Services and the 45-day mail-in voting period	March 11, 2026 – May 5, 2026
3	Closing of Ballot Proceeding & Initiating Tabulation	May 19, 2026
4	Tabulation Results	June 2, 2026
5	Levy Submittal and Administration FY 2026-27	July 1, 2026 – June 30, 2027
6	Benefit Assessment Administration FY 2027-28	July 1, 2027 – June 30, 2028

CHILD IMPACT

The recommended action will positively impact children and youth through the *Every Child Healthy – Healthy Lifestyle* indicator by significantly lowering the potential transmission of mosquito-borne diseases, such as West Nile virus. Additionally, it will reduce mosquito nuisances, enhance vector surveillance and control, and allow children to participate in outdoor activities more safely.

SENIOR IMPACT

The recommended action will positively impact seniors by lowering the threat of mosquito-borne diseases and enhancing vector surveillance and control. West Nile virus can cause serious illness in seniors. Additionally, reducing the mosquito nuisance will allow seniors to participate in outdoor activities more safely. For many mosquito-borne diseases, older adults are at greater risk for serious illness.

SUSTAINABILITY IMPLICATIONS

The recommended action supports the Board of Supervisors' sustainability objective to foster a healthy environment by protecting public health, safety, and recreation in reducing risk from severe nuisance and infection of diseases.

CONSEQUENCES OF NEGATIVE ACTION

The District's services will be reduced to a level that is insufficient to control WNV, invasive *Aedes* mosquito surveillance, and other vector-borne diseases throughout the county.

STEPS FOLLOWING APPROVAL

The Clerk of the Board shall:

1. Obtain the signature of the President of the Board of Trustees on the Resolution;
2. Notify Adriana Lopez, Sr. Executive Assistant, Consumer and Environmental Protection Agency, once complete.

LINKS:

- Linked To: 121368 : Consider recommendations relating to the Request for Proposals (RFP) for Proposition 218 assessment ballot processing and benefits assessment administration services.
- Linked To: VCD-2025-2 : Adopt Resolution of the Board of Trustees of the Santa Clara County Vector Control District approving a name change of the Santa Clara County Vector Control District to the Santa Clara County Mosquito and Vector Control District and delegating authority to the County Executive, or designee, to take all necessary actions to effectuate the name change.
- Linked From: 127303 : Consider recommendations relating to Amendment to Agreement for Proposition 218 ballot proceeding and levy administration services.

ATTACHMENTS:

- Reso 2026 MVCD Assessment Initiation to Mail Ballots_Signed_1 6 2026-combined (PDF)

RESOLUTION NO._____

RESOLUTION OF THE BOARD OF TRUSTEES OF THE SANTA CLARA COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT INITIATING PROCEEDINGS, PROVIDING NOTICE OF ITS INTENTION TO LEVY A NEW BENEFIT ASSESSMENT, PRELIMINARILY APPROVING THE ENGINEER'S REPORT, AND PROVIDING FOR NOTICE OF HEARING, AND THE MAILING OF ASSESSMENT BALLOTS FOR THE SANTA CLARA COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT, 2026 MOSQUITO, VECTOR AND DISEASE CONTROL ASSESSMENT

WHEREAS, the Santa Clara County Mosquito and Vector Control District ("District") is a special district that was formed in 1988 to provide vector control services within Santa Clara County;

WHEREAS, the District provides several services benefiting properties within Santa Clara County, including source reduction, larvicide and adulticide applications, disease monitoring, public education, reporting, accountability, research, and interagency cooperative activities;

WHEREAS, Health and Safety Code section 2082 authorizes the District to create a special benefit assessment for vector control;

WHEREAS, the District hereby proposes to establish a new benefit assessment to continue and enhance services and public improvements that provide direct and special benefits to certain real properties in the District (the "Assessment Area"), including to control the *Aedes aegypti* mosquito the presents a growing public health risk in Santa Clara County;

WHEREAS, the SCI Consulting Group is the Engineer of Work ("2026 Assessment Engineer") for purposes of these proceedings, and has ordered SCI Consulting Group to prepare an Engineer's Report in accordance with the Government Code, Health and Safety Code and Article XIIID of the California Constitution;

WHEREAS, an Engineer's Report ("Engineer's Report") has been prepared by the 2026 Assessment Engineer and submitted to the Board of Trustees of the Santa Clara County Mosquito and Vector Control District ("Board"), in which a new benefit assessment is proposed to fund the cost of providing the services. The Engineer's Report, which is available for public review at the District's office, located at 1580 Berger Dr, San José, CA 95112, is hereby incorporated by reference. This Engineer's Report includes: (1) a description of the mosquito, vector, and disease control services to be funded with assessment proceeds; (2) an estimate of the annual cost of such services; (3) a description of the assessable parcels of land within the District and proposed to be subject to the new benefit assessment; (4) a description of the proportionate special and general benefits conferred on property by the proposed assessment; (5) a description of the boundaries of the District, and (6) a specification of the amount to be assessed upon various types of assessable land to fund the cost of the mosquito, vector and disease control services. This proposed new benefit assessment shall be described as the "2026 Mosquito, Vector and Disease Control Assessment" (hereinafter the "2026 Assessment") of the District;

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of the Santa Clara County Mosquito and Vector Control District, State of California, that:

1. An Engineer's Report by a registered professional engineer, (the Engineer of Work) has been prepared in accordance with Article XIIID of the California Constitution and the California Government and Health and Safety Codes. The Engineer's Report has been made, filed with the Board and duly considered by the Board and is hereby deemed sufficient and preliminarily approved. The Engineer's Report shall stand as the Engineer's Report for all subsequent proceedings under and pursuant to the foregoing resolution.

2. This Board intends to levy and collect the proposed 2026 Assessment within the Assessment Area to fund the cost of providing improved mosquito, vector, and disease testing and control services and the proposed projects and services set forth in the Engineer's Report. Within the Assessment Area, the proposed projects, services and programs are generally described as surveillance, disease prevention, abatement, and control of vectors. The proposed 2026 Assessment shall fund improved mosquito abatement, vector control and disease testing and prevention projects include, but are not limited to, source identification, surveillance, control and reduction; rapid and cost-effective mosquito, vector and disease identification, testing, control, management and response; efficient, focused, environmentally sensitive and efficient larvicide and adulticide applications; disease monitoring, public education, research and interagency cooperative activities; as well as capital costs, maintenance and operation expenses (collectively "Services and Improvements"). The cost of these Services and Improvements also includes capital costs comprised of equipment, capital improvements and facilities necessary and incidental to the District's mosquito and vector control services. The 2026 Assessment is not a project under Regulation 15378 of the California Environmental Quality Act (CEQA) because it is the creation of a funding mechanism to support the ongoing operations of the District. Alternatively, the 2026 Assessment is exempt from CEQA under California Public Resources Code section 21080(b)(8) and Regulation 15273 because as established in the Engineer's Report it is a charge by a public agency for the purpose of meeting operating expenses and for meeting financial reserve needs and requirements.

3. The 2026 Assessment shall apply to those lots and parcels shown on the assessment diagram of the Assessment Area, on file with the District's Manager, and reference is hereby made to such diagram for further particulars.

4. Reference is hereby made to the Engineer's Report for a full and detailed description of the proposed projects and services, the boundaries of the Assessment Area, including the boundaries of Zones A and B within the Assessment Area, and the proposed 2026 Assessment upon assessable lots and parcels of land within the Assessment Area.

5. The estimated cost of funding the Services and Improvements described in the Report and funded by the 2026 Assessment for Fiscal Year 2026-2027 is approximately $8,536,626. This cost results in a proposed assessment rate of FIFTEEN DOLLARS AND SEVENTY-FIVE CENTS ($15.75) per Single Family Equivalent benefit unit for properties in Zone A, and SEVEN DOLLARS AND EIGHTY-EIGHT CENTS ($7.88) per Single Family Equivalent benefit unit for properties in Zone B for Fiscal Year 2026-2027.[1]

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6. A public hearing shall be held before the Board in the Santa Clara County Board of Supervisors Chambers located at 70 West Hedding Street, San José, CA 95110 on May 19, 2026 at no earlier than 10:00 a.m. for the Board to consider all protests of property owners regarding the proposed 2026 Assessment and to determine whether the public interest, convenience, and necessity require the Services and Improvements, and to take final action upon the Engineer's Report and the 2026 Assessment.

7. The Clerk of the Board of Trustees is hereby authorized and directed to cause Notice of the hearing ordered hereof to be given in accordance with law by mailing, postage prepaid in the United States mail, and such Notice shall be deemed to have been given when so deposited in the mail. The mailed Notice shall be given to all property owners, by name, subject to the proposed 2026 Assessment by such mailing to those persons whose names and addresses appear on the last equalized secured property tax assessment roll for the County of Santa Clara, or in the case of any public entity, the representative of such public entity at the address thereof known to the Clerk of the Board or the 2026 Assessment Engineer.

8. The mailed public notice of this public hearing ("Notice") shall also contain the following information: (a) the total amount of assessments proposed to be levied within the 2026 Assessment for Fiscal Year 2026-2027; (b) the assessment chargeable to each property owner's parcel; (c) the duration of the proposed 2026 Assessment; (d) the reason for the proposed 2026 Assessment; (e) the basis upon which the amount of the proposed 2026 Assessment was calculated; (f) the date, time and place of the public hearing on the proposed 2026 Assessment as specified in this Resolution. Further, each notice shall include, in a conspicuous place, a summary of the procedures to be used for the completion, return and tabulation of the 2026 Assessment ballots including a statement that the 2026 Assessment shall not be imposed if the ballots submitted in opposition to the 2026 Assessment exceed the ballots submitted in favor of the 2026 Assessment, with ballots weighted according to the proportional financial obligation of the affected property. Each Notice shall also contain an official 2026 Assessment ballot, a summary of the procedures applicable to the completion, return and tabulation of 2026 Assessment ballots, and a statement that the existence of a majority protest will result in the 2026 Assessment not being imposed. The Notice shall further inform owners that all written objections on the grounds of the constitutionality of the 2026 Assessment must be submitted before the deadline shown on the Notice and that a failure to timely object in writing bars any right to challenge the 2026 Assessment through a legal proceeding. The

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[1] A Single Family Equivalent benefit unit (SFE) is the baseline measure of benefit used to determine the amount that will be charged to each parcel in the Assessment Area under the 2026 Assessment and is based on the relative benefit that the parcel will receive under the 2026 Assessment. One SFE represents the special benefit that a single-family home would receive from the 2026 Assessment. Other types of properties, such as condominiums, multi-family residential buildings, and commercial properties, are assigned an SFE value based on the special benefit they will receive from the 2026 in proportion to the special benefit that a single-family home receives. That assigned SFE value is then multiplied by the $15.75 per SFE amount for properties in Zone A and by $7.88 per SFE for properties in Zone B to determine the amount of the property's 2026 Assessment. A fuller explanation of the assessment apportionment methodology is described in pages 70 through 75 of the Santa Clara County Mosquito and Vector Control District 2026 Mosquito, Vector and Disease Control Assessment Engineer's Report, FY 2026-2027.

2026 Assessment ballot shall include the address for receipt of the 2026 Assessment ballot and a place where the person returning the 2026 Assessment ballot may indicate their name, a reasonable identification of the parcel, and their support or opposition to the proposed 2026 Assessment. Each ballot shall be in a form that conceals its contents once it is sealed by the person submitting the ballot. The Notice and 2026 assessment ballot shall be mailed not less than forty-five (45) days before the date of the public hearing.

9. If the proposed 2026 Assessment is approved and confirmed by the Board, the 2026 Assessment may increase in future years by an amount not to exceed the annual change in the Consumer Price Index for All Urban Consumers (CPI-U) for San Francisco-Oakland-Hayward without a further vote or balloting process. In each subsequent year in which the 2026 Assessment will be levied, an updated Engineer's Report, including a proposed budget and assessment rate, shall be prepared. The updated Engineer's Report shall be considered by the Board at a noticed public hearing. The updated Engineer's Report shall serve as the basis for the continuation of the 2026 Assessment.

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10. In adopting this resolution, it is the Board's intent to adopt assessment ballot proceedings, which are consistent and in compliance with Articles XIIIC and XIIID of the California Constitution and with the Government Code Sections 53750 through 53754. It is not the intent of the Board to vary in any way from the requirements of either the California Constitution or the laws of the State of California. The 2026 Assessment balloting shall be conducted in accordance with the Santa Clara County Mosquito and Vector Control District Assessment Ballot Proceedings Procedures attached hereto as Exhibit B to this resolution.

PASSED AND ADOPTED by the Board of Trustees of the Santa Clara County Mosquito and Vector Control District, State of California, on _____ by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

_____
OTTO LEE, President
Board of Trustees

Signed and certified that a copy of this document has been delivered by electronic or other means to the President, Board of Trustees.
ATTEST:

_____
CURTIS BOONE
Clerk of the Board of Trustees

APPROVED AS TO FORM AND LEGALITY:



_____
WILLIE NGUYEN
Deputy County Counsel

Exhibits attached to this Resolution:
A- 2026-2027 Engineer's Report
B- Ballot Proceedings Procedures

EXHIBIT B
SANTA CLARA COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT
PROPOSITION 218 ASSESSMENT BALLOT
PROCEEDINGS PROCEDURES

1. **Statement of Legislative Intent**. In adopting this resolution, it is the Board's intent to adopt assessment ballot proceedings, which are consistent and in compliance with Articles XIIIC and XIIID of the California Constitution and with the Government Code Sections 53750 through 53754. It is not the intent of the Board to vary in any way from the requirements of either the California Constitution or the laws of the State of California.

2. **Definition of Assessment.** Proposition 218 defines "assessment" as "any levy or charge by an agency upon real property that is based upon the special benefit conferred upon the real property by a public improvement or services, that is imposed to pay the capital cost of the public improvement, the maintenance and operation expenses of the public improvement or the cost of the service being provided." "Assessment" includes, but is not limited to, "special assessment," "benefit assessment," "maintenance assessment," and "special assessment tax."

3. **Vector Control.** Government Code section 53750(m) defines "vector control" as "any system of public improvements or services that is intended to provide for the surveillance, prevention, abatement, and control of vectors" as defined.

4. **Assessment Ballot Proceeding.** The following procedures shall be used in an assessment ballot proceeding that follows the requirements of Article XIIID, section 4 of the California Constitution:

A. **Amount of Assessment.** Only special benefits are assessable. The amount of each assessment shall be each identified parcel's proportionate share of the cost of the vector control services and capital improvement costs based upon that parcel's special benefit from the improvement or service. The amount shall be proportional to and no greater than the special benefits conferred on the property.

B. **Engineer's Report.** The Board shall direct the filing of an engineer's report that shall comply with the applicable state statute authorizing the assessment and with Article XIIID, Section 4, of the California Constitution. The engineer's report shall explain the special benefit, as defined in Section 4B of this resolution, conferred by the improvement or property-related service. The engineer's report shall also provide the evidence upon which the Board may find that a special benefit exists. If the improvement or service confers a general benefit, the engineer's report shall describe the general benefit and an alternative funding source for any general benefits. The engineer's report shall be prepared by a registered professional engineer certified by the State of California, (the "Assessment Engineer").

C. **Notice.** The following guidelines shall apply to giving notice of an assessment:

1. The record owner(s) of each parcel to be assessed shall be determined from the last equalized property tax roll. If the property tax roll indicates more than one owner, each owner shall receive notice. Only property owners shall receive notice;

2. The notice shall be sent at least forty-five (45) days prior to the date set for the public hearing on the assessment;

3. The notice provided by this section shall contain the following information:

   a. The total amount to be assessed for the entire assessment district;

   b. The amount to be assessed to the owner's particular parcel;

   c. The duration of the payments;

   d. The reason for the assessment;

   e. The basis upon which the amount of the proposed assessment was calculated;

   f. The date, time and location of the public hearing on the proposed assessment;

   g. A summary of the procedures for the completion, return and tabulation of the assessment ballots;

   h. A disclosure statement that the existence of a majority protest will result in the assessment not being imposed; and

   i. A ballot to be completed by the owner, as further described in section D of this resolution.

   j. A statement informing owners that all written objections on the grounds of the constitutionality of the assessment must be submitted before the deadline shown on the Notice and that a failure to timely object in writing bars any right to challenge the assessment through a legal proceeding.

4. The notice provided by this section and in accordance with Government Code Sections 53753(b) and (c) shall supersede and be in lieu of any other statutes requiring notice to levy or increase an assessment, including but not limited to the notice required by the state statute authorizing the assessment and Government Code section 54954.6;

5. Failure of any person to receive notice shall not invalidate the proceedings;

6. The cost of providing notice shall be included as a cost of the assessment.

D. **Assessment Ballot.** The following guidelines shall apply to the assessment ballot:

1. The ballot required by Article XIIID, section 4(d), of the California Constitution shall be mailed to all property owners of record subject to the proposed assessment at least forty-five (45) days prior to the date of the public hearing on the proposed assessment. This ballot shall comply with Government Code Sections 53753(b) and (c). The ballot shall be designed in such a way that, once sealed, its contents are concealed.

2. All ballots must be returned either by mail or by hand delivery not later than the date for return of ballots stated on the notice and ballot described in this section. Ballots must be returned either by mail or by hand delivery prior to the conclusion of the public input portion of the public hearing.

3. Each ballot must be signed under penalty of perjury. In the event that more than one of the record owners of a parcel submits an assessment ballot, the amount of the proposed assessment to be imposed upon the parcel shall be allocated to each ballot submitted in proportion to the respective record ownership interests or, if the ownership interests are not shown on the record, as established to the satisfaction of the County of Santa Clara or Assessment Engineer by documentation provided by the record owners. If two or more persons own a parcel subject to the assessment, any one owner may cast an assessment ballot for all owners.

4. If a parcel has multiple owners, any owner may request a proportional assessment ballot. If the ownership interest of the owner is not shown on the last equalized secured property tax assessment roll, such request must include evidence, satisfactory to the District, of the owner's proportional rights in the parcel. The Assessment Engineer will provide the proportional ballot to the owner at the address shown on the assessment roll. Any request for a ballot to be mailed to another location must include evidence, satisfactory to the District, of the identity of the person requesting the ballot. Each proportional ballot will be marked to identify it as a proportional ballot and to indicate the owner's proportional rights in the parcel. The Assessment Engineer will keep a record of each proportional ballot provided to an owner.

5. The County will only accept official ballots mailed or otherwise provided to owners by the Assessment Engineer.

6. If an assessment ballot is lost, withdrawn, destroyed or never received, the Assessment Engineer will mail or otherwise provide a replacement ballot to the owner upon receipt of a request delivered to the District or the Assessment Engineer. The replacement ballot will be marked to identify it as a replacement ballot or a replacement proportional ballot. Any request for a replacement or replacement proportional ballot to be mailed to another location must include evidence, satisfactory to the District or the Assessment Engineer, of the identity of the person requesting the ballot. The same procedure applies to replacement ballots or replacement proportional ballots, which are lost, withdrawn, destroyed, or never received.

7. If an assessment ballot is returned by the United States Post Office as undeliverable, the Assessment Engineer may mail a redelivered ballot to the current property owner, if updated ownership or owner mailing address can be determined. The redelivered ballot will be marked to identify it as a redelivered ballot.

8. An assessment ballot proceeding is not an election.

9. An assessment ballot is a disclosable "public record" as that phrase is defined by Government Code section 6252 during and after tabulation of the ballots.

10. The California Government Code requires that assessment ballots be signed by property owners. However, property owner names and corresponding votes will remain strictly confidential, except as necessary to count the votes or as may be required by California law.

11. To complete an assessment ballot, the owner of the parcel or his authorized representative must (1) mark the appropriate box (or circle) supporting or opposing the proposed assessment, and (2) sign, under penalty of perjury, the statement on the ballot that the person completing the ballot is the owner of the parcel or the owner's authorized representative. Only one box may be stamped or marked on each ballot. All incomplete or improperly marked ballots shall be disqualified from balloting. The Tabulator will retain all such invalid ballots.

12. After returning an assessment ballot to the Clerk of the Board of Trustees, or the Tabulator on behalf of the District, the person who signed the ballot may withdraw the ballot by submitting a written statement to the Clerk of the Board of Trustees directing the District to withdraw the ballot. Such statement must be received by the Clerk of the Board or the Tabulator prior to the close of the public input portion of the public hearing on the proposed assessment. When ballots for the assessment are tabulated, the Tabulator will segregate withdrawn ballots from all other returned ballots. The Clerk of the Board of Trustees will retain all withdrawn ballots and will indicate on the face of such withdrawn ballots that they have been withdrawn.

13. In order to change the contents of a ballot that has been submitted, the person who has signed that ballot may (1) request that such ballot be withdrawn, (2) request that a replacement ballot be issued, and (3) return the replacement ballot fully completed. Each of these steps must be completed according to the procedures set forth above.

E. **Tabulating Ballots.** The following guidelines shall apply to tabulating assessment ballots:

1. Assessment ballots shall remain sealed until tabulation commences at the conclusion of the public input portion of the public hearing.

2. The Tabulator shall follow the rules and procedures of the laws of the State of California, this resolution and any other rules and procedures of the Board. If the Tabulator needs clarification, then they shall inquire of the Board, who is the final arbiter. All ballots shall be accepted as valid except those in the following categories:

   a. A photocopy of a ballot, a letter or other form of a ballot that is not an official ballot provided by the District or the Assessment Engineer on behalf of the District;

   b. An unsigned ballot, or ballot signed by an unauthorized individual;

   c. A ballot which lacks an identifiable mark in the box for a “yes” or “no” vote or with more than one box marked, will not be counted;

   d. A ballot which appears tampered with or otherwise invalid based upon its appearance or method of delivery or other circumstances;

e. A ballot for which the barcode representing the parcel number is damaged or obstructed, unless the parcel number or property ownership information is legible and allows the Tabulator to clearly determine the property(s) identified on the ballot.

f. A ballot received after the close of the balloting time period.

The Tabulator's decision, after consultation with the Board's legal counsel that a ballot is invalid shall be final and may not be appealed to the Board.

3. If more than one of the record owners of a parcel submits an assessment ballot, the amount of the proposed assessment to be imposed upon the parcel shall be allocated to each ballot in proportion to the respective record ownership interests, as shown on the record or as established to the District's satisfaction by documentation provided by the record owners.

4. In the event of a dispute regarding whether the signer of a ballot is the owner of the parcel to which the ballot applies, the Board will make such determination from the official County Assessor records and any evidence of ownership submitted to the Board prior to the conclusion of the public hearing. The Board will be under no duty to obtain or consider any other evidence as to ownership of property and its determination of ownership will be final and conclusive.

5. In the event of a dispute regarding whether the signer of a ballot is an authorized representative of the owner of the parcel, the Board may rely on the statement on the ballot signed under penalty of perjury that the person completing the ballot is the owner's authorized representative and any evidence submitted to the Board prior to the conclusion of the public hearing. The Board will be under no duty to obtain or consider any other evidence as to whether the signer of the ballot is an authorized representative of the owner and its determination will be final and conclusive.

6. A property owner who has submitted an assessment ballot may withdraw the ballot and submit a new or changed ballot up until the conclusion of the public input portion of the public hearing on the assessment. Assessment ballots may be withdrawn and newer changed ballots submitted up until the conclusion of the public input portion of the public hearing on the assessment.

7. A property owner's failure to receive an assessment ballot shall not invalidate the proceedings conducted under this section and section 4, Article XIIID, of the California Constitution.

8. The County shall retain all ballots for a period of two (2) years from the date of the public hearing.

F. **Public Hearing**

1. At the public hearing, the Board shall hear and consider all public testimony, objections and protests regarding the proposed assessment and accept ballots until the close of the public input portion of the public hearing, including consideration of any timely written objections to the assessment received and the District's written response thereto pursuant to Government Code Sections 53759.1 and 53759.2. The Board will determine whether any of the following are warranted following consideration of all public testimony, objections, and protests:

a. Whether the written objections and the agency's response warrant clarifications to the proposed fee or assessment.

b. Whether to reduce the proposed fee or assessment.

c. Whether to further review before making a determination on whether clarification or reduction is needed.

d. Whether to proceed with the protest hearing or ballot tabulation hearing required under Section 4 or 6 of Article XIII D of the California Constitution.

2. Reasonable time limits may be imposed on both the length of the entire hearing and the length of each speaker's testimony.

3. At the conclusion of the public input portion of the hearing, but prior to the conclusion of the public hearing, the Tabulator shall begin tabulation of the ballots at the direction of the Board, including those received during the public hearing.

4. If it is not possible to tabulate the ballots on the day of the public hearing, or if additional time is necessary for public testimony, the Board may continue the public hearing to a later date to receive additional testimony, information, or to finish tabulating the ballots.

5. If according to the final tabulation of the ballots, ballots submitted against the assessment exceed the ballots submitted in favor of the assessment, weighted according to the proportional financial obligation of the affected property, a "majority protest" exists and the Board shall not impose the assessment.

ENGINEER'S REPORT

Santa Clara County Mosquito and Vector Control District

2026 Mosquito, Vector, and Disease Control Assessment

Fiscal Year 2026 - 2027

December 2025

Pursuant to the California Government Code, Health and Safety Code and Article XIIID of the California Constitution

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Introduction

Overview

The Santa Clara County Mosquito and Vector Control District ("District") monitors and controls vectors that can transmit disease, including mosquitoes, ticks, fleas, flies, rodents, and wildlife species including skunks, raccoons, and opossums. In addition to vector management, the District conducts countywide disease surveillance and provides public education on wildlife and vector prevention to protect the health and safety of Santa Clara County ("County") residents. The District was established in 1988 and operates within the County's Consumer and Environmental Protection Agency ("CEPA"). The District's services, which are provided throughout its service area, encompass approximately 1,291 square miles. The District is managed by County staff and is governed by the County Board of Supervisors acting as the Board of Trustees for the District ("Board").

The District is responsible for mosquito and vector-borne disease surveillance and control services throughout Santa Clara County, including the municipalities of Campbell, Cupertino, Gilroy, Los Altos, Los Altos Hills, Los Gatos, Milpitas, Monte Sereno, Morgan Hill, Mountain View, Palo Alto, San Jose, Santa Clara, Saratoga, and Sunnyvale; as well as all unincorporated areas in the County.

The District's core services are summarized as follows:

1. Early detection of public health threats through comprehensive vector surveillance.
2. Reducing vectors or exposure to vectors that transmit diseases.
3. Appropriate, timely response to requests to prevent and control vector-borne diseases on property.
4. Public education about mosquitoes and other vectors, the diseases they carry, and how residents can help control them on their property.

The 1996 Assessment

In 1996, the District conducted a protest hearing to establish a benefit assessment (the "1996 Assessment") to fund its mosquito, vector and disease control services throughout the County which provide special benefit to affected properties. The 1996 Assessment was approved by the Board on July 30, 1996 and has been assessed each year since its formation. It generates approximately $2.8 million dollars per year to fund these critical public health services. The 1996 Assessment is fully described and supported by a separate Engineer's Report which is on file with the County and is available for public review.

It should be noted that the 1996 Assessment was formed prior to the passage of Proposition 218 in November of 1996. Proposition 218 placed significant new administrative and engineering requirements on the formation and annual administration of benefit assessments in California while acknowledging that certain "pre-Prop 218" assessments (including this 1996 Assessment) were fully valid. Subsequent legal decisions have confirmed that pre-Prop 218 assessments (e.g. the 1996 Assessment) may be evaluated in context of the standards at the time versus post-Prop 218 assessments (e.g. the 2005 Assessment).

The 2005 Assessment

In 2005, the District proposed a new assessment (the "2005 Assessment") on properties within Santa Clara County, (the "2005 Assessment Area") in order to maintain current levels of service, enhance disease surveillance, improve vector control services, and better respond to the threat of West Nile virus and other public health issues. The 2005 Assessment was approved by the Board on August 2, 2005 and has been assessed each year since its formation. It generates approximately $5.2 million dollars per year to fund these critical public health services. The 2005 Assessment is fully described and supported by a separate Engineer's Report which is on file with the County and is available for public review.

Relationship between the 1996 Assessment and the 2005 Assessment

Both the 1996 Assessment and the 2005 Assessment are reviewed, updated and presented to the County Board of Supervisors each year for consideration, and have been approved and assessed each year since their formations. Both provide critical and additive funding in support of the County's mosquito and vector control programs. It should be noted that there are differences in the underlying analysis, method of apportionment, benefit analysis, etc., between the two assessments. They are consistent with one another in mission and purpose, and both are compliant with Proposition 218 requirements.

Current Funding for the Mosquito and Vector Control Program is Inadequate

The District does not receive funding from the County general fund and is funded primarily through the 1996 assessment at $5.08 for a single-family home and the 2005 assessment at $9.82 for a single-family home. The 1996 assessment does not include a cost-of-living escalator and has remained at the rate of $5.08 per benefit unit since 1996. The 2005 Assessment had a cost-of-living escalator approved, tied to the annual increase in the Consumer Price Index for All Urban Consumers ("CPI-U") for San Francisco-Oakland-Hayward, at the time of the balloting in 2005. Although an annual CPI increase was approved at the time of formation, the rate remained the same for several years and was only adjusted for inflation in the last six years, resulting in a current rate of $9.82. Although the 2005 assessment has been adjusted based on the increase in the CPI six times since 2005, the cost of services and supplies has increased substantially more than the assessment revenues during this period of time, causing a structural deficit within the District's operations fund.

At the start of fiscal year 2025-26, the District had a fund balance of approximately 5.3 months of operating expenses, but the current structural deficit will eliminate the fund balance within two years based on current labor costs. The adjustments to the 2005 assessment do not cover all of the annual operational cost increases. Revenue has grown by only 9% since 2020, while salary and benefit costs have increased by 23% over the same time period. In addition, other unanticipated events could also affect the estimated reduction in the fund balance, such as a public health crisis, disaster, emergency, or the introduction of previously unknown vector-borne diseases. Without additional funding, the District is projecting an almost $4 million budget shortfall, and service reductions of up to 30% may be required by FY 2026-27, with deeper cuts in subsequent years.

With operational expenses continuing to rise, the current funding is insufficient to maintain existing service levels or address new challenges effectively. A critical emerging concern is the invasive *Aedes aegypti* mosquito, first detected in San Jose in April 2025. This species has been responsible for dengue virus transmission in Southern California in recent years and poses a growing public health risk in Santa Clara County. Controlling *Aedes aegypti* requires increased and sustained monitoring, testing, and treatment efforts, which place additional financial demands on the District.

The District is proposing a new mosquito, vector and disease control assessment (the "2026 Assessment" or "Assessment District") to close the funding gap, increase staffing levels to appropriately manage the increasing infestation of Aedes aegypti and allow the District to maintain and enhance critical services. The following is an outline of the primary services and improvements ("Services") that would be funded by the 2026 Assessment:

- Add three level-III experienced technicians
- Add a vector ecologist to test for diseases carried by mosquitoes
- Mosquito control
- Mosquito monitoring and inspections
- Public requests for service
- Maintenance and delivery of predatory mosquito fish that feed on mosquito larvae for backyard fishponds and other appropriate sites
- Presentations to groups, including but not limited to schools, colleges, neighborhoods, civic entities, business groups, and associations
- Social media, education materials, maintenance, and updating websites with District activities
- Identification of mosquitoes, ticks, and other arthropods
- Education, surveillance, and best management practices of wildlife where there are public health conflicts
- Rodent abatement education and inspection
- Mosquito surveillance and disease testing
- Rodent ectoparasite surveillance, disease testing, and best management practices
- Tick surveillance and disease testing
- Yellowjacket best management practices in public areas
- Invasive *Aedes aegypti* monitoring and control
- Invasive *Aedes aegypti* residential inspections and outreach

The 2026 Assessment Area has been drawn to include properties that may request and/or receive direct and more frequent service, are located within the scope of the vector surveillance area, are located within flying or traveling distance of potential vector sources monitored by the District, and that will receive a direct special benefit from a reduction in the amount of vectors reaching and impacting the property as a result of the enhanced vector surveillance and control. The Assessment Diagram included in this report shows the boundaries of the 2026 Assessment Area.

As used within this Report and the benefit assessment ballot proceeding, the following terms are defined:

"Vector" means any animal capable of transmitting the causative agent of human disease or capable of producing human discomfort or injury, including, but not limited to, mosquitoes, flies, mites, ticks, other arthropods, and small mammals and other vertebrates (Health and Safety Code Section 2002(k)).

"Vector Control" shall mean any system of public improvements or services that is intended to provide for the surveillance, prevention, abatement, and control of vectors as defined in subdivision (k) of Section 2002 of the Health and Safety Code and a pest as defined in Section 5006 of the Food and Agricultural Code (Government Code Section 53750(m)).

The District is governed by the Mosquito Abatement and Vector Control District Law of the State of California, California Health and Safety Code §§ 2000 et seq. Following are excerpts from the District Law which summarize the State Legislature's findings and intent with regard to mosquito abatement and other vector control services:

2001. (a) The Legislature finds and declares all of the following:
(1) California's climate and topography support a wide diversity of biological organisms.
(2) Most of these organisms are beneficial, but some are vectors of human disease pathogens or directly cause other human diseases such as hypersensitivity, envenomization, and secondary infections.
(3) Some of these diseases, such as mosquitoborne viral encephalitis, can be fatal, especially in children and older individuals.
(4) California's connections to the wider national and international economies increase the transport of vectors and pathogens.
(5) Invasions of the United States by vectors such as the Asian tiger mosquito and by pathogens such as the West Nile virus underscore the vulnerability of humans to uncontrolled vectors and pathogens.
(b) The Legislature further finds and declares:
(1) Individual protection against the vectorborne diseases is only partially effective.

(2) Adequate protection of human health against vectorborne diseases is best achieved by organized public programs.

(3) The protection of Californians and their communities against the discomforts and economic effects of vectorborne diseases is an essential public service that is vital to public health, safety, and welfare.

(4) Since 1915, mosquito abatement and vector control districts have protected Californians and their communities against the threats of vectorborne diseases.

(c) In enacting this chapter, it is the intent of the Legislature to create and continue a broad statutory authority for a class of special districts with the power to conduct effective programs for the surveillance, prevention, abatement, and control of mosquitoes and other vectors.

(d) It is also the intent of the Legislature that mosquito abatement and vector control districts cooperate with other public agencies to protect the public health, safety, and welfare. Further, the Legislature encourages local communities and local officials to adapt the powers and procedures provided by this chapter to meet the diversity of their own local circumstances and responsibilities.

Health and Safety Code, Section 2082 specifically authorizes the creation of special benefit assessments for vector control, as follows:

(a) A district may levy special benefit assessments consistent with the requirements of Article XIIID of the California Constitution to finance vector control projects and programs.

Legislative Analysis

Proposition 218

This Assessment will be formed in accordance with Proposition 218, The Right to Vote on Taxes Act, which was approved by the voters of California on November 6, 1996 and is now Article XIIIC and XIIID of the California Constitution. Proposition 218 provides for benefit assessments to be levied to fund the cost of providing services, improvements, as well as maintenance and operation expenses to a public improvement which benefits the assessed property.

Proposition 218 describes a number of important requirements, including a property-owner balloting, for the formation and continuation of assessments, and these requirements are satisfied by the process used to establish this Assessment. When Proposition 218 was initially approved in 1996, it allowed for certain types of assessments to be "grandfathered" in, and these were exempted from the property–owner balloting requirement.

Beginning July 1, 1997, all existing, new, or increased assessments shall comply with this article. Notwithstanding the foregoing, the following assessments existing on the effective date of this article shall be exempt from the procedures and approval process set forth in Section 4:
(a) Any assessment imposed exclusively to finance the capital costs or maintenance and operation expenses for sidewalks, streets, sewers, water, flood control, drainage systems or vector control.

Vector control was specifically "grandfathered in," demonstrating the intent of the Proposition 218 drafters to carve out traditionally appropriate, non-controversial special assessments.

Silicon Valley Taxpayers Association, Inc. v. Santa Clara County Open Space Authority

In July of 2008, the California Supreme Court issued its ruling on the Silicon Valley Taxpayers Association, Inc. v. Santa Clara County Open Space Authority ("SVTA vs. SCCOSA"), 44 Cal.4th 431 (2008). The holding is significant because it further explains and clarifies the application of Proposition 218. Several of the most important elements of the ruling included further emphasis that:

- Benefit assessments are for special benefit to property, not general benefits.[1]
- The services and /or improvements funded by assessments must be clearly defined.
- Special benefits are directly received by and provide a direct advantage to property in the 2026 Assessment Area.

This Engineer's Report, and the process that will be used to establish this assessment are consistent with the SVTA vs. SCCOSA decision because there is a direct special benefit received by benefiting property and the assessment is proportional to the special benefit provided to each property.

[1] Article XIII D, § 2, subdivision (d) of the California Constitution states defines "district" as "an area determined by an agency to contain all parcels which will receive a special benefit from the proposed public improvement or property-related service."

Assessment Process

This Report describes the mosquito, vector and disease control services to be funded by the assessment, to establish the estimated costs for those services, to determine the special benefits and general benefits received by property from the services, and to apportion the assessments to lots and parcels within the District's Service Area based on the estimated special benefit each parcel receives from the services funded by the assessment.

Following submittal of this Report to the Santa Clara County Board of Supervisors, acting as the Board of Trustees for the District (the "Board") for preliminary approval, the Board, by Resolution, may call for an assessment ballot proceeding and public hearing on the proposed establishment of the 2026 Assessments and Services.

If the Board approves such Resolution, a notice of assessment and assessment ballot will be mailed to property owners within the Assessment District boundaries who receive special benefit from the Services. Such notice will include a description of the Services to be funded by the proposed 2026 Assessments, the proposed assessment amount for each parcel owned, and an explanation of the method of submitting a ballot on the 2026 Assessment. Each notice will include a ballot on which the property owner would mark their support for or opposition to the proposed Assessments and signature, as well as a postage prepaid envelope in which to return the ballot. Ballots are scheduled to be mailed on March 11, 2026.

After the ballots are mailed to property owners in the Assessment District, a minimum 45-day time period must be provided for the return of the assessment ballots. Following this 45-day time period, a public hearing must be held for the purpose of allowing public testimony regarding the proposed Assessments, and the submission of property owner ballots. The Public Hearing is tentatively scheduled for May 5, 2026 at 9:30 am. At the Public Hearing, the public will have the opportunity to speak on the issue, voice any concerns or protests, obtain further information about the proposed Assessments, and submit ballots.

Tabulation of the returned ballots will begin after the close of the public input portion of the Public Hearing. It is anticipated that the tabulation results will be announced at the Board meeting on June 2, 2026. If it is determined that the assessment ballots submitted in opposition to the proposed Assessments do not exceed the assessment ballots submitted in favor of the Assessments (each ballot is weighted by the proportional financial obligation of the property for which the ballot is submitted) the Board may take action to approve the levying of Assessments for Fiscal Year 2026-27. If the Assessments are so confirmed and approved, the assessment information will be submitted to the County Auditor/Controller. The County Auditor/Controller will include the Assessments on the property tax roll for Fiscal Year 2026-27.

General Description of the Program and Services

About the Vector Control District

The Santa Clara County Mosquito and Vector Control District (District) operates within the County's Consumer and Environmental Protection Agency (CEPA). The District protects property in the County of Santa Clara by controlling and monitoring disease-carrying vectors, including mosquitoes, ticks, fleas, flies, rodents, and wildlife. The District also protects the usefulness, desirability, and livability of property and the inhabitants of property within its jurisdiction through the abatement of vertebrate and invertebrate vectors. In addition, the District regularly tests for vector-borne diseases and educates property owners and the occupants of property in the county about protecting themselves from diseases transmitted by vectors. The District conducts public education and outreach activities to increase prevention and protection against vectors and vector-borne diseases.

The District workforce currently consists of 40 funded employees. About 20% of the employees perform personnel and program management, as well as non-technical support duties. The remaining 80% of District employees are assigned to work in the field, facility support, laboratory, and outreach. In addition to their scheduled duties, District employees respond to approximately 1,500 service requests from the public each year for mosquito-related issues, approximately 600 requests for other arthropod service requests such as ticks, fleas, bed bugs, cockroaches, and yellowjackets, 800 requests for rodent inspections, nearly 600 dead bird reports, and approximately 1,100 requests for other wildlife and vertebrate-related issues. Climate change has been affecting vector populations, which, in turn, has impacted the number of service requests received by the District. Considerable information technology and administrative support are needed and provided by CEPA administrative employees.

The District is governed by the Board of Supervisors for the County of Santa Clara acting as the District's Board of Trustees. The Board meetings are held at least monthly at 9:30 a.m. on Tuesdays and are open to the public and available to view online.

Description of Vector Control Programs

The assessment provides funding for the continuation and enhancement of projects, services and programs for surveillance, disease prevention, abatement, and control of vectors within the county. Such mosquito abatement, vector control, and disease prevention projects and programs include, but are not limited to, environmental management, source reduction, larval mosquito control, adult mosquito control, disease monitoring, public education, and cooperative interagency activities (collectively "Services"). The cost of these Services includes capital costs (equipment, capital improvements, and facilities), regulatory compliance costs, maintenance, and operational expenses necessary and incidental to the vector control program.

Best management practices (BMPs) describe the utilization of best methods and practices for managing vectors, pests, and wildlife to mitigate and reduce their impacts on public health and property. The goal of BMPs for mosquito management is to reduce mosquito production from both permanent and temporary water sources and, consequently, to reduce the risk of transmission of mosquito-borne diseases to humans. The use of BMPs for the management of rodents, wildlife, and other vectors are designed to minimize their impacts in the county and include, but are not limited to, disease surveillance, vector identification, residential exclusion tactics, and recommendations on habitat modifications. The use of BMPs is employed by all District staff and are updated continually as new practices and tools become available.

Introduction

The Services to be provided by the District are over and above the baseline level of service that would be provided if the measure is not approved. The formula below identifies the final level of service as the sum of the baseline level of service (without the 2026 Assessment) and the enhanced level of service to be funded by the 2026 Assessment.

Final Level of Service	=	Baseline Level of Service	+	Enhanced Level of Service

The services provided in the District are further defined as follows:

- Mosquito control
- Mosquito monitoring and inspections
- Public requests for service

- Maintenance and delivery of predatory mosquito fish that feed on mosquito larvae for backyard fishponds and other appropriate sites
- Presentations to groups, including but not limited to: schools, colleges, neighborhoods, civic entities, business groups, and associations
- Social media, education materials, maintenance, and updating websites with District activities
- Identification of mosquitoes, ticks, and other arthropods
- Education, surveillance, and best management practices of wildlife where there are public health conflicts
- Rodent abatement education and inspection
- Mosquito surveillance and disease testing
- Rodent ectoparasite surveillance, disease testing, and best management practices
- Tick surveillance and disease testing
- Yellowjacket best management practices in public areas
- Invasive *Aedes aegypti* monitoring and control
- Invasive *Aedes aegypti* residential inspections and outreach

Best Management Practices

The District's BMP program, by definition, involves procedures for managing vectors and vector-borne diseases while minimizing potential environmental impacts. While the District's services address a variety of vectors, they all share general principles and policies. The District employs BMP principles by first determining vector species and abundance through field sampling or surveys of vector populations and measuring epidemiological values of vector-borne diseases. If the values exceed predetermined criteria, the District manages the populations using the most efficient, cost-effective, and environmentally sensitive means. Public education is an important control strategy for all vectors, e.g., mosquitoes, rodents, wildlife, and ticks; it is the District's primary method for vector management. In some situations, water management or other physical control activities (source reduction or elimination of standing water) may be implemented to reduce vector-breeding sites. The District also utilizes biological control such as placing mosquitofish in ornamental ponds, unused swimming pools, and other bodies of water, which consume immature mosquitoes. When these approaches are ineffective or otherwise inappropriate, biorational pesticides found to be environmentally safe are used to treat specific vector-producing or vector-harboring areas.

To accomplish effective and environmentally sound vector management, the manipulation and control of vectors must be based on careful surveillance of their abundance, habitat, pathogen load, and potential contact with people. This is achieved by establishing treatment criteria (thresholds) and selecting from a wide range of control methods. This dynamic combination of surveillance, treatment criteria, and use of multiple control methods in a coordinated program is generally known as Integrated Pest Management (IPM). BMPs utilizes the fundamentals of IPM to address vector-related issues in an area.

In support of its BMP program, the District has expanded its current Geographic Information System (GIS) and Global Positioning Systems (GPS) capability by putting live digital mapping and data access into the hands of field staff. The District continuously analyzes the collected data to plan and prioritize services, anticipate potential future vector-related issues, and use them for collaborative efforts.

The District is organized into four principal sections to accomplish BMPs:

- Mosquito and Vector Control Headquarters
- Field Operation Programs
- Vector-Borne Disease Surveillance Program
- Public Relations, Outreach, and Education Program.

The District's application of BMPs to some of the main vectors, such as West Nile Virus transmitting mosquitoes, are outlined in the District's Arbovirus Response Plan.

Mosquito and Vector Control Headquarters

Mosquito and Vector Control leadership, management, field staff offices, and meeting rooms are mainly located at the 1580 Berger Drive location, with some staff reporting to the District Yard at 1551 Berger Drive. The Headquarters provides a place for staff to conduct business and includes a reception desk, meeting rooms, offices, cubicles, warehouse, and laboratory space. The geographic location of the Headquarters is conveniently near the intersection of two major freeways (US-101 and I-880), facilitating field staff access to the entire County. The Headquarters location also provides parking and storage space for many of the vehicles used by District staff.

Field Operation Program

District Field Operation Programs include mosquitoes, ticks, fleas, rodents, and wildlife. To address vector issues in the county, District staff utilize best management practices (BMPs), including, but not limited to, environmental management, biological control, chemical control, and public education on prevention and exclusion methods.

The Operations section is comprised of field staff who practice BMPs in the field. They are certified by the California Department of Public Health and have received considerable training in performing their duties but also benefit from continuing education and direct communication from the District's professional staff. Although most staff members are assigned to work a specific geographic zone within the County, they often collaborate to perform more complex or large-scale BMP activities in various areas. They perform inspections of properties for mosquito developmental sites, rodent problems, wildlife issues, and other vector problems, including cockroaches, bed bugs, yellowjackets, flies, and biting arthropods. The District routinely surveys adult mosquitoes in populated areas of the county and responds to public complaints. Larval mosquito populations are routinely monitored through extensive examination of natural and man-made aquatic sites. The field staff perform BMPs to control emerging vector populations, including preventing new sources of vectors from developing, education of landowners and others on measures to minimize vector production, and monitoring vectors in their assigned areas to ensure their control efforts are effective. When needed, a technique known as ultra-low-volume (ULV) application is used to generate aerosolized insecticide droplets to reduce adult mosquito populations. ULV sprays are used in targeted areas where adult mosquitoes were confirmed positive for a human disease agent.

As the climate changes, and urbanization expands, vectors find new habitats in close contact with county residents, and the District needs to respond quickly to these situations by implementing or expanding control measures. Invasive *Aedes aegypti* mosquitoes, one such emerging population, have established a presence in the county. Addressing this species requires increased surveillance, labor intensive inspections of residential properties, and increased pesticide use to suppress populations. When established criteria are met, wide area larvicide spraying (WALS) applications are made to reduce populations of this species within entire neighborhoods.

The District also invests in long-term sustainable solutions by communicating with wetland or property developers regarding the mitigation of potential vector issues. These sustainable measures range from advising small businesses on prevention and exclusion methods to providing technical advice to larger agencies during CEQA reviews for habitat restoration, land management, and planned development projects. Recommendations on habitat management and collaboration with other agencies (e.g., Santa Clara Valley Water District, Parks Departments, etc.) produce strategies that minimize vectors and vector-borne diseases. Such collaborative efforts may require years of effort, but they often result in a reduction of vector populations or reduction in the need for pesticide applications.

Vector–Borne Disease Surveillance Program

The Vector-borne Disease Surveillance Program provides field collection and testing for mosquito-borne, tick-borne, rodent-borne, and other vector-borne diseases. This program also provides arthropod identification, authoritative guidance for wetland creation projects, and implements and assesses new vector control products and techniques, surveys for pesticide resistance, and interacts with local government agencies to formulate strategies for the immediate or long-term reduction of vector issues.

Mosquito-borne diseases

There are approximately 3,500 known species of mosquitoes worldwide, with a variety of species functioning as disease vectors. Mosquito-borne disease surveillance by the Vector-Borne Disease Surveillance Program targets mosquitoes that are known transmission vectors for human diseases such as West Nile Virus (WNV), St. Louis Encephalitis (SLE), and Western Equine Encephalitis (WEE). Due to the ongoing presence of invasive *Aedes aegypti* mosquitoes in our county, surveillance is expanding disease testing to include Dengue, Chikungunya, and Zika virus. **Table 1** describes some of the main mosquito vectors by Genus associated they transmit, and potential disease outcomes in humans.

The ongoing presence of invasive *Aedes aegypti* mosquitoes in our county poses a significant public health risk that demands our attention. This invasive mosquito is not just a nuisance; This *Aedes aegypti* mosquito is the primary vector for several serious diseases, including Dengue, Chikungunya, and Zika virus. The impact of *Aedes aegypti* on daily life can be profound, as these diseases can lead to severe health complications and economic burdens. To mitigate this threat, our surveillance efforts are expanding to include comprehensive disease testing and monitoring. The District will keep the *residents aware of the potential implications of Aedes aegypti in our community*. By understanding their role in disease transmission, we can better protect everyone in our community. Awareness and proactive measures are key to preventing outbreaks and safeguarding public health.

Table 1 outlines some of the primary mosquito vector genera, the pathogens they carry, and the potential disease outcomes in humans, highlighting the importance of addressing mosquito-borne diseases and the vectors present in our area.

Table 1. Mosquito-borne diseases in California. This list is not meant to be comprehensive.

Genus	Potential Pathogens transmitted	Disease outcome
Culex	West Nile Virus	Febrile disease in humans, sometimes fatal
	St. Louis encephalitis	Febrile disease in humans, rarely fatal
	Western equine encephalomyelitis virus	Febrile disease in humans, moderately fatal
Aedes	Dog heartworm (*Dirofilaria immitis*)	Fatal for dogs; not known to infect humans
	Zika virus	Febrile disease in humans, rarely fatal. Adverse outcomes for infants
	Chikungunya virus	Severe febrile disease in humans
	Yellow fever virus	Febrile disease in humans, sometimes fatal
	Dengue virus	Febrile disease in humans, sometimes fatal
	California encephalitis virus	Febrile disease in humans, sometimes fatal. Adverse outcomes for children
eles	Malaria (*Plasmodium spp*)	Febrile disease in humans, sometimes fatal

Mosquito-borne diseases such as WNV, SLE, and WEE are frequently transmitted between birds and mosquitoes. Humans can become infected with mosquito-borne diseases when bitten by an infected mosquito, but humans cannot directly transmit these diseases. Surveillance for mosquito-borne diseases in the county can come from different sources including dead birds, trapped adult mosquitoes, or human case identification.

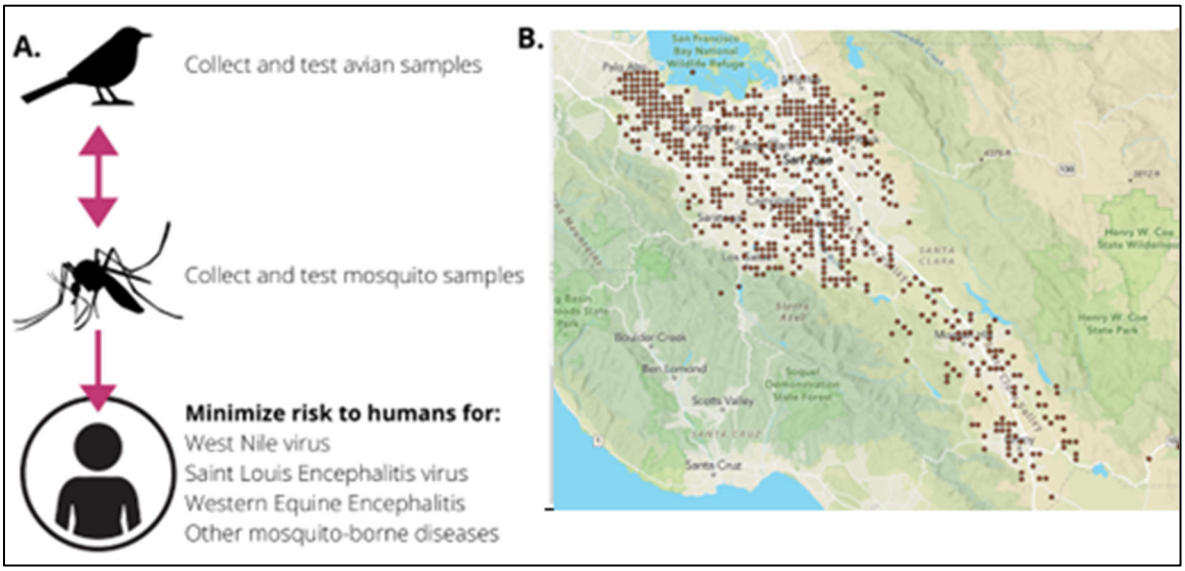


Figure 1. Surveillance of mosquito-borne diseases. A) Surveillance and testing schematic for avian and mosquito samples for mosquito-borne diseases. B) Map depicting scope of mosquito trapping activities in 2024.

Dead bird samples are collected throughout the county and tested for mosquito-borne diseases by the Vector-Borne Disease Surveillance Program. The District participates in the state-wide dead bird surveillance program for WNV, responding to reports of dead birds from the public and testing them in the laboratory located within Mosquito and Vector Control Headquarters. Mosquito traps are routinely set throughout the county to collect adult mosquito samples. Adult mosquito samples, like bird samples, are also tested for mosquito-borne diseases. Virus in dead birds or mosquito samples can be detected using advanced molecular testing assays such as Polymerase Chain Reaction (PCR) and Quantitative Real-time PCR (QPCR) in the District's laboratory. Pathogens transmitted by mosquitoes, birds, or mammals can also be tested by the California Department of Public Health. Imported disease cases occur when individuals return to the county with infections of malaria, zika, dengue, and/or chikungunya. The District collaborates with the Santa Clara Public Health Department to survey sites near these reported "travel cases," placing mosquito traps nearby to monitor for potentially infected invasive *Aedes* adult mosquitoes in the neighborhood in conjunction with inspection of larval sources within a one-mile radius of the address of such cases.

Tickborne Diseases

Tickborne pathogens, such as the bacteria causing Lyme disease, are transmitted to humans through the bite of infected ticks. The Vector–Borne Disease Surveillance Program performs surveillance and testing for tickborne diseases for County, city, and state parks. Results are available to the park systems and members of the public. Outreach and educational materials are handed out to members of the public encountered while staff are conducting surveillance on trails. The District works with the parks systems to provide signage about the dangers and related safety precautions for tickborne diseases.

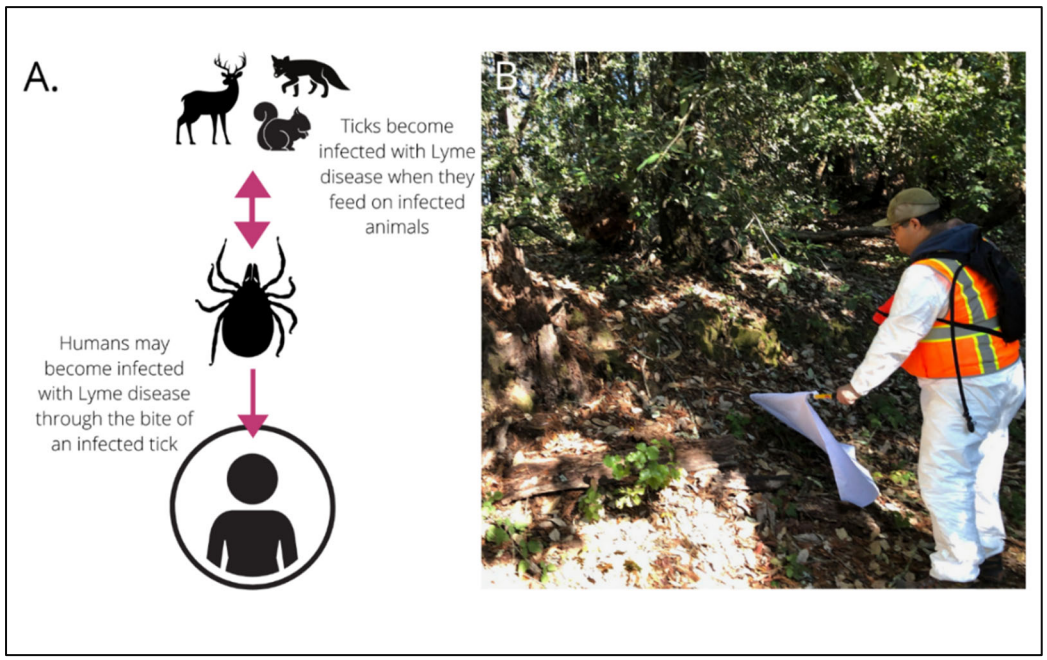


Figure 2. Tickborne surveillance. A) Pathogens are transmitted to ticks and other mammals through the bite of an infected tick. B) A staff member flagging for ticks along a park trail.

Rodent-Borne Diseases

Rodents and their associated ectoparasites can transmit pathogens capable of causing serious disease to humans. Some examples of rodent-borne disease of serious concern in this county include leptospirosis, murine typhus, and hantavirus.

The Vector–Borne Disease Surveillance Program conducts surveillance for murine typhus, plague, and hantavirus by sampling and testing ectoparasites found on rodents throughout the county. See **Figure 3** below for information related to rodent surveillance. Since 2019, murine typhus surveillance has been conducted on rodents from multiple locations in the county. Fleas collected from these rodents are tested for evidence of murine typhus infection.

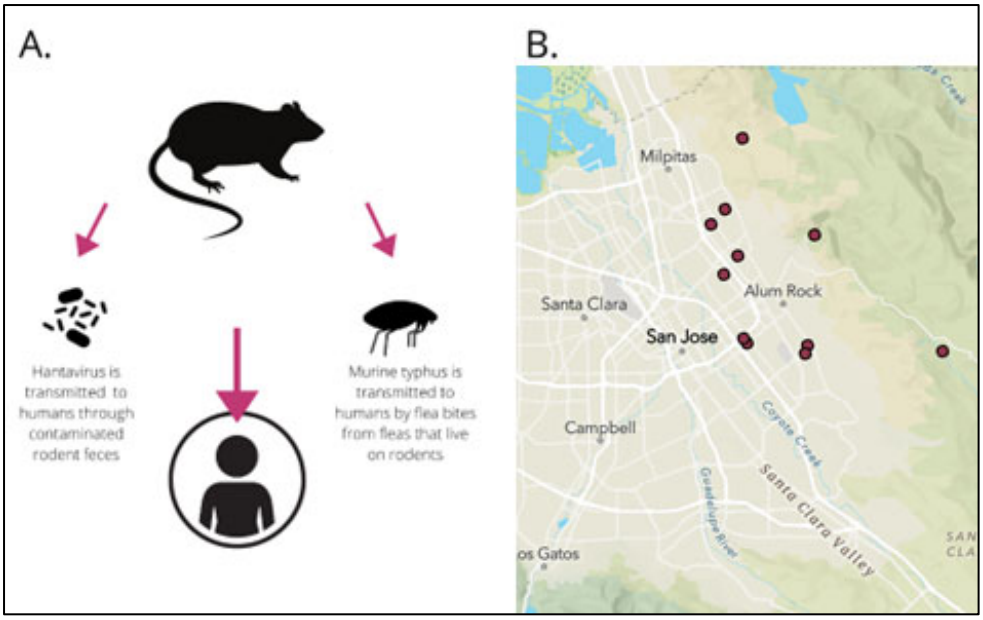


Figure 3. Rodent-borne disease surveillance. A) Humans become infected with rodent-borne diseases when they come into close contact with rodent feces or rodent fleas that may be infected with rodent-borne diseases. B) Survey for murine typhus in 2024. All samples tested negative for murine typhus.

Other Vector-Borne Diseases

Vector-borne diseases are constantly evolving in the environment and pose unique and unforeseen risks to human health. One example of this is Chagas disease, caused by a parasitic protozoan, which is transmitted to humans through the bite of an infected kissing bug. Despite control efforts, its range has increased as infected people migrate to new locales. The Vector–Borne Disease Surveillance Program maintains capacity to survey for such emerging vector-borne diseases. The Vector–Borne Disease Surveillance Program also remains in close contact with the California Department of Public Health to be aware of emerging vector-borne diseases statewide and to work collaboratively while investigating human cases in the county.

Internships, Fellowships, Trainings, and Operational Research Projects

The District performs research projects to support operations by assessing the efficacy of control materials, control strategies, and identification of pesticide resistance. For example, surveys for pesticide resistance in mosquitoes provide information on the efficacy of control programs and can inform decisions on product selection. We also investigate new innovative techniques and newly introduced EPA-registered pesticides.

Public Relations, Outreach, and Education Program

The District conducts public education and outreach efforts to inform residents about the importance of vectors, controlling vectors, and vector-borne diseases. Efforts include educational campaigns through various media advertisements, school and community presentations, educational booths at community events, multimedia collateral, and social media. In addition, the District has a robust outreach plan specifically for West Nile Virus treatments, as well as invasive mosquito detections and control efforts.

Educational Campaigns

The annual educational campaigns aim to educate residents about preventing and protecting themselves from vectors and vector-borne diseases. The messaging focuses on improving residents' ability to recognize signs of vector issues and practice sanitation, self-protection, prevention, and exclusion.

To reach the Santa Clara County community, campaign efforts can use various media types and outlets, including:

- Music streaming platforms and radio stations
- Local newspapers
- Billboards
- Pole banners at a local shopping malls
- Television commercials
- Bus tails
- Search engine optimization

Additional outreach efforts include Spanish, Chinese, and Vietnamese radio broadcasts, paid social media ads on multiple platforms, and collaborations with neighboring Vector Control districts. These combined efforts generated over 22 million impressions in Fiscal Year 2024-2025.

Campaign topics shift throughout the year, depending on the season or district needs. For example, in Fiscal Year 2024-2025, campaign messaging was heavily focused on preventing the dangerous and invasive, day-biting *Aedes aegypti* mosquito from spreading by encouraging community members to report mosquitoes and remove standing water (**Figure 4 A-D**).

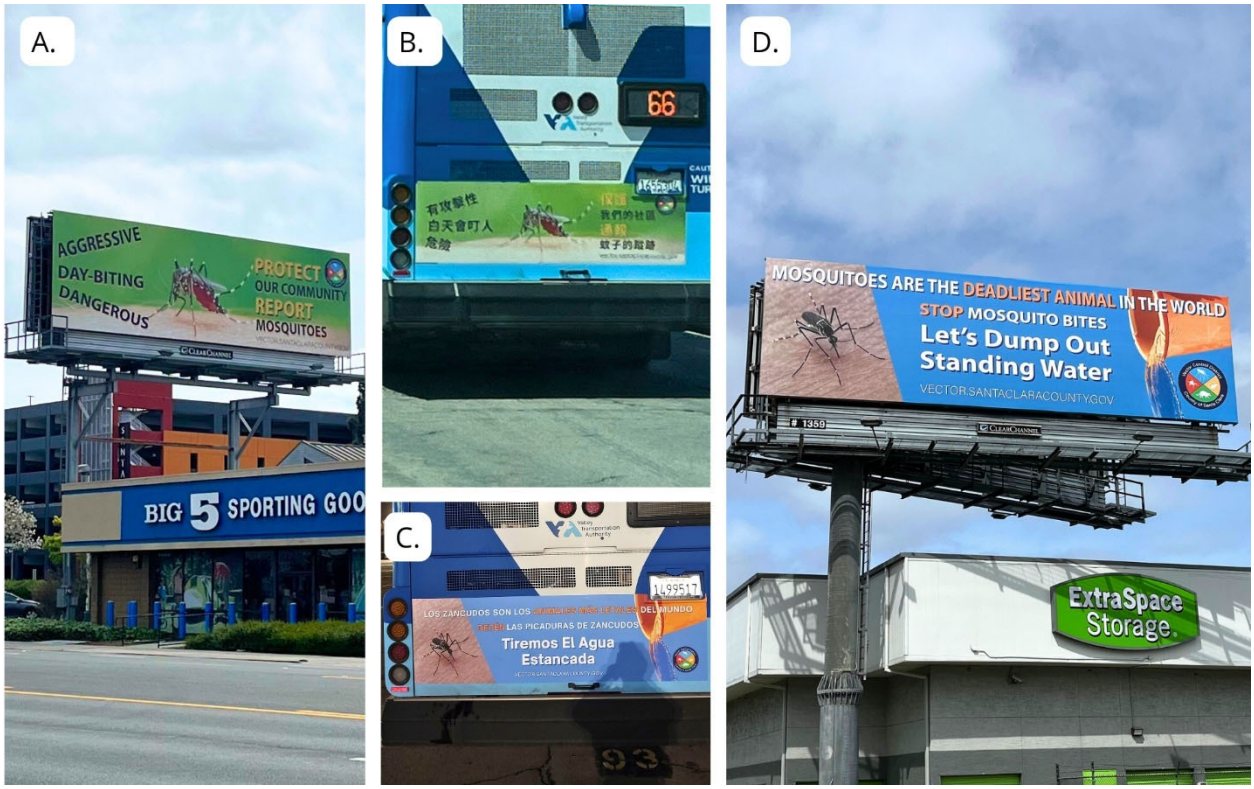


Figure 4. Educational Campaigns and Advertisements. A) Billboard ad next to Santana Row in San José encouraging reporting mosquitoes. B) Multilingual report mosquitoes bus tail campaign offered in English, Chinese, Spanish, and Vietnamese. C) Multilingual promotion of the removal of standing water bus tail campaign offered in English, Spanish, Chinese, and Vietnamese. D) Billboard near US 101 promoting the removal of standing water to prevent mosquitoes.

Community Outreach and Event Booths

The District offers a dedicated education and outreach program for schools and the community. School presentations are available for students of all ages, with materials tailored to each group. The presentations are delivered to individual classroom settings(**Figure 5A**). They consist of a short PowerPoint presentation followed by hands-on activities. Children receive vector themed activity sheets based on the presentation topic which can include a mosquito assembly kit, and mosquito or tick storybooks.

Educational event booths (**Figure 5B**) and in-person or virtual presentations are available to community groups such as homeowner associations, libraries, business associations, senior centers, and other interested parties. These presentations can feature samples of adult mosquitoes, larvae, pupae, and eggs to illustrate the mosquito life cycle. The goal is to raise awareness about the risks of vectors and the diseases they spread, while cultivating an interest in the importance of vector control. This encourages the public to take preventative measures to protect themselves and their communities.



Figure 5. School Presentations and Community Fairs. A) Example of an individual classroom presentation tailored to engage students of any age. B) An educational booth at a community event.

Educational Materials, Social Media, and District Website

The District develops educational collateral to distribute at presentations, booths, for use in the field, and during public interactions. These materials are regularly updated with the latest information and are available for download on the District's website. Additionally, we distribute promotional items that reinforce our outreach messaging, such as branded tick removal tools known as tick keys. All educational materials follow branding guidelines designed to enhance brand awareness and distinguish our four service categories: arthropods, mosquitoes, rodents, wildlife, and general District information (Figure 6).

Our educational efforts extend to social media platforms, including X, Facebook, Instagram, and YouTube. We release educational and informational content, strategically developed to engage our audience. Our content strategy includes categories such as microscopic images, job alerts, treatment notifications, and staff action shots. We also create and share educational and promotional videos across all our social media platforms and the District website. Social media serves as a valuable supplement to our broader public education program.



Figure 6. Educational Materials. Brochures designed to unify branding and help distinguish different topic categories.

West Nile Virus Outreach

The District has a dedicated outreach and communications plan for West Nile virus detections and treatments. This plan includes close collaboration with the County's Office of Communications and Public Affairs to distribute press releases and media advisories, as well as coordination with city officials in the affected cities.

Community members within a West Nile virus treatment zone receive direct notifications alerting them regarding the West Nile virus detection and scheduled treatments through the following channels:

- The County's emergency alert system - AlertSCC
- Email alerts sent to registered voters in specific precincts
- Nextdoor social media posting

General public notifications about West Nile virus detections and treatments are provided through the following channels:

- District's website
- Social media platforms, including X, Instagram, and Facebook
- Email alert to those subscribed to the District's mosquito alerts
- Media coverage

These outreach efforts ensure both directly affected residents and the broader community stay informed about West Nile virus activity in the county and the District's control measures.

Invasive *Aedes* Outreach

Since detecting the invasive *Aedes aegypti* mosquito last year, the District implemented a targeted communications strategy to urgently raise awareness in the affected communities. This effort focused on informing residents about the presence of the mosquito, its potential risks, and the necessary preventive measures.

The District's communications strategy includes a range of targeted efforts to inform and engage communities on the urgent topic.

Dedicated Webpages:

- A webpage providing general information about the invasive mosquito, what residents can do to help, the District's response efforts, and a detailed detection timeline.
- A webpage with details on any related neighborhood mosquito spraying treatments and interactive treatment maps for easy user experience.
- A dedicated webpage with step-by-step instructions on how to properly clean items to remove *Aedes* mosquito eggs.
- A resource tool kit page with ready-to-use multilingual materials for public use and distribution.
- A frequently asked questions page available in the following languages: Spanish, Chinese, Vietnamese, and Tagalog.

Direct Notifications:

- Alerts sent through the County's emergency alert system, AlertSCC, to keep residents informed about detections or treatments taking place in their immediate area.
- Posts on Nextdoor directed at the affected ZIP codes with treatment details.
- Email alerts sent to registered voters in specific precincts about detections or treatment details.

Interagency Communications and Partnerships

Detection and treatment notifications are sent to the following stakeholders for general awareness and distribution to their constituents.

- Santa Clara County Board of Supervisors
- City Councilmembers
- City partners
- School districts
- Homefirst

In addition, established partnerships with the Santa Clara County Public Health Healthy Communities branch allow us to deliver messaging to vulnerable communities.

Collaborations and Media Content

- Partnering with the Santa Clara County Office of Communications and Public Affairs to develop:
    - A general awareness video about *Aedes aegypti* and their public health significance (**Figure 7A**).
    - A "How to Remove Aedes Mosquito Eggs" instructional video.
- Partnering with the Santa Clara County Public Health Department to:
    - Create and distribute an awareness flyer (**Figure 7B**).
- Educational and Social Media Outreach:
    - Creating and sharing specific social media content focused on raising awareness about the detection and prevention measures.

These efforts aimed to ensure that residents were well-informed, equipped with prevention strategies, and actively engaged in efforts to eradicate the *Aedes aegypti* mosquito.

A.



Invasive Aedes aegypti Mosquitoes Detected in Santa Clara County

B.



Figure 7. Invasive Mosquito Outreach. A). Screenshot of the general invasive mosquito video created in collaboration with the County of Santa Clara Office of Communications and Public Affairs B) General detection flyer created in collaboration with the Santa Clara County Public Health Department.

Interagency Programs

The District actively seeks cooperative exchanges with a wide range of other agencies at the County, state, and national levels. Current and previous cooperate relationships include:

- Santa Clara County Department of Public Health – Data sharing for threat assessment, coordination of public outreach, and surveillance and operational direction
- Zero Waste Silicon Valley through the San Jose Conservation Corps – Dumped waste tire pickup and disposal (a significant mosquito breeding source)
- Santa Clara County Division of Agriculture – Insect identification, non-medical pests, pesticide use guidance and reporting
- Santa Clara County Parks and Recreation Department – Monitoring vector populations and joint community engagement opportunities

- Code Enforcement divisions of individual cities Countywide – Enforcement of sanitation, including mitigating blight and unmaintained swimming pool; development or modifications of structures which can foster or deter vector habitat
- City of Palo Alto Parks and Recreation Department – Salt marsh access and mosquito control
- City of Palo Alto Public Works Department – Storm drain treatment and wastewater treatment facilities access
- City of Los Altos – Storm drain treatment and wastewater treatment facilities access
- City of San Jose - Santa Clara Regional Wastewater Facility – Contracts with the District for mosquito control; Housing Department – outreach and mitigation of vectors in housing; Animal Care Services – wildlife/human conflict BMPs
- City of Sunnyvale Department of Environmental Services – Salt marsh access and mosquito control
- Valley Water (formerly Santa Clara Valley Water District) – Access to streams, design of wetlands and other structures; mitigation of constructed vector habitat
- California Department of Fish and Wildlife – Wildlife problems, human/wildlife conflict resolution BMPs, endangered species issues
- California Department of Public Health – Laboratory support, interaction with other districts, collation of data, certification of staff, arbovirus predictive risk analyses and planning for invasive *Aedes*
- US Fish and Wildlife Service – Salt marsh mosquito control, endangered species issues
- US Army Corps of Engineers – Project development
- National Aeronautics and Space Administration – Salt march access and mosquito control
- HomeFirst – Notification and information to the housing insecure community about targeted pesticide application events
- Rebuilding Together Silicon Valley – Assisting low-income homeowners in performing preventive home maintenance to exclude vectors
- Peninsula Humane Society and SPCA – Coordinate wildlife services to the public; provides dead birds and ectoparasites for disease testing
- Animal Services, County of Santa Clara – Collection of ectoparasites for surveillance testing; collection of dead birds, and wildlife issues
- Midpeninsula Regional Open Space District – Salt marash access and mosquito control; open space access to collect ticks for disease testing with results reported back

- Santa Clara Valley Open Space Authority – Access to collect ticks for disease testing; results reported back
- California State Parks – Access to collect ticks for disease testing; results reported back

Use of Emerging Technologies and Innovative Methods

The District routinely reviews recent changes in laws, regulations, and advancements in science and technologies to maximize efficiency and effective operations. One of the high-priority items has been preparing and adapting our routine operations to climate change. To address this climate change situation, our team has been drafting new policies, practices, and procedures at the administrative level.

The District's laboratory surveillance team consistently reviews and updates its vector-borne disease detection protocols and incorporates new tools to improve virus detection turnaround time, which, in turn, increases our testing efficiency. Using a grid-based system stemming from previous years' data and employing newly designed traps has been paramount to an effective surveillance program. The method has been the cornerstone of early WNV detection in mosquitoes, leading to swift control measures that have limited the spread and dispersion of the disease among birds and humans.

Based on the recommendations of the Health and Hospital Committee in 2023, the District initiated its collaboration with the County Register of Voters to proactively inform all registered voters by email before conducting adult mosquito control events to suppress WNV-carrying mosquitoes. Additionally, the District utilizes its newly designed website, social media, the County's mobile alert system (AlertSCC), and street signs to communicate operations with the public. Recently, the Surveillance Program used a targeted mailing system to investigate the dispersion of an emerging tickborne bacterial disease in the County.

The District has recently made significant advancements in mosquito control efforts by exploring new equipment to enhance pesticide efficacy while minimizing environmental impacts. For decades, licensed helicopter vendors have traditionally managed mosquito larvae breeding in large areas such as marshland. However, in 2023, the District adopted a new approach by integrating Unmanned Aerial Systems (UAS, also known as drones) into its mosquito control operations. This shift towards UAS technology aligns with the recommendations of federal and state experts, who advocate for using aerial application methods due to their minimal impact on sensitive species and habitats. UAS use helps mitigate the risk of work-related injuries to staff conducting field work in rough terrain, further enhancing operational safety. More districts are integrating this technology into their programs, highlighting UAS's potential as a versatile and efficient tool for mosquito control efforts. Other strategies that the District has recently adopted include Wide Area Larvicide Spraying (WALS) and In2Care mosquito bait stations, which aim to control local populations of *Aedes aegypti* in urban settings with difficult-to-reach larval mosquito habitats. The District remains at the forefront of innovative and environmentally conscious mosquito management practices by embracing these advancements.

In addition, we are interested in two key technologies being tested and implemented by other mosquito control districts in California: the Sterile Insect Technique (SIT) and *Wolbachia*-infected mosquitoes. Both SIT and *Wolbachia* mosquitoes are biological methods for controlling mosquito populations, but they operate through different mechanisms and have distinct applications.

SIT is a method for controlling mosquito populations by releasing a large number of sterile male mosquitoes into the wild. These male mosquitoes, which do not bite, are bred in laboratories and sterilized using a low dose of radiation, such as X-rays or gamma rays. When the sterile males mate with wild female mosquitoes, the females lay eggs that do not hatch, thereby reducing the population over time. SIT has been used for decades to control agricultural pests, and now this technology is being utilized to control the mosquito population.

The *Wolbachia* technique is a biological control method that utilizes a naturally occurring bacterium found in many insects. The two primary applications for mosquito control are population replacement and population suppression via the incompatible insect technique. In the population replacement strategy, both male and female mosquitoes are bred with the *Wolbachia* and released into the wild. The *Wolbachia* reduces the mosquito's ability to transmit viruses to people. As these infected mosquitoes breed with the wild population, the *Wolbachia* bacteria spread until they replace the wild mosquito population with one that cannot transmit disease.

Recently, the District implemented a new data management system and associated hardware that significantly improved data accuracy and precision, enhancing staff's ability to make data-driven decisions in a more time-sensitive manner. The data is regularly entered into the state website (VectorSurv) to create disease modeling systems, such as the state's WNV Risk model. These models are utilized to prioritize resources for controlling WNV. General geographic maps of major field operations are being published online as a transparency tool for the public.

Vectors and Vector-Borne Diseases in Santa Clara County

Among the principal threats to which the District responds are:

- Human and animal diseases associated with mosquitoes
- Annoyance and economic disruption caused by nuisance mosquitoes
- Injury to humans from ectoparasitic arthropods
- Injury to humans from venomous arthropods
- Human diseases or conflicts associated with wildlife or other vertebrates
- The diseases of most concern are the following:
    - WEE, SLE, WNV, dengue, chikungunya, Zika, and malaria - transmitted through the bite of infected mosquitoes
    - Plague and Murine typhus, transmitted by infected fleas
    - Hantavirus Pulmonary Syndrome transmitted by field mice and rodents
    - Lyme disease, Pacific Coast Tick Fever, Relapsing fever, and Tularemia transmitted through the bite of infected ticks

Mosquitoes

Mosquitoes generally occur where there is adequate vegetation for harborage and where water is standing and/or stagnant. Although these mosquitoes have seasonal cycles, they tend to reproduce continuously when conditions are suitable. Mosquito species are categorized based on their importance in transmission of diseases, habitats, host preference (human, birds, and other animals), and the time day and months that they are active. For major mosquito and mosquito-borne diseases, the District has adopted Response Plans that outline procedures for responding to major mosquito issues in the County.

Risk Assessment: Surveillance of these mosquitoes is accomplished by a combination of methods. Field staff actively examine potential sources by inspecting water for signs of mosquito production, collecting larvae and pupae (if present), and submitting collected larvae for species identification. Various traps (light traps, carbon dioxide baited traps, mosquito magnet traps, scent lure traps, and foul water traps) are used to collect adult mosquitoes. Adults collected in these traps are subsequently classified and identified to species. Individual residents and property owners also call the District with complaints about bites or potential larval sites. Surveillance and control of mosquito larvae in urban areas can be accomplished by detection of green or foul water sources, such as neglected swimming pools, that can potentially provide habitat for mosquito larvae. Unmanned aerial systems (UAS) can be used in inaccessible or remote areas to detect water bodies of concern. In some cases, UAS can be used to manage the larvae populations for safety and higher efficiency.

Current Risk: Invasive *Aedes aegypti* were detected in various areas within our county throughout 2024. Detections within these same areas and additional detections were made in 2025. *Aedes aegypti* can become a significant problem in the county because they spread to many neighborhoods, reproduce throughout the warm season, and create a day-biting nuisance problem that currently does not exist. Impacts on the quality of life of residents is far-reaching due to increased mosquito biting rates in backyards and indoors. Invasive *Aedes* are important because they reach great abundance and reproduce continuously in containers typically associated with residential properties. They are very effective vectors of Zika, Dengue Fever, and Chikungunya viruses and may facilitate local transmission of these diseases. To address the current risks of *Aedes aegypti* within our county, the District is utilizing existing tools and investigating emerging technology to combat this invasive mosquito such as: sterile insect technique, wide-area larviciding, door-to-door inspection, public education, trapping, and In2Care mosquito bait stations.

Historically, the Western encephalitis mosquito (*Culex tarsalis*) and the Northern House Mosquito (*Culex pipiens*) have been very abundant in the Santa Clara County. The great vector potential of these species has been documented locally each year since the arrival of WNV in 2004. They breed in various habitats from neglected pools to underground storm drain systems.

Anopheles species decreased in abundance when streams and ponds were polluted by fertilizer run-offs, but these mosquitoes are increasing in abundance now that creeks are less polluted and have more shade. The threat of *Anopheles* as vectors is significantly reduced when there are no local malaria pathogens, but active human malaria "travel cases" continue to be reported each year.

Culex erythrothorax could become an important mosquito in the county. It is associated with large emergent vegetation in freshwater (e.g., tules), but is abundant in only very small areas of Santa Clara County. *Culex erythrothorax* is known to be an efficient vector of WNV.

Floodwater habitats are occupied by mosquitoes that lay their eggs in damp soil that might be flooded up to two years later. Once the area floods, most of the eggs hatch, producing a large number of mosquitoes for a short period of time. The Winter Salt March Mosquito (*Aedes squamiger*) can be very abundant in spring and was the first cause of organized mosquito abatement along the southern coast of San Francisco Bay. If untreated, it emerges in huge numbers during spring, moves up to 20 miles inland, and bites day and night.

Aedes washinoi is common at the sea level, emerging from freshwater ground pools and riverine habitats. Like the other *Aedes* species, it is a day-biter and can cause significant nuisance when its flight range intersects with human populations. It tends to inhabit shallow, intermittent water sources in wooded areas, and emergence usually lasts from late March through the end of July.

Aedes dorsalis, a secondary vector of the WEE virus, has multiple generations and its numbers can be augmented by rainfall during the warm season and water management in marsh areas.

Aedes sierrensis, our native tree-hole mosquito, can be a significant nuisance and hatches only one generation per year. It can reach great abundance locally and it does not fly far. The tree-hole mosquito is commonly considered our most important vector of dog heartworm.

Potential Risk: Asian tiger mosquito (*Aedes albopictus*)*, and Aedes notoscriptus* are two important container breeders that could be introduced into Santa Clara County. Since 2013 these species have expanded in central and south San Joaquin Valley, and throughout most of southern California. Since these mosquitoes are known to "hitchhike" in vehicles, the likelihood that they will arrive here has increased significantly. *Aedes albopictus* has been introduced into the county twice, each time having been eradicated.

There are additional mosquito species that could become major pests in Santa Clara County due to climate change. *Aedes taeniorhynchus* is a salt marsh species that has only been found once in the county, but it can become very abundant in the summer in other locations. If climate change predictions prove to be accurate, this species may progress northward to the Bay area as temperatures warm.

Aedes melanimon occurs in the fall in salt marshes, but its major pest status in the Central Valley suggests that it could potentially take advantage of changing conditions in Santa Clara County. *Aedes nigromaculis* used to be abundant in parts of the county, associated with irrigated pastures. Should average temperatures increase significantly in the long term, there are several other species (*Aedes vexans* and *Psorophora columbiae*) that could be a significant problem in our area.

Best Management Practices: The District currently uses three main control methods to manage aquatic and biting stages of mosquitoes, including environmental management, biological control, and chemical control. The District implements BMPs to manage mosquito populations.

Environmental management can modify available aquatic habitats so they do not produce mosquitoes and can have a long-lasting effect in preventing mosquito breeding. A recent example was the repair of an artesian well that had been leaking, producing a very large *Culex* site. The District collaborated with Caltrans to provide a solution to eliminate the mosquito source in the area. Long-range wetland conversion projects may result in improved tidal action and better drainage, which was made possible by working closely with the South Bay Salt Pond Restoration Project and the US Army Corps of Engineers. It may be possible to reduce coastal wetland acreage requiring pesticide treatment by maximizing acreage of fully tidal marsh (which does not produce many mosquitoes), avoiding seasonally flooded wetlands along the coast, and constructing deep water reservoirs for mosquito predators. The District was successful in making mosquito control one of the objectives of the salt marsh restoration which could lead to implementation of effective environmental management.

The District also collaborates with the City of Palo Alto during the warm season to manage *Aedes dorsalis* and *Aedes squamiger* fly-offs from the Palo Alto Flood Basin using water level management. Other collaborative efforts were made with the Santa Clara Valley Urban Runoff Pollution Prevention Program, the planning departments of individual cities, the Santa Clara County Parks and Recreation Department, and the Santa Clara Valley Water District to design civil infrastructure in ways to exclude mosquitoes. Public education campaigns to empty and drain standing water in their property is another effort to reduce mosquito breeding sites.

The District uses mosquitofish, *Gambusia affinis*, for biological control. These work particularly well during warm months in decorative ponds and swimming pools, but they are also used in surface water that does not connect with watersheds or have endangered species concerns. District policy prohibits introducing these fish into watersheds. If necessary, mosquitofish can be used in combination with chemical control. The District has an upgraded fish-rearing facility to allow in-house breeding and production of mosquitofish.

The toxin of the natural bacterium, *Bacillus thuringiensis* var. *israelensis* (Bti) can be applied as either a liquid or a granule. This toxin is eaten by larvae, restricting its use to the first through third larval instars. Bti has the tremendous advantage of specificity, only affecting mosquitoes and closely related groups of flies. The spores of *Lysinibacillus sphaericus* (Lsph), are also available for liquid spray or granular application. Methoprene is an analogue of a natural insect hormone that prevents successful development of larvae and pupae. It is available as a short-lived liquid, longer acting granules, and briquets. In recent years, the combination of different toxins is applied to reduce the chance of resistance developing in mosquito populations. Finally, the District uses surface films in the form of a short life cycle oil combined with surfactants (BVA, kontrol) as the only quick control method for the last aquatic stage of mosquitoes, the pupae. A new class of control agent, called spinosad, is derived from naturally occurring soil bacterium and has recently been used in the BMPs program.

The District has used BMPs to manage mosquito larvae populations to reduce the threat of biting mosquitoes in the county. In cases that disease-carrying mosquitoes are identified, the District follows the California Department of Public Health procedure, "Santa Clara County Arbovirus Response Plan" and applies approved adulticides registered with the Environmental Protection Agency within the boundaries of the high-risk areas to reduce the chance of disease transmission to the public. Districts in Central California where *Aedes aegypti* is established have had some success with ULV applications of larvicides in urban residential settings.

In order to improve efficiency and manage mosquito larvae populations before they emerge, the District utilizes various ground or aerial applicators. For example, large areas of the salt marsh habitats are treated with naturally occurring microbes and the mosquito-specific hormone with the use of a helicopter or UAS. The District has been using helicopter for more than 25 years. This method also reduces adverse environmental impact of the ground equipment and staff footprints on wildlife there.

Ectoparasites

Santa Clara County has the full range of ectoparasites that commonly affect humans. The most common are ticks, fleas, bed bugs, lice, scabies mites, and rat mites. The three most abundant species of ticks in the county are *Ixodes* pacificus, *Dermacentor occidentalis,* and *Dermacentor similis.* The Lyme disease bacterium, *Borrelia burgdorferi*, associated with *Ixodes pacificus,* is the primary tick-transmitted pathogen and Lyme disease cases occur in the county each year. In recent years, *Borrelia miyamotoi*, also transmitted by *I. pacificus,* has been detected in the county and is known to cause relapsing fever. *Ixodes pacificus* also has potential to transmit one of the ehrlichial pathogens (causing human granulocytic ehrlichiosis or human monocytic ehrlichiosis). *Dermacentor occidentalis* and *Dermacentor similis* can transmit *Rickettsia rickettsii*, causative agent of Rocky Mountain Spotted Fever, and *Rickettsia rickettsii* subsp. *californica,* causative agent of the newly emerging Pacific Coast Tick Fever. Our most abundant flea problem is from the common cat flea *(Ctenocephalides felis*). Unhoused resident encampments often have Norway rat infestations and potential for murine typhus transmission exists to the greater community.

Bed bugs are a growing problem world-wide, and since 2006 the number of complaints received by the District had been doubling each year until finally leveling off in 2010. Residents of shelter facilities, homeowners who have visited an infested site, hotel users, and college dormitories are the most common problem sites. Bed bugs are not known to transmit any pathogen, but they can cause annoyance, loss of sleep, and sometimes secondary skin infection.

Other important ectoparasites include:

- Rat mites (*Ornithonyssus bacoti*) are a very common problem in Santa Clara County due to the abundance of commensal rodents. Generally, mites disappear when rats are effectively controlled.
- Scabies mites (*Sarcoptes scabei*) appear to be increasing in abundance and may explain at least some of the cases of residents who complain of an unknown source of skin irritation.
- Head lice (*Pediculus humanus capitis*) are abundant among children, as they are in most parts of the country.

Risk Assessment: Residents usually encounter ticks when hiking in county or state parks. The District performs regular surveillance by brushing vegetation with a large flag of cloth, to which the ticks grab on. The ticks are processed in the District laboratory for detection of the Lyme disease bacterium (*Borrelia burgdorferi*), Tickborne Relapsing Fever bacterium (*Borrelia miyamotoi*), and Pacific Coast Tick fever bacterium (*Rickettsia rickettsii* subsp. *californica).*

Other ectoparasites are surveyed only in response to complaints. Several techniques are available, including direct visual search, watching for ectoparasites on white socks, placing a container with dry ice on a tray of soapy water, and placing sticky traps.

Fleas associated with rodents and carnivores that parasitize rodents raise the possibility of plague. Scabies is usually considered a medical problem, but some residents find that they are unable to get a diagnosis from physicians. Rat mites are abundant in the county, often creating an intolerable problem with biting mites in a home. Head lice are common in the county, but infestations are usually handled without advice from the District.

Best Management Practices: The District identifies ectoparasites such as bed bugs and collaborates with Municipal Code Enforcement agencies throughout the county to assist affected public and property managers. The District's primary focus is to advise and educate the property owners, tenants, and disadvantaged communities on self-protection, prevention, and exclusion.

Venomous Arthropods

Venomous arthropods are a common cause for concern among residents. Yellowjackets (*Vespula*) and paper wasps (*Polistes*) are the most common problem, especially in late summer and fall. The only dangerous spiders in the county are the black widow (*Latrodectus hesperus*) and the Northern yellow-sac spider (*Cheiracanthium mildei*). The brown widow spider (*Latrodectus geometricus*) is established in Southern California and is rapidly colonizing other areas of the state. Its venom is more potent than that of the black widow, but it is less likely to bite. The brown recluse spider (*Loxosceles reclusa*) does not occur in California.

Risk Assessment: Responses concerning other venomous arthropods are based on complaints from the public. Yellowjacket wasps can be very abundant at locations with waste food (e.g., parks). Aggressive honeybees reported are collected for morphometric evaluation to determine whether they are Africanized Honey Bees. The actual threat from other venomous arthropods (tarantula and scorpion) in the county is very small.

Best Management Practices: The District treats yellowjackets and stinging bees on public land with EPA-approved materials where there is an imminent risk to the public. In response to inquiries, the public is advised on safe use of a commercial product. The District provides public education regarding spiders.

Other Arthropods

Most of the filth flies in Santa Clara County are either blow flies (*Phormia*), lesser house flies (*Fannia*), or house flies (*Musca domestica*). Although flies are produced in compost heaps, dog feces, and other domestic sites, most of the problems result from agricultural practices in the southern part of the county. A variety of biting flies occur in the county (stable flies, snipe flies, black flies, no-see-ums, deer/horse flies), but black gnats are the only non-mosquito species that commonly affect large areas. Black gnats (*Leptoconops torrens*), sometimes called the valley gnat, develop in the cracks of soil with high clay content. Black flies (*Simulium vittatum*) have recently become an issue in limited areas. Their larvae live in flowing non-polluted water and attach to stationary objects in the streams. Various species of cockroaches are associated with indoor and public sewer systems in the county including the recently detected Turkestan cockroach (*Blatta lateralis*). Cockroaches that are associated with domestic conditions may transmit some diseases and can cause allergies.

Risk Assessment: In some cases, the District relies on complaints from the public to detect, identify and map the arthropods in the county. Significant infestations of filth flies are invariably the result of improper solid waste management in rural areas of Santa Clara County. As a result, the source of flies can be very persistent. Flies transmit several pathogens including bacteria, viruses, fungi, and parasites by simply carrying them from place to place. Several existing studies showed that bacteria causing diarrhea are carried by houseflies mainly. In addition to direct visual search, the District uses strips of sticky paper to count flies and white index cards to count fly feces. Most of the biting flies are attracted to traps that are baited with dry ice (carbon dioxide). Black flies are surveyed by placing yellow tapes in water streams so that larvae attach to them. In addition to complaints from the public, special sticky traps are used to monitor the population of cockroaches in an area. The District identifies other arthropods such as storage and agricultural pests, and even beneficial harmless arthropods to educate the public or direct them to appropriate agencies such as the County Agricultural Division.

Best Management Practices: The District provides consultation and advises the public about sanitation, exclusion, and potential insecticidal treatment. In some cases, the District has worked with Solid Waste Management or Code Enforcement to force owners to clean up a filth fly problem. Surveillance at a problematic site can assure compliance with sanitation requirements. Environmental management, such as control of the water flow, can alleviate the issues of black flies. However, with high black fly larval populations, the natural bacteria *Bacillus thuringiensis* var. *israelensis* (Bti) can be applied. Sanitation, exclusion, and continuous facility maintenance are the main principles of cockroach management. Advising and educating small businesses on the preventive measures are the main steps in protecting the public.

Rodents

The roof rat (*Rattus rattus*) is by far the most abundant rodent pest in the county. The Norway rat (*Rattus norvegicus*) can be an important pest in areas with high urban development, but unhoused resident camps are increasing Norway rat populations. Mice are a widespread but minor problem. Four kinds of native rodents can cause problems in residential areas. The wood rat, *Neotoma fuscipes*, sometimes infests homes in much the same manner as a roof rat. The California vole (*Microtus californicus*) and various species of deer mice (*Peromyscus* spp.) can have seasonal population surges and infest peridomestic habitats. The California ground squirrel (*Otospermophilus beecheyi*) infests embankments near homes and can damage earthen levees and undermine roads. The mild climate in the County of Santa Clara creates ideal conditions for commensal rodents, which can cause extensive damage to structures and harbor important human pathogens.

Rodents can be very destructive to property through their normal activities, destroying wiring, walls, and other property. They also spoil or consume huge quantities of food. The close association of commensal rodents (rats and mice) with humans is sometimes the source of a variety of bacterial diseases, including salmonellosis and leptospirosis. The dangerous urban cycle of plague (*Yersinia pestis*) can be supported by flea-infested commensal rodents and the sylvatic cycle of the disease by all the native rodents mentioned above. The last urban plague outbreak in California was recorded in 1924, but sylvatic plague continues to this day in our County. *Sin Nombre* (Hantavirus), is excreted in rodent urine, droppings, and saliva and is acquired by humans by breathing in virus particles. It is present in the county and associated with *Peromyscus*, and *Microtus*. *Neotoma* species have a worrying association with leishmaniasis and American trypanosomiasis, but neither pathogen has been observed in the county.

Risk Assessment: Rodents are generally detected through the presence of droppings or signs of damage. The type of rodent can sometimes be approximated from the size and shape of feces and the kind of damage observed. The District commonly evaluates problems based on these signs and evidence.

Best Management Practices: The District performs rodent inspections upon request from the public. These inspections include a comprehensive, written recommendation to the resident(s) on how to eliminate rodents from the house or business. The strategy proposed by the District is exclusion of rodents through rodent-proofing the house, elimination of outdoor food and harborage sources of rodents (e.g., ivy, fruits, nuts), and decimation of the rodents through trapping.

Wildlife and Other Vertebrates

The District utilizes the same BMPs principles for wildlife as in its other vector programs, save implementing direct control measures. Public education is the primary means of resolving issues with wildlife. Education includes guidance on how to protect their pets from adverse wildlife interactions, sanitation measures to make their properties less attractive, and use of appropriate exclusion techniques at their properties to prevent wildlife access. Certain wildlife may constitute a threat to the public health of humans. Mountain lions, for example, are a 'specially protected species' that can have potential conflicts with humans, livestock, and pets, especially as urban areas expand into wildlife habitats. For any such emergency or public safety issues, the District refers the public to emergency responders.

Wildlife and their associated ectoparasites can cause several health problems. Certain animals such as crows, sparrows, bats, raccoons, opossums, and skunks are reservoirs of pathogens such as WNV, SLE, rabies, and plague which may be introduced to humans. The District mainly focuses on smaller, often commensal, urban animals as the reservoir or vector that can pose a public health risk to humans. A variety of animals are reported to the District as potential vectors of rabies, however, in California, the virus has primarily been detected in bats. They are the main vector of rabies in our county. If handled or found indoors, bats can incidentally bite people, and their bites are undetectable.

The District occasionally receives calls about other vertebrates such as rattlesnakes and birds. Rattlesnakes pose an envenomation risk to humans and can, on rare occasions, cause serious injuries. Birds, especially when aggregating in large numbers, can pose a risk of transmitting a respiratory illness known as psittacosis to humans.

Raccoons are hosts to the common raccoon roundworm, *Baylisascaris procyonis,* and can defecate millions of worm eggs into backyards, parks, and playground areas used as latrines, potentially exposing people to a dangerous disease called Larval Migrans. If accidentally ingested, large number of larval nematodes migrate through human tissues and into the nervous system, particularly the brain. Infections occur more often in children and others who are more likely to put dirt or animal waste in their mouth by mistake.

Risk Assessment: Service requests from the public are the principle means of wildlife surveillance, through which the District maintains records on the reported occurrence of wildlife problems. The District responds to complaints from residents by inspecting properties for signs of animal activity, droppings, or signs of damage attributed to wildlife.

Best Management Practices: The District performs inspections upon request for the public, and provides education regarding prevention, exclusion methods, and sanitation measures. The District also collaborates with the County Animal Services, City of San Jose Animal Care Services, Peninsula Humane Society and SPCA, and the County Public Health Laboratory for monitoring rabies in bats. The District collaborates with other agencies to collect ectoparasites from rehabilitated or dead animals to test for potential transmittable diseases. Trapping is used in collaboration with other agencies to monitor the roles of smaller urban wildlife as disease reservoirs when they pose direct public health concerns. In cases when ectoparasites can transmit diseases, the District can implement measures based on Integrated Pest Management (IPM) to control the population of vectors.

The District routinely communicates and consults with other internal and external agencies, such as the Santa Clara County Division of Agriculture, Santa Clara County Public Health, County Parks and Recreation Department, San Jose Animal Care and Services, Peninsula Humane Society and SPCA, California Department of Fish and Wildlife, California Department of Public Health, US Fish and Wildlife Service, US Department of Agriculture, University of California Cooperative Extension, and neighboring vector control districts to share information, coordinate efforts, and collaborate on the Best Management Practices in response to issues relevant to health and safety of the public.

Assessment

WHEREAS, the Santa Clara County Mosquito and Vector Control District contracted with the undersigned Engineer of Work to prepare and file a report presenting an estimate of costs of Services, a diagram for the benefit assessment for the 2026 Assessment District, an assessment of the estimated costs of Services, and the special and general benefits conferred thereby upon all assessable parcels within the 2026 Assessment District; and

NOW, THEREFORE, the undersigned, by virtue of the power vested in me under Article XIIID of the California Constitution, the Government Code, the Health and Safety Code, and the order of the Santa Clara County Mosquito and Vector Control District Board of Trustees, hereby make the following determination of an assessment to cover the portion of the estimated cost of the Services, and the costs and expenses incidental thereto to be paid by the 2026 Mosquito, Vector and Disease Control Assessment.

The District has evaluated and estimated the costs of providing improved and enhanced Services to the 2026 Assessment Area. The estimated costs are summarized in the Summary Cost Estimate below and detailed in Estimate of Cost, located on page 45.

The amount to be paid for the Services and the expenses incidental thereto, to be paid by the Santa Clara County Mosquito and Vector Control District for the fiscal year 2026-27 is generally as follows:

Summary Cost Estimate - *F.Y. 2026-27 Budget*

Vector & Disease Control Services	$13,445,035
Fixed Asset & Capital Equipment	$600,000
TOTAL COST OF SERVICES	**$14,045,035**
Contributions to / (from) Reserve / Contingency	$3,478,196
Incidentals	$274,233
TOTAL BUDGET	**$17,797,465**
Less:	
Contributions from Other Sources	($9,260,839)
Net Amount to 2026 Assessments	**$8,536,626**

Notes:
1. As determined in the following section, at least 4% of the cost of the Services must be funded from sources other than the 2026 Assessment to cover any general benefits from the Services. Therefore, out of the total cost of Services of $14,045,035 the District must contribute at least $561,801 from sources other than the 2026 Assessment. The District will contribute $3,967,845 which is over the estimated general benefits and equates to 28.3% of the total cost of services.

An Assessment Diagram is hereto attached and made a part hereof showing the exterior boundaries of the 2026 Assessment Area. The distinctive number of each parcel or lot of land in the 2026 Assessment Area is its Assessor Parcel Number appearing on the Assessment Roll.

I do hereby determine and apportion said net amount of the cost and expenses of the Services, including the costs and expenses incidental thereto, upon the parcels and lots of land within the 2026 Mosquito, Vector and Disease Control Assessment, in accordance with the special benefits to be received by each parcel or lot, from the Services, and more particularly set forth in the Cost Estimate hereto attached and by reference made a part hereof.

The assessment determination is made upon the parcels or lots of land within the 2026 Assessment Area proportion to the special benefits to be received by the parcels or lots of land, from the Services.

The assessment is subject to an annual adjustment tied to the change in the Consumer Price Index-U for All Urban Consumers for San Francisco-Oakland-Hayward ("CPI"), with an annual adjustment up to the change to CPI.

The estimate of cost and budget in this Engineer's Report proposes assessments for fiscal year 2026-27 at the rate of $15.75 per single family equivalent benefit unit for Zone A and $7.88 for Zone B.

Table 2, below provides a summary of the proposed rates for various property use types for the 2026 Assessment. (The rates for the 1996 Assessment and 2005 Assessment are also shown for convenience.)

Table 2 – 2026 Rates by Property Use Type (1996 and 2005 Assessment Rates also Shown)

Property Type	2026 Assessment	2026 Assessment Unit	2005 Assessment	2005 Assessment Unit	1996 Assessment	1996 Assessment Unit
Single Family Residential	**$15.75**	each	**$9.82**	each	**$5.08**	each
Condominium	**$9.45**	each	**$5.89**	each	**$5.08**	each
Duplex	**$6.77**	per unit	**$4.22**	per unit	**$10.16**	each
Triplex, Fourplex	**$6.77**	per unit	**$4.22**	per unit	**$15.24**	each
Multi-Family Residential, 5+ Units	**$4.41**	per unit	**$2.75**	per unit	**$25.40**	each
Mobile Home on Separate Lot	**$4.57**	each	**$2.85**	each	**$5.08**	each
Commercial / General Manufacturing	**$7.88**	per fifth acre*	**$4.91**	per fifth acre*	**$17.62**	each
Office	**$22.37**	per fifth acre*	**$13.94**	per fifth acre*	**$14.83**	each
Regional Shopping Center	**$7.88**	per fifth acre*	**$4.91**	per fifth acre*	**$27.02**	each
Community Shopping Center	**$7.88**	per fifth acre*	**$4.91**	per fifth acre*	**$22.52**	each
Neighborhood Shopping Center	**$7.88**	per fifth acre*	**$4.91**	per fifth acre*	**$18.01**	each
Industrial	**$7.88**	per fifth acre*	**$4.91**	per fifth acre*	**$14.83**	each
Parking Lot	**$0.33**	per fifth acre*	**$0.21**	per fifth acre*	**$25.40**	each
Agriculture	**$0.03**	per fifth acre*	**$0.02**	per fifth acre*	**$10.75**	each
Rangelands/Timber	**$0.007**	per fifth acre*	**$0.004**	per fifth acre*	**$10.75**	each

*A fifth of an acre is 8,712 square feet, an acre is 43,560 square feet.

Each parcel or lot of land is described in the Assessment Roll by reference to its parcel number as shown on the Assessor's Maps of the County of Santa Clara for the fiscal year 2026-27. For a more particular description of the property, reference is hereby made to the deeds and maps on file and of record in the office of the County Assessor of the County of Santa Clara.

Dated: December 15, 2025 Engineer of Work



By_____.
John W. Bliss, License No. C52091
Vice President, SCI Consulting Group (SCI)

Estimate of Cost

SANTA CLARA COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT
2026 Mosquito, Vector and Disease Control Assessment
Estimate of Cost
Fiscal Year 2026-27

	Total Budget
Vector Control Services and Related Expenditures	
Vector Control and Disease Prevention Operations	$8,416,295
Materials, Supplies, Equipment and Administration	$5,028,740
Other/Emergency Services/Contingency Funds	$0
Fixed Assets	$600,000
Total Services and Operation	**$14,045,035**
Less:	
Contribution from other sources	($841,660)
Interest Income	($217,817)
Contribution from 1996 Assessment	($2,908,368)
Total contribution for General Benefit[1]	($3,967,845)
Contribution from 2005 Assessment	($5,292,994)
Net Cost of Vector Control, Fixed Asset Equipment, Operation	**$4,784,196**
Contributions to / (from) Reserve / Contingency Fund	$3,478,196
Incidental Costs	
County Collection, Levy Administration, and Other Incidentals[2]	$274,233.25
Total Mosquito, Vector & Disease Control Services and Incidentals (Net Amount to be Assessed)	**$8,536,626**

Budget Allocation to Property

Zone of Benefit	Total SFE Units[3]	Assessment per SFE[4]	Total Assessment[5]
Zone A	541,135.55	$15.75	$8,522,885
Zone B	1,744.84	$7.88	$13,741
			$8,536,626

Notes:
1. As determined in the following section, at least 5% of the cost of the Services must be funded from sources other than the 2026 Assessment to cover any general benefits from the Services. Therefore, out of the total cost of Services of $14,045,035 the District must contribute at least $561,801 from sources other than the 2026 Assessment. The District will contribute $3,967,845 which is over the estimated general benefits and equates to 28.3% of the total cost of services.
2. Incidental Costs includes allowance for uncollectible assessments from assessments on public agency parcels, County collection charges, and assessment administration costs.
3. SFE Units means Single Family Equivalent benefit units. See method of assessment in the following Section for further definition.
4. The assessment rate per SFE is the total amount of assessment per Single Family Equivalent benefit unit.
5. The proceeds from the assessments will be deposited into a special fund for the 2026 Assessment. Funds raised by the assessment shall be used only for the purposes stated within this Report. Any balance remaining at the end of the fiscal year, June 30, must be carried over to the next fiscal year. The assessment amounts are rounded down to the even penny for purposes of complying with the collection requirements from the County Auditor. Therefore, the total assessment amount for all parcels subject to the assessments may vary slightly from the net amount to be assessed.

Method of Assessment

This section of the Report explains the benefits to be derived from the Services provided for property in the District, and the methodology used to apportion the total assessment to properties within the 2026 Mosquito, Vector and Disease Control Assessment area. The benefit discussion section applies to the 1996 Assessment, the 2005 Assessment and 2026 Assessment as described below.

The 2026 Mosquito, Vector and Disease Control Assessment Area consists of all Assessor Parcels as defined by the approved boundary description (boundary will be coterminous with the County of Santa Clara).

The method used for apportioning the assessment is based upon the proportional special benefits to be derived by the properties in the assessment area over and above general benefits conferred on real property in the Assessment Area. Special benefit is calculated for each parcel in the Assessment Area using the following process:

1. Identification of total benefit to the properties derived from the Services
2. Calculation of the proportion of these benefits that are special vs. general
3. Determination of the relative special benefit within different areas of the Assessment Area
4. Determination of the relative special benefit per property type and property characteristic
5. Calculation of the specific assessment for each individual parcel based upon special vs. general benefit; location, property type and property characteristics

Discussion of Benefit

In summary, the assessments can only be levied based on the proportional special benefit provided to the real property from the additional Services. This special benefit is received by property over and above any general benefits received. With reference to the engineering requirements for property related assessments, under Proposition 218 an engineer must determine and prepare a report evaluating the amount of special and general benefit received by property within the Assessment Area as a result of the improvements or services provided by a local agency. That special benefit is to be determined in relation to the total cost to that local entity of providing the service and/or improvements.

Proposition 218 as described in Article XIIID of the California Constitution has confirmed that assessments must be based on the proportional special benefit to property:

> *"No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel."*

The below benefit factors, when applied to property in the Assessment Area, confer proportional special benefits to property and ultimately improve the safety, utility, functionality and usability of property in the Assessment Area. These are special benefits to property in the Assessment Area in much the same way that storm drainage, sewer service, water service, lighting, sidewalks and paved streets enhance the safety, utility and functionality of each parcel of property served by these improvements, providing them with more utility of use and making them safer and more usable for occupants and property owners.

Proposition 218 included a requirement that existing assessments in effect upon Proposition 218's effective date were required to be confirmed by either a majority vote of registered voters in the Assessment Area, or by weighted majority property owner approval using the new ballot proceeding requirements. However, certain assessments were excluded from these voter approval requirements. Of note is that in California Constitution Article XIIID Section 5(a) this special exemption was granted to assessments for sidewalks, streets, sewers, water, flood control, drainage systems and vector control. The Howard Jarvis Taxpayers Association explained this exemption in their Statement of Drafter's Intent:

> *"This is the "traditional purposes" exception. These existing assessments do not need property owner approval to continue. However, future assessments for these traditional purposes are covered."*[2]

The drafters of Proposition 218 acknowledged that vector control assessments were a traditionally appropriate and accepted assessment. Therefore, the District's 1996 Assessment ("Assessment 1") did not require voter confirmation.

[2] Howard Jarvis Taxpayers Association, "Statement of Drafter's Intent", January 1997.

Because all assessments, existing before or after Proposition 218 must be based on special benefit to property, the drafters of Proposition 218 inherently found that vector control services confer a special benefit on property. Moreover, the statement of drafter's intent also acknowledges that any new or increased vector control assessments after the effective date of Proposition 218 would need to comply with the voter approval requirements Proposition 218 established. This requirement is a recognition that additional assessments for such "traditional" purposes would be established after Proposition 218 was in effect. The drafters of Proposition 218 clearly recognized vector assessments as a "traditional" appropriate use of assessments, acknowledged that new vector assessments may be formed after Proposition 218 and inherently were satisfied that vector control services confer special benefit to properties.

The Legislature also made a specific determination after Proposition 218 was enacted that vector control services constitute a proper subject for a special assessment. California Health and Safety Code section 2082, adopted in 2002, provides that a district may levy special assessments consistent with the requirements of Article XIIID of the California Constitution to finance vector control projects and programs. The intent of the Legislature to allow and authorize benefit assessments for vector control services after Proposition 218 is shown in the Assembly and Senate analysis of the Mosquito Abatement and Vector Control District Law where it states that the law:

> *Allows special benefit assessments to finance vector control projects and programs, consistent with Proposition 218.* [3]

Therefore the State Legislature unanimously found that vector control services are a valuable and important public service that can be funded by special benefit assessments. To be funded by assessments, vector control services must confer a proportional special benefit to property.

[3] Senate Bill 1588, Mosquito Abatement and Vector Control District Law, Legislative bill analysis

Mosquito and Vector Control Is a Special Benefit to Properties

As described below, this Engineer's Report concludes that mosquito and vector control is a special benefit that provides direct advantages to property in the Assessment Area. For example, the assessment provides reduced levels of mosquitoes and other vectors on property throughout the Assessment Area. Moreover, the assessment reduces the risk of the presence of diseases on property throughout the Assessment Area, which is another direct advantage received by property in the Assessment Area. Moreover, the assessment will fund Services that improve the use of property and reduce the nuisances and harm created by vectors on property throughout the Assessment Area. These are tangible and direct special benefits that will be received by property throughout the specific area covered by the Assessments.

The following section, Benefit Factors, describes how and why vector control services specially benefit properties in the Assessment Area. These benefits are particular, distinct, and direct from its effect on property in general or the public at large.

Benefit Factors

In order to allocate the proposed assessments, the Engineer identified the types of special benefit arising from the aforementioned Services that would be provided to property within the Assessment Area. These benefit factors are comprehensive and are in support of the 1996 Assessment, the 2005 Assessment and the 2026 Assessment as described below. These types of special benefit are as follows:

Reduced mosquito and vector populations on property and as a result, enhanced desirability, utility, usability and functionality of property in the Assessment Area.

The assessments provide enhanced services for the surveillance and control and abatement of nuisances and disease-carrying mosquitoes. These Services materially reduce the number of vectors on properties throughout the Assessment Area. The lower mosquito and vector populations on property in the Assessment Area is a direct advantage to property that serves to increase the desirability and "usability" of property. Clearly, properties are more desirable and usable in areas with lower mosquito populations and with a reduced risk of vector-borne disease. This is a special benefit to residential, commercial, agricultural, industrial and other types of properties because all such properties will directly benefit from reduced mosquito and vector populations and properties with lower vector populations are more usable, functional and desirable.

Excessive mosquitoes and other vectors in the area can materially diminish the utility and usability of property. For example, prior to the commencement of mosquito control and abatement services, properties in many areas in the State were considered to be nearly uninhabitable during the times of year when the mosquito populations were high.[4] The prevention or reduction of such diminished utility and usability of property caused by mosquitoes is a clear and direct advantage and special benefit to property in the Assessment Area.

The State Legislature made the following finding on this issue:

> *"Excess numbers of mosquitoes and other vectors spread diseases of humans, livestock, and wildlife, reduce enjoyment of outdoor living spaces, both public and private, reduce property values, hinder outdoor work, reduce livestock productivity; and mosquitoes and other vectors can disperse or be transported long distances from their sources and are, therefore, a health risk and a public nuisance; and professional mosquito and vector control based on scientific research has made great advances in reducing mosquito and vector populations and the diseases they transmit."* [5]

[4] Prior to the commencement of modern mosquito control services, areas in the State of California such as the San Mateo Peninsula, Napa County, Lake County and areas in Marin and Sonoma Counties had such high mosquito populations or other vector populations that they were considered to be nearly unlivable during certain times of the year and were largely used for part-time vacation cottages that were occupied primarily during the months when the natural vector populations were lower.

[5] Assembly Concurrent Resolution 52, chaptered April 1, 2003

Mosquitoes and other vectors emerge from sources throughout the Assessment Area, and with an average flight range of two miles, mosquitoes from known sources can reach all properties in the Assessment Area. These sources include standing water in rural areas, such as marshes, pools, wetlands, ponds, drainage ditches, drainage systems, tree holes and other removable sources such as old tires and containers. The sources of mosquitoes also include numerous locations throughout the urban areas in the Assessment Area. These sources include underground drainage systems, containers, unattended swimming pools, leaks in water pipes, tree holes, flower cups in cemeteries, over-watered landscaping and lawns and many other sources. By controlling mosquitoes at known and new sources, the Services will materially reduce mosquito populations on property throughout the Assessment Area.

Another source of mosquitoes is unattended swimming pools:

> *"Anthropogenic landscape change historically has facilitated outbreaks of pathogens amplified by peridomestic vectors such as Cx. pipiens complex mosquitoes and associated commensals such as house sparrows. The recent widespread downturn in the housing market and increase in adjustable rate mortgages have combined to force a dramatic increase in home foreclosures and abandoned homes and produced urban landscapes dotted with an expanded number of new mosquito habitats. These new larval habitats may have contributed to the unexpected early season increase in WNV cases in Bakersfield during 2007 and subsequently have enabled invasion of urban areas by the highly competent rural vector Cx. tarsalis. These factors can increase the spectrum of competent avian hosts, the efficiency of enzootic amplification, and the risk for urban epidemics."* [6]

[6] Riesen William K. (2008). Delinquent Mortgages, Neglected Swimming Pools, and West Nile Virus, California. Emerging Infectious Diseases. Vol. 14(11).

Increased safety of property in the Assessment Area.

The Assessments results in improved year-round proactive Services to control and abate mosquitoes and other vectors that otherwise would occupy properties throughout the Assessment Area. Mosquitoes and other vectors are transmitters of human disease pathogens, so the reduction of mosquito and vector populations makes property safer for use and enjoyment and reduces the likelihood of human disease. In absence of the assessments, these Services would not be provided, so the Services funded by the assessments make properties in the Assessment Area safer, which is a distinct special benefit to property in the Assessment Area.[7] This is not a general benefit to property in the Assessment Area or the public at large because the Services are tangible mosquito, vector and disease surveillance and control services that are provided directly to the properties in the Assessment Area and the Services are over and above what otherwise would be provided by the District or any other agency.

This finding was confirmed in 2003 by the State Legislature:

> *"Mosquitoes and other vectors, including but not limited to, ticks, Africanized honey bees, rats, fleas, and flies, continue to be a source of human suffering, illness, death, and a public nuisance in California and around the world. Adequately funded mosquito and vector control, monitoring and public awareness programs are the best way to prevent outbreaks of West Nile Virus and other diseases borne by mosquitoes and other vectors."*[8]

Also, the Legislature, in Health and Safety Code Section 2001, finds that:

> *"The protection of Californians and their communities against the discomforts and economic effects of vectorborne diseases is an essential public service that is vital to public health, safety, and welfare."*

Reductions in the risk of new diseases and infections on property in the Assessment Area.

Mosquitoes have proven to be a major contributor to the spread of new diseases such as West Nile Virus, among others. A highly mobile population combined with migratory bird patterns can introduce new mosquito-borne diseases into previously unexposed areas.

> *"Vector-borne diseases (including a number that are mosquito-borne) are a major public health problem internationally. In the United States, dengue and malaria are frequently brought back from tropical and subtropical countries by travelers*

[7] By reducing the risk of disease and increasing the safety of property, the proposed Services will materially increase the usefulness and desirability of certain properties in the Assessment Area.
[8] Assembly Concurrent Resolution 52, chaptered April 1, 2003

or migrant laborers, and autochthonous transmission of malaria and dengue occasionally occurs. In 1998, 90 confirmed cases of dengue and 1,611 cases of malaria were reported in the USA and dengue transmission has occurred in Texas."[9]

"During 2004, 40 states and the District of Columbia (DC) have reported 2,313 cases of human WNV illness to CDC through ArboNET. Of these, 737 (32%) cases were reported in California, 390 (17%) in Arizona, and 276 (12%) in Colorado. A total of 1,339 (59%) of the 2,282 cases for which such data were available occurred in males; the median age of patients was 52 years (range: 1 month--99 years). Date of illness onset ranged from April 23 to November 4; a total of 79 cases were fatal." [10] *(According to the Centers for Disease Control and Prevention on January 19, 2004, a total of 2,470 human cases and 88 human fatalities from WNV have been confirmed).*

A study of the effect of aerial spraying conducted by the Sacramento-Yolo Mosquito and Vector Control District (SYMVCD) to control a West Nile Virus disease outbreak found that the SYMVCD's mosquito control efforts materially decreased the risk of new diseases in the treated areas:

After spraying, infection rates decreased from 8.2 (95% CI 3.1–18.0) to 4.3 (95% CI 0.3–20.3) per 1,000 females in the spray area and increased from 2.0 (95% CI 0.1–9.7) to 8.7 (95% CI 3.3–18.9) per 1,000 females in the untreated area. Furthermore, no additional positive pools were detected in the northern treatment area during the remainder of the year, whereas positive pools were detected in the untreated area until the end of September (D.-E.A Elnaiem, unpub. data). These independent lines of evidence corroborate our conclusion that actions taken by SYMVCD were effective in disrupting the WNV transmission cycle and reducing human illness and potential deaths associated with WNV. [11]

The Services described elsewhere in this report, funded by the assessments help prevent on a year-round basis the presence of vector-borne diseases on property in the Assessment Area. This is another tangible and direct special benefit to property in the Assessment Area that would not be received in absence of the assessments.

[9] Rose, Robert. (2001). Pesticides and Public Health: Integrated Methods of Mosquito Management. Emerging Infectious Diseases. Vol. 7(1); 17-23.
[10] Center for Disease Control. (2004). West Nile Virus Activity --- United States, November 9--16, 2004. Morbidity and Mortality Weekly Report. 53(45); 1071-1072.
[11] Carney, Ryan. (2008), Efficiency of Aerial Spraying of Mosquito Adulticide in Reducing the Incidence of West Nile Virus, California, 2005. Emerging Infectious Diseases, Vol 14(5)

Protection of economic activity on property in the Assessment Area.

As recently demonstrated by the SARS outbreak in China and outbreaks of Avian Flu, outbreaks of pathogens can materially and negatively impact economic activity in the affected area. Such outbreaks and other public health threats can have a drastic negative effect on tourism, business and residential activities in the affected area. The assessments help to prevent the likelihood of such outbreaks in the District.

Mosquitoes hinder, annoy and harm residents, guests, visitors, farm workers, and employees. A vector-borne disease outbreak and other related public health threats would have a drastic negative effect on agricultural, business and residential activities in the Assessment Area.

The economic impact of diseases is well documented. According to a study prepared for the Centers for Disease Control and Prevention, economic losses due to the transmission of West Nile Virus in Louisiana was estimated to cost over $20 million over approximately one year:

> *The estimated cost of the Louisiana epidemic was $20.1 million from June 2002 to February 2003, including a $10.9 million cost of illness ($4.4 million medical and $6.5 million nonmedical costs) and a $9.2 million cost of public health response. These data indicate a substantial short-term cost of the WNV disease epidemic in Louisiana.* [12]

Moreover, a study conducted in 1996-97 of La Crosse Encephalitis (LACE), a human illness caused by a mosquito-transmitted virus, found a lifetime cost per human case at $48,000 to $3,000,000 and found that the disease significantly impacted lifespans of those who were infected. Following is a quote from the study which references the importance and value of active vector control services of the type that would be funded by the proposed assessments:

> *The socioeconomic burden resulting from LACE is substantial, which highlights the importance of the illness in western North Carolina, as well as the need for active surveillance, reporting, and prevention programs for the infection.* [13]

[12] Zohrabian A, Meltzer MI, Ratard R, Billah K, Molinari NA, Roy K, et al. West Nile Virus economic impact, Louisiana, 2002. Emerging Infectious Disease, 2004 Oct. Available from http://www.cdc.gov/ncidod/EID/vol10no10/03-0925.htm

[13] Utz, J. Todd, Apperson, Charles S., Maccormack, J. Newton, Salyers, Martha, Dietz, E. Jacquelin, Mcpherson, J. Todd, Economic And Social Impacts Of La Crosse Encephalitis In Western North Carolina, Am J Trop Med Hyg 2003 69: 509-518

Agriculture, tourism and business properties also benefit from reduced levels of harmful or nuisance mosquitoes and other vectors. For example, reduced vector populations on agricultural properties improve economic activity on the property because employees are more productive. Conversely, any outbreaks of emerging vector-borne pathogens such as West Nile Virus could also materially negatively affect these industries. Diseases transmitted by mosquitoes and other vectors can adversely impact business and recreational functions.

> *A study prepared for the United States Department of Agriculture in 2003 found that over 1,400 horses died from West Nile Virus in Colorado and Nebraska and that these fatal disease cases created over $1.2 million in costs and lost revenues. In addition, horse owners in these two states spent over $2.75 million to vaccinate their horses for this disease. The study states that "Clearly, WNV has had a marked impact on the Colorado and Nebraska equine industry." [14]*
>
> *Pesticides for mosquito control impart economic benefits to agriculture in general. Anecdotal reports from farmers and ranchers indicate that cattle, if left unprotected, can be exsanguinated by mosquitoes, especially in Florida and other southeast coastal areas. Dairy cattle produce less milk when bitten frequently by mosquitoes* [15]

The Services funded by the assessments help prevent the likelihood of such outbreaks on property in the Assessment Area and reduce the harm to economic activity on property caused by existing mosquito populations. This is another direct advantage received by property in the Assessment Area that would not be received in absence of the assessments.

[14] S. Geiser, A. Seitzinger, P. Salazar, J. Traub-Dargatz, P. Morley, M. Salman, D. Wilmot, D. Steffen, W. Cunningham, Economic Impact of West Nile Virus on the Colorado and Nebraska Equine Industries: 2002, April 2003, Available from http://www.aphis.usda.gov/vs/ceah/cnahs/nahms/equine/wnv2002_CO_NB.pdf

[15] Jennings, Allen. (2001). USDA Letter to EPA on Fenthion IRED. United States Department of Agriculture, Office of Pest Management Policy. March 8, 2001.

Reduced risk of nuisance and liability on property in the Assessment Area

In addition to health related factors, uncontrolled mosquito and vector populations create nuisances for the occupants of property in the Assessment Area. Properties in the Assessment Area, therefore, benefit from the reduced nuisance factor that will be created by the Services. Agricultural and rangeland properties also benefit from the reduced nuisance factor and harm to livestock and employees from lower mosquito and vector populations.

Agricultural, range, golf course, cemetery, open space and other such lands in the Assessment Area contain large areas of mosquito and vector habitat and are therefore a significant source of mosquito and vector populations. In addition, residential and business properties in the Assessment Area can also contain significant sources.[16] It is possible that property owners where are sources of mosquitoes are located may be held liable for the transmission of diseases or other harm. For example, in August 2004, the City of Los Angeles approved new fines of up to $1,000 per day for property owners who don't remove standing water sources of mosquitoes on their property.

The Services protect the business and industry property in the Assessment Area. This is a direct advantage and a special benefit to property in the Assessment Area.

Improved marketability of property.

As described previously, the Services specially benefit properties in the Assessment Area by making them more useable, livable and functional. The Services also make properties in the Assessment Area more desirable, and more desirable properties also benefit from improved marketability. This is another tangible and direct special benefit to property which will not be enjoyed in absence of the Services.[17]

[16] Sources of mosquitoes on residential, business, agricultural, range and other types of properties include removable sources such as containers that hold standing water.

[17] If one were to compare two hypothetical properties with similar characteristics, the property with lower mosquito infestation and reduced risk of vector-borne disease will clearly be more desirable, marketable and usable.

Benefit Finding

In summary, the special benefits described in this Report and the Services in the Assessment Area directly benefit and protect the real properties in the Assessment Area in excess of the assessments for these properties. Therefore, the assessment engineer finds that the cumulative special benefits to property from the Services are reasonably equal to or greater than the annual assessment amount per benefit unit. The special benefits as described above are conferred on property in the Assessment Area and support the 1996 Assessment, the 2005 Assessment and the 2026 Assessment.

General vs. Special Benefit

Article XIIIC of the California Constitution requires any local agency proposing to increase or impose a benefit assessment to "separate the general benefits from the special benefits conferred on a parcel." The rationale for separating special and general benefits is to ensure that property owners subject to the special benefit assessment are not paying for general benefits. The assessment can fund the special benefits to property in the 2026 Assessment Area but cannot fund any general benefits. Accordingly, a separate estimate of the special and general benefit is given in this section.

In other words:

Total Benefit	=	General Benefit	+	Special Benefit

There is no widely-accepted or statutory formula to determine general benefit from vector control services. General benefits are benefits from improvements or services that are not special in nature, are not "particular and distinct" and are not "over and above" benefits received by other properties. General benefits are conferred to properties located "in the district,[18]" but outside the 2026 Assessment Area and to "the public at large." SVTA vs. SCCOSA provides some clarification by indicating that general benefits provide "an indirect, derivative advantage" and are not necessarily proximate to the improvements and services funded by the assessments.

A formula to estimate the general benefit is listed below:

General Benefit	**=**	**Benefit to Real Property Outside the 2026 Assessment Area**	**+**	**Benefit to Real Property Inside the 2026 Assessment Area that is Indirect and Derivative**	**+**	**Benefit to the Public at Large**

[18] SVTA vs. SCCOSA explains as follows:
"OSA observes that Proposition 218's definition of "special benefit" presents a paradox when considered with its definition of "district." Section 2, subdivision (i) defines a "special benefit" as "a particular and distinct benefit over and above general benefits conferred on real property located in the district or to the public at large." (Art. XIII D, § 2, subd. (i), italics added.) Section 2, subdivision (d) defines "district" as "an area determined by an agency to contains all parcels which will receive a special benefit from a proposed public improvement or property-related service." (Art. XIII D, § 2, subd. (d), italics added.) In a well-drawn district — limited to only parcels receiving special benefits from the improvement — every parcel within that district receives a shared special benefit. Under section 2, subdivision (i), these benefits can be construed as being general benefits since they are not "particular and distinct" and are not "over and above" the benefits received by other properties "located in the district."
We do not believe that the voters intended to invalidate an assessment district that is narrowly drawn to include only properties directly benefiting from an improvement. Indeed, the ballot materials reflect otherwise. Thus, if an assessment district is narrowly drawn, the fact that a benefit is conferred throughout the district does not make it general rather than special."

Special benefit, on the other hand, is defined in the state constitution as "a particular and distinct benefit over and above general benefits conferred on real property located in the district or to the public at large." The SVTA v. SCCOSA decision indicates that a special benefit is conferred to a property if it "receives a direct advantage from the improvement (e.g., proximity to a park)." In this proposed special benefit assessment, the overwhelming proportion of the benefits conferred to property is special, since the advantages from the mosquito and disease protection to be funded by the 2026 Assessments are directly received by the properties in the 2026 Assessment Area and are only minimally received by property outside the 2026 Assessment Area or the public at large.

Proposition 218 uses the phrase "over and above" general benefits in describing special benefit. (Art. XIIID, sections 2(i) & 4(f).) There currently are some mosquito and vector related services being provided to the 2026 Assessment Area. Consequently, there currently are some mosquito control-related benefits being provided to the 2026 Assessment Area and any new and enhanced service provided by the District would be over and above this baseline. Arguably, all of the Services proposed to be funded by the assessment therefore would be a special benefit because the additional Services would particularly and distinctly benefit and protect the property in the 2026 Assessment Area over and above the previous baseline benefits and service.

Nevertheless, some of the Services would benefit the public at large and properties outside the 2026 Assessment Area.

Dahms V. Downtown Pomona Property

On June 8, 2009, the 4th Court of Appeals amended its original opinion upholding a benefit assessment for property in the downtown area of the City of Pomona. On July 22, 2009, the California Supreme Court denied review. On this date, Dahms became good law and binding precedent for assessments. In Dahms the court upheld an assessment that was 100% special benefit on the rationale that the services funded by the assessments were directly provided to property in the assessment district. Similar to Downtown Pomona, the 2026 Assessments would fund mosquito, vector and disease control services directly provided to property in the 2026 Assessment Area. Moreover, as noted, the Services directly reduce mosquito and vector populations on all property in the 2026 Assessment Area. Therefore, Dahms establishes a basis for minimal or zero general benefits from the 2026 Assessments. However, in this report, the general benefit is more conservatively estimated and described, and then budgeted so that it would be funded by sources other than the 2026 Assessments.

Bonander v. Town of Tiburon

On December 31, 2009, the 1st District Court of Appeals overturned a benefit assessment approved by property owners to pay for placing overhead utility lines underground in an area of the Town of Tiburon. The Court invalidated the assessments on the grounds that the assessments had been apportioned to assessed property based in part on relative costs within sub-areas of the assessment district instead of proportional special benefits. The Engineer's Report is consistent with Bonander because the proposed assessments have been apportioned based on the overall cost of the Services and proportional special benefit to each property.

Beutz v. County of Riverside

On May 26, 2010, the 4th District Court of Appeals issued a decision on the Steven Beutz v. County of Riverside ("Beutz") appeal. This decision overturned an assessment for park maintenance in Wildomar, California, primarily because the general benefits associated with improvements and services were not explicitly calculated, quantified and separated from the special benefits. These assessments are consistent with Beutz because the general benefits have been explicitly calculated and quantified and excluded from the assessments.

Golden Hill Neighborhood Association v. City of San Diego

On September 22, 2011, the San Diego Court of Appeals issued a decision on the Golden Hill Neighborhood Association v. City of San Diego appeal. This decision overturned an assessment for street and landscaping maintenance in the Greater Golden Hill neighborhood of San Diego, California. The court described two primary reasons for its decision. First, like in Beutz, the court found the general benefits associated with services were not explicitly calculated, quantified and separated from the special benefits. Second, the court found that the City had failed to record the basis for the assessment on its own parcels. These assessments are consistent with Greater Golden Hill because the general benefits have been explicitly calculated and quantified and excluded from the assessments.

Calculating General Benefit

Without this assessment the District would lack the funds to continue to provide the baseline level of service and additional Services to the 2026 Assessment Area. The only additional service that is being provided is the vector control program assessment-funded Services. Consistent with footnote 8 of SVTA v. SCCOSA, and for the reasons described above, the District has determined that all parcels in the 2026 Assessment Area receive a shared direct advantage and special benefit from the Services. The Services directly and particularly serve and benefit each parcel, and are not a mere indirect, derivative advantage. As explained above, Proposition 218 relies on the concept of "over and above" in distinguishing special benefits from general benefits. As applied to an assessment proceeding this concept means that all vector control services, which provide direct advantage to property in the 2026 Assessment Area, are over and above the baseline and therefore are special.

Nevertheless, the proposed Services may provide a degree of general benefit, in addition to the predominant special benefit. This section provides a conservative measure of the general benefits from the 2026 Assessments.

Benefit to Property Outside the District

Properties within the 2026 Assessment Area receive almost all of the special benefits from the Services because the Services to be funded by the 2026 Assessments will be provided directly to protect property within the 2026 Assessment Area from mosquitoes and vector-borne diseases. However, properties adjacent to, but just outside of, the proposed boundaries may receive some benefit from the proposed Services in the form of reduced mosquito populations on property outside the 2026 Assessment Area. Since this benefit, is conferred to properties outside the district boundaries, it contributes to the overall general benefit calculation and will not be funded by the 2026 Assessment.

A measure of this general benefit is the proportion of Services that would affect properties outside of the 2026 Assessment Area. Each year, the District will provide some of its Services in areas near the boundaries of the 2026 Assessment Area. By abating mosquito populations near the borders of the 2026 Assessment Area, the Services could provide benefits in the form of reduced mosquito populations and reduced risk of disease transmission to properties outside the Assessment 2026 Assessment Area. If mosquitoes were not controlled inside the 2026 Assessment Area, more of them would fly from the 2026 Assessment Area. Therefore, control of mosquitoes within the Unprotected Areas provides some benefit to properties outside the 2026 Assessment Area but within the normal travel range of vectors, in the form of reduced mosquito populations and reduced vector-borne disease transmission. Since mosquitoes are the predominant vector that would be controlled and mosquitoes most easily travel from their source location to properties in the area, typical mosquito destination ranges will be used to measure the extent that the Services will create reduced vector populations on property outside the Unprotected Areas. This is a measure of the general benefits to property outside the 2026 Assessment Area because this is a benefit from the Services that are not specially conferred upon property in the 2026 Assessment Area.

The mosquito potential outside the 2026 Assessment Area is based on studies of mosquito dispersion concentrations. Mosquitoes can travel up to two miles, on average, so this destination range is used. Based on studies of mosquito destinations, relative to parcels in the 2026 Assessment Area average concentration of mosquitoes from the Unprotected Areas on properties within two miles of the 2026 Assessment Area is calculated to be 6%.[19] This relative vector population reduction factor within the destination range is combined with the number of parcels outside the 2026 Assessment Area and within the destination range to measure this general benefit and is calculated as follows:

[19] Tietze, Noor S., Stephenson, Mike F., Sidhom, Nader T. and Binding, Paul L., "Mark-Recapture of *Culex Erythrothorax* in Santa Cruz County, California", Journal of the American Mosquito Control Association, 19(2):134-138, 2003.

Criteria:

Mosquitoes may fly up to 2 miles from their breeding source.

34,373 parcels within 2 miles of, but outside of the District, may receive some mosquito and disease protection benefit

6% portion of relative benefit that is received

502,116 parcels in the District.

Calculations:

Total Benefit = 34,373 * 6% = 2,063 parcels equivalents

Percentage of overall parcel equivalents = 2,063 / (502,116+2,063) = 0.41%

Therefore, for the overall benefits to be provided by the proposed Services to the 2026 Assessment Area =, it is determined that 0.41% of the benefits would be received by the parcels within two miles of the 2026 Assessment Area boundaries. Recognizing that this calculation is an approximation, this benefit will be rounded up to 1.0%.

Benefit to Property *Inside* the District that is *Indirect and Derivative*

The "indirect and derivative" benefit to property within the 2026 Assessment Area is particularly difficult to calculate. As explained above, all benefit within the 2026 Assessment Area are special because the mosquito and disease control services in the 2026 Assessment Area would provide direct service and protection that is clearly "over and above" and "particular and distinct" when compared with the level of such protection under current conditions. Furthermore, the properties are within the proposed 2026 Assessment Area boundaries and this Engineer's Report demonstrate the direct benefits received by individual properties from mosquito and disease control services.

In determining the 2026 Assessment Area, the District has been careful to limit it to an area of parcels that will directly receive the Services. All parcels will directly benefit from the surveillance, monitoring and treatment that will be provided on an equivalent basis throughout the 2026 Assessment Area in order to maintain the same improved level of protection against mosquitoes and other vectors and reduced mosquito and vector populations throughout the area. The surveillance and monitoring sites would be spread on a balanced basis throughout the area. Mosquito and vector control and treatment would be provided as needed throughout the area based on the surveillance and monitoring results. The shared special benefit - reduced mosquito levels and reduced presence of vector-borne diseases - would be received on an equivalent basis by all parcels in the 2026 Assessment Area. Furthermore, all parcels in the 2026 Assessment Area would directly benefit from the ability to request service from the District and to have a District field technician promptly respond directly to the parcel and address the owner's or resident's service need. The SVTA vs. SCCOSA decision indicates that the fact that a benefit is conferred throughout the 2026 Assessment Area does not make the benefit general rather than special, so long as the 2026 Assessment Area is narrowly drawn and limited to the parcels directly receiving proportional shared special benefits from the service. This concept is particularly applicable in situations involving a landowner-approved assessment-funded extension of a local government service to benefit lands previously not receiving that particular service. The District therefore concludes that, other than the small general benefit to properties outside the 2026 Assessment Area (discussed above) and to the public at large (discussed below), all of the benefits of the Services to the parcels within the 2026 Assessment Area are special benefits and it is not possible or appropriate to separate any general benefits from the benefits conferred on parcels in the 2026 Assessment Area.

Benefit To The Public At Large

With the type and scope of Services provided to the 2026 Assessment Area, it is very difficult to calculate and quantify the scope of the general benefit conferred on the public at large. Because the Services directly serve and benefit all of the property in the 2026 Assessment Area, any general benefit conferred on the public at large would be small. Nevertheless, there would be some indirect general benefit to the public at large.

The public at large uses the public highways, streets and sidewalks, and when traveling in and through the 2026 Assessment Area they will benefit from the Services. A fair and appropriate measure of the general benefit to the public at large is the amount of highway, street and sidewalk area within the 2026 Assessment Area relative to the overall land area. An analysis of maps of the 2026 Assessment Area shows that approximately 1.69% of the land area in the 2026 Assessment Area is covered by highways, streets and sidewalks. This 1.69% therefore is a fair and appropriate measure of the general benefit to the public at large within the 2026 Assessment Area.

Summary of General Benefits

Using a sum of the measures of general benefit for the public at large and land outside the 2026 Assessment Area, we find that approximately 5.00% of the benefits conferred by the proposed 2026 Assessment may be general in nature and should be funded by sources other than the 2026 Assessment.

General Benefit Calculation

1.0%	**(Outside the 2005 Assessment Area)**
+ 0.0%	**(Property within the 2005 Assessment Area)**
+ 1.69%	**(Public at Large)**
= 2.69%	**(Total General Benefit)**

Although this analysis supports the findings that 2.69% of the 2026 Assessment may provide general benefit only, this number is increased by the Assessment Engineer to 4% to conservatively ensure that no assessment revenue is used to support general benefit. This additional amount allocated to general benefit also covers general benefit to parcels in the 2026 Assessment Area if it is later determined that there is some general benefit conferred on those parcels.

The proposed 2026 Assessment total budget for mosquito and vector abatement, disease control, and capital improvement is $14,045,035. Of this total budget amount, the District will contribute $3,967,845 or 28.3% of the total budget from sources other than the 2026 Assessment. This contribution offsets any general benefits from the Mosquito, Vector and Disease Control Assessment Services. (Please note that the above discussion of special and general benefit applies only to the 2026 Assessment.)

Proportionality - Zones of Benefit

The District's mosquito, vector, and disease control programs, projects and services that will be funded by the proposed 2026 Assessment will be provided in all areas within the County boundaries. However, areas east of the westernmost ridgeline of the Diablo Range are more remotely located and receive a reduced level of Services and corresponding benefits relative to other parcels in the District. These areas are hereinafter referred to as Zone of Benefit B or Zone B and are depicted on the Assessment Diagram included with this Report. All other parcels within the County boundaries are within Zone A.

Using District estimates for the amount of Services provided to parcels east of the ridgeline (Zone B), we find that parcels in Zone B receive approximately one-half of the average level of Services and benefits provided to other parcels in the District (Zone A). Therefore, parcels in Zone B receive 50% of the assessment rate per benefit unit.

The SVTA vs. SCCOSA decision indicates:

> *"In a well-drawn district — limited to only parcels receiving special benefits from the improvement — every parcel within that district receives a shared special benefit. Under section 2, subdivision (i), these benefits can be construed as being general benefits since they are not "particular and distinct" and are not "over and above" the benefits received by other properties "located in the district."*
>
> *We do not believe that the voters intended to invalidate an assessment district that is narrowly drawn to include only properties directly benefiting from an improvement. Indeed, the ballot materials reflect otherwise. Thus, if an assessment district is narrowly drawn, the fact that a benefit is conferred throughout the district does not make it general rather than special. In that circumstance, the characterization of a benefit may depend on whether the parcel receives a direct advantage from the improvement (e.g., proximity to park) or receives an indirect, derivative advantage resulting from the overall public benefits of the improvement (e.g., general enhancement of the district's property values)."*

In the assessment, the advantage that each parcel receives from the proposed Services is direct, and the boundaries for each Zone of Benefit are narrowly drawn so each Zone includes parcels that receive the similar levels of benefit from the Services. Therefore, the even spread of assessment for similar properties in each of the narrowly drawn Zones of Benefit within the District is indeed consistent with the OSA decision and establishes proportionality of the assessments to property. (Please note that the above discussion of zones of benefit applies only to the 2026 Assessment.)

2026 Assessment Method of Assessment

As previously discussed, the 2026 Assessments would fund enhanced, comprehensive, year-round mosquito and vector control, disease surveillance and control Services that will reduce mosquito and vector populations on property and will clearly confer special benefits to properties in the 2026 Assessment Area. These benefits can also partially be measured by the occupants on property in the Improvement District because such parcel population density is a measure of the relative benefit a parcel receives from the Improvements. Therefore, the apportionment of benefit is partially based the population density of parcels.

It should be noted that many other types of "traditional" assessments also use parcel population densities to apportion the assessments. For example, the assessments for sewer systems, roads and water systems are typically allocated based on the population density of the parcels assessed. Moreover, assessments have a long history of use in California and are in large part based on the principle that any benefits from a service or improvement funded by assessments that are enjoyed by tenants and other non-property owners ultimately is conferred directly to the underlying property.[20]

With regard to benefits and source locations, the assessment engineer determined that since mosquitoes and other vectors readily fly from their breeding locations to all properties in their flight range and since mosquitoes are actually attracted to properties occupied by people or animals, the benefits from mosquito and vector control extend beyond the source locations to all properties that would be a "destination" for mosquitoes and other vectors. In other words, the control and abatement of mosquito and vector populations ultimately confers benefits to all properties that are a destination of mosquitoes and vectors, rather than just those that are sources of mosquitoes.

[20] For example, in *Federal Construction Co. v. Ensign (1922) 59 Cal.App. 200 at 211*, the appellate court determined that a sewer system specially benefited property even though the direct benefit was to the people who used the sewers: "Practically every inhabitant of a city either is the owner of the land on which he resides or on which he pursues his vocation, or he is the tenant of the owner, or is the agent or servant of such owner or of such tenant. And since it is the inhabitants who make by far the greater use of a city's sewer system, it is to them, as lot owners or as tenants, or as the servants or agents of such lot owners or tenants, that the advantages of actual use will redound. But this advantage of use means that, in the final analysis, it is the lot owners themselves who will be especially benefited in a financial sense."

Although some primary mosquito and vector sources may be located outside of residential areas, residential properties can and do generate their own, often significant, populations of mosquitoes and vector organisms. For example, storm water catch basins in residential areas are a common source of mosquitoes. Since the typical flight range for a female mosquito, on average is 2 miles, most homes in the Assessment Area are within the flight zone of many mosquito sources. Moreover, there are many other common residential sources of mosquitoes, such as miscellaneous backyard containers, neglected swimming pools, leaking water pipes and tree holes. Clearly, there is a potential for mosquito sources on virtually all types of property. More importantly, all properties in the Assessment Area are within the destination range of mosquitoes and most properties are actually within the destination range of multiple mosquito source locations.

Because the Services are provided throughout the 2026 Assessment Area with the same level of control objective in each zone, mosquitoes can rapidly and readily fly from their breeding locations to other properties over a large area, and because there are current or potential breeding sources literally everywhere in the 2026 Assessment Area, the Assessment Engineer determined that all similar properties in the 2026 Assessment Area have generally equivalent mosquito "destination" potential and, therefore, receive equivalent levels of benefit within areas in a same Zone of Benefit.

In the process of determining the appropriate method of assessment, the Engineer considered various alternatives. For example, a fixed assessment amount per parcel for all residential improved property was considered but was determined to be inappropriate because agricultural lands, commercial property and other property also receive benefits from the assessments. Likewise, an assessment exclusively for agricultural land was considered but deemed inappropriate because other types of property, such as residential and commercial, also receive the special benefit factors described previously.

A fixed or flat assessment was deemed to be inappropriate because larger residential, commercial and industrial properties receive a higher degree of benefit than other similarly used properties that are significantly smaller. (For two properties used for commercial purposes, there is clearly a higher benefit provided to a property that covers several acres in comparison to a smaller commercial property that is on a 0.25 acre site. The larger property generally has a larger coverage area and higher usage by employees, customers, tourists and guests that would benefit from reduced mosquito and vector populations, as well as the reduced threat from diseases carried by mosquitoes and other vectors. This benefit ultimately flows to the property.) Larger commercial, industrial and apartment parcels, therefore, receive an increased benefit from the assessments.

In conclusion, the assessment engineer determined that the appropriate method of assessment apportionment should be based on the type and use of property, the relative size of the property its relative population and usage potential, and its destination potential for mosquitoes. This method is further described below.

Assessment Apportionment

The following Assessment Apportionment sections applies to the 2026 Assessment only. Refer to the Engineer's Report for the 1996 Assessment for a description of the 1996 Assessments assessment apportionment. Refer to the Engineer's Report for the 2005 Assessment for a description of the 2005 Assessments assessment apportionment.

The special benefits derived from the 2026 Assessment are conferred on property and are not based on a specific property owner's occupancy of property or the property owner's demographic status, such as age or number of dependents. However, it is ultimately people who do or could use the property and who enjoy the special benefits described above. The opportunity to use and enjoy property within the 2026 Assessment Area without the excessive nuisance, diminished "livability" or the potential health hazards brought by mosquitoes, vectors and the diseases they carry is a special benefit to properties in the 2026 Assessment Area. This benefit can be in part measured by the number of people who potentially live on, work at, visit or otherwise use the property, because people ultimately determine the value of the benefits by choosing to live, work and/or recreate in the area, and by choosing to purchase property in the area.[21]

In order to apportion the cost of the Services to property, each property in the 2026 Assessment Area is assigned a relative special benefit factor. This process involves determining the relative benefit received by each property in relation to a single family home, or, in other words, on the basis of Single Family Equivalents (SFE). This SFE methodology is commonly used to distribute assessments in proportion to estimated special benefit. For the purposes of this Engineer's Report, all properties are designated an SFE value, which is each property's relative benefit in relation to a "benchmark" parcel in the 2005 Assessment Area. The "benchmark" property is the single family detached dwelling on a parcel of less than one acre. This benchmark parcel is assigned one Single Family Equivalent benefit unit or one SFE.

[21] It should be noted that the benefits conferred upon property are related to the average number of people who could potentially live on, work at or otherwise could use a property, not how the property is currently used by the present owner.

The calculation of the special benefit apportionment and relative benefit to properties in the Assessment Area from the Services is summarized in the following equation:

Special Benefit (per property)	**=**	$\sum \int$ **(Special Benefits)**	*	$\sum \int$ **(Property Specific Attributes[1])**

1. Such as use, property type, size, as well as vector-specific attributes such as destination potential and population potential.

Residential Properties

Certain residential properties in the 2026 Assessment Area that contain a single residential dwelling unit and are on a lot of less than one acre are assigned one Single Family Equivalent or 1.0 SFE. Traditional houses, zero-lot line houses, and townhomes are included in this category.

Single family residential properties in excess of one acre receive additional benefit relative to a single family home up to one acre, because the larger parcels provide more area for mosquito sources and the mosquito, vector and disease control Services. Therefore, such larger parcels receive additional benefits relative to a single family home on less than one acre and are assigned 1.0 SFE for the residential unit and an additional rate equal to the agricultural rate described below of 0.0021 SFE per one-fifth acre of land area in excess of one acre. Mobile home parcels on a separate parcel and in excess of one acre also receive this additional acreage rate.

Other types of properties with residential units, such as agricultural properties, are assigned the residential SFE rates for the dwelling units on the property and are assigned additional SFE benefit units for the agricultural-use land area on the property.

Properties with more than one residential unit are designated as multi-family residential properties. These properties, along with condominiums, benefit from the services and improvements in proportion to the number of dwelling units that occupy each property, the average number of people who reside in each property, and the average size of each property in relation to a single family home in Santa Clara County. This Report analyzed Santa Clara County population density factors from the 2023 US Census as well as average dwelling unit size for each property type. After determining the Population Density Factor and Square Footage Factor for each property type, an SFE rate is generated for each residential property structure, as indicated in Table 3 below.

The SFE factor of 0.43 per dwelling unit for multifamily residential properties applies to such properties with two to four units (duplex, triplex, fourplex). Properties in excess of 5 units typically offer on-site management, monitoring and other control services that tend to offset some of the benefits provided by the 2026 Assessment. Therefore the benefit for properties in excess of 5 units is determined to be 0.28 SFE per unit for the first 20 units and 0.10 SFE per each additional unit in excess of 20 dwelling units.

Table 3 - Santa Clara County Residential Assessment Factors

Type of Residential Property	Total Population	Occupied Households	Persons per Household	Pop. Density Equivalent	SqFt Factor	Proposed Rate
Single Family Residential	1,069,422	342,647	3.12	1.00	1.00	**1.00**
Condominium	193,655	71,709	2.70	0.87	0.70	**0.60**
Duplex, Triplex, Fourplex	115,505	44,310	2.61	0.90	0.48	**0.43**
Multi-Family Residential (5+ Units)	400,090	188,871	2.12	0.69	0.40	**0.28**
Mobile Home on Separate Lot	48,881	16,702	2.93	0.77	0.38	**0.29**

Source: 2023 Census, Santa Clara County and property dwelling size information from the Santa Clara County Assessor data and other sources.

Commercial/Industrial Properties

Commercial and industrial properties are generally open and operated for more limited times, relative to residential properties. Therefore, the relative hours of operation can be used as a measure of benefits, since residents and employees also provide a measure of the relative benefit to property. Since commercial and industrial properties are typically open and occupied by employees approximately one-half the time of residential properties, it is reasonable to assume that commercial land uses receive one-half of the special benefit on a land area basis relative to single family residential property.

The average size of a single family home with 1.0 SFE factor in Santa Clara County is 0.20 acres. Therefore, a commercial property with 0.20 acres receives one-half the relative benefit, or a 0.50 SFE factor.

The SFE values for various commercial and industrial land uses are further defined by using average employee densities because the special benefit factors described previously are also related to the average number of people who work at commercial/industrial properties.

To determine employee density factors, this Report utilizes the findings from the San Diego County Association of Governments Traffic Generators Study (the "SANDAG Study") because these findings were approved by the State Legislature which determined the SANDAG Study to be a good representation of the average number of employees per acre of land area for commercial and industrial properties. As determined by the SANDAG Study, the average number of employees per acre for commercial and industrial property is 24. As presented in Table 4, the SFE factors for other types of businesses are determined relative to their typical employee density in relation to the average of 24 employees per acre of commercial property.

Commercial and industrial properties in excess of 5 acres generally involve uses that are more land intensive relative to building areas and number of employees (lower coverage ratios). As a result, the benefit factors for commercial and industrial property land area in excess of 5 acres is determined to be the SFE rate per fifth acre for the first 5 acres and the relevant SFE rate per each additional acre over 5 acres. Institutional properties that are used for residential, commercial or industrial purposes are also assessed at the appropriate residential, commercial or industrial rate.

Table 4 on the following page lists the benefit assessment factors for business properties.

Agricultural, Rangeland, Golf and Cemetery Properties

Utilizing research and agricultural employment reports from UC Davis and the California Employment Development Department and other sources, this Report calculated an average usage density of 0.05 people per acre for agriculture property, 3.0 for golf courses, 0.01 for rangelands and timber and 1.2 for cemeteries. Since these properties typically are a source of mosquitoes and/or are typically closest to other sources of mosquitoes and other vectors, it is reasonable to determine that the benefit to these properties is twice the usage density ratio of commercial properties. The SFE factors per 0.20 acres of land area are shown in the following Table 4.

Table 4 - Commercial/Industrial Benefit Assessment Factors

Type of Commercial/Industrial Land Use	*Average Usage Per Acre* [1]	*SFE Units per Fraction Acre* [2]	*SFE Units per Acre After 5*
Commercial	24	0.500	0.500
Office	68	1.420	1.420
Shopping Center	24	0.500	0.500
Industrial	24	0.500	0.500
Self Storage or Parking Lot	1	0.021	
Golf Course	3.00	0.13	
Cemetery	1.20	0.05	
Agriculture	0.05	0.0021	
Rangelands/Timber	0.010	0.00042	

1. Source: San Diego Association of Governments Traffic Generators Study, University of California, Davis and other studies and sources.
2. The SFE factors for commercial and industrial parcels indicated above are applied to each fifth acre of land area or portion thereof. (Therefore, the minimum assessment for any assessable parcel in these categories is the SFE Units listed herein.)

Vacant Properties

The benefit to vacant (unimproved) properties is determined to be proportional to the corresponding benefits for similar type developed properties. However, vacant properties are assessed at a lower rate due to the lack of active benefits, as measured by use by residents, employees, customers and guests. A measure of the benefits accruing to the underlying land is the average value of land in relation to improvements for developed property. An analysis of the assessed valuation data from the County of Santa Clara found that 50% of the assessed value of improved properties is classified as land value. Since vacant properties have very low to zero population/use densities until they are developed, a 50% benefit discount is applied to the valuation factor of 0.50 to account for the current low use density and potential for harm or nuisance to the property owner or his residents, employees, customers and guests. The combination of these measures results in a 0.25 factor. It is reasonable to assume, therefore, that approximately 25% of the benefits are related to the underlying land and 75% are related to the day-to-day use of the property. Using this ratio, the SFE factor for vacant parcels is 0.25 per parcel.

Other Properties

Article XIIID stipulates that publicly owned properties must be assessed unless those properties are reasonably determined to receive no special benefit from the 2026 Assessment.

All properties that are specially benefited are assessed. Publicly owned property that is used for purposes similar to private residential, commercial, industrial, agricultural or institutional uses is benefited and assessed at the same rate as such privately owned property.

Miscellaneous, small and other parcels such as roads, right-of-way parcels, and common areas typically do not generate significant numbers of employees, residents, customers or guests and have limited economic value. These miscellaneous parcels receive minimal benefit from the Services and are assessed an SFE benefit factor of 0.

Parcel Analysis of 1996 Assessment, 2005 Assessment and 2026 Assessment

Regarding benefit assessments, Proposition 218 requires that "no assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel." Since parcels within the District are subject to the sum of the 1996 assessment, 2005 Assessment, and the 2026 Assessment, additional discussion and analysis is warranted to ensure that this critical requirement of Proposition 218 is satisfied.

All of the assessment were individually designed and developed subject to the standard that individual costs do not exceed individual special benefit and individual assessed amount for the individual assessment – therefore the sum of the three assessments also does not exceed the sum of the special benefit and assessments.

Further, Table 5 below shows the sum of the three assessments for several key property use types.

Table 5 – Sum of 1996 Assessment, 2005 Assessments and 2026 Assessment

Property Type	Sum of 1996, 2005 and 2026 Assessments
Single Family Residential	**$30.65**
Condominium	**$20.42**
Duplex	**$21.16**
Multi-Family Residential, 5 Units	**$32.56**
Mobile Home on Separate Lot	**$12.50**
Commercial / General Manufacturing on 1/5 acre	**$30.41**
Office on 1/5 acre	**$51.14**
Industrial on 1/5 acre	**$27.61**

A reasonable review of the tabulated total assessment costs for various property uses in Table 5 confirms that these totals do not exceed the cost-benefits of the actual services provided and described in this report. Finally, although admittedly an imperfect reference comparison, these costs are far below even one service call from a private pest control service which typically exceeds $100.

Duration of Assessment

If the assessment ballot proceeding authorizes the 2026 Assessment to be levied for fiscal year 2026-27 and each year thereafter, so long as mosquitoes and other vectors remain in existence and the Santa Clara County Mosquito and Vector Control District requires funding from the 2026 Assessment for its Services in the 2026 Assessment Area. As noted previously, if the 2026 Assessment and the duration of the 2026 Assessment are approved by property owners in an assessment ballot proceeding, the Assessment can be levied annually after the Santa Clara County Mosquito and Vector Control District Board of Trustees approves an annually updated Engineer's Report, budget for the 2026 Assessment, Services to be provided, and other specifics of the 2026 Assessment. In addition, the Board of Trustees must hold an annual public hearing to continue the Assessment.

Implementation of Government Code §§ 53759.1 and 53759.2 (AB 2257 Compliance)

In accordance with Government Code § 53759.1, as enacted by Assembly Bill 2257 and effective January 1, 2025, the Santa Clara County Mosquito and Vector Control District intends to implement an exhaustion of administrative remedies requirement for the proposed 2026 Mosquito, Vector and Disease Control Assessment under Proposition 218.

Property owners will be required to submit any written objections to the proposed assessment in writing, by a deadline no less than 45 days after the mailing of the Proposition 218 notice. Property owners who do not submit a timely written objection in accordance with this process will be prohibited from subsequently challenging the assessment in court, pursuant to Government Code § 53759.1.

The District will compile written responses to all timely submitted objections and will present these responses to the Santa Clara County Board of Supervisors prior to the close of the Proposition 218 protest hearing. The Board will then make the findings and determinations required under Government Code § 53759.1. This administrative objection process will run concurrently with the Proposition 218 protest procedures and does not limit a property owner's right to vote against the proposed assessment.

Pursuant to Government Code § 53759.2, if a legal challenge is later brought against the adopted assessment, the court's review shall be limited to the administrative record of the ratemaking proceeding, provided the Division complied with Government Code § 53759.1. All relevant deadlines, procedures, and instructions for submitting objections will be included in the mailed Proposition 218 notice.

Appeals and Interpretation

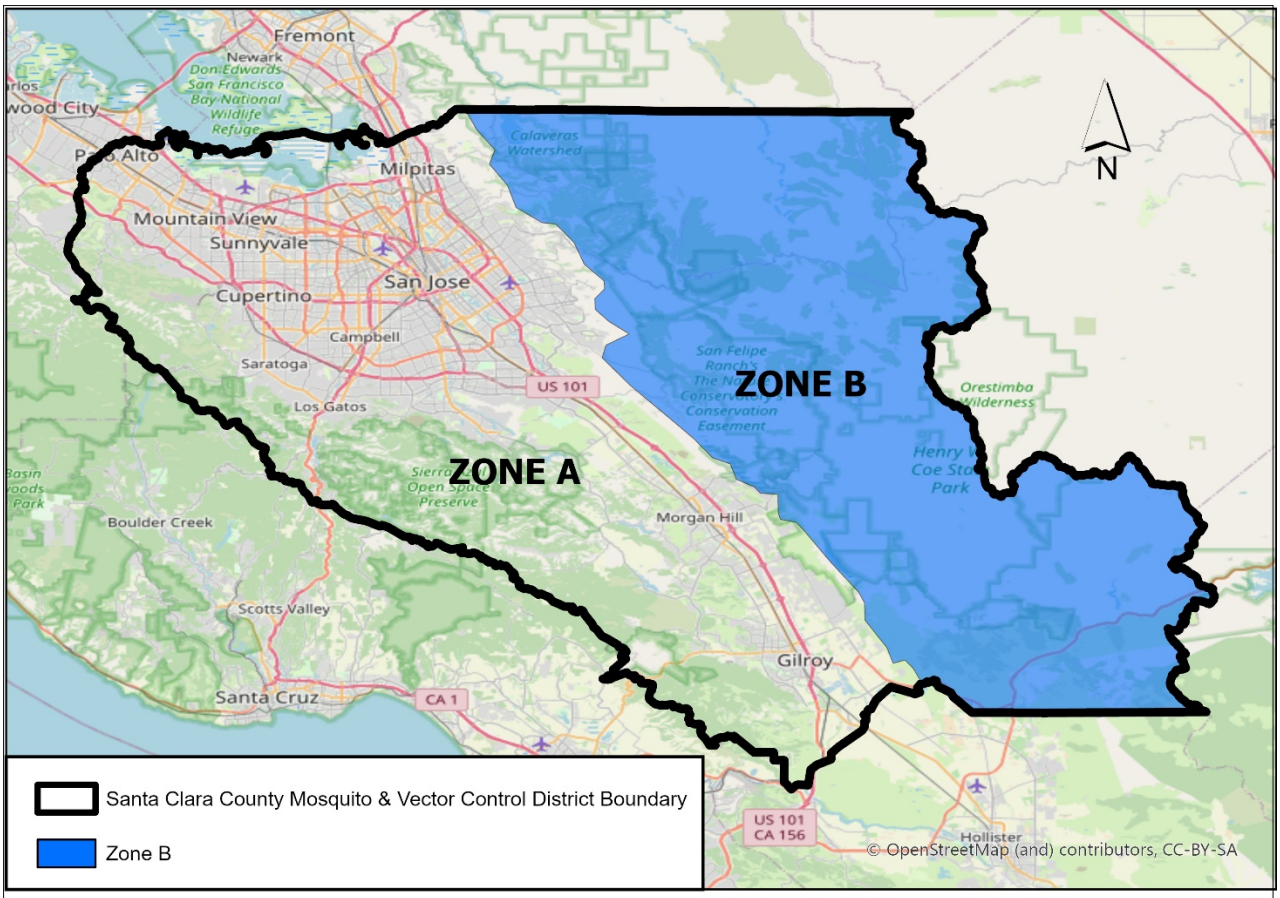
Any property owner who feels that the assessment levied on the subject property is in error as a result of incorrect information being used to apply the foregoing method of assessment, may file a written appeal with the District Manager of the Santa Clara County Mosquito and Vector Control District or their designee. Any such appeal is limited to correction of an assessment during the then current Fiscal Year or, if before July 1, the upcoming fiscal year. Upon the filing of any such appeal, the District Manager or their designee will promptly review the appeal and any information provided by the property owner. If the District Manager or their designee finds that the assessment should be modified, the appropriate changes shall be made to the assessment roll. If any such changes are approved after the assessment roll has been filed with the Santa Clara County for collection, the District Manager or their designee is authorized to refund to the property owner the amount of any approved reduction. Any dispute over the decision of the District Manager, or their designee, shall be referred to the Board. The decision of the Board shall be final.

Assessment Diagram

The 2026 Assessment Area includes all properties within the boundaries of the Santa Clara County.

The boundaries of the 2026 Assessment Area are displayed on the following Assessment Diagram.

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FILED IN THE OFFICE OF THE DISTRICT MANAGER OF THE SANTA CLARA COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT, COUNTY OF SANTA CLARA, CALIFORNIA, THIS _____ DAY OF _____, 2025.

_____
DISTRICT MANAGER

RECORDED IN THE OFFICE OF THE DISTRICT MANAGER OF THE SANTA CLARA COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT, COUNTY OF SANTA CLARA, CALIFORNIA THIS _____ DAY OF _____, 2025.

_____
DISTRICT MANAGER

Note:
REFERENCE IS HEREBY MADE TO THE MAPS AND DEEDS OF RECORD IN THE OFFICE OF THE ASSESSOR OF THE COUNTY OF SANTA CLARA FOR A DETAILED DESCRIPTION OF THE LINES AND DIMENSIONS OF ANY PARCEL SHOWN HEREIN. THOSE MAPS SHALL GOVERN FOR ALL DETAILS CONCERNING THE LINES AND DIMENSIONS OF SUCH PARCELS. EACH PARCEL IS IDENTIFIED IN SAID MAPS BY ITS DISTINCTIVE ASSESSOR'S PARCEL NUMBER.

AN ASSESSMENT WAS CONFIRMED AND LEVIED BY THE BOARD OF TRUSTEES OF THE SANTA CLARA COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT ON THE LOTS, PIECES AND PARCELS OF LAND ON THIS ASSESSMENT DIAGRAM ON THE _____ DAY OF _____, 2026 FOR THE FISCAL YEAR 2026-27 AND SAID ASSESSMENT DIAGRAM AND THE ASSESSMENT ROLL FOR SAID FISCAL YEAR WERE FILED IN THE OFFICE OF THE COUNTY AUDITOR OF THE COUNTY OF SANTA CLARA ON THE _____ DAY OF _____, 2026. REFERENCE IS HEREBY MADE TO SAID RECORDED ASSESSMENT ROLL FOR THE EXACT AMOUNT OF EACH ASSESSMENT LEVIED AGAINST EACH PARCEL OF LAND.

_____
CLERK OF THE BOARD

FILED THIS _____ DAY OF _____, 2026 AT THE HOUR OF _____ O'CLOCK __.M. IN THE OFFICE OF THE COUNTY TAX COLLECTOR OF THE COUNTY OF SANTA CLARA, STATE OF CALIFORNIA, AT THE REQUEST OF THE BOARD OF THE SANTA CLARA COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

_____
COUNTY TAX COLLECTOR, COUNTY OF SANTA CLARA

SCI Consulting Group
4745 Mangels Blvd
Fairfield, CA 94534
707-430-4300

Santa Clara County Mosquito & Vector Control District
2026 Mosquito, Vector and Disease Control Assessment Diagram

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Assessment Roll

Reference is hereby made to the Assessment Roll in and for said assessment proceedings on file in the office of the District Manager of the District and the Clerk of the Board of Supervisors/Board of Trustees, as said Assessment Roll is too voluminous to be bound with this Engineer's Report.

ITEM # 7

SANTA CLARA LAFCO

Local Agency Formation Commission of Santa Clara County
777 North First Street
Suite 410
San Jose, CA 95112
SantaClaraLAFCO.org

Commissioners
Sylvia Arenas
Jim Beall
Rosemary Kamei
Yoriko Kishimoto
Otto Lee
Terry Trumbull
Mark Turner

Alternate Commissioners
Pamela Campos
Helen Chapman
Betty Duong
Zach Hilton
Teresa O'Neill

Executive Officer
Neelima Palacherla

LAFCO MEETING: **February 4, 2026**

TO: **LAFCO**

FROM: **Neelima Palacherla, Executive Officer**
Emmanuel Abello, LAFCO Analyst

SUBJECT: **FINANCE COMMITTEE FOR FISCAL YEAR 2026-2027**

STAFF RECOMMENDATION

Establish a committee composed of three commissioners to work with staff to develop and recommend the proposed FY 2026-2027 LAFCO work plan and budget for consideration by the full commission.

BACKGROUND

The LAFCO Finance Committee will discuss budget related issues and work with staff to develop the FY 2026-2027 work plan and budget for the full Commission's consideration and adoption. The time commitment for commissioners serving on this committee would be limited to 2 or 3 meetings, between the months of February and May.

The Fiscal Year 2026 Finance Committee was composed of Alternate Commissioner Pamela Campos, Alternate Commissioner Helen Chapman, and Alternate Commissioner Teresa O'Neill.

The Cortese Knox Hertzberg Local Government Reorganization Act of 2000 (CKH Act) requires LAFCO, as an independent agency, to annually adopt a draft budget by May 1 and a final budget by June 15 at noticed public hearings.

ITEM # 8

SANTA CLARA LAFCO

Local Agency Formation Commission of Santa Clara County
777 North First Street
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Mark Turner

Alternate Commissioners
Pamela Campos
Helen Chapman
Betty Duong
Zach Hilton
Teresa O'Neill

Executive Officer
Neelima Palacherla

LAFCO MEETING: **February 4, 2026**

TO: **LAFCO**

FROM: **Neelima Palacherla, Executive Officer**
Emmanuel Abello, Analyst

SUBJECT: **AUTHORIZE THE LAFCO EXECUTIVE OFFICER TO ENGAGE THE SERVICES OF COVIVE LLC FOR LAFCO WEBSITE UPGRADE AND ACCESSIBILITY IMPROVEMENTS**

STAFF RECOMMENDATION

Authorize the Executive Officer to engage the services of Covive LLC to upgrade the LAFCO website and improve accessibility compliance in an amount not to exceed $28,000.

BACKGROUND

Upgrade website from Drupal 7 to Drupal 11

The Santa Clara LAFCO website was built in 2019 using the Drupal 7 content management system which has now reached the end of its life cycle. According to LAFCO's website consultant, Chad Upham, Covive LLC, the update from Drupal 7 to Drupal 8 was a major shift in underlying code technology. To extend the lifespan of the Santa Clara LAFCO website for another 5 years, he recommends that the website be rebuilt using Drupal 11, the latest version. This will enable much faster ongoing and future design and content updates and security updates, with site improvements for accessibility. This work requires rebuilding and re-importing most website pages, modules, and content to recreate the website on the new version.

LAFCO Website Accessibility Compliance

The Department of Justice (DOJ) added new rules to the regulations under Title II of the Americans with Disabilities Act (ADA) on April 24, 2024. These rules set a minimum compliance standard (Web Content Accessibility Guidelines (WCAG) 2.1 Level AA) for the accessibility of web content and mobile applications that local governments make available to the public. Local agencies must ensure their digital content conforms to this standard by April 24, 2026.

Following this standard will make content more accessible to a wider range of people with disabilities, including accommodations for blindness and low vision, deafness and hearing loss, limited movement, speech disabilities, photosensitivity, and combinations of these, and some accommodation for learning disabilities and cognitive limitations.

On January 22, 2026, Covive conducted an accessibility scan of the current LAFCO website using AccessibilityChecker.org, which yielded a score of 71%. It is LAFCO's goal to address the identified accessibility issues and achieve better compliance.

Proposed Scope of Work and Cost Estimate

LAFCO has an ongoing contract for website hosting and maintenance services with Covive LLC from whom LAFCO staff has received a proposed scope of work and cost estimate for this major LAFCO website upgrade and accessibility compliance work. See **Attachment A**. This work will not require a contract amendment. The LAFCO Budget for FY 2025-2026 includes sufficient funding (under Consultant Services) for the proposed services.

As noted in Covive's proposal, the scope of work includes website pages but excludes accessibility of the many PDF documents posted on the LAFCO website. LAFCO staff will conduct an assessment of the PDF documents to determine their digital accessibility conformance and any applicable exceptions before beginning remediation. The LAFCO Analyst and LAFCO Clerk are currently undergoing digital accessibility training by the County.

ATTACHMENT

Attachment A: Scope of Work and Cost Estimate for LAFCO Website Upgrade and Accessibility Improvements

Website Upgrade and Accessibility

Santa Clara LAFCO

Memorandum | January 22, 2026

OVERVIEW

Covive will upgrade the SantaClaraLAFCO.org website from Drupal 7 to Drupal 11 by means of a full rebuild and content migration. This major upgrade (the first since the site was launched in January 2020) will allow for better long-term maintenance, security, and design updates. In the process, Covive will address accessibility issues identified in a baseline report from accessibilitychecker.org which yielded a score of 71% on 1/22/26, to meet WCAG 2.1 Level AA by April 24, 2026. Our scope will include website pages but does not include accessibility of PDFs posted on the website. We will work to achieve as high a score as possible, with a score of 90-95% being very achievable. If we are not able to achieve full compliance, or a perfect 100% score within the allocated hours, or due to content such as PDFs, which are not within our control, we will provide documentation of these outstanding issues and work with LAFCO to address them on an ongoing hourly basis.

In order to ensure a smooth migration process, we will need to coordinate a “content freeze” with LAFCO staff between the time that we start the migration process around February 1, 2026 until the new Drupal 11 website can be launched. During this period we ask that LAFCO staff notify Covive by email of any edits or changes made to the live website, so that these changes can also be made in the new version of the site which will replace the Drupal 7 site upon launch. We will prioritize the Drupal 11 upgrade to launch the new site on the live domain, then will be able to continue accessibility fixes based on new scans of the live Drupal 11 website code by accessibilitychecker.org.

PROCESS AND DELIVERABLES

Task 1) Website Upgrade and Accessibility (up to 140 hours) **$28,000**

Deliverables:

- Website migration from Drupal 7 to Drupal 11 (3 to 4 weeks)
- Launch of Drupal 11 website on Pantheon.io hosting (on or before March 2, 2026)
- Accessibility improvements to meet WCAG 2.1 Level AA (on or before April 10, 2026)

Schedule: *6 to 8 weeks, February / March 2026*

Total for Task 1 **$28,000**

Fee estimates are based on our contracted rate of $200/hr for work completed through 12/31/28.

SANTA CLARA LAFCO

By:_____

Printed Name: _____

Title: _____

Date: _____

COVIVE LLC

By:_____

Chad Upham, Principal

Date: 1/22/26

Covive LLC
100 Van Ness Avenue Unit 706
San Francisco, CA 94102
415-215-1269 voice

contact:
chad.upham@covive.com

ITEM # 9

SANTA CLARA LAFCO

Local Agency Formation Commission of Santa Clara County
777 North First Street
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San Jose, CA 95112
SantaClaraLAFCO.org

Commissioners
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Helen Chapman
Betty Duong
Zach Hilton
Teresa O'Neill

Executive Officer
Neelima Palacherla

LAFCO MEETING: **February 4, 2026**

TO: **LAFCO**

FROM: **Neelima Palacherla, Executive Officer**
Dunia Noel, Asst. Executive Officer
Emmanuel Abello, LAFCO Analyst

SUBJECT: **SANTA CLARA LAFCO POLICIES AND PROCEDURES MANUAL**

FOR INFORMATION ONLY

In December 2025, LAFCO completed its multi-year comprehensive review and update of its policies and procedures. This effort aligned LAFCO's policies with recent changes to the Cortese-Knox-Hertzberg (CKH) Act, documented both current and long-standing practices, and provided clearer guidance to agencies, applicants, and the public. At its core, this initiative reflected LAFCO's ongoing commitment to transparency and good governance.

These updated policies have been assembled into a Policies and Procedures Manual **(Attachment A)** that is now posted on the LAFCO website. LAFCO staff will notify local agencies and interested parties as to their availability.

This milestone represents more than a technical update; it marks a significant step toward a clearer, more consistent, and more accessible policy framework for all who engage with LAFCO.

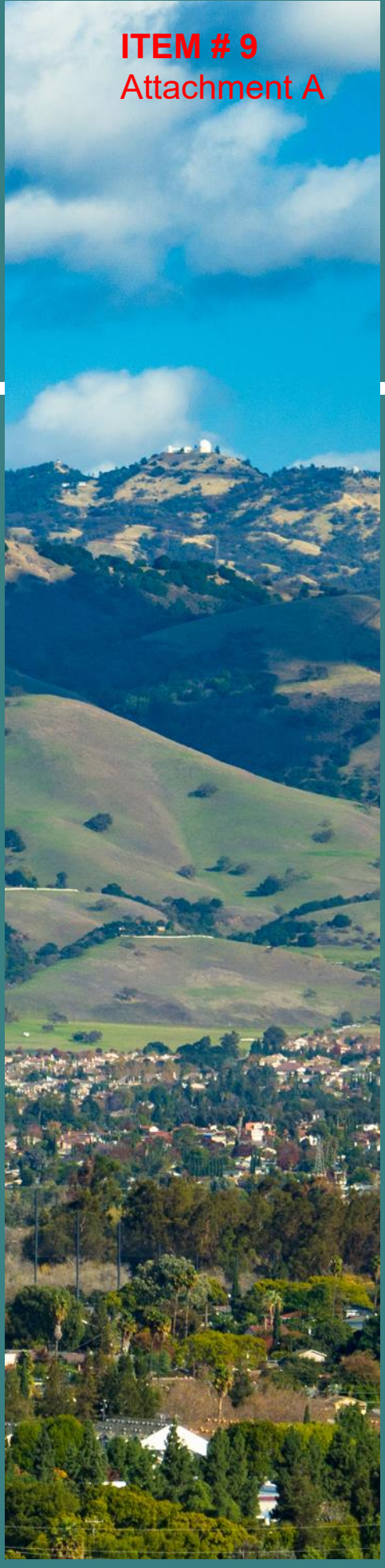
ATTACHMENT

Attachment A:	Santa Clara LAFCO Policies and Procedures Manual (January 2026)

ITEM # 9
Attachment A

POLICIES AND PROCEDURES MANUAL

January 2026



SANTA CLARA LAFCO

Local Agency Formation Commission of Santa Clara County

WELCOME

The Local Agency Formation Commission of Santa Clara County (" Santa Clara LAFCO") was formed and operates under the provisions of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 ("CKH Act") (California Government Code Section 56000 et seq.). This law established LAFCOs as independent agencies, with one in each county in California, to implement State law and local policies relating to boundary changes for cities and most special districts, including spheres of influence amendments, urban service area amendments, incorporations, annexations, detachments, reorganizations, and other changes of organization. In this capacity, Santa Clara LAFCO serves as the boundary agency for cities and most special districts in Santa Clara County.

The CKH Act requires that each LAFCO adopt written policies and procedures. Santa Clara LAFCO has adopted by-laws, operational policies and procedures, policies for evaluating proposals, and administrative policies to facilitate its operations and to inform the public of its practices and procedures. They are compiled in this 4-Part Santa Clara LAFCO Policies and Procedures Manual which groups these various policies by subject matter for easy access. Part 1: Bylaws are policies relating specifically to the organizational structure and governance of Santa Clara LAFCO; Part 2: Operational Policies are policies and procedures guiding Santa Clara LAFCO's day-to-day operations; Part 3: Policies for Evaluating Proposals are policies related to the substantive evaluation of proposals submitted to Santa Clara LAFCO; and Part 4: Administrative Policies are Santa Clara LAFCO's remaining administrative policies.

This Manual supplements, rather than reiterates in entirety, State law. To fully understand LAFCO processes and procedures, applicable provisions of State law should be reviewed in conjunction with this document. Each part of the Manual is freestanding and can be amended without amending the entire Manual. The Santa Clara LAFCO Executive Officer is charged with ensuring that the Manual is up to date, and publicly available. To the extent any portion of the Manual conflicts with any provision of law, the applicable law always takes precedence.

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PART 1.
LAFCO BYLAWS

CHAPTER 1.1
ORGANIZATION

SECTION 1.1.1 NAME OF COMMISSION

Originally part of LAFCO Rules and Procedures
Incorporated into LAFCO Bylaws: 04/02/2014
Amended: 10/05/2016, 10/01/2025

The Local Agency Formation Commission, established in Santa Clara County pursuant to Chapter 1 of Part 1, Division 3, Title 5, of the Government Code, shall be known as the Local Agency Formation Commission of Santa Clara County ("LAFCO of Santa Clara County" or "Santa Clara LAFCO"), and hereinafter referred to as the "Commission."

SECTION 1.1.2 AUTHORITY

Adopted in LAFCO Bylaws: 04/02/2014
Amended: 10/01/2025

LAFCO of Santa Clara County is governed by the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, Sections 56000 et seq. of the California Government Code (GC), as amended, and hereinafter referred to as the "CKH Act." The provisions of these bylaws are not intended to preempt State law. In the event of a conflict between the provisions set forth in these bylaws and those set forth in the CKH Act, the provisions of the CKH Act shall prevail.

SECTION 1.1.3 MISSION

Adopted in LAFCO Bylaws: 04/02/2014
Amended: 02/04/2016, 10/01/2025

At its August 1, 2012 Meeting, the Commission adopted the following mission statement:

The mission of Santa Clara LAFCO is to promote sustainable growth and good governance in Santa Clara County by preserving agricultural lands and open space, curbing urban sprawl, encouraging efficient delivery of services, exploring and facilitating regional opportunities for fiscal sustainability, and promoting accountability and transparency of local agencies.

Santa Clara LAFCO will be proactive in raising awareness and building partnerships to accomplish this through its special studies, programs and actions.

CHAPTER 1.2
COMMISSIONERS AND STAFF

SECTION 1.2.1 COMMISSION COMPOSITION

Adopted in LAFCO Bylaws: 04/02/2014

The Commission shall consist of seven (7) regular commissioners and five (5) alternate commissioners.

SECTION 1.2.2 SELECTION / APPOINTMENT OF COMMISSIONERS

Adopted in LAFCO Bylaws: 04/02/2014
Amended: 06/05/2019, 10/01/2025

1. The Commission membership categories and appointment procedures are as follows:

    a. **County**. The Board of Supervisors shall appoint two regular commissioners and one alternate commissioner from the Board's membership to serve on the Commission. GC §56327(a)

    b. **San Jose**. The City of San Jose shall appoint one regular commissioner and one alternate commissioner to serve on the Commission. Each appointee shall be the mayor or city council member. GC §56327(b)

    c. **Cities**. The City Selection Committee shall appoint one regular commissioner and one alternate commissioner to serve on the Commission. Each appointee shall be a mayor or city council member from one of the County's other 14 cities. Such appointments shall be made in accordance with the procedure established by the City Selection Committee and described in the rules and regulations of that body. GC §56327(c)

    d. **Special Districts**. Pursuant to GC §56327.3, in December 2012, the Commission adopted Resolution No. 2012-07, expanding its membership to include two special district members and one alternate special district member. GC §56332 requires the Independent Special Districts Selection Committee to appoint two regular commissioners and one alternate commissioner to serve on the Commission. Each appointee shall be elected or appointed members of the legislative body of an independent special district residing in the county but shall not be members of the legislative body of a city or county. On August 13, 2012, the Independent Special Districts Selection Committee of Santa Clara County adopted an alternative process for appointment of special district members to LAFCO whereby the Santa Clara Valley Water District appoints one special district member; and

the Independent Special Districts Selection Committee appoints the second member and an alternate member, to serve in place of the two regular special district members.

e. **Public Member**. The other six commissioners shall appoint one public member and one alternate public member to serve on the Commission. Pursuant to GC §56327(d), each appointee shall not be a resident of a city which is already represented on the Commission. The appointees shall be Santa Clara County residents; and not currently an officer or employee of the county or any city or district with territory in the county. The appointees shall also not concurrently hold any elected or appointed office with a local government agency that makes or informs land use decisions while serving on the Commission.

The appointment of the public member and/or alternate public member shall be made in accordance with the following procedures:

The LAFCO Executive Officer shall notify the Commission in advance of the public member's and alternate public member's term expiration or when such seat(s) becomes vacant.

i. The LAFCO Executive Officer shall notify the Commission in advance of the public member's and alternate public member's term expiration or when such seat(s) becomes vacant.

ii. The LAFCO Executive Officer shall prepare a notice announcing the vacancy on the Commission and seeking applications to fill the vacancy.

iii. The notice shall be posted on the LAFCO website and provided to each local agency within the county and to interested parties.

iv. Among other things, the notice shall include information on the mission of LAFCO, and responsibilities of a LAFCO commissioner; and indicate the application filing period and submittal requirements.

v. Interested applicants shall be required to submit a resume and a letter of interest outlining their reasons for wanting to serve as a member of the Commission.

vi. The current public member and alternate public member shall be eligible to apply for an upcoming vacancy of the public member and/or the alternate public member positions.

vii. The Commission shall not appoint someone to fill a vacancy until at least 21 days after the posting of the notice.

viii. The Commission shall review applicants' resumes and letters of interest and shall conduct a group interview of the candidates at the next available LAFCO meeting, using questions prepared beforehand.

ix. At the close of the group interview, the Commission shall by majority vote, appoint a public member and/or an alternate public member.

SECTION 1.2.3 COMMISSIONERS' TERMS OF OFFICE

Originally part of LAFCO Rules and Procedures
Incorporated into LAFCO Bylaws: 04/02/2014
Amended: 10/01/2025

The term of office of each commissioner shall be four (4) years, expiring on May 31 in the year in which the term of the member expires. Any vacancy in the membership of the Commission shall be filled for the unexpired term by appointment by the body that originally appointed the member whose office has become vacant.

SECTION 1.2.4 ROLE OF COMMISSIONERS

Adopted: 05/31/2006
Incorporated into LAFCO Bylaws: 04/02/2014

1. While serving on the Commission, pursuant to GC §56331.4, all commissioners shall exercise their independent judgment on behalf of the interests of the public as a whole in furthering the purposes of the CKH Act and not solely the interests of the appointing authority.
2. In each member category, the alternate member shall serve and vote in place of a regular member who is absent or who disqualifies herself or himself from participating on a specific matter before the Commission at a regular / special commission meeting or in closed session.
3. All alternate members are expected and encouraged to attend and participate in all Commission meetings, even if the regular member(s) is (are) present. Alternate members may attend and participate in closed session meetings of the Commission. However, alternate members may not vote or make a motion when the regular member is present.
4. The Brown Act allows an exception from its requirements for the attendance of a majority of the members of the Board of Supervisors at noticed meetings of the

Commission, provided that a majority of the members of the Board of Supervisors do not discuss among themselves, other than as part of the Commission's scheduled meeting, business of a specific nature that is within the subject matter jurisdiction of the Board of Supervisors.

5. No person may disclose confidential information that has been acquired from LAFCO or information acquired by being present in a closed session meeting authorized pursuant to the Brown Act, to a person not entitled to receive it, unless the Commission authorizes disclosure of that confidential information.

SECTION 1.2.5 COMMISSIONER PLEDGE

Adopted in LAFCO Bylaws: 10/17/2018

1. All commissioners shall sign the Commissioner Pledge acknowledging their understanding of their unique role and responsibilities as a LAFCO commissioner.
2. All newly appointed commissioners shall receive and sign a copy of the pledge prior to their first LAFCO meeting.
3. Copies of the signed pledge shall be provided to the LAFCO Clerk and retained for LAFCO records. A copy of the signed pledge shall be provided to the commissioner.
4. The LAFCO Commissioner Pledge shall read as follows:

   I, _____, as LAFCO Commissioner, pledge to uphold LAFCO's mission and mandate to promote sustainable growth and good governance in Santa Clara County.

   As an appointed LAFCO Commissioner, I will represent the interests of the public as a whole, and not solely the interests of my appointing authority. In doing so, I will help LAFCO be a forward thinking agency that stewards public resources for the good of the whole county.

   I will faithfully fulfill my duties as a LAFCO Commissioner, recognizing that LAFCO's work yields public benefits and that LAFCO has a unique role and responsibility in shaping the future of the county.

   _____ _____

   Commissioner Signature Date

SECTION 1.2.6 ORIENTATION FOR NEW COMMISSIONERS

Adopted: 10/01/2025

Staff shall provide an orientation for newly appointed commissioners prior to their first LAFCO meeting. The purpose of the orientation is to equip commissioners with the knowledge and context necessary to carry out their responsibilities effectively and in accordance with state law and local policies. The orientation program shall include, at a minimum, an overview of the history and purpose of LAFCO, its statutory mandate and adopted policies, the respective roles of commissioners and staff, the application review process, CALAFCO activities, and major recent or upcoming projects and initiatives.

SECTION 1.2.7 APPOINTMENT OF OFFICERS

Originally part of LAFCO Rules and Procedures
Amended and incorporated into LAFCO Bylaws: 04/02/2014
Amended: 10/01/2025

1. The Commission shall annually appoint a Chairperson and Vice Chairperson for the next calendar year at the December meeting. The Chairperson and Vice Chairperson shall be appointed based on the following rotation schedule unless otherwise determined by the Commission:
    a. Cities member
    b. County member
    c. San Jose member
    d. Special Districts member
    e. County member
    f. Public member
    g. Special Districts member
2. The Chairperson shall preside at all meetings of the Commission and the Vice Chairperson shall preside at meetings in the absence of the Chairperson.
3. In the event that the Chairperson and Vice Chairperson are absent from a Commission meeting at which a quorum is present, the voting members present shall appoint a member to act as Chair pro tempore for that meeting.

SECTION 1.2.8 EXECUTIVE OFFICER AND STAFF

Originally part of LAFCO Rules and Procedures
Amended and incorporated into LAFCO Bylaws: 04/02/2014
Amended: 10/01/2025

1. The LAFCO Executive Officer shall be designated in accordance with the terms of the Memorandum of Understanding between the Commission and the County of Santa Clara.

2. The Executive Officer shall carry out all orders as instructed by the Commission. The Executive Officer shall prepare or cause to be prepared an agenda for each meeting and maintain a record of all proceedings as required by law and these bylaws, and as instructed by the Commission. The Executive Officer shall set all hearing dates, publish notices and shall oversee the performance of all other clerical and administrative services required by the Commission. In addition, the Executive Officer shall by direction of the Commission and in accordance with the terms of the Memorandum of Understanding between the Commission and the County of Santa Clara, hire other staff of the Commission.

3. LAFCO staff shall comply with the County Information Technology User Responsibility Statement.

SECTION 1.2.9 DELEGATION OF AUTHORITIES TO EXECUTIVE OFFICER

Adopted: 10/01/2025

1. **Conducting Authority Functions and Responsibilities**. By Resolution No. 01-7, the Commission delegated the conducting authority functions and responsibilities to the Executive Officer pursuant to Government Code Section 57000.

2. **Small Contract Execution.** By Resolution 2019-03, the Commission delegated purchasing authority to the Executive Officer for execution of small contracts not to exceed $5,000.

SECTION 1.2.10 LEGAL COUNSEL

Adopted in LAFCO Bylaws: 04/02/2014

1. LAFCO Counsel shall be appointed by the Commission and shall serve at the pleasure of the Commission.

2. LAFCO Counsel shall attend all meetings of the Commission, give all requested advice on legal matters and represent the Commission in legal actions unless the Commission specifically makes other arrangements.

CHAPTER 1.3
MEETING RULES AND REGULATIONS

SECTION 1.3.1 SCHEDULE OF MEETINGS

Originally part of LAFCO Rules and Procedures
Amended and incorporated into LAFCO Bylaws: 04/02/2014
Amended: 04/01/2015, 10/05/2016, 10/07/2020, 10/01/2025

1. Regular Commission meetings are held on the first Wednesday of February, April, June, August, October, and December at 1:15 PM, in the Board Meeting Chambers at 70 West Hedding Street, San Jose, California, or in another designated location. As a courtesy, and technology permitting, members of the public may also attend by virtual teleconference. However, LAFCO cannot guarantee that the public's access to teleconferencing technology will be uninterrupted, and technical difficulties may occur from time to time. Unless required by the Brown Act, the meeting will continue despite technical difficulties for participants using the teleconferencing option.
2. The Commission shall establish a schedule of meetings for the following calendar year at its regular meeting in December.
3. Commission meetings are open to the public and the Commission welcomes public participation and input. Members of the public may provide written comment or attend LAFCO meetings to provide comment. Speakers are limited to three minutes. The Chair or the Commission by majority vote may further limit the time when appropriate.

SECTION 1.3.2 QUORUM AND ACTION OF COMMISSION

Originally part of LAFCO Rules and Procedures
Amended and incorporated into LAFCO Bylaws: 04/02/2014
Amended: 06/04/2014

1. Four commissioners entitled to vote shall constitute a quorum.
2. The Commission shall act by resolution or Commission order. All final determinations of the Commission including on change of organization or reorganization proposals, USA or SOI amendments, out of agency service contracts, service reviews, shall be taken by resolution. The Commission minutes shall reflect the vote on all resolutions. The records and minutes of the Commission shall be signed by the Chairperson and LAFCO Clerk.
3. Commissioners are strongly encouraged to vote and not abstain from voting unless they are disqualified by law or because there is an appearance of conflict.

SECTION 1.3.3 DISCLOSURE OF EX PARTE COMMUNICATION

Adopted in LAFCO Bylaws: 10/17/2018

1. Commissioners shall use their best efforts to track ex parte contacts pertaining to applications that are subject to a public hearing pursuant to the CKH Act.
2. Ex parte contacts include oral or written communications concerning applications that are subject to a public hearing pursuant to the Act which occur outside of a noticed public hearing. Contacts shall include phone calls, meetings, site visits, and written communications, including emails.
3. If an ex parte communication regarding the public hearing matter occurs, the Commissioner shall verbally disclose (1) the identity of the individual(s) with whom the Commissioner had contact; and (2) the substance of the information communicated. The commissioners shall verbally disclose written communication, unless such correspondence is forwarded to LAFCO staff in advance of the public hearing for inclusion in the agenda packet.
4. Following the closure of the public hearing and prior to a final decision, commissioners shall disclose any electronic or personal communication that has taken place pertaining to the item.
5. The LAFCO meeting agenda shall note public hearing items that require disclosure of ex parte communication.

SECTION 1.3.4 ORDER OF BUSINESS

Originally part of LAFCO Rules and Procedures
Amended and incorporated into LAFCO Bylaws: 04/02/2014
Amended: 10/07/2020

1. The order of business at Commission meetings shall typically include the following items, unless otherwise directed by the Commission.
    a. Roll Call
    b. Public Comment – An opportunity for members of the public to address the Commission on matters not on the agenda, provided that the subject matter is within the jurisdiction of the Commission. No action may be taken on off-agenda items unless authorized by law. Speakers are limited to three minutes. The Chair or the Commission by majority vote may further limit the time when appropriate. All statements that require a response will be referred to staff for reply in writing.
    c. Consideration of Minutes

d. Consent Calendar – Consent calendar consists of those items recommended for approval, not requiring public hearing, and in the opinion of the staff, not involving major issues or problems. A commissioner, staff or member of the public, may request that an item be removed from the Consent Calendar for public discussion.

e. Public Hearings

f. Items for Action / Discussion

g. Executive Officer's Report

h. Pending Applications / Upcoming Projects

i. Commissioner Reports – An opportunity for commissioners to comment on items not listed on the agenda, provided that the subject is within the jurisdiction of the Commission. No action or discussion by a quorum of the Commission may be taken on off-agenda items unless authorized by law.

j. Newspaper Articles / Newsletters

k. Written Correspondence

l. Adjournment

SECTION 1.3.5 MEETING AGENDA

Adopted in LAFCO Bylaws: 02/07/2018

1. The Executive Officer shall prepare, for the Chairperson's review and approval, an agenda for each regularly scheduled meeting containing the specific items of business to be transacted.

2. All reports, materials, or other matters to be submitted to the Commission at its regular meeting, as part of the agenda packet, shall be delivered to the Executive Officer no later than 12:00 PM (noon) on the Monday, nine days preceding a Regular Commission Meeting.

3. During the Commissioner Reports portion of the meeting, any commissioner may request consideration of an agenda item for a future meeting, and such item shall be added to a future meeting if voted for by a majority of the Commission.

4. The agenda shall be posted on the bulletin board located outside of the County of Santa Clara Government Center in San Jose and shall be available for public inspection at the LAFCO office, no later than seventy-two (72) hours prior to the regular meeting and twenty-four (24) hours prior to a special meeting.

5. The agenda packet including staff reports and other meeting materials for a Regular Commission Meeting shall be posted on the LAFCO website and shall be available for public inspection at the LAFCO office, no later than seventy-two (72) hours prior to the regular meeting and twenty-four (24) hours prior to a special meeting.
6. Materials related to an agenda item submitted after the posting of the agenda shall be provided to commissioners and shall be available for public inspection at the LAFCO office and at the meeting.
7. No commissioner shall amend the agenda after the agenda has been posted. The Commission shall not take action on any items that do not appear on the posted agenda. However, the agenda may be amended to include items not appearing on the posted agenda, in accordance with GC §54954.2.

SECTION 1.3.6 CLARIFICATION OF MOTION

Originally part of LAFCO Rules and Procedures
Incorporated into LAFCO Bylaws: 04/02/2014

Commissioners shall state motions in such a manner as to assure understanding of all parties as to the content of any terms and conditions to be placed on the Commission's action. It shall be the responsibility of the Chairperson to verify the wording of any motion with staff.

SECTION 1.3.7 MEETING MINUTES

Adopted in LAFCO Bylaws: 04/02/2014
Amended: 10/01/2025

1. The Executive Officer shall cause a member of his / her staff to prepare the draft minutes of each meeting, which will be included on the agenda of the following meeting, for approval by the Commission.
2. Minutes of meetings will be action minutes. Action minutes will include final motions with votes. The minutes will also reflect the names of speakers under the public comment item, and reasons for any legally required abstentions from voting. Commission and staff discussion, comments, and questions and answers, will not be included in the minutes.

SECTION 1.3.8 RECORDINGS OF MEETINGS

Adopted: 10/01/2025

All regular meetings of the Commission shall be audio or audio / video recorded and made available for public viewing, including live streaming when feasible. Special meetings of the Commission shall also be audio or audio / video recorded if the venue allows for such recordings.

SECTION 1.3.9 ROSENBERG'S RULES OF ORDER

Adopted in LAFCO Bylaws: 04/02/2014

Except as herein otherwise provided, the proceedings of the Commission shall be governed by "Rosenberg's Rules of Order" on all matters pertaining to parliamentary law. No resolution, proceeding, or other action of the Commission shall be invalid or the legality thereof otherwise affected by the failure of the Commission to observe or follow such rules.

CHAPTER 1.4
FINANCIAL AND OTHER REPORTING

SECTION 1.4.1 ANNUAL AUDIT

Adopted: 10/01/2025

The Commission shall arrange for an annual audit of its financial statements to be conducted by an independent accounting firm (auditor). Audited financial statements, including the auditor's opinion thereon, shall be presented by the auditor to the Commission for consideration at a regular meeting. The final audit report shall be posted on the LAFCO website.

SECTION 1.4.2 ANNUAL REPORT

Adopted: 10/01/2025

An Annual Report shall be prepared highlighting Santa Clara LAFCO's major accomplishments, activities, projects, and upcoming work items. The Annual Report shall be posted on the LAFCO website.

PART 2.
OPERATIONAL POLICIES AND PROCEDURES

CHAPTER 2.1
APPLICATION PROCESSING PROCEDURES

SECTION 2.1.1 DEADLINE FOR SUBMISSION OF APPLICATIONS

Originally part of LAFCO Rules and Procedures
Amended and incorporated into LAFCO Bylaws: 04/02/2014

1. Deadlines for submitting applications will be no later than 5:00 PM on the Thursday immediately following a Regular LAFCO meeting in order to be considered at the next LAFCO meeting. Applications shall be submitted with correct fees on the appropriate forms and in the quantities required.
2. The Commission will not consider applications which have been submitted in violation of the deadline unless an emergency situation exists within the territory relating to the proposal which would affect public health and safety.
3. The Commission shall establish a schedule of application deadlines for the following calendar year at its regular meeting in December.

SECTION 2.1.2 APPLICATION FEE POLICIES

Adopted in LAFCO Bylaws: 06/06/2018
Amended: 10/01/2025

1. The Commission may establish a schedule of fees and service charges for the processing of applications filed with the Commission, pursuant to GC §56383. The schedule of fees and service charges shall not exceed the estimated reasonable cost of providing the service for which the fee is charged.
2. Deposit fees are initial payments towards the actual cost of processing applications. Staff time spent on pre-application assistance will be counted towards the deposit. Actual costs include staff time, any consultant fees, special counsel legal services and miscellaneous costs such as noticing, copying etc. If actual costs are less than deposit, LAFCO will refund the difference to the applicant. If processing costs begin to exceed the deposit, additional fees are required. Commission approval will be conditional upon final payment within 35 days of LAFCO hearing date.
3. The Commission shall regularly review and amend as necessary the schedule of fees and service charges to help ensure an appropriate level of cost-recovery.
4. All fees / deposits shall be paid at the time of the application submittal and said application shall not be deemed complete until the required fees / deposits are received.

5. In order to achieve reasonable cost-recovery and not place an undue cost burden on its funding agencies (i.e., County, cities, special districts), the Commission will not generally provide fee waivers.
6. Consistent with GC §56383(d), the Commission may reduce or waive fees if it finds that payment of such fees would be detrimental to the public interest.
7. Any request for a fee reduction or waiver must be submitted in writing to the Executive Officer.

SECTION 2.1.3 APPLICATION DEEMED COMPLETE OR INCOMPLETE

Adopted: 10/01/2025

Pursuant to GC §56658(c), within 30 days of receiving an application, the Executive Officer will determine whether the application is complete and acceptable for filing or whether the application is incomplete.

1. **Complete Application**. If the application is complete, the Executive Officer will issue a Certificate of Filing, confirming the application has met submission requirements and is accepted for filing.
2. **Incomplete Application**. An incomplete application will be issued an Incomplete Letter, and the applicant will be notified of the unsatisfied requirements.
3. **Inactive Application**. If the application remains incomplete for a period of twelve (12) months from the date of application submittal deadline without substantial progress being made toward its completion, the application will be closed without prejudice and may be subject to a refund if any portion of the application fee remains unused. A new application and fee will be required if the applicant chooses to resubmit such a closed application.

SECTION 2.1.4 RECONSIDERATION OF A LAFCO RESOLUTION MAKING DETERMINATIONS

Adopted in LAFCO Bylaws: 10/17/2018

1. Notwithstanding Section 1.3.9 (Rosenberg's Rules of Order), any request for reconsideration of a resolution making determinations shall be processed in accordance with the CKH Act, specifically GC §56895, and not Rosenberg's Rules of Order.
2. If the LAFCO Executive Officer receives a request for reconsideration pursuant to GC §56895(a) of the CKH Act, the request shall state the specific modification to the resolution being requested and shall state what new or different facts that

could not have been presented previously are claimed to warrant the reconsideration.

3. Upon receipt of a timely request for reconsideration, the Commission shall first determine whether there are new or different facts that could not have been presented previously.

4. If the Commission determines that there are no new or different facts that could not have been presented previously, the Commission shall not reconsider the matter and shall disapprove the request for reconsideration.

5. If the Commission determines that there are new or different facts that could not have been presented previously, the Commission shall then consider the request and receive any oral or written testimony and at the conclusion of its consideration, the Commission may approve with or without amendment, wholly, partially, or conditionally, or disapprove the request for reconsideration.

SECTION 2.1.5 PROCESSING PROPOSALS AFFECTING MORE THAN ONE COUNTY

Adopted: 12/11/2002
Amended: 08/06/2025

1. **Introduction**. GC §56066 sets forth that the county having all or the greater portion of the assessed value, as shown on the last equalized assessment roll of the county or counties, of all taxable property within a district or districts for which a change of organization or reorganization or a sphere of influence is proposed, is the principal county. GC §56123 further provides that the LAFCO of the principal county shall have jurisdiction over all boundary changes affecting that district, including changes of organization involving territory in another county. Pursuant to GC §56124, exclusive jurisdiction shall be vested in the LAFCO of the principal county, unless the principal county vests jurisdiction in the LAFCO of another affected county, and both LAFCOs agree to transfer of jurisdiction.

   Santa Clara LAFCO recognizes the need to collaborate on a regional level when considering a change of organization of a district that affects another County. In order to further this collaboration and assure thorough and consistent consideration of applications affecting more than one county, this Commission adopts the following procedures for processing applications involving multi-county districts.

2. **Transfer of Jurisdiction to a LAFCO of an Affected County**. When requested by a LAFCO of an affected county, Santa Clara LAFCO will consider and determine on a case-by-case basis whether it is appropriate to transfer jurisdiction to the LAFCO of the affected County.

3. **Applications Affecting More than One County When Santa Clara LAFCO is Principal LAFCO**

    a. Applications affecting the boundaries of a district for which Santa Clara LAFCO is principal LAFCO will be submitted to Santa Clara LAFCO including instances in which the subject territory is located in another county. Prior to application, applicants should meet with staff of principal LAFCO regarding process and application requirements. Applicant must comply with application requirements of both LAFCOs.

    b. Upon receipt of the application involving territory in another county, staff will immediately forward a copy of the application to the LAFCO of the county containing the subject territory.

    c. The commission of the principal county will also provide notice to the chair, each board member, and the executive office of all affected agencies of any proceedings, actions or reports on the proposed change of organization.

    d. Santa Clara LAFCO staff will consult with the staff of the affected LAFCO and affected agencies in the county containing territory in order to gather data for the Executive Officer's report and recommendation.

    e. The application will be scheduled for hearing by Santa Clara LAFCO so that the LAFCO of the affected county has had time to review the application and submit a written recommendation to be included in the Executive Officer's report for Santa Clara LAFCO consideration at a public hearing.

    f. At the hearing, the Commission will consider the Executive Officer's report, the recommendation of the LAFCO containing the subject territory, and the comments of affected individuals and agencies in making its determination.

    g. Following the conclusion of the hearing, the Executive Officer will forward any resolutions and written report of Commission action to the chair, each board member, the executive office of all affected agencies and the LAFCOs of the affected county.

4. **Applications Affecting More Than One County When Santa Clara LAFCO Is Not Principal LAFCO**

   Upon receipt by Santa Clara LAFCO of a notice and referral from a LAFCO of another county of an application for change of organization affecting territory in Santa Clara County, staff will place the application and report and recommendation on Santa Clara LAFCO's next possible agenda so that the Commission may consider the application and forward a recommendation to the LAFCO of the principal county. Said applications will be processed and a staff report will be prepared consistent with Santa Clara LAFCO's Policies and Procedures.

SECTION 2.1.6 INDEMNIFICATION POLICY

Adopted: 06/03/2009
Amended: 08/06/2025

To further good government practices and policies of the Commission, and protect the Commission from the costs associated with legal challenges, it is the policy of this Commission that:

1. As a condition of submitting any application for action or determination by the Commission, the applicant(s) shall submit a signed agreement in which the applicant(s) agree to indemnify, defend and hold harmless the Commission, its agents, officers, attorneys, and employees from any legal challenges or appeals brought to challenge approval of their application in the form prescribed in *Exhibit 2.1-A*, attached hereto and incorporated herein by reference. In the event a lawsuit is brought to challenge the approval of an application by the Commission, the Commission shall notify the applicant(s) promptly and no later than three (3) business days after the Commission has been served.
2. The Executive Officer shall not issue a Certificate of Filing for an application if an indemnification agreement in the form prescribed in *Exhibit 2.1-A* has not been executed and submitted to the Executive Officer by the applicant(s).

EXHIBIT 2.1-A: INDEMNIFICATION AGREEMENT

As a condition of submitting any application for consideration by the Commission, Applicant and its successors and assigns, shall indemnify, defend and hold harmless, Santa Clara LAFCO and its officials, officers, employees, agents, representatives, contractors, and assigns from and against any and all claims, demands, liability, judgments, damages (including consequential damages), awards, interest, attorneys' fees, costs, and expenses of whatsoever kind or nature, at any time arising out of, or in any way connected with, any legal challenges to or appeals associated with, LAFCO's approval of the Application (collectively, "Indemnification Costs"). Applicant's obligation to indemnify, defend and hold harmless Santa Clara LAFCO and its officials, officers, employees, agents, representatives, contractors, and assigns under this Agreement shall apply regardless of fault, to any acts or omissions, or negligent conduct, whether active or passive, on the part of the Applicant, Santa Clara LAFCO, or its officials, officers, employees, agents, representatives, contractors or assigns. Applicant's obligation to defend Santa Clara LAFCO or its officials, officers, employees, agents, representatives, contractors, and assigns under this Agreement shall be at Applicant's sole expense, and using counsel selected or approved by Santa Clara LAFCO in Santa Clara LAFCO's sole discretion. In the event of a lawsuit, Applicant will be notified by Santa Clara LAFCO within three (3) business days of being served.

APPLICANT SIGNATURE: _____ Date: _____

PRINT NAME: _____ Title: _____

SECTION 2.1.7 LOBBYING DISCLOSURE POLICY

Adopted: 02/14/2001

1. **Definition of "lobbyist"**. A lobbyist is an individual or entity who is compensated and who communicates directly with regular or alternate LAFCO commissioners, and/or the Executive Officer to influence, on behalf of his client or employer, the Commission's or the Executive Officer's action. Communication includes ex parte communications as well as presentations at Commission meetings. This definition does not include:

    a. Any elected public official acting in his official capacity, or any employee of governmental agency acting in the scope of his / her employment.

    b. Any employee of a newspaper or other periodical of general circulation, or radio or television station, acting within the scope of their employment.

2. **Filing Schedule**. As allowed for under GC §56300(c), any person or entity meeting this definition and who is lobbying the Commission or Executive Officer in regard to an application before LAFCO must file a declaration prior to the

hearing on the LAFCO application or at the time of the hearing if that is the initial contact. In addition to submitting a declaration, any lobbyist speaking at the LAFCO hearing must so identify themselves as lobbyists and identify on the record the name of the person or entity making payment to them.

Additionally, every applicant shall file a declaration under penalty of perjury listing all lobbyists that they have hired to influence the action taken by LAFCO on their application. This affidavit is due at the time of application filing and is to be updated, if necessary, one week prior to the hearing date of the application. The declaration shall be made on a form provided by LAFCO and shall include the name of the lobbyist, the name of the application of interest and the name of the person or entity paying the lobbyist in regard to the application. The declaration shall be signed under penalty of perjury.

3. **Filing Office**. Declarations shall be submitted to the LAFCO Executive Officer and shall become part of the LAFCO application file.

4. **Enforcement**. Failure of an applicant or a lobbyist to file the declaration, or to identify oneself as a lobbyist prior to speaking on a matter, shall result in the inability of the Commission to take action on the application. In addition, failure to file the declaration or the filing of an erroneous declaration shall result in a penalty of $500.00, said assessment to be deposited in the LAFCO budget.

5. **Effective Date**. These policies shall apply to all LAFCO applications submitted for filing after April 11, 2001.

SECTION 2.1.8 DISCLOSURE OF POLITICAL EXPENDITURES UNDER THE POLITICAL REFORM ACT

Adopted: 08/07/2013

Pursuant to GC §56100.1, §56300, §56700.1, §57009 and §81000 et seq., any person or combination of persons who directly or indirectly contribute(s) a total of $1,000 or more or expend(s) a total of $1,000 or more in support of or in opposition to specified LAFCO proposals or proceedings, which generally include proposed reorganizations or changes of organization, may be required to comply with the disclosure requirements of the Political Reform Act beginning with GC §81000(See also, GC §84250 et seq.). These requirements contain provisions for making disclosures of contributions and expenditures at specified intervals. More information on the scope of the required disclosures is available at the web site of the FPPC: **www.fppc.ca.gov**. Questions regarding FPPC material, including FPPC forms, should be directed to the FPPC's advice line at 1-866-ASK-FPPC (1-866-275- 3772).

SECTION 2.1.9 DISCLOSURE OF CONTRIBUTIONS TO COMMISSIONERS FROM PARTIES AND PARTICIPANTS UNDER THE LEVINE ACT

Adopted: 10/01/2025

LAFCOs are subject to disclosure and prohibition requirements detailed in GC §84308, and the Regulations of the Fair Political Practices Commission (FPPC), §18438 et seq. The following is a summary of those provisions in GC §84308:

1. No LAFCO commissioner shall accept, solicit, or direct a contribution of more than $500 from any party, or a party's agent; or any participant or the participant's agent if the commission knows or has reason to know that the participant has a financial interest, while a LAFCO proceeding is pending, and for 12 months following the date a final decision is rendered by LAFCO.
2. Prior to rendering a decision on a LAFCO proceeding, any LAFCO commissioner who received a contribution of more than $500 within the preceding 12 months from a party or participant shall disclose that fact on the record of the proceeding. If a commissioner receives a contribution which would otherwise require disqualification returns the contribution within 30 days from the time the commissioner knows or should have known, about the contribution and the proceeding, the commissioner shall be permitted to participate in the proceeding.
3. A party to a LAFCO proceeding shall disclose on the record of the proceeding any contribution of more than $500 within the preceding 12 months by the party, or the party's agent, to a LAFCO commissioner. For forms, visit the LAFCO website at SantaClaraLAFCO.org.
4. No party, or the party's agent and no participant, or the participant's agent, shall make a contribution of more than $500 to any LAFCO commissioner during the proceeding and for 12 months following the date a final decision is rendered by LAFCO.
5. Definition of Terms
    a. "Party" is defined as any person who files an application for, or is the subject of, a proceeding involving a license, permit, or other entitlement for use. [GC §84308(a)(1)]
    b. "Participant" is defined as a person who is not a party but who actively supports or opposes a particular decision in a proceeding involving a license, permit or other entitlement for use and who has a financial interest in the decision. A person actively supports or

opposes a particular decision in a proceeding if he or she lobbies in person the officers, or employees of the agency, testifies in person before the agency, or otherwise acts to influence officers of the agency. [GC §84308(a)(2)]

c. "Agent" is defined as a person who represents a party or a participant, in connection with a proceeding in connection with a proceeding, as long as the person represents that party or participant for compensation and appears before or otherwise communicates with an agency for the purpose of influencing the proceeding on behalf of a party or participant. Agent includes lobbyist. If an individual acting as an agent is also acting in his or her capacity as an employee or member of a law, architectural, engineering, consulting firm, or a similar business entity or corporation, both the business entity or corporation, and the individual are "agents". [GC §84308(h)(1)-(3)]

d. To determine whether a campaign contribution of more than $500 has been made by a person or his or her agent, the contributions of an agent shall not be aggregated with contributions from a party or participant. [GC §84308(g)]

SECTION 2.1.10 CONDUCTING AUTHORITY PROCEDURES

Adopted: 04/11/2001
Amended: 10/01/2025

1. Effective January 1, 2001, the CKH Act established LAFCO as the conducting authority for all proposals requiring protests proceedings.

2. In the case of city-conducted annexations, pursuant to GC §56757(b), the city council shall be the conducting authority for protest proceedings. The city proceedings shall be conducted as nearly as practicable in accordance with the CKH Act and LAFCO procedures.

3. By Resolution No. 01-7, the Commission delegated all duties, functions and responsibilities of the conducting authority to the Executive Officer pursuant to GC §57000.

4. Unless protest proceedings are waived consistent with the CKH Act, a protest hearing will be held following the Commission's approval of a proposal. The following are procedural guidelines for the conduct of a protest proceeding:

   a. Within 35 days following adoption of the Commission's resolution making determinations, the Executive Officer shall set the proposal for a protest hearing and give notice of that hearing.

b. The date of the protest hearing must be within 60 days, but not less than 21 days, from the date the notice of hearing is given (GC §57002). The hearing shall not be held prior to the expiration of the 30-day period specified in GC §56895(b) during which a reconsideration could be requested.

c. The notice of hearing shall be mailed, published, and posted pursuant to GC §57025.

d. The notice shall contain information as specified in GC §57026.

e. Pursuant to GC §57050, the protest hearing shall be held on the date and at the time specified in the notice given by the Executive Officer. The hearing may be continued from time to time but may not exceed 60 days from the date specified for the hearing in the notice.

f. At the protest hearing, pursuant to GC §57050(b), the Executive Officer shall summarize the Commission's resolution making determinations and shall hear and receive any oral or written protests, objections, or evidence that is made, presented or filed.

g. Written protests may be filed with LAFCO at any time prior to the conclusion of the protest hearing and must include all the required information pursuant to GC §57051. Anyone who has filed a written protest may withdraw that protest prior to the conclusion of the hearing.

h. If written protests have been filed, pursuant to GC §57052, within 30 days of the protest hearing, the Executive officer shall determine the value of written protests filed and not withdrawn.

i. To determine the value of the written protests filed and not withdrawn, the Executive Officer shall cause the names of the signers of the protests to be compared with either the voters' register in the County Registrar of Voters Office (GC §56707) or the names of the owners of land on the most recent assessment roll pursuant to GC §56708 and GC §56710.

j. Upon determination of the value of written protests filed and not withdrawn, the Executive Officer shall take one of the following actions, depending on the nature of the change of organization and the level of protest:

    i. Issue a Certificate of Termination, terminating proceedings. (GC §57179)

    ii. Adopt a resolution making determinations and ordering a change of organization without an election.

iii. Adopt a resolution making determinations and ordering a change of organization subject to confirmation by the voters.

k. If election is required, the Executive Officer shall, pursuant to GC §57000(d), inform the board of supervisors and the election official of the affected county, or the city council and elections official of the affected city and request the legislative body to direct the elections official to conduct the necessary election. GC §57000(e) requires a Board of Supervisors or a City Council to perform specified tasks directly related to the calling of an election.

l. After ordering a change of organization without an election or confirming an order for a change of organization after confirmation by the voters, the Executive Officer shall file a Certificate of Completion pursuant to GC §57200(a).

m. The Executive Officer shall inform the Commission of the action taken as a result of the protest proceedings. The Executive Officer shall include it as an Information Only item with no action required on the Commission's next agenda.

n. In the case of a city conducted annexation, after ordering a change of organization without an election or confirming an order for a change of organization after confirmation by the voters, the city shall forward the necessary paperwork to the Executive Officer for finalization.

CHAPTER 2.2
LEGISLATIVE AND INTERGOVERNMENTAL POLICIES

SECTION 2.2.1 COMMUNICATING A POSITION ON PROPOSED LEGISLATION

Adopted in LAFCO Bylaws: 04/06/2022

1. The Commission shall adopt legislative policies to guide its actions related to legislative matters. Following adoption of the legislative policies, the Commission shall, at a minimum, annually review the legislative policies of the California Association of LAFCOs (CALAFCO) and its own legislative policies, and revise its own policies, as needed.
2. The Executive Officer shall provide to the full Commission for its consideration and action, any proposed legislation of relevance to LAFCO including a recommended position, as appropriate.
3. In situations when proposed legislation of relevance to LAFCO cannot be considered by the full Commission due to timing:
    a. The Executive Officer shall consult with LAFCO Counsel and LAFCO Chair (or Vice-Chair if the Chair is unavailable) and prepare a position letter, consistent with current adopted legislative policies of LAFCO.
    b. At their discretion, the Chair (or Vice-Chair if the Chair is unavailable) may sign the position letter on behalf of LAFCO. The letter shall not be submitted without said signature.
    c. The Executive Officer shall provide a copy of the written comments to the full Commission.
    d. The next regular LAFCO meeting agenda shall include an item that allows the Commission to discuss the proposed legislation and submitted comments.

SECTION 2.2.2 PROVIDING WRITTEN COMMENTS ON DOCUMENTS OR PROJECTS OF RELEVANCE TO LAFCO

Adopted in LAFCO Bylaws: 04/06/2022

1. The Executive Officer is authorized to provide written comments on documents or projects of relevance to LAFCO including but not limited to CEQA documents and local/regional/state agency plans, policies, and programs. Such comments shall refer to, and be consistent with, currently adopted LAFCO policies and State law. The Executive Officer shall provide a copy of the submitted written

comments to the full Commission and include them in the next regular LAFCO meeting agenda.

2. However, on Regional Housing Needs Assessment (RHNA) or other similar projects the Executive Officer shall present the matter to the Chair (or Vice-Chair if the Chair is unavailable) to determine at their discretion whether or not the matter should be agendized for the Commission's consideration prior to submittal of comments.

SECTION 2.2.3 LEGISLATIVE POLICIES

Adopted: 04/06/2022
Amended: 10/01/2025

These legislative policies shall guide Santa Clara LAFCO's actions related to legislative matters. On an annual basis, as needed, LAFCO shall review these policies and the CALAFCO Legislative Policies, to consider any potential revisions.

1. LAFCO Purpose and Authority

a. Support legislation that enhances LAFCO authority and powers to carry out the legislative findings and authority in Government Code §56000 et seq. Oppose legislation that diminishes LAFCO authority.

b. Support authority for each LAFCO to establish local policies to apply GC §56000 et seq., based on local needs and conditions. Oppose any limitations to that authority.

c. Oppose additional LAFCO responsibilities that require expansion of current local funding sources. Oppose unrelated responsibilities that dilute LAFCO ability to meet its primary mission.

d. Support alignment of responsibilities and authority of LAFCO and regional agencies that may have overlapping responsibilities in orderly growth, agricultural and open space preservation, and municipal service delivery. Oppose legislation or policies that create conflicts or hamper those responsibilities.

e. Oppose grants of special status to any individual agency or proposal to circumvent the LAFCO process.

f. Support individual commissioner responsibility that allows each commissioner to independently vote his or her conscience on issues affecting his or her own jurisdiction.

2. LAFCO Organization

a. Support LAFCO independence from local agencies.

b. Oppose the re-composition of any LAFCO to create special seats and recognize the importance of balanced representation provided by cities, the county, the public, and special districts in advancing the public interest.

c. Support representation of special districts on all LAFCOs in counties with independent districts and oppose removal of special districts from any LAFCO.

d. Support communication and collaborative decision-making among neighboring LAFCOs when growth pressures and multicounty agencies extend beyond an individual LAFCO's boundaries.

3. Agricultural and Open Space Protection

a. Support legislation that clarifies LAFCO authority to identify, encourage and ensure the preservation of agricultural and open space lands.

b. Encourage a consistent definition of agricultural and open space lands.

c. Support policies that encourage cities, counties, and special districts to discourage development on all types of agricultural lands, including prime agricultural lands and open space lands.

d. Support policies and tools that protect all types of agricultural lands, including prime agricultural lands and open space lands.

e. Support the continuance of the Williamson Act and restoration of program funding through State subvention payments.

4. Orderly Growth

a. Support the recognition and use of spheres of influence as a planning tool pertaining to growth and development, and the preservation of agricultural and open space lands.

b. Support recognition of LAFCO spheres of influence by other agencies involved in determining and developing long-term growth and infrastructure plans.

c. Support orderly boundaries of local agencies and the elimination of islands within the sphere of influence and boundaries of agencies.

d. Support communication among cities, counties, special districts, stakeholders and affected parties through a collaborative process that

resolves service, infrastructure, housing, land use, and fiscal issues, prior to application to LAFCO.

e. Support cooperation between counties and cities on decisions related to development within a city's designated sphere of influence.

f. Support cooperation between cities and special districts on decisions related to development within city and district spheres of influence that overlap.

g. Support the recognition of extreme natural disasters and disaster preparedness when considering growth and service delivery issues.

5. Service Delivery and Local Agency Effectiveness

a. Support the use of LAFCO resources to review Regional Transportation Plans, with a focus on sustainable communities strategies and other growth plans to ensure reliable services, orderly growth, and conformity with LAFCO's legislative mandates. Support efforts that enhance meaningful collaboration between LAFCOs and regional planning agencies.

b. Support LAFCO authority as the preferred method of local governance. Support the availability of LAFCO tools that provide options for local governance and efficient service delivery, including the authority to impose conditions that assure a proposal's conformity with LAFCO's legislative mandates.

c. Support a deliberative and open process for the creation or reorganization of local governments that evaluates the proposed new or successor agency's long-term financial viability, governance structure and ability to efficiently deliver proposed services.

d. Support the availability of tools for LAFCO to insure equitable distribution of revenues to local government agencies consistent with their service delivery responsibilities.

e. Support legislation and collaborative efforts among agencies and LAFCOs that encourage opportunities for sharing of services, staff, and facilities to provide more efficient and cost-effective services.

CHAPTER 2.3
PROCEDURES FOR PREPARING AND PROCESSING ENVIRONMENTAL DOCUMENTS

Adopted: 02/12/2003
Amended: 10/01/2025

SECTION 2.3.1 INTRODUCTION

The California Environmental Quality Act (CEQA) (Public Resources Code (PRC) §21080 and the CEQA Guidelines §15020) require all California public agencies to comply with the environmental review requirements set forth in the statute and CEQA Guidelines.

As an independent public agency of the State of California, Santa Clara LAFCO is subject to the requirements of CEQA. LAFCO may function as "Lead Agency" (CEQA Guidelines §15050) where it undertakes primary responsibility for environmental review, or LAFCO may function as a "Responsible Agency" (CEQA Guidelines §15096) where its CEQA role is typically limited to review of environmental documentation prepared by another public agency.

CEQA Guidelines §15022 requires each agency to develop local procedures for complying with the requirements of CEQA. These rules are adopted pursuant to that authority. As to matters not specifically covered by these procedures, the procedures set forth in the CEQA Guidelines shall control.

CEQA only applies to projects that require discretionary approval by a public agency. Discretionary approval requires use of judgment or subjective criteria on the part of the approving agency. CEQA does not apply to non-discretionary (ministerial) projects. A "project" is defined as the whole of an action that has the potential for resulting in either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment [CEQA Guidelines §15378(a)]. These procedures will be used when preparing and processing environmental documents for Santa Clara LAFCO projects, including but not limited to:

1. Changes of organization or reorganizations,
2. Sphere of Influence (SOI) Establishment, and SOI Updates and Amendments,
3. Urban Service Area Amendments,
4. Out of Agency Service Contracts,
5. Incorporations of Cities,
6. Formations of Special Districts, and

7. All other discretionary projects as defined in PRC §21065 and CEQA Guidelines §15378.

CEQA requires that a Responsible Agency or Lead Agency conduct environmental assessment and prepare environmental documentation consistent with the specific time limits established in the CEQA Guidelines. A summary of typical time limits is provided in *Exhibit 2.3-C*.

SECTION 2.3.2 CEQA PROCEDURES WHERE SANTA CLARA LAFCO IS THE RESPONSIBLE AGENCY

The Responsible Agency is a public entity, other than the Lead Agency, which has responsibility for carrying out or approving a project (PRC §21069). When a project is proposed for which Santa Clara LAFCO will act as the Responsible Agency, ensure that the Lead Agency receives any information needed to prepare an environmental document that provides full disclosure of Santa Clara LAFCO's issues, and permits informed decision. Comments will be provided consistent with the requirements and timelines contained in PRC §21080.3, §21080.4, and CEQA Guidelines §15096. Procedures for processing of environmental documents for LAFCO proposals are included in this Chapter.

1. **Participation in Lead Agency Environmental Review Process**

    a. **Response to Consultation.** When Santa Clara LAFCO is a Responsible Agency, it will respond to consultation requests by the Lead Agency in order to assist the Lead Agency in preparing adequate environmental documents for the project. As part of the consultation process, LAFCO will:

        i. Explain its reasons for recommending whether the Lead Agency should prepare an Environmental Impact Report (EIR) or a Negative Declaration (ND). If LAFCO disagrees with the Lead Agency's proposal to prepare a ND, LAFCO will identify the significant environmental impacts on which it bases its disagreement and recommend to the Lead Agency either that an EIR be prepared or that the project be modified to eliminate the possible significant impacts.

        ii. As soon as possible, but not longer than 30 days after receiving a Notice of Preparation from the Lead Agency, send a written reply by certified mail to the Lead Agency specifying the scope and content of the environmental information which would be germane to Santa Clara LAFCO's statutory responsibilities as the Responsible Agency in connection with the proposed project.

iii. Attend any meetings requested by the Lead Agency or by Santa Clara LAFCO to discuss the scope and content of the EIR.

b. **Comments on Draft EIRs and NDs.** Review and comment on draft EIRs and NDs that have been released for public comment for projects for which Santa Clara LAFCO will later be asked to issue approvals. Comments should focus on any shortcomings in the EIR, the appropriateness of using a ND, or on additional alternatives or mitigation measures which the EIR should include. The comments shall be limited to comments regarding those project activities which are within Santa Clara LAFCO's area of expertise, which would be required to be carried out or approved by LAFCO, or which will be subject to the exercise of powers by LAFCO. Follow up with the Lead Agency as to LAFCO comments to ensure that any information requested is adequately included in the final environmental document.

c. **Adequacy of EIR or Negative Declaration [CEQA Guidelines §15096(e)-(f)].** If Santa Clara LAFCO believes that the final EIR or ND prepared by the Lead Agency is not adequate for its use as the Responsible Agency, it must either:

i. File a CEQA lawsuit within 30 days after the Lead Agency Files a Notice of Determination or be deemed to have waived any objection to the adequacy of the EIR or ND;

ii. Prepare a subsequent or supplemental EIR if permissible under CEQA Guidelines §15162 or §15163; or

iii. Assume the Lead Agency role as provided in CEQA Guidelines §15052(a)(3).

d. **LAFCO Consideration of an EIR or Negative Declaration [CEQA Guidelines §15096(f)-(g)].**

i. Before reaching a decision on an approval related to a project for which a Lead Agency has certified an EIR or adopted a ND, the Commission must consider the environmental effects of the project as shown in the EIR or ND.

ii. When issuing an approval, the Commission must acknowledge that it reviewed and considered the information in the EIR or ND.

iii. Santa Clara LAFCO, as a Responsible Agency, has responsibility for mitigating or avoiding only the direct or indirect environmental effects of those parts of the project which LAFCO proposes to carry out, finance, or approve.

iv. When an EIR has been prepared for a project, if the Commission finds that any alternatives or mitigation measures within its powers are feasible and would substantially lessen or avoid a significant effect of the project, it may not approve the project as proposed but must adopt those mitigation measures or alternatives. Where another public agency has exclusive responsibility for a mitigation measure, the Commission can find under PRC §21081(a) that the measure is within the responsibility and jurisdiction of another public agency and has been, or can and should be, adopted by that other agency.

v. With respect to a project which includes housing development, the Commission shall not reduce the proposed number of housing units as a mitigation measure if it determines that there is another feasible specific mitigation measure available that will provide a comparable level of mitigation.

e. **Adopt Findings and Statement of Overriding Considerations [CEQA Guidelines §15096 (h)-(i)].** When Santa Clara LAFCO is the Responsible Agency, before it can issue an approval for a project for which an EIR was prepared and certified, the Commission must:

i. Adopt findings for those effects within the scope of LAFCO's jurisdiction. The Commission must identify those significant effects and make the findings required under CEQA Guidelines §15091, accompanied by a brief explanation of the rationale for each finding.

ii. If the project being approved includes significant and unavoidable environmental impacts, adopt a Statement of Overriding Considerations that complies with CEQA Guidelines §15093. Such a statement must be included in the record of the project approval and mentioned in the notice of determination filed by the Commission.

iii. Adopt a reporting or monitoring program for the changes to the project that the Commission has adopted or made a condition of its approval.

f. **File Notice of Determination** File a notice of determination stating that LAFCO issued its approval pursuant to the EIR or ND certified or adopted by the Lead Agency. The Notice of Determination need not state that the EIR or ND complies with CEQA.

g. **Grounds for Requiring Subsequent Environmental Documentation (CEQA Guidelines §15162)**. The grounds for requiring a Subsequent

environmental review, in those instances where LAFCO has shifted, under §15052 of the CEQA Guidelines, in designation from a Responsible Agency to the Lead Agency, are any one of the following concerns listed in CEQA Guidelines §15162, on the basis of substantial evidence in the light of the whole record:

i. Substantial changes are proposed in the project that will require major revisions of the original environmental document due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects.

ii. Substantial changes occurred with respect to the circumstances under which the project is undertaken which will require major revisions of the original environmental documentation due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects.

iii. New information of substantial importance, which was known and could not have been known with the exercise of reasonable diligence at the time the original environmental documentation was adopted, shows any of the following:

   (1) The project will have one or more significant effects not discussed in a previous environmental document.

   (2) Significant effects previously considered will be substantially more severe than shown in a previous environmental document.

   (3) Mitigation measures or alternatives previously found infeasible would in fact be feasible and would substantially reduce one or more significant effects of the project, but the project proponents decline to adopt the mitigation measure or alternative.

   (4) Mitigation measures or alternatives which are considerably different from those analyzed in the previous EIR would substantially lessen one or more significant effects on the environment, but the project proponents decline to adopt the mitigation measure or alternative.

An Initial Study should be used to determine whether subsequent environmental review is required. A subsequent EIR or subsequent ND shall be given the same notice and public review as required under CEQA Guidelines §15087 or §15072. A subsequent EIR or ND shall state where the previous document is available and can be reviewed.

h. **Grounds for Requiring Supplemental Environmental Documentation (CEQA Guidelines §15163).** The Commission may undertake Supplemental rather than Subsequent environmental review if:

i. Any of the conditions described in CEQA Guidelines §15162 would require the preparation of subsequent environmental review, and

ii. Only minor additions or changes would be necessary to make the previous environmental document adequately apply to the project in the changed situation.

A supplement to an EIR shall be given the same kind of notice and public review as is given to a draft EIR under CEQA Guidelines §15087. A supplement to an EIR may be circulated by itself without recirculating the previous draft or final EIR. When the Commission decides whether to approve the project, it shall consider the previous EIR as revised by the supplemental EIR. A finding under CEQA Guidelines §15091 shall be made for each significant effect shown in the previous EIR as revised.

i. **Grounds for Requiring Addendum to EIR or Negative Declaration (CEQA Guidelines §15164).** An addendum to a previously certified EIR shall only be prepared by the Commission if some changes or additions are necessary but none of the conditions described in CEQA Guidelines §15162 calling for preparation of a subsequent EIR have occurred.

An addendum to an adopted Negative Declaration (ND) may be prepared if only minor technical changes or additions are necessary or none of the conditions described in CEQA Guidelines §15162 calling for the preparation of a subsequent EIR or ND have occurred.

An addendum need not be circulated for public review but can be included in or attached to the final EIR or adopted ND.

The Commission shall consider the addendum with the final EIR or adopted ND prior to making a decision on the project.

A brief explanation of the decision not to prepare a subsequent EIR pursuant to CEQA Guidelines §15162 should be included in an addendum to an EIR, the Commission's findings on the project, or elsewhere in the record. The explanation must be supported by substantial evidence.

SECTION 2.3.3 CEQA PROCEDURES WHERE LAFCO IS THE LEAD AGENCY

1. **LAFCO's Role as a Lead Agency**

   a. **General Policy.** The Lead Agency is the entity that has the principal responsibility for approving or carrying out a project (PRC §21067). In most cases, Santa Clara LAFCO expects that other agencies will carry out Lead Agency obligations, with LAFCO reviewing the environmental documents as a Responsible Agency.

      When acting as Lead Agency, Santa Clara LAFCO will ensure that all required elements of the CEQA process are completed and conducted consistent with the requirements of CEQA.

   b. **LAFCO as Lead Agency.** Santa Clara LAFCO will function as the Lead Agency when:

      i. It is the first agency to act on an application

      ii. It initiates a proposal (e.g., Sphere of Influence Amendment or a Service Review)

      iii. It enters into an agreement, pursuant to CEQA Guidelines §15051(d), to act as the Lead Agency; or

      iv. The proposal involves any of the following:

         (1) The incorporation of a new city

         (2) The formation of a new special district

         (3) The adoption of a new sphere of influence for an agency

   c. **Questions Concerning Lead Agency Status.** If there is a question regarding whether or not LAFCO will be Lead Agency or whether the proposal is statutorily or categorically exempt, an *Environmental Information Form* (available on the LAFCO website) will need to be completed and signed before meeting with LAFCO staff to determine lead agency status or whether a proposal is exempt.

2. **Application Submittal.** Where Santa Clara LAFCO is to act as the Lead Agency for CEQA processing, the applicant shall submit a completed application, including a fully completed *Environmental Information Form* (available on the LAFCO website). LAFCO shall determine whether the application is complete enough to prepare environmental documentation and may request additional information needed to complete an adequate environmental review under CEQA, as the need arises.

3. **Initial Review and Informal Consultation with Other Agencies .** Once the application is sufficiently complete to initiate environmental review, informally consult with other interested public agencies to obtain their views regarding the potential environmental impacts of the project. This consultation is in addition to a formal consultation required prior to the determination on the appropriate environmental documentation that LAFCO, as the Lead Agency, will prepare. See sections under *Preparation of an Initial Study.*

4. **Making Initial Determinations.** Determine whether the project qualifies for an exemption from preparation of additional environmental documents pursuant to CEQA Guidelines §15061 or whether an Initial Study is needed to determine if the project requires a ND, Mitigated ND, or EIR.

    a. **Determining Whether the Project is Exempt from CEQA (CEQA Guidelines §15061).** Prepare a staff report that includes a description of the project, identifies the applicable exemption in the law or CEQA Guidelines, presents reasons supporting the finding of exemption and a recommendation that the Commission approve the exemption for the project.

    b. **Notice of Exemption (CEQA Guidelines §15062).** If LAFCO determines that the project is exempt, prepare and file a Notice of Exemption (NOE) as described in CEQA Guidelines §15062. Such a NOE shall be filed with the County Clerk-Recorder and the State Clearinghouse. A copy of the NOE will be placed in the project file. The County Clerk-Recorder's Office shall post the NOE within 24 hours of receipt and for at least thirty (30) calendar days following receipt. If a NOE is filed, the statute of limitations is 35 days from the date of the Lead Agency's decision to approve the project, as opposed to 180 days if an NOE is not filed.

    c. **Typical LAFCO Related Categorical and Statutory Exemption.** Please see *Exhibit 2.3-B* for a list of typical LAFCO related categorical and statutory exemptions to CEQA.

    d. **Exceptions or Limitations on the Use of Exemptions.** Please see *Exhibit 2.3-B* for information about limitations on the use of exemptions.

5. **Preparation of an Initial Study**

    a. **Conducting of the Initial Study (CEQA Guidelines §15063).** If Santa Clara LAFCO determines that a project is not exempt, then prepare an Initial Study pursuant to CEQA Guidelines §15063, including completion of an Initial Study Checklist to determine whether the project will be processed

with a ND, Mitigated ND, or EIR. LAFCO may use information provided in the *Environmental Information Form* prepared by the applicant, and information from any other appropriate source.

b. **Formal Consultations with Responsible and Trustee Agencies (PRC §21080.3).** Prior to determining whether a ND, Mitigated ND, or EIR is required for a project, consult with all responsible agencies, trustee agencies, and with any other public agency which has jurisdiction by law over natural resources affected by the project which are held in trust for the people of the State of California. Prior to that required consultation, LAFCO may informally contact any such agency.

c. **AB 52 Tribal Consultation (PRC §21080.3.1).** Within 14 days of determining that an application for a project is complete or a decision by LAFCO to undertake a project, provide formal written notice to the designated contact of California Native American tribes that have requested notice of proposed projects. Such written notice shall include a brief description of the proposed project and its location, the LAFCO's contact information, and a notification that the California Native American tribe has 30 days to request consultation pursuant to this section.

   Prior to the release of a ND, Mitigated ND, or EIR for a project, begin consultation with a California Native American tribe that is traditionally and culturally affiliated with the geographic area of the proposed project if: (1) the California Native American tribe requested to Santa Clara LAFCO, in writing, to be informed by LAFCO through formal notification of proposed projects in the geographic area that is traditionally and culturally affiliated with the tribe, and (2) the California Native American tribe responds, in writing, within 30 days of receipt of the formal notification, and requests the consultation.

d. **Environmental Determination (CEQA Guidelines §15064).** Based on the Initial Study and any consultations, determine whether to prepare a ND, Mitigated ND, or EIR for the project, and provide notice of that decision to the project applicant.

6. Negative Declaration / Mitigated Negative Declaration Process

a. Determining Whether to Prepare a Negative Declaration (ND) or Mitigated Negative Declaration (MND) (CEQA Guidelines §15070-§15075). A ND or MND may be prepared when the Initial Study shows that:

i. There is no substantial evidence that the project may have a significant effect;

ii. The Initial Study identified potentially significant effects but changes in the project proposal were made which eliminated the effects;

iii. Changes to the project have been proposed for adoption by LAFCO which eliminate adverse effects, or render them less than significant; or

iv. There is no substantial evidence that the project as revised may have significant effects on the environment.

b. **Contents of the Negative Declaration (ND) or Mitigated Negative Declaration (MND) (CEQA Guidelines §15071).** The ND or Mitigated ND must consist of the following:

i. A brief description of the project, including a commonly used name for the project,

ii. The location of the project (preferably shown on a map) and the name of the project proponent,

iii. Statement finding that the project will not have a significant effect on the environment,

iv. Attached copy of the Initial Study documenting reasons to support the above finding, and

v. Presentation of mitigation measures, if any, included in the project to avoid potentially significant effects.

c. **Notice of Intent to Adopt Negative Declaration and Public Review Period (CEQA Guidelines §15072).** A Notice of Intent to adopt or consider a ND or Mitigated ND must be provided to the public, responsible agencies, trustee agencies, and the county clerk of each county within which the proposed project is located, not less than twenty (20) days in advance of the hearing. When a proposed ND or Mitigated ND and Initial Study are submitted to the State Clearinghouse for review by state agencies, the public review period must not be less that 30 days, unless a shorter period is approved by the State Clearinghouse. The shortened review period must not be less than twenty (20) days. If a public agency comments upon the ND or Mitigated ND, that agency will be provided with notice of public hearings on the project. The notice must satisfy the requirements of PRC §21092.

The Notice of Intent must be provided pursuant to CEQA Guidelines §15072:

i. By mail to all organizations and individuals who previously requested notice in writing. [CEQA Guidelines §15072(b)]

ii. By publication at least one time in a newspaper of general circulation in the area affected by the project. [CEQA Guidelines §15072(b)(1)]

iii. The notice must be posted in the County Clerk-Recorder's Office of each county within which the proposed project is located for a period of at least 20 days. [CEQA Guidelines §15072(d)]

iv. In the case of a project of statewide, regional, or areawide significance, the lead agency shall also provide notice to:

(1) Transportation planning agencies and public agencies which have transportation facilities within their jurisdictions which could be affected by the project as specified in PRC §21092.4(a) and CEQA Guidelines §15072(e), and

(2) The State Clearinghouse as specified in CEQA Guidelines §15073(d). See *Exhibit 2.3-A* for additional guidance.

v. If the United States Department of Defense or any branch of the United States Armed Forces has given Santa Clara LAFCO written notification of the specific boundaries of a low-level flight path, military impact zone, or special use airspace and provided LAFCO with written notification of the military contact office and address for the military service pursuant to subdivision (b) of §15190.5, then notice shall also be given to specified military contact office.

See CEQA Guidelines §15072(g) for information that is required to be included in a Notice of Intent.

d. **Determination of Adequacy of the ND or Mitigated ND By the Commission (CEQA Guidelines §15074)**

i. Public hearings must be held on all Negative Declarations.

ii. Prior to approval of the project, the Commission must consider the proposed ND or Mitigated ND together with any comments received during the public review process and must find that the ND or Mitigated ND is adequate and complete, that the project will not have a significant effect on the environment, and that the ND or Mitigated ND reflects the Commission's independent judgement and analysis. In

the case of Mitigated NDs or other projects that have been modified to reduce or eliminate one or more significant effects, assure that such modification is a part of the project record and is included as a condition or other requirement of approval.

iii. When adopting a ND or Mitigated ND, the Commission shall specify the location and custodian of the documents or other material which constitute the record of proceedings upon which its decision is based.

iv. When adopting a Mitigated ND, the Lead Agency shall adopt a program for reporting on and monitoring changes which it has either required in the project or made a condition of approval to mitigate or avoid significant environmental effects.

v. If the Commission decides not to adopt mitigation measures or revisions that remediate potential adverse environmental impacts to a less than significant level, and desires to consider approving the project; an EIR must be prepared prior to the consideration of the project.

vi. The Commission shall not adopt a ND or Mitigated ND for a project within the boundaries of a comprehensive airport land use plan or, if a comprehensive airport land use plan has not been adopted, for a project within two nautical miles of a public airport or public use airport, without first considering whether the project will result in a safety hazard or noise problem for persons using the airport or for persons residing or working in the project area.

e. Mitigation Monitoring and Reporting Program (MMRP) (CEQA Guidelines §15097). The MMRP shall include:

i. A list of mitigation measures stated exactly as adopted by the Commission;

ii. For each mitigation measure, actions that need to be taken by the project proponent, other public agencies and LAFCO will be listed;

iii. For each mitigation measure, every action needed to complete the mitigation measure shall be clearly described and include an anticipated date or timetable for completion;

iv. For each mitigation measure, a section where field notes, status information and problem resolution data can be entered;

v. For each mitigation measure, required Santa Clara LAFCO verification action.

f. **Filing of the Notice of Determination (CEQA Guidelines §15075).** If the Commission decides to carry out or approve the project, prepare a Notice of Determination (NOD) substantially in the form prescribed in CEQA Guidelines §15094(b). The filing of the NOD starts a 30-day statute of limitation on court challenges to the approval under CEQA. The NOD can be filed only with either an exemption from the Fish and Game fees, or a check for the current fee. An Environmental Declaration form indicating the fee status must be filed with all NODs that go to the County Clerk at the Recorder's Office. If it appears that the proposed project will not impact wildlife habitat, no fees are required. However, LAFCO is required to request and receive a California Department of Fish and Game "No Effect Determination." The NOD and the "No Effect Determination" must be:

i. Filed with the County Clerk-Recorder within 5 working days after the approval of the project. The County Clerk-Recorder will post the NOD within 24 hours of receipt and keep it posted for 30 days.

ii. Posted on the Santa Clara LAFCO website.

iii. Electronically filed with the State Clearinghouse within 5 working days after approval of the project.

g. **Rejecting the Negative Declaration or Mitigated Negative Declaration (MND). [PRC §21157.5 and CEQA Guidelines §15073.5(d)]** If the Commission determines that an Environmental Impact Report (EIR) is needed for a project for which a ND or Mitigated ND has previously been prepared or filed, prepare a Draft EIR. The Commission will continue the hearing on the project to a future date whereupon the Draft EIR will be available.

SECTION 2.3.4 ENVIRONMENTAL IMPACT REPORT PROCESS (CEQA GUIDELINES §15080-§15096)

1. Draft Environmental Impact Report (EIR) Process

a. **Submission of Additional Information.** If the Initial Study indicates the need for an EIR, ask the applicant to submit additional information needed to prepare the Draft EIR. Preparation of the Draft EIR will not commence until LAFCO has determined that all necessary information has been received.

b. **Notice of Preparation (NOP) (PRC §21080.4 and CEQA Guidelines §15082)**. After determining that an EIR is required, complete a NOP stating that an EIR will be prepared pursuant to CEQA Guidelines §15082. The NOP will be sent to each known Responsible Agency, Trustee Agency, the State Clearinghouse, every federal agency involved in approving or funding the project, and the military contact office (if applicable), and filed with the county clerk of each county in which the project will be located. The NOP will provide Responsible Agencies with sufficient information describing the project and environmental effects to enable them to provide meaningful responses. The NOP must include:

   i. A description of the project.

   ii. The location of the project indicated on an attached map.

   iii. The probable environmental effects of the project.

   iv. A copy of the Initial Study when appropriate.

c. **EIR Scoping (PRC §21080.4).** In addition to any formal or informal consultations, consult with affected agencies, technical experts, or interested persons and groups in order to maximize the quality of, and disclosures contained in, the environmental document. When requested by a Responsible Agency, Trustee Agency or project applicant, convene a meeting to discuss the scope and content of the proposed EIR as soon as possible, but not later than thirty (30) days after the meeting is requested. Meetings may also be held with interested individuals, technical experts, CEQA professionals or others who can contribute to completion of an adequate CEQA document.

d. **Preparation of the Draft EIR.** The Draft EIR must contain all the information required by Article 9 of the CEQA Guidelines (§15120-§15132).

e. **Notice of Completion.** As soon as the Draft EIR is completed, file a Notice of Completion with the State Clearinghouse as provided in CEQA Guidelines §15085.

f. **Public Notice of Availability of Draft EIR (CEQA Guidelines §15087 and §15105).** A public notice of the availability of the Draft EIR must be provided at the same time as a Notice of Completion is sent to the State Clearinghouse. The public review period for the Draft EIR must be not less than (30) days nor should it be longer than (60) days in advance of the hearing.

When a proposed Draft EIR is submitted to the State Clearinghouse for review by state agencies, the public review period must not be less than 45 days unless a shorter period is approved by the State Clearinghouse. The shortened review period must not be less than thirty (30) days. If a public agency comments upon the Draft EIR, that agency will be provided with notice of public hearings on the project. The notice must satisfy the requirements of PRC §21092. The Notice of Availability of Draft EIR must be provided:

i. By mail to all organizations and individuals who previously requested notice in writing,

ii. By publication in a newspaper of general circulation in the area affected by the project,

iii. Posted in the County Clerk-Recorder's offices for a period of at least 30 days, and

iv. Electronically filed with the State Clearinghouse. See *Exhibit 2.3-A* for additional guidance.

g. **Seeking Comments on Draft EIR (CEQA Guidelines §15086).** Santa Clara LAFCO shall consult with and request comments on the Draft EIR from:

i. Responsible Agencies,

ii. Trustee Agencies with resources affected by the project,

iii. Any other State, Federal, and local agencies which have jurisdiction by law with respect to the project or agencies with resources affected by the project, including water agencies,

iv. Any city or county which borders on a city or county within which the project is located,

v. For a project of statewide, regional, or areawide significance, the transportation planning agencies and public agencies which have transportation facilities within their jurisdictions which could be affected by the project and public transit agencies with facilities within one-half mile of the proposed project

vi. For a subdivision project located within one mile of a facility of the State Water Resources Development System, the California Department of Water Resources.

h. **Written Comments on the Draft EIR (CEQA Guidelines §15088).** During the Public Review Period any interested person may submit written comments on the draft EIR to the Commission.

i. **Response to Written Comments on Draft EIR (CEQA Guidelines §15088).** Evaluate comments on environmental issues received from persons who reviewed the draft EIR and prepare a written response by revising the Draft EIR or by including a separate section with responses in the Final EIR. The proposed response must be provided to the commentor 10 days prior to the Commission's certification of the EIR. The responses shall comply with the requirements set forth in CEQA Guidelines §15088(c).

2. EIR / Final EIR Contents (CEQA Guidelines §15132). The EIR must contain the following:

a. The Draft or revised Draft EIR,

b. Comments and recommendations received on the Draft EIR either verbatim or in summary,

c. A list of persons, agencies and organizations commenting on the Draft EIR,

d. Responses to significant environmental points raised during the review and consultation processes, and

e. Any information added, or corrections made, by the Lead Agency

3. **EIR Distribution.** Distribute the Final EIR to those agencies and persons who submitted comments on the Draft EIR.

4. **EIR Public Hearing.** At the public hearing, the Commission shall consider the contents of the EIR; consider written comments and the responses provided, and any oral testimony. If no substantive questions are raised regarding the content or adequacy of the EIR, certify the EIR as a Final EIR. If the EIR is substantially questioned as to content or if testimony received requires responses, continue the hearing and prepare responses that will be incorporated into a Final EIR (CEQA Guidelines §15088).

5. Final Environmental Impact Report (FEIR) Process

a. **Submission of Additional Information.** As a result of questions raised during the Draft EIR process, the project applicant may be required to submit additional information necessary for preparation of the Final EIR.

b. **Final EIR Public Hearing.** At the public hearing, the Commission shall consider the Final EIR; hear any testimony relative to the Final EIR from those in attendance at the hearing; certify that the Final EIR has been

completed in compliance with CEQA and State Guidelines, and that the Commission has reviewed and considered the information contained in the Final EIR; and adopt any findings as required by this section (CEQA Guidelines §15091). The Final EIR must be certified prior to action upon the project.

c. **Additional Information.** If the Commission intends to approve a project for which the Final EIR identifies one or more significant effects, it may require the proponent of the project to provide and submit evidence into the record to substantiate the need to approve the project notwithstanding the identification of the significant environmental effects of the project as proposed.

d. **FEIR Certification (CEQA Guidelines §15090).** Prior to approving a project the Commission shall certify that:

   i. The Final EIR has been completed in compliance with CEQA and CEQA Guidelines; and

   ii. The document reflects the independent judgment and analysis of LAFCO; and

   iii. LAFCO has reviewed and considered the information contained in the FEIR prior to approving the project.

6. Significant Effects-Finding Required

a. **Findings (CEQA Guidelines §15091).** The Commission must not approve a project for which a Final EIR has been certified and which identifies one or more significant environmental effects of the project unless it makes one or more written findings for each of those significant effects, accompanied by a brief explanation of the rationale for each finding (CEQA Guidelines §15091). Oral findings may be made and approved by the Commission as part of the hearing process, provided the findings are transcribed and placed in the project file.

Each finding must be supported by substantial evidence in the record. No action on a project will be considered final until findings are adopted. Possible findings are:

   i. Changes or alterations have been required in, or incorporated into, the project which mitigate or avoid the significant environmental effects thereof as identified in the Final EIR [GC §15091(a)(1)];

ii. Such changes or alterations are within the responsibility and jurisdiction of another public agency and have been adopted by such other agency, or can and should be adopted by such other agency [GC §15091(a)(2)]; and

iii. Specific overriding public health and safety, economic, legal, social, economic, technological or other benefits of the project outweigh the significant effects on the environment and identified considerations render proposed mitigation measures or project alternatives identified in the Final EIR infeasible. Each finding must include a description of the specific reasons for rejecting identified mitigation measures and project alternatives. [GC §15091(a)(3)]

b. **Mitigation Monitoring and Reporting Program (MMRP)**. If mitigation measures are adopted by the Commission for the purpose of reducing the environmental impacts of a project, a mitigation monitoring and reporting program must be prepared and adopted by the Commission prior to the approval of a proposed project and pursuant to PRC §21081.6.

The MMRP must include:

i. A list of mitigation measures stated exactly as adopted by the Commission.

ii. For each mitigation measure, actions that need to be taken by the project proponent, other public agencies and Santa Clara LAFCO will be listed.

iii. For each mitigation measure, every action needed to complete the mitigation measure must be clearly described and include an anticipated date or timetable for completion.

iv. For each mitigation measure, a section where field notes, status information and problem resolution data can be entered.

v. For each mitigation measure, required LAFCO verification action.

c. **Statement of Overriding Considerations (CEQA Guidelines §15093).** When the Commission approves a project which will result in the occurrence of significant effects which are identified in the Final EIR but are not avoided or substantially lessened, the Commission shall state in writing the specific reasons to support its action based on the Final EIR and/or other information in the record. Such statement is referred to as the Statement of Overriding Considerations. The Statement of Overriding

Considerations should explain how specific economic, legal, social, technological, or other benefits, including region-wide or statewide environmental benefits, of a proposed project outweigh the unavoidable adverse environmental effects. The Statement of Overriding Considerations shall be supported by substantial evidence in the record. The Statement of Overriding Considerations should be included in the record of the project approval and should be mentioned in the notice of determination.

d. **Filing of the Notice of Determination (CEQA Guidelines §15094).** If the Commission decides to carry out or approve the project, prepare a Notice of Determination (NOD) substantially in the form prescribed in CEQA Guidelines §15094(b). The filing of the NOD starts a 30-day statute of limitation on court challenges to the approval under CEQA. The NOD must be:

   i. Filed with the County Clerk-Recorder within 5 working days after the approval of the project. The County Clerk-Recorder shall post the NOD within 24 hours of receipt and keep it posted for 30 days. The County Clerk-Recorder will return the notice to Santa Clara LAFCO with a notation of the period during which it was posted. Santa Clara LAFCO will retain the notice for not less than twelve (12) months.

   ii. Electronically filed with the State Clearinghouse within 5 working days.

EXHIBIT 2.3-A: REVIEW BY STATE AGENCIES

1. **State Clearinghouse Review.** EIRs and NDs to be reviewed by State agencies must be submitted to the State Clearinghouse as prescribed in CEQA Guidelines §15205 and §15206.

    a. **State Agency Review of Projects of Statewide, Regional or Areawide Significance.** State review will proceed according to the following provisions:

        i. EIRs and Negative Declarations must be submitted to the State Clearinghouse, as prescribed in CEQA Guidelines §15206, whenever it is determined that a project may be of statewide, regional or areawide significance.

        ii. Request that the State Clearinghouse transmit a copy of each project's State Clearinghouse distribution list to Santa Clara LAFCO.

    b. **State Fish and Game Department Environmental Review Fees**. If the State Clearinghouse distribution list indicates that a project has been reviewed by the State Department of Fish and Wildlife, the project will be determined to have an effect on fish and wildlife. LAFCO may also determine that a project will have an effect on fish and wildlife, and may submit a project to the State Department of Fish and Wildlife specifically for environmental review purposes, independent of action by the State Clearinghouse. In either case, the project will be subject to State Fish and Game fees pursuant to PRC §21089 and §711.4 of the State Fish and Game Code regulations. LAFCO shall notify the project proponent of the need to pay State Fish and Game fees.

    LAFCO shall not approve a project for which an EIR or Negative Declaration has been prepared and which will have an effect on fish and wildlife until State Fish and Game Department fees have been paid. Pursuant to State law, a project found to have an effect on fish and wildlife cannot be vested or approved until Fish and Game fees have been paid.

    LAFCO may continue any hearing so that the applicant can remit required fees as permitted by the CKH Act. Unless otherwise ordered by the Commission, any public hearing continued solely for the purpose of collecting fees shall be deemed closed and additional evidence and testimony shall not be taken. The Commission may place a condition of approval on the project requiring payment prior to finalizing the proposal.

If a project is found to have an effect on fish and wildlife, and fees have been paid, Santa Clara LAFCO must note in the public record that Fish and Game fees have been paid pursuant to PRC §21089. LAFCO shall maintain proof of fee payment in the project history file. LAFCO will also include the final approving body's findings and record of fee payment on the Notice of Determination for a project. Fees will be deposited with the County Clerk-Recorder.

EXHIBIT 2.3-B: CATEGORICAL AND STATUTORY EXEMPTIONS

1. Typical LAFCO Related Categorical Exemptions

There are currently thirty-three Categorical Exemptions that have been created by the State of California pursuant to PRC §21084 and CEQA Guidelines §15300.4. The following is a list of typical LAFCO related categorical exemptions:

a. Class 1 - Existing Facilities (CEQA Guidelines§ I 5301).

b. Class 2 - Replacement or Reconstruction (CEQA Guidelines §15302).

c. Class 3 - New Construction or Conversion of Small Structures (CEQA Guidelines §15303).

d. Class 4 - Minor Alterations to Land (CEQA Guidelines §15304).

e. Class 6 - Information Collection (CEQA Guidelines §15306).

f. Class 7 - Actions by Regulatory Agencies for Protection of Natural Resources (CEQA Guidelines §15307).

g. Class 8 - Actions by Regulatory Agencies for Protection of the Environment (CEQA Guidelines §15308).

h. Class 19 - Annexations of Existing Facilities and Lots for Exempt Facilities (CEQA Guidelines §15319). Class 19 applies to two types of annexations:

   i. Annexations to a city or special district of areas containing existing public or private structures developed to the density allowed by the current zoning or pre-zoning of either the gaining or losing governmental agency whichever is more restrictive, provided however that the extension of utility services to the existing facilities would have the capacity to serve only the existing facilities.

   ii. Annexations of individual small parcels of the minimum size for facilities exempted by CEQA Guidelines §15303, New Construction or Conversion of Small Structures.

i. Class 20 - Changes in Organization of Local Agencies (CEQA Guidelines §15320). Class 20 consists of changes in the organization or reorganization of local agencies that do not change the geographical area in which previous existing powers are exercised. Examples include but are not limited to:

   i. Establishment of subsidiary district;

   ii. Consolidation of two or more districts having identical powers; and

iii. Merger with a city of a district lying entirely within the boundaries of the city.

2. Statutory Exemptions

There are several types of projects, such as emergency repairs, fee adoption, ministerial projects, and feasibility or planning studies, which are statutorily declared exempt from the requirements of CEQA. All statutory exemptions are listed in CEQA Guidelines §15260-15285.

3. Exceptions or Limitations on the Use of Exemption (CEQA Guidelines §15300.2)

The following are limitations on the use of exemptions:

a. Class 3, 4, 5, 6, and 11 are qualified by consideration of where the project is to be located - a project that is ordinarily insignificant in its impact on the environment may in a particularly sensitive environment be significant. Therefore, these classes are considered to apply in all instances, EXCEPT where the project may impact on an environmental resource of hazardous or critical concern where designated, precisely mapped, and officially adopted pursuant to law by federal, state or local agencies [§15300.2(a)].

b. All exemptions are inapplicable when the cumulative impact of successive projects of the same type in the same place, over time is significant[§15300.2(b)].

c. A categorical exemption cannot be used for an activity where there is a reasonable possibility that the activity will have a significant effect on the environment due to unusual circumstances [§15300.2(c)].

d. A categorical exemption cannot be used for a project that may result in damage to scenic resources, including but not limited to, trees, historic buildings, rock outcroppings, or similar resources, within a highway officially designated as a state scenic highway. This does not apply to improvements that are required as mitigation by an adopted negative declaration or certified EIR. [§15300.2(d)]

e. A categorical exemption shall not be used for a project located on a site which is included on any list compiled pursuant to GC §65962.5. [§15300.2(e)].

f. A categorical exemption shall not be used for a project which may cause a substantial adverse change in the significance of a historical resource. [§15300.2(f)].

EXHIBIT 2.3-C: TYPICAL CEQA TIME LIMITS

LAFCO must follow the time limits set forth in CEQA Guidelines, Article 8, §15100-15112, in processing environmental documents. CEQA Guidelines §15111 provides that where the principal act governing a public agency's consideration provides for time limits for processing an application that are shorter than those authorized under CEQA, then the application must not be deemed accepted under the principal act until CEQA compliance has occurred. Santa Clara LAFCO is governed by the CKH Act. GC §56658(h) of the CKH Act sets a mandatory ninety (90) calendar-day time period from acceptance of an application to time of hearing before the Commission. Since this is inadequate time to complete certain environmental review processes, applications for the purposes of compliance with CKH Act must not be deemed complete until the CEQA process has reached a point where it can be completed within the ninety (90) calendar-day time limits of CKH Act. See table below for typical CEQA timelines.

TRIGGER EVENT	ACTION REQUIRED	TIME PERIOD	CODE SECTION
As soon as the application is deemed complete for CEQA review purposes.	Lead Agency is encouraged to consult with responsible agencies before and during preparation of an EIR so that the document will meet the needs of all agencies which will use it.	Before and during the preparation of an EIR	§15060.5 CEQA Guidelines
As soon as Lead Agency has determined that an initial study will be required for the project.	Lead Agency shall consult informally with all responsible agencies and all trustee agencies responsible for resources affected by the project to obtain the recommendations of those agencies as to whether an EIR or a negative declaration should be prepared.		§15063(g) CEQA Guidelines

TRIGGER EVENT	ACTION REQUIRED	TIME PERIOD	CODE SECTION
After receiving a consultation or scoping request from a Lead Agency.	Responsible Agency provides contact name, consults with Lead Agency, explains reasons for supporting or opposing an environmental determination, identifies issues, may attend meetings.	30 days	§15096 (b)(1) and (c) CEQA Guidelines
After LAFCO / other agency / applicant requests a scoping meeting.	Convene a meeting/consultation.	30 days	§15104 CEQA Guidelines
After receiving a Notice of Preparation from a Lead Agency.	Responsible Agency comments on the scope and content of the review of issues pertinent to its authorities.	As soon as possible but within 30 days	§15096 (b)(2) CEQA Guidelines
Conducting an Initial Study.	Make environmental determination (ND or EIR).	30 days (with 15 day extension option)	§15102 CEQA Guidelines
After application is deemed complete.	Prepare and adopt a Negative Declaration.	180 days	§15107 CEQA Guidelines
	Prepare and certify an EIR.	1 year with a 90 day extension (private initiated projects)	§15108 CEQA Guidelines

TRIGGER EVENT	ACTION REQUIRED	TIME PERIOD	CODE SECTION
Hiring a consultant after environmental determination.	Hire the consultant.	45 days (applicant can consent extension)	PRC §21151.5(b)
After completing a ND or MND.	Begin public review period.	20 days	§15105(b) CEQA Guidelines
		30 days if sent to Clearinghouse	
After completing a Draft EIR.	File a Notice of Completion.	As soon as the Draft EIR is issued	§15085(a) CEQA Guidelines
After completing a Draft EIR.	Begin public review period.	30 days minimum and no longer than 60 days except in unusual circumstances	§15105(a) CEQA Guidelines
		Not less than 45 days, unless a shorter period (not less than 30 days) is approved by the State Clearinghouse	
Provide public notice of public review period.	Post, publish, and/or mail notice of public review period.	At least the number of days required for public review	§15072(a) and §15087(a) CEQA Guidelines

TRIGGER EVENT	ACTION REQUIRED	TIME PERIOD	CODE SECTION
Provide public notices.	Post notice in County Recorder's Office.	Within 24 hours of receipt, 20 days (ND), 30 days (EIR)	PRC §21092.3
Receive comments from a public agency.	Respond to Comments on a Draft EIR in writing.	Provide responses to public agency 10 days before Final EIR certified	PRC §21092.5(a) and (b)
	Notify public agency of hearing on ND for which responses were received.	Is satisfied if public hearing notice provided to agency	
After project approval.	File / Post Notice of Determination with County Recorder.	Within 5 working days of approval, post within 24 hours	§15094(a) and (e) CEQA Guidelines
After project approval.	File / Post Notice of Exemption with County Recorder to change legal challenge period from 180 to 35 days.	After approval	§15062(d) CEQA Guidelines
Notice of Determination filed/posted.	File legal challenges.	35 calendar days from filing date	§15094 CEQA Guidelines

PART 3.
POLICIES FOR EVALUATING PROPOSALS

CHAPTER 3.1
COUNTYWIDE URBAN DEVELOPMENT POLICIES

Adopted: 12/01/1971
Reaffirmed: 04/06/2022

SECTION 3.1.1 INTRODUCTION

In the early 1970s, LAFCO, the County, and the 15 cities adopted1 a set of fundamental growth management policies known as the Countywide Urban Development Policies (CUDPs). This pioneering and cooperative effort to guide future growth and development in Santa Clara County established jurisdictional roles, responsibilities, and regulatory systems for the timing and location of urban development. Its most central policy required urban growth and development to be located within cities and for unincorporated lands outside cities to remain rural.

Today, the CUDPs remain the foundation of all LAFCO policies, and of the cities' and County general plans. Furthermore, they serve as a living example of how collaboration between LAFCO, the County, and the cities, built on sound planning and growth management principles, help to discourage urban sprawl, preserve agricultural and open space lands, and promote efficient urban services delivery.

In the years immediately following their adoption, the CUDPs were documented in various adopted plans. These included the County's 1973 Urban Development / Open Space Plan, a countywide element of its general plan, and various general plans of the cities. The CUDPs formed the fundamental basis for the County's first consolidated 1980 County General Plan, and today, these policies are carried forward in the current Santa Clara County General Plan, the Envision San Jose 2040 General Plan, and are reflected in portions of most other cities' general plans.

These fundamental policies were incorporated and interwoven into various LAFCO policies over the years, forming an inseparable part of LAFCO law and policy for Santa Clara County. Given their long-term significance and ongoing applicability to planning and decision making in the future, this chapter provides an authoritative definition of

[1] LAFCO adopted the CUDPs on December 1, 1971; the County Board of Supervisors adopted them on January 12, 1972; and the cities adopted them between December 1971 and April 1972.

the oft-referenced CUDPs, and comprehensively documents their history and their ongoing beneficial impacts.

SECTION 3.1.2 HISTORY

When LAFCO was created in 1963, Santa Clara County was experiencing dramatic growth in population and economic development; however, it lacked a system to plan for the needs of the rapidly growing population and to manage the unbridled competition between the cities and County for territory and tax base. Annexation wars raged as cities competed with each other for land to meet growth needs exclusively by means of expansion, while the County, which still had a major percentage of the territorial jurisdiction of the North Valley, also allowed subdivisions and commercial development wherever possible. Cities leapfrogged over undeveloped lands and annexed long, narrow strips of land along public roads in order to annex farmlands whose owners were seeking to develop.

This period of the county's history caused significant jurisdictional fragmentation and transformed the natural landscape. Some cities pursued defensive annexations in order to block other cities from annexing lands in their vicinity. Seeking to avoid annexation by nearby cities, many landowners and residents incorporated as new cities. In the decade leading up to 1963, seven new cities were formed, and by 1963 there were 63 special districts in existence (not including school districts). The proliferation of special districts provided specialized municipal services (e.g., sewer / sanitation, water, fire protection) to new urban development, with resultant fragmentation and duplication of utilities and urban services.

This disorderly, unmanaged growth also resulted in rapid conversion of productive farmland to urban and suburban land uses, and by the early 1960s much of the farmland in the northern part of the county was urbanized. The county once known as the "Valley of Heart's Delight," with fruit orchards and farms spanning the valley floor, could best be described as a sprawling patchwork of development, with fragmented services and illogical jurisdictional boundaries that were difficult and costly to serve.

As the economic and environmental costs of sprawl began to be better understood, a cooperative, solution-oriented approach was sought. LAFCO took the lead, and in 1967 adopted "boundary agreement lines" that served as a "cease fire" solution to the annexation wars. These boundary agreement lines, (originally called Spheres of Influence) as agreed to by the cities, divided the entire county into 15 separate areas and defined which lands could potentially be annexed into each of the cities. These agreements, now superseded by the function of Urban Service Areas (USA) and Spheres of Influence, provided a stable foundation for LAFCO, the 15 cities and the County to then discuss how to manage urban development in the county for the long term. Those

discussions soon led to the development of a countywide policy framework through an unprecedented system of intergovernmental planning and cooperation, when LAFCO, the County and the 15 cities jointly adopted the Countywide Urban Development Policies.

SECTION 3.1.3 COUNTYWIDE URBAN DEVELOPMENT POLICIES

The intent of adopting the CUDPs was for LAFCO, the County, and cities to establish a mutually agreed upon and long-term system to sustainably manage growth on a countywide basis. The CUDPs identify the distinct roles and expectations regarding the service responsibilities of the cities versus the county. They allow for urbanization in a manner that will accommodate the development goals of individual communities while conserving the natural resources of the county as a whole. They promote efficient and effective delivery of community services for existing and future residents / taxpayers, and they provide a stable and predictable foundation that allows for cooperative intergovernmental relations.

In brief, the fundamental CUDPs are stated as follows:

1. Urban development should occur, and urban services should be provided only on lands annexed to cities – and not within unincorporated areas, urban or rural.
2. Urban expansion should occur in an orderly, and planned manner – with cities responsible for planning and providing services to urban development within explicitly adopted Urban Service Areas (USA) whose location and expansion is subject to LAFCO approval authority.
3. Urban unincorporated islands within USAs should eventually be annexed into their surrounding cities, so that cities have the responsibility for urban services and land use authority over all lands within their USA boundaries.

SECTION 3.1.4 IMPLEMENTATION OF THE COUNTYWIDE URBAN DEVELOPMENT POLICIES

The CUDPs established important mutual commitments between the County and the 15 cities regarding timing and location of urban development. Implementation of these policies occurred by means of an evolving collaborative partnership between cities, the County, and LAFCO.

The **County** agreed to no longer compete with the cities for new urban development and undertook a series of actions to fulfill its commitment to the CUDPs. For lands outside city USAs, the County adopted its 1980 General Plan with land use plan designations and zoning districts that significantly limited allowable uses and densities of development, typically with minimum lot sizes of 20 acres per parcel up to 160 acres per parcel.

For lands within USAs, as early as in 1975, the County approved ordinances and adopted referral procedures that provided the opportunity for a city to annex lands within unincorporated islands as a pre-requisite to proposed new urban development. The County also amended its development ordinances and policies to require that discretionary land use approvals such as subdivisions, zone changes, and use permits within city USAs conform to the general plans of the cities.

The **cities** assumed full responsibility to plan for and accommodate needed urban growth and prepared USA maps identifying lands they intended to annex in order to develop and provide urban services within 5 years. The cities submitted their proposed USA boundaries to LAFCO for approval and committed to annex lands within the USA, including unincorporated islands, which were generally the result of past annexation practices and the annexation wars.

LAFCO conducted hearings and adopted the USA boundaries for each of the 15 cities on the following dates.

Campbell	November 1, 1972
Cupertino	March 4, 1973
Gilroy	December 6, 1972
Los Altos	June 6, 1973
Los Altos Hills	January 3, 1973
Los Gatos	April 4, 1973
Milpitas	December 6, 1972
Monte Sereno	December 6, 1972
Morgan Hill	October 4, 1972
Mountain View	February 7, 1973
Palo Alto	April 4, 1973
San Jose	October 4, 1972
Santa Clara	November 1, 1972
Saratoga	March 4, 1973
Sunnyvale	December 6, 1972

LAFCO then became responsible for decision-making regarding future modifications to the cities' USA boundaries, in order to achieve the mutual goals that these policies established, such as agricultural land preservation, hillside preservation, and orderly, efficient and sustainable growth patterns. LAFCO's role in this regard is unique to Santa Clara County and is codified in state law.

From their inception to today, the CUDPs are essential and integral to all other LAFCO goals and policies. Therefore, LAFCO formally recognizes and affirms the CUDPs as the foundation of land use planning in Santa Clara County and all related policy and decision-making.

SECTION 3.1.5 LASTING BENEFITS OF THE COUNTYWIDE URBAN DEVELOPMENT POLICIES

Collaborative implementation of and steadfast commitment to these policies have made Santa Clara County a much more livable, sustainable place than it would otherwise have become. The CUDPs and their systematic approach to managing urban growth have benefited the county as a whole and all its residents in multiple and mutually-reinforcing ways to promote:

- **Sustainable Growth:** ensuring sustainability and livability of communities by ensuring quality of life is not sacrificed to disorderly growth;
- **Fiscal Responsibility and Resiliency:** minimizing costs to taxpayers for public infrastructure and services through compact growth;
- **Environmental Stewardship:** safeguarding air and water quality, wildlife habitat, and water supply reservoir watersheds, and preventing loss of public open space assets critical to ecological balance;
- **Affordable and Responsibly-Located Housing:** promoting complete and efficient use of existing urbanized lands within cities, building within rather than outward, resulting in more cost efficient housing opportunities close to transit and services;
- **Transportation Options:** reducing sprawl and promoting compact development to reduce traffic demand generated by outward growth, emissions and pollution from vehicles, reduce longer commute distances, and encouraging urban densities supportive of transit solutions;
- **Open Space and Farmland Preservation:** protecting open space, parklands, hillsides and farmlands from premature and/or unwarranted development.

Taken together, all of these beneficial outcomes are part of the future-oriented approach recognized as being necessary to address the potentially disastrous effects of increasing greenhouse gas emissions and climate change.

For example, the CUDP's framework focuses urban development within cities, while preserving non-urban, open space areas such as the mountains that ring the north and south valley, as well as the remaining agricultural lands outside cities. In the last few decades, many cities' policies have evolved to accommodate tens of thousands in population growth within their existing boundaries rather than covering vast areas of land with low density sprawl. As a result, even with substantial growth in the county's population and economy since the CUDPs were adopted, the county's urban footprint has remained largely unchanged.

The CUDPs have been critical to the county's ability to protect and preserve open space. Only 23% of the county's total land area is within cities' USAs, while accounting for an overwhelming majority (95%) of the county's 2 million residents. This growth pattern has allowed open space districts and conservation agencies to better protect open space lands outside the urbanized areas. Nearly 30% of the county's land area is now comprised of protected open space lands or land that is under conservation easements.

Implementing the CUDPs has significantly contributed to fiscal efficiency and cost savings to taxpayers. Over the years, LAFCO, the cities, and the County have facilitated the annexation of hundreds of unincorporated islands to their surrounding cities. Today there are far fewer islands and far fewer special districts providing services, reducing the inefficiencies of fragmented service and land use responsibilities, and resulting in more efficient delivery of public services at lower costs to taxpayers.

Furthermore, the CUDPs form the foundation of the plans and functions of many local and regional agencies working to create sustainable communities and landscapes. For example, the CUDP concepts continue to inform countywide climate resiliency and sustainability planning, as well as the work of the following:

- the land acquisition and preservation strategies of many agencies involved in open space and farmland preservation, such as the Santa Clara Valley Open Space Authority, Midpeninsula Regional Open Space District, Peninsula Open Space Trust, and others;
- the transportation planning and investment strategies of the Metropolitan Transportation Commission and the County's Valley Transportation Authority;
- the regional housing needs allocations made by the Association of Bay Area Governments;
- the Santa Clara Valley Water District's water supply planning; and

- the work of many non-profit organizations to promote social equity, affordable housing, and environmental justice.

When created nearly five decades ago, Santa Clara County's growth management system was recognized widely as a national pioneer and paradigm of cooperative regional planning for growth management, and its policies and successes have been adopted elsewhere with local variations. Today, the CUDP's systematic planning principles are crucial to and consistent with climate-smart growth policy and climate resiliency concepts that have taken shape in the last 20 to 30 years. They form the critical foundation of most regional planning and decision-making in Santa Clara County, not just for today but into the foreseeable future, as originally intended.

CHAPTER 3.2
SPHERE OF INFLUENCE POLICIES

Adopted: 12/07/1977
Amended: 12/11/2002, 12/04/2024

SECTION 3.2.1 SPHERE OF INFLUENCE (SOI) DEFINED

State law (GC §56076) defines a Sphere of Influence as "a plan for the probable physical boundaries and service area of a local agency, as determined by the Commission." Local agency includes special districts and cities. In other words, a SOI boundary under State law represents the outermost possible extent of a local agency's territorial jurisdiction and service area.

Consistent with State law, a SOI should be based on a number of factors, including sound planning principles related to a local agency's physical geography, its anticipated and desired growth, its ability to accommodate land uses and development in a safe and appropriate manner consistent with state goals and policies, and its ability to plan for and provide services in a cost effective and efficient manner.

In Santa Clara County, the SOI is of critical importance to special districts as it delineates their potential physical boundaries and service area. However, the inclusion of an area within a city's SOI boundary is not an indication that the city will either ultimately annex or provide services in the area. The critical boundary for cities is the Urban Service Area (USA), which is the definitive, Santa Clara LAFCO-adopted planning boundary indicating whether an area will be potentially annexed and provided with urban services. Santa Clara LAFCO-approved USAs serve the objectives of the Cortese-Knox-Hertzberg Act, such as directing the location of urban development to prevent urban sprawl, ensuring an agency's ability to provide efficient services, and preserving agricultural and open space lands. Therefore, for cities in Santa Clara County, USAs serve the objectives of SOIs as defined in state law.

To summarize, in Santa Clara County, the following definitions are maintained:

Special Districts SOI: SOI for a special district, means a plan for the probable physical boundaries and service area of the district, as determined by Santa Clara LAFCO.

Cities SOI: For cities in Santa Clara County, a SOI generally delineates areas where the city and County have shared interests in preserving non-urban levels of land use and does not necessarily indicate areas that a city will annex or provide with urban services.

The role of USAs and the Countywide Urban Development Policies (CUDPs), both unique to Santa Clara County, are further defined and articulated in two separate chapters of the Santa Clara LAFCO policies. To fully understand how the use and application of SOI

boundaries currently function in Santa Clara County, it is important to understand both the legislative history and local evolution of SOIs as a planning concept.

SECTION 3.2.2 LEGISLATIVE HISTORY

Since 1963, State legislation has provided LAFCOs with authority to initiate and conduct studies on the structure of local government and the provision of services within the county. The intent of this permissive authority was to encourage LAFCOs to establish long range, comprehensive goals and plans for implementing their mandated purpose of "discouraging urban sprawl and encouraging the orderly formation and development of local agencies."

The State Legislature declared in 1972 that LAFCOs must perform studies if they are to meaningfully carry out their "purposes and responsibilities for planning and shaping the logical and orderly development and coordination of local governmental agencies so as to advantageously provide for the present and future needs of the county and its communities." With this declaration, the Legislature amended the Knox-Nisbet Act to mandate LAFCOs to develop and determine the "sphere of influence" of each local agency within the county.

In 1983, the Cortese-Knox Act was amended to require LAFCOs to determine the SOI of each local agency by January 1, 1985, and to mandate that all changes of organization must be consistent with adopted SOIs.

The laws were further amended with the Cortese-Knox-Hertzberg Local Government Reorganization Act (CKH Act) of 2000, which requires LAFCOs to conduct a service review prior to or in conjunction with the establishment or amendment of a local agency's SOI. Furthermore, the CKH Act requires LAFCOs to review and update, as necessary, each local agency's SOI before January 1, 2008, and every five years thereafter, as needed.

These successive changes to State law reflect the evolution of state policy for SOIs to secure the purposes of state LAFCO laws and ensure proper functioning of local agencies in the delivery of services. The evolution of SOI boundaries and policies in Santa Clara County follows the evolution of SOIs in state law, as well as reflecting the unique circumstances of Santa Clara County as it responded to the challenges of rapid, unplanned, uncontrolled sprawl in the decades immediately following World War II.

SECTION 3.2.3 DEVELOPMENT OF CITY AND SPECIAL DISTRICTS SPHERES OF INFLUENCE IN SANTA CLARA COUNTY

One of the first matters that the Santa Clara LAFCO addressed upon its creation in 1963 was to establish "sphere of influence" boundaries to prevent further annexation wars. These original SOIs (later to be known as boundary agreement lines) divided the county into 15 parts and were nothing more than boundaries between each of the fifteen cities to prevent a city from annexing territory in the area of interest of another. This process of establishing SOIs (or boundary agreement lines) was essentially completed in 1967.

These boundaries put a temporary halt to the annexation wars, and their adoption set the stage for the collaborative development and adoption of the CUDPs by Santa Clara LAFCO, the County and the 15 cities, including the establishment of USA boundaries for each of the 15 cities.

These original SOI boundaries in many cases extended from city limits outward to the county boundary, well beyond any interest of the cities regarding annexation, much less a city's ability to serve such an expansive area. In this regard, they furthermore did not meet the intent of the subsequent 1972 SOI mandates as prescribed in the Knox Nisbet Act.

Consequently, in June 1976, Santa Clara LAFCO renamed the SOI boundaries as the 'boundary agreement lines' and established new SOI boundaries for cities in a manner more closely related to the state requirements. These new SOI boundaries for cities generally corresponded to the outer limits of a city's planning interest, as shown on the land use diagrams of a city general plan, and inherently included areas where both the County and the city had shared interests. It is important to note that by 1973, the County and cities had mutually agreed to the CUDPs whereby urban development would henceforth be confined to lands in city jurisdiction, and lands outside city USAs would be primarily conserved for agriculture, open space, natural resource protection, and related goals of environmental stewardship.

In 1985, Santa Clara LAFCO completed its efforts in fulfilment of state laws and formally adopted SOI boundaries for all special districts, after completing a comprehensive review and analysis necessary to make the determinations required in state law.

Between 2005 and 2010, Santa Clara LAFCO conducted its first round of service reviews and comprehensively reviewed and updated the spheres of influence of the 15 cities and 28 special districts in the county. Since that time, Santa Clara LAFCO has continued to conduct service reviews and to review and update, as necessary, the spheres of influence of cities and special districts.

SECTION 3.2.4 CURRENT ROLE AND PURPOSES OF SOI BOUNDARIES

Sphere of Influence boundaries serve multiple purposes and may be used to:

- Promote orderly urban development;
- Promote cooperative planning efforts among cities, the county and special districts to address concerns regarding land use and development standards, premature conversion of agricultural and open space lands and efficient provision of public services;
- Serve as a master plan for future local government reorganization by providing long range guidance for efficient provision of public services; shaping logical governmental entities able to provide services in the most economic manner, avoiding expensive duplication of services or facilities;
- Guide consideration of proposals and studies for changes of organization or reorganization.

SECTION 3.2.5 SOI ADOPTION AND AMENDMENT POLICIES

Santa Clara LAFCO's policies for SOIs reflect the fundamental mandates of state law, the specific roles of SOIs within Santa Clara County, and appropriate procedural considerations for future changes to SOIs. The following are Santa Clara LAFCO's policies regarding the adoption, updating, and amendment of spheres of influence:

1. **Mandate.** Consistent with GC §56425(a), LAFCO must adopt and maintain a SOI for each city and special district.
2. **Consistency with SOI:** Pursuant to GC §56375.5, LAFCO cannot take actions that are inconsistent with a SOI.
3. **Timing of Initial Adoption**. State law (GC §56426.5) directs LAFCOs to establish SOIs within one year of the effective date of formation of a special district or incorporation of a new city.
4. **Review and Updates**. Consistent with GC §56425(g), LAFCO shall review and update as necessary, each sphere of influence every five years.
5. **Initiation**. Pursuant to GC §56428(a), any person or local agency may file a written request and application with the LAFCO Executive Officer requesting LAFCO to amend an adopted SOI. Although determination of the SOI is a LAFCO responsibility, LAFCO encourages the participation of the subject city or special district and other stakeholders.

6. **Statement of Determinations**. Pursuant to GC §56425(e), in determining a SOI for a city or special district, LAFCO must consider and prepare a written statement of determinations regarding the following:

    a. The present and planned land uses in the area, including agricultural and open space lands;

    b. The present and probable need for public facilities and services in the area;

    c. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide;

    d. The existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency;

    e. For an update of the SOI of a city or special district that provides public facilities or services related to sewers, municipal or industrial water, or structural fire protection, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing SOI.

7. **Establishment of Special District Function and Classes of Service**. Additionally, when adopting, amending, or updating the SOI for a special district, LAFCO shall establish the nature, location, and extent of any functions or classes of services provided by existing districts and may require existing districts to file written statements with LAFCO specifying the functions or classes of service provided by the districts. [GC §56425 (i), (j)]

8. **Service Review Requirement**. Consistent with GC §56430, LAFCO will prepare a service review prior to or in conjunction with the establishment or update of the SOI unless LAFCO determines that a prior service review is adequate. A SOI amendment that does not have any adverse regional, planning, economic, service, or environmental impacts will not require a service review.

9. **Consistency with Service Reviews**. LAFCO will consider applicable service reviews when rendering SOI determinations and discourage SOI amendments that undermine service review determinations and recommendations.

10. **City SOIs and Annexation**. Inclusion of territory within a city SOI should not necessarily be seen as an indication that the city will either annex or develop such territory to urban levels. The USA boundary shall serve as an indication of a city's intent for annexation, urban development and provision of urban services.

11. **Overlapping SOIs**. Spheres of Influence for cities and special districts may overlap when both agencies expect to provide different services to the area.

12. **Special Districts Providing Urban Services Outside City USAs**. Consistent with the intent of the CUDPs that urban development should occur within city USAs, and that urban services necessary for urban development should only be provided within adopted USAs, SOIs for special districts which provide urban services outside USAs shall be aligned as closely as possible with existing city USAs. LAFCO shall discourage expansion of the SOI of a special district that would extend urban services for purposes of promoting new development in unincorporated areas outside city USAs.

13. **Service Duplication**. LAFCO will discourage duplications in service provision when establishing a new SOI or amending an existing SOI.

14. **Special District "Zero SOIs."** Where a special district is coterminous with or lies substantially within the boundary or SOI of a city or another district which is capable of providing the service, the special district may be given a zero sphere of influence which encompasses no territory. The zero sphere of influence designation indicates LAFCO's determination that after consideration of all factors in GC §56425, the agency should cease to exist and that its public service responsibilities should be re-allocated to another agency, as necessary, through consolidation, merger, dissolution or establishment as a subsidiary district.

    The CKH Act specifies the criteria and procedures for the initiation of such subsequent reorganizations, and for the LAFCO review and approval process. Therefore, a zero SOI does not mean that LAFCO will automatically dissolve a district.

15. **City SOI Updates and Required Meeting with County**. Prior to a city submitting an application to LAFCO to update its SOI, the city shall complete the requirement contained in GC §56425(b) to meet with the County to discuss the proposed new SOI boundary and explore methods to reach agreement on development standards and planning and zoning requirements within the SOI. The purpose of this requirement is to consider city and County concerns and promote logical and orderly development within the SOI.

    Pursuant to GC §56425(b) & (c), if an agreement is reached between the city and the County, the city must forward the agreement to LAFCO along with its application to update the SOI. LAFCO shall consider the agreement when determining the city's SOI and give it great weight, to the extent that it is consistent with LAFCO policies. If LAFCO's final SOI determinations are

consistent with the agreement, the city and the County must adopt the agreement at noticed public hearings. After the agreement is adopted by the city and county and reflected in their respective General Plans, any County-approved development within the SOI must be consistent with the agreement terms.

Pursuant to GC §56425(d), if no agreement is reached between the city and the County, the application may be submitted to LAFCO and LAFCO shall consider a SOI for the city consistent with LAFCO policies.

CHAPTER 3.3
URBAN SERVICE AREA POLICIES

Adopted: 12/01/1971
Amended: 02/08/1973, 12/11/2002, 12/02/2024

SECTION 3.3.1 INTRODUCTION

In Santa Clara County, Urban Service Areas (USAs) are geographic planning areas that encompass all lands, incorporated or unincorporated, intended to be urbanized and provided with urban services and infrastructure upon annexation to a city.

The definition and application of USAs in Santa Clara County are unique and are part of a long-standing countywide growth management framework referred to as the Countywide Urban Development Policies (CUDPs). Under these policies, urban expansion is to occur in an orderly, efficient, and planned manner within cities, which are solely responsible for planning and accommodating urban development within explicitly adopted USA boundaries whose location and expansion is subject to Santa Clara LAFCO approval.

The USAs were first proposed by each of the 15 cities and adopted by Santa Clara LAFCO in 1972-1973 as further documented in the Countywide Urban Development Policy # 1.4. With the continued implementation of the CUDPs since the early 1970s, Santa Clara LAFCO assumed a critical role as the arbiter of urban area expansion through the review and amendment of USAs. This role gives Santa Clara LAFCO the responsibility to protect natural resource lands while facilitating the development of vibrant, more sustainable communities. Santa Clara LAFCO's ongoing mission creates public value across Santa Clara County, limiting unnecessary urban expansion, promoting appropriate infill and redevelopment, minimizing public service costs, and preserving the remaining vital natural and open space resources from which the county as a whole benefits.

Because of its advance review and determination of USA boundaries, Santa Clara LAFCO does not review proposals for city annexation of unincorporated lands located within a city's USA. State law [Government Code (GC) §56757] gives cities in Santa Clara County the authority to conduct and approve such annexations within their USA boundaries if the proposals are initiated by city resolution and meet certain conditions.

SECTION 3.3.2 URBAN SERVICE AREAS DEFINED

In Santa Clara County, USA boundaries delineate and differentiate those areas intended to be urbanized from those areas not intended to be urbanized. USAs include lands currently urbanized and annexed to cities and provided with urban services, as well as

unincorporated lands that a city intends to annex in order to develop those lands and provide them with urban services within five years.

USAs intentionally exclude natural resource lands, such as agricultural and open space lands; and lands deemed generally unsuited for urban development, such as bay lands, floodplains, wetlands, hillsides and mountainous lands, seismic and/or geologic hazard areas, and very high fire hazard areas.

SECTION 3.3.3 URBAN SERVICE AREA AMENDMENT PROCEDURAL POLICIES

The following procedures apply for processing of urban service area amendment proposals:

1. **Initiation.** All USA amendments require Santa Clara LAFCO approval. An USA amendment request must be initiated by city council resolution and application to LAFCO.
2. **City Evaluation.** While a city may process requests for USA amendments on behalf of property owners, it is the city's responsibility as the LAFCO applicant to first evaluate whether the request is consistent with the applicable city, county, and LAFCO policies and determine whether the city supports the request.
3. **Pre-Application Meeting.** In order to aid the city's evaluation of an USA amendment request, LAFCO encourages the city to have a pre-application meeting with LAFCO staff as early as possible to discuss its USA amendment plans and obtain more information on the LAFCO policies and procedures that may apply to the specific proposal.
4. **Major General Plan Updates.** LAFCO requires that a city establish a stable baseline of its service plans and land use designations for LAFCO's evaluation of its USA amendment request. Therefore, LAFCO will not accept an USA amendment request from a city that is in the process of conducting a major General Plan update which involves changes to land use designations and service plans. LAFCO staff may consider limited exceptions on a case-by-case basis.
5. **USA Amendment Request Frequency.** Each city may submit an USA amendment request to LAFCO once in a calendar year. The date the application is heard by LAFCO shall determine the calendar year. USA amendment requests shall be limited to once a year in order to encourage a city to consider and understand the comprehensive impacts of USA amendments on its services, facilities / infrastructure, fiscal health, and the environment; and to ensure that

LAFCO considers such requests in a similarly comprehensive manner. Until a city's application has been heard and acted upon by LAFCO, no further USA amendment requests will be accepted for filing from that city.

6. **Exception to Once-a-Year Rule.** The Commission may make an exception to the once-a-year limitation for USA amendment requests when such amendment is needed to carry out some special institutional development or activity that is in the public interest. Such exceptions shall not normally be extended in connection with proposed residential, commercial, or industrial development.

7. **CEQA.** An USA amendment proposal is considered a project under the California Environmental Quality Act (CEQA). Pursuant to CEQA, a city would be the Lead Agency for such a proposal and LAFCO would be a Responsible Agency. Therefore, LAFCO is required to rely on the city's CEQA documentation (initial study, negative / mitigated negative declaration, environmental impact report, etc.), with few exceptions. Cities must consult with LAFCO on the scoping of CEQA documentation for the potential proposal.

SECTION 3.3.4 URBAN SERVICE AREA AMENDMENT POLICIES AND EVALUATION CRITERIA

Review and amendment of USA boundaries is Santa Clara LAFCO's primary vehicle for ensuring orderly city growth. Therefore, Santa Clara LAFCO shall carefully consider all USA amendment requests, consistent with LAFCO policies and State law.

USA amendment proposals may involve expansion of an USA to accommodate future growth; retraction of an USA to better align with city's growth and open space / agricultural land preservation plans, and adjustments between cities' USA boundaries to facilitate island annexations and logical boundaries; and enhance service delivery and governance efficiencies.

Consistent with the CUDPs, it is the goal of Santa Clara LAFCO that future urban development and other necessary public facilities such as schools and recreational facilities should be planned and accommodated within existing urban areas, through infill and redevelopment, rather than through the expansion of USA boundaries. Such city-centered, climate-smart growth policies play a critical role in preventing sprawl, ensuring efficient delivery of services, promoting more efficient use of existing urbanized areas, and preserving open space and agricultural lands.

A complementary goal is that where expansion is necessary, it should be done to accommodate the demonstrated need for urban growth in as compact and efficient manner as possible, supportive of the above goal and rationale.

To further these goals and in accordance with GC §56668, Santa Clara LAFCO must take into account many factors when considering an USA amendment proposal. Certain factors may be more applicable or more critical than others, depending on the specific proposal and circumstances. The following are Santa Clara LAFCO's policies and evaluative criteria for considering USA amendment proposals:

1. **Infill and Efficient Development Patterns**. In order to promote efficient development patterns and compact infill development and prevent the conversion of agricultural land in accordance with GC §56377, Santa Clara LAFCO shall discourage amendment proposals that seek to expand the USA when a city has a more than 5-year supply of vacant land within its existing USA or when a city does not clearly demonstrate the need for the USA amendment. LAFCO will consider the following evaluative criteria:

    a. The city's explanation for why the USA amendment is necessary, why infill development is not undertaken first, and how an orderly, efficient growth pattern, consistent with LAFCO mandates will be maintained

    b. The city's current vacant lands inventory for the same or similar proposed uses prepared in accordance with Santa Clara LAFCO's Vacant Lands Methodology included as *Exhibit 3.3-A*. The vacant lands inventory is an informational tool to help evaluate the availability of vacant lands within the city. If a city has special conditions that do not align with LAFCO's methodology, it may also prepare an alternate vacant lands inventory and explain why the alternate analysis is more appropriate, for LAFCO's consideration.

    c. Whether the city has a more than 5-years supply of vacant lands that can be developed for the same or similar proposed uses as determined by the LAFCO Vacant Lands Methodology. If the city has more than 5-years supply, LAFCO shall consider the city's explanation for the need for more lands at this time, along with all the other factors for considering USA amendment proposals.

    d. Whether and to what extent the city has developed and successfully implemented targeted strategies such as fiscal and regulatory incentives to generate active and more efficient use of vacant and underutilized lands within its existing boundaries

    e. Whether the city has planned for and implemented policies for encouraging higher density development in order to use land more efficiently

f. Whether the City has applied an appropriate general plan and pre-zoning designation to the proposal area

g. Whether the proposed urban development is imminent or is likely to occur within the proposal area within the next 5 years

h. Whether the city has planned for locating its community's facility needs such as schools, and recreational facilities, within its existing boundaries

2. **Impacts to Agricultural and Open Space Lands.** In order to preserve agricultural and open space lands, Santa Clara LAFCO shall discourage amendment proposals that include or adversely impact agricultural lands and open space, consistent with GC §56377(a). LAFCO will consider:

   a. Whether the proposal will result in the conversion of prime agricultural lands. As defined in GC §56064, "prime agricultural land" means an area of land, whether a single parcel or contiguous parcels, that has not been developed for a use other than an agricultural use and that meets any of the following qualifications:

      i. Land that qualifies, if irrigated, for rating as class I or class II in the USDA Natural Resources Conservation Service land use capability classification, whether or not land is actually irrigated, provided that irrigation is feasible

      ii. Land that qualifies for rating 80 through 100 Storie Index Rating

      iii. Land that supports livestock used for the production of food and fiber and that has an annual carrying capacity equivalent to at least one animal unit per acre as defined by the United States Department of Agriculture in the National Range and Pasture Handbook, Revision 1, December 2003

      iv. Land planted with fruit or nut-bearing trees, vines, bushes, or crops that have a nonbearing period of less than five years and that will return during the commercial bearing period on an annual basis from the production of unprocessed agricultural plant production not less than four hundred dollars ($400) per acre

      v. Land that has returned from the production of unprocessed agricultural plant products an annual gross value of not less than four hundred dollars ($400) per acre for three of the previous five calendar years

b. Pursuant to GC §56668 and GC §56668(e), whether the proposal will adversely impact the continued agricultural productivity and viability of the proposal area, and/or adjacent / surrounding lands, including but not limited to the following factors:

   i. Whether the proposal area, and/or adjacent / surrounding lands are located within an Agricultural Resource Area or Agricultural Preservation Area designated by the County, a city, or another public land conservation entity

   ii. Whether the proposal area, and/or adjacent / surrounding lands are located within a designated Agricultural Zoning District in an adopted County and/or City Zoning Ordinance

   iii. Whether the proposal area, and/or adjacent / surrounding lands are designated "Agriculture" in an adopted County and/or City General Plan

   iv. Whether the proposal would introduce incompatible land uses into an agricultural area, generate urban / agricultural conflicts, or promote land speculation and disinvestment in agriculture – disrupting the conditions necessary for agriculture to thrive

   v. Whether public facilities or infrastructure (e.g., such as roads, sanitary sewers, water lines, stormwater drainage facilities) related to the proposal would be sized or situated as to facilitate conversion of agricultural lands located outside of the proposal area, or will be extended through adjacent / surrounding agricultural lands

   vi. Whether natural or man-made barriers serve to buffer agricultural or existing open space lands outside of the proposal area from the effects of the proposal

   vii. Whether the proposal area, and/or adjacent / surrounding lands include lands that are subject to a Williamson Act contract or Farmland Security Zone contract

   viii. Whether the proposal area, and/or adjacent / surrounding lands are under an agricultural or open space conservation easement

   ix. Whether the proposal area, and/or adjacent / surrounding lands are designated in the Department of Conservation's Farmland Mapping and Monitoring Program as Prime Farmland, Farmland of Statewide Importance, Unique Farmland, or Farmland of Local Importance

c. The city's explanation for why the conversion of agricultural lands and/or open space is necessary to promote the planned, orderly, efficient development of the city

d. Whether the city has developed and successfully implemented measures / plans to first avoid and minimize the conversion of agricultural or open space lands prior to bringing forward a proposal that involves conversion of agricultural or open space lands; and in instances where it is not possible to avoid or minimize conversion, whether the proposal contains mitigation for the conversion of any such lands consistent with LAFCO policies

e. If an amendment proposal includes agricultural or open space lands for the purpose of preservation, LAFCO will require an explanation of why the inclusion of agricultural or open space lands is necessary and a demonstration that effective measures have been adopted for permanently protecting the agricultural or open space status of the affected territory. Such measures may include:

   i. Acquisition and transfer of ownership of agricultural land or transfer of agricultural conservation easements to an agricultural conservation entity for permanent protection of the agricultural land

   ii. Acquisition and transfer of ownership of open space or transfer of open space easements to a conservation entity for permanent protection of the open space land

3. **Logical, Orderly Boundaries**. LAFCO shall discourage amendment proposals that will not result in logical and orderly boundaries. LAFCO will consider:

   a. Whether the boundaries of the proposal are contiguous with the current USA [GC §56757(c)(6) and GC §56668(f)]

   b. Whether the proposal will result in islands, flags, peninsulas, corridors or other irregular boundary configurations which are illogical and/or difficult to serve [GC §56757(c)(4)]

   c. Whether the boundaries of the proposal follow natural and man-made features, such as ridge lines, drainage areas, watercourses, edges of right-of-way, and lines of assessment or ownership [GC §56668(a)]

   d. Whether the proposed boundaries would result in an intrusion of urbanization into a predominantly agricultural or rural area [GC §56668(d)]

4. **Avoid Natural Hazard Lands.** In order to minimize public exposure to risks associated with natural hazards and limit unplanned public costs to maintain and repair public infrastructure, LAFCO shall discourage USA expansions into lands designated very high fire hazard zones and into lands subject to other natural hazards such as geologic / seismic hazards, flood hazards, and fire hazards, Pursuant to GC §56668(q), LAFCO will consider maps and information related to fire hazards, FEMA flood zones, earthquake fault zones and landslide hazard zones contained in:

    a. A local hazard mitigation plan

    b. A safety element of a general plan

    c. Any maps that identify land as a very high fire hazard severity zone pursuant to GC §51178 or maps that identify land determined to be in a state responsibility area pursuant to §4102 of the Public Resources Code

5. **Availability of Adequate Water Supply.** In order to ensure timely availability of water supplies adequate for existing and planned future needs, LAFCO shall discourage amendment proposals that do not clearly demonstrate that an adequate water supply is available to the proposal area(s) pursuant to GC §65352.5, and that water proposed to be provided to new areas does not include supplies needed for unserved properties already within the city, the city's USA or other properties already charged for city water services. In determining water availability pursuant to GC §56668(l), LAFCO will consider the following:

    a. The city's plan for providing water service to the area and its statement of existing water supply including:

        i. The current version of the city's or water supplier's urban water management plan and capital improvement program or plan, and the current version of the groundwater management agency's groundwater sustainability plan

        ii. A description of the source or sources of the water supply currently available to the city taking into account historical data concerning wet, normal, and dry runoff years

        iii The quantity of surface and groundwater that was purveyed by the city / water supplier in each of the previous five years including a description of the number of service units available; number of service units currently allocated; number of service units that are anticipating future service within the city and its current USA boundary and number of service units needed for the proposal area

b. Whether the city is able to provide adequate water supply to the proposal area in the next 5 years, including drought years, while reserving capacity for areas within the city and USA that have not yet developed

c. Whether the city is capable of providing adequate services when needed to areas already in the city, in the city's USA or to other properties entitled to service

d. If capacity is not reserved for unserved property within the city and its USA, the current estimate of potential unserved properties and related water supply needs

e. Whether additional infrastructure and/or new water supplies are necessary to accommodate future development or increases in service demand. If so, whether plans, permits and financing plans are in place to ensure that infrastructure and supply are available when necessary, including compliance with required administrative and legislated processes, such as CEQA review, CEQA mitigation monitoring plans, or State Water Resources Board allocation permits. If permits are not current or in process, or allocations approved, whether approval is expected

f. Whether facilities or services comply with environmental and safety standards so as to permit acquisition, treatment, and distribution of necessary water

6. **Ability to Provide and Fund Public Services and Infrastructure.** In order to ensure efficient service provision, LAFCO shall discourage amendment proposals that do not clearly demonstrate that the city has the ability to provide and fund services to the proposal area without detracting from current service levels within the city, and in areas that the city has already committed to serve. Consistent with GC §56668(b) & (k), LAFCO will consider:

   a. The city's plan for providing services (such as sewer, water, police, fire, stormwater, garbage disposal, library, lighting, parks, and street maintenance) within the proposal area prepared in accordance with LAFCO's Guide for preparing a Plan for Service included as *Exhibit 3.3-B*, and which pursuant to GC §56653 shall include:

      i. An enumeration and description of services currently provided and/or to be provided and the corresponding service provider

      ii. The level and range of those services as well as detailed information on the size, location, and capacity of infrastructure both existing and required

iii. Estimated time frame for service delivery

iv. A statement indicating capital improvements, or upgrading of structures, roads, sewers, water facilities or other conditions that the city would require in the affected territory prior to providing service

v. A description of how the services will be financed

b. Whether the proposal is expected to result in any significant increase in service needs and/or new facilities, personnel, apparatus or equipment as a result of adding the proposal area

c. Whether the anticipated increase in service needs (e.g., increase in calls for fire and police services) and/or new facilities are likely to result in an increase in service costs and how the city plans to finance the anticipated increase in service costs

d. Whether the proposal will require the construction of new infrastructure (e.g., sanitary sewers, water mains, stormwater drainage facilities) and/or expansion of existing infrastructure (e.g., wastewater treatment plant, water treatment plant) and how the city plans to address the associated fiscal impacts

e. The ability of school districts to provide school facilities and whether there would be sufficient school capacity available to serve the affected territory at the time of development

7. **Fiscal Sustainability**. In order to ensure fiscal sustainability, LAFCO shall discourage amendment proposals that would have adverse financial impacts on the provision of government services. Consistent with GC §56668(c) & (k), LAFCO will consider the following:

a. Financial impacts to the County, and to the affected city, special districts, and school districts and the feasibility of measures identified to mitigate any adverse impacts

b. Existence of any significant citywide infrastructure maintenance funding gaps and feasibility of the measures identified by the city to address such gaps

c. The city's anticipated need for major capital improvement projects related to water, wastewater, stormwater, roads, fire, and police services, and the feasibility of funding measures to address these needs

d. City's reliance on reserves to address financial impacts and consistency with the city's adopted reserve policy

8. **Island Annexations.** In order to ensure efficient service provision and orderly growth and development, LAFCO shall discourage USA amendment proposals that seek to add new lands to a city's USA when a city has unincorporated islands existing within its current USA. LAFCO will consider:

    a. Whether the city has initiated and completed annexation proceedings and/or adopted annexation plans and taken appropriate actions to annex its islands as recommended in LAFCO's Island Annexation Policies

    b. The city's explanation of why annexation of the island(s) is not undertaken first

9. **Conformance with Service Reviews and Spheres of Influence.** In accordance with GC §56668(i), LAFCO shall consider the applicable service reviews and shall discourage amendment proposals that are inconsistent with adopted service review determinations and recommendations, or that are inconsistent with the LAFCO adopted sphere of influence for an affected local agency.

10. **Conformance with City and County General Plans**. In accordance with GC §56668(h), LAFCO shall consider whether the proposed USA amendment is consistent with the current city and county general plans and policies.

11. **Conformance with Regional Transportation Plan.** Consistent with GC §56668(g), LAFCO shall discourage USA amendment proposals that undermine the goals of the Regional Transportation Plan and Sustainable Communities Strategy prepared by the Metropolitan Transportation Commission (MTC) for the nine-county San Francisco Bay Area.

12. **Impacts on Housing.** LAFCO shall discourage USA amendment proposals that undermine Regional Housing Needs Allocation plans, reduce affordable housing stock, or propose additional urbanization without attention to affordable housing needs. LAFCO will consider:

    a. The extent to which the proposal will affect a city or county in achieving their respective Regional Housing Needs Allocation plans as determined by Association of Bay Area Governments (ABAG), consistent with GC §56668(m)

    b. Whether the proposal introduces urban uses into rural areas thus increasing the value of currently affordable rural area housing and reducing regional affordable housing supply

    c. Whether the proposal directs growth away from agricultural / open space lands towards infill areas and encourages development of vacant land

within existing urban areas thus decreasing infrastructure costs and potentially housing construction costs

d. Whether funding of infrastructure to support development in the proposal area imposes an unfair burden on residents or customers within the existing boundaries thus impacting housing construction costs in the proposal area and within existing boundaries

13. **Environmental Justice.** In accordance with GC §56668(p), LAFCO will consider the extent to which the amendment proposal will promote environmental justice, specifically the fair treatment and meaningful involvement of people of all races, cultures, incomes, and national origins with respect to the location of public facilities and the provision of public services in order to ensure a healthy environment for all people such that the effects of pollution are not disproportionately borne by any particular populations or communities.

14. **Public Comments**. In accordance with GC §56668(j) & (n), LAFCO shall consider comments from any affected public agencies or other public agency, proponents, landowners, voters, interested parties and members of the public.

15. **Agricultural Worker Housing Needs.** In order to promote efficient development patterns and compact infill development and prevent the conversion of agricultural land in accordance with GC §56377, Santa Clara LAFCO shall encourage, to the extent possible, agricultural worker housing to be located within cities or their urban service areas, where necessary infrastructure, services, support resources, and the broader community already exists.

    a. Agricultural workers are an essential component of Santa Clara County's agricultural industry and agricultural worker housing supports the preservation of open space and agricultural lands, continued sustainability of agriculture, delivery of agricultural produce, and continued viability of Santa Clara County's food system. Santa Clara LAFCO will give special consideration to USA amendment proposals that consist solely of agricultural worker housing and that meet both the following requirements:

        i. The city seeking USA amendment has methods (e.g., requirements for recordation of deed restrictions and/or affordability covenants on the property) currently in place to ensure affordability and occupancy of the proposed agricultural worker housing for eligible agricultural workers over the long term and for not less than 55 years.

ii. The proposed agricultural worker housing will be maintained and operated by a qualified affordable housing organization that has been certified pursuant to Health & Safety Code §17030.10, a public agency, or an employer providing housing.

b. Santa Clara LAFCO shall consider the following in evaluating such proposals:

i. Whether the proposal fulfills the established need for agricultural worker housing and whether it is consistent with the city and/or County's long-term agricultural land conservation plans

ii. Whether the proposed development of agricultural worker housing is imminent or is likely to occur within the proposal area within the next 5 years in accordance with Policy #3.4.1(g)

iii. Whether the proposal will result in logical and orderly boundaries in accordance with Policy #3.4.3, and whether the city has the ability to provide and fund necessary public services and infrastructure in accordance with Policy #3.4.6

EXHIBIT 3.3-A: SANTA CLARA LAFCO'S METHODOLOGY FOR PREPARING A VACANT LANDS INVENTORY

Policy objective that LAFCO seeks to achieve through the Vacant Lands Inventory

LAFCO will use the information contained in a Vacant Lands Inventory to promote efficient use of land within a city's current boundaries prior to expanding its boundaries.

What should a Vacant Lands Inventory Include?

A vacant lands inventory provides information on the rate of development within the city and the amount of vacant land located within the city's USA.

The vacant lands inventory is a one-time snapshot of vacant and underutilized lands for the same or similar land uses within the city's urban service area and it must include the following:

- A map showing the location of vacant lands. In terms of scale, a city's general plan land-use diagram or map is appropriate.
- A corresponding table listing the vacant lands with APNs, parcel sizes, current general plan designation, allowed density, etc.

Methodology for Preparing the Inventory

The following definitions and methodology shall apply for the preparation of a vacant lands inventory:

- Vacant lands are undeveloped and/or underutilized lands (i.e., lands developed to less than their minimum development potential as identified in the city's current general plan and zoning ordinance) located within the city's Urban Service Area, that have no active building permit.
- The city's current general plan / zoning designations shall define the maximum development potential for the vacant lands.
- The calculation of the rate of absorption of vacant lands within a city shall be based on the average number of building permits issued by the city in the previous 10 years.

Sample Table of Residential Vacant lands Inventory for City XYZ

RESIDENTIAL LAND USES	VACANT LANDS (ACRES)	ALLOWED DENSITY (UNITS/ACRE)	MAXIMUM POTENTIAL UNITS
Rural Residential	150	1-2	300
Residential Neighborhood	115	3-8	920
Medium Density Residential	30	8-20	600
High Density Residential	25	21-40	1,000
Mixed Use Neighborhood	12	30-50	600
Specific Plan	52	500 units	500
TOTALS	384		3,920 (A)

Sample Table of # of Residential Building permits issued by City XYZ in the last 10 years

YEARS	# OF BUILDING PERMITS
Year 1	290
Year 2	277
Year 3	301
Year 4	329
Year 5	297
Year 6	318
Year 7	320
Year 8	412
Year 9	422
Year 10	450
Average # of Building Permits	341.6 (B)

Sample Calculation of the Rate of Absorption of Vacant Land

Years of residential development that City XYZ can accommodate within its existing vacant land = A/B

= 3,920/341.6

= **11.5 years**

EXHIBIT 3.3-B: SANTA CLARA LAFCO'S GUIDE FOR PREPARING A PLAN FOR SERVICES

Policy objective that LAFCO seeks to achieve through the Plan for Services

LAFCO will use the information contained in a Plan for Services to ensure that the proposed service provider is able to adequately provide services to the proposal area without detracting from current service levels within the service providers' current service area or in the areas the service provider has already committed to serve.

What should a Plan for Service Contain?

A Plan for Service describes the services that would be provided to the proposal area upon LAFCO approval of the proposal. It explains how and when the service provider would provide the services, how much the services would cost and how those costs would be financed and whether the services and costs are considered in the service providers' long range master plans, Capital Improvement Plans, and budgets. The Plan for Service should also include information on whether the service provider is able to meet its current service demand and describe any ongoing service or infrastructure deficiencies and the service provider's plan for addressing the deficiencies as specified in its master plans, Capital Improvement Plans, and budgets.

GC §56653 outlines the information that a Plan for Service must contain. Further clarification of the specific requirements is provided below:

1. An enumeration of current and proposed services (including but not limited to water, sewer, storm drainage, solid waste collection, fire, police, lighting, parks, library services, roads and schools) in the proposal area. A description of who currently provides the service and who would provide the service to the proposal area upon LAFCO's approval.
2. The level and range of the service provider's existing services / facilities / infrastructure that will be used to provide the desired services to the proposal area including detailed information on the extent, size, location and capacity of existing facilities and infrastructure that will be used to provide desired services to the proposal area.

    2.a. For each service, the capacity analysis should include:

    - The total capacity / service units of the current system
    - Number of service units already allocated
    - Number of service units within current boundaries anticipating future service

- Number of service units within the system available after providing service to areas within current boundaries that anticipate future service
- Number of service units required to serve the proposed project and whether there is enough capacity within the current system
- Number of service units proposed to be added to meet the demand

2.b. In the event there is a need to add service units to serve the proposed project, the applicant shall provide a plan for obtaining the capacity necessary to provide the service which must include the following information:

- Number of service units proposed to be added to meet the demand from the proposal area
- A description of the required facility or infrastructure (new or expansions), or additional personnel or equipment
- The viability and likely schedule for completion of the expanded capacity project, its viability, and its relation to the proposal and the proposal timeline
- A list of required administrative and legislated processes, such as CEQA review or State Water Resources Board allocation permits, including assessment of likelihood of approval of any permits and existence of pending or threatened legal or administrative challenges if known
- The planned total additional capacity
- The size and location of needed capital improvements
- The proposed project cost, financing plan and financing mechanisms including a description of the persons or properties who will be expected to bear project costs, and how much the costs will be
- Any proposed alternative projects if the preferred project cannot be completed.

3. The estimated time frame for service delivery to the proposal area
4. A statement indicating any capital improvements, or upgrading of structures, roads, sewer or water treatment facilities or other conditions the agency would impose or require within the affected territory prior to providing service if proposal is approved
5. A description of the cost of services and how the services will be financed

6. Agency's general statement of intent to provide services to the affected territory, indicating the agency's capability of providing the necessary services in a timely manner to the affected territory while being able to serve all areas within its current boundaries and without lowering the level of service provided to areas currently being served by the agency

CHAPTER 3.4
ANNEXATION, DETACHMENT, AND REORGANIZATION POLICIES

Adopted: 4/01/1970
Amended: 12/11/2002, 12/04/2024

SECTION 3.4.1 INTRODUCTION

Under generally applicable provisions of state law, Local Agency Formation Commissions (LAFCOs) for each county are designated as the sole approval authority for annexations, detachments, other changes of organization, and reorganizations of local agencies. However, in Santa Clara County, a city annexation or reorganization (e.g., annexation to a city and detachment from one or more special districts) proposed within a city's Urban Service Area (USA) may qualify for a "city-conducted" process, pursuant to Government Code (GC) §56757. Such proposals are not heard by LAFCO, but by the City Council of the appropriate city as described further below.

The policies and procedures for annexation to cities are thus differentiated from those applicable to special districts in Santa Clara County.

The State law definitions of the types of boundary changes addressed in this chapter include the following:

- **Annexation** is a change of organization involving "the inclusion, attachment, or addition of territory to a city or special district." (GC §56017)
- **Detachment** is a change of organization involving "the exclusion, deletion, or removal from a city or district of any portion of the territory of that city or special district." (GC §56033)
- **Reorganization** is the term used for two or more concurrent changes of organizations (e.g., annexation / detachment from a city, and annexation / detachment from a special district) contained in a single proposal. (GC §56073)

SECTION 3.4.2 CITY ANNEXATIONS, DETACHMENTS AND REORGANIZATIONS

The Countywide Urban Development Policies (CUDPs), jointly adopted by LAFCO, the County and the 15 cities, stipulate that urban development is to occur within cities, rather than in the unincorporated areas; and that development that requires urban services should annex to cities. LAFCO has adopted USAs for each of the cities that include lands currently urbanized and annexed to cities and provided with urban services, as well as unincorporated lands that a city intends to annex in order to develop those lands and provide them with urban services within five years. Therefore, lands

that a city intends to annex must first be located within the city's USA, as approved by LAFCO.

Historically, some cities have areas within their city limits that lie outside their USAs. Even though these areas are outside the USA, the city is not required to seek LAFCO approval to provide services to them, as long as the areas are within the city limits.

Annexation of any remaining unincorporated lands within adopted USAs (i.e., islands) has been a shared goal for the cities, County, and LAFCO. LAFCO policy encourages cities to annex such unincorporated lands in order to accommodate needed growth. (Chapter 6: Island Annexation Policies). The special allowance for "city-conducted" annexations as defined below is also intended to encourage and facilitate annexation of unincorporated lands within USAs.

The following are policies, and evaluative criteria and/or requirements for city annexations.

1. **City-Conducted Annexation.** Pursuant to GC §56757, in Santa Clara County, an annexation or a reorganization proposal that includes city annexation of unincorporated lands located within the USA of a city is not reviewed by LAFCO if the annexation or reorganization proposal is initiated by city council resolution. Further, the city council is required to conduct and approve the annexation or reorganization proposal after making all the following findings:
    a. The unincorporated territory is located within the USA of the city as adopted by LAFCO.
    b. The County Surveyor has determined the boundaries of the proposal to be definite and certain, and in compliance with LAFCO's Road Annexation Policies as listed in Policy #4.2.4. The city shall reimburse the county for the actual costs incurred by the County Surveyor in making this determination.
    c. The proposal does not split lines of assessment or ownership.
    d. The proposal does not create islands or areas in which it would be difficult to provide municipal services.
    e. The proposal is consistent with the adopted general plan of the city.
    f. The territory is contiguous to existing city limits.
    g. The city has complied with all conditions imposed by LAFCO for inclusion of the territory in the USA of the city.

2. **Pre-Zoning.** Consistent with GC §56375(a)(7), Santa Clara LAFCO requires pre-zoning of lands proposed for city annexation. Pre-zoning must be consistent with the city general plan designation for the lands. Both the pre-zoning and the general plan designation shall be considered in reviewing a city annexation proposal.

3. **Change of Pre-Zoning Limitation.** Pursuant to GC §56375(e), no subsequent change may be made to the city general plan or the zoning designations of the annexed territory that is not in conformance to the pre-zoning designations for a period of two years after the completion of the annexation, unless the city council makes a finding at a public hearing that a substantial change has occurred in the circumstances that necessitate the change.

4. **Annexation of Roads.** Cities shall annex appropriate segments of roads, freeways, highways, expressways, private roads or railroad rights-of-way, adjacent to or within the proposed annexation boundaries to ensure logical boundaries and efficient provision of public services. A city annexation proposal shall be designed to include:

    a. A continuous section of roadway sufficient in length to allow road maintenance, and provision of other services such as policing of the street, fire protection, street maintenance, solid waste collection / disposal, by a single jurisdiction in an efficient manner without service duplication.

    b. Full-width sections of the street right-of-way to provide single-agency oversight, except that when a street is the boundary line between two cities, the centerline of the street may be used as the boundary.

    c. Full-width street sections in increments of not less than one thousand linear feet, or the distance between two consecutive intersections, where 50 percent or more of the frontage on both sides of the street in said increment has been or is to be included in the city.

    d. Existing short segments of county-maintained road to provide single-agency oversight of a full-width section of the road.

5. **Ability to Provide Public Services / Infrastructure.** Cities shall assume responsibility for ensuring that the annexed territory receives a full range of city services, and the city must clearly demonstrate its ability to provide services to the area proposed for annexation without detracting from current service levels within the city.

6. **Concurrent Detachment from Special Districts.** Cities shall concurrently detach the affected territory from special districts that will no longer provide service upon annexation to the city.

7. **Annexation to Special Districts for Services.** Where city annexations necessitate annexation to a special district in order to meet service needs, annexation of territory to the special district is required with consent from the special district. If the annexation territory is located outside the sphere of influence of the special district, LAFCO approval for an amendment of the special district sphere of influence and for annexation must be obtained.

8. **Annexation of Lands Under Williamson Act.** Pursuant to GC §56856.5, annexation of territory under Williamson Act Contract to a city or special district that would provide facilities or services related to sewers, nonagricultural water, or streets or roads shall be prohibited unless these facilities and services benefit land uses that are allowed under the Williamson Act Contract.

    a. In evaluating such annexation proposals that involve Williamson Act lands, LAFCO will consider:

        i. Whether the city or special district will limit the provision of urban services or facilities related to sewer, non-agricultural water or streets and roads to the proposal area

        ii. Whether the city that would administer the contract after annexation has adopted policies and feasible implementation measures applicable to the affected territory ensuring the continuation of agricultural use and other uses allowable under the contract on a long-term basis

        iii. Whether the proposal encourages or is necessary to provide planned, well-ordered, and efficient urban development patterns that include appropriate consideration of the preservation of open-space lands within those urban development patterns

    b. In approving city annexation of land subject to a Williamson Act Contract, pursuant to GC §56754, LAFCO shall, based on substantial evidence, determine one of the following:

        i. That the city shall succeed to the rights, duties, and powers of the county pursuant to GC §51243; or

        ii. That the city may exercise its options to not succeed to the rights, duties, and powers of the county pursuant to GC §51243.5.

9. **Conformance with Service Reviews and Spheres of Influence.** City annexations shall be consistent with city Spheres of Influence (SOI) and shall not undermine adopted service review determinations or recommendations.

10. **Annexation of Lands Outside a City's USA for Permanent Preservation of Open Space.** In general, cities are precluded from annexing lands outside adopted USA boundaries. If such annexation is to be considered, LAFCO is the approval authority. LAFCO strongly discourages city annexation of territory located outside a city's USA, unless consistent with the mission and policies of LAFCO.

    LAFCO recognizes that in some limited circumstances, city annexations outside USAs may be appropriate, such as annexations that help promote permanent preservation of open space lands. Such annexation proposals outside city USAs will be considered on their merits on a case-by-case basis, and LAFCO shall reconsider allowance of exceptions to the general rule if it appears a pattern of such requests is developing.

    In evaluating such annexation proposals, LAFCO shall consider, among other things, the following:

    a. The city's explanation for why the annexation is necessary, why an USA expansion is not appropriate prior to annexation, and how the annexation will result in the permanent preservation of open space.

    b. Whether effective measures have been adopted for permanently protecting the open space status of the affected territory. Such measures may include acquisition and transfer of ownership of open space or transfer of open space conservation easements to a conservation entity for permanent preservation of the open space.

    c. Whether the city has applied an appropriate general plan and pre-zoning designation to the proposal area indicating the open space status of the lands.

11. **City Detachments subject to City Support.** Detachment of territory from a city requires LAFCO approval and pursuant to GC §56751, LAFCO may not approve a city detachment proposal if the city adopts and transmits a resolution seeking termination of the proposal.

SECTION 3.4.3 SPECIAL DISTRICT ANNEXATIONS, DETACHMENTS, AND REORGANIZATIONS

LAFCO is the approval authority for all boundary changes for special districts. State law precludes LAFCO from approving a proposal to annex territory located outside the SOI of the affected special district. Therefore, territory proposed for annexation to a special district must first be located within the affected special district's SOI as approved by LAFCO.

If an annexation proposal includes territory that is located outside the affected special district's SOI, the proposal must include a request to LAFCO for an amendment to the SOI. LAFCO has adopted policies to help guide its consideration of SOI amendment proposals. Please see "Chapter 2. Sphere of Influence Policies" for further information.

In accordance with GC §56668, LAFCO must take into account many factors when considering special district annexation / detachment proposals. Certain factors may be more applicable or relevant than others, depending on the specific proposal and circumstances. The following are LAFCO's policies and evaluative criteria for special district annexation, detachment, and reorganization proposals:

1. **Consistency with Spheres of Influence** In order to promote orderly growth and development, and efficient service provision, and pursuant to GC §56375.5, LAFCO shall not approve a special district annexation proposal located outside of the affected special district's SOI.
2. **Conformance with Service Reviews.** LAFCO shall consider the applicable service reviews and shall discourage proposals that undermine adopted service review determinations or recommendations.
3. **Impacts to Agricultural and Open Space Lands.** In order to preserve agricultural lands and open space, LAFCO shall discourage proposals that include or adversely impact agricultural lands and open space, consistent with GC §56377(a) and GC §56668(e).
4. **Logical, Orderly Boundaries.** LAFCO shall discourage proposals that will not result in logical and orderly boundaries. LAFCO will consider:
    a. Whether the boundaries of the proposal are contiguous with the existing district boundary [GC §56668(d) & (f)]
    b. Whether the boundaries of the proposal are definite and certain, and whether the boundaries conform with lines of assessment or ownership [§56668(f)]

c. Whether the proposal will result in islands, flags, peninsulas, corridors or other irregular boundary configurations which are illogical and/or difficult to serve [GC §56668(f)]

d. Whether the boundaries of the proposal follow natural and man-made features, such as ridge lines, drainage areas, watercourses, and edges of right-of-way [GC §56668(a)]

5. **Special District Annexations to Provide Urban Services outside City USAs**. Consistent with the intent of the Countywide Urban Development Policies (CUDPs) and the County General Plan that prohibit urban development and the provision of urban services in unincorporated areas outside city USAs; and in order to promote efficient development patterns, and prevent the conversion of agricultural land, LAFCO shall discourage special district annexation proposals that would extend urban services such as sewer and water to unincorporated lands outside existing city USAs.

   However, LAFCO recognizes that in some limited circumstances, a special district annexation proposal may be in response to an existing threat to public health and safety (e.g., existing septic system failures, well contaminations, or well failures) in the rural unincorporated area, outside city USAs. LAFCO shall consider the following criteria in evaluating such proposals on a case-by-case basis:

   a. Whether the property is currently developed

   b. Whether the threat to public health and safety is substantial and immediate as documented by the County Department of Environmental Health and whether there are no other feasible means of addressing the situation

   c. Whether the proposed boundaries would result in an intrusion of urbanization into a predominantly agricultural or rural area

   d. Whether public facilities or infrastructure related to the proposal would be sized to exceed the capacity needed to address the situation and/or the development

   e. Whether a pattern of such requests is developing, and if so, the cumulative impact of such requests. If a pattern of such requests is developing, LAFCO shall encourage affected agencies to develop and successfully implement measures / plans to first avoid and minimize such requests which may be growth inducing

6. **Ability to Provide and Fund Public Services and Infrastructure.** In order to ensure efficient service provision, LAFCO shall discourage proposals that do not clearly demonstrate that the special district has the ability to provide services to the proposal area without detracting from current service levels within the special district, and in areas that the special district has already committed to serve. Consistent with GC §56668(b) & (k), LAFCO will consider:

    a. The special district's plan for providing services within the proposal area prepared in accordance with LAFCO's Guide for preparing a Plan for Services included as *Exhibit 3.3-B*, and which pursuant to GC §56653, shall include:

        i. An enumeration and description of services currently provided and/or to be provided and the corresponding service provider

        ii. The level and range of those services as well as detailed information on the size, location, and capacity of infrastructure both existing and required

        iii. Estimated time frame for service delivery

        iv. A statement indicating capital improvements, or upgrading of structures, roads, sewers, water facilities or other conditions that the special district would require in the affected territory prior to providing service

        v. A description of how the services will be financed

    b. Whether the proposal is expected to result in any significant increase in service needs and/or new facilities, personnel, apparatus or equipment as a result of adding the proposal area

    c. Whether the anticipated increase in service needs (e.g., increase in calls for fire and police services) and/or new facilities are likely to result in an increase in service costs and how the special district plans to finance the anticipated increase in service costs

    d. Whether the proposal will require the construction of new infrastructure and/or expansion of existing infrastructure and how the special district plans to address the associated fiscal impacts

CHAPTER 3.5
OUT-OF-AGENCY SERVICE BY CONTRACT POLICIES

Adopted: 12/11/1996
Amended: 12/11/2002, 12/04/2024

SECTION 3.5.1 INTRODUCTION

The term "out-of-agency service by contract" (OASC) refers to an agency such as a city or special district providing new or extended services by contract or agreement outside its jurisdictional boundaries.

Prior to 1994, cities and special districts in California could avoid a LAFCO's review process for annexation and provide services by contract outside their boundaries without obtaining LAFCO approval. This circumvented the Legislature's intent for LAFCOs to regulate city and special district boundaries which generally determine where a city or special district provides services; furthermore, it undermined a LAFCO's ability to guide growth, and ensure orderly development and good planning of infrastructure and services.

To prevent such circumvention and strengthen LAFCO's position to better address issues concerning growth and sprawl, the Legislature added Government Code (GC) §56133 which requires cities and special districts to first request and receive written approval from LAFCO before providing new or extended services by contract outside their jurisdictional boundaries. GC §56133 was enacted in 1993 as part of Assembly Bill No. 1335 and became effective on January 1, 1994. Over subsequent years, GC §56133 has been amended several times to clarify a LAFCO's role in regulating service provision outside jurisdictional boundaries. In 2003, the law was revised to state that GC §56133 does not apply to service extensions that occurred on or before January 1, 2001.

SECTION 3.5.2 PROCEDURAL POLICIES FOR OUT-OF-AGENCY SERVICE BY CONTRACT PROPOSALS

The following procedures apply for processing of OASC proposals:

1. **LAFCO approval.** Government Code §56133 requires that a city or special district must apply for and obtain LAFCO approval before providing new or extended services by contract or agreement outside its jurisdictional boundaries, unless exempt pursuant to GC §56133(e).

2. **Initiation.** An OASC application to Santa Clara LAFCO must be initiated by resolution of the city or special district that is proposing to provide the service beyond its jurisdictional boundaries.

3. **Pre-Application Meeting.** A city or special district that seeks to or receives a request to provide service outside its jurisdictional boundaries must first evaluate whether the OASC request is consistent with applicable local and Santa Clara LAFCO policies and determine whether it supports the request. In order to aid such evaluation, Santa Clara LAFCO encourages a city / special district to schedule a pre-application meeting with LAFCO staff as early as possible to discuss their OASC plans and obtain more information on the policies and procedures that may apply to the specific proposal. LAFCO staff shall also assist the city / special district in investigating annexation as an alternative to submitting a formal OASC application.

4. **LAFCO Determination of Exemptions.** It is Santa Clara LAFCO's policy to encourage local agencies to engage in cost sharing and pursue innovative partnerships while also ensuring that OASC activities do not undermine jurisdictional boundaries, reduce local agency accountability and transparency, or lead to unintended growth-inducing impacts. In order to appropriately balance these interests, Santa Clara LAFCO, and not the city or special district that would provide the service, shall determine if a proposed OASC is exempt from the requirement for LAFCO approval pursuant to exemptions in GC §56133(e). The following procedures apply:

    a. The city or special district shall contact LAFCO staff for a determination on whether an OASC proposal would be eligible for an exemption under GC §56133(e). Such consultations may occur via phone or email communication. LAFCO encourages the city or district to contact LAFCO staff as early as possible to discuss its OASC plans and obtain information on the LAFCO policies and procedures that may apply to the specific proposal.

    b. The Executive Officer in consultation with LAFCO Counsel, shall provide a determination on whether or not the OASC proposal is exempt, such determination shall be appealable to LAFCO as described below in (d).

    c. The Executive Officer shall inform the Commission of the determination at the next available meeting, unless it is an exploratory and not a formal inquiry.

    d. The city or special district, at no cost, may appeal the Executive Officer's determination on the exemption to LAFCO. The appeal must include

specific substantiation for the exemption and must be made within 10 business days of receiving the EO determination.

e. The appeal shall be heard by LAFCO at its next available meeting that permits adequate public notification. If LAFCO determines that the exemption does not apply, the city or special district must apply for and obtain LAFCO approval before providing services by contract outside boundaries.

5. **Administrative Approval.** An administrative approval of an OASC, without consideration by LAFCO, may be allowed in situations that pose an urgent public health or safety concern. The administrative approval shall be made jointly by the LAFCO Chairperson (or Vice Chairperson if the Chair is not available) and the Executive Officer. Both must agree that an administrative approval of the OASC proposal is appropriate, based upon the following criteria:

   a. The lack of service being requested constitutes an immediate threat to public health and safety as documented by the County Department of Environmental Health.

   b. The property is currently developed.

   c. There are physical constraints on the property that prohibit a conventional service delivery method typically suited to the unincorporated area (e.g., septic system, private well, etc.), and there are no other feasible means or solutions available for addressing the situation.

   The Executive Officer shall inform the Commission on the administrative approval of a OASC proposal at the next regularly scheduled LAFCO meeting.

6. **CEQA.** An OASC proposal is considered a project under the California Environmental Quality Act (CEQA). The Lead Agency for an OASC proposal shall be either 1.) the city or the county with the land use approval authority for the development that would receive the service; or 2.) the city or the special district that would provide the service. Santa Clara LAFCO would be a Responsible Agency and is required to rely on the lead agency's CEQA documentation. The Lead Agencies must consult with LAFCO on the scoping of CEQA documentation for the potential proposal.

7. **Recordation of Agreement for Services.** OASC applications shall include a service agreement signed by all relevant parties including the agency that would provide the service and the property owner. Upon Santa Clara LAFCO approval of an OASC proposal and within 3 months of the date of approval, the signed

service agreement must be recorded with the Santa Clara County Recorder and submitted to LAFCO staff.

SECTION 3.5.3 POLICIES AND EVALUATION CRITERIA FOR OUT OF AGENCY SERVICE BY CONTRACT PROPOSALS

Consistent with State law and the Countywide Urban Development Policies (CUDPs) jointly adopted by LAFCO, the County and the 15 cities, it is Santa Clara LAFCO's goal that local agencies provide services within their jurisdictional boundaries and not extend services outside jurisdictional boundaries if annexation is a feasible alternative, unless it is in response to an existing public health and safety threat. Furthermore, in order to prevent sprawl, ensure efficient delivery of services, promote more efficient use of existing urbanized areas, and preserve open space and agricultural lands, LAFCO discourages OACS proposals that support new development in the unincorporated areas, outside city Urban Service Areas (USAs).

To further these goals, Santa Clara LAFCO shall carefully consider and evaluate OASC proposals consistent with its policies and the CKH Act. In addition to any other applicable factors enumerated in GC §56668, Santa Clara LAFCO shall consider the following policies and factors in evaluating the impacts of an OASC proposal:

1. **Conformance with Spheres of Influence**.
    a. Pursuant to GC §56133(b), Santa Clara LAFCO may authorize a city or district to provide new or extended services outside its jurisdictional boundaries but within its sphere of influence, in anticipation of a later annexation.
    b. Santa Clara LAFCO may authorize a city or district to provide new or extended services outside its SOI to respond to an existing or impending threat to public health and safety (as documented by the County Environmental Health Department) in accordance with GC §56133(c)(1), and after notification to any alternate service provider in accordance with GC §56133(c)(2).
2. **Annexation as Alternative to OASC.** Where feasible and within Santa Clara LAFCO policy, annexation to the city or the special district that would provide the service is generally preferred to service extension outside its jurisdictional boundaries. Santa Clara LAFCO will consider whether annexation is a logical alternative to extending services beyond the jurisdictional boundaries of a local agency. An OASC proposal may be appropriate in certain limited cases where immediate annexation is not a feasible alternative due to lack of contiguity or other unique local circumstances.

In accordance with GC § 56133(b), Santa Clara LAFCO may approve a OASC proposal in anticipation of a future annexation if the agency is able to provide LAFCO with a resolution of intent to annex and with appropriate assurances which demonstrate that the OASC is an intermediate step toward eventual annexation. Such assurances will be evaluated on a case-by-case basis and should include all appropriate actions including and not limited to application of a pre-zoning designation, preparation of a plan for annexation, a provision in the service contract for the property owner to consent-to-a future annexation and/or to waive protest rights.

3. **Service Extensions into Unincorporated Area.** Consistent with the CUDPs and the County General Plan that prohibit urban development and the provision of urban services in unincorporated rural areas outside city USAs, Santa Clara LAFCO shall discourage OASC proposals that are intended to support new development in the unincorporated county, with the following two exceptions.

    a. **Extensions to Address Existing Public Health and Safety Threat.** Santa Clara LAFCO recognizes that in some limited circumstances, an OASC proposal into the rural unincorporated area may be appropriate if it is the only way to resolve an existing threat to public health and safety (e.g., existing septic system failures, well contaminations, or well failures). Consistent with GC §56133(c), Santa Clara LAFCO shall consider the following criteria in evaluating such proposals on a case-by-case basis:

        i. Whether the property is currently developed

        ii. Whether the threat to public health and safety is substantial and immediate, as documented by the County Department of Environmental Health and whether there are any other feasible means of addressing the situation

        iii. Whether the proposal would result in an intrusion of urbanization into a predominantly agricultural or rural area [GC §56668(d)]

        iv. Whether a pattern of such requests is developing, and if so, the cumulative impact of such requests. If a pattern of such requests is developing, LAFCO shall encourage affected agencies to develop and successfully implement measures / plans to first avoid and minimize such requests which may be growth inducing

    b. **Service Extensions to Agricultural Worker Housing**.

        i. Agricultural workers are an essential component of Santa Clara County's agricultural industry, and agricultural worker housing

supports the preservation of open space and agricultural lands, continued sustainability of agriculture, delivery of agricultural produce, and continued viability of Santa Clara County's food system. Santa Clara LAFCO will give special consideration to OASC proposals that consist solely of agricultural worker housing and that meet both the following requirements:

(1) The County has methods (e.g., requirements for recordation of deed restrictions and/or affordability covenants on the property) currently in place to ensure affordability and occupancy of the proposed agricultural worker housing for eligible agricultural workers over the long term and for not less than 55 years or for the duration of the approved use.

(2) The proposed agricultural worker housing will be maintained and operated by a qualified affordable housing organization that has been certified pursuant to Health & Safety Code §17030.10, a public agency, or an employer providing housing.

ii. Santa Clara LAFCO shall consider the following in evaluating such proposals, in accordance with OASC Policy #5.3.2:

(1) Whether the proposed housing is consistent with the County General Plan, Zoning ordinance and its policies / plans for agricultural land preservation

(2) Whether the proposal fulfills the established need for agricultural worker housing and whether it is consistent with the city and /or County's long-term agricultural land conservation plans

(3) Whether the proposed agricultural worker housing development is imminent or is likely to occur with the next 5 years

(4) Whether the proposal minimizes the conversion of and/or impacts to agricultural lands, for example, by designating building envelopes, siting on lands of lesser agricultural value, etc.

4. **Public Health and Safety.** Pursuant to GC § 56133(c)(1), Santa Clara LAFCO shall consider whether the OASC proposal is in response to an existing or impending threat to public health and safety as determined and documented by the County Environmental Health Department.

5. **Ability to provide Public Services.** Consistent with GC §56668(k), Santa Clara LAFCO shall require OASC proposals to clearly demonstrate that the city / special district has the ability to provide the proposed service without detracting from current service levels within its existing service area and shall consider criteria listed in Policies #3.4.5, #3.4.6, and #3.4.7, as applicable.

6. **Conformance with General Plans and Policies.** Consistent with GC §56668(h), Santa Clara LAFCO shall consider whether the OASC proposal is consistent with the policies and general plans of all affected local agencies, including cities, special districts and the county.

7. **Growth Inducing Impacts.** Consistent with GC §56668(d), Santa Clara, LAFCO shall consider the growth-inducing impacts of the OASC proposal and discourage proposals that contribute to development of fringe areas or intrusion of urbanization into areas designated for non-urban uses. To limit growth inducing impacts, LAFCO shall consider whether public facilities or infrastructure related to the proposal would be sized to exceed the capacity needed for the proposed development and/or extended through agricultural, open space lands, or non-urban areas.

8. **Impacts to Agricultural and Open Space Lands.** Consistent with GC §56377(a), Santa Clara LAFCO shall discourage proposals that result in conversion of or have adverse impacts on agricultural or open space land and shall consider criteria in Policy #3.4.2(a. through d.).

9. **Conformance with Service Reviews.** Consistent with GC §56668(i), Santa Clara LAFCO shall consider the applicable service reviews and shall discourage OASC proposals that undermine adopted service review determinations or recommendations.

10. **Fire Protection Contracts.** Effective January 1, 2016, GC §56134 requires LAFCO approval of a fire protection contract or agreement that provides new or extended fire protection services outside a public agency's jurisdictional boundaries and meets either of the following thresholds: (1) transfers responsibility for providing services in more than 25 percent of the area within the jurisdictional boundaries of any public agency affected by the contract; or (2) changes the employment status of more than 25 percent of the employees of any public agency affected by the contract. Santa Clara LAFCO shall consider such OASC proposals for fire protection contracts pursuant to GC §56134.

    The Commission will review such proposals for consistency with the required findings of GC §56134(h)(2)(i) & (j), as well as the overall purposes of LAFCO that encourage the efficient provision of government services.

CHAPTER 3.6
ISLAND ANNEXATION POLICIES

Adopted: 2/09/2005
Amended: 10/14/2009, 12/04/2024

SECTION 3.6.1 INTRODUCTION

In Santa Clara County, unincorporated land that is located within a city's Urban Service Area (USA) is considered an island. Over time, the cities have largely annexed most of the lands now within the USAs, through a combination of resident-initiated efforts, County and city programmatic efforts to annex whole islands, or on a parcel-by-parcel basis as a pre-requisite to new development or new land uses. However, some islands persist, large and small, which continue to be the subject of ongoing policy matters and annexation efforts.

The Countywide Urban Development Policies (CUDPs) stipulate that urban unincorporated islands within USAs should ultimately be annexed into their surrounding cities, so that cities have responsibility for urban services and land use authority over all lands within their USA boundaries. LAFCO has adopted USAs for cities, that include lands currently urbanized and annexed to cities and provided with urban services, as well as unincorporated lands (i.e., unincorporated urban islands) that a city intends to annex in order to develop those lands and provide them with urban services within five years.

SECTION 3.6.2 HISTORY OF UNINCORPORATED URBAN ISLANDS

The USAs of many cities contain unincorporated islands. These islands are largely a result of development that occurred in the County in the 1950s and 1960s (prior to the adoption of the CUDPs). Immediately after World War II, most of the North Valley was unincorporated, agricultural, and cities had just begun to expand and develop. During this time, rapid urban development was often scattered, discontinuous, and not necessarily required to be within cities. This resulted in some unincorporated areas being developed, while city boundaries became more sprawling and irregular. Furthermore, as urban development and city annexation continued outward, some unincorporated areas were leapfrogged over and left under County jurisdiction, some remaining agricultural, some partly developed.

Historically, it has not been the role of the County government to provide urban services and infrastructure. As a result, the County has few mechanisms or resources for providing and maintaining urban infrastructure and services. The issue is further

complicated by the inefficiencies of having to ensure that services are provided for many small, widely scattered developed areas that are surrounded or substantially surrounded by cities.

Specific services in some unincorporated urban islands are provided by special districts. Residents of these areas generally receive urban levels of service for the specialized services that are provided by the districts. However, the districts do not provide a full range of services, and it is similarly inefficient to have multiple special districts providing one or two specific services to small, scattered areas.

In other cases, residents of urban unincorporated islands may utilize city-provided services for which they pay no property taxes to the city. To minimize the complexities and inequities of urban service provision and to provide more regular and logical city boundaries, the islands within USAs should be annexed to cities. In fulfillment of that fundamental policy, over the past 50 years, the vast majority of the urban unincorporated islands that existed in the 1970s have been annexed into cities, with the assistance of LAFCO and the County.

Nonetheless, at present, there still remain many unincorporated islands in the county, the majority of which are 150 acres or smaller. They are scattered across the county, from Gilroy to Mountain View, and from Los Gatos to the eastern edges of San Jose.

SECTION 3.6.3 LEGISLATIVE HISTORY

LAFCO law includes various provisions that encourage the annexation of existing islands and discourage the creation of new islands. Moreover, since the late 1970s, State law has been amended numerous times to create additional provisions to encourage and facilitate the annexation of unincorporated islands into cities. In so doing, the state legislature has progressively and increasingly recognized the importance of island annexation to well-functioning urban areas and the relationship of such policies to other related planning goals of the state, such as curbing sprawl and preserving farmland.

In 2001, the State Legislature enacted the Cortese-Knox-Hertzberg Local Government Reorganization Act. One of the provisions of the Act allowed island annexations to occur through a streamlined process that does not require protest proceedings or elections, provided that the island meets specific criteria. In 2001, this provision applied to unincorporated islands up to 75 acres in size. In 2004 this provision was further amended to apply to islands up to 150 acres in size. This provision was originally set to expire on December 31, 2014. However, effective January 1, 2014, the State legislature removed the sunset date and made the streamlined island annexation provision permanent.

Currently, State law requires LAFCO to approve island annexations and waive protest proceedings, after notice and hearing, if the island annexation meets all the criteria outlined in Government Code (GC) §56375.3. This provision is limited to islands that do not exceed 150 acres in size as of January 1, 2014 pursuant to GC §56375.4. However, in Santa Clara County, pursuant to GC §56757, city annexations, including island annexations, are not decided by LAFCO, but by the City Council of the applicable city, as explained in LAFCO Policy #4.2.1 (Annexation, Detachment, and Reorganization Policies).

SECTION 3.6.4 ISLAND ANNEXATION POLICIES

In order to fulfill the intent of the State Legislature, implement the CUDPs, and encourage efficient service provision and orderly growth and development, LAFCO supports and encourages cities to annex unincorporated islands within their USAs.

LAFCO has adopted the following policies to encourage the timely annexation of islands:

1. **Encourage Island Annexation.** LAFCO will encourage island annexations to cities and collaborate with the cities and the County in facilitating annexation of islands.
2. **Annex Entire Islands.** Where feasible, and in furtherance of goals to support orderly growth and development, cities are encouraged to annex entire islands, rather than to conduct single parcel annexations.
3. **Streamlined Island Annexations.** State law provides a streamlined process for annexation of entire islands that do not exceed 150 acres in size (as of January 1, 2014) and that meet all of the criteria outlined in GC §56375.3.
4. **LAFCO Island Annexation Program.** In order to encourage cities to annex entire islands, LAFCO offers the following assistance:
    a. LAFCO will provide a fee waiver for annexations that result in elimination of entire unincorporated islands. This fee waiver will remain effective until rescinded by the commission.
    b. LAFCO will provide information and expertise on the island annexation procedures to cities. LAFCO will develop and provide process flow charts, and templates for public hearing notices and annexation resolutions to cities. LAFCO staff will conduct workshops for cities staff or meet with individual cities to provide information on the island annexation process.
    c. LAFCO will work with the County, the cities and other interested parties / agencies to find ways to reduce or share the cost of processing island annexations.

5. **Island Annexations Before Seeking USA Expansion.** In the interest of orderly growth and development, cities should annex urban unincorporated islands existing within their current USAs, before seeking to add new lands to their USAs.

   Prior to seeking any USA amendment, except if the USA amendment is to resolve a significant, demonstrable public health and safety issue or if the USA amendment is a minor corrective action, the city should:

   a. Initiate and complete annexation proceedings pursuant to GC §56375.3(a)(1), for all unincorporated islands that meet the provisions of GC §56375.3, unless the island constitutes publicly owned land, and

   b. For any city that has unincorporated islands larger than 150 acres, the city is strongly encouraged to adopt an annexation plan for each of the islands after holding community meetings, to apply pre-zoning designation(s); and to adopt resolutions to initiate annexation, as appropriate.

6. **Align Development Standards.** LAFCO encourages the cities and the County to ameliorate differences between major development standards that potentially affect or hinder island annexation efforts. The County should consider efforts to remove incentives for property owners in the unincorporated islands to remain in the County, by making development standards in the unincorporated islands comparable to development standards in the surrounding city.

7. **Status Report to Commission.** LAFCO staff will report to the Commission on the status of each city's island annexation efforts, as necessary.

CHAPTER 3.7
AGRICULTURAL LAND PRESERVATION AND MITIGATION POLICIES

Adopted: 04/04/2007
Amended: 12/04/2024

SECTION 3.7.1 INTRODUCTION

Government Code (GC) §56377 requires LAFCO to discourage premature conversion of agricultural lands, guide development away from existing agricultural lands and promote the development of existing vacant lands within city boundaries prior to conversion of additional agricultural lands.

Consistent with GC §56377 it is LAFCO's goal to avoid or substantially minimize potential impacts to agricultural lands. Mitigation of impacts to agricultural lands cannot be viewed as the equivalent of avoidance of impacts or as an acceptable means of facilitating urban encroachment into agricultural lands where viable alternatives are available that meet the overall objectives of state law and LAFCO's mission.

The hierarchy of agricultural land preservation strategies of 1) avoidance, 2) minimizing, and then 3) mitigating impacts to agricultural lands as a last resort where conversion or other impacts cannot be avoided has been reinforced in CALAFCO's 2018 White Paper "State of the Art on Agricultural Preservation [Feb. 2018] to address the need for more effective preservation strategies, particularly on the urban fringe where agricultural land is most at risk.

Pursuant to its Urban Service Area Policies in Chapter 2, LAFCO will consider whether a city has developed and successfully implemented measures to first avoid and minimize the conversion of agricultural lands or open space prior to bringing forward a proposal that involves conversion of agricultural lands or open space; and whether the proposal contains mitigation for the conversion of any such lands consistent with LAFCO policies.

The purpose of these policies is to provide guidance to property owners, potential applicants and cities on how to address agricultural mitigation for LAFCO proposals and to provide a framework for LAFCO to evaluate and process in a consistent manner, LAFCO proposals that involve or impact agricultural lands.

SECTION 3.7.2 GENERAL POLICIES

1. LAFCO promotes the agricultural preservation strategies of avoiding and/or minimizing potential impacts to agricultural lands in preference to mitigation, consistent with GC §56377. In reviewing proposals involving potential impacts to agricultural lands, LAFCO will strongly weigh the feasibility of avoiding and minimizing impacts prior to considering the effectiveness and utility of mitigation.
2. Given that agricultural workers are an essential component of Santa Clara County's agricultural industry, Santa Clara LAFCO will give special consideration to proposals that are for agricultural worker housing as referenced in Urban Service Area Policy #3.4.15 and Out of Agency Service by Contract Policy #5.3.3(b).
3 LAFCO recommends provision of agricultural mitigation as specified herein for all LAFCO applications that impact or result in a loss of prime agricultural lands as defined in Policy #7.3.1. Variation from these policies should be accompanied by information explaining the adequacy of the proposed mitigation.
4. LAFCO encourages cities with potential LAFCO applications involving or impacting agricultural lands to adopt citywide agricultural preservation and mitigation policies and programs that are consistent with these policies.
5. When a LAFCO proposal impacts or involves a loss of prime agricultural lands, LAFCO encourages property owners, cities and agricultural conservation agencies to work together as early in the process as possible to initiate and execute agricultural mitigation plans, in a manner that is consistent with these policies.
6. LAFCO will work with agricultural entities, the County, cities and other stakeholders to develop a program and public education materials to improve the community's understanding of the importance of agriculture in creating sustainable communities within Santa Clara County.
7. LAFCO will review and revise these policies as necessary.

SECTION 3.7.3 DEFINITION OF PRIME AGRICULTURAL LANDS

1. "Prime agricultural land" as defined in GC §56064 means an area of land, whether a single parcel or contiguous parcels, that has not been developed for a use other than an agricultural use and that meets any of the following qualifications:

a. Land that qualifies, if irrigated, for rating as class I or class II in the USDA Natural Resources Conservation Service land use capability classification, whether or not land is actually irrigated, provided that irrigation is feasible.

b. Land that qualifies for rating 80 through 100 Storie Index Rating.

c. Land that supports livestock used for the production of food and fiber and that has an annual carrying capacity equivalent to at least one animal unit per acre as defined by the United States Department of Agriculture in the National Range and Pasture Handbook, Revision 1, December 2003.

d. Land planted with fruit or nut-bearing trees, vines, bushes, or crops that have a nonbearing period of less than five years and that will return during the commercial bearing period on an annual basis from the production of unprocessed agricultural plant production not less than four hundred dollars ($400) per acre.

e. Land that has returned from the production of unprocessed agricultural plant products an annual gross value of not less than four hundred dollars ($400) per acre for three of the previous five calendar years.

SECTION 3.7.4 MITIGATION RECOMMENDATIONS

1. Proposals involving the conversion of prime agricultural lands should provide one of the following mitigations at a not less than 1:1 ratio (1 acre preserved for every acre converted) along with the payment of funds as determined by the city / agricultural conservation entity (whichever applies) to cover the costs of program administration, land management, monitoring, enforcement and maintenance of agriculture on the mitigation lands:

   a. The acquisition and transfer of ownership of agricultural land to an agricultural conservation entity for permanent protection of the agricultural land.

   b. The acquisition and transfer of agricultural conservation easements to an agricultural conservation entity for permanent protection of the agricultural land.

   c. The payment of in-lieu fees to an agricultural conservation entity that are sufficient to fully fund, with provisions for adjustment of in-lieu fees to reflect potential changes in land values at the time of actual payment, including:

i. The cost of acquisition of agricultural lands or agricultural conservation easements for permanent protection, and

ii. The cost of administering, managing, monitoring and enforcing the agricultural lands or agricultural conservation easements, as well as the costs of maintaining agriculture on the mitigation lands.

2. Agricultural lands or conservation easements acquired and transferred to an agricultural conservation entity should be located in Santa Clara County and be lands deemed acceptable to the city and entity.

   a. The agricultural mitigation should result in preservation of land that would be:

      i. Prime agricultural land of substantially similar quality and character as measured by the Average Storie Index rating and the Land Capability Classification rating, and

      ii. Located within cities' spheres of influence in an area planned / envisioned for agriculture, and

      iii. That would preferably promote the definition and creation of a permanent urban / agricultural edge.

3. Because urban / non-agricultural uses affect adjacent agricultural practices and introduce development pressures on adjacent agricultural lands, LAFCO encourages cities with LAFCO proposals impacting agricultural lands to adopt measures to protect adjoining agricultural lands, to prevent their premature conversion to other uses, and to minimize potential conflicts between the proposed urban development and adjacent agricultural uses. Examples of such measures include, but are not limited to:

   a. Establishment of an agricultural buffer on the land proposed for development. The buffer's size, location and allowed uses must be sufficient to minimize conflicts between the adjacent urban and agricultural uses.

   b. Adoption of protections such as a Right to Farm Ordinance, to ensure that the new urban residents shall recognize the rights of adjacent property owners conducting agricultural operations and practices in compliance with established standards.

   c. Development of programs to promote the continued viability of surrounding agricultural land.

SECTION 3.7.5 AGRICULTURAL CONSERVATION ENTITY QUALIFICATIONS

1. The agricultural conservation entity should be a city or a public or non-profit agency. LAFCO encourages consideration of agricultural conservation entities that:

    a. Are committed to preserving local agriculture and have a clear mission along with strategic goals or programs for promoting agriculture in the areas that would be preserved through mitigation,

    b. Have the legal and technical ability to hold and administer agricultural lands and agricultural conservation easements and in-lieu fees for the purposes of conserving and maintaining lands in agricultural production and preferably have an established record for doing so, and

    c. Have adopted written standards, policies and practices (such as the Land Trust Alliance's "Standards and Practices") for holding and administering agricultural lands, agricultural conservation easements and in-lieu fees and are operating in compliance with those standards.

SECTION 3.7.6 TIMING AND FULFILMENT OF MITIGATION

1. LAFCO prefers that agricultural mitigation be in place at the time of LAFCO approval or as soon as possible after LAFCO approval. The mitigation (as detailed in the Plan for Mitigation) should be fulfilled no later than at the time of city's approval of the final map, or issuance of a grading permit or building permit, whichever occurs first.
2. Cities should provide LAFCO with information on how the city will ensure that the agricultural mitigation is provided at the appropriate time.
3. Cities should provide LAFCO with a report on the status of agricultural mitigation fulfillment every year following LAFCO approval of the proposal until the agricultural mitigation commitments are fulfilled.
4. The agricultural conservation entity should report annually to LAFCO on the use of the in-lieu fees until the fees have been fully expended.

SECTION 3.7.7 PLAN FOR MITIGATION

1. A plan for agricultural mitigation that is consistent with these policies should be submitted at the time that a proposal impacting agricultural lands is filed with LAFCO. The plan for mitigation should include all of the following:

    a. An agreement between the property owner, city and agricultural conservation entity (if such an entity is involved) that commits the

property owner(s) to provide the mitigation for the loss of prime agricultural lands and establishes the specifics of the mitigation. Upon LAFCO approval of the proposal, the agreement should be recorded with the County Recorder's office against the property to be developed. The agreement should specify:

i. The type of mitigation that will be provided in order to mitigate for conversion of agricultural lands. (purchase of fee title or easement or payment of in-lieu fees)

ii. The agricultural conservation entity that will be involved in holding the lands, easements, or in-lieu fees

iii. The acreage that would be preserved through mitigation and/or the amount of in-lieu fees that would be paid (with provisions to adjust fees to reflect land values at time of payment) along with the methodology adopted by the entity for calculating the in-lieu fees.

iv. The location of the mitigation lands, when possible.

v. Information on the specific measures adopted by the city as encouraged in Policy #10 (mitigation for impacts to adjacent agricultural lands)

vi. The timeframe within which the mitigation will be fulfilled, which should be no later than at the time of city's approval of the final map, or issuance of the grading permit or building permit, whichever occurs first

vii. The mitigation agreement is to be contingent on LAFCO approval of the proposal.

2. Applicant should provide all other supporting documents and information to demonstrate compliance with these policies.

CHAPTER 3.8
URBAN GROWTH BOUNDARIES POLICIES

Adopted: 04/12/1999
Amended: 12/04/2024

SECTION 3.8.1 INTRODUCTION

Urban Growth Boundaries (UGBs) are planning boundaries adopted to establish very long term or permanent limits on potential urban expansion. UGBs have a similar overall purpose as Urban Service Areas (USAs) in that they include lands intended for urban development and protect surrounding natural resource lands. In some cases, an UGB may be adopted solely by act of the legislative body such as a city council or by means of a voter initiative, and in some cases, by a combination of the two. UGBs are not adopted or regulated by LAFCO. UGBs are intended to be amended very infrequently, within the context of a comprehensive general plan update, or by vote of the public, if adopted in that manner.

UGBs have been adopted by some of the cities of Santa Clara County, in conjunction with the County or unilaterally. Some UGBs are essentially coterminous with existing city USAs, while others may include some additional lands deemed appropriate for future consideration of urban growth. Inclusion of additional lands outside a city's USA within an UGB is not meant to convey that such lands are necessarily to be urbanized within a particular time frame, only that such lands may be considered for a city's long-term growth needs if approved for inclusion in a city's USA by LAFCO, in accordance with established LAFCO policy.

UGBs could reduce speculation about the direction and extent of potential urban expansion, helping to promote certainty, urban infill, more stable growth expectations and land use patterns, and better preservation of agricultural and other natural resource lands. Cities such as San Jose and Milpitas, were early adopters of UGBs. Both cities adopted UGBs with a reduced urban footprint and requested corresponding USA retraction to prevent sprawl and curb hillside urban development, promote viewshed preservation, and conserve valley agricultural lands.

SECTION 3.8.2 POLICIES

1. LAFCO supports adoption of UGBs that are consistent with LAFCO's goals to prevent sprawl, protect open space and agricultural lands and promote efficient delivery of services. However, an USA remains the definitive, Santa Clara LAFCO-adopted planning boundary indicating whether an area will be potentially annexed and provided with urban services.
2. LAFCO shall recognize any urban growth boundary, urban limit line, "greenline," greenbelt boundary, or other boundary adopted by a city and/or approved by voter initiative that defines the limits of a city's urban development on a long term or permanent basis.
3. LAFCO shall consider these boundaries when reviewing relevant proposals, including annexations or reorganizations over which LAFCO retains review and approval authority, urban service area amendment proposals, sphere of influence amendment proposals, and "out-of-agency service by contract" proposals.
4. LAFCO shall discourage proposals which are inconsistent with an adopted urban growth boundary.

CHAPTER 3.9
INCORPORATION POLICIES

Adopted: 05/30/2007
Amended: 08/01/2007, 12/03/2025

SECTION 3.9.1 INTRODUCTION

State law (Government Code §56043) defines an "incorporation" as the creation or establishment of a city. Any area proposed for incorporation as a new city shall have at least 500 registered voters residing within the affected area at the time incorporation proceedings are initiated with Santa Clara LAFCO (GC §56043). Pursuant to GC §56023, a "city" means any incorporated chartered or general law city, including any city the name of which includes the word "town."

The procedure for creating a new "city" in the State of California is a lengthy and very complex process requiring at least a year of formal review and significant requisite fees. The purpose of the process is to ensure that any proposed incorporation is economically feasible and in the best interests of the community. An incorporation must also be environmentally and logically sound from a public service standpoint.

These policies augment the Governor's Office of Planning and Research (OPR) 2003 "Guide to the LAFCO Process for Incorporations". Where these local policies differ from the OPR Guidelines, the local policies shall apply. These policies are not intended to preempt State law. Should these policies conflict with the provisions of law, the provisions of the CKH Act and related statutes shall prevail. Unless otherwise specified herein, proposals for incorporation are subject to all policies and requirements that apply to proposals and applications submitted to Santa Clara LAFCO.

SECTION 3.9.2 CERTIFICATE OF FILING AND TIME LIMITATIONS

1. In order to deem the incorporation application filed, issue the Certificate of Filing and set a hearing date for the proposal, all application requirements must be completed (GC §56651). The Certificate of Filing will not be issued by the Executive Officer until all of the filing requirements have been met including the comprehensive fiscal analysis, plan for services, and information sufficient to facilitate an environmental determination pursuant to CEQA.
2. To ensure that the petition signatures remain sufficient and that the proposal remains current, the application requirements must be completed within 24 months following the date of the Certificate of Sufficiency or the date of adoption of the resolution making the application.

3. If the application remains incomplete after 22 months, Santa Clara LAFCO staff will notify the proponents at least 60 days before the 24-month deadline. The Commission may allow an extension of the 24-month time period, on a case by case basis.

4. Santa Clara LAFCO staff will use its best efforts to ensure timely completion of each procedural requirement in the incorporation process, including, but not limited to, preparing requests for financial information as early as possible following the close of the fiscal year; giving appropriate notice; initiating agency consultations; and convening meetings related to revenue transfers.

SECTION 3.9.3 INCORPORATION PROCESSING FEES

1. The actual costs for processing the incorporation application are the proponent's responsibility. Application costs include consultant costs for preparing the comprehensive fiscal analysis and the environmental review documents, Santa Clara LAFCO staff time, legal counsel costs and other related expenses incurred by Santa Clara LAFCO in the incorporation proceedings.

2. Incorporation proposals are charged on an actual cost basis with a deposit required when the proposal is initiated. The cost of the proceedings will be much higher than the initial deposit. The deposit allows staff to open a file and initiate the determination of petition sufficiency and begin meetings with the proponents to develop a timeframe and cost estimates.

3. Consultants will be hired by Santa Clara LAFCO for the preparation of the comprehensive fiscal analysis and CEQA analysis / documents. Each consultant's total cost will be divided into costs for each sub task. Prior to commencement of each sub task, the proponents must make a deposit in the amount of the estimated cost for that task. Santa Clara LAFCO will not authorize the consultant to commence work on the task until the requested funds are received. At the end of each task a final accounting will be done. Any amounts due must be paid within 30 days.

   Any refunds will be applied to the subsequent task or refunded. The actual amounts of the deposits will be determined after the consultant contracts are negotiated.

4. Santa Clara LAFCO staff will provide the proponents an initial estimate of the costs of the incorporation proceedings. The terms of payment will be stated in an agreement to be executed between Santa Clara LAFCO and the proponents.

SECTION 3.9.4 INCORPORATION BOUNDARIES

1. The Commission will review proposal boundaries, as submitted by proponents. Alternatives to the proposal must also be considered by Santa Clara LAFCO. The LAFCO Executive Officer will convene a meeting to identify logical boundary alternatives for the new city at the earliest date possible. The meeting will include the proponents. The factors contained in GC §56668, and the following factors, will be considered in reviewing proposal boundaries.
2. The Commission may modify proposed boundaries and order the inclusion or deletion of territory to accomplish its goal of creating orderly boundaries.
3. A proposed incorporation must satisfy a demonstrated need for services, and promote the health, safety, and welfare of the community, and environmental justice.
4. A proposed incorporation or formation must not conflict with the normal and logical expansion of adjacent governmental agencies.
5. An area proposed for incorporation must be compact and contiguous, and possess a community identity.
6. Pursuant to GC §56744, the proposal boundaries and alternatives shall not create islands or areas that would be difficult to serve.
7. Areas included within the proposed incorporation boundaries should consist of existing developed areas and lands, which are planned for development.
8. Inclusion of agricultural and open space lands, and lands under a farmland security zone (GC §56749), within the boundaries of a proposed city is discouraged.
9. Incorporation boundaries should be drawn so that community based special districts are wholly included within or excluded from the incorporation area, unless the Commission determines that there is either an overriding benefit to dividing the district or that there is no negative impact from dividing the district.

SECTION 3.9.5 SERVICES TO INCORPORATION AREA

1. Applicants must demonstrate to Santa Clara LAFCO that the proposed city will have the ability and sufficient revenues to provide adequate facilities and services in the incorporation area pursuant to GC §56668(k), and at no less than the level of services provided in the area prior to incorporation.

2. New cities should assume jurisdiction over as many services in the incorporation area as are feasible.

SECTION 3.9.6 SPECIAL DISTRICTS AFFECTED BY INCORPORATION PROPOSAL

1. District territory included in an incorporation area should be detached from the district or the district dissolved unless Santa Clara LAFCO determines that there is an overriding reason to retain the district.
2. Detachment of territory from a region-wide special district which provides service to multiple communities outside the incorporation area is discouraged, unless the Commission determines that there is an overriding reason for the detachment.

SECTION 3.9.7 TIMING AND INITIATION OF NEW CITY'S SPHERE OF INFLUENCE (SOI)

1. Pursuant to §56426.5, the Commission may determine the SOI for the new city at the time the incorporation is approved or no later than one year from the effective date of incorporation. The new city may initiate a SOI application. In the absence of an application within the time frame necessary for sphere adoption, the Commission will adopt an initial SOI boundary for the city which will be coterminous with the city's boundaries.

SECTION 3.9.8 ENVIRONMENTAL REVIEW OF INCORPORATION PROPOSALS - CEQA

1. An incorporation is considered a project under the California Environmental Quality Act (CEQA). Pursuant to CEQA, Santa Clara LAFCO is the Lead Agency for an incorporation proposal it receive that is initiated by petition and LAFCO shall be responsible for the environmental review process. When an incorporation proposal is not initiated by petition, Lead Agency status is determined pursuant to the State CEQA Guidelines, California Code of Regulations, Title 14, Division 6, Chapter 3, Sections 15000 et seq.
2. A project description will be prepared that includes the proposal as submitted for the purpose of preparing an environmental document. The project description may identify alternatives being considered for the project and a sphere of influence boundary for the proposed city.
3. When LAFCO is the Lead Agency under the direction and management of the LAFCO Executive Officer, an environmental review of the proposed incorporation will be initiated as early as feasible and will be completed as cost-effectively as possible.

SECTION 3.9.9 COMPREHENSIVE FISCAL ANALYSIS AND REVENUE NEUTRALITY NEGOTIATION PROCESS

Pursuant to GC §56800, the Executive Officer shall prepare, or caused to be prepared by contract, a Comprehensive Fiscal Analysis (CFA) for an incorporation proposal which shall be included in the Executive Officer Report. Pursuant to GC §56815, an incorporation should result in a similar exchange of both revenue and responsibility for service delivery among the county, the proposed city, and other subject agencies (i.e., Revenue Neutrality).

The general process and requirements for preparing the CFA and negotiating the revenue neutrality is outlined in the flow chart presented in Exhibit 3.9-A and described below.

1. **Initiate Comprehensive Fiscal Analysis (GC §56800)**

    a. Santa Clara LAFCO will retain a financial consultant qualified to prepare the CFA and related documents necessary for the project, consistent with Santa Clara LAFCO's usual and customary contract procedures.

    b. The fiscal analysis will evaluate the proposal as submitted as well as the identified alternatives.

    c. A detailed timeline for the CFA process will be developed by Santa Clara LAFCO in consultation with the consultants hired to prepare the CFA.

    d. The Draft CFA will be prepared as early as possible to support revenue neutrality discussions.

2. **Revenue Neutrality Negotiations**

    a. The LAFCO Executive Officer at their discretion may convene a series of meetings with representatives of the County and representatives of the incorporation proponents, and other affected agencies and LAFCO consultants as needed, to develop a revenue neutrality agreement as soon as possible after the draft CFA information becomes available. The LAFCO Executive Officer may request the County and the incorporation proponents to provide a list of its representatives and designate one principal representative each, and additional members may be added after negotiations commence with the agreement of both parties.

3. Timing and Adoption of Revenue Neutrality Agreement

a. The Draft CFA is a prerequisite to revenue neutrality negotiations.

b. The County and the incorporation proponents will have up to 90 days to negotiate a revenue neutrality agreement. The 90 days commences from their first meeting following the release of the Draft CFA.

c. Within the 90-day period, if the parties reach agreement, they shall provide a written revenue neutrality agreement to the LAFCO Executive Officer; the agreement will be signed by proponents. County representatives will place the agreement on the County Board of Supervisors agenda within the 90-day period.

d. The terms of the Revenue Neutrality Agreement will be included in the budget projections and feasibility analysis in the Public Hearing Draft CFA.

e. If agreement does not occur within the 90-day negotiating period, LAFCO staff will draft proposed terms and conditions for use in the Public Hearing Draft CFA and for recommendation to the Commission at its public hearing.

f. The County and the incorporation proponents may jointly reduce the time period for reaching agreement.

4. Public Hearing Draft CFA and LAFCO Public Hearing

a. A Notice of Availability will be prepared by Santa Clara LAFCO staff and the Public Hearing Draft CFA will be circulated and made available to the public no less than 30 days prior to LAFCO's public hearing on the incorporation proposal. The Public Hearing Draft CFA includes terms of the revenue neutrality agreement if agreement has been reached, or terms to be determined by Santa Clara LAFCO if agreement has not been reached.

5. State Controller Review of Comprehensive Fiscal Analysis, if Requested (GC §56801)

a. Any party may request review of the Public Hearing Draft Comprehensive Fiscal Analysis within 30 days of the release of the Notice of Availability of the Public Hearing Draft CFA. The written request shall be made to the LAFCO Executive Officer and should identify the specific elements that the State Controller is being requested to review and state the reasons for review of each of the elements.

b. The requestor is responsible for all costs related to the request, and shall sign an agreement to pay such costs.

c. The requestor shall deposit a fee in the amount of the total estimated cost of the review at the time the request for review is filed. The deposit will include the estimated charge by the State Controller, LAFCO staff costs, and costs for any consultants required to assist the State Controller with the review. The deposit shall be supplemented by the requestor if additional funds are needed to complete the review. The difference between the actual cost and the estimate shall be refunded / charged to the party initiating the request after the review is complete.

6. Final CFA

a. The Final CFA will include the terms and conditions approved by Santa Clara LAFCO and will be prepared following the Commission's determinations and approval of the incorporation.

SECTION 3.9.10 FINANCIAL ASSUMPTIONS AND FISCAL ANALYSIS REQUIREMENTS

1. All assumptions and calculation methodologies used for the fiscal calculations shall be clearly identified and detailed in the CFA. (GC §56800)
2. The CFA shall calculate the proposed city base year costs consistent with the 2003 OPR Guidelines.
3. The base year or "prior fiscal year" shall be the basis of financial calculations and determinations, as defined in G C §56810(g) as follows: "the most recent fiscal year for which data on actual direct and indirect costs and revenues needed to perform calculations required by this section are available preceding the issuance of the certificate of filing."
4. Costs of services in the proposal area shall be based on existing levels of service provided in the proposal area by the County and other agencies during the "base year."
5. When proposed city functions and services have not previously been provided by an agency prior to incorporation (e.g., new city general administration costs that are not transferred from another agency), the cost projection basis for the proposed city's future expenditures for those services and functions shall be based on cities with similar population and geographic size that provide similar level and range of services.
6. Revenue projections for anticipated future city revenues will be "conservative"; where the revenue projection is estimated as a range, the lowest number in the range will be used for calculating future city budgets.

7. Property tax projection calculations for projecting the future city revenues will include the rate of increase in the assessed value (not greater than 2% annually). Property tax revenue projections based on market driven property tax reassessments (e.g., increases in home re-sale values) should not be relied upon for calculating future year city budgets and determining feasibility.
8. The CFA shall include the proposed city budget, projected for a minimum of ten years in order to 1) evaluate long-term feasibility, 2) consider the effects of the new city's repayment to the County for its first-year services and 3) project the effects of foreseeable shifts in state subventions, etc.
9. The CFA should include an annual appropriation in the new city budget for contingencies of 10% in each budget year evaluated. The CFA should include an additional reserve of 10% in any given year in the new city's budget projection.
10. The CFA will calculate the estimated property tax transfer and the total net agencies' cost of providing service in the proposed incorporation area. The Commission makes the final determination of costs and the transfer of property taxes.
11. Financial feasibility shall be based on the ability of the new city to maintain pre-incorporation service levels.
12. The CFA will include revenue sources that are currently available to all general law cities. Projections will not be based on potential revenue sources not currently applicable in the area or new revenues which might become available through the discretionary actions of a future city council.

SECTION 3.9.11 BASIS AND ASSUMPTIONS FOR REVENUE NEUTRALITY

Revenue neutrality intends that any proposal that includes an incorporation should result in a similar exchange of both revenue and responsibility for service delivery among the county, the proposed city, and other subject agencies. It is the further intent of the Legislature that an incorporation should not occur primarily for financial reasons (GC §56815). Pursuant to GC §56815, Santa Clara LAFCO will make findings and/or impose conditions or mitigations to equalize the transfers of revenue and service.

1. The revenue neutrality agreement or any proposal for LAFCO terms and conditions for revenue neutrality shall include:
    a. A criteria and a process for modification by the affected agency and the city after incorporation
    b. A description of methodologies and assumptions leading up to the terms of the agreement

c. Identifiable and recurring revenues and expenditures only

2. The revenue neutrality agreement or any proposal for LAFCO terms and conditions for revenue neutrality shall exclude:

   a. Anticipated or projected revenue growth or sources of revenue dependent on discretionary actions by a future city council

   b. Services funded on a cost recovery basis (such as permits / building inspection) which are, by definition, revenue neutral

   c. Costs of capital improvements

3. The following additional policies apply to the revenue neutrality agreement or any proposal for Santa Clara LAFCO terms and conditions for revenue neutrality:

   a. Fiscal impacts to restricted and unrestricted revenues should be evaluated separately. A city may pay a portion of its annual revenue neutrality payment with restricted funds if both agencies agree, and if a legal exchange mechanism can be created to do so.

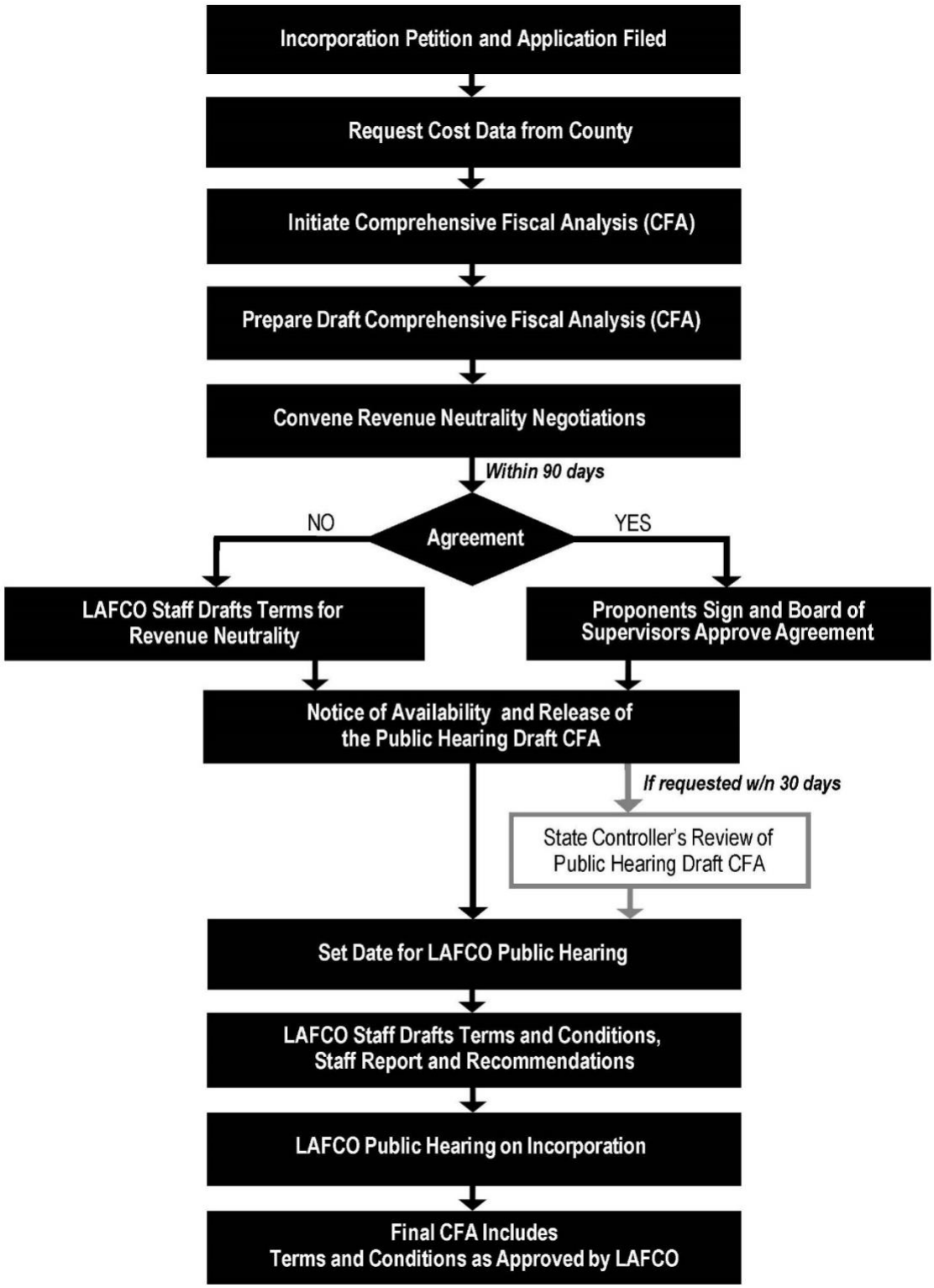
   b. Fees charged by the county for services to other jurisdictions (such as property tax administration fees or jail booking fees) should be included as an off-setting county revenue in the calculation of fiscal effects on the county.

   c. Countywide costs of regional services and general government, including the County Administration, Clerk of the Board, Auditor-Controller and other administrative government functions which are required to support county governance of both incorporated and unincorporated areas should not be included in defining services or revenues transferred to the new city.

SECTION 3.9.12 EFFECTIVE DATE OF INCORPORATION

1. The effective date of incorporation should be considered in revenue neutrality negotiations. Santa Clara LAFCO will establish the effective date. The effective date should be set to allow adequate initial account balances for the new city as it assumes service responsibilities, but should not otherwise conflict with the intent of fiscal neutrality or exacerbate County revenue losses.

EXHIBIT 3.9-A: COMPREHENSIVE FISCAL ANALYSIS AND REVENUE NEUTRALITY NEGOTIATION PROCESS



CHAPTER 3.10
SERVICE REVIEW POLICIES

Adopted: 12/11/2002
Amended: 10/14/2009, 08/06/2025

SECTION 3.10.1 INTRODUCTION

Pursuant to Government Code (GC) §56430, LAFCO is required to conduct service reviews and prepare the requisite written statement of its determinations prior to establishing or updating city and special district spheres of influence.

The mandate for LAFCOs to conduct services reviews was enacted as part of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 and is based on the recommendation contained in **Growth Within Bounds** – a Report of the Commission on Local Governance for the 21st Century. The Report noted that for LAFCOs to achieve their fundamental purposes they must have a comprehensive knowledge of the services available within the county, the current efficiency of providing service within various areas of the county, future needs for each service, and expansion capacity of each service provider. The Report identified service reviews as an opportunity for LAFCOs to gain that knowledge and promote efficient service delivery to meet future growth and development needs in the county.

In Santa Clara County, service reviews are intended to serve as a tool to help LAFCO, the public and other agencies better understand public service governance and delivery and evaluate options for the provision of efficient and effective public services.

These policies will provide guidance to LAFCO in the preparation and implementation of service reviews.

SECTION 3.10.2 SERVICE REVIEW DEFINED

A service review is a comprehensive review of services within a designated geographic area and includes steps to:

- Obtain information about services in the geographic area,
- Evaluate the provision of services from a comprehensive perspective, and
- Recommend actions when necessary, to promote the efficient provision of those services.

LAFCO is not required to initiate boundary changes based on service reviews. However, LAFCO, local agencies or the public may subsequently use the service reviews to pursue changes in jurisdictional boundaries or spheres of influence.

SECTION 3.10.3 SERVICES TO BE REVIEWED

GC §56074 defines a "service" as a specific governmental activity established within, and as part of, a function of a local agency.

Service reviews will cover the range of services that a public agency provides or is authorized to provide (examples include fire, water, sewer, lighting, library, police, storm water and solid waste collection / disposal, gas and electricity). General government services such as social and health services, courts and criminal justice will be excluded from the reviews. Service reviews are triggered by requirements to create or update the Sphere of Influence (SOI) for public agencies. Therefore, Santa Clara LAFCO will review services that are provided by public agencies that have, or are required to have, SOIs. In doing so, Santa Clara LAFCO will also take into consideration other services (e.g., emergency response along with fire protection services) and the operation of other providers that service the same region (e.g., private water providers or volunteer fire crews).

SECTION 3.10.4 GEOGRAPHIC SCOPE OF A SERVICE REVIEW

LAFCO will determine how service reviews will be organized and conducted in Santa Clara County. Consistent with GC §56430 (a), LAFCO may conduct a service review for sub–regional areas within the county or on a countywide basis, it may review a single agency or multiple agencies, and it may review a single service or multiple services.

Generally, Santa Clara LAFCO will include in a service review the geographic area and agency(ies) that best facilitate a logical, comprehensive and adequate review of services in the area. LAFCO may need to include a service provider in more than one service review area, only review services of some providers to the extent that they affect the service review area and services under study, or only review a portion of services provided. Service reviews may extend beyond the county boundary in some cases, to provide a more useful and accurate analysis of service provision, especially where multi-county service providers are involved.

SECTION 3.10.5 SERVICE PROVIDERS TO BE INCLUDED

Consistent with GC §56430(b), LAFCO shall comprehensively review all the agencies that provide the identified service or services within the designated geographic area. Agencies that are required to have SOIs will be the focus of service reviews. These

agencies include the 15 cities, and the special districts under LAFCO jurisdiction, such as, but not limited to, county service areas, community service districts, fire protection districts, sanitary / sanitation districts, water districts, vector control districts, health care districts, open space districts and resource conservation districts.

Agencies that do not have SOIs include school districts, private providers, state or federal agencies and other agencies such as Joint Powers Authorities, that provide support or overlapping services in the region. These agencies will also be reviewed to the extent necessary to establish relationships, quantify services, designate or map service locations / facilities and provide a complete overview of services in the area. These agencies may be requested to participate and provide information necessary to conduct the review. Pursuant to GC §56430(d), LAFCO may request information from entities that provide wholesale or retail supply of drinking water, including mutual water companies.

SECTION 3.10.6 TIMING OF SERVICE REVIEWS

1. Consistent with GC §56430(e), LAFCO will prepare a service review as necessary, prior to or in conjunction with the establishment or update of the SOI. Minor amendments of a SOI, as determined by Santa Clara LAFCO, may not require a new service review.
2. Service reviews may need to be conducted independent of SOI reviews and updates, to facilitate review of a pending application or other LAFCO action, unless Santa Clara LAFCO determines that prior service reviews are adequate for the purpose.

SECTION 3.10.7 SERVICE REVIEW FUNDING

1. Santa Clara LAFCO will include the funding for LAFCO-initiated service reviews in its annual work plan and budget development process. Sufficient funds necessary to satisfactorily complete the required reviews including consultant costs will be allocated in the Santa Clara LAFCO budget for each fiscal year service reviews are to be conducted.
2. An application-processing fee for conducting the service reviews will be charged when LAFCO applications (such as, but not limited to sphere of influence amendments, urban service area amendments or annexation applications) trigger the service review requirement and an applicable service review does not exist.

SECTION 3.10.8 SERVICE REVIEW PROCESS

1. The Commission will develop a multi-year workplan, including schedule, priority, and general scope for each round of service reviews.
2. Prior to the start of each service review, the Commission will determine a work plan including the timeline, the services and service providers that will be covered, the geographic scope of the review, and an initial list of emerging / focus issues to be addressed.
3. Service reviews may be conducted by consultants with specialized expertise or by Santa Clara LAFCO staff, depending on the complexity of the study, the presence of any controversial issues, and the availability of staff resources.
4. The key steps in conducting a service review are outlined as follows:
    a. **Technical Advisory Committee (TAC)**: As appropriate, form a TAC for a specific service review composed of representatives of stakeholder agencies and interested commissioners to provide guidance and serve as a liaison between Santa Clara LAFCO and the affected agencies.
    b. **Initial Stakeholder / Public Outreach and Engagement:** To promote early stakeholder and public engagement in service reviews, Santa Clara LAFCO shall:
        i. Identity stakeholders, including affected local agencies, service providers, community organizations, other interested parties, at the outset of the service review process
        ii. Create a dedicated webpage for each service review to provide key information, timelines, and regular progress updates, helping to keep stakeholders and the public informed and engaged throughout the review process
        iii. Raise awareness of the start of each service review through a combination of emails, newsletters, and social media
        iv. Provide opportunities for early stakeholder and public input through at least one of the following mechanisms: kickoff meetings, community meetings, stakeholder listening sessions, or online surveys
    c. **Evaluation Criteria:** Where appropriate, establish specific evaluation criteria to be used in making the required service review determinations
    d. **Data Collection:** Collect and compile necessary data from available data resources (i.e., agency websites, and other relevant sources). Create a

custom questionnaire for each agency to collect any other necessary data and distribute the questionnaire to each agency for their completion.

e. **Agency Interviews:** Conduct interviews with affected agencies as necessary to follow up on information gaps and seek clarification on matters

f. **Agency Profiles:** Compile profiles of each of the agencies using a standard format, based on the interviews and data collected and obtain a level of consistency in the data

g. **Agency Review for Accuracy:** Provide each agency with their agency profile for their internal review and comment, to ensure accuracy prior to analysis

h. **Data Analysis and Preliminary Findings:** Analyze the data to make the required determinations for each agency and to develop any recommendations

i. **Administrative Draft Report:** Prepare an administrative draft report for internal LAFCO staff review and comment before public release

j. **Public Review Draft:** Prepare and release a draft report for 21-day public review and comment period

k. **Stakeholder / Public Outreach and Engagement on Public Review Draft:** To promote stakeholder / public review of the draft service review report, Santa Clara LAFCO shall:

    i. Conduct public outreach to the various stakeholders and the public to notify them of the availability of the draft report and to obtain their feedback on the draft report using a combination of mechanisms: updates to the project webpage, project newsletters, emails, social media, and press releases

    ii. Provide opportunities for various stakeholders and the public to comment on the draft service review through the following mechanisms: community workshops, written comment periods, and public hearings

l. **LAFCO Public Hearing:** Hold a LAFCO public hearing for the Commission to accept comments on the draft report

    i. A draft report may be considered final if no substantive comments are received prior to the end of the hearing and the Commission determines it satisfactory

m. **Revised Draft:** Prepare and release for public review a revised redlined draft document, as necessary, in response to the comments received

n. **Second LAFCO Public Hearing:**

i. Hold a LAFCO public hearing for the Commission to consider and adopt the final report

o. **Final Report**

i. Publish the adopted report on the Santa Clara LAFCO website and notify all stakeholders and interested parties of the availability of the Final Service Review Report

SECTION 3.10.9 IMPLEMENTATION OF SERVICE REVIEW RECOMMENDATIONS

1. Santa Clara LAFCO will encourage and monitor the implementation of service review recommendations.
2. Santa Clara LAFCO staff will compile recommendations from the service review report and send a letter to affected agencies requesting a written response on:
   a. How the affected agency plans to implement the recommendation(s)
   b. What is the affected agency's timeline for implementation of the recommendation(s)
   c. Explanation if the affected agency does not plan to implement the recommendation(s)

   Staff will report to the Commission on the agencies' plans and progress in implementing service review recommendations.
3. The Commission will consider affected agencies responses, consider next steps, and determine if further action is needed.

SECTION 3.10.10 APPLICABILITY OF CEQA TO SERVICE REVIEWS

1. LAFCO will consider and adopt service reviews in a manner consistent with the requirements of CEQA.

SECTION 3.10.11 EVALUATION CATEGORIES FOR SERVICE REVIEW DETERMINATIONS

GC §56430(a) requires LAFCO to conduct service reviews and prepare a written statement of determinations on a set of evaluation categories. The following is a general description of the required evaluation categories:

1. **Growth and population projections for the affected area.**

   A plan for service provision to an area should take into consideration the existing as well as future need for public services in the area. Service reviews will examine the existing and future need for public services and will evaluate whether projections for future growth and population patterns are integrated into an agency's planning function. This analysis may be used to determine whether the SOI / USA boundaries reflect the expected growth boundaries, if future SOI changes are necessary or feasible, and if agencies are aware of, and planning for anticipated changes in service demand.

   In order to examine the existing and future levels of demand for a service, the service review will contain and consider existing and projected population and their relationship to agency plans, planning boundaries and existing and proposed land uses.

2. **The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence**

   GC §56033.50 defines a "disadvantaged unincorporated community" (DUC) as an inhabited territory that constitutes all or a portion of a "disadvantaged community," as defined by Section §79505.5 of the Water Code, i.e., a community with an annual median household income that is less than 80 percent of the statewide annual median household income. GC §56046 defines inhabited territory as territory within which there reside 12 or more registered voters. Through service reviews, Santa Clara LAFCO shall identify the location and service characteristics of a DUC within, or contiguous to an agency's sphere of influence, if any.

3. **Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere of influence.**

   One of LAFCO's goals is to encourage the efficient provision of public services. Any area needing or planned for services must have the infrastructure necessary to support the provision of those services. Infrastructure needs and

deficiencies refers to the adequacy of existing and planned infrastructure and its relationship to the level of service that is being provided or needs to be provided in an area. Infrastructure can be evaluated in terms of capacity, condition, availability, quality and levels of service and quality of plans and programs.

Through service reviews, Santa Clara LAFCO shall regularly monitor the existence of DUCs in Santa Clara County and the infrastructure needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any DUC within or contiguous to the sphere of influence.

4. **Financial ability of agencies to provide services.**

   A community's public service needs should be viewed in light of the resources available to fund the services. The service review will assess fiscal viability of the agency to provide services and analyze if agencies are capitalizing on financing opportunities and collaborative strategies to deal with financial constraints. The service review will contain information on current and planned financing mechanisms, funding practices and revenue sources and examine their relationship with service boundaries.

5. **Status of, and opportunities for, shared facilities.**

   The service review will identify opportunities for service providers to share facilities with the intent of lowering current and potential infrastructure / capital improvement costs. When applicable, the service review will inventory facilities within the study area to determine if facilities are currently being utilized to capacity and whether efficiencies can be achieved by accommodating the facility needs of adjacent agencies. Options for planning for future shared facilities and services, for eliminating duplicative services, replacing outdated or underutilized equipment / facilities and/or implementing economies of scale may also be considered.

6. **Accountability for community service needs, including governmental structure and operational efficiencies.**

   Accountable local government is marked by processes and actions that consist of accessible and accountable elected or appointed decision-making body and agency staff; that encourage public participation and solicit public input in the consideration of work plans, budgets, and programs; and that evaluate the agency's plans and programs and publish results to the public.

   The service review will study existing and future public service conditions and evaluate governmental structure alternatives for organizational and operational

efficiencies in order to accommodate orderly growth, prevent urban sprawl, ensure efficient delivery of services and improve accountability or governing practices.

Santa Clara LAFCO may evaluate the advantages and disadvantages of potential government structure options or boundary changes including: amending the SOI, annexations to or detachments from cities or special districts, formation of new special districts, incorporation of cities, dissolutions, mergers, consolidations and other reorganization options found in the CKH Act. While there is no requirement that LAFCO initiate any changes of organization as part of the service review, Santa Clara LAFCO, the public or local agencies may pursue subsequent changes to government structure.

7. **Any other matter related to effective or efficient service delivery, as required by LAFCO policy.**

   The Commission may adopt other determinations on a case-by-case basis based on unique local conditions, or changes to regulatory requirements or legislation.

SECTION 3.10.12 ADOPTION OF SERVICE REVIEW DETERMINATIONS

Any service review determinations will be adopted by resolution.

PART 4. **ADMINISTRATIVE POLICIES**

CHAPTER 4.1
TRAVEL AND EXPENSE REIMBURSEMENT

Adopted in LAFCO Bylaws: 04/02/2014
Amended: 10/01/2025

SECTION 4.1.1 AUTHORIZED EXPENSES

1. LAFCO funds, equipment, supplies (including letterhead), titles, and staff time must only be used for authorized LAFCO business. In addition to the day to day business activities of LAFCO, expenses incurred in connection with the following types of activities generally constitute authorized expenses.
    a. Communicating with representatives of local, regional, state and national government on LAFCO business
    b. Attending educational seminars designed to improve skills and information levels
    c. Participating in local, regional, state and national organizations whose activities affect LAFCO's interests
    d. Recognizing service to LAFCO (for example, thanking a longtime employee with a retirement gift or celebration of nominal value and cost)
    e. Attending LAFCO or CALAFCO events
2. All other expenditures incurred will require prior approval by the Commission.
3. Any questions regarding the propriety of a particular type of expense should be resolved before the expense is incurred.

SECTION 4.1.2 MEETING PER DIEM / STIPEND

Consistent with LAFCO Resolution # 2006-06, LAFCO commissioners including alternate commissioners will receive a $100 per diem for attendance at LAFCO meetings. This compensation is in lieu of reimbursement for travel and other expenses incurred in attending the LAFCO meetings.

SECTION 4.1.3 LAFCO COMMISSIONER ATTENDANCE AT CALAFCO CONFERENCE

Regular LAFCO commissioners will be given first priority for attending the CALAFCO Annual Conference. If regular commissioners are unable to attend, alternates may attend.

SECTION 4.1.4 TRANSPORTATION, LODGING, MEALS, AND OTHER INCIDENTAL / PERSONAL EXPENSES

1. Reimbursement for authorized transportation, lodging, meals and other incidental expenses shall be provided in conformance with the current County of Santa Clara Travel Policy.
2. Registration and travel arrangements including airline reservations must be coordinated through the LAFCO Office.

SECTION 4.1.5 EXPENSE REPORTING

Within 30 calendar days of return from a LAFCO business trip or event, travelers must submit their travel documents to the LAFCO Office to be eligible for any reimbursement. Receipts are required for processing reimbursement. LAFCO staff will then complete the necessary forms and submit to the appropriate County department in compliance with the County of Santa Clara Travel Policy.

SECTION 4.1.6 AUDITS OF EXPENSE REPORTS

All expenses are subject to verification that they comply with this policy.

SECTION 4.1.7 REPORT TO LAFCO

At the following LAFCO meeting, a report shall be presented on meetings attended at LAFCO expense.

SECTION 4.1.8 COMPLIANCE WITH LAWS

Some expenditures may be subject to reporting under the Political Reform Act and other laws. LAFCO expenditures, expense report forms and supporting documentation are public records subject to disclosure under the Public Records Act.

SECTION 4.1.9 ETHICS TRAINING

LAFCO is not a local agency whose officials are required to comply with the requirement of ethics training pursuant to GC §53235. Since LAFCO provides reimbursement for expenses, LAFCO commissioners, Executive Officer and Analysts are encouraged to receive ethics training. LAFCO commissioners who are County supervisors, city council members or special districts board members will receive this training in their respective roles as county, city or special district officials. LAFCO staff will advise the public members of opportunities to receive the training.

CHAPTER 4.2
RECORDS RETENTION POLICY AND SCHEDULE

Adopted: 10/14/2009
Amended: 08/06/2025

SECTION 4.2.1 INTRODUCTION

1. Records must be kept indefinitely in original, photographic, or electronic form pursuant to GC §56382.
2. The Commission authorizes the destruction of original records more than two years old, if a photographic or electronic copy of the original record is made and preserved in compliance with GC §56382, which shall be considered permanently retained pursuant to the Records Retention Schedule. Documents that are not herein defined as "records" are not "records" pursuant to GC §56382 and will be retained and disposed of according to the Records Retention Schedule in *Exhibit 4.2-A*.
3. For purposes of compliance with GC §56382 and implementation of the Commission's Records Retention Schedule as set forth in *Exhibit 4.2-A*, "records" include the following:
    - Santa Clara LAFCO Meeting Minutes
    - Santa Clara LAFCO Resolutions
    - Documents related to Santa Clara LAFCO proposals such as the:
        - Application, petition or other initiating documents
        - Assessor's Statement of Property Valuation
        - Agreement to Pay / Indemnification
        - Certificate of Completion
        - Certificate of Filing
        - Environmental Review / CEQA documents such as Initial Study, Exemptions, Notices of Completion and Determination, Comments and Response to Comments, Negative Declaration, mitigation monitoring, Statements of Overriding Consideration
        - Map and Legal Description
        - Notices

- Order for Change of Organization
- Staff Reports
- Statement of Boundary Change
- Statement of Tax Rate Area

EXHIBIT 4.2-A: RECORDS RETENTION SCHEDULE

TYPE OF RECORD/ DOCUMENT	DESCRIPTION OR EXAMPLE OF RECORD/DOCUMENT	LEGAL AUTHORITY	MINIMUM LEGAL RETENTION PERIOD
ADMINISTRATIVE DOCUMENTS			
Accounts Payable	Invoices and back-up documents, purchase orders, travel expense reimbursements, petty cash, postage, check requests, receipt books, etc.	CCP 337 26 CFR 31.6001-1(e)(2); Sec. of State Guidelines recommendation	Until audited + 4 years
Accounts Receivable	Invoices, checks, reports, investments, receipt books	26 CFR 31.6001-1(e)(2)	Until audited + 4 years
Agreements/ Contract	Original contracts and agreements and back-up materials, including leases, rentals and any amendments	CCP 337 CCP 337.2	4 years after termination/ completion
Annual Reports		GC 34090; CCP 337; CCP 343; Sec. of State Local Gov't. Records Retention Guidelines	Current + 4 years
Audit Reports	Financial services; internal and/or external reports; independent auditor analyses	GC 34090; CCP 337; CCP 343; Sec. of State Local Gov't. Records Retention Guidelines	Current + 4 years

CCP Code of Civil Procedure (CA)
GC Government Code (CA)
CFR Code of Federal Regulations

TYPE OF RECORD / DOCUMENT	DESCRIPTION OR EXAMPLE OF RECORD / DOCUMENT	LEGAL AUTHORITY	MINIMUM LEGAL RETENTION PERIOD
Brochures / Publications			2 years or longer for historical value
Budget, Annual	Adjustments, journal entries, account transfers, budget preparation documents including adopted budgets		Until audited + 2 years
Claims Against the Commission	Paid / denied		Until settled + 2 years
Correspondence (General)	General correspondence, including letters, and various files not otherwise specifically covered by the retention schedule; compliments, complaints and inquiries; transmittal letters; requests for comments and responses	GC 26202	2 years
Economic Interest Statements - Form 700 (copies)	Copies of statements forwarded to Fair Political Practices Commission	GC 81009(f), (g)	4 years (can image after 2 years)
Economic Interest Statements - Form 700 (originals)	Originals of statements of designated employees	GC 81009(c), (g)	7 years (can image after 2 years)
Email	General correspondence	GC 26202	2 years

TYPE OF RECORD / DOCUMENT	DESCRIPTION OR EXAMPLE OF RECORD / DOCUMENT	LEGAL AUTHORITY	MINIMUM LEGAL RETENTION PERIOD
Ethics Training Compliance	Note: records should contain date of training and name of training provider	GC 53235.2	5 years after receipt of training
Forms	Administrative - blank		Until superseded
General Ledgers	All annual financial summaries	CCP 337 Sec. of State Local Gov't. Records Retention Guidelines	Permanent
Gifts / Bequests	Receipts or other documentation		Until completed + 2 years
Grants Federal, State, or other grants	Grants documents and all supporting documents: applications, reports, contracts, project files, proposals, statements, sub-recipient dockets, environmental review, grant documents, inventory, consolidated plan, etc.	24 CFR 570.502 24 CFR 85.42	Until completed + 4 years
Grants – Unsuccessful	Applications not entitled		2 years
Newsletters	May wish to retain permanently for historic reference		2 years
Political Support or Opposition	Related to legislation		2 years

TYPE OF RECORD / DOCUMENT	DESCRIPTION OR EXAMPLE OF RECORD / DOCUMENT	LEGAL AUTHORITY	MINIMUM LEGAL RETENTION PERIOD
Press Releases	Related to Commission actions / activities		2 years
Procedure Manuals	Administrative		Current + 2 years
Public Records Request	Requests from the public to inspect or copy public documents		2 years
Purchasing, Requisitions, Purchase Orders	Original documents	CCP 337	Until audited + 4 years
Recruitments and Selection	Records relating to hiring, promotion, selection for training	29 CFR 1627.3	3 years
Requests for Qualifications (RFQs) and Requests for Proposals (RFPs)	Requests for Qualifications, Requests for Proposals, and related responses	CCP 337	Current + 4 years
RECORDS RELATING TO LAFCO MEETINGS OR APPLICATIONS			
Affidavits of Publication / Posting	Proof of publication of legal notices for public hearings		2 years
Agenda / Agenda Packets	Agendas, agenda packets, staff reports and related attachments, supplemental items and documentation submitted by staff / public in relation to agenda items.		2 years

TYPE OF RECORD / DOCUMENT	DESCRIPTION OR EXAMPLE OF RECORD / DOCUMENT	LEGAL AUTHORITY	MINIMUM LEGAL RETENTION PERIOD
Audio Recording of LAFCO Meetings			30 days after the LAFCO meeting minutes are approved
Elections	Impartial analysis		2 years
Environmental Review (for projects without a LAFCO application)	Correspondence, consultants, issues, comments and responses.		Completion + 2 years
Mailing Lists for Public Hearing Notices	Owners / voter		1 year after filing Notice of Completion or Commission action, whichever is later
Minutes	Meeting minutes		Permanent
Notices / Agenda	Regular and Special meetings		2 years
Policies & Procedures	All policies and procedures adopted by the Commission		Current + 2 years

TYPE OF RECORD / DOCUMENT	DESCRIPTION OR EXAMPLE OF RECORD / DOCUMENT	LEGAL AUTHORITY	MINIMUM LEGAL RETENTION PERIOD
LAFCO Proposals- Annexations, Reorganizations, or other proposals	Application, petition or other initiating documents, Assessor's Statement of Property Valuation, Agreement to Pay / indemnification, Certificate of Completion, Environmental Review / CEQA documents (such as Initial Study, Exemptions, Notices of Completion and Determination, Comments and Response to Comments, Negative Declaration, mitigation monitoring, Statements of Overriding Consideration), Map and Legal Description, Notices, Order for Change of Organization, Staff Reports, Statement of Boundary Change, Statement of Tax Rate Area		Permanent
Resolutions			Permanent
OTHER MISC. RECORDS/DOCUMENTS			
Demographic / Statistical Data			Current + 2 years
Legal Opinions	Confidential - not for public disclosure (attorney-client privilege)		Until superseded + 2 years
Litigation	Case files, including matters in mediation and/or arbitration		Until settled or adjudicated + 2 years and the time for appeal has expired
Reference Files	Reports, procedures, research, pre- application research and correspondence		2 years minimum, recommended longer if useful

CHAPTER 4.3
CONFLICT OF INTEREST CODE

The Political Reform Act, California Government Code sections 81000, et seq. (the "Act"), requires each state and local government agency to adopt and promulgate a conflict of interest code. The Fair Political Practices Commission has adopted a regulation (2 California Code of Regulations section 18730), that contains the terms of a standard conflict of interest code, which can be incorporated by reference into an agency's code. After public notice and hearing Regulation 18730 may be amended by the Fair Political Practices Commission to conform to amendments to the Political Reform Act. Therefore, the terms of 2 California Code of Regulations section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference. This incorporation page, Regulation 18730, and the attached Appendix designating positions and establishing disclosure categories, shall collectively constitute the Conflict of Interest Code (the "Code") of the Local Agency Formation Commission of Santa Clara County (“LAFCO”).

All officials and designated positions shall file their statements of economic interests with the LAFCO Clerk, as LAFCO's Filing Official. If a statement is received in signed paper format, the LAFCO Clerk shall make and retain a copy and forward the original of this statement to the filing officer, the County of Santa Clara Clerk of the Board of Supervisors. If a statement is electronically filed using the County of Santa Clara's Form 700 e-filing system, both the LAFCO Clerk and the County of Santa Clara Clerk of the Board of Supervisors will receive access to the e-filed statement simultaneously. The LAFCO Clerk will make all retained statements available for public inspection and reproduction during regular business hours. (GC §81008.)

Amended per County Counsel Notice dated July 18, 2022.

Approved by the County of Santa Clara Board of Supervisors Date: January 10, 2023.

EXHIBIT 4.3-A: OFFICIALS WHO MANAGE PUBLIC INVESTMENTS

LAFCO Officials who manage public investments, as defined by 2 California Code of Regulations section 18700.3, are NOT subject to LAFCO's Code, but must file disclosure statements under Government Code section 87200, et seq. (2 California Code Regulations. §18730(b)(3).) These positions are listed here for informational purposes only.

It has been determined that LAFCO currently has no officials who manage public investments.

DESIGNATED POSITIONS GOVERNED BY THE CONFLICT OF INTEREST CODE

DESIGNATED POSITIONS' TITLE OR FUNCTION	DISCLOSURE CATEGORY ASSIGNED
Commissioner	1
Alternate Commissioner	1
Executive Officer	1
Assistant Executive Officer / Senior LAFCO Analyst	1
LAFCO Analyst	1
Newly Created Position	*

*Newly Created Positions

A newly created position that makes or participates in the making of decisions that may foreseeably have a material effect on any financial interest of the position-holder, and which specific position title is not yet listed in an agency's conflict of interest code is included in the list of designated positions and shall disclose pursuant to the broadest disclosure category in the code, subject to the following limitation: The Executive Officer may determine in writing that a particular newly created position, although a "designated position," is hired to perform a range of duties that are limited in scope and thus is not required to fully comply with the broadest disclosure requirements, but instead must comply with more tailored disclosure requirements specific to that newly created position. Such written determination shall include a description of the newly created position's duties and, based upon that description, a statement of the extent of disclosure requirements. The Executive Officer's determination is a public record and

shall be retained for public inspection in the same manner and location as this conflict-of-interest code. (GC §81008.)

As soon as the Commission has a newly created position that must file statements of economic interests, the Commission shall contact the County of Santa Clara Clerk of the Board of Supervisors Form 700 division to notify it of the new position title to be added in the County's electronic Form 700 record management system, known as eDisclosure. Upon this notification, the Clerk's office shall enter the actual position title of the newly created position into eDisclosure and the Commission shall ensure that the name of any individual(s) holding the newly created position is entered under that position title in eDisclosure.

Additionally, within 90 days of the creation of a newly created position that must file statements of economic interests, the Commission shall update this conflict-of-interest code to add the actual position title in its list of designated positions, and submit the amended conflict of interest code to the County of Santa Clara Office of the County Counsel for code-reviewing body approval by the County Board of Supervisors. (GC §87306.)

EXHIBIT 4.3-B: DISCLOSURE CATEGORIES

The disclosure categories listed below identify the types of economic interests that the designated position must disclose for each disclosure category to which he or she is assigned.

Disclosure Category 1: (a) All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, that are located in, that do business in, or own real property within the jurisdiction of LAFCO; and (b) All interests in real property which is located in whole or in part within, or not more than two miles outside, the jurisdiction of LAFCO, or of any land owned or used by LAFCO.

Disclosure Category 2: Individuals serving as a consultant as defined in FPPC Reg 18701 must file under the broadest disclosure set forth in this Code subject to the following limitation:

The Executive Officer may determine that, due to the range of duties or contractual obligations, it is more appropriate to designate a limited disclosure requirement. A clear explanation of the duties and a statement of the extent of the disclosure requirements must be in a written document. The Executive Officer's determination is a public record and shall be retained for public inspection in the same manner and location as this Conflict of Interest Code.

ITEM # 10

SANTA CLARA LAFCO

Local Agency Formation Commission of Santa Clara County
777 North First Street
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SantaClaraLAFCO.org

Commissioners
Sylvia Arenas
Jim Beall
Rosemary Kamei
Yoriko Kishimoto
Otto Lee
Terry Trumbull
Mark Turner

Alternate Commissioners
Pamela Campos
Helen Chapman
Betty Duong
Zach Hilton
Teresa O'Neill

Executive Officer
Neelima Palacherla

LAFCO MEETING: **February 4, 2026**

TO: **LAFCO**

FROM: **Neelima Palacherla, Executive Officer**
Emmanuel Abello, Analyst

SUBJECT: **CALAFCO RELATED ACTIVITIES**

10.1 REPORT ON THE CALAFCO REGIONAL/BOARD RESTRUCTURE WORKING GROUP EFFORTS

For Information Only

The Regional/Board Restructure Working Group (Working Group) was established in July 2025 to explore and recommend improvements to the CALAFCO regions and Board structure, and to meaningfully engage the membership before advancing any proposed changes. The Woking Group is composed of ten LAFCO Executive Officers (EOs) from member LAFCOs across the state, the CALAFCO Executive Director and CALAFCO's consultant hired to conduct a comprehensive structural assessment of CALAFCO and rebuild relationships and trust.

Building on feedback from an online survey and the five focus groups conducted by CALAFCO's consultant earlier in the year, the Working Group prepared a survey in October 2025 for LAFCO EOs to share their insights on developing new CALAFCO regions maps.

The Working Group considered the feedback received and developed a preliminary set of reforms for the CALAFCO regions and the CALAFCO Board structure. The reforms presented included a proposed nine-region map, potential adjustments to Board representation by region, limits on Board representation per LAFCO, eligibility for EOs to serve on the CALAFCO Board, and the elimination of existing Board "seat types", i.e., as cities, county, special districts, public. In December 2025, the Working Group sought feedback on these changes from LAFCO EOs.

The Working Group received feedback from 24 member LAFCOs, and from several non-member LAFCOs. Feedback received showed clear and consistent support for two items: making EOs eligible to serve on the CALAFCO Board and eliminating the current Board "seat type" structure. Thus, these two changes will be presented as proposed CALAFCO Bylaws amendments for membership approval at the Special Corporate Business Meeting on February 23rd, and if approved, they will take effect at the October 2026 Board elections.

Feedback on other changes including the proposed CALAFCO regions map and Board representation by region, was mixed and raised questions that will be discussed further before any proposals are brought forward. Additional outreach and discussion will continue. The Working Group is planning a general session on the other reform proposals at the Staff Workshop in Pismo Beach on May 6-8. It is anticipated that the regions map and other proposals will be brought for membership approval at the October 2026 Business Meeting in Sacramento.

Chairperson Kamei was elected in October 2025 to serve on the CALAFCO Board for a term of two years.

10.2 DESIGNATION OF VOTING DELEGATE FOR CALAFCO'S 2026 SPECIAL CORPORATE BUSINESS MEETINGS

Recommendation

Appoint a voting delegate for the 2026 CALAFCO Special Corporate Business Meeting to be held on February 23, 2026, and for any future special CALAFCO business meetings in 2026.

Discussion

CALAFCO will hold a Special Corporate Business Meeting on Monday, February 23 at 10:00 a.m. The primary purpose of this virtual meeting is for the membership to consider and approve CALAFCO Bylaws changes recommended by the Regional/Board Restructure Working Group. See Item #10.1.

The CALAFCO Interim Executive Director has requested that each LAFCO designate a voting delegate to vote on the Bylaws changes on behalf of their LAFCO at the Special Meeting.

If there are any future special CALAFCO Special Corporate Business meetings in 2026, staff recommends that the appointed voting delegate be authorized to vote at those potential meetings as well.

10.3 2026 CALAFCO STAFF WORKSHOP

Recommendation

Authorize staff to attend the 2026 CALAFCO Staff Workshop and authorize travel expenses funded by the LAFCO budget.

Discussion

The CALAFCO Annual Staff Workshop is scheduled for May 6-8, 2026, in Pismo Beach at The Cliffs Hotel & Spa.

The workshop provides an opportunity for staff to gain and share knowledge about some of the best practices used by LAFCOs to address various issues facing local agencies across the state.

The LAFCO Budget for Fiscal Year 2026 includes funds for staff to attend the Workshop.

ITEM # 11

SANTA CLARA LAFCO

Local Agency Formation Commission of Santa Clara County
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Commissioners
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Alternate Commissioners
Pamela Campos
Helen Chapman
Betty Duong
Zach Hilton
Teresa O'Neill

Executive Officer
Neelima Palacherla

LAFCO MEETING: **February 4, 2026**

TO: **LAFCO**

FROM: **Neelima Palacherla, Executive Officer**
Dunia Noel, Asst. Executive Officer

SUBJECT: **EXECUTIVE OFFICER'S REPORT**

STAFF RECOMMENDATION

Accept report and provide direction, as necessary.

11.1 PRESENTATION ON LAFCO TO LEADERSHIP SUNNYVALE

At the invitation of Tara Martin-Milius (Executive Director of Leadership Sunnyvale and former LAFCO Commissioner), EO Palacherla and Assistant EO Noel gave a presentation on Santa Clara LAFCO to Leadership Sunnyvale on December 5, 2025, as part of their program curriculum on special districts and LAFCO. The 45-minute presentation included an overview of LAFCO, including its history, mandate and key policies; the role of commissioners and staff; and major LAFCO activities, such as LAFCO's service review program, and was followed by a question-and-answer session.

11.2 QUARTERLY SPECIAL DISTRICTS ASSOCIATION MEETING

Alternate Commissioner Chapman and EO Palacherla attended the December 1, 2025 quarterly meeting of the Santa Clara County Special Districts Association. The meeting featured a presentation from Santa Clara Valley Open Space Authority staff on the Authority's recent milestones and upcoming opportunities. EO Palacherla provided updates on LAFCO activities, including the upcoming Countywide Water and Wastewater Service Review. Other attendees, including various district staff and board members, and a representative of the California Special Districts Association (CSDA), provided reports and shared information on current projects or issues of interest. The next meeting is scheduled for March 2, 2026.

11.3 QUARTERLY MEETING WITH COUNTY PLANNING DEPARTMENT

At the December 4, 2025 quarterly meeting, County Planning staff provided an update on the various Builder's Remedy applications (SB 330) proposed in the unincorporated county, the recent difficulties that the County has experienced when

trying to receive its fair share of RHNA credit from the State for housing projects that are planned in unincorporated islands that are then annexed to a city as part of the development entitlement process, and the County's various other efforts to implement its housing element.

Beginning in December 2018, LAFCO staff and County Planning Department staff began having quarterly meetings to discuss issues of common interest or concern.

11.4 SANTA CLARA COUNTY ASSOCIATION OF PLANNING OFFICIALS' MEETING

EO Palacherla participated in the virtual meeting of the Santa Clara County Association of Planning Officials (SCCAPO) held on January 7, 2026. This meeting included updates and announcements from MTC/ABAG representatives and Santa Clara County Planning Collaborative representatives, as well as focused discussions on the Redondo Beach Appellate Court decision and its implications for housing sites; and implementation strategies for SB 79. Attendees also shared updates on various matters and discussed potential future agenda items.