



ADAIR & EVANS

an Accountancy Corporation

Tulare Office:

Eric M. White, CPA
Lance E. Morris, CPA
David T. Eddy, CPA
Tim A. Dodson, CPA
John M. Oppedyk, CPA
Kathy L. Hamada, CPA
Racquel Avila, CPA
Amanda Burlingame, CPA

Hanford Office:

Garry W. Riezebos, CPA
Michael J. Semas, CPA
Amy Deschenes, CPA
Donn K. Doss, CPA

Porterville Office:

Janis M. Cotton, CPA

Consultants:

Paul E. Klippenstein

January 8, 2019

Tulare Mosquito Abatement District
6575 Dale Fry Rd
Tulare, CA 93274-9073

To the Board of Directors:

We have audited the financial statements of the governmental activities of the Tulare Mosquito Abatement District for the year ended June 30, 2018, and have issued our report thereon dated August 15, 2018. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated April 18, 2018, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

We performed the audit according to the planned scope and timing as discussed in our engagement letter.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by Tulare Mosquito Abatement District are described in Note 1 to the financial statements. The District implemented GASB 68 during the prior year which included substantial footnote changes and recognition of a pension liability and expense. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:



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January 8, 2019

Tulare Mosquito Abatement District
6575 Dale Fry Rd
Tulare, CA 93274-9073

To the Board of Directors:

In planning and performing our audit of the financial statements of Tulare Mosquito Abatement District ("District") as of and for the year ended June 30, 2018, in accordance with auditing standards generally accepted in the United States of America, we considered District's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing our opinion on the effectiveness of District's internal control. Accordingly, we do not express an opinion on the effectiveness of District's internal controls.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies in internal control or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant and material weaknesses.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. A material weakness is a significant deficiency, or a combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control. We believe the following deficiencies constitute significant deficiencies in internal control and material weaknesses.

Due to the limited number of accounting staff, the District is unable to provide any substantial separation of duties for various accounting functions. This provides an opportunity for errors and/or fraud to occur within the District, either in financial reporting or the safeguarding of assets.

No controls exist within the District's accounting functions that would detect misstatements due to error or fraud in a timely manner.

Tulare Mosquito Abatement District
Management letter
January 8, 2019

This communication is intended solely for the information and use of management, the Board of Directors of the Tulare Mosquito Abatement District, the County of Tulare, and the California State Controller's office. It is not intended to be and should not be used by anyone other than these specified parties.



Adair & Evans
Certified Public Accountants

Tulare Mosquito Abatement District
Audited Financial Statements and
Supplementary Information
June 30, 2018



ADAIR & EVANS

an Accountancy Corporation

Tulare Mosquito Abatement District

Tulare, California
June 30, 2018

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Tulare Mosquito Abatement District
Tulare, California

We have audited the accompanying statements of net position of Tulare Mosquito Abatement District (the District) as of June 30, 2018, and the related statement of revenues, expenses, and changes in net position and cash flows, and related notes to the financial statements for the year then ended.

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 the 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 *State Controller's Minimum Audit Requirements for California Special Districts*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Basis for Qualified Opinion

Management has not adopted a methodology for determining the liability associated with the continued payment of employee's health benefits after retirement. Accounting principles generally accepted in the United States of America require that a liability be recorded each year for Other Post-Employment Benefits for which the District has an obligation to pay. The amount by which this departure would affect the liabilities, fund balance and expense of the financial statements has not been determined.

Opinion

In our opinion, except for the effects of the matter described in the "Basis for Qualified Opinion" the financial statements referred to above present fairly, in all material respects, the financial position of the Tulare Mosquito Abatement District, as of June 30, 2018, and the results of its operations and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America as well as accounting systems prescribed by the State Controller's office and state regulations governing special districts.

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 3 through 5 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 Information

Our audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. The supplementary information contained in Schedules I through V as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

These Schedules I through V have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Adair & Evans

Tulare, California
January 8, 2018

The Tulare Mosquito Abatement District was established in 1943 to provide mosquito control in the District. The District covers an area of 562 square miles in Tulare County. The District office and operations site is located at 6575 Dale Fry Dr., Tulare, CA. This discussion of the Tulare Mosquito Abatement District's financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2018. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

As a public operation, the District receives an allocation of property tax revenue from Tulare County. The District received \$1,485,127 in the current fiscal year in property tax allocations.

Discussion of the basic financial statements:

Government Wide Statements

The government wide statements present the financial picture of the District as measured by its total economic resources using the accrual basis of accounting. This is similar to that used by private sector companies. These statements provide both short term and long term information about the District's financial status as a whole. The statement of net position and statement of activities include all the assets of the District (including its infrastructure), deferred outflows of resources, all liabilities (including any long-term debt), and deferred inflows of resources. All of the current year's revenue and expenses are accounted for in the statement of activity regardless of when cash is received or paid.

The government wide statements report the District's net position and how they have changed. Net position, the difference between the District's assets and deferred outflows of resources, and liabilities and deferred inflows of resources, are one way to measure the District's financial health or position. Over time, increase or decrease in the District's net position are indicators of whether its financial position is improving or deteriorating. To further assess the overall health of the District, one needs to consider additional non-financial factors such as changes in the District's population, the ability to adjust service charges and the impact of changes in laws and regulations that may apply to the District.

The government wide financial statements in these financial statements include only governmental type activities.

Fund Financial Statements

The fund financial statements present the financial picture of the District in more detail than the government wide statements by describing the individual parts or funds. Funds are used to keep track of specific sources of funding and spending on particular programs. Some funds are required by State law and the District itself may establish other funds to control and manage assets for particular purposes at its discretion.

The District has only one fund type known as a governmental fund. Governmental fund types are presented on the modified accrual basis of accounting and a current resources focus. Assets expected to be used up, deferred outflows of resources and deferred inflows of resources in existence, and liabilities that come due during the year or soon thereafter are reflected. Capital assets acquisitions are treated as expenditures. Revenues for which cash is received during the year or soon thereafter are included. Expenditures for goods and services that have been received and for which payment is due during the year or soon thereafter are included.

The statements are presented using a *combination approach*, reflecting both the fund financial statements and the government-wide statements. The adjustments reconciling the different methods are disclosed in the notes to the financial statements.

The following condensed financial information is provided:

Condensed Statement of Net Position

| | |
|---|---------------------|
| ASSETS | \$ 6,026,156 |
| DEFERRED OUTFLOWS OF RESOURCES | <u>189,902</u> |
| Total assets and deferred outflows of resources | <u>\$ 6,216,058</u> |
| LIABILITIES | <u>315,727</u> |
| DEFERRED INFLOWS OF RESOURCES | <u>154,076</u> |
| NET POSITION | |
| Investment in capital assets, net of related debt | 212,962 |
| Unrestricted | <u>5,533,293</u> |
| Total net position | <u>5,746,255</u> |
| Total liabilities, deferred inflows of resources, and net position | <u>\$ 6,216,058</u> |

Management comments of the condensed financial information:

It is the opinion of District management that the District continues to be in excellent financial condition. The District has sufficient assets to cover liabilities and has adequate cash flow to meet current obligations.

- The District's total net position increased \$470,380 or 8.9% over the course of the year's operation.

Condensed budget comparison:

The District adopts an annual Operating Budget following review of the previous year's operational needs and anticipated needs of the District. The operating budget includes proposed expenses and the anticipated tax revenues to finance them. The District's operating budget remains in effect for the entire year and is normally not revised unless dramatic changes in income or expense were to occur.

| | <u>Budget</u> | <u>Actual</u> | <u>Variance- Favorable (Unfavorable)</u> |
|--|---------------------|-------------------|--|
| REVENUES | \$ 1,245,007 | \$ 1,512,786 | \$ 267,779 |
| EXPENSES | <u>1,889,002</u> | <u>1,173,269</u> | <u>715,773</u> |
| OPERATING (LOSS) INCOME | (643,995) | 339,517 | 983,512 |
| NON-OPERATING REVENUE AND EXPENSE | <u>55,000</u> | <u>130,863</u> | <u>75,863</u> |
| (DEFICIENCY) EXCESS REVENUE OVER EXPENDITURES | <u>\$ (588,995)</u> | <u>\$ 470,380</u> | <u>\$ 1,059,375</u> |

Condensed budget comparison (Continued):

The District received more property tax revenue than anticipated. Expenditures were substantially less than budgeted for, especially in repairs and maintenance costs and chemical purchases.

The District's planned budget for the next fiscal year of operations is very conservative regarding anticipated revenue from property tax and miscellaneous sources of income. In addition, anticipated carryover from the previous budget is very conservative. In turn, the anticipated spending for the next fiscal year budget included high anticipated costs in all categories of the budget. This is done to assure operations will not have a shortfall in any category. We feel the nature of our operations is unpredictable enough to warrant this approach to our budget process.

Management comments on the investment of District funds:

The responsibility for the accounting and investment of District funds resides with the Board of Directors. The Board is limited in its investment choices. Currently the District keeps its excess funds with the County of Tulare. These funds are managed by the County to achieve an adequate return with minimal risk.

Management comments on capital assets and long term-debt:

The District's capital assets consist of buildings and equipment. The buildings include the District office and miscellaneous other service structures. The District has various types of equipment to provide mosquito abatement services, including ground spray vehicles and a Piper Pawnee 235 aircraft for aerial application.

Overall analysis

The District is in a healthy financial condition. Our cash carryover has increased this year as well as in the past several years. Growth of the tax base in our District has given the District additional revenue despite changes in the allocations of revenue sharing for Special Districts at the County level.

John Avila, Manager

Tulare Mosquito Abatement District
 Governmental Funds Balance Sheet / Statement of Net Position
 June 30, 2018

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

| | General Fund | Adjustments (Note 4) | Statement of Net Position |
|---|---------------------|-------------------------|------------------------------|
| ASSETS | | | |
| Current assets: | | | |
| Cash and investments | \$ 5,701,307 | \$ 0 | \$ 5,701,307 |
| Inventory | 79,024 | 0 | 79,024 |
| Prepaid insurance | 32,863 | 0 | 32,863 |
| Net pension asset | 0 | 0 | 0 |
| Property and equipment, net of accumulated depreciation | 0 | 212,962 | 212,962 |
| Total assets | 5,813,194 | 212,962 | 6,026,156 |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| | 189,902 | 0 | 189,902 |
| Total assets and deferred outflows of resources | \$ 6,003,096 | \$ 212,962 | \$ 6,216,058 |

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION

| | | | |
|---|---------------------|--------------------|---------------------|
| LIABILITIES | | | |
| Current liabilities: | | | |
| Accounts payable | \$ 15,080 | \$ 0 | \$ 15,080 |
| Accumulated compensated absences | 19,886 | 0 | 19,886 |
| Total current liabilities | 34,966 | 0 | 34,966 |
| Long term liabilities: | | | |
| Net pension liability | 201,456 | 0 | 201,456 |
| Accumulated compensated absences | 0 | 79,305 | 79,305 |
| Total long term liabilities | 201,456 | 79,305 | 280,761 |
| Total liabilities | 236,422 | 79,305 | 315,727 |
| DEFERRED INFLOWS OF RESOURCES | | | |
| | 154,076 | 0 | 154,076 |
| FUND BALANCE | | | |
| Reserved for inventory | 79,024 | (79,024) | 0 |
| Unrestricted - general fund | 5,533,574 | (5,533,574) | 0 |
| Total fund balance | 5,612,598 | (5,612,598) | 0 |
| Total liabilities, deferred inflows of resources, and fund balance | \$ 6,003,096 | | |
| NET POSITION | | | |
| Invested in capital assets, net of related debt | | 212,962 | 212,962 |
| Net position, unrestricted | | 5,533,293 | 5,533,293 |
| Net position, unrestricted | | 0 | 0 |
| Total net position | | 5,746,255 | 5,746,255 |
| Total liabilities, deferred inflows of resources, and net position | | \$ 212,962 | \$ 6,216,058 |

See independent auditors' report

Tulare Mosquito Abatement District
Statement of Governmental Fund Revenues, Expenditures, and
Changes in Fund Net Position / Statement of Activities
For the Year Ended June 30, 2018

| | General Fund | Adjustments (Note 4) | Statement of Activities |
|--|---------------------|-------------------------|----------------------------|
| REVENUES | | | |
| Property taxes, including penalties and interest | \$ 1,485,127 | \$ 0 | \$ 1,485,127 |
| Other | 27,659 | 0 | 27,659 |
| Total revenues | 1,512,786 | 0 | 1,512,786 |
| EXPENSES | | | |
| Salaries, employee benefits and payroll taxes | 720,622 | 14,093 | 734,715 |
| Agricultural | 209,483 | 0 | 209,483 |
| Telecommunications | 1,175 | 0 | 1,175 |
| Household Expense | 1,405 | 0 | 1,405 |
| Insurance | 39,026 | 0 | 39,026 |
| Repairs and maintenance, equipment | 43,294 | 0 | 43,294 |
| Repairs and maintenance, structures | 9,224 | 0 | 9,224 |
| Memberships | 11,500 | 0 | 11,500 |
| Office supplies | 8,422 | 0 | 8,422 |
| Professional fees | 10,300 | 0 | 10,300 |
| Rent | 9,288 | 0 | 9,288 |
| District Special Expense | 8,430 | 0 | 8,430 |
| Utilities | 3,828 | 0 | 3,828 |
| Travel | 229 | 0 | 229 |
| Other | 35,501 | 0 | 35,501 |
| Capital outlay | 54,727 | (54,727) | 0 |
| Depreciation | 0 | 47,449 | 47,449 |
| Total expenses | 1,166,454 | 6,815 | 1,173,269 |
| Operating income | 346,332 | (6,815) | 339,517 |
| NON-OPERATING REVENUE AND EXPENSES | | | |
| Use of money - interest | 77,640 | 0 | 77,640 |
| Grant income | 23,776 | 0 | 23,776 |
| Pension income | 29,447 | 0 | 29,447 |
| Total non-operating revenue and expenses | 130,863 | 0 | 130,863 |
| EXCESS OF REVENUES OVER EXPENSES | 477,195 | (477,195) | 0 |
| Change in net position | 0 | 470,380 | 470,380 |
| Fund balances / Net position, beginning of year | 5,135,403 | \$ 0 | 5,275,875 |
| Fund balances / Net position, end of year | \$ 5,612,598 | \$ 0 | \$ 5,746,255 |

See independent auditors' report

Tulare Mosquito Abatement District

Notes to Audited Financial Statements

June 30, 2018

NOTE 1 - Summary of Significant Accounting Policies

The accounting policies of the District conform to generally accepted accounting principles as applicable to government agencies. The following is a summary of the more significant provisions:

1. The Reporting Entity

The District, for financial purposes, includes only the funds related to the mosquito control operations.

2. Fund Accounting

The accounts of the District are organized on the basis of funds each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which are comprised of each fund's assets, deferred outflows of resource, liabilities, deferred inflows of resources, fund balance, revenue, and expenditures. Government resources are allocated to and for individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The funds in the financial statements in this report are as follows:

GOVERNMENTAL FUND TYPES

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

3. Basis of Presentation - Government Wide and Fund Financial Statements

Government wide financial statements are comprised of the statement of net position and the statement of activities. They contain information on all the activities of the primary government and are presented on the accrual basis of accounting. The statement of net position and statement of activities include all the assets of the District (including its infrastructure), deferred outflows of resources, all liabilities (including any long-term debt), and deferred inflows of resources. All of the current year's revenue and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The fund financial statements are comprised of the governmental funds balance sheet and the statement of governmental revenues, expenditures and changes in fund net position. These statements reflect the activity of the various governmental funds of the District and are accounted for on the modified accrual basis of accounting. Assets expected to be used up, deferred outflows of resources and deferred inflows of resources in existence, and liabilities that come due during the year or soon thereafter are reflected. Capital assets acquisitions are treated as expenditures. Revenues for which cash is received during the year or soon thereafter are included. Expenditures for goods and services that have been received and for which payment is due during the year or soon thereafter are included.

4. Net Position

Governmental Accounting Standard Board Statement (GASBS) No. 63, requires the classification of net position into three components - invested in capital assets, net of related debt; restricted, and unrestricted. These classifications are defined as follows:

- Invested in capital assets, net of related debt - This component of net position consists of capital assets, net of accumulated depreciation reduced by the outstanding debt balances, net of unamortized debt expenses, unspent debt proceeds and deferred inflows of resources related to the acquisition, construction, or improvement of the capital assets.
- Restricted - This component of net position consists of assets with external constraints placed on their use. Constraints include those imposed by bond indentures, grants or laws and regulations of other governments, by law through constitutional provisions or enabling legislation.
- Unrestricted - This component of net position consists of net amounts of assets, deferred outflows of resources, liabilities and deferred inflow that do not meet the definition of restricted or net investment in capital assets.

See independent auditors' report

• **Tulare Mosquito Abatement District**

Notes to Audited Financial Statements

June 30, 2018

NOTE 1 - Summary of Significant Accounting Policies (Continued)

5. **Basis of Accounting**

The basis of accounting refers to when revenue and expenditures are recognized in the accounts and reported in the financial statements. The basis of accounting refers to the timing of the measurements made, regardless of the measurement focus applied.

The governmental fund types are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Gross receipts and taxes are considered measurable when in the hands of intermediary collecting governments and are recognized as revenue at that time. All major revenues are susceptible to accrual. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

6. **Budgets and Budgetary Accounting**

The District follows these procedures in establishing budgetary data reflected in these financial statements:

- a. Formal budgets are established and approved by the Tulare County Board of Supervisors for all fund types. These budgets are used as a management control device and are adopted on a basis consistent with generally accepted accounting principles.
- b. The budgetary comparison schedule presents comparisons of legally adopted budgets with actual data. Since both the actual data and the budget amounts are presented on a basis consistent with generally accepted accounting principles, no additional reconciliation is required.
- c. The Tulare County Board of Supervisors approves total budget appropriations only. The District's Board of Directors can authorize transfers between departments in any fund.
- d. Unused appropriations for all of the annually budgeted funds lapse at the end of the year.
- e. The budget amounts shown in the financial statements are the final authorized amounts as revised during the year.

7. **Cash and Investments**

The District follows the practice of pooling cash investments of most funds with the County Treasurer. Custodial credit risk is the risk that in the event of a financial institution failure, the District's deposits may not be returned to it. As of June 30, 2018 the district was within the FDIC insured limit in its checking account. The District does not maintain any separate investment accounts.

8. **Property, Plant, and Equipment**

The District's property, plant and equipment is recorded at cost. The cost of additions, renewals and betterments are capitalized; repairs and minor acquisitions and replacements are charged to operating expense as incurred. Interest costs incurred that are related to the construction of property are capitalized.

Depreciation is computed on the straight-line method using the following estimated useful lives:

| | |
|---------------------------|-------------|
| Building and improvements | 15-40 years |
| Equipment | 5-20 years |

9. **Inventory**

Inventory consists of chemicals held for future use. Inventories are stated at the lower of cost or market accounted for on the consumption method.

See independent auditors' report

Tulare Mosquito Abatement District

Notes to Audited Financial Statements

June 30, 2018

NOTE 1 - Summary of Significant Accounting Policies (Continued)

10. Accumulated Compensated Absences

Employees earn up to twelve days (96 hours) of sick leave each year and are allowed to accrue an unlimited amount. Vacation time is earned at a rate of 10 days (80 hours) per year for the first five years; after five years employees earn one extra vacation day for each year worked, up to a maximum of 15 days. Unused vacation time may be accumulated to a total of 30 working days. Accrued compensated absences have been provided for based on each employee's sick leave and vacation at June 30, 2018.

11. Revenue Recognition - Property Taxes

Real property taxes attach as an enforceable lien on property five years from the end of the applicable tax year. Unsecured property taxes attach as an enforceable lien after the penalty date, which varies depending upon when the unsecured taxes were billed. Taxes are levied on March 1 and are due and payable at that time. One half of the unpaid real property taxes levied March 1 become delinquent December 10 of the current year and the remaining half become delinquent April 10 of the following year.

In a prior year, Tulare County (tax collecting agency for the District), adopted the "Teeter Plan." The Teeter Plan is an alternative procedure for the distribution of property tax revenues under Revenue and Taxation Code Sections 4701 through 4717. The Teeter Plan provides for a buyout of prior secured taxes, and advance payments of the secured levy throughout the year.

Property tax revenues are recognized when they become available. Available includes those property tax receivables expected to be collected within thirty days after year end. Delinquent taxes are considered fully collectible and therefore no allowance for uncollectible taxes is provided.

12. Reserves of Fund Equity

The District also designated amounts in the General Fund as follows:

| | | |
|----------------------------------|----|------------------|
| Appropriations for contingencies | \$ | 288,279 |
| Inventory | | 79,024 |
| Aircraft | | 175,000 |
| Replacement spray vehicles (6) | | 190,000 |
| General reserves | | <u>3,846,230</u> |
| Total | \$ | <u>4,578,533</u> |

Reserves for inventory are required because they do not represent "available spendable resources," even though they are a component of net current assets.

13. New Accounting Pronouncements

Recent Accounting Pronouncements In February 2015, GASB issued Statement No. 72, Fair Value Measurement and Application (GASB 72), effective for the Tulare Mosquito Abatement District beginning June 30, 2016. This Statement establishes standards for accounting and financial reporting for fair value measurements. The Statement requires investments to be measured at fair value and permits the use of net asset value as the fair value when an investment does not have a readily determinable fair value. 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. Implementation of GASB 72 resulted in additional disclosures of investments and other assets reported at fair value within the fair value hierarchy. The disclosures are presented in a table displaying the major categories of assets and liabilities measured at fair value and separated into the level of the hierarchy on which fair value is based (See Note 5)

See independent auditors' report

Tulare Mosquito Abatement District

Notes to Audited Financial Statements

June 30, 2018

NOTE 1 - Summary of Significant Accounting Policies (Continued)

14. Pensions

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

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

| | |
|-------------------------|-------------------------------|
| Valuation Date (VD) | June 30, 2016 |
| Measurement Date (MD) | June 30, 2017 |
| Measurement Period (MP) | July 1, 2016 to June 30, 2017 |

15. Subsequent Events

Subsequent events have been evaluated through January 8, 2019, which is the date the financial statements were available to be issued.

NOTE 2 - Property, Plant and Equipment

The following is a summary of the changes in Capital Assets:

| COST: | Balance | Additions | Deletions | Balance |
|---------------------------|-------------------|------------------|-------------|-------------------|
| | July 1, 2017 | | | June 30, 2018 |
| Structures | \$ 386,554 | \$ 0 | \$ 0 | \$ 386,554 |
| Equipment | 482,576 | 54,728 | 0 | 537,304 |
| Total | <u>\$ 869,130</u> | <u>\$ 54,728</u> | <u>\$ 0</u> | <u>\$ 923,858</u> |
| | | | | |
| ACCUMULATED DEPRECIATION: | Balance | Additions | Deletions | Balance |
| | July 1, 2017 | | | June 30, 2018 |
| Structures | \$ 206,737 | \$ 13,778 | \$ 0 | \$ 220,515 |
| Equipment | 456,709 | 33,671 | 0 | 490,380 |
| Total | <u>\$ 663,446</u> | <u>\$ 47,449</u> | <u>\$ 0</u> | <u>\$ 710,895</u> |

See independent auditors' report

Tulare Mosquito Abatement District

Notes to Audited Financial Statements

June 30, 2018

NOTE 3 – Defined Benefit Pension Plan

A. GENERAL INFORMATION

Plan Description

All qualified permanent and probationary employees were eligible to participate in the Miscellaneous Plan of the Tulare Mosquito Abatement part of the Public Agency portion of the California Public Employees Retirement System (CalPERS), an agent multiple-employer plan administered by CalPERS, which acts as common investment and administrative agent for participating member employers. New hires subsequent to January 1, 2013, or a CalPERS member who has a break in service greater than six months who is subsequently rehired by a different CalPERS employer is included in the Tulare Mosquito Abatement District PEPRA (Public Employee’s Pension Reform Act of 2013) Miscellaneous Plan. Benefits provisions under the Plans are established by State statute and Local Government resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. The basic benefit will be 2% of "final compensation" for each year of credited service upon retirement at age 60. Final compensation is defined as the average monthly pay during the last 36 consecutive months of work or another period of 36 consecutive months selected by the member if the average pay rate was higher. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustment for each plan is applied as specified by the Public Employee’s Retirement law.

| Hire Date | Prior to January 1, 2013 | On or after January 1, 2013 |
|---|-----------------------------|--------------------------------|
| Benefit Formula | 2.0% @ 60 | 2.0% @ 62 |
| Benefit vesting schedule | 5 years of service | 5 years of service |
| Benefit payments | monthly for life | monthly for life |
| Retirement age | 50 - 67 | 52 - 67 |
| Monthly benefits, as a % of eligible compensation | 1.0% - 2.5% | 1.0% - 2.5% |

Employees Covered

At June 30, 2017 the following employees were covered by the benefit terms of the Plan:

| | Miscellaneous Plan | PEPRA |
|--|-----------------------|----------|
| Inactive employees or beneficiaries currently receiving benefits | 10 | 0 |
| Inactive employees entitled to but not yet receiving benefits | 0 | 0 |
| Active employees | 2 | 3 |
| Total | 12 | 3 |

See independent auditors’ report

Tulare Mosquito Abatement District

Notes to Audited Financial Statements

June 30, 2018

NOTE 3 - Defined Benefit Pension Plan (Continued)

Contributions

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through the CalPERS' annual actuarial valuation process. For public agency cost-sharing plans covered by either the Miscellaneous or Safety risk pools, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

B. NET PENSION LIABILITY

The District's net pension liability for the plan is measured as the total pension liability, less the pensions plan's fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2016, using an annual actuarial valuation as of June 30, 2016 rolled forward to June 30, 2017 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Assumptions

The total pension liabilities in the June 30, 2016 and June 30, 2017 actuarial valuations were determined using the following actuarial assumptions:

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

Change of Assumption

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate was changed from 7.65 percent (net of administrative expense in 2016) to 7.15 percent as of the June 30, 2016 measurement date to correct the adjustment which previously reduced the discount rate for administrative expense.

Discount Rate

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

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

See independent auditors' report

Tulare Mosquito Abatement District
Notes to Audited Financial Statements
June 30, 2018

NOTE 3 - Defined Benefit Pension Plan (Continued)

Discount Rate (Continued)

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

The long-term expected rates of return by asset class can be found in CalPERS' Comprehensive Annual Financial Report for the fiscal year ended June 30, 2017.

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

| Asset Class | New Strategic Allocation | Real Return Years 1 - 10¹ | Real Return Years 11+² |
|--|---------------------------------|---|--|
| Global Equity | 47.0% | 4.90% | 5.38% |
| Global Fixed Income | 19.0 | 0.80 | 2.27 |
| Inflation Sensitive | 6.0 | 0.60 | 1.39 |
| Private Equity | 12.0 | 6.60 | 6.63 |
| Real Estate | 11.0 | 2.80 | 5.21 |
| Infrastructure and Forestland | 3.0 | 3.90 | 5.36 |
| Liquidity | 2.0 | (0.40) | (0.90) |
| 1 An expected inflation of 2.5% used for this period | | | |
| 2 An expected inflation of 3.0% used for this period | | | |

Tulare Mosquito Abatement District
Notes to Audited Financial Statements
June 30, 2018

NOTE 3 - Defined Benefit Pension Plan (Continued)

C. Changes in the Net Pension Liability

The Changes in the Net Pension Liability for the Miscellaneous Plan is as follows:

| | TOTAL PENSION LIABILITY | PLAN FIDUCIARY NET POSITION | NET PENSION (LIABILITY) ASSET |
|---|----------------------------|--------------------------------|----------------------------------|
| Balance at 6/30/2017 | 2,626,078 | 2,493,830 | (132,248) |
| Changes in the year: | | | |
| Service Cost | 69,472 | 0 | (69,472) |
| Interest on Total Pension Liability | 117,633 | 0 | (117,633) |
| Changes of Benefit Terms | 343 | 0 | (343) |
| Changes of Assumptions | 160,816 | 0 | (160,816) |
| Differences between Expected and Actual Experience | (18,148) | 0 | 18,148 |
| Net Plan to Plan Resource Movement | 0 | (5,693) | (5,693) |
| Contributions - Employer | 0 | 39,823 | 39,823 |
| Contributions - Employees | 0 | 36,756 | 36,756 |
| Net Investment Income | 0 | 193,600 | 193,600 |
| Benefit Payments, including Refunds of Employee Contributions | (116,459) | (116,459) | 0 |
| Administrative Expense | 0 | (3,580) | (3,580) |
| Net changes | 213,656 | 144,448 | (69,208) |
| Balance at 6/30/2018 | 2,839,734 | 2,638,278 | (201,456) |

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

The following presents the net pension liability/(asset) of the Plan as of the measurement date, calculated using the discount rate of 7.15 percent, as well as what the net pension liability/(asset) would be if it were calculated using a discount rate that is 1 percentage-point lower (6.65 percent) or 1 percentage-point higher (8.65 percent) than the current rate:

MISCELLANEOUS PLAN

| | <u>Discount Rate - 1%</u> <u>(6.15%)</u> | <u>Assumed Discount</u> <u>Rate (7.15%)</u> | <u>Discount Rate + 1%</u> <u>(8.15%)</u> |
|------------------------------------|---|--|---|
| Plan's Net Pension Liability | \$ 592,052 | \$ 201,456 | \$ (122,043) |

See Independent auditors' report

Tulare Mosquito Abatement District

Notes to Audited Financial Statements

June 30, 2018

NOTE 3 - Defined Benefit Pension Plan (Continued)

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

For the year ended June 30, 2018, the District recognized pension income of \$29,447. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|--------------------------------|-------------------------------|
| Differences in Expected and Actual Experience | \$ 955 | \$ 13,682 |
| Changes of Assumptions | \$ 118,496 | \$ 9,035 |
| Differences between Projected and Actual Investment Earnings | \$ 26,799 | |
| Change in Employers Proportion | \$20,506 | |
| Differences between Employer's Contributions and Proportionate Share of Contributions | | \$ 105,945 |
| Adjustment due to Differences in Proportions | \$ 23,146 | \$ 25,412 |
| Total | \$ 189,902 | \$ 154,076 |

\$23,146 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense (income).

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

| Fiscal Year Ending June 30: | |
|-----------------------------|---------------|
| 2019 | \$ (29,419) |
| 2020 | 37,492 |
| 2021 | 20,519 |
| 2022 | (15,911) |
| Thereafter | - |
| | <u>12,681</u> |

NOTE 4 - Adjustments

The following adjustments are required to reconcile the fund financial data to government-wide data. Government-wide financial data presents the financial information of the District under the accrual method of accounting, as required by Statement No. 63 of the Governmental Accounting Standards Board.

1. Assets reported as property, plant and equipment under the general fixed asset account group at \$923,857, are now reported as property and equipment, net of accumulated depreciation at \$212,962.
2. Accumulated compensated absences reported in the amount of \$79,305 are now reported as long-term liabilities.
3. Various fund balances reserved by the Board of Directors have been eliminated and are now reported as a component of net position.
4. Capital outlay expense reported at \$54,727 is reported.
5. Depreciation expense not previously reported is now reported at \$47,449.

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Tulare Mosquito Abatement District

Notes to Audited Financial Statements

June 30, 2018

NOTE 4 – Adjustments (Continued)

6. The District's prior fiscal year ending June 30, 2017, fund balance in the amount of \$5,275,875 includes the following items.
 - a. Investment in Capital Assets, net of related debt of \$205,684.
 - b. Unrestricted Fund Balance in the amount of \$5,070,191.

NOTE 5 – Fair Value Disclosure

GASB 72 defines fair value 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 (an exit price). The district utilizes market data or assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and the risks inherent in the inputs to the valuation technique.

GASB 72 establishes a fair value hierarchy that prioritizes the inputs used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy defined by GASB No. 72 are as follows:

- 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 in Level 1 that are observable for an asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs that reflect the District's own assumptions about factors that market participants would use in pricing the asset or liability.

The valuation methods of the fair value measurements are as follows:

Investment Pool – uses the fair value of the pool's share price multiplied by the number of shares held. This pool can include a variety of investments such as U.S. government securities, federal agency securities, and other investments. The fair values of the securities are generally based on quoted market prices

| | Fair value as of June 30, 2017 | | |
|---|---------------------------------------|---------------------|---------------------|
| | <u>Level 1</u> | <u>Level 2</u> | <u>Total</u> |
| Investments, including cash and cash equivalents | | | |
| Investment Pool – Tulare County | \$ 0 | \$ 5,146,475 | \$ 5,146,475 |
| | <u>\$ 0</u> | <u>\$ 5,146,475</u> | <u>\$ 5,146,475</u> |
| | | | |
| | Fair value as of June 30, 2018 | | |
| | <u>Level 1</u> | <u>Level 2</u> | <u>Total</u> |
| Investments, including cash and cash equivalents | | | |
| Investment Pool – Tulare County | \$ 0 | \$ 5,697,583 | \$ 5,697,583 |
| | <u>\$ 0</u> | <u>\$ 5,697,583</u> | <u>\$ 5,697,583</u> |

See independent auditors' report

SUPPLEMENTARY INFORMATION

Tulare Mosquito Abatement District

Schedule I - Property Tax Revenues

June 30, 2018

SCHEDULE I - Property Tax Revenues

| | |
|-----------------------------------|---------------------|
| Current secured taxes | \$ 1,263,060 |
| Current unsecured taxes | 74,679 |
| Residual distribution | 55,021 |
| Supplemental tax, current secured | 22,729 |
| Supplemental tax, prior | 2,405 |
| Prior year's taxes, unsecured | 2,281 |
| Prior year's taxes, secured | 24,790 |
| Homeowners' property tax relief | <u>11,738</u> |
| Total | <u>\$ 1,456,703</u> |

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Tulare Mosquito Abatement District

Schedule II - Budgetary Comparison Schedule

For the Year Ended June 30, 2018

SCHEDULE II - Budgetary Comparison Schedule

| | General Funds | | |
|--|---------------------|---------------------|----------------------------------|
| | Budget | Actual | Variance-Favorable (Unfavorable) |
| REVENUES | | | |
| Property taxes, including penalties and interest | \$ 1,245,007 | \$ 1,485,127 | \$ 240,120 |
| Other | 0 | 27,659 | 27,659 |
| Total revenues | <u>1,245,007</u> | <u>1,512,786</u> | <u>267,779</u> |
| EXPENSES | | | |
| Salaries, employee benefits and payroll taxes | 741,855 | 734,715 | 7,140 |
| Agricultural | 782,841 | 209,483 | 573,358 |
| Telecommunications | 1,802 | 1,175 | 627 |
| Household Expense | 8,292 | 1,405 | 6,887 |
| Insurance | 51,500 | 39,026 | 12,474 |
| Repairs and maintenance, equipment | 166,308 | 43,294 | 123,014 |
| Repairs and maintenance, structures | 17,055 | 9,224 | 7,831 |
| Memberships | 13,509 | 11,500 | 2,009 |
| Office supplies | 8,206 | 8,422 | (216) |
| Professional fees | 16,682 | 10,300 | 6,382 |
| Rent | 17,381 | 9,288 | 8,093 |
| District Special Expense | 10,862 | 8,430 | 2,432 |
| Utilities | 7,276 | 3,828 | 3,448 |
| Travel | 7,083 | 229 | 6,854 |
| Other | 38,350 | 35,501 | 2,849 |
| Depreciation | 0 | 47,449 | (47,449) |
| Total expenses | <u>1,889,002</u> | <u>1,173,269</u> | <u>715,733</u> |
| Operating (loss) income | (643,995) | 339,517 | 983,512 |
| NON-OPERATING REVENUE AND EXPENSE | | | |
| Use of money - interest | 55,000 | 77,640 | 22,640 |
| Grant income | 0 | 23,776 | 23,776 |
| Pension income | 0 | 29,447 | 29,447 |
| (DEFICIENCY) EXCESS OF REVENUES OVER EXPENDITURES | <u>\$ (588,995)</u> | <u>\$ 470,380</u> | <u>\$ 1,059,375</u> |
| Net position, beginning of year | | <u>5,275,875</u> | |
| Net position, end of year | | <u>\$ 5,746,255</u> | |

See independent auditors' report

Tulare Mosquito Abatement District

Schedule III - Insurance Coverage

June 30, 2018

SCHEDULE III - Insurance Coverage

Insurance coverage of the District in force at June 30, 2018, is summarized as follows:

| | | |
|---|----|---------------|
| General | | |
| Each occurrence/policy limit | \$ | 5,000,000 |
| Automobile | | |
| Each occurrence/policy limit | \$ | 5,000,000 |
| Public Officials' and Employees' Errors and Omissions | | |
| Each occurrence/policy limit | \$ | 5,000,000 |
| Employment Practices Liability | | |
| Each occurrence/policy limit | \$ | 5,000,000 |
| Employee Dishonesty Coverage | | |
| Public employee dishonesty | \$ | 1,000,000 |
| Forgery or alteration and theft | \$ | 1,000,000 |
| Disappearance and destruction | \$ | 1,000,000 |
| Property | | |
| Each occurrence/policy limit | \$ | 1,000,000,000 |
| Boiler and Machinery | | |
| Replacement cost/each occurrence | \$ | 100,000,000 |
| Public Officials Personal Liability | | |
| General aggregate | \$ | 500,000 |
| Each occurrence | \$ | 500,000 |
| Workers Compensation/Employer's Liability | | |
| Each occurrence/employee/policy limit | \$ | 5,000,000 |
| Aircraft | | |
| Single Limit | \$ | 5,000,000 |

Tulare Mosquito Abatement District

Schedule IV - Proportion share of Net Pension Liability - Last 10 Years* (Unaudited)
For the Year Ended June 30, 2018

| Miscellaneous Plan | 2015 | 2016 | 2017 | 2018 |
|---|--------------|--------------|--------------|--------------|
| Proportion of the net pension liability (asset) | 0.00505 % | 0.00215 % | 0.00460 % | 0.00381 % |
| Proportionate share of the net pension liability (asset) | \$ 314,377 | \$ (45,934) | \$ 132,248 | \$ 201,456 |
| Covered - employee payroll | \$ 356,623 | \$ 336,724 | \$ 385,705 | \$ 338,495 |
| Proportionate Share of the net pensions liability (asset) as percentage of covered-employee payroll | 88.15 % | (13.64) % | 0.34 % | 0.60 % |
| Plan's fiduciary net position | \$ 1,921,725 | \$ 2,805,947 | \$ 2,493,830 | \$ 2,638,278 |
| Plan fiduciary net position as a percentage of the total pension liability | 172 % | 88.71 % | 88.71 % | 92.90 % |
| Plan's Proportionate Share of Aggregate Employer Contributions | \$ 20,177 | \$ 19,589 | \$ 23,700 | \$ 22,185 |

* Fiscal Year 2015 was the first year of implementation, therefore only three years are shown

Tulare Mosquito Abatement District

Schedule V - Schedule of Contributions - Last 10 Years* (Unaudited)
 For the Year Ended June 30, 2018

| Miscellaneous Plan | 2015 | 2016 | 2017 | 2018 |
|---|------------|----------|----------|----------|
| Contractually required contributions (actuarially determined) | \$ 19,232 | 19,589 | 23,700 | 22,185 |
| Contributions in relation to the actuarially determined contributions | (19,232) | (19,589) | (23,700) | (22,185) |
| Contribution deficiency (excess) | 0 | 0 | 0 | 0 |
| Covered-employee payroll | \$ 356,623 | 336,724 | 385,705 | 338,495 |
| Contributions as a percentage of covered-employee payroll | 5.39 % | 5.82 % | 6.14 % | 6.55 % |

* Fiscal Year 2015 was the first year of implementation, therefore only three years are shown

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