

**NAPA COUNTY  
MOSQUITO ABATEMENT DISTRICT**

**BOARD OF DIRECTORS AND  
MANAGEMENT REPORT**

**FOR THE FISCAL YEAR ENDED  
JUNE 30, 2021**

**NAPA COUNTY  
MOSQUITO ABATEMENT DISTRICT  
JUNE 30, 2021**

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**REQUIRED COMMUNICATION TO THE BOARD OF DIRECTORS  
IN ACCORDANCE WITH PROFESSIONAL STANDARDS (SAS 114)**

To the Honorable Members  
of the Board of Directors  
Napa County Mosquito Abatement District  
Napa, California

We have audited the financial statements of the Napa County Mosquito Abatement District (the District) as of and for the fiscal year ended June 30, 2021. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 30, 2021. Professional standards also require that we communicate to you the following information related to our audit.

**Significant Audit Matters**

*Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year ended June 30, 2021. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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 estimates affecting the District's financial statements were:

Management's estimates of the net pension and other post-employment benefits (OPEB) assets are based on actuarial calculations. We evaluated the key factors and assumptions used to develop the actuarial calculations in determining that they are reasonable in relation to the financial statements taken as a whole. We also evaluated the key factors and assumptions used to develop the estimates of the compensated absences accrual, capital asset lives and depreciation expense, and fair value of investments in the financial instruments in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements was were:

Note 8 – Defined Benefit Pension Plans  
Note 10 – Post-Employment Benefits Other Than Retirement (OPEB)

The financial statement disclosures are neutral, consistent, and clear.

*Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

*Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. See the list of corrected audit adjustments and government-wide journal entries attached.

*Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

*Management Representations*

We have requested certain representations from management that are included in the management representation letter dated January 10, 2022.

*Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

**Other Matters**

We applied certain limited procedures to the Management's Discussion and Analysis, the Budgetary Comparison Schedule of the General Fund, the Proportionate Share of Net Pension Liability (Asset), Schedule of Contributions – Pension, Schedule of Changes in the Net OPEB Liability (Asset) and Related Ratios, and Schedule of Contributions – OPEB, which are required supplementary information (RSI) that supplement the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

**Restriction on Use**

This information is intended solely for the information and use of the Board of Directors and management of the District and is not intended to be, and should not be, used by anyone other than these specified parties.

Bakersfield, California  
January 10, 2022

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION

*Brown Armstrong*  
*Accountancy Corporation*

**AGREED-UPON CONDITIONS REPORT DESIGNED TO INCREASE  
EFFICIENCY, INTERNAL CONTROLS, AND/OR FINANCIAL REPORTING**

To the Honorable Members  
of the Board of Directors  
Napa County Mosquito Abatement District  
Napa, California

We have audited the basic financial statements of the Napa County Mosquito Abatement District (the District) as of and for the fiscal year ended June 30, 2021, in accordance with auditing standards generally accepted in the United States of America and have issued our report thereon dated January 10, 2022. In planning and performing our audit of the financial statements of the District, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

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.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. In addition, because of the inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. 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.

As a result of our audit, we noted no agreed-upon conditions involving the internal control structure and its operation that are opportunities for strengthening internal controls and operating efficiency.

This report is intended solely for the information and use of the Board of Directors and management and is not intended to be, and should not be, used by anyone other than these specified parties.

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION

*Brown Armstrong*  
*Accountancy Corporation*

Bakersfield, California  
January 10, 2022

## **Current Year Agreed-Upon Conditions and Recommendations**

None.

## **Status of Prior Year Agreed-Upon Conditions and Recommendations**

### **2020-001 General Ledger Reconciliation**

#### Criteria

In accordance with accounting standards generally accepted in the United States of America, the District's financial records must be properly maintained.

#### Condition

The District maintains the account detail for the VCJPA, pesticide inventory, and capital assets outside of the County of Napa's general ledger system, Peoplesoft, which resulted in discrepancies between the District's records and Peoplesoft. The Auditor-Controller's Office did not book the adjustments in Peoplesoft to properly reflect the correct balances supported by the District's schedules.

#### Cause

The prior year was a transition year for the Auditor-Controller to oversee the District's financial records, and there was a lack of communication between the District and the Auditor-Controller's Office.

#### Recommendation

We recommend that the District provide the detailed account information noted above on a quarterly or annual basis to the Auditor-Controller's Office such that the records in Peoplesoft reflect the correct balances for the District. The Auditor-Controller's Office then needs to book the proper journal entries in Peoplesoft such that it reflects the District's supporting schedules. We also suggest that the District review the year end trial balance in Peoplesoft to verify that the Auditor-Controller has properly captured all the activity in the general ledger for the year.

#### Management's Response

The District will continued to work with the Auditor-Controller's Office to ensure ledgers and records are current.

#### Current Year Status

Implemented.

Client: 57218 - County of Napa  
Engagement: 57218.017 - 6/30/21 Napa County Mosquito Abatement District  
Period Ending: 6/30/2021  
Trial Balance:  
Workpaper: 27-2-2 - SAS Attachment

Account	Description	W/P Ref	Debit	Credit
<b>Reclassifying Journal Entries</b>				
<b>Reclassifying Journal Entries JE # 1</b>				
To accrue beginning balances for government-wide				
11201	Net OPEB Asset		1,848,589.00	
19500	Deferred Outflow of Resources - OPEB		477,743.00	
19600	Deferred Outflow of Resources - Pension		705,479.00	
22600	Net Pension Liability		794,809.00	
22105	Compensated Absences Payable			20,775.00
22500	Compensated Absences Due in More Than One Year			29,950.00
22700	Deferred Inflow of Resources - OPEB			744,862.00
22800	Deferred Inflow of Resources - Pension			202,206.00
31100	FB - Restricted for OPEB Trust			2,828,827.00
<b>Total</b>			<b>3,826,620.00</b>	<b>3,826,620.00</b>
<b>Reclassifying Journal Entries JE # 2</b>				
To record pension adjustments				
19600	Deferred Outflow of Resources - Pension		130,274.00	
22600	Net Pension Liability			44,538.00
22800	Deferred Inflow of Resources - Pension			44,645.00
51600	Retirement			41,091.00
<b>Total</b>			<b>130,274.00</b>	<b>130,274.00</b>
<b>Reclassifying Journal Entries JE # 3</b>				
To record OPEB adjustments				
11201	Net OPEB Asset		164,400.00	
22700	Deferred Inflow of Resources - OPEB		170,367.00	
19500	Deferred Outflow of Resources - OPEB			203,042.00
51605	Other Post-Employment Benefits			131,725.00
<b>Total</b>			<b>334,767.00</b>	<b>334,767.00</b>
<b>Reclassifying Journal Entries JE # 4</b>				
To record compensated absences				
22500	Compensated Absences Due in More Than One Year		6,537.00	
51130	Vacation Pay-Out		5,469.00	
22105	Compensated Absences Payable			12,006.00
<b>Total</b>			<b>12,006.00</b>	<b>12,006.00</b>
<b>Reclassifying Journal Entries JE # 6</b>				
PARS Trust entry				
11202	PARS Pension Trust		997,056.00	
11202	PARS Pension Trust		62,508.00	
11203	PARS OPEB Trust		125,000.00	
11203	PARS OPEB Trust		6,495.00	
31100	FB - Restricted for OPEB Trust		69,003.00	
11200	Cash with Fiscal Agent			1,191,059.00
45100	Interest			69,003.00
<b>Total</b>			<b>1,260,062.00</b>	<b>1,260,062.00</b>
<b>Reclassifying Journal Entries JE # 7</b>				
To net the deferred inflows and outflows for pension				
22800	Deferred Inflow of Resources - Pension		185,902.00	
19600	Deferred Outflow of Resources - Pension			185,902.00
<b>Total</b>			<b>185,902.00</b>	<b>185,902.00</b>
<b>Total Reclassifying Journal Entries</b>			<b>5,749,631.00</b>	<b>5,749,631.00</b>
<b>Total All Journal Entries</b>			<b>5,749,631.00</b>	<b>5,749,631.00</b>