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May 8, 2015

The Honorable Lesley D. Holland
San Joaquin County Superior Court
222 E. Weber Ave.
Stockton, CA 95202


Dear Judge Holland,

On April 27, 2015 I sent you a letter on behalf of the Board of Trustees of the San Joaquin County Mosquito and Vector Control District in response to Follow-up Report to the 2012-2013 San Joaquin County Grand Jury Case No. 1112.

Since that date, it has come to my attention that there is a typographical error on page 2 of the letter. I refer at one point to "F.1," however it should read "F.2". Enclosed is an amended response to Follow-up Report to the 2012-2013 San Joaquin County Grand Jury Case No. 1112.

I apologize for any confusion.

Respectfully Submitted,


CHRISTOPHER K. ELEY
Attorney at Law

CKE/kl

Cc: **Trisa Martinez**
Clients

Enclosure(s)

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The Honorable Lesley D. Holland
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Dear Judge Holland,

The Board of Trustees provides its response to the Follow-up Report to the 2012-2013 San Joaquin County Grand Jury Case No. 1112. After reviewing that Follow-up Report, it appears that the Grand Jury is seeking responses to two findings and recommendations made in that Follow-up Report. Those findings and recommendations are:

F. 1 - Consideration of a Fund Balance Policy has not been an agenda item for the trustees;

F. 2 - The District did not include the 2012-2013 audited financial reports on its website as it stated it would;

R. 1 - Prior to October 2014, the District adopt a Fund Balance Policy; and

R. 2 - Prior to October 1, 2014 the District adds the Fiscal year 2012-2013 audited financial reports to its website.

Regarding F. 1, the District agrees that this is a correct statement of fact.

Regarding R. 1, the initial recommendation of the Grand Jury was that an explanation of the District reserve fund and its purposes be included as part of the District budget. The current custom and practice of the District is to provide information regarding the funds as part of the budget resolution. That information combined with the notes to the yearly audit does provide detailed information regarding the various funds including the reserve funds. I have attached a copy of the budget resolution, Resolution 14/15-1. This is the format for the budget resolutions for many years and does contain a description of the four funds used by the District. The Board believes that this meets the recommendations of the 2012-2013 Grand Jury report. At the time the Grand Jury issued its report, the District was considering adopting a standalone policy for reserve funds and was working with its outside auditor to create such a policy. Shortly thereafter, the

auditor retired and work on that policy came to a halt. The position of auditor went out to bid and a new contract was obtained. Due to the interruption, consideration of a fund balance policy was not completed. The Board feels that between the budget resolution and the financial statements, a full explanation of the funds' purposes and use is available. However, this explanation is not contained in one distinct policy. Staff will continue to work with the outside auditor to create a fund balance policy that sets forth the District's practice regarding the types of funds allowable and the purposes of any restrictions on those funds. The District is updating its policy manual and a policy with regard to "district funds," including reserve funds, is scheduled to be included.

Regarding F. 2, the District disagrees that this is a correct statement of fact.

Regarding R. 2, the District did add the Fiscal year 2012-2013 audited financial report to its website and did so in July 2014. It was placed in the category of Board Information. On review, Management determined that it should be more prominently placed. The audited financial report is now available under a "Quick Links" heading available on the website. The Board believes that this provides the public with easy access to the audit and meets the recommendation of the Grand Jury.

This response was reviewed and approved by the Board of Trustees of the San Joaquin County Mosquito and Vector Control District at its regular meeting of April 21, 2015.

Respectfully Submitted,



CHRISTOPHER K. ELEY
Attorney at Law

CKE/kl
Cc: Trisa Martinez
Clients

Enclosure(s)

RESOLUTION 14/15-1

COUNTY

RESOLUTION OF THE BOARD OF TRUSTEES OF THE
SAN JOAQUIN COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT
APPROVING THE FISCAL YEAR 2014-15 BUDGET AND RELATED FUND
DESIGNATIONS AND BALANCES

APPROVAL OF BUDGET

WHEREAS, the FY2014-15 budget and related fund designations and balances of the San Joaquin County Mosquito and Vector Control District (the District) have been prepared by the District Manager and recommended for adoption by the Board of Trustees' Budget Committee.

NOW THEREFORE IT IS RESOLVED, that the FY2014-15 budget of the District presented as schedule A to this resolution, is hereby approved; and

BE IT FURTHER RESOLVED that the Board of Trustees hereby recognizes the following fund designations and fund balances effective July 1, 2014:

<u>Fund designation</u>	<u>Fund description and associated balance(s)</u>
55401	General Fund: which includes an unallocated general reserve (designated as 55401-101) of \$3,665,065.00 for financing of maintenance and operations between receipt of periodic property tax revenue allocations from the SJC Auditor-Controller
55402	Benefit Assessment Fund: which includes revenue from the MOSQUITO, VECTOR AND DISEASE CONTROL BENEFIT ASSESSMENT
55411	Contingency Fund (restricted): \$1,132,684.00
55412	General Reserve Fund (restricted): \$2,050,000.00, consisting of \$1,500,000.00 for public health emergencies (designated as 55412-101), \$420,000.00 for capital and asset preservation (designated as 55412-102), and \$130,000.00 for accrued employee leave (designated as 55412-103)

BOARD OF TRUSTEES

AYES JAY COLOMBINI, CHET MILLER, OMAR KHWEISS, MARK WARMERDAM, FRANCIS GROER, GREG O'LEARY, JACK SNYDER, JOY MEEKER, GARY LAMBORN

NOES _____

ABSENT MIKE MANNA, JACK FIORI

ABSTAIN _____

SIGNED: Mark Warmerdam
MARK WARMERDAM, PRESIDENT

ATTEST: Joy Meeker
JOY MEEKER, BOARD SECRETARY

DATE: 7-15-2014