West Valley Mosquito and Vector Control District

Ontario, California

Annual Financial Report

For the Year Ended June 30, 2024

THE PUN GROUP
ACCOUNTANTS & ADVISORS

West Valley Mosquito and Vector Control District
Annual Financial Report
For the Year Ended June 30, 2024

Table of Contents

FINANCIAL SECTION

This page intentionally left blank.

200 E. Sandpointe Avenue, Suite 600
Santa Ana, California 92707

www.pungroup.cpa

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
of the West Valley Mosquito and Vector Control District
Ontario, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the general fund of the West Valley 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 the general 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 Plan's Net Pension Liability, and the Schedule of the District's Contributions to the Pension Plan 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 8, 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
October 8, 2024

This page intentionally left blank

THE PUN GROUP
ACCOUNTANTS & ADVISORS

200 E. Sandpointe Avenue, Suite 600
Santa Ana, California 92707

www.pungroup.cpa

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 West Valley Mosquito and Vector Control District
Ontario, 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 West Valley 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 October 8, 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
October 8, 2024

The following Management's Discussion and Analysis (MD&A) of activities and financial performance of the West Valley Mosquito and Vector Control District (District) provides an introduction to the financial statements of the 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 increased 1.47%, or $93,587 from the prior year's net position of $6,364,344 to $6,457,931, as a result of this year's operations.

- Total revenues from all sources increased by 4.86%, or $184,917 from $3,803,762 to $3,988,679, from the prior year, primarily due to property assessments of $108,789.

- Total expenses for the District's operations decreased by 1.87% or $74,193 from $3,969,285 to $3,895,092, from the prior year. This decrease in total expenses is primarily due to a decrease in operating expenses of $106,736.

Using This Financial Report

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

Government-wide Financial Statements

Statement of Net Position and Statement of Activities

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

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

Governmental Funds Financial Statements

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

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

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

Notes to the Basic Financial Statements

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

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 and deferred outflows of resources of the District exceeded liabilities and deferred inflows of resources by $6,457,931 as of June 30, 2024.

Condensed Statement of Net Position

	June 30, 2024	June 30, 2023	Change
Assets:			
Current assets	$ 4,433,706	$ 4,440,831	$ (7,125)
Capital assets, net	3,960,985	3,847,035	113,950
Total assets	8,394,691	8,287,866	106,825
Deferred outflows of resources	578,935	602,451	(23,516)
Liabilities:			
Current liabilities	306,138	276,260	29,878
Non-current liabilities	2,201,228	2,236,484	(35,256)
Total liabilities	2,507,366	2,512,744	(5,378)
Deferred inflows of resources	8,329	13,229	(4,900)
Net position:			
Net investment in capital assets	2,469,110	2,164,993	304,117
Unrestricted	3,988,821	4,199,351	(210,530)
Total net position	$ 6,457,931	$ 6,364,344	$ 93,587

At the end of fiscal year 2024, the District shows a positive balance in its unrestricted net position of $3,988,821 that may be utilized in future years.

Government-wide Financial Analysis (Continued)

Condensed Statements of Activities

	June 30, 2024	June 30, 2023	Change
Program revenues	$ 3,877,360	$ 3,776,993	$ 100,367
Expenses	(3,895,092)	(3,969,285)	74,193
Net program expense	(17,732)	(192,292)	174,560
General revenues	111,319	26,769	84,550
Change in net position	93,587	(165,523)	259,110
Net position – beginning of period	6,364,344	6,529,867	(165,523)
Net position – end of period	$ 6,457,931	$ 6,364,344	$ 93,587

The statement of activities shows how the government's net position changed during the fiscal year. In the case of the District, net position increased by $93,587, during the fiscal year ended June 30, 2024.

Total Revenues:

	June 30, 2024	June 30, 2023	Increase (Decrease)
Program revenues:			
Property assessments	$ 3,589,299	$ 3,480,509	$ 108,790
Contract services	288,061	296,484	(8,423)
Total program revenues	3,877,360	3,776,993	100,367
General revenues:			
Investment earnings	49,058	19,482	29,576
Other revenues	62,261	7,287	54,974
Total general revenues	111,319	26,769	84,550
Total revenues	$ 3,988,679	$ 3,803,762	$ 184,917

Total revenues from all sources increased by 4.86%, or $184,916 from $3,803,763 to $3,988,679, from the prior year, primarily due to an increase of $108,790 in the property assessments.

Total Expenses:

	June 30, 2024	June 30, 2023	Increase (Decrease)
Expenses:			
Operations	$ 3,609,200	$ 3,715,936	$ (106,736)
Depreciation expense	242,922	204,972	37,950
Interest expense	42,970	48,377	(5,407)
Total expenses	$ 3,895,092	$ 3,969,285	$ (74,193)

Government-wide Financial Analysis (Continued)

Total expenses for the District's operations decreased by 1.87% or $74,193 from $3,969,285 to $3,895,092, from the prior year. This decrease in total expenses is primarily due to a decrease in operating expenses of $106,736.

Governmental Funds Financial Analysis

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

As of June 30, 2024, the District reported a total fund balance of $4,380,535. An amount of $3,941,051 constitutes the District's *unassigned fund balance*, which is available for future expenditures.

General Fund Budgetary Highlights

The final expenditures for the District at year-end were $252,334 less than budgeted. The variance is principally due to materials and supplies, and salaries and benefits being less than budget. Actual revenues were less than budgeted by $39,521.

Capital Asset Administration

Changes in capital assets for the year were as follows:

	Balance June 30, 2024	Balance June 30, 2023
Capital assets:		
Non-depreciable assets	$ 330,875	$ 330,875
Depreciable assets	6,573,087	6,382,150
Accumulated depreciation	(2,942,977)	(2,865,990)
Total capital assets, net	$ 3,960,985	$ 3,847,035

At the end of fiscal year 2024, the District's investment in capital assets amounted to $3,960,985 (net of accumulated depreciation). This investment in capital assets includes structures and improvements, equipment, and vehicles.

See Note 3 for further information on the District's capital assets.

Long-Term Debt Administration

Changes in long-term debt for the year were as follows:

	Balance June 30, 2024	Balance June 30, 2023
Long-term debt:		
Loan payable	$ 1,491,875	$ 1,682,042

Long-Term Debt Administration (Continued)

See Note 5 for further information on the District's long-term debt administration.

Economic and Other Factors Effecting Next Year's Operations and Budget

West Nile Virus Outbreak

The California Department of Public Health (CDPH) has reported continued West Nile virus activity across the state and investigates numerous cases in humans. The District continues to actively monitor the situation in its service area for any potential outbreaks.

Invasive Aedes Mosquitoes

The District has observed a dramatic increase in the proliferation of invasive Aedes mosquitoes. These aggressive, day-biting mosquitoes are creating a greater need to inspect and treat small backyard water sources. More public outreach is needed to inform the public on how to protect from these aggressive biters. The District has created a comprehensive program utilizing In2Care attract and kill stations, as well as instituting a program for the release of X-Ray irradiated sterile male Aedes mosquitoes for control. Additionally, this genus of mosquito is a cryptic breeder requiring additional technician man hours for inspections and treatments.

Tropical Diseases

With the establishment of invasive Aedes mosquitoes within the District, there is a greater risk of diseases such as dengue and chikungunya will become locally transmitted. CDPH tracks many imported human cases of dengue and chikungunya each year. The District has developed our own testing metric for these tropical diseases.

Green Energy Requirements

The state has implemented new, green energy requirements that will require the changeover to electric vehicles. This will increase the cost of the vehicles and the electricity the District uses, on top of the initial, set-up costs associated with charging stations for the District.

Contract Services

The District will continue to initiate contract services to provide service for certain areas not covered under assessment that are habitat for vectors and mosquitoes.

Contacting the District's Financial Management Team

The financial report is designed to provide the District's present users with a general overview of the District's finances and to demonstrate the District's accountability with an overview of the District's financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional information, please contact adminemail@wvmvcd.org or (909) 635-0307.

This page intentionally left blank.

BASIC FINANCIAL STATEMENTS

This page intentionally left blank.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

This page intentionally left blank.

West Valley Mosquito and Vector Control District
Statement of Net Position
June 30, 2024

ASSETS	Governmental Activities
Current assets:	
Cash and investments (Note 2)	$ 3,778,477
Accounts receivable – other	214,451
Accrued interest receivable	1,294
Materials and supplies inventory	86,741
Deposits with Vector Control Joint Powers Agency (VCJPA) (Note 10)	326,878
Prepaid items	25,865
Total current assets	4,433,706
Non-current assets:	
Capital assets – not being depreciated (Note 3)	330,875
Capital assets – being depreciated, net (Note 3)	3,630,110
Total non-current assets	3,960,985
Total assets	8,394,691
DEFERRED OUTFLOWS OF RESOURCES	
Deferred amounts related to pensions (Note 6)	578,935
Total deferred outflows of resources	578,935
LIABILITIES	
Current liabilities:	
Accounts payable	4,547
Accrued salaries and benefits	48,624
Accrued interest payable	17,716
Long-term liabilities – due in one year:	
Compensated absences (Note 4)	39,666
Loan payable (Note 5)	195,585
Total current liabilities	306,138
Non-current liabilities:	
Long-term liabilities – due in more than one year:	
Compensated absences (Note 4)	73,662
Loan payable (Note 5)	1,296,290
Net pension liability (Note 6)	831,276
Total non-current liabilities	2,201,228
Total liabilities	2,507,366
DEFERRED INFLOWS OF RESOURCES	
Deferred amounts related to pensions (Note 6)	8,329
Total deferred inflows of resources	8,329
NET POSITION	
Net investment in capital assets (Note 7)	2,469,110
Unrestricted	3,988,821
Total net position	$ 6,457,931

See accompanying Notes to the Basic Financial Statements.

West Valley Mosquito and Vector Control District
Statement of Activities
For the Year Ended June 30, 2024

	Governmental Activities
Expenses:	
Mosquito and vector control:	
Operations	$ 3,609,200
Depreciation expense	242,922
Interest expense	42,970
Total expenses	3,895,092
Program revenues:	
Charges for services:	
Property assessments	3,589,299
Contract services	288,061
Total program revenues	3,877,360
Net revenue (expense)	(17,732)
General revenues:	
Investment earnings	49,058
Gain on disposal	59,200
Other revenues	3,061
Total general revenues	111,319
Change in net position	93,587
Net position:	
Beginning of year	6,364,344
End of year	$ 6,457,931

See accompanying Notes to the Basic Financial Statements.

FUND FINANCIAL STATEMENTS

This page intentionally left blank.

West Valley Mosquito and Vector Control District
Balance Sheet
Governmental Fund – General Fund
June 30, 2024

ASSETS		General Fund
Assets:		
Cash and investments	$	3,778,477
Accounts receivable – other		214,451
Interest receivable		1,294
Materials and supplies inventory		86,741
Deposits with Vector Control Joint Powers Agency (VCJPA)		326,878
Prepaid items		25,865
Total assets	$	4,433,706
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable	$	4,547
Accrued salaries and benefits		48,624
Total liabilities		53,171
Fund balance: (Note 8)		
Nonspendable		439,484
Unassigned		3,941,051
Total fund balance		4,380,535
Total liabilities and fund balance	$	4,433,706

See accompanying Notes to the Basic Financial Statements.

West Valley Mosquito and Vector Control District
Reconciliation of the Balance Sheet of Governmental Funds to the Government-Wide Statement of Net Position
June 30, 2024

Fund Balance – Governmental Fund		$ 4,380,535
Amounts reported for governmental activities in the statement of net position are different because		
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.		3,960,985
Long-term liabilities applicable to the District are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities' both current and long-term, are reported in the statement of net position as follows:		
Accrued interest payable	$ (17,716)	
Compensated absences	(113,328)	
Loan payable	(1,491,875)	(1,622,919)
Net pension liabilities and the related deferred outflows of resources and deferred inflows of resources are not due and payable in the current period or not available for current expenditures and are not reported in the governmental fund financial statements:		
Pension related deferred outflows of resources	578,935	
Net pension liabilities	(831,276)	
Pension related deferred inflows of resources	(8,329)	(260,670)
Total adjustments		2,077,396
Net Position – Governmental Activities		$ 6,457,931

See accompanying Notes to the Basic Financial Statements.

West Valley Mosquito and Vector Control District
Statement of Revenues, Expenditures, and Change in Fund Balance
Governmental Fund - General Fund
For the Year Ended June 30, 2024

	General Fund
REVENUES:	
Charges for services:	
Property assessments	$ 3,589,299
Contract services	288,061
Investment earnings	49,058
Other revenues	3,061
Total revenues	3,929,479
EXPENDITURES:	
Current:	
Salaries and benefits	2,507,147
Materials and services	917,252
Capital outlay	356,872
Debt service:	
Principal	190,167
Interest	45,228
Total expenditures	4,016,666
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(87,187)
OTHER FINANCING SOURCES	
Proceeds from sale of capital assets	59,200
Total other financing uses	59,200
Net change in fund balance	(27,987)
Fund balance:	
Beginning of year	4,408,522
End of year	$ 4,380,535

See accompanying Notes to the Basic Financial Statements.

West Valley Mosquito and Vector Control District
Reconciliation of the Statement of Revenues, Expenditures, and Change in Fund Balance of Governmental Fund to the Statement of Activities
For the Year Ended June 30, 2024

Net Change in Fund Balance – Governmental Fund		$ (27,987)
Amounts reported for governmental activities in the statement of activities is different because		
Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those capitalized assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.		
Capital outlay	$ 356,872	
Depreciation expense	(242,922)	113,950
Compensated absences expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		(16,726)
Pension 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.		(168,075)
Principal repayment of long-term debt is reported as an expenditure in governmental funds. However, principal repayments reduce liabilities in the statement of net position and do not result in expenses in the statement of activities.		
Repayment of debt principal	190,167	
Change in accrued interest payable	2,258	192,425
Total adjustments		121,574
Change in Net Position – Governmental Activities		$ 93,587

See accompanying Notes to the Basic Financial Statements.

NOTES TO THE BASIC FINANCIAL STATEMENTS

This page intentionally left blank.

Note 1 – Reporting Entity and Summary of Significant Accounting Policies

Organization and Operations of the Reporting Entity

The West Valley Mosquito and Vector Control District (the "District") is located in Ontario, California. The District was formed pursuant to Section 2200 et. Seq., of the Health and Safety Code and incorporated in the State of California in 1983. The District covers a wide area of San Bernardino County and includes the cities of Chino, Ontario, Chino Hills, Rancho Cucamonga, Montclair, Upland and portions of the areas of unincorporated territory in San Bernardino County. The purpose of the District is to provide mosquito and other vector control to protect the residents within the District's service area from mosquito-borne disease and from other vectors. The District is governed by a seven-member Board of Trustees.

Basis of Accounting and Measurement Focus

The District's financial statements are prepared in conformity with 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. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

These statements are presented on an *economic resources* measurement focus and the accrual basis of accounting. Accordingly, all of the District's assets and liabilities, including capital assets, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which the liability is incurred.

The statement of activities demonstrates the degree to which the direct expenses of a given function 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 and the Balance Sheet report 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.

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

Basis of Accounting and Measurement Focus (Continued)

Fund Financial Statements

These statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds. Incorporated into these statements is a schedule to reconcile and explain the differences in net position as presented in these statements to the net position presented in the Government-wide Financial Statements. The District has presented its General Fund, as its major fund, in this statement to meet the qualifications of U.S. GAAP.

Governmental funds are accounted for on a spending or *current financial resources* measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under modified accrual basis of accounting, revenues are recognized in the accounting period in which they become measurable and available to finance expenditures of the current period.

Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60-days after year-end) are recognized when due. The primary sources susceptible to accrual for the District are property taxes and assessments, interest earnings, investment revenue and operating and capital grant revenues. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. However, exceptions to this rule include principal and interest on debt, which are recognized when due.

The District reports the following major fund:

> ***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.

Fair Value Measurements

U.S. GAAP defines fair value, establishes a framework for measuring fair value and establishes disclosures about fair value measurement. Investments, unless otherwise specified, recorded at fair value in the financial statements, are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Levels of inputs are as follows: The three levels of the fair value hierarchy are as follows:

<u>Level 1</u> inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the organization has the ability to access at the measurement date.

<u>Level 2</u> inputs are inputs other than quoted prices included within *Level 1* that are observable for the asset or liability, either directly or indirectly. *Level 2* inputs include the following:

a) Quoted prices for similar assets or liabilities in active markets.

b) Quoted prices for identical or similar assets or liabilities in markets that are not active.

c) Inputs other than quoted prices that are observable for the asset or liability (for example, interest rates and yield curves observable at commonly quoted intervals, volatilities, prepayment speeds, loss severities, credit risks, and default rates).

d) Inputs that are derived principally from or corroborated by observable market data by correlation or other means (market-corroborated inputs).

<u>Level 3</u> inputs are unobservable inputs for the asset or liability.

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

Materials and Supplies Inventory

Inventories consist of expendable chemicals and supplies and are valued at cost using a first-in first-out basis.

Prepaid Items

Certain payments to vendors reflects costs or deposits applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

Capital Assets

Capital assets are recorded in the government-wide financial statements. Included in capital assets is 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 value 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:

Asset Class	Useful Lives
Structures and improvements	7-50 years
Equipment and vehicles	5-15 years

Compensated Absences

Accrued Vacation – Upon completion of 1 through 4 years of employment, 80 vacation hours are earned, from year 5 through year 10, 120 vacation hours are earned, after 10 years, 160 vacation hours are earned per year to a maximum accrual amount of 240 hours, with the exception of the District Manager which is 540 hours.

Accrued Sick Leave – shall accumulate at the rate of 3.69 hours per pay-period, 96 hours per year to a maximum accrual amount of 1,040 hours.

Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, pension expense, information about the fiduciary net position of the District's California Public Employees Retirement System (CalPERS) plan 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.

The following timeframes are used for pension reporting:

Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Measurement Period	July 1, 2022 to June 30, 2023

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

Pensions (Continued)

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 inflows of sources related to pensions and are to be recognized in further pension expense. The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized over five 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.

Property Assessments

Property assessments determined by the District are included on property tax bills of San Bernardino County within the District's service area. Property 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 Bernardino County (the "County"). The County remits the property assessments to the District throughout the fiscal year.

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 reduced by any outstanding debt 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. The District has no restricted net position as of June 30, 2024.

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*.

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.

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

Fund Balance (Continued)

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. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

The Board of Trustees establishes, modifies or rescinds fund balance commitments and assignments by passage of a resolution. This is done through adoption of the budget and subsequent budget amendments that occur throughout the year.

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.

Fund Balance Policy

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.

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 assessments and fees because of temporary revenue shortfalls or unpredicted one-time expenditures.

Use of Estimates

The preparation of financial statements in conformity 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.

Note 2 – Cash and Investments

Cash and investments as of June 30, 2024 consisted of the following:

Description	Balance
Demand deposits with financial institutions	$ 3,138,816
Investments	639,661
Total cash and investments	$ 3,778,477

Demand Deposits

At June 30, 2024 the carrying amount of the District's demand deposits was $3,138,816 and the financial institution balance was $3,180,005. The $41,189 net difference as of June 30, 2024 represents outstanding checks, deposits-in-transit and/or other reconciling items.

The California Government Code requires California banks and savings and loan associations to secure an entity's deposits by pledging government securities with a value of 110% of an entity's deposits. California law also allows financial institutions to secure entity deposits by pledging first trust deed mortgage notes having a value of 150% of an entity's total deposits. The entity's Treasurer may waive the collateral requirement for deposits which are fully insured up to $250,000 by the FDIC.

The collateral for deposits in federal and state chartered banks is held in safekeeping by an authorized agent of depository recognized by the State of California Department of Banking. The collateral for deposits with savings and loan associations is generally held in safekeeping by the Federal Home Loan Bank in San Francisco, California as an agent of depository. These securities are physically held in an undivided pool for all California public agency depositors. Under Government Code Section 53655, the placement of securities by a bank or savings and loan association with an agent of depositor has the effect of perfecting the security interest in the name of the local governmental agency. Accordingly, all collateral held by California agents of depository are considered to be held for, and in the name of, the local government.

Investments

Investments as of June 30, 2024 consisted of the following:

External Investment Pools:	
California Local Agency Investment Fund (LAIF)	$ 114,250
CalTRUST – Short Term Fund	413,763
CalTRUST – Medium Term Fund	111,648
Total investments	$ 639,661

Authorized Investments and Investment Policy

The District has adopted an investment policy directing the Fiscal Officer to deposit funds in financial institutions.

Investments are to be made in the following areas:

- External Investment Pools:
  - California Local Agency Investment Fund (LAIF)
  - Investment Trust of California – CalTRUST
- Non-negotiable certificates-of-deposit
- Governmental agency securities

Note 2 – Cash and Investments (Continued)

Investment in California – Local Agency Investment Fund (LAIF)

The District is a voluntary participant in LAIF which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the entity's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Further information about LAIF is available on the California State Controller's website: www.treasurer.ca.gov/pmia-laif/

The District's investment with LAIF at June 30, 2024 included a portion of the pool funds invested in structured notes and asset-backed securities:

Structured Notes: debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options.

Asset-Backed Securities: generally mortgage-backed securities that entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (for example, Collateralized Mortgage Obligations) or credit card receivables.

As of June 30, 2024, the District had $114,250 invested in LAIF, which had invested 3% of the pool's investment funds in structured notes and medium-term asset-backed securities.

Deposits and withdrawals to and from LAIF are transferred on the basis of $1 and not fair value. Accordingly, under the fair value hierarchy, LAIF is valued based on inputs not categorized as level 1, level 2 or level 3.

Investment Trust of California – CalTRUST

The Investment Trust of California, doing business as CalTRUST, is a California joint powers agency which provides California public agencies with investment management services for surplus funds to consolidate investment activities of its participants and thereby reduces duplication, achieves economies of scale and carries out coherent and consolidated investment strategies through the issuance of shares of beneficial interest in investments purchased by CalTRUST. CalTRUST currently offers three accounts or series as a means for Public Agencies to invest their funds. The District participates in the CalTRUST Short-Term & Medium-Term Fund Series.

CalTRUST investments do not fall under the fair value hierarchy (i.e. uncategorized) as there is no active market for the investments.

Disclosures Relating to 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.

Note 2 – Cash and Investments (Continued)

Disclosures Relating to Custodial Credit Risk (Continued)

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 LAIF).

As of June 30, 2024, none of the District's deposits and investments were exposed to disclosable custodial credit risk.

Disclosures Relating to 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 below.

		Maturity
Investments	**Fair Value June 30, 2024**	**12 Months or Less**
External Investment Pools:		
California Local Agency Investment Fund (LAIF)	$ 114,250	$ 114,250
CalTRUST – Short Term Fund	413,763	413,763
CalTRUST – Medium Term Fund	111,648	111,648
Total investments	$ 639,661	$ 639,661

Disclosures Relating to Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization; however, LAIF and CalTRUST are not rated.

Disclosures Relating to 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 LAIF and CalTRUST.

Note 3 – Capital Assets

Changes in capital assets for the year were as follows:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
Non-depreciable capital assets:				
Land	$ 330,875	$ -	$ -	$ 330,875
Total non-depreciable capital assets	330,875	-	-	330,875
Depreciable capital assets:				
Structures and improvements	5,318,390	32,500	-	5,350,890
Equipment and vehicles	1,063,760	324,372	(165,935)	1,222,197
Total depreciable capital assets	6,382,150	356,872	(165,935)	6,573,087
Accumulated depreciation:				
Structures and improvements	(1,959,928)	(154,801)	-	(2,114,729)
Equipment and vehicles	(906,062)	(88,121)	165,935	(828,248)
Total accumulated depreciation	(2,865,990)	(242,922)	165,935	(2,942,977)
Total depreciable capital assets, net	3,516,160	113,950	-	3,630,110
Total capital assets, net	$ 3,847,035	$ 113,950	$ -	$ 3,960,985

Note 4 – Compensated Absences

Compensated absences comprise unpaid vacation leave time off which is accrued as earned.

The changes to the compensated absences balance for the year ended June 30, 2024 were as follows:

Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024	Current Portion	Long-term Portion
$ 96,602	$ 95,333	$ (78,606)	$ 113,328	$ 39,666	$ 73,662

Note 5 – Long-Term Debt

Changes in long-term debt for the year ended June 30, 2024 were as follows:

Long-term Debt	Balance July 1, 2023	Additions	Payments	Balance June 30, 2024	Current Portion	Long-term Portion
Loan Payable	$ 1,682,042	$ -	$ (190,167)	$ 1,491,875	$ 195,585	$ 1,296,290

Note 5 – Long-Term Debt (Continued)

Loan Payable

On September 17, 2015, the District received principal proceeds of $2,883,764 to advance refund its Certificates-of-Participation – Series 2005 RR into a 15-year 2.85% loan payable. Principal is payable annually on August 1, and interest is payable semi-annually on August 1 and February 1 at 2.85%. Annual debt service requirement for the loan payable is as follows:

Fiscal Year	Principal	Interest	Total
2025	$ 195,585	$ 39,731	$ 235,317
2026	201,159	34,078	235,237
2027	206,892	28,263	235,155
2028	212,789	22,283	235,071
2029	218,853	16,132	234,985
2030-2031	456,596	13,104	469,700
Total	$ 1,491,875	$ 153,591	$ 1,645,466

Note 6 – Net Pension Liability and Defined Benefit Pension Plan

General Information about the Pension Plans

Plan Description

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

Benefits Provided

CalPERS provides 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. Classic members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. Public Employees' Pension Reform Act (PEPRA) Miscellaneous members become eligible for service retirement upon attainment of age 50 for Classic Tier 1 members and 52 for PEPRA Tier 2 members with at least 5 years of service.

Participant members are eligible for non-industrial disability benefits after 5 years of service. Industrial disability benefits are not offered to miscellaneous employees.

Note 6 – Net Pension Liability and Defined Benefit Pension Plan (Continued)

General Information about the Pension Plans (Continued)

Benefits Provided (Continued)

A member’s beneficiary may receive the basic death benefit if the member dies while actively employed. A member’s survivor who is eligible for any other pre-retirement death benefit may choose to receive that death benefit instead of this basic death benefit. Upon the death of a retiree, a one-time lump sum payment of $500 will be made to the retiree’s designated survivor(s), or to the retiree’s estate. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

The Plan's provisions and benefits in effect at June 30, 2023, measurement period are summarized as follows:

	Miscellaneous Plans	
	Classic Tier 1	PEPRA Tier 2
Hire date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2.5% @ 55	2.0% @ 62
Benefit vesting schedule	5-years of service	5-years of service
Benefits payments	monthly for life	monthly for life
Retirement age	50 - 67 & up	52 - 67 & up
Monthly benefits, as a % of eligible compensation	2.0% to 2.5%	1.0% to 2.5%
Required member contribution rates	8.000%	6.750%
Required employer contribution rates	11.590%	7.470%

Employees Covered by Benefit Terms

At June 30, 2022, the valuation date, the following employees were covered by the benefit terms:

	Miscellaneous Plans		
Plan Members	Classic Tier 1	PEPRA Tier 2	Total
Active members	6	15	21
Transferred and terminated members	12	12	24
Retired members and beneficiaries	5	-	5
Total plan members	23	27	50

Contributions

Section 20814(c) of the California Public Employees’ Retirement law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. 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 rates of employees.

Note 6 – Net Pension Liability and Defined Benefit Pension Plan (Continued)

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

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The June 30, 2022 valuation was rolled forward to determine the June 30, 2023 total pension liability, based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Actuarial Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table	Derived using CalPERS' Membership Data for all Funds.
Post Retirement Benefit Increase	The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.30% thereafter

[1]The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. Mortality rates incorporate full generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the 2021 experience study report from November 2021 that can be found on the CalPERS website.

Change of Assumption

There was no change of assumptions in 2022 valuation date from 2021 valuation date.

Long-Term Expected Rate of Return

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 pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 Basis points. The expected real rates of return by asset class are as follows:

Asset class[1]	Assumed asset allocation	Real Return Years 1 - 10[1,2]
Global Equity - Cap-Weighted	30.00%	4.54%
Global Equity - Noncap-Weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	-5.00%	-0.59%
	100.00%	

[1] An expected inflation of 2.30% used for this period.

[2] Figures are based on the 2021 Asset Liability Management study.

Note 6 – Net Pension Liability and Defined Benefit Pension Plan (Continued)

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

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the 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 plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Proportionate Share of Net Pension Liability and Pension Expense

The net pension liability was measured as of June 30, 2023 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022 rolled forward to June 30, 2023 using actuarial procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

The following is the approach established by the plan actuary to allocate the net pension liability and pension expense to the individual employers within the risk pool:

(1) In determining a cost-sharing plan's proportionate share, total amounts of liabilities and assets are first calculated for the risk pool as a whole on the valuation date (June 30, 2022). The risk pool's fiduciary net position ("FNP") subtracted from its total pension liability ("TPL") determines the net pension liability ("NPL") at the valuation date.

(2) Using standard actuarial roll forward methods, the risk pool TPL is then computed at the measurement date (June 30, 2023). Risk pool FNP at the measurement date is then subtracted from this number to compute the NPL for the risk pool at the measurement date. For purposes of FNP in this step and any later reference thereto, the risk pool's FNP at the measurement date denotes the aggregate risk pool's FNP at June 30, 2023 less the sum of all additional side fund (or unfunded liability) contributions made by all employers during the measurement period (FY2023).

(3) The individual plan's TPL, FNP, and NPL are also calculated at the valuation date.

(4) Two ratios are created by dividing the plan's individual TPL and FNP as of the valuation date from step (3) by the amounts in step (1), the risk pool's total TPL and FNP, respectively.

(5) The plan's TPL as of the measurement date is equal to the risk pool TPL generated in step (2) multiplied by the TPL ratio generated in step (4). The plan's FNP as of the measurement date is equal to the FNP generated in step (2) multiplied by the FNP ratio generated in step (4) plus any additional side fund (or unfunded liability) contributions made by the employer on behalf of the plan during the measurement period.

(6) The plan's NPL at the measurement date is the difference between the TPL and FNP calculated in step (5).

Note 6 – Net Pension Liability and Defined Benefit Pension Plan (Continued)

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

Proportionate Share of Net Pension Liability and Pension Expense (Continued)

The District's proportion of the net collective pension liability as of June 30, 2024 was as follows:

	Fiscal Year Ending June 30, 2024	Fiscal Year Ending June 30, 2023
Beginning of measurement period	0.014570%	0.000878%
Ending of measurement period	0.016620%	0.014570%
Increase (decrease)	0.002050%	0.013692%

For the year ended June 30, 2024, the District recognized a pension expense of $356,638. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Account Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions made subsequent to measurement date	$ 188,565	$ -
Difference between employer's contributions and proportionate share of contributions	14,415	(8,329)
Change in employer's proportion	155,298	-
Differences between expected and actual experience	35,879	-
Differences between projected and actual investment earnings	134,590	-
Changes in assumptions	50,188	-
Total	$ 578,935	$ (8,329)

$188,565 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability 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:

Fiscal Year Ended June 30	Deferred Outflows/(Inflows) of Resources
2025	$ 159,417
2026	100,642
2027	118,120
2028	3,862
Total	$ 382,041

Note 6 – Net Pension Liability and Defined Benefit Pension Plan (Continued)

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

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

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 6.90 percent, as well as what the District's proportionate share of the net pension liability 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:

	Plan's Net Pension Liability/(Asset)		
Plan Type	**Discount Rate -1% 5.90%**	**Current Discount Rate 6.90%**	**Discount Rate +1% 7.90%**
CalPERS – Miscellaneous Plan	$ 1,514,167	$ 831,276	$ 269,198

Pension Plan Fiduciary Net Position **–** Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

Note 7 – 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	$ 330,875
Capital assets – being depreciated, net	3,630,110
Loan payable – current portion	(195,585)
Loan payable – noncurrent portion	(1,296,290)
Total net investment in capital assets	$ 2,469,110

Note 8 – Fund Balance

A detailed schedule of fund balances and their funding composition at June 30, 2024 is as follows:

Description	Balance
Nonspendable:	
Materials and supplies inventory	$ 86,741
Deposits with Vector Control Joint Powers Agency (VCJPA)	326,878
Prepaid items	25,865
Total nonspendable	439,484
Unassigned:	
Unassigned	3,941,051
Total fund balances	$ 4,380,535

Note 9 – 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.

The District has implemented GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans.* As of June 30, 2024, the District has a net investment of $1,955,058 in the 457 Plan. Since the District has little administrative involvement and does not perform the investing function for this plan, the assets and related liabilities are not shown on the statement of net position.

Note 10 – 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 $500,000 to $5,000,000.

The District's share of the VCJPA's Members Trust Fund and Property Contingency Fund balance as of June 30, 2024 totaled $326,878. 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 11 – Contingencies

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 will not materially affect its financial condition.

This page intentionally left blank.

REQUIRED SUPPLEMENTARY INFORMATION

This page intentionally left blank.

West Valley Mosquito and Vector Control District
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule – General Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Charges for services:				
Property assessments	$ 3,533,713	$ 3,575,000	$ 3,589,299	$ 14,299
Contract services	374,000	384,000	288,061	(95,939)
Investment earnings	5,000	5,000	49,058	44,058
Other revenues	5,000	5,000	3,061	(1,939)
Total revenues	3,917,713	3,969,000	3,929,479	(39,521)
Expenditures:				
Current:				
Salaries and benefits	2,551,000	2,571,000	2,507,147	63,853
Materials and services	1,026,450	1,042,000	917,252	124,748
Capital outlay	395,000	411,000	356,872	54,128
Debt service:				
Principal	191,000	191,000	190,167	833
Interest	54,000	54,000	45,228	8,772
Total expenditures	4,217,450	4,269,000	4,016,666	252,334
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(299,737)	(300,000)	(87,187)	(291,855)
OTHER FINANCING SOURCES				
Proceeds from sale of capital assets	-	-	59,200	59,200
Total other financing uses	-	-	59,200	59,200
Net change in fund balance	$ (299,737)	$ (300,000)	(27,987)	$ 272,013
Fund balance:				
Beginning of year			4,408,522	
End of year			$ 4,380,535	

Notes to the Budgetary Comparison Schedule:

The District follows specific procedures in establishing the budgetary data reflected in the financial statements. Each year the District prepares and submits an operating budget to the Board of Trustees no later than June of each year. The basis used to prepare the budget does not differ substantially from the modified accrual basis of accounting. The adopted budget becomes operative on July 1. The Board of Trustees must approve all supplemental appropriations to the budget and transfers between major accounts.

West Valley Mosquito and Vector Control District
Required Supplementary Information (Unaudited)
Schedule of the District's Proportionate Share of the Plan's Net Pension Liability
For the Year Ended June 30, 2024

Last Ten Fiscal Years

California Public Employees' Retirement System (CalPERS) Miscellaneous Plan

Measurement Date:	**June 30, 2023**	**June 30, 2022**	**June 30, 2021**	**June 30, 2020**	**June 30, 2019**
Proportion of the collective net pension liability	0.016620%	0.014570%	0.000878%	0.004497%	0.003944%
Proportionate share of the collective net pension liability	$ 831,276	$ 681,817	$ 47,470	$ 489,284	$ 404,164
Covered payroll	$ 1,617,489	$ 1,618,103	$ 1,528,505	$ 1,450,626	$ 1,418,703
Proportionate share of the collective net pension liability as a percentage of covered payroll	51.39%	40.67%	2.89%	33.73%	28.49%
Plan's fiduciary net position as a percentage of the plan's total pension liability	82.02%	94.39%	98.76%	85.27%	77.73%

West Valley Mosquito and Vector Control District
Required Supplementary Information (Unaudited)
Schedule of the District's Proportionate Share of the Plan's Net Pension Liability (Continued)
For the Year Ended June 30, 2024

Last Ten Fiscal Years

California Public Employees' Retirement System (CalPERS) Miscellaneous Plan

Measurement Date:	**June 30, 2018**	**June 30, 2017**	**June 30, 2016**	**June 30, 2015**	**June 30, 2014**
Proportion of the collective net pension liability	0.352500%	0.003525%	0.003105%	0.003096%	0.003038%
Proportionate share of the collective net pension liability	$ 334,283	$ 349,585	$ 268,669	$ 212,486	$ 189,052
Covered payroll	$ 1,396,589	$ 1,246,762	$ 1,061,482	$ 971,955	$ 922,009
Proportionate share of the collective net pension liability as a percentage of covered payroll	23.94%	28.04%	25.31%	21.86%	20.50%
Plan's fiduciary net position as a percentage of the plan's total pension liability	75.26%	73.31%	74.06%	78.40%	79.82%

West Valley Mosquito and Vector Control District
Required Supplementary Information (Unaudited)
Schedule of the District's Contributions to the Pension Plan
For the Year Ended June 30, 2024

Last Ten Fiscal Years

California Public Employees' Retirement System (CalPERS) Miscellaneous Plan

Fiscal Year:	**2023-24**	**2022-23**	**2021-22**	**2020-21**	**2019-20**
Actuarially determined contribution	$ 188,565	$ 189,118	$ 181,602	$ 171,075	$ 158,491
Contribution in relation to the actuarially determined contribution	(188,565)	(189,118)	(181,602)	(171,075)	(158,491)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 1,662,779	$ 1,617,489	$ 1,618,103	$ 1,528,505	$ 1,450,626
Contributions as a percentage of covered payroll	11.34%	11.28%	11.22%	11.19%	10.93%

West Valley Mosquito and Vector Control District
Required Supplementary Information (Unaudited)
Schedule of the District's Contributions to the Pension Plan (Continued)
For the Year Ended June 30, 2024

Last Ten Fiscal Years

California Public Employees' Retirement System (CalPERS) Miscellaneous Plan

Fiscal Year:	**2018-19**	**2017-18**	**2016-17**	**2015-16**	**2014-15**
Actuarially determined contribution	$ 137,868	$ 122,138	$ 112,698	$ 100,339	$ 143,832
Contribution in relation to the actuarially determined contribution	(137,868)	(122,138)	(112,698)	(100,339)	(143,832)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 1,418,703	$ 1,396,589	$ 1,246,762	$ 1,061,482	$ 971,955
Contributions as a percentage of covered payroll	9.72%	8.75%	9.04%	9.45%	14.80%

This page intentionally left blank.