ORANGE COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2025

ORANGE COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2025

INDEPENDENT AUDITORS' REPORT

Board of Trustees
Orange County Mosquito and Vector Control District
Garden Grove, California

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and the major fund of the Orange County Mosquito and Vector Control District (the District), as of and for the year ended June 30, 2025, 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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the District, as of June 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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.

Emphasis of Matter - Change in Accounting Principle

During the fiscal year ended June 30, 2025, the District adopted Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. As described in Notes 1G, 5, and 12 to the financial statements, the net position as of July 1, 2024 was adjusted and restated to reflect the change in the accounting principle. Our opinions are not modified with respect to this matter.

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 GAAS 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 GAAS 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.

Board of Trustees
Orange County Mosquito and Vector Control District

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 by department - general fund, schedule of proportionate share of the net pension liability – CalPERS and OCERS withdrawn plan, the schedule of contributions – pension – CalPERS and OCERS withdrawn plan, the schedule of changes in the net OPEB liability and related ratios, and the schedule of contributions – OPEB, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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 February 17, 2026, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Irvine, California
February 17, 2026

This section of the financial statements of the Orange County Mosquito and Vector Control District (District) is management's narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2025. We encourage readers to consider the information presented here in conjunction with the District's financial statements and accompanying notes.

Background

The Orange County Mosquito and Vector Control District is a special district originally formed in 1947 as the Orange County Mosquito Abatement District to protect the County from mosquitoes and mosquito-borne diseases. In 1975, the District's name changed to Orange County Vector Control District, and the District assumed responsibility for comprehensive vector control, specifically adding fly and rat control services. Then, in 2004, the District established a Red Imported Fire Ant program. In 2015, the District was renamed to Orange County Mosquito and Vector Control District to better identify the District's purpose.

A 35-member Board of Trustees oversees the District's operation, with one member appointed by each of the 34 cities within the District's boundaries and one member appointed by the County of Orange.

Financial Highlights

The comparisons in the discussion and analysis below are between FY 2023-24 and FY 2024-25. All increases and decreases are expressed relative to FY 2023-24 amounts.

Government-wide Financial Statements

- At the close of the fiscal year, the assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $47.3 million (net position). Of this amount, $35.3 million may be used to meet the District's ongoing obligations to citizens and creditors (unrestricted net position).
- The District's revenues of $21.3 million exceeded expenses of $15.8 million, resulting in an increase to net position of $5.5 million from the year's activities.

Fund Financial Statements

- As of June 30, 2025, the District's governmental funds reported an ending fund balance of $42.8 million, an increase of $5.5 million over the prior year. Of this amount, $17.4 million is available for spending at the District's discretion (unassigned fund balance).

Overview of the Basic Financial Statements

This discussion and analysis serves as an introduction to the District's basic financial statements, which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the District's finances in a manner similar to a private-sector business. In accordance with governmental accounting standards, the District's government-wide financial statements include a Statement of Net Position and a Statement of Activities.

The Statement of Net Position presents information on all of the District's assets, deferred inflows of resources, liabilities, deferred outflows of resources, and net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. The Statement of Net Position also provides the basis for evaluating the capital structure and assessing the liquidity and financial flexibility of the District.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave). This statement measures the success of the District's activities over the past year and can be used to determine whether the District has successfully recovered all of its costs.

The government-wide financial statements are in this report's financial section immediately following the Management's Discussion and Analysis (MD&A), beginning on page 13.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the District's funds are reported within the category of governmental funds.

Governmental funds. 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 District's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

All of the District's governmental activity is reported in the General Fund, and the District adopts an annual appropriated budget for the General Fund. A budgetary comparison statement has been provided to demonstrate compliance with this budget.

The governmental fund financial statements are found in the financial section of this report following the government-wide financial statements, beginning on page 15.

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. The notes to the basic financial statements are found in the financial section of this report following the fund financial statements, beginning on page 19.

Government-wide Financial Analysis

Over time, the increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. The following is a table that compares the District's net position at the end of the current and prior fiscal years.

Net Position – Governmental Activities

	6/30/2024**	6/30/2025
Current and other assets	$38,704,035	$44,283,302
Net pension and OPEB assets	1,077,692	2,744,010
Capital assets	4,872,458	5,315,421
Total assets	44,654,185	52,342,733
Deferred outflows	5,770,157	3,848,105
Total deferred outflows	5,770,157	3,848,105
Long-term liabilities	5,649,127	5,566,846
Other liabilities	661,670	703,713
Total liabilities	6,310,797	6,270,559
Deferred inflows	1,919,732	2,618,694
Total deferred inflows	1,919,732	2,618,694
Net investment in capital assets	4,867,840	5,251,147
Restricted	4,728,442	6,793,476
Unrestricted	32,597,531	35,256,962
Total net position	$42,193,813	$47,301,585

**Prior year information has not been restated for prior period adjustments.

At June 30, 2025, assets and deferred outflows exceed liabilities and deferred inflows, resulting in a net position of $47.3 million. The District's net position is comprised of three categories: net investment in capital assets, restricted net position, and unrestricted net position.

Net investment in capital assets: An important component of net position is capital assets (e.g., land, structures, and vehicles). The District's net investment in capital assets is $5.2 million, representing 11 percent of the total net position at fiscal year-end. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

Restricted net position: The portion of the District's net position that represents resources subject to external restrictions on how they may be used totals $6.8 million, or 14 percent of total net position.

Unrestricted net position: The remainder of the District's net position is categorized as unrestricted, totaling $35.3 million or 75 percent of total net position. Unrestricted net position may be used to meet the District's ongoing obligations to citizens and creditors.

Following is a summary of the government-wide Statement of Activities. This table illustrates the $5.5 million increase in the District's net position resulting from revenues of $21.3 million exceeding expenses of $15.8 million. Discussion regarding significant changes in revenue and expenses follows the table.

Change in Net Position – Governmental Activities

	6/30/2024**	6/30/2025
Program revenues:		
Charges for services	$ 316,236	$ 240,546
Operating contributions and grants	167,494	160,345
General revenues:		
Property taxes and assessments	18,104,416	18,910,607
Investment income	1,749,071	2,002,710
Other revenues	109,634	731
Total revenues	20,446,851	21,314,939
Expenses:		
General government	2,008,694	2,785,494
Health and sanitation	13,181,945	12,993,875
Interest	1,307	185
Total expenses	15,191,946	15,779,554
Increase/(decrease) in net position	5,254,905	5,535,385
Net position - July 1	36,938,908	42,193,813
Restatement for applying GASB 101	-	(427,613)
Net position - June 30	$ 42,193,813	$ 47,301,585

**Prior year information has not been restated for prior period adjustments.

Overall, revenues increased by $0.9 million while expenses increased by $0.6 million. Key elements of the changes in revenues and expenses include:

<u>Revenues</u>

Government-wide property tax revenues and assessments increased by $0.8 million as a result of 1) an increase in ad valorem property taxes due to a rise in assessed value and 2) an increase in assessment revenue due to an increase in the assessment district rate. The benefit assessment rates remained the same for Assessment District No. 1 at $1.92 per parcel while Assessment District No. 2 rates increased from $8.55 to $8.81 per parcel.

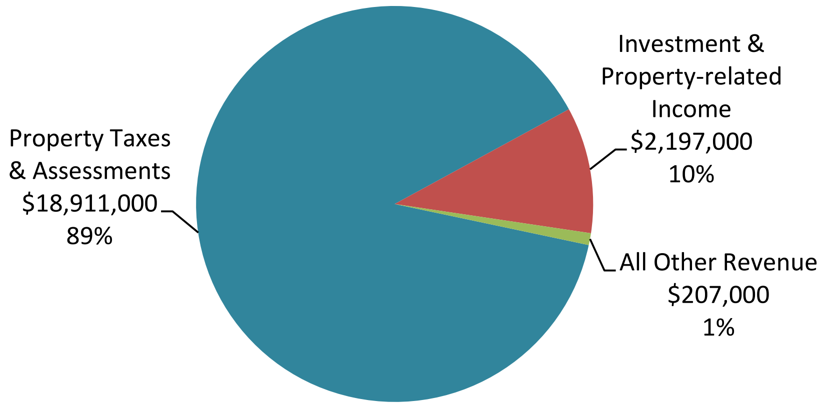
Investment income increased by $0.2 million due to changes in interest rates and fair value measurements. At year-end, the difference between the market and book value of investments is recorded as an unrealized gain or loss and is recorded as a component of interest revenue.

Other miscellaneous revenues decreased by $0.1 million. The prior year had sales of several vehicles, while the current year did not have any vehicle sales.

<u>Expenses</u>

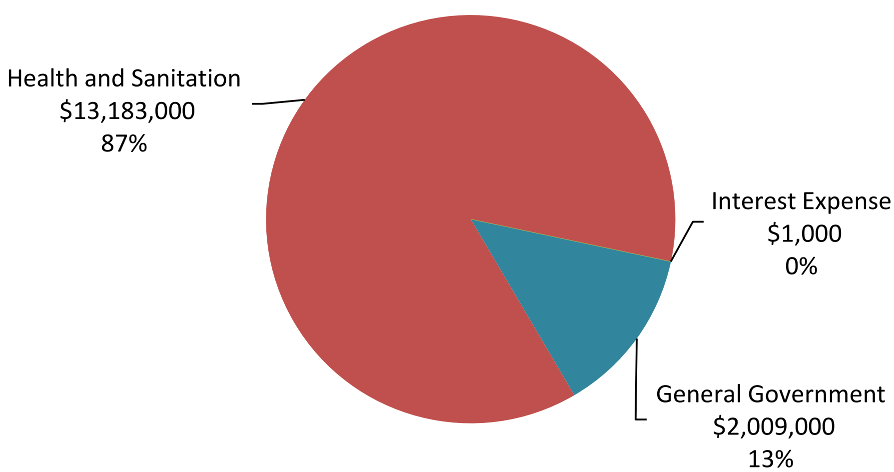
Government-wide expenses increased by $0.6 million as a result of 1) changes in the net pension liability/(asset), net OPEB liability/(asset), and related changes for deferred outflows of resources and deferred inflows of resources, 2) higher costs for compensated absences due to changes associated with implementing GASB Statement 101, 3) higher salary costs due to a 3 percent COLA increase, and 4) no contribution to the OPEB trust in the current year.

Revenues by Source - Government-wide



As identified in the revenue graph, nearly all of the District's revenues come from the District's share of the ad valorem property tax and property tax assessments. Of the $18.9 million property tax and assessment revenue, 50 percent is from the District's share of the ad valorem property tax and similar distributions, while the remaining 50 percent is from the District's property tax benefit assessments.

Expenses by Function - Government-wide



The District's expenses totaled $15.8 million in fiscal year 2024-25. Of that total, $13.0 million (82 percent) was for health and sanitation purposes while the remaining $2.8 million was for general administrative functions of the District.

During fiscal year 2024-25, the District's Health and Sanitation functional expense category had $206,000 of program revenues ($46,000 from charges for services and $160,000 from operating contributions); the General Government functional expense category had $195,000 of program revenues (charges for services – property-related income for rental of District property).

Financial Analysis of the District's Funds

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

At the end of the current fiscal year, the District's funds reported an ending fund balance of $42.8 million, an increase of $5.5 million over the prior year. Revenues and issuance of debt totaled $21.4 million and exceeded expenditures of $15.9 million.

Approximately 39 percent ($16.8 million) of the ending fund balance constitutes unassigned fund balance, which means it is available for spending at the District's discretion. The remainder of the ending fund balance is categorized as nonspendable (1 percent of total fund balance), restricted (9 percent of total fund balance), or committed (51 percent of total fund balance), indicating that it is not available for new spending because it has already been designated as:

Nonspendable	
Prepaid items	$ 205,475
Restricted	
Assets held in trust (pension)	4,046,466
Committed	
Retiree medical insurance	175,000
Retirement contingency	971,030
Liability reserve	499,685
Emergency vector control	1,841,474
Habitat remediation	100,000
Facilities improvement	17,555,221

At the end of the current fiscal year the unassigned fund balance of the General Fund was $17,402,763 while the total fund balance was $42,800,114. As a measure of liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. The unassigned fund balance represents 106 percent of the year's expenditures while the total fund balance represents 270 percent of expenditures.

Fund balance increased in fiscal year 2024-25 by $5.5 million while in the prior year, fund balance increased by $5.6 million. The $0.1 million decrease from FY 2023-24 was a result of higher revenues (including issuance of debt) in FY 2024-25 of $0.9 million offset by higher expenditures of $1.0 million.

The reasons for the change in revenues are essentially the same as the reasons for the change in government-wide revenues since the General Fund comprises all of the governmental activities of the District. Ad valorem property taxes increased due to a rise in assessed value and assessment revenue increased due to an increase in the assessment district rate for Assessment District No. 2. The benefit assessment rates remained the same for Assessment District No. 1 at $1.92 per parcel while Assessment District No. 2 rates increased from $8.55 to $8.81 per parcel. In addition, investment income increased due to changes in interest rates and fair value measurements. At year-end, the difference between the market and book value of investments is recorded as an unrealized gain or loss and is recorded as a component of interest revenue.

Expenditures increased by a net of $1.0 million due to 1) overall higher salary costs from a 3 percent COLA increase, 2) $0.6 million in additional capital outlay relating to implementing the Sterile Insect Technique program, and 3) no contribution to the OPEB trust in the current year.

Budgetary Highlights

In preparing its budget, the District attempts to estimate its revenues using realistic, but conservative, methods to budget its expenditure appropriations and activities prudently. During the course of the year, the Board of Trustees did not amend the District's originally adopted expenditure budget.

The General Fund balance reflected a positive net budget variance of $5.0 million when comparing actual amounts to the final budget for the current fiscal year. This amount reflects a positive variance of $3.1 million in revenues and a positive variance of $1.9 million in expenditures. The positive revenue variance mainly resulted from actual revenues exceeding the budget for all line items except for charges for services and miscellaneous revenue. The positive expenditure variance resulted from actual expenditures being less than the final budget in the majority of the departments. The most significant variances were in capital outlay, field operations, public information, and retirement trust departments.

Capital Asset and Debt Administration

Capital assets. The District's capital assets for governmental activities as of June 30, 2025, total $5.3 million, net of accumulated depreciation and amortization. This is a net increase of $443,000 over June 30, 2024. The capital assets include land, structure and improvements, equipment and furniture, vehicles, and intangible assets. Capital asset additions totaled $863,000 and depreciation and amortization expense totaled $420,000. There were no disposals of assets during the year. Additional information on the District's capital assets can be found in the Capital Assets Note (Note 4) of the Notes to Basic Financial Statement.

Capital Assets, net of depreciation and amortization

	6/30/2024	6/30/2025
Land	$ 2,010,329	$ 2,010,329
Construction in progress	-	$ 395,674
Structures and improvements	1,342,970	1,226,264
Equipment and furniture	586,762	839,275
Vehicles	927,779	779,605
SBITA assets	4,618	64,274
Total	$ 4,872,458	$ 5,315,421

Long-term debt. At the end of the current fiscal year, the District had total debt outstanding of $5.6 million. Information on employee compensated absences can be found in Note 1(G) and Note 5 of the Notes to Basic Financial Statements. Information on the SBITA liability is found in Note 5 of the Notes to Basic Financial Statements. Information on the net pension liability can be found in Note 8 of the Notes to Basic Financial Statements. Information on the net OPEB liability can be found in Note 9 of the Notes to Basic Financial Statements.

Outstanding Debt

	6/30/2024**	6/30/2025
Employee compensated absences	$ 609,503	$ 1,201,861
Net pension liability	5,035,006	4,300,711
SBITA payable	4,618	64,274
Total	$ 5,649,127	$ 5,566,846

**Prior year information has not been restated for prior period adjustments.

Economic Factors and Next Year's Budget

The District's overall revenues for FY 2025-26 are budgeted to be $19.8 million while expenditures are budgeted to be $17.9 million. These budgetary expectations reflect the continuation of program enhancements such as the education and outreach programs, the fish program, and innovative programs such as the drone and SIT programs. The FY 2025-26 budget increases the annual addition to the facilities improvement fund balance commitment to $1.0 million.

The majority of the funding for the District's programs comes from property taxes and assessments:

- Property taxes are budgeted at $8.3 million.
- Assessments for Assessment District No. 1 will remain at $1.92 per parcel and are projected to yield $1.6 million, similar to the prior year.
- Assessments for Assessment District No. 2 will increase from $8.81 per parcel to $9.07 per parcel and are projected to yield $8.2 million.

All other revenues are expected to remain generally stable with the prior fiscal year.

Personnel make up roughly 71% of the District's overall budget and are expected to increase from $11.8 million to $12.0 million. Capital outlay costs are budgeted to be $415,000 for equipment and facilities improvements in fiscal year 2025-26.

The District's total fund balance is estimated at $38.0 million at June 30, 2026.

Requests for Information

This financial report is designed to provide a general overview of the financial position of the Orange County Mosquito and Vector Control District for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Administrative Services Department, 13001 Garden Grove Boulevard, Garden Grove, CA 92843.

BASIC FINANCIAL STATEMENTS

ORANGE COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2025

	Governmental Activities
ASSETS	
Cash and Cash Equivalents	$ 38,506,587
Restricted - Cash and Investments Held by Pension Trust	4,049,466
Receivables:	
Accounts	51,685
Taxes	172,385
Accrued Interest	387,959
Due from Other Governments	171,350
Lease	738,395
Prepaid Items	205,475
Net OPEB Asset	1,463,150
Net Pension Asset - OCERS	1,280,860
Capital Assets:	
Not Being Depreciated	2,406,003
Net of Depreciation	2,845,144
Net of Amortization	64,274
Total Assets	52,342,733
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Amounts from OPEB	54,891
Deferred Amounts from Pension Plans	3,793,214
Total Deferred Outflows of Resources	3,848,105
LIABILITIES	
Accounts Payable	208,409
Accrued Liabilities	477,684
Deposits Payable	17,620
Noncurrent Liabilities:	
Due Within One Year:	
Compensated Absences	396,614
SBITA Payable	31,662
Due in More Than One Year:	
Compensated Absences	805,247
SBITA Payable	32,612
Net Pension Liability - CalPERS	4,300,711
Total Liabilities	6,270,559
DEFERRED INFLOWS OF RESOURCES	
Deferred Amounts from OPEB	695,400
Deferred Amounts from Pension Plans	1,184,899
Deferred Amounts from Lease	738,395
Total Deferred Inflows of Resources	2,618,694
NET POSITION	
Net Investment in Capital Assets	5,251,147
Restricted for Pensions	5,330,326
Restricted for OPEB	1,463,150
Unrestricted	35,256,962
Total Net Position	$ 47,301,585

See accompanying Notes to Basic Financial Statements.

ORANGE COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Contributions and Grants	Program Revenues: Capital Contributions and Grants	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
GOVERNMENTAL ACTIVITIES					
General Government	$ 2,785,494	$ 194,060	$ -	$ -	$ (2,591,434)
Health and Sanitation	12,993,875	46,486	160,345	-	(12,787,044)
Interest Expense	185	-	-	-	(185)
Total Governmental Activities	$ 15,779,554	$ 240,546	$ 160,345	$ -	(15,378,663)
GENERAL REVENUES					
Taxes:					
Property Taxes and Assessments, Levied for General Purpose					18,910,607
Investment Income					2,002,710
Miscellaneous					731
Total General Revenues					20,914,048
CHANGE IN NET POSITION					5,535,385
NET POSITION					
Beginning of Year, as Originally Reported					42,193,813
Restatement					(427,613)
Beginning of Year, as Restated					41,766,200
End of Year					$ 47,301,585

See accompanying Notes to Basic Financial Statements.

ORANGE COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

ASSETS	
Cash and Investments	$ 38,506,587
Restricted - Cash and Investments Held by Pension Trust	4,049,466
Receivables:	
Accounts	51,685
Taxes	172,385
Accrued Interest	387,959
Due from Other Governments	171,350
Lease	738,395
Prepaid Items	205,475
Total Assets	$ 44,283,302
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	
LIABILITIES	
Accounts Payable	$ 208,409
Accrued Liabilities	477,684
Deposits Payable	17,620
Total Liabilities	703,713
DEFERRED INFLOWS OF RESOURCES	
Unavailable Revenues	41,080
Lease	738,395
Total Deferred Inflows of Resources	779,475
FUND BALANCES	
Nonspendable:	
Prepaid Items	205,475
Restricted:	
Pension Trust	4,049,466
Committed:	
Retiree Medical Insurance	175,000
Retirement Contingency	971,030
Liability Reserve	499,685
Emergency Vector Control	1,841,474
Habitat Remediation	100,000
Facilities Improvements	17,555,221
Unassigned	17,402,763
Total Fund Balances	42,800,114
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 44,283,302

See accompanying Notes to Basic Financial Statements.

ORANGE COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
JUNE 30, 2025

Fund Balances - Total Governmental Funds	$ 42,800,114
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets, net of depreciation and amortization, have not been included as financial resources in the governmental funds' activity.	5,315,421
Long-term liabilities are not available to pay for current-period expenditures and therefore, are not reported in the governmental funds. Long-term liabilities consist of the following:	
Compensated Absences	(1,201,861)
SBITA Payable	(64,274)
Certain revenues in the governmental funds are deferred inflows of resources because they are not collected within the prescribed time period after year-end. However, these revenues are included in the government-wide statements.	41,080
Pension and OPEB amounts applicable to the District's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities. Deferred outflows of resources and deferred inflows of resources related to pensions and OPEB are only reported in the Statement of Net Position as the changes in these amounts affects only the government-wide statements for governmental activities.	
Deferred Outflows of Resources Related to OPEB	54,891
Deferred Inflows of Resources Related to OPEB	(695,400)
Net OPEB Asset	1,463,150
Deferred Outflows of Resources Related to Pensions	3,793,214
Deferred Inflows of Resources Related to Pensions	(1,184,899)
Net Pension Asset - OCERS	1,280,860
Net Pension Liability - CalPERS	(4,300,711)
Net Position of Governmental Activities	$ 47,301,585

See accompanying Notes to Basic Financial Statements.

ORANGE COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2025

REVENUES	
Taxes and Assessments	$ 18,910,607
Intergovernmental	160,345
Charges for Services	42,061
Investment Income	2,002,710
Property-Related Income	194,060
Miscellaneous	731
Total Revenues	21,310,514
EXPENDITURES	
Current:	
General Government	2,783,204
Health and Sanitation	12,164,710
Capital Outlay	877,623
Debt Service:	
SBITA Principal	38,208
SBITA Interest	185
Total Expenditures	15,863,930
EXCESS OF REVENUES OVER EXPENDITURES	5,446,584
OTHER FINANCING SOURCES	
Issuance of Debt Related to Subscriptions	97,864
NET CHANGE IN FUND BALANCES	5,544,448
Fund Balances - Beginning of Year	37,255,666
FUND BALANCES - END OF YEAR	$ 42,800,114

See accompanying Notes to Basic Financial Statements.

ORANGE COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025

Net Change in Fund Balances - Total Governmental Funds	$ 5,544,448
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the costs of those assets are allocated over their estimated useful lives as depreciation/amortization expense. This is the amount by which capital outlays exceeded depreciation/amortization in the current period:	
Capital Outlay	862,516
Depreciation	(381,345)
Amortization	(38,208)
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 the governmental funds.	(164,745)
The issuance of SBITAs provides current financial resources to the governmental funds, while the repayment of the principal of SBITAs payable consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net position.	
Principal Payments on SBITAs	38,208
Issuance of SBITA Payable	(97,864)
Certain revenues in the governmental funds are deferred inflows of resources because they are not collected within the prescribed time period after year-end. However, these revenues are included in the government-wide statements.	4,425
OPEB expenditures reported in the governmental funds includes the insurance premiums paid. In the Statement of Activities, OPEB expense includes the change in the OPEB liability (asset), and related change in OPEB amounts for deferred outflows of resources and deferred inflows of resources.	172,222
Pension expenditures reported in the governmental funds includes the annual required contributions. In the Statement of Activities, pension expense includes the change in the net pension liability, and related change in pension amounts for deferred outflows of resources and deferred inflows of resources.	(404,272)
Change in Net Position of Governmental Activities	$ 5,535,385

See accompanying Notes to Basic Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of Reporting Entity

The Orange County Mosquito Abatement District was formed in 1947, in accordance with Division 3, Chapter 5, of the California Health and Safety Code. By resolution of the Board of Trustees, the name of the District was changed to Orange County Vector Control District, effective January 1, 1976, and to Orange County Mosquito and Vector Control District (the District) effective January 15, 2015. The District encompasses all of Orange County. The governing power of the District is vested in a Board of Trustees, consisting of one member appointed by the Orange County Board of Supervisors for the County at large and one member appointed by each City Council within the District. Members are appointed and serve a two to four-year term and are provided $100 per monthly meeting attended in lieu of travel expenses.

B. Government-Wide and Fund Financial Statements

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 of the activities of the District, except for its fiduciary activities. The District has no fiduciary 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. The District has no business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements

The fund financial statements provide information about the District's general fund. Separate financial statements for the District's governmental fund are presented after the government-wide financial statements. These statements display information about the major fund individually.

The District reports the following major governmental fund:

The General Fund is used to account for all financial activity in the District.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Under the economic resources measurement focus, all (both current and long-term) economic resources and obligations are reported in the government-wide financial statements. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the current financial resources measurement focus, current assets, current liabilities and deferred inflows of resources are generally included on the balance sheets. The reported fund balance is considered to be a measure of “available spendable resources.” Governmental fund financial statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balance. Accordingly, they are said to present a summary of sources and uses of “available spendable resources” during a period.

Under the modified accrual basis of accounting, revenues are recognized as soon as they are both measurable and available. Measurable means that amounts can be estimated, or otherwise determined. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

Property taxes, rental income, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Investments

Investments are reported at the fair value, which represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All investment income, including changes in the fair value of investments, is recognized as revenue in the operating statement.

E. Capital Assets

Capital assets that include land, structures and improvements, equipment and furniture, vehicles, and subscription-based information technology arrangements (SBITAs), are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial cost of more than $3,000 and an estimated useful life in excess of one year with the exception of intangible SBITAs for which the threshold is $10,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. SBITA assets are initially measured as the sum of the present value of payments expected to be made during the subscription term, payments associated with the SBITA contract made to the SBITA vendor at the commencement of the subscription term, when applicable, and capitalizable implementation costs, less any SBITA vendor incentives received from the SBITA vendor at the commencement of the SBITA term. SBITA assets are amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying IT assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Tangible capital assets are depreciated using the straight-line method over the following estimated useful lives:

Structures and Improvements	30 Years
Equipment and Furniture	5 to 20 Years
Vehicles	8 to 15 Years

F. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense) until that time. The category of deferred outflow of resources reported in the statement of net position is related to pension and other postemployment benefits. Deferred outflows on pension and other postemployment benefits are more fully discussed in Notes 8 and 9, respectively.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the statement of net position and governmental funds balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets or fund balance that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time.

Deferred inflows from *unavailable revenues*, which arises only under a modified accrual basis of accounting, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source, which is charges for services. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

The District’s deferred inflows of resources reported on the statement of net position relate to leases, pension, and other postemployment benefits, which are more fully discussed in Notes 1J, 8, and 9, respectively.

G. Compensated Absences

Compensated absences (vacation, compensatory time off, and sick leave) are reported as expenditures in the general fund when paid. Any remaining unpaid liability at year-end is recorded on the statement of net position since such obligation is not payable with currently available financial resources, and paid by resources in the District’s general fund.

The liability for compensated absences reported in the government-wide statements consists of leave that has not been used that is attributable to services already rendered, accumulates and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The liability also includes amounts for leave that has been used for time off but has not yet been paid in cash or settled through noncash means and certain other types of leave.

H. Net Position

The financial statements utilize a net position presentation. Net position is categorized as follows:

<u>Net Investment in Capital Assets</u>
This component of net position consists of capital assets, net of accumulated depreciation and reduced by any debt outstanding against the acquisition, construction or improvement of those assets and capital related payables.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Net Position (Continued)

The financial statements utilize a net position presentation. Net position is categorized as follows (continued):

Restricted Net Position
This component of net position consists of external constraints placed on net position imposed by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position
This component of net position consists of net position that does not meet the definition of “net investment in capital assets” or “restricted.”

Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

I. Fund Equity

In the fund financial statements, governmental funds report the following fund balance classifications:

Nonspendable include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted include amounts that are constrained on the use of resources by either (a) external creditors, grantors, contributors, or laws or regulations of other governments or (b) by law through constitutional provisions or enabling legislation.

Committed include amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the District’s highest authority, the Board of Trustees. The formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is a resolution.

Assigned include amounts that are constrained by the District’s intent to be used for specific purposes, but are neither restricted nor committed. The District General Manager is authorized to assign amounts to a specific purpose, which was established by the governing body in the Fund Balance Policy.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Fund Equity (Continued)

In the fund financial statements, governmental funds report the following fund balance classifications (continued):

Unassigned include the residual amounts that have not been restricted, committed, or assigned to specific purposes. The unassigned fund balance classification includes the below reserves:

An operating reserve equal to two to six months (17-50%) of annual operating fund revenues. These funds are set aside to address risks facing the District related to revenue stability and expenditure volatility, including such items as economic downturns, limitations on increases to the District's benefit assessments, insurance and claims experience, and future operating needs. As of June 30, 2025, the balance in this reserve is $2,600,000.

Vehicle and equipment replacement reserves for future vehicle and equipment replacements and improvements. This reserve will be maintained at the estimated amount of resources needed to replace assets for the next five years. Additional resources may be maintained such that the total reserves equal the amount of accumulated depreciation of assets, based on estimated replacement costs. As of June 30, 2025, the balance in the vehicle and equipment replacement reserves was $763,917 and $919,734 respectively.

Restricted amounts are to be considered spent when an expenditure is incurred for purposes for which the restricted fund balance is available. Committed, assigned, and unassigned amounts are considered to have been spent when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the District's policy is to apply restricted fund balance first. When an expenditure is incurred for purposes for which committed, assigned, or unassigned fund balances are available, the District's policy is to apply committed fund balance first, then assigned fund balance, and finally unassigned fund balance.

J. Leases - Lessor

The District recognizes a lease receivable and a deferred inflow of resources in the financial statements at the commencement of a lease. The District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Leases - Lessor (Continued)

The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

K. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on July 1, and are payable in two installments on November 1 and February 1, and become delinquent December 11 and April 11. The County bills and collects the property taxes and remits them to the District in installments during the year. District property tax revenues are recognized when levied to the extent that they result in current receivables.

The County is permitted by state law (Proposition 13) to levy taxes at 1% of full market value (at time of purchase) and can increase the assessed values no more than 2% per year. The District receives a share of this basic levy proportionate to what was received in the 1976 to 1978 period.

L. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's California Public Employees' Retirement System (CalPERS) plans and Orange County Employees Retirement System (OCERS) plan (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS and OCERS. 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.

M. OPEB Plan

For purposes of measuring the net OPEB asset and deferred outflows/inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's OPEB Plan and additions to/deductions from the OPEB Plans' fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the District's OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

N. Use of Estimates

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Change in Accounting Principle

Effective July 1, 2024, the District implemented GASB Statement No. 101, *Compensated Absences.* See Notes 1G, 5, and 12 for more information.

The District also adopted GASB Statement No. 102, *Certain Risk Exposures*, during the current year. The adoption did not impact the financial statements.

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Data

The District adopts an itemized budget statement of anticipated revenues, estimated operating expenditures and reserve requirements and files it with the County Auditor's office annually. The sources of financing operating costs and reserve requirements are: (1) available balance carried forward from the preceding year, (2) property taxes and assessments, (3) interest, and (4) other miscellaneous items. The legal level of control is by department.

Excess of Expenditures over Appropriations

Excess of expenditures over appropriations by department in the general fund are as follows:

	Final Budget	Actual	Variance with Final Budget
General Fund:			
District Manager	$ 497,955	$ 513,058	$ (15,103)
Administrative Services	995,355	1,026,698	(31,343)
Facilities Improvements	38,000	59,551	(21,551)
Public Service	203,290	310,475	(107,185)

NOTE 3 CASH AND INVESTMENTS

Cash and Investments

Cash and investments as of June 30, 2025 are classified in the accompanying government-wide statement of net position as follows:

Cash and Investments	$ 38,506,587
Restricted Cash and Investments:	
Held by Pension Trust	4,049,466
Total Cash and Investments	$ 42,556,053

Cash and investments consist of deposits and investments, as noted below:

Deposits with Financial Institutions	$ 921,663
Investments	37,584,924
Restricted Investments:	
Held by Pension Trust	4,049,466
Total Cash and Investments	$ 42,556,053

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments Authorized by the California Government Code and the District's Investment Policy

The District's Investment Policy is reviewed and adopted by the Board of Trustees each year. Investment vehicles not specifically mentioned in the District's investment policy, are not authorized unless the policy is amended by the Board of Trustees. The table below identifies the investment types that are authorized for the District by the California Government Code (or the District's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the District's investment policy, where more restrictive) that address interest rate risk, and concentration of credit risk. This table does not address investments of the employer contributions to the pension trust that is governed by the trust agreement.

Authorized Investment Type	Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds	5 Years	None	10%
U.S. Treasury Issues	5 Years	None	None
State Obligations: CA and Others	5 Years	None	10%
CA Local Agency Obligations	5 Years	None	10%
U.S. Agency Obligations (Federal Agency Issues)	5 Years	None	None
Bankers Acceptances	180 Days	40%	10%
Commercial Paper: Non-pooled Funds	270 Days	25%	10%
Commercial Paper: Pooled Funds	270 Days	40%	10%
Negotiable Certificates of Deposit	5 Years	30%	10%
Non-Negotiable Certificates of Deposit	5 Years	None	10%
Placement Service Deposits	5 Years	50%	10%
Placement Service Certificates of Deposit	5 Years	50%	10%
Repurchase Agreements	1 Year	None	10%
Reverse Repurchase Agreements and Securities Lending Agreements	92 Days	20%	10%
Medium-Term Notes	5 Years	30%	10%
Mutual Funds and Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through and Asset Backed Securities	5 Years	20%	10%
Supranational Obligations	5 Years	30%	10%
Local Agency Investment Fund (LAIF)	N/A	None	None
Orange County Investment Pool (OCIP)	N/A	None	None
CalTRUST	N/A	None	None

N/A - Not Applicable

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates that will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways the District manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity as of June 30, 2025:

		Remaining Maturity			
Investment Type	Fair Value	12 Months or Less	13 to 24 Months	25 to 36 Months	37 to 60 Months
Local Agency Investment Fund (LAIF)	$ 31,984,810	$ 31,984,810	$ -	$ -	$ -
Medium Term Notes	2,009,103	1,090,854	250,075	139,965	528,209
Local Agency Bonds	989,340	770,194	219,146	-	-
United States Treasury Issues	95,604	-	95,604	-	-
Federal Agency Issues	1,733,520	179,759	96,895	-	1,456,866
Negotiable Certificates of Deposit	772,547	285,066	57,266	-	430,215
PARS Pension Trust Fund	4,049,466	4,049,466	-	-	-
Total	$ 41,634,390	$ 38,360,149	$ 718,986	$ 139,965	$ 2,415,290

Disclosures Relating to Credit Risk

Generally, 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. The only minimum rating required by the California Government Code that is applicable to the District's investments is a rating of "A" or better for medium term notes and a rating of "AAA" for money market mutual funds. Presented below are the actual ratings by Standard & Poor's as of year-end for each investment type for the fiscal year ended June 30, 2025:

Investment Type	AAA	AA	A	Not Rated	Not Required to be Rated	Total
Local Agency Investment Fund (LAIF)	$ -	$ -	$ -	$ 31,984,810	$ -	$ 31,984,810
Medium Term Notes	-	-	1,777,119	231,984	-	2,009,103
Local Agency Bonds	200,000	789,340	-	-	-	989,340
United States Treasury Issues	-	-	-	-	95,604	95,604
Federal Agency Issues	-	1,079,547	-	653,973	-	1,733,520
Negotiable Certificates of Deposit	-	-	-	772,547	-	772,547
PARS Pension Trust Fund	-	-	-	4,049,466	-	4,049,466
Total	$ 200,000	$ 1,868,887	$ 1,777,119	$ 37,692,780	$ 95,604	$ 41,634,390

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Concentration of Credit Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. Other than external investment pools, the District had no investments that exceeded 5% of the portfolio.

Custodial Credit Risk

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 its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit).

The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. At June 30, 2025, the District deposits (bank balances) were insured by the Federal Deposit Insurance Corporation up to $250,000 or collateralized as required under California Law.

District Investments in State Investment Pool and County Investment Pool

The District is a voluntary participant in the LAIF that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. LAIF is overseen by the Local Agency Investment Advisory Board, which consists of five members, in accordance with State statute. The State Treasurer's Office audits the fund annually. During the year, the District was also a voluntary participant in the Orange County Investment Pool (OCIP) that is regulated by California Government Code and the Orange County Board of Supervisors under the oversight of the County of Orange Treasury Oversight Committee. The District's investment in OCIP was zero at fiscal year-end. The fair value of the District's investments in these pools is reported in the accompanying financial statements at amounts based upon the District's pro rata share of the fair value provided by LAIF and OCIP for each respective portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF and OCIP, which are recorded on an amortized cost basis.

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Cash and Investments – PARS Pension Trust

Investment Policy

The District established a trust account with Public Agency Retirement Services (PARS) to hold assets that are legally restricted for use in administering the District's Pension Plan. The PARS Pension Trust's specific cash and investments are managed by a third-party portfolio manager under guidelines approved by the District.

Those guidelines are as follows:

Risk Tolerance:	Moderate
Risk Management:	The portfolio is constructed to control risk through four layers of diversification - asset classes (cash, fixed income, equity), investment styles (large cap, small cap, international, value, growth), managers and securities. Disciplined mutual fund selection and monitoring process helps to drive return potential while reducing portfolio risk.
Investment Objective:	To provide current income and moderate capital appreciation. It is expected that dividend and interest income will comprise a significant portion of total return, although growth through capital appreciation is equally important.
Strategic Ranges:	0% - 20% Cash 40% - 60% Fixed Income 40% - 60% Equity

Fair Value Measurements

The District categorizes its fair value measurement within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the investments. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are quoted prices for similar assets in active markets (significant other observable inputs), and Level 3 inputs are significant unobservable inputs.

Deposits and securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Investments classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Fair Value Measurements (Continued)

The District had the following recurring fair value measurements as of June 30, 2025:

	Fair Value	Quoted Prices Level 1	Observable Inputs Level 2	Unobservable Inputs Level 3
Investment Type (Subject to Hierarchy):				
Medium Term Notes	$ 2,009,103	$ -	$ 2,009,103	$ -
Local Agency Bonds	989,340	-	989,340	-
United States Treasury Issues	95,604	-	95,604	-
Federal Agency Issues	1,733,520	-	1,733,520	-
Negotiable Certificates of Deposit	772,547	-	772,547	-
Total Subject to Hierarchy	5,600,114	$ -	$ 5,600,114	$ -
Uncategorized (Not Subject to Hierarchy):				
Local Agency Investment Fund (LAIF)	31,984,810			
PARS Pension Trust Fund	4,049,466			
Total Investment Portfolio	$ 41,634,390			

NOTE 4 CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2025, is as follows:

	Balance at July 1, 2024	Additions	Deletions/ Transfers	Balance at June 30, 2025
Capital Assets, Not Depreciated:				
Land	$ 2,010,329	$ -	$ -	$ 2,010,329
Construction in Progress	-	395,674	-	395,674
Total Capital Assets, Not Depreciated	2,010,329	395,674	-	2,406,003
Capital Assets, Being Depreciated:				
Structures and Improvements	4,548,177	-	-	4,548,177
Equipment and Furniture	1,547,676	368,978	-	1,916,654
Vehicles	2,729,472	-	-	2,729,472
Total Capital Assets, Being Depreciated	8,825,325	368,978	-	9,194,303
Less Accumulated Depreciation for:				
Structures and Improvements	(3,205,207)	(116,706)	-	(3,321,913)
Equipment and Furniture	(960,914)	(116,465)	-	(1,077,379)
Vehicles	(1,801,693)	(148,174)	-	(1,949,867)
Total Accumulated Depreciation	(5,967,814)	(381,345)	-	(6,349,159)
Total Capital Assets, Being Depreciated, Net	2,857,511	(12,367)	-	2,845,144
SBITA Assets Being Amortized:				
SBITA Assets	59,638	97,864	(59,638)	97,864
Accumulated Amortization	(55,020)	(38,208)	59,638	(33,590)
Total SBITA Assets, Being Amortized, Net	4,618	59,656	-	64,274
Governmental Activity Capital Assets, Net	$ 4,872,458	$ 442,963	$ -	$ 5,315,421

NOTE 4 CAPITAL ASSETS (CONTINUED)

Depreciation and amortization expense was charged to functions/programs of the primary government as follows:

Governmental Activities:	
Health and Sanitation	$ 419,553

NOTE 5 LONG-TERM LIABILITIES

The change in the District's compensated absences liability and SBITAs payable during the year ended June 30, 2025 consisted of the following:

	Balance at July 1, 2024, Restated (1)	Additions	Deletions	Balance at June 30, 2025	Due Within One Year
Compensated Absences	$ 1,037,116	$ 692,537	$ (527,792)	$ 1,201,861	$ 396,614
SBITAs Payable	4,618	97,864	(38,208)	64,274	31,662
Total	$ 1,041,734	$ 790,401	$ (566,000)	$ 1,266,135	$ 428,276

(1) The beginning balance was restated due to the implementation of GASB Statement No. 101, *Compensated Absences,* see Notes 1G and 12.

The District has the following subscription-based information technology arrangements (SBITAs) under long-term noncancelable agreements. These contracts continue through 2027 and do not provide for renewal options. The interest rate is 3% and there are no variable payments. The future minimum payments under the SBITAs are as follows:

Fiscal Year Ended June 30,	Principal	Interest	Total
2026	$ 31,662	$ 1,928	$ 33,590
2027	32,612	978	33,590
Total	$ 64,274	$ 2,906	$ 67,180

Right-to-use assets acquired through SBITAs, net of accumulated amortization are reported in Note 4, Capital Assets.

NOTE 6 DEFERRED COMPENSATION PLAN

The District offers its employees a defined contribution deferred compensation plan in accordance with Internal Revenue Code Section 457 whereby employees authorize the District to withhold funds from their wages to be invested in individual savings accounts and other investments. Each participant directs the investments of their respective accounts and no contributions are required to be made by the District. Funds may be withdrawn by participants at termination of employment or retirement. Pursuant to Section 457, the District established trusts in which all assets are held by ICMA Retirement Corporation and Nationwide Retirement Solutions. These assets are held for the exclusive benefit of the plan participants and their beneficiaries and are not available to the creditors of the District. For this reason, the assets and related liabilities of the plan are not included in the financial records of the District and are not included in the accompanying financial statements. For the year ended June 30, 2025, employee contributions to the plan totaled $877,449.

NOTE 7 SELF-INSURANCE PROGRAM

The District is a member of the Vector Control Joint Powers Agency (Agency).

Description of Joint Powers Agency

The Agency is comprised of California member districts and is organized under a Joint Powers Agreement pursuant to the California Government Code. The purpose of the Agency is to arrange and administer programs of insurance for the pooling of specific self-insurance limits and purchase excess insurance coverage above those limits. Each member District is represented on the board of directors. Officers of the Agency are elected annually by the board members.

Self-insurance Programs of the Agency

General Liability and Workers' Compensation

Periodic deposits/expenditures are paid by member districts and are adjusted retrospectively to cover actual costs. Each member district has a specific retention level. The District has a self-insured retention level of $25,000 for general liability, automobile liability, and errors of omissions, and $50,000 for workers' compensation and pays 100% of all losses incurred under those amounts. The District does not share or pay for losses of other districts under their retention level. Losses of $50,000 to $500,000 are pooled among all participating districts for workers' compensation and losses in excess of $25,000 to $1,000,000 for general liability. These limits are covered by excess insurance purchased by the Agency to a limit of $29,500,000 for general liability and statutory coverage plus $5,000,000 for workers' compensation subject to $500,000 self-insured retention level. There were no instances in the past three years where a settlement exceeded the District's coverage, and no significant reductions in the insurance have occurred.

NOTE 8 RETIREMENT PLANS

A. CalPERS Defined Benefit Pension Plans

1. General Information about the Pension Plans

Plan Descriptions

All qualified permanent and probationary employees are eligible to participate in the District's 2.0% at 55 (Tier I), 2.0% at 60 (Tier II), and 2.0% at 62 (Tier III PEPRA) Miscellaneous Employee Pension Plans (Plans), cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

NOTE 8 RETIREMENT PLANS (CONTINUED)

A. CalPERS Defined Benefit Pension Plans (Continued)

1. General Information about the Pension Plans (Continued)

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 to 62 with statutorily reduced benefits. All members are eligible for nonindustrial disability benefits after five (5) years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plans' provisions and benefits in effect for the year ended June 30, 2025, are summarized as follows:

	Miscellaneous		
	Tier I	Tier II	Tier III - PEPRA
Hire Date	Prior to July 13, 2012	On or After July 13, 2012	On or After January 1, 2013
Benefit Formula	2%@55	2%@60	2%@62
Benefit Vesting Schedule	5 Years of Service	5 Years of Service	5 Years of Service
Benefit Payments	Monthly for Life	Monthly for Life	Monthly for Life
Retirement Age	50 - 63	50 - 63	52 - 67
Monthly Benefits, as a Percent of Eligible Compensation	1.426% to 2.418%	1.092% to 2.418%	1.0% to 2.5%
Required Employee Contribution Rates	7%	7%	7.75%
Required Employer Contribution Rates:			
Normal Cost Rate	12.520%	10.150%	7.870%
Payment of Unfunded Liability	$ 273,000	$ 2,542	$ 14,259

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 the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. District contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contributions requirements are classified as plan member contributions.

NOTE 8 RETIREMENT PLANS (CONTINUED)

A. CalPERS Defined Benefit Pension Plans (Continued)

1. General Information about the Pension Plans (Continued)

Contributions (Continued)

For the fiscal year ended June 30, 2025, the District contributed the contractually required amount of $995,560.

Additional Funding of the Pension Plan - PARS Pension Trust

In April 2019, the District approved the creation of a CalPERS defined benefit pension plan trust with PARS (Pension Trust). The PARS trust is legally restricted to providing benefits for members of the defined benefit pension plan. However, in accordance with GASB 68, the asset balance is not included in the calculation of the net pension liability. The PARS Trust issues a publicly available financial report for the fiduciary net position that is available upon request.

The District made no contributions to the PARS Pension Trust in the fiscal year ended June 30, 2025. Investment income of $419,686 and administrative expenses of $20,969 resulted in an asset balance of $4,049,466 as of June 30, 2025, which is shown as a restricted asset on both the Statement of Net Position and the Balance Sheet – Governmental Funds.

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

As of June 30, 2025, the District reported a net pension liability for its proportionate share of the net pension liability as follows:

	Proportionate Share of Net Pension Liability
Miscellaneous	$ 4,300,711

The District's net pension liability for each Plan is measured as the proportionate share of the net pension liability, which is based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The net pension liability of each of the Plans is measured as of June 30, 2024.

NOTE 8 RETIREMENT PLANS (CONTINUED)

A. CalPERS Defined Benefit Pension Plans (Continued)

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

The District's proportionate share of the net pension liability for all Plans as of the measurement dates ended June 30, 2024 and 2023 was as follows:

	Miscellaneous
Proportion - June 30, 2023	0.08565%
Proportion - June 30, 2024	0.08892%
Change - Increase (Decrease)	0.00327%

For the year ended June 30, 2025, the District recognized pension expense of $1,457,564. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to Measurement Date	$ 995,560	$ -
Differences Between Actual and Expected Experience	371,836	(14,509)
Changes in Assumptions	110,537	-
Changes in Employer's Proportion and Differences Between the Employer's Contributions and the Employer's Proportionate Share of Contributions	449,519	-
Net Differences Between Projected and Actual Earnings on Plan Investments	247,588	-
Total	$ 2,175,040	$ (14,509)

$995,560 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending June 30,	Amount
2026	$ 514,764
2027	673,669
2028	61,383
2029	(84,845)
2030	-
Thereafter	-

NOTE 8 RETIREMENT PLANS (CONTINUED)

A. CalPERS Defined Benefit Pension Plans (Continued)

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

Actuarial Assumptions

The total pension liability for the June 30, 2024 measurement period was determined by an actuarial valuation as of June 30, 2023, with standard update procedures used to roll forward the total pension liability to June 30, 2024. The total pension liability was based on the following assumptions:

	Miscellaneous
Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	(1)
Mortality Rate Table	(2)
Postretirement Benefit Increase	(3)

(1) Varies by entry age and service.
(2) The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre-retirement and Post-retirement mortality rates include 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 CalPERS Experience Study and Review of Actuarial Assumptions report from November 2021 that can be found on the CalPERS website.
(3) The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance Floor on purchasing power applies, 2.30% thereafter.

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.

NOTE 8 RETIREMENT PLANS (CONTINUED)

A. CalPERS Defined Benefit Pension Plans (Continued)

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

Long-Term Expected Rate of Return (Continued)

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 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	Assumed Asset Allocation	Real Return (a) (b)
Global Equity - Cap-weighted	30.00 %	4.54 %
Global Equity - Non-Cap-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)
Total	100.00 %	

(a) An expected inflation of 2.3% used for this period.
(b) Figures are based on the 2021 Asset Liability Management study.

Change in Assumptions

There were no changes in assumptions from the measurement date June 30, 2023 to June 30, 2024.

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.

NOTE 8 RETIREMENT PLANS (CONTINUED)

A. CalPERS Defined Benefit Pension Plans (Continued)

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

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

The following presents the District's proportionate share of the net pension liability for each Plan, calculated using the discount rate for the Plan, 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:

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
Net Pension Liability	$ 7,903,290	$ 4,300,711	$ 1,335,258

Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

3. Payable to the Pension Plan

At June 30, 2025, the District had no outstanding amount of contributions due to the pension plan required for the year ended June 30, 2025 for the CalPERS plans.

B. Withdrawn OCERS Defined Benefit Pension Plan

1. General Information about the Pension Plans

Plan Description

The District participated in the Orange County Employees' Retirement System (OCERS), a cost-sharing multiple employer, defined benefit pension plan, for all employees prior to January 5, 2007. The participating entities in OCERS share proportionally in all risks and costs, including benefit costs. The District's withdrawal as of January 4, 2007, precludes the District from sharing risks and costs with other participating entities. Only the District will be held responsible for costs of its plan and a separate calculation is prepared by OCERS for the District specifically for this plan.

OCERS was established in 1945, under the provisions of the County Employees Retirement Law of 1937, and provides members with retirement, death, disability, and cost-of-living benefits. Members employed prior to September 21, 1979, are designated as Tier I members. For Tier II members employed after September 20, 1979, the County Board of Supervisors adopted certain sections of the Government code which established formulas producing reduced allowances.

NOTE 8 RETIREMENT PLANS (CONTINUED)

B. Withdrawn OCERS Defined Benefit Pension Plan (Continued)

1. General Information about the Pension Plans (Continued)

Plan Description (Continued)

OCERS issues a publicly available financial report that includes financial statements and required supplementary information for the cost-sharing plans that are administered by OCERS. The report can be obtained from the OCERS website at www.ocers.org.

Benefits Provided

OCERS provides service retirement, disability, death, and survivor benefits to eligible employees. Members are eligible to retire once they attain the age of 50 and have acquired 10 or more years of retirement service credit. A member with 30 years of service is eligible to retire regardless of age. The retirement benefit the member will receive is based upon age at retirement, final average compensation, years of retirement service credit and retirement plan and tier.

General member benefits are calculated pursuant to the provisions of Sections 31676.01, 31676.1, 31676.12, 31676.16, 31676.18 or 31676.19. For Section 31676.01, the monthly allowance is equal to 1/90th of final compensation times years of accrued retirement service credit times age factor from that Section. For Section 31676.1, the monthly allowance is equal to 1/60th of final compensation times years of accrued retirement service credit times age factor from that Section. For Sections 31676.12, 31676.16, 31676.18 or 31676.19, the monthly allowance is equal to 1/50th of final compensation times years of accrued retirement service credit times age factor from the corresponding Section. The maximum monthly retirement allowance is 100% of final compensation. Final average compensation consists of the highest 12 consecutive months for a General Tier 1 member and the highest 36 consecutive months for a General Tier 2 member.

The member may elect an unmodified retirement allowance or choose an optional retirement allowance. The unmodified retirement allowance provides the highest monthly benefit and a 60% continuance to an eligible surviving spouse or domestic partner. An eligible surviving spouse or domestic partner is one married to or registered with the member one year prior to the effective retirement date. Certain surviving spouses or domestic partners may also be eligible if marriage or domestic partnership was at least two years prior to the date of death and the surviving spouse or domestic partner has attained age 55. There are four optional retirement allowances the member may choose. Each of the optional retirement allowances requires a reduction in the unmodified retirement allowance in order to allow the member the ability to provide certain benefits to a surviving spouse, domestic partner, or named beneficiary having an insurable interest in the life of the member.

NOTE 8 RETIREMENT PLANS (CONTINUED)

B. Withdrawn OCERS Defined Benefit Pension Plan (Continued)

1. General Information about the Pension Plans (Continued)

Funding Policy and Contributions

The District was a contracting employer with the Orange County Employees Retirement System (OCERS) before it withdrew from OCERS and contracted with CalPERS to provide retirement benefits for its members with respect to service after January 4, 2007. Effective from the date of withdrawal, OCERS is only responsible for providing benefits to employees or retirees of Orange County Mosquito and Vector Control District who were members of OCERS before January 5, 2007.

Per the termination and continuing contribution agreement entered into on June 1, 2008 with OCERS and Orange County Mosquito and Vector Control District, commencing as of December 31, 2010 and at least every three years thereafter OCERS will hire an actuary to recalculate the District's Unfunded Actuarial Accrued Liability (UAAL) obligation, based on accumulated assets and liabilities attributable to the District. All District members with OCERS will be considered a "closed group" for purposes of recalculating the UAAL. Based on the recalculation, in the event that there is any new UAAL obligation required of the District, it will be satisfied within three years following the effective date of each recalculation, including any accrued interest. In the event there is a surplus or negative UAAL, the surplus will remain in the retirement system as a credit against any future UAAL, unless the surplus exceeds 115%, which then it may be transferred to CalPERS.

The District did not make any contributions during the fiscal year to OCERS. Also, the District did not have an amount due to OCERS based on the most recent funding actuarial valuation dated December 31, 2023 (valuation only required every three years).

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

As of June 30, 2025, the District reported a net pension liability (asset) for its calculated share as follows:

Net Pension Liability (Asset)	$ (1,280,860)

The net pension asset was measured as of December 31, 2024, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2023 rolled forward to December 31, 2024, using standard update procedures. Due to the Plan's withdrawn status, the District's total pension liability for the Plan is measured separately by OCERS. In addition, the District's fiduciary net position is estimated by adjusting the Valuation Value of Assets (VVA) for each membership class by the ratio of the total OCERS Plan's fiduciary net position to total OCERS VVA.

NOTE 8 RETIREMENT PLANS (CONTINUED)

B. Withdrawn OCERS Defined Benefit Pension Plan (Continued)

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

Although, due to the plan's withdrawn status, the Districts amounts are calculated separately for this cost-sharing plan, the proportionate share of the net pension liability (asset) as a whole is available and was as follows for the measurement dates ended December 31, 2024 and 2023:

Proportion - December 31, 2023	0.01500%
Proportion - December 31, 2024	-0.03200%
Change - Increase (Decrease)	-0.04700%

For the year ended June 30, 2025, the District recognized pension income of $57,733. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Actual and Expected Experience	$ 1,462,183	$ (1,170,390)
Changes in Assumptions	137,150	-
Net Differences Between Projected and Actual Earnings on Plan Investments	18,841	-
Total	$ 1,618,174	$ (1,170,390)

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

Year Ending June 30,	Amount
2026	$ 225,916
2027	800,520
2028	(239,959)
2029	(274,511)
2030	(64,182)
Thereafter	-

NOTE 8 RETIREMENT PLANS (CONTINUED)

B. Withdrawn OCERS Defined Benefit Pension Plan (Continued)

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

Actuarial Assumptions

The total pension liability was based on the following assumptions:

Valuation Date	December 31, 2023	
Measurement Date	December 31, 2024	
Actuarial Cost Method	Entry-Age Normal Cost Method	
Actuarial Assumptions:		
Investment Rate of Return	7.00%	(1)
Discount Rate	7.00%	
Inflation	2.50%	
Cost of Living Adjustment	2.75%	
Projected Salary Increase	3.90% - 10.25%	(2)
Actuarial Experience Study	Three year period ended December 31, 2022	

(1) Net of pension plan investment expense, including inflation.
(2) Varies by service, including inflation.

It should be noted that the District has previously withdrawn from OCERS, and the liabilities for the District have been determined using frozen service previously accrued while at OCERS but with projected salaries at retirement for current active employees.

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined in 2024 using a building-block method in which expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adding expected inflation and subtracting expected investment expenses and a risk margin. The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses are shown in the following table. This information was used in the derivation of the long-term expected investment rate of return assumption for the December 31, 2024 actuarial valuation.

NOTE 8 RETIREMENT PLANS (CONTINUED)

B. Withdrawn OCERS Defined Benefit Pension Plan (Continued)

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

Long-Term Expected Rate of Return (Continued)

This information will change every three years based on the actuarial experience study.

Asset Class	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return
Global Equity	45.00 %	7.05 %
Investment Grade Bonds	9.00	1.97
High Yield Bond	0.50	4.63
TIPS	2.00	1.77
Emerging Market Debt	0.50	4.72
Long-Term Government Bonds	3.30	2.82
Real Estate	3.00	3.86
Private Equity	15.00	9.84
Private Credit	3.50	6.47
Value Added Real Estate	3.00	7.38
Opportunistic Real Estate	1.00	9.74
Energy	2.00	10.89
Infrastructure (Core Private)	1.00	5.98
Infrastructure (Non-Core Private)	3.00	8.88
Global Macro	1.70	3.17
CTA (Trend Following)	3.30	3.15
Alternative Risk Premia	1.70	3.24
Special Situations Lending	1.50	8.96
Total	100.00 %	

Note that the investment return assumption for funding purposes is developed net of both investment and administrative expenses; however, the same investment return assumption is used for financial reporting purposes, where it is considered gross of administrative expenses.

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of December 31, 2024. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the actuarially determined contribution rates. For this purpose, only employer contributions that are intended to fund benefits for current plan members and their beneficiaries are included.

NOTE 8 RETIREMENT PLANS (CONTINUED)

B. Withdrawn OCERS Defined Benefit Pension Plan (Continued)

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

Discount Rate (Continued)

Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of December 31, 2024.

Sensitivity of the Proportionate Share of the Net Pension Asset to Changes in the Discount Rate

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

	1% Decrease (6%)	Discount Rate (7%)	1% Increase (8%)
Net Pension Liability (Asset)	$ 2,484,515	$ (1,280,860)	$ (4,360,122)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued OCERS financial reports. The report can be obtained from the OCERS website at www.ocers.org.

C. Pension Expense

Pension expense (income) for the CalPERS and OCERS pension plans was $1,457,564. and $(57,733), respectively, which results in a collective pension expense of $1,399,831 for the fiscal year ended June 30, 2025.

D. PARS Defined Contribution Benefit Plan

Effective December 22, 2006, the Orange County Mosquito and Vector Control District adopted the PARS 457 FICA Alternative Retirement Plan for part-time, seasonal, and temporary employees.

The PARS plan is solely funded by the contributions from the employees. The contribution rate is 7.50% of gross earnings for employees. Pursuant to federal legislation, the Section 457 plan assets were placed in trust for the exclusive benefit of all employees and their beneficiaries and are not available to the creditors of the District.

NOTE 8 RETIREMENT PLANS (CONTINUED)

D. PARS Defined Contribution Benefit Plan (Continued)

For this reason, the assets and related liabilities of the plan are not included in the financial records of the District and are not included in the accompanying financial statements. For the year ended June 30, 2025, contributions to the plan totaled $75,334.

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN

A. Plan Description

The District has an agent multiple-employer defined benefit other postemployment benefit plan that provides postemployment benefits, including medical insurance, to eligible employees and their dependents at retirement through the California Public Employees Medical and Hospital Care Act (PEMHCA) as provided under the District's memorandum of understanding with its employees. The plan provides comprehensive health insurance through a variety of Health Maintenance Organization (HMO) and Preferred Provider Organization (PPO) options.

District members become eligible to retire and receive District-paid healthcare benefits upon attainment of age 50 and five years of covered PERS service. Retired members over the age of 65 may join one of the Supplemental (Medicare-coordinated) options under PEMHCA or may have Medicare premiums reimbursed. Benefits are paid for the lifetime of the retiree. The District's basic contribution on behalf of retirees is determined under the "Unequal Contribution Method" as described in Government Code Section 22892(c), as applied to the statutory minimum contribution for active employees of $157/month (2024) and $158/month (2025). The contribution on behalf of retirees is 90% of $157 ($141) for 2024 and 95% of $158 ($150) for 2025. The percentage increases each year by 5% until it reaches 100% of the statutory minimum contribution for years 2026 and later.

In addition to the generally applicable rules described above, there are two grandfathering provisions which apply as follows:

(1) Employees hired prior to July 1, 2009 have an additional allowance of $234 added to their statutory minimum as described above. The $234 represents the medical allowance as of the date the new CalPERS resolution was adopted and is frozen for all future years. One retiree receives an additional $200/month.

(2) There are several grandfathered retirees who transferred from the Orange County Employees' Retirement System (OCERS) Health Plan to PEMHCA in April 2006, which is administered by CalPERS. These grandfathered retirees are eligible to receive a monthly grant equal to the greater of their 2006 monthly grant (calculated as $400 per month, reduced for service less than 25 years), or the current District contribution as determined under the rules described in paragraph (1) above.

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

A. Plan Description (Continued)

Employees hired on or after July 1, 2009, receive a supplemental benefit based on longevity with the District:

Continuous Full-Time Service	Monthly Stipend
10 to 15 Years	$ 100
15 to 20 Years	150
20 or More Years	200

Retirees not in PEMHCA receive reimbursement equivalent to the lesser of the grandfathered provisions and their premium. There are several retirees receiving reimbursements for non-PEMHCA Medicare premiums less than the caps. The District also pays the PEMHCA percent-of-premium administrative fee.

Employees Covered

As of the measurement date June 30, 2025, the following current and former employees were covered by the benefit terms under the plan:

Inactive Employees or Beneficiaries Currently Receiving Benefits	43
Active Employees	67
Total	110

Contributions

Benefit provisions and contribution requirements are established and may be amended by the District's Board and/or the employee associations through agreements and memorandums of understanding between the District and its employees. Currently, contributions are not required from plan members. Administrative costs of the OPEB plan are financed through investment earnings.

In July 2008, the District elected to join the PARS OPEB Trust as a means to fund the actuarially determined contribution (ADC). The PARS OPEB Trust issues a publicly available financial report for the fiduciary net position that is available upon request. The plan itself does not issue a separate financial report.

The District currently finances benefits based on the actuarially determined contribution. For the fiscal year ended June 30, 2025, the District paid $171,975 for current premiums, $0 to the OPEB trust, and the estimated implied subsidy was $50,870, resulting in total payments of $222,845. The payments for current premiums of $171,975 were not reimbursed by the OPEB trust.

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

A. Plan Description (Continued)

Accounting for the Plan

The other postemployment benefits trust is prepared using the accrual basis of accounting. Employer contributions to the plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits are recognized when due and payable in accordance with the terms of each plan.

B. Total OPEB Liability

Method Used to Value Investments

Investments are reported in the accompanying financial statements at fair value, which represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Securities for which market quotations are not readily available are valued at their fair value as determined by the custodian with the assistance of a valuation service.

Actuarial Assumptions

The District's total OPEB liability was measured as of June 30, 2025 and was determined by an actuarial valuation as of July 1, 2023, rolled forward to June 30, 2025, using standard update procedures. A summary of the principal assumptions and methods used to determine the total OPEB liability is shown below.

Valuation Date	July 1, 2023
Measurement Date	June 30, 2025
Actuarial Cost Method	Entry age normal, level percentage of pay
Asset Valuation Method	Fair value of assets
Actuarial Assumptions:	
Discount Rate	6.25%
Long-Term Expected Rate of Return on Investments	6.25%, net of OPEB plan investment expense
Salary Increases	3.00%
General Inflation	2.50%
Medical Trend	5.25% for 2025-2069, and 5.00% for 2030-2039, 4.75% for 2040-2049, 4.50% for 2050-2069, and 4.00% for 2070 and later years. Medicare is at 4.50% from 2024-2029 and 4.00% from 2030 and later years.
Mortality	Mortality rates were based on the CalPERS Experience Study (2000-2019).
Retirement and Termination	Retirement and termination assumptions used were based on a review of plan experience and a best estimate of future plan experience.

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

B. Total OPEB Liability (Continued)

Actuarial Assumptions (Continued)

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. The calculated investment rate of return was set equal to the expected ten-year compound (geometric) real return plus inflation (rounded to the nearest 25 basis points, where appropriate). The table below provides the long-term expected real rates of return by asset class (based on published capital market assumptions):

Asset Class	Assumed Asset Allocation	Long-Term Expected Geometric Return
PARS OPEB Trust:		
Large Cap U.S. Equity	26.50%	6.46%
Small/Mid Cap U.S. Equity	12.50%	7.07%
Non-U.S. Equity - Developed	6.00%	7.08%
Non-U.S. Equity - Emerging	3.25%	7.70%
U.S. Corp Bonds - Core	43.50%	4.93%
U.S. Corp Bonds - High Yield	1.50%	6.13%
U.S. Treasuries (Cash Equivalents)	5.00%	3.68%
Real Estate	1.75%	6.06%
Total	100.00%	

Discount Rate

The discount rate used to measure the total OPEB liability was 6.25%. The projection of cash flows used to determine the discount rate assumed that the District's contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

C. Changes in the Net OPEB Liability (Asset)

The changes in the net OPEB liability (Asset) are as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
Balance at June 30, 2024 (Measurement Date)	$ 4,019,037	$ 5,096,729	$ (1,077,692)
Changes in the Year:			
Service Cost	140,544	-	140,544
Interest on the Total OPEB Liability	253,115	-	253,115
Contribution - Employer	-	222,845	(222,845)
Net Investment Income	-	584,280	(584,280)
Benefit Payments	(222,845)	(222,845)	-
Administrative Expenses	-	(28,008)	28,008
Net Changes	170,814	556,272	(385,458)
Balance at June 30, 2025 (Measurement Date)	$ 4,189,851	$ 5,653,001	$ (1,463,150)

Subsequent Events

There were no subsequent events that would materially affect the results presented in this disclosure.

Sensitivity of the Net OPEB Liability (Asset) to the Changes in the Discount Rate

The following presents the net OPEB liability (asset) of the District, as well as what the District's net OPEB liability (asset) would be, if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current discount rate:

	1% Decrease (5.25%)	Discount Rate (6.25%)	1% Increase (7.25%)
Net OPEB Liability (Asset)	$ (983,864)	$ (1,463,150)	$ (1,869,375)

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

C. Changes in the Net OPEB Liability (Asset) (Continued)

Sensitivity of the Net OPEB Liability (Asset) to the Changes in Medical Trend Rates

The following presents the net OPEB liability (asset) of the District, as well as what the District's net OPEB liability (asset) would be, if it were calculated using a medical trend rate that is 1-percentage point lower or 1-percentage point higher than the current medical trend rate:

	1% Decrease (4.5% Decreasing to 3.00% for 2070)	Trend Rate (5.5% Decreasing to 4.00% for 2070)	1% Increase (6.5% Decreasing to 5.00% for 2070)
Net OPEB Liability (Asset)	$ (1,850,478)	$ (1,463,150)	$ (981,746)

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

For the year ended June 30, 2025, the District recognized OPEB expense of $50,623. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Actual and Expected Experience	$ 21,178	$ (332,440)
Changes in Assumptions	33,713	(195,241)
Net Differences Between Projected and Actual Earnings	-	(167,719)
Total	$ 54,891	$ (695,400)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year Ending June 30,	Amount
2026	$ 13,910
2027	(151,404)
2028	(173,288)
2029	(137,078)
2030	(83,758)
Thereafter	(108,891)

E. Payable to the OPEB Plan

At June 30, 2025, the District had no outstanding amount of contributions to the OPEB plan required for the year ended June 30, 2025.

NOTE 10 LEASES

The District, acting as lessor, leases a site for a cellular tower under a long-term noncancelable lease agreement. The initial lease term expired September 2020 and has the option to extend for five additional renewal terms of five years each resulting in an expected expiration of September 2045. During the year ended June 30, 2025, the District recognized \$12,312 and \$22,501 in lease revenue and interest revenue, respectively, pursuant to this contract.

The remainder of the rental income included in the Statement of Revenues, Expenditures, and Changes in Fund Balances for the year ended June 30, 2025 was \$159,247 and consists of leases that arise from renting the District's property on Haster Street in Garden Grove, California. These leases are on a month-to-month basis.

NOTE 11 COMMITMENTS AND CONTINGENCIES

State Assisted Programs

The District participates in certain state assisted programs. These programs are subject to program compliance audits by the grantors or their representatives. Any liability for reimbursement that may arise as the result of these audits is not believed to be material.

NOTE 12 RESTATEMENT OF BEGINNING NET POSITION

Change in Accounting Principle

Effective July 1, 2024, the District implemented GASB Statement No. 101, *Compensated Absences*. This statement updated the recognition and measurement guidance for compensated absences and associated salary-related payments and amended certain previously required disclosures. As a result of the implementation of this standard, the compensated absences liability as of July 1, 2024, was understated by \$427,613 for governmental activities. The effect of the implementation of this standard is in the table below.

	June 30, 2024, as Previously Reported	Implementation of GASB 101, Compensated Absences	June 30, 2025, as Restated
Governmental Activities	$ 42,193,813	$ (427,613)	$ 41,766,200

REQUIRED SUPPLEMENTARY INFORMATION

ORANGE COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT
BUDGETARY COMPARISON SCHEDULE BY DEPARTMENT
GENERAL FUND
JUNE 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
RESOURCES (INFLOWS)				
Taxes and Assessments	$ 17,804,000	$ 17,804,000	$ 18,910,607	$ 1,106,607
Intergovernmental	20,000	20,000	160,345	140,345
Charges for Services	55,000	55,000	42,061	(12,939)
Investment Income	241,500	241,500	2,002,710	1,761,210
Property-Related Income	175,000	175,000	194,060	19,060
Miscellaneous	27,000	27,000	731	(26,269)
Issuance of Debt Related to Subscriptions	-	-	97,864	97,864
Total Resources (Inflows)	18,322,500	18,322,500	21,408,378	3,085,878
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current:				
General Government:				
Trustees	57,000	57,000	33,327	23,673
District Manager	497,955	497,955	513,058	(15,103)
Legal Services	125,000	125,000	46,198	78,802
Nondepartmental	382,000	382,000	331,038	50,962
Administrative Services	995,355	995,355	1,026,698	(31,343)
Insurance	906,600	906,600	773,334	133,266
Facilities Improvements	38,000	38,000	59,551	(21,551)
Health and Sanitation:				
Technical Services	2,585,848	2,585,848	2,570,436	15,412
Field Operations	7,563,147	7,563,147	7,035,515	527,632
Vehicle Maintenance	616,698	616,698	482,141	134,557
Building Maintenance	285,615	285,615	279,355	6,260
Public Information	783,292	783,292	444,726	338,566
Information Technology	928,067	928,067	846,473	81,594
Public Service	203,290	203,290	310,475	(107,185)
Retiree Medical Insurance	220,800	220,800	174,620	46,180
Retiree Medical Trust Contribution	100,000	100,000	-	100,000
Retirement Trust Fees & Contributions	300,000	300,000	20,969	279,031
Capital Outlay	1,175,100	1,175,100	877,623	297,477
Debt Service:				
SBITA Principal	38,208	38,208	38,208	-
SBITA Interest	185	185	185	-
Total Charges to Appropriations (Outflows)	17,802,160	17,802,160	15,863,930	1,938,230
EXCESS OF RESOURCES OVER CHARGES TO APPROPRIATIONS	520,340	520,340	5,544,448	5,024,108
FUND BALANCE				
Beginning of Year	37,255,666	37,255,666	37,255,666	-
End of Year	$ 37,776,006	$ 37,776,006	$ 42,800,114	$ 5,024,108

See accompanying Notes to Required Supplementary Information

BUDGETARY INFORMATION

The District adopts an itemized budget statement of anticipated revenues, estimated operating expenditures and reserve requirements and files it with the County Auditor's office annually. The sources of financing operating costs and reserve requirements are: (1) available balance carried forward from the preceding year, (2) property taxes and assessments, (3) interest, and (4) other miscellaneous items. The legal level of control is by department.

ORANGE COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY – CALPERS
LAST TEN FISCAL YEARS

Fiscal Year Ended	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
Measurement Date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Plans' Proportion of the Net Pension Liability	0.08892%	0.08565%	0.07685%	0.02646%	0.06281%	0.05579%	0.04989%	0.04942%	0.04379%	0.03873%
Plans' Proportionate Share of the Net Pension Liability	$ 4,300,711	$ 4,282,761	$ 3,595,763	$ 502,480	$ 2,649,531	$ 2,233,924	$ 1,880,117	$ 1,948,055	$ 1,521,330	$ 1,062,408
Plans' Covered Payroll	$ 6,866,331	$ 6,691,201	$ 6,569,908	$ 6,759,803	$ 6,652,998	$ 6,375,440	$ 5,930,211	$ 5,003,137	$ 4,993,576	$ 4,479,991
Plans' Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	62.63%	64.01%	54.73%	7.43%	39.82%	35.04%	31.70%	38.94%	30.47%	23.71%
Plans' Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	0.09%	0.09%	0.09%	0.10%	0.08%	0.07%	0.06%	0.06%	0.05%	0.05%

NOTES TO SCHEDULE

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

From fiscal year June 30, 2016 to June 30, 2017:

There were no changes in assumptions.

From fiscal year June 30, 2017 to June 30, 2018:

The discount rate was reduced from 7.65% to 7.15%.

From fiscal year June 30, 2018 to June 30, 2019:

Inflation was reduced from 2.75% to 2.50%.

From fiscal year June 30, 2019 to June 30, 2022:

There were no significant changes in assumptions.

From fiscal year June 30, 2022 to June 30, 2023:

The discount rate and long-term rate of return decreased from 7.15% to 6.90% and the inflation rate decreased from 2.50% to 2.30%.

From fiscal year June 30, 2023 to June 30, 2025:

There were no changes in assumptions.

ORANGE COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT
SCHEDULE OF CONTRIBUTIONS – PENSION – CALPERS
LAST TEN FISCAL YEARS

Fiscal Year-End	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
Contractually Required Contribution (Actuarially Determined)	$ 995,560	$ 878,443	$ 842,923	$ 798,166	$ 781,931	$ 703,004	$ 613,415	$ 532,683	$ 451,950	$ 431,624
Contributions in Relation to the Actuarially Determined Contributions	(995,560)	(878,443)	(842,923)	(798,166)	(781,931)	(703,004)	(613,415)	(532,683)	(451,950)	(431,624)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 7,230,592	$ 6,866,331	$ 6,691,201	$ 6,569,908	$ 6,759,803	$ 6,652,998	$ 6,375,440	$ 5,930,211	$ 5,003,137	$ 4,993,576
Contributions as a Percentage of Covered Payroll	13.77%	12.79%	12.60%	12.15%	11.57%	10.57%	9.62%	8.98%	9.03%	8.64%
NOTES TO SCHEDULE										
Valuation Date	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013
Methods and Assumptions Used to Determine Contribution Rates:										
Actuarial Cost Method	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization Method	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Asset Valuation Method	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value
Inflation	2.300%	2.300%	2.300%	2.500%	2.500%	2.625%	2.625%	2.75%	2.75%	2.75%
Salary Increases	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Investment Rate of Return	6.90% (3)	6.90% (3)	6.90% (3)	7.00% (3)	7.00% (3)	7.25% (3)	7.25% (3)	7.375% (3)	7.50% (3)	7.50% (3)
Retirement Age	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)

(1) Level percentage of payroll, closed
(2) Depending on age, service, and type of employment
(3) Net of pension plan investment expense, including inflation
(4) 50 years (2%@55 and 2%@60), 52 years (2%@62)**
(5) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

ORANGE COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY – OCERS
LAST TEN FISCAL YEARS

Fiscal Year Ended	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
Measurement Date	December 31, 2023	December 31, 2023	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015
Plans' Proportion of the Net Pension Liability	-0.032%	0.015%	0.001%	-0.268%	-0.040%	-0.012%	0.040%	0.024%	0.032%	0.034%
Plans' Proportionate Share of the Net Pension Liability (Asset)	$ (1,280,860)	$ 752,245	$ 47,967	$ (5,501,623)	$ (1,681,965)	$ (625,500)	$ 2,492,695	$ 1,166,920	$ 1,669,793	$ 1,941,891
Plans' Covered Payroll	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Plans' Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plans' Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	104.63%	97.39%	99.82%	120.52%	106.03%	102.29%	90.92%	95.89%	93.78%	92.66%

ORANGE COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT
SCHEDULE OF CONTRIBUTIONS – OCERS
LAST TEN FISCAL YEARS

Fiscal Year-End	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
Contractually Required Contribution (Actuarially Determined)	$ -	$ -	$ -	$ -	$ -	$ -	$ 877,769	$ -	$ -	$ 314,474
Contributions in Relation to the Actuarially Determined Contributions	-	-	-	-	-	-	(877,769)	(4,298)	-	(314,474)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (4,298)	$ -	$ -
Covered Payroll	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Contributions as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
NOTES TO SCHEDULE										
Valuation Date	12/31/2023	(5)	(5)	12/31/2020	(5)	(5)	12/31/2017	(5)	(5)	12/31/2014
Methods and Assumptions Used to Determine Contribution Rates:										
Actuarial Cost Method	Entry age	(5)	(5)	Entry age	(5)	(5)	Entry age	(5)	(5)	Entry age
Amortization Method	(1)	(5)	(5)	(1)	(5)	(5)	(1)	(5)	(5)	(1)
Asset Valuation Method	(2)	(5)	(5)	(2)	(5)	(5)	(2)	(5)	(5)	(2)
Inflation	2.750%	(5)	(5)	2.750%	(5)	(5)	2.750%	(5)	(5)	2.750%
Salary Increases	N/A	(5)	(5)	N/A	(5)	(5)	N/A	(5)	(5)	N/A
Investment Rate of Return	7.00% (3)	(5)	(5)	7.00% (3)	(5)	(5)	7.00% (3)	(5)	(5)	7.25% (3)
Retirement Age	60	(5)	(5)	59	(5)	(5)	59	(5)	(5)	59
Mortality	(4)	(5)	(5)	(4)	(5)	(5)	(4)	(5)	(5)	(4)

(1) Level percentage of payroll, closed

(2) The Actuarial Value of Assets is determined by recognizing any difference between the actual and the expected market return over a five-year period. The Valuation Value of Assets is the Actuarial Value of Assets reduced by the value of the non-valuation reserves.

(3) Net of pension plan investment expense, including inflation

(4) Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates increased by 5%, projected 30 years (from 2010) with the two-dimensional mortality improvement scale MP year of valuation, weighted 40% male and 60% female.

(5) Valuations are only required every three years for this withdrawn plan.

ORANGE COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS*

Fiscal Year-End	6/30/2025	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018
Measurement Date	6/30/2025	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018
Total OPEB Liability:								
Service Cost	$ 140,544	$ 136,450	$ 178,082	$ 172,896	$ 137,998	$ 133,979	$ 149,564	$ 145,208
Interest on Total OPEB Liability	253,115	243,562	286,796	273,215	249,025	237,289	204,873	193,579
Change of Benefit Terms	-	-	-	-	-	26,765	-	-
Change of Assumptions	-	(257,221)	-	104,693	-	311	-	-
Differences Between Actual and Expected Experience	-	(437,976)	-	65,762	-	162,711	-	-
Benefit Payments, Including Refunds and the Implied Subsidy	(222,845)	(239,403)	(246,960)	(237,883)	(203,116)	(186,651)	(172,520)	(157,788)
Net Change in Total OPEB Liability	170,814	(554,588)	217,918	378,683	183,907	374,404	181,917	180,999
Total OPEB Liability - Beginning of Year	4,019,037	4,573,625	4,355,707	3,977,024	3,793,117	3,418,713	3,236,796	3,055,797
Total OPEB Liability - End of Year (a)	4,189,851	4,019,037	4,573,625	4,355,707	3,977,024	3,793,117	3,418,713	3,236,796
Plan Fiduciary Net Position:								
Contributions - Employer	222,845	339,403	646,960	237,883	403,116	186,651	332,520	157,788
Net Investment Income	584,280	467,489	273,625	(499,598)	707,874	154,442	187,022	172,915
Administrative Expenses	(28,008)	(25,979)	(22,210)	(24,704)	(22,488)	(21,011)	(18,258)	(17,814)
Benefit Payments, Including Refunds and the Implied Subsidy Benefit Payments	(222,845)	(239,403)	(246,960)	(237,883)	(203,116)	(186,651)	(172,520)	(157,788)
Net Change in Plan Fiduciary Net Position	556,272	541,510	651,415	(524,302)	885,386	133,431	328,764	155,101
Plan Fiduciary Net Position - Beginning of Year	5,096,729	4,555,219	3,903,804	4,428,106	3,542,720	3,409,289	3,080,525	2,925,424
Plan Fiduciary Net Position - End of Year (b)	5,653,001	5,096,729	4,555,219	3,903,804	4,428,106	3,542,720	3,409,289	3,080,525
Net OPEB Liability (Asset) - Ending (a)-(b)	$ (1,463,150)	$ (1,077,692)	$ 18,406	$ 451,903	$ (451,082)	$ 250,397	$ 9,424	$ 156,271
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	134.92%	126.81%	99.60%	89.63%	111.34%	93.40%	99.72%	95.17%
Covered - Employee Payroll	$ 7,230,592	$ 6,869,624	$ 6,684,914	$ 6,569,908	$ 6,759,803	$ 6,652,998	$ 6,375,443	$ 6,216,041
Net OPEB Liability (Asset) as Percentage of Covered - Employee Payroll	-20.24%	-15.69%	0.28%	6.88%	-6.67%	3.76%	0.15%	2.51%

NOTES TO SCHEDULE

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

The fiscal year ended June 30, 2018 is the first year of implementation and the same actuarial report was utilized for fiscal year ended June 30, 2019; therefore, there are no previous GASB 75 actuarial reports for comparison.

The fiscal year ended June 30, 2020 contained a medical trend rate of 5.9% for 2020 decreasing by 0.1% per year to an ultimate rate of 5.0% for 2029 and later years while the fiscal years ended June 30, 2019 and 2018 included a medical trend rate of 5.0% for 2018 and later years.

The fiscal year ended June 30, 2022 contained a medical trend rate of 5.75% for 2022, 5.50% for 2023, 5.20% for 2024-2069, and 4.50% for 2070 and later years. Medicare is at 4.5% for all years. Also, the mortality rates were updated to the CalPERS Experience Study (2000-2019). The previous mortality rates were based on the RP-2014 tables.

The fiscal year ended June 30, 2023 contained a medical trend rate of 5.50% for 2024, 5.25% for 2025-2029, 5.00% for 2030-2039, 4.75% for 2040-2049, 4.50% for 2050-2069, and 4.00% for 2070 and later years. Medicare is at 4.50% from 2024-2029 and 4.00% from 2030 and later years.

The fiscal year ended June 30, 2025 contained a medical trend rate of 5.25% for 2025-2029, 5.00% for 2030-2039, 4.75% for 2040-2049, 4.50% for 2050-2069, and 4.00% for 2070 and later years. Medicare is at 4.50% from 2025-2029 and 4.00% from 2030 and later years.

* Fiscal year 2018 was the first year of implementation; therefore, only eight years are shown.

ORANGE COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT
SCHEDULE OF CONTRIBUTIONS – OPEB
LAST TEN FISCAL YEARS*

Fiscal Year-End	6/30/2025	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018
Contractually Required Contribution (Actuarially Determined)	$ 136,731	$ 138,011	$ 229,335	$ 222,187	$ 195,944	$ 186,651	$ 158,204	$ 152,416
Contributions in Relation to the Actuarially Determined Contributions	(222,845)	(339,403)	(646,960)	(237,883)	(403,116)	(186,651)	(332,520)	(157,788)
Contribution Deficiency (Excess)	$ (86,114)	$ (201,392)	$ (417,625)	$ (15,696)	$ (207,172)	$ -	$ (174,316)	$ (5,372)
Covered - Employee Payroll	$ 7,230,592	$ 6,869,624	$ 6,684,914	$ 6,569,908	$ 6,759,803	$ 6,652,998	$ 6,375,443	$ 6,216,041
Contributions as a Percentage of Covered - Employee Payroll	3.08%	4.94%	9.68%	3.62%	5.96%	2.81%	5.22%	2.54%

NOTES TO SCHEDULE

Valuation Date	7/1/2023	7/1/2023	7/1/2021	7/1/2021	7/1/2019	7/1/2019	7/1/2017	7/1/2017

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry age normal, level percentage of payroll
Amortization Method	Level percent of pay
Amortization Period	15-years
Asset Valuation Method	Market value
Discount Rate	6.25%
Salary Increases	3.00%
General Inflation	2.50%
Medical Trend	Fiscal year ends 2018 through 2021: 5.9% for 2020 decreasing by 0.1% per year to an ultimate rate of 5.0% for 2029 and later years Fiscal year end 2022: 5.75% for 2022, 5.50% for 2023, 5.20% for 2024-2069, and 4.50% for 2070 and later years. Medicare is at 4.50% for all years. Fiscal year end 2023: 5.50% for 2024, 5.25% for 2025-2029, 5.00% for 2030-2039, 4.75% for 2040-2049, 4.50% for 2050-2069, and 4.00% for 2070 and later years. Medicare is at 4.50% from 2024-2029 and 4.00% from 2030 and later years. Fiscal year end 2024 through 2025: 5.25% for 2025-2029, 5.00% for 2030-2039, 4.75% for 2040-2049, 4.50% for 2050-2069, and 4.00% for 2070 and later years. Medicare is at 4.50% from 2024-2029 and 4.00% from 2030 and later years.
Mortality	Fiscal year ends 2018 through 2021: Pre-retirement mortality rates were based on the RP-2014 Employee Mortality Table for Males or Females, as appropriate, without projection. Post-retirement mortality rates were based on the RP-2014 Health Annuitant Mortality Table for Males or Females, as appropriate, without projection. Fiscal year end 2022 through 2025: Mortality rates were based on the CalPERS Experience Study (2000-2019).
Retirement and Termination	Retirement and termination assumptions used were based on a review of plan experience and a best estimate of future plan experience.

* Fiscal year 2018 was the first year of implementation; therefore, only eight years are shown.

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

Board of Trustees
Orange County Mosquito and Vector Control District
Garden Grove, 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 major fund of the Orange County Mosquito and Vector Control District (the District) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated February 17, 2026.

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.

Board of Trustees
Orange County Mosquito and Vector Control District

Report on Compliance and Other Matters

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

Purpose of this Report

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Irvine, California
February 17, 2026