COACHELLA VALLEY MOSQUITO & VECTOR CONTROL DISTRICT

Annual Comprehensive Financial Report

FOR THE FISCAL YEAR ENDED JUNE 30

2021 and 2022

43420 Trader Place, Indio, CA 92201
cvmosquito@cvmosquito.org | (760) 342-8287

Mission Statement

We are dedicated to enhancing the quality of life for our community by providing effective and environmentally sound vector control and disease prevention programs through research, development, and public awareness.

Coachella Valley Mosquito and Vector Control District
Jeremy Wittie, MS, General Manager
43-420 Trader Place
Indio, CA 92201 • (760) 342-8287
www.cvmvcd.org

Coachella Valley Mosquito and Vector Control District

Annual Comprehensive Financial Report

For the Fiscal Years Ended June 30, 2022 and 2021

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Introductory Section

Coachella Valley Mosquito & Vector Control District
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To the Members of the Board of Trustees and Residents of the Coachella Valley:

State law requires special districts to annually publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial statements of the Coachella Valley Mosquito and Vector Control District ("the District") for the fiscal year ended June 30, 2022.

This report consists of management's representations concerning the finances of the District. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the District has established a comprehensive internal control framework that is designed both to protect the District's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the District's financial statements in conformity with GAAP. As the cost of internal controls should not outweigh their benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable, rather than, absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The District's financial statements have been audited by Fedak & Brown LLP, Certified Public Accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the District, for the fiscal year ended June 30, 2022, are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements, for the fiscal year ended June 30, 2022, were fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of the Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

The Coachella Valley Mosquito and Vector Control District was formed March 12, 1928 under Section 2000 et. seq. of the California Health and Safety Code. It is a special district established by the Riverside County Board of Supervisors primarily for controlling eye gnats. In 1951, the District added a program for mosquito control and in 1995 expanded to a full vector control agency.

The District is one of the largest mosquito and vector control districts in California. It serves the Coachella Valley, population approximately 430,000, and has a District boundary encompassing 2,400 sq. miles. The operating budget is $13.5 million, funding comes from property taxes and a Benefit Assessment. The District employs 67 full-time staff, increased with seasonal staff beginning early summer. The District has been at is present purpose-built location in Indio, California since 2001.

The District is governed by a Board of Trustees comprised of 11 members. Each of the nine cities of the Coachella Valley appoints a member and the County of Riverside appoints two members. The General Manager, Legal Counsel and District Auditor report to the Board. The Board meets monthly, every second Tuesday, at 6:00pm.

Factors Affecting Financial Condition

The Coachella Valley is a national destination for tourists and conventions, the population is supplemented each year with seasonal residents returning to their second homes. The area is also an important national retirement center, and, accordingly, a large part of the local economy caters to an aging population such as the health care industry, retail, restaurants, and golf courses. The Coachella Valley's economy is based on providing services to tourists, conventions, seasonal second homeowners, and retirees. A significant proportion of the job base is in retail, consumer services, hotels, amusement, and construction. Agriculture is also a significant player in the labor market.

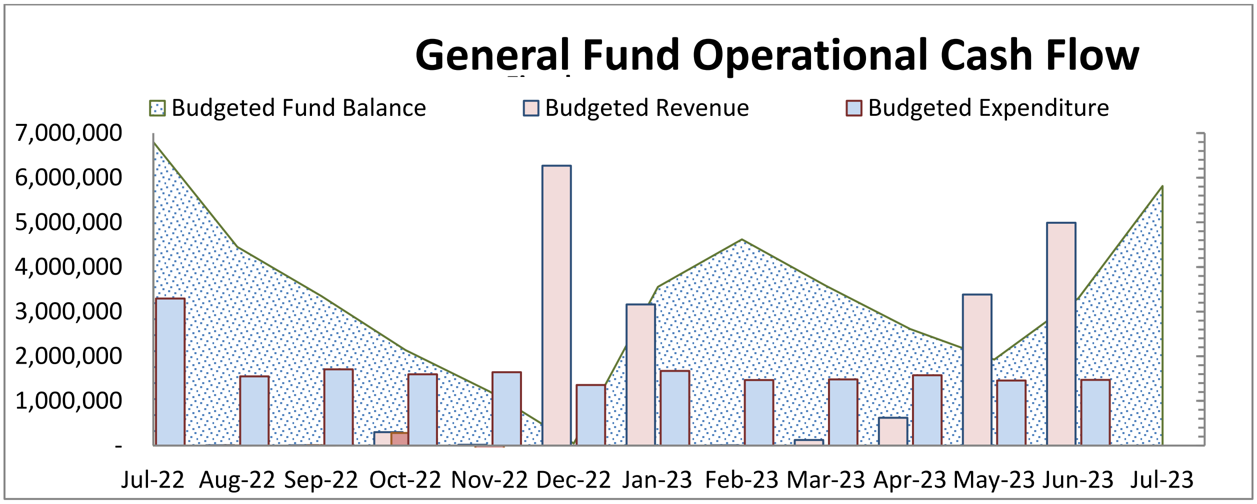
The Coachella Valley's employment is made up of 17% accommodation and food services, 14% in retail, and 12% in healthcare. COVID-19 played a big impact on the local economy, Canadian tourist numbers declined dramatically, hotel and restaurant businesses had to furlough or lay off many employees, unemployment rate in Riverside County rose to 14.7 % July 2020, in 2022 the unemployment rate recovered and as of June 2022 was 4.0%.

The District's revenue is closely associated with the local real estate market which continues to show positive growth from higher house prices and growing construction. Forecasts show the real estate revenues are continuing to grow in the short term. The District receives its revenue from property taxes, redevelopment agency tax increment, and a Benefit Assessment. In FY 2020-2021 property tax receipts increased 4.8 % over the previous year and 5 % in FY2021-2022. In FY2022-2023 property tax receipts are forecast to rise by 5.0 %.

For FY 2021-2022 the property tax increment was 27.2% higher than the prior year, because of changes to State residual amount calculations following the Chula Vista v Sandoval decision. Moving forward, the District will receive a higher Tax Increment because of this decision. The Benefit Assessment rate was $14.29 per single family equivalent (SFE), giving a total receipt of $2.3 million in FY 2021-2022, an increase of 4% over prior year.

Short-term financial planning

The District receives the majority of its funding from the property taxes and benefit assessment, collected by the County of Riverside. These funds do not reach the District until January, with a 10% advance on property taxes in December. There is a six-month delay in receiving revenue from the beginning of the fiscal year. The District Fund Balance Policy recommends maintaining a minimum working capital Reserve for Operations equal to $6,800,000. Historically November is when expenses exceed revenue by the most, based on budget estimates for FY2022-23 expenses will exceed revenue by almost $6.7 million at the end of November 2022.



Long-term financial planning

In Fiscal Year 2018-19 the District implemented a capital plan reserve study to fund future repair and replacement of facility components. The capital plan includes an inventory of District facilities, identifying component wear, and age. The study looks forward 30 years, projecting expenses, and recommending a funding plan. In FY 2019-20 environmental remediation work was completed at the old District headquarters in Thermal, CA which involved paving the whole area with asphalt. The remediation work is scheduled every ten years, designated funds have been set aside on an annual basis, to pay for this remediation liability. In FY 2029-30 the repaving work will take place.

CalPERS Pension and Other Post-Employment Benefit (OPEB) Liabilities: In FY 2021-22, to control the continual escalating pension costs to the District's CalPERS plan, a one-off lump sum payment of $1,000,000 on top of the annual payment towards the District's CalPERS unfunded liability is planned. In addition, the District amortization period for the 2020 losses will be shortened from 20 years to 5 years saving an estimated interest payment of $569,896.

The District provides healthcare through CalPERS PEHMCA offering retiree medical coverage pursuant to government code 22893. According to the latest actuarial valuation, the value of the accumulated liability for the fiscal year ending June 30, 2022, is $4,808,726 (total OPEB liability). The District sets aside funds to cover retiree health liabilities in the California Employers Retiree Benefit Trust (CERBT) Fund, a qualifying trust, the Fiduciary Net Position of the District funds held in CERBT are $4,721,479 leaving a Net OPEB Liability of $87,247.

Emergency Service Reserve

Emergency Reserve for Public Health Emergency: Viruses that our Valley mosquitoes do and can possibly transmit requires that the District have set aside a reserve of funds to quickly respond to an outbreak of mosquito-borne disease. Science-based strategies to stop an outbreak, typically require wide-area control measures. These types of wide-scale operations, primarily conducted by air, can quickly deplete millions of dollars in reserves in a matter of weeks to control adult mosquitoes and interrupt disease transmission to humans. Estimated cost of the response plan is $5,162,230. Beginning balance July 1, 2022 is estimated to be $5,052,570 or 98% funded.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2021. This was the fourteenth consecutive year that the District has achieved this prestigious national award. The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting. In order to be awarded a Certificate of Achievement, the District has to publish an easily readable and efficiently organized ACFR, and satisfy both GAAP and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated service of the District staff. We would like to express our appreciation to all employees of the District who assisted and contributed in the preparation of this report. Credit must also be given to the Board of Trustees, particularly the Finance Committee, for their unfailing support in maintaining the highest standards of professionalism in the management of the District's finances.

Respectfully submitted,

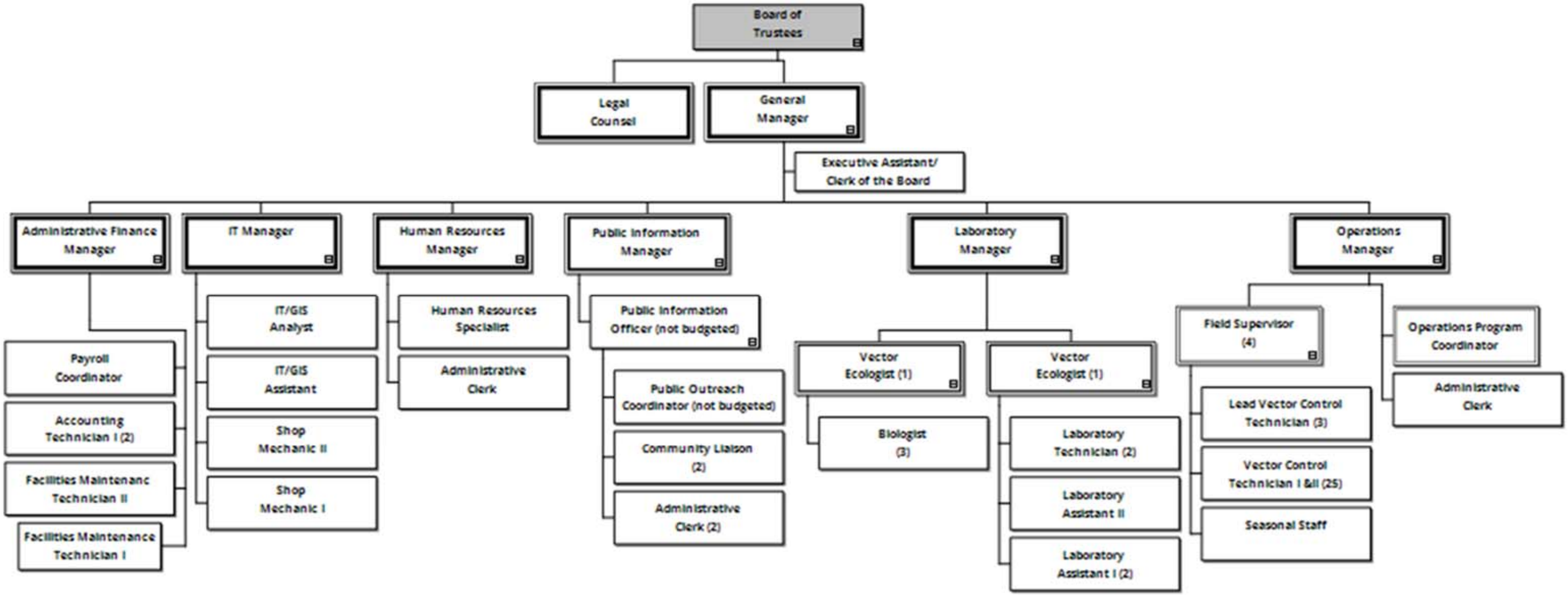
Jeremy Wittie, MS
General Manager

David I'Anson
Administrative Finance Manager

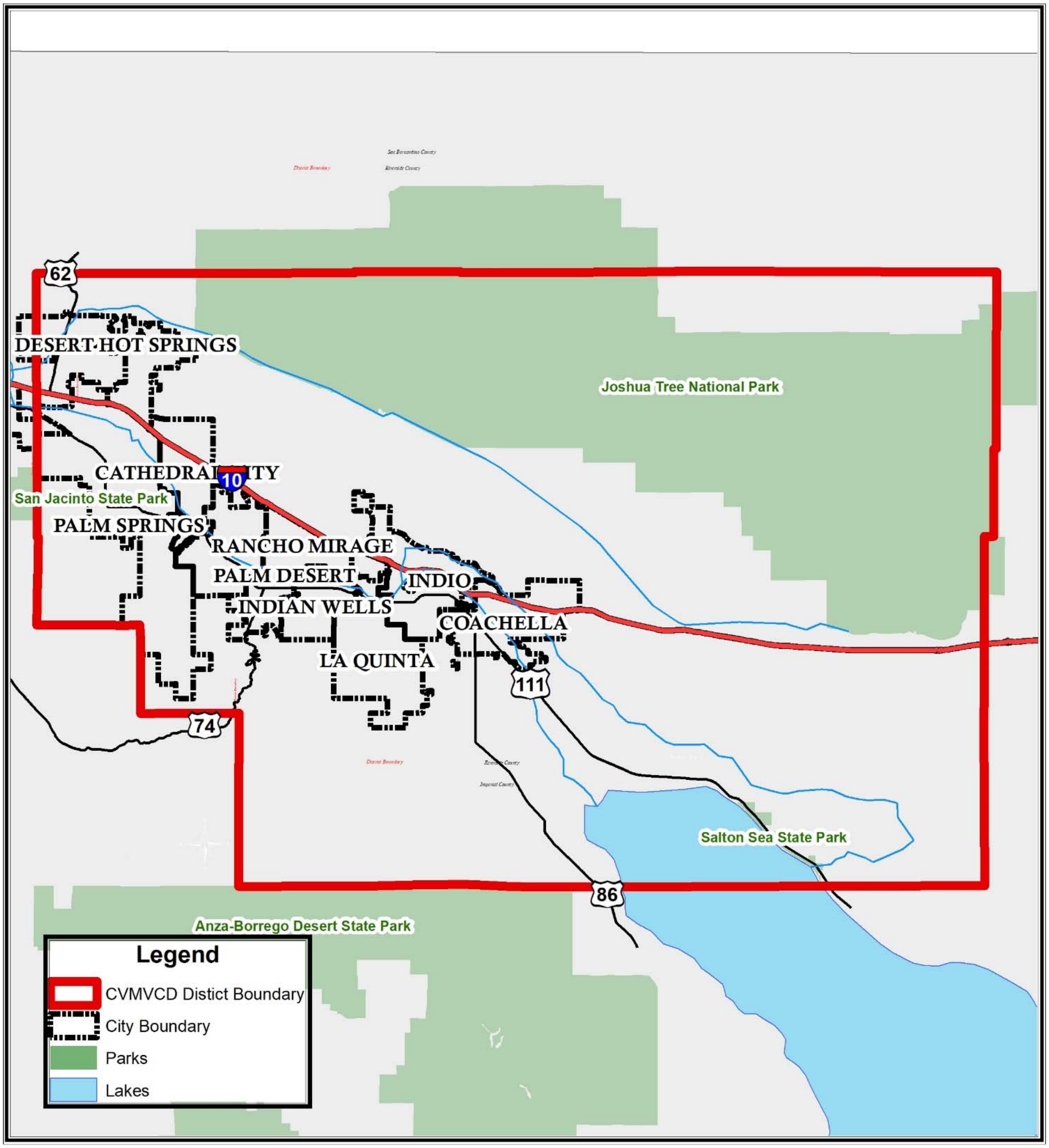
Coachella Valley Mosquito and Vector Control District

Organizational Chart

For the Fiscal Year Ended June 30, 2022



Coachella Valley Mosquito and Vector Control District Boundary



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Coachella Valley
Mosquito and Vector Control District
California

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morrill

Executive Director/CEO

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Financial Section

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Certified Public Accountants

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Independent Auditor's Report

Board of Trustees
Coachella Valley Mosquito and Vector Control District
Indio, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Coachella Valley Mosquito Vector Control District (District) as of and for the years ended June 30, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Coachella Valley Mosquito Vector Control District as of June 30, 2022 and 2021, and the respective changes in financial position for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits 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, and the State Controller's Minimum Audit Requirements for California Special Districts. Our responsibilities under those standards are further described in the Auditor's 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 audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's 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 auditor's 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 generally accepted 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 generally accepted 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.

Emphasis of Matter

As discussed in Note 11 to the financial statements, the District has adopted the provisions of GASB Statement No. 87 – Leases. As a result, the District has restated its net position to reflect the effects of the change in accounting policy. Our opinion is not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 10 through 17, and the required supplementary information on pages 66 through 72, 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section on pages 1 through 7, and statistical section on pages 73 through 87, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated , on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is 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 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. This report can be found on pages 88 and 89.

Fedak & Brown LLP

Fedak & Brown LLP
Cypress, California
December 16, 2022

The following Management's Discussion and Analysis (MD&A) of activities and financial performance of the Coachella Valley Mosquito and Vector Control District (District), provides an introduction to the financial statements of the District for the fiscal years ended June 30, 2022 and 2021. We encourage readers to consider the information presented here with additional information that we have furnished in the accompanying basic financial statements and related notes, which follow this section.

Financial Highlights

- In fiscal year 2022, the District's net position increased by 17.67% or $4,005,095 to $26,670,995, as a result of operations. In the fiscal year 2021, the District's net position increased by 7.05% or $1,491,828 to $22,665,900, as a result of operations.
- In fiscal year 2022, the District's total revenues from all sources increased 39.14% or $4,918,979 to $17,486,074. Program revenues increased 2.54% or $57,938 to $2,340,732. General revenues increased 47.27% or $4,861,041 to $15,145,342. In fiscal year 2021, the District's total revenues from all sources increased 11.27% or $1,272,825 to $12,567,095. Program revenues increased 5.57% or $120,415 to $2,282,794. General revenues increased 12.62% or $1,152,410 to $10,284,301.
- In fiscal year 2022, the District's total expenses increased by 21.72% or $2,405,712 to $13,480,979. In fiscal year 2021, the District's total expenses decreased by 5.72% or $672,355 to $11,075,267.

Using This Financial Report

This annual report consists of a series of financial statements. The Statement of Net Position and Statement of Activities provide information about the activities and performance of the District using accounting methods similar to those used by private sector companies.

The Statement of Net Position includes all of the District's investments in resources (assets), deferred outflows of resources, the obligations to creditors (liabilities), and deferred inflows of resources. It also provides the basis for computing a rate of return, evaluating the capital structure of the District, and assessing the liquidity and financial flexibility of the District. All of the current year's revenues and expenses are accounted for in the Statement of Activities. This statement measures the success of the District's operations over the past year and can be used to determine the District's net operating reserves and credit worthiness.

District Activities

The District is an independent special district, organized to specifically control mosquitoes, but has expanded service to involve other vector control activities. The District serves an area of approximately 2,400 square miles and 430,000 residents. The District utilizes an integrated vector management approach consisting of surveillance, sanitation, education, and the judicious use of insecticides and rodenticides. The District also has a public education responsibility that serves the District's residences and provides technical support to other public service agencies.

Government-wide Financial Statements

Statement of Net Position and Statement of Activities

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

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

Governmental Fund Financial Statements

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

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

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

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 31 through 65.

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information the District's budgetary information.

Government-wide Financial Analysis

Statements of Net Position

A summary of the statements of net position is as follows:

Condensed Statements of Net Position

		2022	As restated 2021	Change	As restated 2020	Change
Assets:						
Current assets	$	14,868,184	14,767,383	100,801	14,375,155	392,228
Non-current assets		12,545,713	12,119,168	426,545	10,752,295	1,366,873
Total assets		27,413,897	26,886,551	527,346	25,127,450	1,759,101
Deferred outflows of resources		4,050,388	1,481,411	2,568,977	1,997,255	(515,844)
Liabilities:						
Current liabilities		1,093,570	924,296	169,274	740,245	184,051
Non-current liabilities		2,719,579	4,645,617	(1,926,038)	4,973,433	(327,816)
Total liabilities		3,813,149	5,569,913	(1,756,764)	5,713,678	(143,765)
Deferred inflows of resources		980,141	132,149	847,992	236,955	(104,806)
Net position:						
Net investment in capital assets		9,284,453	9,632,582	426,545	10,177,661	(545,079)
Unrestricted		17,386,542	13,033,318	3,578,550	10,996,411	2,036,907
Total net position	$	26,670,995	22,665,900	4,005,095	21,174,072	1,491,828

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources of the District exceeded liabilities and deferred inflows of resources by $26,670,995 and $22,665,900 as of June 30, 2022 and 2021, respectively.

A large portion of the District's net position (35% and 42% as of June 30, 2022 and 2021, respectively) reflects its investment in capital assets (net of accumulated depreciation), less any outstanding debt used to acquire those assets. The District uses these capital assets to provide services; consequently, these assets are *not* available for future spending.

At the end of fiscal years 2022 and 2021, the District's unrestricted net position the may be utilized in future years totaled $17,386,542 and $13,033,318, respectively. See note 10 for further information.

Government-wide Financial Analysis, continued

Statements of Activities

A summary of the statements of net position is as follows:

Condensed Statements of Activities

Governmental Activities:	2022	As restated 2021	Change	As restated 2020	Change
Expenses:					
Mosquito and vector control operations	$ 13,480,979	11,075,267	2,405,712	11,747,622	(672,355)
Program revenues	2,340,732	2,282,794	57,938	2,162,379	120,415
General revenues	15,145,342	10,284,301	4,861,041	9,131,891	1,152,410
Total revenues	17,486,074	12,567,095	4,918,979	11,294,270	1,272,825
Change in net position	4,005,095	1,491,828	2,513,267	(453,352)	1,945,180
Net position, beginning of year as restated (note 11)	22,665,900	21,174,072	1,491,828	21,627,424	(453,352)
Net position, end of year	$ 26,670,995	22,665,900	4,005,095	21,174,072	1,491,828

The statements of activities show how the District's net position changed during the fiscal years. In fiscal year 2022, the District's net position increased by 17.67% or $4,005,095 to $26,670,995, as a result of operations. In the fiscal year 2021, the District's net position increased by 7.05% or $1,491,828 to $22,665,900, as a result of operations.

Total Revenues

	2022	2021	Change	2020	Change
Program revenues:					
Charges for services – special benefit assessment	$ 2,340,732	2,282,794	57,938	2,162,379	120,415
Total program revenues	2,340,732	2,282,794	57,938	2,162,379	120,415
General revenues:					
Property taxes	4,604,430	4,381,452	222,978	4,179,391	202,061
Redevelopment agency – property tax increment	6,339,112	5,796,224	542,888	4,558,416	1,237,808
Interest earnings	-	-	-	253,879	(253,879)
Rental revenue	15,437	42,864	(27,427)	17,808	25,056
Other revenue	4,186,363	63,761	4,122,602	122,397	(58,636)
Total general revenues	15,145,342	10,284,301	4,861,041	9,131,891	1,152,410
Total revenues	$ 17,486,074	12,567,095	4,918,979	11,294,270	1,272,825

In fiscal year 2022, the District's total revenues from all sources increased 39.14% or $4,918,979 to $17,486,074. Program revenues increased 2.54% or $57,938 to $2,340,732, primarily due to an increase in special assessments. General revenues increased 47.27% or $4,861,041 to $15,145,342, primarily due to increases of $4,122,602 in other revenue as a result of the CalPERS actuarial valuation pension credit adjustment, $542,888 in property tax allocations and $222,978 in property taxes.

Government-wide Financial Analysis, continued

Total Revenues, continued

In fiscal year 2021, the District's total revenues from all sources increased 11.27% or $1,272,825 to $12,567,095. Program revenues increased 5.57% or $120,415 to $2,282,794, primarily due to an increase in special assessments. General revenues increased 12.62% or $1,152,410 to $10,284,301, primarily due to increases of $1,237,808 in property tax allocations and $202,061 in property taxes; which were offset by a decrease of $253,879 in interest earnings.

Total Expenses

		2022	2021	Change	2020	Change
Expenses:						
Mosquito and vector control operations						
Salaries and wages	$	5,768,731	5,233,177	535,554	4,948,784	284,393
Employee benefits		3,741,085	2,879,847	861,238	2,801,217	78,630
Field operations		1,504,824	1,042,382	462,442	1,544,369	(501,987)
Materials, services and supplies		992,222	795,980	196,242	1,329,875	(533,895)
Insurance		300,134	310,914	(10,780)	255,321	55,593
Contract agreements		185,734	87,173	98,561	130,454	(43,281)
Contingency		-	-	-	45,448	(45,448)
Investment loss		272,536	4,854	267,682	-	4,854
Depreciation		715,713	720,940	(5,227)	692,154	28,786
Total expenses	$	13,480,979	11,075,267	2,405,712	11,747,622	(672,355)

In fiscal year 2022, total expenses increased by 21.72% or $2,405,712 to $13,480,979, primarily due to increases of $535,554 in salaries and wages, $861,238 in employee benefits, $462,442 in field operations, $263,912 in contingency expenses, and $196,242 in materials, services, and supplies.

In fiscal year 2021, total expenses decreased by 5.72% or $672,355 to $11,075,267, primarily due to decreases of $533,895 in materials, services, and supplies and $501,987 in field operations expenses; which were offset by increases of $284,393 in salaries and wages and $78,630 in employee benefits.

Governmental Funds Financial Analysis

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

As of June 30, 2022 and 2021, the District's General Fund reported a fund balance of $16,640,301 and $16,619,147, respectively. An amount of $14,312,769 and $13,507,582 as of June 30, 2022 and 2021, respectively, constitutes the District's *assigned fund balance*, which is available for specific future District operations. See note 10 for further information.

General Fund Budgetary Highlights

The final actual expenditures for the General Fund as of June 30, 2022, were more than budgeted by $117,453. In fiscal year 2022, the District experienced a higher investment loss, which were more than the budget; actual materials, services and supplies expenditures were more than the budget compared to the prior fiscal year.

The final actual expenditures for the General Fund as of June 30, 2021, were less than budgeted by $1,097,515. In fiscal year 2021, actual payroll expenditures (including salaries and employee benefits) were under budget as the actual cost of employee benefits expenditures exceeded budgeted benefits costs during the fiscal year; actual field operations expenditures were under budget due to decreased spray operations compared to the prior fiscal year; actual insurance expenditures were under budget as the actual cost of insurance were less than budgeted costs during the fiscal year; and capital outlay was lower than budgeted.

Final actual revenues as of June 30, 2022, exceeded budgeted amounts by $1,188,388. In fiscal year 2022, property tax and redevelopment agency tax increment are above budget. However, interest earnings are lower than budget due to lower interest rates.

Final actual revenues as of June 30, 2021, exceeded budgeted amounts by $1,075,780. In fiscal year 2021, property tax and redevelopment agency tax increment are above budget. However, interest earnings are lower than budget due to lower interest rates. (See the Budgetary Comparison Schedules for the General Fund under Required Supplementary Information section on pages 66 and 67).

Capital Asset Administration

The change in capital assets for 2022 was as follows:

	As restated Balance 2021	Additions	Deletions/ Transfers	Balance 2022
Capital assets:				
Non-depreciable assets	$ 422,798	95,183	(100,108)	417,873
Depreciable assets	19,864,239	365,944	-	20,230,183
Accumulated depreciation	(10,645,699)	(715,713)	-	(11,361,412)
Total capital assets, net	$ 9,641,338	(254,586)	(100,108)	9,286,644

The change in capital assets for 2021 was as follows:

	As restated Balance 2020	Additions	Deletions/ Transfers	As restated Balance 2021
Capital assets:				
Non-depreciable assets	$ 417,873	4,925	-	422,798
Depreciable assets	19,774,135	164,383	(74,279)	19,864,239
Accumulated depreciation	(9,999,038)	(720,940)	74,279	(10,645,699)
Total capital assets, net	$ 10,192,970	(551,632)	-	9,641,338

At the end of fiscal year 2022 and 2021, the District's investment in capital assets (net of accumulated depreciation) amounted to $9,286,644 and $9,641,338, respectively. This investment in capital assets includes buildings and improvements, vehicles, equipment, machinery, and furniture and fixtures. See note 4 for further information

Conditions Affecting Current Financial Position

The COVID-19 pandemic in the United States has caused business disruption through labor shortages and closings of businesses. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the disruption. However, the related financial impact on the District and the duration cannot be estimated at this time.

Management is unaware of any other conditions, which could have a significant impact on the District's current financial position, net position, or operating results in terms of past, present, and future.

Requests for Information

The financial report is designed to provide the District's present users with a general overview of the District's basic finances and to demonstrate the District's accountability with an overview of the District's financial operations and financial condition. Should the reader have questions regarding the information included in this report, or wish to request additional information, please contact the District's Administrative Finance Manager, David I'Anson, at the Coachella Valley Mosquito and Vector Control District, 43-420 Trader Place, Indio, California 92201 or (760) 342-8287.

Basic Financial Statements

Coachella Valley Mosquito and Vector Control District
Statements of Net Position
June 30, 2022 and 2021

		2022	As restated 2021
ASSETS			
Current assets:			
Cash and cash equivalents (note 2)	$	13,081,932	12,970,250
Accrued interest receivable		18,130	7,866
Property taxes and assessments receivable		293,896	283,156
Lease receivable (note 3)		11,228	14,947
Accounts receivable – other		-	35,843
Materials and supplies inventory		546,951	633,982
Prepayments and deposits		916,047	821,339
Total current assets		14,868,184	14,767,383
Non-current assets:			
Investments (note 2)		2,508,586	2,466,602
Lease receivable (note 3)		-	11,228
Net pension asset (note 8)		750,483	-
Capital assets – not being depreciated (note 4)		417,873	422,798
Capital assets – being depreciated, net (note 4)		8,868,771	9,218,540
Total non-current assets		12,545,713	12,119,168
Total assets		27,413,897	26,886,551
DEFERRED OUTFLOWS OF RESOURCES			
Deferred OPEB outflows (note 7)		1,207,437	412,483
Deferred pension outflows (note 8)		2,842,951	1,068,928
Total deferred outflows of resources	$	4,050,388	1,481,411

Continued on next page

See accompanying notes to the basic financial statements

Coachella Valley Mosquito and Vector Control District
Statements of Net Position, continued
June 30, 2022 and 2021

		2022	As restated 2021
LIABILITIES			
Current liabilities:			
Accounts payable and accrued expenses	$	510,839	373,339
Accrued payroll and benefits		214,402	226,552
Long term liabilities – due within one year:			
Compensated absences (note 5)		354,888	317,840
Unearned revenue		11,250	-
Lease payable (note 6)		2,191	6,565
Total current liabilities		1,093,570	924,296
Non-current liabilities:			
Long term liabilities - due in more than one year:			
Compensated absences (note 5)		532,332	476,761
Lease payable (note 6)		-	2,191
Net OPEB liability (note 7)		87,247	453,746
Net pension liability (note 8)		-	1,612,919
Pollution remediation obligation (note 9)		2,100,000	2,100,000
Total non-current liabilities		2,719,579	4,645,617
Total liabilities		3,813,149	5,569,913
DEFERRED INFLOWS OF RESOURCES			
Deferred lease inflows (note 6)		15,437	30,873
Deferred OPEB inflows (note 7)		880,545	16,118
Deferred pension inflows (note 8)		84,159	85,158
Total deferred inflows of resources		980,141	132,149
NET POSITION (note 10)			
Net investment in capital assets		9,284,453	9,632,582
Unrestricted		17,386,542	13,033,318
Total net position	$	26,670,995	22,665,900

See accompanying notes to the basic financial statements

Coachella Valley Mosquito and Vector Control District
Statements of Activities
For the Fiscal Years Ended June 30, 2022 and 2021

		2022	As restated 2021
EXPENSES			
Mosquito and vector control operations:			
Salaries and wages	$	5,768,731	5,233,177
Employee benefits		3,741,085	2,879,847
Field operations		1,504,824	1,042,382
Materials, services, and supplies		992,222	795,980
Insurance		300,134	310,914
Contract agreements		185,734	87,173
Investment loss		272,536	4,854
Depreciation		715,713	720,940
Total expenses		13,480,979	11,075,267
PROGRAM REVENUES			
Charges for services – special benefit assessment		2,340,732	2,282,794
Total program revenues		2,340,732	2,282,794
Net program expense		11,140,247	8,792,473
GENERAL REVENUES			
Property taxes		4,604,430	4,381,452
Redevelopment agency – property tax increment		6,339,112	5,796,224
Rental revenue		15,437	42,864
Other revenue (note 8)		4,186,363	63,761
Total general revenues		15,145,342	10,284,301
Change in net position		4,005,095	1,491,828
Net position, beginning of year, as restated (Note 11)		22,665,900	21,174,072
Net position, end of year	$	26,670,995	22,665,900

See accompanying notes to the basic financial statements

Coachella Valley Mosquito and Vector Control District
Balance Sheet
June 30, 2022

		General Fund	Reclassifications & Eliminations	Statement of Net Position
ASSETS				
Current assets:				
Cash and cash equivalents	$	13,081,932	-	13,081,932
Accrued interest receivable		18,130	-	18,130
Property taxes and assessments receivable		293,896	-	293,896
Lease receivable		-	11,228	11,228
Materials and supplies inventory		546,951	-	546,951
Prepayments and deposits		916,047	-	916,047
Total current assets		14,856,956	11,228	14,868,184
Non-current assets:				
Investments		2,508,586	-	2,508,586
Net pension asset		-	750,483	750,483
Capital assets – not being depreciated		-	417,873	417,873
Capital assets – being depreciated, net		-	8,868,771	8,868,771
Total non-current assets		2,508,586	10,037,127	12,545,713
Total assets		17,365,542	10,048,355	27,413,897
DEFERRED OUTFLOWS OF RESOURCES				
Deferred OPEB outflows		-	1,207,437	1,207,437
Deferred pension outflows		-	2,842,951	2,842,951
Total deferred outflows of resources	$	-	4,050,388	4,050,388

Continued on next page

See accompanying notes to the basic financial statements

Coachella Valley Mosquito and Vector Control District
Balance Sheet, continued
June 30, 2022

	General Fund	Reclassifications & Eliminations	Statement of Net Position
LIABILITIES			
Current liabilities:			
Accounts payable and accrued expenses	$ 510,839	-	510,839
Accrued payroll and benefits	214,402	-	214,402
Compensated absences	-	354,888	354,888
Unearned revenue	-	11,250	11,250
Lease payable	-	2,191	2,191
Total current liabilities	725,241	368,329	1,093,570
Non-current liabilities:			
Compensated absences	-	532,332	532,332
Net OPEB liability	-	87,247	87,247
Pollution remediation obligation	-	2,100,000	2,100,000
Total non-current liabilities	-	2,719,579	2,719,579
Total liabilities	725,241	3,087,908	3,813,149
DEFERRED INFLOWS OF RESOURCES			
Deferred lease inflows	-	15,437	15,437
Deferred OPEB inflows	-	880,545	880,545
Deferred pension inflows	-	84,159	84,159
Total deferred inflows of resources	-	980,141	980,141
Fund balance: (note 10)			
Nonspendable	1,462,998	(1,462,998)	-
Committed	117,588	(117,588)	-
Assigned	14,312,769	(14,312,769)	-
Unassigned	746,946	(746,946)	-
Total fund balance	$ 16,640,301	(16,640,301)	-
Net position: (note 10)			
Net investment in capital assets		$ 9,284,453	9,284,453
Unrestricted		17,386,542	17,386,542
Total net position		$ 26,670,995	26,670,995

See accompanying notes to the basic financial statements

Coachella Valley Mosquito and Vector Control District
Reconciliation of the Balance Sheet of Governmental Type Fund to the Statement of Net Position
June 30, 2022

Reconciliation:

Fund balance - Governmental Funds	$ 16,640,301
Amounts reported for governmental activities in the statement of net position are different because:	
Non-current assets are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds. However, the statement of net position includes those non-current assets among the assets of the District as a whole, as follows:	
Lease receivable	11,228
Net pension asset	750,483
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. However, the statement of net position includes those non-current assets among the assets of the District as a whole, as follows:	
Capital assets, net of accumulated depreciation	9,286,644
Deferred outflows(inflows) of resources are not financial resources(uses) and, therefore, are not reported in the governmental fund balance sheet. However, they are reported in the statement of net position as follows:	
Deferred OPEB outflows	1,207,437
Deferred pension outflows	2,842,951
Deferred lease inflows	(15,437)
Deferred OPEB inflows	(880,545)
Deferred pension inflows	(84,159)
Long-term liabilities are not due and payable in the current period and, therefore are not reported in the governmental funds. All liabilities both current and long-term, are reported in the statement of net position, as follows:	
Compensated absences	(887,220)
Unearned revenue	(11,250)
Lease payable	(2,191)
Net other post-employment benefit (OPEB) liability	(87,247)
Net pension liability	-
Pollution remediation obligation	(2,100,000)
Total adjustments	10,030,694
Net position of Governmental Activities	$ 26,670,995

See accompanying notes to the basic financial statements

Coachella Valley Mosquito and Vector Control District
Statement of Revenues, Expenditures, and Changes in Fund Balance
For the Fiscal Year Ended June 30, 2022

		General Fund	Reclassifications & Eliminations	Statement of Activities
REVENUES				
Property taxes	$	4,604,430	-	4,604,430
Redevelopment agency property tax increment		6,339,112	-	6,339,112
Charges for services – special benefit assessment		2,351,982	(11,250)	2,340,732
Rental revenue		30,384	(14,947)	15,437
Other revenue		47,939	4,138,424	4,186,363
Total revenues		13,373,847	4,112,227	17,486,074
EXPENDITURES/EXPENSES				
Mosquito and vector control operations:				
Salaries and wages		5,676,112	(92,619)	5,768,731
Employee benefits		4,038,111	297,026	3,741,085
Field operations		1,504,824	-	1,504,824
Materials, services, and supplies		1,014,223	22,001	992,222
Insurance		300,134	-	300,134
Contract agreements		185,734	-	185,734
Investment loss		272,536	-	272,536
Capital outlay		361,019	361,019	-
Depreciation		-	(715,713)	715,713
Total expenditures/expenses		13,352,693	(128,286)	13,480,979
Change in net position		21,154	4,240,513	4,005,095
Fund balance/Net position – beginning of year		16,619,147		22,665,900
Fund balance/Net position – end of year	$	16,640,301		26,670,995

See accompanying notes to the basic financial statements

Coachella Valley Mosquito and Vector Control District
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities
For the Fiscal Year Ended June 30, 2022

Reconciliation:	
Net Change in Fund Balances - Governmental Fund	$ 21,154
Amounts reported for governmental activities in the statement of activities are different because:	
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds as follows:	
Net change in compensated absences	(92,619)
Net change in lease payable	(11,250)
Net change in net OPEB liability	297,026
Net change in net pension liability	4,138,424
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds, as follows:	
Net change in lease receivable	(14,947)
Net change in defered lease inflows	15,436
Net change in unearned revenue	6,565
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeded capital outlay in the current period.	(354,694)
Total adjustments	3,983,941
Change in net position of Governmental Activities	$ 4,005,095

See accompanying notes to the basic financial statements

Coachella Valley Mosquito and Vector Control District
Balance Sheet
June 30, 2021

		General Fund	Reclassifications & Eliminations	Statement of Net Position
ASSETS				
Current assets:				
Cash and cash equivalents	$	12,970,250	-	12,970,250
Accrued interest receivable		7,866	-	7,866
Property taxes and assessments receivable		283,156	-	283,156
Lease receivable		-	14,947	14,947
Accounts receivable – other		35,843	-	35,843
Materials and supplies inventory		633,982	-	633,982
Prepayments and deposits		821,339	-	821,339
Total current assets		14,752,436	14,947	14,767,383
Non-current assets:				
Investments		2,466,602	-	2,466,602
Lease receivable		-	11,228	11,228
Capital assets – not being depreciated		-	422,798	422,798
Capital assets – being depreciated, net		-	9,218,540	9,218,540
Total non-current assets		2,466,602	9,652,566	12,119,168
Total assets		17,219,038	9,667,513	26,886,551
DEFERRED OUTFLOWS OF RESOURCES				
Deferred OPEB outflows		-	412,483	412,483
Deferred pension outflows		-	1,068,928	1,068,928
Total deferred outflows of resources		-	1,481,411	1,481,411

Continued on next page

See accompanying notes to the basic financial statements

Coachella Valley Mosquito and Vector Control District
Balance Sheet, continued
June 30, 2021

	General Fund	Reclassifications & Eliminations	Statement of Net Position
LIABILITIES			
Current liabilities:			
Accounts payable and accrued expenses	373,339	-	373,339
Accrued payroll and benefits	226,552	-	226,552
Compensated absences	-	317,840	317,840
Lease payable	-	6,565	6,565
Total current liabilities	599,891	324,405	924,296
Non-current liabilities:			
Compensated absences	-	476,761	476,761
Lease payable	-	2,191	2,191
Net other post-employment benefit liability	-	453,746	453,746
Net pension liability	-	1,612,919	1,612,919
Pollution remediation obligation	-	2,100,000	2,100,000
Total non-current liabilities	-	4,645,617	4,645,617
Total liabilities	599,891	4,970,022	5,569,913
DEFERRED INFLOWS OF RESOURCES			
Deferred lease inflows	-	30,873	30,873
Deferred OPEB inflows	-	16,118	16,118
Deferred pension inflows	-	85,158	85,158
Total deferred inflows of resources	-	132,149	132,149
Fund balance: (note 10)			
Nonspendable	1,455,321	(1,455,321)	-
Committed	93,594	(93,594)	-
Assigned	13,507,582	(13,507,582)	-
Unassigned	1,562,650	(1,562,650)	
Total fund balance	$ 16,619,147	(16,619,147)	-
Net position: (note 10)			
Net investment in capital assets		$ 9,632,582	9,632,582
Unrestricted		13,033,318	13,033,318
Total net position		$ 22,665,900	22,665,900

See accompanying notes to the basic financial statements

Coachella Valley Mosquito and Vector Control District
Reconciliation of the Balance Sheet of Governmental Type Fund to the Statement of Net Position
June 30, 2021

Reconciliation:

Fund balance - Governmental Fund	$	16,619,147
Amounts reported for governmental activities in the statement of net position are different because:		
Non-current assets are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds. However, the statement of net position includes those non-current assets among the assets of the District as a whole, as follows:		
Lease receivable		26,175
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. However, the statement of net position includes those non-current assets among the assets of the District as a whole, as follows:		
Capital assets, net of accumulated depreciation		9,641,338
Deferred outflows(inflows) of resources are not financial resources(uses) and, therefore, are not reported in the governmental fund balance sheet. However, they are reported in the statement of net position as follows:		
Deferred OPEB outflows		412,483
Deferred pension outflows		1,068,928
Deferred lease inflows		(30,873)
Deferred OPEB inflows		(16,118)
Deferred pension inflows		(85,158)
Long-term liabilities are not due and payable in the current period and, therefore are not reported in the governmental funds. All liabilities both current and long-term, are reported in the statement of net position, as follows:		
Compensated absences		(794,601)
Lease payable		(8,756)
Net OPEB liability		(453,746)
Net pension liability		(1,612,919)
Pollution remediation obligation		(2,100,000)
Total adjustments		6,046,753
Net position of Governmental Activities	$	22,665,900

Coachella Valley Mosquito and Vector Control District
Statement of Revenues, Expenditures, and Changes in Fund Balance
For the Year Ended June 30, 2021

		General Fund	Reclassifications & Eliminations	Statement of Activities
REVENUES				
Property taxes	$	4,381,452	-	4,381,452
Redevelopment agency property tax increment		5,796,224	-	5,796,224
Charges for services – special benefit assessment		2,282,794	-	2,282,794
Rental revenue		60,835	(17,971)	42,864
Other revenue		63,761	-	63,761
Total revenues		12,585,066	(17,971)	12,567,095
EXPENDITURES/EXPENSES				
Mosquito and vector control operations:				
Salaries and wages		5,161,602	(71,575)	5,233,177
Employee benefits		2,821,587	(58,260)	2,879,847
Field operations		1,042,382	-	1,042,382
Materials, services, and supplies		813,951	17,971	795,980
Insurance		310,914	-	310,914
Contract agreements		87,173	-	87,173
Investment loss		4,854		4,854
Capital outlay		169,308	169,308	-
Depreciation		-	(720,940)	720,940
Total expenditures/expenses		10,411,771	(663,496)	11,075,267
Change in net position		2,173,295	645,525	1,491,828
Fund balance/Net position – beginning of year		14,445,852		21,174,072
Fund balance/Net position – end of year	$	16,619,147		22,665,900

See accompanying notes to the basic financial statements

Coachella Valley Mosquito and Vector Control District
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities
For the Year Ended June 30, 2021

Reconciliation:	
Net Change in Fund Balances - Governmental Fund	$ 2,173,295
Amounts reported for governmental activities in the statement of activities are different because:	
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds as follows:	
Net change in compensated absences	(71,575)
Net change in net OPEB liability	183,001
Net change in net pension liability	(241,261)
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeded capital outlay in the current period.	(551,632)
Total adjustments	(681,467)
Change in net position of Governmental Activities	$ 1,491,828

(1) Reporting Entity and Summary of Significant Accounting Policies

A. Organization and Operations of the Reporting Entity

The Coachella Valley Mosquito and Vector Control District (District) is located in Indio, California. The District was formed pursuant to Section 2200 et. Seq., of the California Health and Safety Code and formed in the State of California on March 12, 1928. The District covers a wide area of Eastern Riverside County in the Coachella Valley and includes the cities of Indian Wells, La Quinta, Palm Springs, Cathedral City, Coachella, Desert Hot Springs, Indio, Palm Desert, Rancho Mirage, and portions of the unincorporated territory in Riverside County. The purpose of the District is to provide operational mosquito and other vector control to protect the residents within the District's service area from mosquito-borne disease and other disease carriers and vectors. The District is governed by a Board of Trustees, which consists of 11 members, one member from each city and two from the county-at-large.

B. Basis of Accounting and Measurement Focus

The *basic financial statements* of the District are comprised of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the basic financial statements

Government-wide Financial Statements

These statements are presented on an *economic resources* measurement focus and the accrual basis of accounting. Accordingly, all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets, are included in the accompanying Statements of Net Position. The Statements of Activities present changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which the liability is incurred. The Statements of Activities demonstrate the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. The types of transactions reported as program revenues for the District are to be reported in three categories, if applicable: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions. Charges for services include revenues from customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function. Grants and contributions include revenues restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Governmental Fund Financial Statements

These statements include a Balance Sheet and a Statement of Revenues, Expenditures, and Changes in Fund Balance for all major governmental funds. Incorporated into these statements is a schedule to reconcile and explain the differences in fund balance as presented in these statements to the net position presented in the Government-wide Financial Statements. The District has presented its General Fund, as its major fund, in these statements to meet the qualifications of GASB Statement No. 34.

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

B. Basis of Accounting and Measurement Focus, continued

Governmental funds are accounted for on a spending or *current financial resources* measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balance presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except those revenues subject to accrual (generally 60-days after year-end) are recognized when due. The primary sources susceptible to accrual for the District are property tax, interest earnings, rental revenue, and operating and capital grant revenues. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. However, exceptions to this rule include principal and interest on debt, which are recognized when due. The District reports the following major governmental fund:

General Fund – the government's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund when necessary.

C. Financial Reporting

The District's basic financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The District has adopted the following GASB pronouncements in the current year:

In June 2017, the GASB issued Statement No. 87 – *Leases.* The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

In June 2018, the GASB issued Statement No. 89 – *Accounting for Interest Cost incurred Before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements,* which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

C. Financial Reporting, continued

This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

In January 2020, the GASB issued Statement No. 92 – *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements.

The requirements of this Statement were as follows: (1) The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance; (2) The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 are effective for fiscal years beginning after June 15, 2020; (3) The requirements related to application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective for reporting periods beginning after June 15, 2020; and (4) The requirements related to the measurement of liabilities (and assets, if any) associated with AROs in a government acquisition are effective for government acquisitions occurring in reporting periods beginning after June 15, 2020; however, in light of the COVID-19 pandemic, the effective date has been postponed by one year. Earlier application is encouraged and is permitted by topic.

The requirements of this Statement were effective for reporting periods beginning after December 15, 2018; however, in light of the COVID-19 pandemic, the effective date has been postponed by one year. Earlier application is encouraged. The requirements should be applied retroactively, except for the provisions related to (1) reporting a majority equity interest in a component unit and (2) reporting a component unit if the government acquires a 100 percent equity interest. Those provisions should be applied on a prospective basis.

In March 2020, the GASB issued Statement No. 93 – *Replacement of Interbank Offered Rates*. The objective of this Statement is to address accounting and financial reporting implications that result from the replacement of an IBOR. This Statement achieves that objective by: (1) Providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment; (2) Clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate; (3) Clarifying that the uncertainty related to the continued availability of IBORs does not, by itself, affect the assessment of whether the occurrence of a hedged expected transaction is probable; (4) Removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap; (5) Identifying a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of an interest rate swap; (6) Clarifying the definition of reference rate, as it is used in Statement 53, as amended; and (7) Providing an exception to the lease modifications guidance in Statement 87, as amended, for certain lease contracts that are amended solely to replace an IBOR as the rate upon which variable payments depend.

In October 2021, the GASB issued Statement No. 98 – *The Annual Comprehensive Financial Report*. This Statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments.

This Statement was developed in response to concerns raised by stakeholders that the common pronunciation of the acronym for comprehensive annual financial report sounds like a profoundly objectionable racial slur.

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position

1. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows, liabilities, and deferred inflows and disclosures of contingent assets, deferred outflows, liabilities, and deferred inflows at the date of the financial statements and the reported changes in District net position during the reporting period. Actual results could differ from those estimates.

2. Uncertainty

The COVID-19 pandemic in the United States has caused business disruption through labor shortages and closings of businesses. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the disruption. However, the related financial impact on the District and the duration cannot be estimated at this time.

3. Cash and Cash Equivalents

The District has adopted an investment policy directing the Administrative Finance Manager, subject to review and approval by the Finance Committee and the Board, to deposit and invest funds in financial institutions in accordance with the California Government Code section 53600 and 53601.

Substantially all of the District's cash is invested in interest bearing cash accounts. The District considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

4. Investments and Investment Policy

The District has adopted an investment policy directing the Administrative Finance Manager to deposit and invest funds in financial institutions in accordance with California Government Code section 53600. The investment policy applies to all financial assets and investment activities of the District.

Changes in fair value that occur during a fiscal year are recognized as unrealized gains or losses and reported for that fiscal year. Investment income comprises interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments.

5. Fair value measurements

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on valuation inputs used to measure the fair value of the asset, as follows:

- **Level 1 –** Valuation is based on quoted prices in active markets for identical assets.
- **Level 2** – Valuation is based on directly observable and indirectly observable inputs. These inputs are derived principally from or corroborated by observable market data through correlation or market-corroborated inputs. The concept of market-corroborated inputs incorporates observable market data such as interest rates and yield curves that are observable at commonly quoted intervals.
- **Level 3** – Valuation is based on unobservable inputs where assumptions are made based on factors such as prepayment rates, probability of defaults, loss severity, and other assumptions that are internally generated and cannot be observed in the market.

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position, continued

6. Property Taxes and Special Assessments

The County of Riverside Assessor's Office assesses all real and personal property within the County each year. The County of Riverside Tax Collector's Office bills and collects the District's share of property taxes and assessments. The County of Riverside Treasurer's Office remits current and delinquent property tax collections to the District throughout the year. Property tax in California is levied in accordance with Article 13A of the State Constitution at one percent (1%) of countywide assessed valuations.

Property taxes and special assessments receivable at year-end are related to property taxes collected by the County of Riverside which have not been credited to the District's cash balance as of June 30th. The property tax calendar is as follows:

Lien date	March 1
Levy date	July 1
Due dates	November 1 and March 1
Collection dates	December 10 and April 10

7. Materials and Supplies Inventory

Materials and supplies inventory consists primarily of pesticides and chemicals used to eradicate certain vectors. Inventory is valued at cost using a weighted average cost method. Inventory items are charged to expense when the inventories are actually used or during the period of benefit.

8. Prepaid Expenses

Certain payments to vendors reflect costs or deposits applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

9. Capital Assets

Capital assets are recorded in the government-wide financial statements. Included in capital assets are land, structures and improvements, office equipment, and other operational equipment. District policy has set the capitalization threshold for reporting capital assets at $5,000. Donated assets are recorded at acquisition value rather than fair market value at the date of donation. Capital outlay is recorded as expenditures of the General Fund and as assets in the government-wide financial statements to the extent the District's capitalization threshold is met. Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets as follows:

- Structures and improvements – 10 to 40 years
- Office equipment – 3 to 10 years
- Equipment – 3 to 20 years
- Leased equipment – lease term or useful life of the underlying asset, whichever is shorter

10. Lease Receivable

The District's lease receivable are measured at the present value of payments expected to be received during the lease term.

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position, continued

11. Deferred Outflows of Resources

The statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents the consumption of resources applicable to future periods and, therefore, will *not* be recognized as an outflow of resources (expenditure) until that time. The District has the following items that qualify for reporting in this category:

Post-Employment Benefits Other Than Pensions (OPEB)

- Deferred outflow which is equal to employer contributions made after the measurement date of the net other-postemployment benefits liability. This amount will be amortized in full against the net other-post employment benefit liability in the next fiscal year.
- Deferred outflow for the net difference between projected and actual earnings on investments of the other-post employment benefit plan's fiduciary net position. This amount is amortized over a five-year period.

Pensions

- Deferred outflow which is equal to employer contributions made after the measurement date of the net pension liability. This amount will be amortized in full against the net pension liability in the next fiscal year.
- Deferred outflow for the net difference between the actual and expected experience which will be amortized over a closed period equal to the expected average remaining service lives of all employees that are provided with pension through the Plan.
- Deferred outflow for the net difference between projected and actual earnings on investments of the pension plan's fiduciary net position. This amount is amortized over a five-year period.
- Deferred outflow for the net difference between the actual and proportionate share of employer contribution and net change in proportion which will be amortized over a closed period equal to the expected average remaining service lives of all employees that are provided with pension through the Plan.

12. Compensated Absences

It is the District's policy to allow vacation leave and sick leave to accrue based on employment class, union representation, and years of service. Vacation leave is fully vested and payable upon separation from employment. Sick leave is vested based on the years of service with the District. A non-current amount of vacation and sick liability will be recorded as fund expenditures in the year in which it is paid for time used or when separated from employment.

13. Lease Payable

The District's lease payable are measured at the present value of payments expected to be made during the lease term.

14. Postemployment Benefits Other than Pensions (OPEB)

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

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

E. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position, continued

14. Postemployment Benefits Other than Pensions (OPEB), continued

Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity of one year or less at the time of purchase, which are reported at cost.

GASB 75 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following time frames are used:

- Valuation date: June 30, 2021 and 2019
- Measurement date: June 30, 2021 and 2020
- Measurement period: June 30, 2021; June 30, 2019 to June 30, 2020

15. Pensions

For purposes of measuring the net pension liability, 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 (Plans) and addition to/deduction from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

- Valuation date: June 30, 2020 and 2019
- Measurement date: June 30, 2021 and 2020
- Measurement periods: July 1, 2020 to June 30, 2021; and July 1, 2019 to June 30, 2020

16. Deferred Inflows of Resources

The statement of net position will sometimes report a separate section for deferred inflows of resources. This financial statement element, *deferred inflows of resources,* represents an acquisition of resources applicable to future periods and, therefore, will *not* be recognized as an inflow of resources (revenue) until that time. The District has the following items that qualify for reporting in this category:

Leases

- Deferred inflow related to leases is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. This amount is amortized on a straight-line basis over the term of the lease.

Post-Employment Benefits Other Than Pensions (OPEB)

- Deferred inflow for the recognition of effects of experience gains and losses. This amount is amortized over a 15.2 year period.

Pensions

- Deferred inflow for the net change in assumptions which will be amortized over a closed period equal to the expected average remaining service lives of all employees that are provided with pensions through the Plan.

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position, continued

16. Deferred Inflows of Resources, continued

- Deferred inflow for the net change due to differences in proportions of the net pension liability which will be amortized over a closed period equal to the expected average remaining service lives of all employees that are provided with pensions through the Plan.

17. Net Position

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

- **Net investment in capital assets** – consists of capital assets, net of accumulated depreciation and reduced by any debt outstanding against the acquisition, construction, or improvement of those assets.
- **Restricted** – consists of constraints placed on net position use through external constraints imposed by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted** – consists of the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of the *net investment in capital assets* or *restricted* component of net position.

18. Self-Insurance

The District is a member of the Vector Control Joint Powers Authority which was formed to provide member districts with general liability, auto liability, errors and omission, and employment risk management agency (ERMA), as well as, worker's compensation coverage.

19. Claims Payable

The District's policy is to record a liability for litigation, judgments, and claims when it is probable that an asset has been impaired, or a liability has been incurred prior to year-end and the amount of loss (net of any insurance coverage) can be reasonably estimated.

20. Fund Balance

The governmental fund financial statements report fund balance as nonspendable, restricted, committed, assigned, or unassigned based primarily on the extent to which the District is bound to honor constraints on how specific amounts can be spent.

- **Nonspendable –** amounts that cannot be spent because they are either (a) not spendable in form, or (b) legally or contractually required to be maintained intact.
- **Restricted** – amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- **Committed –** amounts that can only be used for specific purposes determined by formal action of the District's highest level of decision-making authority (the Board of Trustees) and that remain binding unless removed in the same manner. The formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is through resolution.

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position, continued

20. Fund Balance, continued

- **Assigned** – amounts that are constrained by the District's intent to be used for specific purposes. The intent can be established at either the highest level of decision making, or by a body or an official designated for that purpose. This is also the classification for residual funds in a special revenue fund, if any.
- **Unassigned** – the residual classification for the District's General Fund that includes amounts not contained in other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

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

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, followed by the unrestricted, committed, assigned, and unassigned resources as they are needed.

Fund Balance Policy

The District believes that sound financial management principles require that sufficient funds be retained by the District to provide a stable financial base at all times. To retain this stable financial base, the District needs to maintain an unrestricted fund balance in its funds sufficient to fund cash flows of the District and to provide financial reserves for unanticipated expenditures and/or revenue shortfalls of an emergency nature. Committed, assigned, and unassigned fund balance are considered unrestricted.

The purpose of the District's fund balance policy is to maintain a prudent level of financial resources to protect against reducing service levels or raising taxes and fees because of temporary revenue shortfalls or unpredicted one-time expenditures.

21. Budget

The District follows specific procedures in establishing the budgetary data reflected in the Required Supplementary Information. Each year, the District's General Manager and Administrative/Finance Manager prepare and submit an operating budget to the Board of Trustees for the General Fund no later than June of each year. The basis used to prepare the budget does not differ substantially from the modified accrual basis of accounting. The adopted budget becomes operative on July 1. The Board of Trustees must approve all supplemental appropriations to the budget and transfers between major accounts. The District's annual budget is presented as a balanced budget (inflows and reserves equal outflows and reserves) adopted for the General Fund at the detailed expenditure-type level.

The District presents a comparison of the annual budget to actual results for the General Fund at the functional expenditure-type major object level for financial reporting purposes. The budgeted expenditure amounts represent the adopted budget. No Board approved supplemental appropriations were made. The budgeted revenue amounts represent the adopted budget as originally approved.

22. Reclassification

The District has reclassified certain prior year information to conform to current year presentations.

(2) Cash and Investments

Cash and investments as of June 30 are classified in the accompanying financial statements as follows:

	2022	2021
Cash and cash equivalents	$ 13,081,932	12,970,250
Investments	2,508,586	2,466,602
Total cash and investments	15,590,518	15,436,852

Cash and investments as of June 30 consist of the following:

	2022	2021
Petty cash	$ 2,000	2,000
Deposits held with financial institutions	291,610	146,360
Investments	15,296,908	15,288,492
Total cash and investments	$ 15,590,518	15,436,852

As of June 30, the District's authorized investments had the following maturities:

	2022	2021
Local Agency Investment Fund (LAIF)	311 days	291 days
Riverside County Pooled Investment Fund (RCPIF)	434 days	420 days
CalTrust Medium Term Fund	770 days	756 days

Authorized Deposits and Investments

The table below identifies the investment types that are authorized by the District in accordance with 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 credit risk and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Obligations	5 years	50%	None
U.S. Agency Obligations	5 years	50%	None
State Obligations - CA and Others	5 years	30%	None
CA Local Agency Obligations	5 years	30%	None
Joint Powers Authority Pool	None	30%	None
Negotiable Certificates of Deposit	5 years	30%	None
CD Placement Service	5 years	30%	None
Money market/passbook savings/demand deposits	None	20%	None
Medium Term Notes	5 years	30%	None
Mortgage Pass-Through Securities	5 years	20%	None
California Local Agency Investment Fund (LAIF)	N/A	75%	None
Riverside County Pooled Investment Funds	None	75%	None

(2) Cash and Investments, continued

Custodial Credit Risk

The custodial credit risk for *deposits* is the risk that, in the event of 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 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 Code and the District's investment policy contain legal and policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools.

The California Government Code and the District's investment policy does not contain legal or policy requirements that would limit the exposure to custodial credit risk, 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 public agencies. Of the bank balance, up to $250,000 is federally insured and the remaining balance is collateralized in accordance with the Code; however, the collateralized securities are not held in the District's name.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. The longer the maturity an investment has the greater its fair value has sensitivity to changes in market interest rates. The District's investment policy follows the Code as it relates to limits on investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates.

At June 30, 2022, the District's investments mature as follows:

			Remaining Maturity	
Investment Type		**Total**	**12 Months Or Less**	**25 to 60 Months**
Local Agency Investment Fund (LAIF)	$	2,792,880	2,792,880	-
Caltrust Medium Term Investment Fund		516,480	516,480	-
Money market funds		1,426,843	1,426,843	-
Riverside County Pooled Investment Fund (RCPIF)		8,052,119	8,052,119	-
Certificate of deposits		678,153	-	678,153
U.S. Government agency securities		1,387,268	-	1,387,268
Corporate obligations		443,165	-	443,165
Total investments	$	15,296,908	12,788,322	2,508,586

(2) Cash and Investments, continued

At June 30, 2021, the District's investments mature as follows:

Investment Type		Total	Remaining Maturity: 12 Months Or Less	Remaining Maturity: 25 to 60 Months
Local Agency Investment Fund (LAIF)	$	3,071,329	3,071,329	-
Caltrust Medium Term Investment Fund		534,970	534,970	-
Money market funds		1,876,202	1,876,202	-
Riverside County Pooled Investment Fund (RCPIF)		7,339,389	7,339,389	-
Certificate of deposits		495,819	-	495,819
U.S. Government agency securities		1,491,098	-	1,491,098
Corporate obligations		479,685	-	479,685
Total investments	$	15,288,492	12,821,890	2,466,602

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by the California Government Code (where applicable), the District's investment policy, or debt agreements and the actual rating as of year-end for each investment type.

Credit ratings of investments as of June 30, 2022, were as follows:

Investment Type		2022		Minimum Legal Rating	Recognized Statistical Rating
Local Agency Investment Fund (LAIF)	$	2,792,880		N/A	N/A
Caltrust Medium Term Investment Fund		516,480		N/A	N/A
Money market funds		1,426,843		N/A	N/A
Riverside County Pooled Investment Fund (RCPIF)		8,052,119		N/A	N/A
Certificate of deposits		678,153	(1)	N/A	A-Baa3
U.S. Government agency securities		1,387,268		Aa2	Aaa
Corporate obligations		443,165		A2	Aa2
Total investments	$	15,296,908			

Credit ratings of investments as of June 30, 2021, were as follows:

Investment Type		2021	Minimum Legal Rating	Recognized Statistical Rating
Local Agency Investment Fund (LAIF)	$	3,071,329	N/A	N/A
Caltrust Medium Term Investment Fund		534,970	N/A	N/A
Money market funds		1,876,202	N/A	N/A
Riverside County Pooled Investment Fund (RCPIF)		7,339,389	N/A	N/A
Certificate of deposits		495,819	N/A	A-Baa3
U.S. Government agency securities		1,491,098	Aa2	Aaa
Corporate obligations		479,685	A2	Aa2
Total investments	$	15,288,492		

(1) No minimum legal rating exists for certificate of deposits if the investment is insured by the FDIC or fully collateralized.

(2) Cash and Investments, continued

Concentration of Credit Risk

The District's investment policy contains no limitations on the amounts that can be invested in any one issuer as beyond that stipulated by the California Government Code. Investments in any one issuer (other than for U.S. Treasury securities, mutual funds, and external investment pools) that represented 5% or more of total District's investment are as follows:

Investment		2022	2021
Bank of America	$	443,165	479,685

Investment in State Investment Pool

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

The pool portfolio is invested in a manner that meets the maturity, quality, diversification, and liquidity requirements set forth by GASB 79 for external investment pools that elect to measure, for financial reporting purposes, investments at amortized cost. LAIF does not have any legally binding guarantees of share values. LAIF does not impose liquidity fees or redemption gates on participant withdrawals.

Riverside County Treasurer Fund

The Riverside County Pooled Investment Fund (RCPIF) is a pooled investment fund program governed by the County of Riverside Board of Supervisors and administered by the County of Riverside Treasurer and Tax Collector. Investments in RCPIF are highly liquid as deposits and withdrawals can be made at any time without penalty. RCPIF does not impose a maximum investment limit. The County of Riverside's bank deposits are either Federally insured or collateralized in accordance with the California Government Code. Pool detail may be obtained from the County of Riverside Administrative Office – 4080 Lemon Street, 4th Floor – Capital Markets – Riverside, CA 92506, or the Treasurer and Tax Collector's office website at www.countytreasurer.org.

(2) Cash and Investments, continued

Fair Value Measurements

As of June 30, 2022, investments measured at fair value on a recurring and non-recurring basis, are as follows:

			Fair Value Measurements Using		
Investment Type		**Total**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Money market funds	$	1,426,843	1,426,843	-	-
CalTrust Medium Term Investment Fund		516,480	-	516,480	-
Certificate of deposits		678,153	-	678,153	-
U.S. Government agency securities		1,387,268	-	1,387,268	-
Corporate obligations		443,165	-	443,165	-
Total investments measured at fair value		4,451,909	1,426,843	3,025,066	-
Investments measured at amortized cost					
Local Agency Investment Fund (LAIF)		2,792,880			
Riverside County Pooled Investment Fund (RCPIF)		8,052,119			
Total investments	$	15,296,908			

As of June 30, 2021, investments measured at fair value on a recurring and non-recurring basis, are as follows:

			Fair Value Measurements Using		
Investment Type		**Total**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Money market funds	$	1,876,202	1,876,202	-	-
CalTrust Medium Term Investment Fund		534,970	-	534,970	-
Certificate of deposits		495,819	-	495,819	-
U.S. Government agency securities		1,491,098	-	1,491,098	-
Corporate obligations		479,685	-	479,685	-
Total investments measured at fair value		4,877,774	1,876,202	3,001,572	-
Investments measured at amortized cost:					
Local Agency Investment Fund (LAIF)		3,071,329			
Riverside County Pooled Investment Fund (RCPIF)		7,339,389			
Total investments	$	15,288,492			

(3) Lease Receivable

Changes in lease receivable for the year ended June 30, 2022, were as follows:

		Balance 2021	Additions	Principal Payments	Balance 2022
Lease receivable:					
Property Lease	$	26,175	-	(14,947)	11,228

Changes in lease receivable for the year ended June 30, 2022, were as follows:

		Balance 2020	Additions	Principal Payments	Balance 2021
Lease receivable:					
Property Lease	$	44,146	-	(17,971)	26,175

Future payments to be received as of June 30, 2022, are as follows:

Year	Principal	Interest	Total
2023	11,228	22	11,250
Current	(11,228)		
Long-term	-		

Coachella Valley Unified School District

On March 21, 2001, the District entered into a lease agreement with Coachella Valley Unified School District (School District). School District agreed to lease District's real property and the premises thereon. The terms of the original agreement require the School District to pay the District a basic annual rent of $12,000 to lease the District's real property and premises. The amount is subject to an annual price adjustment based on the Consumer Price Index. The terms of the new agreement shall commence on April 1, 2001 and shall terminate on March 31, 2011.

On May 31, 2011, the District signed an extension agreement with the School District to extend the lease retroactively from April 1, 2011 through March 31, 2021. On March 25, 2021, the District and the School District amended its lease agreement. The terms of the amended agreement require the School District to pay the District a basic annual rent of $15,000 to lease the District's real property and premises. The terms of the new agreement shall commence on April 1, 2021 and shall terminate on April 1, 2023.

During the fiscal year ended June 30, 2022 and 2021, the District received total rental payments in the amount of $15,000, and $18,059, respectively.

Following the implementation of GASB Statement No. 87, the District recorded a lease receivable and a deferred inflow at present value using a discount rate of 3%. The deferred inflow is amortized on a straight-line basis over the term of the lease.

As of June 30, 2022 and 2021, the balance of lease receivable amounted to $11,228 and $26,175, respectively.

As of June 30, 2022 and 2021, the balance of deferred lease inflows amounted to $15,437, and $30,873, respectively.

(4) Capital Assets

Changes in capital assets for fiscal year 2022 was as follows:

	As restated Balance 2021	Additions	Deletions	Balance 2022
Non-depreciable assets:				
Land	$ 417,873	-	-	417,873
Construction-in-process	4,925	95,183	(100,108)	-
Total non-depreciable assets	422,798	95,183	(100,108)	417,873
Depreciable assets:				
Structures and improvements	15,639,521	218,572	-	15,858,093
Office equipment	1,765,034	77,916	-	1,842,950
Equipment	2,425,319	69,456	-	2,494,775
Leased equipment	34,365	-	-	34,365
Total depreciable assets	19,864,239	365,944	-	20,230,183
Accumulated depreciation:				
Structures and improvements	(7,519,606)	(404,682)	-	(7,924,288)
Office equipment	(1,694,191)	(44,315)	-	(1,738,506)
Equipment	(1,406,280)	(260,159)	-	(1,666,439)
Leased equipment	(25,622)	(6,557)	-	(32,179)
Total accumulated depreciation	(10,645,699)	(715,713)	-	(11,361,412)
Total depreciable assets, net	9,218,540	(349,769)	-	8,868,771
Total capital assets, net	$ 9,641,338			9,286,644

Change in capital assets for fiscal year 2021 was as follows:

	As restated Balance 2020	Additions	Deletions	As restated Balance 2021
Non-depreciable assets:				
Land	$ 417,873	-	-	417,873
Construction-in-process	-	4,925	-	4,925
Total non-depreciable assets	417,873	4,925	-	422,798
Depreciable assets:				
Structures and improvements	15,713,800	-	(74,279)	15,639,521
Office equipment	1,765,034	-	-	1,765,034
Equipment	2,260,936	164,383	-	2,425,319
Leased equipment	34,365	-	-	34,365
Total depreciable assets	19,774,135	164,383	(74,279)	19,864,239
Accumulated depreciation:				
Structures and improvements	(7,169,919)	(423,966)	74,279	(7,519,606)
Office equipment	(1,653,805)	(40,386)	-	(1,694,191)
Equipment	(1,156,249)	(250,031)	-	(1,406,280)
Leased equipment	(19,065)	(6,557)	-	(25,622)
Total accumulated depreciation	(9,999,038)	(720,940)	74,279	(10,645,699)
Total depreciable assets, net	9,775,097	(556,557)	-	9,218,540
Total capital assets, net	$ 10,192,970			9,641,338

(5) Compensated Absences

The change in compensated absence balances for fiscal year 2022 was as follows:

	Balance 2021	Additions	Deletions	Balance 2022	Due within one year	Due in more than one year
$	794,601	117,440	(24,821)	887,220	354,888	532,332

The change in compensated absence balances for fiscal year 2021 was as follows:

	Balance 2020	Additions	Deletions	Balance 2021	Due within one year	Due in more than one year
$	723,026	127,343	(55,768)	794,601	317,840	476,761

(6) Lease Payable

The change in leases payable for 2022 was as follows:

		Balance 2021	Additions	Payments	Balance 2022
Lease payable					
Admin Copier	$	8,756	-	(6,565)	2,191

The change in leases payable for 2021 was as follows:

		Balance 2020	Additions	Payments	Balance 2021
Lease payable					
Admin Copier	$	15,309	-	(6,553)	8,756

Marlin Leasing Corporation

In November 2019, the District entered into an agreement with Marlin Leasing Corporation for the purpose of acquiring a Kyocera copy machine for the admin office. Terms of the agreement commenced in November 2019 and matures in October 2022. As of June 30, 2022 and 2021, rental payments amounted to $6,577 each, respectively.

Following the guidelines of *GASB Statement No. 87*, the District recorded a right-to-use asset (leased equipment) and a lease payable at present value using an interest rate of 0.20%. The right-to-use asset is amortized on a straight-line basis over the term of the lease.

Future payments to be made as of June 30, 2022, are as follows:

Year	Principal	Interest	Total
2023	2,191	1	2,192
Current	(2,191)		
Long-term	-		

(7) Other Post-Employment Benefits

General Information about the OPEB Plan

Plan description **–** The District's defined benefit OPEB plan provides OPEB for all permanent full-time employees and consists of the California Employers' Retiree Benefit Trust (CERBT). The CERBT receives contributions from the District and other participating employers and establishes separate employer prefunding accounts to pay for health care or other post-employment benefits in accordance with the terms of the participating employers' plans. Contributions are voluntarily determined by the District's own funding schedule, and there are no long-term contracts for contributions to the CERBT. As such, contributions to the CERBT are elective and not required. The CERBT is an agent multiple-employer plan administered by the California Public Employees' Retirement System (CalPERS). CalPERS issues a publicly available financial report that can be obtained at www.calpers.ca.gov.

Benefits provided **–** The District provides retiree medical coverage provided by CalPERS (a third-party issuer) as permitted under the Public Employees' Medical and Hospital Care Act (PEMCHA). The Plan offers post-employment medical benefits to retired employees who satisfy the eligibility rules (50 years old, 5 years of service to the District and 10-years of CalPERS eligible service). Dependents are also eligible to receive benefits. Retirees may enroll in any plan available through the District's CalPERS medical program. The contribution requirements of Plan members and the District are established and maybe amended by the Board of Directors.

Vesting requires at least 5 years of CalPERS total service. The surviving spouse of an eligible retiree who elected spouse coverage under CalPERS is eligible for employer contributions upon death of the retiree. A retiree may not elect to be covered if retiree health coverage is available for less from another source or the retiree is covered under a spouse's plan.

Employee covered by benefit terms – At June 30, the following employees were covered by the benefit terms:

	2022	2021
Participating active employees	62	58
Inactive employees or beneficiaries currently receiving benefit payments	7	7
Total plan membership	69	65

Contributions – The contribution requirements of Plan members and the District are established and may be amended by the District's Board of Directors. The Board establishes rates based on an actuarially determined rate. For the year ended June 30, 2022 and 2021, the District's "pay as you go" cost of providing retiree health benefits amounted to $70,953 and $77,020, respectively. The "pay as you go" cost is the cost of benefits for current retirees.

(7) Other Post-Employment Benefits, continued

Net OPEB Liability

The District's net OPEB liability was measured as of June 30, 2021 and 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2021 and 2019.

Actuarial assumptions – The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50% in 2022 and 2.75% in 2021
Salary increases	2.75% per year
Discount rate	6.75% in 2022 and 7.00% in 2021, net of expenses based on assumed long-term return on employer assets
Healthcare cost trend rates	4.00% per year

Mortality rates were based on the 2017 CalPERS Active and Retiree Mortality for Miscellaneous Employees table created by CalPERS. CalPERS periodically studies mortality for participating agencies and establishes mortality tables that are modified versions of commonly used tables. This table incorporates mortality projection as deemed appropriate based on CalPERS analysis.

Retirement rates were based on the 2017 CalPERS 2.0% @ 60 Rates and 2.0% @ 62 Rates for Miscellaneous Employees table created by CalPERS. CalPERS periodically studies the experience for participating agencies and establishes tables that are appropriate for each pool.

Turnover assumptions are based on the 2017 CalPERS Turnover for Miscellaneous Employees table created by CalPERS. CalPERS periodically studies the experience for participating agencies and establishes tables that re appropriate for each pool.

The long-term expected rate of return on OPEB plan investments was determined using a geometric method in which it reflects the return for each asset class for the portfolio average. Rolling periods of time in combination to appropriately reflect correlation between asset classes are performed. The assumed asset allocation and assumed gross return for each major class are summarized in the following table:

Asset Class	Percentage of Portfolio	Assumed Gross Return
Equities	59.000 %	7.545 %
Fixed income	25.000	4.250
Real estate investment trusts	8.000	7.250
Commodities	3.000	7.540
Treasury inflation protest securities	5.000	3.000
Total	100.000 %	

Discount rate – The discount rate used to measure the total OPEB liability was 6.75 and 7% for the fiscal year ended June 30, 2022, and 2021, which was based on the assumed long-term return on plan assets assuming 100% funding through CERBT. The projection of cash flows used to determine the discount rate assumed that liabilities and cash flow will vary based on the number and demographic characteristics of employees and retirees. The discount rate was set by using historic 30-year real rates of return for each asset class along with the assumed long-term inflation assumption. Expected investment return was offset with investment expenses of 25 basis points.

(7) Other Post-Employment Benefits, continued

Changes in the Net OPEB Liability

For the year ended June 30, 2022, the District's changes in the net OPEB liability are as follows:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (c) = (a) - (b)
Balance at beginning of year	$ 3,912,384	3,458,638	453,746
Changes during the year:			
Service cost	144,279	-	144,279
Interest	278,917	-	278,917
Contributions - employer	-	389,440	(389,440)
Expected investment income	-	252,993	(252,993)
Administrative expenses	-	(1,315)	1,315
Benefit payments	(77,020)	(77,020)	-
Experience (gains)/losses	(409,241)	-	(409,241)
Changes in assumptions	959,407	-	959,407
Investment gains/(losses)	-	698,743	(698,743)
Net changes	896,342	1,262,841	(366,499)
Balance at end of year	$ 4,808,726	4,721,479	87,247

For the year ended June 30, 2021, the District's changes in the net OPEB liability are as follows:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (c) = (a) - (b)
Balance at beginning of year	$ 3,584,704	3,037,000	547,704
Changes during the year:			
Service cost	140,418	-	140,418
Interest	253,525	110,709	142,816
Contributions - employer	-	378,683	(378,683)
Administrative expenses	-	(1,491)	1,491
Benefit payments	(66,263)	(66,263)	-
Net changes	327,680	421,638	(93,958)
Balance at end of year	$ 3,912,384	3,458,638	453,746

(7) Other Post-Employment Benefits, continued

Changes in the Net OPEB Liability, continued

Sensitivity of the net OPEB liability to changes in the discount rate and healthcare cost trend rates – As of June 30, 2022, the following presents the net OPEB liability of the District, as well as what the District's net OPEB 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 discount rate:

		Discount Rate - 1% 5.75%	Current Discount Rate 6.75%	Discount Rate + 1% 7.75%
District's net OPEB liability	$	910,109	87,247	(577,688)

As of June 30, 2021, the following presents the net OPEB liability of the District, as well as what the District's net OPEB 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 discount rate:

		Discount Rate - 1% 6.00%	Current Discount Rate 7.00%	Discount Rate + 1% 8.00%
District's net OPEB liability	$	1,042,874	453,746	(32,653)

As of June 30, 2022, the following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease Healthcare Cost Trend Rates (3% HMO and PPO)	Current Healthcare Cost Trend Rates (4% HMO and PPO)	1% Increase Healthcare Cost Trend Rates (5% HMO and PPO)
$	910,109	87,247	(577,688)

As of June 30, 2021, the following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease Healthcare Cost Trend Rates (3% HMO and PPO)	Current Healthcare Cost Trend Rates (4% HMO and PPO)	1% Increase Healthcare Cost Trend Rates (5% HMO and PPO)
$	(705,740)	453,746	1,105,234

OPEB plan fiduciary net position – Detailed information about the OPEB plan's fiduciary net position is available in the separately issued CalPERS financial report for CERBT.

(7) Other Post-Employment Benefits, continued

OPEB Expense and Deferred Outflows (Inflows) of Resources Related to OPEB

For the fiscal years ended June 30, 2022 and 2021, the District recognized OPEB expense of $15,394 and $195,682, respectively.

At June 30, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

		2022		2021	
Description		Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	$	312,420	-	312,420	-
Net differences between actual and expected experience gains and losses		-	(396,671)	-	(16,118)
Assumption changes		895,017			
Net differences between projected and actual earnings on plan investments		-	(483,874)	100,063	-
Total	$	1,207,437	(880,545)	412,483	(16,118)

As of June 30, 2022 and 2021, the District reported $312,420, as deferred outflows of resources related to contributions subsequent to the measurement date. As of June 30, 2022, contributions made subsequent to the measurement date will be recognized as a reduction to the net OPEB liability for the year ended June 30, 2022. As of June 30, 2021, contributions made subsequent to the measurement date was recognized as a reduction to the net OPEB liability for the year ended June 30, 2022.

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

Fiscal Year Ending June 30,		Deferred Net Outflows/ (Inflows) of Resources
2023	$	(79,100)
2024		(76,426)
2025		(80,495)
2026		(104,045)
2027		35,702
Remaining		319,836

Payable to the OPEB Plan

At June 30, 2022 and 2021, the District reported no amounts outstanding as required contributions to CERBT.

(8) Defined Benefit Pension Plan

Plan Description

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Pension Plan (Plan or PERF C) administered by the California Public Employees' Retirement System (CalPERS). The Plan consists of a miscellaneous risk pool and a safety risk pool, which are comprised of individual employer miscellaneous and safety plans, respectively. Benefit provisions under the Plan are established by State statute and the District's resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions, and membership information that can be found on CalPERS website or may be obtained from their executive office at 400 P Street, Sacramento, California 95814.

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 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: The Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustment for each plan are applied as specified by the Public Employees' Retirement Law.

On September 12, 2012, the California Governor signed the California Public Employees' Pension Reform Act of 2013 (PEPRA) into law. PEPRA took effect January 1, 2013. The new legislation closed the District's CalPERS 2.0% at 60 Risk Pool Retirement Plan to new employee entrants not previously employed by an agency under CalPERS effective December 31, 2012. All employees hired after January 1, 2013, are eligible for the District's CalPERS 2.0% at 62 Retirement Plan under PEPRA.

The District participates in the Plan's miscellaneous risk pool. The provisions and benefits for the Plan's miscellaneous pool in effect as of June 30, 2022 and 2021, are summarized as follows:

	Miscellaneous Risk Pool	
	Classic	**PEPRA**
Hire date	Prior to January 1, 2011	On or after January 1, 2013
Benefit formula	2.0% @ 60	2.0% @ 62
Benefit vesting schedule	5 service years	5 service years
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 60	52 - 62
Monthly benefits, as a % of eligible compensation	1.0% to 2.5%	1.0% to 2.5%
2021 Required employee contribution rates	6.920%	6.750%
2021 Required employer contribution rates	9.130%	7.590%
2020 Required employee contribution rates	6.918%	6.750%
2020 Required employer contribution rates	9.281%	7.732%

(8) Defined Benefit Pension Plan, continued

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by an actuary and shall be effective on July 1, following notice of a change in rate. Funding contribution for the Plan is determined annually on an actuarial basis as of June 30, by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the years ended June 30, 2022 and 2021, contributions recognized as part of pension expense for the Plan were as follows:

		2022	2021
Contributions – employer	$	1,805,214	735,963

Net Pension Liability

As of the fiscal years ended June 30, 2022 and 2021, the District reported net pension liabilities for its proportionate share of the net pension (asset) liability of the Plan as follows:

		2022	2021
Proportionate share of net pension liability	$	(750,483)	1,612,919

The District's net pension (asset) liability for the Plan is measured as the proportionate share of the net pension liability for the miscellaneous risk pool. As of June 30, 2022 and 2021, the net pension liability of the Plan are measured as of June 30, 2021 and 2020 (the measurement dates), respectively. The total pension liability for the Plan's miscellaneous risk pool used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020 and 2019 (the valuation dates), rolled forward to June 30, 2021 and 2020, respectively, using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

The District's changes in the proportionate share of the net pension liability for the Plan's miscellaneous risk pool as of the measurement dates June 30, 2021 and 2020, were as follows:

	Miscellaneous	
Proportion – June 30, 2020	0.01838	%
Change in proportionate share	(0.00356)	
Proportion – June 30, 2021	0.01482	
Change in proportionate share	(0.02870)	
Proportion – June 30, 2022	(0.01388)	%

(8) Defined Benefit Pension Plan, continued

Deferred Pension Outflows(Inflows) of Resources

For the year ended June 30, 2022 and 2021, the District recognized pension credit of $146,389 and $139,703.

The District records pension (credit) expense adjustment within the employee benefits portion of total expenses. In 2022, pension credit of $(4,138,424) was recorded in other revenue as a result of the CalPERS Actuarial Valuation adjustment. In 2021, pension expense of $241,261 was recorded under employee benefits expense.

As of the fiscal years ended June 30, 2022 and 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

		2022		2021	
Description		Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to the measurement date	$	1,805,214	-	735,963	-
Difference between actual and expected experience		-	(84,159)	83,118	-
Changes in assumptions		-	-	-	(11,504)
Net difference between projected and actual earnings on plan investments		655,132	-	47,914	-
Difference between actual contribution and proportionate share of contribution		137,327	-	201,933	-
Net adjustment due to difference in proportions of net pension liability		245,278	-	-	(73,654)
Total	$	2,842,951	(84,159)	1,068,928	(85,158)

For the years ended June 30, 2022 and 2021, the District's deferred outflows of resources related to contributions subsequent to the measurement dates totaled $1,805,214 and $735,963, respectively, will be recognized as a reduction of the net pension liability in the fiscal years ended June 30, 2023, and 2022, respectively.

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

Fiscal Year Ending June 30,		Deferred Net Outflows/ (Inflows) of Resources
2023	$	311,026
2024		288,169
2025		221,771
2026		132,612
2027		-
Remaining		-

(8) Defined Benefit Pension Plan, continued

Actuarial Assumptions

The total pension liabilities in the June 30, 2021 and 2018, actuarial valuations were determined using the following actuarial assumptions and methods:

Valuation Dates	June 30, 2020 and 2019
Measurement Dates	June 30, 2021 and 2020
Actuarial cost method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial assumptions:	
Discount rate	7.15%
Inflation	2.50%
Salary increases	Varies by Entry Age and Service
Mortality Rate Table*	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit	Contract COLA up to 2.50% until Purchasing Power applies, 2.50% thereafter

* The mortality table was developed based on CalPERS specific data. The table includes 15 years of mortality improvement using the Society of Actuaries 90 percent of scale MP 2016. For more details on this table, please refer to the December 2017, experience study report (based on CalPERS demographic data from 1997 to 2015) available online on the CalPERS website.

Discount Rate

The discount rate used to measure the total pension liability as of June 30, 2021 and 2020, for the PERF C was 7.15%. This discount rate is not adjusted for administrative expenses.

The PERF C 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 for those pension plans' investments were applied to all periods of projected benefit payments to determine the total pension liability.

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical and forecasted information for all funds' asset classes, expected compound (geometric) returns were calculated over the short term (first 10 years) and the long term (11+ years) using a building-block approach. Using the expected nominal returns for both short term and long term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

(8) Defined Benefit Pension Plan, continued

Discount Rate, continued

The table below reflects long-term expected real rates of return by asset class. The rates of return were calculated using the capital market assumptions applied to determine the discount rate.

Asset Class	Assumed Asset Allocation	Real Return Years 1-10	Real Return Year 11+
Global Equity	50.00 %	4.80 %	5.98 %
Global Fixed Income	28.00	1.00	2.62
Inflation Sensitive	0.00	0.77	1.81
Private Equity	8.00	6.30	7.23
Real Asset	13.00	3.75	4.93
Liquidity	1.00	0.00	(0.92)
Total	100.00		

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

The following table presents the District's proportionate share of the net pension liability for the Plan, calculated using the discount rate, 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 one percentage point lower or one percentage point higher than the current rate.

As of June 30, 2022, the District's net pension liability at the current discount rate, using a discount rate that is one-percentage point lower, and using a discount rate that is one-percentage point higher are as follows:

	Discount Rate - 1% 6.15%	Current Discount Rate 7.15%	Discount Rate + 1% 8.15%
District's net pension liability	$ 1,696,200	(750,483)	(2,773,121)

As of June 30, 2021, the District's net pension liability at the current discount rate, using a discount rate that is one-percentage point lower, and using a discount rate that is one-percentage point higher are as follows:

	Discount Rate - 1% 6.15%	Current Discount Rate 7.15%	Discount Rate + 1% 8.15%
District's net pension liability	$ 4,023,759	1,612,919	(379,083)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in separately issued CalPERS financial reports. See pages 68 through 70 for the Required Supplementary Information.

Payable to the Pension Plan

At June 30, 2022 and 2021, the District reported no payables for the outstanding amount of contribution to the pension plan.

(9) Pollution Remediation Obligation

1n January 2007, the District hired EAR Engineering, Construction & Support Services (EAR) to test the soil at the District's Thermal property. It was determined that early District control practices led to an environmental contamination of the soil in the parking lot area of the facility. The pollution found was DDT (Dichlorodiphenyltrichloroethane) which is an insecticide that is found in a broad range of agricultural and nonagricultural applications. The chemical was banned in the United States and in many parts of the world in 1972. The District was ordered to remediate the DDT found in the soil at the Thermal property. EAR recommended that the District perform soil capping since the DDT has very low degradation capacity and low solubility; thus, it is more likely that the DDT will remain in the soil under natural conditions. In August 2008, the District hired D&L Wheeler Enterprise to perform the soil capping of the Thermal property. The cost of the soil capping was $457,749 in fiscal year 2009. The District is required to add a one-inch layer of asphalt to the capping every 10 years until the DDT pollution is minimized. The cost of the recapping is estimated at $150,000 every 10 years for approximately 142 years. As of June 30, 2022 and 2021, the estimated pollution remediation liability is $2,100,000.

(10) Net Position / Fund Balance

The District has established policies to reserve portions of its unrestricted and spendable net position/fund balance as follows:

- **Thermal facility remediation reserve** – funds committed for the continual remediation obligations regarding the District’s Thermal facility. The balance is to fund the remedial action plan every ten years. The fund balance is replenished through rental income, interest earnings, and annual budgeted fund transfers.
- **Public health emergency reserve –** funds assigned for Public Health Emergencies as defined by the District’s risk assessment plan. The District maintains a minimum balance equal to 33% of the District’s operating revenues.
- **Operating reserve –** funds assigned for operations maintained at a minimum balance equal to 40% of operating revenues.
- **Equipment reserve** – funds assigned for the replacement of equipment and furnishings. The funding is based on a 10 year replacement schedule and funded by transfers from the operating budget on an annual basis.
- **Facility and vehicle replacements reserve** – funds assigned for replacing facilities, vehicles, and new capital projects. The funding is based on an annual reserve study and funded by transers from the operating budget on an annual basis.
- **Other post-employment benefits payable reserve** – funds assigned to cover the District’s net other post-employment benefits.

(10) Net Position / Fund Balance, continued

Net position as of June 30 is categorized as follows:

		2022	2021
Net investment in capital assets:			
Capital assets – not being depreciated	$	417,873	422,798
Capital assets – being depreciated, net		8,868,771	9,218,540
Lease obligation, current		(2,191)	(6,565)
Lease obligation, non-current		-	(2,191)
Total net investment in capital assets		9,284,453	9,632,582
Unrestricted:			
Public health emergency reserve		4,851,276	4,309,674
Operating reserve		4,800,000	4,800,000
Equipment reserve		594,026	666,141
Facility and vehicle replacement reserve		2,726,501	2,389,462
Unreserved		4,414,739	868,041
Total unrestricted		17,386,542	13,033,318
Total net position	$	26,670,995	22,665,900

Fund balance is presented in the following categories: nonspendable, restricted, committed, assigned, and unassigned (See Note 1.D.20 for a description of these categories). Fund balance categories and their funding composition at June 30 were as follows:

		2022	2021
Nonspendable:			
Materials and supplies inventory	$	546,951	633,982
Prepaid expenses and deposits		916,047	821,339
Total nonspendable		1,462,998	1,455,321
Committed:			
Thermal facility remediation		117,588	93,594
Total committed		117,588	93,594
Assigned:			
Compensated absences		887,220	794,601
Public health emergency reserve		4,851,276	4,309,674
Operating reserve		4,800,000	4,800,000
Equipment reserve		594,026	666,141
Facility and vehicle replacement reserve		2,726,501	2,389,462
Future healthcare liabilities reserve		453,746	547,704
Total assigned		14,312,769	13,507,582
Unassigned:			
Unassigned		746,946	1,562,650
Total fund balance	$	16,640,301	16,619,147

(11) Prior Period Adjustment

In 2022, the District implemented GASB Statement No. 87, Leases. The nature, justification, and an explanation of the change are included in note 1.C. As a result of the implementation, the District recognized the lease receivables and deferred inflows of resources and recorded prior period adjustments of $11,116, to establish beginning balances as of July 1, 2019.

Net position at July 1, 2019, as previously stated		$ 21,616,308
Effect of adjustment to record lease receivable	$ 44,146	
Effect of adjustment to record leased assets	34,365	
Effect of adjustment to record accumulated amortization	(9,796)	
Effect of adjustment to record lease obligation	(15,309)	
Effect of adjustment to record deferred lease inflows	(42,290)	
Total adjustment to net position		11,116
Net position at July 1, 2019, as restated		$ 21,627,424

(12) Deferred Compensation Savings Plan

For the benefit of its employees, the District participates in a 457 Deferred Compensation Program (Program). The purpose of this Program is to provide deferred compensation for public employees that elect to participate in the Program. Generally, eligible employees may defer receipt of a portion of their salary until termination, retirement, death, or unforeseeable emergency. Until the funds are paid or otherwise made available to the employee, the employee is not obligated to report the deferred salary for income tax purposes. Federal law requires deferred compensation assets to be held in trust for the exclusive benefit of the participants. Accordingly, the District is in compliance with this legislation. Therefore, these assets are not the legal property of the District and are not subject to claims of the District's general creditors. Market value of all plan assets held in trust at June 30, 2022 and 2021, were $4,051,958 and $4,959,565, respectively.

The District has implemented GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans.* Since the District has little administrative involvement and does not perform the investing function for this plan, the assets and related liabilities are not shown on the statement of net position.

(13) Risk Management

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District, as a member of the Vector Control Joint Powers Authority (VCJPA) has purchased various insurance policies to manage the potential liabilities that may occur from the previously named sources. The VCJPA is a consortium of 33 mosquito abatement and/or vector control districts in the State of California. VCJPA's purpose is to arrange and administer programs of self-insured losses and to purchase excess insurance coverage. The day-to-day business is handled by a risk management group employed by the VCJPA. At June 30, 2022, the District participated in the liability and property programs of the VCJPA as follows:

- General and auto liability
- Public officials and employees' errors and omissions
- Workers' compensation
- Property damage
- Auto physical damage
- Business travel
- Group fidelity
- Underground storage tank

(13) Risk Management, continued

The District is covered for the first $1,000,000 of each general liability claim and $500,000 of each workers' compensation claim through the VCJPA. The District may receive dividends and has the obligation to pay assessments if declared by the Board. The assessments are based on a formula which, among other expenses, charges the District's account for liability and workers' compensation losses which fall within the District's self-insured retentions (SIR) for each program year. The liability SIR and workers' compensation SIR for the 2022 program year is $25,000 each.

The VCJPA participates in an excess pool which provides general liability coverage from $1,000,001 to $14,000,000 and in an excess pool which provides employers liability and workers' compensation coverage from $500,001 to $5,000,000. In addition, the VCJPA provides workers' compensation coverage above $5,000,000 up to the statutory limit, through a combination of reinsurance and insurance. Financial statement information for the VCJPA can be obtained at 1750 Creekside Oaks Drive, Suite 200 Street, Sacramento, CA 95833 or (800) 541-4591, www.vcjpa.org.

Settled claims have not exceeded any of the coverage amounts in any of the last three fiscal years, and there were no reductions in the District's insurance coverage during the fiscal years ended June 30, 2022, 2021, and 2020. Liabilities are recorded when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated net of the respective insurance coverage. Liabilities include an amount for claims that have been incurred, but not reported (IBNR). There was no IBNR claims payable as of June 30, 2022, 2021, and 2020.

(14) Governmental Accounting Standards Board Statements Issued, Not Yet Effective

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to June 30, 2022 that have effective dates that may impact future financial presentations.

Governmental Accounting Standards Board Statement No. 91

In May 2019, the GASB issued Statement No. 91 – *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

This Statement requires issuers to disclose general information about their conduit debt obligations, organized by type of commitment, including the aggregate outstanding principal amount of the issuers' conduit debt obligations and a description of each type of commitment. Issuers that recognize liabilities related to supporting the debt service of conduit debt obligations also should disclose information about the amount recognized and how the liabilities changed during the reporting period.

The requirements of this Statement were effective for reporting periods beginning after December 15, 2020; however, in light of the COVID-19 pandemic, the effective date has been postponed by one year. Earlier application is encouraged.

(14) Governmental Accounting Standards Board Statements Issued, Not Yet Effective, continued

Governmental Accounting Standards Board Statement No. 94

In March 2020, the GASB issued Statement No. 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement.

This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 96

In May 2020, the GASB issued Statement No. 96 – *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged.

(14) Governmental Accounting Standards Board Statements Issued, Not Yet Effective, continued

Governmental Accounting Standards Board Statement No. 97

In June 2020, the GASB issued Statement No. 97 – *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 41 and No. 84, and a supersession of GASB Statement No. 32.* The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

The requirements of this Statement that (1) exempt primary governments that perform the duties that a governing board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution OPEB plans, or other employee benefit plans and (2) limit the applicability of the financial burden criterion in paragraph 7 of Statement 84 to defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement 67 or paragraph 3 of Statement 74, respectively, are effective immediately. The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this Statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021. Earlier application of those requirements is encouraged and permitted by requirement as specified within this Statement. The Board considered the effective dates for the requirements of this Statement in light of the COVID-19 pandemic and in concert with Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance.

Governmental Accounting Standards Board Statement No. 99

In April 2022, the GASB issued Statement No. 99 – *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

The requirements of this Statement will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature. Consistent authoritative literature enables governments and other stakeholders to locate and apply the correct accounting and financial reporting provisions, which improves the consistency with which such provisions are applied. The comparability of financial statements also will improve as a result of this Statement. Better consistency and comparability improve the usefulness of information for users of state and local government financial statements. The requirements of this Statement are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

(14) Governmental Accounting Standards Board Statements Issued, Not Yet Effective, continued

Governmental Accounting Standards Board Statement No. 100

In June 2022, the GASB issued Statement No. 100 – *Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting—understandability, reliability, relevance, timeliness, consistency, and comparability. This Statement also addresses corrections of errors in previously issued financial statements.

The requirements of this Statement will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. In turn, more understandable, reliable, relevant, consistent, and comparable information will be provided to financial statement users for making decisions or assessing accountability. In addition, the display and note disclosure requirements will result in more consistent, decision useful, understandable, and comprehensive information for users about accounting changes and error corrections.

The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 101

In June 2022, the GASB issued Statement No. 101 – *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences.

The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

(15) Commitments and Contingencies

Grant Awards

Grant funds received by the District are subject to audit by grantor agencies. Such an audit could lead to requests for reimbursements to grantor agencies for expenditures disallowed under terms of the grant. Management of the District believes that such disallowances, if any, would not be significant.

Litigation

In the ordinary course of operations, the District is subject to claims and litigation from outside parties. After consultation with legal counsel, the District believes the ultimate outcome of such matters, if any, will not materially affect its financial condition.

(16) Subsequent Events

Events occurring after June 30, 2022, have been evaluated for possible adjustment to the financial statements or disclosure as of December 16, 2022, which is the date the financial statements were available to be issued. The District is not aware of any further subsequent events that would require recognition or disclosure in the financial statements.

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Required Supplementary Information

Coachella Valley Mosquito and Vector Control District
Budgetary Comparison Schedule – General Fund
For the Fiscal Year Ended June 30, 2022

		Original Adopted Budget	Final Revised Budget	Actual Budgetary Basis	Variance Positive (Negative)
EXPENDITURES/EXPENSES					
Mosquito and vector control operations:					
Salaries and wages	$	5,633,707	5,633,707	5,676,112	(42,405)
Employee benefits		3,978,333	3,978,333	4,038,111	(59,778)
Field operations		1,571,150	1,571,150	1,504,824	66,326
Materials, services and supplies		940,894	940,894	1,014,223	(73,329)
Insurance		338,013	338,013	300,134	37,879
Contract agreements		150,000	182,093	185,734	(3,641)
Contingency		109,750	109,750	-	109,750
Investment loss		-	-	272,536	(272,536)
Capital outlay		481,300	481,300	361,019	120,281
Total expenditures/expenses		13,203,147	13,235,240	13,352,693	(117,453)
PROGRAM REVENUES					
Charges for services – special benefit assessment		2,299,810	2,299,810	2,351,982	52,172
Total program revenues		2,299,810	2,299,810	2,351,982	52,172
GENERAL REVENUES					
Property taxes and redevelopment tax increment		9,780,649	9,780,649	10,943,542	1,162,893
Interest earnings		42,000	42,000	-	(42,000)
Rental revenue		-	-	30,384	30,384
Other revenue		63,000	63,000	47,939	(15,061)
Total general revenues		9,885,649	9,885,649	11,021,865	1,136,216
Total revenues		12,185,459	12,185,459	13,373,847	1,188,388
Change in fund balance		(1,017,688)	(1,049,781)	21,154	1,070,935
Fund balance – beginning of period		16,619,147	16,619,147	16,619,147	
Fund balance – end of period	$	15,601,459	15,569,366	16,640,301	

Notes to Required Supplementary Information

(1) Budgets and Budgetary Data

The District follows specific procedures in establishing the budgetary data reflected in the financial statements. Each year the District's General Manager and Administrative Finance Manager prepare and submit an operating budget to the Board of Trustees for the General Fund no later than June of each year. The basis used to prepare the budget does not differ substantially from the modified accrual basis of accounting. The adopted budget becomes operative on July 1. The Board of Trustees must approve all supplemental appropriations to the budget and transfers between major accounts. The District's annual budget is presented as a balanced budget (inflows and reserves equal outflows and reserves) adopted for the General Fund at the detailed expenditure-type level. The District presents a comparison of the annual budget to actual results for the General Fund at the functional expenditure-type major object level for financial reporting purposes.

Coachella Valley Mosquito and Vector Control District
Budgetary Comparison Schedule – General Fund
For the Fiscal Year Ended June 30, 2021

	Original Adopted Budget	Final Revised Budget	Actual Budgetary Basis	Variance Positive (Negative)
EXPENDITURES/EXPENSES				
Mosquito and vector control operations:				
Salaries and wages	$ 5,284,562	5,284,562	5,161,602	122,960
Employee benefits	2,863,995	2,863,995	2,821,587	42,408
Field operations	1,467,192	1,467,192	1,042,382	424,810
Materials, services and supplies	855,214	855,214	813,951	41,263
Insurance	320,092	320,092	310,914	9,178
Contract agreements	135,000	135,000	87,173	47,827
Contingency	109,750	109,750	-	109,750
Investment loss	-	-	4,854	(4,854)
Capital outlay	473,481	473,481	169,308	304,173
Total expenditures/expenses	11,509,286	11,509,286	10,411,771	1,097,515
PROGRAM REVENUES				
Charges for services – special benefit assessment	2,299,810	2,299,810	2,282,794	(17,016)
Total program revenues	2,299,810	2,299,810	2,282,794	(17,016)
GENERAL REVENUES				
Property taxes and redevelopment tax increment	9,026,476	9,026,476	10,177,676	1,151,200
Interest earnings	120,000	120,000	-	(120,000)
Rental revenue	-	-	60,835	60,835
Other revenue	63,000	63,000	63,761	761
Total general revenues	9,209,476	9,209,476	10,302,272	1,092,796
Total revenues	11,509,286	11,509,286	12,585,066	1,075,780
Change in fund balance	-	-	2,173,295	2,173,295
Fund balance – beginning of period	14,445,852	14,445,852	14,445,852	
Fund balance – end of period	$ 14,445,852	14,445,852	16,619,147	

Notes to Required Supplementary Information

(1) Budgets and Budgetary Data

The District follows specific procedures in establishing the budgetary data reflected in the financial statements. Each year the District's General Manager and Administrative Finance Manager prepare and submit an operating budget to the Board of Trustees for the General Fund no later than June of each year. The basis used to prepare the budget does not differ substantially from the modified accrual basis of accounting. The adopted budget becomes operative on July 1. The Board of Trustees must approve all supplemental appropriations to the budget and transfers between major accounts. The District's annual budget is presented as a balanced budget (inflows and reserves equal outflows and reserves) adopted for the General Fund at the detailed expenditure-type level. The District presents a comparison of the annual budget to actual results for the General Fund at the functional expenditure-type major object level for financial reporting purposes.

Coachella Valley Mosquito and Vector Control District
Schedules of the District's Proportionate Share of the Net Pension Liability
As of June 30, 2022
Last Ten Years*

Description	Measurement Dates							
	06/30/2021	06/30/2020	06/30/2019	06/30/2018	06/30/2017	06/30/2016	06/30/2015	06/30/2014
District's proportion of the net pension liability	-0.01388%	0.01482%	0.01838%	0.01645%	0.01778%	0.01609%	0.00907%	0.01529%
District's proportionate share of the net pension liability	$ (750,483)	1,612,919	1,883,157	1,585,309	1,763,285	1,392,005	622,269	927,555
District's covered payroll	$ 4,495,012	4,480,829	4,414,299	4,195,998	3,938,542	3,937,014	3,532,672	3,477,312
District's proportionate share of the the net pension liability as a percentage of its covered payroll	-16.70%	36.00%	42.66%	37.78%	44.77%	35.36%	17.61%	26.67%
District's proportionate share of the fiduciary net position as a percentage of total pension liability	88.62%	88.62%	88.62%	89.38%	87.13%	88.03%	93.96%	90.59%

Notes to the Schedules of the District's Proportionate Share of Net Pension Liability

Changes in Benefit Terms

Public agencies can make changes to their plan provisions, and such changes occur on an ongoing basis. A summary of the plan provisions that were used for a specific plan can be found in the plan's annual valuation report.

Change of Assumptions and Methods

In fiscal year 2021, there were no changes to actuarial assumptions or methods.

The CalPERS Board of Administration adopted a new amortization policy effective with the June 30, 2019, actuarial valuation. The new policy shortens the period over which actuarial gains and losses are amortized from 30 years to 20 years with the payments computed as a level dollar amount. In addition, the new policy does not utilize a five-year ramp-up and ramp-down on UAL bases attributable to assumption changes and non-investment gains/losses. The new policy also does not utilize a five-year ramp-down on investment gains/losses. These changes will apply only to new UAL bases established on or after June 30, 2019. In fiscal year 2020, no changes have occurred to the actuarial assumptions in relation to financial reporting. In fiscal year 2020, CalPERS implemented a new actuarial valuation software system for the June 30, 2018 valuation. This new system has refined and improved calculation methodology.

Notes to the Schedules of the District's Proportionate Share of Net Pension Liability, continued

Change of Assumptions and Methods, continued

In fiscal year 2017, the financial reporting discount rate for the PERF C was lowered from 7.65% to 7.15%. In December 2016, the CalPERS Board approved lowering the funding discount rate used in the PERF C from 7.50% to 7.00%, which is to be phased in over a three-year period (7.50% to7.375%, 7.375% to 7.25%, and 7.25% to 7.00%) beginning with the June 30, 2016, valuation reports. The funding discount rate includes a 15 basis-point reduction for administrative expenses, and the remaining decrease is consistent with the change in the financial reporting discount rate.

* The District has presented information for those years for which information is available until a full 10- year trend is compiled.

In December 2017, the CalPERS Board adopted new mortality assumptions for plans participating in the PERF. The new mortality table was developed from the December 2017 experience study and includes 15 years of projected ongoing mortality improvement using 90% of scale MP 2016 published by the Society of Actuaries. The inflation assumption is reduced from 2.75% to 2.50%.

The assumptions for individual salary increases and overall payroll growth are reduced from 3.00% to 2.75%. These changes will be implemented in two steps commencing in the June 30, 2017 funding valuation. However, for financial reporting purposes, these assumption changes are fully reflected in the results for fiscal year 2018.

In fiscal year 2015, the financial reporting discount rate was increased from 7.50% to 7.65% resulting from eliminating the 15 basis-point reduction for administrative expenses. The funding discount rate remained at 7.50% during this period, and remained adjusted for administrative expenses.

* The District has presented information for those years for which information is available until a full 10- year trend is compiled.

Coachella Valley Mosquito and Vector Control District
Schedules of Pension Plan Contributions
As of June 30, 2022
Last Ten Years*

Description	Fiscal Years Ended 06/30/2022	06/30/2021	06/30/2020	06/30/2019	06/30/2018	06/30/2017	06/30/2016	06/30/2015
Contractually required contribution (actuarially determined)	$ 1,805,214	735,963	$ 530,904	$ 468,095	424,972	382,974	307,156	293,218
Contributions in relation to the actuarially determine contributions	(1,805,214)	(735,963)	(1,116,921)	(483,461)	(417,763)	(402,952)	(284,591)	(258,524)
Contribution deficiency (excess)	$ -	-	$ (586,017)	$ (15,366)	7,209	(19,978)	22,565	34,694
Covered payroll	$ 4,495,012	4,480,829	4,414,299	4,195,998	3,938,542	3,937,014	3,532,672	3,477,312
Contribution's as a percentage of covered payroll	40.16%	16.42%	25.30%	11.52%	10.61%	10.23%	8.06%	7.43%

Notes to the Schedule of Pension Plan Contributions

* The District has presented information for those years for which information is available until a full 10-year trend is compiled.

Coachella Valley Mosquito and Vector Control District
Schedule of Changes in Net OPEB Liability and Related Ratios
For the Year Ended June 30, 2022
Last Ten Years*

Defined Benefit OPEB Plan

		2022	2021	2020	2019
Total OPEB Liability					
Service cost	$	144,279	140,418	150,812	146,776
Interest		278,917	253,525	232,900	210,861
Benefit payments		(77,020)	(66,263)	(56,718)	(40,542)
Expected minus actual benefit payments		-	-	7,657	-
Changes in assumptions		959,407			
Experience (gains)/losses		(409,241)	-	(26,219)	-
Net change in total OPEB liability		896,342	327,680	308,432	317,095
Total OPEB liability - beginning of year		3,912,384	3,584,704	3,276,272	2,959,177
Total OPEB liability - end of year (a)	$	4,808,726	3,912,384	3,584,704	3,276,272
Plan fiduciary net position					
Contributions - employer	$	389,440	378,683	369,138	352,962
Expected investment income		252,993	223,473	190,140	156,532
Investment gains/losses		698,743	(112,764)	(25,352)	13,401
Administrative expense		(1,315)	(1,491)	(557)	(3,928)
Benefit payments		(77,020)	(66,263)	(56,718)	(40,542)
Net change in plan fiduciary net position		1,262,841	421,638	476,651	478,425
Plan fiduciary net position - beginning of year		3,458,638	3,037,000	2,560,349	2,081,924
Plan fiduciary net position - end of year (b)		4,721,479	3,458,638	3,037,000	2,560,349
Net OPEB liability - ending (a) - (b)	$	87,247	453,746	547,704	715,923
Plan fiduciary net position as a percentage of the total OPEB liability		98.19%	88.40%	84.72%	78.15%
Covered - payroll		4,495,012	4,480,829	4,414,299	4,195,998
Net OPEB liability as a percentage of covered-payroll		1.94%	10.13%	12.41%	17.06%

Notes to Schedule

***Benefit Changes* –** None noted.

***Changes of Assumptions* –** Discount rate changed from 7.00% in fiscal year 2020 measurement date to 6.75% fiscal year 2021 measurement. Inflation rate changed from 2.75% in fiscal year 2020 measurement date to 2.50% fiscal year 2021 measurement. Salary increase rate was unchanged from the prior year.

* The District has presented information for those years for which information is available until a full 10- year trend is compiled.

Coachella Valley Mosquito and Vector Control District
Schedule of OPEB Contributions
For the Year Ended June 30, 2022
Last Ten Years*

Defined Benefit OPEB Plan

		2022	2021	2020	2019
Actuarially determined contribution	$	-	-	-	
Contributions in relation to the actuarially					-
determined contribution		312,420	312,420	312,420	312,420
Contribution deficiency (excess)	$	(312,420)	(312,420)	(312,420)	(312,420)

Notes to Schedule

The District contributes on an ad hoc basis, but in an amount sufficient to fully fund the obligation over a period not to exceed 34 years. As a result, methods and assumption used to determine contribution rates are not applicable.

* The District has presented information for those years for which information is available until a full 10-year trend is compiled.

Statistical Section

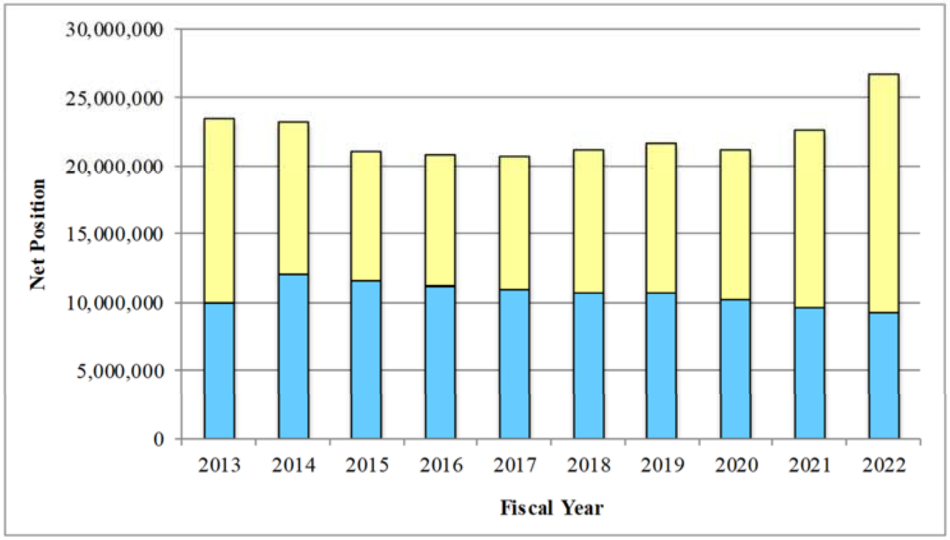
Coachella Valley Mosquito and Vector Control District
Statistical Section

This part of the District's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

Table of Contents

Coachella Valley Mosquito and Vector Control District
Net Position by Component
Last Ten Fiscal Years

						As restated		As restated		
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental activities:										
Net investment in capital assets	$ 9,951,730	12,022,189	11,565,887	11,188,461	10,881,505	10,725,824	10,624,757	10,177,671	9,632,582	9,284,453
Unrestricted	13,532,605	11,160,743	9,456,988	9,604,936	9,851,622	10,444,503	10,991,551	10,992,392	13,033,318	17,386,542
Total governmental activities net position	23,484,335	23,182,932	21,022,875	20,793,397	20,733,127	21,170,327	21,616,308	21,170,063	22,665,900	26,670,995
Primary government:										
Net investment in capital assets	9,951,730	12,022,189	11,565,887	11,188,461	10,881,505	10,725,824	10,624,757	10,177,671	9,632,582	9,284,453
Unrestricted	13,532,605	11,160,743	9,456,988	9,604,936	9,851,622	10,444,503	10,991,551	10,992,392	13,033,318	17,386,542
Total primary government net position	$ 23,484,335	23,182,932	21,022,875	20,793,397	20,733,127	21,170,327	21,616,308	21,170,063	22,665,900	26,670,995



Source: Financial Statements

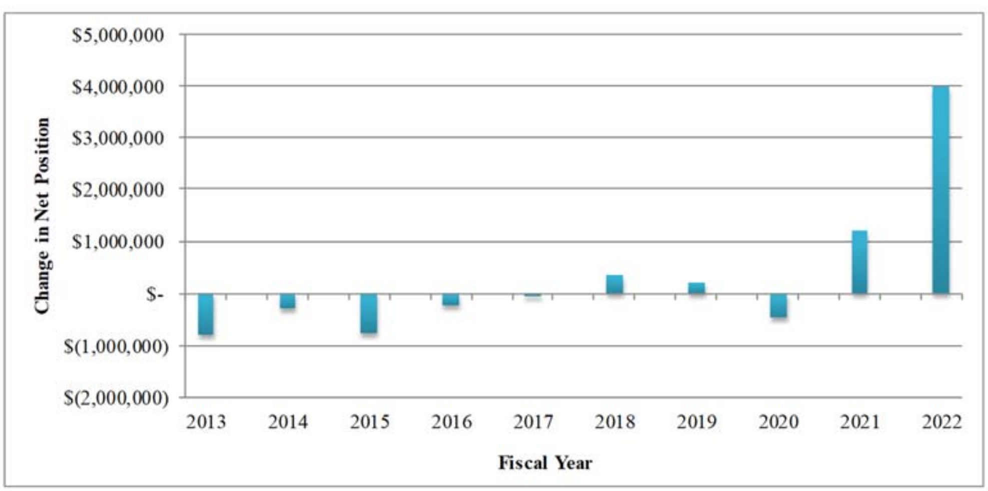
Coachella Valley Mosquito and Vector Control District
Changes in Net Position
Last Ten Fiscal Years

	Fiscal Year				
	2013	2014	2015	2016	2017
Expenses:					
Governmental activities:					
Mosquito and vector control operations	8,333,981 (2)	8,297,304 (2)	8,806,640 (2)	8,714,568 (2)	9,477,450
General government	-	-	-	-	-
Public health	-	-	-	-	-
Total government activities expenses	$ 8,333,981	$ 8,297,304	$ 8,806,640	$ 8,714,568	$ 9,477,450
Program revenues:					
Governmental activities:					
Charges for services:					
Special benefit assessment	481,579	938,320	946,473	955,039	1,452,379
General government	-	-	-	-	-
Total primary government program revenues	481,579	938,320	946,473	955,039	1,452,379
Net revenues (expenses):					
Governmental activities	7,852,402	7,358,984	7,860,167	7,759,529	8,025,071
Total net revenues (expenses)	(7,852,402)	(7,358,984)	(7,860,167)	(7,759,529)	(8,025,071)
General revenues:					
Governmental activities:					
Property taxes and assessments	2,969,087	3,134,162	3,390,924	3,550,298	3,733,700
Pass-through revenues	3,958,205	3,852,978	3,607,131	3,859,864	3,990,874
Investment income	50,235	45,150	46,493	77,230	83,241
Other revenue	76,959	25,291	60,903	42,659	156,986
Total primary government	7,054,486	7,057,581	7,105,451	7,530,051	7,964,801
Changes in net position					
Total primary government	$ (797,916)	$ (301,403)	$ (754,716)	$ (229,478)	$ (60,270)

(1) Public Health was included as General Government

(2) Public Health & General Government are included in Mosquito and Vector control operations

Source: Financial Statements



Coachella Valley Mosquito and Vector Control District
Changes in Net Position, continued
Last Ten Fiscal Years

Fiscal Year				
As restated 2018	2019	As restated 2020	As restated 2021	2022
9,672,891 (2)	10,635,330 (2)	11,747,622 (2)	11,075,267 (2)	13,480,979 (2)
-	-	-	-	-
-	-	-	-	-
$ 9,672,891	$ 10,635,330	$ 11,747,622	$ 11,075,267	$ 13,480,979
1,628,823	1,984,134	2,162,379	2,282,794	2,340,732
-	-	-	-	-
1,628,823	1,984,134	2,162,379	1,984,134	2,340,732
8,044,068	8,651,196	9,585,243	9,091,133	11,140,247
(8,044,068)	(8,651,196)	(9,585,243)	(9,091,133)	(11,140,247)
3,883,367	4,027,484	4,179,391	4,381,452	4,604,430
4,164,357	4,425,927	4,558,416	5,796,224	6,339,112
153,373	308,476	253,879	-	-
206,695	103,743	140,205	106,625	4,201,800
8,407,792	8,865,630	9,131,891	10,284,301	15,145,342
$ 363,724	$ 214,434	$ (453,352)	$ 1,193,168	$ 4,005,095

Coachella Valley Mosquito and Vector Control District
Fund Balances of Government Funds
Last Ten Fiscal Years

	Fiscal Year									
	2013	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
General fund:										
Non-spendable	1,292,526	1,210,811	1,347,850	1,507,884	1,357,513	1,587,126	1,613,581	1,102,643	1,455,321	1,462,998
Committed	3,514,102	3,616,495	3,142,583	3,358,633	3,727,041	3,991,341	4,792,675	41,075	93,594	117,588
Assigned	12,146,883	9,855,531	10,122,393	9,454,534	9,038,391	8,803,094	8,339,100	12,671,727	13,507,582	14,312,769
Unassigned	-	-	-	-	-	-	-	630,407	1,562,650	746,946
Total general fund	16,953,511	14,682,837	14,612,826	14,321,051	14,122,945	14,381,561	14,745,356	14,445,852	16,619,147	16,640,301

Source: Financial Statements

Coachella Valley Mosquito and Vector Control District
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years

	Fiscal Year									
	2013	2014	2015	2016	2017	As restated 2018	2019	2020	2021	2022
Revenues:										
Property taxes	$ 2,990,314	3,144,520	3,390,924	3,550,298	3,733,700	3,883,367	4,027,484	4,179,391	4,381,452	4,604,430
Redevelopment agency - property tax increment	3,958,205	3,852,978	3,607,131	3,859,864	3,990,874	4,164,357	4,425,927	4,558,416	5,796,224	6,339,112
Interest earnings	50,235	45,150	46,493	77,230	83,241	153,373	308,476	253,879	-	-
(1) Charges for services -special benefit assessment	484,502	926,757	946,473	955,039	1,452,379	1,628,823	1,984,134	2,162,379	2,282,794	2,351,982
Miscellaneous revenues	76,959	25,291	60,903	42,659	156,986	206,694	103,743	140,205	124,596	78,323
Total revenues	7,560,215	7,994,696	8,051,924	8,485,090	9,417,180	10,036,614	10,849,764	11,294,270	12,585,066	13,373,847
Expenditures:										
Mosquito and vector control operations:										
Salaries and wages	3,518,861	3,511,940	4,049,899	4,275,911	4,497,941	4,817,120	4,896,595	4,914,793	5,161,602	5,676,112
Employee benefits	1,901,658	1,961,003	1,964,764	1,717,802	2,243,795	2,132,288	2,550,378	3,137,438	2,821,587	4,038,111
Field operations	1,092,556	974,815	903,066	1,060,140	1,442,426	1,208,839	1,273,796	1,544,369	1,042,382	1,504,824
Materials, services and supplies	681,613	661,329	681,380	696,150	720,696	804,646	908,054	1,329,875	813,951	1,014,223
Insurance	273,848	400,867	300,358	186,663	239,220	151,806	236,018	255,321	310,914	300,134
Contract agreements	230,803	123,994	144,326	134,189	140,754	120,000	90,917	130,454	87,173	185,734
Investment loss	-	-	-	-	-	-	-	-	4,854	272,536
Contingency	-	-	-	-	-	-	-	45,448	-	-
Capital Outlay	1,026,493	2,631,422	197,444	252,201	330,454	543,299	530,212	236,076	169,308	361,019
Total expenditures/expenses	8,725,832	10,265,370	8,241,237	8,323,056	9,615,286	9,777,998	10,485,970	11,593,774	10,411,771	13,352,693
Excess (deficiency) of revenues over (under) expenditures/expenses	(1,165,617)	(2,270,674)	(189,313)	162,034	(198,106)	258,616	363,794	(299,504)	2,173,295	21,154
Other financing sources (uses):	-	-	-	-	-	-	-	-	-	-
Transfers in (out)	-	-	-	-	-	-	-	-	-	-
Prior period adustment	-	-	-	-	-	-	-	-	-	-
Net change in fund balances	$ (1,165,617)	(2,270,674)	(189,313)	162,034	(198,106)	258,616	363,794	(299,504)	2,173,295	21,154

The District in prior years reported expenditures/expenses department wide.

(1) Previously included with property taxes

Source: Financial Statements

Coachella Valley Mosquito and Vector Control District
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

		County			
Fiscal Year Ended June 30	Secured	Unsecured	Less: Tax Exempt Real Property	Taxable Assessed Value	Total Direct Tax Rate
2013	201,971,552	8,123,443	(7,116,248)	202,978,747	1.0000
2014	210,523,063	7,868,150	(7,300,462)	211,090,751	1.0000
2015	228,131,826	7,676,875	(7,502,942)	228,305,759	1.0000
2016	240,984,595	7,717,964	(7,760,338)	240,942,221	1.0000
2017	253,728,054	8,200,349	(8,136,300)	253,792,103	1.0000
2018	267,148,195	8,320,830	(8,546,894)	266,922,131	1.0000
2019	283,711,524	9,113,732	(9,093,789)	283,731,467	1.0000
2020	299,750,052	9,193,355	(11,551,305)	297,392,102	1.0000
2021	317,654,632	9,682,719	(11,777,036)	315,560,315	1.0000
(1) 2022	317,654,632	9,682,719	(11,777,036)	315,560,315	1.0000

Although the District's services encompass a portion of Riverside County, the amounts presented include the entire County's property taxes.

NOTE:
In 1978 the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only re-assessed at the time that it is sold to a new owner. At that point, the new assessed value is reassessed at the purchase price of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

(1) 2022 Data not available as of December 2022

Source: Auditor-Controller, County of Riverside

Coachella Valley Mosquito and Vector Control District
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

	County of Riverside	Range of Overlapping Rates			
Fiscal Year	Total County Rate	Total City Rate	Total School District Rate	Total Special District Rate	Total Direct & Overlapping Rates
2022 [1]	1.00000%	0% to 0.00531%	0 to .15291%	0% to 0.50000%	1.11711% to 1.50000%
2021	1.00000%	0% to 0.00531%	0 to .15291%	0% to 0.50000%	1.11711% to 1.50000%
2020	1.00000%	0% to 0.00543%	0 to .14876%	0% to 0.50000%	1.11550% to 1.50000%
2019	1.00000%	0% to 0.00592%	0 to .15291%	0% to 0.50000%	1.11550% to 1.50000%
2018	1.00000%	0% to 0.00608%	0 to .17609%	0% to 0.50000%	1.11550% to 1.50000%
2017	1.00000%	0% to 0.00617%	0 to .16601%	0% to 0.50000%	1.11440% to 1.50000%
2016	1.00000%	0% to 0.00576%	0 to .15335%	0% to 0.50000%	1.11440% to 1.50000%
2015	1.00000%	0% to 0.00626%	0 to .17234%	0% to 0.53052%	1.14640% to 1.53052%
2014	1.00000%	0% to 0.00673%	0.01768% to .17571%	0% to 0.55075%	1.13830% to 1.55075%
2013	1.00000%	0% to 0.00572%	0.01702% to .17570%	0% to 0.58076%	1.1434% to 1.58076%

Although the District's services encompass a portion of Riverside County, the amounts presented include the entire County's property taxes.

[1] 2022 Data not available as of December 2022

Source: Auditor-Controller, County of Riverside

Coachella Valley Mosquito and Vector Control District
Principal Property Taxpayers
Current and Nine Years Ago

	2022*		2012	
Taxpayer	Taxable Assessed Value	Percent of Total County Taxable Assessed Value	Taxable Assessed Value	Percent of Total County Taxable Assessed Value
Southern California Edison Company	$ 68,219	1.58%	$ 23,447	0.83%
Walgreen Co	-	0.00%	3,015	0.11%
Wells Fargo Bank	-	0.00%	3,105	0.11%
Southern California Gas Company	22,152	0.51%	6,554	0.23%
Frontier California, Inc.	6,836	0.16%	-	0.00%
Sentinel Energy Center, LLC	5,920	0.14%	-	0.00%
Verizon California, Inc.	-	-	10,214	0.36%
Duke Realty LTD Partnership	5,285	0.12%	-	0.00%
Inland Empire Energy Center LLC	-	0.00%	8,423	0.30%
Federal National Mortgage Association	-	0.00%	6,612	0.23%
Abott Vascular Inc.	-	0.00%	3,096	0.11%
Costco Wholesale Group	4,968	0.12%	-	0.00%
Temecula Hotel Partners Old Town Holdings Co	4,952	0.11%		0.00%
Amazon Services Inc	4,948	0.11%	-	0.00%
USEF CROSSROADS II	4,387	0.10%	-	0.00%
Chelsea GCA Realty Partnership	3,965	0.09%		0.00%
Tyler Mall Ltd Partnership		0.00%	2,881	0.10%
Standard Pacific Corp	-	0.00%	2,873	0.10%
Total	$ 131,632	3.04%	$ 70,220	2.48%

Although the District's services encompass a portion of Riverside County, the amounts presented include the entire County's property taxes.

Source: Treasurer-Tax Collector, County of Riverside
*Prior year numbers used
#Per thousand rounded

Coachella Valley Mosquito and Vector Control District
Property Tax Levies and Collections (thousands)
Last Ten Fiscal Years

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Amount	Percent of Levy	Delinquent Tax Collections [(1)]	Total Collections to Date Amount	Total Collections to Date Percent of Levy
2013	$ 2,677,034	2,618,818	97.83%	7,756	2,626,574	98.12%
2014	2,813,382	2,763,665	98.23%	12,867	2,776,532	98.69%
2015	3,014,259	2,968,113	98.47%	13,140	2,981,253	98.91%
2016	3,205,453	3,159,497	98.57%	6,230	3,165,727	98.76%
2017	3,368,109	3,322,587	98.65%	163,568	3,486,155	103.50%
2018	3,565,210	3,522,630	98.81%	157,158	3,679,788	103.21%
2019	3,762,000	3,704,818	98.48%	64,089	3,768,907	100.18%
2020	3,964,853	3,881,514	97.90%	80,190	3,961,704	99.92%
2021	4,185,761	4,115,033	98.31%	86,049	4,201,082	100.37%
2022 (2)	4,185,761	4,115,033	98.31%	86,049	4,201,082	100.37%

Although the District's services encompass a portion of Riverside County, the amounts presented include the entire County's property taxes.

(1) The District participates in the County's "Teeter Plan" whereby the county pays current year delinquencies in November of the subsequent year but keeps subsequent collections

(2) 2022 Data not available as of December 2022

Source: Riverside County Auditor Controller's Office

Coachella Valley Mosquito and Vector Control District
Demographic and Economic Statistics
Last Ten Fiscal Years

Calendar Year	Population	Personal Income (in thousands)	Per Capita Personal Income	Unemployment Rate
2013	2,255,059	76,289,477	33,278	10.20%
2014	2,279,967	76,064,000	33,836	8.40%
2015	2,308,441	81,296,000	34,169	6.60%
2016	2,347,828	86,888,000	34,506	5.90%
2017	2,384,783	90,160,000	35,286	5.60%
2018	2,415,955	92,810,000	36,149	4.80%
2019	2,440,124	95,775,000	37,074	4.40%
2020	2,442,304	98,654,000	37,951	14.70%
2021	2,454,453	101,553,770	38,822	7.30%
2022	2,454,453 (1)	101,553,770 (1)	38,822 (1)	7.30% (2)

Although the District's services encompass a portion of Riverside County, the amounts presented include the entire County's population.

NOTE:

(1) 2022 Data not available as of December 2022

(2) August 2022

Source: County of Riverside Economica Data Analysis

Coachella Valley Mosquito and Vector Control District
Principal Employers
Current and Nine Years Ago

Employer	2022* Number of Employees	2022* Percent of Total Employment	2012 Number of Employees	2012 Percent of Total Employment
County of Riverside	22,952	2.23%	19,150	2.33%
Amazon	10,500	1.02%	-	0.00%
March Air Reserve Base	9,600	0.93%	9,000	1.09%
University of California Riverside	8,909	0.87%	5,790	0.70%
Stater Brothers Market	8,304	0.81%	6,900	0.84%
Moreno Valley Unified School District	6,250	0.61%	3,500	0.43%
Kaiser Permanente Riverside Medical Center	5,780	0.56%	4,000	0.49%
Corona-Norco Unified School District	5,478	0.53%	4,686	0.57%
Hemet Unified School District	4,460	0.43%		0.00%
Ross Dress for Less	4,313	0.42%	-	0.00%
Pechanga Resort & Casino	-	0.00%	4,000	0.49%
Wal-Mart		0.00%	5,360	0.65%
Riverside Unified School District	-	0.00%	3,796	0.46%
Total	86,546	8.41%	66,182	8.05%

Although the District's services encompass a portion of Riverside County, the amounts presented include the entire County's population. Only the top ten employers that provided data to the County of Riverside are listed for each year.

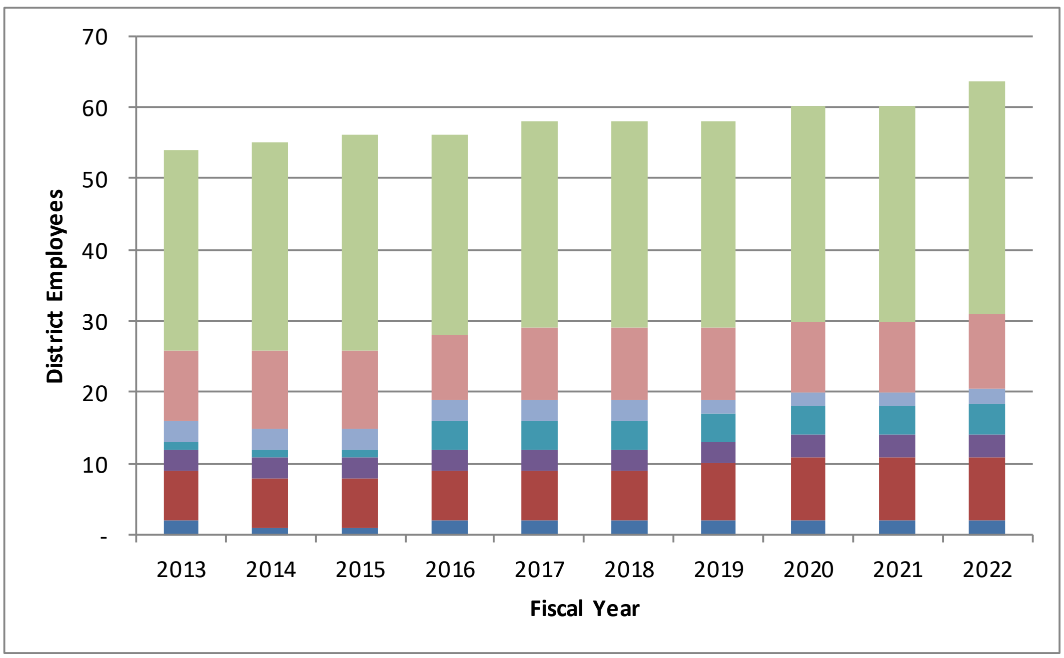
**Prior year numbers used*

Source: County of Riverside Comprehensive Annual Financial Report

Coachella Valley Mosquito and Vector Control District
Full and Part-time District Employees
Last Ten Fiscal Years

Function	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Building and Grounds	2	1	1	2	2	2	2	2	2	2
Administration	7	7	7	7	7	7	8	9	9	9
Information Technology	3	3	3	3	3	3	3	3	3	3
Public Outreach	1	1	1	4	4	4	4	4	4	5
Shop	3	3	3	3	3	3	2	2	2	2
Lab	10	11	11	9	10	10	10	10	10	11
Field Operations	28	29	30	28	29	29	29	30	30	33
Total	54	55	56	56	58	58	58	60	60	64

Source: District's Budget Office



Coachella Valley Mosquito and Vector Control District
Operating Indicators by Function
Last Ten Fiscal Years

	Fiscal Year										
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	
West Nile Virus - Coachella Valley											[1]
Human - *calendar year*	3	-	2	-	1	-	-	-	-	-	
Mosquito Pools	43	67	135	19	120	24	513	55	105	104	
St Louis encaphalitis virus - Coachella Valley											
Human - *calendar year*	-	-	-	-	-	-	-	-	-	-	
Mosquito Pools	-	-	-	92	23	56	105	159	24	56	[1]
Number of tested mosquito pools	1,998	1,770	3,272	2,814	5,148	4,337	6,168	4,940	5,682	6,344	
Biocontrol											
Acreage stocked with Mosq Fish	52	50	25	40	125	21	27	1	2	4	
Fish per acre	2,608	2,840	2,242	3,000	779	974	195	2,135	1,518	716	
Mosquito Operations											
Number of Service Requests	1,009	930	680	786	817	711	910	639	592	558	
Acreage Treated - Rural	2,540	5,649	2,726	2,920	2,379	2,427	2,570	3,653	3,821	4,696	
Acreage Treated - Urban	377	1,002	869	317	1,251	918	685	323	245	167	
Number of Treatments - Rural	1,305	2,116	1,934	1,813	2,625	2,616	2,198	2,302	1,475	1,808	
Number of Treatments - Urban	5,922	9,450	12,124	15,713	22,943	25,586	22,180	22,062	23,403	23,030	
Red Imported Fire Ants (RIFA)											
Number of Service Requests	2,145	2,437	2,707	2,029	1,810	1,850	1,687	1,595	1,573	1,589	
Acreage Treated	18,155	22,397	19,844	21,258	21,122	17,855	18,991	11,228	11,302	12,250	
Number of treatments	2,706	3,057	3,338	2,754	2,664	2,631	2,653	2,375	2,627	2,751	

Source: Coachella Valley Mosquito and Vector Control District

(1) In 2016 the District seperated St Louis Encephalitis Virus (SLE) positive from West Nile Virus (WNV) positive figures.

Coachella Valley Mosquito and Vector Control District
Capital Asset Statistics by Function
Last Ten Fiscal Years

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Mosquito & WNV Surveillance										
Laboratory	1	1	1	1	1	1	1	1	1	1
Vehicles	6	6	11	11	9	9	9	9	9	9
Biocontrol										
Laboratory	1	1	1	1	1	1	1	1	1	1
Fish Production Systems (Inside)	2	2	2	2	2	2	2	0	0	0
Fish Production Systems (Outside Ponds)	3	3	3	3	3	3	3	3	3	3
Vehicles	2	2	3	3	0	0	0	0	0	0
Mosquito Operations										
Buildings	1	1	1	1	1	1	1	1	1	1
Vehicles	20	27	35	35	35	35	35	35	37	37
Red Imported Fire Ants (RIFA)										
Vehicles	10	10	0	0	0	0	0	0	0	0
Other Vector										
Vehicles	7	7	0	0	6	6	6	6	7	7

In FY 2014-15 the District combined it's Red Imported Fire Ant (RIFA) and Mosquito Operations into a Full Vector program.

Source: Coachella Valley Mosquito and Vector Control District

Report on Internal Controls and Compliance

Fedak & Brown LLP
Certified Public Accountants

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Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on Audits of Financial Statements Performed in Accordance with *Government Auditing Standards*

Board of Trustees
Coachella Valley Mosquito Vector Control District
Indio, 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 Coachella Valley Mosquito Vector Control District (District) as of and for the years ended June 30, 2022 and 2021, and the related notes to the financial statements, which collectively comprises the District's basic financial statements, and have issued our report thereon dated December 16, 2022.

Internal Control Over Financial Reporting

In planning and performing our audits of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the 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 audits we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits 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*.

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on Audits of Financial Statements Performed in Accordance with *Government Auditing Standards,* continued

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.

Fedak & Brown LLP

Fedak & Brown LLP
Cypress, California
December 16, 2022

Coachella Valley Mosquito and Vector Control District

Management Report

June 30, 2022

Fedak & Brown LLP

Certified Public Accountants

Coachella Valley Mosquito and Vector Control District

Management Report

Table of Contents

Fedak & Brown LLP
Certified Public Accountants

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CONFIDENTIAL

Board of Trustees
Coachella Valley Mosquito and Vector Control District
Indio, California

Dear Members of the Board:

In planning and performing our audit of the financial statements of the Coachella Valley Mosquito and Vector Control District (District) as of and for the year ended June 30, 2022, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

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 over financial reporting, 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 reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

- *Reasonably possible*. The chance of the future event or events occurring is more than remote but less than likely.
- *Probable*. The future event or events are likely to occur.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Our comments, all of which have been discussed with the appropriate members of management, are summarized as follows:

Current Year Comment and Recommendation

Disclosure of Audit Adjustments and Reclassifications

As your external auditor, we assume that the books and records of the District are properly adjusted before the start of the audit. In many cases, however, audit adjustments and reclassifications are made in the normal course of the audit to present the District's financial statements in conformity with accounting principles generally accepted in the United States of America. For the Board of Trustees to gain a full and complete understanding and appreciation of the scope and extent of the audit process we have presented these audit adjustments and reclassifications as an attachment to this letter. There can be very reasonable explanations for situations of having numerous adjustments as well as having no adjustments at all. However, the issue is simply disclosure of the adjustments and reclassifications that were made and to provide the Board of Trustees with a better understanding of the scope of the audit.

Management's Response

We have reviewed and approved all of the audit adjusting and reclassifying entries provided by the auditor and have entered those entries into the District's accounting system as of year end.

Prior Year Comment and Recommendation

Disclosure of Audit Adjustments and Reclassifications

As your external auditor, we assume that the books and records of the District are properly adjusted before the start of the audit. In many cases, however, audit adjustments and reclassifications are made in the normal course of the audit to present the District's financial statements in conformity with accounting principles generally accepted in the United States of America. For the Board of Trustees to gain a full and complete understanding and appreciation of the scope and extent of the audit process we have presented these audit adjustments and reclassifications as an attachment to this letter. There can be very reasonable explanations for situations of having numerous adjustments as well as having no adjustments at all. However, the issue is simply disclosure of the adjustments and reclassifications that were made and to provide the Board of Trustees with a better understanding of the scope of the audit.

Management's Response

We have reviewed and approved all of the audit adjusting and reclassifying entries provided by the auditor and have entered those entries into the District's accounting system as of year end.

* * * * * * * * * *

This communication is intended solely for the information and use of management, the Board of Trustees, and others within the District, and is not intended to be, and should not be, used by anyone other than these specified parties. This restriction is not intended to limit the distribution of this letter, which is a matter of public record.

We appreciate the courtesy and cooperation extended to us during our examination. We would be pleased to discuss the contents of this letter with you at your convenience. Please do not hesitate to contract us.

Fedak & Brown LLP

Fedak & Brown LLP
Cypress, California
December 16, 2022

APPENDIX

Coachella Valley Mosquito and Vector Control District

Audit/Finance Committee Letter

June 30, 2022

Fedak & Brown LLP
Certified Public Accountants

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Board of Trustees
Coachella Valley Mosquito and Vector Control District
Indio, California

We have audited the financial statements of the governmental activities and each major fund of the Coachella Valley Mosquito and Vector Control District (District) for the year ended June 30, 2022, and have issued our report thereon dated December 16, 2022.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated March 16, 2022, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the District solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

If any, we have provided our findings regarding significant control deficiencies over financial reporting and material noncompliance, and other matters noted during our audit in a separate letter to you dated December 16, 2022.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

An auditor that is not involved in the engagement performed an independent review of the financial statements that was prepared by us based on the information provided by management. This safeguard reduces the threat of self-review risk to an acceptable level.

Required Risk Assessment Procedures per Auditing Standards

As auditors of the District, we are required per AU-C Section 240, “Consideration of Fraud in a Financial Statement Audit”, to “ordinarily” presume and consider the following risks in designing our audit procedures:

- Management override of controls
- Revenue recognition

Qualitative Aspects of the Entity’s Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the District is included in Note 1 to the financial statements. As of and for the year ended June 30, 2022, the District implemented the provisions of GASB Statement No. 87 – Leases. There have been no initial selection of accounting policies and no other changes in significant accounting policies or their application during 2022. No other matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management’s current judgments. The most sensitive accounting estimates affecting the financial statements are as follows:

Management’s estimate of the fair value of cash and investments is based on information provided by financial institutions. We evaluated the key factors and assumptions used to develop the fair value of cash and investments in determining that it is reasonable in relation to the financial statements taken as a whole.

Management’s estimate of capital assets depreciation is based on estimates of each capitalized item’s useful life expectancy or cost recovery period. We evaluated the key factors and assumptions used to develop the capital asset depreciation calculations in determining that they are reasonable in relation to the financial statements taken as a whole.

Management’s estimate of the net other post-employment benefit (OPEB) liability, deferred OPEB outflows, deferred OPEB inflows, and OPEB expense is based on an actuarial valuation that was conducted by a third-party actuary. We evaluated the basis, methods, and assumptions used by the actuary in calculating the net OPEB liability, deferred OPEB outflows/inflows, and OPEB expense for the District to determine that they are reasonable in relation to the financial statements taken as a whole.

Management’s estimate of the net pension liability, deferred pension outflows, deferred pension inflows, and pension expense is based on an actuarial valuation of these amounts that was conducted by a third-party actuary. We evaluated the basis, methods, and assumptions used by the actuary to calculate these amounts for the District to determine that they are reasonable in relation to the financial statements taken as a whole.

Management’s estimate of the pollution remediation obligation is based on an estimate of future costs to complete the remediation. We evaluated the basis to calculate the obligation for the District to determine that it is reasonable in relation to the financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the District's financial statements relate to:

The disclosure of the fair value of cash and investments in Note 2 to the basic financial statements represents amounts susceptible to market fluctuations.

The disclosure of capital assets, net in Note 4 to the basic financial statements is based on historical information which could differ from actual useful lives of each capitalized item.

The disclosure of the District's net OPEB liability in Note 7 to the basic financial statements is based on actuarial assumptions which could differ from actual costs.

The disclosure of the District's defined benefit pension plan in Note 8 to the basic financial statements is based on actuarial assumptions which could differ from actual costs.

The disclosure of the District's pollution remediation obligation in Note 9 to the basic financial statements is based on estimated future cost assumptions which could differ from actual costs.

Significant Unusual Transactions

For purposes of this communication, professional standards require us to communicate to you significant unusual transactions identified during our audit. No significant unusual transactions were identified as a result of our audit procedures that were brought to the attention of management:

Identified or Suspected Fraud

We have not identified or have not obtained information that indicates that fraud may have occurred.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The attached schedule on pages 5 through 9 presents the material journal entries that we identified as a result of our audit procedures and were brought to the attention of, and corrected by, management.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the District's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Circumstances that Affect the Form and Content of the Auditor's Report

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report. There were no circumstances that affect the form and content of the auditor's report.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated December 16, 2022.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the District, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the District's auditors.

Other Matters

We applied certain limited procedures to the Management Discussion and Analysis, Schedules of Changes in the Net OPEB Liability and Related Ratios, Schedules of OPEB Plan Contributions, Schedules of the District's Proportionate Share of the Net Pension Liability, and Schedules of Pension Plan Contributions, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Conclusion

We appreciate the cooperation extended us by Jeremy Wittie, General Manager, and David I'Anson, Administrative Finance Manager, and the District's staff in the performance of our audit testwork.

We will be pleased to respond to any questions you have about the foregoing. We appreciate the opportunity to continue to be of service to the District.

Fedak & Brown LLP

Fedak & Brown LLP
Cypress, California
December 16, 2022

Coachella Valley Mosquito and Vector Control District
Schedule of Audit Adjusting Journal Entries
For the Fiscal Year Ended June 30, 2022

Audit Adjusting Journal Entries JE # 1
To reverse check 44127 Mosquito Vector Control Association FY22/23 dues dated 8/9/2022, improperly accrued for at June 30, 2022.

			Debit	Credit
	2020-01	Accounts Payable	$ 11,500.00	
	6050-01	Dues & Memberships		11,500.00
Total			**11,500.00**	**11,500.00**

Audit Adjusting Journal Entries JE # 2
To reclassify 2021 contributions made during the measurement period as of June 30, 2022 to Net OPEB Liability.

	2300-01	Net OPEB Liaibility	312,420.00	
	1530-01	Deferred Outflows of Resources - OPEB		312,420.00
Total			**312,420.00**	**312,420.00**

Audit Adjusting Journal Entries JE # 3
To defer the FY 2022 OPEB contributions to Deferred Outflows of Resources at June 30, 2022 (NOTE: These OPEB Contributions will be used to reduce Net OPEB Liability at June 30, 2023).

	1530-01	Deferred Outflows of Resources - OPEB	312,420.00	
	5172-01	Retiree Healthcare		312,420.00
Total			**312,420.00**	**312,420.00**

Audit Adjusting Journal Entries JE # 4
To record changes in OPEB liability during FY20/21 at June 30, 2022.

	1530-01	Deferred Outflows of Resources - OPEB	959,407.00	
	2230-01	Deferred Inflows - OPEB	100,063.00	
	2300-01	Net OPEB Liaibility	54,079.00	
	5172-01	Retiree Healthcare	94,498.00	
	1530-01	Deferred Outflows of Resources - OPEB		100,063.00
	2230-01	Deferred Inflows - OPEB		698,743.00
	2230-01	Deferred Inflows - OPEB		409,241.00
Total			**1,208,047.00**	**1,208,047.00**

Audit Adjusting Journal Entries JE # 5
To record changes in the deferred outflows and deferred inflows (amortization) during FY20/21 at June 30, 2022.

	2230-01	Deferred Inflows - OPEB	114,806.00	
	2230-01	Deferred Inflows - OPEB	28,688.00	
	1530-01	Deferred Outflows of Resources - OPEB		64,390.00
	5172-01	Retiree Healthcare		79,104.00
Total			**$ 143,494.00**	**143,494.00**

Coachella Valley Mosquito and Vector Control District
Schedule of Audit Adjusting Journal Entries, continued
For the Fiscal Year Ended June 30, 2022

Audit Adjusting Journal Entries JE # 6
To adjust property tax revenue from the County at June 30, 2022.

1050-01	Accounts Receivable	$ 3,299.07	
4080-01	Property Tax - Prior Unsecured		3,192.77
4551-01	Benefit Assessment Income		106.30
Total		**3,299.07**	**3,299.07**

Audit Adjusting Journal Entries JE # 7
To reclassify 2021 contributions to NPL at June 30, 2022.

2200-01	Net Pension Liability	735,963.00	
1525-01	Deferred Outflows of Resources		735,963.00
Total		**735,963.00**	**735,963.00**

Audit Adjusting Journal Entries JE # 8
To reclassify 2022 contributions to Deferred Outflows of Resources at June 30, 2022.

1525-01	Deferred Outflows of Resources	1,805,214.00	
5150-01	CalPERS State Retirement		1,805,214.00
Total		**1,805,214.00**	**1,805,214.00**

Audit Adjusting Journal Entries JE # 9
To record changes in pension liability during FY20/21 at June 30, 2022.

1525-01	Deferred Outflows of Resources	500,277.00	
1525-01	Deferred Outflows of Resources	663,060.00	
2200-01	Net Pension Liability	1,627,439.00	
2210-01	Deferred Inflows of Resources	83,118.00	
2210-01	Deferred Inflows of Resources	73,654.00	
1525-01	Deferred Outflows of Resources		83,118.00
1525-01	Deferred Outflows of Resources		73,654.00
1525-01	Deferred Outflows of Resources		22,413.00
2210-01	Deferred Inflows of Resources		42,183.00
2210-01	Deferred Inflows of Resources		152,643.00
5150-01	CalPERS State Retirement		2,573,537.00
Total		**2,947,548.00**	**2,947,548.00**

Audit Adjusting Journal Entries JE # 10
To record changes in the deferred outflows and deferred inflows (amortization) during FY20/21 at June 30, 2022.

2210-01	Deferred Inflows of Resources	53,687.00	
5150-01	CalPERS State Retirement	240,327.00	
1525-01	Deferred Outflows of Resources		181,345.00
1525-01	Deferred Outflows of Resources		55,842.00
1525-01	Deferred Outflows of Resources		42,193.00
2210-01	Deferred Inflows of Resources		14,634.00
Total		**$ 294,014.00**	**294,014.00**

Coachella Valley Mosquito and Vector Control District
Schedule of Audit Adjusting Journal Entries, continued
For the Fiscal Year Ended June 30, 2022

Audit Adjusting Journal Entries JE # 11			
To record Thermal Lease at lease inception March 2020.			
1051-12	Lease Receivable	$ 61,746.97	
2235-12	Lease Inflow of Resources		61,746.97
Total		**61,746.97**	**61,746.97**
Audit Adjusting Journal Entries JE # 12			
To record annual lease payment and adjust deferred inflow of resources at June 30, 2020.			
2235-12	Lease Inflow of Resources	15,436.74	
3900-12	Fund Equity	17,724.12	
1051-12	Lease Receivable		17,600.63
3900-12	Fund Equity		123.49
3900-12	Fund Equity		15,436.74
Total		**33,160.86**	**33,160.86**
Audit Adjusting Journal Entries JE # 13			
To record annual lease payment and adjust deferred inflow of resources at June 30, 2021.			
2235-12	Lease Inflow of Resources	15,436.74	
3900-12	Fund Equity	18,059.44	
1051-12	Lease Receivable		17,971.15
3900-12	Fund Equity		88.29
3900-12	Fund Equity		15,436.74
Total		**33,496.18**	**33,496.18**
Audit Adjusting Journal Entries JE # 14			
To record annual lease payment and adjust deferred inflow of resources at June 30, 2022.			
2235-12	Lease Inflow of Resources	15,436.74	
4530-12	Other Miscellaneous Receipts	15,000.00	
1051-12	Lease Receivable		14,947.65
4525-12	Interest Revenue Leases		52.35
4531-12	Lease Income		15,436.74
Total		**30,436.74**	**30,436.74**
Audit Adjusting Journal Entries JE # 15			
To record initial asset and liability (Ops Copier).			
1201-02	Leased Copier Asset #1 - Ops Copier	14,694.42	
2401-02	Lease Liability #1 - Ops Copier		14,694.42
Total		**$ 14,694.42**	**14,694.42**

Coachella Valley Mosquito and Vector Control District
Schedule of Audit Adjusting Journal Entries, continued
For the Fiscal Year Ended June 30, 2022

Audit Adjusting Journal Entries JE # 16
To record lease payments and asset amortization for period 2017-2019 (Ops Copier).

1900-01	Due to/from	$ 9,787.30	
2401-02	Lease Liability #1 - Ops Copier	9,787.30	
3900-01	Fund Equity	37.58	
3920-02	Investment in Fixed Assets	9,796.28	
1398-02	Amortization Accum		9,796.28
1900-02	Due to/from		9,787.30
3900-01	Fund Equity		9,824.88
Total		**29,408.46**	**29,408.46**

Audit Adjusting Journal Entries JE # 17
To record lease payments and asset amortization for period 2020 (Ops Copier).

1900-01	Due to/from	4,907.12	
2401-02	Lease Liability #1 - Ops Copier	4,907.12	
3900-01	Fund Equity	5.32	
3920-02	Investment in Fixed Assets	4,898.14	
1398-02	Amortization Accum		4,898.14
1900-02	Due to/from		4,907.12
3900-01	Fund Equity		4,912.44
Total		**14,717.70**	**14,717.70**

Audit Adjusting Journal Entries JE # 18
To record initial asset and liability (Admin Copier).

1202-02	Leased Copier Asset #2 - Admin Copier	19,670.89	
2402-02	Lease Liability #2 - Admin Copier		19,670.89
Total		**19,670.89**	**19,670.89**

Audit Adjusting Journal Entries JE # 19
To record lease payments and asset amortization for period 2020 (Admin Copier).

1900-01	Due to/from	4,361.12	
2402-02	Lease Liability #2 - Admin Copier	4,361.12	
3900-01	Fund Equity	23.68	
3920-02	Investment in Fixed Assets	4,371.31	
1398-02	Amortization Accum		4,371.31
1900-02	Due to/from		4,361.12
3900-01	Fund Equity		4,384.80
Total		**$ 13,117.23**	**13,117.23**

Coachella Valley Mosquito and Vector Control District
Schedule of Audit Adjusting Journal Entries, continued
For the Fiscal Year Ended June 30, 2022

Audit Adjusting Journal Entries JE # 20

To record lease payments and asset amortization for period 2021 (Admin Copier).

1900-01	Due to/from	$ 6,552.58	
2402-02	Lease Liability #2 - Admin Copier	6,552.58	
3900-01	Fund Equity	24.62	
3920-02	Investment in Fixed Assets	6,556.96	
1398-02	Amortization Accum		6,556.96
1900-02	Due to/from		6,552.58
3900-01	Fund Equity		6,577.20
Total		**19,686.74**	**19,686.74**

Audit Adjusting Journal Entries JE # 21

To record lease payments and asset amortization for period 2022 (Admin Copier).

1900-01	Due to/from	6,565.70	
2402-02	Lease Liability #2 - Admin Copier	6,565.70	
3900-01	Fund Equity	6,556.96	
3920-02	Investment in Fixed Assets	11.50	
1398-02	Amortization Accum		6,556.96
1900-02	Due to/from		6,565.70
3900-01	Fund Equity		6,577.20
Total		$ **19,699.86**	**19,699.86**