

**KERN MOSQUITO AND
VECTOR CONTROL DISTRICT**

FINANCIAL STATEMENTS

For The Year Ended June 30, 2025

Kern Mosquito and Vector Control District
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Albert & Associates, LLP

Certified Public Accountants

Independent Auditor's Report

The Board of Trustees of the Kern Mosquito
and Vector Control District, Bakersfield, California:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Kern Mosquito and Vector Control District, California, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Kern Mosquito and Vector Control 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 Kern Mosquito and Vector Control District, as of June 30, 2025 and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, 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 Kern Mosquito and Vector Control District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Kern Mosquito and Vector Control 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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion,

forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Kern Mosquito and Vector Control 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 Kern Mosquito and Vector Control District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the retirement plan schedules and budgetary comparison information on pages 28 through 30 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.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 3, 2026 on our consideration of the Kern Mosquito and Vector Control District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Kern Mosquito and Vector Control District's internal control over financial reporting or on

compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Kern Mosquito and Vector Control District's internal control over financial reporting and compliance.

Albert & Associates, LLP

Wasco, California
February 3, 2026

Kern Mosquito and Vector Control District

STATEMENT OF NET POSITION

June 30, 2025

	<u>Governmental Activities</u>
Assets:	
Cash and Investments	\$ 22,111,207
Interest Receivable	191,373
Capital Assets, not being depreciated	164,952
Depreciable Capital Assets, net of accumulated depreciation	<u>1,890,573</u>
Total Assets	<u>24,358,105</u>
Deferred Outflows of Resources:	
Deferred Pensions	<u>1,439,897</u>
Total Deferred Outflows of Resources	<u>1,439,897</u>
Liabilities:	
Accounts Payable	88,791
Accrued Payroll and Benefits	120,566
Accrued Compensated Absences	189,277
Net Pension Liability	<u>4,912,665</u>
Total Liabilities	<u>5,311,299</u>
Deferred Inflows of Resources:	
Deferred Pensions	<u>500,951</u>
Total Deferred Inflows of Resources	<u>500,951</u>
Net Position:	
Net Invested in Capital Assets	2,055,525
Restricted For Underground Storage Tanks	10,000
Unrestricted	<u>17,920,227</u>
Net Position	<u>\$ 19,985,752</u>

The accompanying notes are an integral part of these financial statements.

Kern Mosquito and Vector Control District

STATEMENT OF ACTIVITIES

Year ended June 30, 2025

<u>Functions / Programs</u>	Program Revenues			Net (Expenses)
<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Contributions and Grants</u>	<u>Capital Contributions and Grants</u>	<u>Revenues and Changes in Net Position Governmental Activities</u>
Governmental Activities:				
Mosquito and Vector Control	\$ 5,479,403	\$ -	\$ -	\$ (5,479,403)
Rat Control	266,994	-	-	(266,994)
Total Governmental Activities	\$ 5,746,397	\$ -	\$ -	\$ (5,746,397)
General Revenues:				
Property Tax				7,766,673
Unrestricted investment earnings				484,261
Other				37
Total General Revenues				8,250,971
Changes in Net Position				2,504,574
Net Position, Beginning				17,481,178
Net Position, Ending				\$ 19,985,752

The accompanying notes are an integral part of these financial statements.

Kern Mosquito and Vector Control District

BALANCE SHEET – GOVERNMENTAL FUNDS

June 30, 2025

	General Fund	Rat Control Fund	Total Governmental Funds
Assets:			
Cash and Investments	\$ 20,470,342	\$ 1,640,865	\$ 22,111,207
Interest Receivable	176,126	15,247	191,373
Due (To) From	139,452	(139,452)	-
Total Assets	\$ 20,785,920	\$ 1,516,660	\$ 22,302,580
Liabilities:			
Accounts Payable	\$ 88,791	\$ -	\$ 88,791
Accrued Liabilities	109,016	11,550	120,566
Total Liabilities	197,807	11,550	209,357
Fund Balances:			
Restricted For:			
Underground Storage Tanks	10,000	-	10,000
Rat Control	-	1,505,110	1,505,110
Committed to:			
Capital Improvements	11,858,950	-	11,858,950
Assigned to:			
Contingent Property Tax Liability	377,703	-	377,703
Unassigned	8,341,460	-	8,341,460
Total Fund Balances	20,588,113	1,505,110	22,093,223
Total Liabilities & Fund Balances	\$ 20,785,920	\$ 1,516,660	\$ 22,302,580

The accompanying notes are an integral part of these financial statements.

Kern Mosquito and Vector Control District
RECONCILIATION OF THE FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
NET POSITION OF GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION
June 30, 2025

Fund balances of governmental funds \$ 22,093,223

Amounts reported for governmental activities in the statement of net position
are different because:

Capital assets used in governmental activities are not current financial
resources, and therefore, are not reported in the Governmental Funds
Balance Sheet. However, the Statement of Net Position includes those
capital assets among the assets of the District as a whole.

Beginning Balance, net of depreciation	\$ 1,965,074	
Current Year Additions	455,144	
Current Year Deletions	-	
Current Year Depreciation	<u>(364,693)</u>	
Ending Balance, net of depreciation		2,055,525

Deferred outflows of resources for the pension plan are reported
in the Statement of Net Position. 1,439,897

Deferred inflows of resources for the pension plan are reported
in the Statement of Net Position. (500,951)

Long-term liabilities are not due and payable in the current period, and
therefore, are not reported as liabilities in the Governmental Funds
Balance Sheet. All liabilities, both current and long-term, are reported
in the Statement of Net Position.

Net Pension Liability	(4,912,665)	
Compensated Absences	<u>(189,277)</u>	
		<u>(5,101,942)</u>

Net Position of governmental activities \$ 19,985,752

Kern Mosquito and Vector Control District
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES (DEFICITS)
GOVERNMENTAL FUNDS
Year ended June 30, 2025

	General Fund	Rat Control Fund	Total Governmental
Revenues:			
Property Taxes	\$ 7,417,833	\$ 348,840	\$ 7,766,673
Interest	431,046	53,215	484,261
Miscellaneous Income	-	37	37
	7,848,879	402,092	8,250,971
Total Revenues			
Expenditures:			
Current:			
Salaries and Employee Benefits	3,095,767	191,193	3,286,960
Services and Supplies	2,054,675	75,283	2,129,958
Capital Outlay:			
General Capital Outlay	455,256	-	455,256
	5,605,698	266,476	5,872,174
Total Expenditures			
Revenues Over (Under) Expenditures	2,243,181	135,616	2,378,797
Fund Balances - Beginning	18,344,932	1,369,494	19,714,426
Fund Balances - Ending	\$ 20,588,113	\$ 1,505,110	\$ 22,093,223

The accompanying notes are an integral part of these financial statements.

Kern Mosquito and Vector Control District
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year ended June 30, 2025

Net change in fund balance - total governmental funds	\$ 2,378,797
Amounts reported for governmental activities in the statement of activities are different because:	
Government funds report capital outlay as expenditures. However, in the Statement of Activities, the costs of those assets is allocated over their estimated useful lives, and reported as depreciation expense. This is the amount by which capital expenditures of \$455,144 exceeded depreciation (\$364,693) in the current period.	90,451
The change in accrued net pension liability does not require the use of current financial resources and therefore is not reported as an expenditure in government funds.	24,343
Long-term compensated absence expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in government funds.	<u>10,983</u>
Change in net position of governmental activities	<u><u>\$ 2,504,574</u></u>

The accompanying notes are an integral part of these financial statements.

Kern Mosquito and Vector Control District

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2025

Note 1 – Summary of Significant Accounting Policies

The accompanying financial statements of the Kern Mosquito and Vector Control District (the "District") have been prepared in conformity with U.S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). The following summary of the District's more significant accounting policies is presented to assist the reader in interpreting the basic financial statements and other data in this report. These policies should be viewed as an integral part of the accompanying basic financial statements.

A - Reporting Entity

The Dr. Morris Mosquito Abatement District was formed in 1916 and the name was changed to Kern Mosquito Abatement District in 1947. On September 12, 1990, the name was changed to Kern Mosquito and Vector Control District to reflect the addition of new functions. The District is located in the central portion of Kern County and comprises an area of approximately 1,600 square miles. Chapter 5 of Division 3 of the Health and Safety Code of the State of California contains the statutory authority for operation of the District, which is governed by a board of eight trustees.

The District has defined its reporting entity in accordance with accounting principles generally accepted in the United States of America which provide guidance for determining which governmental activities, organizations, and functions should be included in the reporting entity. The Basic Financial Statements present information on the activities of the reporting entity, including all of the fund types and account groups of the District.

B - Basis of Presentation

Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Kern Mosquito and Vector Control District

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2025

Note 1 – Summary of Significant Accounting Policies, (continued)

Fund Financial Statements

The accounting system of the District is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operation fund of the District or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.
- c. The government has determined that a fund is important to the financial statement user.

The major funds are as follows:

Governmental Funds

The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. The revenues of the General Fund consist mostly of property taxes.

The Rat Control Fund is a special revenue type fund used to account for proceeds of specific revenue sources that are legally restricted to expenditure for specific purposes. Specifically, this fund accounts for special assessment revenues that are restricted for rat control.

Proprietary Funds

None

Fiduciary Fund

None

Kern Mosquito and Vector Control District

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2025

Note 1 – Summary of Significant Accounting Policies, (continued)

C - Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-like activities are presented using the economic resources measurement focus. The accounting objectives of the economic measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-like activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available”. Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or soon enough thereafter to pay current liabilities. Revenues which are susceptible to accrual include property taxes and special assessments that are levied for and due for the fiscal year and collected within 60 days after year-end. Charges for services and miscellaneous revenues are recorded as governmental fund type revenues when received in cash because they are not generally measurable until actually received. Grant funds and reimbursements of expenses under contractual agreements are reported in governmental fund types and are recorded as a receivable when earned rather than when susceptible to accrual. Generally, this occurs when authorized expenditures are made under the grant program or contractual agreement. Expenditures are recognized when the fund liability is incurred, if measurable, except for unmatured interest on long-term debt, which is recognized when due.

Kern Mosquito and Vector Control District

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2025

Note 1 – Summary of Significant Accounting Policies, (continued)

D - Assets, Liabilities, Net Position, and Other Financial Statement Items

Cash and Investments

Cash balances of each of the District's funds are held in separate accounts.

Statutes authorize investments in obligations of the United States Treasury, agencies and instrumentalities, commercial paper, bankers' acceptances, repurchase agreements, money market funds, and investment pools.

Investments are primarily comprised of holdings in investment pools with the County of Kern. Investments are stated at fair value.

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as interfund receivables/interfund payables (i.e., the current portion of interfund loans) or advances to/from other funds (the noncurrent portion) of interfund loans. All other outstanding balances between funds are reported as interfund receivables/interfund payables. The interfund activity is a result of expense reimbursements paid by the Rat Control Fund to the General Fund.

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade and tax receivables are shown net of an allowance for uncollectible accounts and estimated refunds due.

Kern Mosquito and Vector Control District

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2025

Note 1 – Summary of Significant Accounting Policies, (continued)

Assessed values are determined on an annual basis by the Kern County Assessor as of January 1. Taxes are levied annually and become a lien on real property at July 1. Taxes are due November 1 and February 1, and are delinquent if not paid by December 10 and April 10, respectively. In 1978, a state constitutional amendment (Proposition 13) provided that the tax rate be limited to 1% of market value, levied only by the County and shared with all other jurisdictions. Such limitation on the rate may only be increased through voter approval. The County collects property taxes and distributes them to taxing jurisdictions on the basis of the taxing jurisdiction's assessed valuations and on the tax rate for voter-approved debt.

Capital Assets and Depreciation

Capital assets, which include property, plant, equipment and infrastructure, are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial cost of more than \$1,000 (\$5,000 for infrastructure) and an estimated life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Property, plant and equipment are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	10 - 40
Aircrafts	20
Equipment	5 - 7
Office Fixtures & Computers	5 - 7
Vehicles	5

Compensated Absences

It is the District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. A liability for unused leave is recognize when leave is the attributable to the services already rendered by the employee, leave is carried forward to future reporting periods, and it is more likely than not that the leave will be used for time off, paid in cash, or settled through other noncash means. The liability is measured using the employee's pay rate at the date of the financial statements. Based on historical trends, the District generally accrues all of vacation time and one-half of sick time.

Kern Mosquito and Vector Control District

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2025

Note 1 – Summary of Significant Accounting Policies, (continued)

Pensions

For the year ended June 30, 2015, the District implemented GASB Statements No. 68 “Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27” and No. 71 “Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment to GASB Statement No. 68”.

In government-wide financial statements, retirement plans (pensions) are required to be recognized and disclosed using the accrual basis of accounting, regardless of the amount recognized as pension expenditures on the governmental fund statements, which use the modified accrual basis of accounting.

In general, the District recognizes a net pension liability that represents the District's proportionate share of the excess of the total pension liability over the fiduciary net position of the pension reflected in the actuarial reports provided by Kern County Employees' Retirement Association (KCERA). The net pension liability is measured as of the District's prior fiscal year-end. Changes in the net pension liability are recorded in the period incurred as pension expense or as deferred inflows of resources or deferred outflows of resources depending on the nature of the change. The changes in net pension liability that are recorded as deferred inflows of resources or deferred outflows of resources (that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience) are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits as of the beginning of the measurement period and are recorded as a component of pension expense.

For purposes of measuring the net pension liability and deferred outflows/inflows or resources relating to pension and pension expense, information about the fiduciary net position of the District's pension plan with KCERA and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by KCERA. 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.

Projected earnings on pension investments are recognized as a component of pension expense. Differences between projected and actual investment earnings are reported as deferred inflows of resources or deferred outflows of resources and amortized as a component of pension expense on a closed basis over a five-year period.

Net Position

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

Net Invested In Capital Assets – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.

Kern Mosquito and Vector Control District

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2025

Note 1 – Summary of Significant Accounting Policies, (continued)

Restricted – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted – This category represents net position of the District, not restricted for any project or other purpose.

When both restricted and unrestricted net position are available, it is the District's policy to use restricted net position first, and then unrestricted net position as they are needed.

Fund Balance – Government Funds

Fund balances of the governmental funds are presented in the financial statements based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. Fund balances are classified as follows:

Nonspendable – Amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact.

Restricted – Amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.

Committed – Amounts that can be used only for specific purposes determined by a formal action by Board of Director resolution. This includes the budget reserve account.

Assigned – Amounts the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Amounts may be assigned by the District Manager.

Unassigned – All other spendable amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers unrestricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of unassigned funds, then assigned funds, and finally committed funds, as needed, unless the board has provided otherwise in its commitment or assignment actions.

Appropriated Budget and Budgetary Control

The Board of Trustees is required to adopt an annual budget resolution by August 1 of each fiscal year for the General Fund. The budget is presented for reporting purposes on a budgetary basis consistent with accounting principles generally accepted in the United States of America.

The level of appropriated budgetary control is at the functional departmental level. The District Manager may authorize transfers of appropriations within a departmental function. Expenditures may not legally exceed total departmental appropriations. Supplemental appropriations during the year must be approved by the Board of Trustees by a majority vote. Unexpended or unencumbered appropriations lapse at the end of the fiscal year. Encumbered appropriations are reappropriated in the ensuing year's budget.

Kern Mosquito and Vector Control District

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2025

Note 1 – Summary of Significant Accounting Policies, (continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Deferred Compensation Plan

The District offers its employees a deferred compensation plan created in accordance with the Internal Revenue Code Section 457. The plan, available to all full-time District employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The assets, all property and rights purchased with such amounts and all income attributable to such amounts, are held in trust for the exclusive benefit of the participants and the beneficiaries. The plan is administered by independent plan administrators through administrative service agreements. The District does not have fiduciary responsibility for the plan assets.

Note 2 – Cash and Investments

The following is a summary of the District's cash, cash equivalents, and investments with fiscal agents at June 30, 2025:

Cash on Hand	\$	638
Demand Deposits		207,753
Investments		<u>21,902,816</u>
Total	\$	<u>22,111,207</u>

Deposits:

Custodial credit risk – In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District has no deposit policy for custodial credit risk. As of June 30, 2025, the District has no exposure to custodial credit risk as the entire demand deposit balance was covered by the FDIC. However, at times throughout the year these balances may exceed the federally insured limit.

Kern Mosquito and Vector Control District

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2025

Note 2 – Cash and Investments, (continued)

Investments:

The District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. All the District's investments are measured using Level 1 inputs based on quoted market prices as follows:

	Fair Value
Cash held by County of Kern	\$ 21,902,816

Interest rate risk – The District has no investment policy for interest rate risk.

Credit quality rating – The District has no investments in debt securities and therefore there is no credit quality rating to disclose. The District has no investment policy for credit quality ratings.

Concentration of credit risk – The District has no investment policy for concentration of credit risk.

Custodial credit risk – The District has no investment policy for custodial credit risk.

Note 3 – Interest Receivable

Interest Receivable at June 30, 2025 consists of the following:

	General	Rat Control	Total Governmental
Governmental Activities:			
Other	\$ 176,126	15,247	\$ 191,373
Allowance for doubtful accounts	-	-	-
Total	\$ 176,126	\$ 15,247	\$ 191,373

Kern Mosquito and Vector Control District

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2025

Note 4 – Capital Assets

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

<u>Governmental Activities</u>	Balance June 30, 2024	Additions	Deletions	Transfers	Balance June 30, 2025
Capital assets, not being depreciated:					
Land	\$ 35,920	\$ -	\$ -	\$ -	\$ 35,920
Construction in Progress	-	129,032			129,032
Total capital assets, not being depreciated	35,920	129,032	-	-	164,952
Capital assets, being depreciated:					
Buildings and Improvements	3,219,234	135,899	-	-	3,355,133
Machinery and Equipment	4,134,952	190,213	(20,864)	-	4,304,301
Total capital assets, being depreciated	7,354,186	326,112	(20,864)		7,659,434
Less accumulated depreciation for:					
Buildings and Improvements	2,087,466	112,298	-	-	2,199,764
Machinery and Equipment	3,337,566	252,395	(20,864)	-	3,569,097
Total accumulated depreciation	5,425,032	364,693	(20,864)	-	5,768,861
Total capital assets, being depreciated, net	1,929,154	(38,581)	-	-	1,890,573
Governmental activities capital assets, net	\$ 1,965,074	\$ 90,451	\$ -	\$ -	\$ 2,055,525

Depreciation charged to Mosquito and Vector Control on the Statement of Activities during the year was \$364,693.

Note 5 – Compensated Absences

	Balance June 30, 2024	Net Change	Balance June 30, 2025	Due Within One Year
Governmental Activities:				
Compensated Absences	\$ 220,260	\$ (10,985)	\$ 189,277	\$ -

Note 6 – Deferred Outflows and Inflows of Resources

Pursuant to GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position," and GASB Statement No. 65, "Items Previously Reported as Assets and Liabilities," the District recognizes deferred outflows and inflows of resources.

Kern Mosquito and Vector Control District

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2025

Note 6 – Deferred Outflows and Inflows of Resources, (continued)

In addition to assets, the Statement of Financial Position will sometimes report a separate section for deferred outflows of resources. A deferred outflow of resources is defined as a consumption of net position that applies to a future reporting period and so will not be recognized as an expense or expenditure until then. The District has one item reportable on the Governmentwide Statement of Net Position that meets this criterion, the outflows from changes in the net pension liability.

In addition to liabilities, the Statement of Financial Position will sometimes report a separate section for deferred inflows of resources. A deferred inflows of resources is defined as an acquisition of net position that applies to a future reporting period and so will not be recognized as revenue until then. The District has one item reportable on the Government wide Statement of Net Position that meets this criterion, the inflows from changes in the net pension liability.

Note 7 – Public Entity Risk Pools

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The District managed and financed these risks by joining the Special District Risk Management Authority (Authority). The Authority is composed of California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insurance losses, to purchase excess insurance or reinsurance, and to arrange for group-purchased insurance and administrative services. The Authority's pool began covering claims of its members more than 20 years ago. The Board of Directors is composed of nine members elected by the districts who are participating in the Authority.

The District did not have settled claims that exceeded the District's commercial insurance coverage in any of the past three years.

The District's deductibles and maximum coverage are as follows:

Coverage Description	Deductibles	Limit
General Liability	\$500 on property damage per occurrence	\$10 million per occurrence, no annual aggregate
Auto Liability	\$1,000 on property damage per occurrence	\$10 million per occurrence, no annual aggregate
Property	\$1,000 per occurrence	Replacement cost with One billion per occurrence
Boiler & Machinery	\$1,000 per occurrence	Repair/Replacement cost with \$100 million limit
Public Officials Personal Liability	\$500 per claim	\$500,000 each occurrence / annual aggregate
Employee Dishonesty Coverage	None	\$1million per loss
Auto Comprehensive	\$500 to \$1,000 per claim	various limits

The District does not exercise any control over activities of the Authority beyond its representation on the Board of Directors.

Kern Mosquito and Vector Control District

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2025

Note 7 – Public Entity Risk Pools, (continued)

Contributions are determined in advance of each membership year and members are subject to dividends and/or assessments. For the year ended June 30, 2024, no dividends have been declared, nor have any assessments been levied.

A summary of the financial information for the Authority at June 30, 2024 (most recent information available) is as follows:

Total assets	\$ 163,975,324
Total liabilities	\$ 78,404,034
Net position increase (decrease)	\$ 13,665,163

Note 8 – Retirement Plan

Plan Description. The District contributes to the Kern County Employees' Retirement Association (KCERA) which is a cost sharing multiple employer defined benefit pension plan administered by the KCERA Board of Retirement. KCERA acts as a common investment and administrative agent for the County of Kern and various special districts and government entities in Kern County. Benefit provisions are established by state statutes within the Public Employees' Retirement Law. KCERA issues a separate comprehensive annual financial report which is publicly available and can be obtained at KCERA website or by contacting KCERA'S office at 11125 River Run Blvd., Bakersfield, CA 93311.

Benefits Provided. KCERA provides retirement, disability, beneficiary, cost-of-living and supplemental retirement benefits to eligible employees. All regular full-time employees who work 50% or more of the regular standard hours required become members of KCERA effective on the first day of the first full biweekly payroll period following the date of employment. There are separate retirement benefits for General and Safety members.

General members (excluding Tier III) are eligible to retire once they attain the age of 70 regardless of service or at age 50 and have acquired 10 or more years of retirement service credit. A member with 30 years of service is eligible to retire regardless of age. General Tier III members are eligible to retire once they have attained the age of 70 regardless of service or at age 52 and have acquired 5 or more years of retirement service credit.

The retirement benefit the member will receive is based upon age at retirement, final average compensation, years of retirement service credit and retirement plan and tier.

General member benefits for Tier I and Tier II are calculated pursuant to the provisions of California Government Code Sections 31676.17 and 31676.01, respectively. The monthly allowance is equal to 1/50th of final average compensation times years of accrued retirement service credit times age factor from Section 31676.17 (Tier I) or 1/90th of final average compensation times years of accrued retirement service credit times age factor from Section 31676.01 (Tier II). General Tier III member benefits are calculated pursuant to the provisions found in California Government Code Section 7522.20(a). The monthly allowance is equal to the final average compensation multiplied by years of accrued retirement credit multiplied by the age factor from Section 7522.20(a).

Kern Mosquito and Vector Control District

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2025

Note 8 – Retirement Plan, (continued)

For members in Tier I or Tier II, the maximum monthly retirement allowance is 100% of final average compensation. There is no final average compensation limit on the maximum retirement benefit for General Tier III members. However, the maximum amount of compensation earnable that can be taken into account for 2024 for members with membership dates on or after July 1, 1996 but before January 1, 2013 is \$345,000. For members with membership dates on or after January 1, 2013 the maximum amount of pensionable compensation that can be taken into account for 2024 is equal to \$151,446 for those enrolled in Social Security. These limits are adjusted on an annual basis. Members are exempt from paying member contributions and employers are exempt from paying employer contributions on compensation in excess of the annual cap.

Final average compensation consists of the highest 12 consecutive months of pensionable pay for all Tier I or Tier IIA members and the highest 36 consecutive months of pensionable pay for all Tier IIB or Tier III members.

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

KCERA provides an annual cost-of-living benefit to all retirees. The cost-of-living adjustment, based upon the Consumer Price Index for the Los Angeles-Long Beach-Anaheim Area, is capped at 2.5%.

As of the June 30, 2024 measurement date, the district had the following employees covered by benefit term:

Retired members or beneficiaries	
currently receiving benefits	25
Vested terminated members entitled	
to, but not yet receiving benefits	2
Active members	<u>21</u>
	<u>48</u>

Contributions. The County of Kern and contracting districts contribute to the retirement plan based upon actuarially determined contribution rates adopted by the Board of Retirement. Employer contribution rates are adopted annually based upon recommendations received from KCERA's actuary after the completion of the annual actuarial valuation. The average employer contribution rate as of June 30, 2024 for 2023-2024 (based on the June 30, 2022 valuation) was 48.76% of compensation.

Kern Mosquito and Vector Control District

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2025

Note 8 – Retirement Plan, (continued)

Members are required to make contributions to KCERA regardless of the retirement plan or tier in which they are included. The average member contribution rate as of June 30, 2024 for 2023-2024 (based on the June 30, 2022 valuation) was 6.96% of compensation.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources. At June 30, 2025, the District reported a liability of \$4,912,665 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2024. The Fiduciary Net Position was valued as of the measurement date while the Total Pension Liability (TPL) was determined based upon rolling forward the TPL from actuarial valuations as of June 30, 2023. 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 entities, actuarially determined. At June 30, 2024, the District's proportion was 0.203 percent, which was a decrease of 0.004 from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the District recognized pension expense of \$685,459. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ 219,429	\$ -
Difference between Expected and Actual Experience	211,825	97,645
Difference between Projected and Actual Investment Earnings	76,271	-
Changes in proportion and differences between employer's contributions and proportionate share of contributions	222,570	403,306
Pension Contributions Made Subsequent to Measurement Date	709,802	-
 Total	 \$ 1,439,897	 \$ 500,951

The \$709,802 of deferred outflows of resources resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Fiscal Year Ending June 30,		
2026	\$	32,907
2027		263,753
2028		(23,874)
2029		(43,642)
2030		-
Thereafter		-
	\$	229,144

Kern Mosquito and Vector Control District

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2025

Note 8 – Retirement Plan, (continued)

Actuarial Assumptions. The total pension liability as of June 30, 2024 uses the same actuarial assumptions as the actuarial funding valuation as of June 30, 2024. The actuarial assumptions used in that funding valuation were based on the results of an experience study for the period July 1, 2019 through June 30, 2022. In particular, the following actuarial assumptions were applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age Actuarial Cost Method
Actuarial Assumptions	
Inflation	2.50%
Salary Increases	3.70% to 8.00% varying by service, including inflation
Investment Rate of Return	7.00% net of pension plan investment expenses, including inflation
Administrative Expenses	0.95% of payroll allocated to both the employer and the member based on the components of the total average contribution rate (before expenses) for the employer and member
Cost of Living Adjustment	Retiree COLA increases due to CPI are assumed to be 2.50%
Other Assumptions	See analysis of actuarial experience during the period July 1, 2019 through June 30, 2022

Detailed information regarding all actuarial assumptions can be found in the June 30, 2024 Actuarial Valuation and Review.

The Entry Age actuarial cost method used in KCERA's annual actuarial valuation has also been applied in measuring the service cost and TPL with one exception. For purposes of measuring the service cost and TPL, we have reflected the same plan provisions used in determining the member's actuarial present value of projected benefits. This is different from the version of this method applied in KCERA's annual funding valuation, where the normal cost is determined as if the current benefit accrual rate had always been in effect.

Change of Assumption. There were no changes of assumptions between the measurement dates of June 30, 2024 and June 30, 2023.

Kern Mosquito and Vector Control District

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2025

Note 8 – Retirement Plan, (continued)

Discount Rate. The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumes plan member contributions will be made at the current contribution rates and that employer contributions will be made at rates equal to the actuarially determined contribution rates. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the Plan FNP was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL as of June 30, 2024.

The discount rate assumptions have been developed without taking into consideration any impact of the 50/50 allocation of future excess earnings between the retirement and Supplement Retirement Benefit Reserve (SRBR) asset pools.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected arithmetic real rates of return (expected returns, net of inflation and, beginning with June 30, 2023, any applicable investment management expenses) are developed for each major asset class. These returns are combined to produce the long-term expected arithmetic rate of return for the portfolio by weighting the expected arithmetic real rates of return by the target asset allocation percentage, adding expected inflation and subtracting expected investment expenses (beginning with June 30, 2023 including only investment consulting fees, custodian fees and other miscellaneous investment expenses) and a risk margin. Beginning with June 30, 2023 this portfolio return is also adjusted to an expected geometric real rate of return for the portfolio.

The target allocation and projected arithmetic real rates of return for each major asset class can be found in KCERA's Comprehensive Annual Financial Report for the fiscal year ended June 30, 2024.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the net pension liability as of June 30, 2024, calculated using a discount rate of 7.00%, and what the net pension liability would be if it were calculated using a discount rate that is one point lower (6.00%) or one point higher (8.00%) than the current rate:

	Discount Rate - 1% (6.00%)	Current Discount Rate (7.00%)	Discount Rate + 1% (8.00%)
Plan's Net Pension Liability/(Asset)	\$ 7,115,133	\$ 4,912,665	\$ 3,103,413

Plan Fiduciary Net Position. Detailed information about the Plan's fiduciary net position is available in the separately issued KCERA financial report. The plan fiduciary net position may differ from the plan assets reported in the actuarial valuation report due to several reasons. First, for the accounting valuations, KCERA must keep items such as deficiency reserves, fiduciary self-insurance and OPEB expense included in fiduciary net position. These amounts are excluded for rate setting purposes in your funding actuarial valuation. In addition, differences may result from early CAFR closing and final reconciled reserves.

Kern Mosquito and Vector Control District

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2025

Note 8 – Retirement Plan, (continued)

Amortization of Deferred Outflows and Deferred Inflows of Resources.

There have been changes in each employer's proportionate share of the collective NPL during the measurement period ending June 30, 2024. The net effect of that change on the employer's proportionate share of the collective NPL and collective deferred outflows and deferred inflows of resources, as well as any differences between actual employer contributions and the proportionate share of employer contributions, are recognized as follows:

- Current period changes in proportion and differences between employer's contributions and proportionate share of contributions are recognized over the average expected remaining service lives of all employees, calculated as of the beginning of the measurement period.
- Prior period changes in proportion and differences between employer's contributions and proportionate share of contributions continue to be recognized based on the average expected remaining service lives of all employees calculated based on their respective measurement dates.

The average expected remaining service lives of all employees is 4.36 years for the measurement period ending June 30, 2024 (calculated as of June 30, 2023).

Payable to the Pension Plan. At June 30, 2025, there is no outstanding amount of contributions payable to the pension plan required for the year ended June 30, 2025.

Note 9 – Other Disclosures

Economic Dependency

Property taxes collected within the County of Kern represent 97% of the District's revenues.

Date of Management Evaluation

Management has evaluated subsequent events through February 3, 2026, the date on which the financial statements were available to be issued.

Excess of Expenditures over Appropriations

For the year ended June 30, 2025, some expenditures exceeded appropriations. The over expenditures were funded from current tax revenue, programs & contributions.

Contingencies

The District has a contingent property tax liability for its share of tax refund claims pending against the County of Kern attributable to taxes paid by property owners but disputed. Because both the amount of the contingency and the expected outcome cannot be determined, the liability has not been provided for in the financial statements. At June 30, 2025, the latest date reported by the County, the contingent liability was \$377,703.

REQUIRED SUPPLEMENTARY INFORMATION

Kern Mosquito and Vector Control District

RETIREMENT PLAN SCHEDULES

Year ended June 30, 2025

Schedule of District's Proportionate Share of the Net Pension Liability and Related Ratios as of the Measurement Date

	<u>6/30/2024</u>	<u>6/30/2023</u>	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2020</u>
Proportion of the Net Pension Liability/(Asset)	0.203%	0.207%	0.227%	0.205%	0.194%
Proportionate Share of the Net Pension Liability/(Asset)	\$ 4,912,665	\$ 5,220,405	\$ 5,400,397	\$ 3,865,316	\$ 5,163,331
Covered-Employee Payroll	\$ 1,443,423	\$ 1,329,594	\$ 1,345,994	\$ 1,234,988	\$ 1,130,067
Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered-Employee Payroll	340.35%	392.63%	401.22%	312.98%	456.90%
Proportionate Share of the Fiduciary Net Position as a Percentage of the District's Total Pension Liability	66.50%	63.49%	62.80%	69.69%	55.90%
	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>
Proportion of the Net Pension Liability/(Asset)	0.200%	0.188%	0.187%	0.166%	0.161%
Proportionate Share of the Net Pension Liability/(Asset)	\$ 4,760,174	\$ 4,388,960	\$ 4,413,319	\$ 4,009,961	\$ 3,538,099
Covered-Employee Payroll	\$ 1,182,856	\$ 1,151,669	\$ 1,104,807	\$ 1,061,688	\$ 1,031,557
Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered-Employee Payroll	402.43%	381.10%	399.47%	377.70%	342.99%
Proportionate Share of the Fiduciary Net Position as a Percentage of the District's Total Pension Liability	58.47%	59.22%	57.90%	57.15%	59.25%

Schedule of District Contributions

	Year Ended				
	<u>6/30/2025</u>	<u>6/30/2024</u>	<u>6/30/2023</u>	<u>6/30/2022</u>	<u>6/30/2021</u>
Contractually Determined Contribution (Actuarially)	\$ 709,802	\$ 681,071	\$ 636,080	\$ 600,193	\$ 581,449
Contributions in Relation to the Actuarially Determined Contribution	(709,802)	(681,071)	(636,080)	(600,193)	(581,449)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
	<u>6/30/2025</u>	<u>6/30/2024</u>	<u>6/30/2023</u>	<u>6/30/2022</u>	<u>6/30/2021</u>
Covered-Employee Payroll	\$ 1,443,423	\$ 1,329,594	\$ 1,345,994	\$ 1,234,988	\$ 1,130,067
Contributions as a Percentage of Covered-Employee Payroll	49.17%	51.22%	47.26%	48.60%	51.45%
	Year Ended				
	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016</u>
Contractually Determined Contribution (Actuarially)	\$ 538,099	\$ 556,899	\$ 500,063	\$ 485,343	\$ 461,199
Contributions in Relation to the Actuarially Determined Contribution	(538,099)	(556,899)	(500,063)	(485,343)	(461,199)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016</u>
Covered-Employee Payroll	\$ 1,182,856	\$ 1,151,669	\$ 1,104,807	\$ 1,061,688	\$ 1,031,557
Contributions as a Percentage of Covered-Employee Payroll	45.49%	48.36%	45.26%	45.71%	44.71%

Notes to Schedules

Change in Assumptions: The discount rate was changed from 7.50% at 6/30/2016 to 7.25% at 6/30/2017 and to 7.00% at 6/30/2023 measurement dates.

Kern Mosquito and Vector Control District
SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES (DEFICITS), BUDGET AND ACTUAL
GENERAL FUND
Year ended June 30, 2025

	General Fund		
	Original & Final Budget	Actual	Actual Over (Under) Budget
Revenues:			
Property Taxes	\$ 6,700,000	\$ 7,417,833	\$ 717,833
Interest	270,000	430,978	160,978
Other	-	-	-
Total Revenues	6,970,000	7,848,811	878,811
Expenditures:			
Salaries and Employee Benefits	4,181,100	3,095,767	(1,085,333)
Services and Supplies	3,780,000	2,054,675	(1,725,325)
Capital Outlay:			
General Capital Outlay	2,150,000	455,256	(1,694,744)
Total Expenditures	10,111,100	5,605,698	(4,505,402)
Revenues Over (Under) Expenditures	<u>\$ (3,141,100)</u>	\$ 2,243,113	<u>\$ 5,384,213</u>
Fund Balance - Beginning		18,344,932	
Fund Balance - Ending		<u>\$ 20,588,045</u>	

Kern Mosquito and Vector Control District
SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES (DEFICITS), BUDGET AND ACTUAL
RAT CONTROL FUND
Year ended June 30, 2025

	Rat Control Fund		
	Original & Final Budget	Actual	Actual Over (Under) Budget
Revenues:			
Property Taxes	\$ 318,000	\$ 348,840	\$ 30,840
Interest	20,000	53,215	33,215
Other	-	37	37
Total Revenues	338,000	402,092	64,092
Expenditures:			
Salaries and Employee Benefits	206,100	191,193	(14,907)
Services and Supplies	159,850	75,283	(84,567)
Capital Outlay:			
General Capital Outlay	-	-	-
Total Expenditures	365,950	266,476	(99,474)
Revenues Over (Under) Expenditures	<u>\$ (27,950)</u>	\$ 135,616	<u>\$ 163,566</u>
Fund Balance - Beginning		<u>1,369,494</u>	
Fund Balance - Ending		<u>\$ 1,505,110</u>	

**ADDITIONAL REPORTING REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

Albert & Associates, LLP

Certified Public Accountants

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

The Board of Trustees of the Kern Mosquito
And Vector Control District, Bakersfield, California:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Kern Mosquito and Vector Control District, California, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Kern Mosquito and Vector Control District's basic financial statements, and have issued our report thereon, dated February 3, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Kern Mosquito and Vector Control District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Kern Mosquito and Vector Control District's internal control. Accordingly, we do not express an opinion on the effectiveness of Kern Mosquito and Vector Control 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.

Report on Internal Control Over Financial Reporting

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weakness. However, material weakness or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Albert & Associates, LLP

Wasco, California
February 3, 2026