

**CONSOLIDATED MOSQUITO ABATEMENT DISTRICT**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**JUNE 30, 2024**



**CONSOLIDATED MOSQUITO ABATEMENT DISTRICT  
JUNE 30, 2024**

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**CONSOLIDATED MOSQUITO ABATEMENT DISTRICT  
JUNE 30, 2024**

**List of Board of Trustees**

Charles Lockhart	President
Leonard Hammer	Vice President/Secretary
Jennifer Willems	Member
Ward Scheitrum	Member
Tokuo Fukuda	Member
Michelle Lopez	Member
Abe Isaak	Member
Karen Steinhauer	Member
Charles Smith	Member
Mary Anne Hill	Member
Bruce Taylor	Member

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Jaribu W. Nelson, CPA

P.O. Box 1105, Clovis, CA 93613 • Ph: (559) 286-7546 • Email: jaribucpa@gmail.com

## INDEPENDENT AUDITOR'S REPORT

Board of Trustees of the  
Consolidated Mosquito Abatement District  
Parlier, California

### Opinions

We have audited the accompanying financial statements of the governmental activities and the General Fund of the Consolidated Mosquito Abatement District (the District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the General Fund of the District as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### 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.

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 – 6, the budgetary comparison schedule on page 30, the proportionate share of net pension liability on page 32, and the schedule of contributions for pension on page 33 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**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Jaribu W. Nelson, CPA*

Clovis, California  
November 20, 2024

**CONSOLIDATED MOSQUITO ABATEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2024**

As management of the Consolidated Mosquito Abatement District (the District), we offer readers of this section of the annual report on audited financial statements (audit report) a narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2024, from management's perspective. Please read and consider the information represented here in conjunction with the financial statements as a whole.

**FINANCIAL HIGHLIGHTS**

Assets of the District (total net position) exceeded its liabilities by \$14,896,852. The total net position at the beginning of the fiscal year was \$13,411,584. There was a change in net position of \$1,485,268 to account for the end of year net position of \$14,896,852. Of this amount, there is an unrestricted net position of \$10,194,259, which may be used to meet the District's ongoing obligations.

The General Fund of the District showed total revenues of \$5,515,921 and total expenditures of \$4,983,150. The General Fund balance at the beginning of the year was \$9,266,409, and there was a net change in fund balance of \$539,574, which accounted for an end of year fund balance of \$9,805,983. This represents a 6% increase in the General Fund during the course of the fiscal year.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The financial statements presented in this annual report include the activities of the District using the reporting model as prescribed by Governmental Accounting Standards Board Statement No. 34 (GASB 34). The report consists of three parts – management's discussion and analysis (this section), the basic financial statements, and required supplementary information, if any. The basic financial statements also include notes that further explain some of the information presented in the financial statements and provide more detailed data.

***Government-Wide Financial Statements***

The government-wide financial statements are designed to provide a broad, longer-term view of the District's activities and finances as a whole and is comprised of the statement of net position and the statement of activities. The statement of net position provides information about the financial position of the District, including its capital assets and long-term liabilities on the full accrual basis, similar to that used by corporations. The statement of activities provides information about all the District's revenues and all of its expenses also on the full accrual basis, with the emphasis on measuring net revenues or expenses of the District's programs. The statement of activities explains in detail the change in net position for the year.

***Fund Financial Statements***

The fund financial statements provide detailed information about each of the District's most significant funds, called major funds. The District only has one major fund, a governmental fund, the General Fund. The fund financial statements report the District's operations in more detail than the government-wide statements and focus primarily on the short-term activities of the District's General Fund. The fund financial statements measure only current revenues and expenditures and fund balances; they exclude capital assets, long-term debt, and other long-term amounts. These statements can provide a more nuanced view of finances involved in District activities and the provision of public health services.

***Notes to the Financial Statements***

The basic financial statements also include notes that further explain some of the information presented in the financial statements and provide more detailed data.

**CONSOLIDATED MOSQUITO ABATEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2024**

**Required Supplementary Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain other supplementary information. All these sections of the audit report, when considered together, will provide for a more complete understanding of the activities of the District and its fiscal position from year-to-year.

**Government-Wide Financial Analysis**

An analysis of the net position serves as a useful indicator of the District's finances over time, and as of June 30, 2024, the District's assets exceeded its liabilities by \$14,896,852. A significant portion of the net position (\$4,702,593) reflects net investment in capital assets. Capital assets are used to provide services to the District's residents. The following tables represent summaries of the District's net position and changes in net position for the current and prior years:

**Consolidated Mosquito Abatement District Governmental Activities Net Position**

	<b>2024</b>	<b>2023</b>
<b>ASSETS:</b>		
Current and other assets	\$ 9,947,869	\$ 9,560,332
Capital assets	7,621,265	7,198,472
Deferred outflows	1,273,581	294,059
Total assets and deferred outflows	\$ 18,842,715	\$ 17,052,863
<b>LIABILITIES:</b>		
Current liabilities	\$ 168,802	\$ 240,630
Noncurrent liabilities	3,450,765	3,397,391
Deferred inflows	326,296	3,258
Total liabilities	\$ 3,945,863	\$ 3,641,279
<b>NET POSITION:</b>		
Invested in capital assets	\$ 4,702,593	\$ 4,107,800
Unrestricted	10,194,259	9,303,784
Total net position	\$ 14,896,852	\$ 13,411,584

**CONSOLIDATED MOSQUITO ABATEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2024**

**Consolidated Mosquito Abatement District Governmental Activities Changes in Net Position**

	<b>2024</b>	<b>2023</b>
<b>PROGRAM REVENUE:</b>		
Charges for services	\$ 21,454	\$ 7,003
Total Program Revenue	21,454	7,003
<b>EXPENSES:</b>		
Mosquito Abatement	3,921,865	4,723,717
Interest on long-term debt	115,591	120,242
Total Expense	4,037,456	4,843,959
<b>INCREASE/DECREASE IN NET REVENUE BEFORE GENERAL REVENUE</b>	(4,016,002)	(4,836,956)
<b>TOTAL GENERAL REVENUE</b>	5,501,270	4,886,956
<b>INCREASE/DECREASE IN NET POSITION</b>	1,485,268	50,000
<b>BEGINNING NET POSITION</b>	13,411,584	13,361,584
<b>ENDING NET POSITION</b>	\$ 14,896,852	\$ 13,411,584

**CAPITAL ASSET ADMINISTRATION**

The District investment in capital assets for its governmental activities as of June 30, 2024, amounted to \$7,621,265 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements and equipment. Additional information on the District capital assets can be found in Note 5 – Capital Assets.

**DEBT ADMINISTRATION**

The District's long-term debt consists of a capital lease used to finance the acquisition and construction of its new headquarters facilities in Parlier and the accrued unfunded liability from its California Public Employee Retirement System pension obligation. Additional information on the District's long-term debt can be found in Note 6 – Consolidated Mosquito Abatement District Retirement Plan and Note 7 – Long-Term Debt.

**CONSOLIDATED MOSQUITO ABATEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2024**

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

For budgetary purposes, revenues are anticipated at conservative levels (underestimates) and expenses are overestimated. The budget for the year ending June 30, 2025, projects a deficit of \$1,173,741. Total revenue is budgeted at \$4,865,259 and total expenses, including capital outlay and debt service, are budgeted at \$6,039,000. The anticipated deficit is the result of onetime capital outlay expense for planned infrastructure improvements for the ongoing solar covered parking project at two District facilities. Services, supplies, maintenance and miscellaneous expenditures are budgeted to increase by \$59,000. Capital outlay and debt service are budgeted to decrease by (\$935,000), while total reserves are budgeted to decrease by (\$247,000).

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the District's finances and to demonstrate the District's accountability for the money it receives and public health services it provides. If you have any questions about this report or need any additional information, contact the District at (559) 896-1085.

**CONSOLIDATED MOSQUITO ABATEMENT DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2024**

**ASSETS**

Cash and investments	\$	8,994,759
Cash with fiscal agent		558,359
Receivables:		
Accounts		36,601
Taxes		19,335
Interest		1,831
Note		127,545
Inventory		209,439
Capital assets, net		<u>7,621,265</u>
Total assets		<u>17,569,134</u>

**DEFERRED OUTFLOWS OF RESOURCES**

Deferred outflows related to pension		<u>1,273,581</u>
Total assets and deferred outflows of resources		<u>18,842,715</u>

**LIABILITIES**

Accounts payable		29,943
Accrued payroll and related liabilities		111,943
Accrued interest payable		26,916
Non-Current Liabilities:		
Due within one year		710,525
Due in more than one year		<u>2,740,240</u>
Total liabilities		<u>3,619,567</u>

**DEFERRED INFLOWS OF RESOURCES**

Deferred inflows related to pension		<u>326,296</u>
Total liabilities and deferred inflows of resources		<u>326,296</u>

**NET POSITION**

Net investment in capital assets		4,702,593
Unrestricted		<u>10,194,259</u>
Total Net Position	\$	<u><u>14,896,852</u></u>

The accompanying notes are an integral part of this statement.

**CONSOLIDATED MOSQUITO ABATEMENT DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2024**

Functions/Programs	Expenses	Program Revenues		Capital Grants and Contributions	Net Revenue/ (Expense)
		Charges for Services	Operating Grants and Contributions		
Primary Government:					
Mosquito abatement	\$ 3,921,865	\$ 21,454	\$ -	\$ -	\$ (3,900,411)
Interest on long-term debt	115,591	-	-	-	(115,591)
<b>Total Governmental Activities:</b>	<b>4,037,456</b>	<b>21,454</b>	<b>-</b>	<b>-</b>	<b>(4,016,002)</b>

General Revenues:

Property taxes	5,081,670
Intergovernmental	131,448
Investment income	6,803
Insurance recoveries and adjustments	15,889
Other revenues	265,460

Total General Revenues 5,501,270

Change in Net Position 1,485,268

Net Position, Beginning of Year 13,411,584

Net Position, End of Year \$ 14,896,852

The accompanying notes are an integral part of this statement.

**CONSOLIDATED MOSQUITO ABATEMENT DISTRICT  
GOVERNMENTAL FUND  
BALANCE SHEET  
JUNE 30, 2024**

	<u>General Fund</u>
<b>ASSETS</b>	
Cash and investments	\$ 8,994,759
Cash with fiscal agent	558,359
Receivables:	
Accounts	36,601
Taxes	19,335
Interest	1,831
Note	127,545
Inventory	<u>209,439</u>
Total assets	<u>\$ 9,947,869</u>
<b>LIABILITIES</b>	
Accounts payable	\$ 29,943
Accrued payroll and related liabilities	<u>111,943</u>
Total liabilities	<u>141,886</u>
<b>FUND BALANCE</b>	
Nonspendable	336,984
Committed	6,051,000
Unassigned	<u>3,417,999</u>
Total fund balance	9,805,983
Total liabilities and fund balance	<u>\$ 9,947,869</u>

The accompanying notes are an integral part of this statement.

**CONSOLIDATED MOSQUITO ABATEMENT DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2024**

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

Total fund balance	<u>\$ 9,805,983</u>
Capital assets used in governmental activities are not current financial resources; therefore, they are not reported in the General Fund.	<u>7,621,265</u>
Deferred outflows of resources reflecting the future consumption of net position are not financial resources and therefore, are not reported in the governmental funds:	
Deferred outflows related to pensions	<u>1,273,581</u>
Long-term liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds	
Governmental long-term debt payable	(2,918,672)
Accrued interest payable	(26,916)
Compensated absences	(64,750)
Net pension liability	<u>(467,343)</u>
Total long-term liabilities	(3,477,681)
Deferred inflows of resources reflecting the future acquisition of net position are not financial resources and therefore, are not reported in the governmental funds:	
Deferred inflows related to pensions	<u>(326,296)</u>
Net position of governmental activities	<u>\$ 14,896,852</u>

The accompanying notes are an integral part of this statement.

**CONSOLIDATED MOSQUITO ABATEMENT DISTRICT  
GOVERNMENTAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2024**

**REVENUES**

Property taxes	\$ 5,081,670
Intergovernmental revenues	131,448
Charges for services	21,454
Use of money and property	260,134
Insurance retrospective adjustments	15,889
Other	<u>5,326</u>
Total revenues	<u>5,515,921</u>

**EXPENDITURES**

Salaries and wages	1,820,073
Employee benefits	964,129
Supplies and maintenance	385,406
Motor vehicles	155,791
Insurance	203,534
Surveillance and research	40,427
GIS & GPS	49,539
County service charge	63,019
Utilities	67,337
Communications	48,125
Travel and subsistence	42,894
Dues and subscriptions	28,431
Office supplies	36,983
Uniforms	19,669
Legal and accounting	16,386
Education and publicity	16,148
Capital outlay	737,668
Debt service	
Principal	172,000
Interest	<u>115,591</u>
Total expenditures	<u>4,983,150</u>

Excess of revenues over expenditures	<u>532,771</u>
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**OTHER FINANCING SOURCES**

Interest income	<u>6,803</u>
Total other financing sources	<u>6,803</u>

Net change in fund balance	539,574
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Fund Balance, Beginning of Year	<u>9,266,409</u>
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Fund Balance, End of Year	<u><u>\$ 9,805,983</u></u>
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The accompanying notes are an integral part of this statement.

**CONSOLIDATED MOSQUITO ABATEMENT DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2024**

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

Net change in fund balance	\$ 539,574
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period	422,793
Governmental funds report principal reductions of long-term liabilities as expenditures. However, in the government-wide financial statements principal reductions of long-term liabilities reduce debt and are not included within the statement of activities. This is the amount of principal reductions of long-term debt during the period	172,000
Certain current year revenues in the fund statements did not provide current resources in the prior year but were accrued on the statement of activities	(46,343)
Compensated absences: In governmental funds, compensated absences are measured by the amounts paid during the period. In the statement of activities, compensated absences are measured by the amounts earned. The difference between compensated absences paid and those earned was:	225
Governmental funds report pension contributions as expenditures. However, in the statement of activities, pension expense is measured as the change in net pension liability and the amortization of deferred outflows and inflows of resources related to pensions. This amount represents the net change in pension related amounts	395,037
Governmental funds report interest payments on long-term liabilities as expenditures. However, in the government-wide financial statements, interest expense on long-term debt is recognized as it is incurred. This is the difference between the methods of interest recognition	<div style="border-top: 1px solid black; display: inline-block;">1,982</div>
Change in net position of governmental activities	<div style="border-top: 3px double black; display: inline-block;">\$ 1,485,268</div>

The accompanying notes are an integral part of this statement.

**CONSOLIDATED MOSQUITO ABATEMENT DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying financial statements are presented in conformity with accounting principles generally accepted in the United States of America for governmental units as prescribed by the Governmental Accounting Standards Board (“GASB”) and other authoritative sources.

**Reporting Entity**

Consolidated Mosquito Abatement District was organized in June 1946, upon the approval of the Board of Supervisors of Fresno County. The District was organized to provide mosquito control activities in Fresno County and later expanded operations into Kings County. The District has plant locations in Selma, Sanger, Caruthers, Reedley, Parlier and Clovis. As the District is a governmental unit, it is exempt from federal and California taxes on income.

The accounting and reporting policies of the District conform to generally accepted accounting principles applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Government Accounting Standards Board (GASB), the American Institute of Certified Public Accountants (in *Audits of State and Local Governmental Units*), and by the Financial Accounting Standards Board (when applicable).

These general purpose financial statements present the District in conformance with GASB Statement No. 14, “The Financial Reporting Entity.” Under Statement No. 14, component units are organizations that are included in the District’s reporting entity because of the significance of their operational or financial relationships with the District. The District has no component units.

**Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the activities of the primary government. Governmental activities, which normally are supported by taxes and intergovernmental revenue, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The District has no business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenue includes 1) charges to customer or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants 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.

**CONSOLIDATED MOSQUITO ABATEMENT DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Measurement Focus, Basis of Accounting**

*Government-Wide Financial Statements*

The government-wide financial statements are reported using the economic resources measurement focus and accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements are met. Expenses are recorded when liabilities are incurred.

*Governmental Fund Financial Statements*

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District revenues are available if they are collected within 60 days of the end of the current period. Expenditures generally are recorded when liabilities are incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgements, are recorded only when payment is due.

The District reports the following major governmental fund:

The General Fund is the District's only operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Amounts reported as program revenue include charges to customers for goods and services, operating grants and contributions and capital grants and contributions.

**Budgetary Procedures**

The District operates under a budget prepared and approved annually by the Trustees. The budget is prepared on a detailed line-item basis. Revenues are budgeted by source and expenditures or expenses are budgeted by use (salaries and employee benefits, services and supplies, other charges, fixed asset acquisitions and contingencies). Once approved, the Trustees may amend the adopted budget when unexpected modifications are required in estimated revenue and expenditures or expenses.

**CONSOLIDATED MOSQUITO ABATEMENT DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Assets, Liabilities and Net Position**

**Cash and Investments**

The District invests its excess cash principally with the Fresno County Treasury. The County pools these funds with those of other entities in the County and invests the cash in accordance with California Government Codes. Generally, investments with the County are available for withdrawal on demand.

**Receivables**

Receivables consist primarily of billed, but unpaid amounts, property taxes and interest on funds deposited with the County Treasury.

**Inventory**

Inventory consists of expendable supplies held for consumption and are stated at cost on the first-in, first-out basis. The value of inventory is fully reserved in an equal amount.

**Capital Assets**

Capital assets, which include property, plant and equipment, are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial cost of more than \$5,000 and an estimated useful life in excess of five years. All material fixed assets are valued at historical cost. Donated fixed assets are valued at their estimated fair value on the date donated. When an asset is disposed of, cost and related accumulated depreciation is removed and any gain or loss arising from its disposal is credited or charged to operations.

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.

Depreciation is recorded by using the straight-line method. The book value of each asset is reduced by equal amounts over its estimated useful life as follows:

Buildings .....	40 years
Building improvements and storage tanks .....	15 years
Machinery and shop equipment .....	10 years
Office and laboratory furniture and equipment.....	7 years
Vehicles and automotive equipment .....	7 years
Field equipment.....	5 years

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future periods and so will *not* be recognized as an outflow resources (expense/expenditure) until then. The District has one type of deferred outflow which qualifies for reporting in this category, deferred inflows related to pensions.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. The separate financial element, *deferred inflows of resources*, represents an acquisition of net position that applies to future periods and so will *not* be recognized as an inflow of resources (revenue) until that time. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The District has one type of deferred inflow which qualifies for reporting in this category, deferred inflows related to pensions.

**CONSOLIDATED MOSQUITO ABATEMENT DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Assets, Liabilities and Net Position (Continued)**

**Pension Plan**

The District recognizes a net pension liability, which represents its proportionate share of the excess of the total pension liability over the fiduciary net position of the pension reflected in the actuarial report provided by the CalPERS Actuarial Office. 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 over the weighted average remaining service life of all participants in the respective pension plan and are recorded as a component of pension expense beginning with the period in which they are incurred. The average remaining service lifetime for the June 30, 2023 measurement period is 3.8 years.

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. CalPERS audited financial statements are publicly available reports that can be obtained at CalPERS' website under Forms and Publications.

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.

	<u>2023</u>
Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Measurement Period	July 1, 2022 to June 30, 2023

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 beginning with the period in which the difference occurred. Each subsequent year will incorporate an additional closed basis five-year period of recognition.

**CONSOLIDATED MOSQUITO ABATEMENT DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Assets, Liabilities and Net Position (Continued)**

**Fund Equity**

Net position presents the difference between assets and liabilities in the statement of net position. Net position invested in capital assets are reduced by the outstanding balances of any borrowings used for the acquisition or improvement of those assets.

In the fund financial statements, governmental funds report fund balance amounts in the following classifications: Nonspendable, restricted, committed, assigned and unassigned. Nonspendable amounts represents inventories, prepaid items and long-term receivables. Restricted amounts have been restricted by external bodies. Committed amounts have been restricted by the District's governing board. Assigned amounts represent tentative designations by the District. Unassigned amounts are spendable and are not restricted, committed or assigned.

The District will spend the funds restricted for their purpose within those funds first followed by assigned funds for their intended purposes prior to spending any unassigned funds.

**Net Position**

Net position comprises the various net earnings from operating income, nonoperating revenue and expense and capital contributions. Net positions are classified in the following three components:

*Invested in capital assets, net of related debt* – This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvements of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net asset components as the unspent proceeds.

*Restricted* – This component of net position consists of constraints imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

*Unrestricted net position* – This component of net position consists of net position that do not meet the definition of restricted or invested in capital assets, net of related debt.

When expenses are incurred for purposes for which both restricted and unrestricted components of net position are available, the District's policy is to apply the restricted component of net position first, then the unrestricted component of net position as needed.

**Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**Budgets and Budgetary Accounting**

The District established a budget for its governmental fund for the year ended June 30, 2024. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP).

**CONSOLIDATED MOSQUITO ABATEMENT DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 2 – CASH AND INVESTMENTS**

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

Cash on hand	\$ 4,975
Deposits with financial institutions	128,923
Deposits with county treasury	<u>8,860,861</u>
 Total	 <u>\$ 8,994,759</u>

Bank deposit accounts are insured up to \$250,000 per institution by the Federal Depository Insurance Corporation (FDIC). All of the District’s cash balances held by financial institutions are fully insured or collateralized.

Cash in County Treasury

Within the guidelines of Government Code Section 53601, the District maintains substantially all of its cash in the Fresno County Treasury as part of the common investment pool. Assumptions made in determining the fair value of the pooled investment portfolios are available from the County Treasurer. The County is restricted by Government Code Section 53635 pursuant to Section 53601 to invest in time deposits, U.S. government securities, state registered warrants, notes or bonds, State Treasurer’s investment pool, bankers’ acceptances, commercial paper, negotiable and non-negotiable certificates of deposit, repurchase agreements, and mortgage-backed pass-through securities.

Investments Authorized by the California Government Code

The District does not have an investment policy independent of what is allowed under the California Government Code. The table below identifies the investment types that are authorized by the Code. The table also identifies certain provisions of the Code that address interest rate risk, credit risk, and concentration of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Banker’s Acceptances	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 years	None	None
Reverse Repurchase Agreements	92 days	20% of base value	None
Medium-Term Notes	5 years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	None
Mortgage Pass-Through Securities	5 years	20%	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
JPA Pools (other investment pools)	N/A	None	None

The Fresno County Treasury Investment Pool Statement of Investment Policy is more stringent than the California Government Code. As of June 30, 2024 the Investment Pool portfolio complied with its statement of Investment Policy.

**CONSOLIDATED MOSQUITO ABATEMENT DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 2 – CASH AND INVESTMENTS (Continued)**

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates.

As of June 30, 2024, the weighted average maturity of the investments contained in the Fresno County Treasury Investment Pool is 2.21 years. 27.8% of the portfolio matures within 12 months, 39.3% matures between 1 and 3 years, and 32.9% matures between 3 and 5 years.

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Fresno County Treasury Investment Pool does not have a rating provided by a nationally recognized statistical rating organization. However, the assets of the portfolio held by the pool as of June 30, 2024 had an average dollar weighted quality rating of "AA+."

Concentration of Credit Risk

There are no investments in any one issuer that represent 5% or more of total District investments.

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by the state or local government units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. As of June 30, 2024, none of the District's deposits in excess of FDIC limits were held in uncollateralized accounts.

Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as the Fresno County Treasury Investment Pool).

Investment in Fresno County Treasury Investment Pool

The District is a voluntary participant in the Fresno County Treasury Investment Pool that is regulated by the California Government Code under the oversight of the Auditor- Controller/Treasurer-Tax Collector of Fresno County. 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 the Treasury Investment Pool for the entire Treasury Investment Pool portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the Treasury Investment Pool, which are recorded on an amortized cost basis.

**CONSOLIDATED MOSQUITO ABATEMENT DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 3 – CASH WITH FISCAL AGENT**

The District has funds on deposit with Vector Control Joint Powers Authority (VCJPA) and Central California Vector Control Joint Powers (CCVCJPA). These funds can be used to pay for future insurance premiums or can be withdrawn at the discretion of the District. At June 30, 2024, the District had \$421,115 and \$137,244 on deposit with VCJPA and CCVCJPA, respectively.

**NOTE 4 – NOTE RECEIVABLE**

The District carried back an installment note in the amount of \$160,000 related to the sale of the Reedley facility in August, 2021. The agreement provides for monthly payments of \$1,697, including interest at 5%, beginning December 1, 2021 and continuing through November 1, 2026, at which time the remaining balance of principal and interest are due. The outstanding balance at June 30, 2024 was \$127,545.

**NOTE 5 – CAPITAL ASSETS**

The following is a summary of changes in capital assets:

	Balance <u>June 30, 2023</u>	Additions	Disposals	Balance <u>June 30, 2024</u>
Government Activities:				
Capital assets not being depreciated:				
Land	\$ 423,375	\$ -	\$ -	\$ 423,375
Capital assets being depreciated:				
Buildings & improvements	7,933,713	506,973	-	8,440,686
Equipment	347,762	89,324	-	437,086
Vehicles and trailers	1,584,466	141,371	-	1,725,837
Total capital assets, being depreciated	<u>9,865,941</u>	<u>737,668</u>	<u>-</u>	<u>10,603,609</u>
Total accumulated depreciation	<u>(3,090,844)</u>	<u>(314,875)</u>	<u>-</u>	<u>(3,405,719)</u>
Total capital assets, being depreciated, net	<u>6,775,097</u>	<u>422,793</u>	<u>-</u>	<u>7,197,890</u>
Governmental activities capital assets, net	<u>\$ 7,198,472</u>	<u>\$ 422,793</u>	<u>\$ -</u>	<u>\$ 7,621,265</u>

Depreciation expense for the year ended June 30, 2024 was \$314,875.

**CONSOLIDATED MOSQUITO ABATEMENT DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 6 – CONSOLIDATED MOSQUITO ABATEMENT DISTRICT RETIREMENT PLAN**

**General Information about the Pension Plan**

**Plan Description** – All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost Sharing Multiple-Employer Plan (Plan) administered by the California Public Employees’ Retirement System (CalPERS). The Plan consists of individual rate plans (benefit tiers) within a safety risk pool (police and fire) and a miscellaneous risk pool (all other.) Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. The District sponsors two miscellaneous rate plans. Benefit provisions under the Plan are established by State statute and District 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 the CalPERS website.

**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 – 52 years 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 adjustments for the Plan are applied as specified by the Public Employees’ Retirement Law.

The rate plan provisions and benefits in effect as of June 30, 2024, are summarized as follows:

	<u>Classic</u>	<u>PEPRA</u>
Hire date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2% @ 60	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50-55	52 - 67
Monthly benefits, as a % of annual salary	2.00%	2.00%
Required employee contribution rates	7.00%	6.75%
Required employer contribution rates	8.630%	7.470%

Beginning in fiscal year 2016, CalPERS collects employer contributions for the Plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability and side fund, if applicable. The dollar amounts are billed on a monthly basis. The District’s required contribution for the unfunded liability was \$447,539 for the fiscal year ended June 30, 2024.

**Contributions** – Section 20814(c) of the California Public Employees’ Retirement Law (PERL) requires that the employer rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS’ annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions.

The District’s contributions to the plan for the ended June 30, 2024, were \$447,539.

**CONSOLIDATED MOSQUITO ABATEMENT DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 6 – CONSOLIDATED MOSQUITO ABATEMENT DISTRICT RETIREMENT PLAN (Continued)**

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

As of June 30, 2024, the District reported a net pension liability for its proportionate share of the net pension liability of the Plan of \$467,343.

The District's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2023, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022, rolled forward to June 30, 2023, using 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 proportionate share of the net pension liability for the Plan as of June 30, 2023 and 2024 was as follows:

Proportion - June 30, 2023	0.00518%
Proportion - June 30, 2024	<u>0.00935%</u>
Change - increase (decrease)	0.00417%

For the year ended June 30, 2024, the District recognized pension expense of \$645,771. As of June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Change of assumptions	\$ 28,216	\$ -
Differences between expected and actual experience	23,874	3,704
Differences between projected and actual investment earnings	75,667	-
Differences between employer's contributions and proportionate share of contributions	49,898	302,063
Change in employer's proportion	648,387	20,529
Pension contributions made subsequent to the measurement date	<u>447,539</u>	<u>-</u>
Total	<u>\$ 1,273,581</u>	<u>\$ 326,296</u>

The \$447,539 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in future years. Other amounts reported as deferred outflow of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ending June 30</u>	
2025	\$ 289,634
2026	172,697
2027	35,244
2028	2,171
2029	-
Thereafter	-

**CONSOLIDATED MOSQUITO ABATEMENT DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 6 – CONSOLIDATED MOSQUITO ABATEMENT DISTRICT RETIREMENT PLAN (Continued)**

**Actuarial Assumptions**

The total pension liabilities in the June 30, 2022, actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Actuarial Cost Method	Entry- Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Projected Salary Increase	Varies by Entry Age and Service
Investment Rate of Return	6.90%
Mortality	Derived using CalPERS' Membership Data for all Funds <sup>(1)</sup>
Post-retirement benefit increase	Contract COLA up to 2.30% unitl Purchasing Power Proteciton Allowance Floor on Purchasing Power applies

<sup>(1)</sup> The mortality table was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries. For more details, please refer to the 2021 experience study report that can be found on the CalPERS website.

**Discount Rate**

The discount rate used to measure the total pension liability was 6.9%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

**CONSOLIDATED MOSQUITO ABATEMENT DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 6 – CONSOLIDATED MOSQUITO ABATEMENT DISTRICT RETIREMENT PLAN (Continued)**

**Discount Rate (Continued)**

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 PERF cash flows. Using historical returns of all the 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 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 equivalent to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The expected real rates of return by asset class are as follows:

Asset Class	New Strategic Allocation	Real Return Years 1-10 (a,b)
Global - equity -cap-weighted	30.00%	4.54%
Global equity non-cap-weighted	12.00%	3.84%
Private equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed securities	5.00%	0.50%
Investment grade corporates	10.00%	1.56%
High yield	5.00%	2.27%
Emerging market debt	5.00%	2.48%
Private debt	5.00%	3.57%
Real assets	15.00%	3.21%
Leverage	-5.00%	-0.59%
Total	100.00%	

(a) An expected inflation of 2.30% used for this period.

(b) Figures are based on the 2021-22 Asset Liability Management study.

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

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

Discount Rate -1% 5.90%	Current Discount Rate 6.90%	Discount Rate +1% 7.90%
\$ 1,644,678	\$ 467,343	\$ (501,705)

**Pension Plan Fiduciary Net Position**

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

**Payable to the Pension Plan**

The District did not have an outstanding amount of contributions to the pension plan.

**CONSOLIDATED MOSQUITO ABATEMENT DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 7 – LONG-TERM DEBT**

The District generally incurs long-term debt to finance projects or purchase assets which will have useful lives equal to or greater than the related debt.

In government fund-types, debt discounts and issuance costs are recognized in the current period. The District's debt activities are summarized below and discussed in detail thereafter:

	<u>Balances</u> <u>June 30, 2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balances</u> <u>June 30, 2024</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>	<u>Due in</u> <u>More Than</u> <u>One Year</u>
Capital lease	\$ 3,090,672	\$ -	\$ 172,000	\$ 2,918,672	\$ 178,432	\$ 2,740,240
Net pension liability	242,194	467,343	242,194	467,343	467,343	-
Compensated absences	<u>64,525</u>	<u>103,057</u>	<u>102,832</u>	<u>64,750</u>	<u>64,750</u>	<u>-</u>
	<u>\$ 3,397,391</u>	<u>\$ 570,400</u>	<u>\$ 517,026</u>	<u>\$ 3,450,765</u>	<u>\$ 710,525</u>	<u>\$ 2,740,240</u>

Long-term debt at June 30, 2024 was comprised of the following individual issues:

**Capital Lease** – The District entered into a capital lease agreement in April, 2017 to finance the construction of its central operating facility. Annual payments of \$287,591, including interest at 3.74 percent, are due on April 1, with the final payment due in 2037.

Annual debt service requirements to maturity for the financing as of June 30, 2024, are as follows:

<u>Fiscal Years ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 178,432	\$ 109,159	\$ 287,591
2026	185,106	102,485	287,591
2027	192,029	95,562	287,591
2028	199,211	88,380	287,591
2029	206,661	80,930	287,591
2030-2034	1,155,189	282,765	1,437,954
2035-2037	<u>802,044</u>	<u>60,726</u>	<u>862,770</u>
	<u>\$ 2,918,672</u>	<u>\$ 820,007</u>	<u>\$ 3,738,679</u>

**CONSOLIDATED MOSQUITO ABATEMENT DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 8 – JOINT POWERS AGREEMENTS**

The District participates in two joint powers authorities (JPA's); the Vector Control Joint Powers Agency (VCJPA) and the Central California Vector Control Joint Powers Agency (CCVCJPA). The relationships between the District and the two JPA's are such that neither JPA is a component unit of the District for financial reporting purposes.

The District is a member of VCJPA for the purpose of pooling worker's compensation, general liability, auto-physical damage, and property insurance. VCJPA also provides group purchased insurance coverage for business travel accident, group fidelity, deadly weapon response, and employee assistance program coverage. VCJPA is governed by a board of directors consisting of representatives from member districts. The board controls the operations of VCJPA, including selection of management and approval of operating budgets, independent of any influence by member district beyond their representation on the board. Deposit premiums for the worker's compensation, general liability, and auto-physical damage programs are based on actuarially determined claims costs, including incurred but not reported claims, and expenses. Retrospective adjustments for the worker's compensation and general liability programs are made on an annual basis, which can result in additional premium assessments or refunds.

The District received refunds of \$15,889 from VCJPA during the year ended June 30, 2024 as a result of the retrospective adjustment process.

CCVCJPA arranges for and provides health insurance coverage for its members, all of which are vector abatement districts located within the State of California. CCVCJPA is governed by a board of directors consisting of representatives from member districts. The board controls the operations of CCVCJPA, including selection of management and approval of operating budgets, independent of any influence by member districts beyond their representation on the board. Each member district pays a premium equal to the level of coverage required and shares surpluses and deficits equal to their participation in CCVCJPA.

Condensed financial information for the JPA's for the most recent year available is as follows:

	June 30, 2024	
	VCJPA	CCVCJPA
Total assets	\$ 23,332,194	\$ 1,765,720
Total liabilities	13,505,753	
Member trust funds		1,739,532
Net position	9,826,441	26,188
Total revenues	9,153,252	-
Total expenditures	7,950,049	-
Net increase in net position	\$ 1,203,203	\$ -

The District's payments to VCJPA and CCVCJPA for the year ended June 30, 2024 were \$203,534 and \$9,105, respectively.

**CONSOLIDATED MOSQUITO ABATEMENT DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 9 – FUND BALANCE – NONSPENDABLE AND COMMITTED**

The following is an analysis of nonspendable and designated fund balances as of June 30, 2024:

Nonspendable:	
Note receivable	\$ 127,545
Inventory	209,439
	<u>\$ 336,984</u>
Committed:	
General purpose	\$ 3,126,000
Building acquisition	2,000,000
Contingencies	175,000
Special projects	250,000
Equipment acquisition	500,000
	<u>\$ 6,051,000</u>

**NOTE 10 – INTERGOVERNMENTAL REVENUE**

Intergovernmental revenue consists of the following:

Redevelopment assessments	\$ 103,258
Homeowners property tax relief	28,190
	<u>\$ 131,448</u>

**NOTE 11 – SUBSEQUENT EVENTS**

Management has reviewed its June 30, 2024 financial statements and evaluated subsequent events through November 20, 2024, the date the financial statements were issued. Management is not aware of any subsequent events that would require recognition or disclosure in the accompanying financial statements.

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REQUIRED SUPPLEMENTARY INFORMATION

**CONSOLIDATED MOSQUITO ABATEMENT DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2024**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Property taxes	\$ 4,369,094	\$ 4,369,094	\$ 5,081,670	\$ 712,576
Intergovernmental	109,682	109,682	131,448	21,766
Charges for services	5,000	5,000	21,454	16,454
Use of money and property	-	-	260,134	260,134
Insurance recoveries and adjustments	-	-	15,889	15,889
Other income	-	-	5,326	5,326
<b>Total revenues</b>	<b>4,483,776</b>	<b>4,483,776</b>	<b>5,515,921</b>	<b>1,032,145</b>
<b>EXPENDITURES</b>				
Current:				
Salaries and wages	2,070,000	2,070,000	1,820,073	249,927
Employee benefits	969,000	969,000	964,129	4,871
Supplies and maintenance	635,000	635,000	385,406	249,594
Motor vehicles	237,000	237,000	155,791	81,209
Insurance	208,000	208,000	203,534	4,466
Surveillance and research	65,000	65,000	40,427	24,573
GIS & GPS	82,000	82,000	49,539	32,461
County service charge	63,000	63,000	63,019	(19)
Utilities	65,000	65,000	67,337	(2,337)
Communications	55,000	55,000	48,125	6,875
Travel and subsistence	84,000	84,000	42,894	41,106
Dues and subscriptions	32,000	32,000	28,431	3,569
Office supplies	35,000	35,000	36,983	(1,983)
Uniforms	32,000	32,000	19,669	12,331
Legal and accounting	26,000	26,000	16,386	9,614
Miscellaneous	20,000	20,000	-	20,000
Education and publicity	30,000	30,000	16,148	13,852
Capital outlay	2,175,000	2,175,000	737,668	1,437,332
Debt service				
Principal	172,000	172,000	172,000	-
Interest	118,000	118,000	115,591	2,409
<b>Total expenditures</b>	<b>7,173,000</b>	<b>7,173,000</b>	<b>4,983,150</b>	<b>2,189,850</b>
Excess (deficiency) of revenues over (under) expenditures	(2,689,224)	(2,689,224)	532,771	3,221,995
<b>OTHER FINANCING SOURCES (USES)</b>				
Interest income	-	-	6,803	(6,803)
Total other financing sources (uses)	-	-	6,803	(6,803)
Net change in fund balance	\$ (2,689,224)	\$ (2,689,224)	\$ 539,574	\$ 3,215,192
Fund balance, beginning of year	9,266,409	9,266,409	9,266,409	-
Fund balance, end of year	<u>\$ 6,577,185</u>	<u>\$ 6,577,185</u>	<u>\$ 9,805,983</u>	<u>\$ 3,215,192</u>

**CONSOLIDATED MOSQUITO ABATEMENT DISTRICT  
NOTES TO THE BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2024**

**NOTE 1 – BUDGETARY INFORMATION**

An annual nonappropriated budget, which establishes the total spending authority for the General Fund, is adopted by the Board of Trustees just prior to the beginning of the District's fiscal year. The Board of Trustees may authorize amendments to the budget during the year as deemed necessary. Budgeted amounts are reported as amended.

The budgetary basis of accounting is consistent with generally accepted accounting principles applicable to the District's financial statements.

**NOTE 2 – EXCESS EXPENDITURES OVER APPROPRIATIONS**

As of June 30, 2024, expenditures exceeded appropriations in the following categories:

<u>Appropriations Category</u>	<u>Excess Expenditures</u>
County service charge	\$ 19
Utilities	2,337
Office supplies	1,983

**CONSOLIDATED MOSQUITO ABATEMENT DISTRICT  
PROPORTIONATE SHARE OF NET PENSION LIABILITY  
FOR THE YEAR ENDED JUNE 30, 2024  
LAST 10 YEARS\***

Measurement Period	2015	2016	2017	2018	2019	2020	2021	2022	2023
Proportion of the net pension liability	-0.00006%	0.01028%	0.01299%	0.00807%	0.00847%	0.00923%	-0.01612%	0.00518%	0.00935%
Proportionate share of the net pension liability (asset)	\$ (1,708)	\$ 357,105	\$ 511,957	\$ 303,962	\$ 339,139	\$ 389,622	\$ (1,163,184)	\$ 242,194	\$ 467,343
Covered payroll	\$ 1,058,057	\$ 1,076,538	\$ 981,244	\$ 823,946	\$ 886,779	\$ 1,188,828	\$ 1,244,348	\$ 1,361,256	\$ 1,291,580
Proportionate share of the net pension liability as a percentage of covered payroll	-0.16%	33.17%	52.17%	36.89%	38.24%	32.77%	-93.48%	17.79%	36.18%
Plan fiduciary net position as a percentage of the total pension liability	100.03%	93.61%	91.68%	95.15%	94.92%	94.50%	115.46%	96.96%	69.80%

Notes to the Schedule:

Changes in Benefit Terms - None

Changes in Assumptions - None

\*Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

**CONSOLIDATED MOSQUITO ABATEMENT DISTRICT  
SCHEDULE OF CONTRIBUTIONS – PENSION  
FOR THE YEAR ENDED JUNE 30, 2024  
LAST 10 YEARS\***

Fiscal Year Ended	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Actuarially required contribution (actuarially determined)	\$ 70,420	\$ 79,607	\$ 68,767	\$ 89,502	\$ 102,849	\$ 121,751	\$ 102,905	\$ 117,950	\$ 447,539
Contributions in relation to the actuarially determined contributions	<u>70,420</u>	<u>79,607</u>	<u>223,328</u>	<u>206,854</u>	<u>218,478</u>	<u>605,453</u>	<u>102,905</u>	<u>117,950</u>	<u>447,539</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (154,561)</u>	<u>\$ (117,352)</u>	<u>\$ (115,629)</u>	<u>\$ (483,702)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 1,058,057	\$ 1,076,538	\$ 981,244	\$ 823,946	\$ 886,779	\$ 1,188,828	\$ 1,244,348	\$ 1,361,256	\$ 1,291,580
Contributions as a percentage of covered payroll	6.66%	7.39%	7.01%	10.86%	11.60%	10.24%	8.27%	8.66%	34.65%

\* Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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OTHER INDEPENDENT AUDITOR'S REPORT

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Jaribu W. Nelson, CPA

P.O. Box 1105, Clovis, CA 93613 • Ph: (559) 286-7546 • Email: jaribucpa@gmail.com

**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**

Board of Trustees of the  
Consolidated Mosquito Abatement District  
Parlier, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the General Fund of Consolidated Mosquito Abatement District (the District) , as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 20, 2024.

**Report on Internal Control over Financial Reporting**

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

**Report on Compliance and Other Matters**

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

**Purpose of This Report**

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

*Jaribu W. Nelson, CPA*

Clovis, California  
November 20, 2024

**CONSOLIDATED MOSQUITO ABATEMENT DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2024**

**SECTION I – SUMMARY OF AUDITOR’S RESULTS**

**FINANCIAL STATEMENTS**

Type of auditor's report issued:	Unmodified		
Internal control over financial reporting			
Material weakness(es) identified?	_____ Yes	<u>  X  </u> No	
Significant deficiency(ies) identified -			
not considered to be material weaknesses?	_____ Yes	<u>  X  </u> None reported	
Noncompliance material to financial statements noted?	_____ Yes	<u>  X  </u> No	

**SECTION II – FINANCIAL STATEMENT FINDINGS**

None reported.

**CONSOLIDATED MOSQUITO ABATEMENT DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2023**

**FINANCIAL STATEMENT FINDINGS**

None reported.