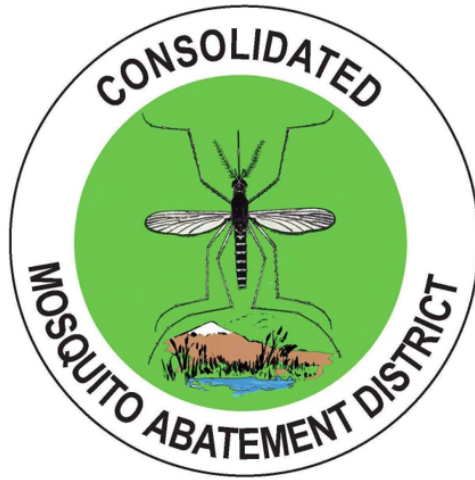


Consolidated Mosquito Abatement District
Annual Financial Report
For the Fiscal Year Ended June 30, 2025



Our Mission Statement

“To promote community health, comfort and prosperity by the effective and continuous control of disease-carrying and pest mosquitoes”.

Board of Trustees as of June 30, 2025

<u>Name</u>	<u>Area Represented</u>	<u>Title</u>	<u>Term Expiration</u>
Charles Lockhart	City of Orange Cove	President	12/31/2025
Michelle Lopez	City of Parlier	Vice President	12/31/2028
Jennifer Willems	City of Clovis	Trustee	12/31/2026
Craig Mellon	City of Fowler	Trustee	12/31/2026
Ward Scheitrum	City of Fresno	Trustee	12/31/2028
Tokuo Fukuda	City of Kingsburg	Trustee	12/31/2027
Abe Isaak	City of Reedley	Trustee	12/31/2026
Karen Steinhauer	City of Sanger	Trustee	12/31/2027
Charles Smith	City of Selma	Trustee	12/31/2027
Mary Anne Hill	Fresno County	Trustee	12/31/2028
Bruce Taylor	Fresno County	Trustee	12/31/2026

**Consolidated Mosquito Abatement District
 Jodi Holeman, District Manager
 13151 East Industrial Drive
 Parlier, CA 93648 • (559) 896-1085
www.consolidatedmadca.gov**

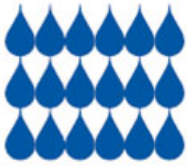
Consolidated Mosquito Abatement District
Annual Financial Report
For the Fiscal Year Ended June 30, 2025

**Consolidated Mosquito Abatement District
Annual Financial Report
For the Fiscal Year Ended June 30, 2025**

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Financial Section



C.J. Brown & Company CPAs
An Accountancy Corporation

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Christopher J. Brown, CPA, CGMA
Jonathan Abadesco, CPA
Jeffrey Palmer

Independent Auditor's Report

Board of Trustees
Consolidated Mosquito Abatement District
Parlier, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities of the Consolidated Mosquito Abatement District (District) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Consolidated Mosquito Abatement District as of June 30, 2025, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the 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.

Emphasis-of-Matter

As discussed in Note 10 to the financial statements, the District has adopted the provisions of *GASB Statement No. 101 – Compensated Absences*. As a result, District has restated its net position to reflect the effects of the change in accounting policy. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

The District's 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.

Independent Auditor's Report, continued

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 GAAS 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 audit in accordance with GAAS, 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 4 through 8 and the required supplementary information on pages 36 through 39 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.

Independent Auditor's Report, continued

Report on Summarized Comparative Information

The summarized comparative information presented herein as of and for the fiscal year ended June 30, 2024, derived from those prior auditor's financial statements, has not been audited, reviewed, or compiled by us, and, accordingly, we express no opinion on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated December 15, 2025, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance, and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance. This report can be found on pages 40 and 41.

C.J. Brown & Company, CPAs

C.J. Brown & Company, CPAs
Cypress, California
December 15, 2025

Consolidated Mosquito Abatement District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025

The following Management's Discussion and Analysis (MD&A) of activities and financial performance of the Consolidated Mosquito Abatement District (District), provides an introduction to the financial statements of the District for the fiscal year ended June 30, 2025 (with summarized comparative information for fiscal year ended June 30, 2024). We encourage readers to consider the information presented here with additional information that we have furnished in the accompanying basic financial statements and related notes, which follow this section.

Financial Highlights

- In 2025, the District's net position increased 14% or \$2,062,805 to \$16,824,368.
- In 2025, total revenues from all sources increased 20.3% or \$1,118,984 to \$6,638,707.
- In 2025, total expenses increased 10.6%, or \$436,852 to \$4,575,902.

Using This Financial Report

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

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

District Activities

The District is an independent special district (local government entity) which is funded through a portion of the local property tax. The District was organized June 11, 1946 by action of the Fresno County Board of Supervisors after petitions from residents and chambers of commerce in the cities of Fowler, Kingsburg, Sanger and Selma. The District was formed to provide relief from the nuisance of biting mosquitoes and to protect the public from the threat of mosquito-borne diseases, such as encephalitis and malaria. After formation, the District encompassed about 242 square miles of area. Within three years, and following additional petitions, the District was expanded through annexations to include the cities of Clovis, Orange Cove, Parlier, Reedley and adjacent areas; the communities of Caruthers, Del Rey, Friant, Laton, Riverdale and surrounding areas; and approximately eighteen square miles in Kings County. Currently, the District covers 1,058 square miles, including part of the City of Fresno. Legal authority for the formation and powers of the District and its function is found in the California Health and Safety Code Sections 2000 et seq.

Government-wide Financial Statements

Statement of Net Position and Statement of Activities

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

Consolidated Mosquito Abatement District
Management's Discussion and Analysis, continued
For the Fiscal Year Ended June 30, 2025

Government-wide Financial Statements, continued

Statement of Net Position and Statement of Activities, continued

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

Governmental Fund Financial Statements

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

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

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

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 17 through 35.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources of the District exceeded liabilities and deferred inflows of resources by \$16,824,368 as of June 30, 2025.

A large portion of the District's net position (32.85% or \$5,526,463), reflects its investment in capital assets (net of accumulated depreciation) less any debt used to acquire those assets that are still outstanding. The District uses these capital assets for operations; consequently, these assets are *not* available for future spending. At the end of fiscal year 2025, the District reflected a positive balance in its unrestricted net position of \$11,297,905 that may be utilized in future years. (See note 8 for further information)

**Consolidated Mosquito Abatement District
Management's Discussion and Analysis, continued
For the Fiscal Year Ended June 30, 2025**

Government-wide Financial Analysis, continued

Condensed Statements of Net Position

	2025	As Restated 2024	Change
Assets:			
Current assets	\$ 11,398,579	9,806,130	1,592,449
Non-current assets	8,364,885	7,752,408	612,477
Total assets	19,763,464	17,558,538	2,204,926
Deferred outflows of resources	393,089	1,273,581	(880,492)
Liabilities:			
Current liabilities	585,449	536,677	48,772
Non-current liabilities	2,647,345	3,207,583	(560,238)
Total liabilities	3,232,794	3,744,260	(511,466)
Deferred inflows of resources	99,391	326,296	(226,905)
Net position:			
Net investment in capital assets	5,526,463	4,720,506	805,957
Unrestricted	11,297,905	10,041,057	1,256,848
Total net position	\$ 16,824,368	14,761,563	2,062,805

The statement of activities shows how the District's net position changed during the fiscal year. In the case of the District, net position increased 14% or \$2,062,805 to \$16,824,368, which is comprised of an increase from ongoing operations.

The District's total revenues from all sources increased 20.3% or \$1,118,984 to \$6,638,707. Program revenues increased \$10,201, primarily due to the increase in intergovernmental revenues. General revenues increased \$1,108,783, primarily due to an increase in investment earnings and property taxes compared to the prior year.

The District's total expenses increased 10.60%, or \$436,852 to \$4,575,902, primarily due to an increase of \$361,091, in salaries and benefits as a result of an increase in non-cash actuarial pension expense adjustment of \$278,455 from CalPERS, and \$68,282 in depreciation expense.

Condensed Statements of Activities

	2025	As Restated 2024	Change
Expenses:			
Mosquito and vector control	\$ 4,575,902	4,139,050	436,852
Total expenses	4,575,902	4,139,050	436,852
Program revenues	134,913	124,712	10,201
General revenues	6,503,794	5,395,011	1,108,783
Total revenues	6,638,707	5,519,723	1,118,984
Changes in net position	2,062,805	1,380,673	682,132
Net position, beginning of year, as restated (note 10)	14,761,563	13,380,890	1,380,673
Net position, end of year	\$ 16,824,368	14,761,563	2,062,805

Consolidated Mosquito Abatement District
Management's Discussion and Analysis, continued
For the Fiscal Year Ended June 30, 2025

Governmental Funds Financial Analysis

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

As of June 30, 2025, the District's General Fund reported a fund balance of \$10,983,188. The amount of \$3,833,486 constitutes unassigned fund balance which is available for future District operations. The amount of \$6,958,000 constitutes committed fund balance that are reserved for specific uses and require Board approval for access. These committed funds include: Special Projects Reserve, MVCAC SSJVR Mutual Aid Reserve, Contingency Reserve, Building Reserve, Equipment Reserve and General Reserve. The remaining fund balance of \$191,702 is not available for future spending because it has already been used to pay for materials and supplies inventory, and prepaid expenses.

General Fund Budgetary Highlights

For the year ended June 30, 2025, the final actual expenditures for the General Fund at year-end were \$935,596 less than budgeted. The variance is due primarily to salaries, wages and employee benefits, capital outlay, and motor vehicle expenses being less than the anticipated budget by \$367,893, \$249,318, and \$193,399, respectively.

For the year ended June 30, 2025, actual revenues were \$2,731,163 more than budgeted. The variance is due primarily to property taxes, investment earnings, and grant revenues being more than anticipated budget by \$1,535,999, \$886,398, and \$248,524, respectively (See Budgetary Comparison Schedule – General Fund under Required Supplementary Information section on page 36).

Capital Asset Administration

The change in capital assets for 2025, was as follows:

	<u>Balance 2024</u>	<u>Additions</u>	<u>Deletions/ Transfers</u>	<u>Balance 2025</u>
Non-depreciable assets	\$ 423,375	-	-	423,375
Depreciable assets	10,603,609	1,010,682	(211,992)	11,402,299
Accumulated depreciation	<u>(3,387,806)</u>	<u>(383,157)</u>	<u>211,992</u>	<u>(3,558,971)</u>
Total capital assets, net	<u>\$ 7,639,178</u>	<u>627,525</u>	<u>-</u>	<u>8,266,703</u>

The District's investment in capital assets (net of accumulated depreciation) amounted to \$8,266,703. This investment in capital assets includes buildings and improvements, vehicles, and furniture and equipment. See note 4 for further information.

Debt Administration

The change in long-term debt for 2025, was as follows:

	<u>Balance 2024</u>	<u>Additions</u>	<u>Principal Payments</u>	<u>Balance 2025</u>
Long-term debt:				
Loan payable	\$ <u>2,918,672</u>	<u>-</u>	<u>(178,432)</u>	<u>2,740,240</u>
Total long-term debt	<u>\$ 2,918,672</u>	<u>-</u>	<u>(178,432)</u>	<u>2,740,240</u>

The District's long term debt decreased \$178,432, primarily due to principal payments. See note 6 for further information.

Consolidated Mosquito Abatement District
Management's Discussion and Analysis, continued
For the Fiscal Year Ended June 30, 2025

Conditions Affecting Current Financial Position

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

Requests for Information

The financial report is designed to provide the District's present users with a general overview of the District's basic finances and to demonstrate the District's accountability with an overview of the District's financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional information, please contact the Office Administrator, Karan Cox, at the Consolidated Mosquito Abatement District, 13151 E Industrial Dr. Parlier, CA 93648 or (559) 896-1085.

Basic Financial Statements

Consolidated Mosquito Abatement District
Statement of Net Position
June 30, 2025

	2025
Current assets:	
Cash and cash equivalents (note 2)	\$ 11,029,000
Accounts receivable	58,725
Property tax receivable	7,102
Accrued interest receivable	74,152
Notes receivable (note 3)	15,048
Accounts receivable - other	22,850
Inventory - materials and supplies	172,859
Prepaid expenses	18,843
Total current assets	11,398,579
Non-current assets:	
Notes receivable (note 3)	98,182
Capital assets, not being depreciated (note 4)	423,375
Capital assets, being depreciated (note 4)	7,843,328
Total non-current assets	8,364,885
Total assets	19,763,464
Deferred outflows of resources:	
Deferred pension outflows (note 7)	393,089
Total deferred outflows of resources	\$ 393,089

Continued on next page

See accompanying notes to the basic financial statements

Consolidated Mosquito Abatement District
Statement of Net Position, continued
June 30, 2025

	2025
Current liabilities:	
Accounts payable	\$ 63,695
Accrued payroll	108,462
Accrued interest payable	25,621
Long-term liabilities – due within one year:	
Compensated absences (note 5)	202,565
Loan payable (note 6)	185,106
Total current liabilities	585,449
Non-current liabilities:	
Long-term liabilities – due in more than one year:	
Loan payable (note 6)	2,555,134
Net pension liability (note 7)	92,211
Total non-current liabilities	2,647,345
Total liabilities	3,232,794
Deferred inflows of resources:	
Deferred pension inflows (note 7)	99,391
Total deferred inflows of resources	99,391
Net position: (note 8)	
Net investment in capital assets	5,526,463
Unrestricted	11,297,905
Total net position	\$ 16,824,368

See accompanying notes to the basic financial statements

Consolidated Mosquito Abatement District
Statement of Activities
June 30, 2025

	2025
Expenses:	
Mosquito and vector control:	
Salaries, wages and employee benefits	\$ 2,671,562
Operating and maintenance	551,820
Motor vehicle	166,601
Utilities and communication	112,306
Office supplies and expense	21,830
Insurance	186,912
Travel & subsistence	53,927
Interest	107,864
Depreciation	383,157
Other	319,923
Total expenses	4,575,902
Program revenues:	
Charges for services	30,268
Intergovernmental revenues	104,645
Total program revenues	134,913
Net program expense	(4,440,989)
General revenues:	
Property taxes	5,331,446
Investment earnings	872,083
Gain on sale of capital assets	42,576
Grant revenues	248,524
Other	9,165
Total general revenues	6,503,794
Changes in net position	2,062,805
Net position, beginning of year, as restated (note 10)	14,761,563
Net position, end of year	\$ 16,824,368

See accompanying notes to the basic financial statements

Consolidated Mosquito Abatement District
Balance Sheet
June 30, 2025

	General Fund	Reclassifications & Eliminations	Statement of Net Position
Current assets:			
Cash and cash equivalents	\$ 11,029,000	-	11,029,000
Accounts receivable	58,725	-	58,725
Property tax receivable	7,102	-	7,102
Accrued interest receivable	74,152	-	74,152
Notes receivable	-	15,048	15,048
Accounts receivable - other	22,850	-	22,850
Inventory - materials and supplies	172,859	-	172,859
Prepaid expenses	18,843	-	18,843
Total current assets	11,383,531	15,048	11,398,579
Non-current assets:			
Notes receivable	-	98,182	98,182
Capital assets, not being depreciated	-	423,375	423,375
Capital assets, being depreciated	-	7,843,328	7,843,328
Total non-current assets	-	8,364,885	8,364,885
Total assets	11,383,531	8,379,933	19,763,464
Deferred outflows of resources:			
Deferred pension outflows	-	393,089	393,089
Total deferred outflows of resources	\$ -	393,089	393,089

Continued on next page

See accompanying notes to the basic financial statements

Consolidated Mosquito Abatement District
Balance Sheet, continued
June 30, 2025

	General Fund	Reclassifications & Eliminations	Statement of Net Position
Current liabilities:			
Accounts payable	\$ 63,695	-	63,695
Accrued payroll	108,462	-	108,462
Accrued interest payable	25,621	-	25,621
Long-term liabilities – due within one year:			
Compensated absences	202,565	-	202,565
Loan payable	-	185,106	185,106
Total current liabilities	400,343	185,106	585,449
Non-current liabilities:			
Long-term liabilities – due in more than one year:			
Loan payable	-	2,555,134	2,555,134
Net pension liability	-	92,211	92,211
Total non-current liabilities	-	2,647,345	2,647,345
Total liabilities	400,343	2,832,451	3,232,794
Deferred inflows of resources:			
Deferred pension inflows		99,391	99,391
Total deferred inflows of resources	-	99,391	99,391
Fund balance: (note 9)			
Non-spendable	191,702	(191,702)	-
Committed	6,958,000	(6,958,000)	-
Unassigned	3,833,486	(3,833,486)	-
Total fund balance	10,983,188	(10,983,188)	-
Total liabilities and fund balance	\$ 11,383,531		
Net position:			
Net investment in capital assets		\$ 5,526,463	5,526,463
Unrestricted		11,297,905	11,297,905
Total net position		\$ 16,824,368	16,824,368

Continued on next page

See accompanying notes to the basic financial statements

**Consolidated Mosquito Abatement District
Reconciliation of the Balance Sheet of Governmental Type Funds
to the Statement of Net Position
June 30, 2025**

Reconciliation:

Fund balance of governmental funds	\$	10,983,188
<p>Amounts reported for governmental activities in the statements of net position are different because:</p>		
<p>Non-current assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental fund balance sheet.</p>		
Notes receivable		113,230
Capital assets, net		8,266,703
Deferred outflows of resources		393,089
<p>Long-term liabilities applicable to the District are not due and payable in the current period and, accordingly, are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statements of net position as follows:</p>		
Loan payable		(2,740,240)
Net pension liability		(92,211)
Deferred inflows of resources		(99,391)
		(99,391)
Net position of governmental activities	\$	<u>16,824,368</u>

See accompanying notes to the basic financial statements

Consolidated Mosquito Abatement District
Statement of Revenues, Expenditures, and Changes in Fund Balance
For the Fiscal Year Ended June 30, 2025

	General Fund	Reclassifications & Eliminations	Statement of Activities
Expenditures/Expenses:			
Mosquito and vector control:			
Salaries, wages and employee benefits	\$ 2,393,107	278,455	2,671,562
Operating and maintenance	551,820	-	551,820
Motor vehicle	166,601	-	166,601
Utilities and communication	112,306	-	112,306
Office supplies and expense	21,830	-	21,830
Insurance	186,912	-	186,912
Travel & subsistence	53,927	-	53,927
Interest	286,296	(178,432)	107,864
Capital outlay	1,010,682	(1,010,682)	-
Depreciation	-	383,157	383,157
Other	319,923	-	319,923
	5,103,404	(527,502)	4,575,902
Program revenues:			
Charges for services	30,268	-	30,268
Intergovernmental revenues	104,645	-	104,645
	134,913	-	134,913
			4,440,989
General revenues:			
Property taxes	5,331,446	-	5,331,446
Investment earnings	886,398	(14,315)	872,083
Gain on sale of capital assets	42,576	-	42,576
Grant revenues	248,524	-	248,524
Other	9,165	-	9,165
	6,518,109	(14,315)	6,503,794
	6,653,022	(14,315)	6,638,707
			1,549,618
			2,062,805
Fund balance/Net position, beginning of period	9,433,570	-	14,761,563
Fund balance/Net position, end of period	\$ 10,983,188	-	16,824,368

Continued on next page

See accompanying notes to the basic financial statements

**Consolidated Mosquito Abatement District
Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balance of Governmental Type Funds to the Statement of Activities
June 30, 2025**

Reconciliation:

Net change in fund balance of governmental fund	\$	1,549,618
<p>Amounts reported for governmental activities in the statements of activities is different because:</p> <p>Governmental funds report capital outlay as expenditures. However, in the statements of activities, the cost of those assets are included as capital assets and allocated over their estimated useful lives as depreciation expense; and gain and losses resulting from the disposal of the capital assets are recognized. The effects of capital assets to the governmental funds are as follows:</p>		
Notes receivable		(14,315)
Capital outlay		1,010,682
Depreciation expense		(383,157)
<p>Some expenses reported in the statements of activities do not require the use of current financial resources and, therefore, are not reported as expenses in the governmental funds as follows:</p>		
Change in loan payable		178,432
Change in net pension liability		375,132
Change in deferred outflows (inflows) of resources		<u>(653,587)</u>
Changes in net position of governmental activities	\$	<u><u>2,062,805</u></u>

See accompanying notes to the basic financial statements

Consolidated Mosquito Abatement District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

(1) Reporting Entity and Summary of Significant Accounting Policies

A. Organization and Operations of the Reporting Entity

The Consolidated Mosquito Abatement District is located in Parlier, CA. The District was formed pursuant to Section 2200 et. Seq., of the California Health and Safety Code and formed in the State of California in June 1946. The District covers approximately 1,058 square miles within Parlier County and includes the cities of Fowler, Kingsburg, Sanger and Selma. The District's operations expanded into Kings County and has plant locations in Selma, Sanger, Caruthers, Reedley, Parlier and Clovis. The purpose of the District is to promote community health, comfort and prosperity by effective and continuous control of disease-carrying and pest mosquitoes.

The District is an autonomous Special District of the State of California, formed in accordance with the Health and Safety Codes, Chapter 5, Article 2, Division 3, and is governed by a five (11) member Board of Trustees. The District is governed by a Board of Trustees, which consists of 11 members, one member from each city and two from the county-at-large.

The District's financial statements include all transactions for which the District is financially accountable. Financial accountability is defined as appointment of a majority of a component unit's Board and either the ability to impose the will of the District or the possibility that the component unit will provide a financial benefit to or impose a financial burden on the District. Based on these criteria, the District has determined that there are no component units that come under the criteria for inclusion. The District is not a component unit of any other government entity.

B. Basis of Accounting and Measurement Focus

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

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

Government-wide Financial Statements

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

Consolidated Mosquito Abatement District
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2025

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

B. Basis of Accounting and Measurement Focus, continued

Governmental Fund Financial Statements

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

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

The District reports the following major governmental fund:

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

C. Financial Reporting

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

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

In June 2022, the GASB issued Statement No. 101 – *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled.

In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences.

Consolidated Mosquito Abatement District
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2025

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

C. Financial Reporting

In December 2023, the GASB issued Statement No. 102 – Certain Risk Disclosures. The primary objective of this Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact to have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued.

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position/Fund Balance

1. Use of Estimates

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

2. Cash and Cash Equivalents

Substantially all of the District’s cash is invested in interest bearing cash accounts. The District considers all highly liquid investments, with initial maturities of three months or less, to be cash equivalents.

3. Investments and Investment Policy

The District has adopted an investment policy directing the District Manager, acting as chief fiscal officer for the District to deposit funds in financial institutions. The investment in public funds should provide maximum security while providing sufficient liquidity to meet the daily cash flow demands of the District; and to achieve a reasonable rate of return while minimizing potential for capital losses arising from market change or issue default.

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

4. Property Taxes and Assessments

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

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

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

Consolidated Mosquito Abatement District
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2025

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

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

5. Materials and Supplies Inventory

Materials and supplies inventory consists primarily of pesticides and chemicals used to eradicate certain vectors. Inventory is valued at cost using the first-in, first-out (FIFO) cost method. Inventory items are charged to expense at the time that individual items are withdrawn from inventory or consumed.

6. Prepaid expenses

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

7. Capital Assets

Capital assets are recorded in the government-wide financial statements. Included in capital assets are land, building and improvements, vehicles, and furniture and equipment. District policy has set the capitalization threshold for reporting capital assets at \$5,000. Donated assets are recorded at estimated fair market value at the date of donation. Capital outlay is recorded as expenditures of the General Fund and as assets in the government-wide financial statements to the extent the District's capitalization threshold is met. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets 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

8. Deferred Outflows of Resources

Deferred outflows of resources represent the consumption of resources that is applicable to future periods.

9. Deferred Inflows of Resources

Deferred inflows of resources represent the acquisition of resources that is applicable to future periods.

10. Compensated Absences

The District's compensated leave policy allow full-time employees to accumulate vacation, compensatory time off, and sick leave. Vacation leave is accrued and credited on a monthly basis. Each eligible employee shall accrue vacation leave at varying rates depending on the employee's years of service. Vacation leave may be accumulated to a maximum based on years of service and determination of total accumulated vacation time will be made on January 2 of each year. Once this accrual limit is reached at March 1, vacation no longer accrues until vacation is taken.

Each eligible employee shall accrue sick leave at the rate of one working day (8 hours) per month. There is no limit to the amount of sick leave that can be accrued by regular employees.

Consolidated Mosquito Abatement District
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2025

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

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

10. Compensated Absences, continued

Per Donation of Accrued Time for Catastrophic Leave policy, any employee who wishes to contribute may authorize that a portion of his/her accrued vacation or compensatory time be deducted from those account(s) and credited to the Catastrophic Leave Bank. Employees may donate any amount of accrued vacation in 8 hour (1 day) increments provided that a minimum of 40 hours (5 days) is retained by donor. Employees may donate any amount of accrued sick leave in 8 hour (1 day) increments provided that a minimum of 480 hours (60 days) is retained by the donor. No employee will receive pay in lieu of vacation except on the termination of his or her employment. No vacation accrues during a layoff, disability leave or other unpaid leave of absence. Vacation accruals recommence when the employee returns to work and/or paid status. On termination of employment, the employee shall be paid all accrued but unused vacation at the employee's regular rate of pay at the time of his or her termination.

In lieu of paid overtime, non-exempt employees may elect to receive compensatory time off (CTO). CTO is provided at the rate of one and one-half (1.5) hours of paid time off for each hour of overtime worked. Accumulated compensatory time off must be used by April 1, of the following year.

11. Pension

For purposes of measuring net pension liability and deferred outflows/inflows of resources related to pension and pension expense, information about the fiduciary net position of the District's California Public Employees' Retirement System (CalPERS) plans (Plans) and addition to/deduction from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

- Valuation Date: June 30, 2023
- Measurement Date: June 30, 2024
- Measurement Period: July 1, 2023 to June 30, 2024

12. Net Position

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

- **Net investment in capital assets** – consists of capital assets, net of accumulated depreciation and reduced by any debt outstanding against the acquisition, construction, or improvement of those assets.
- **Unrestricted** – consists of the net amount of assets and deferred outflows of resources, less liabilities and deferred inflows of resources that are not included in the determination of the *net investment in capital assets* or *restricted* (if applicable) components of net position.

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

Consolidated Mosquito Abatement District
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2025

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

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

13. Fund Balance

The governmental fund financial statements report fund balance as non-spendable, restricted, committed, assigned, or unassigned, based primarily on the extent to which the District is bound to honor constraints on how specific amounts can be spent. In the fund financial statements, the District has implemented the requirements of *GASB No. 54 – Fund Balance Reporting and Governmental Fund Type Definitions*.

The Board of Trustees formally adopted the following fund balance classifications:

- **Non-spendable fund balance** – amounts that cannot be spent because they are either (a) not spendable in form or (b) legally or contractually required to be maintained intact.
- **Committed fund balance** – amounts that can only be used for specific purposes determined by formal action of the District’s highest level of decision-making authority (the Board of Trustees) and that remain binding unless removed in the same manner. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.
- **Unassigned fund balance** – the residual classification for the District’s general fund that includes amounts not contained in the other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

Fund Balance Policy

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

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

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

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

Consolidated Mosquito Abatement District
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2025

(2) Cash and Cash Equivalents

Cash and cash equivalents as of June 30, are classified in the accompanying financial statements as follows:

	2025
Cash and cash equivalents	\$ 11,029,000
Total cash and cash equivalents	\$ 11,029,000

Cash and cash equivalents for governmental activities as of June 30, consist of the following:

	2025
Cash on hand	\$ 4,975
Deposit with financial institutions	139,343
Deposits held with Fresno County Treasury	10,270,494
Deposits held with VCJPA and CCVCJPA	614,188
Total cash and cash equivalents	\$ 11,029,000

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

	2025
Deposits held with Fresno County Treasury	730 days

Authorized Deposits and Investments

Under the provisions of the District's investment policy and in accordance with Section 53601 of the California Government Code, the District may invest in certain types of investments in accordance with Note 1 (D)(3) of the financial statements. Authorized investments below are permitted by the District, but only when yields of these instruments may become exceptionally or significantly higher than those noted above are fiscally advantageous to the District:

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
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 year	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

Consolidated Mosquito Abatement District
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2025

(2) Cash and Cash Equivalents, continued

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 Fresno County Board of Supervisors, and administered by the Fresno County Treasurer. 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. The District may withdraw monies upon one day notice. 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).

Deposits held with Vector Control Joint Powers Authority

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, 2025, the District had \$472,862, and \$141,326, on deposit with VCJPA and CCVCJPA, respectively.

Custodial Credit Risk

The custodial credit risk for *deposits* is the risk that, in the event of failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as Fresno County Treasury).

The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision: The California Government Code requires that a financial institution secure deposit made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by public agencies.

Of the District's bank balance, up to \$250,000 is federally insured and the remaining balance (if applicable) is collateralized in accordance with the Code; however, the collateralized securities are not held in the District's name.

Interest Rate Risk

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

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This risk is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's Cash in Fresno County pool consisted of debt securities and an average dollar weighted quality ratings of AA+ by S&P.

Consolidated Mosquito Abatement District
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2025

(2) Cash and Cash Equivalents, continued

Concentration of Credit Risk

The District's investment policy contains no limitations on the amounts that can be invested in any one issuer as beyond that stipulated by the California Government Code. There were no investments in any one issuer (other than U.S. Treasury securities, mutual funds, and/or external investment pools) that represent 5% or more of the District's total investments as of June 30, 2025.

(3) Note Receivable

Note receivable at June 30, consists of the following:

	Balance 2024	Additions	Principal Payments	Balance 2025
Note receivable				
Reedley Facility	\$ 127,545	-	(14,315)	113,230
Total note receivable	127,545	-	(14,315)	113,230
Less: current portion	(14,315)			(15,048)
Non-current portion	\$ 113,230			98,182

Note Receivable – Reedley Facility

In August 2021, the District carried back an installment note in the amount of \$160,000 related to the sale of the Reedley facility. 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.

Future payments to be received are as follows:

	Fiscal Year	Principal	Interest	Total
2026	\$	15,048	5,317	20,365
2027		98,182	1,990	100,172
Total		113,230	7,307	120,537
Less current		(15,048)		
Non-current	\$	98,182		

Consolidated Mosquito Abatement District
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2025

(4) Capital Assets

	<u>Balance 2024</u>	<u>Additions</u>	<u>Deletions/ Transfers</u>	<u>Balance 2025</u>
Non-depreciable assets:				
Land	\$ 423,375	-	-	423,375
Total non-depreciable assets	<u>423,375</u>	<u>-</u>	<u>-</u>	<u>423,375</u>
Depreciable assets:				
Building and improvements	8,440,686	674,106	-	9,114,792
Equipment	437,087	28,287	-	465,374
Vehicles and trailers	<u>1,725,836</u>	<u>308,289</u>	<u>(211,992)</u>	<u>1,822,133</u>
Total depreciable assets	<u>10,603,609</u>	<u>1,010,682</u>	<u>(211,992)</u>	<u>11,402,299</u>
Less accumulated depreciation:				
Building and improvements	(1,741,772)	(224,423)	-	(1,966,195)
Equipment	(256,666)	(32,714)	-	(289,380)
Vehicles and trailers	<u>(1,389,368)</u>	<u>(126,020)</u>	<u>211,992</u>	<u>(1,303,396)</u>
Total accumulated depreciation	<u>(3,387,806)</u>	<u>(383,157)</u>	<u>211,992</u>	<u>(3,558,971)</u>
Total depreciable assets, net	<u>7,215,803</u>	<u>627,525</u>	<u>-</u>	<u>7,843,328</u>
Total capital assets, net	<u>\$ 7,639,178</u>			<u>8,266,703</u>

Major depreciable capital asset additions during the year include additions to building and improvements, and vehicles and trailers.

(5) Compensated Absences

The District recognizes liability for compensated absences in accordance with GASB Statement No. 101, "Compensated Absences". Compensated absences include unpaid vacation leave, sick leave and compensating time off which is accrued as earned, which are expected to be settled through paid time off or cash payments upon termination or retirement.

As of June 30, 2025, the liability for compensated absences was calculated based on employees' pay rates at the fiscal year-end and historical usage data, considering employment policies. The liability represents amounts that are more likely than not be used or paid out.

The total liability for compensated absences amounted to \$202,565, as current liability in the statement of net position as of June 30, 2025.

The net change in the compensated absences liability for the fiscal year ended June 30, 2025 was \$13,123, reflecting a net increase due to changes in employee leave balances, pay rates, and usage patterns. The liability is reported in government-wide financial statements and governmental-type fund financial statements.

Consolidated Mosquito Abatement District
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2025

(6) Long-Term Debt

The change in long-term debt for the year ended June 30, 2025, are as follows:

	<u>Balance</u> <u>2024</u>	<u>Additions</u>	<u>Principal</u> <u>Payments</u>	<u>Balance</u> <u>2025</u>
Loan payable				
Municipal Finance Corporation	\$ 2,918,672	-	(178,432)	2,740,240
Total long-term debt	2,918,672	-	(178,432)	2,740,240
Less: current portion	(178,432)			(185,106)
Non-current portion	\$ 2,740,240			2,555,134

Municipal Finance Corporation Loan

On April 1, 2017, the District entered into a loan agreement with Municipal Finance Corporation (Corporation) to finance the construction, acquisition and installation of certain capital improvements to the District's central operating facility at a rate of 3.74% maturing on April 1, 2037. The District makes annual payment of \$287,591, including principal and interest on April 1st of each year.

Annual debt service requirements for the loan are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	214,390	73,201	287,591
2031-2035	1,198,393	239,561	1,437,954
2036-2037	544,450	30,731	575,181
Total	2,740,240	710,850	3,451,090
Less current	(185,106)		
Non-current	\$ 2,555,134		

(7) Defined Benefit Pension Plan

Plan Description

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Pension Plan (Plan or PERF C) administered by the California Public Employees' Retirement System (CalPERS). The Plan consists of a miscellaneous risk pool and a safety risk pool, which are comprised of individual employer miscellaneous and safety plans, respectively. Benefit provisions under the Plan are established by State statute and the District's resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions, and membership information and 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 with statutorily reduced benefits.

Consolidated Mosquito Abatement District
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2025

(7) Defined Benefit Pension Plan, continued

Benefits Provided, continued

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.

On September 12, 2012, the California Governor signed the California Public Employees' Pension Reform Act of 2013 (PEPRA) into law. PEPRA took effect January 1, 2013. The new legislation closed the District's CalPERS 2.5% at 55 Miscellaneous Risk Pool Retirement Plan to new employee entrants effective December 31, 2012. All employees hired after January 1, 2013, are eligible for the District's CalPERS 2.0% at 62 Miscellaneous Risk Pool Retirement Plan under PEPRA.

The District participates in the Plan's miscellaneous risk pool. The Plan's provision and benefits in effect at June 30, 2025, are summarized as follows:

	Miscellaneous Pool	
	Classic	PEPRA
Hire date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2.0% @ 55	2.0% @ 62
Benefit vesting schedule	5 years of service	
Benefit payments	monthly for life	
Retirement age	50 - 55	52 - 67
Monthly benefits, as a % of eligible compensation	2.0% to 2.5%	1.0% to 2.5%
Required contribution rates:		
Employee	6.93%	7.75%
Employer	10.15%	7.87%

Contributions

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

For the year ended June 30, 2025, the contributions recognized as part of pension expense for the Plan was as follows:

	<u>2025</u>
Contributions – employer	\$ <u>137,588</u>

Consolidated Mosquito Abatement District
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2025

(7) Defined Benefit Pension Plan, continued

Net Pension Liability

As of the fiscal year ended June 30, 2025, the District reported net pension liabilities for its proportionate share of the net pension liability of the Plan as follows:

	2025
Proportionate share of net pension liability	\$ <u>92,211</u>

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, 2024 (the measurement date), 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, 2023 (the valuation date), rolled forward to June 30, 2024, using standard update procedures. The District's proportion of the fiduciary net position 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 the measurement date June 30, 2024, was as follows:

	Miscellaneous
Proportion – June 30, 2022	0.00210%
Changes in proportion	0.00165%
Proportion – June 30, 2023	0.00375%
Change in proportion	-0.00299%
Proportion – June 30, 2024	0.00076%

Deferred Pension Outflows(Inflows) of Resources

For the fiscal year ended June 30, 2025, the District recognized pension expense of \$278,455.

At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

Description	2025	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to the measurement date	\$ 137,588	-
Differences between actual and expected experience	7,661	-
Changes in assumptions	2,370	-
Net difference between projected and actual earnings on plan investments	5,308	-
Differences between actual contribution and proportionate share of contribution	-	(99,391)
Net adjustment due to differences in proportions of net pension liability	240,162	-
Total	\$ 393,089	(99,391)

Consolidated Mosquito Abatement District
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2025

(7) Defined Benefit Pension Plan, continued

Deferred Pension Outflows(Inflows) of Resources, continued

As of June 30, 2025, the District reported \$137,588 as deferred outflows of resources related to contributions subsequent to the measurement date and will be recognized as a reduction of net position liability for the year ended June 30, 2026.

As of June 30, 2025, the District will recognized other amounts of deferred outflows and inflows as follows:

Fiscal Year Ending June 30,	Deferred Outflows/ (Inflows) of Resources
2026	\$ 157,697
2027	(4,506)
2028	4,738
2029	(1,819)

Actuarial Assumptions

The total pension liabilities in the June 30, 2023 and 2022, actuarial valuations were determined using the following actuarial assumptions and methods:

Valuation dates	June 30, 2023 and 2022
Measurement dates	June 30, 2024 and 2023
Actuarial cost method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
Discount rate	6.90%
Inflation	2.30%
Salary increases	Varies by entry age and service
Mortality Rate Table*	Derived using CalPERS' Membership Data for all Funds
Period upon which actuarial experience survey assumptions were based	1997 – 2015
Post retirement benefit increase	Contract COLA up to 2.30% until Purchasing Power Protection Allowance Floor on purchasing power applies

* 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 that can be found on the CalPERS website.

Discount Rate

The discount rate used to measure the total pension liability for PERF C was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability. This discount rate is not adjusted for administrative expenses.

Consolidated Mosquito Abatement District
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2025

(7) Defined Benefit Pension Plan, continued

Discount Rate, continued

In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return.

The table below reflects the expected real rates of return by asset class.

<u>Asset Class</u>	<u>New Strategic Allocation</u>	<u>Real Return 1-10^{1,2}</u>
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%

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

² Figures are based on the 2021-22 Asset Liability Management Study.

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

The following table presents the District's proportionate share of the net position 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 one-percentage point lower or one-percentage point higher than the current rate.

As of June 30, 2025, the District's net pension liability at the current discount rate, using a discount rate that is one-percentage point lower, and using a discount rate that is one-percentage point higher, are as follows:

	<u>Discount Rate - 1% 5.90%</u>	<u>Current Discount Rate 6.90%</u>	<u>Discount Rate + 1% 7.90%</u>
District's net pension liability	\$ 1,382,095	92,211	(969,554)

Pension Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net position is available in separately issued CalPERS financial reports. See pages 37 through 39 for the Required Supplementary Information.

Consolidated Mosquito Abatement District
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2025

(8) Net Position

Calculation of the net position as of June 30 was as follows:

	2025
Net investment in capital assets	
Capital assets, not being depreciated	\$ 423,375
Capital assets, being depreciated	7,843,328
Loan payable, current	(185,106)
Loan payable, non-current	(2,555,134)
Total net investment in capital assets	5,526,463
Unrestricted	
Non-spendable net position	
Materials and supplies inventory	172,859
Prepaid expenses	18,843
Total non-spendable net position	191,702
Spendable net position	
Unrestricted	
Designated for vector control	11,106,203
Total spendable net position	11,106,203
Total unrestricted net position	11,297,905
Total net position	\$ 16,824,368

(9) Fund Balance

Fund balance is presented in the following categories: nonspendable, committed, and unassigned.

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

	2025
Fund balance:	
Non-spendable:	
Materials and supplies inventory	\$ 172,859
Prepaid expenses	18,843
Total non-spendable	191,702
Committed:	
Special Projects Reserve	150,000
MVCAC SSJVR Mutual Aid Reserve	100,000
Contingency Reserve	1,000,000
Building Reserve	2,000,000
Equipment Reserve	500,000
General Reserve	3,208,000
Total committed	6,958,000
Unassigned	3,833,486
Total fund balance	\$ 10,983,188

Consolidated Mosquito Abatement District
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2025

(10) Prior Period Adjustment

Compensated absences

In fiscal year 2025, the District implemented *GASB Statement No. 101, Compensated Absences*. The nature, justification, and an explanation of the change are included in note 1.C. As a result of the implementation, the District recorded a prior period adjustment of \$124,692, to restate beginning balances as of July 1, 2024.

Accounts receivable

In fiscal year 2025, the District determined that several receivables as of June 30, 2024 should not have been recognized in the current year. As a result, the District adjusted prior year's accounts receivable and recorded prior period adjustments in the amount of \$28,508, to restate beginning balances as of July 1, 2024.

Accumulated depreciation

In fiscal year 2025, the District determined that the accumulated depreciation balance is overstated in comparison with the District's depreciation roll forward schedule. As a result, the District adjusted its prior year's accumulated depreciation balance and recorded prior period adjustments in the amount of \$17,911, to restate beginning balances as of July 1, 2024.

The adjustment to net position is as follows:

Net position at June 30, 2024, as previously stated		\$	14,896,852
Effect of adjustment to record:			
Compensated absences	\$		124,692
Accounts receivable			28,508
Accumulated depreciation			<u>(17,911)</u>
Total adjustments to net position			<u>(135,289)</u>
Net position at July 1, 2024, as restated		\$	<u><u>14,761,563</u></u>

(11) Risk Management

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District, as a member of the Vector Control Joint Powers Authority (VCJPA), a public entity risk pool operating a common risk management insurance program and organized pursuant to the provisions of the California Government Code, has purchased various insurance policies to manage the potential liabilities that may occur from the previously named sources.

The VCJPA was established in 1979, for the purpose of funding and developing programs to provide various insurance coverages for its member mosquito abatement and vector control districts in California. VCJPA is a Joint Powers Agency of 34 mosquito abatement and/or vector control districts in the State of California.

At June 30, 2025, the District participated in the Pooled Liability and Worker's Compensation, Auto and Physical Damage, Property Programs of the VCJPA, and group purchase insurance as follows:

Consolidated Mosquito Abatement District
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2025

(11) Risk Management, continued

Pooled Liability Program: provides general and automobile liability, public officials and employees' errors and omissions. Annual deposits are paid by member districts and are adjusted retrospectively to cover costs. The District has a \$10,000 self-insured retention in this program. The first \$1 million in coverage is pooled in a risk sharing plan with other agencies in the VCJPA. Additional coverage purchased by the VCJPA includes up to \$29.5 million in excess liability coverage, via VCJPA's participation in the California Risk Management Authorities. Employment practices liability (EPL) coverage is also provided by VCJPA's Liability Program up to \$25,000; excess EPL coverage up to \$4 million is purchased via the District's participation in the Employment Risk Management Authority.

Pooled Workers' Compensation Program: provides coverage to member district's employees for medical expenses and lost wages for work related injuries/illnesses. Employer's liability coverage is also provided in the event the member district is accused of negligence resulting in employee injury/illness. The District has a \$25,000 self-insurance in this program. The first \$500,000 in coverage is pooled in a risk sharing plan with other agencies in VCJPA. Excess coverage up to statutory limits is provided via VCJPA's participation in the Local Agency Workers' Compensation Excess Joint Powers Authority.

Pooled Auto Physical Damage Program: provides the lesser of repair or replacement cost coverage for the District's owned/leased vehicles and trailers licensed for on-road use and watercraft. Unmanned aircraft systems (drones) are covered if scheduled. The District's deductible in this program is \$1,000 and provides up to \$75,000 in limits. Excess limits may be purchased in \$75,000 increments.

Pooled Property Program: provides repair and replacement cost coverage for district owned real property (buildings), personal property (contents), contractors' equipment, vehicles stored on premises, cyber liability, and boiler & machinery. The District's deductible in this program is \$500 and VCJPA self-insures up to \$25,000. Excess property coverage is group purchased up to \$400 million, various sublimits apply, via VCJPA's participation in the Alliant Property Insurance Program.

Alliant Deadly Weapon Response Program: provides coverage for crisis management, counseling, funeral expenses, demolition, clearance, memorialization, and medical expenses after an active shooter incident. The District has a \$10,000 deductible per event and up to \$500,000 limits, various sublimits apply.

Business Travel Accident Program: provides life and accidental death and dismemberment coverage for business related travel for managers, trustees, and other designated employees, but does not cover travel to/from work. The District does not have a deductible in this program and up to \$150,000 limits with a reduced benefit limit for individuals age 70 and older.

Settled claims have not exceeded any of the coverage amounts in any of the last three fiscal years and there were no reductions in the District's insurance coverage during the year ended June 30, 2025. Liabilities are recorded when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated net of the respective insurance coverage. Liabilities include an amount for claims that have been incurred but not reported (IBNR). There was no IBNR claims payable as of June 30, 2025.

Consolidated Mosquito Abatement District
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2025

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

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

Governmental Accounting Standards Board Statement No. 103

In April 2024, the GASB issued Statement No. 103 – *Financial Reporting Model Improvements*. The primary objective of this Statement is to improve key components of the financial reporting model to enhance effectiveness in providing information that is essential for decision making and assessing a government’s accountability. Also, this Statement: (1) continues the requirement that the basic financial statements be preceded by management’s discussion and analysis (MD&A), which is presented as required supplementary information (RSI); (2) describes unusual or infrequent items as transactions and other events that are either unusual in nature or infrequent in occurrence; (3) requires that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses; (4) requires governments to present each major component unit separately in the reporting entity’s statement of net position and statement of activities if it does not reduce the readability of the statements; and (5) requires governments to present budgetary comparison information using a single method of communication—RSI.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 104

In September 2024, the GASB issued Statement No. 104 – *Disclosure of Certain Capital Assets*. The primary objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement establishes requirements for certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement No. 34, *Basic Financial Statements and Management Discussion and Analysis for State and Local Governments*. Also, this Statement establishes requirements for capital assets held for sale, including additional disclosures for those capital assets. The requirements of this Statement apply to the financial statements of all state and local governments.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.

(13) Commitments and Contingencies

Litigation

The District accounts for material liability claims and judgments in accordance with GASB standards. When it is probable that a claim liability has been incurred at year end, and the amount of the loss can be reasonably estimated, the District records the estimated loss net of insurance coverage. The District had no material claims that would require loss provision in the financial statements during this reporting period.

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

(14) Subsequent Event

Events occurring after June 30, 2025, have been evaluated for possible adjustment to the financial statements or disclosure as of December 15, 2025, which is the date the financial statements were available to be issued. The District is not aware of any further subsequent events that would require recognition or disclosure in the financial statements.

Required Supplementary Information

**Consolidated Mosquito Abatement District
Budgetary Comparison Schedule – General Fund, continued
For the Fiscal Year Ended June 30, 2025**

	<u>Adopted Original Budget</u>	<u>Board Approved Changes</u>	<u>Revised Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance Positive (Negative)</u>
Expenditures/Expenses:					
Mosquito and vector control operations:					
Salaries, wages and employee benefits	\$ 2,764,000	(3,000)	2,761,000	2,393,107	367,893
Operating and maintenance	578,000	-	578,000	551,820	26,180
Motor vehicle	360,000	-	360,000	166,601	193,399
Utilities and communication	129,000	(5,000)	124,000	112,306	11,694
Office supplies and expense	36,000	-	36,000	21,830	14,170
Insurance	205,000	-	205,000	186,912	18,088
Travel & subsistence	81,000	-	81,000	53,927	27,073
Debt Service Payment	290,000	-	290,000	286,296	3,704
Capital outlay	1,240,000	20,000	1,260,000	1,010,682	249,318
Other	371,395	(27,395)	344,000	319,923	24,077
Total expenditures	<u>6,054,395</u>	<u>(15,395)</u>	<u>6,039,000</u>	<u>5,103,404</u>	<u>935,596</u>
Program revenues:					
Charges for services	10,000	-	10,000	30,268	20,268
Intergovernmental revenues	116,412	-	116,412	104,645	(11,767)
Total program revenues	<u>126,412</u>	<u>-</u>	<u>126,412</u>	<u>134,913</u>	<u>8,501</u>
General revenues:					
Property taxes	3,795,447	-	3,795,447	5,331,446	1,535,999
Investment earnings	-	-	-	886,398	886,398
Gain on sale of capital assets	-	-	-	42,576	42,576
Grant revenues	-	-	-	248,524	248,524
Other	-	-	-	9,165	9,165
Total general revenues	<u>3,795,447</u>	<u>-</u>	<u>3,795,447</u>	<u>6,518,109</u>	<u>2,722,662</u>
Total revenues	<u>3,921,859</u>	<u>-</u>	<u>3,921,859</u>	<u>6,653,022</u>	<u>2,731,163</u>
Excess(Deficiency) of revenues over expenditures	(2,132,536)	<u>15,395</u>	(2,117,141)	1,549,618	<u>3,666,759</u>
Fund balance – beginning of year	<u>9,433,570</u>		<u>9,433,570</u>	<u>9,433,570</u>	
Fund balance – end of year	<u>\$ 7,301,034</u>		<u>7,316,429</u>	<u>10,983,188</u>	

Notes to Required Supplementary Information

(1) Budgets and Budgetary Data

Per Government Code Section 61110, on or before July 1 of each year, an annual nonappropriated budget, which establishes the total spending authority for the District's General Fund is adopted by the Board of Trustees. The Board of Trustees may authorize amendments to the budget during the year as deemed necessary. Budgeted amounts are reported as amended. or the board of directors may adopt a preliminary budget that conforms to generally accepted accounting and budgeting procedures for special districts.

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

Consolidated Mosquito Abatement District
Schedules of the District's Proportionate Share of the Net Pension Liability
As of June 30, 2025
Last Ten Years

Description	Measurement Dates									
	6/30/24	6/30/23	6/30/22	6/30/21	6/30/20	6/30/19	6/30/18	6/30/17	6/30/16	6/30/15
District's proportion of the net pension liability	0.00076%	0.00375%	0.00210%	-0.02151%	0.00358%	0.00331%	0.00315%	0.00516%	0.00413%	-0.00002%
District's proportionate share of the net pension liability	\$ 92,211	467,343	242,194	(1,163,184)	389,622	339,139	303,962	511,957	357,105	(1,708)
District's covered payroll	\$ 1,330,327	1,447,847	1,237,050	1,237,431	1,302,485	1,191,520	1,194,969	1,092,798	1,129,297	989,393
District's proportionate share of the net pension liability as a percentage of its covered payroll	6.93%	32.28%	19.58%	-94.00%	29.91%	28.46%	25.44%	46.85%	31.62%	-0.17%
District's proportionate share of fiduciary net position as a percentage of total pension liability	78.08%	76.21%	76.68%	88.29%	75.10%	75.26%	75.26%	73.31%	74.06%	78.40%

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

Changes in Benefit Terms

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

Change of Assumptions and Methods

In fiscal year 2024 and 2023, there were no changes to actuarial assumptions or methods.

In fiscal year 2022, the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term.

The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions.

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

The CalPERS Board of Administration adopted a new amortization policy effective with the June 30, 2019, actuarial valuation. The new policy shortens the period over which actuarial gains and losses are amortized from 30 years to 20 years with the payments computed as a level dollar amount. In addition, the new policy does not utilize a five-year ramp-up and ramp-down on UAL bases attributable to assumption changes and non-investment gains/losses. The new policy also does not utilize a five-year ramp-down on investment gains/losses.

Consolidated Mosquito Abatement District
Schedules of the District's Proportionate Share of the Net Pension Liability, continued
As of June 30, 2025
Last Ten Years*

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

Change of Assumptions and Methods, continued

These changes will apply only to new UAL bases established on or after June 30, 2019. In fiscal year 2020, no changes have occurred to the actuarial assumptions in relation to financial reporting.

In fiscal year 2020, CalPERS implemented a new actuarial valuation software system for the June 30, 2018 valuation. This new system has refined and improved calculation methodology.

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

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

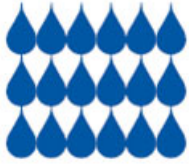
In fiscal year 2017, the financial reporting discount rate for the PERF C was lowered from 7.65% to 7.15%. In December 2016, the CalPERS Board approved lowering the funding discount rate used in the PERF C from 7.50% to 7.00%, which is to be phased in over a three-year period (7.50% to 7.375%, 7.375%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

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

**Consolidated Mosquito Abatement District
Schedules of Pension Plan Contributions
As of June 30, 2025
Last Ten Years**

Description	Fiscal Years Ended									
	6/30/25	6/30/24	6/30/23	6/30/22	6/30/21	6/30/20	6/30/19	6/30/18	6/30/17	6/30/16
Actuarially determined contribution	\$ 137,588	447,539	117,505	102,510	605,268	215,527	205,959	245,378	78,873	70,420
Contributions in relation to the actuarially determined contribution	<u>(137,588)</u>	<u>(447,539)</u>	<u>(117,505)</u>	<u>(102,510)</u>	<u>(605,268)</u>	<u>(215,527)</u>	<u>(205,959)</u>	<u>(245,378)</u>	<u>(78,873)</u>	<u>(70,420)</u>
Contribution deficiency (excess)	\$ -	-	-	-	-	-	-	-	-	-
District's covered payroll	\$ 1,538,664	1,330,327	1,447,847	1,237,050	1,237,431	1,302,485	1,191,520	1,194,969	1,092,798	1,129,297
Contributions as a percentage of covered payroll	8.94%	33.64%	8.12%	8.29%	48.91%	16.55%	17.29%	20.53%	7.22%	6.24%

Report on Internal Controls and Compliance



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**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
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 Consolidated Mosquito Abatement District (District) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements, and have issued our report thereon dated December 15, 2025.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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 may exist that have not been identified.

Compliance and Other Matters

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

**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*, continued**

Purpose of this Report

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

C.J. Brown & Company, CPAs

C.J. Brown & Company, CPAs
Cypress, California
December 15, 2025