

**COMPTON CREEK MOSQUITO
ABATEMENT DISTRICT
FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2024**

COMPTON CREEK MOSQUITO ABATEMENT DISTRICT
FISCAL YEAR ENDED JUNE 30, 2024

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Compton Creek Mosquito Abatement District
Compton, California

Opinions

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

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions

or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events considered in the aggregate, which 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.

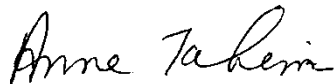
Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of proportionate

share of the net pension liability, schedule of the pension contributions to the pension plan, schedule of changes in the net OPEB liability and related ratios and the schedule of OPEB contributions to the OPEB plan be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Tahim and Associates,
A professional corporation
Santa Ana, California

January 31, 2025

COMPTON CREEK MOSQUITO ABATEMENT DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024

As management of the Compton Creek Mosquito Abatement District (the “District”), we offer readers of the District’s financial statements this narrative overview and analysis of the financial activities and performance of the District for the fiscal year ended June 30, 2024. Please read it in conjunction with additional information that we have furnished in the accompanying basic financial statements, which follow this section.

Financial Highlights

- The District’s net position decreased 1.08% or \$18,449 to \$1,682,939 because of this year’s operations and increase in legal and professional expense.
- During the year, the District’s property taxes, and benefits assessment revenue increased by 3.75% or \$14,996 to \$414,801.
- Total revenues from all sources increased 8.66% or \$36,243 to \$454,617, from the prior year, which is primarily the result of increased assessment and interest income.
- Total actual expenses increased 8.70% or \$37,865 to \$473,066 due to increased expenditures relating to salaries and related payroll expenses, and memberships and professional services.
- Total cost for the District’s general fund programs were over the 2024 adopted final budget by 0.12% or \$537 due to funds allocated for the increased costs related to the District’s professional expense.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. **Required supplementary information** is included in addition to the basic financial statements.

Government-wide financial statements are designed to provide readers with a broad overview of the District's finances, using accounting methods similar to those of a private-sector business. These statements provide both long-term and short-term information about the District's overall financial status. The government-wide financial statements can be found on pages 11-12 of this report.

The *Statement of Net Position* presents information on all of the District's assets and liabilities and deferred outflows and inflows of resources as of the end of the fiscal year, with the differences reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *Statement of Activities* presents information on how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

COMPTON CREEK MOSQUITO ABATEMENT DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024

Both of the government-wide financial statements report on the function of the District that is principally supported by charges for services (benefit assessments). The District's function is to control mosquitoes in order to increase the quality of life and decrease the risk of disease transmission in the District.

Fund financial statements are the more familiar groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Fund

The governmental fund is used to account for essentially the same function 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 financial resources, such as cash, that (1) have been spent on District programs during the fiscal year and (2) that will be available for financing such programs in the near future. The governmental fund financial statements can be found on pages 13-16 of this report.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented in the 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 financial 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 the governmental funds and governmental activities.

Notes to the Basic Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found on pages 17-41 of this report.

Required Supplementary Information is presented to reflect a budgetary comparison schedule for the General Fund, as well as the schedule of District's proportionate share of the net pension liability and related ratios, schedule of District's pension plan contributions, schedule of changes in net other postemployment benefits (OPEB) liability and related ratios, and the schedule of District's OPEB contributions. The required supplementary information can be found on pages 43-47 of this report.

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, net position (assets and deferred outflows of resources in excess of liabilities and deferred inflows of resources) was \$1,682,939 as of June 30, 2024, the close of the District's fiscal year.

Government – Wide Financial Analysis

COMPTON CREEK MOSQUITO ABATEMENT DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024

Condensed Statement of Net Position

	<u>2024</u>	<u>2023</u>	<u>Change</u>
<u>Assets:</u>			
Current Assets	\$ 1,030,457	\$ 1,074,203	\$ (43,746)
Capital Assets, net	45,863	54,198	(8,335)
Net Pension Asset	552,835	524,967	27,868
Deferred Outflows of Resources	68,510	77,053	(8,543)
Total Assets	<u>\$ 1,697,665</u>	<u>\$ 1,730,421</u>	<u>\$ (32,756)</u>
<u>Liabilities:</u>			
Current liabilities	\$ 3,744	\$ 7,397	\$ (3,653)
Long-term Liabilities	9,219	18,659	(9,440)
Deferred Inflows of Resources	1,763	2,977	(1,214)
Total Liabilities	<u>\$ 14,726</u>	<u>\$ 29,033</u>	<u>\$ (14,307)</u>
<u>Net Positions:</u>			
Invested in Capital Assets	\$ 45,863	\$ 54,198	\$ (8,335)
Unrestricted	1,637,076	1,647,190	(10,114)
Total Net Position	<u>\$ 1,682,939</u>	<u>\$ 1,701,388</u>	<u>\$ (18,449)</u>

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 of the District exceeded liabilities by \$ 1,682,939. A portion of the District's net position, \$45,863, reflects its investment in capital assets. The District uses these capital assets for operations; consequently, these assets are *not* available for future spending. At the end of fiscal year 2024, the District reflected a positive balance in its unrestricted net position of \$1,637,076 that may be utilized in future years.

Condensed Statement of Activities

	<u>2024</u>	<u>2023</u>	<u>Change</u>
Total Revenues:	\$ 454,617	\$ 418,374	\$ 36,243
Total Expenditures:	473,065	435,200	37,865
Change in net position	(18,448)	(16,826)	(1,622)
Net position - beginning of period	1,701,387	1,718,213	(16,826)
Net position - end of period	<u>\$ 1,682,939</u>	<u>\$ 1,701,387</u>	<u>\$ (18,448)</u>

COMPTON CREEK MOSQUITO ABATEMENT DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024

The District's primary source of revenue are benefit assessments, which are shown in the financial statements under "charges for services (benefit assessments)". This revenue increased by \$14,996 or 3.75% due to an increase in the number of assessed properties and the Consumer Price Index (CPI) increase in benefit assessment rates.

Investment earnings (loss) and other revenue increased by \$15,059 or 60.82% due to more favorable market conditions in fiscal year ended 2024.

Total expenses increased by \$37,865 or 8.70% primarily due to the changes in net pension liability, net OPEB liability and the related deferred outflows and deferred inflows of resources. In the prior year, these changes resulted in an increase in total expenses compared to the fiscal year ended June 30, 2024, which resulted in an increase in total expenses, as well.

Fund Financial Analysis

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The District's governmental fund is discussed below:

General Fund

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

As of the end of the current fiscal year, the District's General Fund reported an ending fund balance of \$1,002,494, an increase of \$3,806 from the fiscal year ended June 30, 2023. The amount constitutes unassigned fund balance which is available for future District operations.

General Fund Budgetary Highlights

The final actual expenditure for the General Fund at year-end was \$537 more than budgeted. The variance is principally due to the District budgeting legal and professional expenses. Actual revenues were greater than the anticipated budget by \$63,146. The General Fund budget for the actual comparison schedule can be found on page 43.

Capital Asset Administration

Changes in capital assets for the year were as follows:

COMPTON CREEK MOSQUITO ABATEMENT DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024

	Balance			Balance
	<u>2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>2024</u>
Non-depreciable assets	\$ 13,014	\$ -	\$ -	13,014
Depreciable assets	302,327	-	-	302,327
Accumulated depreciation	<u>(261,143)</u>	<u>(8,335)</u>	-	<u>(269,478)</u>
Total capital assets, net	<u>\$ 54,198</u>	<u>\$ (8,335)</u>	<u>\$ -</u>	<u>\$ 45,863</u>

Conditions Affecting Current Financial Position

West Nile Virus is now a pandemic to Southern California and to date the District has been able to control the spread of this disease. However, in future years, this disease, as well as other vector-borne diseases being introduced into Southern California by newly introduced invasive mosquito species, may potentially require much greater expenditures to suppress spreading disease throughout the District, thus creating the need to increase property assessments to fund major disease outbreaks.

In 2016, the District voted unanimously to begin the District Modernization Program consisting of demolishing District headquarters and replacing it with a new building. Planning, architectural designs and building and land valuations have been performed, and work continues towards completion. This project has been temporarily shelved as a result of the COVID-19 pandemic.

In the 2022-2023 fiscal year, the Board began discussions to revive the District Modernization Program, now known as the District Rehabilitation Program. To cover the anticipated costs, more funds were encumbered in District reserves to fund this project. The Board set aside additional \$200,000 (two hundred thousand) of the District's reserve funds – through resolution – in order to fund costs of the District's District Rehabilitation Program.

For many years, the District needed to annex properties within the District boundaries that belonged to another mosquito abatement district, into the Compton Creek Mosquito Abatement District's sphere of influence. A surveyor was hired by the District to create the maps of these annexation areas within the District. While creating these maps, the District's surveyor encountered unseen problems that needed to be addressed with the Los Angeles Local Agency Formation Commission (LAFCO), who is the ultimate authority in regarding government agencies spheres of influence. These unforeseen problems and discussions greatly increased the time that these maps were originally scheduled to be completed and thus, the costs for this project exceeded the budgeted amount.

This invasive mosquito species requires the extra expenditure of funds to meet the increased demand of resident service requests, namely through increased personnel and chemicals. Further, this invasive species displays a different breeding and habitat preference that mandates a separate treatment and prevention plan. Plans have been created to address this issue in the near and future years.

Increased District exposure to the public is essential to disseminate the District message of public safety through increased public awareness, and the District took these necessary steps which are shown in the increased amount of the District's Public Education Program.

COMPTON CREEK MOSQUITO ABATEMENT DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024

We have funded a variety of such programs, including biannually creating and distributing direct mailers to all residences in the District, and employing a billboard advertising campaign.

The invasive *Aedes* mosquito is now endemic in the District and increased public awareness is essential in working to control mosquitoes. The District is already experienced in this matter as public awareness and education is the District's first step in its Integrated Mosquito Management Program, which is approved by the Board of Trustees.

Requests for Information

The District's basic financial statements are designed to present users with a general overview of the District's finances and to demonstrate the District's accountability. If you have any questions about the report or need additional information, please contact the District's General Manager at the Compton Creek Mosquito Abatement District, 1224 S. Santa Fe Avenue, Compton, CA 90221, or call (310) 933-5321.

Basic Financial Statements

COMPTON CREEK MOSQUITO ABATEMENT DISTRICT
STATEMENT OF NET POSITION
June 30, 2024

	Statement of Net Position	
Assets:		
Cash on deposit with County Treasurer	\$	949,100
Cash in bank		41,871
Taxes receivable		29,288
Interest receivable		10,198
Prepaid OPEB		58,832
Capital assets, net of accumulated depreciation		45,863
Net Pension Asset		494,003
Deferred OPEB Outflows		7,680
Deferred Pension Outflows		60,830
Total Assets and Deferred Outflows	\$	1,697,665
 Liabilities:		
Accounts Payable	\$	3,744
Compensated absences		9,219
Total Liabilities		12,963
 Deferred Inflows of Resources:		
Deferred OPEB Inflows		-
Deferred Pension Inflows		1,763
Total Deferred Inflows of Resources		1,763
Total Liabilities and Deferred Inflows		14,726
 Fund Balances/Net Assets:		
Fund Balances:		
Unassigned		-
Total Fund Balances		-
Total Liabilities and Fund Balances	\$	14,726
 Net Position		
Invested in capital assets, net of related debt		45,863
Unrestricted		1,637,076
Total Net Position	\$	1,682,939

See Independent Accountants' Audit Report and Accompanying Notes to the Financial Statements.

COMPTON CREEK MOSQUITO ABATEMENT DISTRICT
STATEMENT OF ACTIVITIES
For The Fiscal Year Ended June 30, 2024

		Statement of Activities
Expenditures:		
Salaries	\$	164,797
Retirement		48,417
Postemployment benefits		(13,754)
Trustee fees		6,000
Payroll tax		11,470
State unemployment insurance		1,665
Insurance		17,094
Maintenance - building and equipment		8,901
Laundry		4,266
Memberships		9,442
Professional services		113,454
Office expenses		12,642
Public education		39,237
Gas, oil and maintenance		9,748
Travel and transportation		10,279
Utilities		9,032
Tax collection		12,041
Depreciation		8,335
Total Expenditures	\$	473,066
 Revenues:		
Program Revenue		
Charges for services - perproperty benefits assessment	\$	411,520
 General Revenue		
Property taxes	\$	3,281
Interest		39,817
Total Revenues	\$	454,618
Excess (Deficiency) of Revenues over (Under) Expenditures		(18,448)
Change in Net Position		(18,448)
Changes in net assets		
Beginning of year, as previously reported		
Net Position, Beginning of year		1,701,387
Net Position, End of year	\$	1,682,939

See Independent Accountants' Audit Report and Accompanying Notes to the Financial Statements.

COMPTON CREEK MOSQUITO ABATEMENT DISTRICT
BALANCE SHEET
June 30, 2023

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
Assets:			
Cash on deposit with County Treasurer	\$ 949,100	\$ -	\$ 949,100
Cash in bank	41,871		41,871
Taxes receivable	29,288		29,288
Interest receivable	10,198		10,198
Prepaid OPEB costs		58,832	58,832
Capital assets, net of accumulated depreciation		45,863	-
Net Pension Asset		494,003	494,003
Deferred Outflows of Resources:			
Deferred OPEB Outflows		7,680	7,680
Deferred Pension Outflows		60,830	60,830
Total Assets and Deferred Outflows	<u>\$ 1,030,457</u>	<u>\$ 667,208</u>	<u>\$ 1,697,665</u>
Liabilities:			
Current Liabilities:			
Accounts payable	\$ 3,744	\$ -	\$ 3,744
Long Term Liabilities:			
Compensated absences		9,219	9,219
Total Liabilities	<u>3,744</u>	<u>9,219</u>	<u>12,963</u>
Deferred Inflows of Resources:			
Deferred tax revenue	24,216	(24,216)	-
Deferred OPEB Inflows			-
Deferred Pension Inflows		1,763	1,763
Total Deferred Inflows of Resources	<u>24,216</u>	<u>(22,453)</u>	<u>1,763</u>
Total Liabilities and Deferred Inflows	<u>27,960</u>	<u>(13,234)</u>	<u>14,726</u>
Fund Balances/Net Assets:			
Fund Balances:			
Unassigned	1,002,497	(1,002,497)	-
Total Fund Balances	<u>1,002,497</u>	<u>(1,002,497)</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 1,030,457</u>	<u>\$ (1,015,731)</u>	<u>\$ 14,726</u>
Net Position:			
Invested in capital assets, net of related debt		45,863	45,863
Unrestricted		1,637,076	1,637,076
Total Net Position		<u>\$ 1,682,939</u>	<u>\$ 1,682,939</u>

See Independent Accountants' Audit Report and Accompanying Notes to the Financial Statements.

COMPTON CREEK MOSQUITO ABATEMENT DISTRICT
Reconciliation of the Balance Sheet of Governmental Type Fund
To the Statement of Net Position
June 30, 2024

The governmental fund balance sheet includes reconciliation between fund balance - governmental funds and net assets of governmental activities as reported in the government-wide statement of net position. A reconciliation of Governmental Fund balances to net position is as follows:

Governmental Funds-Ending Fund Balances	\$ 1,002,497
Capital Assets:	
Capital Assets, Not Being Depreciated	13,014
Capital Assets, Being Depreciated	302,327
Accumulated Depreciation	(269,478)
	45,863
Deferred Inflows and Outflows:	
Deferred revenue recognized as current revenue, since revenue recognition is not based upon availability criteria	24,216
Deferred postemployment benefits outflows	7,680
Deferred pension Outflows	60,830
Deferred pension Inflows	(1,763)
	90,963
Other Adjustments	
Net Pension Asset	494,003
Compensated absences not payable in the current year	(9,219)
Prepaid postemployment benefits	58,832
	543,616
Net adjustment to increase fund balances of governmental funds to arrive at Statement of Net Position	680,442
Government -Wide Statement of Net Position	\$ 1,682,939

See Independent Accountants' Audit Report and Accompanying Notes to the Financial Statements.

COMPTON CREEK MOSQUITO ABATEMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
For The Fiscal Year Ended June 30, 2024

	General Fund	Adjustments	Statement of Activities
Expenditures:			
Salaries	\$ 174,236	\$ (9,439)	\$ 164,797
Retirement	11,831	36,586	48,417
Postemployment benefits	-	(13,754)	(13,754)
Trustee fees	6,000		6,000
Payroll tax	11,470		11,470
State unemployment insurance	1,665		1,665
Insurance	17,094		17,094
Maintenance - building and equipment	8,901		8,901
Laundry	4,266		4,266
Memberships	9,442		9,442
Professional services	113,454		113,454
Office expenses	12,642		12,642
Public education	39,237		39,237
Gas, oil and maintenance	9,748		9,748
Travel and transportation	10,279		10,279
Utilities	9,032		9,032
Tax collection	12,041		12,041
Depreciation	-	8,335	8,335
Total Expenditures	451,338	21,728	473,066
Revenues:			
Tax benefit assessments	\$ 409,048	\$ (528)	\$ 408,520
Property taxes	6,281		6,281
Interest	39,817	-	39,817
Total Revenues	455,146	(528)	454,618
Excess (Deficiency) of Revenues over (Under) Expenditures	3,808	(22,256)	(18,448)
Change in Net Position	3,808	(22,256)	(18,448)
Changes in net assets			
Net Position, Beginning of year	998,689	702,698	1,701,387
Net Position, End of year	\$ 1,002,497	\$ 680,442	\$ 1,682,939

See Independent Accountants' Audit Report and Accompanying Notes to the Financial Statements.

COMPTON CREEK MOSQUITO ABATEMENT DISTRICT
Reconciliation of the Statement of Revenue, Expenditures and Changes in Fund Balance of
Governmental Type Funds to the Statement of Activities
For The Fiscal Year Ended June 30, 2024

The governmental fund statement of revenues, expenditures and changes in fund balances includes reconciliation between net changes in fund balances - of total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. The reconciliation of the changes in fund balance with the changes in net position is as follows:

Government Funds-Changes in Fund Balance	\$ 3,808
Capital outlay which is capitalized rather than expensed	-
Depreciation expense	(8,335)
Deferred revenue recognized as current revenue, since revenue recognition is not based upon availability criteria	(528)
Compensated absences reported in the Statement of Activities, not requiring additional expenditure in the governmental funds	9,439
Postemployment benefits	13,754
Recognition of Pension Asset	<u>(36,586)</u>
Net adjustments to increase net changes in fund balances of Governmental Funds to arrive at changes in the Statement of Activities	<u>(22,256)</u>
Statement of Activity-Changes in Net Position	<u><u>\$ (18,448)</u></u>

See Independent Accountants' Audit Report and Accompanying Notes to the Financial Statements.

COMPTON CREEK MOSQUITO ABATEMENT DISTRICT
Notes to the Financial Statements
June 30, 2024

NOTE 1: ORGANIZATION

The Compton Creek Mosquito Abatement District is an Independent Special District. Power of Authority is granted through the California Health and Safety Code, Sections 2000-2067. On June 21, 1927, the Compton City Council adopted a resolution asking the County Board of Supervisors to include Compton within the proposed District. The District's objective is to control mosquitoes and the associated diseases in the southern portion of Los Angeles County. Program activities include eliminating mosquitoes in their larval stage chemically, as well as with mosquitofish, monitoring diseases associated with local mosquitoes, fogging to reduce adult populations, and public education. The District also provides services for the control of Africanized honeybees, surveillance for ticks and Lyme disease, as well as surveillance for other vectors of concern.

The District continues to provide services and manage its funds prudently and judiciously based on mosquito control needs and the ability of the District to collect revenues from two principal sources: 1) property (benefit) assessments, and 2) shared distribution of the county's 1% property tax levy. Property assessment and property tax revenues are collected by the County Treasurer and received by the District according to a "disbursement schedule" administered by the County. The authorized General Reserve is utilized to defray District expenses between the beginning of a fiscal year and the time of distribution of the tax receipts in a fiscal year.

The District is governed by a Board of Trustees, each representing one of the cities in the District and the County of Los Angeles. Each Trustee is appointed by a City Council or by the Los Angeles County Board of Supervisors. The District includes the City of Compton, an area of Long Beach known as North Long Beach, and unincorporated areas of Los Angeles County adjacent to the District including the communities of East Rancho Dominguez, Enterprise, Mona Park, Rosewood, West Rancho Dominguez and Willowbrook.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Accounting Policies

The Compton Creek Mosquito Abatement District (the "District") accounts for its financial transactions in accordance with the policies and procedures of the County of Los Angeles (County). The District's basic financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). Additionally, the accounting policies of the District conform with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB).

The District is organized and operated under a fund accounting concept. The records are maintained on a

COMPTON CREEK MOSQUITO ABATEMENT DISTRICT
Notes to the Financial Statements
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NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

modified cash basis. At year-end, the records are converted to an accrual basis for statement purposes. The budget to actual comparison for revenues and expenditures is presented on the accrual basis upon which the District's budget is prepared.

The basic financial Statements of the District are comprised of the following:

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

Incorporated into these statements is a schedule to reconcile and explain the difference in net position 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.

b. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the District's activities. The District is only engaged in governmental activities and is supported by benefit assessments. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include direct charges to customers based on voter-approved debt by property assessment.

Separate financial statements are provided for the District's governmental fund. The General Fund is the general operating fund of the District and is used to account for all the District's financial resources. All general tax receipts and fee revenue not allocated by law, the Board's policy or contractual agreement to other funds are accounted for in the General Fund. General Fund expenditures include operations traditionally associated with activities which are not required to be accounted for or paid for by another fund.

c. Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when liability is incurred, regardless of the timing of cash flows.

Governmental Fund Financial Statements

Governmental fund is a government's primary operating fund, Governmental fund is accounted for on a spending or *current financial resources* measurement focus and the modified accrual basis of accounting.

See Independent Accountants' Audit Report.

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NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Accordingly, only current assets and liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balance presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenue 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, and interest earnings. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. However, exceptions to this rule include principal and interest on debt, which are recognized when due.

d. Governmental Accounting Standards Board Statements Issued

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

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

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

In March 2020, the GASB issued Statement No. 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs).

As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital assets underlying (PPP asset), for a period of time in an exchange or exchange-like transaction.

Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties;

COMPTON CREEK MOSQUITO ABATEMENT DISTRICT
Notes to the Financial Statements
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NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

(2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction.

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

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

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

The requirements of this Statement will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature. Consistent authoritative literature enables governments and other stakeholders to locate and apply the correct accounting and financial reporting provisions, which improves the consistency with which such provisions

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Notes to the Financial Statements
June 30, 2024

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

are applied. The comparability of financial statements also will improve as a result of this Statement. Better consistency and comparability improve the usefulness of information for users of state and local government financial statements.

In June 2022, the GASB issued Statement No. 100 – *Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting—understandability, reliability, relevance, timeliness, consistency, and comparability. This Statement also addresses corrections of errors in previously issued financial statements.

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

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.

COMPTON CREEK MOSQUITO ABATEMENT DISTRICT
Notes to the Financial Statements
June 30, 2024

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

In December 2023, the GASB issued Statement No. 102 – *Certain Risk Disclosures*. The primary objective of this Statement requires a government to assess whether 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.

e. Use of Estimates

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

f. Cash and Investments

The District considers all highly liquid investments are invested in interest bearing cash account for the operating account.

In addition, the District maintains cash in the Los Angeles County Treasury where it is pooled with other County funds. The County Treasurer's investment pool is subject to oversight by the Treasury Review Panel. The County's pooled investments are stated at fair value. The value of the District's pool shares that may be withdrawn is determined on an amortized cost basis, which approximates fair value of the District's position in the pool.

g. Receivables

All trade and property tax receivable are shown net of allowance for uncollectible.

Under California Law, property taxes are assessed and collected by the counties up to 1% of assessed value, plus other increases approved by voters. Taxes are levied on July 1 and are payable in two installments on December 10 and April 10. The property taxes go into a pool and are allocated to the cities and special districts based on a complex formula. Property tax revenue is recognized in the fiscal year for which the taxes have been levied providing they become available. Available means then due, or past due and receivable within the current period, and collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. The Compton Creek Mosquito Abatement District accrues revenue for those taxes, which are received within 60 days after the year-end.

h. Prepaid Items

Payments made for services that will benefit future accounting periods are recorded as prepaid items. Prepaid items, as reported in the governmental funds balance sheet, are offset by a nonspendable fund balance account to indicate such amounts are not in spendable form. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

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COMPTON CREEK MOSQUITO ABATEMENT DISTRICT
Notes to the Financial Statements
June 30, 2024

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

i. Capital Assets

Capital assets, which include property (e.g., land), plant (e.g., buildings and improvements), equipment (e.g., vehicles, computers, and office equipment), are reported in applicable government-wide financial statements. Capital assets are recorded at cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the estimated acquisition value at the date of donation. Capitalization thresholds are \$500 for equipment and \$10,000 for buildings and improvements and intangible assets. Land acquisitions are capitalized regardless of value.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

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

<u>Assets</u>	<u>Years</u>
Structure and improvements	sixty
Computer equipment	five
Automotive equipment	five
Furniture, fixture, and other equipment	five

j. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources, which represent a consumption of net assets that applies to future periods and so will not be recognized as an expense/expenditure until then. Deferred amounts on refunding that qualify for reporting in this category, which represents the difference in the carrying value of refunded debt and reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. In addition, the District records deferred outflows of resources related to pensions and OPEB.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources, which represent the acquisition of net assets that apply to future periods and so will not be recognized as revenue until that time. The District records deferred inflows of resources related to pensions and OPEB.

k. Compensated Absences

The District's policy permits employees to accumulate earned but unused vacation and sick pay benefits. The total amounts of liability for unused vacation and sick pay benefits are accrued when incurred in the

See Independent Accountants' Audit Report.

COMPTON CREEK MOSQUITO ABATEMENT DISTRICT
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NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

government-wide financial statements. The District utilizes its General Fund in the governmental fund financial statements to account for this liability. The liability is determined to be the amount due to employees for future absences, which is attributable to services already rendered.

District employees accrue vacation at varying amounts based on length of service. Vacation pay is payable to employees at the time a vacation is taken. The employee can accumulate up to 160 hours of unused vacation. Any unused vacation of more than 160 hours is compensated to the employee.

Sick leave is payable when an employee is unable to work because of illness. The District's policy grants employees 12 days, 96 hours of sick pay per year. Any sick leave earned above 176 hours is compensated to the employee at a rate of 50%. The total amount of liability for unused sick pay benefits are accrued when incurred in the Statement of Net Position. The District utilizes its General Fund in the governmental fund financial statement to account for the short-term portion of its liability. The short-term portion is determined to be the amount due to employees for future absences, which is attributable to services already rendered. All unused sick leave is compensated upon termination of employment, and unused sick leave can be used as service time for purposes of retirement benefits, so long as this is consistent with the applicable contract and statutes of the California Public Employees' Retirement System (CalPERS).

I. Pensions

For purposes of measuring the net pension liability and deferred outflows of resources and deferred inflows of resources related to pensions and pensions expense, information about the fiduciary net position of the District's cost-sharing multiple-employer defined benefit pension plan participating in the California Public Employees' Retirement System (CalPERS) Miscellaneous Plan (Plan) and additions to/deductions from the Plan's 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 they are due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Measurement Period	July 1, 2022, to June 30, 2023

m. Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense, information about the fiduciary net position of the

COMPTON CREEK MOSQUITO ABATEMENT DISTRICT
Notes to the Financial Statements
June 30, 2024

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

District's OPEB Plan and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as CalPERS reports them. For this purpose, the OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating in interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

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

Valuation Date	June 30, 2023
Measurement Date	June 30, 2023
Measurement Period	July 1, 2022, to June 30, 2023

n. Deferred Outflows of Resources

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

o. Deferred Inflows of Resources

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

p. Net Position

The government-wide financial statements utilize a net position presentation. The net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. The District's net position is categorized as net investment in capital assets, restricted, and unrestricted.

Net Investment in Capital Assets - This category groups all capital assets into one component of net position. Accumulated depreciation of these assets reduces the balance in this category. Debt incurred and outstanding to construct and/or acquire capital assets, net of unspent proceeds, also reduces the balance in this category.

Restricted - This category consists of restricted assets reduced by liabilities related to those assets.

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

q. Fund Balance

See Independent Accountants' Audit Report.

COMPTON CREEK MOSQUITO ABATEMENT DISTRICT
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NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

Nonspendable 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.

Restricted fund balance- amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

Committed – The District’s highest decision-making level of authority rests with the District’s Board. Fund balance is reported as committed when the Board passes a resolution that places specified constraints on how resources may be used. The Board can modify or rescind a commitment of resources through passage of a new resolution.

Assigned fund balance - amounts that are constrained by the District's *intent* to be used for specific purposes. The intent can be established at the highest level of decision making (Board of Trustees).

Unassigned fund balance - amounts that constitute the residual balances that have no restrictions placed on them.

The Board of Trustees establishes, modifies, and rescinds fund balance commitments and assignments by passage of an ordinance or resolution. Assignments also require adoption of the budget and subsequent budget amendments that occur throughout the fiscal 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 assigned, and unassigned resources as they are needed. Assigned and unassigned fund balances are considered unrestricted.

The governing board has adopted, by various resolutions, commitments of fund equity in the flowing amounts:

<u>Purpose:</u>	District Rehabilitation Program
<u>Amount</u>	\$550,000

r. Revenues

The General Fund's primary source of revenue is property taxes and benefit assessments levied on real and

See Independent Accountants’ Audit Report.

COMPTON CREEK MOSQUITO ABATEMENT DISTRICT
Notes to the Financial Statements
June 30, 2024

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

personal property within the District and interest revenue earned on cash deposited with the County Treasurer. All operating expenses and capital improvements are paid from the General Fund.

In fiscal year 1981-82, the District adopted a method of accounting for property tax revenue in accordance with generally accepted accounting principles which indicate that property tax revenues are recognized when they are due, or past due and receivable within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Such time thereafter shall not exceed 60 days. The District therefore recognizes as property tax revenue all property taxes receivable for which receipt is expected within 60 days of the fiscal year-end. Property taxes receivable not expected to be received within 60 days are designated as deferred revenue.

The County administers the District's revenue. The County bills and collects revenues through benefit assessments added to property tax billings. In addition, the District receives a percentage of the 1% property tax ad valorem rate. All receipts are deposited directly into the County's pooled cash fund for the District, after charging the District a 1% administrative fee. The District considers interest earned and property tax allocations to be general revenues.

NOTE 3: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

a. General Budget Policies

The Board of Trustee's approves each year's preliminary budget submitted by the District Manager prior to the beginning of the new fiscal year. The Board conducts public hearings prior to adoption of the final budget on or before October 1 of each year. The Board, where required during the period, also approves supplemental appropriations. In most cases, expenditures may not exceed appropriations at the department level. All operating budget appropriations lapse at the fiscal year end.

b. Budget Basis of Accounting

Budgets for governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).

NOTE 4: CASH AND INVESTMENTS

As of June 30, 2024, cash and investments were reported in the accompanying financial statements as follows:

Cash on deposit with County Treasurer	\$ 949,100
Cash in bank	<u>41,871</u>
Total	<u><u>\$ 990,971</u></u>

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COMPTON CREEK MOSQUITO ABATEMENT DISTRICT
Notes to the Financial Statements
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NOTE 4: CASH AND INVESTMENTS - Continued

Cash and investments shown on the statement of net position and the balance sheet represent District's share of the County Treasurer's cash and investment pool and its deposits with outside financial institutions and fiscal agents.

The District involuntarily participates in the County Treasurer's cash and investment pool. California Government Code Section 53600, et. seq., and the County investment policy authorizes the following investments: U.S. Treasury securities, U.S. agency securities, local agency obligations, bankers' acceptances, commercial paper, negotiable certificates of deposit, repurchase agreements, corporate notes, collateralized certificates of deposit, California Local Agency Investment Fund (LAIF), Certificate of Deposit Account Registry Services certificates of deposit, Supranational, and California Asset Management Program. Other allowable investments pursuant to Government Code Section 53601, although restricted by the County's investment policy, include mutual funds, mortgage and collateral-backed securities, asset-backed securities, reverse repurchase agreements, and joint powers agency investment pools.

The County has a Treasury Review Panel, which performs regulatory oversight for its pool as required by Treasurer Policy. Investments are stated at fair value in accordance with generally accepted accounting principles. However, the value of the District's shares in the County investment pool, which may be withdrawn, is determined on an amortized cost basis, which approximates the fair value of the District's position in the pool. The County's Annual Comprehensive Financial Report (ACFR), containing information relating to the County's cash and investments by risk category, can be obtained from the County Auditor-Controller's Office or on the County's website.

GASB Statement No. 40, *Deposit, and Investment Risk Disclosures - an amendment of GASB Statement No. 3*, requires additional disclosures about a government's deposit and investment risks that include interest rate risk, credit risk, custodial credit risk, and concentration of credit risk. The District does not have an investment policy that addresses these specific types of risk.

Interest Rate

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

One of the ways that the District manages its exposure to interest rate risk is by maintaining a significant portion of District investments in short-term investments with the County investment pool, which provides adequate cash flow and liquidity as needed for operations. At June 30, 2024, the District's funds

COMPTON CREEK MOSQUITO ABATEMENT DISTRICT
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June 30, 2024

NOTE 4: CASH AND INVESTMENTS - Continued

were invested in accounts held by the investment institutions at various interest rates. There are no investments with a maturity date exceeding one year thereby minimizing the risk of lower interest rates.

Cash on deposit with County Treasurer cannot be assigned a credit risk category because the District does not own specific securities. However, the County Treasurer's policies and practices regarding the credit and market risks have been determined acceptable to the District's investment policies.

	<u>Fair Value</u>
Cash on deposit with Los Angeles County Treasurer	<u>\$ 949,100</u>

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's investment in the County is not rated.

Custodial Credit Risk

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

The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: the California Government Code requires that a financial institution secure deposits made by state and local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law. The market value of pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

The collateral for deposits in federal and state-chartered banks is held in safekeeping by an authorized Agent of Depository recognized by the State of California Department of Banking. The collateral for deposits with savings and loan associations is generally held in safekeeping by the Federal Home Loan Bank in San Francisco, California as an Agent of Depository. These securities are physically held in an

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June 30, 2024

NOTE 4: CASH AND INVESTMENTS - Continued

undivided pool for all California public District depositors. Under Government Code Section 53655, the placement of securities by a bank or savings and loan association with an “Agent of Depository” has the effect of perfecting the security interest in the name of the local governmental agency. Accordingly, all collateral held by California Agents of Depository are held for and in the name of, the local governmental agency.

As of June 30, 2024, the District’s deposits were under the bank’s FDIC limit and therefore were not exposed to custodial credit risk for the operating account.

Concentration of Credit Risk

The District’s investment policy does not impose restrictions on certain types of investments with any one issuer, however GASB Statement No. 40 requires a separate disclosure if any single issuer comprises more than 5% of the total investment value. As of June 30, 2024, all the District’s deposits were with the Bank of America and the County of Los Angeles.

Fair Value Measurement

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs. In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The District's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

The District’s proportionate share of cash and investments in the County pools at June 30, 2024, was \$949,100. Deposits and withdrawals from the County are made on the basis of \$1 and not fair value. Accordingly, these types of investments are based on uncategorized inputs not defined as a Level 1 Level 2, or Level 3 input.

NOTE 5: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2024, was as follows:

See Independent Accountants’ Audit Report.

COMPTON CREEK MOSQUITO ABATEMENT DISTRICT
Notes to the Financial Statements
June 30, 2024

NOTE 5: CAPITAL ASSETS - Continued

	<u>Beginning</u> <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u> <u>Balance</u>
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 13,014	\$ -	\$ -	\$ 13,014
Total Capital Assets, Not Being Depreciated	<u>13,014</u>	<u>-</u>	<u>-</u>	<u>13,014</u>
Capital assets, being depreciated:				
Building and improvements	128,328	-	-	128,328
Furniture, fixtures and equipment	174,000	-	-	174,000
Total Capital Assets, Being Depreciated	<u>302,327</u>	<u>-</u>	<u>-</u>	<u>302,327</u>
Less accumulated depreciation:				
Building and improvements	(87,143)	(8,335)	-	(95,478)
Furniture, fixtures and equipment	<u>(174,000)</u>	<u>-</u>	<u>-</u>	<u>(174,000)</u>
Total Accumulated Depreciation	<u>(261,143)</u>	<u>(8,335)</u>	<u>-</u>	<u>(269,478)</u>
Total Capital Assets, Being Depreciated, Net	<u>41,184</u>	<u>(8,335)</u>	<u>-</u>	<u>32,849</u>
				-
Governmental Activities				-
Capital Assets, Net	<u>\$ 54,198</u>	<u>\$ (8,335)</u>	<u>\$ -</u>	<u>\$ 45,863</u>

NOTE 6: COMPENSATED ABSENCES

Changes to compensated absences for the year ended June 30, 2024, were as follows:

<u>Balance</u> <u>2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>2024</u>	<u>Due in</u> <u>year</u>	<u>Due in more</u> <u>than one year</u>
<u>\$18,657</u>	<u>zero</u>	<u>\$9,438</u>	<u>\$9,219</u>	<u>zero</u>	<u>\$9,219</u>

NOTE 7: PENSION PLAN OBLIGATIONS

Plan Description

All qualified permanent and probationary District employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan) administered by the California Public Employees' Retirement System (CalPERS). The Plan consists of individual rate plans (benefit tiers) within the Miscellaneous risk pool. Rate plans within the Miscellaneous risk

See Independent Accountants' Audit Report.

COMPTON CREEK MOSQUITO ABATEMENT DISTRICT
Notes to the Financial Statements
June 30, 2024

NOTE 7: PENSION PLAN OBLIGATIONS - Continued

pool are Individual employers may sponsor more than one rate plan. The District sponsors one rate plan within the Miscellaneous risk pool. Benefit provisions under the Plan are established by State statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided

CalPERS provides 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 and the retirement formula of 2.0% at 55 for Miscellaneous Classic members, 2.0% at 60 for Miscellaneous Second Tier members, and 2.0% at 62 for PEPRA Miscellaneous Tier members and all future members. The cost-of-living adjustments for each plan are applied as specified by California Public Employees' Retirement Law (PERL).

The benefits in effect as of June 30, 2024, are summarized as follows:

	Miscellaneous Classic Plan	Miscellaneous Second Tier Plan	PEPRA Miscellaneous Tier Plan
	Hired on or before	Hired on or after	Hired on or after
Hire date	June 30, 2011	July 1, 2011	January 1, 2013
Benefit formula	2.0% at 55	2.0% at 60	2.0% at 62
Minimum service years to vest	5	5	5
Benefit payments	monthly for life	monthly for life	monthly for life
Earliest allowable retirement age	50	50	52
Monthly benefits, as a % of eligible compensation	1.43% - 2.00%	1.09% - 2.00%	1.00% - 2.00%

As of June 30, 2022, actuarial valuation, the following current and former employees were covered by the benefit terms under the plan:

COMPTON CREEK MOSQUITO ABATEMENT DISTRICT
Notes to the Financial Statements
June 30, 2024

NOTE 7: PENSION PLAN OBLIGATIONS - Continued

Active plan members	one
Retirees and beneficiaries receiving benefits	zero
Inactive plan members entitled to but not yet. Receiving benefits	zero
Total	one

Contributions

Section 20814(c) of PERL requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process.

For Public Agency Cost-Sharing Plan covered by the Miscellaneous risk pool, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the fiscal year ended June 30, 2024, employees under the Miscellaneous Classic, Miscellaneous Second Tier and PEPRA Miscellaneous Tier rate plans were required to contribute 7%, 7% and 6.75% of their annual pay, respectively. The District's contractually required contribution rates for the year ended June 30, 2024, for the Miscellaneous Classic, Miscellaneous Second Tier and PEPRA Miscellaneous Tier, were 10.32%, 8.63% and 7.47%, respectively, of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

District employees for PEPRA Miscellaneous Tier are required to contribute six-point seventy-five percent of their annual salary to CalPERS. The District's Board of Trustees passed Board Resolution 03-06 which sets forth the District's position on employee contributions to the Plan. The resolution allows the District to make a contribution on behalf of its employees if the District retains its super funded status with CalPERS. The District is required to contribute the remaining amounts necessary to fund the benefits for its members using the actuarial basis adopted by the CalPERS Board of Administration.

The District's total contributions to the pension plan were \$11,831 for the fiscal year ended June 30, 2024.

Pensions Liability, Pension Expense, and Deferred Outflows/Inflows of Resources

At June 30, 2024, the District reported a net pension asset of \$494,003 for its proportionate share of the Miscellaneous risk pool's net pension liability. The net pension liability of the Plan was measured

COMPTON CREEK MOSQUITO ABATEMENT DISTRICT
Notes to the Financial Statements
June 30, 2024

NOTE 7: PENSION PLAN OBLIGATIONS - Continued

as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022, rolled forward to June 30, 2023. The District's proportion of the net pension liability of the Plan 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. As of June 30, 2024, the District's proportion was 0.00445%, which was a decrease of 0.00028% from its proportion as of fiscal year ended June 30, 2023, of 0.00473%.

As of June 30, 2024, the District reported a pension expense of \$48,417 and reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ 13,434	\$ -
Difference Between Projected and Actual experience	11,367	(1,763)
Net Difference between Projected and Actual Earnings on Pension Plan Investments	36,028	-
Total	\$ 60,830	\$ (1,763)

The deferred outflows of resources of \$60,830 results from pension contributions made subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the next fiscal year.

Measurement Periods Ended June 30:	Deferred Outflows/(Inflows) of Resources
2024	20,256
2025	12,336
2026	27,204
2027	1,034
2028	-
Thereafter	-

Pension Plan Fiduciary Net Position

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

COMPTON CREEK MOSQUITO ABATEMENT DISTRICT
Notes to the Financial Statements
June 30, 2024

NOTE 7: PENSION PLAN OBLIGATIONS - Continued

Actuarial Assumptions

The total pension liability in June 30, 2022, actuarial valuation reports were determined using the following actuarial assumptions:

Valuation date:	June 30, 2022
Measurement date:	June 30, 2023
Actuarial cost method:	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial assumptions:	
Discount rate:	6.8%
Inflation:	2.5%
Salary increases:	Varies by Entry Age and Service
Post Retirement Benefit:	Contract COLA up to 2.30% until Purchasing Power Protection Allowance Floor on purchasing power applies
Mortality Rate Table*	Derived using CalPERS' Membership Data for all Funds

* 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 2022 experience study that can be found on the CalPERS website.

Discount Rate

The discount rate used to measure the total pension liability for PERFC was 6.80%. 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. In determining the expected long-term 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.

COMPTON CREEK MOSQUITO ABATEMENT DISTRICT
Notes to the Financial Statements
June 30, 2024

NOTE 7: PENSION PLAN OBLIGATIONS – Continued

Sensitivity of Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net pension liability, calculated using the current discount rate of 6.80%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.80%) or 1 percentage point higher (7.80%) than the current rate.

	1% Decrease 5.80%	Current Discount Rate 6.80%	1% Increase 7.80%
Net Pension Liability	\$(395,152)	\$(501,566)	\$(594,692)

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS

Plan Description

In addition to the pension benefits described in Note 7, the District provides post-retirement healthcare benefits to its retirees administered by CalPERS as permitted under the Public Employees' Medical and Hospital Care Act (PEMHCA). The District participates in the California Employers' Retiree Benefit Trust (CERBT), an agent multiple-employer plan administered by CalPERS. CalPERS issues a publicly available ACFR that includes financial statements and required supplementary information. Copies of CalPERS' ACFR may be obtained from their Executive Office, 400 Q Street, P.O. Box 942701, Sacramento, California 94229.

Benefits Provided

In accordance with the California Government Code, all employees electing a CalPERS retirement date within 120 days of retiring from the District are eligible to receive healthcare benefits for life. Employees who retire directly from the District at the age of 55 or older and with at least 10 years of District and CalPERS service are eligible to receive the enhanced benefits, referred to as the District Supplemental Benefit Stipend. These benefits are payable for the lifetime of the retiree and his or her spouse.

Employees Covered

As of June 30, 2023, actuarial valuation, the following current and former employees were covered by the benefit terms under the plan:

See Independent Accountants' Audit Report.

COMPTON CREEK MOSQUITO ABATEMENT DISTRICT
Notes to the Financial Statements
June 30, 2024

NOTE 8: OTHER POSTEMPLOYMENT BENEFITS – Continued

Active plan members	one
Retirees and beneficiaries receiving benefits	zero
Inactive plan members entitled to but not yet Receiving benefits	zero
Total	one

Contributions

Under PEMHCA, the District is obligated to contribute toward the cost of retiree medical coverage for all employees who retire from the District for the retiree's lifetime or until CalPERS medical coverage is discontinued.

The District's Board of Trustees is granted the authority to establish and amend contribution requirements of the District, in excess of the minimum for plan members. The Board establishes rates based on an actuarially determined rate based on annual actuarial valuation reports.

During the fiscal year ended June 30, 2024, the District did not contribute to the OPEB plan.

The District's net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2023.

The following table shows the “pay as you go” projection of annual payments for the employer share of retiree health costs. Although actual payments are certain to vary from those shown below, these projections can be useful for planning purposes.

<i>Year Beginning July 1</i>	<i>Projected Benefit Payments</i>
2023	\$0
2024	\$1,108
2025	\$2,071
2026	\$2,866
2027	\$3,523
2028	\$4,068
2029	\$4,522
2030	\$5,881
2031	\$5,980
2032	\$6,065

See Independent Accountants' Audit Report.

COMPTON CREEK MOSQUITO ABATEMENT DISTRICT
Notes to the Financial Statements
June 30, 2024

NOTE 8: OTHER POSTEMPLOYMENT BENEFITS – Continued

Summary of GASB 75 Accounting Results

Changes in Net OPEB Liability

The following table shows the reconciliation of June 30, 2023, Net OPEB Liability (NOL) in the prior valuation to June 30, 2023, NOL.

	<i>TOL</i>	<i>FNP</i>	<i>NOL</i>
Balance at June 30, 2023, Measurement Date	\$66,058	\$109,429	(\$43,371)
Service Cost	\$0	\$0	\$0
Interest on TOL / Return on FNP	\$4,231	\$7,026	(\$2,795)
Employer Contributions	\$0	\$0	\$0
Benefit Payments	\$0	\$0	\$0
Administrative Expenses	\$0	(\$32)	\$32
Experience (Gains)/Losses	(\$7,976)	\$0	(\$7,976)
Changes in Assumptions	(\$4,722)	\$0	(\$4,722)
Other	\$0	\$0	\$0
Net Change	(\$8,467)	\$6,994	(\$15,461)
Actual Balance at June 30, 2023, Measurement Date	\$57,591	\$116,423	(\$58,832)

Actuarial assumptions

The total OPEB liability measured as of June 30, 2023, was determined using the following actuarial assumptions:

Valuation date	June 30, 2023
Measurement date	June 30, 2023
Contribution policy	Pre-funded through CERBT asset allocation Strategy 2
Funding method	Entry Age Normal Cost, level percent of pay
Asset valuation method	Market value of assets
Actuarial assumptions:	
Discount rate	6.50%
Inflation	2.5%
Salary increases.	2.5% per year, used only to allocate the cost of benefits.
Trend	4.00% per year

See Independent Accountants' Audit Report.

COMPTON CREEK MOSQUITO ABATEMENT DISTRICT
Notes to the Financial Statements
June 30, 2024

NOTE 8: OTHER POSTEMPLOYMENT BENEFITS – Continued
– Continued

The actuarial assumptions used in June 30, 2023, valuation were based on a standard set of assumptions the actuary has used for similar valuations, modified as appropriate for the District. The long-term expected rate of return was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. The asset class percentages were taken from the current composition of the CERBT trust, and the expected yields were taken from a CalPERS publication for the Pension Fund.

These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Discount Rate

As of June 30, 2023, the discount rate used to measure the net OPEB liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that the District's contributions will be made at rates equal to the retiree's benefits. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

OPEB Expenses, Deferred Outflows of Resources and Deferred Inflows of Resources

For the fiscal year ended June 30, 2024, the District recognized OPEB benefit of \$13,754.

Certain types of TOL charges are subject to deferral, as are investment gains and losses. At June 30, 2024, the District had Deferred OPEB Outflows of \$7,680.

The amounts reported as deferred outflows of resources related to OPEB contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the next fiscal year.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trend Rates

The first table presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate.

See Independent Accountants' Audit Report.

COMPTON CREEK MOSQUITO ABATEMENT DISTRICT
Notes to the Financial Statements
June 30, 2024

NOTE 8: OTHER POSTEMPLOYMENT BENEFITS – Continued

	1% Decrease	Discount Rate Discount Rate	Discount Rate	1% Increase
	(5.5%)	(6.5%)		(7.5%)
Net OPEB Liability	\$(51,971)	\$(58,832)		\$(64,708)

	1% Decrease	Healthcare Trend Rate Discount Rate	Discount Rate	1% Increase
	(3.0%)	(4.0%)		(5.0%)
Net OPEB Liability	\$(64,893)	\$(58,832)		\$(51,865)

NOTE 9 – RELATED-PARTY TRANSACTIONS

Under contractual agreement, the County provides administrative services to the District, including personnel, and allocates costs related to these services and facilities to the District. For the fiscal ended June 30, 2024, the County charged the District \$12,041 for administrative and collection costs related to benefit assessments and property tax revenues.

NOTE 10: 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 and various other districts throughout the State of California formed the Vector Control Joint Powers Authority (VCJPA) to provide coverage for general and property liability and workers’ compensation exposures and to pay for the administration of the program. The VCJPA is a consortium of thirty-five mosquito abatement and/or vector control districts in the State of California.

The VCJPA is a “risk-sharing pool” and manages one pool for all members. The arrangement allows its members to transfer or pool risks and share in the cost of losses. The District currently reports all its risk management activities in its General Fund. Premiums due to the VCJPA are reported when incurred. Each member of the VCJPA pays an annual premium to the insurance system which is evaluated each year.

The agreement for the formation of the VCJPA provides that the system will be self-sustaining through member premiums and is insured through a commercial company for claims in excess of self-insured retention.

VCJPA members are also permitted to deposit unobligated funds with the VCJPA in the Member contingency Fund. The purpose of this fund is to pay for items not covered under VCJPA’s pool programs.

There were no reductions in the District’s insurance coverage during the year ended June 30, 2024.

COMPTON CREEK MOSQUITO ABATEMENT DISTRICT
Notes to the Financial Statements
June 30, 2024

NOTE 10: RISK MANAGEMENT - Continued

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 were no IBNR claims payable as of June 30, 2024.

Note 11: Commitments and Contingencies

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.

Note 12: Subsequent Event

Events occurring after June 30, 2024, have been evaluated for possible adjustment to the financial statements or disclosure as of January 31, 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

COMPTON CREEK MOSQUITO ABATEMENT DISTRICT
Required Supplementary Information
BUDGETARY COMPARISON STATEMENT – GENERAL FUND
For the Fiscal Year Ended June 30, 2024

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 906,118	\$ 906,118	\$ 998,691	
Resources (Inflows):				
Property taxes	367,000	367,000	\$ 415,329	48,329
Interest	25,000	25,000	39,817	14,817
Miscellaneous Income	-	-	-	-
Amounts Available for Appropriation	1,298,118	1,298,118	1,453,837	63,146
Charges to Appropriation (Outflow):				
Salaries	187,100	187,100	174,236	12,864
Retirement	15,500	15,500	11,831	3,669
Trustee fees	6,000	6,000	6,000	-
Payroll tax	15,000	15,000	11,470	3,530
State unemployment insurance	1,300	1,300	1,665	(365)
Insurance (General)	28,500	28,500	17,094	11,406
Maintenance - building	4,000	4,000	8,398	(4,398)
Maintenance - equipment	1,500	1,500	503	997
Laundry	4,000	4,000	4,266	(266)
Memberships	6,000	6,000	9,442	(3,442)
Professional services	82,000	82,000	113,454	(31,454)
Office expense	5,000	5,000	12,641	(7,641)
Public education	35,000	35,000	39,237	(4,237)
Gas, oil and vehicle maintenance	9,000	9,000	9,748	(748)
Travel and transportation	21,000	21,000	10,279	10,721
Utilities	5,000	5,000	9,032	(4,032)
Miscellaneous	400	400	-	400
Tax collection	13,000	13,000	12,041	959
Insecticides	500	500	-	500
MVCAC research	500	500	-	500
West Nile Virus	10,000	10,000	-	10,000
Scientific equipment	500	500	-	500
Purchase of Fixed Assets	-	-	-	-
Total Charges to Appropriations	450,800	450,800	451,337	(537)
Budgetary Fund Balance, June 30	\$ 847,318	\$ 847,318	\$ 1,002,500	\$ 62,609

See Independent Accountants' Audit Report and Accompanying Notes to the Financial Statements.

COMPTON CREEK MOSQUITO ABATEMENT DISTRICT
Required Supplementary Information
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
June 30, 2024

Last Ten Fiscal Years **

California Public Employees' Retirement System (CalPERS) Miscellaneous Plan

Measurement Date	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Covered Payroll	Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan's Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability
June 30, 2016	0.0000373%	(429,920)	73,006	-16.98%	182.53%
June 30, 2017	0.0000436%	(387,985)	76,657	-19.76%	166.00%
June 30, 2018	0.0000430%	(444,378)	84,323	-18.98%	164.43%
June 30, 2019	0.0000433%	(458,246)	91,196	-19.90%	156.74%
June 30, 2020	0.0000398%	(478,881)	98,000	-20.46%	154.36%
June 30, 2021	0.0000508%	(474,144)	110,000	-23.20%	148.05%
June 30, 2022	0.0000473%	(700,239)	114,345	-16.33%	171.21%
June 30, 2023	0.0000445%	(501,566)	164,797	-32.86%	151.14%

** Fiscal year 2016 was the first implementation year: therefore, only eight years are shown.

See Independent Accountants' Audit Report and Accompanying Notes to the Financial Statements.

COMPTON CREEK MOSQUITO ABATEMENT DISTRICT
Required Supplementary Information
SCHEDULE OF PENSION CONTRIBUTION TO THE PENSION PLAN
For The Fiscal Year Ended June 30, 2024

Last Ten Fiscal Years **

California Public Employees' Retirement System (CalPERS) Miscellaneous Plan

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
June 30, 2017	5,441	(5,441)	-	69,675	7.81%
June 30, 2018	5,731	(5,731)	-	73,006	7.85%
June 30, 2019	6,398	(6,398)	-	76,657	8.35%
June 30, 2020	7,309	(7,309)	-	84,323	8.67%
June 30, 2021	8,611	(8,611)	-	91,196	9.44%
June 30, 2022	9,114	(9,114)	-	98,000	9.30%
June 30, 2023	10,230	(10,230)	-	110,000	9.30%
June 30, 2024	12,429	(12,429)	-	114,345	10.87%

Notes to Schedule:

Fiscal Year	Valuation Date	Actuarial Cost Method	Asset Valuation	Inflation	Investment Rate of Return
June 30, 2017	June 30, 2015	Entry Age	Market Value	2.75%	7.65%
June 30, 2018	June 30, 2016	Entry Age	Market Value	2.75%	7.15%
June 30, 2019	June 30, 2017	Entry Age	Market Value	2.50%	7.15%
June 30, 2020	June 30, 2018	Entry Age	Market Value	2.50%	7.15%
June 30, 2021	June 30, 2019	Entry Age	Market Value	2.50%	7.15%
June 30, 2022	June 30, 2020	Entry Age	Market Value	2.50%	7.15%
June 30, 2023	June 30, 2021	Entry Age	Market Value	2.30%	6.90%
June 30, 2024	June 30, 2022	Entry Age	Market Value	2.30%	6.80%

Amortization Method	Level percentage of payroll, closed
Salary Increases	Depending on age, service, and type of employment
Investment Rate of Return	Net of pension plan investment expense.
Retirement Age	50 years (2%@55), 52 years (2%@62)
Mortality	Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

** Fiscal year 2016 was the first implementation year: therefore, only eight years are shown.

See Independent Accountants' Audit Report and Accompanying Notes to the Financial Statements.

COMPTON CREEK MOSQUITO ABATEMENT DISTRICT
Required Supplementary Information
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
June 30, 2024

	Last Ten Fiscal Years **					
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total OPEB Liability						
Service cost	-	-	-	-	1,802	1,754
Interest cost	4,231	4,032	4,094	3,913	4,254	3,969
Differences between expected and actual experience	(7,976)	-	(4,700)	-	(8,451)	
Changes of assumptions	(4,722)	-	3,257	-		
Benefit payments	-	-	-	(888)	(2,239)	(1,119)
Net change in total OPEB liability	<u>(8,467)</u>	<u>4,032</u>	<u>2,651</u>	<u>3,025</u>	<u>(4,634)</u>	<u>4,604</u>
	<u>66,058</u>	<u>62,026</u>	<u>59,375</u>	<u>56,350</u>	<u>60,984</u>	<u>56,380</u>
	<u>57,591</u>	<u>66,058</u>	<u>62,026</u>	<u>59,375</u>	<u>56,350</u>	<u>60,984</u>
Plan Fiduciary Net Position						
Contributions - employer	-	-	-	-	-	1,119
Net investment income (loss)	7,026	(16,914)	27,256	3,385	5,570	6,665
Benefit payments	-	-	-	-	-	(1,119)
Administrative expense	(32)	(32)	(37)	(47)	(19)	(156)
Other expenses	-	-	-	-	-	74
Net change in plan fiduciary net position	<u>6,994</u>	<u>(16,946)</u>	<u>27,219</u>	<u>3,338</u>	<u>5,551</u>	<u>6,583</u>
	<u>109,429</u>	<u>126,375</u>	<u>99,156</u>	<u>95,818</u>	<u>90,267</u>	<u>83,684</u>
	<u>116,423</u>	<u>109,429</u>	<u>126,375</u>	<u>99,156</u>	<u>95,818</u>	<u>90,267</u>
Net OPEB liability - ending (a)-(b)	(58,832)	(43,371)	(64,349)	(39,781)	(39,468)	(29,283)
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	202.15%	165.66%	203.75%	167.00%	170.04%	148.02%
Covered Payroll	114,345	114,345	110,000	98,000	91,196	84,323
Net OPEB Liability as a Percentage of Covered Payroll	-51.45%	-37.93%	-58.50%	-40.59%	-43.28%	-34.73%
Measurement Date	6/30/23	6/30/22	6/30/21	6/30/20	6/30/19	6/30/18

** Fiscal year 2019 was the first year of implementation of GASB Statement No. 75, therefore, only six years are shown,

See Independent Accountants' Audit Report and Accompanying Notes to the Financial Statements.

COMPTON CREEK MOSQUITO ABATEMENT DISTRICT
Required Supplementary Information
SCHEDULE OF THE OPEB CONTRIBUTIONS TO THE OPEB PLAN
For the Fiscal Year Ended June 30, 2024

	Last Ten Fiscal Years **			
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Actuarially determined contribution	-	-	-	-
Contributions in relation to the actuarially determined Contributions	-	-	-	-
Contribution deficiency (excess)	-	-	-	-
Covered Payroll	114,345	114,345	110,000	98,000
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

Notes to Schedule:

Valuation Date	6/30/2023	6/30/2021	6/30/2019
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Methods and Assumptions Used to Determine Contribution Rates:

	Entry Age	Entry Age	Entry Age
Actuarial cost method Entry age normal	Entry Age	Entry Age	Entry Age
Amortization method closed period, level percent percentage of pay	(1)	(1)	(1)
Asset valuation method	(2)	(2)	(2)
Investment rate of return	6.50%	6.40%	6.55%
Inflation	2.50%	2.50%	2.50%
Payroll Increases	2.50%	2.50%	2.50%
Mortality	(3)	(4)	(4)
Healthcare trend rates	4%	4%	4%

- (1) closed period level percent of pay
- (2) Market value method
- (3) CalPERS 2021 Experience Study
- (4) CalPERS 2017 Experience Study

** Fiscal year 2019 was the first year of implementation of GASB Statement No. 75, therefore, only six years are shown,

See Independent Accountants' Audit Report and Accompanying Notes to the Financial Statements.

Report on Internal Controls and Compliance



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

Board of Trustees
Compton Creek Mosquito Abatement District
Compton, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, and the general fund of Compton Creek Mosquito Abatement District, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Compton Creek Mosquito Abatement District's basic financial statements, and have issued our report thereon dated January 31, 2025.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material

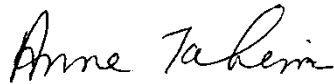
weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of This Report

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



Tahim and Associates,
A professional corporation
Santa Ana, California

January 31, 2025