



**Minutes
Of The Regular Meeting
Of the Board of Directors of
Valley Center Fire Protection District
December 20, 2018 / 6:00 p.m.**

Valley Center Municipal Water District Board Room
29300 Valley Center Rd
Valley Center, CA 92082

1. Call to Order at 6:00 p.m.
2. Roll Call:
 - Phil Bell-Present
 - Steve Hutchison-Present
 - Jim Wold-Present
 - Jeremy Abrams-Present
 - Mike O'Connor-Absent
3. Pledge of Allegiance – led by Chief Napier
4. Directors Oath of Office
Chief Napier administered the Oath of Office to new Board member Jeremy Abrams, and then Directors Bell and Hutchison were sworn in. Election of officers was tabled until the January Regular Meeting when all Board members will be present.
5. Public Comment - None
6. Proclamations and Presentations
President Bell presented outgoing Director Oliver Smith with a Proclamation honoring him and his service to the Board and the community.
Chief Napier presented Director Smith with a plaque for his service to the Valley Center Fire Protection District.
7. Consent Calendar – Upon motion made and seconded the consent calendar, containing the minutes from the November 15, 2018 Regular Board Meeting and the November 2018 Treasurer's Report, was unanimously approved by the Board.
8. Staff Reports
 - A. Valley Center Paramedic Services EOA: Doug Moriarty and Rick Roesch presented the Mercy Medical report.
 - B. Fire Chief's Report – Chief Napier presented the month's activities.
 - C. Operations Division Report
 - D. Community Risk Reduction Division Report was presented by Fire Marshal Mike Shore.
 - E. Valley Center Firefighters Association Report – Robert Westler presented the report.

He has assumed the role of president for the Association. He welcomed new director Abrams and expressed appreciation for our Secret Santa, Oliver Smith, and his gifts over the past several years.

9. Old Business – None

10. New Business

- A. The Fiscal Year 2018 Audit Report from Leaf & Cole, LLC CPAs was presented for approval. Following a brief discussion of the Report, and upon motion duly made and seconded, the Board approved the Report as submitted.

11. Closed Session

No Closed Session

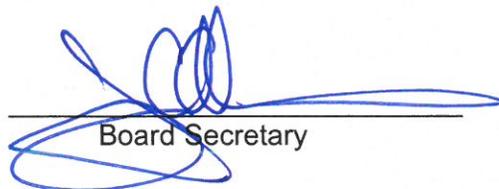
12. Announcement of Closed Session Actions

No Closed Session

13. Board of Directors Comments

- Director Wold's questions have been answered. Merry Christmas.
- Director Abrams thank you for being welcoming.
- Director Bell noted that it's the last meeting of a year with lots of peaks and valleys. The guys (firefighters) keep it going. Thank you, Ryan Nutt for all your work. Merry Christmas.

14. Adjournment – 7:25p.m.



Board Secretary

NEXT REGULAR MEETING:
January 17, 2019

VALLEY CENTER FIRE PROTECTION DISTRICT

FINANCIAL STATEMENTS

JUNE 30, 2018



Leaf & Cole, LLP
Certified Public Accountants

**VALLEY CENTER FIRE PROTECTION DISTRICT
FINANCIAL STATEMENTS
JUNE 30, 2018**

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Leaf & Cole, LLP
Certified Public Accountants
A Partnership of Professional Corporations

Independent Auditor's Report

To the Board of Directors
Valley Center Fire Protection District

We have audited the accompanying financial statements of the governmental activities and each major fund of Valley Center Fire Protection District, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Valley Center Fire Protection District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the State Controller's Minimum Audit Requirements for California Special Districts. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Valley Center Fire Protection District as of June 30, 2018, and the respective changes in financial position for the year ended in accordance with accounting principles generally accepted in the United States of America, as well as accounting systems prescribed by the State Controller's Office and state regulations governing special districts.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 to 6 and 27 to 29 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Valley Center Fire Protection District's basic financial statements. The other supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The organization structure schedule and assessed valuation have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Leaf & Cole LLP

San Diego, California
October 16, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the District's financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2018. Please read it in conjunction with the District's financial statements, which begin on page 7.

Financial Highlights

- The District's net position decreased by \$145,722 to \$4,453,128 during the fiscal year ended June 30, 2018.
- The District's total revenues increased from \$2,780,337 for the year ended June 30, 2017, to \$3,054,747 for the year ended June 30, 2018.
- The District's total expenses increased from \$2,914,007 for the year ended June 30, 2017 to \$3,200,469 for the year ended June 30, 2018. The increase in salaries and employee benefits account for the majority of the increase.

Using This Annual Report

This annual report consists of a series of financial statements. The statement of net position and the statement of activities (on pages 7 and 8) provide information about the activities of the District as a whole and present a longer-term view of the District's finances. Fund financial statements start on page 9. For governmental activities, these statements tell how these services were financed in the short-term as well as what remains for future spending. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds.

Reporting the District as a Whole

The Statement of Net Position and the Statement of Activities

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

These two statements report the District's net position and changes in them. You can think of the District's net position--the difference between assets and liabilities--as one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net position is one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the District's property tax base and the condition of the District's assets, to assess the overall health of the District.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Reporting the District's Most Significant Funds

Fund Financial Statements

The fund financial statements begin on page 9 and provide detailed information about the District's most significant funds.

- Governmental Funds - The District's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general governmental operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. We describe the relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds in reconciliations on pages 10 and 13.

The District as a Whole

The District's combined net position decreased from \$4,598,850 a year ago to \$4,453,128 at June 30, 2018.

	Net Position		
	<u>2018</u>	<u>2017</u>	<u>Dollar Change</u>
<u>Assets:</u>			
Current and other assets	\$ 3,400,892	\$ 4,030,214	\$ (629,322)
Capital assets	<u>1,303,366</u>	<u>980,036</u>	<u>323,330</u>
Total Assets	<u>4,704,258</u>	<u>5,010,250</u>	<u>(305,992)</u>
<u>Liabilities:</u>			
Current liabilities	153,151	218,154	(65,003)
Noncurrent liabilities	<u>97,979</u>	<u>193,246</u>	<u>(95,267)</u>
Total Liabilities	<u>251,130</u>	<u>411,400</u>	<u>(160,270)</u>
<u>Net Position:</u>			
Net investment in capital assets	1,205,387	786,790	418,597
Unrestricted	<u>3,247,741</u>	<u>3,812,060</u>	<u>(564,319)</u>
Total Net Position	<u>\$ 4,453,128</u>	<u>\$ 4,598,850</u>	<u>\$ (145,722)</u>

As noted in the financial highlights above, net position decreased by \$145,722 from fiscal year 2017 to 2018. Net investment in capital assets increased by \$418,597 in fiscal year 2018. This increase is the result of investment in capital assets exceeding the District's depreciation expense in fiscal year 2018.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Revenues, Expenses and Changes in Net Position

The following is a summary of the District's revenues, expenses and changes in net position for the years ended June 30:

	<u>2018</u>	<u>2017</u>	<u>Dollar Change</u>
<u>Program Revenues:</u>			
Fees and charges for services	\$ 2,161,467	\$ 2,048,201	\$ 113,266
Operating grants and contributions	<u>254,623</u>	<u>178,974</u>	<u>75,649</u>
Total Program Revenues	<u>2,416,090</u>	<u>2,227,175</u>	<u>188,915</u>
<u>General Revenues:</u>			
Property taxes	514,623	490,172	24,451
Other income	92,140	29,429	62,711
Interest income	<u>31,894</u>	<u>33,561</u>	<u>(1,667)</u>
Total General Revenues	<u>638,657</u>	<u>553,162</u>	<u>85,495</u>
 Total Revenues	 <u>3,054,747</u>	 <u>2,780,337</u>	 <u>274,410</u>
<u>Program Expenses:</u>			
Fire protection	2,739,246	2,581,456	157,790
General administration	269,566	169,131	100,435
Interest	3,132	3,444	(312)
Unallocated depreciation	<u>188,525</u>	<u>159,976</u>	<u>28,549</u>
Total Program Expenses	<u>3,200,469</u>	<u>2,914,007</u>	<u>286,462</u>
 Change in Net Position	 (145,722)	 (133,670)	 (12,052)
 Net Position at Beginning of Year	 <u>4,598,850</u>	 <u>4,732,520</u>	 <u>(133,670)</u>
 Net Position at End of Year	 <u>\$ 4,453,128</u>	 <u>\$ 4,598,850</u>	 <u>\$ (145,722)</u>

A closer examination of the sources of changes in net position reveals that the District's operating and non-operating expenses, exclusive of depreciation, increased by \$257,913 in fiscal year 2018 due primarily to increased salaries (\$142,271), and increased employee benefits and taxes (\$84,389).

MANAGEMENT'S DISCUSSION AND ANALYSIS

Capital Assets

Capital assets consist of the following at June 30:

	2018	2017	Dollar Change
<u>Capital Assets Not Being Depreciated:</u>			
Land	\$ 151,600	\$ 151,600	\$ -
Total Capital Assets Not Being Depreciated	151,600	151,600	-
<u>Capital Assets Being Depreciated:</u>			
Structures and improvements	1,211,691	1,211,691	-
Engines and vehicles	2,420,376	1,993,736	426,640
Furniture and equipment	1,217,773	1,132,558	85,215
Total Capital Assets Not Being Depreciated	4,849,840	4,337,985	511,855
Less: Accumulated depreciation	(3,698,074)	(3,509,549)	(188,525)
Net Capital Assets Being Depreciated	1,151,766	828,436	323,330
Net Capital Assets	\$ 1,303,366	\$ 980,036	\$ 323,330

The net additions to capital assets being depreciated for fiscal year 2018 totaled \$511,855.

Noncurrent Liabilities

The following is a summary of the District's noncurrent liabilities at June 30:

	2018	2017	Dollar Change
Capital lease payable	\$ 97,979	\$ 193,246	\$ (95,267)

The District reduced its capital lease obligation by \$95,267 during the year ended June 30, 2018. No new debt has been issued. Details of the capital lease obligation can be found in Note 5 to the financial statements.

Economic Factors and Next Year's Budget

The District is guided by a five year strategic plan and a standards of cover report indicating the need for a third fire facility. The District is seeking to acquire property for such a facility and staff it using mitigation funds and the proceeds from a proposed tax measure that will appear on the November ballot. The tax measure, if passed by 66.67% of the voters is estimated to provide an additional \$1,223,540 to the general fund's operating budget in the first year based upon the number of parcels assessed. The District's Board of Directors and management consider many factors when setting the fiscal year budget. In a comparison of the 2019 and 2018 budgets, operating revenues and expenses remain relatively similar. Any proceeds from the proposed tax measure would not be realized until the 2020 fiscal year.

Contacting the District's Financial Management

This financial report is designed to provide the Board, governmental agencies, customers, creditors, and the public with a general overview of the District's accountability for the financial resources it manages. If there are questions regarding this report, or additional financial information is required, please contact the Fire Chief for the Valley Center Fire Protection District at 28234 Lilac Road, Valley Center, CA 92082 or call (760) 751-7600.

**VALLEY CENTER FIRE PROTECTION DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2018**

	<u>Governmental Activities</u>
<u>ASSETS:</u>	
Cash and cash equivalents	\$ 3,317,015
Accounts receivable	83,877
Capital Assets:	
Land and other non-depreciable capital assets	151,600
Depreciable capital assets, net of accumulated depreciation	<u>1,151,766</u>
TOTAL ASSETS	<u>4,704,258</u>
<u>LIABILITIES:</u>	
Accounts payable	83,518
Accrued liabilities	69,633
Noncurrent liabilities:	
Due within one year	<u>97,979</u>
TOTAL LIABILITIES	<u>251,130</u>
<u>NET POSITION:</u>	
Net investment in capital assets	1,205,387
Unrestricted	<u>3,247,741</u>
TOTAL NET POSITION	<u>\$ 4,453,128</u>

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

**VALLEY CENTER FIRE PROTECTION DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018**

<u>Functions/Programs:</u>	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
	Expenses	Fees and Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental Activities:				
Fire protection	\$ 2,739,246	\$ 1,951,453	\$ 254,623	\$ (533,170)
General administration	269,566	210,014	-	(59,552)
Interest	3,132	-	-	(3,132)
Unallocated depreciation	188,525	-	-	(188,525)
Total Governmental Activities	\$ 3,200,469	\$ 2,161,467	\$ 254,623	(784,379)
General Revenues:				
Property taxes				514,623
Other income				92,140
Interest income				31,894
Total General Revenues				638,657
Change in Net Position				(145,722)
Net Position at Beginning of Year				4,598,850
NET POSITION AT END OF YEAR				\$ 4,453,128

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

**VALLEY CENTER FIRE PROTECTION DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2018**

ASSETS

	<u>General Fund</u>	<u>Mitigation Fund</u>	<u>Total Governmental Funds</u>
<u>Assets:</u>			
Cash and cash equivalents	\$ 2,420,996	\$ 896,019	\$ 3,317,015
Accounts receivable	51,127	32,750	83,877
Total Assets	<u>\$ 2,472,123</u>	<u>\$ 928,769</u>	<u>\$ 3,400,892</u>

LIABILITIES AND FUND BALANCES

<u>Liabilities:</u>			
Accounts payable	\$ 83,518	\$ -	\$ 83,518
Accrued liabilities	69,633	-	69,633
Total Liabilities	<u>153,151</u>	<u>-</u>	<u>153,151</u>

Fund Balances:

Assigned:			
Fire Mitigation	-	928,769	928,769
CFD 08-01	47,303	-	47,303
Explorer	600	-	600
Foundation	500	-	500
Unassigned	<u>2,270,569</u>	<u>-</u>	<u>2,270,569</u>
Total Fund Balances	<u>2,318,972</u>	<u>928,769</u>	<u>3,247,741</u>

**TOTAL LIABILITIES AND
FUND BALANCES**

	\$ <u>2,472,123</u>	\$ <u>928,769</u>	\$ <u>3,400,892</u>
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The accompanying notes are an integral part of the financial statements.

**VALLEY CENTER FIRE PROTECTION DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2018**

Total fund balances - Governmental funds		\$ 3,247,741
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:		
Nondepreciable capital assets	\$ 151,600	
Depreciable capital assets, net of accumulated depreciation	<u>1,151,766</u>	
Total Capital Assets, Net		1,303,366
In governmental funds, only current liabilities are reported. In the statement of net position, all liabilities, including noncurrent liabilities, are reported. Long-term liabilities relating to governmental activities consist of:		
Capital Leases	<u>(97,979)</u>	
Total Long-Term Liabilities		<u>(97,979)</u>
Total Net Position - Governmental Activities		<u>\$ 4,453,128</u>

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

**VALLEY CENTER FIRE PROTECTION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018**

	General Fund	Mitigation Fund	Total Governmental Funds
<u>Revenues:</u>			
Benefit fees	\$ 1,513,532	\$ -	\$ 1,513,532
Property taxes	514,623	-	514,623
CFD fees	333,778	-	333,778
Mitigation fees	-	131,038	131,038
Mercy Medical ALS fees	130,000	-	130,000
Paramedic funding	104,143	-	104,143
Cost recovery income	73,316	-	73,316
Fire prevention fees	64,367	-	64,367
Donations	49,159	-	49,159
Grants	39,840	-	39,840
Mercy Medical dispatch fees	35,624	-	35,624
Interest income	20,868	11,026	31,894
Other income	18,824	-	18,824
First responder fees	14,609	-	14,609
Total Revenues	<u>2,912,683</u>	<u>142,064</u>	<u>3,054,747</u>

(Continued)

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

**VALLEY CENTER FIRE PROTECTION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>General Fund</u>	<u>Mitigation Fund</u>	<u>Total Governmental Funds</u>
Expenditures:			
Current:			
Salaries	\$ 1,830,647	\$ -	\$ 1,830,647
Employee benefits and taxes	406,387	-	406,387
Dispatch fees	132,950	-	132,950
Maintenance	116,232	-	116,232
Discontinued projects, studies and assessments	102,101	-	102,101
Mercy Medical charges	96,132	-	96,132
Utilities	56,892	-	56,892
Other expenses	41,718	-	41,718
Fuel	34,220	-	34,220
Safety	33,622	-	33,622
Training	27,896	-	27,896
Professional fees	21,811	-	21,811
Office expenses	17,468	-	17,468
Medical supplies	15,877	-	15,877
Printing	14,638	-	14,638
Uniform	14,125	-	14,125
Radios and pagers	12,631	-	12,631
Insurance	11,964	-	11,964
Household	11,093	-	11,093
Membership	5,877	-	5,877
Bad debts	2,729	-	2,729
Bank charges	1,362	-	1,362
Awards	440	-	440
Capital outlay	176,704	335,151	511,855
Debt Service:			
Principal	47,634	47,633	95,267
Interest	1,566	1,566	3,132
Total Expenditures	<u>3,234,716</u>	<u>384,350</u>	<u>3,619,066</u>
Deficiency of Revenues Over Expenditures	<u>(322,033)</u>	<u>(242,286)</u>	<u>(564,319)</u>
Net Change in Fund Balances	(322,033)	(242,286)	(564,319)
Fund Balances at Beginning of Year	<u>2,641,005</u>	<u>1,171,055</u>	<u>3,812,060</u>
FUND BALANCES AT END OF YEAR	<u><u>\$ 2,318,972</u></u>	<u><u>\$ 928,769</u></u>	<u><u>\$ 3,247,741</u></u>

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

**VALLEY CENTER FIRE PROTECTION DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018**

Total net change in fund balances - Governmental funds \$ (564,319)

Amounts reported for governmental activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. 511,855

Depreciation of capital assets used in governmental activities is not reported in the funds. (188,525)

Issuance of long-term debt, including capital leases, provides current financial resources to governmental funds, while the repayment of the principal of long-term liabilities consumes current financial resources in governmental funds. Neither transaction has any affect on net position. This amount is the net affect of those differences in the treatment of long-term liabilities and related items. 95,267

Changes in Net Position - Governmental Activities \$ (145,722)

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

VALLEY CENTER FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

Note 1 - Organization and Significant Accounting Policies:

The Valley Center Fire Protection District (the "District") is a governmental corporation formed by a majority vote of the people in 1982 with the primary purpose of providing exceptional all-risk fire, emergency medical, and community risk reduction services critical to public safety, health, and the preservation of life and property.

The District has two fire stations which are part of the District's 84.5 square mile service area serving a population of over 23,000 people in the San Diego County.

The District also contracts with the County of San Diego for funding of a paramedic ambulance transport service provided by Mercy Ambulance Transportation, Inc. This is an exclusive operating area which covers most of Northeast unincorporated County area.

The District's offices are located in Valley Center, California.

The criteria used in determining the scope of the reporting entity are based on the provisions of GASB Cod. Sec. 2100, "Defining the Financial Reporting Entity." The District is the primary government unit. Component units are those entities which are financially accountable to the primary government, either because the District appoints a voting majority of the component unit's board, or because the component unit will provide a financial benefit or impose a financial burden on the District. The District has no component units.

Significant Accounting Policies

A summary of the District's significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

Basis of Presentation

Government-Wide Statements

The District's financial statements include fund financial statements (reporting the District's major funds). The government-wide and fund financial statements categorize primary activities as either governmental or business-type. The District's general fund and mitigation fund are classified as governmental activities. The District has no business-type activities.

In the statement of net position, the governmental activities are reported on the accrual basis of accounting and the economic resource measurement focus, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position is reported in three parts; net investment in capital assets, restricted and unrestricted. The statement of net position includes all funds of the reporting entity.

The statement of activities presents a comparison between direct expenses and program revenues for each program of the District's governmental activities. Direct expenses are those that are clearly identifiable with a specific function or program. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues.

**VALLEY CENTER FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

Note 1 - Organization and Significant Accounting Policies:

Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

Fund Financial Statements

Fund financial statements report detailed information about the District. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, reserves, net position, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The emphasis in fund financial statements is on major funds. GASB Cod. Sec. 2200, "Comprehensive Annual Financial Report", sets forth minimum criteria for the determination of major funds.

The funds of the District are described below:

Governmental Funds

The focus of the governmental funds measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The District reports the general fund and mitigation fund as major governmental funds. The District has no non-major governmental funds.

Measurement Focus and Basis of Accounting

Accounting Method

Method of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

The District has not elected to apply the option allowed in GASB Cod. Sec P80.103, "Proprietary Fund, Accounting and Financial Reporting" and as a consequence will continue to apply GASB Statements and interpretations.

Accrual

The governmental activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

VALLEY CENTER FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

Note 1 - Organization and Significant Accounting Policies:

Significant Accounting Policies (Continued)

Measurement Focus and Basis of Accounting (Continued)

Modified Accrual

The governmental funds' financial statements are presented on the modified accrual basis of accounting and the current financial resources measurement focus. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The District considers all revenue available if collected within 60 days after year-end. The District considers interest, certain taxes, grant revenues, mitigation fees and cost recoveries to be susceptible to accrual. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on long-term debt, if any, is recognized when due.

Estimates

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

Encumbrances

Encumbrance accounting is used in all budgeted funds to reserve portions of applicable appropriations for which commitments have been made. Encumbrances are recorded for purchase orders, contracts, and other commitments when they are written. Encumbrances are liquidated when the commitments are paid. All encumbrances are liquidated as of June 30.

Revenue Recognition

The District recognizes revenue from fees, fines, and service charges as they earned. Benefit fees, CFD fees, and property taxes are recognized as revenue based upon amounts reported to the District by the County of San Diego.

Budgets and Budgetary Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. By state law, the District's governing board must adopt a final budget no later than July 1. A public hearing must be conducted to receive comments prior to adoption. The District's governing board satisfied these requirements.

**VALLEY CENTER FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

Note 1 - Organization and Significant Accounting Policies:

Significant Accounting Policies (Continued)

Budgets and Budgetary Accounting (Continued)

These budgets are revised by the District's governing board and district fire chief during the fiscal year to give consideration to unanticipated income and expenditures.

Formal budgetary integration was used as a management control device during the fiscal year for all budgeted funds. The District employs budget control by minor object and by individual appropriation accounts. Expenditures cannot legally exceed appropriations by major object code. All appropriations lapse at fiscal year end.

Investments

Investments are stated at their fair value which represents the quoted or stated market value. Investments that are not traded on a market, such as investments in external pools, are valued based on the stated fair value as represented by the external pool.

Allowance for Doubtful Accounts

Bad debts are recognized on the allowance method based on historical experience and management's evaluation of outstanding accounts receivables. Management believes that all accounts receivable were fully collectible, therefore, no allowance for doubtful accounts receivable was recorded at June 30, 2018.

Taxes and Assessments

Property taxes and assessments are billed by the County of San Diego to property owners. The District's property tax calendar for the fiscal year ended June 30, 2018, was as follows:

Lien Date:	January 1
Levy Date:	July 1
Due Date:	First Installment – November 1 Second Installment – February 1
Delinquent Date:	First Installment – December 10 Second Installment – April 10

The County collects the taxes from the property owners and remits the funds to the District periodically during the year. The District has an arrangement with the County whereby the County remits taxes which are delinquent as of each June 30 to the District in exchange for the right to retain the delinquent taxes, penalties, and interest when these amounts are subsequently collected.

**VALLEY CENTER FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

Note 1 - Organization and Significant Accounting Policies:

Significant Accounting Policies (Continued)

Capital Assets

Capital assets purchased or acquired with a cost exceeding \$5,000 and an estimated useful life of more than one year are reported at historical cost. Contributed assets are recorded at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation is calculated on the straight-line method over the following estimated useful lives:

Structures and improvements	10 - 50 years
Engines and vehicles	5 - 20 years
Furniture and equipment	7 - 20 years

Depreciation aggregated \$188,525 for the year ended June 30, 2018.

Interest

The District incurs interest charges on long-term liabilities. No interest was capitalized as a cost of capital assets for the year ended June 30, 2018.

Pensions and OPEB

The District does not provide a pension program or other post-employment benefits (OPEB). The District administers a voluntary 457(b) (Deferred Compensation) program for its employees to contribute. There is no match and none of the assets of the 457(b) plan are the property of the District.

Compensated Absences

The District does not allow carryover of vacation or sick leave benefits. Unused vacation or sick leave at fiscal year-end is part of the final payroll of the District's fiscal year-end.

Deferred Outflows of Resources and Deferred Inflows of Resources

Deferred outflows of resources and deferred inflows of resources are defined as a consumption of net assets by the District that is applicable to a future period and an acquisition of net assets by the District that is applicable to a future reporting period respectively.

Interfund Activity

Interfund activity results from loans, services provided, reimbursements or transfers between funds. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement.

VALLEY CENTER FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

Note 1 - Organization and Significant Accounting Policies:

Significant Accounting Policies (Continued)

Interfund Activity (Continued)

All other interfund transactions are treated as transfers. Transfers In and Transfers Out are netted and presented as a single "Transfers" line on the government-wide statement of activities. Similarly, interfund receivables and payables are netted and presented as a single "Internal Balances" line of the government-wide statement of net assets.

Fund Balances - Governmental Funds

The fund balances of the governmental funds are classified as follows at June 30, 2018:

Nonspendable - Amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted - Amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed - Amounts that can be used only for specific purposes determined by a formal action of the Board of Directors. The Board Directors is the highest level of decision-making authority for the District. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board of Directors.

Assigned - Amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes.

Unassigned - All other spendable amounts.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first and then unrestricted resources as necessary. When either committed, assigned, or unassigned resources are available for use, it is the District's policy to use committed resources first, followed by assigned and then unassigned amounts.

**VALLEY CENTER FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

Note 1 - Organization and Significant Accounting Policies:

Significant Accounting Policies (Continued)

Fair Value Measurements

Fair value accounting standards define fair value, establish a framework for measuring fair value, outline a fair value hierarchy based on inputs used to measure fair value and enhance disclosure requirements for fair value measurements. The fair value hierarchy distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity (observable inputs that are classified within Level 1 or 2 of the hierarchy) and the reporting entity's own assumptions about market participant assumptions (unobservable inputs classified within Level 3 of the hierarchy).

- Level 1 inputs are quoted prices in active markets for identical investments that the investment manager has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the investment, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the investment.

The District's statements of financial position include the following financial instruments that are required to be measured at fair value on a recurring basis:

- Investments in the San Diego County Treasurer's Pooled Money Fund are considered Level 2 assets and are reported at historical cost which approximates the fair value of the underlying assets as provided by San Diego County.

Subsequent Events

In preparing these financial statements, the District has evaluated events and transactions for potential recognition or disclosure through October 16, 2018, the date the financial statements were available to be issued.

Note 2 - Cash and Cash Equivalents:

Cash and investments held by the District were comprised of the following at June 30, 2018:

	<u>Maturity in Less Than One Year</u>
Cash in County Treasury	\$ 2,960,115
Deposits with financial institutions	356,900
Total	\$ 3,317,015

**VALLEY CENTER FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

Cash in County Treasury

The District maintains its cash in the San Diego County Treasury as part of the common investment pool (\$2,960,115 at June 30, 2018). The county pools these funds with those of other Districts in the County and invests the cash. Cash may be added or withdrawn from the investment pool without limitation. Interest earned is deposited quarterly into the participating funds. Any investment losses are shared by all funds in the pool. The fair value of the District's portion of this pool as of that date, as provided by the pool sponsor, was \$2.952 million. The underlying asset rating based on Fitch ranges from AA- to AAA.

The Country Treasurer's pool consist of the following as of June 30, 2018:

Commercial Paper	29.90%
Certificate of Deposit	27.92%
Federal Agency Securities	24.99%
Supranationals	6.77%
Treasury Coupon Securities	4.82%
Money Market Accounts	3.48%
Assets Backed Securities	2.11%
Bank Deposit	0.01%
	<u>100.00%</u>

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the District manages its exposure to interest rate risk is by holding only cash and cash equivalents.

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided in the previous table that shows the distribution of the District's investments by maturity as of June 30, 2018.

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the actual rating as of the year end for each investment type.

Cash in County Treasury	Not Rated
Deposits with Financial Institutions	Not Applicable

VALLEY CENTER FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

Note 2 - Cash and Cash Equivalents: (Continued)

Concentration of Credit Risk

Concentration of credit is the risk of loss attributed to the magnitude to the District's investment in a single issue.

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. The District holds no investments in any one issuer (other than external investment pools) that represent 5% or more of total District investments.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the District will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counter-party (e.g., broker-dealer) 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 or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

At June 30, 2018, none of the District's deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts. At June 30, 2018, no District investments were held by the same broker-dealer (counterparty) that was used by the District to buy the securities.

Investment Accounting Policy

The District is required by GASB Statement No. 31 *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, to disclose its policy for determining which investments, if any, are reported at amortized cost. The District's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earnings investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value.

The term "short-term" refers to investments which have a remaining term of one year or less at time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

VALLEY CENTER FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

Note 2 - Cash and Cash Equivalents: (Continued)

Investment Accounting Policy (Continued)

The District's investments in external investment pools are reported at an amount determined by the fair value per share of the pool's underlying portfolio, unless the pool is 2a7-like, in which case they are reported at share value. A 2a7-like pool is one which is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the investment Company Act of 1940.

Note 3 - Accounts Receivable:

Accounts receivable consist of the following at June 30, 2018:

	<u>General Fund</u>	<u>Mitigation Fund</u>	<u>Total</u>
Mitigation fees receivable	\$ -	\$ 32,750	\$ 32,750
Grants	24,732	-	24,732
Paramedic funding	8,011	-	8,011
Other receivables	7,841	-	7,841
Benefit fees	3,120	-	3,120
CDF fees	2,919	-	2,919
Inspection fees	2,470	-	2,470
Property taxes	2,034	-	2,034
	<u>\$ 51,127</u>	<u>\$ 32,750</u>	<u>\$ 83,877</u>

Note 4 - Capital Assets:

Capital assets consist of the following at June 30, 2018:

	<u>Balance at June 30, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2018</u>
Capital Assets Not Being Depreciated:				
Land	\$ 151,600	\$ -	\$ -	\$ 151,600
Total Capital Assets Not Being Depreciated	<u>151,600</u>	<u>-</u>	<u>-</u>	<u>151,600</u>
Capital Assets Being Depreciated:				
Structures and improvements	1,211,691	-	-	1,211,691
Engines and vehicles	1,993,736	426,640	-	2,420,376
Furniture and equipment	1,132,558	85,215	-	1,217,773
Total Capital Assets Being Depreciated	<u>4,337,985</u>	<u>511,855</u>	<u>-</u>	<u>4,849,840</u>
Less Accumulated Depreciation For:				
Structures and improvements	(1,094,296)	(13,716)	-	(1,108,012)
Engines and vehicles	(1,408,491)	(125,190)	-	(1,533,681)
Furniture and Equipment	(1,006,762)	(49,619)	-	(1,056,381)
Total Accumulated Depreciation	<u>(3,509,549)</u>	<u>(188,525)</u>	<u>-</u>	<u>(3,698,074)</u>
Net Capital Assets Being Depreciated	<u>828,436</u>	<u>323,330</u>	<u>-</u>	<u>1,151,766</u>
Net Capital Assets	<u>\$ 980,036</u>	<u>\$ 323,330</u>	<u>\$ -</u>	<u>\$ 1,303,366</u>

**VALLEY CENTER FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

Note 5 - Noncurrent Liabilities:

Noncurrent liabilities consist of the following at June 30, 2018:

	Balance at <u>June 30, 2017</u>	<u>Additions</u>	<u>Deletions</u>	Balance at <u>June 30, 2018</u>	Payable Within <u>1 Year</u>	Payable After <u>1 Year</u>
Capital lease payable	\$ 193,246	\$ -	\$ (95,267)	\$ 97,979	\$ 97,979	\$ -

On August 20, 2013, the District acquired a fire truck using the proceeds of a lease with option to purchase between First Municipal Leasing Corporation as lessee and the District as lessor. The capital lease payable calls for annual payments of \$100,774 commencing August 20, 2014 and maturing August 20, 2018. For financial reporting purposes, minimum lease payments related to the fire truck have been capitalized and included in capital assets in the statement of net position. The fire truck under capital lease has a cost of \$460,000, net of accumulated depreciation of \$120,112 at June 30, 2018. Debt service requirements on the capital lease payable at June 30, 2018 are as follows:

Year Ended <u>June 30</u>	
2019	\$ <u>97,979</u>

Note 6 - Operating Leases:

The District has entered into two operating leases for a copier and a modular building with lease terms in excess of one year. The agreements contain no purchase options. The agreements are non-cancelable leases. Future minimum lease payments, under this agreement, are as follows:

Year Ended <u>June 30</u>	Minimum Lease <u>Payments</u>
2019	\$ <u>8,219</u>

Note 7 - Deferred Compensation Plan:

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all District employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

VALLEY CENTER FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

Note 8 - Joint Ventures (Joint Powers Agreements):

The District entered into a joint powers agreement (JPA) known as and designated “Fire Agencies Insurance Risk Authority” (FAIRA) a self-insurance plan for general liability insurance. Each member district pays a premium commensurate with the level of coverage requested and shares surpluses and deficits proportionate to their participation in FAIRA. FAIRA is governed by an 11 member Board elected by a vote of the members. One seat is reserved for the highest premium member and one seat is reserved for an elected member from the State of Nevada.

The Board controls the operations of the FAIRA, including selection of management and approval of operation budgets, independent of any influence by the member districts beyond their representation on the Board. Each member district pays a premium commensurate with the level of coverage requested and shares surpluses and deficits proportionate to their participation in the FAIRA.

The JPA is a separate entity which is independently audited. The financial transactions of the JPA are not included in this report because the District has a minority voting interest and no administrative authority.

Note 9 - New Governmental Accounting Standards:

GASB No. 75

In June 2015, the Government Accounting Standards Board issued Statement No. 75, “Accounting and Financial Reporting for Postemployment Benefits Other Than Pension”. This Statement is effective for financial statements for fiscal years beginning after June 15, 2017. Earlier application is encouraged. This pronouncement did not have a material effect on the financial statements of the District in the year of implementation.

GASB No. 81

In March 2016, the Governmental Accounting Standards Board issued Statement No. 81, “Irrevocable Split-Interest Agreements”. The requirements of this Pronouncement are effective for financial statements for period beginning after December 15, 2016, and should be applied retroactively. Earlier application is encouraged. This pronouncement did not have a material effect on the financial statements of the District in the year of implementation.

GASB No. 83

In November 2016, the Governmental Accounting Standards Board issued Statement No. 83 “ Certain Asset Retirement Obligations”. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Earlier Application is encouraged. The District has not determined the effects of this pronouncement on the financial statements of the District in the year of implementation.

VALLEY CENTER FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

Note 9 - New Governmental Accounting Standards: (Continued)

GASB No. 84

In January 2017, the Governmental Accounting Standards Board issued Statement No. 84 “Fiduciary Activities”. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier Application is encouraged. The District has not determined the effects of this pronouncement on the financial statements of the District in the year of implementation.

GASB No. 85

In March 2017, the Governmental Accounting Standards Board issued Statement No. 85 “Omnibus 2017”. The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. This pronouncement did not have a material effect on the financial statements of the District in the year of implementation.

GASB No. 86

In May 2017, the Governmental Accounting Standards Board issued Statement No. 86 “Certain Debt Extinguishment Issues”. The requirements of this Statement are effective for reporting periods beginning after December 15, 2017. Earlier Application is encouraged. The District has not determined the effects of this pronouncement on the financial statements of the District in the year of implementation.

GASB No. 87

In June 2017, the Governmental Accounting Standards Board issued Statement No. 87 “Leases”. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. The District has not determined the effects of this pronouncement on the financial statements of the District in the year of implementation.

GASB No. 88

In April 2018, the Governmental Accounting Standards Board issued Statement No. 88 “Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements”. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged. The District has not yet determined the effects of this pronouncement on the financial statements of the District in the year of implementation.

**VALLEY CENTER FIRE PROTECTION DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2018**

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:				
Benefit fees	\$ 1,485,671	\$ 1,485,671	\$ 1,513,532	\$ 27,861
Property taxes	510,598	510,598	514,623	4,025
CFD fees	268,609	268,609	333,778	65,169
Mercy Medical ALS fees	130,000	130,000	130,000	-
Paramedic funding	96,132	96,132	104,143	8,011
Cost recovery income	10,000	32,626	73,316	40,690
Fire prevention fees	62,379	62,379	64,367	1,988
Donations	48,559	48,559	49,159	600
Grants	16,533	16,566	39,840	23,274
Mercy Medical dispatch fees	35,624	35,624	35,624	-
Other income	-	-	18,824	18,824
Interest income	12,202	12,202	20,868	8,666
First responder fees	15,515	15,515	14,609	(906)
Total Revenues	<u>2,691,822</u>	<u>2,714,481</u>	<u>2,912,683</u>	<u>198,202</u>

(Continued)

**VALLEY CENTER FIRE PROTECTION DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget Positive (Negative)
<u>Expenditures:</u>				
Current:				
Salaries	\$ 1,741,526	\$ 1,741,526	\$ 1,830,647	\$ (89,121)
Employee benefits and taxes	328,133	328,133	406,387	(78,254)
Dispatch fees	132,568	123,568	132,950	(9,382)
Maintenance	108,379	108,379	116,232	(7,853)
Discontinued projects, studies and assessments	-	-	102,101	(102,101)
Mercy Medical charges	96,132	96,132	96,132	-
Utilities	54,116	54,116	56,892	(2,776)
Other expenses	57,031	52,581	41,718	10,863
Fuel	26,510	26,510	34,220	(7,710)
Safety	30,687	30,687	33,622	(2,935)
Training	13,245	35,871	27,896	7,975
Professional fees	25,300	25,300	21,811	3,489
Office expenses	17,193	17,193	17,468	(275)
Medical supplies	16,100	16,100	15,877	223
Printing	15,000	15,000	14,638	362
Uniform	15,550	15,500	14,125	1,375
Radios and pagers	9,498	9,498	12,631	(3,133)
Insurance	12,000	12,000	11,964	36
Household	11,000	11,000	11,093	(93)
Membership	3,000	3,000	5,877	(2,877)
Bad debts	-	-	2,729	(2,729)
Bank charges	7,315	7,315	1,362	5,953
Awards	1,500	1,500	440	1,060
Capital outlay	214,367	154,839	176,704	(21,865)
Debt Service:				
Principal	45,098	45,098	47,634	(2,536)
Interest	1,566	1,566	1,566	-
Total Expenditures	<u>2,982,814</u>	<u>2,932,412</u>	<u>3,234,716</u>	<u>(302,304)</u>
Deficiency of Revenues Over Expenditures	<u>(290,992)</u>	<u>(217,931)</u>	<u>(322,033)</u>	<u>(104,102)</u>
Net Change in Fund Balance	<u>\$ (290,992)</u>	<u>\$ (217,931)</u>	(322,033)	<u>\$ (104,102)</u>
Fund Balance at Beginning of Year			<u>2,641,005</u>	
FUND BALANCE AT END OF YEAR			<u>\$ 2,318,972</u>	

**VALLEY CENTER FIRE PROTECTION DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - MITIGATION FUND
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
<u>Revenues:</u>				
Mitigation fees	\$ 65,000	\$ 65,000	\$ 131,038	\$ 66,038
Interest income	<u>10,000</u>	<u>10,000</u>	<u>11,026</u>	<u>1,026</u>
Total Revenues	<u>75,000</u>	<u>75,000</u>	<u>142,064</u>	<u>67,064</u>
<u>Expenditures:</u>				
Capital outlay	356,154	356,154	335,151	21,003
Debt Service:				
Principal	45,098	45,098	47,633	(2,535)
Interest	<u>1,566</u>	<u>1,566</u>	<u>1,566</u>	<u>-</u>
Total Expenditures	<u>402,818</u>	<u>402,818</u>	<u>384,350</u>	<u>18,468</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(327,818)</u>	<u>(327,818)</u>	<u>(242,286)</u>	<u>85,532</u>
Net Change in Fund Balance	<u>\$ (327,818)</u>	<u>\$ (327,818)</u>	(242,286)	<u>\$ 85,532</u>
Fund Balance at Beginning of Year			<u>1,171,055</u>	
FUND BALANCE AT END OF YEAR			<u>\$ 928,769</u>	

**VALLEY CENTER FIRE PROTECTION DISTRICT
OTHER SUPPLEMENTARY INFORMATION
ORGANIZATION STRUCTURE
JUNE 30, 2018**

The Valley Center Fire Protection District (District), was formed as a fire protection district in 1982, and operates under the Health and Safety Code Sections 13801-13999 of the State of California and provides fire protection services to approximately 87 square miles in Valley Center, California. The activities of the District are supervised by a board consisting of five (5) Directors who are elected to a four (4) year term. Directors who are appointed serve a two (2) year term.

Board of Directors for the fiscal year ended June 30, 2018, was comprised of the following members:

<u>Name</u>	<u>Office</u>	<u>Years of Term</u>	<u>Term Expiration</u>
Phil Bell	President	4	2022
Steve Hutchison	Vice President	4	2022
Jim Wold	Director	4	2020
Oliver Smith	Secretary	4	2018
Mike O'Connor	Treasurer	4	2020

<u>Administration</u>	
<u>Name</u>	<u>Position</u>
Josef Napier	Fire Chief

**VALLEY CENTER FIRE PROTECTION DISTRICT
OTHER SUPPLEMENTARY INFORMATION
ASSESSED VALUATION
JUNE 30, 2018**

Assessed Valuation:

Secured property	\$ 2,445,610,434
Unsecured property	<u>19,698,884</u>
Total Assessed Valuation	<u><u>\$ 2,465,309,318</u></u>