

Vista Fire Protection District

Annual Financial Report For the Fiscal Years Ended June 30, 2022 and 2021



Vista, California



Mission Statement

“Our mission is to protect life and property with fire and medical emergency services through effective prevention, response, and education.”

Vista Fire Protection District

Board of Directors as of June 30, 2022

<u>Name</u>	<u>Title</u>	<u>Elected/Appointed</u>	<u>Term Expiration</u>
Robert Fougner	President	Elected	11 / 2024
Jim Elliott	Vice-President	Elected	11 / 2022
Read Miller	Director	Elected	11 / 2022
Daniel Gomez	Director	Elected	11 / 2024
John Ploetz	Director	Elected	11 / 2024

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www.vistafireprotectiondistrict.org**

Vista Fire Protection District

Annual Financial Report

For the Fiscal Years Ended June 30, 2022 and 2021

**Vista Fire Protection District
Annual Financial Report
For the Fiscal Years Ended June 30, 2022 and 2021**

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Financial Section



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Independent Auditor's Report

Board of Directors
Vista Fire Protection District
Vista, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Vista Fire Protection District (District), which comprises the statements of net position as of June 30, 2022 and 2021, and the related statements of revenues, expenses, and changes in net position for the year then ended, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Vista Fire Protection District as of June 30, 2022 and 2021, and the respective changes in net 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 audits 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, and the State Controller's Minimum Audit Requirements for California Special Districts. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Independent Auditor's Report, continued

Auditor's Responsibilities for the Audit of the Financial Statements, continued

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 8, and the required supplementary information on pages 35 through 40, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Independent Auditor's Report, continued

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 9, 2022, 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance. This report can be found on pages 42 and 43.

Fedak & Brown LLP

Fedak & Brown LLP

Cypress, California

November 9, 2022

Vista Fire Protection District
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2022 and 2021

The following Management's Discussion and Analysis (MD&A) of activities and financial performance of the Vista Fire Protection District (District), provides an introduction to the financial statements of the District for the fiscal years ended June 30, 2022 and 2021. We encourage readers to consider the information presented here with additional information that we have furnished in the accompanying basic financial statements and related notes, which follow this section.

The District funds its operations from the property tax revenues assessed and allocated by the County of San Diego (County) from District residents. A portion of these tax revenues, which vary according to each resident's property location, are then allocated by the County to the District, net of County administrative fees.

The District uses its portion of the County's tax revenues to provide fire protection and emergency medical services to residents located within the District boundaries. The services are provided by the City of Vista's Fire Department under a twenty-five-year contract executed in 2010 between the District and the City of Vista (the City). The cost of services is fixed at a fee equal to 90% of District revenues, excluding investment income. Under this contractual fee arrangement, the District is guaranteed in each fiscal year to have sufficient revenue to pay for the City's services. The agreement was amended on July 1, 2022. Please see Note 9 for more information.

Financial Highlights

- In fiscal year 2022, the District's net position decreased 1.89% or \$229,628 to \$11,919,572. In fiscal year 2021, the District's net position increased 1.91% or \$227,255 to \$12,149,200.
- In fiscal year 2022, the District's total revenues decreased 3.61% or \$139,238 to \$3,719,076. In fiscal year 2021, the District's total revenues decreased 3.31% or \$132,231 to \$3,858,314.
- In fiscal year 2022, the District's program revenues increased 55.38% or \$39,844 to \$111,786. In fiscal year 2021, the District's program revenues decreased 41.45% or \$50,927 to \$71,942.
- In fiscal year 2022, the District's general revenues decreased 4.73% or \$179,082 to \$3,607,290. In fiscal year 2021, the District's general revenues decreased 2.10% or \$81,304 to \$3,786,372.
- In fiscal year 2022, the District's total expenses increased 8.75% or \$317,645 to \$3,948,704. In fiscal year 2021, the District's total expenses increased 3.65% or \$128,004 to \$3,631,059.

Required Financial Statements

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

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

Vista Fire Protection District
Management's Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2022 and 2021

District Activities

The Vista Fire Protection District is adjacent to the City of Vista in San Diego County. The District is organized under the Fire Protection District Law of 1987 (Health and Safety Code Section 13800 et. Seq) to provide fire protection services within the Vista Fire Protection District. An elected board of directors makes all policy decisions. The District is governed by a five-member elected Board of Directors. The Board is responsible for establishing policies, guidelines and providing direction for Fire District staff. Board meets on the second Wednesday of each month.

Government-wide Financial Statements

Statement of Net Position and Statement of Activities

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

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

Governmental Fund Financial Statements

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

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

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

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 19 through 35.

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information and supplementary information concerning the District's budgetary information and compliance.

Vista Fire Protection District
Management's Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2022 and 2021

Government-wide Financial Analysis

Condensed Statement of Net Position					
	<u>2022</u>	<u>2021</u>	<u>Change</u>	<u>2020</u>	<u>Change</u>
Assets:					
Current assets	\$ 11,914,148	12,077,444	(163,296)	11,898,879	178,565
Non-current assets	<u>194,556</u>	<u>206,301</u>	<u>(11,745)</u>	<u>204,047</u>	<u>2,254</u>
Total assets	<u>12,108,704</u>	<u>12,283,745</u>	<u>(175,041)</u>	<u>12,102,926</u>	<u>180,819</u>
Liabilities:					
Current liabilities	<u>189,132</u>	<u>134,545</u>	<u>54,587</u>	<u>180,981</u>	<u>(46,436)</u>
Total liabilities	<u>189,132</u>	<u>134,545</u>	<u>54,587</u>	<u>180,981</u>	<u>(126,394)</u>
Net position:					
Net investment in capital assets	194,556	206,301	(11,745)	204,047	2,254
Unrestricted	<u>11,725,016</u>	<u>11,942,899</u>	<u>(217,883)</u>	<u>11,717,898</u>	<u>225,001</u>
Total net position	<u>\$ 11,919,572</u>	<u>12,149,200</u>	<u>(229,628)</u>	<u>11,921,945</u>	<u>227,255</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 and deferred outflows of resources of the District exceeded liabilities and deferred inflows of resources by \$11,919,572 and \$12,149,200 as of June 30, 2022 and 2021, respectively.

A portion of the District's net position (1.63% and 1.70% as of June 30, 2022 and 2021, respectively) reflects its investment in capital assets (net of accumulated depreciation) less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets for operations; consequently, these assets are *not* available for future spending.

At the end of fiscal year 2022 and 2021, the District showed a positive balance in its unrestricted net position of \$11,725,016 and \$11,942,899, which may be utilized in future years. (See Note 5)

Condensed Statement of Activities					
	<u>2022</u>	<u>2021</u>	<u>Change</u>	<u>2020</u>	<u>Change</u>
Expenses:					
Fire protection operations	\$ 3,948,704	3,631,059	317,645	3,503,055	128,004
Total expenses	<u>3,948,704</u>	<u>3,631,059</u>	<u>317,645</u>	<u>3,503,055</u>	<u>128,004</u>
Program revenues	111,786	71,942	39,844	122,869	(50,927)
General revenues	<u>3,607,290</u>	<u>3,786,372</u>	<u>(179,082)</u>	<u>3,867,676</u>	<u>(81,304)</u>
Total revenues	<u>3,719,076</u>	<u>3,858,314</u>	<u>(139,238)</u>	<u>3,990,545</u>	<u>(132,231)</u>
Change in net position	(229,628)	227,255	(456,883)	487,490	(260,235)
Net position – beginning of year	<u>12,149,200</u>	<u>11,921,945</u>	<u>227,255</u>	<u>11,434,455</u>	<u>487,490</u>
Net position – end of year	<u>\$ 11,919,572</u>	<u>12,149,200</u>	<u>(229,628)</u>	<u>11,921,945</u>	<u>227,255</u>

The statements of activities show how the District's net position changed during the fiscal year. In fiscal year 2022, the District's net position decreased 1.89% or \$229,628 to \$11,919,572 from ongoing operations. In fiscal year 2021, the District's net position increased 1.91% or \$227,255 to \$12,149,200 from ongoing operations.

A closer examination reveals that:

In fiscal year 2022, the District's total revenues from all sources decreased 3.61% or \$139,238 to \$3,719,076. Program revenues increased 55.38% or \$39,844, due to an increase of \$42,843 in fire mitigation fees, which was offset by a decrease of \$2,999 in ambulance fees.

Vista Fire Protection District
Management's Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2022 and 2021

Government-wide Financial Analysis, continued

General revenues decreased 4.73% or \$179,082, primarily due to decreases of \$362,701, and \$21,383 in unrealized loss on investments and interest earnings, respectively, which was offset by an increase of \$204,724 in property taxes.

In fiscal year 2021, the District's total revenues from all sources decreased 3.31% or \$132,231 to \$3,858,314. Program revenues decreased 41.45% or \$50,927, due to decreases of \$46,524, and \$4,403 in fire mitigation fees, and ambulance fees. General revenues decreased 2.10% or \$81,304, primarily due to decreases of \$134,915, and \$112,270 in unrealized loss on investments and interest earnings, respectively, which was offset by an increase of \$166,181 in property taxes.

In fiscal year 2022, the District's total expenses increased 8.75% or \$317,645 to \$3,948,704, due to increases of \$227,488 in fire protection services, and \$89,543 in general and administrative.

In fiscal year 2021, the District's total expenses increased 3.65%, or \$128,004 to \$3,631,059, due to increases of \$106,945 in fire protection services, and \$32,609 in general and administrative.

Governmental Funds Financial Analysis

The focus of the District's governmental funds 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, the unassigned fund balance may serve as a useful measure of the government's net resources for spending at the end of the fiscal year.

As of June 30, 2022 and 2021, the District's General Fund reported a fund balance of \$11,620,998 and \$11,846,171, respectively. An amount of \$3,218,498, and \$11,843,542 as of June 30, 2022 and 2021, respectively, constitutes the District's unassigned fund balance, which is available for specific future District operations. (See Note 6)

General Fund Budgetary Highlights

As of June 30, 2022, the final actual expenditures for the General Fund were \$16,447 less than budgeted. The variance is principally due to the District over-budgeting general and administrative expenses. Actual revenues were less than the anticipated budget by \$280,609.

As of June 30, 2021, the final actual expenditures for the General Fund were \$191,774 more than budgeted. The variance is principally due to the District under-budgeting fire protection service expenditures. Actual revenues were greater than the anticipated budget by \$124,810 (See Budgetary Comparison Schedule for General Fund under Required Supplementary Information section on pages 36 and 39)

Fire Mitigation Fund Budgetary Highlights

As of June 30, 2022, the final actual expenditures for the Fire Mitigation Fund were \$4,895 more than budgeted. Actual revenues were more than the anticipated budget by \$29,685.

As of June 30, 2021, the final actual expenditures for the Fire Mitigation Fund were \$65,000 less than budgeted. Actual revenues were less than the anticipated budget by \$16,496 (See Budgetary Comparison Schedule for the Fire Mitigation Fund under Required Supplementary Information section on pages 37 and 40)

Vista Fire Protection District
Management's Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2022 and 2021

Capital Asset Administration

Changes in capital assets for 2022 were as follows:

	<u>Balance 2021</u>	<u>Additions</u>	<u>Deletions/ Transfers</u>	<u>Balance 2022</u>
Capital assets:				
Non-depreciable assets	\$ 40,000	-	-	40,000
Depreciable assets	<u>377,139</u>	<u>8,760</u>	<u>(1,358)</u>	<u>384,541</u>
Total capital assets	417,139	8,760	(1,358)	424,541
Accumulated depreciation	<u>(210,838)</u>	<u>(19,691)</u>	<u>544</u>	<u>(229,985)</u>
Total capital assets, net	<u>\$ 206,301</u>	<u>(10,931)</u>	<u>(814)</u>	<u>194,556</u>

The District's investment in capital assets (net of accumulated depreciation) amounted to \$194,556. Major capital asset additions during the year included access road improvements. (See Note 4 for further information)

Changes in capital assets for 2021 were as follows:

	<u>Balance 2020</u>	<u>Additions</u>	<u>Deletions/ Transfers</u>	<u>Balance 2021</u>
Capital assets:				
Non-depreciable assets	\$ 40,000	-	-	40,000
Depreciable assets	<u>355,807</u>	<u>21,332</u>	<u>-</u>	<u>377,139</u>
Total capital assets	395,807	21,332	-	417,139
Accumulated depreciation	<u>(191,760)</u>	<u>(19,078)</u>	<u>-</u>	<u>(210,838)</u>
Total capital assets, net	<u>\$ 204,047</u>	<u>2,254</u>	<u>-</u>	<u>206,301</u>

At the end of fiscal year 2021, the District's investment in capital assets amounted to \$206,301 (net of accumulated depreciation). This investment in capital assets includes access road improvements and an equipment purchase. (See Note 4 for further information)

Conditions Affecting Current Final Position

The COVID-19 pandemic in the United States has caused business disruption through mandated and voluntary closings of businesses. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings. However, the related financial impact on the District and the duration cannot be estimated at this time.

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

Requests for Information

The 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 Vista Fire Protection District, 955 Vale Terrace Drive, Suite A, Vista, California 92084 or (760) 688-7588.

Basic Financial Statements

Vista Fire Protection District
Statements of Net Position
June 30, 2022 and 2021

	2022	2021
Current assets:		
Cash and cash equivalents (note 2)	\$ 11,812,271	12,016,521
Accrued interest receivable	27,105	23,446
Accounts receivable – fire mitigation	46,695	7,155
Property taxes receivable	19,636	13,442
Due from other governments (note 3)	5,941	14,251
Prepaid expenses	2,500	2,629
Total current assets	11,914,148	12,077,444
Non-current assets:		
Capital assets – not being depreciated (note 4)	40,000	40,000
Capital assets – being depreciated, net (note 4)	154,556	166,301
Total non-current assets	194,556	206,301
Total assets	12,108,704	12,283,745
Current liabilities:		
Accounts payable and accrued expenses	189,132	133,550
Accrued salaries and related payables	-	995
Total current liabilities	189,132	134,545
Total liabilities	189,132	134,545
Net position: (note 5)		
Net investment in capital assets	194,556	206,301
Unrestricted	11,725,016	11,942,899
Total net position	\$ 11,919,572	12,149,200

See accompanying notes to the basic financial statements

Vista Fire Protection District
Statements of Activities
For the Fiscal Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Expenses:		
Fire protection services	\$ 3,677,288	3,449,800
General and administrative	251,725	162,182
Depreciation	19,691	19,077
Total expenses	<u>3,948,704</u>	<u>3,631,059</u>
Program revenues:		
Charges for services – fire mitigation fees	83,217	40,374
Charges for services – ambulance fees	28,569	31,568
Total program revenues	<u>111,786</u>	<u>71,942</u>
Net program expense	<u>3,836,918</u>	<u>3,559,117</u>
General revenues:		
Property taxes	3,938,428	3,733,704
Interest earnings	89,011	110,394
Unrealized loss on investments	(420,298)	(57,597)
Other non-operating revenues (expenses), net	149	(129)
Total general revenues	<u>3,607,290</u>	<u>3,786,372</u>
Change in net position	(229,628)	227,255
Net position – beginning of year	<u>12,149,200</u>	<u>11,921,945</u>
Net position – end of year	<u>\$ 11,919,572</u>	<u>12,149,200</u>

See accompanying notes to the basic financial statements

**Vista Fire Protection District
Balance Sheet
June 30, 2022**

	<u>General Fund</u>	<u>Fire Mitigation Fund</u>	<u>Total Governmental Funds</u>
Assets:			
Cash and cash equivalents	\$ 11,720,219	92,052	11,812,271
Accrued interest receivable	26,901	204	27,105
Accounts receivable – fire mitigation	-	46,695	46,695
Property taxes receivable	19,636	-	19,636
Due from general fund	-	7,093	7,093
Due from other governments	5,941	-	5,941
Prepaid expenses	2,500	-	2,500
Total assets	11,775,197	146,044	11,921,241
Liabilities:			
Accounts payable and accrued expenses	147,106	42,026	189,132
Due to fire mitigation fund	7,093	-	7,093
Total liabilities	154,199	42,026	196,225
Fund balance: (note 6)			
Non-spendable	2,500	-	2,500
Restricted	-	104,018	104,018
Committed	3,900,000	-	3,900,000
Assigned	4,500,000	-	4,500,000
Unassigned	3,218,498	-	3,218,498
Total fund balance	11,620,998	104,018	11,725,016
Total liabilities and fund balance	\$ 11,775,197	146,044	11,921,241

See accompanying notes to the basic financial statements

Vista Fire Protection District
Reconciliation of the Balance Sheet of Governmental
Type Funds to the Statement of Net Position
June 30, 2022

Reconciliation:

Fund balance - Governmental Funds	\$ <u>11,725,016</u>
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not current financial resources and, therefore are not reported in the governmental funds balance sheet.

Capital assets not being depreciated	40,000
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Capital assets being depreciated, net	<u>154,556</u>
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Total adjustments	<u>194,556</u>
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Net position of governmental activities	\$ <u><u>11,919,572</u></u>
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See accompanying notes to the basic financial statements

Vista Fire Protection District
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Fiscal Year Ended June 30, 2022

	General Fund	Fire Mitigation Fund	Total
Expenditures/Expenses:			
Current			
Fire protection services	\$ 3,602,393	74,895	3,677,288
General and administrative	251,725	-	251,725
Capital outlay	7,946	-	7,946
Total expenditures/expenses	3,862,064	74,895	3,936,959
Program revenues:			
Charges for services – fire mitigation fees	-	83,217	83,217
Charges for services – ambulance fees	28,569	-	28,569
Total program revenues	28,569	83,217	111,786
Net program expense	3,833,495	(8,322)	3,825,173
General revenues:			
Property taxes	3,938,428	-	3,938,428
Interest earnings	88,485	526	89,011
Unrealized loss on investments	(418,740)	(1,558)	(420,298)
Other non-operating revenues	149	-	149
Total general revenues	3,608,322	(1,032)	3,607,290
Total revenues	3,636,891	82,185	3,719,076
Excess of revenues over expenditures	(225,173)	7,290	(217,883)
Change in net position	(225,173)	7,290	(217,883)
Fund balance, beginning of year (note 6)	11,846,171	96,728	11,942,899
Fund balance, end of year	\$ 11,620,998	104,018	11,725,016

See accompanying notes to the basic financial statements

Vista Fire Protection District
Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balance of Governmental Type Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2022

Reconciliation:

Net Change in Fund balance - Governmental Funds \$ (217,883)

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

Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets are included as capital assets and allocated over their estimated useful lives as depreciation expense.

Capital outlay	7,946
Depreciation expense	<u>(19,691)</u>

Total adjustments	<u>(11,745)</u>
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Change in net position of governmental activities \$ (229,628)

See accompanying notes to the basic financial statements

**Vista Fire Protection District
Balance Sheet
June 30, 2021**

	<u>General Fund</u>	<u>Fire Mitigation Fund</u>	<u>Total Governmental Funds</u>
Assets:			
Cash and cash equivalents	\$ 11,926,948	89,573	12,016,521
Accrued interest receivable	23,446	-	23,446
Accounts receivable – fire mitigation	-	7,155	7,155
Property taxes receivable	13,442	-	13,442
Due from other governments	14,251	-	14,251
Prepaid expenses	2,629	-	2,629
Total assets	<u>11,980,716</u>	<u>96,728</u>	<u>12,077,444</u>
Liabilities:			
Accounts payable and accrued expenses	133,550	-	133,550
Accrued salaries and related payables	995	-	-
Total liabilities	<u>134,545</u>	<u>-</u>	<u>133,550</u>
Fund balance: (note 6)			
Non-spendable	2,629	-	2,629
Assigned	-	96,728	96,728
Unassigned	11,843,542	-	11,843,542
Total fund balance	<u>11,846,171</u>	<u>96,728</u>	<u>11,942,899</u>
Total liabilities and fund balance	<u>\$ 11,980,716</u>	<u>96,728</u>	<u>12,076,449</u>

See accompanying notes to the basic financial statements

Vista Fire Protection District
Reconciliation of the Balance Sheet of Governmental
Type Funds to the Statement of Net Position
June 30, 2021

Reconciliation:

Fund balance - Governmental Funds	\$ <u>11,942,899</u>
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Amounts reported for governmental activities in the statement of net position is different because:

Capital assets used in governmental activities are not current financial resources and, therefore are not reported in the governmental funds balance sheet.

Capital assets not being depreciated	40,000
Capital assets being depreciated, net	<u>166,301</u>

Total adjustments	<u>206,301</u>
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Net position of governmental activities	\$ <u><u>12,149,200</u></u>
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See accompanying notes to the basic financial statements

Vista Fire Protection District
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Fiscal Year Ended June 30, 2021

	General Fund	Fire Mitigation Fund	Total
Expenditures/Expenses:			
Current			
Fire protection services	\$ 3,449,800	-	3,449,800
General and administrative	162,182	-	162,182
Capital outlay	21,331	-	21,331
Total expenditures/expenses	3,633,313	-	3,633,313
Program revenues:			
Charges for services – fire mitigation fees	-	40,374	40,374
Charges for services – ambulance fees	31,568	-	31,568
Total program revenues	31,568	40,374	71,942
Net program expense	3,601,745	(40,374)	3,561,371
General revenues:			
Property taxes	3,733,704	-	3,733,704
Interest earnings	110,394	-	110,394
Unrealized loss on investments	(57,597)	-	(57,597)
Other non-operating revenues	(129)	-	(129)
Total general revenues	3,786,372	-	3,786,372
Total revenues	3,817,940	40,374	3,858,314
Excess of revenues over expenditures	184,627	40,374	225,001
Change in net position	184,627	40,374	225,001
Fund balance, beginning of year (note 6)	11,661,544	56,354	11,717,898
Fund balance, end of year	\$ 11,846,171	96,728	11,942,899

See accompanying notes to the basic financial statements

Vista Fire Protection District
Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balance of Governmental Type Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2021

Reconciliation:

Net Change in Fund balance - Governmental Funds \$ 225,001

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

Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets are included as capital assets and allocated over their estimated useful lives as depreciation expense.

Capital outlay	21,331
Depreciation expense	<u>(19,077)</u>

Total adjustments	<u>2,254</u>
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Change in net position of governmental activities \$ 227,255

See accompanying notes to the basic financial statements

Vista Fire Protection District
Notes to the Basic Financial Statements
For the Fiscal Years Ended June 30, 2022 and 2021

(1) Reporting Entity and Summary of Significant Accounting Policies

A. Organization and Operations of the Reporting Entity

The Vista Fire Protection District is adjacent to the City of Vista in San Diego County. The District is organized under the Fire Protection District Law of 1987 (Health and Safety Code Section 13800 et. Seq) to provide fire protection services within the Vista Fire Protection District. An elected board of directors makes all policy decisions.

The District is governed by a five-member elected Board of Directors. The Board is responsible for establishing policies, guidelines and providing direction for Fire District staff. Board meets on the second Wednesday of each month.

B. Basis of Accounting and Measurement Focus

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

Government-wide Financial Statements

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

Governmental Fund Financial Statements

These statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds. Incorporated into these statements is a schedule to reconcile and explain the differences 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 this statement to meet the qualifications of GASB Statement No. 34.

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

Vista Fire Protection District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

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

B. Basis of Accounting and Measurement Focus, continued

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.

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

The District reports the following major governmental funds:

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

C. Financial Reporting

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

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

In June 2017, the GASB issued Statement No. 87 – *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

In June 2018, the GASB issued Statement No. 89 – *Accounting for Interest Cost incurred Before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

Vista Fire Protection District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

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

C. Financial Reporting, continued

In January 2020, the GASB issued Statement No. 92 – *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements.

The requirements of this Statement were as follows: (1) The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance; (2) The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 are effective for fiscal years beginning after June 15, 2020; (3) The requirements related to application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective for reporting periods beginning after June 15, 2020; and (4) The requirements related to the measurement of liabilities (and assets, if any) associated with AROs in a government acquisition are effective for government acquisitions occurring in reporting periods beginning after June 15, 2020; however, in light of the COVID-19 pandemic, the effective date has been postponed by one year. Earlier application is encouraged and is permitted by topic.

In March 2020, the GASB issued Statement No. 93 – *Replacement of Interbank Offered Rates*. The objective of this Statement is to address accounting and financial reporting implications that result from the replacement of an IBOR. This Statement achieves that objective by: (1) Providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment; (2) Clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate; (3) Clarifying that the uncertainty related to the continued availability of IBORs does not, by itself, affect the assessment of whether the occurrence of a hedged expected transaction is probable; (4) Removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap; (5) Identifying a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of an interest rate swap; (6) Clarifying the definition of reference rate, as it is used in Statement 53, as amended; and (7) Providing an exception to the lease modifications guidance in Statement 87, as amended, for certain lease contracts that are amended solely to replace an IBOR as the rate upon which variable payments depend.

In October 2021, the GASB issued Statement No. 98 – *The Annual Comprehensive Financial Report*. This Statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments.

This Statement was developed in response to concerns raised by stakeholders that the common pronunciation of the acronym for comprehensive annual financial report sounds like a profoundly objectionable racial slur.

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position

1. Use of Estimates

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

Vista Fire Protection District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

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

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

2. Uncertainty

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of businesses. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings. However, the related financial impact on District and the duration cannot be estimated at this time.

3. Cash and Cash Equivalents

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

4. Investments and Investment Policy

The District has adopted an investment policy directing the Treasurer to invest funds in investments in accordance with the investment policy.

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

5. Fair Value Measurements

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on valuation inputs used to measure the fair value of the asset as follows:

- **Level 1** – Valuation is based on quoted prices in active markets for identical assets.
- **Level 2** – Valuation is based on directly observable and indirectly observable inputs. These inputs are derived principally from or corroborated by observable market data through correlation or market-corroborated inputs. The concept of market-corroborated inputs incorporates observable market data such as interest rates and yield curves that are observable at commonly quoted intervals.
- **Level 3** – Valuation is based on unobservable inputs where assumptions are made based on factors such as prepayment rates, probability of defaults, loss severity, and other assumptions that are internally generated and cannot be observed in the market.

6. Property Taxes and Assessments

Property taxes attach as an enforceable lien on property as of January 1. Taxes are payable in two installments on December 10 and April 10. The County of San Diego (County) bills and collects the property taxes and remits them to the District in installment during the year. Tax revenues are recognized by the District when received.

7. Prepaid Expenses

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

Vista Fire Protection District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

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

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

8. Capital Assets

Capital assets are recorded in the government-wide financial statements. Included in capital assets are equipment, and access road improvements. District policy is to capitalize *all* equipment, and access road improvements. Donated assets are recorded at estimated fair market value at the date of donation. Capital outlay is recorded as expenditures of the General Fund and as assets in the government-wide financial statements to the extent the District's capitalization threshold is met. Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets as follows:

- Equipment 5 years
- Access road improvements 20 years

9. Net Position

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

- **Net Investment in Capital Assets** – Investment in capital assets, net of related debt consists of capital assets, net of accumulated depreciation and amortization, and reduced by outstanding balances of any debt, or other long-term borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- **Restricted** – Restricted consists of assets that have restrictions placed upon their use by external constraints imposed either by creditors (debt covenants), grantors, contributors, or laws and regulations of other governments or constraints imposed by law through enabling legislation.
- **Unrestricted** – Unrestricted consists of the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of the net investment in capital assets or restricted component of net position.

10. Fund Balance

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

- **Non-spendable fund balance** – amounts that cannot be spent because they are either (a) not spendable in form, or (b) legally or contractually required to be maintained intact.
- **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 enabling legislation.
- **Committed fund balance** – amounts that can only be used for specific purposes determined by formal action of the District's highest level of decision-making authority (the Board of Directors) and that remain binding unless removed in the same manner. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.
- **Assigned fund balance** – amounts that are constrained by the District's intent to be used for specific purposes. The intent can be established at either the highest level of decision-making, or by a body or an official designated for that purpose. This is also the classification for residual funds in the District's special revenue funds.

Vista Fire Protection District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

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

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

10. Fund Balance, continued

- **Unassigned fund balance** – the residual classification for the District’s general fund that includes amounts not contained in the other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

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

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

Fund Balance Policy

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

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

11. Budgetary Policies

The District follows specific procedures in establishing the budgetary data reflected in the financial statements. By state law, the District may adopt a tentative budget no later than July 1, of each year and adopt a final budget no later than September 15 of each year. Budget revisions are adopted as required in consideration to unanticipated revenues or expenditures.

12. Reclassification

The District has reclassified certain prior year information to conform with current year presentations.

Vista Fire Protection District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(2) Cash and Cash Equivalents

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

	2022	2021
Cash and cash equivalents	\$ 11,812,271	12,016,521

Cash and cash equivalents as of June 30 consist of the following:

	2022	2021
Deposits held with financial institutions	\$ 193,407	235,998
Investments	11,618,864	11,780,523
Total	\$ 11,812,271	12,016,521

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

	2022	2021
Deposits held with Local Agency Investment Fund (LAIF)	311 days	291 days
Deposits held with San Diego County Pooled Investment Fund (SCPIF)	551 days	614 days

Authorized Deposits and Investments

Under provisions of the District's investment policy, and in accordance with Section 53601 of the California Government Code, the District may invest funds as listed in Note 1.D.4 to the financial statements.

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits, or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the District's investment policy does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits:

The California Government Code requires that a financial institution secure deposits made by 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. Of the bank balances, up to \$250,000 is federally insured per institution and the remaining balance is collateralized in accordance with the Code; however, the collateralized securities are not held in the District's name.

The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Code and the District's investment policy contain legal and policy requirements that would limit the exposure to custodial credit risk for investments.

With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF).

Vista Fire Protection District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(2) Cash and Cash Equivalents, continued

At June 30, 2022, the District's investments mature as follows:

<u>Investment Type</u>	<u>Total</u>	<u>Remaining Maturity 12 Months Or Less</u>
Local Agency Investment Fund (LAIF)	\$ 890,943	890,943
San Diego County Pooled Investment Fund (SCPIF)	5,051,518	5,051,518
California Asset Management Program (CAMP)	245,684	245,684
CB&T Trust Wealth Management	<u>5,430,719</u>	<u>5,430,719</u>
Total	\$ <u>11,618,864</u>	<u>11,618,864</u>

At June 30, 2021, the District's investments mature as follows:

<u>Investment Type</u>	<u>Total</u>	<u>Remaining Maturity 12 Months Or Less</u>
Local Agency Investment Fund (LAIF)	\$ 900,125	900,125
San Diego County Pooled Investment Fund (SCPIF)	4,969,110	4,969,110
California Asset Management Program (CAMP)	245,035	245,035
CB&T Trust Wealth Management	<u>5,666,253</u>	<u>5,666,253</u>
Total	\$ <u>11,780,523</u>	<u>11,780,523</u>

Interest Rate Risk

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

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization; however, LAIF is not rated.

Credit ratings of investments as of June 30, 2022, were as follows:

<u>Investment Type</u>	<u>Total</u>	<u>Minimum Legal Rating</u>	<u>Exempt or Not Rated</u>
Local Agency Investment Fund (LAIF)	\$ 890,943	N/A	890,943
San Diego County Pooled Investment Fund (SCPIF)	5,051,518	N/A	5,051,518
California Asset Management Program (CAMP)	245,684	N/A	245,684
CB&T Trust Wealth Management	<u>5,430,719</u>	N/A	<u>5,430,719</u>
Total	\$ <u>11,618,864</u>		<u>11,618,864</u>

Vista Fire Protection District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(2) Cash and Cash Equivalents, continued

Credit ratings of investments as of June 30, 2021, were as follows:

<u>Investment Type</u>	<u>Total</u>	<u>Minimum Legal Rating</u>	<u>Exempt or Not Rated</u>
Local Agency Investment Fund (LAIF)	\$ 900,125	N/A	900,125
San Diego County Pooled Investment Fund (SDCPIF)	4,969,110	N/A	4,969,110
California Asset Management Program (CAMP)	245,035	N/A	245,035
CB&T Trust Wealth Management	5,666,253	N/A	5,666,253
Total	\$ 11,780,523		11,780,523

Concentration of Credit Risk

The District's investment policy contains no limitations on the amounts that can be invested in any one issuer as beyond that stipulated by the California Government Code. There were no investments in any one issuer (other than for U.S. Treasury securities, mutual funds, and external investment pools) that represented 5% or more of total District's investment at June 30, 2022 and 2021.

Investment in State Investment Pool

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

The pool portfolio is invested in a manner that meets the maturity, quality, diversification and liquidity requirements set forth by GASB 79 for external investment pools that elect to measure, for financial reporting purposes, investments at amortized cost. LAIF does not have any legally binding guarantees of share values. LAIF does not impose liquidity fees or redemption gates on participant withdrawals.

San Diego County Pooled Investment Fund (SDCPIF)

The San Diego County Pooled Investment Fund (SDCPIF) is a pooled investment fund program governed by the County of San Diego Board of Supervisors and administered by the County of San Diego Treasurer and Tax Collector. Investments in SDCPIF are highly liquid as deposits and withdrawals can be made at any time without penalty, determined on an amortized cash basis, the same as the fair value of the District's position in the pool.

JPA Pool

The District is a voluntary participant in the California Asset Management Program (CAMP), a California Joint Powers Authority that falls under California Code Section 53601(p), which is directed by a Board of Trustees that is made up of experienced local government finance directors and treasurers.

Vista Fire Protection District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(2) Cash and Cash Equivalents, continued

Fair Value Measurements

Investments measured at fair value on a recurring and non-recurring basis, are as follows:

Investments at June 30, 2022

<u>Investment Type</u>	<u>Total</u>	<u>Fair Value Measurements</u>		
		<u>Quoted Price in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Local Agency Investment Fund (LAIF)	\$ 890,943	890,943	-	-
San Diego County Pooled Investment Fund (SCPIF)	5,051,518	5,051,518	-	-
California Asset Management Program (CAMP)	245,684	245,684	-	-
CB&T Trust Wealth Management	5,430,719	5,430,719	-	-
Total	\$ 11,618,864	11,618,864	-	-

Investments at June 30, 2021

<u>Investment Type</u>	<u>Total</u>	<u>Fair Value Measurements</u>		
		<u>Quoted Price in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Local Agency Investment Fund (LAIF)	\$ 900,125	900,125	-	-
San Diego County Pooled Investment Fund (SCPIF)	4,969,110	4,969,110	-	-
California Asset Management Program (CAMP)	245,035	245,035	-	-
CB&T Trust Wealth Management	5,666,253	5,666,253	-	-
Total	\$ 11,780,523	11,780,523	-	-

(3) Due to/Due From the City of Vista

The amounts reflected in the financial statements that are due from/due to the City of Vista represent the overpayment/underpayment for contracted fire protection services and other fees collected by the City of Vista on behalf of the District as follows:

	<u>2022</u>	<u>2021</u>
District fees collected by the City of Vista on behalf of the District for fiscal year 2021/22	\$ 28,569	31,568
Less: Payments received through 06/30/22	(22,628)	(17,317)
Balance due from the City of Vista	<u>5,941</u>	<u>14,251</u>
Fire protection and emergency medical services	3,677,288	3,449,800
Less: Payments remitted through 06/30/22	(3,677,288)	(3,449,800)
Balance due from the City of Vista	<u>-</u>	<u>-</u>
Net due from the City of Vista	<u>\$ 5,941</u>	<u>14,251</u>

Vista Fire Protection District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(4) Capital Assets

Changes in capital assets for the 2022 fiscal year were as follows:

	<u>Balance 2021</u>	<u>Additions</u>	<u>Deletions/ Transfers</u>	<u>Balance 2022</u>
Non-depreciable assets:				
Land	\$ 40,000	-	-	40,000
Total non-depreciable assets	<u>40,000</u>	<u>-</u>	<u>-</u>	<u>40,000</u>
Depreciable assets:				
Access road improvements	359,968	8,760	-	368,728
Equipment	8,452	-	(1,358)	7,094
Signage	8,719	-	-	8,719
Total depreciable assets	<u>377,139</u>	<u>8,760</u>	<u>(1,358)</u>	<u>384,541</u>
Accumulated depreciation:				
Access road improvements	(199,749)	(18,218)	-	(217,967)
Equipment	(3,061)	(1,383)	544	(3,900)
Signage	(8,028)	(90)	-	(8,118)
Total accumulated depreciation	<u>(210,838)</u>	<u>(19,691)</u>	<u>544</u>	<u>(229,985)</u>
Total depreciable assets, net	<u>166,301</u>	<u>(10,931)</u>	<u>(814)</u>	<u>154,556</u>
Total capital assets, net	<u>\$ 206,301</u>			<u>194,556</u>

Major capital asset additions during the year included \$8,760 in access road improvements.

Changes in capital assets for the 2021 fiscal year were as follows:

	<u>Balance 2020</u>	<u>Additions</u>	<u>Deletions/ Transfers</u>	<u>Balance 2021</u>
Non-depreciable assets:				
Land	\$ 40,000	-	-	40,000
Total non-depreciable assets	<u>40,000</u>	<u>-</u>	<u>-</u>	<u>40,000</u>
Depreciable assets:				
Access road improvements	341,768	18,200	-	359,968
Equipment	5,664	2,788	-	8,452
Signage	8,375	344	-	8,719
Total depreciable assets	<u>355,807</u>	<u>21,332</u>	<u>-</u>	<u>377,139</u>
Accumulated depreciation:				
Access road improvements	(182,130)	(17,619)	-	(199,749)
Equipment	(1,678)	(1,383)	-	(3,061)
Signage	(7,952)	(76)	-	(8,028)
Total accumulated depreciation	<u>(191,760)</u>	<u>(19,078)</u>	<u>-</u>	<u>(210,838)</u>
Total depreciable assets, net	<u>164,047</u>	<u>2,254</u>	<u>-</u>	<u>166,301</u>
Total capital assets, net	<u>\$ 204,047</u>			<u>206,301</u>

Major capital asset additions during the year included \$18,200 in access road improvements and \$2,788 in equipment.

Vista Fire Protection District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(5) Net Position

The calculation of net position at June 30 was as follows:

	2022	2021
Investment in capital assets:		
Capital assets, net	\$ 194,556	206,301
Total investment in capital assets	194,556	206,301
Unrestricted net position:		
Non-spendable net position:		
Prepaid expenses	2,500	2,629
Total non-spendable net position	2,500	2,629
Spendable net position:		
Unrestricted:		
Designated for fire mitigation services	104,018	96,728
Unrestricted	11,618,498	11,843,542
Total spendable net position	11,722,516	11,940,270
Total unrestricted net position	11,725,016	11,942,899
Total net position	\$ 11,919,572	12,149,200

Unrestricted Net Position – Operating Reserves

The District maintains a policy to reserve a portion of unrestricted net position that would allow it to continue fire protection service for up to 18 months following a natural disaster. The operating reserve of \$4.5 million may be adjusted by the Board of Directors from time to time, as necessary to fund both operations and capital improvement projects.

At June 30, reserve balances were as follows:

Description	2022	2021
Operating reserve for natural disasters	\$ 4,500,000	4,500,000
Unreserved portion of unrestricted net position	7,225,016	7,442,899
Total unrestricted net position	\$ 11,725,016	11,942,899

Vista Fire Protection District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(6) Fund Balance

Fund balances are presented in the following categories: non-spendable, restricted, committed, assigned, and unassigned (See Note 1.D.10 for a description of these categories).

Fund balance classifications as of June 30, 2022 are as follows:

<u>Description</u>	<u>General Fund</u>	<u>Fire Mitigation Fund</u>	<u>Total Governmental Funds</u>
Non-spendable:			
Prepaid expenses	\$ 2,500	-	2,500
Total non-spendable	<u>2,500</u>	<u>-</u>	<u>2,500</u>
Restricted:			
Fire Mitigation Fund	-	104,018	104,018
Total restricted	<u>-</u>	<u>104,018</u>	<u>104,018</u>
Committed:			
Fire Station Reconstruction	3,900,000	-	3,900,000
Total committed	<u>3,900,000</u>	<u>-</u>	<u>3,900,000</u>
Assigned:			
General Operating Reserve	4,500,000	-	4,500,000
Total assigned	<u>4,500,000</u>	<u>-</u>	<u>4,500,000</u>
Unassigned	<u>3,218,498</u>	<u>-</u>	<u>3,218,498</u>
Total unassigned	<u>3,218,498</u>	<u>-</u>	<u>3,218,498</u>
Total fund balance	<u>\$ 11,620,998</u>	<u>104,018</u>	<u>11,725,016</u>

Fund balance classifications as of June 30, 2021 are as follows:

<u>Description</u>	<u>General Fund</u>	<u>Fire Mitigation Fund</u>	<u>Total Governmental Funds</u>
Non-spendable:			
Prepaid expenses	\$ 2,629	-	2,629
Total non-spendable	<u>2,629</u>	<u>-</u>	<u>2,629</u>
Assigned:			
Designated for fire protection services	-	96,728	96,728
Total assigned	<u>-</u>	<u>96,728</u>	<u>96,728</u>
Unassigned	<u>11,843,542</u>	<u>-</u>	<u>11,843,542</u>
Total unassigned	<u>11,843,542</u>	<u>-</u>	<u>11,843,542</u>
Total fund balance	<u>\$ 11,846,171</u>	<u>96,728</u>	<u>11,942,899</u>

Vista Fire Protection District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

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

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to June 30, 2022, that have effective dates that may impact future financial presentations.

The following pronouncement implementation dates have been delayed due to the COVID-19 pandemic.

Governmental Accounting Standards Board Statement No. 91

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.

The requirements of this Statement were effective for reporting periods beginning after December 15, 2020; however, in light of the COVID-19 pandemic, the effective date has been postponed by one year. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 94

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 asset (the 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; (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.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged.

Vista Fire Protection District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

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

Governmental Accounting Standards Board Statement No. 96

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.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 97

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.

The requirements of this Statement that (1) exempt primary governments that perform the duties that a governing board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution OPEB plans, or other employee benefit plans and (2) limit the applicability of the financial burden criterion in paragraph 7 of Statement 84 to defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement 67 or paragraph 3 of Statement 74, respectively, are effective immediately. The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this Statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021. Earlier application of those requirements is encouraged and permitted by requirement as specified within this Statement. The Board considered the effective dates for the requirements of this Statement in light of the COVID-19 pandemic and in concert with Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance.

Vista Fire Protection District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

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

Governmental Accounting Standards Board Statement No. 99

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 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.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 100

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, decision useful, understandable, and comprehensive information for users about accounting changes and error corrections.

The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

Vista Fire Protection District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

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

Governmental Accounting Standards Board Statement No. 101

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.

The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

(8) Commitments and Contingencies

Litigation

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

(9) Subsequent Events

Events occurring after June 30, 2022, have been evaluated for possible adjustment to the financial statements or disclosure as of November 9, 2022, which is the date the financial statements were available to be issued.

On July 1, 2022, the District entered into a seventh supplemental agreement with City of Vista (City) for the reconstruction of City Fire Station Three. The expected cost of the project is \$9,500,000, for which \$4,500,000 will be funded by the District. The District funds include \$3,900,000 from the General fund (which is listed as committed fund balance under Note 6 on page 31), \$408,000 from the Fire Mitigation funds, and \$192,000 from the American Rescue Plan Act (ARPA) Funds. In addition to the District's contribution to the reconstruction of the fire station, the contract between the District and the City was extended through June 30, 2056.

Except for the above, the District is not aware of any subsequent events that would require recognition or disclosure in the financial statements.

Required Supplementary Information

**Vista Fire Protection District
Budgetary Comparison Schedule – General Fund
For the Fiscal Year Ended June 30, 2022**

	<u>Adopted Original Budget</u>	<u>Board Approved Changes</u>	<u>Revised Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance Positive (Negative)</u>
Expenditures/Expenses:					
Fire protection services	\$ 3,395,000	-	3,395,000	3,602,393	(207,393)
General and administrative	408,511	-	408,511	251,725	156,786
Capital outlay	<u>75,000</u>	<u>-</u>	<u>75,000</u>	<u>7,946</u>	<u>67,054</u>
Total expenditures/expenses	<u>3,878,511</u>	<u>-</u>	<u>3,878,511</u>	<u>3,862,064</u>	<u>16,447</u>
Program revenues:					
Charges for services – ambulance fees	<u>18,000</u>	<u>-</u>	<u>18,000</u>	<u>28,569</u>	<u>10,569</u>
Total program revenues	<u>18,000</u>	<u>-</u>	<u>18,000</u>	<u>28,569</u>	<u>10,569</u>
General revenues:					
Property taxes	3,800,000	-	3,800,000	3,938,428	138,428
Interest earnings	99,500	-	99,500	88,485	(11,015)
Unrealized loss on investments	-	-	-	(418,740)	(418,740)
Other non-operating revenues, net	<u>-</u>	<u>-</u>	<u>-</u>	<u>149</u>	<u>149</u>
Total general revenues	<u>3,899,500</u>	<u>-</u>	<u>3,899,500</u>	<u>3,608,322</u>	<u>(291,178)</u>
Total revenues	<u>3,917,500</u>	<u>-</u>	<u>3,917,500</u>	<u>3,636,891</u>	<u>(280,609)</u>
Excess of revenues over (under) expenditures	<u>38,989</u>	<u>-</u>	<u>38,989</u>	<u>(225,173)</u>	<u>(264,162)</u>
Net change in fund balance	38,989	-	38,989	(225,173)	<u>(264,162)</u>
Fund balance – beginning of year	<u>11,991,903</u>	<u>-</u>	<u>11,913,135</u>	<u>11,846,171</u>	
Fund balance – end of year	<u>\$ 12,030,892</u>	<u>-</u>	<u>11,952,124</u>	<u>11,620,998</u>	

Vista Fire Protection District
Budgetary Comparison Schedule – Fire Mitigation Fund
For the Fiscal Year Ended June 30, 2022

	<u>Adopted Original Budget</u>	<u>Board Approved Changes</u>	<u>Revised Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance Positive (Negative)</u>
Expenditures/Expenses:					
Fire protection services	\$ 70,000	-	70,000	74,895	(4,895)
Total expenditures/expenses	<u>70,000</u>	<u>-</u>	<u>70,000</u>	<u>74,895</u>	<u>(4,895)</u>
Program revenues:					
Charges for services – fire mitigation fees	52,000	-	52,000	83,217	31,217
Total program revenues	<u>52,000</u>	<u>-</u>	<u>52,000</u>	<u>83,217</u>	<u>31,217</u>
General revenues:					
Interest earnings	500	-	500	526	26
Unrealized loss on investments	-	-	-	(1,558)	(1,558)
Total general revenues	<u>500</u>	<u>-</u>	<u>500</u>	<u>(1,032)</u>	<u>(1,532)</u>
Total revenues	<u>52,500</u>	<u>-</u>	<u>52,500</u>	<u>82,185</u>	<u>29,685</u>
Excess of revenues over (under) expenditures	<u>(17,500)</u>	<u>-</u>	<u>(17,500)</u>	<u>7,290</u>	<u>24,790</u>
Net change in fund balance	<u>(17,500)</u>	<u>-</u>	<u>(17,500)</u>	<u>7,290</u>	<u>24,790</u>
Fund balance – beginning of year	<u>(17,800)</u>	<u>9,670</u>	<u>(8,130)</u>	<u>96,728</u>	
Fund balance – end of year	<u>\$ (35,300)</u>	<u>9,670</u>	<u>(25,630)</u>	<u>104,018</u>	

Vista Fire Protection District
Notes to Budgetary Comparison Schedules
For the Fiscal Year Ended June 30, 2022

(1) Budgets and Budgetary Data

The District follows specific procedures in establishing the budgetary data reflected in the financial statements. On or before June 30 of each year, the District's Board shall adopt a preliminary budget (which is no later than July 1 of each year), which shall conform to the accounting and budgeting procedures for special districts contained in Subchapter 3 (commencing with Section 1031.1) of, and Article 1 (commencing with Section 1121) of Subchapter 4 of, Chapter 2 of Division 2 of Title 2 of the California Code of Regulations.

On or before October 1 of each year after making any changes in the preliminary budget, the board shall adopt a final budget. The final budget shall establish its appropriation limit pursuant to Division 9 (commencing with Section 7900) of Title 1 of the Government Code. A copy of the final budget shall be forwarded to the auditor of each county in which the district is located.

The District presents a comparison of the annual budget to actual results for the General Fund at the functional expenditure-type major object level for financial reporting purposes. The budgeted expenditure amounts represent the adopted budget. No Board approved supplemental appropriations were made. The budgeted revenue amounts represent the adopted budget as originally approved.

Vista Fire Protection District
Budgetary Comparison Schedule – General Fund
For the Fiscal Year Ended June 30, 2021

	<u>Adopted Original Budget</u>	<u>Board Approved Changes</u>	<u>Revised Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance Positive (Negative)</u>
Expenditures/Expenses:					
Fire protection services	\$ 3,310,000	(165,000)	3,145,000	3,449,800	(304,800)
General and administrative	235,841	60,698	296,539	162,182	134,357
Capital outlay	-	-	-	21,331	(21,331)
Total expenditures/expenses	<u>3,545,841</u>	<u>(104,302)</u>	<u>3,441,539</u>	<u>3,633,313</u>	<u>(191,774)</u>
Program revenues:					
Charges for services – ambulance fees	39,000	5,000	44,000	31,568	(12,432)
Total program revenues	<u>39,000</u>	<u>5,000</u>	<u>44,000</u>	<u>31,568</u>	<u>(12,432)</u>
General revenues:					
Property taxes	3,700,000	(200,000)	3,500,000	3,733,704	233,704
Interest earnings	137,200	11,930	149,130	110,394	(38,736)
Unrealized loss on investments	-	-	-	(57,597)	(57,597)
Other non-operating expenses, net	-	-	-	(129)	(129)
Total general revenues	<u>3,837,200</u>	<u>(188,070)</u>	<u>3,649,130</u>	<u>3,786,372</u>	<u>137,242</u>
Total revenues	<u>3,876,200</u>	<u>(183,070)</u>	<u>3,693,130</u>	<u>3,817,940</u>	<u>124,810</u>
Excess of revenues over (under) expenditures	<u>330,359</u>	<u>(78,768)</u>	<u>251,591</u>	<u>184,627</u>	<u>(66,964)</u>
Net change in fund balance	<u>330,359</u>	<u>(78,768)</u>	<u>251,591</u>	<u>184,627</u>	<u>(66,964)</u>
Fund balance – beginning of year	<u>11,661,544</u>	<u>-</u>	<u>11,661,544</u>	<u>11,661,544</u>	
Fund balance – end of year	<u>\$ 11,991,903</u>	<u>(78,768)</u>	<u>11,913,135</u>	<u>11,846,171</u>	

Vista Fire Protection District
Budgetary Comparison Schedule – Fire Mitigation Fund
For the Fiscal Year Ended June 30, 2021

	<u>Adopted Original Budget</u>	<u>Board Approved Changes</u>	<u>Revised Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance Positive (Negative)</u>
Expenditures/Expenses:					
Fire protection services	\$ 68,600	(3,600)	65,000	-	65,000
Total expenditures/expenses	<u>68,600</u>	<u>(3,600)</u>	<u>65,000</u>	<u>-</u>	<u>65,000</u>
Program revenues:					
Charges for services – fire mitigation fund	50,000	6,000	56,000	40,374	(15,626)
Total program revenues	<u>50,000</u>	<u>6,000</u>	<u>56,000</u>	<u>40,374</u>	<u>(15,626)</u>
General revenues:					
Interest earnings	800	70	870	-	(870)
Total general revenues	<u>800</u>	<u>70</u>	<u>870</u>	<u>-</u>	<u>(870)</u>
Total revenues	<u>50,800</u>	<u>6,070</u>	<u>56,870</u>	<u>40,374</u>	<u>(16,496)</u>
Excess of revenues over (under) expenditures	<u>(17,800)</u>	<u>9,670</u>	<u>(8,130)</u>	<u>40,374</u>	<u>48,504</u>
Net change in fund balance	<u>(17,800)</u>	<u>9,670</u>	<u>(8,130)</u>	<u>40,374</u>	<u>48,504</u>
Fund balance – beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>56,354</u>	
Fund balance – end of year	<u>\$ (17,800)</u>	<u>9,670</u>	<u>(8,130)</u>	<u>96,728</u>	

Vista Fire Protection District
Notes to Budgetary Comparison Schedules
For the Fiscal Year Ended June 30, 2021

(1) Budgets and Budgetary Data

The District follows specific procedures in establishing the budgetary data reflected in the financial statements. On or before June 30 of each year, the District's Board shall adopt a preliminary budget (which is no later than July 1 of each year), which shall conform to the accounting and budgeting procedures for special districts contained in Subchapter 3 (commencing with Section 1031.1) of, and Article 1 (commencing with Section 1121) of Subchapter 4 of, Chapter 2 of Division 2 of Title 2 of the California Code of Regulations. Budget revisions are adopted as required in consideration to unanticipated revenues or expenditures.

On or before October 1 of each year after making any changes in the preliminary budget, the board shall adopt a final budget. The final budget shall establish its appropriation limit pursuant to Division 9 (commencing with Section 7900) of Title 1 of the Government Code. A copy of the final budget shall be forwarded to the auditor of each county in which the district is located.

The District presents a comparison of the annual budget to actual results for the General Fund at the functional expenditure-type major object level for financial reporting purposes. The budgeted expenditure amounts represent the adopted budget. No Board approved supplemental appropriations were made. The budgeted revenue amounts represent the adopted budget as originally approved.

Report on Compliance and Internal Controls



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**Independent Auditor's Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

Board of Directors
Vista Fire Protection District
Vista, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Vista Fire Protection District (District) as of and for the years ended June 30, 2022 and 2021, and the related notes to the financial statements, which collectively comprises the District's basic financial statements, and have issued our report thereon dated November 9, 2022.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

**Independent Auditor's Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

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.

Fedak & Brown LLP

Fedak & Brown LLP

Cypress, California

November 9, 2022