

SAN MIGUEL



FIRE & RESCUE

**Quarterly Financial Update
For the Period Ending June 30, 2021**

Executive Summary

San Miguel Fire & Rescue – Planning Ahead for Our Communities

The District finished Fiscal Year 2020-21 as many others, financially healthier than anticipated, but continue to look to the future to ensure that the services we provide to the communities we serve will be available for the long term. Service Beyond Expectation is what the District strives for, in every aspect. Service Beyond Expectations does not apply only to the exceptional EMS service our personnel provide to our citizens and those who are visiting the communities we serve. The Board of Directors and staff are bringing new insight into the financial management, and with that creates a purpose and a plan for the District.

Each quarter, long-term planning is discussed. This is such an essential part of the overall health of the District, not only looking at the short-term (budget cycle to budget to cycle), but also for the fiscal sustainability of the District. The District is finalizing a cash flow analysis and a projections budgetary spreadsheet to allow the Board of Directors to continue making confident decisions and allows management the tools needed to created scenarios and assess the future needs of the department.

Property Taxes were certified by the County of San Diego reflecting a 3.72% increase over the last year. The District is finalizing its trends, but based on the apportionments, the District did see an increase in property taxes due to the current market. Though this helped the financial outcome of the current year, property tax valuations year to year can change significantly and the District cannot increase the budget excessively without creating tensions on the overall health of the District. There are many matters to consider when planning for the next year's budget.

CalPERS reported preliminary a 21.3% investment return for Fiscal Year 2020-21. Per their investment policies, this triggered a reduction in the discount rate moving it from 7% to 6.8%. These changes will be reflected in the pension analysis, along with other assumptions CalPERS is expected to review and finalize in November 2021. Lower discount rate will increase the employer normal rates and will impact the Unfunded Annual Liability (UAL) in 2-3 years.

The District has begun outlining a recession policy for use during downturns in the economy or unforeseen circumstances arising. The intent of a recession plan is to have fiscal policies in place to help stabilize the department through the uncertain time. It should reflect a strategic plan and consider the needs and priorities of all stakeholders, externally and internally.

The District looks forward to continually providing *Service Beyond Expectations* for all that are impacted by our District.

Leah Harris

Administrative Officer/Finance Officer

San Miguel Fire & Rescue
Statement of Revenues and Expenses
For the Period Ending June 30, 2021
(Unaudited - Results Do Not Include All Year End Adjustments)

	YTD	Budget	YTD %	Prior YTD
1 Operating Revenues	\$ 24,369,905	\$ 23,832,840	102%	\$ 23,773,818
2 Non-Operating Revenues	2,712,210	1,281,504	212%	2,026,487
3 Total Revenues	27,082,115	25,114,344	108%	25,800,305
4 Total Expenses	(22,874,741)	(21,512,800)	106%	(20,354,450)
Net Income before				
5 Reserve Related Expenditures	\$ 4,207,374	\$ 3,601,544	117%	\$ 5,445,855
6 Total Reserve Revenues	887,850	-	-	507,409
7 Total Reserve Expenditures	(1,327,018)	(1,723,049)	77%	(926,357)
8 Increase (Decrease) in Fund Balance	\$ 3,768,206	\$ 1,878,495	201%	\$ 5,026,907

Preliminary - does not include all year end adjustments

No assurance is provided on these financial statements.

The financial statements do not include a statement of cash flows.

Substantially all disclosures required by accounting principles generally accepted in the United States are not included.

San Miguel Fire & Rescue
Detail Statement of Revenues and Expenses
For the Period Ending June 30, 2021
(Unaudited - Results Do Not Include All Year End Adjustments)

Account Number	Description	YTD	Budget	YTD 100%	Prior YTD
1	Operating Revenues				
2	Property Taxes	\$ 21,730,382	\$ 21,195,273	103%	\$ 21,150,402
3	Benefit Assessments	2,639,523	2,637,567	100%	2,623,416
4	Total Operating Revenues	24,369,905	23,832,840	102%	23,773,818
5	Non-Operating Revenues				
6	AMR Contract and Other Miscellaneous	2,680,237	1,223,532	219%	1,969,820
7	Interest Income	31,973	57,972	55%	56,667
8	Total Non-Operating Revenues	2,712,210	1,281,504	212%	2,026,487
9	Total Revenues	27,082,115	25,114,344	108%	25,800,305
10	Operating Expenses				
11	Salaries and Benefits Costs				
12	Director Fees	15,128	20,000	76%	12,954
13	Director Benefits	27,774	27,700	100%	13,741
14	Employee Salaries	8,559,243	8,548,000	100%	7,749,414
15	Employee Overtime	3,406,488	1,790,600	190%	2,117,332
16	Employee Benefits	6,629,895	6,923,400	96%	5,726,872
17	Total Salaries and Benefits Costs	18,638,529	17,309,700	108%	15,620,313
18	Services and Supplies				
19	Professional Services	1,972,366	2,003,700	98%	1,786,812
20	Special District Expense	360,315	213,400	169%	464,350
21	Maintenance	534,204	530,200	101%	576,148
22	Insurance	691,399	625,000	111%	870,117
23	Equipment	287,530	446,900	64%	573,144
24	Utilities	253,054	197,800	128%	221,745
25	Supplies	70,813	71,400	99%	154,014
26	Personnel Development	27,557	74,300	37%	42,611
27	Rents and Leases	38,974	40,400	96%	45,194
28	Total Service and Supplies	4,236,212	4,203,100	101%	4,734,137
29	Total Expenses	22,874,741	21,512,800	106%	20,354,450
	Net Income before				
30	Reserve Related Activities	\$ 4,207,374	\$ 3,601,544	117%	\$ 5,445,855

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San Miguel Fire & Rescue
Detail Statement of Revenues and Expenses
For the Period Ending June 30, 2021
(Unaudited - Results Do Not Include All Year End Adjustments)

Account Number	Description	YTD	Budget	YTD 100%	Prior YTD
31	Fire Mitigation Revenue	\$ 328,815	\$ -	0%	\$ 169,486
32	Miscellaneous Reserve Revenue	446,739	-	0%	175,579
33	Interest Reserve Revenue	112,296	-	0%	162,344
34	Total Reserve Revenues	887,850	-	0%	507,409
35	Total Reserve Expenditures	1,327,018	1,723,049	77%	926,357
36	Increase (Decrease) in Fund Balance	\$ 3,768,206	\$ 1,878,495	201%	\$ 5,026,907

*YTD - Year to Date

Preliminary - does not include all year end adjustments

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SAN MIGUEL FIRE & RESCUE

Financial Statement Analysis

June 2021 – 100% of Fiscal Year

Unaudited – Results Do Not Include All Year End Adjustments

Line 2 Taxes: Property taxes revenue ended the fiscal year higher than budget due to more delinquent taxes received than anticipated.

Line 3 Benefit Assessments Revenue: Benefit assessment revenue ended the fiscal year right in line with budget.

Line 6 AMR Contract and Other Miscellaneous Revenue: This revenue includes plan check fees, inspection fees, AMR contract and rental fees of various facilities, and miscellaneous reimbursements. This account is over budget at 249% due to OES reimbursements that are not budgeted for, these reimbursements offset employee overtime for strike teams.

Line 7 Interest Income: The majority of interest revenues come from the County Investment Pool and the Public Agency Self Insurance System (PASIS). YTD (Year to Date) concluded under budget due to falling interest rates not anticipated in the budget.

Line 12 Director Fees: This account is for director fees for committee and board meetings. YTD ended under budget at 76% due to less meetings needed in the fiscal year.

Line 13 Director Benefits: This account is for the retired Board of Directors health benefits. YTD ended in line with budget.

Line 14 Employee Salaries: This category includes salaries and leave pay for all staff. YTD ended in line with budget.

Line 15 Employee Overtime: This account is for all employee overtime including operations, training, administration and strike teams. It is currently trending over budget at 190% due to strike teams being requested early in July, staff needed for COVID relief and the District partaking in the Operation Collaboration in the first quarter of the calendar year.

Line 16 Employee Benefits: This account is for employee benefits such as retirement, health insurance, uniform allowance and recertification. This account ended right in line with budget.

Line 19 Professional Services: This category is for professional services which includes financial audits, dispatching services, and apparatus contracts. YTD ended in line with budget.

Line 20 Special District Expense: This account includes publications and media, special district memberships, election costs, software upgrades and the lease bond payment for the administration building. This account ended the year over budget to the increased Great Plains software consultation and support needed not anticipated in the budget.

Line 21 Maintenance: This account is for maintenance of all equipment. YTD ended in line with budget.

Line 22 Insurance: This account is for general liability insurance, automobile/fleet insurance and workers compensation claims. Annual payments are made in July for liability and auto insurance, while workers compensation is a monthly payment based on open claims. YTD ended over budget due to more workers compensation claims than anticipated.

Line 23 Equipment: This account includes communication equipment, safety clothing, safety equipment and miscellaneous equipment. This account is on an as needed basis and ended the year under budget due to less equipment needed.

Line 24 Utilities: This account includes all utilities associated with all Fire & Rescue facilities, which ended the year over budget at 128% due to the budget being projected too low. There is now trend analysis for each utility account, which can better estimate budget in future years.

Line 25 Supplies: This account is for office, housekeeping and medical supplies for all stations and the administration building, which are purchased on a monthly basis. This account is ended the year in line with budget.

Line 26 Personnel Development: This account is for all training, conferences and seminars for all departments. This account ended under budget due to less training, travel and conferences due to COVID-19 restrictions.

Line 27 Rents and Leases: This account is for the lease of Station 19 and the copy machine in the administration building. This account ended the year in line with the budget.

Line 30 Net Income before Reserve Related Activities: This is Revenues minus Expenses. Overall, Fire and Rescue is showing a net revenue for fiscal year ended June 30, 2021.

Line 31 Fire Mitigation Revenue: This is the revenue received for fire mitigation in the reserve fund. This revenue is not budgeted for as it is variable each year and cannot be anticipated.

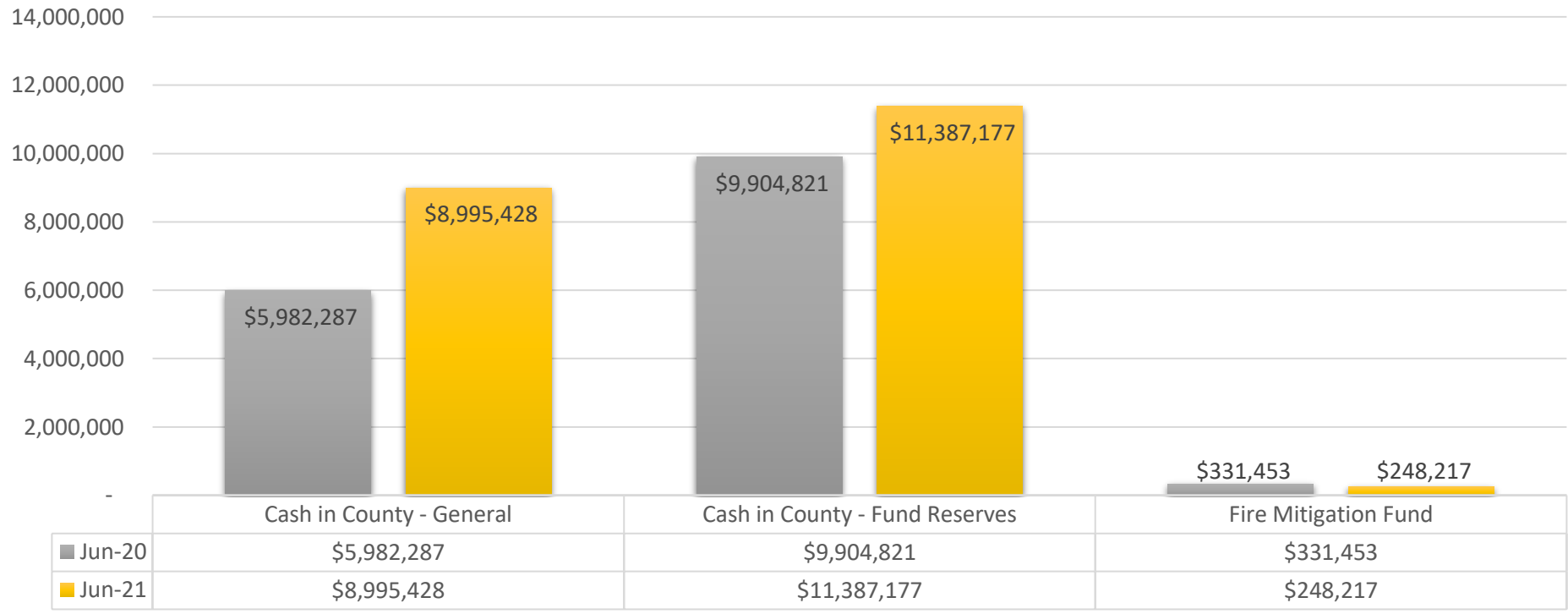
Line 32 Miscellaneous Reserve Revenue: This account records reimbursements for the use of the fire engines on strike teams on an as-needed basis.

Line 33 Interest Reserve Revenue: The majority of interest revenues come from the County Investment Pool and the Public Agency Self Insurance System (PASIS) related to reserve fund investments.

Line 35 Total Reserve Expenditures: This account is for Capital Expenditures from Reserve Funds. These funds are used towards replacement cycles on an as-needed basis. The District's current fiscal year budgeted projects are a new generator at one of the stations, a phone system upgrade, and radio replacements. No other capital expenditures are budgeted for due to the ongoing COVID-19 National Emergency.

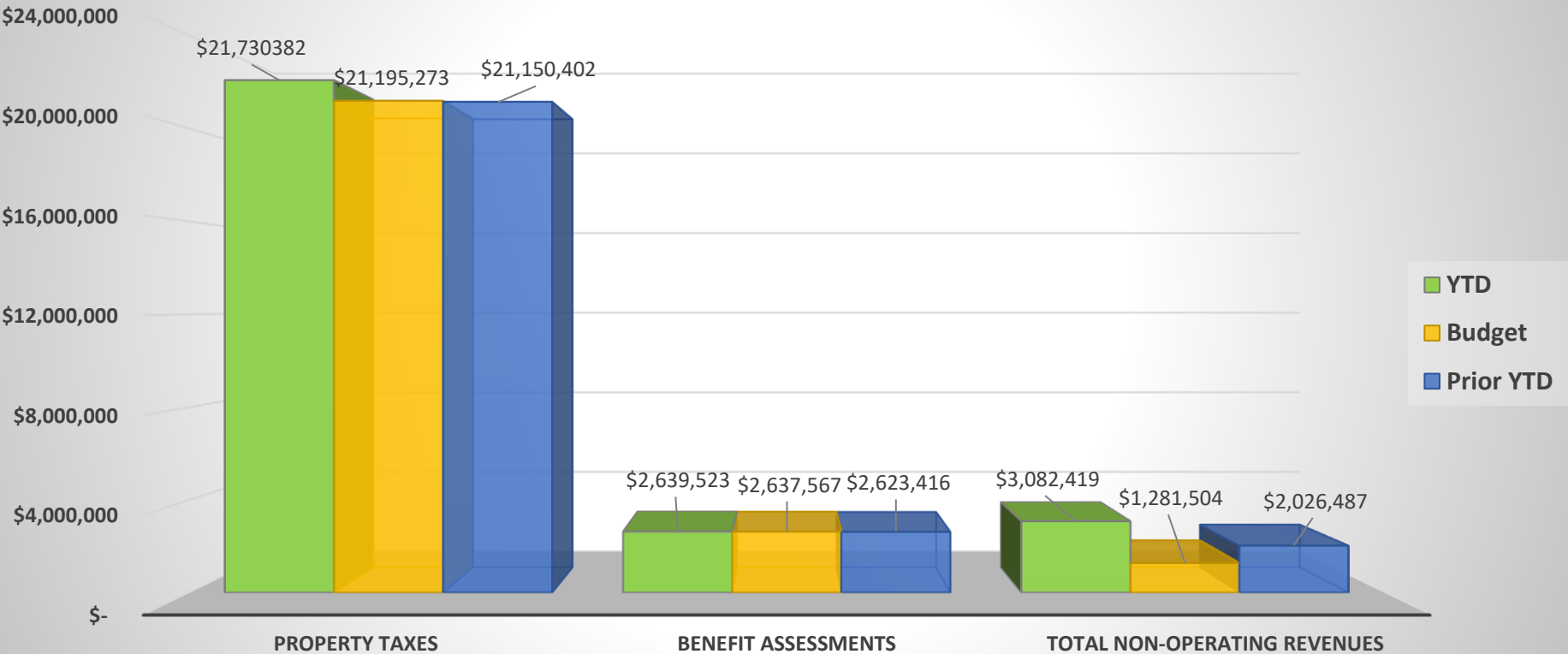
Line 36 Increase or (Decrease) to Fund Balance: This is the increase or (decrease) to Fund Balance, including Operating and Reserve Fund changes. YTD ended over budget primarily due to increased OES reimbursements and unbudgeted reserve revenues in line 31-33.

Cash And Investments

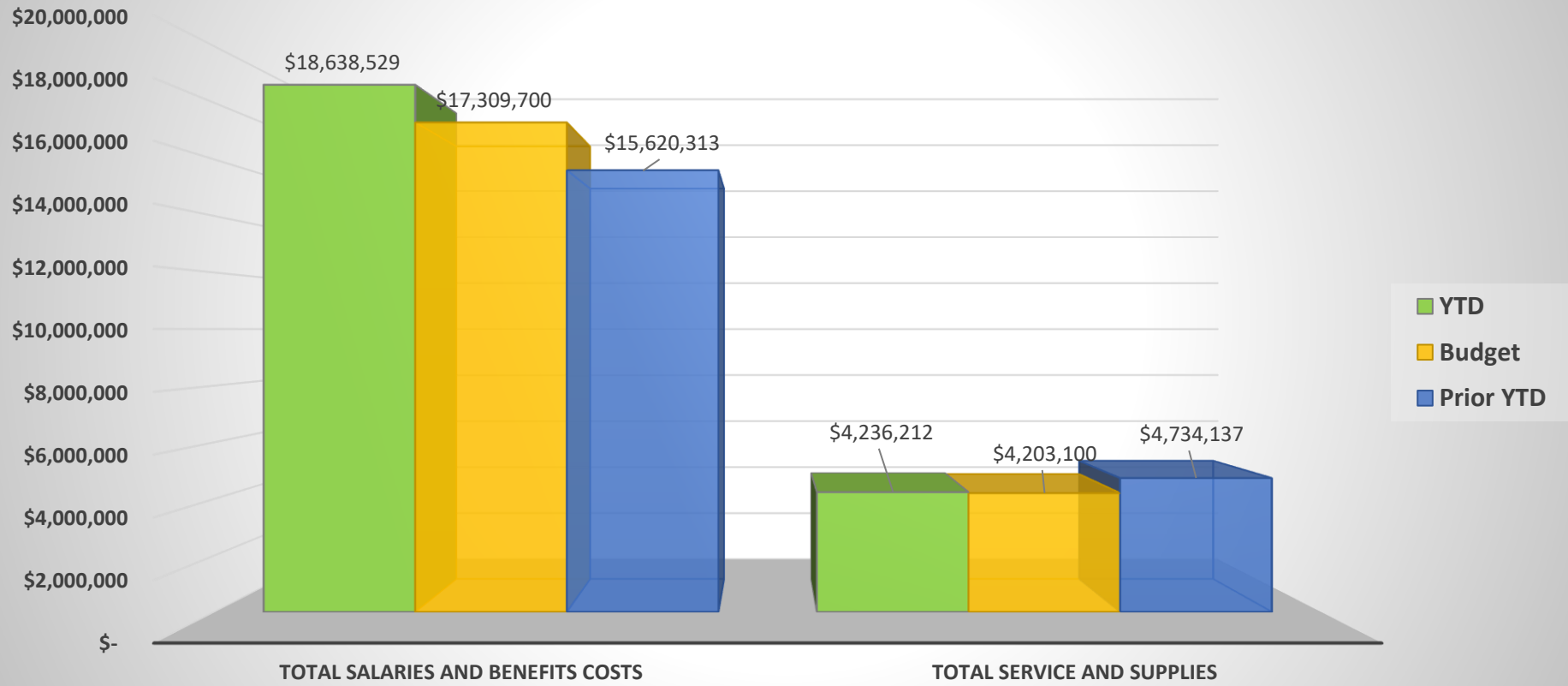


	Cash in County - General	Cash in County - Fund Reserves	Fire Mitigation Fund
■ Jun-20	\$5,982,287	\$9,904,821	\$331,453
■ Jun-21	\$8,995,428	\$11,387,177	\$248,217

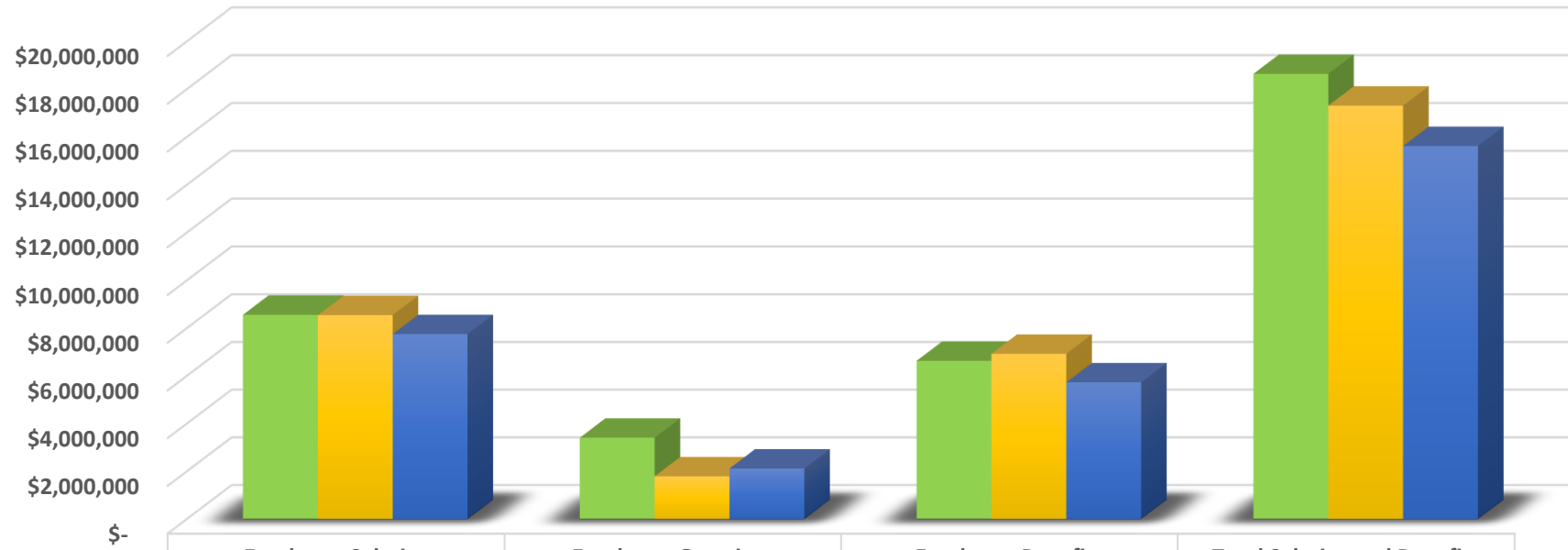
Revenues



Expenses



Personnel Costs



	Employee Salaries	Employee Overtime	Employee Benefits	Total Salaries and Benefits Costs
■ YTD	\$8,559,243	\$3,406,488	\$6,629,895	\$18,638,529
■ Budget	\$8,548,000	\$1,790,600	\$6,923,400	\$17,309,700
■ Prior YTD	\$7,749,414	\$2,117,332	\$5,726,872	\$15,620,313