VALLEY CENTER FIRE PROTECTION DISTRICT

FINANCIAL STATEMENTS

JUNE 30, 2021

Leaf & Cole, LLP
Certified Public Accountants

VALLEY CENTER FIRE PROTECTION DISTRICT
FINANCIAL STATEMENTS
JUNE 30, 2021

TABLE OF CONTENTS

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

Independent Auditor's Report

To the Board of Directors
Valley Center Fire Protection District

We have audited the accompanying financial statements of the governmental activities and each major fund of Valley Center Fire Protection District, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Valley Center Fire Protection District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

2810 Camino Del Rio South, Suite 200, San Diego, California 92108-3820
619.294.7200, 619.294.7077 fax, www.leaf-cole.com, leafcole@leaf-cole.com

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Valley Center Fire Protection District as of June 30, 2021, and the respective changes in financial position for the year ended in accordance with accounting principles generally accepted in the United States of America, as well as accounting systems prescribed by the State Controller's Office and state regulations governing special districts.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 to 7 and the required supplementary information on pages 30 to 32 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Valley Center Fire Protection District's basic financial statements. The other supplementary information on pages 33 and 34 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The organization structure and assessed valuation have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Leaf & Cole LLP

San Diego, California
May 4, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the financial performance of the Valley Center Fire Protection District (District) provides an overview of the District's financial activities for the year ended June 30, 2021. Please read it in conjunction with the District's financial statements, which begin on page 8.

Financial Highlights

- The District's net position increased by $59,512 to $4,174,606 during the fiscal year ended June 30, 2021.
- The District's total revenues increased from $3,204,745 for the year ended June 30, 2020 to $3,968,565 for the year ended June 30, 2021.
- The District's total expenses increased from $3,398,973 for the year ended June 30, 2020 to $3,909,053 for the year ended June 30, 2021. The largest increases can be found in salaries, employee benefits and taxes, maintenance, dispatch fees and utilities.

Using This Annual Report

This annual report consists of a series of financial statements. The statement of net position and the statement of activities (on pages 8 and 9) provide information about the activities of the District as a whole and present a longer-term view of the District's finances. Fund financial statements start on page 10. For governmental activities, these statements tell how these services were financed in the short-term as well as what remains for future spending. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds.

Reporting the District as a Whole

The Statement of Net Position and the Statement of Activities

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

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

Reporting the District’s Most Significant Funds

Fund Financial Statements

The fund financial statements begin on page 10 and provide detailed information about the District’s most significant funds.

- Governmental Funds - The District’s basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District’s general governmental operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District’s programs. We describe the relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds in reconciliations on pages 11 and 14.

The District as a Whole

The District’s combined net position increased from $4,115,094 a year ago to $4,174,606 at June 30, 2021.

Net Position

	2021	2020	Dollar Change
Assets:			
Current assets	$ 2,912,600	$ 2,631,833	$ 280,767
Capital assets	1,503,719	1,603,578	(99,859)
Total Assets	4,416,319	4,235,411	180,908
Liabilities:			
Current liabilities	231,316	103,408	127,908
Noncurrent liabilities	10,397	16,909	(6,512)
Total Liabilities	241,713	120,317	121,396
Net Position:			
Net investment in capital assets	1,493,322	1,586,669	(93,347)
Unrestricted	1,541,143	2,528,425	(987,282)
Restricted	1,140,141	-	1,140,141
Total Net Position	$ 4,174,606	$ 4,115,094	$ 59,512

As noted in the financial highlights above, net position increased by $59,512 from fiscal year 2020 to 2021. Net investment in capital assets decreased by $93,347 in fiscal year 2021. This decrease is the result of depreciation expense exceeding the District’s investment in capital assets in fiscal year 2021.

Revenues, Expenses and Changes in Net Position

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

	2021	2020	Dollar Change
Program Revenues:			
Fees and charges for services	$ 2,887,518	$ 2,312,265	$ 575,253
Operating grants and contributions	448,365	255,579	192,786
Total Program Revenues	3,335,883	2,567,844	768,039
General Revenues:			
Property taxes	606,595	575,698	30,897
Other income	4,248	4,811	(563)
Interest income	21,839	56,392	(34,553)
Total General Revenues	632,682	636,901	(4,219)
Total Revenues	3,968,565	3,204,745	763,820
Program Expenses:			
Fire protection	3,284,634	2,837,879	446,755
General administration	398,021	348,059	49,962
Unallocated depreciation	226,398	213,035	13,363
Total Program Expenses	3,909,053	3,398,973	510,080
Change in Net Position	59,512	(194,228)	253,740
Net Position at Beginning of Year	4,115,094	4,309,322	(194,228)
Net Position at End of Year	$ 4,174,606	$ 4,115,094	$ 59,512

A closer examination of the sources of changes in net position reveals that the District's operating and non-operating expenses, exclusive of depreciation, increased by $496,717 in fiscal year 2021 due primarily to increased salaries of $377,215, increased employee benefits and taxes of $36,254, and increased discontinued projects, studies and assessments of $146,417.

Capital Assets

Capital assets consist of the following at June 30:

	2021	2020	Dollar Change
Capital Assets Not Being Depreciated:			
Land	$ 151,600	$ 151,600	$ -
Construction in progress	59,072	-	59,072
Total Capital Assets Not Being Depreciated	210,672	151,600	59,072
Capital Assets Being Depreciated:			
Structures and improvements	1,362,213	1,320,199	42,014
Engines and vehicles	2,510,620	2,510,620	-
Furniture and equipment	1,744,130	1,718,677	25,453
Total Capital Assets Being Depreciated	5,616,963	5,549,496	67,467
Less: Accumulated depreciation	(4,323,916)	(4,097,518)	(226,398)
Net Capital Assets Being Depreciated	1,293,047	1,451,978	(158,931)
Net Capital Assets	$ 1,503,719	$ 1,603,578	$ (99,859)

Additions to capital assets being depreciated for fiscal year 2021 totaled $67,467 and include surveillance and security system, thermal imaging camera, personal protection equipment lockers, and a manufactured home.

Noncurrent Liabilities

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

	2021	2020	Dollar Change
Capital lease payable	$ 10,397	$ 16,909	$ (6,512)

The District had entered into a capital lease obligation totaling $16,909 for computer equipment. Details of the capital lease obligation can be found in Note 5 to the financial statements.

Economic Factors and Next Year's Budget

The District is guided by a five-year strategic plan and a standards of cover report indicating the need for a third fire facility, new fire engine and infrastructure investments on existing fire stations. The District will complete the property acquisition for a third fire facility (Expected completion in August 2021) and final specifications of a new Type 1 fire engine. The District has implemented a plan to use developer fire mitigation funds, increases in tax allocation, benefit fees, CFD revenue, COVID-19 ARPA grants, Fire Foundation grants and a one-time grant from State Assembly Member Marie Waldron's office of $1,060,000 in order to proceed with the property development, purchase of the type 1 fire engine, purchase of a type 3 fire engine, fire facility upgrades to both existing stations and placement of a temporary Fire Station on the acquired site. New development and growth in the service area will generate approximately 700 residences, two grocery stores, two convenience stores with gasoline facilities, two fast food outlets and a medical arts building. The estimated annual revenue generated from the new growth is estimated to be $800,000.

Economic Factors and Next Year's Budget (Continued)

The District's Board of Directors and management consider many factors when setting the fiscal year budget. In a comparison of the 2020 and 2021 budgets, operating revenues and expenses remain relatively similar with a revenue growth index of approximately 3% until the development is completely built out in FY 2022. The total revenue allocation at buildout is not anticipated to be completely realized until the FY 2023 fiscal year budget.

Contacting the District's Financial Management

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

VALLEY CENTER FIRE PROTECTION DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2021

	Governmental Activities
ASSETS:	
Cash and cash equivalents	$ 2,724,791
Accounts receivable	180,309
Deposits	7,500
Capital Assets:	
Land and other non-depreciable capital assets	210,672
Depreciable capital assets, net of accumulated depreciation	1,293,047
TOTAL ASSETS	4,416,319
LIABILITIES:	
Accounts payable	94,460
Accrued liabilities	136,856
Noncurrent liabilities:	
Due within one year	6,011
Due after one year	4,386
TOTAL LIABILITIES	241,713
NET POSITION:	
Net investment in capital assets	1,493,322
Unrestricted	1,541,143
Restricted	1,140,141
TOTAL NET POSITION	$ 4,174,606

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

VALLEY CENTER FIRE PROTECTION DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

		Program Revenues		Net (Expenses) Revenues and Changes in Net Position
Functions/Programs:	Expenses	Fees and Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental Activities:				
Fire protection	$ 3,284,634	$ 2,445,396	$ 448,365	$ (390,873)
General administration	398,021	442,122	-	44,101
Unallocated depreciation	226,398	-	-	(226,398)
Total Governmental Activities	$ 3,909,053	$ 2,887,518	$ 448,365	(573,170)
	General Revenues:			
	Property taxes			606,595
	Interest income			21,839
	Other income			4,248
	Total General Revenues			632,682
	Change in Net Position			59,512
	Net Position at Beginning of Year			4,115,094
	NET POSITION AT END OF YEAR			$ 4,174,606

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

VALLEY CENTER FIRE PROTECTION DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021

ASSETS

	General Fund	Mitigation Fund	Total Governmental Funds
Assets:			
Cash and cash equivalents	$ 2,365,404	$ 359,387	$ 2,724,791
Accounts receivable	51,650	128,659	180,309
Due from other funds	-	330,000	330,000
Other asset	7,500	-	7,500
Total Assets	$ 2,424,554	$ 818,046	$ 3,242,600

LIABILITIES AND FUND BALANCES

	General Fund	Mitigation Fund	Total Governmental Funds
Liabilities:			
Accounts payable	$ 94,460	$ -	$ 94,460
Accrued liabilities	136,856	-	136,856
Due to other funds	330,000	-	330,000
Total Liabilities	561,316	-	561,316
Fund Balances:			
Assigned:			
CFD 08-01	313,768	-	313,768
Explorer	4,216	-	4,216
Foundation	2,150	-	2,150
Training	7,253	-	7,253
Unassigned	1,213,756	-	1,213,756
Restricted	322,095	818,046	1,140,141
Total Fund Balances	1,863,238	818,046	2,681,284
TOTAL LIABILITIES AND FUND BALANCES	$ 2,424,554	$ 818,046	$ 3,242,600

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

VALLEY CENTER FIRE PROTECTION DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2021

Total fund balances - Governmental funds		$ 2,681,284
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:		
Nondepreciable capital assets	$ 210,672	
Depreciable capital assets, net of accumulated depreciation	1,293,047	
Total Capital Assets, Net		1,503,719
In governmental funds, only current liabilities are reported. In the statement of net position, all liabilities, including noncurrent liabilities, are reported. Noncurrent liabilities relating to governmental activities consist of:		
Capital Leases	(10,397)	
Total Noncurrent Liabilities		(10,397)
Total Net Position - Governmental Activities		$ 4,174,606

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

VALLEY CENTER FIRE PROTECTION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	General Fund	Mitigation Fund	Total Governmental Funds
Revenues:			
Benefit fees	$ 1,653,237	$ -	$ 1,653,237
Property taxes	606,595	-	606,595
CFD fees	439,207	-	439,207
Grants	437,714	-	437,714
Cost recovery income	352,952	-	352,952
Mitigation fees	-	243,630	243,630
Fire prevention fees	153,942	-	153,942
First responder fees	44,550	-	44,550
Interest income	14,132	7,707	21,839
Mercy Medical dispatch fees	10,271	-	10,271
Other income	4,248	-	4,248
Donations	380	-	380
Total Revenues	3,717,228	251,337	3,968,565

(Continued)

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

VALLEY CENTER FIRE PROTECTION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

	General Fund	Mitigation Fund	Total Governmental Funds
Expenditures:			
Current:			
Salaries	$ 2,421,988	$ -	$ 2,421,988
Employee benefits and taxes	404,758	-	404,758
Discontinued projects, studies and assessments	167,460	-	167,460
Maintenance	150,996	-	150,996
Dispatch fees	145,149	-	145,149
Utilities	78,671	-	78,671
Professional fees	66,294	-	66,294
Office expenses	52,241	-	52,241
Training	45,171	-	45,171
Fuel	38,870	-	38,870
Radios and pagers	21,513	-	21,513
Insurance	19,326	-	19,326
Printing	17,247	-	17,247
Uniform	14,516	-	14,516
Medical supplies	13,913	-	13,913
Membership	13,071	-	13,071
Other expenses	5,955	-	5,955
Bad debts	3,000	-	3,000
Awards	1,527	-	1,527
Bank charges	989	-	989
Capital outlay	119,979	6,560	126,539
Debt Service:			
Principal	6,512	-	6,512
Total Expenditures	3,809,146	6,560	3,815,706
(Deficiency) Excess of Revenues Over Expenditures	(91,918)	244,777	152,859
Other Financing Sources (Uses):			
Transfers	93,490	(93,490)	-
Total Other Financing Sourses (Uses)	93,490	(93,490)	-
Net Change in Fund Balances	1,572	151,287	152,859
Fund Balances at Beginning of Year	1,861,666	666,759	2,528,425
FUND BALANCES AT END OF YEAR	$ 1,863,238	$ 818,046	$ 2,681,284

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

VALLEY CENTER FIRE PROTECTION DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

Total net change in fund balances - Governmental funds	$	152,859
Amounts reported for governmental activities are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		126,539
Depreciation of capital assets used in governmental activities is not reported in the funds.		(226,398)
Issuance of long-term debt, including capital leases, provides current financial resources to governmental funds, while the repayment of the principal of long-term liabilities consumes current financial resources in governmental funds. Neither transaction has any affect on net position. This amount is the net affect of those differences in the treatment of long-term liabilities and related items.		6,512
Changes in Net Position - Governmental Activities	$	59,512

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

Note 1 - Organization and Significant Accounting Policies:

Organization

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

The District has two fire stations which are part of the District's 84.5 square mile service area serving a population of over 23,000 people in San Diego County. In August 2021, the District bought land on which it will develop a third fire station.

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

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

Significant Accounting Policies

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

Basis of Presentation

Government-Wide Statements

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

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

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

Note 1 - Organization and Significant Accounting Policies (Continued)

Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

Fund Financial Statements

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

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

The funds of the District are described below:

Governmental Funds

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

Measurement Focus and Basis of Accounting

Method of Accounting

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

Accrual

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

Note 1 - Organization and Significant Accounting Policies (Continued)

Significant Accounting Policies (Continued)

Measurement Focus and Basis of Accounting (Continued)

Modified Accrual

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

Estimates

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

Revenue Recognition

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

Budgets and Budgetary Accounting

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

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

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

Note 1 - Organization and Significant Accounting Policies (Continued)

Significant Accounting Policies (Continued)

Investments

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

Allowance for Doubtful Accounts

Bad debts are recognized on the allowance method based on historical experience and management's evaluation of outstanding accounts receivables. Management believes that all accounts receivable were fully collectible, therefore, no allowance for doubtful accounts receivable was recorded at June 30, 2021.

Taxes and Assessments

Property taxes and assessments are billed by the County of San Diego to property owners. The District's property tax calendar for the fiscal year ended June 30, 2021, was as follows:

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

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

Capital Assets

Capital assets purchased or acquired with a cost exceeding $5,000 and an estimated useful life of more than one year are reported at historical cost. Donated capital assets, donated works of art, and similar items and capital assets, received in service concession agreements are reported as acquisition value. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred, upon sale or disposition of property and equipment, the asset account is relieved of the cost and the accumulated depreciation account is charged with depreciation taken prior to the sale and any resultant gain or loss in charged to earnings. Depreciation is calculated on the straight-line method over the following estimated useful lives:

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

Note 1 - Organization and Significant Accounting Policies (Continued)

Significant Accounting Policies (Continued)

Capital Assets (Continued)

Depreciation aggregated $226,398 for the year ended June 30, 2021.

Compensated Absences

Accumulated unpaid vacation totaling $102,773 at June 30, 2021 is accrued when incurred and included in accrued liabilities.

Deferred Outflows of Resources and Deferred Inflows of Resources

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

Interfund Activity

Interfund activity results from loans, services provided, reimbursements or transfers between funds. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers In and Transfers Out are netted and presented as a single “Transfers” line on the government-wide statement of activities. Similarly, interfund receivables and payables are netted and presented as a single “Internal Balances” line of the government-wide statement of net assets.

Fund Balances - Governmental Funds

The fund balances of the governmental funds are classified as follows at June 30, 2021:

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

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

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

Note 1 - Organization and Significant Accounting Policies (Continued)

Significant Accounting Policies (Continued)

Fund Balances - Governmental Funds (Continued)

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

Unassigned - All other spendable amounts.

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

Risk Management

The District entered into a joint powers agreement designated as Fire Agencies Insurance Risk Authority, a self-insurance plan for general liability insurance (see Note 8).

At June 30, 2021, the District participated in the self-insurance programs as follows:

Liability Limits

- $1,000,000 general liability including malpractice, each occurrence or wrongful act
- $1,000,000 personal and advertising injury
- $1,000,000 fire damage legal liability
- $10,000 medical expense (each accident)
- $10,000,000 general aggregate
- $10,000,000 products/completed operations annual aggregate
- $1,000,000 management liability
- $1,000,000 cyber liability
- $1,000,000 auto liability
- $500,000 garage keepers legal liability
- $10,000,000 umbrella liability

Property Limits

- Buildings – not to exceed scheduled value on file
- Contents – not to exceed scheduled value on file
- Crime **-** $2,000,000 employee dishonesty coverage

The District pays annual premiums for this coverage. They are subject to retrospective adjustments based on claims experienced. The nature and amounts of the adjustments cannot be estimated and are charged to expense as invoiced. The District's insurance expense was $19,326 for the year ended June 30, 2021. There were no instances in the past three years where a settlement exceeded the District's coverage.

Note 1 - Organization and Significant Accounting Policies:

Significant Accounting Policies (Continued)

Pensions and Other Post-Employment Benefits

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

Fair Value Measurements

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

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

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

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

Subsequent Events

In preparing these financial statements, the District has evaluated events and transactions for potential recognition or disclosure through May 4, 2022, the date the financial statements were available to be issued and concluded that there were no events or transactions that needed to be disclosed except as disclosed in Note 11.

Note 2 - Cash and Cash Equivalents:

Cash and investments held by the District were comprised of the following at June 30, 2021:

	Maturity in Less Than One Year
Cash in County Treasury	$ 1,587,427
Deposits with financial institutions	1,137,364
Total	$ 2,724,791

Cash in County Treasury

The District maintains its cash in the San Diego County Treasury as part of the common investment pool ($1,587,427 at June 30, 2021). The county pools these funds with those of other Districts in the County and invests the cash. Cash may be added or withdrawn from the investment pool without limitation. Interest earned is deposited quarterly into the participating funds. Any investment losses are shared by all funds in the pool. The fair value of the District's portion of this pool as of that date, as provided by the pool sponsor, was $1.589 million. The underlying asset rating based on Fitch ranges from AA- to AAA.

The Country Treasurer's pool consist of the following as of June 30, 2021:

Federal Agency Securities	24.95%
Certificate of Deposit	22.08%
Commercial Paper	18.91%
Supranationals	9.15%
Treasury Coupon Securities	8.90%
Corporate Medium-Term Notes	5.73%
Assets Backed Securities	3.98%
Bank Deposit	2.65%
Municipal Bonds	1.97%
Local Government Investment Pool	1.63%
Money Market Accounts	0.05%
	100.00%

Disclosures Relating to Interest Rate Risk

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

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided in the previous table that shows the distribution of the District's investments by maturity as of June 30, 2021.

Note 2 - Cash and Cash Equivalents: (Continued)

Disclosures Relating to Credit Risk

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

	Management Input	Credit Rating
Cash in County Treasury	Uncategorized	Not Rated
Deposits with Financial Institutions	Level 2	Not Applicable

Concentration of Credit Risk

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

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

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the District will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counter-party (e.g., broker-dealer) the District will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local govern-mental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

At June 30, 2021, none of the District's deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts. At June 30, 2021, no District investments were held by the same broker-dealer (counterparty) that was used by the District to buy the securities.

Note 2 - Cash and Cash Equivalents: (Continued)

Investment Accounting Policy

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

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

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

Note 3 - Accounts Receivable:

Accounts receivable consist of the following at June 30, 2021:

	General Fund	Mitigation Fund	Total
Mitigation fees	$ -	$ 128,659	$ 128,659
Grants	28,346	-	28,346
Transport fees	12,600	-	12,600
Benefit fees	5,012	-	5,012
CFD fees	3,514	-	3,514
Property taxes	2,178	-	2,178
	$ 51,650	$ 128,659	$ 180,309

Note 4 - Capital Assets:

Capital assets consist of the following at June 30, 2021:

	Balance at June 30, 2020	Additions	Deletions	Balance at June 30, 2021
Capital Assets Not Being Depreciated:				
Land	$ 151,600	$ -	$ -	$ 151,600
Construction in progress	-	59,072	-	59,072
Total Capital Assets Not Being Depreciated	151,600	59,072	-	210,672
Capital Assets Being Depreciated:				
Structures and improvements	1,320,199	42,014	-	1,362,213
Engines and vehicles	2,510,620	-	-	2,510,620
Furniture and equipment	1,718,677	25,453	-	1,744,130
Total Capital Assets Being Depreciated	5,549,496	67,467	-	5,616,963
Less Accumulated Depreciation For:				
Structures and improvements	(1,138,491)	(25,267)	-	(1,163,758)
Engines and vehicles	(1,753,762)	(110,375)	-	(1,864,137)
Furniture and equipment	(1,205,265)	(90,756)	-	(1,296,021)
Total Accumulated Depreciation	(4,097,518)	(226,398)	-	(4,323,916)
Net Capital Assets Being Depreciated	1,451,978	(158,931)	-	1,293,047
Net Capital Assets	$ 1,603,578	$ (99,859)	$ -	$ 1,503,719

Note 5 - Noncurrent Liabilities:

Noncurrent liabilities consist of the following at June 30, 2021:

	Balance at June 30, 2020	Additions	Deletions	Balance at June 30, 2021	Payable Within 1 Year	Payable After 1 Year
Capital lease payable	**$** 16,909	$ -	$ (6,512)	$ 10,397	$ 6,011	$ 4,386

In 2020, the District acquired a computer equipment using the proceeds of a lease from Hewlett-Packard Financial Services Company. The capital lease payable calls for annual payments of $6,011 commencing October 2020 and maturing October 2023. For financial reporting purposes, minimum lease payments related to the computer equipment have been capitalized and included in capital assets in the statement of net position. The computer equipment under capital lease has a cost of $16,909, net of accumulated depreciation of $3,019 at June 30, 2021.

Note 6 - Operating Leases:

The District has entered into a noncancelable operating lease for a copier with a lease term in excess of one year. The agreement contains no purchase option. Rent expense under this lease totaling $5,748 is included in office expenses. Future minimum lease payments, under this agreement, are as follows:

Year Ended June 30	Minimum Lease Payments
2022	$ 5,748
2023	5,748
2024	2,874
Total	$ 14,370

In addition, the District also leases two modular building units on a month-to-month basis. Rent expense under this lease totaling $9,470 is included in maintenance.

Note 7 - Deferred Compensation Plan:

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all District employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Since the District has little administrative involvement and does not perform the investing function for this plan, the assets and related liabilities are not shown on the statement of net position.

Note 8 - Joint Ventures (Joint Powers Agreements):

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

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

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

Note 9 - New Governmental Accounting Standards:

GASB No. 84

In January 2017, the Governmental Accounting Standards Board issued Statement No. 84 "Fiduciary Activities". The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier Application is encouraged. The effective date of this pronouncement has been postponed by 12 months by GASB Statement No. 95. This pronouncement did not have a material effect on the financial statements of the District in the year of implementation.

GASB No. 87

In June 2017, the Governmental Accounting Standards Board issued Statement No. 87 "Leases". The requirements of this Statement were effective for reporting periods beginning after December 15, 2019. The effective date of this pronouncement has been postponed by 18 months by GASB Statement No. 95. The District has not determined the effects of this pronouncement on the financial statements of the District in the year of implementation.

GASB No. 89

In June 2018, the Governmental Accounting Standards Board issued Statement No. 89 "Accounting for Interest Cost Incurred before the End of a Construction Period". The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Earlier application is encouraged. The District has elected to implement this pronouncement and has not capitalized any interest cost in the year ended June 30, 2021.

GASB No. 90

In August 2018, the Governmental Accounting Standards Board issued Statement No. 90 "Majority Equity Interests-an amendment of GASB Statements No. 14 and No. 61". The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. The effective date of this pronouncement has been postponed by 12 months by GASB Statement 95. This pronouncement did not have a material effect on the financial statements of the District in the year of implementation.

GASB No. 91

In May 2019, the Governmental Accounting Standards Board issued Statement No. 91 "Conduit Debt Obligations". The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. The effective date of this pronouncement has been postponed by 12 months by GASB Statement 95. The District has not determined the effects of this pronouncement on the financial statements of the District in the year of implementation.

Note 9 - New Governmental Accounting Standards: (Continued)

GASB No. 93

In March 2020, the Governmental Accounting Standards Board issued Statement No. 93 "Replacement of Interbank Offered Rates". The requirements of this statement are effective at various dates up to and including reporting periods ending after December 31, 2021 The effective date of this pronouncement has been postponed by 12 months by GASB Statement 95. The District has not determined the effects of this pronouncement on the financial statements of the District in the year of implementation.

GASB No. 94

In March 2020, the Governmental Accounting Standards Board issued Statement No. 94 "Public - Private and Public - Public Partnerships and Availability Payment Arrangements". The requirements of this statement are effective for fiscal years beginning after June 15, 2022. The effective date of this pronouncement has been postponed by 12 months by GASB Statement 95. As used in this pronouncements these Partnerships are an arrangement in which the government (the transferor) contracts with an operator to provide public services by conveying control of the right to operate or use a nonfinancial asset such as infrastructure or other capital assets for a period of time in an exchange or an exchange-like transaction. The statement also provides guidance on accounting and financial reporting for availability payment arrangements in which the government compensates the operator for services that may include the designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The District has not yet determined the effects of this pronouncement on the financial statements in the year of implementation.

GASB No. 95

In May 2020, the Governmental Accounting Standards Board issued Statement No. 95 "Postponement of the Effective Dates of Certain Authoritative Guidance. The primary objective of this statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic by postponing for one year the effective dates of GASB Statements 83, 84, 88 – 93 as well as implementation guides 2018-1, 2019-1 and 2019-2. In addition, the effective dates of GASB Statement 87 and Implementation Guide 2019-3 have been postponed by 18 months. This pronouncement did not have a material effect on the financial statements of the District in the year of implementation.

GASB No. 96

In May 2020, the Governmental Accounting Standards Board issued Statement No. 96 "Subscription-Based Information Technology Arrangements (SBITA's). This Statement (1) defines SBITA's (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 the implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The requirements of this statement are effective for fiscal years beginning after June 15, 2022 and all reporting periods thereafter. Earlier application is encouraged. The District has not determined the effects of this pronouncement on the financial statements of the District in the year

Note 9 - New Governmental Accounting Standards: (Continued)

GASB No. 97

In June 2020, the Governmental Accounting Standards 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. 14 and No. 84 and Supersession of GASB Statement No. 32". This statement requires that for purposes of determining whether a primary government is financial accountable for a potential component unit, the absence of a governing board should be treated the same as the appointment of a voting majority. The statement requires that a Section 457 plan be classified as either pension or other employee benefit plan depending on whether the plan meets the definition of a pension plan. This statement supersedes the remaining provisions of GASB Statement No. 32.

Note 10 - Commitments and Contingencies:

Contracts

The District has entered into a contract for the installation of a solar back-up system. The amount contracted is based on the contractor's estimated cost of installation. At June 30, 2021, the total unpaid amount on the contract is approximately $242,488.

Grant Funding

The District has received grant funding for various purposes that may be subjected to review and audit by the funding agencies. Such potential audits could result in a request for reimbursement for expenses disallowed under the terms and conditions of the funding source. Management is of the opinion that no material liabilities will result from such potential audits.

Coronavirus Pandemic

The COVID-19 pandemic, whose effects first became known in January 2020, is having a broad and negative impact on commerce and financial markets around the world. The United States and global markets experienced significant declines in value resulting from uncertainty caused by the pandemic. The District is closely monitoring its investment portfolio and its liquidity and is actively working to minimize the impact of these declines. The extent of the impact of COVID-19 on the District's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impacts on the District's customers, employees, and vendors, all of which at present cannot be determined. Accordingly, the extent to which COVID-19 may impact the District's financial position and changes in net assets and cash flows is uncertain and the accompanying financial statements include no adjustments relating to the effects of this pandemic.

Note 11 - Subsequent Event:

In August 2021, the District bought 10-acres of vacant land for a total consideration of $330,000 to be developed as a third fire station.

In September 2021, the District received a grant totaling $1,060,000 from the California Governors Office of Emergency Services to be used for capital improvements, equipment, facility renovations and upgrades.

VALLEY CENTER FIRE PROTECTION DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:				
Benefit fees	$ 1,673,388	$ 1,673,388	$ 1,653,237	$ (20,151)
Property taxes	594,292	594,292	606,595	12,303
CFD fees	415,622	415,622	439,207	23,585
Grants	72,538	72,538	437,714	365,176
Cost recovery income	55,000	55,000	352,952	297,952
Fire prevention fees	55,000	55,000	153,942	98,942
First responder fees	15,260	15,260	44,550	29,290
Interest income	24,516	24,516	14,132	(10,384)
Mercy Medical dispatch fees	130,000	130,000	10,271	(119,729)
Other income	22,500	22,500	4,248	(18,252)
Donations	10,500	10,500	380	(10,120)
Total Revenues	3,068,616	3,068,616	3,717,228	648,612

(Continued)

VALLEY CENTER FIRE PROTECTION DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Expenditures:				
Current:				
Salaries	$ 2,073,840	$ 2,073,840	$ 2,421,988	$ (348,148)
Employee benefits and taxes	324,917	324,917	404,758	(79,841)
Discontinued projects, studies and assessments	-	-	167,460	(167,460)
Maintenance	55,900	55,900	150,996	(95,096)
Dispatch fees	132,500	132,500	145,149	(12,649)
Utilities	43,330	43,330	78,671	(35,341)
Professional fees	69,260	69,260	66,294	2,966
Office expenses	65,230	65,230	52,241	12,989
Training	49,450	49,450	45,171	4,279
Fuel	38,000	38,000	38,870	(870)
Radios and pagers	18,400	18,400	21,513	(3,113)
Insurance	15,500	15,500	19,326	(3,826)
Printing	13,000	13,000	17,247	(4,247)
Uniform	14,000	14,000	14,516	(516)
Medical supplies	12,000	12,000	13,913	(1,913)
Membership	11,457	11,457	13,071	(1,614)
Other expenses	7,000	7,000	5,955	1,045
Bad debts	-	-	3,000	(3,000)
Awards	1,000	1,000	1,527	(527)
Bank charges	1,500	1,500	989	511
Capital outlay	316,000	316,000	119,979	196,021
Debt Service:				-
Principal	-	-	6,512	(6,512)
Interest	-	-	-	-
Total Expenditures	3,262,284	3,262,284	3,809,146	(546,862)
Deficiency of Revenues Over Expenditures	(193,668)	(193,668)	(91,918)	101,750
Other Financing Sources:				
Transfers	-	-	93,490	93,490
Total Other Financing Sources	-	-	93,490	93,490
Net Change in Fund Balance	$ (193,668)	$ (193,668)	1,572	$ 195,240
Fund Balance at Beginning of Year			1,861,666	
FUND BALANCE AT END OF YEAR			$ 1,863,238	

VALLEY CENTER FIRE PROTECTION DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - MITIGATION FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:				
Mitigation fees	$ 316,000	$ 316,000	$ 243,630	$ (72,370)
Interest income	9,000	9,000	7,707	(1,293)
Total Revenues	325,000	325,000	251,337	(73,663)
Expenditures:				
Capital outlay	11,000	11,000	6,560	4,440
Total Expenditures	11,000	11,000	6,560	4,440
Excess (Deficiency) of Revenues Over Expenditures	314,000	314,000	244,777	(69,223)
Other Financing Sources:				
Transfers	-	-	(93,490)	(93,490)
Total Other Financing Uses	-	-	(93,490)	(93,490)
Net Change in Fund Balance	$ 314,000	$ 314,000	151,287	$ (162,713)
Fund Balance at Beginning of Year			666,759	
FUND BALANCE AT END OF YEAR			$ 818,046	

VALLEY CENTER FIRE PROTECTION DISTRICT
OTHER SUPPLEMENTARY INFORMATION
ORGANIZATION STRUCTURE
JUNE 30, 2021

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

Board of Directors for the fiscal year ended June 30, 2021, was comprised of the following members:

Name	Office	Years of Term	Term Expiration
Phil Bell	President	4	2022
Steve Hutchison	Vice President	4	2022
Gina Roberts	Secretary	4	2024
Charlotte Seaborne	Treasurer	2	2022
Mike O'Connor	Director	4	2024

Administration

Name	Position
Josef Napier	Fire Chief

VALLEY CENTER FIRE PROTECTION DISTRICT
OTHER SUPPLEMENTARY INFORMATION
ASSESSED VALUATION
JUNE 30, 2021

Assessed Valuation:

Secured property	$ 2,852,973,814
Unsecured property	37,477,047
Total Assessed Valuation	$ 2,890,450,861