

Executive Summary

San Miguel Fire & Rescue – Continuous Oversight

Many questions have arisen during the 2020 pandemic and the Board of Directors have ensured proper oversight of the District's finances during a time of uncertainty. Trends and analysis of revenue, expenditures and long-term liabilities are currently being reviewed and data is being evaluated to help create a successful long-term financial plan.

The District submitted an application to FEMA and other grants supporting the COVID-19 National Emergency, but the process can be tedious and long. FEMA reimbursements can cover up to 75% of the total requested, but all reimbursement requests are not guaranteed.

There are still some unknowns as it relates to our revenue forecasts for the upcoming Fiscal Year and years to come. The County of San Diego is accepting COVID-19 penalty cancellation requests for those who have been directly impacted by the Coronavirus pandemic. Plan check and inspection fees are down due to the economic downturn and it is unknown how the pandemic will affect future construction projects in our District. Continuous analysis will help determine any potential impacts to our revenue streams and the District will be able to make any appropriate adjustments to the budget in a timely manner.

Long-term financial planning is crucial in the stability of any government entity. The District has begun the necessary steps it takes to complete a full long-term financial plan. This combines financial forecasting with strategizing and implementing a plan. A recession plan is an important part of the long-term financial plan because it is the discussion point of confronting a downturn of the economy early and maintaining a level of service that is needed for our communities. The District has prioritized each expenditure line item to support discussions regarding Fiscal Year 2020/2021 and ensure that decisions made related to the budget are financially sound.

Overall, the District has been able to increase their reserve funds in the last two years and has started the groundwork on capital equipment funding and replacement plans which is critical to meet the ongoing needs of the District. Some projects will be deferred until further notice and priorities of the reserve funds will continue to be reviewed on an annual basis. A healthy reserve fund provides options for the District to respond to emergencies, economic shock, and other risks. It is important to have adequate reserves for economic recovery and is critical to balance short-term strategies. The current reserve fund analysis that is being reviewed is the cash flow analysis. We are aware that our reserve funds are not currently at an adequate level to sustain many risk factors; however, the District has looked at slowing down its cash outflows to help withstand a shortfall in revenue.

Based on current projections and trend analysis, the Fiscal Year 2020/2021 Proposed Budget will be balanced, and the District will not need to use any reserve funds to balance the General Fund budget. The Board of Directors continues to review the potential financial implications as a result to the COVID-19 pandemic.

Leah Harris

Administrative Officer/Finance Officer

San Miguel Fire & Rescue
Statement of Revenues and Expenses
For the Period Ending April 30, 2020
(Unaudited)

	YTD	Budget	YTD %	Prior YTD
1 Operating Revenues	\$ 22,588,028	\$ 22,714,159	99%	\$ 21,810,280
2 Non-Operating Revenues	1,693,771	1,336,932	127%	1,629,196
3 Total Revenues	24,281,799	24,051,091	101%	23,439,475
4 Total Expenses	18,474,149	22,524,637	82%	17,956,873
Net Income before				
5 Reserve Related Expenditures	<u>\$ 5,807,650</u>	<u>\$ 1,526,454</u>	<u>380%</u>	<u>\$ 5,482,602</u>
6 Total Reserve Revenues	460,228	-	-	461,654
7 Total Reserve Expenditures	713,984	1,898,154	38%	2,493,050
8 Increase (Decrease) in Fund Balance	<u>\$ 5,553,894</u>	<u>\$ (371,700)</u>		<u>\$ 3,451,206</u>

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 April 30, 2020
(Unaudited)

	YTD	Budget	YTD 83%	Prior YTD
1 Operating Revenues				
2 Property Taxes	\$ 20,149,944	\$ 20,096,101	100%	\$ 19,356,640
3 Benefit Assessments	2,438,084	2,618,058	93%	2,453,639
4 Total Operating Revenues	22,588,028	22,714,159	99%	21,810,280
5 Non-Operating Revenues				
6 AMR Contract and Other Miscellaneous	1,642,957	1,321,932	124%	1,567,278
7 Interest Income	50,814	15,000	339%	61,918
8 Total Non-Operating Revenues	1,693,771	1,336,932	127%	1,629,196
9 Total Revenues	24,281,799	24,051,091	101%	23,439,475
10 Operating Expenses				
11 Salaries and Benefits Costs				
12 Director Fees	11,022	22,953	48%	11,088
13 Director Benefits	9,266	16,193	57%	21,426
14 Employee Salaries	6,385,083	8,096,480	79%	5,525,822
15 Employee Overtime	1,828,875	1,786,997	102%	1,736,661
16 Employee Benefits	5,657,764	6,578,472	86%	4,936,689
17 Total Salaries and Benefits Costs	13,892,009	16,501,095	84%	12,231,686
18 Services and Supplies				
19 Professional Services	2,566,726	2,851,145	90%	2,636,537
20 Special District Expense	193,753	1,138,361	17%	1,888,790
21 Maintenance	460,181	572,350	80%	425,499
22 Insurance	504,103	563,736	89%	192,992
23 Equipment	472,121	539,882	87%	259,820
24 Utilities	184,911	161,000	115%	173,716
25 Supplies	119,317	83,200	143%	67,978
26 Personnel Development	42,667	74,345	57%	47,505
27 Rents and Leases	38,362	39,523	97%	32,350
28 Total Service and Supplies	4,582,140	6,023,542	76%	5,725,187
29 Total Expenses	18,474,149	22,524,637	82%	17,956,873
Net Income before				
30 Reserve Related Activities	\$ 5,807,650	\$ 1,526,454	380%	\$ 5,482,602

San Miguel Fire & Rescue
Detail Statement of Revenues and Expenses
For the Period Ending April 30, 2020
(Unaudited)

		YTD	Budget	YTD 83%	Prior YTD
31	Fire Mitigation Revenue	\$ 169,486	\$ -	0%	\$ 191,727
32	Miscellaneous Reserve Revenue	166,709	-	0%	186,219
33	Interest Reserve Revenue	124,033	-	0%	83,707
34	Total Reserve Revenues	460,228	-	0%	461,654
35	Total Reserve Expenditures	713,984	1,898,154	38%	2,493,050
36	Increase (Decrease) in Fund Balance	\$ 5,553,894	\$ (371,700)		\$ 3,451,206

*YTD - Year to Date

No assurance is provided on these financial statements.

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

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San Miguel Fire & Rescue
Balance Sheet
For the Period Ending April 30, 2020
(Unaudited)

	Jun-19	Apr-20
Assets		
Cash in County - General	\$ 4,268,164	\$ 7,613,049
Cash in County - Fund Reserves	7,365,606	9,166,067
Fire Mitigation Fund	157,245	330,599
Restricted Cash and Investments	1,640,545	1,640,545
Cash in CB&T	615,426	294,603
Accounts Receivable	206,372	25,924
Net Pension Asset	402,374	402,374
Fixed Assets	13,745,757	13,745,757
Total Assets	28,401,490	33,218,919
Liability		
Current Liabilities	4,297,384	4,297,383
Accounts Payable	202,312	290,643
Total Liability	4,499,696	4,588,026
Fund Balance	\$ 23,930,163	\$ 28,627,408

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Financial Statement Analysis

April 2020 – 83% of Fiscal Year

Line 2 Taxes: Property taxes revenue is at 100% compared to budget – the majority of property taxes is received in December and April, and as such, this line item can appear high or low depending upon time of the year.

Line 3 Benefit Assessments Revenue: Benefit assessment revenue is at 93% compared to budget – the majority of assessments is received in April, and as such, this line item will can low depending upon time of the year.

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 will trend over or under budget depending upon the timing of receipts, and if unanticipated reimbursements are received. This is account is current over budget at 124% due to OES and Self Containing Breathing Apparatus reimbursements for prior year expenses but not budgeted for.

Line 7 Interest Income: The majority of interest revenues come from the County Investment Pool and the Public Agency Self Insurance System (PASIS). This account will trend over budget all year due to being under budgeted.

Line 12 Director Fees: This account is for director fees for committee and board meetings. It is currently trending under budget at 48% due to less meetings needed in the fiscal year.

Line 13 Director Benefits: This account is for the retired Board of Directors health benefits. It is currently trending under budget at 57% with not all retired directors needing the health benefits.

Line 14 Employee Salaries: This category includes salaries and leave pay for all staff. This category is trending slightly under budget at 79% due to vacant positions in the operations department.

Line 15 Employee Overtime: This account is for all employee overtime including operations, training, administration and strike teams. It is currently trending slightly over budget at 86% due to strike teams being requested in October and November, as well as staff covering shifts of vacant positions.

Line 16 Employee Benefits: This account is for employee benefits such as retirement, health insurance, uniform allowance and Recertification. This account is over slightly budget at 86% due to the annual payment for the PERS unfunded liability and uniform allowance, which were both paid in July.

Line 19 Professional Services: This category is for professional services which includes PERS side fund pay off, financial audits, dispatching services, and apparatus contracts. This account is trending over budget at 90% due to timing of dispatching payments and PERS side fund pay off in July.

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 will trend over or under budget depending upon the timing of memberships and upgrades.

Line 21 Maintenance: This account is for maintenance of all equipment. It is trending slightly under budget at 80% due to the timing of spring maintenance.

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. This account will trend higher due to annual payments made in July.

Line 23 Equipment: This account includes communication equipment, safety clothing, safety equipment and miscellaneous equipment. This is on an as needed basis and can trend over or under budget.

Line 24 Utilities: This account includes all utilities associated with all Fire & Rescue facilities, which is currently trending over budget at 115% due to actual budget being 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 except the medical supplies which are purchased in bulk in July after the inventory is completed. This account is trending over budget at 143% due to medical supplies needing to be purchased for COVID-19 protocol.

Line 26 Personnel Development: This account is for all training, conferences and seminars for all departments. This account will trend over or under budget depending upon timing of trainings.

Line 27 Rents and Leases: This account is for the lease of Station 19 and the copy machine in the administration building. This is trending over budget at 97% due to the copier being over its allotted usage in prior months due to projects being done by staff instead of being contracted.

Line 30 Net Income before Reserve Related Activities: This is Revenues minus Expenses. Overall, Fire and Rescue is showing a net revenue through April as a result of the property tax revenues being received in April.

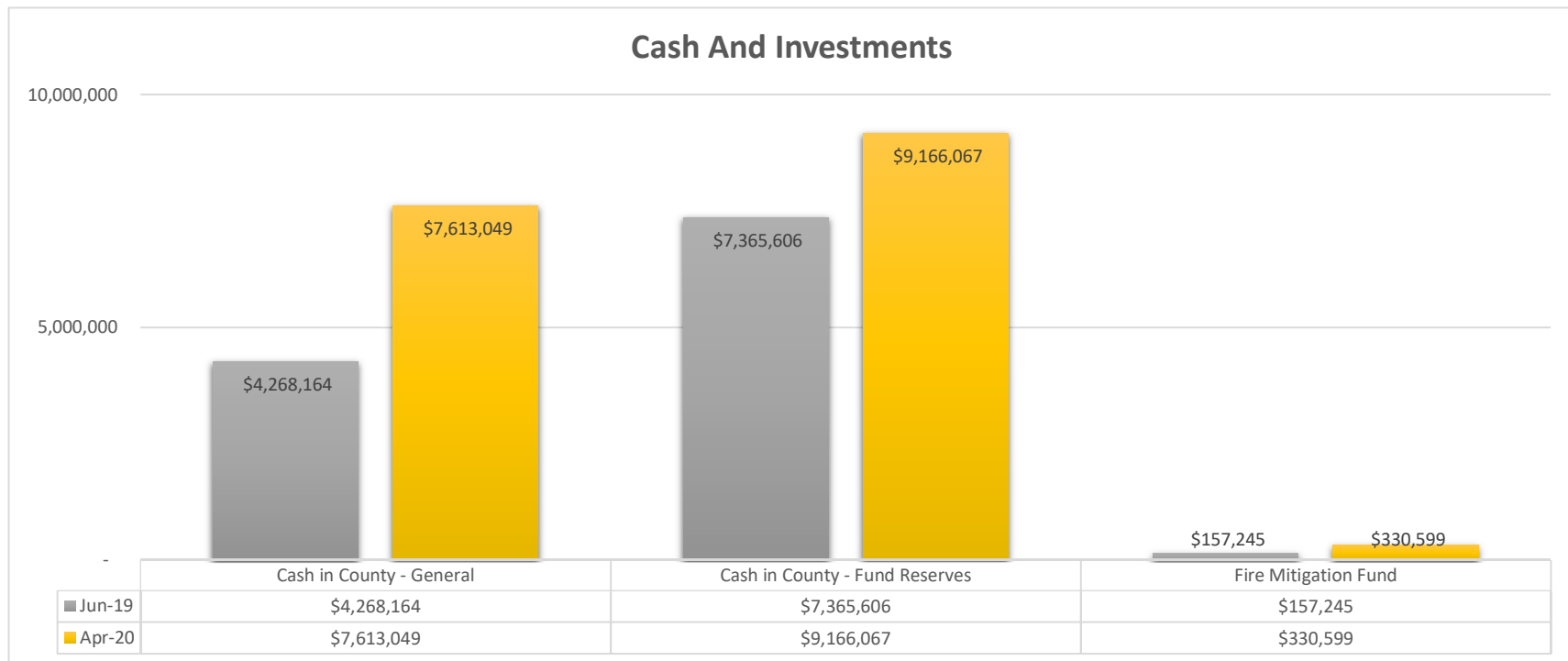
Line 31 Fire Mitigation Revenue: This is the revenue received for fire mitigation in the reserve fund. This revenue is not budgeted for as it is variable each year and cannot be anticipated.

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

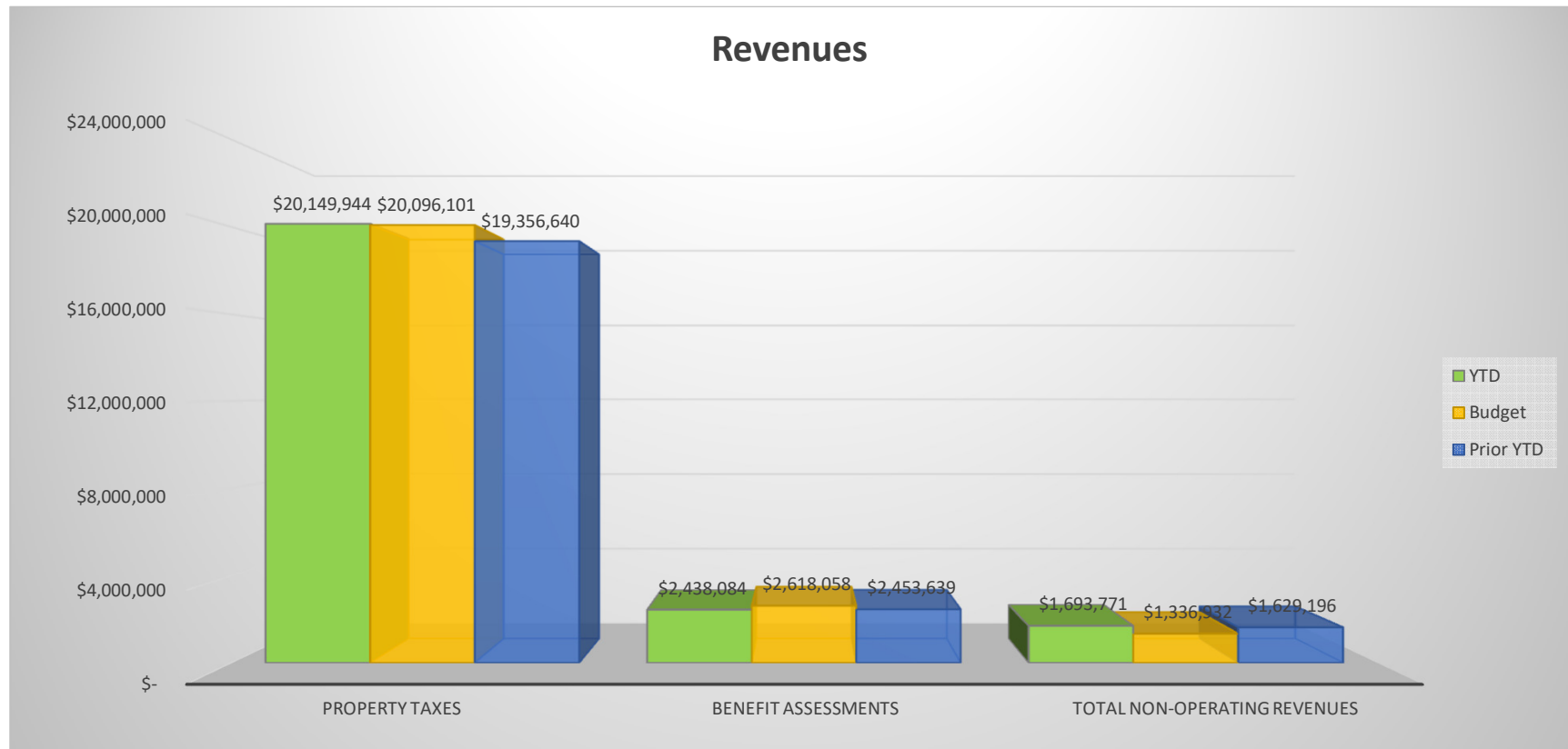
Line 33 Interest Reserve Revenue: The majority of interest revenues come from the County Investment Pool and the Public Agency Self Insurance System (PASIS) related to reserve fund investments.

Line 35 Total Reserve Expenditures: This account is the Total Capital Expenditures from Reserve Funds. During this fiscal year there has been Station Renovations, EMS Equipment replacement and other miscellaneous equipment purchased. Due to the COVID-19 National Emergency all remaining projects and equipment budgeted for will not be purchased, those items will be reviewed in the 2020/2021 budget for priority.

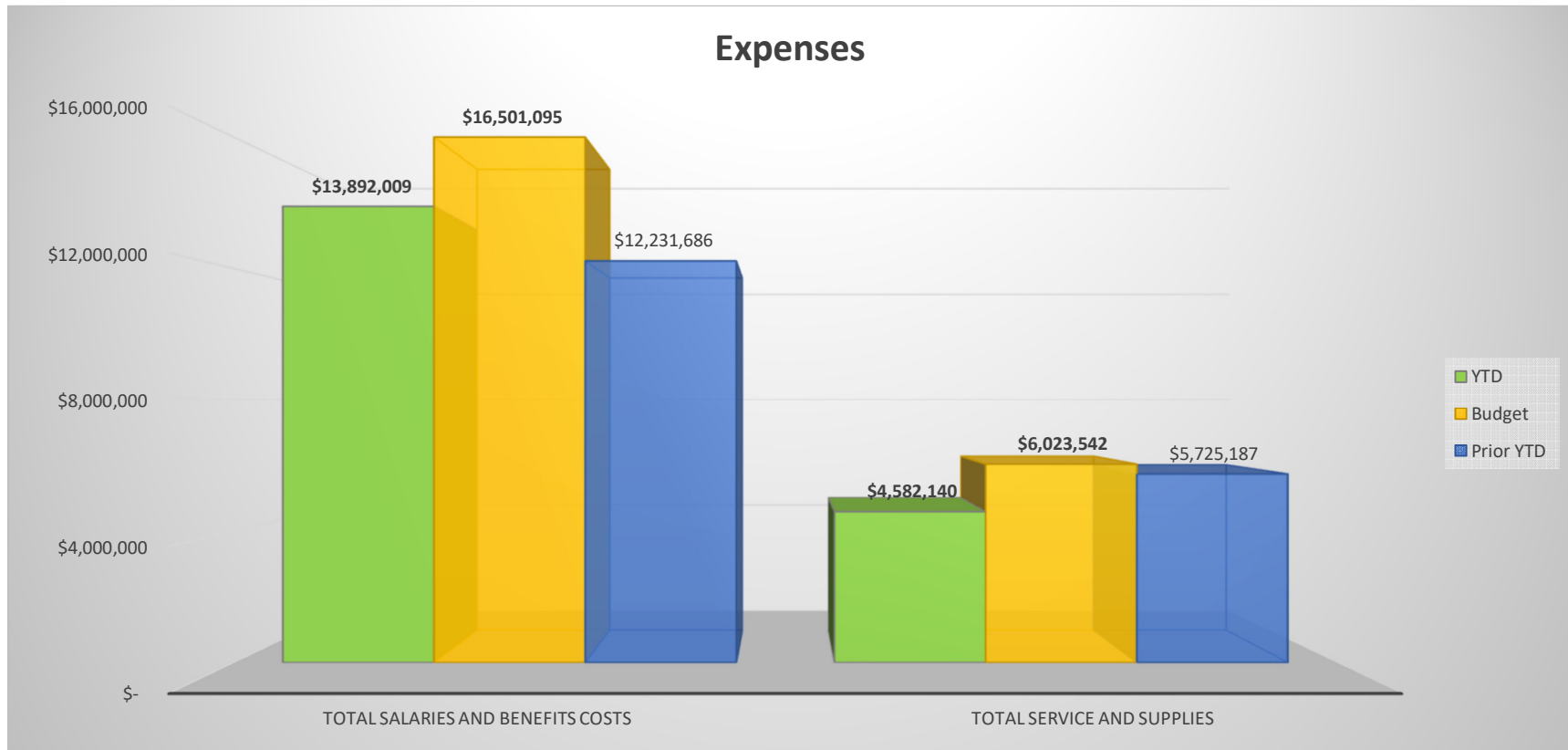
Line 36 Increase or (Decrease) to Fund Balance: This is the increase or (decrease) to Fund Balance, including Operating and Reserve Fund changes.



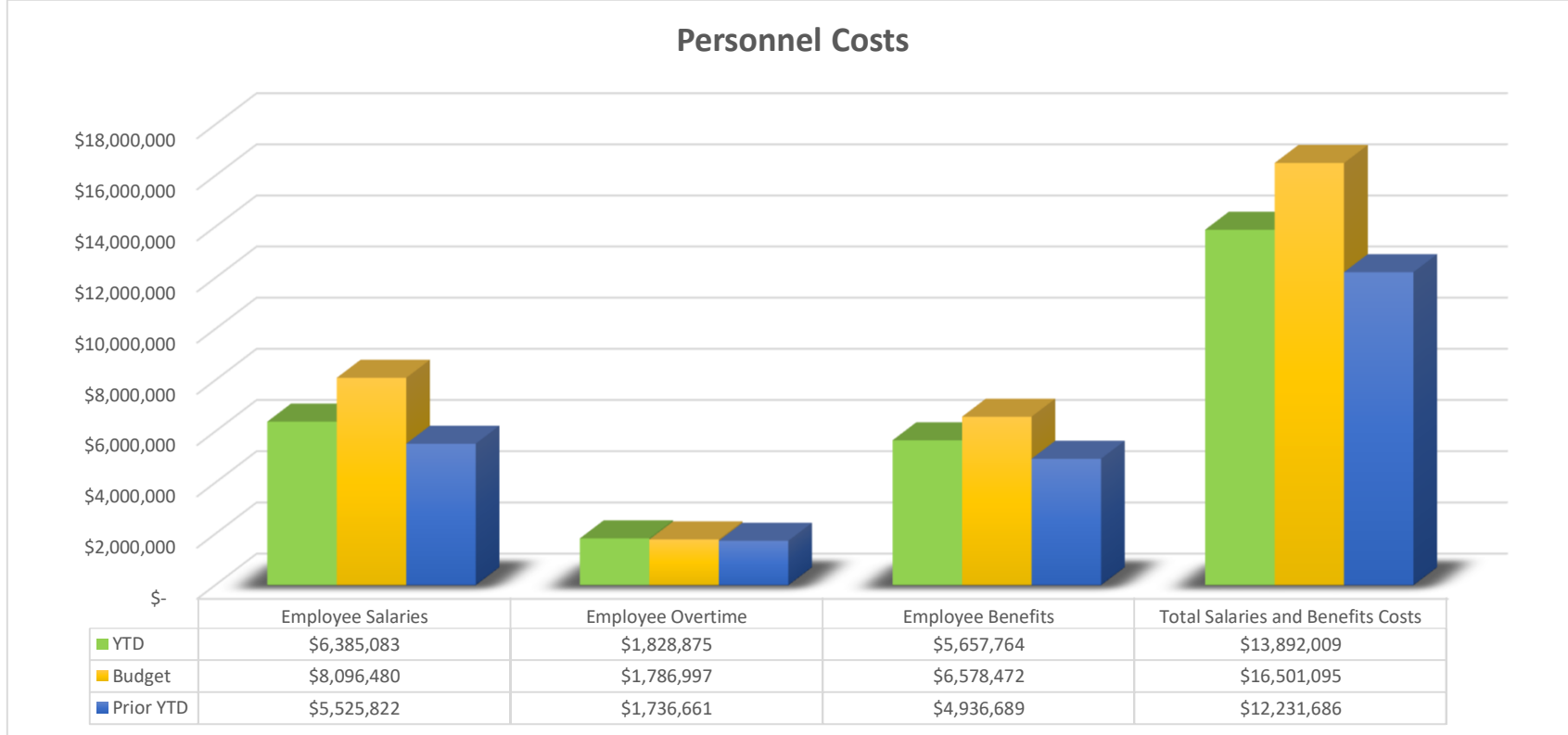
The Cash & Investments graph is showing the cash balances at the end of Fiscal Year 2018/2019 and YTD balances as of April 2020.



The Revenues graph is showing a comparison of Prior YTD, 2019/2020 Budgeted revenue, and YTD revenue received as of April 2020.



The Expenses graph is showing a comparison of Prior YTD, 2019/2020 Budgeted expenses, and YTD expenditures as of April 2020 for Total Salaries/Benefits and Total Services/Supplies.



The Personnel Costs graph is showing a comparison of Prior YTD, 2019/2020 Budget, and YTD as of April 2020 for Employee Salaries, Employee Overtime, Employee Benefits, and Total Salaries and Benefit Costs.

2019-20 Overtime Costs
San Miguel Fire & Rescue

	Overtime: Behind Light Duty	Overtime: Fire	Overtime: Late Call	Overtime: Late Relief	Overtime: Mandatory Hold	Overtime: Mandatory Hold-Fire	Overtime: Union Time Bank	Overtime: Annual Leave	Overtime: Backfill Fire	Overtime: Bereavement	Overtime: Jury Duty	Overtime: Meeting	Overtime: Physical Therapy	Overtime: Public Education	Overtime: Recruitment	Overtime: Sick Leave	Overtime: Special Assignment	Overtime: Training	Overtime: Vacancy	Overtime: Workers' Comp	Overtime: Administration	Overtime: Heartland Instruction	Total:
July-19	16,752.24		333.18		3,006.00		1,053.36	77,696.64	944.04			555.03				29,559.11	6,799.05		45,270.66	5,766.00			\$187,735.30
August-19	7,761.96		619.82		2,941.56		209.40	50,742.52	1,492.92			1,951.07	251.28			31,824.44	10,304.03		30,118.68	14,177.54			\$152,395.21
September-19			371.99		4,489.18			41,027.53	19,220.45			855.58	315.24			40,285.97	13,054.22		11,917.08	19,187.39			\$150,724.63
October-19	1,199.16	38,214.77	1,322.76	222.05	3,613.86	6,394.32	188.46	46,977.44	19,471.02			1,633.88				29,303.55	7,549.96	3,112.73	40,017.60	28,198.01	429.98		\$227,849.53
November-19	13,131.00	11,479.93	265.10	668.37	7,337.22	1,466.51		51,711.89	8,304.21		376.92	1,474.34			5,149.96	19,197.29	11,988.59	1,092.20	46,807.62	25,682.54			\$206,133.67
December-19	9,414.00		316.94	816.92	5,001.48			41,092.54				798.53				16,549.54	8,513.30	4,704.46	39,743.64	29,379.12			\$156,330.46
January-20	6,438.60		984.97	358.75	3,216.96			52,245.44		3,863.16		2,126.55				11,807.16	2,963.75	6,257.16	32,718.96	32,945.76		1,223.28	\$157,150.49
February-20	3,798.72			215.99	1,520.93			43,009.94				641.33				19,409.11	8,204.03	5,492.94	27,631.32	18,081.96		293.08	\$128,299.34
March-20	20,153.16		1,737.14	150.00			214.62	46,099.17				1,767.76		896.60		24,813.42	7,695.90	2,193.71	30,330.00	0.00		841.01	\$136,892.47
April-20	16,353.72		298.86	103.28				24,260.58		2,909.88		589.65				21,944.27	612.72	1,245.18	22,249.80			254.85	\$90,822.79

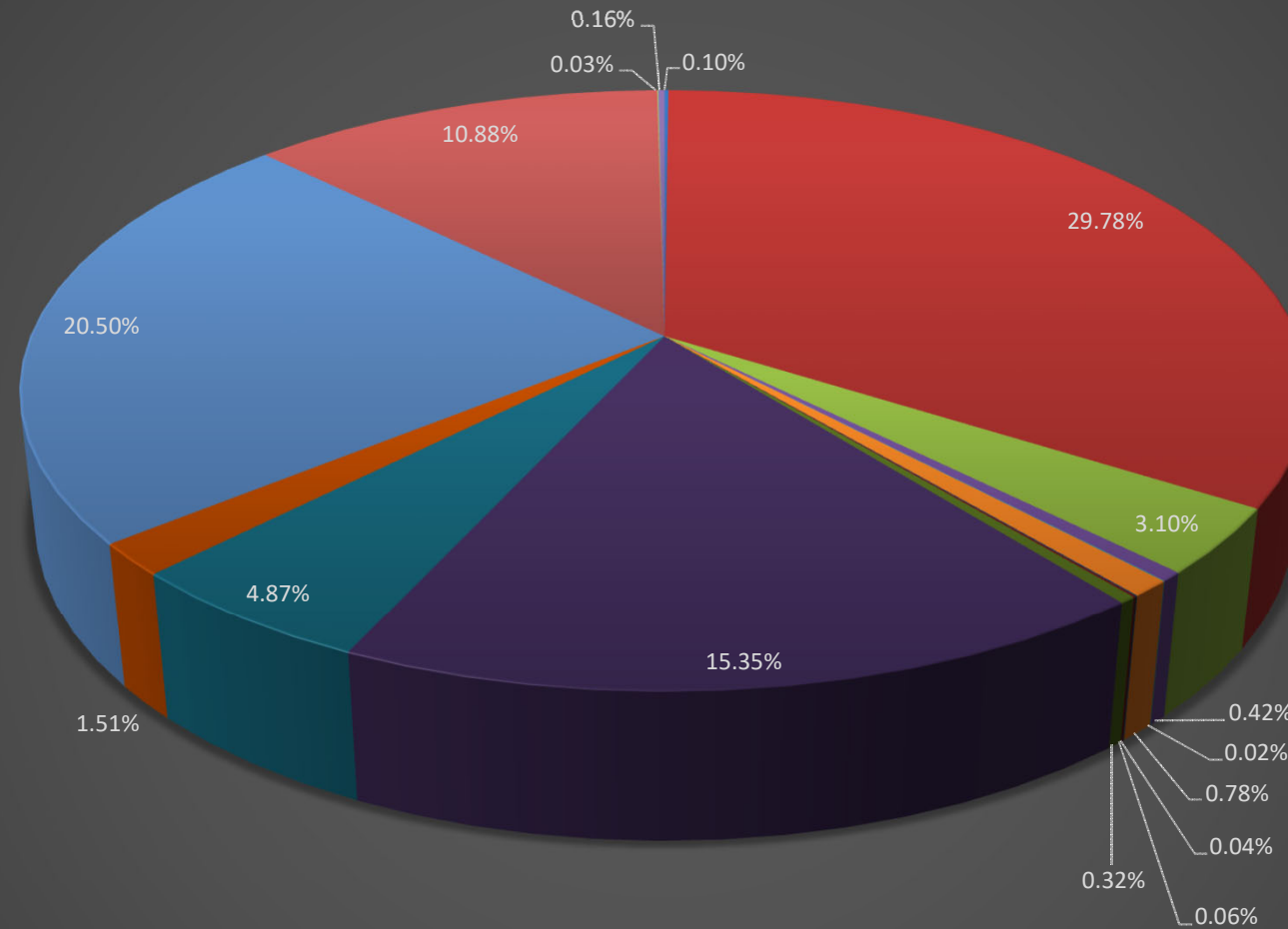
Totals:	95,002.56	49,694.70	6,250.76	2,535.35	31,127.19	7,860.83	1,665.84	474,863.68	49,432.65	6,773.04	376.92	12,393.70	566.52	896.60	5,149.96	244,693.84	77,685.54	24,098.37	326,805.36	173,418.30	429.98	2,612.21	\$1,594,333.88
Percentage of Total:	5.96%	3.12%	0.39%	0.16%	1.95%	0.49%	0.10%	29.78%	3.10%	0.42%	0.02%	0.78%	0.04%	0.06%	0.32%	15.35%	4.87%	1.51%	20.50%	10.88%	0.03%	0.16%	100.00%

Less OES Paid	-\$142,026.68
Less OES Owed:	<u>-\$27,342.64</u>

Net Overtime Expense: \$1,424,964.56

Note: Vacancy overtime adjustment:	-326,805.36	Percent of Budget	79.74%
Overtime Spent Without Vacancies:	<u>1,098,159.19875</u>	2019-20 Revised Budget:	\$1,786,997.00
Percent of Budget:	61.45%	Percent of Fiscal Year-to-Date:	83.33%

2019-2020 Overtime Cost Analysis San Miguel Fire & Rescue



- Overtime: Union Time Bank
- Overtime: Physical Therapy
- Overtime: Vacancy
- Overtime: Annual Leave
- Overtime: Public Education
- Overtime: Workers' Comp
- Overtime: Backfill Fire
- Overtime: Recruitment
- Overtime: Administration
- Overtime: Bereavement
- Overtime: Sick Leave
- Overtime: Heartland Instruction
- Overtime: Jury Duty
- Overtime: Special Assignment
- Overtime: Meeting
- Overtime: Training