

**SAN MIGUEL**



**FIRE & RESCUE**

Quarterly Financial Update

For the Period Ending June 30, 2020

## **Executive Summary**

### **San Miguel Fire & Rescue – Our Path Forward**

With the close of Fiscal Year 2019/2020 behind us and the beginning of Fiscal Year 2020/2021 already begun, we take a look at where the District stands as a whole and how we move forward to continued success for our agency in Financial Management. The close of the Fiscal Year is a fast paced process that includes the reconciliation of all accounts, accountability of internal controls, moving from cash basis accounting to accrual basis accounting, and adding financial information that is required by Governmental Accounting Standards Board (GSAB) and Generally Accepted Accounting Principles.

The June 2020 Financials being presented are very similar to what the audited financials will be presented as, less some GASB requirements that are being completed in the next month during audit preparations. Many of the adjustments that are not cash associated have been included. We ended the year at \$3.3 Million revenue over expense which includes the \$900,000 Debt Service Reserve Bond payment that was made during the year, which would bring our revenue over expense to \$2.4 Million. The Debt Service Reserve Bond was setup to make the last bond payment that was scheduled to be paid in January 2020. \$1.5 Million was allocated at the beginning of the Fiscal Year for Reserve Funds.

We want to also highlight a few items that will affect the District moving forward that the Administrative Division are currently reviewing. CalPERS Investments earned a total of 4.7% for the 12-month year ending on June 30, 2020. The investment returns are influenced by asset allocations and CalPERS has a diverse portfolio. The average return in the past ten years has been 8.5% and we have seen an average of 6.3% over the last five years, which is lower than the anticipated discount rate. This will increase employer costs and the Unfunded Annual Liability in the short-term. A full analysis of pension costs is currently being completed and a presentation of the pension overview will be presented during mid-year.

CalPERS Health Insurance premiums increased at an overall average of 4.32%, but some of the Preferred Provider Organization (PPO) plans will see an overall average increase of 8.54%. Health insurance costs have and will continue to increase.

There is a new regulation regarding continuing financial capacity that was adopted by the Department of Industrial Relations (DIR), requiring self-insured employers to submit an annual report to include demographic and financial information related to Workers' Compensation. This will be reported on the financial statements very similarly to how the Pension and OPEB liabilities are stated.

We are monitoring the effects that COVID-19 has on our economic outlook, within our community and nationwide. The State of California is projecting a recession worse than the Great Recession, according to the Chief Economist of the California Department of Finance. We are analyzing what impacts there will be to the housing market and what resources we have that may help during these economic hardships. We understand that these are hard times to be in and the District is working diligently to ensure stability and sustainability of the District's financial standing.

*Leah Harris*

Administrative Officer/Finance Officer

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

	YTD	Budget	YTD %	Prior YTD
1 Operating Revenues	\$ 23,775,268	\$ 22,714,159	105%	\$ 22,352,595
2 Non-Operating Revenues	1,835,595	1,336,932	137%	2,586,477
3 Total Revenues	25,610,863	24,051,091	106%	24,939,072
4 Total Expenses	22,239,374	22,524,637	99%	20,611,275
<b>Net Income before</b>				
5 Reserve Related Expenditures	<b>\$ 3,371,489</b>	<b>\$ 1,526,454</b>	<b>221%</b>	<b>\$ 4,327,797</b>
6 Total Reserve Revenues	520,271	-	-	825,959
7 Total Reserve Expenditures	939,549	1,898,154	49%	3,362,585
8 Increase (Decrease) in Fund Balance	<b>\$ 2,952,211</b>	<b>\$ (371,700)</b>		<b>\$ 1,791,170</b>

*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, 2020**  
**(Unaudited)**

	YTD	Budget	YTD 100%	Prior YTD
1 <b>Operating Revenues</b>				
2 Property Taxes	\$ 21,151,852	\$ 20,096,101	105%	\$ 19,811,643
3 Benefit Assessments	2,623,416	2,618,058	100%	2,540,953
4 <b>Total Operating Revenues</b>	<b>23,775,268</b>	<b>22,714,159</b>	<b>105%</b>	<b>22,352,595</b>
5 <b>Non-Operating Revenues</b>				
6 AMR Contract and Other Miscellaneous	1,778,760	1,321,932	135%	2,382,150
7 Interest Income	56,835	15,000	379%	204,327
8 <b>Total Non-Operating Revenues</b>	<b>1,835,595</b>	<b>1,336,932</b>	<b>137%</b>	<b>2,586,477</b>
9 <b>Total Revenues</b>	<b>25,610,863</b>	<b>24,051,091</b>	<b>106%</b>	<b>24,939,072</b>
10 <b>Operating Expenses</b>				
11 <b>Salaries and Benefits Costs</b>				
12 Director Fees	12,954	22,953	56%	14,653
13 Director Benefits	13,741	16,193	85%	26,015
14 Employee Salaries	7,773,719	8,096,480	96%	6,659,323
15 Employee Overtime	2,118,207	1,786,997	119%	2,090,390
16 Employee Benefits	6,597,149	6,578,472	100%	5,086,682
17 <b>Total Salaries and Benefits Costs</b>	<b>16,515,770</b>	<b>16,501,095</b>	<b>100%</b>	<b>13,877,063</b>
18 <b>Services and Supplies</b>				
19 Professional Services	2,790,149	3,744,620	75%	4,532,033
20 Special District Expense	324,214	244,886	132%	294,698
21 Maintenance	578,828	572,350	101%	589,282
22 Insurance	958,032	563,736	170%	551,642
23 Equipment	581,786	539,882	108%	389,046
24 Utilities	226,685	161,000	141%	203,177
25 Supplies	159,028	83,200	191%	79,071
26 Personnel Development	59,688	74,345	80%	58,762
27 Rents and Leases	45,194	39,523	114%	36,500
28 <b>Total Service and Supplies</b>	<b>5,723,604</b>	<b>6,023,542</b>	<b>95%</b>	<b>6,734,213</b>
29 <b>Total Expenses</b>	<b>22,239,374</b>	<b>22,524,637</b>	<b>99%</b>	<b>20,611,275</b>
30 <b>Net Income before Reserve Related Activities</b>	<b>\$ 3,371,489</b>	<b>\$ 1,526,454</b>	<b>221%</b>	<b>\$ 4,327,797</b>

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

	YTD	Budget	YTD 100%	Prior YTD
31 Fire Mitigation Revenue	\$ 178,447	\$ -	0%	\$ 194,603
32 Miscellaneous Reserve Revenue	179,480	-	0%	440,361
33 Interest Reserve Revenue	162,344	-	0%	190,994
34 <b>Total Reserve Revenues</b>	<b>520,271</b>	<b>-</b>	<b>0%</b>	<b>825,959</b>
35 <b>Total Reserve Expenditures</b>	<b>939,549</b>	<b>1,898,154</b>	<b>49%</b>	<b>3,362,585</b>
36 <b>Increase (Decrease) in Fund Balance</b>	<b>\$ 2,952,211</b>	<b>\$ (371,700)</b>		<b>\$ 1,791,170</b>

\*YTD - Year to Date

*Preliminary - does not include all year end adjustments*

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

	<b>Jun-19</b>	<b>Jun-20</b>
<b>Assets</b>		
Cash in County - General	\$ 4,268,164	\$ 5,959,908
Cash in County - Fund Reserves	7,365,606	9,913,478
Fire Mitigation Fund	157,245	331,453
Restricted Cash and Investments	922,347	922,347
Cash in CB&T	615,426	402,967
Accounts Receivable	944,158	694,731
Net Pension Asset	1,756,010	1,756,010
Fixed Assets	14,074,086	14,074,086
<b>Total Assets</b>	<b>30,103,042</b>	<b>34,054,979</b>
<b>Liability</b>		
Current Liabilities	4,340,616	5,147,319
Accounts Payable	165,271	358,296
<b>Total Liability</b>	<b>4,505,887</b>	<b>5,505,614</b>
<b>Fund Balance</b>	<b>\$ 25,625,525</b>	<b>\$ 28,577,735</b>

**SAN MIGUEL FIRE & RESCUE*****Financial Statement Analysis – Preliminary unadjusted for audit, Actual results will vary***

June 2020 – 100% of Fiscal Year

**Line 2 Taxes:** Property taxes revenue ended the year a little over budget at 105%.

**Line 3 Benefit Assessments Revenue:** Benefit assessment revenue ended the year at 100% of the 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 ended the year over budget at 135% due to OES and Self Containing Breathing Apparatus reimbursements for prior year expenses 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 was 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 ended the year under budget at 56% 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 under budget at 85% since not all the directors needed health benefits.

**Line 14 Employee Salaries:** This category includes salaries and leave pay for all staff. This category ended slightly under budget at 96% 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 ended the year over budget at 119% 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 ended the year at budget.

**Line 19 Professional Services:** This category is for professional services which includes the CalPERS side fund pay off, financial audits, dispatching services, apparatus contracts, and the lease bond payment for the administration building. This account is under budget at 75% due to less services rendered during the year due to COVID-19.

**Line 20 Special District Expense:** This account includes publications and media, special district memberships, election costs, software upgrades, and COVID-19 costs. This account is over budget due to COVID-19 costs not being budgeted for.

**Line 21 Maintenance:** This account is for maintenance of all equipment. It is slightly over budget at 101% due to facilities upgrades.

**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 is over budget due to Worker's Compensation yearly adjustment being made for year end and not budgeted for.

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

**Line 24 Utilities:** This account includes all utilities associated with all Fire & Rescue facilities, which is over budget at 141% due to the budget being under projected. There is now trend analysis for each utility account, which can better estimate budget amounts 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 over budget at 191% 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 is under budget at 80% due to less training, conferences and seminars rendered due to COVID-19.

**Line 27 Rents and Leases:** This account is for the lease of Station 19 and the copy machine in the administration building. This is over budget at 114% due to the copier being over its allotted usage due to projects being done by staff instead of being contracted out.

**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 2019-2020.

**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.

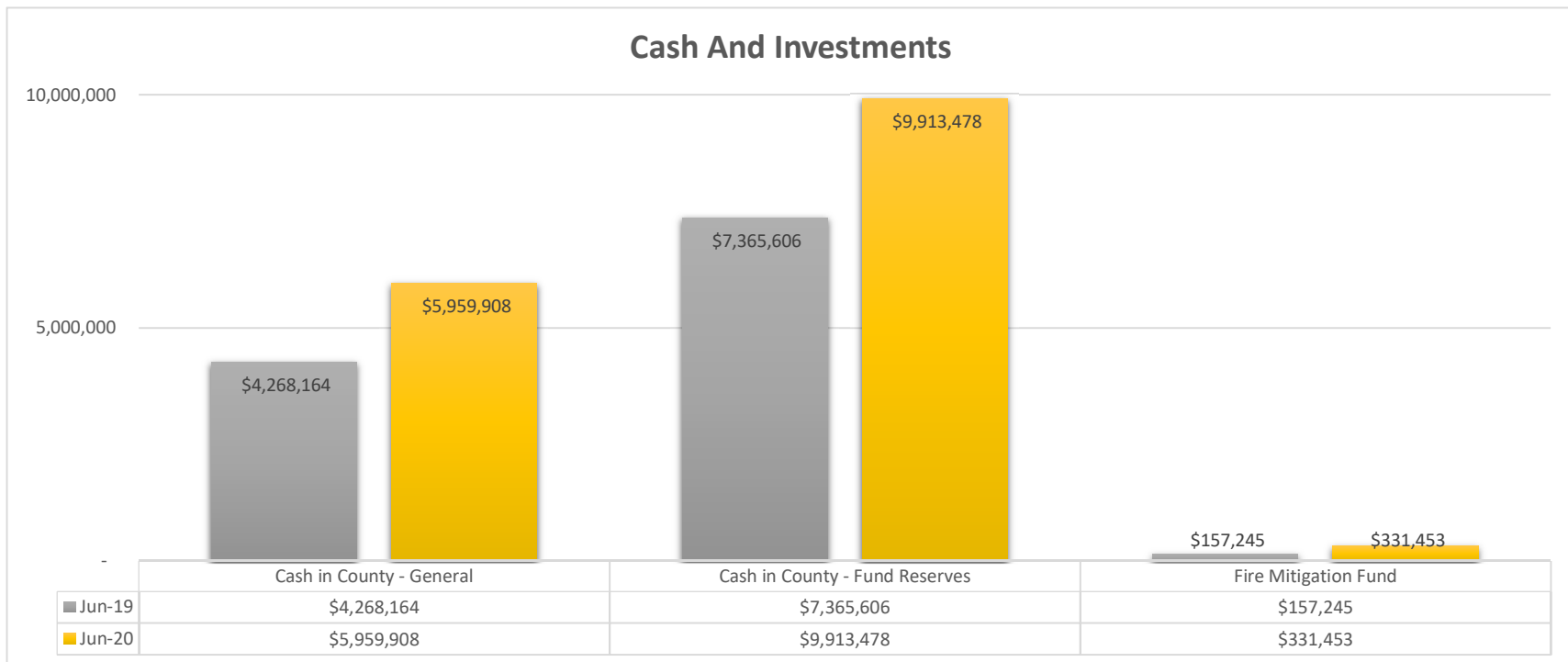
**Line 32 Miscellaneous Reserve Revenue:** This account records reimbursements for the use of the fire engines on strike teams on an as needed basis.

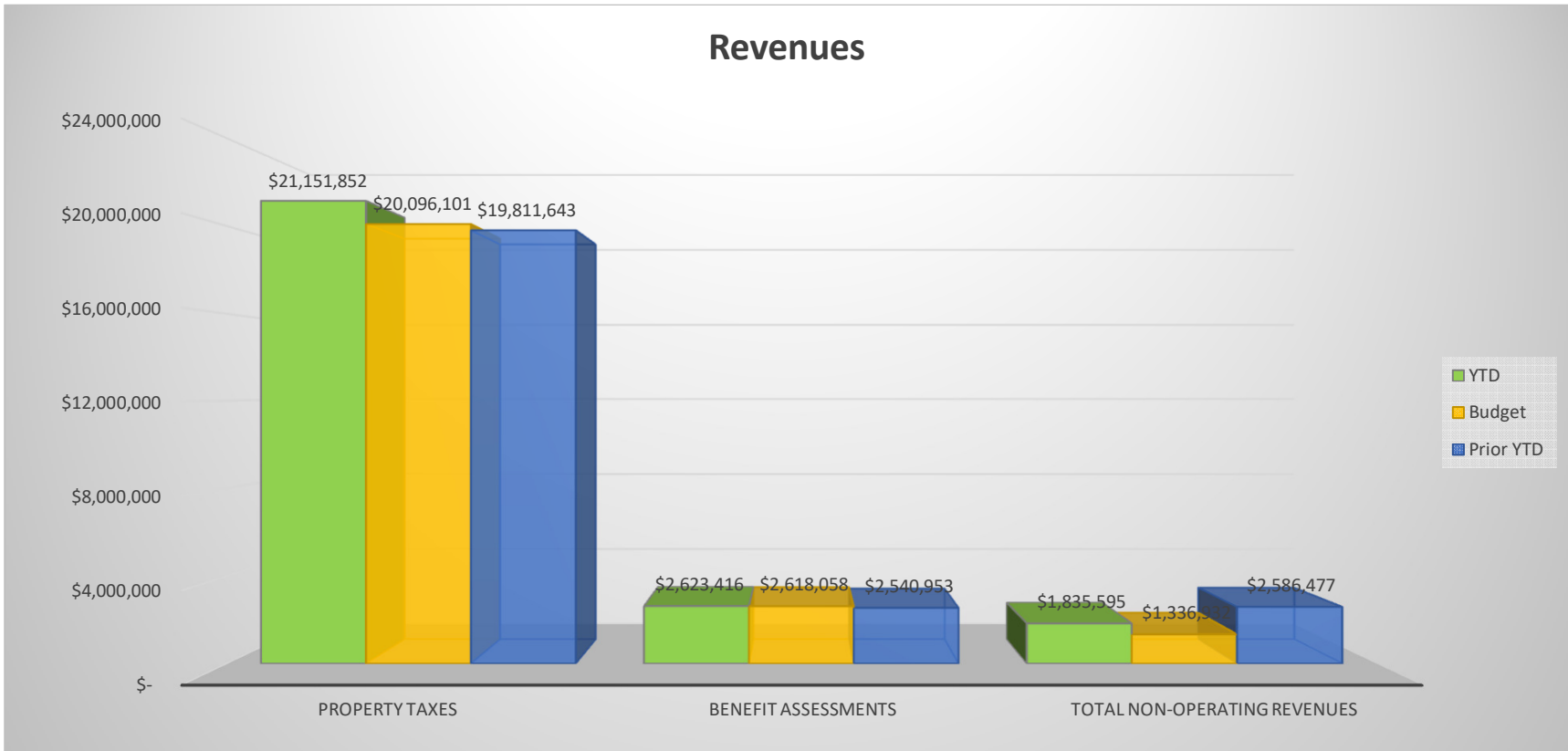
**Line 33 Interest Reserve Revenue:** The majority of interest revenues come from the County Investment Pool and the Public Agency Self Insurance System (PASIS) related to reserve fund investments.

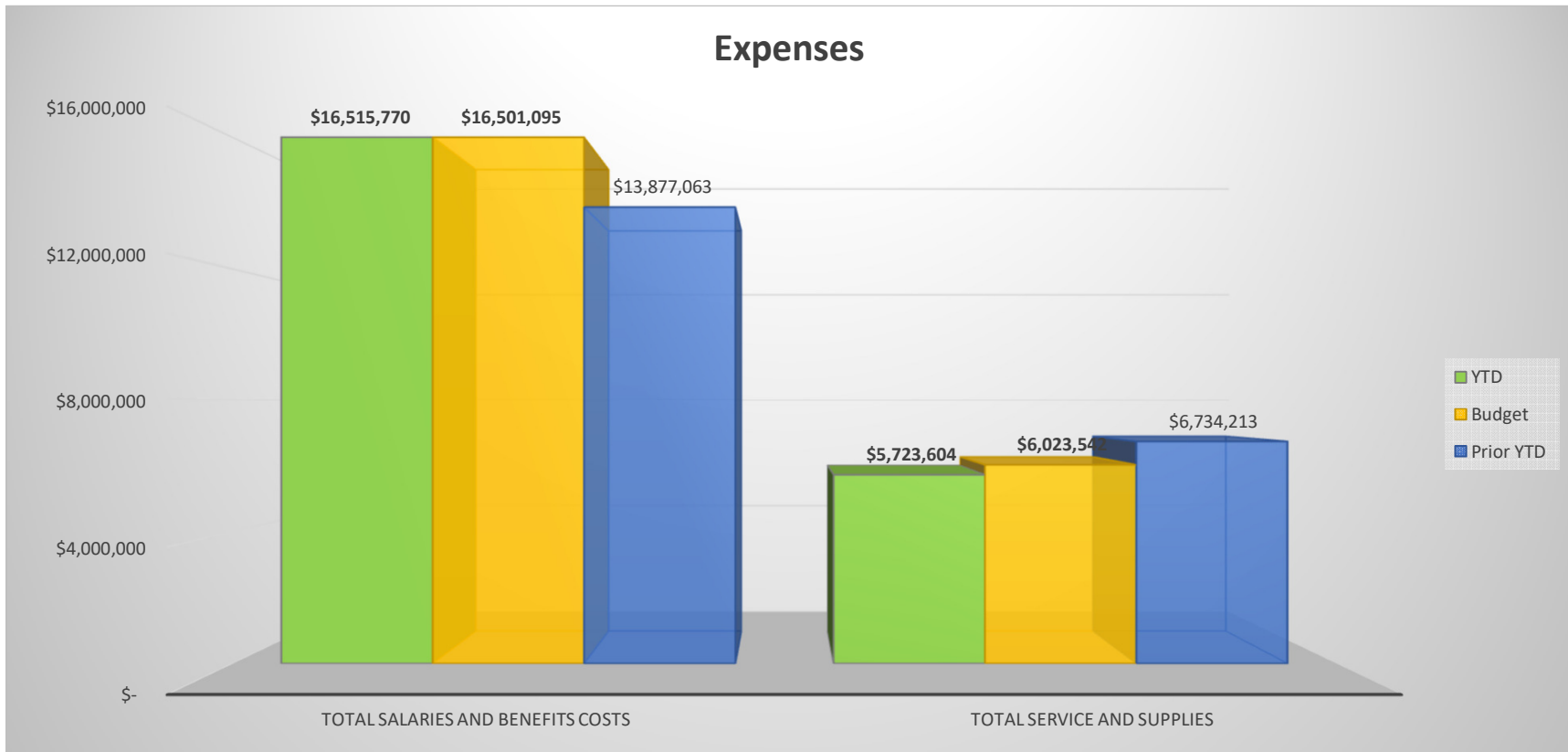
**Line 35 Total Reserve Expenditures:** This account is the Total Capital Expenditures from Reserve Funds. During the fiscal year there has been Station Renovations, EMS Equipment replacement and other miscellaneous equipment purchased. Due to the COVID-19 National Emergency all remaining projects and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

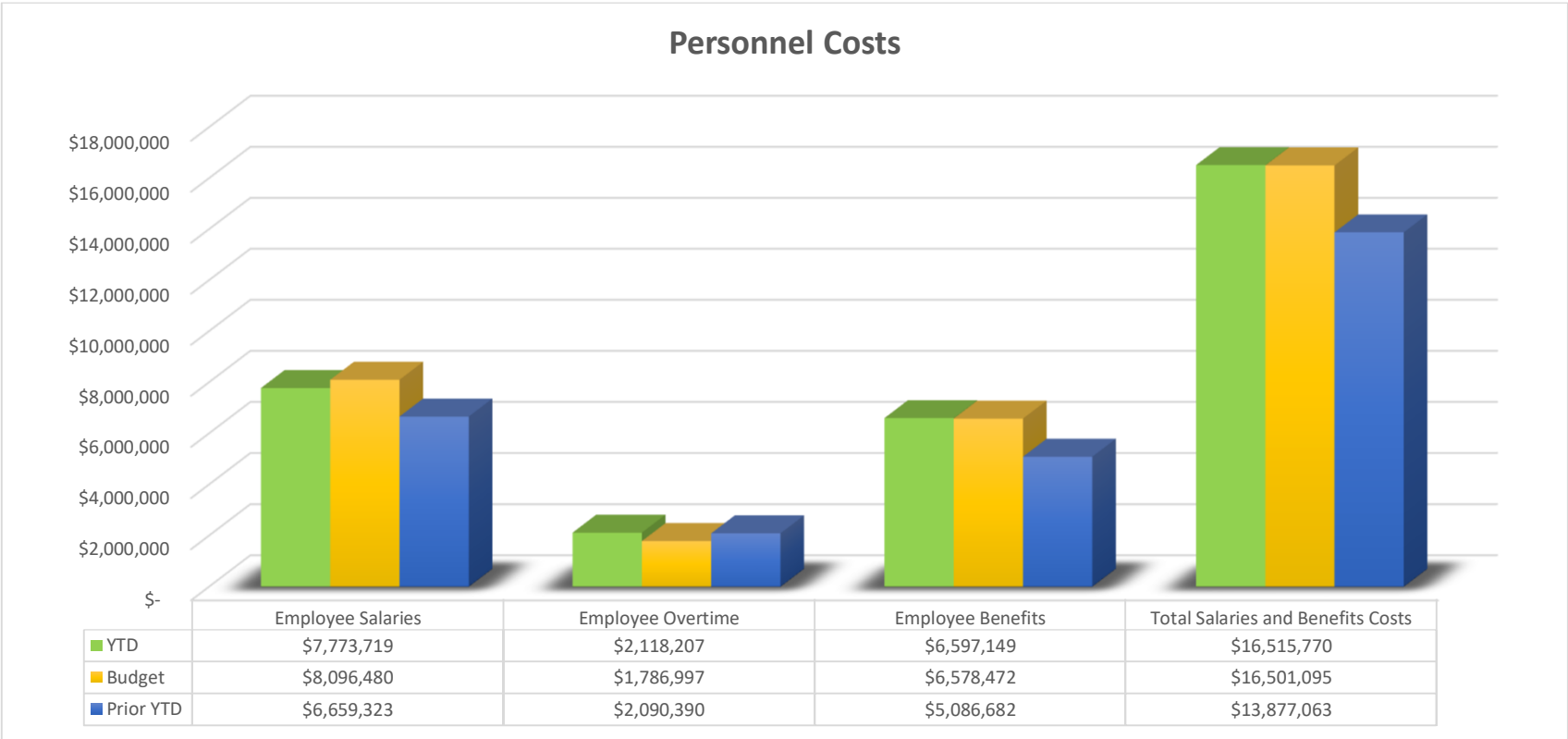
**Line 36 Increase or (Decrease) to Fund Balance:** This is the increase or (decrease) to Fund Balance, including Operating and Reserve Fund changes.











**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: Civil Unrest	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
May-20	11,331.72		170.57	324.59				35,963.06		22,009.77			239.61				17,864.70	20,687.98		9,687.60	5,969.88		3,567.90	\$127,817.37
June-20	0.00		0.00	0.00				0.00		0.00			0.00				0.00	0.00		0.00	0.00		0.00	\$0.00

<b>Totals:</b>	<b>106,334.28</b>	<b>49,694.70</b>	<b>6,421.32</b>	<b>2,859.94</b>	<b>31,127.19</b>	<b>7,860.83</b>	<b>1,665.84</b>	<b>510,826.74</b>	<b>49,432.65</b>	<b>22,009.77</b>	<b>6,773.04</b>	<b>376.92</b>	<b>12,633.31</b>	<b>566.52</b>	<b>896.60</b>	<b>5,149.96</b>	<b>262,558.54</b>	<b>98,373.52</b>	<b>24,098.37</b>	<b>336,492.96</b>	<b>179,388.18</b>	<b>429.98</b>	<b>6,180.11</b>	<b>\$1,722,151.25</b>
<i>Percentage of Total:</i>	6.17%	2.89%	0.37%	0.17%	1.81%	0.46%	0.10%	29.66%	2.87%	1.28%	0.39%	0.02%	0.73%	0.03%	0.05%	0.30%	15.25%	5.71%	1.40%	19.54%	10.42%	0.02%	0.36%	100.00%

Less OES Paid - \$142,026.68  
 Less OES Owed: - \$9,880.58

**Net Overtime Expense: \$1,570,243.99**

Note: Vacancy overtime adjustment:	-336,492.96	<b>Percent of Budget</b>	<b>87.87%</b>
Overtime Spent Without Vacancies:	1,233,751.03	<b>2019-20 Revised Budget:</b>	<b>\$1,786,997.00</b>
Percent of Budget:	69.04%	<b>Percent of Fiscal Year-to-Date:</b>	<b>100.00%</b>