



Vista Fire Protection District

**Annual Financial Report
For the Fiscal Years Ended
June 30, 2024 and 2023**



Mission Statement

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

Vista Fire Protection District

Board of Directors as of June 30, 2024

Name	Title	Elected/Appointed	Term Expiration
Jim Elliott	President	Elected	11 / 2026
John Ploetz	Vice President	Elected	11 / 2024
Read Miller	Director	Elected	11 / 2026
Daniel Gomez	Director	Elected	11 / 2024
Robert Fougner	Director	Elected	11 / 2024

Karlana Rannals, Administrative Manager
Vista Fire Protection District
450 S. Melrose Drive
Vista, CA 92081 • (760) 688-7588
www.vistafireprotectiondistrict.org

Vista Fire Protection District

Annual Financial Report

For the Fiscal Years Ended June 30, 2024 and 2023

**Vista Fire Protection District
Annual Financial Report
For the Fiscal Years Ended June 30, 2024 and 2023**

Table of Contents

	<u>Page No.</u>
Table of Contents	i
 Financial Section	
Independent Auditor’s Report	1-3
Management’s Discussion and Analysis	4-8
Basic Financial Statements:	
Government-wide Financial Statements:	
Statements of Net Position	9
Statements of Activities	10
Fund Financial Statements:	
Balance Sheet – June 30, 2024	11
Reconciliation of the Balance Sheet of Governmental Type Funds to the Statement of Net Position, June 30, 2024	12
Statement of Revenues, Expenditures, and Changes in Fund Balance – June 30, 2024	13
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Type Funds to the Statement of Activities, June 30, 2024	14
Balance Sheet – June 30, 2023	15
Reconciliation of the Balance Sheet of Governmental Type Funds to the Statement of Net Position, June 30, 2023	16
Statement of Revenues, Expenditures, and Changes in Fund Balance – June 30, 2023	17
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Type Funds to the Statement of Activities, June 30, 2023	18
Notes to the Basic Financial Statements	19-33
 Required Supplementary Information Section	
Budgetary Comparison Schedule – General Fund, June 30, 2024	34
Budgetary Comparison Schedule – Fire Mitigation Fund, June 30, 2024	35
Budgetary Comparison Schedule – General Fund, June 30, 2023	36
Budgetary Comparison Schedule – Fire Mitigation Fund, June 30, 2023	37
Notes to Budgetary Comparison Schedules, June 30, 2024 and 2023	38
 Report on Compliance and Internal Controls	
Independent Auditor’s Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	39-40

Financial Section

Independent Auditor's Report

Board of Directors
Vista Fire Protection District
Vista, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Vista Fire Protection District (District), which comprises the statements of net position as of June 30, 2024 and 2023, and the related statements of revenues, expenses, and changes in net position for the year then ended, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Vista Fire Protection District as of June 30, 2024 and 2023, and the respective changes in net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the State Controller's Minimum Audit Requirements for California Special Districts. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

Independent Auditor's Report, continued

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

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 8, and the required supplementary information on pages 34 through 38, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Independent Auditor's Report, continued

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance. This report can be found on pages 39 and 40.

C.J. Brown & Company, CPAs

Cypress, California

November 13, 2024

Vista Fire Protection District
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2024 and 2023

The following Management's Discussion and Analysis (MD&A) of activities and financial performance of the Vista Fire Protection District (District), provides an introduction to the financial statements of the District for the fiscal years ended June 30, 2024 and 2023. We encourage readers to consider the information presented here with additional information that we have furnished in the accompanying basic financial statements and related notes, which follow this section.

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

The District uses its portion of the County's tax revenues to provide fire protection and emergency medical services to residents located within the District boundaries. The services are provided by the City of Vista's Fire Department under a twenty-five-year contract executed in 2010 between the District and the City of Vista (the City). The cost of services is fixed at a fee equal to 90% of District revenues, excluding investment income. Under this contractual fee arrangement, the District is guaranteed in each fiscal year to have sufficient revenue to pay for the City's services. The agreement was amended on July 1, 2022. Furthermore, the agreement between the District and the City was extended through June 30, 2056. Please see Note 7 for more detailed information.

Financial Highlights

- In fiscal year 2024, the District's net position increased 9.47% or \$1,188,306 to \$13,730,056. In fiscal year 2023, the District's net position increased 5.22% or \$622,178 to \$12,541,750.
- In fiscal year 2024, the District's total revenues increased 16.83% or \$842,133 to \$5,846,358. In fiscal year 2023, the District's total revenues increased 20.89% or \$864,851 to \$5,004,225.
- In fiscal year 2024, the District's program revenues increased 197.42% or \$283,953 to \$427,787. In fiscal year 2023, the District's program revenues increased 28.67% or \$32,048 to \$143,834.
- In fiscal year 2024, the District's general revenues increased 11.48% or \$558,180 to \$4,418,571. In fiscal year 2023, the District's general revenues increased 20.68% or \$832,803 to \$4,860,391.
- In fiscal year 2024, the District's total expenses increased 6.30% or \$276,005 to \$4,658,052. In fiscal year 2023, the District's total expenses increased 0.30% or \$13,045 to \$4,382,047.

Required Financial Statements

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

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

Vista Fire Protection District
Management's Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2024 and 2023

District Activities

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

Government-wide Financial Statements

Statement of Net Position and Statement of Activities

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

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

Governmental Fund Financial Statements

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

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

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

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 19 through 33.

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

Vista Fire Protection District
Management's Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2024 and 2023

Government-wide Financial Analysis

Condensed Statement of Net Position					
	<u>2024</u>	<u>2023</u>	<u>Change</u>	<u>2022</u>	<u>Change</u>
Assets:					
Current assets	\$ 13,655,030	12,533,399	1,121,631	11,914,148	619,251
Non-current assets	<u>114,754</u>	<u>132,373</u>	<u>(17,619)</u>	<u>194,556</u>	<u>(62,183)</u>
Total assets	<u>13,769,784</u>	<u>12,665,772</u>	<u>1,104,012</u>	<u>12,108,704</u>	<u>557,068</u>
Liabilities:					
Current liabilities	<u>39,728</u>	<u>124,022</u>	<u>(84,294)</u>	<u>189,132</u>	<u>(65,110)</u>
Total liabilities	<u>39,728</u>	<u>124,022</u>	<u>(84,294)</u>	<u>189,132</u>	<u>(273,426)</u>
Net position:					
Net investment in capital assets	114,754	132,373	(17,619)	194,556	(62,183)
Restricted	444,237	245,939	198,298	104,018	141,921
Unrestricted	<u>13,171,065</u>	<u>12,163,438</u>	<u>1,007,627</u>	<u>11,620,998</u>	<u>542,440</u>
Total net position	<u>\$ 13,730,056</u>	<u>12,541,750</u>	<u>1,188,306</u>	<u>11,919,572</u>	<u>622,178</u>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets of the District exceeded liabilities by \$13,730,056 and \$12,541,750 as of June 30, 2024 and 2023, respectively.

Compared to prior year, net position of the District increased by 9.47% or \$1,188,306. The District's total net position is made up of three components: (1) net investment in capital assets, (2) restricted net position, and (3) unrestricted net position.

A portion of the District's net position (0.84% and 1.06% as of June 30, 2024 and 2023, respectively) reflects its investment in capital assets (net of accumulated depreciation) less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets for operations; consequently, these assets are *not* available for future spending.

At the end of fiscal year 2024 and 2023, the District showed a positive balance in its unrestricted net position of \$13,171,065 and \$12,163,438, which may be utilized in future years. (See Note 6)

Condensed Statement of Activities					
	<u>2024</u>	<u>2023</u>	<u>Change</u>	<u>2022</u>	<u>Change</u>
Expenses:					
Fire protection operations	\$ 4,658,052	4,382,047	276,005	4,369,002	13,045
Total expenses	<u>4,658,052</u>	<u>4,382,047</u>	<u>276,005</u>	<u>4,369,002</u>	<u>13,045</u>
Program revenues	427,787	143,834	283,953	111,786	32,048
General revenues	<u>5,418,571</u>	<u>4,860,391</u>	<u>558,180</u>	<u>4,027,588</u>	<u>832,803</u>
Total revenues	<u>5,846,358</u>	<u>5,004,225</u>	<u>842,133</u>	<u>4,139,374</u>	<u>864,851</u>
Change in net position	1,188,306	622,178	566,128	(229,628)	851,806
Net position – beginning of year	<u>12,541,750</u>	<u>11,919,572</u>	<u>622,178</u>	<u>12,149,200</u>	<u>(229,628)</u>
Net position – end of year	<u>\$ 13,730,056</u>	<u>12,541,750</u>	<u>1,188,306</u>	<u>11,919,572</u>	<u>622,178</u>

The statements of activities show how the District's net position changed during the fiscal year. In fiscal year 2024, the District's net position increased 9.47% or \$1,188,306 to \$13,730,056 from ongoing operations. In fiscal year 2023, the District's net position increased 5.22% or \$622,178 to \$12,541,750 from ongoing operations.

Vista Fire Protection District
Management's Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2024 and 2023

Government-wide Financial Analysis, continued

A closer examination reveals that:

In fiscal year 2024, the District's total revenues from all sources increased 16.83% or \$842,133 to \$5,846,358. Program revenues increased 197.42% or \$283,953, due primarily to increases of \$193,400, and \$66,998 in grant revenue and fire mitigation fees. General revenues increased 11.48% or \$558,180, primarily due to increases of \$593,511 in investment returns (unrealized gain on investments and interest earnings).

In fiscal year 2023, the District's total revenues from all sources increased 20.89% or \$864,851 to \$5,004,225. Program revenues increased 28.67% or \$32,048, due primarily to an increase of \$30,374 in fire mitigation fees. General revenues increased 20.68% or \$832,803, primarily due to increases of \$340,000, \$306,162, and \$183,415 in gain on sale of assets, property taxes, and interest earnings, respectively.

In fiscal year 2024, the District's total expenses increased 6.30% or \$276,005 to \$4,658,052, due to increases of \$234,839, and \$60,342 in fire protection services and general and administrative, respectively.

In fiscal year 2023, the District's total expenses increased 0.30% or \$13,045 to \$4,382,047, due to increases of \$207,879, and \$14,960 in fire protection services and general and administrative, respectively; which were offset by a decrease of \$212,115 in unrealized loss on investments.

Governmental Funds Financial Analysis

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, the unassigned fund balance may serve as a useful measure of the government's net resources for spending at the end of the fiscal year.

As of June 30, 2024 and 2023, the District's General Fund reported a fund balance of \$13,171,065 and \$12,163,438, respectively. An amount of \$2,493,698, and \$1,745,194 as of June 30, 2024 and 2023, respectively, constitutes the District's unassigned fund balance, which is available for specific future District operations. (See Note 7)

General Fund Budgetary Highlights

As of June 30, 2024, the final actual expenditures for the General Fund were \$153,895 less than budgeted. The variance is due primarily to actual general and administrative expenses being less than the budget by \$188,701, which was offset by fire protection services being more than the budget by \$38,406. Actual revenues were more than the anticipated budget by \$667,970. The variance is due primarily to investment returns being more than the budget by \$625,244.

As of June 30, 2023, the final actual expenditures for the General Fund were \$225,501 more than budgeted. Actual revenues were more than the anticipated budget by \$596,591. (See Budgetary Comparison Schedule for General Fund under Required Supplementary Information section on pages 34 and 37)

Fire Mitigation Fund Budgetary Highlights

As of June 30, 2024, the final actual expenditures for the Fire Mitigation Fund were \$225,827 less than budgeted. Actual revenues were more than the anticipated budget by \$99,894.

As of June 30, 2023, the final actual expenditures for the Fire Mitigation Fund were \$11,589 more than budgeted. Actual revenues were more than the anticipated budget by \$33,339. (See Budgetary Comparison Schedule for the Fire Mitigation Fund under Required Supplementary Information section on pages 35 and 38)

Vista Fire Protection District
Management's Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2024 and 2023

Capital Asset Administration

Changes in capital assets for 2024 were as follows:

	<u>Balance 2023</u>	<u>Additions</u>	<u>Deletions/ Transfers</u>	<u>Balance 2024</u>
Capital assets:				
Non-depreciable assets	\$ -	-	-	-
Depreciable assets	368,728	-	-	368,728
Total capital assets	368,728	-	-	368,728
Accumulated depreciation	(236,355)	(17,619)	-	(253,974)
Total capital assets, net	\$ 132,373	(17,619)	-	114,754

The District's investment in capital assets (net of accumulated depreciation) amounted to \$132,373. Major capital asset additions during the year included access road improvements. (See Note 4 for further information)

Changes in capital assets for 2023 were as follows:

	<u>Balance 2022</u>	<u>Additions</u>	<u>Deletions/ Transfers</u>	<u>Balance 2023</u>
Capital assets:				
Non-depreciable assets	\$ 40,000	-	(40,000)	-
Depreciable assets	384,541	-	(15,813)	368,728
Total capital assets	424,541	-	(55,813)	368,728
Accumulated depreciation	(229,985)	(22,012)	15,642	(236,355)
Total capital assets, net	\$ 194,556	(22,012)	(40,171)	132,373

At the end of fiscal year 2023, the District's investment in capital assets amounted to \$194,556 (net of accumulated depreciation). This investment in capital assets includes access road improvements and an equipment purchase. (See Note 4 for further information)

Conditions Affecting Current Final Position

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

Requests for Information

The District's basic financial statements are designed to present users with a general overview of the District's finances and to demonstrate the District's accountability. If you have any questions about the report or need additional information, please contact the Vista Fire Protection District, 450 S. Melrose Drive, Vista, California 92081 or (760) 688-7588.

Basic Financial Statements

Vista Fire Protection District
Statements of Net Position
June 30, 2024 and 2023

	2024	2023
Current assets:		
Cash and cash equivalents (note 2)	\$ 13,511,631	12,404,338
Accrued interest receivable	53,497	62,339
Accounts receivable – fire mitigation	49,241	32,701
Property taxes receivable	31,694	32,131
Due from other governments (note 3)	-	-
Prepaid expenses	8,967	1,890
Total current assets	13,655,030	12,533,399
Non-current assets:		
Capital assets – not being depreciated (note 4)	-	-
Capital assets – being depreciated, net (note 4)	114,754	132,373
Total non-current assets	114,754	132,373
Total assets	13,769,784	12,665,772
Current liabilities:		
Accounts payable	32,749	118,329
Accrued expenses	6,979	5,693
Total current liabilities	39,728	124,022
Total liabilities	39,728	124,022
Net position: (note 6)		
Net investment in capital assets	114,754	132,373
Restricted	444,237	245,939
Unrestricted	13,171,065	12,163,438
Total net position	\$ 13,730,056	12,541,750

See accompanying notes to the basic financial statements

Vista Fire Protection District
Statements of Activities
For the Fiscal Years Ended June 30, 2024 and 2023

	2024	2023
Expenses:		
Fire protection services	\$ 4,120,006	3,885,167
General and administrative	327,027	266,685
Grant expense (note 7)	193,400	-
Depreciation	17,619	22,012
Unrealized loss on investments	-	208,183
Total expenses	4,658,052	4,382,047
Program revenues:		
Charges for services – fire mitigation fees	180,589	113,591
Charges for services – ambulance fees	53,798	30,243
Grant revenue (note 7)	193,400	-
Total program revenues	427,787	143,834
Net program expense	4,230,265	4,238,213
General revenues:		
Property taxes	4,540,366	4,244,590
Interest earnings	452,773	272,426
Gain on sale of assets	-	340,000
Unrealized gain on investments	413,164	-
Other revenues	12,268	3,375
Total general revenues	5,418,571	4,860,391
Change in net position	1,188,306	622,178
Net position – beginning of year	12,541,750	11,919,572
Net position – end of year	\$ 13,730,056	12,541,750

Vista Fire Protection District
Balance Sheet
June 30, 2024

	General Fund	Fire Mitigation Fund	Total Governmental Funds
Assets:			
Cash and cash equivalents	\$ 13,121,258	390,373	13,511,631
Accrued interest receivable	48,874	4,623	53,497
Accounts receivable – fire mitigation	-	49,241	49,241
Property taxes receivable	31,694	-	31,694
Prepaid expenses	8,967	-	8,967
Total assets	13,210,793	444,237	13,655,030
Liabilities:			
Accounts payable	32,749	-	32,749
Accrued expenses	6,979	-	6,979
Total liabilities	39,728	-	39,728
Fund balance: (note 8)			
Non-spendable	8,967	-	8,967
Restricted	-	444,237	444,237
Committed	4,306,000	-	4,306,000
Assigned	6,362,400	-	6,362,400
Unassigned	2,493,698	-	2,493,698
Total fund balance	13,171,065	444,237	13,615,302
Total liabilities and fund balance	\$ 13,210,793	444,237	13,655,030

See accompanying notes to the basic financial statements

**Vista Fire Protection District
Reconciliation of the Balance Sheet of Governmental
Type Funds to the Statement of Net Position
June 30, 2024**

Reconciliation:

Fund balance - Governmental Funds \$ 13,615,302

Amounts reported for governmental activities in the statement of net position are different because:

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

Capital assets being depreciated, net 114,754

Total adjustments 114,754

Net position of governmental activities \$ 13,730,056

See accompanying notes to the basic financial statements

Vista Fire Protection District
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Fiscal Year Ended June 30, 2024

	General Fund	Fire Mitigation Fund	Total
Expenditures/Expenses:			
Current			
Fire protection services	\$ 4,120,006	-	4,120,006
General and administrative	327,027	-	327,027
Capital outlay	-	-	-
Grant expense	193,400	-	193,400
Total expenditures/expenses	4,640,433	-	4,640,433
Program revenues:			
Charges for services – fire mitigation fees	-	180,589	180,589
Charges for services – ambulance fees	53,798	-	53,798
Grant revenue	193,400	-	193,400
Total program revenues	247,198	180,589	427,787
Net program expense	4,393,235	(180,589)	4,212,646
General revenues:			
Property taxes	4,540,366	-	4,540,366
Interest earnings	440,443	12,330	452,773
Unrealized gain on investments	407,785	5,379	413,164
Other revenues	12,268	-	12,268
Total general revenues	5,400,862	17,709	5,418,571
Total revenues	5,648,060	198,298	5,846,358
Excess of revenues over expenditures	1,007,627	198,298	1,205,925
Change in net position	1,007,627	198,298	1,205,925
Fund balance, beginning of year	12,163,438	245,939	12,409,377
Fund balance, end of year	\$ 13,171,065	444,237	13,615,302

See accompanying notes to the basic financial statements

Vista Fire Protection District
Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balance of Governmental Type Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2024

Reconciliation:

Net Change in Fund balance - Governmental Funds	\$ <u>1,205,925</u>
Amounts reported for governmental activities in the statement of activities is different because:	
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets are included as capital assets and allocated over their estimated useful lives as depreciation expense.	
Depreciation expense	<u>(17,619)</u>
Total adjustments	<u>(17,619)</u>
Change in net position of governmental activities	\$ <u><u>1,188,306</u></u>

See accompanying notes to the basic financial statements

**Vista Fire Protection District
Balance Sheet
June 30, 2023**

	General Fund	Fire Mitigation Fund	Total Governmental Funds
Assets:			
Cash and cash equivalents	\$ 12,192,996	211,342	12,404,338
Accrued interest receivable	60,443	1,896	62,339
Accounts receivable – fire mitigation	-	32,701	32,701
Property taxes receivable	32,131	-	32,131
Prepaid expenses	1,890	-	1,890
Total assets	12,287,460	245,939	12,533,399
Liabilities:			
Accounts payable	118,329	-	118,329
Accrued expenses	5,693	-	5,693
Total liabilities	124,022	-	124,022
Fund balance: (note 7)			
Non-spendable	1,890	-	1,890
Restricted	-	245,939	245,939
Committed	4,254,061	-	4,254,061
Assigned	6,162,293	-	6,162,293
Unassigned	1,745,194	-	1,745,194
Total fund balance	12,163,438	245,939	12,409,377
Total liabilities and fund balance	\$ 12,287,460	245,939	12,533,399

See accompanying notes to the basic financial statements

Vista Fire Protection District
Reconciliation of the Balance Sheet of Governmental
Type Funds to the Statement of Net Position
June 30, 2023

Reconciliation:

Fund balance - Governmental Funds	\$	<u>12,409,377</u>
--	----	-------------------

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

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

Capital assets being depreciated, net		<u>132,373</u>
---------------------------------------	--	----------------

Total adjustments		<u>132,373</u>
--------------------------	--	----------------

Net position of governmental activities	\$	<u><u>12,541,750</u></u>
--	----	--------------------------

See accompanying notes to the basic financial statements

Vista Fire Protection District
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Fiscal Year Ended June 30, 2023

	<u>General Fund</u>	<u>Fire Mitigation Fund</u>	<u>Total</u>
Expenditures/Expenses:			
Current			
Fire protection services	\$ 3,885,167	-	3,885,167
General and administrative	266,685	-	266,685
Unrealized loss on investments	196,594	11,589	208,183
Total expenditures/expenses	<u>4,348,446</u>	<u>11,589</u>	<u>4,360,035</u>
Program revenues:			
Charges for services – fire mitigation fees	-	113,591	113,591
Charges for services – ambulance fees	30,243	-	30,243
Total program revenues	<u>30,243</u>	<u>113,591</u>	<u>143,834</u>
Net program expense	<u>4,318,203</u>	<u>(102,002)</u>	<u>4,216,201</u>
General revenues:			
Property taxes	4,244,590	-	4,244,590
Interest earnings	267,440	4,986	272,426
Gain on sale of assets	340,000	-	340,000
Transfers in (out)	5,238	(5,238)	-
Other non-operating revenues	3,375	-	3,375
Total general revenues	<u>4,860,643</u>	<u>(252)</u>	<u>4,860,391</u>
Total revenues	<u>4,890,886</u>	<u>113,339</u>	<u>5,004,225</u>
Excess of revenues over expenditures	<u>542,440</u>	<u>101,750</u>	<u>644,190</u>
Change in net position	<u>542,440</u>	<u>101,750</u>	<u>644,190</u>
Fund balance, beginning of year as previously stated	11,620,998	104,018	11,725,016
Prior period adjustment (note 5)	-	40,171	40,171
Fund balance, beginning of year, as restated	<u>11,620,998</u>	<u>144,189</u>	<u>11,765,187</u>
Fund balance, end of year	<u>\$ 12,163,438</u>	<u>245,939</u>	<u>12,409,377</u>

See accompanying notes to the basic financial statements

Vista Fire Protection District
Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balance of Governmental Type Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2023

Reconciliation:

Net Change in Fund balance - Governmental Funds	\$ <u>644,190</u>
--	-------------------

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

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

Depreciation expense	<u>(22,012)</u>
----------------------	-----------------

Total adjustments	<u>(22,012)</u>
--------------------------	-----------------

Change in net position of governmental activities	\$ <u><u>622,178</u></u>
--	--------------------------

See accompanying notes to the basic financial statements

Vista Fire Protection District
Notes to the Basic Financial Statements
For the Fiscal Years Ended June 30, 2024 and 2023

(1) Reporting Entity and Summary of Significant Accounting Policies

A. Organization and Operations of the Reporting Entity

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

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

B. Basis of Accounting and Measurement Focus

The *basic financial statements* of the District are comprised of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the basic financial statements

Government-wide Financial Statements

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

Governmental Fund Financial Statements

These statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds. Incorporated into these statements is a schedule to reconcile and explain the differences in net position as presented in these statements to the net position presented in the Government-wide Financial Statements. The District has presented its General Fund, as its major fund, in this statement to meet the qualifications of GASB Statement No. 34.

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

Vista Fire Protection District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

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

B. Basis of Accounting and Measurement Focus, continued

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. However, exceptions to this rule include principal and interest on debt, which are recognized when due.

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

The District reports the following major governmental funds:

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

C. Financial Reporting

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

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

In April 2022, the GASB issued Statement No. 99 – *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

The requirements of this Statement will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature. Consistent authoritative literature enables governments and other stakeholders to locate and apply the correct accounting and financial reporting provisions, which improves the consistency with which such provisions are applied. The comparability of financial statements also will improve as a result of this Statement. Better consistency and comparability improve the usefulness of information for users of state and local government financial statements.

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

In June 2022, the GASB issued Statement No. 100 – *Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting—understandability, reliability, relevance, timeliness, consistency, and comparability. This Statement also addresses corrections of errors in previously issued financial statements.

Vista Fire Protection District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

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

C. Financial Reporting

The requirements of this Statement will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. In turn, more understandable, reliable, relevant, consistent, and comparable information will be provided to financial statement users for making decisions or assessing accountability. In addition, the display and note disclosure requirements will result in more consistent, decision useful, understandable, and comprehensive information for users about accounting changes and error corrections.

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

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

1. Use of Estimates

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

2. Cash and Cash Equivalents

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

3. Investments and Investment Policy

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

4. Fair Value Measurements

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

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

5. Property Taxes and Assessments

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

Vista Fire Protection District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

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

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

6. Prepaid Expenses

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

7. Capital Assets

Capital assets are recorded in the government-wide financial statements. Capital assets acquired are acquired and/or constructed are capitalized at historical cost. District policy has set the capitalization threshold for reporting capital assets at \$7,500. Included in capital assets are land, improvements to land, buildings, building improvements, vehicles, equipment, furniture and fixtures, infrastructure (hydrants), and all other tangible or intangible assets that are used in operations and that have initial useful life extending beyond a single reporting period. Donated assets are recorded at estimated fair market value at the date of donation. Capital outlay is recorded as expenditures of the General Fund and as assets in the government-wide financial statements to the extent the District's capitalization threshold is met. Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets as follows:

• Buildings	15-25 years
• Equipment	5-10 years
• Office Furniture	5 years
• Vehicles	5-10 years

8. Net Position

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

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

9. Fund Balance

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

- **Non-spendable fund balance** – amounts that cannot be spent because they are either (a) not spendable in form, or (b) legally or contractually required to be maintained intact.
- **Restricted fund balance** – amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions enabling legislation.

Vista Fire Protection District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

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

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

9. Fund Balance, continued

- **Committed fund balance** – amounts that can only be used for specific purposes determined by formal action of the District’s highest level of decision-making authority (the Board of Directors) and that remain binding unless removed in the same manner. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.
- **Assigned fund balance** – amounts that are constrained by the District’s intent to be used for specific purposes. The intent can be established at either the highest level of decision-making, or by a body or an official designated for that purpose. This is also the classification for residual funds in the District’s special revenue funds.
- **Unassigned fund balance** – the residual classification for the District’s general fund that includes amounts not contained in the other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

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

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

Fund Balance Policy

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

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

10. Budgetary Policies

The District follows specific procedures in establishing the budgetary data reflected in the financial statements. By state law, the District may adopt a tentative budget no later than June 30, of each year and adopt a final budget no later than September 30 of each year. Budget revisions are adopted as required in consideration to unanticipated revenues or expenditures.

(2) Cash and Cash Equivalents

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

	2024	2023
Cash and cash equivalents	\$ 13,511,631	12,404,338

Vista Fire Protection District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(2) Cash and Cash Equivalents, continued

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

	2024	2023
Deposits held with financial institutions	\$ 57,376	53,231
Investments	13,454,255	12,351,107
Total	\$ 13,511,631	12,404,338

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

	2024	2023
Deposits in California Local Agency Investment Fund (LAIF)	217 days	260 days
Deposits in San Diego County Pooled Investment Fund (SCPIF)	449 days	438 days
Deposits in California CLASS Investment Pool (CLASS)	75 days	76 days

Authorized Deposits and Investments

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

Custodial Credit Risk

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

The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. Of the bank balances, up to \$250,000 is federally insured per institution and the remaining balance is collateralized in accordance with the Code; however, the collateralized securities are not held in the District's name.

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

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

Vista Fire Protection District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(2) Cash and Cash Equivalents, continued

At June 30, 2024, the District's investments mature as follows:

<u>Investment Type</u>	<u>Total</u>	<u>Remaining Maturity 12 Months Or Less</u>
Local Agency Investment Fund (LAIF)	\$ 446,680	446,680
California CLASS (CLASS)	4,912,412	4,912,412
San Diego County Pooled Investment Fund (SCPIF)	2,929,660	2,929,660
California Asset Management Program (CAMP)	269,938	269,938
CB&T Trust Wealth Management	4,895,565	4,895,565
Total	\$ 13,454,255	13,454,255

At June 30, 2023, the District's investments mature as follows:

<u>Investment Type</u>	<u>Total</u>	<u>Remaining Maturity 12 Months Or Less</u>
Local Agency Investment Fund (LAIF)	\$ 904,177	904,177
San Diego County Pooled Investment Fund (SCPIF)	5,715,700	5,715,700
California Asset Management Program (CAMP)	255,528	255,528
CB&T Trust Wealth Management	5,475,702	5,475,702
Total	\$ 12,351,107	12,351,107

Interest Rate Risk

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

Credit Risk

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

Credit ratings of investments as of June 30, 2024, were as follows:

<u>Investment Type</u>	<u>Total</u>	<u>Minimum Legal Rating</u>	<u>Ratings as of year end</u>	
			<u>S&P Global Ratings AAAm</u>	<u>Not Rated</u>
Local Agency Investment Fund (LAIF)	\$ 446,680	N/A	-	446,680
California CLASS (CLASS)	4,912,412	N/A	4,912,412	-
San Diego County Pooled Investment Fund (SCPIF)	2,929,660	N/A	-	2,929,660
California Asset Management Program (CAMP)	269,938	N/A	-	269,938
CB&T Trust Wealth Management	4,895,565	N/A	-	4,895,565
Total	\$ 13,454,255		4,912,412	8,541,843

Vista Fire Protection District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(2) Cash and Cash Equivalents, continued

Credit ratings of investments as of June 30, 2023, were as follows:

<u>Investment Type</u>	<u>Total</u>	<u>Minimum Legal Rating</u>	<u>Exempt or Not Rated</u>
Local Agency Investment Fund (LAIF)	\$ 904,177	N/A	904,177
San Diego County Pooled Investment Fund (SDCPIF)	5,715,700	N/A	5,715,700
California Asset Management Program (CAMP)	255,528	N/A	255,528
CB&T Trust Wealth Management	<u>5,475,702</u>	N/A	<u>5,475,702</u>
Total	\$ <u>12,351,107</u>		<u>12,351,107</u>

Concentration of Credit Risk

The District’s investment policy contains no limitations on the amounts that can be invested in any one issuer as beyond that stipulated by the California Government Code. There were no investments in any one issuer (other than for U.S. Treasury securities, mutual funds, and external investment pools) that represented 5% or more of total District’s investment at June 30, 2024 and 2023.

Investment in State Investment Pool

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

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

Investment in California CLASS

The District is a voluntary participant in the California CLASS (CLASS) that is regulated by the California Government Code Section 16429 and is a Joint Powers Authority investment pool that provides the opportunity to invest funds on a cooperative basis in rated pools that are managed in accordance with state law with the primary objectives of offering Participants safety, daily, and next day liquidity, and optimized returns.

The fair value of the District’s investment in this pool is reported in the accompanying financial statements at amounts based upon the District’s pro-rata share of the fair value provided by CLASS for the entire CLASS portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the CLASS, which are recorded on an amortized cost basis. Bank balances are secured by the pledging of a pool of eligible securities to collateralize the District’s deposits with the bank in accordance with the Code.

San Diego County Pooled Investment Fund (SDCPIF)

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

Vista Fire Protection District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(2) Cash and Cash Equivalents, continued

JPA Pool

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

Fair Value Measurements

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

Investments at June 30, 2024

<u>Investment Type</u>	<u>Total</u>	<u>Fair Value Measurements</u>		
		<u>Quoted Price in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Local Agency Investment Fund (LAIF)	\$ 446,680	446,680	-	-
California CLASS (CLASS)	4,912,412		4,912,412	-
San Diego County Pooled Investment Fund (SCPIF)	2,929,660	2,929,660	-	-
California Asset Management Program (CAMP)	269,938	269,938	-	-
CB&T Trust Wealth Management	4,895,565	4,895,565	-	-
Total	\$ 13,454,255	8,541,843	4,912,412	-

Investments at June 30, 2023

<u>Investment Type</u>	<u>Total</u>	<u>Fair Value Measurements</u>		
		<u>Quoted Price in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Local Agency Investment Fund (LAIF)	\$ 904,177	904,177	-	-
San Diego County Pooled Investment Fund (SCPIF)	5,715,700	5,715,700	-	-
California Asset Management Program (CAMP)	255,528	255,528	-	-
CB&T Trust Wealth Management	5,475,702	5,475,702	-	-
Total	\$ 12,351,107	12,351,107	-	-

Vista Fire Protection District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

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

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

	2024	2023
District fees collected by the City of Vista on behalf of the District	\$ 53,798	30,243
Less: Payments received	(53,798)	(30,243)
Balance due from the City of Vista	-	-
Fire protection and emergency medical services	4,120,006	3,885,167
Less: Payments remitted	(4,120,006)	(3,885,167)
Balance due from the City of Vista	-	-
Net due from the City of Vista	\$ -	-

(4) Capital Assets

Changes in capital assets for the 2024 fiscal year were as follows:

	Balance 2023	Additions	Deletions/ Transfers	Balance 2024
Non-depreciable assets:				
Land	\$ -	-	-	-
Total non-depreciable assets	-	-	-	-
Depreciable assets:				
Access road improvements	368,728	-	-	368,728
Total depreciable assets	368,728	-	-	368,728
Accumulated depreciation:				
Access road improvements	(236,355)	(17,619)	-	(253,974)
Total accumulated depreciation	(236,355)	(17,619)	-	(253,974)
Total depreciable assets, net	132,373	(17,619)	-	114,754
Total capital assets, net	\$ 132,373			114,754

During the year, the District does not have any capital asset additions.

Vista Fire Protection District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(4) Capital Assets, continued

Changes in capital assets for the 2023 fiscal year were as follows:

	<u>Balance 2022</u>	<u>Additions</u>	<u>Deletions/ Transfers</u>	<u>Balance 2023</u>
Non-depreciable assets:				
Land	\$ 40,000	-	(40,000)	-
Total non-depreciable assets	<u>40,000</u>	<u>-</u>	<u>(40,000)</u>	<u>-</u>
Depreciable assets:				
Access road improvements	368,728	-	-	368,728
Equipment	7,094	-	(7,094)	-
Signage	8,719	-	(8,719)	-
Total depreciable assets	<u>384,541</u>	<u>-</u>	<u>(15,813)</u>	<u>368,728</u>
Accumulated depreciation:				
Access road improvements	(217,967)	(18,217)	(171)	(236,355)
Equipment	(3,900)	(3,194)	7,094	-
Signage	(8,118)	(601)	8,719	-
Total accumulated depreciation	<u>(229,985)</u>	<u>(22,012)</u>	<u>15,642</u>	<u>(236,355)</u>
Total depreciable assets, net	<u>154,556</u>	<u>(22,012)</u>	<u>(171)</u>	<u>132,373</u>
Total capital assets, net	<u>\$ 194,556</u>			<u>132,373</u>

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

(5) Prior Period Adjustment

In 2023, the District passed a resolution to establish fund balances for the District. As a result of the resolution, the District recognized an adjustment of \$40,171 in its fire mitigation fund to agree with the balance as stated in the resolution.

The adjustment to fund balance is as follows:

	<u>General Fund</u>	<u>Fire Mitigation Fund</u>	<u>Total</u>
Fund balance at July 1, 2022, as previously stated	\$ 11,620,998	104,018	11,725,016
Effect of adjustment of GASB 34 allocation per Resolution 2023-08	<u>-</u>	<u>40,171</u>	<u>40,171</u>
Fund balance at July 1, 2022, as restated	<u>\$ 11,620,998</u>	<u>144,189</u>	<u>11,765,187</u>

Vista Fire Protection District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(6) Net Position

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

	2024	2023
Investment in capital assets:		
Capital assets, net	\$ 114,754	132,373
Total investment in capital assets	114,754	132,373
Restricted		
Fire mitigation fund	444,237	245,939
Total restricted funds	444,237	245,939
Unrestricted net position:		
Non-spendable net position:		
Prepaid expenses	8,967	1,890
Total non-spendable net position	8,967	1,890
Spendable net position:		
Unrestricted:		
Designated for Fire Station Reconstruction	4,306,000	4,254,061
Designated for Fire/EMS Services	4,240,805	3,820,131
Designated for General Operating Reserve	1,121,595	1,342,162
Designated for Community Wildfire Protection	1,000,000	1,000,000
Unrestricted	2,493,698	1,745,194
Total spendable net position	13,162,098	12,161,548
Total unrestricted net position	13,171,065	12,163,438
Total net position	\$ 13,730,056	12,541,750

(7) Agreement with City of Vista

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

For the year ended June 30, 2024, total ARPA grant expended and received from the City of Vista regarding the reconstruction of City Fire Station Three amounted to \$193,400.

Vista Fire Protection District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(8) Fund Balance

Fund balances are presented in the following categories: non-spendable, restricted, committed, assigned, and unassigned (See Note 1.D.9 for a description of these categories).

The District maintains a policy to reserve a portion of unrestricted net position that would allow it to continue fire protection service for up to 18 months following a natural disaster. The general operating reserve of \$1,121,595, and \$1,342,162, as of June 30, 2024, and 2023, respectively, may be adjusted by the Board of Directors from time to time, as necessary to fund both operations and capital improvement projects.

As of June 30, 2024, and 2023, the District funds include \$4,306,000 and \$4,254,061 from the General fund, respectively.

Fund balance classifications as of June 30, 2024 are as follows:

<u>Description</u>	<u>General Fund</u>	<u>Fire Mitigation Fund</u>	<u>Total Governmental Funds</u>
Non-spendable:			
Prepaid expenses	\$ 8,967	-	8,967
Total non-spendable	<u>8,967</u>	<u>-</u>	<u>8,967</u>
Restricted:			
Fire Mitigation Fund	-	444,237	444,237
Total restricted	<u>-</u>	<u>444,237</u>	<u>444,237</u>
Committed:			
Fire Station Reconstruction	4,306,000	-	4,306,000
Total committed	<u>4,306,000</u>	<u>-</u>	<u>4,306,000</u>
Assigned:			
Fire/EMS Services	4,240,805	-	4,240,805
General Operating Reserve	1,121,595	-	1,121,595
Community Wildfire Protection	1,000,000	-	1,000,000
Total assigned	<u>6,362,400</u>	<u>-</u>	<u>6,362,400</u>
Unassigned	<u>2,493,698</u>	<u>-</u>	<u>2,493,698</u>
Total unassigned	<u>2,493,698</u>	<u>-</u>	<u>2,493,698</u>
Total fund balance	<u>\$ 13,171,065</u>	<u>444,237</u>	<u>13,615,302</u>

Vista Fire Protection District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(8) Fund Balance, continued

Fund balance classifications as of June 30, 2023 are as follows:

Description	General Fund	Fire Mitigation Fund	Total Governmental Funds
Non-spendable:			
Prepaid expenses	\$ 1,890	-	1,890
Total non-spendable	1,890	-	1,890
Restricted:			
Fire Mitigation Fund	-	245,939	245,939
Total restricted	-	245,939	245,939
Committed:			
Fire Station Reconstruction	4,254,061	-	4,254,061
Total committed	4,254,061	-	4,254,061
Assigned:			
Fire/EMS Services	3,820,131	-	3,820,131
General Operating Reserve	1,342,162	-	1,342,162
Community Wildfire Protection	1,000,000	-	1,000,000
Total assigned	6,162,293	-	6,162,293
Unassigned	1,745,194	-	1,745,194
Total unassigned	1,745,194	-	1,745,194
Total fund balance	\$ 12,163,438	245,939	12,409,377

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

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to June 30, 2024, that have effective dates that may impact future financial presentations.

Governmental Accounting Standards Board Statement No. 101

In June 2022, the GASB issued Statement No. 101 – *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled.

Vista Fire Protection District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

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

Governmental Accounting Standards Board Statement No. 101, continued

In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences.

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

Governmental Accounting Standards Board Statement No. 102

In December 2023, the GASB issued Statement No. 102 – *Certain Risk Disclosures*. The primary objective of this Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact to have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 103

In April 2024, the GASB issued Statement No. 103 – *Financial Reporting Model Improvements*. The primary objective of this Statement is to improve key components of the financial reporting model to enhance effectiveness in providing information that is essential for decision making and assessing a government’s accountability. Also, this Statement: (1) continues the requirement that the basic financial statements be preceded by management’s discussion and analysis (MD&A), which is presented as required supplementary information (RSI); (2) describes unusual or infrequent items as transactions and other events that are either unusual in nature or infrequent in occurrence; (3) requires that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses; (4) requires governments to present each major component unit separately in the reporting entity’s statement of net position and statement of activities if it does not reduce the readability of the statements; and (5) requires governments to present budgetary comparison information using a single method of communication—RSI.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.

(10) Commitments and Contingencies

Litigation

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

(11) Subsequent Events

Events occurring after June 30, 2024, have been evaluated for possible adjustment to the financial statements or disclosure as of November 13, 2024, which is the date the financial statements were available to be issued.

Required Supplementary Information

**Vista Fire Protection District
Budgetary Comparison Schedule – General Fund
For the Fiscal Year Ended June 30, 2024**

	<u>Adopted Original Budget</u>	<u>Board Approved Changes</u>	<u>Revised Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance Positive (Negative)</u>
Expenditures/Expenses:					
Fire protection services	\$ 4,081,600	-	4,081,600	4,120,006	(38,406)
General and administrative	515,728	-	515,728	327,027	188,701
Grant expense	197,000	-	197,000	193,400	3,600
Total expenditures/expenses	<u>4,794,328</u>	<u>-</u>	<u>4,794,328</u>	<u>4,640,433</u>	<u>153,895</u>
Program revenues:					
Charges for services – ambulance fees	30,000	-	30,000	53,798	23,798
Grant revenue	192,000	-	192,000	193,400	1,400
Total program revenues	<u>222,000</u>	<u>-</u>	<u>222,000</u>	<u>247,198</u>	<u>25,198</u>
General revenues:					
Property taxes	4,535,106	-	4,535,106	4,540,366	5,260
Interest earnings	222,984	-	222,984	440,443	217,459
Unrealized gain on investments	-	-	-	407,785	407,785
Other revenues	-	-	-	12,268	12,268
Total general revenues	<u>4,758,090</u>	<u>-</u>	<u>4,758,090</u>	<u>5,400,862</u>	<u>642,772</u>
Total revenues	<u>4,980,090</u>	<u>-</u>	<u>4,980,090</u>	<u>5,648,060</u>	<u>667,970</u>
Excess of revenues over (under) expenditures	<u>185,762</u>	<u>-</u>	<u>185,762</u>	<u>1,007,627</u>	<u>821,865</u>
Net change in fund balance	<u>185,762</u>	<u>-</u>	<u>185,762</u>	<u>1,007,627</u>	<u>821,865</u>
Fund balance – beginning of year	<u>11,792,348</u>	<u>-</u>	<u>11,792,348</u>	<u>12,163,438</u>	
Fund balance – end of year	<u>\$ 11,978,110</u>	<u>-</u>	<u>11,978,110</u>	<u>13,171,065</u>	

**Vista Fire Protection District
 Budgetary Comparison Schedule – Fire Mitigation Fund
 For the Fiscal Year Ended June 30, 2024**

	<u>Adopted Original Budget</u>	<u>Board Approved Changes</u>	<u>Revised Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance Positive (Negative)</u>
Expenditures/Expenses:					
Fire protection services	\$ 225,827	-	225,827	-	225,827
Unrealized loss on investments	-	-	-	-	-
Total expenditures/expenses	<u>225,827</u>	<u>-</u>	<u>225,827</u>	<u>-</u>	<u>225,827</u>
Program revenues:					
Charges for services – fire mitigation fees	98,404	-	98,404	180,589	82,185
Total program revenues	<u>98,404</u>	<u>-</u>	<u>98,404</u>	<u>180,589</u>	<u>82,185</u>
General revenues:					
Interest earnings	-	-	-	12,330	12,330
Transfers out	-	-	-	5,379	5,379
Total general revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,709</u>	<u>17,709</u>
Total revenues	<u>98,404</u>	<u>-</u>	<u>98,404</u>	<u>198,298</u>	<u>99,894</u>
Excess of revenues over (under) expenditures	<u>(127,423)</u>	<u>-</u>	<u>(127,423)</u>	<u>198,298</u>	<u>325,721</u>
Net change in fund balance	<u>(127,423)</u>	<u>-</u>	<u>(127,423)</u>	<u>198,298</u>	<u>325,721</u>
Fund balance, beginning of year	<u>184,018</u>	<u>-</u>	<u>184,018</u>	<u>245,939</u>	
Fund balance, end of year	<u>\$ 56,595</u>	<u>-</u>	<u>56,595</u>	<u>444,237</u>	

**Vista Fire Protection District
 Budgetary Comparison Schedule – General Fund
 For the Fiscal Year Ended June 30, 2023**

	Adopted Original Budget	Board Approved Changes	Revised Budget	Actual Budgetary Basis	Variance Positive (Negative)
Expenditures/Expenses:					
Fire protection services	\$ 3,723,596	-	3,723,596	3,885,167	(161,571)
General and administrative	399,349	-	399,349	266,685	132,664
Unrealized loss on investments	-	-	-	196,594	(196,594)
Total expenditures/expenses	4,122,945	-	4,122,945	4,348,446	(225,501)
Program revenues:					
Charges for services – ambulance fees	25,000	-	25,000	30,243	5,243
Total program revenues	25,000	-	25,000	30,243	5,243
General revenues:					
Property taxes	4,180,810	-	4,180,810	4,244,590	63,780
Interest earnings	88,485	-	88,485	267,440	178,955
Gain on sale of assets				340,000	340,000
Transfers in (out)				5,238	5,238
Other revenues	-	-	-	3,375	3,375
Total general revenues	4,269,295	-	4,269,295	4,860,643	591,348
Total revenues	4,294,295	-	4,294,295	4,890,886	596,591
Excess of revenues over (under) expenditures	171,350	-	171,350	542,440	371,090
Net change in fund balance	171,350	-	171,350	542,440	371,090
Fund balance – beginning of year	11,620,998	-	11,620,998	11,620,998	
Fund balance – end of year	\$ 11,792,348	-	11,792,348	12,163,438	

**Vista Fire Protection District
Budgetary Comparison Schedule – Fire Mitigation Fund
For the Fiscal Year Ended June 30, 2023**

	<u>Adopted Original Budget</u>	<u>Board Approved Changes</u>	<u>Revised Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance Positive (Negative)</u>
Expenditures/Expenses:					
Fire protection services	\$ -	-	-	-	-
Unrealized loss on investments	-	-	-	11,589	(11,589)
Total expenditures/expenses	-	-	-	11,589	(11,589)
Program revenues:					
Charges for services – fire mitigation fund	80,000	-	80,000	113,591	33,591
Total program revenues	80,000	-	80,000	113,591	33,591
General revenues:					
Interest earnings	-	-	-	4,986	4,986
Transfers out	-	-	-	(5,238)	(5,238)
Total general revenues	-	-	-	(252)	(252)
Total revenues	80,000	-	80,000	113,339	33,339
Excess of revenues over (under) expenditures	80,000	-	80,000	101,750	21,750
Net change in fund balance	80,000	-	80,000	101,750	21,750
Fund balance, beginning of year as previously stated	104,018	-	104,018	104,018	
Prior period adjustment	-	-	-	40,171	
Fund balance, beginning of year, as restated	104,018	-	104,018	144,189	
Fund balance, end of year	\$ 184,018	-	184,018	245,939	

Vista Fire Protection District
Notes to Budgetary Comparison Schedules
For the Fiscal Years Ended June 30, 2024 and 2023

Budgets and Budgetary Data

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

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

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

Report on Compliance and Internal Controls

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

Board of Directors
Vista Fire Protection District
Vista, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Vista Fire Protection District (District) as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprises the District’s basic financial statements, and have issued our report thereon dated November 13, 2024.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

C.J. Brown & Company, CPAs

Cypress, California

November 13, 2024