

MONTECITO FIRE PROTECTION DISTRICT

Finance Committee Meeting Agenda

Monday, April 20, 2020 at 2:00 p.m.

The Finance Committee meeting will be held via teleconference connection as permitted under the Governor's Executive Order N-29-20, dated March 17, 2020 due to concerns of COVID-19 ("Executive Order").

Members of the public will be able to observe the Finance Committee meeting and provide public comments via Zoom: <https://zoom.us/j/681762669>, or by calling 1-669-900-6833, meeting ID: 681 762 669. Any member of the public who would like to provide public input on an item listed on the agenda may utilize the "Raise Hand" feature through the Zoom App or enter "*9" if participating by telephone only. The host will be notified and you will be recognized to speak on the agenda item in the order such requests are received by the District.

Agenda Items May Be Taken Out of the Order Shown

1. Public comment: Any person may address the Finance Committee at this time on any non-agenda matter that is within the subject matter jurisdiction of the Montecito Fire Protection District; 30 minutes total time is allotted for this discussion.
2. Receive presentation from PARS/Highmark representative, Tory Milazzo, regarding the District's post-retirement benefits trust investment performance.
3. Receive presentation from Craig Fechter of Fechter & Company regarding the Annual Financial Report for Fiscal Year Ended June 30, 2019.
 - a. Consider making a recommendation for approval of the report.
4. Review and make recommendation for approval of February and March 2020 financial statements.
5. Review PARS Post-Employment Benefits Trust statements for January and February 2020.
6. Review the GASB 75 Actuarial Valuation Report of the retiree health insurance program as of July 1, 2018 prepared by DFA, LLC.
 - a. Consider making a recommendation for approval of the report.
7. Fire Chief's Report.
8. Requests for items to be included in the next Finance Committee Meeting.
9. Adjournment.

The next meeting is scheduled for Monday, May 18, 2020 at 2:00 p.m.

This agenda is posted pursuant to the provisions of the Government Code commencing at Section 54950. The date of the posting is April 14, 2020.



Kevin Taylor, Fire Chief

Note: In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the District office at (805) 969-7762. Notification at least 48 hours prior to the meeting will enable the District to make reasonable arrangements. Board packets are available for public inspection during normal business hours at Montecito Fire Protection District Headquarters. Further, as required under the Executive Order the District will swiftly resolve any requests for a reasonable modification or accommodation from individuals with disabilities, consistent with the Americans with Disabilities Act and resolve any doubt whatsoever in favor of accessibility.

Agenda

Item #2

PARS: Montecito Fire Protection District March 31, 2020

Presented by:
Tory Milazzo, CFA, Senior Portfolio Manager, Director

DISCUSSION HIGHLIGHTS – Montecito Fire Protection District

Investment Objective – Moderately Conservative HighMark Plus (Active)

Asset Allocation (as of 03/31/2020)

- Stocks 30.2% (40%-60%); Bonds 65.4% (40%-60%); Cash 4.4% (0%-20%)
- Equity Allocation: Large cap 16.2%, Mid cap 2.1%, Small Cap 3.8%, International 6.2%

Performance (as of 03/31/2020) *Gross of investment fees, net of fund level fees*

- Montecito OPEB
 - At December 2019 reduced risk to Moderately Conservative strategy from previous Balanced strategy.
 - One Year time period: -0.19%, Since Individual Account Inception (6/2017) : 3.61%
- Montecito Pension
 - One Year time period: -1.12%. Since Inception (July 2017): 2.06%
- General Commentary
 - Fixed Income holdings have retained value during the past 12 months and serve as a source of funds if distributions are needed and for rebalancing activity.
 - Global risk off environment during February and March has impacted equities due to slowing growth concerns and fixed income also impacted as credit spreads widened.

Outlook

- Volatility at historic levels reflecting uncertainty of the economic impacts for the Covid-19 pandemic.
- Monetary and Fiscal policy responses have been quick and substantial to support functioning markets and sustain a baseline of economic activity. Central Banks have stepped forward with broad programs for providing liquidity and Federal Government programs rolling out to support individuals and businesses.
- While underweight equities given uncertainties, we are shifting portfolio positioning to focus on domestic large cap while reducing real estate, international and domestic small cap.

ASSET ALLOCATION - PARS/MONTECITO FPD

As of March 31, 2020

Current Asset Allocation		Investment Vehicle	
Equity		Range: 20%-40%	30.17%
Large Cap Core	COFYX	Columbia Contrarian Core Inst3	2.52%
	VGIAX	Vanguard Growth & Income Adm	6.54%
Large Cap Value	DODGX	Dodge & Cox Stock Fund	3.02%
	IVE	iShares S&P 500 Value ETF	1.02%
Large Cap Growth	HNACX	Harbor Capital Appreciation Retirement	1.57%
	PRUFX	T. Rowe Price Growth Stock Fund I	1.57%
Mid Cap Core	IWR	iShares Russell Mid-Cap ETF	2.10%
Small Cap Value	UBVFX	Undiscovered Managers Behavioral Val R6	1.89%
Small Cap Growth	RSEJX	Victory RS Sm Cap Growth #279	1.92%
International Core	DFALX	DFA Large Cap International I	1.81%
International Value	DODFX	Dodge & Cox International Stock Fund	1.17%
International Growth	MGRDX	MFS® International Growth R6	1.16%
Emerging Markets	HHHFX	Hartford Schroders Emerging Mkts Eq F	2.10%
Real Estate	VNQ	Vanguard Real Estate ETF	1.80%
Fixed Income		Range: 50%-80%	65.39%
Short-Term	VFSUX	Vanguard Short-Term Investment-Grade Adm	11.68%
Intermediate-Term	DBLFX	DoubleLine Core Fixed Income I	17.53%
	PTTRX	PIMCO Total Return Instl Fund	18.24%
	PTRQX	Prudential Total Return Bond Q	17.95%
Cash		Range: 0%-20%	4.44%
	FGZXX	First American Government Oblig Z	4.44%
TOTAL			100.00%

Account Name: PARS/MONTECITO FPD 115P-OPEB

As of: March 31, 2020

Account ID: -----4500

Performance Report

	Market Value	1 Month	3 Months	Year to Date (3 Months)	1 Year	Inception to Date 06/01/2017
Cash Equivalents	501,257	.07	.31	.31	1.82	1.59
Lipper Money Market Funds Index		.09	.32	.32	1.74	1.55
Total Fixed Income	7,405,329	-4.40	-1.27	-1.27	3.83	
BBG Barclays US Aggregate Bd Index (USD)		-.59	3.15	3.15	8.93	4.55
Total Equities	3,203,426	-16.09	-23.79	-23.79	-14.07	
Large Cap Funds	1,833,072	-13.54	-20.64	-20.64	-9.30	
S&P 500 Composite Index		-12.35	-19.60	-19.60	-6.98	4.52
Mid Cap Funds	236,572	-19.74	-27.20	-27.20	-18.35	
Russell Midcap Index		-19.49	-27.07	-27.07	-18.31	-1.44
Small Cap Funds	429,566	-23.53	-32.47	-32.47	-25.44	
Russell 2000 Index (USD)		-21.73	-30.61	-30.61	-23.99	-4.58
International Equities	704,216	-15.96	-24.12	-24.12	-15.21	
MSCI EAFE Index (Net)		-13.35	-22.83	-22.83	-14.38	-4.02
MSCI EM Free Index (Net USD)		-15.40	-23.60	-23.60	-17.69	-3.46
Wilshire REIT Index		-19.96	-25.63	-25.63	-19.38	-2.42
Total Managed Portfolio	11,313,276	-7.22	-7.69	-7.69	-.19	3.61

Account Name: PARS/MONTECITO FPD 115P - PENSION

As of: March 31, 2020

Account ID: -----4501

Performance Report

	Market Value	1 Month	3 Months	Year to Date (3 Months)	1 Year	Inception to Date 07/01/2017
Cash Equivalents	200,763	.07	.31	.31	1.82	1.65
Lipper Money Market Funds Index		.09	.32	.32	1.74	1.58
Total Fixed Income	2,964,786	-4.40	-1.27	-1.27	3.74	2.78
BBG Barclays US Aggregate Bd Index (USD)		-.59	3.15	3.15	8.93	4.73
Total Equities	1,282,440	-16.09	-23.79	-23.79	-14.13	-.79
Large Cap Funds	733,807	-13.54	-20.64	-20.64	-9.30	2.67
S&P 500 Composite Index		-12.35	-19.60	-19.60	-6.98	4.42
Mid Cap Funds	94,715	-19.74	-27.20	-27.20	-18.42	-1.93
Russell Midcap Index		-19.49	-27.07	-27.07	-18.31	-1.84
Small Cap Funds	171,980	-23.53	-32.47	-32.47	-25.46	-4.01
Russell 2000 Index (USD)		-21.73	-30.61	-30.61	-23.99	-5.89
International Equities	281,939	-15.96	-24.12	-24.12	-15.29	-5.03
MSCI EAFE Index (Net)		-13.35	-22.83	-22.83	-14.38	-4.08
MSCI EM Free Index (Net USD)		-15.40	-23.60	-23.60	-17.69	-3.92
Wilshire REIT Index		-19.96	-25.63	-25.63	-19.38	-3.34
Total Managed Portfolio	4,529,364	-7.22	-7.69	-7.69	-1.12	2.06

Morningstar Fund Performance

As of March 31, 2020

LARGE CAP EQUITY FUNDS							
Fund Name	1-Month Return	3-Month Return	Year-to- Date	1-Year Return	3-Year Return	5-Year Return	10-Year Return
Columbia Contrarian Core Inst3	-11.41	-18.19	-18.19	-4.68	4.24	6.06	10.47
Vanguard Growth & Income Adm	-12.73	-20.37	-20.37	-8.81	4.19	6.05	10.39
Harbor Capital Appreciation Retirement	-10.46	-11.80	-11.80	0.06	12.90	10.63	12.84
T. Rowe Price Growth Stock I	-11.41	-14.62	-14.62	-3.53	10.09	9.53	12.83
Dodge & Cox Stock	-19.65	-29.16	-29.16	-19.82	-2.52	2.65	8.09
iShares S&P 500 Value ETF	-15.25	-25.34	-25.34	-12.34	-0.09	3.29	8.01
S&P 500 TR USD	-12.35	-19.60	-19.60	-6.98	5.10	6.73	10.53
MID CAP EQUITY FUNDS							
iShares Russell Mid-Cap ETF	-19.49	-27.09	-27.09	-18.44	-0.94	1.70	8.60
SMALL CAP EQUITY FUNDS							
Undiscovered Managers Behavioral Val R6	-28.55	-40.82	-40.82	-35.97	-11.71	-3.26	6.21
Victory RS Small Cap Growth R6	-18.96	-24.03	-24.03	-14.42	6.02	4.13	11.11
Russell 2000 TR USD	-21.73	-30.61	-30.61	-23.99	-4.64	-0.25	6.90
REAL ESTATE FUNDS							
Vanguard Real Estate ETF	-19.28	-24.11	-24.11	-16.60	-1.48	0.48	7.88

Morningstar Fund Performance – pg. 2

As of March 31, 2020

INTERNATIONAL EQUITY FUNDS							
Fund Name	1-Month Return	3-Month Return	Year-to- Date	1-Year Return	3-Year Return	5-Year Return	10-Year Return
Dodge & Cox International Stock	-20.37	-30.50	-30.50	-22.28	-7.42	-4.39	1.61
DFA Large Cap International I	-15.79	-24.43	-24.43	-16.53	-2.61	-0.93	2.38
MFS International Growth R6	-10.89	-18.65	-18.65	-8.03	5.04	4.21	5.42
MSCI EAFE NR USD	-13.35	-22.83	-22.83	-14.38	-1.82	-0.62	2.72
Hartford Schrodgers Emerging Mkts Eq F	-16.41	-23.22	-23.22	-15.03	-0.14	0.95	1.38
MSCI EM NR USD	-15.40	-23.60	-23.60	-17.69	-1.62	-0.37	0.68

BOND FUNDS							
DoubleLine Core Fixed Income I	-6.06	-3.29	-3.29	1.42	2.54	2.35	-
PGIM Total Return Bond R6	-6.50	-2.84	-2.84	3.80	3.98	3.28	4.86
PIMCO Total Return Instl	-1.71	2.19	2.19	7.64	4.51	3.24	4.11
Vanguard Short-Term Investment-Grade Adm	-3.10	-1.50	-1.50	2.03	2.16	2.04	2.40
BBgBarc US Agg Bond TR USD	-0.59	3.15	3.15	8.93	4.82	3.36	3.88

Source: SEI Investments, Morningstar Investments

Returns less than one year are not annualized. Past performance is no indication of future results. The information presented has been obtained from sources believed to be accurate and reliable. Securities are not FDIC insured, have no bank guarantee and may lose value.

Disclosures

HighMark Capital Management, Inc. (HighMark), an SEC-registered investment adviser, is a wholly owned subsidiary of MUFG Union Bank, N.A. (MUB). HighMark manages institutional separate account portfolios for a wide variety of for-profit and nonprofit organizations, public agencies, public and private retirement plans, and personal trusts of all sizes. It may also serve as sub-adviser for mutual funds, common trust funds and collective investment funds. MUB, a subsidiary of MUFG Americas Holdings Corporation, provides certain services to HighMark and is compensated for these services. Past performance does not guarantee future results. Individual account management and construction will vary depending on each client's investment needs and objectives. **Investments employing HighMark strategies are NOT insured by the FDIC or by any other Federal Government Agency, are NOT Bank deposits, are NOT guaranteed by the Bank or any Bank affiliate, and MAY lose value, including possible loss of principal.**

Agenda

Item #3



STAFF REPORT

To: Montecito Fire Protection District Finance Committee
From: Kevin Taylor, Fire Chief *KT*
Prepared by: Araceli Nahas, Accountant *AN*
Date: April 20, 2020
Topic: Audited Financial Statements for June 30, 2019

Summary

The following report provides a brief description of the various sections included in the District's audited financial statements for June 30, 2019.

Discussion

The District engaged with independent audit firm, Fechter & Company ("Fechter"), to perform an annual audit and issue financial statements. Firm partner, Craig Fechter, will provide a thorough review of the financials during the Zoom meeting.

Management Report for the Year Ended June 30, 2019

This report consists of required communications for the Board of Directors. If deemed necessary, Fechter would also include comments on internal control weaknesses and suggestions for improvements, but there were no findings to that effect during this audit.

Annual Financial Report for the Year Ended June 30, 2019

Independent Auditor's Report (Pg. 1)

In this report, Fechter communicates Management's responsibility for the financial statements, the Auditor's responsibility and the audit process. In the last paragraph, Fechter renders an opinion they have concluded that the financial statements present fairly and according to generally accepted accounting principles.

Management's Discussion and Analysis (Pg. 3-10)

The Management's Discussion and Analysis ("MD&A") section of the report is produced internally by Chief Taylor and Araceli. Fechter reviews the MD&A for accuracy, but the information is not part of the audit testing.

Balance Sheet (Pg. 11-12) and Statement of Activities (Pg. 13-14)

The starting figures for the financial statements are derived from the District's FIN accounting system and required journal entries are reflected in the "Adjustments" column to ensure that the final reporting numbers follow Generally Accepted Accounting Principles ("GAAP") and statements issued by the Governmental Accounting Standards Board ("GASB"). Fechter and Araceli review all adjustments prior to posting.

Notes to the Financial Statements (Pg. 15-37)

The notes are required to accompany the financial statements and provide details on significant financial transactions and adjustments.

Compliance Section - Single Audit (Pg. 38-45)

The "single audit" is required for any agency that receives money from the federal government and spends more than \$750,000 of federal dollars in a single fiscal year. The District received \$4.7 million from FEMA through the Public Assistance Grant Program following the Thomas Fire and 1-9 Debris Flow, which triggered this additional audit.

Conclusion

The Finance Committee has the option to:

- a. Recommend that the Board accept and file the Annual Financial Report for June 30, 2019.
- b. Recommend that the Board amend, modify or reject above option.

Attachments

1. Management Report for the Year Ended June 30, 2019
2. Annual Financial Report for the Year Ended June 30, 2019

Strategic Plan Reference

Strategic Plan Goal #9, Ensure Financial Accountability & Transparency

**MONTECITO
FIRE PROTECTION DISTRICT
MANAGEMENT REPORT
FOR THE YEAR ENDED JUNE 30, 2019**

MONTECITO FIRE PROTECTION DISTRICT

Management Report
For the Year Ended June 30, 2019

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Craig R. Fechter, CPA, MST

Board of Directors of the
Montecito Fire Protection District
Santa Barbara, California

In planning and performing our audit of the financial statements of the Montecito Fire Protection District for the year ended June 30, 2019, we considered the District's internal control structure to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control structure.

Our consideration of internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce, to a relatively low level, the risk that errors or irregularities in amounts that would be material in relation to the basic financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

We will review the status of these comments during our next audit engagement. We will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations. We thank the District's staff for its cooperation on this audit.

Fechter & Company,
Certified Public Accountants



Sacramento, California
March 30, 2020

MONTECITO FIRE PROTECTION DISTRICT
Required Communications
For the Year Ended June 30, 2019

The Auditor's Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated June 17, 2019, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute assurance that the financial statements are free of material misstatement and are fairly presented in accordance with U.S. generally accepted accounting principles. Because an audit is designed to provide reasonable, but not absolute assurance and because we did not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us.

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting.

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 audit.

Significant Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the District during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

Internal Control Related Matters

In any smaller entity, whether private enterprise or a governmental agency, the lack of segregation of duties can present potential issues in regards to the perpetuation and concealment of fraud. Even with a perfect segregation of duties frauds can be perpetuated and concealed. The District can perform some specific control procedures to help reduce the risk of fraud, however. Some of the controls would include:

- Having someone independent of the bank reconciliation function review the bank statements on a monthly basis.
- Examining financial statements on a monthly basis at the management and department levels.
- Examining a budget to actual report on a frequent basis.

MONTECITO FIRE PROTECTION DISTRICT
Required Communications
For the Year Ended June 30, 2019

- Comparing the financial statements on a detailed level to the prior year on a frequent basis.
- Having someone independent of the payroll process review payroll on a bi-weekly basis, checking for accuracy of pay rates, paid time off recorded, etc.
- Verifying that a second person is approving all disbursement activity and that an individual independent of the accounting function is signing checks and asking questions about invoices presented for payment.
- Frequently displaying “professional skepticism” when considering staff responses on District finances.

California Government Code Section 12422.5 requires the State Controller’s office to develop internal control guidelines applicable to each local agency by January 1, 2015. The intent of the legislation is to assist local agencies in establishing a system of internal control to safeguard assets and prevent and detect financial errors and fraud. To this end, the State Controller’s Office has produced a draft of control guidelines for local Agencies. As the District contemplates changes to its system of internal control, we advise in utilizing these guidelines when developing internal procedures to assist with your internal control processes.

The State Controller’s office has defined internal controls into five components that work together in an integrated framework. Their guidelines were adopted from the definitions and descriptions contained in *Internal Control – Integrated Framework*, published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The components are:

- Control Environment
- Risk Assessment
- Control Activities
- Information and Communication
- Monitoring Activities

Control environment is the set of standards, processes, and structures that provided the basis for carrying out internal control across the entity. The governing board and management establish the “tone at the top” regarding the importance of internal control, including expected standards of conduct which then cascade down through the various levels of the organization and have a strong effect on the overall system of internal control.

A District’s *Risk Assessment* process includes how management identifies risks (including fraud risk) relevant to the preparation and fair presentation of the financial statements in accordance with the District’s applicable financial reporting framework. In addition, this would also involve areas of business and operational risk which could potentially affect the District’s finances on a go-forward basis.

The District’s risk assessment process is an extremely important activity the board and management should undertake. Every organization, public or private, faces business risks on a day to day basis. Identifying those risks and then acting on them in a timely manner may prevent future problems from becoming completely unmanageable.

MONTECITO FIRE PROTECTION DISTRICT
Required Communications
For the Year Ended June 30, 2019

Management should consistently attempt to identify risks that exist and then present those risks to the board for action. It is impossible for us to identify every potential risk that exists but either way; it is a responsibility of management and the board to proactively identify risks that could adversely affect the District's operations.

Control Activities are in reference to establishing policies and procedures that achieve management directives and respond to identified risks in the internal control system. These are specific procedures designed to perform a secondary review of internal processes that will allow for segregation of duties and a management level review of processed transactions.

Information and Communication are the District's methods of identifying what information is relevant to present to management and the board to assist the District in making the correct decisions. It also is in reference to the District's internal processes of gathering and summarizing that information.

Monitoring involves evaluating the effectiveness of controls on an on-going basis and taking remedial actions when necessary when identified by the other control procedures in place. On-going monitoring activities often are built into the normal recurring activities of a local government and include regular management and supervisory activities.

There is no catch-all for finding all instances of fraud within any entity, whether public or private. One of the key factors in helping prevent fraud is to encourage ethical behavior at all levels of the organization, i.e., "tone at the top". Another key would be to note instances of abnormal behavior of finance or accounting staff when questioned about District financial matters.

The District should remember that they have outside resources available in the case of fraud – they are able to contact the District auditor, their attorney, or the county auditor-controller should anyone feel there is a chance of fraud or abuse.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate(s) affecting the financial statements were:

- Accrual and disclosure of compensated absences
- Capital asset lives and depreciation expense
- Actuarial study to estimate the annual required contribution of pension plan
- Actuarial study to estimate annual required contribution for post-employment benefits
- Actuarial study to determine the net pension liability

MONTECITO FIRE PROTECTION DISTRICT
Required Communications
For the Year Ended June 30, 2019

Audit Adjustments

For purposes of this letter, professional standards define an audit adjustment as a proposed correction of the financial statements that, in our judgment, may not have been detected except through our auditing procedures. An audit adjustment may or may not indicate matters that could have a significant effect on the District's financial reporting process (that is, cause future financial statements to be materially misstated). The following audit adjustments, in our judgment, indicate matters that could have a significant effect on the District's financial reporting process:

- Posting of all GASB 34 entries on behalf of the District
- Posting of all GASB 68 entries on behalf of the District

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Consultations with Other Independent Auditors

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Issues Discussed Prior to Retention of Independent Auditors

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing our audit.

**MONTECITO FIRE
PROTECTION DISTRICT**

**ANNUAL FINANCIAL REPORT
WITH
INDEPENDENT AUDITOR'S REPORT THEREON**

JUNE 30, 2019

MONTECITO FIRE PROTECTION DISTRICT

Annual Financial Report
June 30, 2019

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
of the Montecito Fire Protection District
Santa Barbara, California

We have audited the accompanying financial statements of the governmental activities and each major fund of the Montecito Fire Protection District (the District) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

Opinion

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 Montecito Fire Protection District as of June 30, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

To the Board of Directors
of the Montecito Fire Protection District
Santa Barbara, California

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion & Analysis, post-employment benefits, budgetary comparison, and pension information on pages 4-10 and 34-37, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Montecito Fire Protection District's basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

To the Board of Directors
of the Montecito Fire Protection District
Santa Barbara, California

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2020, on our consideration of the Montecito Fire Protection 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 solely 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 the effectiveness of the Montecito Fire Protection District, California's 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 Montecito Fire Protection District's internal control over financial reporting and compliance.

Fechter & Company,
Certified Public Accountants

A handwritten signature in cursive script that reads "Fechter & Company, CPAs".

Sacramento, California
March 30, 2020

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)**

MONTECITO FIRE PROTECTION DISTRICT**Management's Discussion and Analysis
(Unaudited)
June 30, 2019**

The purpose of the Management's Discussion and Analysis (MD&A) is to provide an overview of the District's financial condition and to highlight important changes and activities with fiscal implications that occurred during the year ended June 30, 2019. Please read it in conjunction with the District's basic financial statements and required supplementary information, which follow this section.

Discussion of Basic Financial Statements

This discussion and analysis provides an introduction and a brief discussion of the District's basic financial statements, including the relationship of the statements to each other and the significant differences in the information they provide. Special purpose governments engaged in a single government program can combine the fund financial statements and the government-wide statements using a columnar format. This format reconciles individual line items of fund financial data to government-wide data in a separate column on the face of the financial statements rather than at the bottom of the statements or in an accompanying schedule.

The District's financial statements include three components:

1. Statement of Net Position and Governmental Funds Balance Sheet
2. Statement of Activities and Governmental Revenues, Expenditures, and Changes in Fund Balances
3. Notes to the Basic Financial Statements

The Statement of Net Position and Governmental Funds Balance Sheet provide the basis for evaluating the District's capital structure, liquidity, and financial flexibility. The Statement of Activities and Governmental Revenues, Expenditures, and Changes in Fund Balances presents information that shows how the District's fund balances and net position changed during the year. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

The Notes to the Basic Financial Statements provide a description of the accounting policies used to prepare the financial statements and present material disclosures required by generally accepted accounting principles that are not otherwise present in the financial statements. In addition to the basic financial statements, this report also presents other required supplementary information.

MONTECITO FIRE PROTECTION DISTRICT

Management's Discussion and Analysis (Unaudited) June 30, 2019

Government-Wide Financial Analysis

In accordance with Governmental Accounting Standards Board Statement No. 34 (GASB 34), the following is an analysis of the District's net position and changes in net position.

Table 1 – Montecito Fire Protection District Net Position

	2019	2018	Dollar Change	Percent Change
Assets:				
Current and other assets	\$ 33,989,378	\$ 28,155,768	\$ 5,833,610	20.72%
Capital assets	9,152,963	9,428,582	(275,619)	-2.92%
Total assets	<u>\$ 43,142,341</u>	<u>\$ 37,584,350</u>	<u>\$ 5,557,991</u>	14.79%
Liabilities:				
Current and other liabilities	\$ 8,634,659	\$ 3,670,568	\$ 4,964,091	135.24%
Long-term liabilities	25,210,674	24,566,055	644,619	2.62%
Total liabilities	<u>33,845,333</u>	<u>28,236,623</u>	<u>5,608,710</u>	19.86%
Net Position:				
Invested in capital assets	9,152,963	9,428,582	(275,619)	-2.92%
Unrestricted	144,045	(80,855)	224,900	-278.15%
Total net position	<u>\$ 9,297,008</u>	<u>\$ 9,347,727</u>	<u>\$ (50,719)</u>	-0.54%

Total assets increased \$5,557,991, or 14.8%, when compared to the prior year. The change in current and other assets is primarily a result of an increase in cash and investments of \$6 Million and an increase in deposits of \$805,000, along with a decrease in the deferred outflows of resources of \$1,181,000.

Total liabilities increased by \$5,608,708, or 19.9%. The change in liabilities is primarily a result of an increase to accounts payable of \$3.9 million and an increase in the deferred inflows of resources of \$1,045,000 for pension and OPEB. Additionally, the net OPEB liability increased by \$812,000. The pension and OPEB liabilities are based on separate actuarial reports.

Net position over time is a useful indicator of a government's financial position. For Montecito Fire Protection District, assets exceed liabilities by \$9,297,008 at the close of the current fiscal year. The decrease of \$50,719, when compared to the prior year, is the amount by which fund expenditures exceed revenues in the current fiscal year (See Table 2 on page 6).

Unrestricted net position increased from a deficit in the amount of \$(80,855) in the prior year to \$144,045, reflecting an increase of resources available to meet the District's ongoing obligations to citizens and creditors.

MONTECITO FIRE PROTECTION DISTRICT

Management's Discussion and Analysis
(Unaudited)
June 30, 2019

Table 2 – Montecito Fire Protection District Change in Net Position

	2019	2018	Dollar Change	Percent Change
Revenues:				
Property taxes	\$ 17,130,784	\$ 17,588,326	\$ (457,542)	-2.60%
Investment income	555,004	77,392	477,612	617.13%
Rental income	6,450	19,961	(13,511)	-67.69%
Intergovernmental	8,462,837	2,061,211	6,401,626	310.58%
Miscellaneous	653,764	559,543	94,221	16.84%
Total revenues	<u>26,808,839</u>	<u>20,306,433</u>	<u>6,502,406</u>	<u>32.02%</u>
Expenses:				
Salaries and benefits	17,879,049	15,595,607	2,283,442	14.64%
Services and supplies	5,773,877	1,788,851	3,985,026	222.77%
Other expenditures/interest	-	6,281	(6,281)	-100.00%
GASB 68 adjustment	2,945,461	(165,856)	3,111,317	-1875.91%
GASB 75 adjustment	(183,179)	651,178	(834,357)	-128.13%
Depreciation	444,350	517,150	(72,800)	-14.08%
Total expenses	<u>26,859,558</u>	<u>18,393,211</u>	<u>8,466,347</u>	<u>46.03%</u>
Change in net position	(50,719)	1,913,222	(1,963,941)	-102.65%
Net Position – Beginning	<u>9,347,727</u>	<u>12,642,561</u>	<u>(3,294,834)</u>	<u>-26.06%</u>
Prior period adjustment	<u>-</u>	<u>(5,208,056)</u>	<u>5,208,056</u>	<u>-100.00%</u>
Net Position – Ending	<u>\$ 9,297,008</u>	<u>\$ 9,347,727</u>	<u>\$ (50,719)</u>	<u>-0.54%</u>

The District's total revenues increased by \$6,502,406, or 32.0%, in the current fiscal year. The total increase is primarily attributed to the following factor:

- Intergovernmental revenue increased by \$6.4 million dollars, or 311% - following the Thomas Fire (December 2017) and Debris Flow (January 2018) disaster that greatly affected our Montecito community, state and federal disaster declarations allowed our agency to recuperate a majority of the additional costs incurred during the 2017-18 fiscal year. Disaster recovery funds totaled \$6.5 million of the \$8.5 million listed above for Intergovernmental revenue. The remaining \$2 million is revenue from fire assignments in which we provided assistance to other jurisdictions.

MONTECITO FIRE PROTECTION DISTRICT

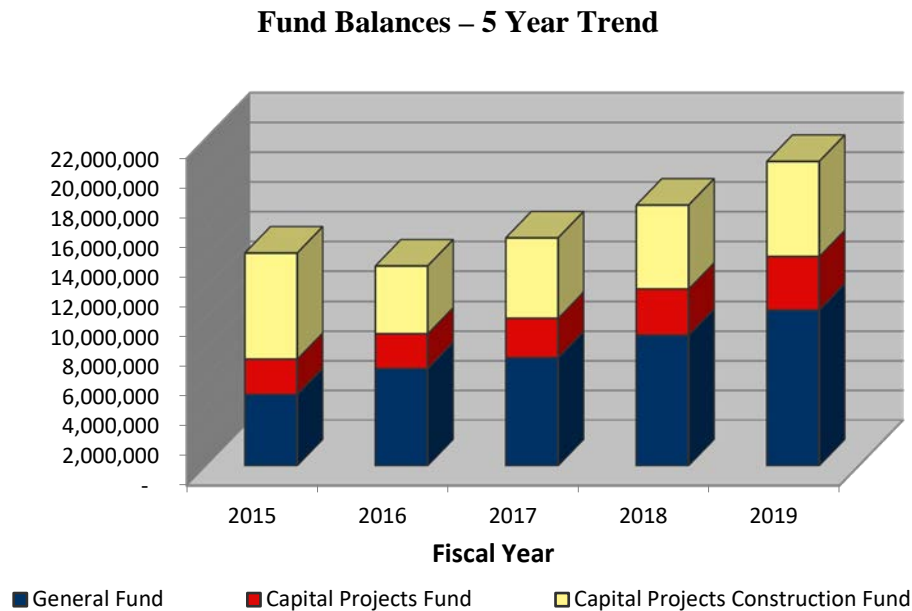
Management’s Discussion and Analysis
(Unaudited)
June 30, 2019

The District’s total expenses increased by \$8,466,347, or 46.0%, in the current fiscal year. The total increase is primarily attributed to the following factors:

- Under salaries and benefits, pension supplemental contributions were \$2.2 million more than the prior year.
- Under services and supplies, the District paid Cal Fire \$3.9 million for firefighting efforts in our jurisdiction as part of the Thomas Fire cost apportionment agreement. Under GASB 68 adjustment, and increase of \$3.1 million in the pension liability as calculated using independent actuarial reports.

Analysis of Fund Balances of Individual Funds

The chart below displays the fiscal year end (2015 to 2019) fund balances for the District’s General Fund (annual operational account), Capital Projects Fund (equipment pre-funding account), and Capital Projects Construction Fund (land and building account).



Total fund balance has increased steadily from fiscal year 2015 to 2019, with the exception of a slight decrease in the Capital Projects Fund in 2016 – a year in which \$2.4 million was transferred to the District’s OPEB trust account to accelerate a pre-funding contribution schedule.

The General Fund balance includes \$6,070,000 in Board-approved reserves: catastrophic and economic uncertainties.

MONTECITO FIRE PROTECTION DISTRICT

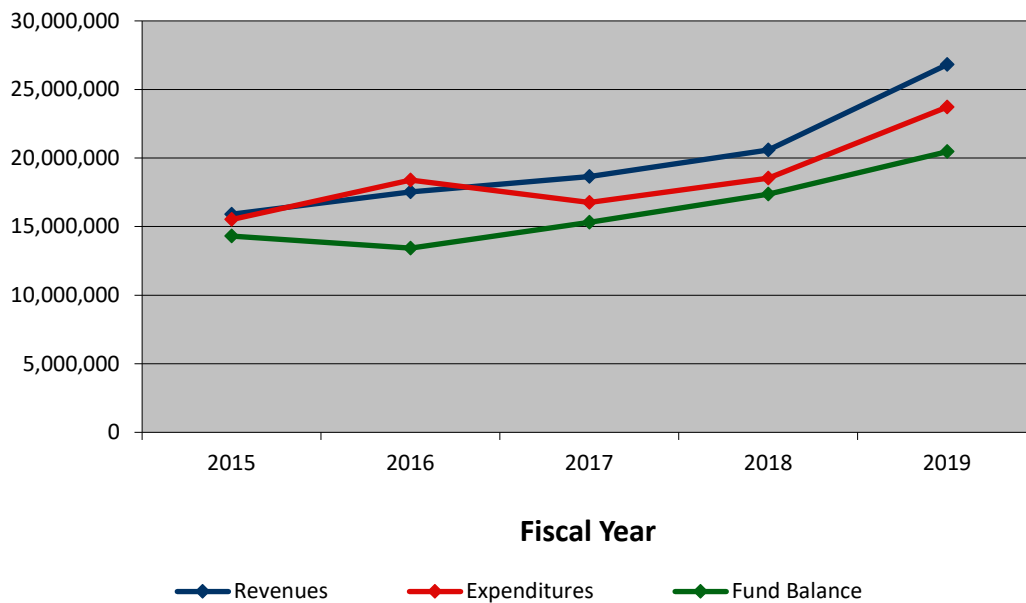
Management’s Discussion and Analysis
 (Unaudited)
 June 30, 2019

Analysis of Revenues, Expenditures, and Fund Balance for Combined Governmental Funds

The following chart displays the District’s revenues, expenditures, and ending “Memorandum Only” fund balance totals for the same five-year period. Revenue has exceeded expenditures and fund balance has steadily increased since fiscal year 2015, with the exception of fiscal year 2016. As mentioned in the previous section, there was a decrease in the Capital Projects Construction Fund balance in 2016 is due to a \$2.4 million pre-funding contribution to the District’s OPEB trust account.

Over the last five years, revenue has steadily increased from \$15.9 million in 2015 to \$26.8 million in 2019. Total combined expenditures have also seen in upward trend since 2015.

Revenues, Expenditures & Fund Balance - 5 Year Trend



Analysis of Significant Variations Between Original and Final Budget and Actual Results for the General Fund

The Board of Directors adopted the District’s 2018-19 fiscal year operating budget in September of 2018 on a modified accrual basis. As adopted for the General Fund, budgeted revenues totaled \$16,650,716, while projected expenditures totaled \$17,042,630. Operating transfers to the Capital Projects Fund were \$422,000.

The District formally amended its originally adopted budget in June of 2019. As amended for the General Fund, revised budgeted revenues increased by \$9,560,700 to \$26,211,416, projected expenditures

MONTECITO FIRE PROTECTION DISTRICT

Management's Discussion and Analysis (Unaudited) June 30, 2019

increased by \$7,311,000 to \$24,353,630, and operating transfers remained unchanged. The revised budget increased the fund balance by \$2,249,700.

Actual revenues for the year were \$281,709 less than budgeted and actual expenditures were \$666,069 lower than the final amended budget on a modified accrual basis. Refer to the required supplementary information on page 34 for the Budget Comparison Schedule.

Capital Assets

The District's investment in capital assets for its governmental activities as of June 30, 2019, amounted to \$9,152,963 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, structures, improvements, and equipment.

Capital assets for the governmental activities are presented below to illustrate changes from the prior year:

Table 3 – Montecito Fire Protection District Capital Assets

	2019	2018	Dollar Change	Percent Change
Land	\$ 2,577,530	\$ 2,577,530	\$ -	0.00%
Construction in progress	529,436	523,273	6,163	1.18%
Structures & improvements	7,254,712	7,254,712	-	0.00%
Equipment	5,074,349	4,988,034	86,315	1.73%
Total cost	<u>15,436,027</u>	<u>15,343,549</u>	92,478	0.60%
Less: accumulated depreciation	<u>(6,283,064)</u>	<u>(5,914,967)</u>	<u>(368,097)</u>	6.22%
Total capital assets - net	<u>\$ 9,152,963</u>	<u>\$ 9,428,582</u>	<u>\$ (275,619)</u>	-2.92%

Significant capital asset activity during fiscal year 2018-19 includes the following:

- The District installed a new microwave connectivity that will provide wireless dispatch connectivity should our "hard-line" systems (Internet or phone lines) experience an outage. The total project cost was \$61,500.
- The District also placed in service operation equipment, including a new ambulance gurney for patient care, and portable radios, totaling \$66,000.
- The District recognized \$444,350 in depreciation expense.

MONTECITO FIRE PROTECTION DISTRICT

Management's Discussion and Analysis
(Unaudited)
June 30, 2019

Contacting the District Management

This financial report is designed to provide citizens, taxpayers, and creditors with a general overview of the District's finances and to show the District's accountability for the revenue received. We are committed to being open and accessible in our operations and governance. If you have any questions regarding this report or need additional financial information, please visit our website at Montecitofire.com.

BASIC FINANCIAL STATEMENTS

MONTECITO FIRE PROTECTION DISTRICT
STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET
JUNE 30, 2019

	General Fund	Pension Obligation Fund	Capital Project Fund	Capital Project Construction Fund
Assets:				
Cash and investments	\$ 13,993,875	\$ 838	\$ 2,328,774	\$ 6,351,279
Accounts receivable	506,578	-	-	-
Interest receivable	84,869	4	9,586	31,395
Deposits	-	-	1,232,277	-
OPEB asset	-	-	-	-
Other assets	-	-	-	-
Capital assets, net	-	-	-	-
Total Assets	<u>\$ 14,585,322</u>	<u>\$ 842</u>	<u>\$ 3,570,637</u>	<u>\$ 6,382,674</u>

Deferred Outflows of Resources**Deferred Outflows of Resources - OPEB****Liabilities:**

Accounts payable	\$ 4,052,740	\$ -	\$ -	\$ -
Salaries and benefits payable	25,313	-	-	-
Accrued interest - current portion	-	-	-	-
Pension obligation bonds - current	-	-	-	-
Long-term liabilities:				
Net Pension liability	-	-	-	-
Net OPEB liability	-	-	-	-
Compensated absences	-	-	-	-
Pension obligation bonds	-	-	-	-
Total Liabilities	<u>4,078,053</u>	<u>-</u>	<u>-</u>	<u>-</u>

Fund Balances/Net Position:**Fund Balances:**

Nonspendable	-	-	427,351	-
Committed	-	-	-	-
Assigned	6,070,500	-	-	835
Unassigned	4,436,769	842	3,143,286	6,381,839
Total Fund Balances	<u>10,507,269</u>	<u>842</u>	<u>3,570,637</u>	<u>6,382,674</u>
Total Liabilities, Fund Balances	<u>\$ 14,585,322</u>	<u>\$ 842</u>	<u>\$ 3,570,637</u>	<u>\$ 6,382,674</u>

Deferred Inflows of Resources**Deferred Outflows of Resources - OPEB****Net Position:**

Invested in capital assets
Unrestricted
Total Net Position

**MONTECITO FIRE PROTECTION DISTRICT
STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET
JUNE 30, 2019**

Total Memorandum Only	Adjustments	Statement of Net Position	
\$ 22,674,766	\$ -	\$ 22,674,766	Assets:
506,578	-	506,578	Cash and investments
125,854	-	125,854	Accounts receivable
1,232,277	-	1,232,277	Interest receivable
-	-	-	Deposits
-	45,092	45,092	OPEB asset
-	9,152,963	9,152,963	Other assets
<u>\$ 24,539,475</u>	<u>\$ 9,198,055</u>	<u>\$ 33,737,530</u>	Capital assets, net
			Total Assets
-	\$ 7,115,559	\$ 7,115,559	Deferred Outflows of Resources
-	2,289,252	2,289,252	Deferred Outflows of Resources - OPEB
\$ 4,052,740	\$ -	\$ 4,052,740	Liabilities:
25,313	-	25,313	Accounts payable
-	-	-	Salaries and benefits payable
-	-	-	Accrued interest - current portion
-	-	-	Pension obligation bonds - current
-	21,248,084	21,248,084	Long-term liabilities:
-	2,414,377	2,414,377	Net Pension liability
-	1,548,213	1,548,213	Net OPEB liability
-	-	-	Compensated absences
-	-	-	Pension obligation bonds
<u>4,078,053</u>	<u>25,210,674</u>	<u>29,288,727</u>	Total Liabilities
			Fund Balances/Net Position:
427,351	(427,351)	-	Fund Balances:
-	-	-	Nonspendable
6,071,335	(6,071,335)	-	Committed
13,962,736	(13,962,736)	-	Assigned
<u>20,461,422</u>	<u>(20,461,422)</u>	<u>-</u>	Unassigned
<u>\$ 24,539,475</u>			Total Fund Balances
			Total Liabilities, Fund Balances
	3,559,522	3,559,522	Deferred Inflows of Resources
	997,084	997,084	Deferred Outflows of Resources - OPEB
	9,152,963	9,152,963	Net Position:
	144,045	144,045	Invested in capital assets
	<u>\$ 9,297,008</u>	<u>\$ 9,297,008</u>	Unrestricted
			Total Net Position

MONTECITO FIRE PROTECTION DISTRICT
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2019

	<u>General Fund</u>	<u>Pension Obligation Fund</u>	<u>Capital Project Fund</u>	<u>Capital Projects Construction Fund</u>
Revenues:				
Property taxes	\$ 17,130,784	\$ -	\$ -	\$ -
Investment income	318,138	22	68,870	167,975
Rental income	6,450	-	-	-
Intergovernmental	8,462,837	-	-	-
Proceeds from sale of assets/loss on sale	-	-	4,600	-
Miscellaneous	60,892	-	-	588,272
Total Revenues	<u>25,979,101</u>	<u>22</u>	<u>73,470</u>	<u>756,247</u>
Expenditures:				
Salaries and benefits	17,771,301	-	-	-
Services and supplies	5,773,875	-	-	-
Bond issuance cost amortization	-	-	-	-
Depreciation	-	-	-	-
Capital outlay	162,569	-	-	6,163
Total Expenditures/Expenses	<u>23,707,745</u>	<u>-</u>	<u>-</u>	<u>6,163</u>
Excess (deficiency) of revenues over (under) expenditures	2,271,356	22	73,470	750,084
Other Financing Sources (Uses):				
Transfers in	-	-	422,000	-
Transfers out	(422,000)	-	-	-
Total other financing sources (uses)	<u>(422,000)</u>	<u>-</u>	<u>422,000</u>	<u>-</u>
Net change in fund balances	1,849,356	22	495,470	750,084
Change in net position				
Fund Balances/Net Position - Beginning	<u>8,657,913</u>	<u>820</u>	<u>3,075,167</u>	<u>5,632,590</u>
Prior Period Adjustment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances/Net Position - Ending	<u>\$ 10,507,269</u>	<u>\$ 842</u>	<u>\$ 3,570,637</u>	<u>\$ 6,382,674</u>

**MONTECITO FIRE PROTECTION DISTRICT
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2019**

<u>Total Memorandum Only</u>	<u>Adjustments</u>	<u>Statement of Activities</u>	
\$ 17,130,784	\$ -	\$ 17,130,784	Revenues:
555,005	-	555,004	Property taxes
6,450	-	6,450	Investment income
8,462,837	-	8,462,837	Rental income
4,600	-	4,600	Intergovernmental
649,164	-	649,164	Proceeds from sale of assets/gain on sale
<u>26,808,840</u>	<u>-</u>	<u>26,808,839</u>	Miscellaneous
			Total Revenues
17,771,301	2,870,030	20,641,331	Expenditures:
5,773,875	2	5,773,877	Salaries and benefits
-	-	-	Services and supplies
-	444,350	444,350	Bond issuance cost amortization
168,732	(168,732)	-	Depreciation
<u>23,713,908</u>	<u>3,145,650</u>	<u>26,859,558</u>	Capital outlay
			Total Expenditures/Expenses
3,094,932	(3,145,650)	(50,719)	Excess (deficiency) of revenues over (under) expenditures
422,000	(422,000)	-	Other Financing Sources (Uses):
(422,000)	422,000	-	Transfers in
<u>-</u>	<u>-</u>	<u>-</u>	Transfers out
			Total other financing sources (uses)
3,094,932	(3,094,932)	-	Net change in fund balances
	(50,719)	(50,719)	Change in net position
<u>17,366,490</u>	<u>(8,018,763)</u>	<u>9,347,727</u>	Fund Balances/Net Position - Beginning
<u>-</u>	<u>-</u>	<u>-</u>	Prior Period Adjustment
<u>\$ 20,461,422</u>	<u>\$ (8,069,482)</u>	<u>\$ 9,297,008</u>	Fund Balances/Net Position - Ending

NOTES TO THE BASIC FINANCIAL STATEMENTS

MONTECITO FIRE PROTECTION DISTRICT

Notes to the Financial Statements
June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Montecito Fire Protection District (the District) is an independent division of local government, authorized by California Health and Safety Code Sections 13800-13970. The District is governed by a five-member Board of Directors elected to serve four-year terms. These financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. There are no component units included in this report that meet the criteria of a blended or discretely presented component unit as set forth by the Governmental Accounting Standards Board (GASB), which is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

Government-Wide – Basis of Presentation, Measurement Focus, and Basis of Accounting

GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* (GASB 34), was issued to improve governmental financial reporting for citizens, district representatives, and creditors involved in the lending process. GASB 34 requires that a government entity present in its basic external financial statements both government-wide financial statements and fund financial statements, excluding fiduciary funds. Governments engaged in a single government program may combine their fund financial statement with their government-wide statements by using a columnar format that reconciles individual line items of fund financial data to government-wide data in a separate column.

GAAP requires that the government-wide financial statements be reported using the economic resources measurement focus and the accrual basis of accounting. In comparison, governmental funds employ the current financial resources measurement focus and the modified accrual basis of accounting. The economic resources measurement focus aims to report all inflows, outflows, and balances affecting or reflecting an entity's net position. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when incurred for activities related to exchange and exchange-like activities. In addition, long-lived assets (such as buildings and equipment) are capitalized and depreciated over their estimated economic lives.

Funds – Basis of Presentation, Measurement Focus, and Basis of Accounting

The accounts of the District are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. The District uses the governmental fund category.

MONTECITO FIRE PROTECTION DISTRICT

Notes to the Financial Statements
June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Funds – Basis of Presentation, Measurement Focus, and Basis of Accounting - continued

Governmental Funds are used to account for the District’s general government activities. Governmental funds use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e. when they are “measurable and available”). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers all revenues available if they are collected within 60 days after fiscal year-end. Expenditures are recorded when the related fund liability is incurred, except for certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Property taxes and interest associated with the current fiscal year are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal year. Other receipts and taxes are determined to be both measurable and available when cash is received by the District and are recognized as revenue at that time.

Secured property taxes are levied in September of each year based upon the assessed valuation as of the previous January 1 (lien date). They are payable in two equal installments due on November 1 and February 1, and are considered delinquent with penalties after December 10 and April 10, respectively.

Unsecured property taxes are due on the January 1 lien date and become delinquent with penalties after August 31. All property taxes are billed and collected by the County of Santa Barbara (the County) and remitted to the District.

The District maintains the following governmental fund types:

The ***General Fund*** is the District’s operating fund. It accounts for all the financial resources and the legally authorized activities of the District except those required to be accounted for in another fund.

The ***Pension Obligation Fund*** accounts for the accumulation of resources that are committed for the payment of principal and interest on the District’s pension obligation bonds (Note 5).

The ***Capital Projects Fund*** accounts for the acquisition of capital assets not being financed by the General Fund.

MONTECITO FIRE PROTECTION DISTRICT

Notes to the Financial Statements
June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Funds – Basis of Presentation, Measurement Focus, and Basis of Accounting - continued

The *Capital Projects Construction Fund* accounts for the construction of major capital projects not being financed by the General Fund, such as the acquisition of land for the development of a new fire station.

Investments

The District maintains substantially all its cash in the Santa Barbara County Treasurer's cash management investment pool (the pool).

State statutes and the County's investment policy authorize the County Treasurer to invest in U.S. Treasury and U.S. Government agency securities; state and/or local agency bonds, notes, warrants, or certificates of indebtedness; bankers' acceptances; commercial paper; corporate bonds and notes; negotiable certificates of deposit; repurchase agreements; reverse repurchase agreements; securities lending; bank deposits; money market mutual funds; State of California Local Agency Investment Fund (LAIF); and the investment pools managed by a Joint Powers Authority. Interest earned on pooled investments is apportioned quarterly into participating funds based upon each fund's average daily deposit balance. Any investment gains or losses are proportionately shared by all funds in the pool.

Investments held by the County Treasurer are stated at fair value. The fair value of pooled investments is determined quarterly and is based on current market prices received from the securities custodian. The fair value of participants' position in the pool is the same as the value of the pool shares. The method used to determine the value of participants' equity withdrawn is based on the book value of the participants' percentage participation at the date of such withdrawal.

The pool's disclosures related to cash and investments, including those disclosures regarding custodial credit risk, are included in the County's Comprehensive Annual Financial Report. A copy may be obtained online from the Auditor-Controller section of the County's website.

Receivables

Receivables are recorded in the District's Statement of Net Position and Governmental Funds Balance Sheet net of any allowance for uncollectible. All receivables are deemed to be collectible at June 30, 2019, and, as such, the District has no allowance for uncollectible accounts for these receivables.

MONTECITO FIRE PROTECTION DISTRICT

Notes to the Financial Statements
June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Capital Assets

Capital assets are recorded in the District's Statement of Net Position and Governmental Funds Balance Sheet in the Statement of Net Position column at cost if purchased or constructed. Donated capital assets are recorded at the estimated fair market value at the date of donation. The costs of normal maintenance that do not add to the value of the asset or materially extend assets' lives are expensed as incurred. The District's capitalization threshold is \$5,000. Capital assets are depreciated at cost using the straight-line method over the following estimated useful lives:

- | | |
|--|----------|
| • Small equipment, medium equipment, and computers | 5 years |
| • Vehicles, trucks, and large equipment | 10 years |
| • Fire trucks, buildings, and land improvements | 20 years |
| • Buildings | 50 years |

Compensated Absences

The District's policy permits employees to accumulate earned but unused holiday and vacation leave benefits. There is no liability for unpaid accumulated sick leave since the District does not have a policy to pay any amounts when employees separate from service with the District. All vacation pay and holiday pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements prior to year-end and paid by the District subsequent to year-end.

Deferred Compensation Plan

The District offers a deferred compensation plan to its employees. The District has adopted provisions of GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans* (GASB 32), which establishes financial accounting and reporting standards based on current amendments to the provisions of Internal Revenue Code (IRC) Section 457. Under IRC 457, plan assets are not owned by the governmental entity, and as a result, governmental entities are required to remove plan assets and plan liabilities from their financial statements.

The District has no administrative involvement, does not perform the investing function, and has no fiduciary accountability for the plan. Thus, in accordance with GASB 32, the plan assets and any related liability to plan participants have been excluded from the District's financial statements.

MONTECITO FIRE PROTECTION DISTRICT

Notes to the Financial Statements
June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Fund Equity

In February 2009, the GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which establishes accounting and financial reporting standards for all governments that report governmental funds.

Under GASB 54, fund balance for governmental funds should be reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are now broken out in five categories:

- *Nonspendable 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.
- *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 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.
- *Restricted fund balance* – This fund balance classification should be reported when there are constraints placed on the use of resources externally (by creditors, grant sources, contributors, etc.) or imposed by law or enabling legislation.
- *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 debt service, special revenue, and capital projects 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 District’s Board 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 fund balance resources first, then unrestricted resources as they are needed. When committed, assigned, or unassigned resources are available for use in the governmental fund financial statements, the District considers committed amounts to be used first, then assigned amounts, and then unassigned amounts.

MONTECITO FIRE PROTECTION DISTRICT

Notes to the Financial Statements
June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**Memorandum Only – Total Columns**

Total columns in the Statement of Net Position and Governmental Funds Balance Sheet and the Statement of Activities and Governmental Fund Revenues, Expenditures, and Changes in Fund Balances are captioned as “Memorandum Only,” as they do not represent consolidated financial information and are presented only to facilitate financial analysis. The columns do not present information that reflects the financial position or results of operations of the District in conformity with GAAP. Such data is not comparable to a consolidation, as interfund eliminations have not been made in the aggregation of this data.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Prior Year Change in Accounting Principles – Other Post-Employment Benefits

During the year ended June 30, 2018, the District adopted GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (GASB 75)*. This statement requires the Agency recognize in its financial statements the total Postemployment Benefits Other Than Pensions (OPEB) liability for the health benefits provided to retirees, less the amounts held in an irrevocable trust account.

Annual OPEB cost for most employers will be based on actuarially determined amounts that, if paid on an ongoing basis, generally would provide sufficient resources to pay benefits as they come due. The District has implemented the requirements of GASB 75 on a prospective basis.

GASB 75 also establishes disclosure requirements for information about the plans in which an employer participates, the funding policy followed, the actuarial valuation process and assumptions, and, for certain employers, the extent to which the plan has been funded over time.

MONTECITO FIRE PROTECTION DISTRICT

Notes to the Financial Statements
June 30, 2019

NOTE 2: CASH AND INVESTMENTS**Investment in the Santa Barbara County Investment Pool**

The District is a voluntary participant in the Santa Barbara County Treasurer's investment pool that is regulated by California Government Code under the oversight of the Treasurer of the State of California. The balance available for withdrawal is based on the accounting records maintained by the County Treasurer. As of June 30, 2019, the District had cash on deposit with the County Treasurer in the amount of \$22,674,766.

Investments Authorized by District Policy

The District has not formally adopted a deposit and investment policy that limits the government's allowable deposits or investment and addresses the specific types of risk to which the government is exposed.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. At fiscal year end, the weighted average days to maturity of the investments contained in the County investment pool was approximately 705 days.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating firm. The Santa Barbara County Treasurer's investment pool is not rated.

Custodial Credit Risk

Custodial credit risk does not apply to a local government's indirect investment in deposits and securities through the use of government investment pools (such as the Santa Barbara County Treasurer's investment pool).

MONTECITO FIRE PROTECTION DISTRICTNotes to the Financial Statements
June 30, 2019**NOTE 3: CAPITAL ASSETS**

Capital assets activity for the year ended June 30, 2019, is as follows:

	<u>July 1, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2019</u>
Capital assets, not being depreciated:				
Land	\$ 2,577,530	\$ -	\$ -	\$ 2,577,530
Construction in progress	<u>523,273</u>	<u>6,163</u>	<u>-</u>	<u>529,436</u>
Total capital assets, not being depreciated	<u>3,100,803</u>	<u>6,163</u>	<u>-</u>	<u>3,106,966</u>
Capital assets, being depreciated:				
Structures and improvements	7,254,712	-	-	7,254,712
Equipment	<u>4,988,034</u>	<u>162,569</u>	<u>(78,795)</u>	<u>5,071,808</u>
Total capital assets, being depreciated	<u>12,242,746</u>	<u>162,569</u>	<u>(78,795)</u>	<u>12,326,520</u>
Less accumulated depreciation for:				
Structures and improvements	(2,862,238)	(155,736)	-	(3,017,974)
Equipment	<u>(3,052,729)</u>	<u>(288,615)</u>	<u>78,795</u>	<u>(3,262,549)</u>
Total accumulated depreciation	<u>(5,914,967)</u>	<u>(444,351)</u>	<u>78,795</u>	<u>(6,280,523)</u>
Total capital assets, being depreciated, net	<u>6,327,779</u>	<u>(281,782)</u>	<u>-</u>	<u>6,045,997</u>
Total capital assets, net	<u>\$ 9,428,582</u>	<u>\$(275,619)</u>	<u>\$ -</u>	<u>\$ 9,152,963</u>

Depreciation expense amounted to \$444,351 for the fiscal year ended June 30, 2019.

NOTE 4: LONG-TERM LIABILITIES

Changes to the District's long-term liabilities for the year ended June 30, 2019, are as follows:

	<u>July 1, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2019</u>
Compensated absences	\$ 1,440,463	\$ 107,750	\$ -	\$ 1,548,213
Net pension liability	<u>21,524,106</u>	<u>-</u>	<u>(276,022)</u>	<u>21,248,084</u>
	<u>\$ 22,964,569</u>	<u>\$ 107,750</u>	<u>\$(276,022)</u>	<u>\$ 22,796,297</u>

The liability for employee compensated absences is liquidated by the General Fund.

MONTECITO FIRE PROTECTION DISTRICT

Notes to the Financial Statements
June 30, 2019

NOTE 5: INTERFUND TRANSFERS

Interfund transfers in the District’s fund financial statements made during the year ended June 30, 2019, are as follows:

Funds	Inter-Fund	
	Transfers In	Transfers Out
Major Funds:		
General	\$ -	\$ 422,000
Capital projects	422,000	-
Total	<u>\$ 422,000</u>	<u>\$ 422,000</u>

During the fiscal year ended June 30, 2019, the District transferred \$422,000 from the General Fund to the capital outlay funds to finance fixed asset purchases.

NOTE 6: RISK MANAGEMENT

The District is a participant in a public entity risk pool with the Fire Agencies Insurance Risk Authority (FAIRA). FAIRA is organized pursuant to the provisions of the California Government Code Section 6500 et seq. for the purpose of providing an effective risk management program to local governments by reducing the amount and frequency of losses, pooling self-insured losses, and jointly purchasing excess insurance and administrative services in connection with a joint protection program.

The District pays an annual premium to the pool for its excess general liability insurance coverage. The agreement for information of FAIRA provides that the pool will be self-sustaining through member premiums.

FAIRA provides the District with insurance-like benefits for general liability and excess liability coverage, automobile claims, management liability coverage, and property coverage for buildings, contents, and crime. During the fiscal year, the District contributed an annual premium of \$32,017 with limits ranging from \$1,000,000 to \$2,000,000 for each liability, and excess liability coverage of \$10,000,000. The insurance coverage in excess of the \$1,000,000, up to \$10,000,000, is provided by the Argonaut Insurance Company.

MONTECITO FIRE PROTECTION DISTRICT

Notes to the Financial Statements
June 30, 2019

NOTE 7: RETIREMENT PLAN**Plan Description**

The District contributes to the Public Agency portion of the California Public Employees Retirement System (CalPERS), an agent multiple-employer public employee defined benefit pension plan. CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by State statute and District ordinance. Copies of CalPERS' annual financial report may be obtained from its Executive Office at 400 P Street, Sacramento, CA 95814.

All full-time and less than full-time District employees that meet the CalPERS membership eligibility requirements can participate in CalPERS. Retirement benefits vest after five years of service with the District. Vested District safety members who retire at, or after, age 50 are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to years of credited service multiplied by their highest twelve-month period of earnings multiplied by a percentage factor ranging from 2.4% to 3.0%, depending upon age at retirement. Vested District miscellaneous members who retire at, or after, age 50 are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to years of credited service multiplied by their highest twelve-month period earnings multiplied by a percentage factor ranging from 2.0% to 3.0%, depending upon age at retirement. CalPERS also provides death and disability benefits.

On January 1, 2013, the Public Employee Pension Reform Act of 2013 (PEPRA) became effective, which made numerous changes to public pension provisions for agencies contracting with CalPERS. A new tier level was created for new public agency employees, which includes a different retirement benefit formula as well as different employer and member contribution rates as compared to current public agency employees.

CalPERS issues a separate comprehensive annual financial report, copies of which may be obtained from the CalPERS webpage at www.calpers.ca.gov.

MONTECITO FIRE PROTECTION DISTRICT

Notes to the Financial Statements
June 30, 2019

NOTE 7: RETIREMENT PLAN - continued

Funding Policy

The employee contribution level for District miscellaneous members and District safety members is 8% and 9%, respectively, of annual salary. The District makes contributions for the entire amounts required of the employees on their behalf. The District is required to contribute an actuarially determined employer rate. The contribution requirements of plan members are based upon the benefit level adopted by the District’s Board. The employer contribution rate is established annually and may be amended by CalPERS. The employer contribution rates of annual covered payroll are as follows:

<u>Tier</u>	<u>Safety</u>	<u>Non-Safety</u>
Tier 1	20.416%	15.783%
PEPRA	12.965%	7.266%

In addition, the District also makes unfunded liability payments annually to help make up for the shortfall in the pension plan. This is also actuarially determined. The following represents the unfunded liability payments made during the 2019 fiscal year:

<u>Tier</u>	<u>Safety</u>	<u>Non-Safety</u>
Tier 1	\$ 1,005,029	\$ 121,426
PEPRA	1,078	-

Funding Policy

At June 30, 2019, the District reported a liability of \$21,248,084 in the Statement of Net Position for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District’s proportion of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plan relative to the projected contributions of all Pension Plan participants, which was actuarially determined.

For the fiscal year ended June 30, 2019, the District recognized pension expense of \$2,945,461 in its Government-Wide financial statements. Pension expense represents the change in the net pension liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, actuarial gain/loss, actuarial assumptions or method, and plan benefits.

MONTECITO FIRE PROTECTION DISTRICT

Notes to the Financial Statements
June 30, 2019

NOTE 7: RETIREMENT PLAN – continued

Actuarial Assumptions

The total pension liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions; total pension liability represents the portion of the actuarial present value of projected benefit payments attributable to past periods of service for current and inactive employees:

- Discount Rate/Rate of Return – 7.15%, net of investment expense
- Inflation Rate – 2.75%
- Salary increases – Varies by Entry Age and Service
- COLA Increases – up to 2.75%
- Post-Retirement Mortality – Derived using CalPERS’ Membership Data for all Funds

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2014 through June 30, 2017.

The long-term expected rate of return on pension plan investments (7.15%) was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocations	Long-Term Expected Real Rate of Return
Global Equity	50.00	5.98%
Global Fixed Income	28.00	2.62%
Inflation Sensitive	0	1.81%
Private Equity	8.00	7.23%
Real Estate	13.00	4.93%
Liquidity	1.0%	(.92)%

The discount rate used to measure the total pension liability was 7.15 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from the District will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension fund’s fiduciary net position was projected to be available

MONTECITO FIRE PROTECTION DISTRICT

Notes to the Financial Statements
June 30, 2019

NOTE 7: RETIREMENT PLAN - continued

Actuarial Assumptions - (continued)

to make all projected future benefit payments of current active and inactive employees. In theory, the discount rate may differ from the long-term expected rate of return discussed previously. However, based on the projected availability of the pension fund’s fiduciary net position, the discount rate is equal to the long-term expected rate of return on pension plan investments, and was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.15%) or 1 percentage point higher (8.15%) than the current rate:

	1% Decrease 6.15%	Discount Rate 7.15%	1% Increase 8.15%
District's proportionate share of the net pension liability	\$ 34,185,845	\$ 21,248,085	\$ 10,639,712

Detailed information about the pension fund’s fiduciary net position is available in the separately issued CalPERS comprehensive annual financial report, which may be obtained by contacting CalPERS.

NOTE 8: OTHER POST EMPLOYMENT BENEFITS (OPEB)

Plan Description and Funding Policy

The District provides retiree healthcare benefits for employees who retire with CalPERS pension benefits immediately upon termination of employment from the District. The District contracts with CalPERS for this insured-benefit plan, an agent multiple-employer post-employment healthcare plan, established under the State of California’s Public Employees’ Medical and Hospital Care Act (PEMHCA). The plan’s medical benefits and premium rates are established by CalPERS and the insurance providers. The District pays for medical, dental, and vision premiums for the lifetime of the retiree and their eligible dependents. The District pays 100% of the retiree medical premiums, up to a maximum of \$2,315 per month for 2019, and 100% of the premiums for retiree dental and vision coverage. CalPERS issues a separate comprehensive annual financial report, copies of which may be obtained from the CalPERS webpage www.calpers.ca.gov.

MONTECITO FIRE PROTECTION DISTRICT

Notes to the Financial Statements
June 30, 2019

NOTE 8: OTHER POST EMPLOYMENT BENEFITS (OPEB) - continued

Plan Description and Funding Policy - (continued)

The District participates in the Public Agency Retirement System (PARS) Public Agencies Post-Retirement Health Care Plan Trust Program (PARS Trust), a single employer irrevocable trust established to fund other postemployment benefits. The PARS Trust is approved by the Internal Revenue Code Section 115 and invests funds in equity, bond, and money market mutual funds. The Fire Chief or designee is the District's Plan Administrator. Copies of PARS Trust annual financial report may be obtained from PARS at 4350 Von Karman Avenue, Suite 100, Newport Beach, CA 92660.

The contributions to the OPEB plan are based on pay-as-you-go financing requirements, with an additional amount contributed to the PARS Trust to prefund benefits from time to time at the sole discretion of the Board. Retiree health benefits may be paid out of the PARS Trust, set up for this purpose, to the extent funded. The purpose of this funding policy is to manage the District's OPEB obligations while at the same time maintaining as much flexibility as possible to adjust for changing budgetary considerations.

Employees Covered by Benefit Terms

At the OPEB liability measurement date of June 30, 2018, the following employees were covered by the benefit terms:

- Retired employees – 49
- Active employees – 45

Total OPEB liability

The District's total OPEB liability was measured as of June 30, 2018 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.00%
Salary increases	4.00%
Medical cost trend	5-6% increases
Discount rate	6.5%

MONTECITO FIRE PROTECTION DISTRICT

Notes to the Financial Statements
June 30, 2019

NOTE 8: OTHER POST EMPLOYMENT BENEFITS (OPEB) - continued

	<u>2019</u>
Total OPEB liability - 6/30/2018	\$ 1,601,486
Service cost	472,727
Interest	753,337
Expected return on plan assets	(794,397)
Experience differences	405,816
Changes in assumptions	(167,851)
Change in deferred outflows and inflows	195,809
Administrative costs	(52,550)
Total OPEB liability - 6/30/2019	<u>\$ 2,414,377</u>

Sensitivity of the District’s Net OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the District, as well as what the District’s total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
	5.5%	6.5%	7.5%
District's net OPEB plan liability	\$ 3,981,029	\$ 2,414,377	\$ 1,101,288

Sensitivity of the District’s Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the District, as well as what the District’s total OPEB liability would be if it were calculated using a healthcare cost-trend rate that is 1 percentage point lower or 1 percentage point higher than the healthcare cost-trend rate:

	<u>1% Decrease</u>	<u>Current Trend</u>	<u>1% Increase</u>
		Rate	
District's net OPEB plan liability	\$ 1,046,161	\$ 2,414,377	\$ 3,903,231

OPEB expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2019 the District recognized OPEB expense of \$183,179. OPEB expense represents the change in the net OPEB liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss and actuarial assumptions.

MONTECITO FIRE PROTECTION DISTRICT

Notes to the Financial Statements
June 30, 2019

NOTE 8: OTHER POST EMPLOYMENT BENEFITS (OPEB) - continued

OPEB expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - (continued)

At June 30, 2019, the District reported deferred outflows and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net differences between expected and actual experience	\$ 1,501,520	\$ -
Change in assumptions	-	621,047
Net differences between project and actual earnings	-	376,037
Contributions subsequent to measurement date	<u>787,732</u>	<u>-</u>
	<u>\$ 2,289,252</u>	<u>\$ 997,084</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2020	\$ 117,766
2021	117,766
2022	117,766
2023	<u>151,138</u>
Total	<u>\$ 504,436</u>

NOTE 9: WORKFORCE HOUSING

The District had a Housing Committee that researched methods which allow employees to live closer to the District in order to facilitate responses to emergencies. The District approved a plan in the fiscal year ended June 30, 2006 to purchase Workforce Housing and completed the purchase of a parcel consisting of three residences of varying sizes at East Valley Road. The District has contracted with a property management company to manage the operational activity of the residences. The Housing Committee developed a policy to govern all matters related to the Workforce Housing Program that was adopted by the Board.

In January of 2018, one property was destroyed and two were severely damaged rendering them uninhabitable. Since then, one property was repaired and is currently occupied by an employee of the District. The other two properties are in the repair and rebuilding phase.

MONTECITO FIRE PROTECTION DISTRICT

Notes to the Financial Statements
June 30, 2019

NOTE 10: DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

Pursuant to GASB Statement No. 63, the District recognized deferred outflows of resources in the government-wide and proprietary fund statements. These items are a consumption of net position by the District that is applicable to a future reporting period. The District has one item that is reportable on the Government-Wide Statement of Net Position as Deferred Outflows of Resources which is related to pensions that are the CalPERS premiums for the 2019 fiscal year which will be recognized in a subsequent reporting period. The total for this is \$2,788,692. These were the employer contributions for the 2019 fiscal year.

The District is also reporting deferred outflows of resources relating to differences between projected and actual investment earnings, change in employer proportions and differences between the employer's contributions and their proportionate share of contributions. The total of these amounts at year-end were \$4,326,867 and they will be amortized over a 3.8 year period.

The District also recognized deferral inflows of resources in the government-wide financial statements. These are related to differences between expected and actual experience, changes of assumptions, and differences between employers and the District's proportionate share of contributions. This amount totaled \$3,557,609 and will be amortized over a 3.8 year period.

Under the modified accrual basis of accounting, it is not enough that revenue is earned; it must also be available to finance expenditures of the current period. Governmental funds will therefore include deferred inflows of resources for amounts that have been earned but are not available to finance expenditures in the current period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2020	\$ 1,330,452
2021	429,718
2022	(839,296)
2023	(151,618)
Total	<u>\$ 769,256</u>

MONTECITO FIRE PROTECTION DISTRICT

Notes to the Financial Statements
June 30, 2019

NOTE 11: EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUNDS BALANCE SHEETS AND STATEMENT OF NET POSITION

Amounts reported for governmental activities in the Statement of Net Position are different because: Capital assets used in Governmental Activities are not financial resources and, therefore; are not reported in the funds.	\$ 9,198,055
Certain long-term assets, such as deferred outflows of resources, create long-term assets.	9,404,811
Long-term liabilities, including compensated absences are not due and payable in the current period and, therefore; are not reported in the funds.	(1,548,213)
Other long-term liabilities, such as the net pension liability and deferred inflows of resources, are not due and payable in the current period and, therefore; are not reported in the funds.	<u>(28,219,067)</u>
Combined Adjustment	<u>\$ (11,164,414)</u>
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. The difference is the amount by which depreciation exceeded capital outlays in the current period, plus loss on disposal.	\$ (275,619)
Changes in the compensated absences, net pension liability, and OPEB liabilities are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	<u>(2,870,032)</u>
Combined Adjustment	<u>\$ (3,145,651)</u>

MONTECITO FIRE PROTECTION DISTRICT

Notes to the Financial Statements
June 30, 2019

NOTE 12: COMMITMENTS AND CONTINGENCIES**Litigation**

The District is subject to litigation related to employee matters that are incidental to the ordinary course of the District's operations. There is presently no outstanding litigation.

Grant Revenues

The District recognizes as revenues grant monies earned for costs incurred in certain Federal and State programs the District participates in. The program may be subject to financial and compliance audits by the reimbursing agency. The amount, if any, of the expenditures which may be disallowed by the granting agency cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

NOTE 13: SUBSEQUENT EVENTS

Subsequent events have been reviewed through March 30, 2020, the date the financial statements were available to be issued. In January 2020, the virus SARS-CoV-2 was transmitted to the United States from overseas sources. This virus, responsible for the Coronavirus disease COVID-19, has proven to be extremely virulent with transmission rates as yet unknown. The economic impact on the State of California and the County of Santa Barbara as yet has not been determined and, therefore, any potential impact on the District is not yet known.

**REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)**

**MONTECITO FIRE PROTECTION DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND (Unaudited)
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property taxes	\$ 15,857,011	\$ 17,577,711	\$ 17,130,784	\$ (446,927)
Investment income	20,000	120,000	318,138	198,138
Rental income	-	-	6,450	6,450
Intergovernmental	766,205	8,506,205	8,462,837	(43,368)
Miscellaneous	7,500	7,500	60,892	53,392
Total revenues	<u>16,650,716</u>	<u>26,211,416</u>	<u>25,979,101</u>	<u>(232,315)</u>
Expenditures				
Salaries and benefits	14,618,730	18,363,730	17,771,301	592,429
Services and supplies	2,108,900	5,809,900	5,773,875	36,025
Capital outlay	315,000	180,000	162,569	17,431
Total expenditures	<u>17,042,630</u>	<u>24,353,630</u>	<u>23,707,745</u>	<u>645,885</u>
Excess of revenues over expenditures				
Other Financing Uses:				
Transfers out (net)	<u>(422,000)</u>	<u>(422,000)</u>	<u>(422,000)</u>	<u>-</u>
Total other financing uses	<u>(422,000)</u>	<u>(422,000)</u>	<u>(422,000)</u>	<u>-</u>
Net changes in fund balances	<u>\$ (813,914)</u>	<u>\$ 1,435,786</u>	<u>1,849,356</u>	
Fund balances - Beginning			<u>8,657,913</u>	
Fund balances - Ending			<u>\$ 10,507,269</u>	

MONTECITO FIRE PROTECTION DISTRICT

Notes to Budgetary Comparison Schedules
For the Year Ended June 30, 2019

NOTE 1: BUDGETARY AND LEGAL COMPLIANCE

In accordance with California Health and Safety Code Section 13895, on or before October 1, the District must submit a board approved budget to the County Auditor. Annual budgets are adopted for the District's General, Capital Projects, and Capital Projects Construction Funds. Budgets are prepared on the modified accrual basis of accounting consistent with GAAP. Annually, the Board of Directors conducts a public hearing for the discussion of proposed budgets. At the conclusion of the hearing, the Board adopts the final budgets. All appropriations lapse at fiscal year-end and are subject to re-appropriation as part of the following year's budget. The legal level of budgetary control (the level on which expenditures may not legally exceed appropriations) is maintained at the object level. Any changes in the annual budget must be changed by a vote of the Board. The Board amended the originally adopted General Fund budget in June of 2019.

MONTECITO FIRE PROTECTION DISTRICT

Required Supplementary Information
 Other Post-Employment Benefits (OPEB) Plan – Schedule of Funding Progress
 For the Year Ended June 30, 2019

	<u>2019</u>	<u>2018</u>
Total OPEB liability - 6/30/2018	\$ 1,601,486	\$ 2,052,103
Service cost	472,727	644,394
Interest	753,337	712,627
Expected return on plan assets	(794,397)	(1,175,914)
Experience differences	405,816	-
Changes in assumptions	(167,851)	-
Change in deferred outflows and inflows	195,809	(682,741)
Administrative costs	(52,550)	(51,017)
Total OPEB liability - 6/30/2019	<u>\$ 2,414,377</u>	<u>\$ 1,499,452</u>
Covered Payroll	\$ 10,410,655	\$ 6,836,000
Total OPEB liability as a percentage of covered payroll	23.19%	23.43%
Plan fiduciary net position as a percentage of the total OPEB liability	82.17%	86.63%
Measurement date	6/30/2018	6/30/2017

MONTECITO FIRE PROTECTION DISTRICT**Required Supplementary Information - Pensions
For the Year Ended June 30, 2019**

Last 10 Fiscal Years*:

	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>
District's proportion of the net pension liability	0.310696%	0.310636%	0.374780%	0.328000%	0.382520%
District's proportionate share of the net pension liability	\$ 13,163,696	\$ 11,522,916	\$ 18,462,053	\$ 21,524,106	\$ 21,248,085
District's covered employee payroll	6,597,160	6,998,926	6,784,400	6,983,314	7,517,960
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	199.53%	164.64%	272.13%	308.22%	282.63%
Plan Fiduciary net position as a percentage of the total pension liability	81.59%	83.99%	76.68%	75.48%	77.40%

* Amounts presented above were determined as of 6/30.
Additional years will be presented as they become available.

CALPERS - Schedule of District Contributions

Last 10 Fiscal Years*:

	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>
Actuarially determined contribution	\$ 1,192,280	\$ 1,192,280	\$ 934,063	\$ 772,837	\$ 2,788,692
Total action contribution	<u>(1,192,280)</u>	<u>(1,192,280)</u>	<u>(934,063)</u>	<u>(772,837)</u>	<u>(2,788,692)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 6,597,160	\$ 6,998,926	\$ 6,784,400	\$ 6,983,314	\$ 7,517,960
Contributions as a percentage of covered employee payroll	18.07%	17.04%	13.77%	11.07%	37.09%

COMPLIANCE SECTION

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*

To the Board of Directors
of the Montecito Fire Protection District
Santa Barbara, California

We have audited, in accordance with the auditing standard 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 governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Montecito Fire Protection District as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 30, 2020.

Internal Control over Financial Reporting

In planning and performing our audit 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 internal control 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 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 audit 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.

To the Board of Directors
of the Montecito Fire Protection District
Santa Barbara, California

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 audit, 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*.

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 result 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.

Fechter & Company,
Certified Public Accountants



Sacramento, California
March 30, 2020



Craig R. Fechter, CPA, MST

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors
of the Montecito Fire Protection District
Santa Barbara, California

Report on Compliance for Each Major Federal Program

We have audited Montecito Fire Protection District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Montecito Fire Protection District's major federal programs for the year ended June 30, 2019. Montecito Fire Protection District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Montecito Fire Protection District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Montecito Fire Protection District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Montecito Fire Protection District's compliance.

To the Board of Directors
of the Montecito Fire Protection District
Santa Barbara, California

Opinion on Each Major Federal Program

In our opinion, Montecito Fire Protection District's complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control over Compliance

Management of the Montecito Fire Protection District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Montecito Fire Protection District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Montecito Fire Protection District's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified no material weaknesses.

To the Board of Directors
of the Montecito Fire Protection District
Santa Barbara, California

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Fechter & Company,
Certified Public Accountants

A handwritten signature in cursive script that reads "Fechter & Company, CPAs".

Sacramento, California
March 30, 2020

MONTECITO FIRE PROTECTION DISTRICT

Schedule of Expenditures of Federal Awards
For the Year Ended
June 30, 2019

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Pass-through Entity Identifying Number</u>	<u>CFDA Number</u>	<u>Expenditures</u>
<u>The Department of Homeland Security</u>			
Governor's Office of Emergency Services:			
Public Assistance Grant	FEMA-4353-DR-CA/Cal OES ID: 083-91058	97.036	<u>\$ 4,669,969</u>
Total Department of Homeland Security			<u>4,669,969</u>
Total Expenditures			<u><u>\$ 4,669,969</u></u>
Reconciliation:			
Expenditures on General Fund			\$23,707,745
Expenditures not Federally Funded in the General Fund			<u>(19,037,776)</u>
Total Expenditures			<u><u>\$ 4,669,969</u></u>

See accompanying notes to the Schedule of Expenditures of Federal Awards

MONTECITO FIRE PROTECTION DISTRICT**Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2019****NOTE 1: BASIS OF PRESENTATION**

The Montecito Fire Protection District (the District) is an independent division of local government, authorized by California Health and Safety Code Sections 13800-13970. All significant operations of the District are included in the scope of the Uniform Guidance audit (the "Single Audit"). The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District's, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the District.

The Federal Emergency Management Agency has been designated as the District's cognizant agency for the Single Audit.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

For purposes of this report, certain accounting procedures were followed which help illustrate the authorizations and expenditures of the individual programs. The Schedule of Expenditures of Federal Awards is prepared on the accrual basis of accounting. All authorizations represent the total allotments or grant awards received. All expenses and capital outlays are reported as expenditures. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and/or OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Any Federal funds expended in excess of Federal funds received are recorded as a receivable from the grantor agency and any Federal funds received in excess of Federal funds expended are recorded as a payable to the grantor agency.

NOTE 3: INDIRECT COST RATE

The District, California has elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

MONTECITO FIRE PROTECTION DISTRICT

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2019

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiencies identified not considered to be material weaknesses?	No
Noncompliance material to financial statements noted?	No

Federal Awards

Type of auditor’s report issued on compliance for Major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Grant Guidance, at 1 CFR Part 200.515 (d)(1)(vi)	No
Identification of Major Program:	
Public Assistance Grant CFDA No. 97.036	
Dollar threshold used to distinguish between Type A and Type B Programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes

Section II- FINANCIAL STATEMENT FINDING

None reported

Section III- FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None reported

Section IV- PRIOR YEAR FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None reported

Agenda

Item #4

Fund 3650 -- Montecito Fire Protection Dist

Report : Balance Sheet

As of: 3/31/2020

	Ending Balance 3/31/2020	Comments
Assets		
0110 -- Cash in Treasury	8,905,221.90	
0115 -- Treasury FMV Adjustment	79,308.26	Fair market value (FMV) adjustments posted by the County on a quarterly basis.
0120 -- Imprest Cash	500.00	
0130 -- Cash with Fiscal Agents	21,343.74	Funds held with the rental property company. A disbursement was issued in April.
0211 -- Prop Tax Impounds Receivable	206,229.00	Property tax revenue impounded by the Auditor-Controller's Office due to large assessment appeals that have not been settled.
0230 -- Accounts Receivable	-	
0240 -- Interest Receivable	40,685.98	Interest payment due from the County for the 1st quarter of 2020.
Total Assets	9,253,288.88	
Liabilities		
1010 -- Warrants Payable	-	
1015 -- EFT Payable	1,869.81	Reflects expenses processed but not disbursed month-end.
1020 -- Salaries & Benefits Payable	-	
1210 -- Accounts Payable	134,694.34	Reflects expenses processed but not disbursed month-end.
1240 -- Accrued Expenses	-	
1400 -- Deposits	1,000.00	Rental property deposit for one occupied unit.
1730 -- Unidentified Deposits	-	
Total Liabilities	137,564.15	
Equity		
2110 -- Fund Balance-Nonspendable	123,260.00	Funds being held until property tax impounds are released (Line 0211).
2120 -- Fund Balance-Restricted	79,308.26	Equal to the FMV adjustments (Line 0115).
2130 -- Fund Balance-Committed	6,878,500.00	Designated reserves: Catastrophic - \$2,768,000, Economic Uncertainties - \$4,110,000.
2200 -- Fund Balance-Residual	2,034,656.47	Unrestricted and undesignated funds that carry over from year to year.
Total Equity	9,115,724.73	
Total Liabilities, Equity & Other Credits	9,253,288.88	

Fund 3652 -- Montecito Fire Cap Outlay Res

Report : Balance Sheet

As of: 3/31/2020

	Ending Balance 3/31/2020	Variance Comments
Assets		
0110 -- Cash in Treasury	2,265,374.72	
0115 -- Treasury FMV Adjustment	20,175.01	Fair market value (FMV) adjustments posted by the County on a quarterly basis.
0240 -- Interest Receivable	9,264.35	Interest payment due from the County for the 1st quarter of 2020.
0550 -- Deposits with Others	795,030.00	Prepayment for the new Type 1 engine which will be put into service by April month-end.
Total Assets	3,089,844.08	
Liabilities		
1010 -- Warrants Payable	-	
1015 -- EFT Payable	-	
1210 -- Accounts Payable	-	
1730 -- Unidentified Deposits	-	
Total Liabilities	-	
Equity		
2110 -- Fund Balance-Nonspendable	795,030.00	Equal to the engine prepayment (Line 0550).
2120 -- Fund Balance-Restricted	20,175.01	Equal to the FMV adjustments (Line 0115).
2140 -- Fund Balance-Assigned	2,320,539.06	Classified as assigned because Fund 3652 is specifically for apparatus/vehicles purchases.
2200 -- Fund Balance-Residual	(45,899.99)	The outstanding balance at year-end is reclassified to Fund Balance - Assigned (Line 2140).
Total Equity	3,089,844.08	
Total Liabilities, Equity & Other Credits	3,089,844.08	

Fund 3653 -- Montecito Fire Land & Building

Report : Balance Sheet

As of: 3/31/2020

	Ending Balance 3/31/2020	Variance Comments
Assets		
0110 -- Cash in Treasury	6,391,433.72	
0115 -- Treasury FMV Adjustment	56,920.93	Fair market value (FMV) adjustments posted by the County on a quarterly basis.
0240 -- Interest Receivable	25,383.26	Interest payment due from the County for the 1st quarter of 2020.
Total Assets	6,473,737.91	
Liabilities, Equity & Other Credits		
Liabilities		
1010 -- Warrants Payable	-	
1015 -- EFT Payable	-	
1210 -- Accounts Payable	-	
Total Liabilities	-	
Equity		
2120 -- Fund Balance-Restricted	56,920.93	Equal to the FMV adjustments (Line 0115).
2140 -- Fund Balance-Assigned	6,328,822.22	Classified as assigned because Fund 3653 is specifically for land and building improvements/purchases.
2200 -- Fund Balance-Residual	87,994.76	The outstanding balance at year-end is reclassified to FB - Assigned (Line 2140).
Total Equity	6,473,737.91	
Total Liabilities, Equity & Other Credits	6,473,737.91	

Fund 3650 -- Montecito Fire Protection Dist**Report : Financial Status**

As of: 3/31/2020 (75% Elapsed)

Line Item Account	6/30/2020 Adjusted Budget	3/31/2020 Year-To-Date Actual	6/30/2020 Budget Variance	6/30/2020 Pct of Budget	Comments
Revenues					
Taxes					
3010 -- Property Tax-Current Secured	16,813,000	9,508,256	(7,304,744)	56.55 %	
3011 -- Property Tax-Unitary	144,500	85,546	(58,954)	59.20 %	
3015 -- PT PY Corr/Escapes Secured	-	(17,022)	(17,022)	--	
3020 -- Property Tax-Current Unsecd	601,500	645,306	43,806	107.28 %	
3023 -- PT PY Corr/Escapes Unsecured	-	11,359	11,359	--	
3040 -- Property Tax-Prior Secured	-	821	821	--	
3050 -- Property Tax-Prior Unsecured	21,500	84,369	62,869	392.41 %	
3054 -- Supplemental Pty Tax-Current	315,500	129,066	(186,434)	40.91 %	
3056 -- Supplemental Pty Tax-Prior	-	2,419	2,419	--	
Taxes	17,896,000	10,450,119	(7,445,881)	58.39 %	The District is expecting to collect all budgeted tax revenue.
Fines, Forfeitures, and Penalties					
3057 -- PT-506 Int, 480 CIOS/CIC Pen	-	27	27	--	
Fines, Forfeitures, and Penalties	-	27	27	--	
Use of Money and Property					
3380 -- Interest Income	180,000	96,850	(83,150)	53.81 %	
3381 -- Unrealized Gain/Loss Invstmnts	29,916	29,915	(1)	100.00 %	
3409 -- Other Rental of Bldgs and Land	20,000	7,740	(12,260)	38.70 %	
Use of Money and Property	229,916	134,505	(95,411)	58.50 %	
Intergovernmental Revenue-State					
3750 -- State-Emergency Assistance	1,000,000	57,848	(942,152)	5.78 %	Revenue from assisting in state/federal fire asgmts. YTD revenue is \$650k, see Mutual Aid Billing report for details.
4160 -- State Aid for Disaster	660,000	-	(660,000)	0.00 %	Direct Administrative fees to be received from FEMA/CalOES for Public Assistant after the rental property and generator projects are complete - next FY.
4220 -- Homeowners Property Tax Relief	79,500	38,871	(40,629)	48.89 %	
Intergovernmental Revenue-State	1,739,500	96,719	(1,642,781)	5.56 %	

Line Item Account	6/30/2020 Adjusted Budget	3/31/2020 Year-To-Date Actual	6/30/2020 Budget Variance	6/30/2020 Pct of Budget	Comments
Revenues (cont'd)					
Intergovernmental Revenue-Federal					
4476 -- Federal Emergency Assistance	500,000	73,243	(426,757)	14.65 %	Revenue from assisting in state/federal fire asgmts. YTD revenue is \$650k, see Mutual Aid Billing report for details. Direct Administrative fees to be received from FEMA/CalOES for Public Assistant after the rental property and generator projects are complete - next FY.
4610 -- Federal Aid for Disaster	233,500	-	(233,500)	0.00 %	
Intergovernmental Revenue-Federal	733,500	73,243	(660,257)	9.99 %	
Charges for Services					
5105 -- Reimb for District Services	202,500	100,200	(102,300)	49.48 %	
Charges for Services	202,500	100,200	(102,300)	49.48 %	
Miscellaneous Revenue					
5768 -- Safety Member Reimbursement	-	62,745	62,745	--	Funds from worker's comp for employees requiring leave time. Pending reimbursement from the state for the new 911 phone system.
5769 -- State Reimbursements	135,000	-	(135,000)	0.00 %	
5894 -- Other-Payment for Damages	-	1,176,284	1,176,284	--	SCE settlement funds from the Thomas Fire/DF lawsuit.
5909 -- Other Miscellaneous Revenue	7,500	6,664	(836)	88.86 %	
Miscellaneous Revenue	142,500	1,245,694	1,103,194	874.17 %	
Total Revenues	20,943,916	12,100,507	(8,843,409)	57.78 %	
Expenditures					
Salaries and Employee Benefits					
6100 -- Regular Salaries	8,961,100	6,751,450	2,209,650	75.34 %	Salaries will fall below budget due to unexpected retirements during the FY.
6300 -- Overtime	175,000	48,218	126,782	27.55 %	
6301 -- Overtime - Reimbursable	1,000,000	76,413	923,587	7.64 %	Expenses from the Salaries line item need to be allocated to the appropriate OT categories. These line items will be adjusted by April month-end.
6310 -- Overtime - Constant Staffing	850,000	428,960	421,040	50.47 %	
6400 -- Retirement Contribution	2,838,500	2,431,124	407,376	85.65 %	
6450 -- Supp Retirement Contribution	1,000,000	-	1,000,000	0.00 %	
6550 -- FICA/Medicare	165,700	104,563	61,137	63.10 %	
6600 -- Health Insurance Contrib	2,199,100	1,492,107	706,993	67.85 %	
6700 -- Unemployment Ins Contribution	7,000	5,701	1,299	81.44 %	
6900 -- Workers Compensation	465,000	457,134	7,866	98.31 %	
Salaries and Employee Benefits	17,661,400	11,795,670	5,865,730	66.79 %	

Line Item Account	6/30/2020 Adjusted Budget	3/31/2020 Year-To-Date Actual	6/30/2020 Budget Variance	6/30/2020 Pct of Budget	Comments
Expenditures (cont'd)					
Services and Supplies					
7030 -- Clothing and Personal	76,000	49,549	26,451	65.20 %	
7050 -- Communications	125,000	93,614	31,386	74.89 %	
7060 -- Food	2,500	133	2,367	5.32 %	
7070 -- Household Supplies	59,000	21,049	37,951	35.68 %	
7090 -- Insurance	33,000	32,345	655	98.02 %	
7120 -- Equipment Maintenance	38,500	38,153	347	99.10 %	Monitoring budget through year-end.
7200 -- Structure & Ground Maintenance	34,550	25,924	8,626	75.03 %	
7205 -- Fire Defense Zone	250,000	81,260	168,740	32.50 %	The Neighborhood Chipping Projects are underway through the year-end, and other Prevention projects remained scheduled.
7322 -- Consulting & Mgmt Fees	2,000	630	1,370	31.50 %	
7324 -- Audit and Accounting Fees	27,000	12,237	14,763	45.32 %	
7348 -- Instruments & Equip. < \$5000	89,000	31,350	57,650	35.23 %	The majority of the remaining budget is for equipment for the new Type 1 engine. Budget on track.
7363 -- Equipment Maintenance	121,500	83,965	37,535	69.11 %	
7400 -- Medical, Dental and Lab	67,900	24,903	42,997	36.68 %	New AEDs (\$20k) have been ordered.
7430 -- Memberships	14,000	13,007	993	92.91 %	
7450 -- Office Expense	27,500	22,758	4,742	82.76 %	
7460 -- Professional & Special Service	430,500	336,042	94,458	78.06 %	
7507 -- ADP Payroll Fees	7,500	8,265	(765)	110.20 %	
7510 -- Contractual Services	126,500	114,811	11,689	90.76 %	
7530 -- Publications & Legal Notices	6,000	1,463	4,537	24.38 %	
7540 -- Rents/Leases-Equipment	14,000	19,172	(5,172)	136.95 %	Expense for the generator rental. The last payment was submitted in April upon installation of the new generator. Property Tax Administration fees paid to the County of SB, will be collected in April/May.
7546 -- Administrative Expense	245,000	-	245,000	0.00 %	
7580 -- Rents/Leases-Structure	9,500	7,085	2,415	74.58 %	
7630 -- Small Tools & Instruments	14,000	6,462	7,538	46.16 %	
7650 -- Special Departmental Expense	175,500	20,607	154,893	11.74 %	The District budgeted \$150k for the County of SB Debris Flow cost apportionment - that payment has been waived. Fire Prevention publications are underway, and estimated at about \$20k.
7671 -- Special Projects	38,000	9,182	28,818	24.16 %	
7730 -- Transportation and Travel	35,000	35,578	(578)	101.65 %	
7731 -- Gasoline-Oil-Fuel	60,000	41,103	18,897	68.51 %	
7732 -- Training	98,050	59,074	38,976	60.25 %	Expenses will fall under budget because trainings have been cancelled (until further notice) due to COVID-19.

Line Item Account	6/30/2020 Adjusted Budget	3/31/2020 Year-To-Date Actual	6/30/2020 Budget Variance	6/30/2020 Pct of Budget	Comments
7760 -- Utilities	45,500	34,881	10,619	76.66 %	
Services and Supplies	2,272,500	1,224,601	1,047,899	53.89 %	
Capital Assets					
8200 -- Structures&Struct Improvements	590,000	345,976	244,024	58.64 %	Expenses for the roof and generator projects at Station 1.
8300 -- Equipment	177,500	145,986	31,514	82.25 %	Expenses are mostly for the 911 phone system.
Capital Assets	767,500	491,963	275,537	64.10 %	
Total Expenditures	20,701,400	13,512,234	7,189,166	65.27 %	
Other Financing Uses					
7901 -- Oper Trf (Out)	440,000	-	440,000	0.00 %	
Other Financing Uses	440,000	-	440,000	0.00 %	
Changes to Fund Balances					
Changes to Fund Balances	(29,916)	(29,915)	1	100.00 %	
Net Financial Impact	(227,400)	(1,441,642)	(1,214,242)	633.97 %	

Fund 3652 -- Montecito Fire Cap Outlay Res

Report : Financial Status

As of: 3/31/2020 (75% Elapsed)

Line Item Account	6/30/2020 Adjusted Budget	3/31/2020 Year-To-Date Actual	6/30/2020 Budget Variance	6/30/2020 Pct of Budget	Comments
Revenues					
Use of Money and Property					
3380 -- Interest Income	32,500	30,764	(1,736)	94.66 %	
3381 -- Unrealized Gain/Loss Invstmnts	11,941	11,941	(0)	100.00 %	
Use of Money and Property	44,441	42,704	(1,737)	96.09 %	
Total Revenues	44,441	42,704	(1,737)	96.09 %	
Expenditures					
Capital Assets					
8300 -- Equipment	1,595,000	531,297	1,063,703	33.31 %	Equipment purchases include: Type 3 engine, Fire Chief vehicle, and Wildland Specialist vehicle
Capital Assets	1,595,000	531,297	1,063,703	33.31 %	
Total Expenditures	1,595,000	531,297	1,063,703	33.31 %	
Other Financing Sources					
5910 -- Oper Trf (In)-General Fund	440,000	-	(440,000)	0.00 %	
5919 -- Sale Capital Assets-Prsnl Prop	-	7,800	7,800	--	Revenue from the sale of an excessed staff vehicle.
Other Financing Sources	440,000	7,800	(432,200)	1.77 %	
Changes to Fund Balances					
Changes to Fund Balances	(11,941)	(11,941)	0	100.00 %	
Net Financial Impact	(1,122,500)	(492,734)	629,766	43.90 %	

Fund 3653 -- Montecito Fire Land & Building

Report : Financial Status

As of: 3/31/2020 (75% Elapsed)

Line Item Account	6/30/2020 Adjusted Budget	3/31/2020 Year-To-Date Actual	6/30/2020 Budget Variance	6/30/2020 Pct of Budget	Comments
Revenues					
Use of Money and Property					
3380 -- Interest Income	80,000	83,892	3,892	104.87 %	
3381 -- Unrealized Gain/Loss Invstmnts	34,463	34,464	1	100.00 %	
Use of Money and Property	114,463	118,356	3,893	103.40%	
Total Revenues	114,463	118,356	3,893	103.40%	
Expenditures					
Capital Assets					
8100 -- Land	200,000	3,786	196,215	1.89 %	
8200 -- Structures&Struct Improvements	1,000,000	23,507	976,493	2.35 %	Repairs and rebuild expenses for the rental properties.
Capital Assets	1,200,000	27,293	1,172,708	2.27 %	
Total Expenditures	1,200,000	27,293	1,172,708	2.27 %	
Changes to Fund Balances					
Changes to Fund Balances	(34,463)	(34,464)	(1)	100.00 %	
Net Financial Impact	(1,120,000)	56,600	1,176,600	-5.05 %	
Net Financial Impact - All Funds	(2,469,900)	(1,877,776)	592,124	76.03 %	

Report : Revenue Transactions

From 2/1/2020 to 3/31/2020

Fund 3650 -- Montecito Fire Protection Dist

Document	Amount
Line Item Account 3010 -- Property Tax-Current Secured	
Total Property Tax-Current Secured	212,175.87
Line Item Account 3011 -- Property Tax-Unitary	
Total Property Tax-Unitary	82,975.86
Line Item Account 3015 -- PT PY Corr/Escapes Secured	
Total PT PY Corr/Escapes Secured	(24,961.68)
Line Item Account 3020 -- Property Tax-Current Unsecd	
Total Property Tax-Current Unsecd	15,988.10
Line Item Account 3023 -- PT PY Corr/Escapes Unsecured	
Total PT PY Corr/Escapes Unsecured	11,244.55
Line Item Account 3040 -- Property Tax-Prior Secured	
Total Property Tax-Prior Secured	218.68
Line Item Account 3050 -- Property Tax-Prior Unsecured	
Total Property Tax-Prior Unsecured	8,145.07
Line Item Account 3054 -- Supplemental Pty Tax-Current	
Total Supplemental Pty Tax-Current	85,675.65
Line Item Account 3056 -- Supplemental Pty Tax-Prior	
Total Supplemental Pty Tax-Prior	2,156.12
Line Item Account 3380 -- Interest Income	
Total Interest Income	40,685.98
Line Item Account 3381 -- Unrealized Gain/Loss Invstmnts	
Total Unrealized Gain/Loss Invstmnts	54,869.15
Line Item Account 5909 -- Other Miscellaneous Revenue	
MFD, BOS Res. 94-526, Westmont Annex, TRA 02113	4,868.83
Total Revenue Transactions	494,042.18

Fund 3652 -- Montecito Fire Cap Outlay Res

Document	Amount
Line Item Account 3380 -- Interest Income	
Total Interest Income	9,264.35
Line Item Account 3381 -- Unrealized Gain/Loss Invstmnts	
Total Unrealized Gain/Loss Invstmnts	15,345.06
Total Revenue Transactions	494,042.18

Fund 3653 -- Montecito Fire Land & Building

Document	Amount
Line Item Account 3380 -- Interest Income	
Total Interest Income	25,383.26
Line Item Account 3381 -- Unrealized Gain/Loss Invstmnts	
Total Unrealized Gain/Loss Invstmnts	43,811.82
Total Revenue Transactions	69,195.08

Report : Cost Transactions

From 2/1/2020 to 3/31/2020

Fund 3650 -- Montecito Fire Protection Dist

	Post On	Document	Vendor/Employee Name	Description	Amount
Line Item Account 6100 -- Regular Salaries					
1	02/01/2020	CLM - 0575281	MASSMUTUAL	Employer/employee 457 plan contributions, 1/31/20	25,817.00
2	02/01/2020	CLM - 0575705	MONTECITO FIREMENS ASSOC	Employee association dues, 1/16/20	6,000.00
3	02/01/2020	CLM - 0575705	MONTECITO FIREMENS ASSOC	Employee paid disability insurance, 1/16/20	1,268.50
4	02/01/2020	EFC - 0025840	STATE/FEDERAL TAXES & DIRECT DEPOSITS	Montecito Fire Payroll Dir Deposits, 1/31/20	222,557.07
5	02/01/2020	EFC - 0025840	STATE/FEDERAL TAXES & DIRECT DEPOSITS	Montecito Fire Payroll Taxes, 1/31/20	62,400.72
6	02/01/2020	MIC - 0133173	CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM	Employee retirement contribution, 1/31/20	40,523.54
7	02/14/2020	CLM - 0575684	MASSMUTUAL	Employer/employee 457 plan contributions, 2/14/20	26,238.83
8	02/14/2020	CLM - 0575708	MONTECITO FIREMENS ASSOC	Employee association dues, 2/14/20	6,000.00
9	02/14/2020	CLM - 0575708	MONTECITO FIREMENS ASSOC	Employee paid disability insurance, 2/14/20	1,268.50
10	02/14/2020	EFC - 0025996	STATE/FEDERAL TAXES & DIRECT DEPOSITS	Montecito Fire Payroll Dir Deposits, 2/14/20	226,587.77
11	02/14/2020	EFC - 0025996	STATE/FEDERAL TAXES & DIRECT DEPOSITS	Montecito Fire Payroll Taxes, 2/14/20	67,497.96
12	02/14/2020	MIC - 0133438	CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM	Employee retirement contribution, M/D/YY	40,577.65
13	02/19/2020	CLM - 0573912	AFLAC	Employee paid insurance, January 2020	1,052.52
14	02/28/2020	CLM - 0575685	MASSMUTUAL	Employer/employee 457 plan contributions, 2/28/20	26,238.82
15	02/28/2020	EFC - 0026029	STATE/FEDERAL TAXES & DIRECT DEPOSITS	Montecito Fire Payroll Dir Deposits, 2/28/20	220,048.48
16	02/28/2020	EFC - 0026029	STATE/FEDERAL TAXES & DIRECT DEPOSITS	Montecito Fire Payroll Taxes, 2/28/20	61,540.65
17	02/28/2020	EFC - 0026045	WAGeworks INC	Montecito Fire FSA plan pmts, 1/29-2/25/20	5,138.33
18	03/01/2020	MIC - 0133587	CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM	Employee retirement contribution, M/D/YY	39,611.16
19	03/16/2020	CLM - 0579061	MASSMUTUAL	Employer/employee 457 plan contributions, 3/16/20	26,088.82
20	03/16/2020	CLM - 0579065	MONTECITO FIREMENS ASSOC	Employee association dues, 3/16/20	5,850.00
21	03/16/2020	CLM - 0579065	MONTECITO FIREMENS ASSOC	Employee paid disability insurance, 3/16/20	1,239.00
22	03/16/2020	EFC - 0026180	STATE/FEDERAL TAXES & DIRECT DEPOSITS	Montecito Fire Payroll Taxes, 3/16/20	278,047.81
23	03/16/2020	MIC - 0134312	CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM	Employee retirement contribution, 3/16/20	39,776.11
24	03/18/2020	CLM - 0577901	AFLAC	Employee paid insurance, February 2020	1,052.52
25	03/24/2020	EFC - 0026195	WAGeworks INC	Montecito Fire FSA plan pmts, 2/26-3/19/20	2,831.57
26	03/25/2020	CLM - 0578114	MIKE ELLIOTT	M. Elliott refund - Over-deduction of garnishment	115.99
27	03/30/2020	CLM - 0579721	MIKE ELLIOTT	M. Elliott ADPP, 3/1-3/31/20	7,042.00
28	Total Regular Salaries				1,442,411.32
Line Item Account 6400 -- Retirement Contribution					
30	02/01/2020	MIC - 0133173	CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM	District retirement contributions, 1/31/20	56,646.88
31	02/14/2020	MIC - 0133438	CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM	District retirement contributions, 2/14/20	56,730.36
32	03/01/2020	MIC - 0133587	CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM	District retirement contributions, 3/1/20	55,283.51
33	03/16/2020	MIC - 0134312	CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM	District retirement contributions, 3/16/20	55,435.96
34	Total Retirement Contribution				224,096.71
Line Item Account 6550 -- FICA/Medicare					
36	02/01/2020	EFC - 0025840	STATE/FEDERAL TAXES & DIRECT DEPOSITS	Montecito Fire Payroll SS/Medicare, 1/31/20	5,155.03
37	02/14/2020	EFC - 0025996	STATE/FEDERAL TAXES & DIRECT DEPOSITS	Montecito Fire Payroll SS/Medicare, 2/14/20	5,275.94

	Post On	Document	Vendor/Employee Name	Description	Amount
38	02/28/2020	EFC - 0026029	STATE/FEDERAL TAXES & DIRECT DEPOSITS	Montecito Fire Payroll SS/Medicare, 2/28/20	5,120.33
39	03/16/2020	EFC - 0026180	STATE/FEDERAL TAXES & DIRECT DEPOSITS	Montecito Fire Payroll SS/Medicare, 3/16/20	5,089.53
40	Total FICA/Medicare				20,640.83
41	Line Item Account 6600 -- Health Insurance Contrib				
42	02/03/2020	CLM - 0570817	CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM	Health Benefits, February 2020	144,166.75
43	02/03/2020	CLM - 0571051	LINCOLN NATIONAL LIFE INS	Life Insurance, February 2020	723.92
44	02/03/2020	CLM - 0572143	DELTA DENTAL	Dental insurance - active, February 2020	6,639.09
45	02/03/2020	CLM - 0572143	DELTA DENTAL	Dental insurance - retirees, February 2020	7,381.11
46	02/03/2020	MIC - 0132054	Vision Service Plan-CA	Vision insurance - active, February 2020	1,366.26
47	02/03/2020	MIC - 0132054	Vision Service Plan-CA	Vision insurance - retirees, February 2020	1,821.68
48	02/14/2020	CLM - 0573458	WAGWORKS INC	FSA administrative fee, January 2020	178.50
49	03/01/2020	CLM - 0574533	LINCOLN NATIONAL LIFE INS	Life Insurance, March 2020	690.90
50	03/02/2020	CLM - 0575604	CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM	Health Benefits, March 2020	152,027.92
51	03/02/2020	MIC - 0133233	Vision Service Plan-CA	Vision insurance - active, March 2020	1,431.32
52	03/02/2020	MIC - 0133233	Vision Service Plan-CA	Vision insurance - retirees, March 2020	1,756.62
53	03/03/2020	CLM - 0576213	DELTA DENTAL	Dental insurance - active, March 2020	7,374.35
54	03/03/2020	CLM - 0576213	DELTA DENTAL	Dental insurance - retirees, March 2020	6,185.40
55	03/13/2020	CLM - 0577347	WAGWORKS INC	FSA administrative fee, February 2020	161.50
56	Total Health Insurance Contrib				331,905.32
57	Line Item Account 6700 -- Unemployment Ins Contribution				
58	02/01/2020	EFC - 0025840	STATE/FEDERAL TAXES & DIRECT DEPOSITS	Montecito Fire Payroll SUI Taxes, 1/31/20	201.63
59	02/14/2020	EFC - 0025996	STATE/FEDERAL TAXES & DIRECT DEPOSITS	Montecito Fire Payroll SUI Taxes, 2/14/20	2.40
60	02/28/2020	EFC - 0026029	STATE/FEDERAL TAXES & DIRECT DEPOSITS	Montecito Fire Payroll SUI Taxes, 2/28/20	23.68
61	03/16/2020	EFC - 0026180	STATE/FEDERAL TAXES & DIRECT DEPOSITS	Montecito Fire Payroll SUI Taxes, 3/16/20	2.40
62	Total Unemployment Ins Contribution				230.11
63	Line Item Account 7030 -- Clothing and Personal				
64	02/25/2020	CLM - 0574835	ALLSTAR FIRE EQUIPMENT INC	Turnouts: Neels	6,441.30
65	03/03/2020	CLM - 0576361	ADVANCE MARKING SYSTEMS	Passport name tags: (22)	34.69
66	03/12/2020	CLM - 0577377	ALLSTAR FIRE EQUIPMENT INC	Brush helmet	125.91
67	03/18/2020	CLM - 0578588	US BANK CORPORATE PAYMENT SYSTEM	PPE: Hearing protection ear muffs	310.31
68	03/19/2020	CLM - 0578277	SANTA BARBARA TROPHY	PPE: name badge (1)	11.42
69	03/23/2020	CLM - 0578406	LINEGEAR FIRE & RESCUE EQUIPMENT	3 Brush pants, 6 uniform pants, 1 tactical pants	2,667.89
70	03/25/2020	CLM - 0579449	ALLSTAR FIRE EQUIPMENT INC	Fire helmet	355.21
71	Total Clothing and Personal				9,946.73
72	Line Item Account 7050 -- Communications				
73	02/03/2020	CLM - 0571802	IMPULSE INTERNET SERVICES	Phone services, 2/25-3/24/2020	2,077.48
74	02/03/2020	CLM - 0572105	COX COMMUNICATIONS - BUSINESS	Internet Station 2: January 2020	480.00
75	02/04/2020	CLM - 0572396	SPRINT	E92 Sim cards for MDC, 12/26/19-1/25/2020	75.98
76	02/04/2020	MIC - 0132370	FRONTIER	209/097-2953.0	662.25
77	02/04/2020	MIC - 0132370	FRONTIER	209/111-1529.0	139.20
78	02/04/2020	MIC - 0132370	FRONTIER	805-565-9618	67.16
79	02/04/2020	MIC - 0132370	FRONTIER	805-969-0318	70.92
80	02/04/2020	MIC - 0132370	FRONTIER	Circuit ID: 05/RTNB/002320	45.83

	Post On	Document	Vendor/Employee Name	Description	Amount
81	02/04/2020	MIC - 0132370	FRONTIER	Circuit ID: 05/RTNB/655155	45.83
82	02/04/2020	MIC - 0132370	FRONTIER	Circuit ID: 05/RTNB/974343	45.83
83	02/04/2020	MIC - 0132370	FRONTIER	Circuit ID: 05/RTNB/974365	45.83
84	02/04/2020	MIC - 0132370	FRONTIER	Circuit ID: 11/RTNB/566142	114.65
85	02/04/2020	MIC - 0132370	FRONTIER	Circuit ID: 20/PLNB/200447	45.83
86	02/04/2020	MIC - 0132394	TURN WIRELESS	Redundant internet Station 1: March 2020	88.25
87	02/04/2020	MIC - 0132394	TURN WIRELESS	Redundant internet Station 2: March 2020	88.25
88	02/05/2020	CLM - 0572619	SATCOM GLOBAL INC	Satellite phone charges	155.44
89	02/14/2020	MIC - 0132668	COX COMMUNICATIONS - BUSINESS	CAD connectivity & internet	1,771.84
90	02/14/2020	MIC - 0132668	COX COMMUNICATIONS - BUSINESS	Internet Station 2: February 2020	450.00
91	02/25/2020	CLM - 0574821	GOVCONNECTION INC	Adapter	67.45
92	03/03/2020	CLM - 0576140	VERIZON WIRELESS	Wireless service, 1/14-2/13/2020	1,897.27
93	03/03/2020	CLM - 0576160	IMPULSE INTERNET SERVICES	Phone services, 03/25/20-04/24/20	2,077.48
94	03/03/2020	CLM - 0576323	SATCOM GLOBAL INC	Satellite phone charges	157.80
95	03/03/2020	CLM - 0576400	COX COMMUNICATIONS - BUSINESS	Internet Station 2: March 2020	450.00
96	03/03/2020	MIC - 0133499	GOVCONNECTION INC	GDS Locking vehicle ipad	373.76
97	03/03/2020	MIC - 0133499	GOVCONNECTION INC	Ram mount	195.24
98	03/03/2020	MIC - 0133523	FRONTIER	209/097-2953.0	662.25
99	03/03/2020	MIC - 0133523	FRONTIER	209/111-1529.0	139.20
100	03/03/2020	MIC - 0133523	FRONTIER	805-565-9618	67.16
101	03/03/2020	MIC - 0133523	FRONTIER	805-969-0318	70.92
102	03/03/2020	MIC - 0133523	FRONTIER	Circuit ID: 05/RTNB/002320	45.83
103	03/03/2020	MIC - 0133523	FRONTIER	Circuit ID: 05/RTNB/655155	45.83
104	03/03/2020	MIC - 0133523	FRONTIER	Circuit ID: 05/RTNB/974343	45.83
105	03/03/2020	MIC - 0133523	FRONTIER	Circuit ID: 05/RTNB/974365	45.83
106	03/03/2020	MIC - 0133523	FRONTIER	Circuit ID: 11/RTNB/566142	114.65
107	03/03/2020	MIC - 0133523	FRONTIER	Circuit ID: 20/PLNB/200447	45.83
108	03/10/2020	CLM - 0576670	SPRINT	E92 Sim cards for MDC, 1/26-2/25/2020	75.98
109	03/10/2020	MIC - 0133630	TURN WIRELESS	Redundant internet Station 1: April 2020	88.25
110	03/10/2020	MIC - 0133630	TURN WIRELESS	Redundant internet Station 2: April 2020	88.25
111	03/12/2020	CLM - 0577257	COX COMMUNICATIONS - BUSINESS	CAD connectivity & Internet	1,771.84
112	03/23/2020	CLM - 0578287	GOVCONNECTION INC	Ball Mount	105.84
113	03/27/2020	CLM - 0579692	IMPULSE INTERNET SERVICES	Phone services, 4/25-5/24/20	2,077.48
114	Total Communications				17,180.54
115	Line Item Account 7060 -- Food				
116	02/11/2020	CLM - 0573134	US BANK CORPORATE PAYMENT SYSTEM	Meal for MFD, Cave Fire	112.00
117	02/27/2020	CLM - 0575450	GARET BLAKE	G. Blake Reimb: Water restock	20.95
118	Total Food				132.95
119	Line Item Account 7070 -- Household Supplies				
120	02/04/2020	MIC - 0132373	MISSION LINEN SUPPLY	Shop towels, Sta. 1	192.42
121	02/04/2020	MIC - 0132373	MISSION LINEN SUPPLY	Shop towels, Sta. 2	292.38
122	02/11/2020	CLM - 0573134	US BANK CORPORATE PAYMENT SYSTEM	Household supplies	267.72
123	02/18/2020	CLM - 0573739	MARBORG INDUSTRIES	Refuse disposal, Sta. 1	490.00

	Post On	Document	Vendor/Employee Name	Description	Amount
124	02/18/2020	CLM - 0573867	Montecito Village Hardware	Command strip	7.53
125	02/18/2020	MIC - 0132750	READY REFRESH BY NESTLE	Bottled water, Sta. 1	262.58
126	02/18/2020	MIC - 0132750	READY REFRESH BY NESTLE	Bottled water, Sta. 2	83.38
127	02/27/2020	CLM - 0575452	KURT HICKMAN	K. Hickman reimbursement: Light fixture, Station 1	40.72
128	03/03/2020	MIC - 0133465	MISSION LINEN SUPPLY	Shop towels, Sta. 1	192.42
129	03/03/2020	MIC - 0133465	MISSION LINEN SUPPLY	Shop towels, Sta. 2	292.38
130	03/13/2020	CLM - 0577351	Montecito Village Hardware	20 nuts, electrical needs	4.31
131	03/13/2020	MIC - 0133798	READY REFRESH BY NESTLE	Bottled water, Sta. 1	319.48
132	03/13/2020	MIC - 0133798	READY REFRESH BY NESTLE	Bottled water, Sta. 2	114.85
133	03/13/2020	MIC - 0133840	MARBORG INDUSTRIES	Refuse disposal, Sta. 1	490.00
134	03/13/2020	MIC - 0133840	MARBORG INDUSTRIES	Refuse disposal, Sta. 2	208.86
135	Total Household Supplies				3,259.03
136	Line Item Account 7120 -- Equipment Maintenance				
137	02/04/2020	MIC - 0132337	CALIFORNIA HEALTH & SAFETY INC	Breathing air compressor maintenance	1,175.66
138	02/04/2020	MIC - 0132337	CALIFORNIA HEALTH & SAFETY INC	Breathing air compressor service	275.00
139	02/20/2020	CLM - 0574061	INTERSTATE BATTERIES OF SIERRA MADRE	Back up batteries: 2 Shepherds Mesa, 2 Gibraltar	330.03
140	02/25/2020	CLM - 0574831	JOY EQUIPMENT PROTECTION INC	Back flow test	95.00
141	02/25/2020	CLM - 0574863	SAFETY KLEEN CORP	Quarterly solvent tank maintenance	254.02
142	02/25/2020	CLM - 0574946	L N CURTIS & SONS	Hurst tool annual service (7)	1,295.00
143	03/10/2020	CLM - 0576683	RUGGIERO PLUMBING	Station 1: Drain jetting	385.00
144	03/10/2020	CLM - 0576688	ALLSTAR FIRE EQUIPMENT INC	Hose pressure testing machine	456.39
145	03/12/2020	CLM - 0577343	ADVANCE MARKING SYSTEMS	E192: Accountability status board	98.50
146	03/17/2020	CLM - 0577555	MUNOZ PLUMBING REPAIR	Clogged drain - BC floor station 1	120.00
147	03/19/2020	CLM - 0578383	Jerry's Oven Repair	Oven repair, Station 1	183.66
148	03/23/2020	CLM - 0578394	ROGER L FORTIER DBA RLF TRUCKING	Sand: storm prep	906.45
149	03/25/2020	CLM - 0579585	GRUBER TECHNICAL INC	Batteries for UPS in BC bay	1,932.86
150	03/26/2020	CLM - 0579789	JOY EQUIPMENT PROTECTION INC	Fire extinguisher refill	75.00
151	03/30/2020	CLM - 0580139	CALIFORNIA HEALTH & SAFETY INC	SCBA functional flow test (40)	3,756.47
152	Total Equipment Maintenance				11,339.04
153	Line Item Account 7200 -- Structure & Ground Maintenance				
154	02/04/2020	MIC - 0132354	ENVIROSCAPING INC	Dump fees; 1/7 & 1/22	89.71
155	02/04/2020	MIC - 0132354	ENVIROSCAPING INC	Landscape maintenance, February 2020	930.00
156	02/05/2020	CLM - 0572608	AG ENT	Annual back flow testing, Sta. 1	65.00
157	02/18/2020	MIC - 0132790	O'CONNOR PEST CONTROL-SB	Quarterly pest control maint., Sta. 1	208.00
158	02/18/2020	MIC - 0132790	O'CONNOR PEST CONTROL-SB	Quarterly pest control maint., Sta. 2	75.00
159	02/26/2020	CLM - 0574864	INSIGHT ENVIRONMENTAL INC	Mold remediation	570.00
160	03/11/2020	MIC - 0133621	ENVIROSCAPING INC	Dump fee 2/4/2020	50.05
161	03/11/2020	MIC - 0133621	ENVIROSCAPING INC	Landscape maintenance, March 2020	930.00
162	03/13/2020	CLM - 0577434	INSIGHT ENVIRONMENTAL INC	Mold remediation	1,180.00
163	03/13/2020	MIC - 0133847	Rayne Water Conditioning Santa Barbara	Soft water service - Sta. 1, semi-annual	670.93
164	03/13/2020	MIC - 0133847	Rayne Water Conditioning Santa Barbara	Soft water service - Sta. 2, semi-annual	302.28
165	03/18/2020	CLM - 0578588	US BANK CORPORATE PAYMENT SYSTEM	Station signs	24.19
166	03/20/2020	CLM - 0578566	Consolidated Overhead Door	Apparatus bay door service, Station 2	213.00

	Post On	Document	Vendor/Employee Name	Description	Amount
167				Total Structure & Ground Maintenance	5,308.16
168				Line Item Account 7205 -- Fire Defense Zone	
169	02/25/2020	CLM - 0574736	ECO TREE WORKS	Fuel treatment network: Bella Vista	1,700.00
170	02/25/2020	MIC - 0133022	MARBORG INDUSTRIES	Restroom for Fuel treatment network: Bella Vista	194.67
171	02/25/2020	MIC - 0133022	MARBORG INDUSTRIES	Restroom p/u Fuel treatment network: Bella Vista	26.94
172	03/12/2020	MIC - 0133647	MCPHERSON TREE CARE INC	Fuel treatment network: chipping on Bella Vista	7,125.00
173	03/12/2020	MIC - 0133647	MCPHERSON TREE CARE INC	Hazard/dead tree removal: Ashley Road	1,300.00
174	03/13/2020	MIC - 0133794	ECO TREE WORKS	Neighborhood chipping: El Bosque	3,400.00
175	03/13/2020	MIC - 0133794	ECO TREE WORKS	Special project: East Valley Road	4,000.00
176	03/13/2020	MIC - 0133840	MARBORG INDUSTRIES	Neighborhood chipping: roll off at El Bosque	13.00
177	03/23/2020	CLM - 0578590	MARBORG INDUSTRIES	Neighborhood chipping roll-off: El Bosque	63.00
178				Total Fire Defense Zone	17,822.61
179				Line Item Account 7348 -- Instruments & Equip. < \$5000	
180	02/25/2020	CLM - 0574832	WINEMA INDUSTRIAL & SAFETY SUPPLY	Equipment for new E91: Gas monitor	3,511.57
181	03/18/2020	CLM - 0578588	US BANK CORPORATE PAYMENT SYSTEM	Flares and LED flashlights for new E91	938.56
182	03/26/2020	CLM - 0578733	CMC RESCUE INC	Rope rescue equipment	1,217.14
183				Total Instruments & Equip. < \$5000	5,667.27
184				Line Item Account 7363 -- Equipment Maintenance	
185	02/05/2020	MIC - 0132472	SOUTH COAST EMERGENCY VEHICLE SERVICE	E91: Deluge discharge, T handle, decals	165.77
186	02/05/2020	MIC - 0132472	SOUTH COAST EMERGENCY VEHICLE SERVICE	E92: Air filter	307.78
187	02/05/2020	MIC - 0132472	SOUTH COAST EMERGENCY VEHICLE SERVICE	E92: rear pinion seal, wndw mtr, power steering	4,611.96
188	02/05/2020	MIC - 0132472	SOUTH COAST EMERGENCY VEHICLE SERVICE	Returned parts: 1/24/20, 1/27/20	-3,194.13
189	02/06/2020	CLM - 0572808	L N CURTIS & SONS	903: Shovel holders	94.11
190	02/11/2020	CLM - 0573134	US BANK CORPORATE PAYMENT SYSTEM	Hose repair parts, E93 & E392	312.52
191	02/11/2020	CLM - 0573134	US BANK CORPORATE PAYMENT SYSTEM	Mechanic shop equipment: Haz waste barrels (2)	4,105.28
192	02/11/2020	CLM - 0573134	US BANK CORPORATE PAYMENT SYSTEM	Repair part, UTV91	528.61
193	02/11/2020	CLM - 0573134	US BANK CORPORATE PAYMENT SYSTEM	Smog checks (7)	167.65
194	02/12/2020	CLM - 0573377	BUNNIN	Drain plug gaskets for Chevy Tahoes	15.01
195	02/18/2020	CLM - 0573792	PERRY FORD LINCOLN MAZDA	E691: Left front mudflap	40.53
196	02/18/2020	MIC - 0132764	Life Assist Inc	Patient medical supplies	1,776.26
197	02/18/2020	MIC - 0132764	Life Assist Inc	Returned goods	-448.22
198	02/19/2020	CLM - 0574045	BUNNIN	903: Door trim	69.70
199	02/26/2020	CLM - 0574892	Kimball Midwest Corp	Shop supplies	1,316.38
200	02/27/2020	CLM - 0574834	McMaster-Carr Supply Co	E391: Tow shackles (2)	149.91
201	02/27/2020	CLM - 0574936	CARQUEST AUTO PARTS	Air quick coupler (2)	13.29
202	02/27/2020	MIC - 0133083	SOUTH COAST EMERGENCY VEHICLE SERVICE	E92: Front suction swivel rebuild kit	312.80
203	02/27/2020	MIC - 0133083	SOUTH COAST EMERGENCY VEHICLE SERVICE	E92: Primer activation retro fit kit	1,481.07
204	03/03/2020	CLM - 0576326	VELOCITY TRUCK CENTER VENTURA COUNTY	E91: Alternator belt	63.49
205	03/03/2020	MIC - 0133485	SOUTH COAST EMERGENCY VEHICLE SERVICE	Discharge valve kits	566.25
206	03/03/2020	MIC - 0133485	SOUTH COAST EMERGENCY VEHICLE SERVICE	E91: All-steer module	860.20
207	03/03/2020	MIC - 0133485	SOUTH COAST EMERGENCY VEHICLE SERVICE	E91: Dash hardware, CAFS part, tank fill valve	529.54
208	03/10/2020	CLM - 0576660	Kimball Midwest Corp	Hardware for engines	362.14
209	03/11/2020	CLM - 0576655	SOUTH COAST EMERGENCY VEHICLE SERVICE	E92: Pinion parts	2,101.23

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210	03/12/2020	CLM - 0576345	AGS Rebuilders Inc	E91: 2 rebuilt alternators	1,078.97
211	03/18/2020	CLM - 0578588	US BANK CORPORATE PAYMENT SYSTEM	Department personalized key fobs (23)	227.70
212	03/18/2020	CLM - 0578588	US BANK CORPORATE PAYMENT SYSTEM	Running boards for U92	323.24
213	03/18/2020	CLM - 0578588	US BANK CORPORATE PAYMENT SYSTEM	Various vehicle repair parts	165.16
214	03/19/2020	CLM - 0574792	THE WILL-BURT CO	Equipment for new E91: headlight kit-4 lights	1,317.99
215	03/19/2020	CLM - 0578307	VELOCITY TRUCK CENTER VENTURA COUNTY	E91: cartridge kit, purge valve kit	114.49
216	03/20/2020	CLM - 0578258	FREEDOM SIGNS	BC96: lettering, both doors	328.00
217	03/23/2020	MIC - 0134096	SOUTH COAST EMERGENCY VEHICLE SERVICE	E92: Cab tilt remote cord	383.36
218	03/23/2020	MIC - 0134096	SOUTH COAST EMERGENCY VEHICLE SERVICE	E92: Discharge gauges (2)	372.59
219	03/23/2020	MIC - 0134100	CARQUEST AUTO PARTS	plastic cble tie, reuse wire, diesel exhaust fluid	81.08
220	03/23/2020	MIC - 0134100	CARQUEST AUTO PARTS	Wiper blades, fuel cleaner, fuel stabilizer	70.73
221	03/25/2020	CLM - 0579382	HI-TECH EMERGENCY VEHICLE SERVICE INC	E92: siren parts	545.85
222	03/25/2020	CLM - 0579443	VELOCITY TRUCK CENTER VENTURA COUNTY	E92: Brake parts	160.93
223	03/30/2020	CLM - 0580115	PERRY FORD LINCOLN MAZDA	Com 91:Right rear tail light assembly	89.02
224	03/31/2020	CLM - 0580174	FREEDOM SIGNS	Vehicle designation decals: E192, BC95, P98, P99	747.00
225	03/31/2020	MIC - 0134592	CARQUEST AUTO PARTS	Credit: E91 oil filter	-9.34
226	03/31/2020	MIC - 0134592	CARQUEST AUTO PARTS	E91: filter, lube	46.41
227	03/31/2020	MIC - 0134592	CARQUEST AUTO PARTS	E91: Lube	9.34
228	03/31/2020	MIC - 0134592	CARQUEST AUTO PARTS	Shop supplies	25.03
229	Total Equipment Maintenance				22,386.68
230	Line Item Account 7400 -- Medical, Dental and Lab				
231	02/25/2020	MIC - 0133025	Life Assist Inc	Patient medical supplies	108.74
232	03/03/2020	CLM - 0576200	Life Assist Inc	Patient medical supplies	143.19
233	03/03/2020	CLM - 0576329	TELEFLEX LLC	Patient medical supplies	659.00
234	03/13/2020	MIC - 0133820	Life Assist Inc	Patient medical supplies	1,020.33
235	03/18/2020	CLM - 0578588	US BANK CORPORATE PAYMENT SYSTEM	Narcotics kit boxes	85.33
236	Total Medical, Dental and Lab				2,016.59
237	Line Item Account 7450 -- Office Expense				
238	02/04/2020	CLM - 0572531	STAPLES BUSINESS CREDIT	Office supplies	345.25
239	02/04/2020	CLM - 0572541	IRON MOUNTAIN	Shred container delivery	11.69
240	02/11/2020	CLM - 0573134	US BANK CORPORATE PAYMENT SYSTEM	iPad mounts for engines (2)	673.56
241	02/11/2020	CLM - 0573134	US BANK CORPORATE PAYMENT SYSTEM	Office supplies: frames, postage, leadership books	159.54
242	02/29/2020	CLM - 0575784	STREAMLINE OFFICE SOLUTIONS INC	Office copier usage fee, February 2020	451.32
243	03/03/2020	CLM - 0576319	IRON MOUNTAIN	Shredding service, bi-monthly fee	90.32
244	03/03/2020	CLM - 0576399	STAPLES BUSINESS CREDIT	Office supplies	414.91
245	03/18/2020	CLM - 0578588	US BANK CORPORATE PAYMENT SYSTEM	iPad mounts and accessories	1,492.58
246	03/18/2020	CLM - 0578588	US BANK CORPORATE PAYMENT SYSTEM	LA Times subscription, quarterly	155.75
247	03/18/2020	CLM - 0578588	US BANK CORPORATE PAYMENT SYSTEM	Various admin expenses: stamps, shipping, CC fees	468.95
248	03/31/2020	CLM - 0580210	STREAMLINE OFFICE SOLUTIONS INC	Office copier usage fee, 2/29-3/29/20	328.83
249	Total Office Expense				4,592.70
250	Line Item Account 7460 -- Professional & Special Service				
251	02/03/2020	CLM - 0571448	LATITUDE 34 TECHNOLOGIES INC	IT support, February 2020	4,600.00
252	02/05/2020	CLM - 0572612	SANSUM CLINIC OCCUPATIONAL MEDICINE	Employee physicals (2)	1,980.00

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253	02/05/2020	CLM - 0572616	ZWORLD GIS	Mapping services, January 2020	1,250.00
254	02/18/2020	CLM - 0573731	OFFICE TEAM	Temporary office support	177.31
255	02/20/2020	CLM - 0574047	PRICE POSTEL & PARMA	Legal services, January 2020	3,115.50
256	02/20/2020	CLM - 0574057	SANSUM CLINIC OCCUPATIONAL MEDICINE	Employee physicals (4)	4,325.50
257	02/24/2020	MIC - 0132844	UNDERWOOD MANAGEMENT RESOURCES INC	Extractor project, station 2	56.00
258	02/24/2020	MIC - 0132844	UNDERWOOD MANAGEMENT RESOURCES INC	Roof/generator project management, January 2020	4,687.50
259	02/25/2020	CLM - 0574574	COLLINGS & ASSOCIATES LLC	Fire sprinkler system plans review	425.00
260	02/25/2020	CLM - 0574580	OFFICE TEAM	Temporary office support	170.22
261	02/25/2020	CLM - 0574739	SANSUM CLINIC OCCUPATIONAL MEDICINE	Employee physicals (5)	3,754.50
262	02/27/2020	CLM - 0575610	LIEBERT CASSIDY WHITMORE	Labor attorney fees, January 2020	266.00
263	03/03/2020	CLM - 0576145	OFFICE TEAM	Temporary office support	198.59
264	03/03/2020	CLM - 0576147	SANSUM CLINIC OCCUPATIONAL MEDICINE	Employee physicals (3)	5,016.00
265	03/03/2020	CLM - 0576224	COLLINGS & ASSOCIATES LLC	Fire sprinkler system plans review (2)	700.00
266	03/03/2020	CLM - 0576299	ZWORLD GIS	Mapping services, February 2020	1,250.00
267	03/10/2020	CLM - 0576685	SANSUM CLINIC OCCUPATIONAL MEDICINE	Employee physical (1)	1,687.00
268	03/10/2020	JE - 0198946		Building Permit Fees 19ELE-00385	1,025.00
269	03/12/2020	CLM - 0575616	LATITUDE 34 TECHNOLOGIES INC	IT support, March 2020	4,600.00
270	03/13/2020	CLM - 0577375	SANSUM CLINIC OCCUPATIONAL MEDICINE	Employee physicals (3)	2,208.00
271	03/13/2020	CLM - 0577431	COLLINGS & ASSOCIATES LLC	Fire sprinkler system plans review (2)	700.00
272	03/17/2020	CLM - 0577552	PRICE POSTEL & PARMA	Legal services, February 2020	2,110.50
273	03/17/2020	MIC - 0133891	UNDERWOOD MANAGEMENT RESOURCES INC	Extractor project, station 2	364.00
274	03/17/2020	MIC - 0133891	UNDERWOOD MANAGEMENT RESOURCES INC	Roof/generator project management, February 2020	2,500.00
275	03/23/2020	CLM - 0578586	SANSUM CLINIC OCCUPATIONAL MEDICINE	Employee physicals (2)	1,885.00
276	03/23/2020	CLM - 0578587	OFFICE TEAM	Temporary office support	198.59
277	03/26/2020	CLM - 0579072	LATITUDE 34 TECHNOLOGIES INC	IT support, April 2020	4,600.00
278	03/30/2020	CLM - 0580101	CENTRAL COAST AUDIO VISUAL	AV installation/integration of new Wattbox	652.67
279	03/31/2020	CLM - 0580199	COLLINGS & ASSOCIATES LLC	Fire sprinkler system plans review (3)	825.00
280	03/31/2020	CLM - 0580220	ROOFING & WATERPROOFING FORENSICS INC	Roof inspection of clay tile installation/report	1,155.00
281	Total Professional & Special Service				56,482.88
282	Line Item Account 7507 -- ADP Payroll Fees				
283	02/07/2020	EFC - 0025756	ADP INC	ADP fees, January 2020	514.89
284	02/07/2020	EFC - 0025756	ADP INC	Amendment fees (Elliott)	390.00
285	02/27/2020	EFC - 0025988	ADP INC	ADP fees, W-2's	432.30
286	03/13/2020	EFC - 0026099	ADP INC	ADP fees, February 2020	510.69
287	Total ADP Payroll Fees				1,847.88
288	Line Item Account 7510 -- Contractual Services				
289	02/03/2020	CLM - 0571448	LATITUDE 34 TECHNOLOGIES INC	Cloud back up for 2 servers, monthly fee	300.00
290	02/03/2020	CLM - 0571448	LATITUDE 34 TECHNOLOGIES INC	Exchange Online; tablet command email accts	24.00
291	02/03/2020	CLM - 0571448	LATITUDE 34 TECHNOLOGIES INC	Office 365 E1/E3 license subscription	712.00
292	02/04/2020	CLM - 0572298	CREWSENSE LLC	Monthly support plan: February 2020	99.00
293	02/11/2020	CLM - 0573134	US BANK CORPORATE PAYMENT SYSTEM	Fax and phone apps, monthly fees	19.94
294	02/11/2020	CLM - 0573134	US BANK CORPORATE PAYMENT SYSTEM	Fulcrum app subscription, December	836.00
295	02/11/2020	CLM - 0573134	US BANK CORPORATE PAYMENT SYSTEM	SimUshare, Zoom and Prime membership fees	253.84

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296	02/26/2020	CLM - 0574697	TRITECH SOFTWARE SYSTEMS	Tritech MDC license/annual maintenance	9,412.50
297	02/27/2020	CLM - 0574872	MYSIDEWALK INC	Incident Dashboard subscription, 12/19-12/20	7,200.00
298	02/27/2020	CLM - 0575399	TABLET COMMAND INC	Tablet Command annual subscription	31,879.00
299	03/03/2020	CLM - 0576148	CREWSENSE LLC	Monthly support plan: March 2020	99.00
300	03/12/2020	CLM - 0575616	LATITUDE 34 TECHNOLOGIES INC	Cloud back up for 2 servers, monthly fee	300.00
301	03/12/2020	CLM - 0575616	LATITUDE 34 TECHNOLOGIES INC	Exchange Online; tablet command email accts	24.00
302	03/12/2020	CLM - 0575616	LATITUDE 34 TECHNOLOGIES INC	Office 365 E1/E3 license subscription	712.00
303	03/18/2020	CLM - 0578588	US BANK CORPORATE PAYMENT SYSTEM	Amazon Prime account, J. Moran	128.22
304	03/18/2020	CLM - 0578588	US BANK CORPORATE PAYMENT SYSTEM	Fax, video and Expensify apps, monthly fees	34.93
305	03/18/2020	CLM - 0578588	US BANK CORPORATE PAYMENT SYSTEM	Fulcrum app subscription, January	836.00
306	03/18/2020	CLM - 0578588	US BANK CORPORATE PAYMENT SYSTEM	iDrive IT subscription, annual	799.50
307	03/18/2020	CLM - 0578588	US BANK CORPORATE PAYMENT SYSTEM	Subscription to NFPA online library, annual	1,575.00
308	03/25/2020	CLM - 0579261	LATITUDE 34 TECHNOLOGIES INC	Management system for new iPads, annual fee	1,133.00
309	03/26/2020	CLM - 0579072	LATITUDE 34 TECHNOLOGIES INC	Cloud back up for 2 servers, monthly fee	300.00
310	03/26/2020	CLM - 0579072	LATITUDE 34 TECHNOLOGIES INC	Exchange Online; tablet command email accts	24.00
311	03/26/2020	CLM - 0579072	LATITUDE 34 TECHNOLOGIES INC	Office 365 E1/E3 license subscription	720.00
312	Total Contractual Services				57,421.93
313	Line Item Account 7530 -- Publications & Legal Notices				
314	02/18/2020	CLM - 0573868	SANTA BARBARA NEWS PRESS	Public notice: Ordinance 2019-02	1,165.32
315	03/12/2020	CLM - 0577241	SANTA BARBARA NEWS PRESS	Public notice: RFPs; Solar Proj/Fire Sta Location	112.64
316	Total Publications & Legal Notices				1,277.96
317	Line Item Account 7540 -- Rents/Leases-Equipment				
318	02/27/2020	CLM - 0574881	UNITED RENTALS NORTHWEST	Generator rental-1/23/20-2/20/20	1,763.06
319	03/18/2020	CLM - 0577947	UNITED RENTALS NORTHWEST	Generator rental-2/20/20-3/19/20	1,763.06
320	Total Rents/Leases-Equipment				3,526.12
321	Line Item Account 7630 -- Small Tools & Instruments				
322	02/11/2020	CLM - 0573134	US BANK CORPORATE PAYMENT SYSTEM	LED flashlights: BC 93 & 94, Sq91	591.24
323	02/11/2020	CLM - 0573134	US BANK CORPORATE PAYMENT SYSTEM	Radio belt clip and battery clampshell, BC95	369.75
324	03/18/2020	CLM - 0578588	US BANK CORPORATE PAYMENT SYSTEM	Mobile radio carrier part, BC95	25.00
325	Total Small Tools & Instruments				985.99
326	Line Item Account 7650 -- Special Departmental Expense				
327	02/11/2020	CLM - 0573134	US BANK CORPORATE PAYMENT SYSTEM	Christmas tree for Sta. 1	75.40
328	03/09/2020	JE - 0199637		APCD emission fees for generators, FY 19-20	918.62
329	03/17/2020	JE - 0199757		IN0056875, FA0014308, Business Plan, Sta. 1	464.00
330	03/17/2020	JE - 0199757		IN0056914, FA0014438, Business Plan, Sta. 2	757.00
331	03/18/2020	CLM - 0578588	US BANK CORPORATE PAYMENT SYSTEM	Flowers for Director Ishkanian recovery	85.69
332	Total Special Departmental Expense				2,300.71
333	Line Item Account 7671 -- Special Projects				
334	03/10/2020	CLM - 0576680	JANO PRINTING & MAILWORKS	Flyers for neighborhood chipping project	647.75
335	03/26/2020	CLM - 0579160	ROBERT D TENEYCK	"Ready, Set, Go" design, deposit (budgeted)	6,250.00
336	Total Special Projects				6,897.75
337	Line Item Account 7730 -- Transportation and Travel				
338	02/01/2020	CLM - 0571846	TRAVIS EDERER	T. Ederer Reimb: LCW Conference	1,201.48

	Post On	Document	Vendor/Employee Name	Description	Amount
339	02/05/2020	CLM - 0572689	DANIEL ARNOLD	D. Arnold Reimb: E91 final inspection; meals	50.00
340	02/05/2020	CLM - 0572725	BENJAMIN HAUSER	B. Hauser Reimb: E91 final inspection; meals, uber	80.99
341	02/05/2020	CLM - 0572729	BENJAMIN HAUSER	B. Hauser Reimb: Fire Operations Tech Summit	102.00
342	02/11/2020	CLM - 0573134	US BANK CORPORATE PAYMENT SYSTEM	A. Widling: RTF Working Group meeting (OC)	201.31
343	02/11/2020	CLM - 0573134	US BANK CORPORATE PAYMENT SYSTEM	Business meeting: 1/9 Anniversary Event Committee	185.87
344	02/11/2020	CLM - 0573134	US BANK CORPORATE PAYMENT SYSTEM	Business meeting: J. Reed re Carp city CERT prgm	38.76
345	02/11/2020	CLM - 0573134	US BANK CORPORATE PAYMENT SYSTEM	Business meeting: K. Taylor & MFA monthly mtg	137.78
346	02/11/2020	CLM - 0573134	US BANK CORPORATE PAYMENT SYSTEM	Business meeting: K. Taylor re Cave Fire AAR	29.81
347	02/11/2020	CLM - 0573134	US BANK CORPORATE PAYMENT SYSTEM	Business meeting: K. Taylor re SBC DF risk/impacts	55.08
348	02/11/2020	CLM - 0573134	US BANK CORPORATE PAYMENT SYSTEM	Business meeting: K. Taylor re Station Loc Study	89.41
349	02/11/2020	CLM - 0573134	US BANK CORPORATE PAYMENT SYSTEM	Business meeting: MFD Chief Officers monthly mtg	59.84
350	02/11/2020	CLM - 0573134	US BANK CORPORATE PAYMENT SYSTEM	Business meeting: Retirement lunch for J. Jenkins	286.46
351	02/11/2020	CLM - 0573134	US BANK CORPORATE PAYMENT SYSTEM	Business meeting: RTF Mobex Drill lunch (30)	467.83
352	02/11/2020	CLM - 0573134	US BANK CORPORATE PAYMENT SYSTEM	Business meeting: Widling, Taylor w/ Medical Dir	60.10
353	02/11/2020	CLM - 0573134	US BANK CORPORATE PAYMENT SYSTEM	Business meeting: Widling/Nahas w/ auditors	48.57
354	02/11/2020	CLM - 0573134	US BANK CORPORATE PAYMENT SYSTEM	FasTrak tpll account replenishment	50.00
355	02/11/2020	CLM - 0573134	US BANK CORPORATE PAYMENT SYSTEM	Refreshments: Blue Card training (2 days)	184.97
356	02/11/2020	CLM - 0573134	US BANK CORPORATE PAYMENT SYSTEM	Refreshments: Hospitality group meeting	39.88
357	02/13/2020	CLM - 0572817	SCOTT CHAPMAN	S. Chapman Reimb: Cal Chiefs Tech Conference	498.72
358	02/28/2020	JE - 0199023		County Fire Chiefs Retreat (5 EEs)	3,080.90
359	03/03/2020	TRC - 0049111	JORDAN ZEITSOFF	J. Zeitsoff Reimb: Firehouse World	294.00
360	03/12/2020	TRC - 0049168	SCOTT CHAPMAN	S. Chapman Reimb: Fire House World Conference	2,363.28
361	03/12/2020	TRC - 0049211	BENJAMIN HAUSER	B. Hauser Reimb: Firehouse World	276.00
362	03/12/2020	TRC - 0049213	DANIEL ARNOLD	D. Arnold Reimb: Firehouse World	294.00
363	03/18/2020	CLM - 0578588	US BANK CORPORATE PAYMENT SYSTEM	A. Widling: Firehouse World (LV)	830.00
364	03/18/2020	CLM - 0578588	US BANK CORPORATE PAYMENT SYSTEM	Business meeting: 1/9 Anniversary Committee	190.08
365	03/18/2020	CLM - 0578588	US BANK CORPORATE PAYMENT SYSTEM	Business meeting: Chief's Oral exam for promotions	52.74
366	03/18/2020	CLM - 0578588	US BANK CORPORATE PAYMENT SYSTEM	Business meeting: Widling/Nahas re work comp	33.68
367	03/18/2020	CLM - 0578588	US BANK CORPORATE PAYMENT SYSTEM	K. Taylor: CPSE 2020 Excellence Conf (FL)	655.00
368	03/18/2020	CLM - 0578588	US BANK CORPORATE PAYMENT SYSTEM	K. Taylor: FDAC Conference registration	543.00
369	03/18/2020	CLM - 0578588	US BANK CORPORATE PAYMENT SYSTEM	Nahas/Reed: SDRMA Safety Claims Day flights	516.00
370	03/18/2020	CLM - 0578588	US BANK CORPORATE PAYMENT SYSTEM	Taylor/Nahas: LCW Conference flights	805.20
371	03/19/2020	TRC - 0049247	KEVIN TAYLOR	K. Taylor Reimb: LCW conference	115.11
372	03/19/2020	TRC - 0049275	KEVIN TAYLOR	Business meeting: K. Taylor re Everbridge Alerting	70.56
373	03/19/2020	TRC - 0049275	KEVIN TAYLOR	Business meeting: K. Taylor w/ Mont Assoc Exec Dir	40.83
374	03/19/2020	TRC - 0049275	KEVIN TAYLOR	K. Taylor: Protect Your City From Wildfire Conf	495.00
375	03/19/2020	TRC - 0049276	KEVIN TAYLOR	K. Taylor Reimb: CPSE Excellence Conf (FL)	1,243.92
376	Total Transportation and Travel				15,768.16
377	Line Item Account 7731 -- Gasoline-Oil-Fuel				
378	02/04/2020	CLM - 0572299	FUEL SMART	Gasoline charges, January 2020	271.47
379	02/11/2020	CLM - 0573134	US BANK CORPORATE PAYMENT SYSTEM	Gasoline charges	2,251.44
380	02/27/2020	CLM - 0574940	McCormix Corporation	Diesel fuel, 2/7/2020	1,127.55
381	03/02/2020	CLM - 0576128	McCormix Corporation	Diesel fuel, 2/21/20	478.35

	Post On	Document	Vendor/Employee Name	Description	Amount
382	03/10/2020	CLM - 0576686	FUEL SMART	Gasoline charges, February 2020	284.21
383	03/17/2020	CLM - 0577554	McCormix Corporation	Diesel generator fuel, 03/6/2020	329.37
384	03/18/2020	CLM - 0577940	McCormix Corporation	Diesel fuel, 03/10/2020	1,515.43
385	03/18/2020	CLM - 0578588	US BANK CORPORATE PAYMENT SYSTEM	Gasoline charges	1,739.20
386	03/19/2020	TRC - 0049275	KEVIN TAYLOR	K. Taylor Reimb: fuel for dept vehicle	143.16
387	03/31/2020	CLM - 0580198	McCormix Corporation	Diesel fuel, 3/26/20	881.80
388	Total Gasoline-Oil-Fuel				9,021.98
389	Line Item Account 7732 -- Training				
390	02/01/2020	CLM - 0571814	ROBERT GALBRAITH	R. Galbraith: AHC FT 101, Hist 102, Hist 119	723.88
391	02/01/2020	CLM - 0571887	GARET BLAKE	G. Blake Reimb: ACLS/PALS recert	320.00
392	02/05/2020	CLM - 0572687	DANIEL ARNOLD	D. Arnold Reimb: S-230 Crew Boss	349.00
393	02/05/2020	CLM - 0572700	DANIEL ARNOLD	D. Arnold Reimb: S-231 Engine Boss	231.00
394	02/05/2020	CLM - 0572728	ANDREW RUPP	A. Rupp Reimb: Car Seat Tech Renewal Testing	857.78
395	02/05/2020	CLM - 0572741	NICHOLAS EUBANK	N. Eubank Reimb: Elevator Rescue trgn supplies	57.45
396	02/05/2020	CLM - 0572744	ROBERT GALBRAITH	R. Galbraith Reimb: NFPA PPE selection care/maint.	125.00
397	02/05/2020	CLM - 0572747	DAVID JOHNSON	D. Johnson Reimb: Red Helmet training	1,323.51
398	02/07/2020	CLM - 0571889	BRANDON BENNEWATE	B. Bennewate Reimb: ACLS/PALS recert	546.15
399	02/07/2020	CLM - 0571890	BRANDON BENNEWATE	B. Bennewate Reimb: Instructor 1	406.73
400	02/11/2020	CLM - 0573134	US BANK CORPORATE PAYMENT SYSTEM	J. Moran: CA Fire Mechanics Academy (Sac)	550.00
401	02/25/2020	TRC - 0048757	TREVOR BURCH	T. Burch Reimb: S-290 Class	241.55
402	02/26/2020	CLM - 0574784	EMERGENCY MEDICAL SERVICES AUTHORITY (EMSA)	EMT Certification: 12 Employees	444.00
403	03/03/2020	CLM - 0572814	DAVID JOHNSON	D. Johnson Reimb: Hazmat IC	674.43
404	03/03/2020	TRC - 0049116	SHAWN WHILT	S. Whilt Reimb: ICS-300	304.00
405	03/03/2020	TRC - 0049117	NICHOLAS EUBANK	N. Eubank Reimb: HazMat IC	654.84
406	03/12/2020	TRC - 0049212	DANIEL ARNOLD	D. Arnold Reimb: Drager Burn Prop Cafre	18.00
407	03/18/2020	CLM - 0578588	US BANK CORPORATE PAYMENT SYSTEM	D. Neels: IWCE 2020 Conference	1,758.90
408	03/18/2020	CLM - 0578588	US BANK CORPORATE PAYMENT SYSTEM	Elmquist/Juarez: Wildland Urban Interface Conf	800.00
409	03/19/2020	TRC - 0049310	STEPHEN COCHRAN	S. Cochran Reimb: Trench Rescue Technician	976.24
410	03/19/2020	TRC - 0049316	TREVOR BURCH	T. Burch Reimb: S-215 Wildland Urban Interface	1,087.40
411	03/25/2020	CLM - 0578747	SAFETY FIRST SEMINARS	Healthcare Provider BLS course (14)	910.00
412	Total Training				13,359.86
413	Line Item Account 7760 -- Utilities				
414	02/05/2020	JE - 0198059		Property tax charges for 3 MFPD properties	4,369.44
415	02/14/2020	CLM - 0573772	SOUTHERN CALIFORNIA EDISON	Electricity service, Sta. 1 & 2	1,638.27
416	02/14/2020	MIC - 0132693	MONTECITO WATER DISTRICT	Water service, Sta. 1	350.68
417	02/14/2020	MIC - 0132693	MONTECITO WATER DISTRICT	Water service, Sta. 2	190.37
418	02/14/2020	MIC - 0132694	THE GAS COMPANY	Gas service, Sta. 1 - 02/03/20	150.55
419	02/14/2020	MIC - 0132694	THE GAS COMPANY	Gas service, Sta. 2 - 02/04/20	159.36
420	03/13/2020	MIC - 0133831	MONTECITO WATER DISTRICT	Water service, Sta. 1	416.69
421	03/13/2020	MIC - 0133831	MONTECITO WATER DISTRICT	Water service, Sta. 2	259.62
422	03/18/2020	MIC - 0134009	THE GAS COMPANY	Gas service, Sta. 1 - 03/04/20	108.83
423	03/18/2020	MIC - 0134009	THE GAS COMPANY	Gas service, Sta. 2 - 03/05/2020	138.07
424	03/19/2020	CLM - 0578584	SOUTHERN CALIFORNIA EDISON	Electricity service, Sta. 1 & 2	1,649.53

	Post On	Document	Vendor/Employee Name	Description	Amount
425				Total Utilities	9,431.41
426				Line Item Account 8200 -- Structures&Struct Improvements	
427	03/30/2020	CLM - 0580104	WADELL ROOFING SERVICES INC	Roof replacement: Station 1 (plus change orders)	119,797.78
428				Total Structures&Struct Improvements	119,797.78
429				Line Item Account 8300 -- Equipment	
430	03/25/2020	CLM - 0578556	TRITECH SOFTWARE SYSTEMS	9-1-1 phone system, labor travel costs (budgeted)	3,569.94
431	03/25/2020	CLM - 0578939	TRITECH SOFTWARE SYSTEMS	9-1-1 phone system, labor travel costs (budgeted)	4,433.97
432	03/25/2020	CLM - 0579121	TRITECH SOFTWARE SYSTEMS	9-1-1 phone system, 30% software/svcs (budgeted)	41,059.25
433				Total Equipment	49,063.16
434					
435				Total Montecito Fire Protection District	2,466,120.16
436					
437					
438				Fund 3652 -- Montecito Fire Cap Outlay Res	
439				Line Item Account 8300 -- Equipment	
440	02/27/2020	CLM - 0574828	PARADISE CHEVROLET CADILLAC	900 Vehicle: 2020 Chevy Tahoe (Budgeted)	54,641.06
441	03/23/2020	CLM - 0578414	NATIONAL AUTO FLEET GROUP	P98 Vehicle: 2020 Ford F150 (budgeted)	39,408.92
442				Total Equipment	94,049.98
443					
444				Total Montecito Fire Cap Outlay Res	94,049.98
445					
446					
447				Fund 3653 -- Montecito Fire Land & Building	
448				Line Item Account 8200 -- Structures&Struct Improvements	
449	02/25/2020	CLM - 0574054	UNDERWOOD MANAGEMENT RESOURCES INC	Rental properties project management, January 2020	1,612.50
450	02/27/2020	CLM - 0574865	PACIFIC ARC INC ARCHITECTS	Architect fees for East Valley Rd rental property	7,862.50
451	03/17/2020	CLM - 0577534	UNDERWOOD MANAGEMENT RESOURCES INC	Rental properties project management, Feb 2020	1,812.50
452				Total Structures&Struct Improvements	11,287.50
453					
454				Total Montecito Fire Land & Building	11,287.50

Report : Financial Trend
Fund 3650 -- Montecito Fire Protection Dist
As of: 3/31/2020 (75% Elapsed)

Line Item Account	3/31/2018 Year-To-Date Actual	3/31/2019 Year-To-Date Actual	3/31/2020 Year-To-Date Actual	Comments
Revenues				
Taxes				
3010 -- Property Tax-Current Secured	8,610,158	8,959,331	9,508,256	
3011 -- Property Tax-Unitary	30	142	85,546	
3015 -- PT PY Corr/Escapes Secured	6,092	(355)	(17,022)	
3020 -- Property Tax-Current Unsecd	762,579	569,420	645,306	
3023 -- PT PY Corr/Escapes Unsecured	10,700	2,834	11,359	
3040 -- Property Tax-Prior Secured	(763)	62	821	
3050 -- Property Tax-Prior Unsecured	2,798	(6,491)	84,369	
3054 -- Supplemental Pty Tax-Current	58,297	(18,223)	129,066	
3056 -- Supplemental Pty Tax-Prior	135	2,058	2,419	
Taxes	9,450,025	9,508,777	10,450,119	
Fines, Forfeitures, and Penalties				
3057 -- PT-506 Int, 480 CIOS/CIC Pen	-	(4,266)	27	
Fines, Forfeitures, and Penalties	-	(4,266)	27	
Use of Money and Property				
3380 -- Interest Income	41,416	108,032	96,850	
3381 -- Unrealized Gain/Loss Invstmnts	(14,610)	59,519	29,915	
3409 -- Other Rental of Bldgs and Land	11,347	1,290	7,740	
Use of Money and Property	38,153	168,842	134,505	
Intergovernmental Revenue-State				
3750 -- State-Emergency Assistance	478,442	144,644	57,848	Fire assignment funds will be deposited in April.
4160 -- State Aid for Disaster	-	1,858,865	-	Last year's funds were Thomas Fire/DF disaster recovery funds from CalOES.
4220 -- Homeowners Property Tax Relief	41,816	39,767	38,871	
Intergovernmental Revenue-State	520,259	2,043,276	96,719	

Line Item Account	3/31/2018 Year-To-Date Actual	3/31/2019 Year-To-Date Actual	3/31/2020 Year-To-Date Actual	Comments
Revenues (cont'd)				
Intergovernmental Revenue-Federal				
4476 -- Federal Emergency Assistance	334,017	240,366	73,243	
4610 -- Federal Aid for Disaster	-	4,669,969	-	Last year's funds were Thomas Fire/DF disaster recovery funds from FEMA.
Intergovernmental Revenue-Federal	334,017	4,910,335	73,243	
Charges for Services				
5105 -- Reimb for District Services	143,538	97,863	100,200	
Charges for Services	143,538	97,863	100,200	
Miscellaneous Revenue				
5768 -- Safety Member Reimbursement	-	-	62,745	New line item this FY.
5769 -- State Reimbursements	-	-	-	
5894 -- Other-Payment for Damages	-	-	1,176,284	SCE settlement funds.
5895 -- Other-Donations	104,319	300	-	
5909 -- Other Miscellaneous Revenue	12,746	23,815	6,664	
Miscellaneous Revenue	117,065	24,115	1,245,694	
Total Revenues	10,603,057	16,748,941	12,100,507	
Expenditures				
Salaries and Employee Benefits				
6100 -- Regular Salaries	6,297,326	6,003,653	6,751,450	
6300 -- Overtime	41,738	70,416	48,218	Expenses from the Salaries line item need to be allocated to the appropriate
6301 -- Overtime - Reimbursable	1,328,612	842,267	76,413	OT categories. These line items will be adjusted by April month-end.
6310 -- Overtime - Constant Staffing	630,174	244,350	428,960	
6400 -- Retirement Contribution	1,805,829	2,020,254	2,431,124	
6450 -- Supp Retirement Contribution	1,030,000	-	-	
6550 -- FICA/Medicare	118,950	100,021	104,563	
6600 -- Health Insurance Contrib	1,308,971	1,402,849	1,492,107	
6700 -- Unemployment Ins Contribution	6,957	5,915	5,701	
6900 -- Workers Compensation	633,815	486,158	457,134	
Salaries and Employee Benefits	13,202,372	11,175,882	11,795,670	

Line Item Account	3/31/2018 Year-To-Date Actual	3/31/2019 Year-To-Date Actual	3/31/2020 Year-To-Date Actual	Comments
Expenditures (cont'd)				
Services and Supplies				
7030 -- Clothing and Personal	96,824	45,844	49,549	
7050 -- Communications	85,977	88,848	93,614	
7060 -- Food	13,342	6,598	133	
7070 -- Household Supplies	19,061	20,748	21,049	
7090 -- Insurance	26,537	32,017	32,345	
7120 -- Equipment Maintenance	53,326	53,781	38,153	
7200 -- Structure & Ground Maintenance	12,520	28,360	25,924	
7205 -- Fire Defense Zone	109,566	99,029	81,260	
7322 -- Consulting & Mgmt Fees	696	105	630	
7324 -- Audit and Accounting Fees	20,641	17,379	12,237	
7348 -- Instruments & Equip. < \$5000	32,492	18,528	31,350	
7363 -- Equipment Maintenance	48,598	72,789	83,965	
7400 -- Medical, Dental and Lab	24,844	25,004	24,903	
7430 -- Memberships	8,632	13,465	13,007	
7450 -- Office Expense	18,814	16,045	22,758	
7460 -- Professional & Special Service	201,792	212,494	336,042	The increase in professional services this year was expected due to planned projects: Debris flow risk map, capital projects manager, Prevention review services.
7507 -- ADP Payroll Fees	5,312	5,875	8,265	
7510 -- Contractual Services	33,309	45,435	114,811	The increase in contractual (ongoing) services this year was expected due to new operational platforms: Tablet Command, MDC system, IT cloud subscriptions, Compline system maintenance.
7530 -- Publications & Legal Notices	2,784	2,279	1,463	
7540 -- Rents/Leases-Equipment	-	-	19,172	New line item this year for the generator rental.
7546 -- Administrative Expense	-	-	-	
7580 -- Rents/Leases-Structure	1,877	3,898	7,085	
7630 -- Small Tools & Instruments	18,372	677	6,462	
7650 -- Special Departmental Expense	34,765	47,428	20,607	
7671 -- Special Projects	1,763	3,201	9,182	
7730 -- Transportation and Travel	24,904	23,611	35,578	
7731 -- Gasoline-Oil-Fuel	52,989	45,493	41,103	
7732 -- Training	46,458	39,467	59,074	
7760 -- Utilities	37,296	38,824	34,881	
Services and Supplies	1,033,492	1,007,224	1,224,601	

Line Item Account	3/31/2018 Year-To-Date Actual	3/31/2019 Year-To-Date Actual	3/31/2020 Year-To-Date Actual	Comments
Capital Assets				
8200 -- Structures&Struct Improvements	-	-	345,976	Expenses for the roof and generator projects at Station 1.
8300 -- Equipment	80,538	61,452	145,986	Expenses are mainly for the 911 phone system.
Capital Assets	80,538	61,452	491,963	
Total Expenditures	14,316,402	12,244,558	13,512,234	
Other Financing Uses				
7901 -- Oper Trf (Out)	155,000	-	-	
Other Financing Uses	155,000	-	-	
Changes to Fund Balances				
Changes to Fund Balances	-	(2,827)	(29,915)	
Net Financial Impact	(3,868,345)	4,501,557	(1,441,642)	

Expenditure Trend

Selection Criteria: Fund = 3650

Layout Options: Summarized By = Fund, LineItemAccount; Page Break At = Fund; Columns = 6mo, MTDActual

Fund 3650 -- Montecito Fire Protection Dist

Line Item Account	10/31/2019 Month-To-Date Actual	11/30/2019 Month-To-Date Actual	12/31/2019 Month-To-Date Actual	1/31/2020 Month-To-Date Actual	2/29/2020 Month-To-Date Actual	3/31/2020 Month-To-Date Actual
Expenditures						
Salaries and Employee Benefits						
6100 -- Regular Salaries	643,880.61	983,417.59	1,103,287.09	540,870.22	1,040,756.34	401,654.98
6300 -- Overtime	14,249.51	-2,972.00	5,737.43	0.00	0.00	0.00
6301 -- Overtime - Reimbursable	52,055.64	0.00	0.00	0.00	0.00	0.00
6310 -- Overtime - Constant Staffing	127,068.66	-22,341.00	33,880.94	0.00	0.00	0.00
6400 -- Retirement Contribution	112,162.64	112,403.52	114,946.83	212,736.09	113,377.24	110,719.47
6450 -- Supp Retirement Contribution	0.00	0.00	0.00	0.00	0.00	0.00
6550 -- FICA/Medicare	12,099.13	14,190.05	17,494.35	6,734.87	15,551.30	5,089.53
6600 -- Health Insurance Contrib	163,115.21	161,647.20	163,949.66	169,776.02	162,277.31	169,628.01
6700 -- Unemployment Ins Contribution	57.68	167.42	96.23	4,952.98	227.71	2.40
6900 -- Workers Compensation	0.00	0.00	0.00	0.00	0.00	0.00
Total Salaries and Employee Benefits	1,124,689.08	1,246,512.78	1,439,392.53	935,070.18	1,332,189.90	687,094.39
Services and Supplies						
7030 -- Clothing and Personal	31.03	12,471.82	592.37	79.20	6,441.30	3,505.43
7050 -- Communications	10,508.14	3,642.25	19,436.33	12,711.89	6,538.02	10,642.52
7060 -- Food	0.00	0.00	0.00	0.00	132.95	0.00
7070 -- Household Supplies	2,021.17	2,787.22	1,680.16	4,109.15	1,636.73	1,622.30
7090 -- Insurance	0.00	0.00	0.00	0.00	0.00	0.00
7120 -- Equipment Maintenance	8,026.03	-11,702.39	4,402.33	5,334.89	3,424.71	7,914.33
7200 -- Structure & Ground Maintenance	2,130.00	1,836.53	1,695.00	9,213.05	1,937.71	3,370.45
7205 -- Fire Defense Zone	4,471.02	6,679.65	3,687.34	16,375.04	1,921.61	15,901.00
7322 -- Consulting & Mgmt Fees	0.00	0.00	0.00	630.00	0.00	0.00
7324 -- Audit and Accounting Fees	0.00	0.00	8,227.00	0.00	0.00	0.00
7348 -- Instruments & Equip. < \$5000	644.88	12,712.41	8,845.34	1,902.17	3,511.57	2,155.70
7363 -- Equipment Maintenance	7,818.83	9,969.81	2,918.69	14,792.10	11,826.28	10,560.40
7400 -- Medical, Dental and Lab	653.05	587.33	11,404.03	1,554.12	108.74	1,907.85
7430 -- Memberships	7,615.00	800.00	150.00	0.00	0.00	0.00

Expenditure Trend

Selection Criteria: Fund = 3650

Layout Options: Summarized By = Fund, LineItemAccount; Page Break At = Fund; Columns = 6mo, MTDActual

Fund 3650 -- Montecito Fire Protection Dist

Line Item Account	10/31/2019 Month-To-Date Actual	11/30/2019 Month-To-Date Actual	12/31/2019 Month-To-Date Actual	1/31/2020 Month-To-Date Actual	2/29/2020 Month-To-Date Actual	3/31/2020 Month-To-Date Actual
7450 -- Office Expense	5,870.59	1,352.32	2,739.18	2,930.06	1,641.36	2,951.34
7460 -- Professional & Special Service	28,269.02	49,277.15	71,614.13	66,234.60	24,807.53	31,675.35
7507 -- ADP Payroll Fees	912.99	1,050.76	812.98	1,758.04	1,337.19	510.69
7510 -- Contractual Services	5,008.74	3,865.84	5,727.62	7,260.48	50,736.28	6,685.65
7530 -- Publications & Legal Notices	0.00	0.00	0.00	88.00	1,165.32	112.64
7540 -- Rents/Leases-Equipment	1,778.82	1,778.82	1,778.82	3,989.79	1,763.06	1,763.06
7546 -- Administrative Expense	0.00	0.00	0.00	0.00	0.00	0.00
7580 -- Rents/Leases-Structure	2,351.79	0.00	0.00	2,381.46	0.00	0.00
7630 -- Small Tools & Instruments	1,015.30	1,049.80	415.00	748.42	960.99	25.00
7650 -- Special Departmental Expense	12,507.83	0.00	693.39	2,198.23	75.40	2,225.31
7671 -- Special Projects	0.00	0.00	0.00	299.07	0.00	6,897.75
7730 -- Transportation and Travel	5,719.63	495.00	4,632.82	2,855.98	6,949.76	8,818.40
7731 -- Gasoline-Oil-Fuel	6,105.06	585.30	6,055.59	5,881.59	3,650.46	5,371.52
7732 -- Training	9,548.61	5,054.00	3,754.63	11,772.88	6,176.05	7,183.81
7760 -- Utilities	7,600.45	2,415.17	2,552.39	3,070.00	6,858.67	2,572.74
Total Services and Supplies	130,607.98	106,708.79	163,815.14	178,170.21	143,601.69	134,373.24
Capital Assets						
8200 -- Structures&Struct Improvements	79,309.88	76,604.25	70,264.48	0.00	0.00	119,797.78
8300 -- Equipment	50,752.76	0.00	10,643.65	0.00	0.00	49,063.16
Total Capital Assets	130,062.64	76,604.25	80,908.13	0.00	0.00	168,860.94
Total Expenditures	1,385,359.70	1,429,825.82	1,684,115.80	1,113,240.39	1,475,791.59	990,328.57
Other Financing Sources & Uses						
Other Financing Uses						
7901 -- Oper Trf (Out)	0.00	0.00	0.00	0.00	0.00	0.00
Total Other Financing Uses	0.00	0.00	0.00	0.00	0.00	0.00
Total Other Financing Sources & Uses	0.00	0.00	0.00	0.00	0.00	0.00

Expenditure Trend

Selection Criteria: Fund = 3650

Layout Options: Summarized By = Fund, LineItemAccount; Page Break At = Fund; Columns = 6mo, MTDActual

Fund 3650 -- Montecito Fire Protection Dist

Line Item Account	10/31/2019 Month-To-Date Actual	11/30/2019 Month-To-Date Actual	12/31/2019 Month-To-Date Actual	1/31/2020 Month-To-Date Actual	2/29/2020 Month-To-Date Actual	3/31/2020 Month-To-Date Actual
Changes to Fund Balances						
Changes to Restricted						
9797 -- Unrealized Gains	0.00	0.00	10,987.09	0.00	0.00	54,869.14
Total Changes to Restricted	0.00	0.00	10,987.09	0.00	0.00	54,869.14
Total Changes to Fund Balances	0.00	0.00	10,987.09	0.00	0.00	54,869.14
Total Montecito Fire Protection Dist	1,385,359.70	1,429,825.82	1,695,102.89	1,113,240.39	1,475,791.59	1,045,197.71
Total Report	1,385,359.70	1,429,825.82	1,695,102.89	1,113,240.39	1,475,791.59	1,045,197.71

**Montecito Fire Department
Mutual Aid Billing Detail
FY 2019-20**

Fire Name, #	Period Covered	Invoice #	Invoice Date	Agency	Total Due	Date Received	Amount Received
Bautista, CA-BDF-014540	09/15-09/17/19	F-20190122	10/28/19	USFS	23,224.69	12/20/19	23,224.69
Briceburg, CA-MMU-021257	10/09-10/12/19	U-20190331	11/25/19	CalOES	20,783.95	02/14/20	20,783.95
Cave, CA-LPF-002908 (FMAG)	11/25-12/01/19	O-20190915	02/04/20	USFS	67,252.38		
Kincade, CA-LNU-019376	10/20/11/06/19	U-20190556	01/03/20	CalOES	138,026.09		
Lime, CA-KNF-007074	09/07-09/19/19			CalOES	44,932.79		
Lopez, CA-SLU-012773	09/23-09/24/19	U-20190271	10/30/19	CalOES	8,386.97	02/03/20	8,386.97
McMurray, CA-SBC-011619	09/09-09/10/19	U-20190251	10/22/19	CalOES	12,591.35	02/14/20	12,591.35
Maria, CA-VNC-090135	11/01-11/03/19	O-20190854	04/14/20	CalOES	28,784.15		
Mill, CA-LPF-001678	08/01-08/03/19	F-20190023	08/19/19	USFS	18,479.11	10/11/19	18,479.10
OES Preposition, CA-OES-190027	09/06-09/09/19	O-20190183	10/21/19	CalOES	30,531.15		
OES Preposition, CA-OES-190077	10/20-10/21/19	O-20190533	12/18/19	CalOES	11,572.88		
OES Preposition, CA-OES-190094	10/23-10/24/19			CalOES	11,572.88		
ONC Staging, CA-ONC-000002	09/06-11/01/19	F-20190335	12/02/19	USFS	49,824.02	01/08/20	49,824.02
Real, CA-SBC-013465	10/17-10/20/19	U-20190365	12/02/19	CalOES	29,511.23	03/11/20	29,511.23
Redbank, CA-TGU-009386	09/06-09/13/19	U-20190167	10/21/19	CalOES	71,388.34	02/10/20	71,388.35
Saddle Ridge, CA-LFD-001582 (FMAG)	10/11-10/15/19	O-20190786	02/03/20	CalOES	28,621.58		
Tick, CA-LAC-326166 (FMAG)	10/24-10/27/19	O-20190610	02/25/20	CalOES	22,763.15		
Tick, CA-LAC-326166 (FMAG)	10/24-10/27/19	O-20190995	02/25/20	CalOES	31,935.76		
					\$ 650,182.47		\$ 234,189.66

Agenda

Item #5

**MONTECITO FIRE PROTECTION DISTRICT
PARS Post-Employment Benefits Trust**

OPEB Account

Month	Beginning Balance	Contributions	Earnings	Expenses	Ending Balance	1-M % (net)	3-M % (net)
March 2019	11,274,063.92	-	122,019.57	4,780.38	11,391,303.11	1.04%	8.73%
April 2019	11,391,303.11	-	273,206.79	4,809.59	11,659,700.31	2.36%	5.38%
May 2019	11,659,700.31	-	(402,352.59)	4,899.50	11,252,448.22	-3.49%	-0.19%
June 2019	11,252,448.22	-	506,696.03	4,770.22	11,754,374.03	4.46%	3.19%
July 2019	11,754,374.03	-	78,677.61	4,829.24	11,828,222.40	0.63%	1.45%
August 2019	11,828,222.40	-	(124,513.49)	4,784.47	11,698,924.44	-1.09%	3.97%
September 2019	11,698,924.44	-	105,468.29	4,740.43	11,799,652.30	0.86%	0.39%
October 2019	11,799,652.30	-	154,650.67	4,665.59	11,949,637.38	1.27%	1.03%
November 2019	11,949,637.38	-	238,394.84	4,709.18	12,183,323.04	1.96%	4.14%
December 2019	12,183,323.04	-	99,488.67	4,772.26	12,278,039.45	0.78%	4.05%
January 2020	12,278,039.45	-	116,312.24	4,801.69	12,389,550.00	0.91%	3.68%
February 2020	12,389,550.00	-	(185,791.44)	4,827.52	12,198,931.04	-1.54%	0.13%
Total		-	982,257.19	57,390.07			

Total Contributions to the Plan = 8,376,000

Total OPEB Liability at 6/30/2018 = 13,538,041

PARS OPEB balance at 6/30/2018 = 11,123,664

Net OPEB Liability at 6/30/2018 = **2,414,377**

Funded status = 82.17%

Pension Account

Month	Beginning Balance	Contributions	Earnings	Expenses	Ending Balance	1-M % (net)	3-M % (net)
March 2019	1,867,052.90	-	23,456.01	789.43	1,889,719.48	1.21%	6.16%
April 2019	1,889,719.48	-	25,153.92	794.94	1,914,078.46	1.29%	3.70%
May 2019	1,914,078.46	-	(20,288.32)	800.89	1,892,989.25	-1.10%	1.39%
June 2019	1,892,989.25	2,800,000.00	53,836.24	798.96	4,746,026.53	2.80%	2.98%
July 2019	4,746,026.53	-	14,036.81	1,322.65	4,758,740.69	0.27%	2.33%
August 2019	4,758,740.69	-	17,513.57	1,616.56	4,774,637.70	0.33%	4.31%
September 2019	4,774,637.70	-	13,555.69	1,627.19	4,786,566.20	0.25%	0.85%
October 2019	4,786,566.20	-	38,585.36	1,898.66	4,823,252.90	0.77%	1.36%
November 2019	4,823,252.90	-	45,506.22	1,898.55	4,866,860.57	0.90%	1.93%
December 2019	4,866,860.57	-	50,602.00	1,902.94	4,915,559.63	1.00%	2.69%
January 2020	4,915,559.63	-	46,564.11	1,922.28	4,960,201.46	0.91%	2.84%
February 2020	4,960,201.46	-	(74,376.41)	1,932.62	4,883,892.43	-1.54%	0.35%
Total		2,800,000.00	234,145.20	17,305.67			

Total Contributions to the Plan = 4,600,000

Total Accrued Pension Liability at 6/30/2018 = 98,297,203

CalPERS and PARS total assets at 6/30/2018 = 78,624,439

Net Pension Liability at 6/30/2018 = **19,672,764**

Funded status = 79.99%

MONTECITO FIRE PROTECTION DISTRICT
PARS Post-Employment Benefits Trust

Account Report for the Period
1/1/2020 to 1/31/2020

Kevin Taylor
Fire Chief
Montecito Fire Protection District
595 San Ysidro Rd.
Santa Barbara, CA 93108

Account Summary

Source	Balance as of 1/1/2020	Contributions	Earnings	Expenses	Distributions	Transfers	Balance as of 1/31/2020
OPEB	\$12,278,039.45	\$0.00	\$116,312.24	\$4,801.69	\$0.00	\$0.00	\$12,389,550.00
PENSION	\$4,915,559.63	\$0.00	\$46,564.11	\$1,922.28	\$0.00	\$0.00	\$4,960,201.46
Totals	\$17,193,599.08	\$0.00	\$162,876.35	\$6,723.97	\$0.00	\$0.00	\$17,349,751.46

Investment Selection

Source

OPEB **Montecito Fire Protection District - OPEB**
PENSION **Montecito Fire Protection District - PENSION**

Investment Objective

Source

OPEB Individual account based on Moderately Conservative HighMark PLUS. The dual goals of the Moderately Conservative Strategy are current income and moderate capital appreciation. The major portion of the assets is committed to income-producing securities. Market fluctuations should be expected.

PENSION Individual account based on Moderately Conservative HighMark PLUS. The dual goals of the Moderately Conservative Strategy are current income and moderate capital appreciation. The major portion of the assets is committed to income-producing securities. Market fluctuations should be expected.

Investment Return

Source	1-Month	3-Months	1-Year	Annualized Return			Plan's Inception Date
				3-Years	5-Years	10-Years	
OPEB	0.95%	3.81%	12.54%	8.63%	6.94%	7.43%	1/19/2010
PENSION	0.95%	2.96%	10.43%	-	-	-	6/29/2017

Information as provided by US Bank, Trustee for PARS; Not FDIC Insured; No Bank Guarantee; May Lose Value

Past performance does not guarantee future results. Performance returns may not reflect the deduction of applicable fees, which could reduce returns. Information is deemed reliable but may be subject to change.
Investment Return: Annualized rate of return is the return on an investment over a period other than one year multiplied or divided to give a comparable one-year return.
Account balances are inclusive of Trust Administration, Trustee and Investment Management fees

MONTECITO FIRE PROTECTION DISTRICT
PARS Post-Employment Benefits Trust

Account Report for the Period
2/1/2020 to 2/29/2020

Kevin Taylor
Fire Chief
Montecito Fire Protection District
595 San Ysidro Rd.
Santa Barbara, CA 93108

Account Summary

Source	Balance as of 2/1/2020	Contributions	Earnings	Expenses	Distributions	Transfers	Balance as of 2/29/2020
OPEB	\$12,389,550.00	\$0.00	-\$185,791.44	\$4,827.52	\$0.00	\$0.00	\$12,198,931.04
PENSION	\$4,960,201.46	\$0.00	-\$74,376.41	\$1,932.62	\$0.00	\$0.00	\$4,883,892.43
Totals	\$17,349,751.46	\$0.00	-\$260,167.85	\$6,760.14	\$0.00	\$0.00	\$17,082,823.47

Investment Selection

Source	
OPEB	Montecito Fire Protection District - OPEB
PENSION	Montecito Fire Protection District - PENSION

Investment Objective

Source	
OPEB	Individual account based on Moderately Conservative HighMark PLUS. The dual goals of the Moderately Conservative Strategy are current income and moderate capital appreciation. The major portion of the assets is committed to income-producing securities. Market fluctuations should be expected.
PENSION	Individual account based on Moderately Conservative HighMark PLUS. The dual goals of the Moderately Conservative Strategy are current income and moderate capital appreciation. The major portion of the assets is committed to income-producing securities. Market fluctuations should be expected.

Investment Return

Source	1-Month	3-Months	1-Year	Annualized Return			Plan's Inception Date
				3-Years	5-Years	10-Years	
OPEB	-1.50%	0.25%	8.74%	7.36%	5.94%	7.26%	1/19/2010
PENSION	-1.50%	0.47%	7.48%	-	-	-	6/29/2017

Information as provided by US Bank, Trustee for PARS; Not FDIC Insured; No Bank Guarantee; May Lose Value

Past performance does not guarantee future results. Performance returns may not reflect the deduction of applicable fees, which could reduce returns. Information is deemed reliable but may be subject to change.

Investment Return: Annualized rate of return is the return on an investment over a period other than one year multiplied or divided to give a comparable one-year return.

Account balances are inclusive of Trust Administration, Trustee and Investment Management fees

Agenda

Item #6



STAFF REPORT

To: Montecito Fire Protection District Finance Committee
From: Kevin Taylor, Fire Chief *KT*
Prepared by: Araceli Nahas, Accountant *AN*
Date: April 20, 2020
Topic: GASB 75 Actuarial Valuation Report as of July 1, 2018

Summary

The Montecito Fire Protection District offers its employees and retirees a post-retirement health care benefit that is administered by CalPERS. Every two years, an actuarial valuation report is required to detail the liability associated with the post-retirement benefit. The District engaged DFA, LLC (DFA) to prepare an actuarial valuation report as of July 1, 2018. The report meets the requirements set forth by the Governmental Accounting Standards Board, Statement No. 75 (GASB 75), which requires disclosure of Other Post-Employment Benefits (OPEB).

The Net OPEB Liability as of July 1, 2018 is \$2,414,377, resulting in a plan funded status of 82%.

Background

To perform the July 1, 2018 valuation report, Staff provided the actuaries with the following information for the period of July 1, 2017 to June 30, 2018:

- Census data for active employees and retirees
- Insurance premiums and enrollment data
- PARS Trust statements and investment allocation

The detailed valuation data and actuarial assumptions start on page 14 of the report.

Discussion

The Total OPEB Liability as of July 1, 2018 is \$13,538,041, an increase of 20% from the July 1, 2016 valuation of \$11,299,488. A summary of the factors affecting the change is provided on page 4 of the report.

The Total OPEB Liability is offset by the assets held in the District's irrevocable trust set up for pre-funding retiree healthcare benefits. In October of 2009, the Board of Directors established the PARS OPEB Trust account. Since then, the account balance has increased significantly from \$650,000 (the initial contribution) to over \$12 million in assets. For purposes of this report, the total Plan Assets on July 1, 2018 were \$11,123,664, resulting in a Net OPEB Liability of \$2,414,377.

The table on page 6 of the report details the plan's funded status as of July 1, 2019, along with a sensitivity analysis showing how the OPEB liability would change if there were +1/-1% change to the discount rate, or healthcare cost trend rates.

Funding Progress

The following chart highlights the District's OPEB funding progress by comparing the data from the last four valuation reports.

	7/1/10	7/1/13	7/1/16	7/1/18
A. Total OPEB Liability	9,452,985	10,082,480	11,299,488	13,538,041
B. Plan Assets	633,471	2,746,320	9,247,387	11,123,664
C. Net OPEB Liability (A-B)	8,819,514	7,336,160	2,052,101	2,414,377
Plan Funded Status (B/A)	6.7%	27.2%	81.8%	82.2%

It is important to note that the last four valuations use a 6.5% discount rate based on the PARS Balanced Investment Strategy. Future reports will use a lower discount rate to reflect the change to the PARS Moderately Conservative Investment Strategy that went into effect December 2019.

Conclusion

The District has proactively reduced the Net OPEB Liability over the last 10 years by contributing to the PARS Trust account, and allowing the earnings to grow the trust. Staff is not recommending any further action based on this valuation report.

The Finance Committee has the option to:

- a. Recommend that the Board accept and file OPEB Actuarial Valuation Report as of July 1, 2018.
- b. Recommend that the Board amend, modify or reject above option.

Attachments

1. GASB 75 Valuation Report

Strategic Plan Reference

Strategic Plan Goal #9, Ensure Financial Accountability & Transparency



March 11, 2020

Mr. Kevin Taylor
Fire Chief
Montecito Fire Protection District
595 San Ysidro Road
Santa Barbara, CA 93108

Re: Montecito Fire Protection District ("District") GASB 75 Valuation

Dear Mr. Taylor:

This report sets forth the results of our GASB 75 actuarial valuation of the District's retiree health insurance program as of July 1, 2018.

In June 2004, the Governmental Accounting Standards Board (GASB) issued its accrual accounting standards for retiree healthcare benefits, GASB 43 and GASB 45. GASB 43/45 require public employers such as the District to perform periodic actuarial valuations to measure and disclose their retiree healthcare liabilities for the financial statements of both the employer and the trust, if any, set aside to pre-fund these liabilities. In June 2015, GASB released new accounting standards for postretirement benefit programs, GASB 74 and GASB 75, which replace GASB 43 and GASB 45, respectively.

The District selected DFA, LLC (DFA) to perform an actuarial valuation of the retiree health insurance program as of July 1, 2018. This report may be compared with the valuation performed by DFA as of July 1, 2016, to see how the liabilities have changed since the last valuation.

Basis for Actuarial Valuation

To perform the valuation, we relied on the following information provided by the District:

- Census data for active employees and retirees;
- Claims, premium, expense, and enrollment data;
- Copies of relevant sections of healthcare documents; and
- (If applicable) trust statements prepared by the trustee.

We also made certain assumptions regarding rates of employee turnover, retirement, and mortality, as well as economic assumptions regarding healthcare inflation and interest rates. Our assumptions are based on a standard set of assumptions used for similar valuations, modified as appropriate for the District.

A complete description of the actuarial assumptions used in the valuation is set forth in the Actuarial Assumptions section.

Montecito Fire Protection District
March 11, 2020
Page 2

Certification

The actuarial certification, including a caveat regarding limitations of scope, if any, is contained in the Actuarial Certification section.

We have enjoyed working with the District on this project and are available to answer any questions you may have concerning any information contained herein.

Sincerely,
DFA, LLC



Carlos Diaz, ASA, EA, MAAA
Actuary



Molly McGee, ASA, MAAA
Actuary

Financial Results

In this section, we present financial results based on a long-term expected return on plan investments of 6.50%. This rate is based on our best estimate of expected long-term plan experience for funded plans such as the District's. Results for purposes of GASB 75 reporting are presented in the next section.

We have determined that the present value of all benefits expected to be paid by the District for its current and future retirees is \$16,990,513 as of July 1, 2018. If the District were to place this amount in a fund earning interest at the rate of 6.50% per year, and all other actuarial assumptions were exactly met, the fund would have exactly enough to pay all expected benefits.

When we apportion the \$16,990,513 into past service and future service components under the Entry Age, Level Percent of Pay Cost Method, the Total OPEB Liability is \$13,538,041 as of July 1, 2018. This represents the present value of all benefits accrued through the valuation date if each employee's liability is expensed from hire date until retirement date as a level percentage of pay. The \$13,538,041 is comprised of liabilities of \$4,606,394 for active employees and \$8,931,647 for retirees.

The District has adopted an irrevocable trust for the pre-funding of retiree healthcare benefits. As of July 1, 2018, the trust balance or Plan Fiduciary's Net Position (GASB 75) is \$11,123,664.

The Net OPEB Liability, equal to the Total OPEB Liability over the Plan Fiduciary's Net Position, is \$2,414,377.

This valuation includes benefits for 49 retirees and 45 active employees who may become eligible to retire and receive benefits in the future. It excludes employees hired after the valuation date.

Implicit Subsidy and ASOP 6

When premiums charged for retiree healthcare are lower than expected claims, an implicit subsidy is realized. This occurs, for example, when pre-Medicare retirees are afforded medical coverage at the same rates as active employees.

Actuarial Standard of Practice No. 6 (ASOP 6), revised in May 2014, provides guidance in measuring OPEB obligations and determining periodic costs or actuarially determined contributions. The standard specifies that in (almost all instances), the actuary must include the value of this implicit subsidy in the GASB 45/75 liabilities.

This valuation reflects the value of the implicit subsidy equal to \$1,505,855.

Financial Results (continued)

Differences from Prior Valuation

The most recent prior valuation was completed as of July 1, 2016 by DFA. The Total OPEB Liability as of that date was \$11,299,488, compared to \$13,538,041 as of July 1, 2018 (determined using a discount rate of 6.50%).

Several factors have caused the Total OPEB Liability to change since 2016:

- An increase as employees accrue more service and get closer to receiving benefits;
- A decrease from a release of benefits;
- Changes in the plan census from new employees and differences between actual and expected retirement, terminations, and deaths;
- Changes in healthcare costs from differences between actual and expected healthcare trend; and
- Changes in actuarial assumptions and methodology for the current valuation.

To summarize, the most important changes were as follows:

1. An increase of \$680,647 resulting from population experience (terminations, retirements, and mortality) different than expected;
2. An increase of \$932,631 from changes in healthcare costs different than expected;
3. An increase of \$104,347 from changes in District cap different than expected;
4. A decrease of \$7,730 from a change in the PEMHCA administrative fees as a percentage of total premiums (0.31% for 2016 to 0.23% for 2018);
5. A decrease of \$788,898 from a change in healthcare trend rate (6.00% for 2018 decreasing to 5% in 2028).

The estimated changes from July 1, 2016 to July 1, 2018 are as follows:

Total OPEB Liability as of July 1, 2016	\$11,299,488
Passage of time	1,317,556
Change in census	680,647
Change in premium rates	932,631
Change in employer cap	104,347
Change in administration fees	(7,730)
Change in trend rate	(788,898)
Total OPEB Liability as of July 1, 2018	\$13,538,041

GASB 75 Results

For financial reporting purposes, GASB 75 requires a discount rate that reflects the following:

- a. The long-term expected rate of return on OPEB plan investments – to the extent that the OPEB plan's fiduciary net position is projected to be enough to make projected benefit payments and assets are expected to be invested using a strategy to achieve that return;
- b. A yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher – to the extent that the conditions in (a) are not met.

The amount of the plan's projected fiduciary net position and the amount of projected benefit payments should be compared in each period of projected benefit payments.

Based on these requirements and the following information, we have determined a discount rate of 6.50% for GASB 75 reporting purposes:

Long-Term Expected Return on Assets	6.50%
Fidelity General Obligations AA - 20 Years Index at June 30, 2018	3.62%
GASB 75 Discount Rate	6.50%

GASB 75 Results (continued)

**Montecito Fire Protection District
Net OPEB Liabilities and Expense Under
GASB 75 Accrual Accounting Standard**

	July 1, 2018¹		
	Long-Term Return	Municipal Bond Index	GASB 75 Rate
Discount Rate	6.50%	3.62%	6.50%
Present Value of Future Benefits			
Active	\$8,058,866	\$14,490,190	\$8,058,866
Retired	8,931,647	12,098,354	8,931,647
Total	\$16,990,513	\$26,588,544	\$16,990,513
Total OPEB Liability (Actuarial Liability)			
Active	\$4,606,394	\$6,892,767	\$4,606,394
Retired	8,931,647	12,098,354	8,931,647
Total	\$13,538,041	\$18,991,121	\$13,538,041
Plan Fiduciary Net Position (Plan Assets)	\$11,123,664	\$11,123,664	\$11,123,664
Net OPEB Liability (Unfunded Actuarial Liability)	\$2,414,377	\$7,867,457	\$2,414,377
Sensitivity Analysis			
1% Decrease in Discount Rate	5.50%	2.62%	5.50%
Net OPEB Liability	\$3,981,029	\$10,629,710	\$3,981,029
1% Increase in Discount Rate	7.50%	4.62%	7.50%
Net OPEB Liability	\$1,101,288	\$5,622,745	\$1,101,288
1% Decrease in Trend Rate	5.00% decreasing to 4.00%	5.00% decreasing to 4.00%	5.00% decreasing To 4.00%
Net OPEB Liability	\$1,046,161	\$5,536,039	\$1,046,161
1% Increase in Trend Rate	7.00% decreasing to 6.00%	7.00% decreasing to 6.00%	7.00% decreasing to 6.00%
Net OPEB Liability	\$3,903,231	\$10,513,228	\$3,903,231

¹ For the District's financial statements, DFA will provide separate schedules with supplemental GASB 75 information.

GASB 75 Results (continued)

Net OPEB Expense

We have determined the following components of the District's Net OPEB Expense for the measurement year ending June 30, 2019: Service Cost, Interest Cost, and Expected Return on Assets. The Service Cost represents the present value of benefits accruing in the current year. Interest Cost represents the interest on the Total OPEB Obligation. Expected Return on Assets is the expected return based on a 6.50% investment rate of return. Other components (Deferred Outflows and Inflows) will be determined based on the Net OPEB Obligation as of June 30, 2019.

We summarize the valuation results in the table on the next page. We provide results at three discount rates (the expected return on assets, the municipal bond index, and the GASB 75 rate, discussed above). All amounts are net of expected future retiree contributions, if any.

DFA will be available to assist the District and its auditors in preparing the footnotes and required supplemental information for compliance with GASB 75 (and GASB 74, if applicable). In the meantime, we are available to answer any questions the District may have concerning the report.

Actuarially Determined Contribution and Pay-As-You-Go with Implied Subsidy

We have calculated an actuarially determined contribution representing the Service Cost and a 30-year amortization (as a level percent of pay) of the Net OPEB Liability. We include the results in the table on the next page. We provide results at three discount rates (the expected long-term return on assets, the municipal bond index, and the GASB 75 rate).

An actuarially determined contribution is a potential payment to the plan determined using a contribution allocation procedure. It is not a required contribution, but a measurement commonly used to prefund OPEB benefits. We provide the amounts for illustrative purposes.

The actuarially determined contribution may be compared to the pay-as-you-go payment. The table shows the pay-as-you-go payment along with the projected implied subsidy payment.

The Funding Schedules section provides additional prefunding alternatives.

GASB 75 Results (continued)

**Montecito Fire Protection District
Net OPEB Liabilities and Expense Under
GASB 75 Accrual Accounting Standard**

	July 1, 2018		
	Long-Term Return	Municipal Bond Index	GASB 75 Rate
Discount Rate	6.50%	3.62%	6.50%
Components of Net OPEB Expense for 2018-19			
Service Cost at Year-End	\$455,172	\$792,375	\$455,172
Interest Cost	855,163	673,565	855,163
Expected Return on Assets	(723,038)	(723,038)	(723,038)
Subtotal	\$587,297	\$742,902	\$587,297
Change in Deferred Outflows ²			
Change in Deferred Inflows ²			
Actuarially Determined Contribution (2018-19)			
Service Cost	\$455,172	\$792,375	\$455,172
Amortization of Net OPEB Liability ³	118,435	257,565	118,435
Total ⁴	\$573,607	\$1,049,940	\$573,607
Pay-As-You-Go Payment with Implied Subsidy (2018-19)			
Projected Pay-As-You-Go	\$687,715	\$687,715	\$687,715
Projected Implied Subsidy	87,871	87,871	87,871
Total	\$775,586	\$775,586	\$775,586

² To be determined based on the Total OPEB Obligation and Plan Fiduciary Net Position as of June 30, 2019.

³ 30-year amortization (as a level percent of pay).

⁴ Estimated Actuarially Determined Contribution for 2019-20:

	Long-Term Return	Municipal Bond Index	GASB 75 Rate
Total	\$596,551	\$1,091,938	\$596,551

GASB 75 Results (continued)**Schedule of Changes in Net OPEB Liability (July 1, 2017 to June 30, 2018)**

1. Total OPEB Liability	
a. Total OPEB Liability at July 1, 2017 ⁵	\$11,973,770
b. Service Cost ⁶	472,727
c. Interest Cost	753,337
d. Benefit Payments ⁷	(780,231)
e. Changes in plan provisions ⁸	0
f. Difference between expected and actual experience ⁸	1,907,336
g. Changes in assumptions and other inputs ⁸	(788,898)
h. Total OPEB Liability at June 30, 2018	\$13,538,041
2. Plan Fiduciary Net Position	
a. Plan Fiduciary Net Position at July 1, 2017 ⁵	\$10,372,284
b. Contributions ⁷	780,231
c. Expected Investment Income	674,198
d. Benefit Payments ⁷	(780,231)
e. Projected Plan Fiduciary Net Position at June 30, 2018	\$11,046,482
f. Difference between expected and actual return on assets ⁸	77,182
g. Plan Fiduciary Net Position at June 30, 2018	\$11,123,664
3. Net OPEB Liability: (1h) - (2g)	\$2,414,377

⁵ From June 30, 2018 disclosure report, based on the July 1, 2016 actuarial valuation;

⁶ Discounted from July 1, 2018 valuation;

⁷ Includes credit toward implicit subsidy;

⁸ Deferred Outflow/(Inflow) of Resources established as of the June 30, 2018.

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

Type	Initial Amount	Date Established	Period (Years)	Annual Recognition ⁹
Difference between expected/actual experience	0	06/30/2016	0.0	0
Difference between expected/actual return on assets	0	06/30/2016	5.0	0
Changes in assumptions or other inputs	0	06/30/2016	0.0	0
Difference between expected/actual experience	0	06/30/2017	0.0	0
Difference between expected/actual return on assets	(523,817)	06/30/2017	5.0	(104,763)
Changes in assumptions or other inputs	0	06/30/2017	0.0	0
Difference between expected/actual experience	1,907,336	06/30/2018	4.7	405,816
Difference between expected/actual return on assets	(77,182)	06/30/2018	5.0	(15,436)
Changes in assumptions or other inputs	(788,898)	06/30/2018	4.7	(167,851)

⁹ Charge/(Credit).

Funding Schedules

There are many ways to approach the pre-funding of retiree healthcare benefits. In the sections above, we determined the annual expense for all District-paid benefits. The expense is an orderly methodology, developed by the GASB, to account for retiree healthcare benefits. However, the GASB 75 expense has no direct relation to amounts the District may set aside to pre-fund healthcare benefits.

The table on the next page provides the District with three alternative schedules for funding (as contrasted with expensing) retiree healthcare benefits. The schedules all assume that the retiree fund earns, or is otherwise credited with, 6.50% per annum on its investments, a starting Trust value of \$11,123,664 as of July 1, 2018, and that contributions and benefits are paid mid-year.

The schedules are:

1. A level contribution amount for the next 20 years.
2. A level percent of the Unfunded Accrued Liability.
3. A constant percentage (4.00%) increase for the next 20 years.

We provide these funding schedules to give the District a sense of the various alternatives available to it to pre-fund its retiree healthcare obligation. The three funding schedules are simply three different examples of how the District may choose to spread its costs.

By comparing the schedules, you can see the effect that early pre-funding has on the total amount the District will eventually have to pay. Because of investment earnings on fund assets, the earlier contributions are made, the less the District will have to pay in the long run. Of course, the advantages of pre-funding will have to be weighed against other uses of the money.

The table on the following page shows the required annual outlay under the pay-as-you-go method and each of the above schedules. **The three funding schedules include the "pay-as-you-go" costs; therefore, the amount of pre-funding is the excess over the "pay-as-you-go" amount.**

Treatment of Implicit Subsidy

We exclude the implicit subsidy from these funding schedules because we do not recommend that the District pre-fund for the full age-adjusted costs reflected in the liabilities shown in the first section of this report. If the District's premium structure changes in the future to explicitly charge under-age 65 retirees for the full actuarial cost of their benefits, this change will be offset by a lowering of the active employee rates (all else remaining equal), resulting in a direct reduction in District operating expenses on behalf of active employees from that point forward. For this reason, among others, we believe that pre-funding of the full GASB liability would be redundant.

Funding Schedules (continued)

Sample Funding Schedules (Closed Group) Starting Trust Value of \$11,123,664 as of July 1, 2018

Year Beginning	Pay-as-you-go	Level Contribution for 20 years	Level % of Unfunded Liability	Constant Percentage Increase
2018	\$687,715	\$339,645	\$229,856	\$268,722
2019	738,155	339,645	249,104	276,784
2020	780,283	339,645	266,164	285,087
2021	829,420	339,645	280,815	293,640
2022	867,496	339,645	293,615	302,449
2023	902,457	339,645	304,198	311,523
2024	921,397	339,645	312,666	320,868
2025	948,220	339,645	318,637	330,494
2026	981,149	339,645	322,784	340,409
2027	994,113	339,645	325,522	350,621
2028	1,018,784	339,645	326,304	361,140
2029	1,033,127	339,645	325,792	371,974
2030	1,052,664	339,645	323,806	383,133
2031	1,065,102	339,645	320,686	394,627
2032	1,094,302	339,645	316,366	406,466
2033	1,125,893	339,645	311,374	418,660
2034	1,185,477	339,645	305,710	431,220
2035	1,228,977	339,645	299,817	444,157
2036	1,248,936	339,645	293,106	457,481
2037	1,296,136	339,645	285,116	471,206
2038	1,319,974	0	276,285	0
2039	1,349,365	0	266,215	0
2040	1,365,719	0	255,009	0
2041	1,354,406	0	242,579	0
2042	1,345,173	0	228,884	0
2043	1,340,037	0	214,182	0
2044	1,268,953	0	198,663	0
2045	1,263,149	0	165,734	0
2046	1,219,332	0	133,377	0
2047	1,180,487	0	107,364	0
2048	1,108,066	0	86,449	0
2049	1,067,820	0	69,629	0
2050	1,030,398	0	56,105	0
2055	824,856	0	19,227	0
2060	663,987	0	6,778	0
2065	502,266	0	2,531	0
2070	334,270	0	1,033	0

Note to auditor: when calculating the employer OPEB contribution for the year ending on the statement date, we recommend multiplying the actual District-paid premiums on behalf of retirees by a factor of 1.1252 to adjust for the implicit subsidy.

Funding Schedules (continued)

The table below provides an alternative comparison of the funding schedules. The present value (or time-value) of payments for each alternative is \$3,856,585 and represents the difference between the present value of projected pay-as-you-go payments and the current trust value.

The difference between total contributions and present value of contributions is the total interest cost associated with each alternative. As discussed above, the advantages of pre-funding should be weighed against other financial considerations.

	Pay-as-you-go	Level Contribution for 20 years	Level % of Unfunded Liability	Constant Percentage Increase
Present value of contributions ¹⁰	\$3,856,585	\$3,856,585	\$3,856,585	\$3,856,585
Total interest cost	25,760,797	2,936,321	4,695,671	3,364,076
Total contributions ¹¹	\$29,617,382	\$6,792,906	\$8,552,256	\$7,220,661

¹⁰ Based on a discount rate of 6.50%;

¹¹ Reflects no prefunding of implicit subsidy.

Plan Provisions

This report analyzes the actuarially projected costs of the Montecito Fire Protection District's retiree health insurance program.

Active Employee Coverage

Integrated medical/prescription drug coverage is provided through CalPERS under the Public Employees' Medical and Hospital Care Act (PEMHCA). Employees can choose from a variety of PPO and HMO options offered by PEMHCA, including PORAC. Delta Dental Premier and Vision Service Plan are also provided at the District's expense.

The District sets a maximum monthly contribution for medical/Rx coverage on behalf of active employees and retirees through periodic negotiations with the Montecito Firemen's Association and Staff employees. The monthly maximum is \$2,125 for 2018 and \$2,315 for 2019. The Fire Chief is entitled to the same health benefits as represented employees.

Post-Retirement Coverage

The District offers the same medical, dental and vision plans to its retirees as to its active employees, with the exception that once a retiree becomes eligible for Medicare (that is, reaches age 65), he or she must join a Medicare HMO or a Medicare Supplement plan under PEMHCA. Dental and vision coverage (including dependent coverage) are fully District-paid for retirees. The District also pays a percentage-of-premium administrative charge for all retirees (0.23% for 2018; 0.27% for 2019).

Premiums

The following table shows selected January 1, 2018 monthly PERS Health (PEMHCA) premiums for retirees within the "Los Angeles Area" and "Other Southern California Counties" regions:

	Single	2-Party	Family
Anthem Traditional HMO			
LA Area Region	784.72	1,569.44	2,040.27
Other Southern CA	735.08	1,470.16	1,911.21
Blue Shield Access+			
LA Area Region	613.29	1,226.58	1,594.55
Other Southern CA	695.97	1,391.94	1,809.52
PERS Choice			
LA Area Region	620.39	1,240.78	1,613.01
Other Southern CA	698.96	1,397.92	1,817.30
PERS Select			
LA Area Region	573.21	1,146.42	1,490.35
Other Southern CA	654.74	1,309.48	1,702.32
PERS Care			
LA Area Region	673.73	1,347.46	1,751.70
Other Southern CA	733.50	1,467.00	1,907.10
PORAC			
All Regions	734.00	1,540.00	1,970.00

Valuation Data

Retiree Census - Age distribution of retirees included in the valuation

Age	Total
Under 55	7
55-59	8
60-64	7
65-69	8
70-74	6
75-79	3
80-84	3
85+	7
All Ages	49
Average Age	68.0

Active Census - Age/service distribution of active employees included in the valuation

Age	Years of Service								Total
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35+	
<25	0	0	0	0	0	0	0	0	0
25-29	1	0	0	0	0	0	0	0	1
30-34	4	1	0	0	0	0	0	0	5
35-39	8	1	2	0	0	0	0	0	11
40-44	1	1	3	3	0	0	0	0	8
45-49	0	1	0	1	2	0	0	0	4
50-54	3	0	1	2	0	2	0	0	8
55-59	1	0	0	1	2	1	1	0	6
60-64	0	0	0	0	1	0	0	0	1
65+	0	1	0	0	0	0	0	0	1
All Ages	18	5	6	7	5	3	1	0	45

Average Age: 45.0
 Average Service: 11.0

Actuarial Assumptions

The liabilities set forth in this report are based on the actuarial assumptions described in this section.

Valuation Date: July 1, 2018

Actuarial Cost Method: Entry Age, Level Percent of Pay

Discount Rate:

Long-term Expected Return	6.50%
Municipal Bond Index	3.62%
GASB 75	6.50%

Salary Increases: 4.00%

Withdrawal: Crocker-Sarason Table T-5 less mortality, decreased by 50% at all ages.
Sample Rates:

Age	Rate
25	4.0%
35	3.1
45	2.0
55	0.5

Pre-retirement Mortality: RP-2014 Employee Mortality, without projection. Sample deaths per 1,000:

Age	Male	Female
25	0.48	0.17
35	0.52	0.29
45	0.97	0.66
55	2.79	1.67

Post-retirement Mortality: RP-2014 Employee Mortality, without projection. Sample deaths per 1,000:

Age	Male	Female
55	5.74	3.62
60	7.78	5.19
65	11.01	8.05
70	16.77	12.87
75	26.83	20.94
80	44.72	34.84
85	77.50	60.50
90	135.91	107.13

Actuarial Assumptions (continued)

Assumptions (continued)

Retirement:

Age	Rate
50	10%
51	11%
52	12%
53	15%
54	18%
55	22%
56	25%
57	28%
58	30%
59	35%
60	40%
61	45%
62	50%
63	50%
64	50%
65	100%
66	100%
67	100%
68	100%
69	100%
70	100%

Medical Claim Cost:

Annual Per Retiree or Spouse

Age	Medical	Dental and Vision
50	\$8,939	\$1,323
55	10,362	1,323
60	12,013	1,323
64	13,520	1,323
65	3,984	1,323
70	4,292	1,323
75	4,623	1,323

Percent Electing Coverage:

95%

Spouse Coverage:

Future retirees: 65%
 Current retirees: Actual dependent data used.
 Female spouses are assumed to be three years younger than male spouses.

Actuarial Assumptions (continued)

Assumptions (continued)

Medical Trend:

Sample Rates:

Year	Pre-Medicare	Medicare	Dental and Vision
2018	6.00%	4.00%	3.50%
2019	5.90%	4.00%	3.50%
2020	5.80%	4.00%	3.50%
2021	5.70%	4.00%	3.50%
2022	5.60%	4.00%	3.50%
2023	5.50%	4.00%	3.50%
2024	5.40%	4.00%	3.50%
2025	5.30%	4.00%	3.50%
2026	5.20%	4.00%	3.50%
2027	5.10%	4.00%	3.50%
2028+	5.00%	4.00%	3.50%

Increase in CalPERS minimum:

3.00%

Actuarial Certification

The results set forth in this report are based on our actuarial valuation of the health and welfare benefit plans of the Montecito Fire Protection District ("District") as of July 1, 2018.

The valuation was performed in accordance with generally accepted actuarial principles and practices. We relied on census data for active employees and retirees provided to us by the District. We also made use of claims, premium, expense, and enrollment data, and copies of relevant sections of healthcare documents provided to us by the District, and (when applicable) trust statements prepared by the trustee and provided to us by the District.

The assumptions used in performing the valuation, as summarized in this report, and the results based thereupon, represent our best estimate of the actuarial costs of the program under GASB 74 and GASB 75, and the existing and proposed Actuarial Standards of Practice for measuring post-retirement healthcare benefits.

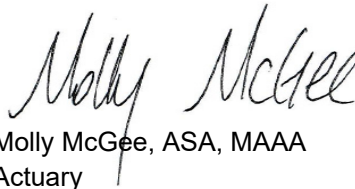
Throughout the report, we have used unrounded numbers, because rounding and the reconciliation of the rounded results would add an additional, and in our opinion unnecessary, layer of complexity to the valuation process. By our publishing of unrounded results, no implication is made as to the degree of precision inherent in those results. Clients and their auditors should use their own judgment as to the desirability of rounding when transferring the results of this valuation report to the clients' financial statements.

The undersigned actuary meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained in this report.

Certified by:



Carlos Diaz, ASA, EA, MAAA
Actuary



Molly McGee, ASA, MAAA
Actuary