

# MONTECITO FIRE PROTECTION DISTRICT

## Finance Committee Meeting Agenda

Monday, April 18, 2016 at 2:00 p.m.

Montecito Fire Protection District Headquarters  
595 San Ysidro Road  
Santa Barbara, CA 93108

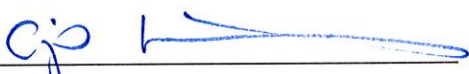
Agenda Items May Be Taken Out of the Order Shown

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. TIME CERTAIN: 2:00 p.m. Review and make recommendation for acceptance of Fechter & Company's Annual Financial Report for the Fiscal Year Ended June 30, 2015.
3. Review and make recommendation for approval of March 2016 financial statements.
4. Review PARS OPEB Trust Program statement for February 2016.
5. Review CalPERS Annual Valuation Report as of June 30, 2014 for Miscellaneous and Safety Plans.
6. Review Draft Preliminary Budget for FY 2015-16
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 Thursday, May 12, 2016 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 15, 2016.

MONTECITO FIRE PROTECTION DISTRICT

  
\_\_\_\_\_  
Chip Mickman, 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 969-7762. Notification at least 48 hours prior to the meeting will enable the District to make reasonable arrangements. Materials related to an item on this agenda submitted to the Board of Directors after distribution of the agenda packet are available for public inspection during normal business hours at Montecito Fire Protection District located at 595 San Ysidro Road.



## **Notes for Finance Committee Meeting**

Wednesday, March 16, 2016 at 2:00 p.m.

Montecito Fire Protection District Headquarters  
595 San Ysidro Road  
Santa Barbara, CA 93108

The meeting was called to order by Director Sinser at 2:01 p.m.

**Directors present:** Director Sinser and Director van Duinwyk

**Staff Present:** Chip Hickman, Fire Chief and Araceli Gil, District Accountant

- 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.**

There were no public comments at this meeting.

- 2. Review and make recommendation for approval of February 2016 financial statements.**

The Committee recommended that certain redundant reports be eliminated from the financial statements. After thorough review of the financial statements, the motion was made by Director Sinser, seconded by Director van Duinwyk to recommend approval of the financial statements ending February 29, 2016.

- 3. Review PARS OPEB Trust Program statement for January 2016.**

The committee reviewed the PARS OPEB Trust statement for January 2016.

- 4. Fire Chief's Report.**

Chief Hickman stated that the Annual Audit report should be completed by next month.

- 5. Requests for items to be included in the next Finance Committee Meeting.**

There were no requests.

- 6. Adjournment.**

The next meeting is scheduled for Thursday, April 14, 2016 at 2:00 p.m.



# Agenda Item #2



**MONTECITO  
FIRE PROTECTION DISTRICT  
MANAGEMENT REPORT  
FOR THE YEAR ENDED JUNE 30, 2015**

**MONTECITO FIRE PROTECTION DISTRICT**

Management Report  
For the Year Ended June 30, 2015

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Craig R. Fechter, CPA, MST  
Scott A. German, CPA

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, 2015, 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

A handwritten signature in black ink that reads 'Fechter &amp; Company, CPAs'. The signature is written in a cursive, flowing style.

November 30, 2015  
Sacramento, California

**MONTECITO FIRE PROTECTION DISTRICT**  
**Required Communications**  
**For the Year Ended June 30, 2015**

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

As stated in our engagement letter dated October 6, 2015, 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, 2015**

- 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, 2015**

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, 2015**

**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.



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

**MONTECITO FIRE PROTECTION DISTRICT**  
**Prior Year Recommendation**  
**For the Year Ended June 30, 2015**

**1. Condition**

During the course of our audit over payroll we inquired about the monitoring activities of the District with respect to processed payroll. Once time cards have been approved, is the responsibility of the District's in-house accountant to input time, overtime, pay rate changes and other pay categories into the District's software. The District utilizes a third party software provider (ADP) to process its payroll. Once the District's accountant inputs payroll into the system she will then submit to ADP for actual financial processing. After payroll has been processed, the District will receive a "payroll register" from ADP which reports salaries paid, overtime paid, and other pay categories paid. According to our inquiries, neither the pre-submission payroll nor the post-submission payroll is reviewed by a party other than the District accountant who processes payroll.

The fact that payroll is not reviewed by a secondary party either pre or post-submission is an internal control weakness. It is a weakness because:

- The Accountant can make changes to pay rates in the system.
- The Accountant can input overtime into the system.
- The Accountant can make changes to hours in the system.
- It is likely the Accountant could also input extra categories of pay into the system.
- The Accountant could make an error in processing payroll for any of the above.

An effective monitoring procedure would require that a party independent of the Accountant review payroll at minimum once payroll has been processed. Requiring this procedure would act as a deterrent for fraudulent acts and would also provide a secondary party the opportunity to catch other errors that occur during the normal course of business. The proposed reviewer should be someone inside of the District who is comfortable handling financial matters and is also familiar with scheduling.

**2. Management Response**

The Fire Chief will issue letters to all employees receiving pay rate changes as a result of being hired, promoted, or receiving a longevity increase based on years of services. A copy of the letter will be kept in the employee's personnel folder.

The Administrative Assistant (of Fire Chief) will review the "Personnel Change Report" generated by ADP. The report lists all new employees, salary and hourly rate changes, and other permanent changes to deduction to deduction codes. The Administrative Assistant will ensure that changes are supported with the appropriate back-up documentation.

The Administrative Assistant will review the "Payroll Report" generated by ADP. The report lists the total pay distributed to each employee.

**3. Status**

We are pleased to report this condition has been corrected.



**MONTECITO FIRE  
PROTECTION DISTRICT**

**ANNUAL FINANCIAL REPORT  
WITH INDEPENDENT AUDITOR'S REPORT THEREON  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2015**

**MONTECITO FIRE PROTECTION DISTRICT**

Annual Financial Report  
 For the Fiscal Year Ended June 30, 2015

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Craig R. Fechter, CPA, MST  
Scott A. German, CPA

## 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 of each major fund of the Montecito Fire Protection District as of and for the year ended June 30, 2015, 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, each major fund, and the aggregate remaining fund information of the Montecito Fire Protection District as of June 30, 2015, 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 3-9 and 33-36, 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.

### *Implementation of New Accounting Standards*

As disclosed in Note 1 to the financial statements, the Montecito Fire Protection District implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, during the fiscal year ended June 30, 2015.

Fechter & Company,  
Certified Public Accountants

A large, stylized handwritten signature in black ink that reads "Fechter & Company, CPAs". The signature is written over the printed name of the firm.

Sacramento, California  
November 30, 2015

**MONTECITO FIRE PROTECTION DISTRICT****Management's Discussion and Analysis (Unaudited)  
June 30, 2015**

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, 2015. 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 provides 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, 2015

**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**

	2015	2014	Dollar Change	Percent Change
<b>Assets:</b>				
Current and other assets	\$ 17,151,241	\$ 14,662,925	\$ 2,488,316	17.0%
Capital assets	9,890,312	10,097,646	(207,334)	-2.0%
Total assets	<u>\$ 27,041,553</u>	<u>\$ 24,760,571</u>	<u>\$ 2,280,982</u>	9.2%
<b>Liabilities:</b>				
Current and other liabilities	\$ 4,948,676	\$ 1,140,958	\$ (3,807,718)	-334%
Long-term liabilities	15,087,582	2,654,759	(12,432,823)	-468%
Total liabilities	<u>20,036,258</u>	<u>3,795,717</u>	<u>(16,240,541)</u>	-428%
<b>Net Position:</b>				
Invested in capital assets	9,890,312	10,097,646	(207,334)	-2.7%
Unrestricted	(2,885,017)	10,867,208	(13,752,225)	-127%
Total net position	<u>\$ 7,005,295</u>	<u>\$ 20,964,854</u>	<u>\$ (13,959,559)</u>	

Total assets increased \$2,280,982, or 9.2%, 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 \$529,163 and a deferred outflow of resources of \$1,192,280. The decrease in capital assets is due to the disposal of three vehicles: medical squad, ambulance and staff response vehicle.

Total liabilities increased by \$16,240,541, or 428%. This is attributed to the implementation of GASB Statement No. 68, requiring the reporting of net pension liability of \$13,163,696 and deferred inflows of resources of \$3,850,262.

Net position over time is a useful indicator of a government's financial position. For Montecito Fire Protection District, assets exceed liabilities by \$7,005,295 at the close of the current fiscal year. The decrease of \$13,959,559 when compared to the prior year, is the amount by which fund expenditures (including a prior period adjustment) exceed revenues in the current fiscal year (See Page 5, Table 2).

Investment in capital assets (land, buildings, vehicles and equipment) amounts to \$9,890,312 at June 30, 2015, which is a decrease of \$207,334, or -2.7%, when compared to the prior year. The District uses capital assets to provide services to citizens; as such, these assets are not available for future spending. The District does not currently have any outstanding debt related to its capital assets.

The District has an unrestricted net position, in the amount of -\$2,885,017. This is a decrease of \$13,752,225, or 127%, when compared to prior year, due to the required pension liability reporting.

**MONTECITO FIRE PROTECTION DISTRICT**

Management's Discussion and Analysis (Unaudited)  
June 30, 2015

**Table 2 – Montecito Fire Protection District Change in Net Position**

	2015	2014	Dollar Change	Percent Change
<b>Revenues:</b>				
Property taxes	\$ 14,746,643	\$ 14,112,264	\$ 634,379	4.5%
Investment income	67,411	98,161	(30,750)	-31.3%
Rental income	49,486	48,864	622	1.3%
Intergovernmental	962,912	594,284	368,628	62.0%
Miscellaneous	706	74,099	(73,393)	-99.0%
Total revenues	<u>\$ 15,827,158</u>	<u>\$ 14,927,672</u>	<u>\$ 899,486</u>	6.0%
<b>Expenses:</b>				
Salaries and benefits	11,665,828	11,684,007	18,179	0.2%
Services and supplies	1,302,207	1,353,086	50,879	3.8%
Other expenditures/Interest	80,725	99,120	18,395	18.6%
Depreciation	419,545	412,916	(6,629)	-1.6%
Total expenses	<u>13,468,305</u>	<u>13,549,129</u>	<u>80,824</u>	0.6%
Change in net position	2,358,853	1,378,543	980,310	
Net Position – Beginning	<u>20,964,854</u>	<u>19,586,311</u>	<u>1,378,543</u>	
Prior Period Adjustment	<u>(16,318,412)</u>	<u>-</u>	<u>(16,318,412)</u>	
Net Position – Ending	<u>\$ 7,005,295</u>	<u>\$ 20,964,854</u>	<u>\$ (13,959,559)</u>	

The District's total revenues increased by \$899,846, or 6.0%, in the current fiscal year. The total increase is primarily attributed to the following factors:

- Property tax revenue increased by \$634,379, or 4.5%, primarily due to property value appreciation and increased construction within the District.
- Intergovernmental revenue increased by \$368,628, or 62.0%, due to more reimbursable fire activity than in the prior year.
- Miscellaneous revenue decreased due to the scheduled disposal of vehicles that weren't fully depreciated, resulting in a loss on sale of assets of \$31,615.
- The decrease in investment income is primarily due to fair value adjustments that are recorded by the County of Santa Barbara.

The District's total expenses decreased by \$80,824, or 0.6%, in the current fiscal year. The total change is primarily due to a decrease in Services and Supplies expense of \$50,879, or 3.8%.

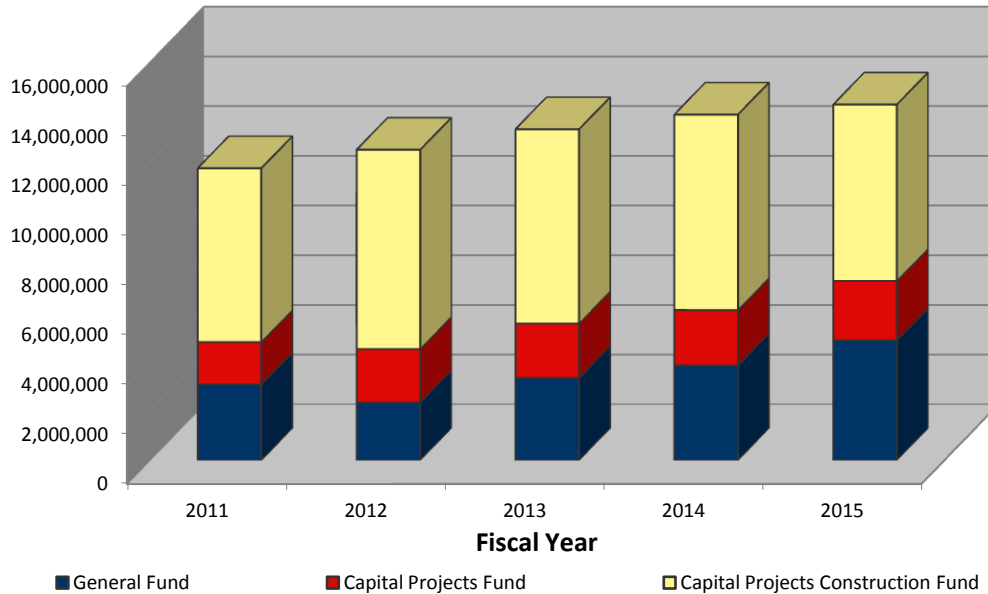
**MONTECITO FIRE PROTECTION DISTRICT**

Management’s Discussion and Analysis (Unaudited)  
June 30, 2015

**Analysis of Fund Balances of Individual Funds**

The chart below displays the fiscal year end (2011 to 2015) fund balances for the District’s General Fund, Capital Projects Fund, and Capital Projects Construction Fund.

**Fund Balances – 5 Year Trend**



Total fund balance has increased each year over the five years from fiscal year 2011 to 2015. The General Fund balance includes \$1,200,000 committed to contingencies. The District established the Mello-Roos Fund in the fiscal year ended 2011, and was closed in December of 2014. The fund balance was \$0 and \$9,525 at June 30, 2015 and June 30, 2014, respectively. The Pension Obligation Fund was established in the fiscal year ended 2012. The fund balance was \$180 and \$347 at June 30, 2015 and June 30, 2014, respectively.

**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. With the exception of the fiscal year ended 2011, when the District recorded a one-time expenditure related to the issuance of the Pension Obligation Bonds, revenue has exceeded expenditures and fund balance has steadily increased.

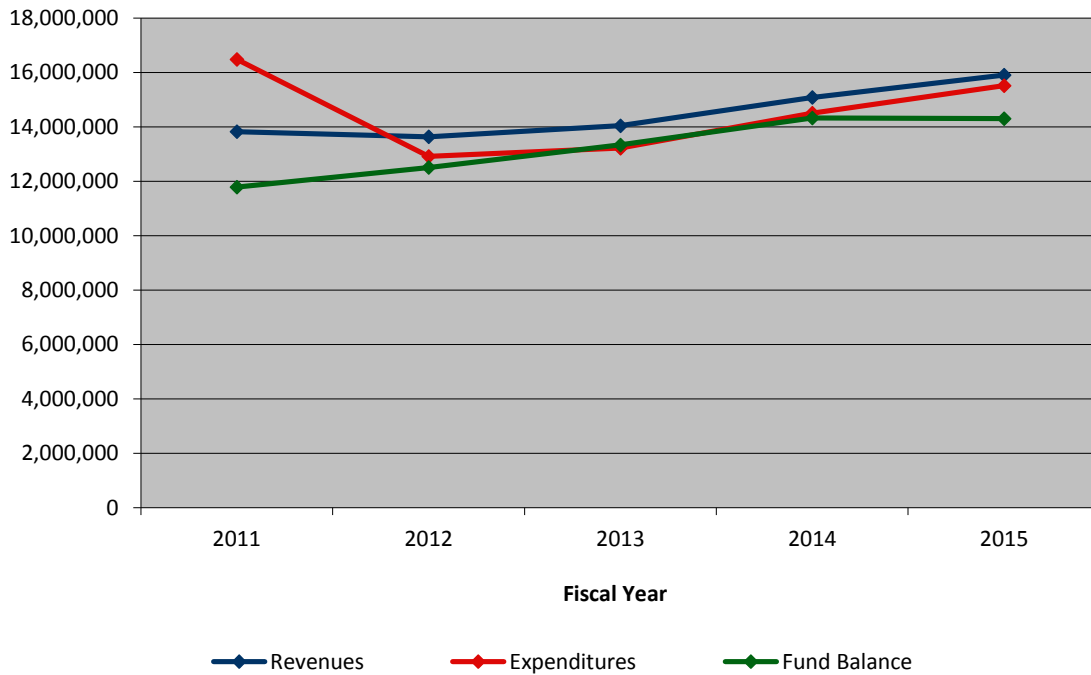
After slight decreases in revenue from \$13.9 million in the fiscal year ended 2011 to \$13.6 million in the fiscal year ended 2012, revenue has steadily increased to \$15.9 million this fiscal year. Total combined expenditures have increased each fiscal year.



**MONTECITO FIRE PROTECTION DISTRICT**

Management’s Discussion and Analysis (Unaudited)  
June 30, 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 2014-15 fiscal year operating budget in September of 2014 on a modified accrual basis. As adopted for the General Fund, budgeted revenues totaled \$15,794,439, while projected expenditures totaled \$14,592,630 and operating transfers to the Capital Projects Fund and Pension Obligation Fund totaled \$1,101,529, resulting in projected balanced spending.

The District formally amended its originally adopted budget in May of 2015. As amended for the General Fund, revised budgeted revenues increased by \$676,532 to \$16,470,971 while projected expenditures increased by \$676,532 to \$15,269,162, and operating transfers remained unchanged at \$1,101,529. The revised budget had no net effect on fund balance due to the increase in budgeted revenues matching the increase in budgeted expenditures.

Actual revenues for the year were \$214,487 higher and actual expenditures were \$759,761 lower than the final amended budget on a modified accrual basis. Refer to the required supplementary information on page 33 for the Budget Comparison Schedule.

**MONTECITO FIRE PROTECTION DISTRICT**

Management's Discussion and Analysis (Unaudited)  
June 30, 2015

**Capital Assets and Debt Administration****Capital Assets**

The District's investment in capital assets for its governmental activities as of June 30, 2015, amounted to \$10,097,646 (net of accumulated depreciation). This investment in capital assets includes land, a land easement, 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**

	2015	2014	Dollar Change	Percent Change
Land	\$ 2,577,530	\$ 2,577,530	\$ -	-
Land easement	122,308	122,308	-	-
Construction in progress	462,185	462,185	-	-
Structures & improvements	7,408,662	7,408,662	-	-
Equipment	4,085,593	3,962,025	123,568	3.1%
Total Cost	14,656,278	14,532,710	123,568	3.1%
Less: accumulated depreciation	(4,765,966)	(4,435,064)	(330,902)	-7.5%
Total capital assets, net	\$ 9,890,312	\$ 10,097,646	\$ (207,334)	-2.1%

Significant capital asset activity during FY 2014-15 includes the following:

- The District placed in service a Division Chief vehicle purchased for \$36,000, a Type 6 Patrol vehicle purchased for \$155,000, and an ambulance purchased for \$31,000.
- The District placed in service additional operational equipment totaling approximately \$66,000.
- The District recognized \$419,013 in depreciation expense.

**MONTECITO FIRE PROTECTION DISTRICT**

Management's Discussion and Analysis (Unaudited)  
June 30, 2015

**Long-term debt**

In May of 2011, the District authorized the issuance and sale of Taxable Pension Obligation Bonds (POB) with a principal amount of \$3,520,000. Proceeds of the sale were used to extinguish an existing "side fund" pension obligation with California Public Employees Retirement System (CalPERS). The bonds were issued at a 4.52% interest rate on the basis of a 360-day year over a seven-year period terminating on May 26, 2018. The District made bond principal payments totaling \$684,000 and interest payments totaling \$83,123 during the year ended June 30, 2015. The total outstanding debt at June 30, 2015 was \$1,321,000.

The deferred bond issuance charges are being amortized over the life of the debt. There were no charges recorded in the prior year.

**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. If you have any questions regarding this report or need additional financial information, please contact the District at 595 San Ysidro Road, Santa Barbara, California 93108.



**BASIC FINANCIAL STATEMENTS**

**MONTECITO FIRE PROTECTION DISTRICT**  
**STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET**  
**JUNE 30, 2015**

	<b>General Fund</b>	<b>Pension Obligation Fund</b>	<b>Mello-Roos Fund</b>	<b>Capital Project Fund</b>
<b>Assets:</b>				
Cash and investments	\$ 5,026,500	\$ 180	\$ -	\$ 2,387,747
Accounts receivable	114,594	-	-	-
Interest receivable	5,963	-	-	2,260
OPEB asset	-	-	-	-
Deferred bond issuance charge, net	-	-	-	-
Land	-	-	-	-
Construction in progress	-	-	-	-
Land easement	-	-	-	-
Other capital assets, net	-	-	-	-
Total Assets	<u>\$ 5,147,057</u>	<u>\$ 180</u>	<u>\$ -</u>	<u>\$ 2,390,007</u>

**DEFERRED OUTFLOWS OF  
RESOURCES (NOTE 11)**

**Liabilities:**

Accounts payable	\$ 46,449	\$ -	\$ -	\$ -
Salaries and benefits payable	283,571	-	-	-
Accrued interest - current portion	-	-	-	-
Pension obligation bonds - current	-	-	-	-
Long-term liabilities:				
Net Pension liability				
Compensated absences	-	-	-	-
Pension obligation bonds	-	-	-	-
Total Liabilities	<u>\$ 330,020</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Fund Balances/Net Position:**

**Fund Balances:**

Nonspendable	-	-	-	-
Committed	-	-	-	-
Assigned	1,200,000	-	-	-
Unassigned	3,617,037	180	-	2,390,007
Total Fund Balances	<u>4,817,037</u>	<u>180</u>	<u>-</u>	<u>2,390,007</u>
Total Liabilities, Fund Balances	<u>\$ 5,147,057</u>	<u>\$ 180</u>	<u>\$ -</u>	<u>\$ 2,390,007</u>

**DEFERRED INFLOWS OF RESOURCES (NOTE 11)**

**Net Position:**

Invested in capital assets
Unrestricted
Total Net Position

**MONTECITO FIRE PROTECTION DISTRICT**  
**STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET (continued)**  
**JUNE 30, 2015**

<b>Capital Projects Construction Fund</b>	<b>Total Memorandum Only</b>	<b>Adjustments</b>	<b>Statement of Net Position</b>	
\$ 7,086,799	\$ 14,501,226	\$ -	\$ 14,501,226	<b>Assets:</b>
-	114,594	-	114,594	Cash and investments
6,851	15,074	-	15,074	Accounts receivable
-	-	1,269,136	1,269,136	Interest receivable
-	-	58,931	58,931	OPEB asset
-	-	2,577,530	2,577,530	Deferred bond issuance charge, net
-	-	462,185	462,185	Land
-	-	122,308	122,308	Construction in progress
-	-	6,728,289	6,728,289	Land easement
<u>\$ 7,093,650</u>	<u>\$ 14,630,894</u>	<u>\$ 11,218,379</u>	<u>\$ 25,849,273</u>	Other capital assets, net
				Total Assets
		\$ 1,192,280	\$ 1,192,280	<b>DEFERRED OUTFLOWS OF RESOURCES (NOTE 11)</b>
				<b>Liabilities:</b>
\$ -	\$ 46,449	\$ -	\$ 46,449	Accounts payable
-	283,571	-	283,571	Salaries and benefits payable
-	-	27,394	27,394	Accrued interest - current portion
-	-	741,000	741,000	Pension obligation bonds - current
				Long-term liabilities:
		13,163,696	13,163,696	Net Pension liability
-	-	1,343,882	1,343,882	Compensated absences
-	-	580,004	580,004	Pension obligation bonds
<u>\$ -</u>	<u>\$ 330,020</u>	<u>\$ 15,855,976</u>	<u>\$ 16,185,996</u>	Total Liabilities
				<b>Fund Balances/Net Position:</b>
				<b>Fund Balances:</b>
-	-	-	-	Nonspendable
-	-	-	-	Committed
-	1,200,000	(1,200,000)	-	Assigned
7,093,650	13,100,874	(13,100,874)	-	Unassigned
<u>7,093,650</u>	<u>14,300,874</u>	<u>(14,300,874)</u>	<u>-</u>	Total Fund Balances
<u>\$ 7,093,650</u>	<u>\$ 14,630,894</u>			Total Liabilities, Fund Balances
		<u>3,850,262</u>	<u>3,850,262</u>	<b>DEFERRED INFLOWS OF RESOURCES</b>
				<b>Net Position:</b>
		9,890,312	9,890,312	Invested in capital assets
		(2,885,017)	(2,885,017)	Unrestricted
		<u>\$ 7,005,295</u>	<u>\$ 7,005,295</u>	Total Net Position

**MONTECITO FIRE PROTECTION DISTRICT**  
**STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS REVENUES,**  
**EXPENDITURES AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	<u>General Fund</u>	<u>Pension Obligation Fund</u>	<u>Mello-Roos Fund</u>	<u>Capital Project Fund</u>
<b>Revenues:</b>				
Property taxes	\$ 14,746,643	\$ -	\$ -	\$ -
Investment income	23,218	28	(1)	10,413
Rental income	49,486	-	-	-
Intergovernmental	962,912	-	-	-
Proceeds from sale of assets/loss on sale	-	-	-	44,850
Miscellaneous	32,321	-	-	-
Total Revenues	<u>15,814,580</u>	<u>28</u>	<u>(1)</u>	<u>55,263</u>
<b>Expenditures:</b>				
Salaries and benefits	13,155,250	-	-	-
Services and supplies	1,288,025	2,185	9,500	2,498
Debt service:				
Principal	-	684,000	-	-
Interest	-	83,123	-	-
Bond issuance cost amortization	-	-	-	-
Depreciation	-	-	-	-
Capital outlay	66,126	-	-	222,019
Total Expenditures/Expenses	<u>14,509,401</u>	<u>769,308</u>	<u>9,500</u>	<u>224,517</u>
Excess (deficiency) of revenues over (under) expenditures	1,305,179	(769,280)	(9,501)	(169,254)
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	769,113	-	332,406
Transfers out	(301,495)	-	(24)	-
Total other financing sources (uses)	<u>(301,495)</u>	<u>769,113</u>	<u>(24)</u>	<u>332,406</u>
Net change in fund balances	1,003,684	(167)	(9,525)	163,152
Change in net position				
<b>Fund Balances/Net Position - Beginning</b>	<u>3,813,353</u>	<u>347</u>	<u>9,525</u>	<u>2,226,855</u>
<b>Prior Period Adjustment (Note 14)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances/Net Position - Ending</b>	<u>\$ 4,817,037</u>	<u>\$ 180</u>	<u>\$ -</u>	<u>\$ 2,390,007</u>



**MONTECITO FIRE PROTECTION DISTRICT**  
**STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS REVENUES,**  
**EXPENDITURES AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2015**

<b>Capital Projects Construction Fund</b>	<b>Total Memorandum Only</b>	<b>Adjustments</b>	<b>Statement of Activities</b>	
				<b>Revenues:</b>
\$ -	\$ 14,746,643	\$ -	\$14,746,643	Property taxes
33,753	67,411	-	67,411	Investment income
-	49,486	-	49,486	Rental income
-	962,912	-	962,912	Intergovernmental
-	44,850	(76,465)	(31,615)	Proceeds from sale of assets/loss on sale
-	32,321	-	32,321	Miscellaneous
<u>33,753</u>	<u>15,903,623</u>	<u>(76,465)</u>	<u>15,827,158</u>	Total Revenues
				<b>Expenditures:</b>
-	13,155,250	(1,489,422)	11,665,828	Salaries and benefits
(1)	1,302,207	-	1,302,207	Services and supplies
				Debt service:
-	684,000	(684,000)	-	Principal
-	83,123	(14,184)	68,939	Interest
-	-	11,786	11,786	Bond issuance cost amortization
-	-	419,545	419,545	Depreciation
531	288,676	(288,676)	-	Capital outlay
<u>530</u>	<u>15,513,256</u>	<u>(2,044,951)</u>	<u>13,468,305</u>	Total Expenditures/Expenses
				Excess (deficiency) of revenues over (under) expenditures
33,223	390,367	1,968,486	2,358,853	
				<b>Other Financing Sources (Uses):</b>
-	1,101,519	(1,101,519)	-	Transfers in
(800,000)	(1,101,519)	1,101,519	-	Transfers out
<u>(800,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	Total other financing sources (uses)
(766,777)	390,367	(390,367)	-	Net change in fund balances
		<u>2,358,853</u>	<u>2,358,853</u>	Change in net position
<u>7,860,427</u>	<u>13,910,507</u>	<u>7,054,347</u>	<u>20,964,854</u>	<b>Fund Balances/Net Position - Beginning</b>
<u>-</u>	<u>-</u>	<u>(16,318,412)</u>	<u>(16,318,412)</u>	<b>Prior Period Adjustment (Note 14)</b>
<u>\$ 7,093,650</u>	<u>\$ 14,300,874</u>	<u>\$ (6,905,212)</u>	<u>\$ 7,005,295</u>	<b>Fund Balances/Net Position - Ending</b>



**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**MONTECITO FIRE PROTECTION DISTRICT**

Notes to the Financial Statements  
June 30, 2015

**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, 2015

## 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 ***Mello-Roos Fund*** accounts for the monies collected and paid on behalf of the pending formation of a Mello-Roos District located in the area served by the District.

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, 2015

**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 uncollectibles. All receivables are deemed to be collectible at June 30, 2015, 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, 2015

### 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, building 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, 2015

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

#### Other Post Employment Benefits

GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* (GASB 45), addresses how governmental entities should account for and report their costs and obligations related to postemployment benefits, or OPEB. The District offers postretirement medical, dental, and vision benefits. The statement generally requires that employers account for and report the annual cost of OPEB and the outstanding obligations and commitments related to OPEB in essentially the same manner as they currently do for pensions. 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 45 on a prospective basis.

GASB 45 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.

#### 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. The committed fund balance in the General Fund of \$1,200,000 represents funds committed for contingencies.



**MONTECITO FIRE PROTECTION DISTRICT**

Notes to the Financial Statements  
June 30, 2015

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued****Fund Equity - continued**

- *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.

**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.

**MONTECITO FIRE PROTECTION DISTRICT**

Notes to the Financial Statements  
June 30, 2015

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued****Implementation of New Accounting Principles**

The following Governmental Accounting Standards Board (GASB) Statements were implemented during the 2015 fiscal year:

GASB Statement No. 68 – Accounting and Financial Reporting for Pensions – an amendment of GASB Statement 27 – The provisions of this statement are effective for financial statements for fiscal years beginning after June 15, 2014.

GASB Statement No. 71 – Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No 27. The provisions of this statement are effective for financial statements for fiscal years beginning after June 15, 2014.

**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, 2015, the District had cash on deposit with the County Treasurer in the amount of \$14,501,226.

**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.

## MONTECITO FIRE PROTECTION DISTRICT

### Notes to the Financial Statements June 30, 2015

#### NOTE 2: CASH AND INVESTMENTS - continued

##### 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).

#### NOTE 3: CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2015 is as follows:

	July 1, 2014	Additions	Deletions	June 30, 2015
Capital assets, not being depreciated:				
Land	\$ 2,577,530	\$ -	\$ -	\$ 2,577,530
Land easements	122,308	-	-	122,308
Construction in progress	462,185	-	-	462,185
Total capital assets, not being depreciated	<u>3,162,023</u>	<u>-</u>	<u>-</u>	<u>3,162,023</u>
Capital assets, being depreciated:				
Structures and improvements	7,408,662	-	-	7,408,662
Equipment	3,962,025	288,144	(164,576)	4,085,593
Total capital assets, being depreciated	<u>11,370,687</u>	<u>288,144</u>	<u>(164,576)</u>	<u>11,494,255</u>
Less accumulated depreciation for:				
Structures and improvements	(2,275,111)	(157,459)	-	(2,432,570)
Equipment	(2,159,953)	(261,554)	88,111	(2,333,396)
Total accumulated depreciation	<u>(4,435,064)</u>	<u>(419,013)</u>	<u>88,111</u>	<u>(4,765,966)</u>
Total capital assets, being depreciated, net	<u>6,935,623</u>	<u>(130,869)</u>	<u>(76,465)</u>	<u>6,728,289</u>
Total capital assets, net	<u>\$ 10,097,646</u>	<u>\$ (130,869)</u>	<u>\$ (76,465)</u>	<u>\$ 9,890,312</u>

Depreciation expense amounted to \$419,013 for the fiscal year ended June 30, 2015.

#### NOTE 4: LONG-TERM LIABILITIES

Changes to the District's long-term liabilities for the year ended June 30, 2015 are as follows:

	July 1, 2014	Additions	Deletions	June 30, 2015	Due in One Year
Compensated absences	\$ 1,333,755	\$ 10,127	\$ -	\$ 1,343,882	\$ -
Net pension liability	-	13,163,696	-	13,163,696	-
Pension obligation bonds	2,005,000	-	684,000	1,321,000	741,000
	<u>\$ 3,338,755</u>	<u>\$ 13,173,823</u>	<u>\$ 684,000</u>	<u>\$ 15,828,578</u>	<u>\$ 741,000</u>

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

## MONTECITO FIRE PROTECTION DISTRICT

Notes to the Financial Statements  
June 30, 2015

### NOTE 5: PENSION OBLIGATION BONDS

In May of 2011, the District authorized the issuance and sale of Taxable Pension Obligation Bonds (POB) with a principal amount of \$3,520,000. Proceeds of the sale were used to extinguish an existing “side fund” pension obligation with California Public Employees Retirement System (CalPERS). The bonds were issued at a 4.52% interest rate on the basis of a 360-day year over a seven year period terminating on May 26, 2018. The District made bond principal payments totaling \$684,000 and interest payments totaling \$83,123 during the year ended June 30, 2015.

Total POB debt service requirements to maturity as of June 30, 2015, are as follows:

Year Ending June 30,	Pension Obligation Bonds	
	Principal	Interest
2016	\$ 741,000	\$ 51,574
2017	435,000	17,402
2018	145,000	6,337
Totals	\$ 1,321,000	\$ 75,313

### NOTE 6: INTERFUND TRANSFERS

Interfund transfers in the District’s fund financial statements made during the year ended June 30, 2015, are as follows:

Funds	Inter-fund	
	Transfers In	Transfers Out
Major Funds:		
General	\$ -	\$ 301,495
Pension Obligation	769,113	-
Mello Roos	-	24
Capital Projects	332,406	800,000
Total	\$ 1,101,519	\$ 1,101,519

During the fiscal year ended June 30, 2015, the District made the following transfers:

A transfer of \$769,113 from the General Fund to the Pension Obligation Fund to finance the principal and interest payments for the District’s Pension Obligation Bonds.

A transfer of \$332,406 out of one capital outlay fund into another to fund vehicle purchases.

A transfer of \$800,000 out of the capital outlay fund into another capital outlay fund and the pension obligation fund to fund capital improvements and to pay debt service.

A transfer of \$24 from the Mello Roos fund to the General Fund to close down the fund.

**MONTECITO FIRE PROTECTION DISTRICT**

Notes to the Financial Statements  
June 30, 2015

**NOTE 7: 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 \$30,051 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 American Alternative Insurance Corporation.

**NOTE 8: RETIREMENT PLAN****Plan Description**

The District contributes to the Public Agency portion of the California Public Employees Retirement System (CalPERS), a cost sharing 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.

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 (5) 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.

## MONTECITO FIRE PROTECTION DISTRICT

Notes to the Financial Statements  
June 30, 2015

### NOTE 8: RETIREMENT PLAN - continued

#### Plan Description - continued

CalPERS issues a separate comprehensive annual financial report, copies of which may be obtained from the CalPERS webpage at [www.calpers.ca.gov](http://www.calpers.ca.gov).

#### 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. At fiscal year end, the employer rate for non-safety employees and safety employees was 19.161% and 23.948%, respectively, of annual covered payroll. 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.

At June 30, 2015 the District reported a liability of \$13,163,696 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, 2014 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, 2015 the District recognized pension expense of \$695,546 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.

#### Actuarial Assumptions

The total pension liability in the June 30, 2015 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 – 7.5%, 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

## MONTECITO FIRE PROTECTION DISTRICT

Notes to the Financial Statements  
June 30, 2015

### NOTE 8: RETIREMENT PLAN - continued

#### Actuarial Assumptions (Continued)

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2010 through June 30, 2013.

The long-term expected rate of return on pension plan investments (7.5%) 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 Allocation	Long-term Expected Real Rate of Return
Global Equity	47.0%	5.71%
Global Fixed Income	19.0%	2.43%
Inflation Sensitive	6.0%	3.36%
Private Equity	12.0%	6.95%
Real Estate	11.0%	5.13%
Infrastructure and Forestland	3.0%	5.09%
Liquidity	2.0%	(1.05)%

The discount rate used to measure the total pension liability was 7.5 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 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.

**MONTECITO FIRE PROTECTION DISTRICT**

Notes to the Financial Statements  
June 30, 2015

**NOTE 8: RETIREMENT PLAN - continued**

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 (6.5%) or 1 percentage point higher (8.5%) than the current rate:

	1% Decrease 6.5%	Discount Rate 7.5%	1% Increase 8.5%
District's proportionate share of the net pension plan liability	\$ 22,731,492	\$ 13,163,696	\$ 5,274,245

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 9: OTHER POST EMPLOYMENT BENEFITS (OPEB)**

Plan Description

The District provides retiree healthcare benefits for employees who retire with PERS pension benefits immediately upon termination of employment from the District. The District contracts with PERS 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 PERS 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 \$1,531 per month for 2015, and 100% of the premiums for retiree dental and vision coverage. PERS issues a separate comprehensive annual financial report, copies of which may be obtained from the PERS webpage [www.calpers.ca.gov](http://www.calpers.ca.gov).

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.



**MONTECITO FIRE PROTECTION DISTRICT**

Notes to the Financial Statements  
June 30, 2015

**NOTE 9: OTHER POST EMPLOYMENT BENEFITS (OPEB) - continued****Funding Policy**

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. For the fiscal year ended June 30, 2015, the District contributed \$1,981,322 to the plan, including \$371,186 for current premiums and an additional \$1,610,136 to the PARS Trust to prefund benefits. GASB 45 requires recognition of the current expense of OPEB based on the annual required contribution (ARC), but does not require funding of the related liability.

**Annual OPEB Cost and Net OPEB Obligation (Asset)**

The District's annual OPEB cost is calculated based on the ARC of the District, an amount actuarially determined in accordance with the parameters of GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial accrued liabilities (UAAL) over a period not to exceed thirty years.

For the fiscal year ended June 30, 2015, the OPEB ARC was \$978,507. This includes the normal cost of \$341,290 for the year for current active employees, and \$637,217 for UAAL amortization. The District's OPEB contribution for the fiscal year ended June 30, 2015 was \$1,981,322.

The following are the components of the District's OPEB cost for the fiscal year ended June 30, 2015:

Annual required contribution (ARC)	\$ 978,507
Contributions made	(1,981,322)
Increase in net OPEB asset	<u>(1,002,815)</u>
Net OPEB liability (asset) - beginning of year	(266,321)
Net OPEB liability (asset) - end of year	<u>\$ (1,269,136)</u>

## MONTECITO FIRE PROTECTION DISTRICT

Notes to the Financial Statements  
June 30, 2015

### NOTE 9: OTHER POST EMPLOYMENT BENEFITS (OPEB) - continued

#### Annual OPEB Cost and Net OPEB Obligation (Asset) - continued

The District's annual OPEB cost, the percentage of annual OPEB cost contribution to the OPEB plan, and the net OPEB obligation (asset), for the current year and two preceding years are as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>% of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation (Asset)</u>
June 30, 2013	978,507	38%	272,318
June 30, 2014	978,507	155%	(266,321)
June 30, 2015	978,507	202%	(1,269,136)

#### Funding Status and Funding Progress

Using the most recent actuarial valuation dated July 1, 2013, the following is the funded status of the OPEB plan:

Annual accrued liability (AAL)	\$ 9,452,985
Actuarial value of plan assets	633,471
Unfunded actuarial accrued liability (UAAL)	<u>\$ 8,819,514</u>
Funded ratio (actuarial value of plan assets/AAL)	6.7%
Covered payroll (active plan members)	\$ 6,621,966
UAAL as percentage of covered payroll	133.2%

Activity in the District's PARS Trust account since the most recent valuation, which will be reflected in the actuarial value of plan assets as of the next, July 1, 2017 valuation date, is as follows:

<u>Fiscal Year Ended</u>	<u>Beginning Balance</u>	<u>Contributions</u>	<u>Net Earnings</u>	<u>Distributions</u>	<u>Ending Balance</u>
6/30/2013	\$ 2,443,688	\$ -	\$ 247,224	\$ -	\$ 2,690,912
6/30/2014	\$ 2,690,912	\$ 1,175,856	\$ 350,288	\$ -	\$ 4,217,056
6/30/2015	\$ 4,217,056	\$ 1,610,136	\$ 118,898	\$ -	\$ 5,946,090

Actuarial valuations of an ongoing OPEB plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare trend. Amounts determined regarding the funded status of the OPEB plan and the ARC of the employer are subject to continual revision as actual results are compared

**MONTECITO FIRE PROTECTION DISTRICT**

Notes to the Financial Statements  
June 30, 2015

**NOTE 9: OTHER POST EMPLOYMENT BENEFITS (OPEB) - continued****Funding Status and Funding Progress - continued**

with past expectations and new estimates are made about the future. The Schedule of Funding Progress is presented as required supplementary information following the Notes to the Financial Statements. This schedule presents multiyear trend information that shows whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**Actuarial Methods and Assumptions**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation as well as the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2010 actuarial valuation, the Projected Unit Credit Cost method was used. The actuarial assumptions included a 6.5% investment rate of return and separate annual healthcare cost trend rates for medical, dental and vision. The medical cost trend rate starts at 8% and declines to 5% over a period of four years. The vision and dental trend rates are both a flat 4%. The OPEB Plan's UAAL is being amortized as a level dollar amount on an open period basis. The remaining amortization period at July 1, 2010 was 30 years.

**NOTE 10: WORKFORCE HOUSING**

The District has a Housing Committee that researches 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 three residences are currently leased and occupied by three employees of the District. 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.

**MONTECITO FIRE PROTECTION DISTRICT**

Notes to the Financial Statements  
June 30, 2015

**NOTE 11: 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. The sum total is \$1,192,280.

The District also recognized deferral inflows of resources in the government-wide financial statements. This is an acquisition of net position by the District that is applicable to a future reporting period. The District has one item related to pensions that is captured as a deferred inflow of resources. The sum total at year-end was \$3,850,262.

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.

Deferred outflows of resources and deferred inflows of resources above represent the unamortized portion of changes to net pension liability to be recognized in future periods in a systematic and rational manner.

The \$1,192,280 was reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year-end June 30, 2016.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Amount
2016	\$ 944,532
2017	944,532
2018	956,556
2019	1,004,645
Total	<u>\$ 3,850,265</u>

## MONTECITO FIRE PROTECTION DISTRICT

Notes to the Financial Statements  
June 30, 2015

### NOTE 12: 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	\$ 9,890,312
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Certain long-term assets, such as the over-funding of the Other Post-Employment Benefits liability and the deferred outflows of resources, create long-term assets	2,520,347
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Long-term liabilities, including compensated absences and loans payable not due and payable in the current period and therefore are not reported in the funds	(2,692,280)
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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>(17,013,958)</u>
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Combined Adjustment	<u><u>\$ (7,295,579)</u></u>
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Amounts reported for governmental activities in the Statement of Net Position 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.	\$ (130,869)
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This is the amount of the difference between the sales price of assets disposed during the fiscal year and the net loss recognized in the statement of activities	(198,773)
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Repayments of long-term debt are recorded as an expense in the fund financial statements and are adjusted against debt in the statement of net position as an offset to the liability	698,184
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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>1,489,422</u>
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Combined Adjustment	<u><u>\$ 1,857,964</u></u>
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**MONTECITO FIRE PROTECTION DISTRICT**

Notes to the Financial Statements  
June 30, 2015

**NOTE 13: 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.

**Mello-Roos Community Facilities District**

In a special election held on June 17, 2012, property owners in the Upper Hyde Road area approved the formation of a Mello-Roos Community Facilities District (Mello-Roos District) for the purpose of financing street and related improvements for the reconstruction of Upper Hyde Road. Acting as an agent for the property owners, the District is overseeing the formation of the Mello-Roos District in accordance with the Mello-Roos Community Facilities Act of 1982 (the Act). Pending completion of the Act's requirements, the District would have the authority to issue up to \$5,000,000 in special tax bonds and levy a special tax to pay annual debt service on the bonds, annual maintenance costs for the improvements, and administrative costs. This District was dissolved in October of 2014.

**NOTE 14: PRIOR PERIOD ADJUSTMENT**

A prior period adjustment was recorded in the Government-Wide financial statements in an amount totaling \$16,318,412 to decrease the beginning net position. The adjustment was made to reflect the prior period costs related to the implementation of the net pension liability.

**NOTE 15: SUBSEQUENT EVENTS**

Subsequent events have been reviewed through December 31, 2015, the date the financial statements were available to be issued. The only significant event that was found to have happened that materially affected the District's financial position is as of December 31, 2014 Community Facilities District No. 2011 Fund 3654 Montecito Fire Upper Hyde Road (UHR) Mello-Roos was dissolved and officially closed on December 31, 2014.

**REQUIRED SUPPLEMENTARY INFORMATION**

**MONTECITO FIRE PROTECTION DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND (Unaudited)  
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Property taxes	\$ 14,653,524	\$ 14,653,524	\$ 14,746,643	\$ 93,119
Investment income	17,659	17,659	23,218	5,559
Rental income	50,961	50,961	49,486	(1,475)
Intergovernmental	266,470	872,124	962,912	90,788
Miscellaneous	5,825	5,825	32,321	26,496
Total revenues	<u>14,994,439</u>	<u>15,600,093</u>	<u>15,814,580</u>	<u>214,487</u>
<b>Expenditures</b>				
Salaries and benefits	13,024,331	13,693,213	13,155,250	537,963
Services and supplies	1,509,799	1,509,799	1,288,025	221,774
Capital outlay	58,500	66,150	66,126	24
Total expenditures	<u>14,592,630</u>	<u>15,269,162</u>	<u>14,509,401</u>	<u>759,761</u>
Excess of revenues over expenditures				
Other Financing Uses:				
Transfers out (net)	<u>(301,529)</u>	<u>(301,529)</u>	<u>(301,495)</u>	-
Total other financing uses	<u>(301,529)</u>	<u>(301,529)</u>	<u>(301,495)</u>	-
Net changes in fund balances	<u>\$ 100,280</u>	<u>\$ 29,402</u>	<u>1,003,684</u>	
Fund balances - Beginning			<u>3,813,353</u>	
Fund balances - Ending			<u>\$ 4,817,037</u>	



**MONTECITO FIRE PROTECTION DISTRICT**

Notes to the Budgetary Comparison Schedules  
Required Supplementary Information (Unaudited)  
June 30, 2015

**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 May of 2015.

**MONTECITO FIRE PROTECTION DISTRICT**

Required Supplementary Information  
 Other Post-Employment Benefits (OPEB) Plan – Schedule of Funding Progress  
 For the Fiscal Year Ended June 30, 2015

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
7/1/2007	\$ 0	\$14,752,000	\$14,752,000	0.0%	\$5,398,000	273.3%
7/1/2010	\$ 633,471	\$ 9,452,985	\$ 8,819,514	6.7%	\$6,621,966	133.2%
7/1/2013	\$2,746,320	\$10,082,480	\$ 7,336,160	27.22%		

**MONTECITO FIRE PROTECTION DISTRICT**Required Supplementary Information – Pensions  
For the Year Ended June 30, 2015

## Montecito Fire Protection District – Schedule of the District’s proportionate share of the Net Pension Liability:

Last 10 Fiscal Years\*:

	<u>FY 2015</u>
District’s proportion of the net pension liability	Varies by plan
District’s proportionate share of the net pension liability	\$ 13,163,696
District’s covered employee payroll	6,597,160
District’s proportionate share of the net pension liability as a percentage of its covered-employee payroll	199.53%
Plan Fiduciary net position as a percentage of the total pension liability	81.59%

\*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>
Actuarially determined contribution	\$ 1,192,280
Total actual contributions	(1,192,280)
Contribution deficiency (excess)	<u>\$ -</u>
District’s covered-employee payroll	\$ 6,597,160
Contributions as a percentage of covered employee payroll	18.07%



# Agenda Item #3



**Montecito Fire Protection District  
Summary of Finance Committee Reports  
April 18, 2016**

**Internal Reports:**

1. **Cash Reconciliation (All Funds)** – Summarizes the District's revenue and expenditures for the month. The ending cash balance is compared to the actual cash on hand held with the County Treasury. The differences are reconciled by taking into consideration outstanding payments that were not paid by the month-end.
2. **Warrants and Claims Detail (All Funds)** – Details all expenditure transactions processed during the month. The total of all expenses ties to the Cash Reconciliation report.
3. **Payroll Expenditures Summary** – Summarizes all payroll related expenses (wages and benefits) for the month. The total of all payroll expenses ties to the Cash Reconciliation report.
4. **Overtime Detail** – Details all overtime paid in the two payroll cycles included in the monthly report broken down into the three overtime categories. The report is sorted by date, then by employee last name.
5. **Overtime Summary** – Compares the current and prior year overtime expenses for each category.

**FIN Reports**

6. **Variance Report (All Funds)** – Explains the large budget to actual variances in the FIN reports. Report is produced internally.
7. **Balance Sheet (All Funds)** – Summarizes the District's assets, liabilities and equity in YTD format.
8. **Financial Status (All Funds)** – Summarizes revenues and expenses for the District in year-to-date (YTD) format and compares to the budgeted totals.
9. **Financial Trend (General Fund)** – Summarizes the YTD expenses at a specified month for 3 years.
10. **Expenditure Trend (General Fund)** – Summarizes all monthly expenses for each line item for the last 6 months.

**Other Information:**

11. Fire Assignments Billing Detail – Details all fire assignments during the fiscal year, the amount due from the corresponding agency, and is updated when payments are received.
12. Price, Postel & Parma invoice summary
13. Cochrane Property Management cash balance and cash flow reports (Board packet only)





**MONTECITO FIRE PROTECTION DISTRICT**  
**CASH RECONCILIATION - ALL FUNDS**  
**March 31, 2016**

	Fund 3650 General	Fund 3651 Pension Obl.	Fund 3652 Capital Outlay	Fund 3653 Land & Bldg	All Funds
Cash Balance at 3/1/16	4,684,972.18	191.42	2,214,283.25	4,533,676.46	11,421,424.82
Income:					
Tax Revenue	-	-	-	-	-
Other:					
Rocky Fire, 07/30-08/11/15	116,362.67	-	-	-	116,362.67
36 Fire, 08/08-08/10/15	25,656.88	-	-	-	25,656.88
Jerusalem Fire, 08/11-08/16/15	10,927.14	-	-	-	10,927.14
Cuesta Fire, 08/18-08/27/15	29,628.07	-	-	-	29,628.07
Valley Fire, 09/16-09/17/15	8,822.90	-	-	-	8,822.90
Butte Fire, 09/10-09/21/15	157,871.59	-	-	-	157,871.59
River Complex, 08/06-08/24/15	200,562.30	-	-	-	200,562.30
Gasquet Complex (PIO), 8/30-9/14/15	36,906.66	-	-	-	36,906.66
Gasquet Complex (900), 8/30-9/14/15	67,689.24	-	-	-	67,689.24
Fork Complex, 08/10-08/20/15	144,153.71	-	-	-	144,153.71
Lake Fire (921), 07/01-07/03/15	14,970.77	-	-	-	14,970.77
Gibraltar Fire, 10/29-10/30/15	42,569.09	-	-	-	42,569.09
CSFD Dispatch Services	21,714.00	-	-	-	21,714.00
Cal Card rebate, Q3	319.32	-	-	-	319.32
Cal Card rebate, Q4	229.51	-	-	-	229.51
Record request payment	15.00	-	-	-	15.00
	<u>878,398.85</u>	-	-	-	<u>878,398.85</u>
Expenses:					
Warrants and Claims	(939,929.65)	-	(83,504.94)	(1,795.50)	(1,025,230.09)
Payroll	(835,134.69)	-	-	-	(835,134.69)
Other:					
Reimbursed expenses*	18,717.30	-	-	-	18,717.30
	<u>(1,756,347.04)</u>	-	<u>(83,504.94)</u>	<u>(1,795.50)</u>	<u>(1,841,647.48)</u>
Cash Balance at 3/31/16	<u>3,807,023.99</u>	<u>191.42</u>	<u>2,130,778.31</u>	<u>4,531,880.96</u>	<u>10,458,176.19</u>
Cash in Treasury per Balance Sheet	<u>4,164,833.33</u>	<u>191.42</u>	<u>2,130,778.31</u>	<u>4,531,880.96</u>	<u>10,827,684.02</u>
<b>Difference</b>	357,809.34	-	-	-	357,809.34
<b>Reconciliation:</b>					
Outstanding payroll payments					
Delta Dental	14,557.92	-	-	-	14,557.92
Vision Service Plan	2,906.80	-	-	-	2,906.80
CalPERS retirement contributions	72,085.40	-	-	-	72,085.40
Mass Mutual contributions	19,259.00	-	-	-	19,259.00
Payroll direct deposit	245,751.47	-	-	-	245,751.47
EFT Payable (Acct 1015)					
Ready Refresh by Nestle	279.13	-	-	-	279.13
Accounts payable (Acct 1210)					
Chapman, Scott	1,550.00	-	-	-	1,550.00
Hickman, Kurt	737.04	-	-	-	737.04
Bennewate, Brandon	682.58	-	-	-	682.58
	<u>357,809.34</u>	-	-	-	<u>357,809.34</u>

\* Summary of reimbursed expenses:

York Risk Services - Temporary disability payments, 12/16/15-1/15/16, \$4,886.00  
York Risk Services - Temporary disability payments, 12/25/15-02/04/16, \$10,747.90  
State Comp. Insurance Fund - Temporary disability payments, 1/2-1/21/16, \$3,070.40  
G. Ventura - Reimb. for personal purchase on credit card, \$13.00

**MONTECITO FIRE PROTECTION DISTRICT  
WARRANTS AND CLAIMS DETAIL  
March 2015**

Payee	Description	Amount
<b>Fund 3650 - General</b>		
ADP Inc	ADP fees, 2015 W-2's	545.40
ADP Inc	ADP fees, 2 periods	476.25
Aflac	Employee paid insurance	1,526.28
Allstar Fire Equipment Inc	SCBA mask parts	424.18
Anchor Air Systems	A/C semi-annual maintenance, Sta. 1 & 2	640.44
Angel L Iscovich	Medical director services, Jan-June 2016	3,000.00
Aqua Lab Industries	Hydrostatic testing (2 bottles)	66.00
Bennewate, Brandon	B. Bennewate Reimb: HazMat Tech Module A	682.58
Bennewate, Brandon	B. Bennewate Reimb: HazMat Tech Module B	682.58
Boone Printing & Graphics	Business cards (2 sets)	151.46
Branch Out Tree Care LLC	Chipping Special Project: East Valley Rd.	4,712.85
Branch Out Tree Care LLC	Chipping Project: El Bosque	3,750.00
Burtons Fire Inc	Hydrant test gauges (3)	123.81
Cal Fire/SLO County Fire Dept.	K. Taylor: L950 Incident Commander Training	150.00
Callback Staffing Solutions LLC	Online scheduling program, monthly fee	94.50
Chapman, Scott	S. Chapman Reimb: Leadership 381	1,550.00
Conexis Benefits Administrator LP	FSA plan reimbursements, employee paid	10,247.48
Cox Communications	CAD connectivity & Internet	2,761.90
Cummins Cal Pacific	Annual generators service	1,484.40
Easton, Sylvia	S. Easton Reimb: LAFCO and CSDA Board meetings	90.22
Emergency Medical Services Auth.	EMT 2-year certification fees	742.00
Gem Equipment Company	Transmission repair, E93	1,785.14
Geo Elements LLC	CWPP study, final payment	2,722.98
Goldman Magdalin Krikes LLP	Worker's comp legal services	70.00
Grainger Inc	Cal Fire crews in-kind payment (Grainger)	5,678.28
Hayward Lumber Company	Roof prop training materials	609.58
Hickman, Kurt	K. Hickman Reimb: CCAI Conference	737.04
Impulse Internet Services	Phone services	497.47
InformaCo Emend Billing Service	IT support, March	4,600.00
InformaCo Emend Billing Service	IT support (billable), February	1,080.00
Interstate Batteries	4 Batteries for SQ91 and 912 vehicle	922.06
J V Enterprises	Annual smoke testing on all engines	300.00
Lewis Plumbing Inc	Clear kitchen sink main line (hydro jet), Sta. 2	880.00
Liebert Cassidy Whitmore	Labor attorney fees, January	1,444.00
Marborg Industries	Refuse disposal, 2 months	862.10
McCormix Corporation	Diesel fuel, February	1,482.23
Mission Uniform Service Inc	Shop towels	389.62
Montecito Village Hardware	Household and hardware supplies	69.08
Montecito Water District	Water service	555.82
Paragon Builders	Replaced engine bay high window	3,998.00
PARS Public Agency Retmt Svcs	PARS OPEB Contribution for FY 15-16 (3 of 4)	823,478.00
Pauletto Electric	Relocated electrical outlet for response vehicles	978.41
Peyton Scapes	Landscape maintenance	550.00
Precision Imaging	Office copier usage fee, February	228.60
Price Postel & Parma	Legal services, February	11,718.00
Ready Refresh By Nestle	Bottled water, Sta. 1	208.02
Ready Refresh By Nestle	Bottled water, Sta. 2	71.11
RLF Trucking	Sand delivery charge (1 trip)	285.00
Robert Galbraith	R. Galbraith Reimb: PALS Refresher	130.50
Ruben Ramirez Tree Care	Tree removal on Romero Cyn	200.00
Ruggiero Plumbing	Plumbing labor to repair leaking valves, Sta. 2	325.00

<b>Payee</b>	<b>Description</b>	<b>Amount</b>
Ruggiero Plumbing	Plumbing service call to repair urinal, Sta. 1	95.00
Sansum Clinic	Employee medical exams	11,232.50
Santa Barbara Steam Cleaning	Annual dryer vent cleaning, Sta. 1	297.00
Satcom Global Inc	Satellite phone charges, 2 months	303.18
SB County Air Pollution Control	APCD Emission fees for generators, FY 15-16	833.18
SB County Auditor-Controller	Additional user tax	16.19
SB County Environmental Health	Annual hazardous materials permit	929.00
SB County Treasurer-Tax Collectors	Secured taxes for 3 MFPD properties	3,797.82
SB Mailworks	Neighborhood chipping flyer: 2/12 & 2/25	320.57
SB Mailworks	Annual Report printing/mailing services	3,636.82
Skei, Evan	E. Skei Reimb: Rope Rescue Technician	637.32
Smardan Hatcher Company	Leaking valve repair parts, Sta. 2	72.21
Smardan Hatcher Company	Regulator replacement parts, Sta. 1	562.25
Southern California Edison	Electricity service	1,585.70
Sprint	E92 Sim card for MDC	37.99
Staples Credit Plan	Office supplies: Paper, coffee, printer ink, other	905.80
The Gas Company	Gas service	138.35
The UPS Store	Shipping charges	13.91
The Village Service Station	Gasoline charges	1,123.81
Turnout Maintenance Co LLC	Turnouts repairs	171.00
US Bank Corporate Card	Recognition for STB firefighter for testing assist	25.00
	J. Reed: S-203 training	34.47
	Fax, back-up server & website assist, monthly fees	38.94
	Refreshments for All-Risk training course	42.71
	Business meetings (900 and 903)	98.54
	Fire hydrant test gauges	177.98
	Badaracco/Widling: Firehouse World	192.00
	Retirement recognition for P. Purguy	202.87
	Promotional recognition for A. Briner	202.91
	Office supplies, cert. mail, and IT patch	215.70
	Hardware/flood training supplies, straw wattle	232.71
	Adapters/test equipment for UHF/VHF radios	283.14
	Vehicle cleaning supplies	295.98
	Bedding/bathroom curtain/mats for Dispatch dorm	335.78
	Gasoline charges	458.13
	Dispatcher hiring written exam fee	553.24
	Exercise bike (budgeted)	603.72
	Widling/Bass/Galbraith: Apparatus Symposium	942.71
	Fuel, oil, coolant filters and vehicle fluids	1,739.35
Veritiv Operating Company	Household supplies	852.55
Verizon California	Phone services	1,254.62
Verizon Wireless	Wireless service	1,093.63
Xerox Government Systems LLC	Firehouse software maintenance: 4/1/15-3/31/16	2,315.00
	<b>Fund 3650 Total</b>	<b><u>939,659.65</u></b>
<b><u>Fund 3652 - Capital Outlay</u></b>		
Lake Chevrolet	BC Vehicle: 2016 Chevy Tahoe (Budgeted)	41,752.47
Lake Chevrolet	912 Vehicle: 2016 Chevy Tahoe (Budgeted)	41,752.47
	<b>Fund 3653 Total</b>	<b><u>83,504.94</u></b>
<b><u>Fund 3653 - Land &amp; Building</u></b>		
Price Postel & Parma	Legal services - Station 3, February	1,795.50
	<b>Fund 3653 Total</b>	<b><u>1,795.50</u></b>

**MONTECITO FIRE PROTECTION DISTRICT  
PAYROLL EXPENDITURES  
March 2016**

Regular Salaries	\$	500,652.88
Part-Time Salaries		4,492.00
Directors Fees		340.00
Auxiliary		1,615.00
FLSA Safety		12,030.40
FLSA Dispatch		3,229.92
Overtime		50,637.39
Dispatch Cadre Earnings		2,028.00
Mass Mutual 457 Contribution		8,500.00
Uniform		208.33
Retirement Vacation Payout		<u>4,230.36</u>
 Gross Wages	 \$	 587,964.28
 District Contributions to Insurance		 124,658.22
District Contributions to Medicare/SS		8,258.38
District Contributions to SUI		41.06
CalPERS Employee Contribution, District paid		48,502.69
CalPERS Employer Contribution, Employee paid		(24,334.99)
CalPERS, District Contribution		95,883.95
Health and Dependent Care FSA Contributions		(4,312.62)
Due to AFLAC		<u>(1,526.28)</u>
 Total Benefits		 <u>247,170.41</u>
<b>Grand Total</b>	<b>\$</b>	<b><u>835,134.69</u></b>

**MONTECITO FIRE PROTECTION DISTRICT  
OVERTIME DETAIL  
March 2016**

Name	Date Worked	Comp Hrs	OT Hrs	Total Amount	Constant Staffing	Fire Reimbursable	Overtime	Description
Bennewate, B.	02/08/16		8.0	429.60			429.60	HazMat Tech training class
Bennewate, B.	02/10/16		8.0	429.60			429.60	HazMat Tech training class
Bennewate, B.	02/12/16		8.0	429.60			429.60	HazMat Tech training class
Chapman, S.	02/13/16	8.0	16.0	1,178.40	1,178.40			
Ederer, T.	02/16/16		11.0	963.00	963.00			
Fuentes, E.	02/16/16		3.0	216.32	216.32			
Holthe, D.	02/17/16		24.0	1,991.88	1,991.88			
Ederer, T.	02/18/16		24.0	1,925.00	1,925.00			
Bennewate, B.	02/23/16		8.0	429.60			429.60	HazMat Tech training class
Holthe, D.	02/23/16		6.5	539.47	539.47			
Widling, A.	02/23/16		24.0	1,925.00	1,925.00			
Widling, A.	02/23/16		24.0	1,925.00	1,925.00			
Zeitsoff, J.	02/24/16		4.0	249.42	249.42			
Bennewate, B.	02/25/16		8.0	429.60			429.60	HazMat Tech training class
Poulos, T.	02/25/16		24.0	1,544.04	1,544.04			
Villarreal, J.	02/26/16		2.0	158.52	158.52			
Gregson, A.	02/27/16		24.0	1,925.00	1,925.00			
Klemowicz, E.	02/27/16		24.0	1,405.08	1,405.08			
Lauritson, R.	02/27/16		24.0	2,925.72	2,925.72			
Walkup, R.	02/28/16		10.0	599.85	599.85			
Taylor, J.	02/29/16		24.0	992.16	992.16			
Taylor, J.	03/02/16		14.0	578.76	578.76			
Zeitsoff, J.	03/02/16		2.0	124.71	124.71			
Zeitsoff, J.	03/04/16		15.0	935.33	935.33			
Davis, S.	03/05/16		24.0	1,567.08	1,567.08			
Grant, L.	03/06/16		24.0	1,160.28	1,160.28			
Mann, K.	03/06/16		24.0	1,730.52	1,730.52			
Whilt, S.	03/06/16		24.0	1,288.80	1,288.80			
Gil, A.	03/07/16		2.5	211.84			211.84	Financial audit management report

Name	Date Worked	Comp Hrs	OT Hrs	Total Amount	Constant Staffing	Fire		Overtime	Description
						Reimbursable	Overtime		
Hickman, K.	03/07/16		8.0	520.32				520.32	Arson Investigators Conference
Hickman, K.	03/08/16		9.0	585.36				585.36	Arson Investigators Conference
Zeitsoff, J.	03/08/16		24.0	1,496.52	1,496.52				
<b>Payroll 3/16/16</b>				<b>32,811.38</b>	<b>29,345.86</b>	<b>-</b>	<b>3,465.52</b>		
Lauritson, R.	02/29/16		4.5	548.57	548.57				
Bennewate, B.	03/01/16		3.5	187.95				187.95	Paramedic meeting
Fuggles, K.	03/01/16		3.5	250.16				250.16	Paramedic meeting
Hickman, K.	03/01/16		3.5	227.64				227.64	Paramedic meeting
McCracken, R.	03/01/16		2.0	132.12				132.12	Paramedic meeting
Lauritson, R.	03/04/16		16.0	1,950.48	1,950.48				
Bennewate, B.	03/07/16		8.0	429.60				429.60	HazMat Tech training class
Bennewate, B.	03/09/16		8.0	429.60				429.60	HazMat Tech training class
Bennewate, B.	03/11/16		8.0	429.60				429.60	HazMat Tech training class
Blake, G.	03/12/16		20.5	1,288.12	1,288.12				
Walkup, R.	03/12/16		24.0	1,439.64	1,439.64				
Wrenn, B.	03/12/16		4.0	193.38	193.38				
Jenkins, J.	03/18/16		1.5	161.17				161.17	Trail rescue press release
Ederer, T.	03/19/16		24.0	1,925.00	1,925.00				
Galbraith, R.	03/20/16		17.5	1,053.41	1,053.41				
Lauritson, R.	03/20/16		23.0	2,803.82	2,803.82				
Hickman, K.	03/21/16	16.0	8.0	520.32	520.32				
Bennewate, B.	03/22/16		8.0	429.60				429.60	HazMat Tech training class
Hickman, K.	03/23/16		8.0	520.32				520.32	Paramedic skills update
Whilt, S.	03/23/16		8.0	429.60				429.60	Paramedic skills update
Wrenn, B.	03/23/16		15.0	725.18	725.18				
Zeitsoff, J.	03/23/16		24.0	1,496.52	1,496.52				
Gil, A.	03/27/16		3.0	254.21				254.21	Payroll preparation
<b>Payroll 4/1/16</b>				<b>17,826.01</b>	<b>13,944.44</b>	<b>-</b>	<b>3,881.57</b>		
<b>Grand Total</b>				<b>50,637.39</b>	<b>43,290.30</b>	<b>-</b>	<b>7,347.09</b>		
<b>% of Total</b>				<b>100.0%</b>	<b>85.5%</b>	<b>0.0%</b>	<b>14.5%</b>		

**MONTECITO FIRE PROTECTION DISTRICT  
OVERTIME SUMMARY**

**Fiscal Year 2014-15**

Month Paid	Constant Staffing	Fire Assignments	Overtime	Total OT
JULY	54,746.66	-	3,482.39	58,229.05
AUGUST	86,994.40	187,986.81	2,798.86	277,780.07
SEPTEMBER	48,043.14	106,053.76	5,491.04	159,587.93
OCTOBER	52,145.54	43,661.73	6,047.12	101,854.39
NOVEMBER	46,710.60	-	14,769.37	61,479.97
DECEMBER	85,597.37	-	27,550.49	113,147.86
JANUARY	90,637.81	-	7,324.76	97,962.57
FEBRUARY	42,332.31	-	8,579.85	50,912.16
MARCH	62,100.66	-	31,683.75	93,784.41
APRIL	94,279.85	-	20,875.14	115,154.99
MAY	32,281.95	-	8,358.40	40,640.35
JUNE	37,471.74	31,262.47	3,958.29	72,692.50
<b>TOTAL</b>	<b>733,342.01</b>	<b>368,964.77</b>	<b>140,919.46</b>	<b>1,243,226.23</b>

	Cons.Staff.	Fire Asgmts	Overtime	Total OT
YTD Mar 2015	569,308.47	337,702.30	107,727.63	920,953.98

**Fiscal Year 2015-16**

Month Paid	Constant Staffing	Fire Assignments	Overtime	Total OT
JULY	26,341.64	46,353.98	2,422.62	<b>75,118.24</b>
AUGUST	39,374.01	392,353.36	1,923.13	<b>433,650.50</b>
SEPTEMBER	81,872.55	211,227.62	2,502.77	<b>295,602.94</b>
OCTOBER	67,164.38	1,767.60	1,435.33	<b>70,367.31</b>
NOVEMBER	66,602.43	28,894.69	15,424.45	<b>110,921.57</b>
DECEMBER	96,812.16	4,730.31	12,117.85	<b>113,660.32</b>
JANUARY	52,753.02	2,139.45	6,680.76	<b>61,573.23</b>
FEBRUARY	47,051.95	-	3,740.82	<b>50,792.77</b>
MARCH	43,290.30	-	7,347.09	<b>50,637.39</b>
APRIL				-
MAY				-
JUNE				-
<b>TOTAL</b>	<b>521,262.43</b>	<b>687,467.01</b>	<b>53,594.82</b>	<b>1,262,324.26</b>

<b>Budget</b>	<b>750,000.00</b>	<b>325,000.00</b>	<b>125,000.00</b>
<b>% of Budget</b>	<b>69.5%</b>	<b>211.5%</b>	<b>42.9%</b>





**Variance Report**  
**Finance Committee - April 18, 2016**

<b>Report</b>	<b>Line Item</b>	<b>Variance Explanation</b>
1	Balance Sheet 115	Fair market value adjustments posted by the County on a quarterly basis.
2	Balance Sheet 0130	Cash held with Cochrane Property Management for rental property units.
3	Balance Sheet 1015 & 1210	The EFT/accounts payable account reflects expenses entered on March 31st, but disbursement payment wasn't completed until April.
4	Balance Sheet 1730	This account serves as a holding account for any deposits made through the County Treasurer. All deposits are cleared with a Deposit Journal Entry.
5	Financial Status Taxes Total	In general, approximately 55% of property tax revenues are distributed by December. The District was at 57% of budgeted revenue at 12/31/15.
6	Financial Status 3750 & 4476	Please see the Fire Assignments spreadsheet for billing and revenue details.
7	Financial Status 7030	This account includes \$35,000 budgeted for new turnouts. Purchase is expected to be completed by March/April.
8	Financial Status 7120	This account is used for repairs to equipment, machines, etc. Expenses are lower than expected at this point, but it's difficult to predict future expenses.
9	Financial Status 7205	The hazard mitigation projects are ongoing and "Neighborhood Projects" will continue through the end of the fiscal year.
10	Financial Status 7348	This account is for budgeted items that have been ordered, and payment will be scheduled for April. The mobile data computers budgeted at \$27,000 will be purchased next fiscal year.
11	Financial Status 7450	The office furniture budgeted for \$28,000 in this account will be ordered by the end of April.
12	Financial Status 7460	Professional service fees have remained lower than expected this fiscal year. There's nothing specifically that accounts for the variance.
13	Financial Status 7546	Fee paid to the SB County Tax Collector's office. Paid in April/May.
14	Financial Status 7650	This line item has remained lower than expected this fiscal year. There's nothing specifically that accounts for the variance.
15	Financial Status 8300	Plans to purchase budgeted capital assets are ongoing. Capital assets include the technology upgrade to the Department Operations Center (\$50,000), radio back-up battery (\$10,000), thermal imager cameras (\$32,500), and hydrant maintenance (\$50,000).
16	Financial Status Fund 3653 7700	The expenses in this line item all pertain to the San Leandro property acquisition efforts. The expenses were originally capitalized, but since the land was not purchased, they must be reclassified into the Services & Supplies object level.
17	Financial Trend 5909	Last year the District received an unexpected Medicare subsidy payment from CalPERS for \$23,500. CalPERS will not be issuing a subsidy payment this year.
18	Financial Trend 7205	The Wildland Specialists have engaged in more projects this fiscal year because of the availability of the Cal Fire inmate crews, resulting in more expenses than in past years.

**Variance Report**  
**Finance Committee - April 18, 2016**

<b>Report</b>	<b>Line Item</b>	<b>Variance Explanation</b>
<b>19</b> Financial Trend	7363	Vehicle maintenance expenses are currently higher than anticipated for this time of year, due to some major mechanical repairs and regular wear and tear maintenance as a result of a busy fire assignment season.
<b>20</b> Financial Trend	7400	Medical expenses are higher than in past years due to some budgeted expenses for the current year, including, medical narcotics vaults (\$9k) and 2 Lifepak AEDs (\$5k).
<b>21</b> Expenditure Trend	6900	During long-term work-related injuries, the worker's compensation insurance makes payments to the District while the employee's wages are continued. The payments recovered are credited back to the WC insurance expense account, which results in the negative balance.
<b>22</b> Expenditure Trend	7450	The computer replacement expense of \$36,000 was mistakenly charged to account 7450 in January. The expense was reclassified to account 7348, where the expense was budgeted.
<b>23</b> Expenditure Trend	7732	January and February were busy months of training payments and reimbursements. Several District employees attended Firehouse World, Apparatus Symposium, and Division Supervisor All-Risk Courses, which resulted in a higher than average training expense.

# Balance Sheet

As of: 3/31/2016  
Accounting Period: CLOSED

Selection Criteria: Fund = 3650-3653

Layout Options: Summarized By = Fund; Page Break At = Fund

## Fund 3650 -- Montecito Fire Protection Dist

	Beginning Balance 7/1/2015	Year-To-Date Debits	Year-To-Date Credits	Ending Balance 3/31/2016
<b>Assets &amp; Other Debits</b>				
<b>Assets</b>				
0110 -- Cash in Treasury	5,014,779.63	12,984,639.13	13,834,585.43	4,164,833.33
0115 -- Treasury FMV Adjustment	2,865.52	13,708.54	8,842.06	7,732.00 1
0120 -- Imprest Cash	500.00	0.00	0.00	500.00
0130 -- Cash with Fiscal Agents	8,353.84	18,879.59	11,698.49	15,534.94 2
0230 -- Accounts Receivable	114,594.00	0.00	114,594.00	0.00
0240 -- Interest Receivable	5,962.84	11,775.29	9,966.81	7,771.32
<b>Total Assets</b>	<b>5,147,055.83</b>	<b>13,029,002.55</b>	<b>13,979,686.79</b>	<b>4,196,371.59</b>
<b>Liabilities, Equity &amp; Other Credits</b>				
<b>Liabilities</b>				
1010 -- Warrants Payable	0.00	3,525,717.45	3,525,717.45	0.00
1015 -- EFT Payable	3,149.86	1,314,022.44	1,311,151.71	279.13 3
1020 -- Salaries & Benefits Payable	283,571.00	283,571.00	0.00	0.00
1210 -- Accounts Payable	25,823.86	4,812,001.23	4,789,146.99	2,969.62 3
1240 -- Accrued Expenses	14,975.00	14,975.00	0.00	0.00
1400 -- Deposits	2,500.00	0.00	500.00	3,000.00
1730 -- Unidentified Deposits	0.00	1,604,727.42	1,604,727.42	0.00 4
<b>Total Liabilities</b>	<b>330,019.72</b>	<b>11,555,014.54</b>	<b>11,231,243.57</b>	<b>6,248.75</b>
<b>Equity</b>				
2120 -- Fund Balance-Restricted	2,865.52	2,865.52	7,732.00	7,732.00
2130 -- Fund Balance-Committed	1,200,500.00	0.00	0.00	1,200,500.00
2200 -- Fund Balance-Residual	3,613,670.59	33,958,429.85	33,326,650.10	2,981,890.84
<b>Total Equity</b>	<b>4,817,036.11</b>	<b>33,961,295.37</b>	<b>33,334,382.10</b>	<b>4,190,122.84</b>
<b>Total Liabilities, Equity &amp; Other Credits</b>	<b>5,147,055.83</b>	<b>45,516,309.91</b>	<b>44,565,625.67</b>	<b>4,196,371.59</b>

# Balance Sheet

As of: 3/31/2016  
Accounting Period: CLOSED

Selection Criteria: Fund = 3650-3653  
Layout Options: Summarized By = Fund; Page Break At = Fund

## Fund 3651 -- Montecito Fire Pension Oblig

	Beginning Balance 7/1/2015	Year-To-Date Debits	Year-To-Date Credits	Ending Balance 3/31/2016
<b>Assets &amp; Other Debits</b>				
<b>Assets</b>				
0110 -- Cash in Treasury	180.30	795,540.13	795,529.01	191.42
0115 -- Treasury FMV Adjustment	0.10	0.60	0.34	0.36
0240 -- Interest Receivable	0.18	16.58	10.13	6.63
<b>Total Assets</b>	<b>180.58</b>	<b>795,557.31</b>	<b>795,539.48</b>	<b>198.41</b>
<b>Liabilities, Equity &amp; Other Credits</b>				
<b>Liabilities</b>				
1010 -- Warrants Payable	0.00	2,960.00	2,960.00	0.00
1015 -- EFT Payable	0.00	792,569.01	792,569.01	0.00
1210 -- Accounts Payable	0.00	795,529.01	795,529.01	0.00
<b>Total Liabilities</b>	<b>0.00</b>	<b>1,591,058.02</b>	<b>1,591,058.02</b>	<b>0.00</b>
<b>Equity</b>				
2120 -- Fund Balance-Restricted	0.10	0.18	0.44	0.36
2140 -- Fund Balance-Assigned	180.48	0.00	0.00	180.48
2200 -- Fund Balance-Residual	0.00	1,591,105.79	1,591,123.36	17.57
<b>Total Equity</b>	<b>180.58</b>	<b>1,591,105.97</b>	<b>1,591,123.80</b>	<b>198.41</b>
<b>Total Liabilities, Equity &amp; Other Credits</b>	<b>180.58</b>	<b>3,182,163.99</b>	<b>3,182,181.82</b>	<b>198.41</b>

# Balance Sheet

As of: 3/31/2016  
Accounting Period: CLOSED

Selection Criteria: Fund = 3650-3653

Layout Options: Summarized By = Fund; Page Break At = Fund

## Fund 3652 -- Montecito Fire Cap Outlay Res

	Beginning Balance 7/1/2015	Year-To-Date Debits	Year-To-Date Credits	Ending Balance 3/31/2016
<b>Assets &amp; Other Debits</b>				
<b>Assets</b>				
0110 -- Cash in Treasury	2,386,382.70	6,294.34	261,898.73	2,130,778.31
0115 -- Treasury FMV Adjustment	1,363.62	6,732.79	4,140.63	3,955.78
0240 -- Interest Receivable	2,259.63	7,177.42	6,294.34	3,142.71
<b>Total Assets</b>	<b>2,390,005.95</b>	<b>20,204.55</b>	<b>272,333.70</b>	<b>2,137,876.80</b>
<b>Liabilities, Equity &amp; Other Credits</b>				
<b>Liabilities</b>				
1010 -- Warrants Payable	0.00	83,504.94	83,504.94	0.00
1015 -- EFT Payable	0.00	178,369.80	178,369.80	0.00
1210 -- Accounts Payable	0.00	261,874.74	261,874.74	0.00
<b>Total Liabilities</b>	<b>0.00</b>	<b>523,749.48</b>	<b>523,749.48</b>	<b>0.00</b>
<b>Equity</b>				
2120 -- Fund Balance-Restricted	1,363.62	2,249.05	4,841.21	3,955.78
2140 -- Fund Balance-Assigned	2,388,642.33	0.00	0.00	2,388,642.33
2200 -- Fund Balance-Residual	0.00	623,872.57	369,151.26	-254,721.31
<b>Total Equity</b>	<b>2,390,005.95</b>	<b>626,121.62</b>	<b>373,992.47</b>	<b>2,137,876.80</b>
<b>Total Liabilities, Equity &amp; Other Credits</b>	<b>2,390,005.95</b>	<b>1,149,871.10</b>	<b>897,741.95</b>	<b>2,137,876.80</b>

# Balance Sheet

As of: 3/31/2016  
Accounting Period: CLOSED

Selection Criteria: Fund = 3650-3653  
Layout Options: Summarized By = Fund; Page Break At = Fund

## Fund 3653 -- Montecito Fire Land & Building

	Beginning Balance 7/1/2015	Year-To-Date Debits	Year-To-Date Credits	Ending Balance 3/31/2016
<b>Assets &amp; Other Debits</b>				
<b>Assets</b>				
0110 -- Cash in Treasury	7,082,751.75	17,749.61	2,568,620.40	4,531,880.96
0115 -- Treasury FMV Adjustment	4,047.20	15,494.45	11,128.23	8,413.42
0240 -- Interest Receivable	6,850.72	17,440.78	17,749.61	6,541.89
<b>Total Assets</b>	<b>7,093,649.67</b>	<b>50,684.84</b>	<b>2,597,498.24</b>	<b>4,546,836.27</b>
<b>Liabilities, Equity &amp; Other Credits</b>				
<b>Liabilities</b>				
1010 -- Warrants Payable	0.00	12,250.00	12,250.00	0.00
1015 -- EFT Payable	0.00	48,103.40	48,103.40	0.00
1210 -- Accounts Payable	0.00	60,103.40	60,103.40	0.00
<b>Total Liabilities</b>	<b>0.00</b>	<b>120,456.80</b>	<b>120,456.80</b>	<b>0.00</b>
<b>Equity</b>				
2120 -- Fund Balance-Restricted	4,047.20	7,211.12	11,577.34	8,413.42
2140 -- Fund Balance-Assigned	7,089,602.47	0.00	0.00	7,089,602.47
2200 -- Fund Balance-Residual	0.00	5,270,202.37	2,719,022.75	-2,551,179.62
<b>Total Equity</b>	<b>7,093,649.67</b>	<b>5,277,413.49</b>	<b>2,730,600.09</b>	<b>4,546,836.27</b>
<b>Total Liabilities, Equity &amp; Other Credits</b>	<b>7,093,649.67</b>	<b>5,397,870.29</b>	<b>2,851,056.89</b>	<b>4,546,836.27</b>

# Financial Status

As of: 3/31/2016 (75% Elapsed)  
Accounting Period: CLOSED

Selection Criteria: Fund = 3650-3653

Layout Options: Summarized By = Fund, LinelItemAccount; Page Break At = Fund

## Fund 3650 -- Montecito Fire Protection Dist

Line Item Account	6/30/2016 Fiscal Year Adjusted Budget	3/31/2016 Year-To-Date Actual	6/30/2016 Fiscal Year Variance	6/30/2016 Fiscal Year Pct of Budget
<b>Revenues</b>				
<b>Taxes</b>				
3010 -- Property Tax-Current Secured	14,439,960.00	8,098,627.69	-6,341,332.31	56.08 %
3011 -- Property Tax-Unitary	113,640.00	0.00	-113,640.00	0.00 %
3015 -- PT PY Corr/Escapes Secured	-37,185.00	-486.36	36,698.64	1.31 %
3020 -- Property Tax-Current Unsecd	619,890.00	658,613.77	38,723.77	106.25 %
3040 -- Property Tax-Prior Secured	0.00	119.31	119.31	--
3050 -- Property Tax-Prior Unsecured	0.00	56.05	56.05	--
3054 -- Supplemental Pty Tax-Current	237,945.00	0.00	-237,945.00	0.00 %
<b>Taxes</b>	<b>15,374,250.00</b>	<b>8,756,930.46</b>	<b>-6,617,319.54</b>	<b>56.96 %</b>
<b>Use of Money and Property</b>				
3380 -- Interest Income	17,465.00	11,775.29	-5,689.71	67.42 %
3381 -- Unrealized Gain/Loss Invstmnts	4,866.00	4,866.48	0.48	100.01 %
3409 -- Other Rental of Bldgs and Land	51,660.00	34,840.00	-16,820.00	67.44 %
<b>Use of Money and Property</b>	<b>73,991.00</b>	<b>51,481.77</b>	<b>-22,509.23</b>	<b>69.58 %</b>
<b>Intergovernmental Revenue-State</b>				
3750 -- State-Emergency Assistance	260,000.00	411,114.45	151,114.45	158.12 %
4220 -- Homeowners Property Tax Relief	84,365.00	41,487.16	-42,877.84	49.18 %
<b>Intergovernmental Revenue-State</b>	<b>344,365.00</b>	<b>452,601.61</b>	<b>108,236.61</b>	<b>131.43 %</b>
<b>Intergovernmental Revenue-Federal</b>				
4476 -- Federal Emergency Assistance	65,000.00	889,137.08	824,137.08	1,367.90 %
<b>Intergovernmental Revenue-Federal</b>	<b>65,000.00</b>	<b>889,137.08</b>	<b>824,137.08</b>	<b>1,367.90 %</b>
<b>Charges for Services</b>				
5105 -- Reimb for District Services	183,020.00	113,233.17	-69,786.83	61.87 %
<b>Charges for Services</b>	<b>183,020.00</b>	<b>113,233.17</b>	<b>-69,786.83</b>	<b>61.87 %</b>

# Financial Status

As of: 3/31/2016 (75% Elapsed)  
Accounting Period: CLOSED

Selection Criteria: Fund = 3650-3653

Layout Options: Summarized By = Fund, LinelItemAccount; Page Break At = Fund

## Fund 3650 -- Montecito Fire Protection Dist

Line Item Account	6/30/2016 Fiscal Year Adjusted Budget	3/31/2016 Year-To-Date Actual	6/30/2016 Fiscal Year Variance	6/30/2016 Fiscal Year Pct of Budget
<b>Miscellaneous Revenue</b>				
5909 -- Other Miscellaneous Revenue	5,860.00	2,993.04	-2,866.96	51.08 %
Miscellaneous Revenue	5,860.00	2,993.04	-2,866.96	51.08 %
Revenues	16,046,486.00	10,266,377.13	-5,780,108.87	63.98 %
<b>Expenditures</b>				
<b>Salaries and Employee Benefits</b>				
6100 -- Regular Salaries	6,977,727.00	4,767,559.33	2,210,167.67	68.33 %
6300 -- Overtime	125,000.00	47,925.77	77,074.23	38.34 %
6301 -- Overtime - Reimbursable	325,000.00	691,154.43	-366,154.43	212.66 %
6310 -- Overtime - Constant Staffing	750,000.00	493,903.28	256,096.72	65.85 %
6400 -- Retirement Contribution	2,106,890.00	1,623,076.59	483,813.41	77.04 %
6475 -- Retiree Medical OPEB	3,293,913.00	2,470,434.00	823,479.00	75.00 %
6550 -- FICA/Medicare	112,717.00	80,385.48	32,331.52	71.32 %
6600 -- Health Insurance Contrib	1,415,488.00	1,151,521.86	263,966.14	81.35 %
6700 -- Unemployment Ins Contribution	9,100.00	8,138.85	961.15	89.44 %
6900 -- Workers Compensation	525,000.00	432,983.89	92,016.11	82.47 %
Salaries and Employee Benefits	15,640,835.00	11,767,083.48	3,873,751.52	75.23 %
<b>Services and Supplies</b>				
7030 -- Clothing and Personal	49,500.00	6,217.01	43,282.99	12.56 %
7050 -- Communications	77,300.00	62,588.95	14,711.05	80.97 %
7060 -- Food	2,500.00	365.13	2,134.87	14.61 %
7070 -- Household Supplies	33,760.00	19,187.63	14,572.37	56.84 %
7090 -- Insurance	31,000.00	27,333.00	3,667.00	88.17 %
7120 -- Equipment Maintenance	35,000.00	16,352.45	18,647.55	46.72 %
7200 -- Structure & Ground Maintenance	38,550.00	28,097.73	10,452.27	72.89 %
7205 -- Fire Defense Zone (Hazard Mitigation)	140,750.00	63,503.99	77,246.01	45.12 %



# Financial Status

As of: 3/31/2016 (75% Elapsed)  
Accounting Period: CLOSED

Selection Criteria: Fund = 3650-3653

Layout Options: Summarized By = Fund, LinelItemAccount; Page Break At = Fund

## Fund 3650 -- Montecito Fire Protection Dist

Line Item Account	6/30/2016 Fiscal Year Adjusted Budget	3/31/2016 Year-To-Date Actual	6/30/2016 Fiscal Year Variance	6/30/2016 Fiscal Year Pct of Budget
7322 -- Consulting & Mgmt Fees	3,100.00	2,228.40	871.60	71.88 %
7324 -- Audit and Accounting Fees	23,250.00	18,483.25	4,766.75	79.50 %
7348 -- Instruments & Equip. < \$5000	99,090.00	37,192.78	61,897.22	37.53 % 10
7363 -- Equipment Maintenance (Vehicles)	58,000.00	49,211.70	8,788.30	84.85 %
7400 -- Medical, Dental and Lab	44,860.00	34,899.65	9,960.35	77.80 %
7430 -- Memberships	9,500.00	7,320.50	2,179.50	77.06 %
7450 -- Office Expense	58,530.00	12,721.05	45,808.95	21.73 % 11
7460 -- Professional & Special Service	371,000.00	184,065.22	186,934.78	49.61 % 12
7507 -- ADP Payroll Fees	7,500.00	5,159.03	2,340.97	68.79 %
7510 -- Contractual Services	43,300.00	28,569.60	14,730.40	65.98 %
7530 -- Publications & Legal Notices	3,000.00	2,373.88	626.12	79.13 %
7546 -- Administrative Expense	165,000.00	0.00	165,000.00	0.00 % 13
7580 -- Rents/Leases-Structure	4,400.00	2,743.02	1,656.98	62.34 %
7630 -- Small Tools & Instruments	12,090.00	6,810.92	5,279.08	56.34 %
7650 -- Special Departmental Expense	61,500.00	32,215.79	29,284.21	52.38 %
7671 -- Special Projects	17,500.00	5,182.94	12,317.06	29.62 % 14
7730 -- Transportation and Travel	25,000.00	16,012.78	8,987.22	64.05 %
7731 -- Gasoline-Oil-Fuel	63,000.00	35,686.96	27,313.04	56.65 %
7732 -- Training	89,750.00	49,245.99	40,504.01	54.87 %
7760 -- Utilities	48,000.00	33,194.36	14,805.64	69.15 %
	<b>Services and Supplies</b>	<b>786,963.71</b>	<b>828,766.29</b>	<b>48.71 %</b>
Other Charges				
7860 -- Contrib To Other Agencies	25,000.00	25,000.00	0.00	100.00 %
	<b>Other Charges</b>	<b>25,000.00</b>	<b>0.00</b>	<b>100.00 %</b>
Capital Assets				
8300 -- Equipment	153,250.00	10,400.21	142,849.79	6.79 % 15
	<b>Capital Assets</b>	<b>10,400.21</b>	<b>142,849.79</b>	<b>6.79 %</b>

# Financial Status

As of: 3/31/2016 (75% Elapsed)  
Accounting Period: CLOSED

Selection Criteria: Fund = 3650-3653

Layout Options: Summarized By = Fund, LineItemAccount; Page Break At = Fund

## Fund 3650 -- Montecito Fire Protection Dist

Line Item Account	6/30/2016 Fiscal Year Adjusted Budget	3/31/2016 Year-To-Date Actual	6/30/2016 Fiscal Year Variance	6/30/2016 Fiscal Year Pct of Budget
Expenditures	17,434,815.00	12,589,447.40	4,845,367.60	72.21 %
Other Financing Sources & Uses				
Other Financing Sources				
5910 -- Oper Trf (In)-General Fund	2,459,473.00	2,459,473.00	0.00	100.00 %
5919 -- Sale Capital Assets-Prsnl Prop	0.00	32,214.00	32,214.00	--
Other Financing Sources	2,459,473.00	2,491,687.00	32,214.00	101.31 %
Other Financing Uses				
7901 -- Oper Trf (Out)	1,065,500.00	795,530.00	269,970.00	74.66 %
Other Financing Uses	1,065,500.00	795,530.00	269,970.00	74.66 %
Other Financing Sources & Uses	1,393,973.00	1,696,157.00	302,184.00	121.68 %
Changes to Fund Balances				
Decrease to Restricted				
9797 -- Unrealized Gains	2,866.00	2,865.52	-0.48	99.98 %
Decrease to Restricted	2,866.00	2,865.52	-0.48	99.98 %
Increase to Restricted				
9797 -- Unrealized Gains	7,732.00	7,732.00	0.00	100.00 %
Increase to Restricted	7,732.00	7,732.00	0.00	100.00 %
Changes to Fund Balances	-4,866.00	-4,866.48	-0.48	100.01 %
Montecito Fire Protection Dist	778.00	-631,779.75	-632,557.75	-81,205.62 %

# Financial Status

As of: 3/31/2016 (75% Elapsed)  
Accounting Period: CLOSED

Selection Criteria: Fund = 3650-3653

Layout Options: Summarized By = Fund, LineItemAccount; Page Break At = Fund

## Fund 3651 -- Montecito Fire Pension Oblig

Line Item Account	6/30/2016 Fiscal Year Adjusted Budget	3/31/2016 Year-To-Date Actual	6/30/2016 Fiscal Year Variance	6/30/2016 Fiscal Year Pct of Budget
<b>Revenues</b>				
Use of Money and Property				
3380 -- Interest Income	0.00	16.58	16.58	--
3381 -- Unrealized Gain/Loss Invstmnts	1.00	0.26	-0.74	26.00 %
Use of Money and Property	1.00	16.84	15.84	1,684.00 %
<b>Revenues</b>	1.00	16.84	15.84	1,684.00 %
<b>Expenditures</b>				
Services and Supplies				
7460 -- Professional & Special Service	3,000.00	2,960.00	40.00	98.67 %
Services and Supplies	3,000.00	2,960.00	40.00	98.67 %
<b>Other Charges</b>				
7830 -- Interest Expense	51,573.00	51,573.20	-0.20	100.00 %
Other Charges	51,573.00	51,573.20	-0.20	100.00 %
<b>Expenditures</b>	54,573.00	54,533.20	39.80	99.93 %
<b>Other Financing Sources &amp; Uses</b>				
Other Financing Sources				
5910 -- Oper Trf (In)-General Fund	795,500.00	795,530.00	30.00	100.00 %
Other Financing Sources	795,500.00	795,530.00	30.00	100.00 %
Other Financing Uses				
7910 -- Long Term Debt Princ Repayment	741,000.00	740,995.81	4.19	100.00 %
Other Financing Uses	741,000.00	740,995.81	4.19	100.00 %
Other Financing Sources & Uses	54,500.00	54,534.19	34.19	100.06 %

# Financial Status

As of: 3/31/2016 (75% Elapsed)  
Accounting Period: CLOSED

Selection Criteria: Fund = 3650-3653

Layout Options: Summarized By = Fund, LineItemAccount; Page Break At = Fund

## Fund 3651 -- Montecito Fire Pension Oblig

Line Item Account	6/30/2016 Fiscal Year Adjusted Budget	3/31/2016 Year-To-Date Actual	6/30/2016 Fiscal Year Variance	6/30/2016 Fiscal Year Pct of Budget
Changes to Fund Balances				
Decrease to Restricted				
9797 -- Unrealized Gains	1.00	0.18	-0.82	18.00 %
Decrease to Restricted	1.00	0.18	-0.82	18.00 %
Increase to Restricted				
9797 -- Unrealized Gains	2.00	0.44	1.56	22.00 %
Increase to Restricted	2.00	0.44	1.56	22.00 %
Changes to Fund Balances	-1.00	-0.26	0.74	26.00 %
Montecito Fire Pension Oblig	-73.00	17.57	90.57	-24.07 %

# Financial Status

As of: 3/31/2016 (75% Elapsed)  
Accounting Period: CLOSED

Selection Criteria: Fund = 3650-3653

Layout Options: Summarized By = Fund, LineItemAccount; Page Break At = Fund

## Fund 3652 -- Montecito Fire Cap Outlay Res

Line Item Account	6/30/2016 Fiscal Year Adjusted Budget	3/31/2016 Year-To-Date Actual	6/30/2016 Fiscal Year Variance	6/30/2016 Fiscal Year Pct of Budget
<b>Revenues</b>				
Use of Money and Property				
3380 -- Interest Income	0.00	7,177.42	7,177.42	--
3381 -- Unrealized Gain/Loss Invstmnts	2,592.00	2,592.16	0.16	100.01 %
Use of Money and Property	2,592.00	9,769.58	7,177.58	376.91 %
<b>Revenues</b>	2,592.00	9,769.58	7,177.58	376.91 %
<b>Expenditures</b>				
Services and Supplies				
7363 -- Equipment Maintenance	30,000.00	0.00	30,000.00	0.00 %
Services and Supplies	30,000.00	0.00	30,000.00	0.00 %
<b>Capital Assets</b>				
8300 -- Equipment	315,900.00	261,898.73	54,001.27	82.91 %
<b>Capital Assets</b>	315,900.00	261,898.73	54,001.27	82.91 %
<b>Expenditures</b>	345,900.00	261,898.73	84,001.27	75.72 %
<b>Other Financing Sources &amp; Uses</b>				
Other Financing Sources				
5910 -- Oper Trf (In)-General Fund	270,000.00	0.00	-270,000.00	0.00 %
5919 -- Sale Capital Assets-Prsnl Prop	30,000.00	0.00	-30,000.00	0.00 %
Other Financing Sources	300,000.00	0.00	-300,000.00	0.00 %
<b>Other Financing Sources &amp; Uses</b>	300,000.00	0.00	-300,000.00	0.00 %
<b>Changes to Fund Balances</b>				
Decrease to Restricted				
9797 -- Unrealized Gains	2,250.00	2,249.05	-0.95	99.96 %
Decrease to Restricted	2,250.00	2,249.05	-0.95	99.96 %

# Financial Status

As of: 3/31/2016 (75% Elapsed)  
Accounting Period: CLOSED

Selection Criteria: Fund = 3650-3653

Layout Options: Summarized By = Fund, LineItemAccount; Page Break At = Fund

## Fund 3652 -- Montecito Fire Cap Outlay Res

Line Item Account	6/30/2016 Fiscal Year Adjusted Budget	3/31/2016 Year-To-Date Actual	6/30/2016 Fiscal Year Variance	6/30/2016 Fiscal Year Pct of Budget
Increase to Restricted				
9797 -- Unrealized Gains	4,842.00	4,841.21	0.79	99.98 %
Increase to Restricted	4,842.00	4,841.21	0.79	99.98 %
Changes to Fund Balances	-2,592.00	-2,592.16	-0.16	100.01 %
Montecito Fire Cap Outlay Res	-45,900.00	-254,721.31	-208,821.31	554.95 %

# Financial Status

As of: 3/31/2016 (75% Elapsed)  
Accounting Period: CLOSED

Selection Criteria: Fund = 3650-3653

Layout Options: Summarized By = Fund, LineItemAccount; Page Break At = Fund

## Fund 3653 -- Montecito Fire Land & Building

Line Item Account	6/30/2016 Fiscal Year Adjusted Budget	3/31/2016 Year-To-Date Actual	6/30/2016 Fiscal Year Variance	6/30/2016 Fiscal Year Pct of Budget
<b>Revenues</b>				
Use of Money and Property				
3380 -- Interest Income	0.00	17,440.78	17,440.78	--
3381 -- Unrealized Gain/Loss Invstmnts	4,366.00	4,366.22	0.22	100.01 %
Use of Money and Property	4,366.00	21,807.00	17,441.00	499.47 %
<b>Revenues</b>	4,366.00	21,807.00	17,441.00	499.47 %
<b>Expenditures</b>				
Services and Supplies				
7700 -- Projects <\$100,000	0.00	100,613.40	-100,613.40	--
Services and Supplies	0.00	100,613.40	-100,613.40	--
<b>Capital Assets</b>				
8100 -- Land	100,000.00	0.00	100,000.00	0.00 %
8700 -- Work in Progress	0.00	8,534.00	-8,534.00	--
<b>Capital Assets</b>	100,000.00	8,534.00	91,466.00	8.53 %
<b>Expenditures</b>	100,000.00	109,147.40	-9,147.40	109.15 %
<b>Other Financing Sources &amp; Uses</b>				
Other Financing Uses	2,459,473.00	2,459,473.00	0.00	100.00 %
7901 -- Oper Trf (Out)	2,459,473.00	2,459,473.00	0.00	100.00 %
<b>Other Financing Sources &amp; Uses</b>	-2,459,473.00	-2,459,473.00	0.00	100.00 %
<b>Changes to Fund Balances</b>				
Decrease to Restricted	7,212.00	7,211.12	-0.88	99.99 %
9797 -- Unrealized Gains	7,212.00	7,211.12	-0.88	99.99 %
Decrease to Restricted	7,212.00	7,211.12	-0.88	99.99 %

# Financial Status

As of: 3/31/2016 (75% Elapsed)  
Accounting Period: CLOSED

Selection Criteria: Fund = 3650-3653

Layout Options: Summarized By = Fund, LineItemAccount; Page Break At = Fund

## Fund 3653 -- Montecito Fire Land & Building

Line Item Account	6/30/2016 Fiscal Year Adjusted Budget	3/31/2016 Year-To-Date Actual	6/30/2016 Fiscal Year Variance	6/30/2016 Fiscal Year Pct of Budget
Increase to Restricted 9797 -- Unrealized Gains	11,578.00	11,577.34	0.66	99.99 %
Increase to Restricted	11,578.00	11,577.34	0.66	99.99 %
Changes to Fund Balances	-4,366.00	-4,366.22	-0.22	100.01 %
Montecito Fire Land & Building	-2,559,473.00	-2,551,179.62	8,293.38	99.68 %
Net Financial Impact	-2,604,668.00	-3,437,663.11	-832,995.11	131.98 %



# Financial Trend

As of: 3/31/2016  
Accounting Period: CLOSED

Selection Criteria: Fund = 3650

Layout Options: Summarized By = Fund, LinelItemAccount; Page Break At = Fund; Columns = 3yr

## Fund 3650 -- Montecito Fire Protection Dist

Line Item Account	3/31/2014 Year-To-Date Actual	3/31/2015 Year-To-Date Actual	3/31/2016 Year-To-Date Actual
<b>Revenues</b>			
<b>Taxes</b>			
3010 -- Property Tax-Current Secured	7,286,709.71	7,721,764.82	8,098,627.69
3011 -- Property Tax-Unitary	48,318.28	0.00	0.00
3015 -- PT PY Corr/Escapes Secured	0.00	0.00	-486.36
3020 -- Property Tax-Current Unsecd	594,306.97	631,309.28	658,613.77
3040 -- Property Tax-Prior Secured	-44,076.13	-102.20	119.31
3050 -- Property Tax-Prior Unsecured	8,334.53	0.00	56.05
3054 -- Supplemental Pty Tax-Current	146,542.99	16,261.83	0.00
3056 -- Supplemental Pty Tax-Prior	16,454.14	-2,580.20	0.00
<b>Taxes</b>	<b>8,056,590.49</b>	<b>8,366,653.53</b>	<b>8,756,930.46</b>
<b>Use of Money and Property</b>			
3380 -- Interest Income	9,095.66	8,514.38	11,775.29
3381 -- Unrealized Gain/Loss Invstmnts	2,547.04	5,045.33	4,866.48
3409 -- Other Rental of Bldgs and Land	28,504.00	20,656.56	34,840.00
<b>Use of Money and Property</b>	<b>40,146.70</b>	<b>34,216.27</b>	<b>51,481.77</b>
<b>Intergovernmental Revenue-State</b>			
3750 -- State-Emergency Assistance	0.11	473,885.38	411,114.45
4220 -- Homeowners Property Tax Relief	43,165.06	42,183.11	41,487.16
<b>Intergovernmental Revenue-State</b>	<b>43,165.17</b>	<b>516,068.49</b>	<b>452,601.61</b>
<b>Intergovernmental Revenue-Federal</b>			
4476 -- Federal Emergency Assistance	351,223.28	57,365.80	889,137.08
<b>Intergovernmental Revenue-Federal</b>	<b>351,223.28</b>	<b>57,365.80</b>	<b>889,137.08</b>
<b>Charges for Services</b>			
5105 -- Reimb for District Services	0.00	111,513.00	113,233.17
<b>Charges for Services</b>	<b>0.00</b>	<b>111,513.00</b>	<b>113,233.17</b>

FIN Pg. 89

# Financial Trend

As of: 3/31/2016  
Accounting Period: CLOSED

Selection Criteria: Fund = 3650

Layout Options: Summarized By = Fund, LinelItemAccount; Page Break At = Fund; Columns = 3yr

## Fund 3650 -- Montecito Fire Protection Dist

Line Item Account	3/31/2014 Year-To-Date Actual	3/31/2015 Year-To-Date Actual	3/31/2016 Year-To-Date Actual
Miscellaneous Revenue			
5909 -- Other Miscellaneous Revenue	139,673.37	29,463.96	2,993.04
Miscellaneous Revenue	139,673.37	29,463.96	2,993.04
Revenues	8,630,799.01	9,115,281.05	10,266,377.13
Expenditures			
Salaries and Employee Benefits			
6100 -- Regular Salaries	4,400,931.95	4,540,648.36	4,767,559.33
6300 -- Overtime	599,518.42	982,205.95	47,925.77
6301 -- Overtime - Reimbursable	0.00	0.00	691,154.43
6310 -- Overtime - Constant Staffing	0.00	0.00	493,903.28
6400 -- Retirement Contribution	1,223,398.25	1,271,585.35	1,623,076.59
6475 -- Retiree Medical OPEB	0.00	536,712.00	2,470,434.00
6500 -- FICA Contribution	0.00	0.00	0.00
6550 -- FICA/Medicare	64,391.42	74,158.47	80,385.48
6600 -- Health Insurance Contrib	998,304.90	1,043,739.65	1,151,521.86
6700 -- Unemployment Ins Contribution	8,193.82	8,026.47	8,138.85
6900 -- Workers Compensation	520,137.96	551,789.23	432,983.89
Salaries and Employee Benefits	7,814,876.72	9,008,865.48	11,767,083.48
Services and Supplies			
7030 -- Clothing and Personal	10,547.94	11,434.88	6,217.01
7050 -- Communications	58,057.85	67,459.76	62,588.95
7060 -- Food	899.74	304.27	365.13
7070 -- Household Supplies	17,174.23	14,810.64	19,187.63
7090 -- Insurance	29,867.10	30,051.15	27,333.00
7120 -- Equipment Maintenance	84,189.52	27,386.69	16,352.45
7200 -- Structure & Ground Maintenance	21,177.50	26,828.79	28,097.73

FIN Pg. 90

# Financial Trend

As of: 3/31/2016  
Accounting Period: CLOSED

Selection Criteria: Fund = 3650

Layout Options: Summarized By = Fund, LinelItemAccount; Page Break At = Fund; Columns = 3yr

## Fund 3650 -- Montecito Fire Protection Dist

Line Item Account	3/31/2014 Year-To-Date Actual	3/31/2015 Year-To-Date Actual	3/31/2016 Year-To-Date Actual
7205 -- Fire Defense Zone	0.00	13,157.38	63,503.99
7322 -- Consulting & Mgmt Fees	1,710.24	1,292.41	2,228.40
7324 -- Audit and Accounting Fees	12,603.75	18,251.00	18,483.25
7348 -- Instruments & Equip. < \$5000	0.00	5,989.57	37,192.78
7363 -- Equipment Maintenance	0.00	27,165.28	49,211.70
7400 -- Medical, Dental and Lab	6,905.46	13,198.38	34,899.65
7430 -- Memberships	2,252.00	8,728.00	7,320.50
7440 -- Miscellaneous Expense	21,015.00	0.00	0.00
7450 -- Office Expense	18,246.15	21,334.95	12,721.05
7460 -- Professional & Special Service	169,259.76	214,923.44	184,065.22
7506 -- Administrative Expense (SBC)	0.00	0.00	0.00
7507 -- ADP Payroll Fees	4,759.87	4,738.64	5,159.03
7510 -- Contractual Services	0.00	30,578.77	28,569.60
7530 -- Publications & Legal Notices	1,188.08	1,272.96	2,373.88
7546 -- Administrative Expense	0.00	0.00	0.00
7580 -- Rents/Leases-Structure	2,828.60	2,794.55	2,743.02
7630 -- Small Tools & Instruments	34,909.01	3,974.83	6,810.92
7650 -- Special Departmental Expense	14,808.35	58,442.63	32,215.79
7653 -- Training Fees & Supplies	825.60	0.00	0.00
7671 -- Special Projects	4,160.55	7,926.85	5,182.94
7730 -- Transportation and Travel	8,364.21	8,036.06	16,012.78
7731 -- Gasoline-Oil-Fuel	38,848.41	31,463.38	35,686.96
7732 -- Training	23,634.74	35,135.02	49,245.99
7760 -- Utilities	37,537.38	33,383.16	33,194.36
Services and Supplies	625,771.04	720,063.44	786,963.71
Other Charges			
7860 -- Contrib To Other Agencies	0.00	0.00	25,000.00

FIN Pg. 91

April 18, 2016

# Financial Trend

As of: 3/31/2016  
Accounting Period: CLOSED

Selection Criteria: Fund = 3650

Layout Options: Summarized By = Fund, LinelItemAccount; Page Break At = Fund; Columns = 3yr

## Fund 3650 -- Montecito Fire Protection Dist

Line Item Account	3/31/2014 Year-To-Date Actual	3/31/2015 Year-To-Date Actual	3/31/2016 Year-To-Date Actual
Other Charges	0.00	0.00	25,000.00
<b>Capital Assets</b>			
8300 -- Equipment	32,425.12	66,126.46	10,400.21
<b>Capital Assets</b>	<b>32,425.12</b>	<b>66,126.46</b>	<b>10,400.21</b>
<b>Expenditures</b>	<b>8,473,072.88</b>	<b>9,795,055.38</b>	<b>12,589,447.40</b>
<b>Other Financing Sources &amp; Uses</b>			
<b>Other Financing Sources</b>	<b>0.00</b>	<b>0.00</b>	<b>2,459,473.00</b>
5910 -- Oper Trf (In)-General Fund	0.00	0.00	32,214.00
5919 -- Sale Capital Assets-Prsnl Prop	0.00	0.00	2,491,687.00
<b>Other Financing Sources</b>	<b>0.00</b>	<b>0.00</b>	<b>2,491,687.00</b>
<b>Other Financing Uses</b>			
7901 -- Oper Trf (Out)	741,159.80	769,113.00	795,530.00
<b>Other Financing Uses</b>	<b>741,159.80</b>	<b>769,113.00</b>	<b>795,530.00</b>
<b>Other Financing Sources &amp; Uses</b>	<b>-741,159.80</b>	<b>-769,113.00</b>	<b>1,696,157.00</b>
<b>Changes to Fund Balances</b>			
<b>Decrease to Nonspendables</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
9605 -- Prepaids/Deposits	0.00	0.00	0.00
<b>Decrease to Nonspendables</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Decrease to Restricted</b>	<b>0.00</b>	<b>0.00</b>	<b>2,865.52</b>
9797 -- Unrealized Gains	0.00	0.00	2,865.52
<b>Decrease to Restricted</b>	<b>0.00</b>	<b>0.00</b>	<b>2,865.52</b>
<b>Increase to Nonspendables</b>	<b>4,386.00</b>	<b>3,258.00</b>	<b>0.00</b>
9605 -- Prepaids/Deposits	4,386.00	3,258.00	0.00
<b>Increase to Nonspendables</b>	<b>4,386.00</b>	<b>3,258.00</b>	<b>0.00</b>

FIN Pg. 92

# Financial Trend

As of: 3/31/2016  
Accounting Period: CLOSED

Selection Criteria: Fund = 3650

Layout Options: Summarized By = Fund, LineItemAccount; Page Break At = Fund; Columns = 3yr

## Fund 3650 -- Montecito Fire Protection Dist

Line Item Account	3/31/2014 Year-To-Date Actual	3/31/2015 Year-To-Date Actual	3/31/2016 Year-To-Date Actual
Increase to Restricted	0.00	2,978.21	7,732.00
9797 -- Unrealized Gains	0.00	2,978.21	7,732.00
Increase to Restricted			
Changes to Fund Balances	-4,386.00	-6,236.21	-4,866.48
Montecito Fire Protection Dist	-587,819.67	-1,455,123.54	-631,779.75
Net Financial Impact	-587,819.67	-1,455,123.54	-631,779.75

# Expenditure Trend

As of: 3/31/2016  
Accounting Period: CLOSED

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	10/31/2015 Month-To-Date Actual	11/30/2015 Month-To-Date Actual	12/31/2015 Month-To-Date Actual	1/31/2016 Month-To-Date Actual	2/29/2016 Month-To-Date Actual	3/31/2016 Month-To-Date Actual
<b>Expenditures</b>						
<b>Salaries and Employee Benefits</b>						
6100 -- Regular Salaries	545,955.63	561,564.62	564,454.96	689,046.32	529,678.94	545,623.05
6300 -- Overtime	54,535.48	14,168.26	4,629.61	11,319.36	6,292.50	4,360.07
6301 -- Overtime - Reimbursable	57,752.56	28,243.24	651.45	5,580.96	26,340.22	0.00
6310 -- Overtime - Constant Staffing	65,290.28	66,738.03	80,476.76	78,547.73	45,212.71	50,934.46
6400 -- Retirement Contribution	123,136.66	126,265.62	126,717.44	148,497.49	122,322.61	119,588.54
6475 -- Retiree Medical OPEB	0.00	0.00	823,478.00	0.00	0.00	823,478.00
6550 -- FICA/Medicare	9,562.60	8,692.35	8,539.93	9,941.28	8,430.90	8,544.94
6600 -- Health Insurance Contrib	112,614.36	113,415.17	121,140.92	121,607.55	119,912.92	124,607.22
6700 -- Unemployment Ins Contribution	203.76	202.51	180.97	6,866.45	375.08	192.03
6900 -- Workers Compensation	-12,701.70	0.00	0.00	-50,407.54	0.00	-18,704.30
<b>Total Salaries and Employee Benefits</b>	<b>956,349.63</b>	<b>919,289.80</b>	<b>1,730,270.04</b>	<b>1,020,999.60</b>	<b>858,565.88</b>	<b>1,658,624.01</b>
<b>Services and Supplies</b>						
7030 -- Clothing and Personal	808.87	693.11	364.60	499.65	3,356.80	171.00
7050 -- Communications	6,062.73	5,227.61	8,705.65	10,390.89	6,547.92	5,948.79
7060 -- Food	174.20	0.00	100.93	103.00	0.00	-13.00
7070 -- Household Supplies	2,639.17	1,216.81	1,971.52	1,731.73	2,350.38	2,932.22
7090 -- Insurance	0.00	0.00	0.00	0.00	0.00	0.00
7120 -- Equipment Maintenance	1,511.46	328.37	534.13	3,902.98	2,909.93	5,631.88
7200 -- Structure & Ground Maintenance	11,871.21	556.56	1,582.34	888.00	728.00	6,875.78
7205 -- Fire Defense Zone	3,780.00	11,572.84	15,551.27	2,000.00	7,063.18	14,661.70
7322 -- Consulting & Mgmt Fees	847.90	0.00	532.60	0.00	0.00	847.90
7324 -- Audit and Accounting Fees	3,661.75	11,159.75	0.00	3,661.75	0.00	0.00
7348 -- Instruments & Equip. < \$5000	1,322.94	0.00	0.00	0.00	0.00	0.00
7363 -- Equipment Maintenance	19,791.73	2,596.91	4,592.43	-1,052.03	5,460.92	5,045.60
7400 -- Medical, Dental and Lab	17,356.45	3,033.97	1,336.02	-15.00	3,156.27	0.00
7430 -- Memberships	-5,229.96	215.00	5,490.50	375.00	0.00	0.00

# Expenditure Trend

As of: 3/31/2016  
Accounting Period: CLOSED

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	10/31/2015 Month-To-Date Actual	11/30/2015 Month-To-Date Actual	12/31/2015 Month-To-Date Actual	1/31/2016 Month-To-Date Actual	2/29/2016 Month-To-Date Actual	3/31/2016 Month-To-Date Actual
7450 -- Office Expense	1,193.11	2,402.27	2,366.08	36,885.89	1,836.93	-34,470.07
7460 -- Professional & Special Service	17,414.00	18,553.25	56,412.04	-21,947.04	35,452.50	39,504.30
7507 -- ADP Payroll Fees	494.78	544.78	554.72	463.34	580.53	1,021.65
7510 -- Contractual Services	413.54	94.50	3,085.38	932.34	227.94	2,448.44
7530 -- Publications & Legal Notices	477.76	0.00	552.50	0.00	66.00	0.00
7546 -- Administrative Expense	0.00	0.00	0.00	0.00	0.00	0.00
7580 -- Rents/Leases-Structure	911.55	0.00	0.00	0.00	919.92	0.00
7630 -- Small Tools & Instruments	683.76	1,047.44	1,482.59	105.14	819.53	1,010.67
7650 -- Special Departmental Expense	741.14	16,799.20	718.08	437.48	235.54	2,340.42
7671 -- Special Projects	3,236.86	1,007.33	0.00	0.00	0.00	0.00
7730 -- Transportation and Travel	3,655.05	0.00	6,711.47	879.25	1,583.72	637.25
7731 -- Gasoline-Oil-Fuel	3,979.22	4,231.73	7,269.51	4,929.75	2,003.26	3,064.17
7732 -- Training	5,067.02	11,648.00	2,750.18	3,051.10	16,110.07	7,090.78
7760 -- Utilities	2,893.44	658.42	9,717.57	2,310.32	2,646.53	6,285.35
Total Services and Supplies	105,759.68	93,587.85	132,382.11	50,533.54	94,055.87	107,020.37
Other Charges						
7860 -- Contrib To Other Agencies	0.00	25,000.00	0.00	0.00	0.00	0.00
Total Other Charges	0.00	25,000.00	0.00	0.00	0.00	0.00
Capital Assets						
8300 -- Equipment	0.00	10,400.21	0.00	0.00	0.00	0.00
8700 -- Work in Progress	0.00	3,794.00	0.00	-3,794.00	0.00	0.00
Total Capital Assets	0.00	14,194.21	0.00	-3,794.00	0.00	0.00
Total Expenditures	1,062,109.31	1,052,071.86	1,862,652.15	1,067,739.14	952,621.75	1,765,644.38
Other Financing Sources & Uses						
Other Financing Uses						
7901 -- Oper Trf (Out)	0.00	0.00	0.00	402,718.00	0.00	0.00

# Expenditure Trend

As of: 3/31/2016  
Accounting Period: CLOSED

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	10/31/2015 Month-To-Date Actual	11/30/2015 Month-To-Date Actual	12/31/2015 Month-To-Date Actual	1/31/2016 Month-To-Date Actual	2/29/2016 Month-To-Date Actual	3/31/2016 Month-To-Date Actual
Total Other Financing Uses	0.00	0.00	0.00	402,718.00	0.00	0.00
Total Other Financing Sources & Uses	0.00	0.00	0.00	402,718.00	0.00	0.00
Changes to Fund Balances						
Changes to Restricted						
9797 -- Unrealized Gains	0.00	0.00	0.00	0.00	0.00	7,732.00
Total Changes to Restricted	0.00	0.00	0.00	0.00	0.00	7,732.00
Total Changes to Fund Balances	0.00	0.00	0.00	0.00	0.00	7,732.00
Total Montecito Fire Protection Dist	1,062,109.31	1,052,071.86	1,862,652.15	1,470,457.14	952,621.75	1,773,376.38
Total Report	1,062,109.31	1,052,071.86	1,862,652.15	1,470,457.14	952,621.75	1,773,376.38



**MONTECITO FIRE PROTECTION DISTRICT  
FIRE ASSIGNMENTS BILLING DETAIL  
FY 2015-16**

Fire Name, #	Invoice #	Period Covered	Invoice Date	Agency	Total Due	Date Received	Amount Received
Parkhill Fire, CA-SLU-006113		06/20-06/23/15	09/29/15	Cal-OES	\$ 1,037.07	12/14/15	\$ 1,037.07
Mesa Fire, CA-SBC-007898	2015108	06/29-06/30/15	09/29/15	Cal-OES	3,017.51	12/28/15	3,017.51
Lake Fire (E391 & 921), CA-BDF-007894	2015194	07/01-07/03/15	11/30/15	Cal-OES	2,315.59	03/16/16	2,315.59
Lake Fire (932), CA-BDF-007894	2015-17	06/25-07/06/15	10/15/15	USFS	19,227.21	11/18/15	19,227.21
Chorro Fire, CA-LPF-002288	2015-18	08/03-08/06/15	10/15/15	USFS	19,806.16	02/17/16	19,806.16
Mad River Complex, CA-SRF-001433	2015-19	08/02-08/19/15	10/15/15	USFS	28,930.21	02/17/16	28,930.21
Lowell Fire, CA-NEU-017851	20153313	07/26-07/30/15	10/12/15	Cal-OES	46,996.05	12/14/15	46,996.05
CNR Support, CA-CNR-000022	20153454	08/07-08/10/15	10/23/15	Cal-OES	19,391.22	12/28/15	19,391.22
White Fire, CA-SBC-009320	20153603	08/01-08/02/15	10/28/15	Cal-OES	4,058.52	12/28/15	4,058.52
Mad River Complex, CA-SRF-001433	20154095	08/05-08/21/15	11/18/15	USFS	32,622.31	02/05/16	32,622.31
River Complex, CA-SHF-002066	20154054	08/06-08/24/15	11/18/15	USFS	200,562.30	03/04/16	200,562.30
Rocky Fire, CA-LNU-006984	20153812	07/30-08/11/15	11/09/15	Cal-OES	116,362.67	03/01/16	116,362.67
36 Fire, CA-TGU-006675	20154005	08/08-08/10/15	11/16/15	Cal-OES	25,656.88	03/01/16	25,656.88
Jerusalem Fire, CA-LNU-007410	20154367	08/11-08/16/15	11/21/15	Cal-OES	10,927.14	03/01/16	10,927.14
Rough Fire, CA-SNF-001746	20154208	08/22-09/06/15	11/19/15	USFS	221,591.66	02/19/16	221,591.66
ONC Staging, CA-ONC-000005	2015-22	08/06-08/11/15	12/02/15	USFS	28,535.49	02/17/16	28,535.49
Gasquet Complex (921), CA-SRF-001488	2015-23	08/15-09/02/15	12/02/15	USFS	30,772.33	02/17/16	30,772.33
LPNF - Fire Support, CA-LPF-000004	2015-24	8/29/2015	12/02/15	USFS	799.94	02/17/16	799.94
Cuesta Fire, CA-SLU-008555	20154658	08/18-08/27/15	12/02/15	Cal-OES	29,628.07	03/01/16	29,628.07
Fork Complex, CA-SHF-002067	20154773	08/10-08/20/15	12/04/15	USFS	144,153.71	03/16/16	144,153.71
Gasquet Complex, CA-SRF-001488 (PIO)	20154597	08/30-09/14/15	12/02/15	USFS	39,221.56	03/10/16	39,221.56
Gasquet Complex, CA-SRF-001488 (900)	20154568	08/30-09/14/15	12/08/15	USFS	67,689.24	03/15/16	67,689.24
Butte Fire, CA-AEU-024918	20155830	09/10-09/21/15	01/17/16	Cal-OES	157,871.59	03/18/16	157,871.59
Valley Fire, CA-LNU-008670	20155430	09/16-09/17/15	01/29/16	Cal-OES	8,822.90	03/18/16	8,822.90
Gibraltar Fire, CA-LPF-003471	2016-02	10/29-10/30/15	02/22/16	USFS	42,569.09	03/24/16	42,569.09
Solimar Fire, CA-VNC-089187	20156173	12/26-12/27/15	02/09/16	Cal-OES	14,521.02	04/05/16	14,521.02
					<b>\$1,317,087.44</b>		<b>\$ 1,317,087.44</b>

**PRICE, POSTEL & PARMA LLP**

COUNSELLORS AT LAW  
 POST OFFICE BOX 99  
 SANTA BARBARA, CA 93102-0099

(805) 962-0011

TAX ID # 95-1782877

Montecito Fire Protection District  
 595 San Ysidro Road  
 Santa Barbara, CA 93108

March 8, 2016  
 File: 12611  
 Invoice #: 128776  
 Billing Attorney: MSM

**ACCOUNT SUMMARY BALANCE**

RE: General Matters	\$598.50
Our File Number: 12611-00000	
RE: Paramedics/Ambulance	\$7,056.00
Our File Number: 12611-00018	
RE: Station Three	\$1,795.50 - Fund 3653
Our File Number: 12611-00059	
RE: Board Mtgs	\$1,323.00
Our File Number: 12611-00061	
RE: De Sitter Property	\$2,740.50
Our File Number: 12611-00078	
RE: San Leandro Lane	\$0.00
Our File Number: 12611-00086	

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Total Current Fees & Costs	\$13,513.50
	<del>- 1,795.50</del>
	11,718.00

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**SUMMARY OF CURRENT BILLING**

Current Fees	\$13,513.50
Current Disbursements	\$0.00
 Total Current Fees & Costs	 \$13,513.50

**SUMMARY OF PAST DUE BALANCES**

Previous Balance	\$19,308.50
Payments - Thank You	\$19,308.50
TOTAL PAST DUE	\$0.00
TOTAL BALANCE DUE	\$13,513.50

# Agenda Item #4





TRUSTED SOLUTIONS. LASTING RESULTS.

**Montecito Fire Protection District**  
**PARS OPEB Trust Program**

Monthly Account Report for the Period  
 2/01/2016 to 2/29/2016

Stephen Hickman  
 Fire Chief  
 Montecito Fire Protection District  
 595 San Ysidro Rd.  
 Santa Barbara, CA 93108

---

**Account Summary**

Source	Beginning Balance as of 2/01/2016	Contributions	Earnings	Expenses*	Distributions	Transfers	Ending Balance as of 2/29/2016
Contributions	\$7,167,861.19	\$0.00	(\$54,840.31)	\$4,596.51	\$0.00	\$0.00	\$7,108,424.37
<b>Totals</b>	<b>\$7,167,861.19</b>	<b>\$0.00</b>	<b>(\$54,840.31)</b>	<b>\$4,596.51</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$7,108,424.37</b>

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**Investment Selection**

Balanced HighMark PLUS

**Investment Objective**

The dual goals of the Balanced Strategy are growth of principal and income. While dividend and interest income are an important component of the objective's total return, it is expected that capital appreciation will comprise a larger portion of the total return. The portfolio will be allocated between equity and fixed income investments.

**Investment Return**

1-Month	3-Month	1-Year	Annualized Return			Plan's Inception Date
			3-Years	5-Years	10-Years	
-0.77%	-6.14%	-7.05%	3.37%	4.34%	-	1/19/2010

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.

\*Expenses are inclusive of Trust Administration, Trustee and Investment Management fees

**MONTECITO FIRE PROTECTION DISTRICT  
PARS OPEB Trust Program Summary**

<b>Month</b>	<b>Beginning Balance</b>	<b>Contributions</b>	<b>Earnings</b>	<b>Expenses</b>	<b>Ending Balance</b>	<b>1-M %</b>
July 2014	4,217,056.36	-	(47,142.33)	878.55	4,169,035.48	
August 2014	4,169,035.48	-	85,305.63	2,314.45	4,252,026.66	2.05%
September 2014	4,252,026.66	-	(84,197.13)	1,703.23	4,166,126.30	-1.98%
October 2014	4,166,126.30	-	45,108.57	867.94	4,210,366.93	1.08%
November 2014	4,210,366.93	-	58,445.65	1,867.07	4,266,945.51	1.39%
December 2014	4,266,945.51	-	(35,807.12)	1,031.46	4,230,106.93	-0.84%
January 2015	4,230,106.93	536,712.00	(14,854.01)	2,821.17	4,749,143.75	-0.35%
February 2015	4,749,143.75	-	152,641.55	2,034.79	4,899,750.51	3.21%
March 2015	4,899,750.51	-	(11,112.80)	2,158.43	4,886,479.28	-0.23%
April 2015	4,886,479.28	536,712.00	30,437.07	2,171.84	5,451,456.51	0.56%
May 2015	5,451,456.51	-	25,608.07	2,276.85	5,474,787.73	0.47%
June 2015	5,474,787.73	536,712.00	(62,985.12)	2,423.86	5,946,090.75	-1.15%
July 2015	5,946,090.75	-	59,226.40	2,526.68	6,002,790.47	1.00%
August 2015	6,002,790.47	-	(230,263.70)	2,834.40	5,769,692.37	-3.84%
September 2015	5,769,692.37	823,478.00	(133,911.00)	2,617.19	6,456,642.18	-2.32%
October 2015	6,456,642.18	-	289,002.82	1,345.13	6,744,299.87	4.48%
November 2015	6,744,299.87	-	5,994.60	4,289.81	6,746,004.66	0.09%
December 2015	6,746,004.66	823,478.00	(116,567.47)	1,566.71	7,451,348.48	-1.73%
January 2016	7,451,348.48	-	(280,529.51)	2,957.78	7,167,861.19	-3.76%
February 2015	7,167,861.19	-	(54,840.31)	4,596.51	7,108,424.37	-0.77%
<b>Total</b>		<b>3,257,092.00</b>	<b>(320,440.14)</b>	<b>45,283.85</b>		

# Agenda Item #5







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## STAFF REPORT

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**Prepared for:** Montecito Fire Protection Finance Committee

**Prepared by:** Araceli Gil, District Accountant

**Date:** April 14, 2016

**Topic:** CalPERS Annual Valuation Reports as of June 30, 2014

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### Summary

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Every year, CalPERS performs an actuarial valuation of each pension plan to determine contribution rates for the upcoming fiscal year. There is a two-year lag between the Valuation Date and the Contribution Fiscal Year, therefore the June 30, 2014 report provides the contribution rates for the 2016-17 fiscal year.

### Discussion

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Montecito Fire Protection District (the District) has four pension plans: Miscellaneous, Safety, PEPRAs Miscellaneous, and PEPRAs Safety Fire. However, this report only summarizes the Miscellaneous and Safety plans because the fully-funded PEPRAs only held one employee each at June 30, 2014, and a thorough review is not considered necessary.

#### Miscellaneous Plan:

The Employer Normal Cost Rate (i.e. the District portion of payroll contributions) for 2016-17 is 14.881%, and the Employer Payment of Unfunded Liability is \$79,647 (or \$76,818 if paid in one lump sum). The Employer Normal Cost Rate for 2015-16 was 14.110%, and the Employer Payment of Unfunded Liability was \$69,258. On page 4 of the miscellaneous report, the "Actuarially Determined Employer Contributions" table provides a comparison breakdown of the factors used to calculate the required contributions for 2015-16 and 2016-17.

The plan has an Accrued Liability (AL) of \$7,777,857 and Market Value of Assets (MVA) of \$6,552,869, which equates to an Unfunded Liability (UL) of \$1,224,988. The plan is funded at 84.3% (pg. 5 of the miscellaneous plan report). Capitol PFG favors a target of 80% and the District's miscellaneous plan is slightly higher than that funding target.

#### Safety Plan:

The Employer Normal Cost Rate (i.e. the District portion of payroll contributions) for 2016-17 is 19.334%, and the Employer Payment of Unfunded Liability is \$607,569 (or \$585,991 if paid in one lump sum). The Employer Normal Cost Rate for 2015-16 was 18.191%, and the Employer

Payment of Unfunded Liability was \$501,292. On page 4 of the safety report, the “Actuarially Determined Employer Contributions” table provides a comparison breakdown of the factors used to calculate the required contributions for 2015-16 and 2016-17.

The plan has an Accrued Liability (AL) of \$64,199,686 and Market Value of Assets (MVA) of \$53,901,044, which equates to an Unfunded Liability (UL) of \$10,298,642. The plan is funded at 84.0% (pg. 5 of the miscellaneous plan report). The safety plan meets Capitol PFG’s target of 80%.

## **Conclusion**

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The increase in CalPERS pension contribution requirements is normal and falls in line with projected contributions from last year’s Valuation Reports. Staff’s recommendation is to continue funding the increase in required contributions for FY 2016-17 through the General Fund budget. Additionally, Staff would like to take advantage of the “Annual Lump Sum Prepayment Option” presented on page 4 of each report. Total savings for each plan would amount to \$2,829 and \$21,578 for the miscellaneous and safety plans, respectively, for a total savings of \$24,407.

The members of the Finance Committee don’t need to take any action at the April meeting, but can discuss any questions or concerns and determine if a conference call with the plan’s actuary is necessary at the May meeting.



California Public Employees' Retirement System  
 Actuarial Office  
 P.O. Box 942709  
 Sacramento, CA 94229-2709  
 TTY: (916) 795-3240  
 (888) 225-7377 phone – (916) 795-2744 fax  
 www.calpers.ca.gov

**November 2015**

**MISCELLANEOUS PLAN OF THE MONTECITO FIRE PROTECTION DISTRICT  
 (CalPERS ID: 1337420437)  
 Annual Valuation Report as of June 30, 2014**

Dear Employer,

As an attachment to this letter, you will find a copy of the June 30, 2014 actuarial valuation report of your pension plan.

Because this plan is in a risk pool, the following valuation report has been separated into two Sections:

- Section 1 contains specific information for your plan, including the development of your pooled employer contributions and projected employer contributions, and
- Section 2 contains the Risk Pool Actuarial Valuation appropriate to your plan, as of June 30, 2014.

Section 2 can be found on the CalPERS website at ([www.calpers.ca.gov](http://www.calpers.ca.gov)). From the home page go to "*Forms & Publications*" and select "*View All*". In the search box enter "*Risk Pool Report*" and from the results list download the Miscellaneous or Safety Risk Pool Actuarial Valuation Report as appropriate.

Your 2014 actuarial valuation report contains important actuarial information about your pension plan at CalPERS. Your CalPERS staff actuary, whose signature appears in the Actuarial Certification Section on page 1, is available to discuss your report with you after November 30, 2015.

**Future Contribution Rates**

Fiscal Year	Employer Normal Cost Rate	+	Employer Payment of Unfunded Liability
2016-17	14.881%		\$79,647
2017-18 (projected)	14.9%		\$96,005

The exhibit above displays the Minimum Employer Contributions, before any cost sharing, for 2016-17 along with estimates of the contributions for 2017-18. The estimated contributions for 2017-18 are based on a projection of the most recent information we have available, including an estimated 2.4 percent investment return for fiscal 2014-15.

A projection of employer contributions beyond 2017-18 can be found in the Risk Analysis Section of this report, "*Analysis of Future Investment Return Scenarios*", under a variety of investment return scenarios. Please disregard any projections provided to you in the past. Member contributions, other than cost sharing (whether paid by the employer or the employee), are in addition to the above amounts. The employer contributions in this report do not reflect any cost sharing arrangements you may have with your employees.

The estimate for 2017-18 also assumes that there are no future contract amendments and no liability gains or losses (such as larger than expected pay increases, more retirements than expected, etc.) This is a very important assumption because these gains and losses do occur and can have a significant effect on your contributions. Even for the largest plans or pools, such gains and losses can impact the employer's contribution rate by one or two percent of payroll or even more in some less common circumstances. These gains and losses cannot be predicted in advance so the projected employer contributions are estimates. Your actual employer contributions for 2017-18 will be provided in next year's valuation report.

### **Changes since the Prior Year's Valuation**

This actuarial valuation includes Board adopted changes to the demographic assumptions based on the most recent experience report. The most significant of these is the improvement in post-retirement mortality acknowledging the greater life expectancies we are seeing in our membership and expected continued improvements. The actuarial assumptions and methods used in CalPERS public agency valuations are approved by the Board of Administration upon the recommendation of the Chief Actuary. The individual plan actuary whose signature appears in the actuarial certification in the accompanying report does not set plan specific actuarial assumptions.

Besides the above noted changes, there may also be changes specific to your plan such as contract amendments and funding changes.

Effective with the 2014 actuarial valuation Governmental Accounting Standards Board Statement No. 27 financial reporting information is no longer provided in CalPERS annual actuarial valuation reports. GASB 27 has been replaced with GASB 68 for financial statement reporting purposes. CalPERS is providing separate accounting valuation reports on a fee for service basis for our public agency employers. More details on GASB 68 and instructions for ordering your GASB 68 report are available on our website.

Further descriptions of general changes are included in the *"Highlights and Executive Summary"* section and in Appendix A, *"Statement of Actuarial Data, Methods and Assumptions"* of your Section 2 report. We understand that you might have a number of questions about these results. While we are very interested in discussing these results with your agency, in the interest of allowing us to give every public agency their result, we ask that, you wait until after November 30 to contact us with actuarial related questions.

### **Potential Changes to Future Year Valuations**

One of CalPERS strategic goals is to improve the long-term pension benefit sustainability of the system through an integrated view of pension assets and liabilities. The Board of Administration has been engaging in discussions on the funding risks faced by the system and possible risk mitigation strategies to better protect our members. Recent Board actions on a new asset allocation, new actuarial assumptions and new smoothing and amortization policies have already lowered risk. However, future contribution rate volatility is expected as CalPERS pension plans continue to mature.

At its November 2015 Board of Administration meeting CalPERS adopted a Funding Risk Mitigation Policy that addresses these risks in a balanced manner. The policy will result in a gradual shifting of the asset allocation in a way that will lower investment risk. This shift means accepting lower future expected returns and a lower actuarial discount rate. In time, the policy is expected to lower the level of risk borne by employers and, ultimately, by members. Additional information on the CalPERS new Funding Risk Mitigation policy can be found on our website.

If you have other questions, please call our customer contact center at (888) CalPERS or (888-**225-7377**).

Sincerely,

ALAN MILLIGAN  
Chief Actuary

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**ACTUARIAL VALUATION**

as of June 30, 2014

**for the  
MISCELLANEOUS PLAN  
of the  
MONTECITO FIRE PROTECTION DISTRICT  
(CalPERS ID: 1337420437)**

**REQUIRED CONTRIBUTIONS  
FOR FISCAL YEAR  
July 1, 2016 - June 30, 2017**

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**SECTION 1 – PLAN SPECIFIC INFORMATION**

**SECTION 2 – RISK POOL ACTUARIAL VALUATION INFORMATION**



# Section 1

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

---

**Plan Specific Information  
for the  
MISCELLANEOUS PLAN  
of the  
MONTECITO FIRE PROTECTION  
DISTRICT**

**(CalPERS ID: 1337420437)  
(Rate Plan: 33)**

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## ACTUARIAL CERTIFICATION

Section 1 of this report is based on the member and financial data contained in our records as of June 30, 2014 which was provided by your agency and the benefit provisions under your contract with CalPERS. Section 2 of this report is based on the member and financial data as of June 30, 2014 provided by employers participating in the Miscellaneous Risk Pool to which your plan belongs and benefit provisions under the CalPERS contracts for those agencies.

As set forth in Section 2 of this report, the Pool Actuary has certified that, in their opinion, the valuation of the Risk Pool containing your MISCELLANEOUS PLAN has been performed in accordance with generally accepted actuarial principles consistent with standards of practice prescribed by the Actuarial Standards Board, and that the assumptions and methods are internally consistent and reasonable for the Risk Pool as of the date of this valuation and as prescribed by the CalPERS Board of Administration according to provisions set forth in the California Public Employees' Retirement Law.

Having relied upon the information set forth in Section 2 of this report and based on the census and benefit provision information for your plan, it is my opinion as your Plan Actuary that the Side Fund and other Unfunded Accrued Liability bases as of June 30, 2014 and employer contribution as of July 1, 2016, have been properly and accurately determined in accordance with the principles and standards stated above.

The undersigned is an actuary for CalPERS, who is a member of both the American Academy of Actuaries and Society of Actuaries and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

STUART BENNETT, ASA, MAAA  
Senior Pension Actuary, CalPERS  
Plan Actuary

# HIGHLIGHTS AND EXECUTIVE SUMMARY

- **INTRODUCTION**
- **PURPOSE OF SECTION 1**
- **REQUIRED EMPLOYER CONTRIBUTION**
- **PLAN'S FUNDED STATUS**
- **PROJECTED CONTRIBUTIONS**

## Introduction

This report presents the results of the June 30, 2014 actuarial valuation of the MISCELLANEOUS PLAN of the MONTECITO FIRE PROTECTION DISTRICT of the California Public Employees' Retirement System (CalPERS). This actuarial valuation sets the Fiscal Year 2016-17 required employer contributions.

This actuarial valuation includes Board adopted changes to the demographic assumptions based on the most recent experience study report. The most significant of these is the improvement in post-retirement mortality acknowledging the greater life expectancies we are seeing in our membership and expected continued improvements. The actuarial assumptions and methods used in CalPERS public agency valuations are approved by the Board of Administration upon the recommendation of the Chief Actuary. The individual plan actuary whose signature appears in the actuarial certification in this report does not set plan specific actuarial assumptions.

Effective with the 2014 actuarial valuation, Governmental Accounting Standards Board Statement No. 27 financial reporting information is no longer provided in CalPERS annual actuarial valuation reports. GASB 27 has been replaced with GASB 68 for financial statement reporting purposes. CalPERS is providing separate accounting valuation reports on a fee for service basis for our public agency employers. More details on GASB 68 and instructions for ordering your GASB 68 report are available on our website.

## Purpose of Section 1

This section 1 report for the MISCELLANEOUS PLAN of the MONTECITO FIRE PROTECTION DISTRICT of the California Public Employees' Retirement System (CalPERS) was prepared by the Plan Actuary in order to:

- Set forth the assets and accrued liabilities of this plan as of June 30, 2014;
- Determine the required employer contribution for this plan for the Fiscal Year July 1, 2016 through June 30, 2017; and
- Provide actuarial information as of June 30, 2014 to the CalPERS Board of Administration and other interested parties.

The pension funding information presented in this report should not be used in financial reports subject to Governmental Accounting Standards Board (GASB) Statement Number 68 for a Cost Sharing Employer Defined Benefit Pension Plan. A separate accounting valuation report for such purposes is available from CalPERS and details for ordering are available on our website.

The use of this report for any other purposes may be inappropriate. In particular, this report does not contain information applicable to alternative benefit costs. The employer should contact their actuary before disseminating any portion of this report for any reason that is not explicitly described above.

### California Actuarial Advisory Panel Recommendations

This report includes all the basic disclosure elements as described in the *Model Disclosure Elements for Actuarial Valuation Reports* recommended in 2011 by the California Actuarial Advisory Panel (CAAP), with the exception of including the original base amounts of the various components of the unfunded liability in the Schedule of Amortization Bases shown on page 8.

Additionally, this report includes the following "Enhanced Risk Disclosures" also recommended by the CAAP in the Model Disclosure Elements document:

- A "Deterministic Stress Test," projecting future results under different investment income scenarios
- A "Sensitivity Analysis," showing the impact on current valuation results using a 1 percent plus or minus change in the discount rate.

## Required Employer Contribution

Actuarially Determined Employer Contributions:	Fiscal Year	Fiscal Year
	2015-16 <sup>1</sup>	2016-17
Employer Contributions (in Projected Dollars)		
Plan's Employer Normal Cost	\$ 146,029	\$ 129,283
Plan's Payment on Amortization Bases	69,258	79,647 <sup>2</sup>
Total Employer Contribution	\$ 215,287	\$ 208,930
Projected Payroll for the Contribution fiscal year	\$ 1,034,939	\$ 868,805
Required Employer Contributions (Percentage of Payroll)		
Pool's Base Employer Normal Cost	11.065%	11.995%
Surcharge for Class 1 Benefits <sup>3</sup>		
a) FAC 1	0.653%	0.662%
b) 8% EPMC	1.346%	1.377%
c) PRSA	1.046%	0.847%
Phase out of Normal Cost Difference <sup>4</sup>	0.000%	0.000%
Pools Expected Employee Contribution for Formula	7.762%	7.769%
Plan's Total Normal Cost	21.872%	22.650%
Plan's Employee Contribution Rate	7.762%	7.769%
Employer Normal Cost Rate	14.110%	14.881%

### Required Employer Contribution for Fiscal Year 2016-17

<b>Employer Normal Cost Rate<sup>5</sup></b>	<b>14.881%</b>
<b>Plus Monthly Employer Dollar UAL Payment<sup>6</sup></b>	<b>\$ 6,637.25</b>
<b>Annual Lump Sum Prepayment Option</b>	<b>\$ 76,818</b>

For Fiscal Year 2016-17 the total minimum required employer contribution is the **sum** of the Plan's Employer Normal Cost Rate (expressed as a percentage of payroll) **plus** the Employer Unfunded Accrued Liability (UAL) Contribution Amount (in dollars). Whereas in prior years it was possible to prepay total employer contributions for the fiscal year, beginning with Fiscal Year 2015-16 and beyond, only the UAL portion of the employer contribution can be prepaid. Late payments will accrue interest at an annual rate of 10 percent.

Plan Normal Cost contributions will be made as part of the payroll reporting process. As a percentage of projected payroll your UAL contribution is 9.167 percent for a total Employer Contribution Rate of 24.048 percent.

<sup>1</sup> The results shown for Fiscal Year 2015-16 reflect the prior year valuation and do not reflect any lump sum payment, side fund payoff or rate adjustment made after annual valuation report is completed.

<sup>2</sup> The Plan's Payment on Amortization Bases reflects the sum of all UAL amortization bases including the Plan's Side Fund (where applicable).

<sup>3</sup> Section 2 of this report contains a list of Class 1 benefits and corresponding surcharges for each benefit.

<sup>4</sup> Risk pooling was implemented for most plans as of June 30, 2003. The normal cost difference was scheduled to be phased out over a five year period. The phase out of normal cost difference is 100 percent for the first year of pooling, and is incrementally reduced by 20 percent of the original normal cost difference for each subsequent year.

<sup>5</sup> The minimum employer contribution under PEPPA is the greater of the required employer contribution or the total employer normal cost.

<sup>6</sup> The Plan's Payment on Amortization Bases Contribution amount for Fiscal Year 2016-17 will be billed as a level dollar amount monthly over the course of the year. Lump sum payments may be made through my|CalPERS. If you would like to prepay the entire Annual Payment toward your Plan's Unfunded Accrued Liability, you can submit the Annual Lump Sum Prepayment amount against the July Unfunded Accrued Liability receivable. The Annual Lump Sum Prepayment must be received in full on or before July 31. If there is contractual cost sharing or other change, this amount will change. § 20572 of the Public Employees' Retirement Law assesses interest at an annual rate of 10 percent if a contracting agency fails to remit the required contributions when due.

## Plan's Funded Status

	<b>June 30, 2013</b>	<b>June 30, 2014</b>
1. Present Value of Projected Benefits (PVB)	\$ 7,865,826	\$ 8,779,207
2. Entry Age Normal Accrued Liability	6,683,609	7,777,857
3. Plan's Market Value of Assets (MVA)	5,298,386	6,552,869
4. Unfunded Liability [(2) - (3)]	1,385,223	1,224,988
5. Funded Ratio [(3) / (2)]	79.3%	84.3%

## Projected Employer Contributions

The estimated rate for 2017-18 is based on a projection of the most recent information we have available, including an estimated 2.4 percent investment return for Fiscal Year 2014-15.

The table below shows projected employer contribution rates (before cost sharing) for the next five fiscal years, **assuming CalPERS earns 2.4% for Fiscal Year 2014-15 and 7.50 percent every fiscal year thereafter**, and assuming that all other actuarial assumptions will be realized and that no further changes to assumptions, contributions, benefits, or funding will occur between now and the beginning of the projection period.

	Required Contribution	Projected Future Employer Contribution Rates				
	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
<b>Normal Cost %</b>	14.881%	14.9%	14.9%	14.9%	14.9%	14.9%
<b>UAL \$</b>	\$79,647	\$96,005	\$113,274	\$131,492	\$139,753	\$150,033







California Public Employees' Retirement System  
 Actuarial Office  
 P.O. Box 942709  
 Sacramento, CA 94229-2709  
 TTY: (916) 795-3240  
 (888) 225-7377 phone – (916) 795-2744 fax  
[www.calpers.ca.gov](http://www.calpers.ca.gov)

**November 2015**

**SAFETY PLAN OF THE MONTECITO FIRE PROTECTION DISTRICT  
 (CalPERS ID: 1337420437)  
 Annual Valuation Report as of June 30, 2014**

Dear Employer,

As an attachment to this letter, you will find a copy of the June 30, 2014 actuarial valuation report of your pension plan.

Because this plan is in a risk pool, the following valuation report has been separated into two Sections:

- Section 1 contains specific information for your plan, including the development of your pooled employer contributions and projected employer contributions, and
- Section 2 contains the Risk Pool Actuarial Valuation appropriate to your plan, as of June 30, 2014.

Section 2 can be found on the CalPERS website at ([www.calpers.ca.gov](http://www.calpers.ca.gov)). From the home page go to "*Forms & Publications*" and select "*View All*". In the search box enter "*Risk Pool Report*" and from the results list download the Miscellaneous or Safety Risk Pool Actuarial Valuation Report as appropriate.

Your 2014 actuarial valuation report contains important actuarial information about your pension plan at CalPERS. Your CalPERS staff actuary, whose signature appears in the Actuarial Certification Section on page 1, is available to discuss your report with you after November 30, 2015.

**Future Contribution Rates**

Fiscal Year	Employer Normal Cost Rate	+	Employer Payment of Unfunded Liability
2016-17	19.334%		\$607,569
2017-18 (projected)	19.3%		\$763,883

The exhibit above displays the Minimum Employer Contributions, before any cost sharing, for 2016-17 along with estimates of the contributions for 2017-18. The estimated contributions for 2017-18 are based on a projection of the most recent information we have available, including an estimated 2.4 percent investment return for fiscal 2014-15.

A projection of employer contributions beyond 2017-18 can be found in the Risk Analysis Section of this report, "*Analysis of Future Investment Return Scenarios*", under a variety of investment return scenarios. Please disregard any projections provided to you in the past. Member contributions, other than cost sharing (whether paid by the employer or the employee), are in addition to the above amounts. The employer contributions in this report do not reflect any cost sharing arrangements you may have with your employees.

The estimate for 2017-18 also assumes that there are no future contract amendments and no liability gains or losses (such as larger than expected pay increases, more retirements than expected, etc.) This is a very important assumption because these gains and losses do occur and can have a significant effect on your contributions. Even for the largest plans or pools, such gains and losses can impact the employer's contribution rate by one or two percent of payroll or even more in some less common circumstances. These gains and losses cannot be predicted in advance so the projected employer contributions are estimates. Your actual employer contributions for 2017-18 will be provided in next year's valuation report.

### **Changes since the Prior Year's Valuation**

This actuarial valuation includes Board adopted changes to the demographic assumptions based on the most recent experience report. The most significant of these is the improvement in post-retirement mortality acknowledging the greater life expectancies we are seeing in our membership and expected continued improvements. The actuarial assumptions and methods used in CalPERS public agency valuations are approved by the Board of Administration upon the recommendation of the Chief Actuary. The individual plan actuary whose signature appears in the actuarial certification in the accompanying report does not set plan specific actuarial assumptions.

Besides the above noted changes, there may also be changes specific to your plan such as contract amendments and funding changes.

Effective with the 2014 actuarial valuation Governmental Accounting Standards Board Statement No. 27 financial reporting information is no longer provided in CalPERS annual actuarial valuation reports. GASB 27 has been replaced with GASB 68 for financial statement reporting purposes. CalPERS is providing separate accounting valuation reports on a fee for service basis for our public agency employers. More details on GASB 68 and instructions for ordering your GASB 68 report are available on our website.

Further descriptions of general changes are included in the *"Highlights and Executive Summary"* section and in Appendix A, *"Statement of Actuarial Data, Methods and Assumptions"* of your Section 2 report. We understand that you might have a number of questions about these results. While we are very interested in discussing these results with your agency, in the interest of allowing us to give every public agency their result, we ask that, you wait until after November 30 to contact us with actuarial related questions.

### **Potential Changes to Future Year Valuations**

One of CalPERS strategic goals is to improve the long-term pension benefit sustainability of the system through an integrated view of pension assets and liabilities. The Board of Administration has been engaging in discussions on the funding risks faced by the system and possible risk mitigation strategies to better protect our members. Recent Board actions on a new asset allocation, new actuarial assumptions and new smoothing and amortization policies have already lowered risk. However, future contribution rate volatility is expected as CalPERS pension plans continue to mature.

At its November 2015 Board of Administration meeting CalPERS adopted a Funding Risk Mitigation Policy that addresses these risks in a balanced manner. The policy will result in a gradual shifting of the asset allocation in a way that will lower investment risk. This shift means accepting lower future expected returns and a lower actuarial discount rate. In time, the policy is expected to lower the level of risk borne by employers and, ultimately, by members. Additional information on the CalPERS new Funding Risk Mitigation policy can be found on our website.

If you have other questions, please call our customer contact center at (888) CalPERS or (888-**225-7377**).

Sincerely,

ALAN MILLIGAN  
Chief Actuary

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**ACTUARIAL VALUATION**

as of June 30, 2014

**for the  
SAFETY PLAN  
of the  
MONTECITO FIRE PROTECTION DISTRICT  
(CalPERS ID: 1337420437)**

**REQUIRED CONTRIBUTIONS  
FOR FISCAL YEAR  
July 1, 2016 - June 30, 2017**

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**SECTION 2 – RISK POOL ACTUARIAL VALUATION INFORMATION**

# Section 1

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

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**Plan Specific Information  
for the  
SAFETY PLAN  
of the  
MONTECITO FIRE PROTECTION  
DISTRICT**

**(CalPERS ID: 1337420437)  
(Rate Plan: 34)**

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## ACTUARIAL CERTIFICATION

Section 1 of this report is based on the member and financial data contained in our records as of June 30, 2014 which was provided by your agency and the benefit provisions under your contract with CalPERS. Section 2 of this report is based on the member and financial data as of June 30, 2014 provided by employers participating in the Safety Risk Pool to which your plan belongs and benefit provisions under the CalPERS contracts for those agencies.

As set forth in Section 2 of this report, the Pool Actuary has certified that, in their opinion, the valuation of the Risk Pool containing your SAFETY PLAN has been performed in accordance with generally accepted actuarial principles consistent with standards of practice prescribed by the Actuarial Standards Board, and that the assumptions and methods are internally consistent and reasonable for the Risk Pool as of the date of this valuation and as prescribed by the CalPERS Board of Administration according to provisions set forth in the California Public Employees' Retirement Law.

Having relied upon the information set forth in Section 2 of this report and based on the census and benefit provision information for your plan, it is my opinion as your Plan Actuary that the Side Fund and other Unfunded Accrued Liability bases as of June 30, 2014 and employer contribution as of July 1, 2016, have been properly and accurately determined in accordance with the principles and standards stated above.

The undersigned is an actuary for CalPERS, who is a member of both the American Academy of Actuaries and Society of Actuaries and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

STUART BENNETT, ASA, MAAA  
Senior Pension Actuary, CalPERS  
Plan Actuary

# HIGHLIGHTS AND EXECUTIVE SUMMARY

- **INTRODUCTION**
- **PURPOSE OF SECTION 1**
- **REQUIRED EMPLOYER CONTRIBUTION**
- **PLAN'S FUNDED STATUS**
- **PROJECTED CONTRIBUTIONS**

## Introduction

This report presents the results of the June 30, 2014 actuarial valuation of the SAFETY PLAN of the MONTECITO FIRE PROTECTION DISTRICT of the California Public Employees' Retirement System (CalPERS). This actuarial valuation sets the Fiscal Year 2016-17 required employer contributions.

This actuarial valuation includes Board adopted changes to the demographic assumptions based on the most recent experience study report. The most significant of these is the improvement in post- retirement mortality acknowledging the greater life expectancies we are seeing in our membership and expected continued improvements. The actuarial assumptions and methods used in CalPERS public agency valuations are approved by the Board of Administration upon the recommendation of the Chief Actuary. The individual plan actuary whose signature appears in the actuarial certification in this report does not set plan specific actuarial assumptions.

Effective with the 2014 actuarial valuation, Governmental Accounting Standards Board Statement No. 27 financial reporting information is no longer provided in CalPERS annual actuarial valuation reports. GASB 27 has been replaced with GASB 68 for financial statement reporting purposes. CalPERS is providing separate accounting valuation reports on a fee for service basis for our public agency employers. More details on GASB 68 and instructions for ordering your GASB 68 report are available on our website.

## Purpose of Section 1

This section 1 report for the SAFETY PLAN of the MONTECITO FIRE PROTECTION DISTRICT of the California Public Employees' Retirement System (CalPERS) was prepared by the Plan Actuary in order to:

- Set forth the assets and accrued liabilities of this plan as of June 30, 2014;
- Determine the required employer contribution for this plan for the Fiscal Year July 1, 2016 through June 30, 2017; and
- Provide actuarial information as of June 30, 2014 to the CalPERS Board of Administration and other interested parties.

The pension funding information presented in this report should not be used in financial reports subject to Governmental Accounting Standards Board (GASB) Statement Number 68 for a Cost Sharing Employer Defined Benefit Pension Plan. A separate accounting valuation report for such purposes is available from CalPERS and details for ordering are available on our website.

The use of this report for any other purposes may be inappropriate. In particular, this report does not contain information applicable to alternative benefit costs. The employer should contact their actuary before disseminating any portion of this report for any reason that is not explicitly described above.

### California Actuarial Advisory Panel Recommendations

This report includes all the basic disclosure elements as described in the *Model Disclosure Elements for Actuarial Valuation Reports* recommended in 2011 by the California Actuarial Advisory Panel (CAAP), with the exception of including the original base amounts of the various components of the unfunded liability in the Schedule of Amortization Bases shown on page 8.

Additionally, this report includes the following "Enhanced Risk Disclosures" also recommended by the CAAP in the Model Disclosure Elements document:

- A "Deterministic Stress Test," projecting future results under different investment income scenarios
- A "Sensitivity Analysis," showing the impact on current valuation results using a 1 percent plus or minus change in the discount rate.

## Required Employer Contribution

<b>Actuarially Determined Employer Contributions:</b>	<b>Fiscal Year 2015-16<sup>1</sup></b>	<b>Fiscal Year 2016-17</b>
Employer Contributions (in Projected Dollars)		
Plan's Employer Normal Cost	\$ 1,084,908	\$ 1,126,917
Plan's Payment on Amortization Bases	501,292	607,569 <sup>2</sup>
Total Employer Contribution	\$ 1,586,200	\$ 1,734,486
Projected Payroll for the Contribution fiscal year	\$ 5,963,987	\$ 5,828,781
Required Employer Contributions (Percentage of Payroll)		
Pool's Base Employer Normal Cost	15.627%	16.655%
Surcharge for Class 1 Benefits <sup>3</sup>		
a) FAC 1	0.896%	1.033%
b) PRSA	1.668%	1.645%
Phase out of Normal Cost Difference <sup>4</sup>	0.000%	0.000%
Pools Expected Employee Contribution for Formula	8.980%	8.981%
Plan's Total Normal Cost	27.171%	28.315%
Plan's Employee Contribution Rate	8.980%	8.981%
Employer Normal Cost Rate	18.191%	19.334%

<b>Required Employer Contribution for Fiscal Year 2016-17</b>		
<b>Employer Normal Cost Rate<sup>5</sup></b>		<b>19.334%</b>
<b>Plus Monthly Employer Dollar UAL Payment<sup>6</sup></b>	<b>\$</b>	<b>50,630.74</b>
<b>Annual Lump Sum Prepayment Option</b>	<b>\$</b>	<b>585,991</b>
<p><i>For Fiscal Year 2016-17 the total minimum required employer contribution is the <b>sum</b> of the Plan's Employer Normal Cost Rate (expressed as a percentage of payroll) <b>plus</b> the Employer Unfunded Accrued Liability (UAL) Contribution Amount (in dollars). Whereas in prior years it was possible to prepay total employer contributions for the fiscal year, beginning with Fiscal Year 2015-16 and beyond, only the UAL portion of the employer contribution can be prepaid. Late payments will accrue interest at an annual rate of 10 percent.</i></p>		

Plan Normal Cost contributions will be made as part of the payroll reporting process. As a percentage of projected payroll your UAL contribution is 10.424 percent for a total Employer Contribution Rate of 29.758 percent.

- <sup>1</sup> The results shown for Fiscal Year 2015-16 reflect the prior year valuation and do not reflect any lump sum payment, side fund payoff or rate adjustment made after annual valuation report is completed.
- <sup>2</sup> The Plan's Payment on Amortization Bases reflects the sum of all UAL amortization bases including the Plan's Side Fund (where applicable).
- <sup>3</sup> Section 2 of this report contains a list of Class 1 benefits and corresponding surcharges for each benefit.
- <sup>4</sup> Risk pooling was implemented for most plans as of June 30, 2003. The normal cost difference was scheduled to be phased out over a five year period. The phase out of normal cost difference is 100 percent for the first year of pooling, and is incrementally reduced by 20 percent of the original normal cost difference for each subsequent year.
- <sup>5</sup> The minimum employer contribution under PEPRA is the greater of the required employer contribution or the total employer normal cost.
- <sup>6</sup> The Plan's Payment on Amortization Bases Contribution amount for Fiscal Year 2016-17 will be billed as a level dollar amount monthly over the course of the year. Lump sum payments may be made through my|CalPERS. If you would like to prepay the entire Annual Payment toward your Plan's Unfunded Accrued Liability, you can submit the Annual Lump Sum Prepayment amount against the July Unfunded Accrued Liability receivable. The Annual Lump Sum Prepayment must be received in full on or before July 31. If there is contractual cost sharing or other change, this amount will change. § 20572 of the Public Employees' Retirement Law assesses interest at an annual rate of 10 percent if a contracting agency fails to remit the required contributions when due.

## Plan's Funded Status

	<b>June 30, 2013</b>	<b>June 30, 2014</b>
1. Present Value of Projected Benefits (PVB)	\$ 69,106,750	\$ 74,727,086
2. Entry Age Normal Accrued Liability	58,614,969	64,199,686
3. Plan's Market Value of Assets (MVA)	47,236,817	53,901,044
4. Unfunded Liability [(2) - (3)]	11,378,152	10,298,642
5. Funded Ratio [(3) / (2)]	80.6%	84.0%

## Projected Employer Contributions

The estimated rate for 2017-18 is based on a projection of the most recent information we have available, including an estimated 2.4 percent investment return for Fiscal Year 2014-15.

The table below shows projected employer contribution rates (before cost sharing) for the next five fiscal years, **assuming CalPERS earns 2.4% for Fiscal Year 2014-15 and 7.50 percent every fiscal year thereafter**, and assuming that all other actuarial assumptions will be realized and that no further changes to assumptions, contributions, benefits, or funding will occur between now and the beginning of the projection period.

	Required Contribution	Projected Future Employer Contribution Rates				
	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
<b>Normal Cost %</b>	19.334%	19.3%	19.3%	19.3%	19.3%	19.3%
<b>UAL \$</b>	\$607,569	\$763,883	\$929,029	\$1,103,396	\$1,176,887	\$1,261,842



# Agenda Item #6








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## STAFF REPORT

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**Prepared for:** Montecito Fire Protection Board of Directors  
**Prepared by:** Chief Hickman and Araceli Gil, District Accountant  
**Date:** April 15, 2016  
**Topic:** Draft Preliminary Budget for Fiscal Year 2016-17

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### Summary

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The following report will review the draft Preliminary Budget in comparison to the Board-approved Final Budget for fiscal year 2015-16.

### Discussion

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#### Revenue (Fund 3650 Pg. 1)

Revenue and funding sources are estimated to be \$1.9 million less than last fiscal year.

3010-3054 Taxes Revenue – A 2.89% property tax revenue growth, the five-year average growth, was applied to Secured, Unitary, Unsecured and Prior Secured Property Tax line items (3010, 3011, 3015, and 3020). Expected growth totals approximately \$414,000.

3750 & 4476 State and Federal Emergency Assistance – These two line items capture all revenue received from state and federal fire assignments. For the second year in a row, we have included estimated revenue figures in the budget in order to also recognize the overtime expense caused by the fire assignments (account 6301). The revenue figures were determined by reviewing the trend over the last few years. Total fire assignment revenue is budgeted at \$455,000: \$325,000 from state and \$130,000 from federal.

5910 Transfer from Land & Building Fund (3653) – Last fiscal year, funds were transferred to the General Fund from Fund 3653 to make additional contributions to the OPEB fund as approved by the Board. There are no plans to transfer additional funds in the upcoming fiscal year.

#### Expenditures – Salaries & Employee Benefits (Fund 3650 Pg. 2)

6100 Salaries – The decrease in salary is due to retirements of veteran employees.

6300, 6301 & 6310 Overtime – Overtime is broken down into three categories: overtime, overtime – reimbursable, and overtime – constant staffing.

6300 Overtime – This account will capture all overtime resulting from attending training/meetings, administrative tasks, special projects/events (i.e. Academy training, new hire/promotional interviews).

6301 Overtime – Reimbursable – This account will capture all overtime resulting from staff on fire assignments, and any emergency callbacks or backfills caused by a fire assignment. The change from the previous year is due to the expected increase in fire assignment activity.

6310 Overtime – Constant Staffing – This account will capture all overtime resulting from shift vacancies that don't allow the District to maintain minimum staffing levels. Any overtime caused by increased staffing will also fall into this category.

6400 Retirement Contributions – The employer contribution rates for the CalPERS pension programs increased from the prior fiscal year resulting in the approximate \$140,000 increase in pension contributions.

6475 Retiree Medical OPEB – In the prior year, the District budgeted for contributions to prefund the District's OPEB trust fund with PARS (Public Agency Retirement Services) will total \$3,293,913. There are no plans to contribute additional funds in the upcoming fiscal year.

6600 Insurance Contributions – Actual insurance rates are not available for health, dental and vision insurance companies, therefore the increases used are only estimates at this point.

6900 Worker's Compensation Insurance – The premium for the upcoming fiscal year remains the same as the prior year.

### **Expenditures – Services & Supplies (starting on Fund 3650 Pg. 2)**

7050 Communications – This year's budget includes a request for \$27,000 for new iPads for dispatch Mobile Data Computers and incident command. Additionally, a new phone system will lead to increased operational costs of \$10,000 for the year.

7348 Instruments & Equipment < \$5,000 – Last year's budget included funds of \$37,500 to replace the all office desktops and \$27,000 to replace the Mobile Data Computers (which will not be purchased until the upcoming fiscal year), therefore resulting in the line item decrease.

7450 Office Expense – The decrease in the line item is mainly due to the \$28,000 budgeted for new ergonomic desks/chairs for office personnel. There are no major budgeted items for the upcoming fiscal year.

7460 Professional and Specialized Services – This account line item captures all professional services used on a monthly or annual basis: legal, IT, medical exams, mapping, communications

consulting, and special studies. Last year's budget included \$60,000 in funding for the CWPP related environmental review, and \$35,000 for the Telestaff scheduling system. There are no plans to perform any major projects/studies in the upcoming fiscal year.

7650 District Special Expense – This line item is used to account for planned occurrences/events for each fiscal year. Last year's budget included funding of \$20,000 in HEARO alert radios. Due to current inventory levels, there are no plans to make additional purchases in the upcoming fiscal year.

7732 Training – The increase in training funds is due to growing participation and training with the District's Blue Card Command program.

8300 Capital Assets – This line item is used to account for fixed assets over \$5,000, which are recorded and depreciated over an estimate useful life. The funding varies from year to year depending on the capital asset needs for a particular year.

## **Conclusion**

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After Finance Committee review, changes and recommendations will be presented to the Board of Directors on April 25, 2016.



**MONTECITO FIRE PROTECTION DISTRICT  
PRELIMINARY BUDGET DRAFT  
FISCAL YEAR 2016-17**

<b>FUND 3650 - GENERAL FUND</b>				
<u>Account</u>	<u>Line Item Description</u>	<u>Prelim. Budget FY 2016-17</u>	<u>Final Budget FY 2015-16</u>	<u>Increase/ (Decrease)</u>
<b>REVENUES</b>				
<b>Taxes</b>				
3010	Property Tax - Secured (+2.89%)	14,857,275	14,439,960	417,315
3011	Property Tax - Unitary	116,925	113,640	3,285
3015	Property Tax - Prior Secured	(38,260)	(37,185)	(1,075)
3020	Property Tax - Unsecured	637,805	619,890	17,915
3054	Supplemental Property Tax	214,150	237,945	(23,795)
	<b>Total Taxes Revenue</b>	15,787,895	15,374,250	413,645
<b>Use of Money and Property</b>				
3380	Interest Income	7,685	17,465	(9,780)
3409	Rental Property Income	51,660	51,660	-
	<b>Total Use of Money and Property</b>	59,345	69,125	(9,780)
<b>Intergovernmental Revenue - State</b>				
3750	State-Emergency Assistance (Fire Asgmt)	325,000	260,000	65,000
4220	Homeowners Property Tax Relief	84,365	84,365	-
	<b>Total Intergovernmental Revenue - State</b>	409,365	344,365	65,000
<b>Intergovernmental Revenue - Federal</b>				
4476	Federal Emergency Assistance (Fire Asgmt)	130,000	65,000	65,000
	<b>Total Intergovernmental Revenue - Federal</b>	130,000	65,000	65,000
<b>Charges for Services</b>				
5105	Reimbursement for District Services	185,600	183,020	2,580
	AMR First Response Payment	97,965	96,165	-
	CSFD Dispatch Services	87,635	86,855	-
	<b>Total Charges for Services</b>	185,600	183,020	2,580
<b>Miscellaneous Revenue</b>				
5909	Other Miscellaneous Revenue	5,860	5,860	-
	Westmont Payment	4,260	4,260	-
	Other	1,600	1,600	-
	<b>Total Miscellaneous Revenue</b>	5,860	5,860	-
<b>Financing Sources</b>				
5910	Transfer from Land & Building Fund (3653)	-	2,459,473	(2,459,473)
	<b>Total Financing Sources</b>	-	2,459,473	(2,459,473)
	<b>TOTAL GENERAL FUND REVENUES</b>	<b>16,578,065</b>	<b>18,501,093</b>	<b>(1,923,028)</b>



**MONTECITO FIRE PROTECTION DISTRICT  
PRELIMINARY BUDGET DRAFT  
FISCAL YEAR 2016-17**

<b>FUND 3650 - GENERAL FUND</b>				
<u>Account</u>	<u>Line Item Description</u>	<u>Prelim. Budget FY 2016-17</u>	<u>Final Budget FY 2015-16</u>	<u>Increase/ (Decrease)</u>
<b>EXPENDITURES</b>				
<b>Salaries &amp; Employee Benefits</b>				
6100	Regular Salaries	6,718,100	6,977,727	(259,627)
	Salaries	6,667,050	6,927,577	
	Auxiliary	20,000	20,000	
	Directors fees	31,050	30,150	
6300	Overtime	125,000	125,000	-
6301	Overtime - Reimbursable	455,000	325,000	130,000
6310	Overtime - Constant Staffing	750,000	750,000	-
6400	Retirement Contributions	2,247,715	2,106,890	140,825
6475	Retiree Medical OPEB	-	3,293,913	(3,293,913)
6550	FICA/Medicare	96,890	112,717	(15,827)
6600	Insurance Contributions	1,573,805	1,415,488	158,317
	Health Insurance	1,320,000	1,191,430	
	Dental Insurance	199,585	175,905	
	Vision Insurance	40,176	35,899	
	Life Insurance	10,044	8,754	
	Employee Assistance Program	1,500	1,500	
	Flexible Spending Account Admin.	2,500	2,000	
6700	Unemployment Insurance	8,130	9,100	(970)
6900	Workers Compensation Insurance	525,000	525,000	-
	<b>Total Salaries &amp; Employee Benefits</b>	<b>12,499,640</b>	<b>15,640,835</b>	<b>(3,141,195)</b>
<b>Services &amp; Supplies</b>				
7030	Clothing and PPE	64,950	49,500	15,450
	Operational	12,000	12,000	
	Turnout sets	35,000	35,000	
	Active shooter helmets/armor (14)	14,000	-	
	Wildland helmets (30)	2,500	-	
	SCBA tags	1,000	-	
	Investigator uniform shirts/patches	450	-	
	Helmet shields	-	2,500	
7050	Communications	127,900	77,300	50,600
	Operational	87,500	73,500	
	SB County IT Services	4,800	3,800	
	Cell phone upgrades	3,500	-	
	Phone system replacement	5,500	-	
	MDC iPads for engines/vehicles	26,600	-	
7060	Food	2,500	2,500	-





**MONTECITO FIRE PROTECTION DISTRICT  
PRELIMINARY BUDGET DRAFT  
FISCAL YEAR 2016-17**

<b>FUND 3650 - GENERAL FUND</b>				
<u>Account</u>	<u>Line Item Description</u>	<u>Prelim. Budget FY 2016-17</u>	<u>Final Budget FY 2015-16</u>	<u>Increase/ (Decrease)</u>
7070	Household Supplies	32,500	33,760	(1,260)
	Operational	26,000	26,000	
	Dining chairs repairs	2,600	-	
	Gas outdoor grills (2)	3,500	-	
	Dispatch dorm refrigerator	400	-	
	Boardroom chairs	-	6,700	
	Vacuums (2)	-	1,060	
7090	Insurance: Liability/Auto/Prop.	31,000	31,000	-
7120	Equipment Maintenance	35,000	35,000	-
7200	Structure and Ground Maintenance	32,050	38,550	(6,500)
	Operational	26,550	26,550	
	Rental property	5,500	12,000	
7205	Fire Defense Zone (Hazard Mitigation)	138,000	140,750	(2,750)
7322	Consulting and Management Fees	3,100	3,100	-
7324	Audit and Accounting Fees	23,250	23,250	-
7348	Instruments & Equip. < \$5,000	45,575	99,090	(53,515)
	Hose equipment and maintenance	6,000	10,000	
	UHF & VHF mobile radios (2)	5,775	6,250	
	Rope rescue (maintenance)	6,300	-	
	Wireless command headsets (4)	12,500	-	
	Wireless modems for engines	15,000	-	
	SCBA bottles (6)	-	6,950	
	Flip-tip nozzles (3)	-	3,240	
	Intersection detectors installation	-	2,000	
	Rit-Paks III (2)	-	6,150	
	Mobile Data Computers (6)	-	27,000	
	Computer replacement plan	-	37,500	
7363	Equipment Maintenance (Vehicles)	60,200	58,000	2,200
	Operational	58,000		
	Seats for E391 (2)	2,200		
7400	Medical & First Aid Supplies	44,800	44,860	(60)
	Operational	18,750	16,550	
	Fireline Paramedic equipment	-	6,000	
	Lifepak maintenance service	5,250	5,230	
	Lifepak AEDs for Fireline PM (2)	-	4,800	
	Airway manikin	7,350	1,730	
	AED Supplies	1,950	1,550	
	Narcotics medical vaults	-	9,000	
	Cardia monitor modems	9,200		
	Lifepak batteries/chargers	2,300		
7430	Memberships	9,500	9,500	-



**MONTECITO FIRE PROTECTION DISTRICT  
PRELIMINARY BUDGET DRAFT  
FISCAL YEAR 2016-17**

<b>FUND 3650 - GENERAL FUND</b>				
<u>Account</u>	<u>Line Item Description</u>	<u>Prelim. Budget FY 2016-17</u>	<u>Final Budget FY 2015-16</u>	<u>Increase/ (Decrease)</u>
7450	Office Expense	20,000	58,530	(38,530)
	Operational	20,000	20,000	
	Document imaging software	-	9,200	
	iPad 2 Air	-	830	
	Keyboard for Imagetrend tablet	-	500	
	Ergonomic desks/chairs	-	28,000	
7460	Professional and Special Services	284,750	371,000	(86,250)
	Operational	256,750	248,000	
	Marketing/public relations	28,000	28,000	
	CWPP Study	-	60,000	
	Telestaff scheduling system	-	35,000	
7507	ADP Payroll Fees	7,500	7,500	-
7510	Contractual Services (see detail)	51,000	43,300	7,700
7530	Publications & Legal Notices	3,000	3,000	-
7546	Administrative Tax Expense	200,000	165,000	35,000
7580	Rents & Leases (Gibraltar)	4,400	4,400	-
7630	Small Tools & Instruments	9,600	12,090	(2,490)
	Operational	6,000	6,000	
	HazMat team equipment	3,000	3,000	
	Fire investigator helmet lights (4)	600	-	
	Diagnostic scan tool	-	1,115	
	Pick headed axe	-	400	
	Yeti ice chest	-	275	
	Exercise bikes (2)	-	1,300	
7650	Special District Expense	42,000	61,500	(19,500)
	Operational (permits, fees, other)	17,500	15,000	
	LAFCO	13,000	13,000	
	Election expenses (Directors)	9,000	-	
	Promotion/new hire expenses	2,500	11,000	
	HEARO Radio program	-	20,000	
	District recognition/awards	-	2,500	
7671	Special Projects	18,500	17,500	1,000
	Public Education materials	7,500	7,500	
	Pre-hazard abatement brochure	6,000	5,000	
	Evacuation drill expenses	5,000	5,000	
7730	Transportation and Travel	25,000	25,000	-
7731	Gasoline/Oil/Fuel	63,000	63,000	-
7732	Training	87,750	89,750	(2,000)
	Operational	85,000	75,000	
	Paramedic training	2,750	2,750	
	Blue Card Command	-	12,000	



**MONTECITO FIRE PROTECTION DISTRICT  
PRELIMINARY BUDGET DRAFT  
FISCAL YEAR 2016-17**

<b>FUND 3650 - GENERAL FUND</b>						
<u>Account</u>	<u>Line Item Description</u>	<u>Prelim. Budget FY 2016-17</u>		<u>Final Budget FY 2015-16</u>		<u>Increase/ (Decrease)</u>
7760	Utilities		48,000		48,000	-
	Operational	43,000	-	43,000	-	-
	Rental housing utilities	5,000	-	5,000	-	-
	<b>Total Services &amp; Supplies</b>		<b>1,514,825</b>		<b>1,615,730</b>	<b>(100,905)</b>
<b>Other Charges</b>						
7860	Contributions to Other Agencies (STB)		-	25,000		(25,000)
	<b>Total Other Charges</b>		<b>-</b>	<b>25,000</b>		<b>(25,000)</b>
<b>Capital Assets</b>						
8300	Equipment		206,600		153,250	53,350
	Dispatch radio system	190,000				
	VHF/UHF portable radios	16,600	-	10,750	-	-
	Basement radio back-up battery	-	-	10,000	-	-
	Dept. Ops. Center tech. upgrade	-	-	50,000	-	-
	Thermal Imager Cameras (2)	-	-	32,500	-	-
	Wet barrel hydrants replacement	-	-	50,000	-	-
	<b>Total Capital Assets</b>		<b>206,600</b>		<b>153,250</b>	<b>53,350</b>
<b>OTHER FINANCING USES</b>						
7901	Transfer To Pension Obligation Fund (3651)		456,000	795,500		(339,500)
7901	Transfer To Capital Outlay Fund (3652)		352,000	270,000		82,000
7901	Transfer To Land & Building Fund (3653)		834,000	-		834,000
	<b>Total Other Financing Uses</b>		<b>1,642,000</b>	<b>1,065,500</b>		<b>576,500</b>
	<b>TOTAL EXPENDITURES &amp; TRANSFERS</b>		<b>15,863,065</b>	<b>18,500,315</b>		<b>(2,637,250)</b>
	<b>Net Financial Impact</b>		<b>715,000</b>	<b>778</b>		
<b>Fund 3650 Equity</b>						
	Beginning Fund Balance at 7/1/2016		4,817,814	4,817,036		
	Net Financial Impact		715,000	778		
	Projected Ending Fund Balance at 6/30/2017		5,532,814	4,817,814		



**MONTECITO FIRE PROTECTION DISTRICT  
PRELIMINARY BUDGET DRAFT  
FISCAL YEAR 2016-17**

FUND 3651 - PENSION OBLIGATION FUND				
Account	Line Item Description	Prelim. Budget FY 2016-17	Final Budget FY 2015-16	Increase/ (Decrease)
<b>REVENUES</b>				
Financing Sources				
5910	Transfer from General Fund (3650)	456,000	795,500	(339,500)
	<b>TOTAL FUND REVENUES</b>	<b>456,000</b>	<b>795,500</b>	<b>(339,500)</b>
<b>EXPENDITURES</b>				
Services & Supplies				
7460	Administration Fee	3,500	3,000	500
7830	Interest Expense	17,402	51,573	(34,171)
	<b>Total Services &amp; Supplies</b>	<b>20,902</b>	<b>54,573</b>	<b>(33,671)</b>
<b>OTHER FINANCING USES</b>				
7910	Long Term Debt Principal Repayment	435,000	741,000	(306,000)
	<b>Other Financing Uses</b>	<b>435,000</b>	<b>741,000</b>	<b>(306,000)</b>
	<b>TOTAL EXPENDITURES &amp; TRANSFERS</b>	<b>455,902</b>	<b>795,573</b>	<b>(339,671)</b>
	<b>Net Financial Impact</b>	<b>98</b>	<b>(73)</b>	
<b>Fund 3651 Equity</b>				
	Beginning Fund Balance at 7/1/2016	107	180	
	Net Financial Impact	98	(73)	
	Projected Ending Fund Balance at 6/30/2017	205	107	





**MONTECITO FIRE PROTECTION DISTRICT  
PRELIMINARY BUDGET DRAFT  
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<b>FUND 3652 - CAPITAL OUTLAY FUND</b>				
<u>Account</u>	<u>Line Item Description</u>	<u>Prelim. Budget FY 2016-17</u>	<u>Final Budget FY 2015-16</u>	<u>Increase/ (Decrease)</u>
<b>REVENUES</b>				
<b>Use of Money and Property</b>				
3380	Interest Income	10,000	-	10,000
	<b>Total Use of Money and Property</b>	<b>10,000</b>	<b>-</b>	<b>10,000</b>
<b>Financing Sources</b>				
5910	Transfer from General Fund (3650)	352,000	270,000	82,000
	<b>Total Financing Sources</b>	<b>352,000</b>	<b>270,000</b>	<b>82,000</b>
<b>Other Financing Sources</b>				
5919	Sale of Capital Assets	-	30,000	(30,000)
	<b>Total Other Financing Sources</b>	<b>-</b>	<b>30,000</b>	<b>(30,000)</b>
	<b>TOTAL FUND REVENUES</b>	<b>362,000</b>	<b>300,000</b>	<b>62,000</b>
<b>EXPENDITURES</b>				
<b>Services &amp; Supplies</b>				
7363	Equipment Maintenance (Vehicles)	-	30,000	(30,000)
	<b>Total Services &amp; Supplies</b>	<b>-</b>	<b>30,000</b>	<b>(30,000)</b>
<b>Capital Assets</b>				
8300	Apparatus (Engine 91 - Type 1)	615,000	-	-
	Breathing Air Compressor (Pre-funded)	60,000	-	-
	<b>Total Capital Assets</b>	<b>675,000</b>	<b>315,900</b>	<b>359,100</b>
	<b>TOTAL EXPENDITURES</b>	<b>675,000</b>	<b>345,900</b>	<b>329,100</b>
	<b>Net Financial Impact</b>	<b>(313,000)</b>	<b>(45,900)</b>	
<b>Fund 3652 Equity</b>				
	Beginning Fund Balance at 7/1/2016	2,340,483	2,386,383	
	Net Financial Impact	(313,000)	(45,900)	
	Projected Ending Fund Balance at 6/30/2016	2,027,483	2,340,483	



**MONTECITO FIRE PROTECTION DISTRICT  
PRELIMINARY BUDGET DRAFT  
FISCAL YEAR 2016-17**

FUND 3653 - LAND AND BUILDING FUND				
Account	Line Item Description	Prelim. Budget FY 2016-17	Final Budget FY 2015-16	Increase/ (Decrease)
<b>REVENUES</b>				
Use of Money and Property				
3380	Interest Income	15,000	-	15,000
	Total Use of Money and Property	15,000	-	15,000
Financing Sources				
5910	Transfer from General Fund (3650)	834,000	-	834,000
	Total Financing Sources	834,000	-	834,000
	<b>TOTAL FUND REVENUES</b>	<b>849,000</b>	<b>-</b>	<b>849,000</b>
<b>EXPENDITURES</b>				
Capital Assets				
8100	Land	100,000	-	100,000
8700	Construction in Progress	100,000	100,000	-
	Total Capital Assets	200,000	100,000	100,000
<b>OTHER FINANCING USES</b>				
7901	Transfer To General Fund (3650)	-	2,459,473	(2,459,473)
	Total Financing Uses	-	2,459,473	(2,459,473)
	<b>TOTAL EXPENDITURES &amp; TRANSFERS</b>	<b>200,000</b>	<b>2,559,473</b>	<b>(1,510,473)</b>
	Net Financial Impact	<b>649,000</b>	<b>(2,559,473)</b>	
<b>Fund 3653 Equity</b>				
	Est. Beginning Fund Balance at 7/1/2016	4,523,279	7,082,752	
	Net Financial Impact	649,000	(2,559,473)	
	Projected Ending Fund Balance at 6/30/2017	5,172,279	4,523,279	

