



Montecito Sanitary District

1042 Monte Cristo Lane
Santa Barbara, CA 93108

A Public Service Agency

Phone: (805) 969-4200
www.montsan.org

BOARD PACKET

For the Finance Committee Meeting of

Wednesday, July 24, 2024

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AGENDA

For the Special Meeting of
The Finance Committee on:

Wednesday, July 24, 2024

The special meeting of the Finance Committee will begin at **10:00 a.m. on July 12, 2024** in the District's Board Room at 1042 Monte Cristo Lane.

The public may attend the meeting in person or participate remotely via Zoom using the following virtual meeting details:

By visiting: <https://us02web.zoom.us/j/81795379596>

Or by calling: 1-669-900-6833

Meeting ID: 817 9537 9596

1. CALL TO ORDER/ROLL CALL

2. PUBLIC COMMENT

Public comment is **limited to 3 minutes**, can only be on agendized topics, and is at the discretion of the Committee Chair. For further instructions, please see [Instructions for Public Comment](#) on the District's website.

3. NEW BUSINESS

A. JUNE PAYABLES

The Committee will review the payables for the period June 1, 2024 through June 30, 2024.

B. FY2023-24 UNAUDITED QUARTERLY FINANCIAL REPORTS

The Committee will review and discuss the following unaudited FY 2023-24 financial reports for the quarter ended June 30, 2024:

- i) Quarterly Financial Summary Memo
- ii) Quarterly Cash and Investments Holdings
- iii) Quarterly Operations and Maintenance Expenditure Status Report
- iv) Quarterly Capital Improvement Projects Expenditure Status Report
- v) Quarterly Investment Certification

C. FISCAL YEAR 2021-22 FINANCIAL AUDIT

The committee will review and discuss the following:

- i) Fiscal Year 2021-22 DRAFT Financial Audit as presented to the Board at the April 17, 2024 Board Meeting
- ii) Fiscal Year 2021-22 FINAL Financial Audit as sent by the Auditor after the Board accepted and filed the report.

D. DISTRICT ACCOUNT STATEMENTS

The committee will review and discuss the following:

- i) June 2024 Account Statements
- ii) May 2024 Account Statements
- iii) April 2024 Account Statements
- iv) March 2024 Account Statements
- v) February 2024 Account Statements
- vi) January 2024 Account Statements

4. ITEMS FOR THE NEXT COMMITTEE AGENDA

5. ADJOURNMENT

The Americans with Disabilities Act provides that no qualified individual with a disability shall be excluded from participation in, or denied the benefits of, the District's programs, services or activities because of any disability. If you need special assistance to participate in this meeting, please contact the District Office at 805-969-4200. Notification at least twenty-four (24) hours prior to the meeting will enable the District to make appropriate arrangements.

This agenda was posted on the District website, and at the Montecito Sanitary District Bulletin Board in accordance with the requirements of the Brown Act. Attested by:



Stephen Williams
District Administrator/Clerk of the Board



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BOARD LIST OF PAYABLES – JUNE 2024

<u>CHECK DATE</u>	<u>SUMMARY & TYPE</u>	<u>BATCH TOTAL</u>
06/07/2024	ACCOUNTS PAYABLE	132,832.34
06/12/2024	ACCOUNTS PAYABLE	56,973.81
06/21/2024	ACCOUNTS PAYABLE	47,624.30
	Subtotal	\$ 237,430.45
06/12/2024	CAPITAL IMPROVEMENT PROJECTS	408,454.42
06/12/2024	RECYCLED WATER FUND	109,965.00
06/21/2024	CAPITAL IMPROVEMENT PROJECTS	23,906.86
	Subtotal	\$ 542,326.28
06/09/2024	PAYROLL	96,975.99
06/23/2024	PAYROLL	98,556.41
	Subtotal	\$ 195,532.40
	<u>TOTAL</u>	<u>\$ 975,289.13</u>

*All Invoices were reviewed and approved by Department Managers

**All Invoices and Payments were reviewed and approved and checks signed by the General Manager

***Board Treasurer, Edwin Martin, approved all payables by email prior to check mailing

Check History Report

Sorted By Check Number

Activity From: 6/1/2024 to 6/30/2024

MONTECITO SANITARY DISTRICT (MSD)

Bank Code: B OPERATING CASH (MBT)

Check Number	Check Date	Name	Check Amount	Description
0000029349	6/7/2024	ACME ANALYTICAL SOLUTIONS	2,867.03	Analyzer Chemicals
0000029350	6/7/2024	ACWA/JPIA	31,064.61	Medical/Dental/Life Insurance Premium
0000029351	6/7/2024	AMAZON CAPITAL SERVICES	817.50	Computer Supplies, Back Support, Buckets, Rat Traps
0000029352	6/7/2024	AT&T MOBILITY	46.48	Office Data Port-June
0000029353	6/7/2024	AUTOZONE, INC	14.76	Vehicle Supplies
0000029354	6/7/2024	BARTLETT, PRINGLE & WOLF, LLP	3,626.50	Annual Financial Audit Progress Payment
0000029355	6/7/2024	BRITTANY BESSE	103.00	Travel Expense Reimbursement for Notary Training
0000029356	6/7/2024	BIG GREEN CLEANING COMPANY	2,603.00	Janitorial Services-June
0000029357	6/7/2024	BNY OF NEW YORK MELLON	1,980.00	Annual Administrative Fee
0000029358	6/7/2024	CED ROYAL INDUSTRIAL SOLUTIONS	213.70	Plant Maintenance Materials
0000029359	6/7/2024	CINTAS CORPORATION #684	2,119.05	Uniforms, Towels, Floor Mats, Disposable Gloves-May
0000029360	6/7/2024	COLANTUONO, HIGHSMITH & WHATLEY,	3,238.70	Legal Counsel Services-May
0000029361	6/7/2024	COMPUVISION COMMUNICATIONS	2,770.10	Laptop Replacement, Cybersecurity, Adobe License, IT services-May/June
0000029362	6/7/2024	CORT	44.00	Deed Report-May
0000029363	6/7/2024	CALIFORNIA WATER ENVIRONMENT	103.00	Certification Renewal-Flores
0000029364	6/7/2024	D&H WATER SYSTEMS	450.55	Plant Maintenance Materials
0000029365	6/7/2024	DOCU PRODUCTS	13.56	Copier Maintenance Agreement-June
0000029366	6/7/2024	FISHER SCIENTIFIC	219.77	Lab Testing Supplies
0000029367	6/7/2024	FRONTIER	1,242.17	Phone Service for Lift Stations 1, 2, 4 & WWTP-May
0000029368	6/7/2024	GLS COMPANIES	780.00	Landscaping Services-May
0000029369	6/7/2024	GRAINGER	1,363.04	Measuring Wheel, Cam & Groove Couplings, Plant Maintenance Materials
0000029370	6/7/2024	JUAN O'S MOBILE REPAIR	1,625.00	Remove/Replace Air Dryer Assembly on Vac-Con
0000029371	6/7/2024	MARBORG INDUSTRIES	181.99	Portable Restroom Rental-May
0000029372	6/7/2024	MONTECITO BANK & TRUST (Credit Card Payment)	1,616.68	Staff Luncheon, Board Lunches, Fuel, Office Chair, Membership Dues, Lab Water, Carwash
0000029373	6/7/2024	MCCORMIX CORP	1,235.78	Vehicle Fuel 05/01-05/31/24
0000029374	6/7/2024	MCMaster-CARR SUPPLY COMPANY	81.86	Plant Maintenance Materials
0000029375	6/7/2024	MONTECITO JOURNAL	200.00	Ordinance 23 Publication
0000029376	6/7/2024	MOTION INDUSTRIES, INC	7,838.59	Clarifier Drive Gear Reducer, A/B Blower Filters
0000029377	6/7/2024	MOUNTAIN SPRING WATER	235.80	Bottled Drinking Water, Cooler Rental-
0000029378	6/7/2024	MONTECITO WATER DISTRICT	715.24	Water Services-May
0000029379	6/7/2024	GARY (or) JEANNE NEWMAN	2,487.00	Sewer Spill Cleanup Reimbursement-1631 Posilipo Ln
0000029380	6/7/2024	OILFIELD ENVIRONMENTAL &	851.10	Outside Lab Analyses
0000029381	6/7/2024	PAYCHEX OF NEW YORK, LLC	532.41	Payroll Services-May
0000029382	6/7/2024	JOSHUA PEREZ	221.00	CWEA Membership Renewal Reimbursement
0000029383	6/7/2024	PHOENIX CIVIL ENGINEERING	2,925.00	Engineering Services for RFP Support
0000029384	6/7/2024	PLUMBERS DEPOT, INC	5,233.75	Confined Space Radios, CCTV Camera Repair
0000029385	6/7/2024	RALPH ANDERSEN & ASSOCIATES	1,150.00	Salary Survey-May
0000029386	6/7/2024	RINGCENTRAL, INC.	706.46	Phone Services-May
0000029387	6/7/2024	SOUTHERN CALIFORNIA EDISON CO	16,777.28	Electric Service 04/24-05/22/24
0000029388	6/7/2024	SEIU LOCAL 620	759.68	Union Dues
0000029389	6/7/2024	STANDARD INSURANCE COMPANY	3,372.14	Short/Long Term Disability Premium-June
0000029390	6/7/2024	STREAMLINE	375.00	Website Hosting Services-June
0000029391	6/7/2024	TAFT ELECTRIC COMPANY	7,322.65	On-Call Electrical/Instrumentation Services
0000029392	6/7/2024	UNIVAR SOLUTIONS	16,115.04	Sodium Bisulfite & Hypochlorite
0000029393	6/7/2024	UNDERGROUND SERVICE ALERT	164.00	Dig Alert Tickets-May
0000029394	6/7/2024	LOS ANGELES TRUCK CENTERS, LLC	625.68	Vehicle Parts
0000029395	6/7/2024	WEF MEMBERSHIP	361.00	Membership Renewal-Felix
0000029396	6/7/2024	JOHN WEIGOLD	439.34	Travel Expense Reimbursement for CASA Conference
0000029397	6/7/2024	WORLD WATER WORKS, INC	722.35	Plant Maintenance Materials
0000029398	6/7/2024	ZWORLD GIS	2,280.00	GIS Development & Support Services-June

0000029399	6/12/2024	COMPUVISION COMMUNICATIONS	1,365.00	IT Services-ayY
0000029400	6/12/2024	CALIFORNIA WATER ENVIRONMEN	98.00	Lab Analyst 1 Renewal-Villafana
0000029401	6/12/2024	ENGEL & GRAY, INC	3,777.66	Biosolids Hauling - May
0000029402	6/12/2024	ENVIRONMENTAL SCIENCE ASSOC	37,023.31	Coastal Hazards Monitoring Plan
0000029403	6/12/2024	IDEXX DISTRIBUTION, INC	269.61	Lab Testing Supplies
0000029404	6/12/2024	JOY EQUIPMENT PROTECTION, INC	537.11	Annual Fire Extinguisher Servicing
0000029405	6/12/2024	LARRY'S AUTO PARTS	1,700.59	Parts For VAC-CON, Generator & Pumps
0000029406	6/12/2024	MARBORG INDUSTRIES	786.95	Refuse Disposal/Recycling - June
0000029407	6/12/2024	MILPAS RENTAL INC	139.86	Equipment Rental
0000029408	6/12/2024	SOCAL GAS	246.71	Gas Service for Admin/Trtmt/Coll - June
0000029409	6/12/2024	DOUGLAS (or) CHRISTINA TUDOR	1,150.00	Deposit Refund - 43 Humphrey Road
0000029410	6/12/2024	UNIVAR SOLUTIONS	2,739.01	Sodium Bisulfite - 820 Gallons
0000029411	6/12/2024	WATER SYSTEMS CONSULTING, IN	640.00	Sewer Model Development/Calibration - May
0000029412	6/12/2024	WW SURVEYING, INC.	6,500.00	On-Call Surveying - 1583 S Jameson Lane
0000029413	6/21/2024	A-OK POWER EQUIPMENT-SB	119.58	Property Maintenance Tools
0000029414	6/21/2024	AT&T MOBILITY	41.83	Office Data Port-June
0000029415	6/21/2024	AUTOZONE, INC	11.73	Stethoscope for Treatment Plant
0000029416	6/21/2024	CANON FINANCIAL SERVICES INC	152.93	Canon Copier Lease Payment-June
0000029417	6/21/2024	CORT	44.00	Deed Report-May
0000029418	6/21/2024	COX BUSINESS	160.39	Wireless Internet Services-June
0000029419	6/21/2024	FILIPPIN ENGINEERING	2,102.50	1950 Lemon Ranch Road Sewer Main Relocation
0000029420	6/21/2024	FRONTIER	535.99	Phone Service for Lift Stations 1,2,4 & WWTP
0000029421	6/21/2024	GEOGRAPHIC DATA & MANAGEMENT	925.00	GIS Database Update, Tax Assessment
0000029422	6/21/2024	GLS COMPANIES	3,300.00	Hedge Trimming & Cleanup on Monte Cristo Lane
0000029423	6/21/2024	MCCORMIX CORP	770.94	Vehicle Fuel 06/01-06/15/2024
0000029424	6/21/2024	MOTION INDUSTRIES, INC	1,999.19	Tools for Treatment Operations
0000029425	6/21/2024	SERVICEMASTER ANYTIME	24,554.70	Final Payment for Maintenance Building Structural &
0000029426	6/21/2024	STAPLES	2,211.11	Staff/Board Room Supplies, Office Supplies
0000029427	6/21/2024	UNIVAR SOLUTIONS	10,035.24	Sodium Bisulfite and Hypochlorite
0000029428	6/21/2024	LOS ANGELES TRUCK CENTERS, LLC	314.69	Vac-Con Parts
0000029429	6/21/2024	WICK BOILER SERVICES, INC	344.48	Repair and replace hot surface igniter on boiler in Lab
			237,430.45	

Bank Code: G CAPITAL IMPROVEMENT CASH (MBT)				
Check Number	Check Date	Name	Check Amount	Description
0000001467	6/12/2024	ASPECT ENGINEERING GROUP	5,176.98	CIP T003; Engineering Services for the SCADA Implementation Project
0000001468	6/12/2024	BEST CONTRACTING SERVICES, INC.	13,259.65	CIP F001; Construction Progress Payment for the Admin/Ops Roof Replacement Project
0000001469	6/12/2024	MONTECITO BANK & TRUST	6,909.55	CIP C010; California Fish & Wildlife Permit for the Protect -In-Place of District Facilities
0000001470	6/12/2024	NATIONAL AUTO FLEET GROUP	76,664.25	CIP CEQU: Ford F350 Truck Replacement
0000001471	6/12/2024	STANTEC CONSULTING SERVICES INC.	116,034.24	CIP C010; Engineering Design Services for the Protective Measures of District Facilities
0000001472	6/12/2024	TIERRA CONTRACTING INC	169,373.61	CIP C002; HWY 101 Sewer Main Protect-In-Place
0000001473	6/12/2024	FILIPPIN ENGINEERING	300.00	CIP C002; HWY 101 Sewer Main Protect-In-Place
0000001474	6/12/2024	MICHAEL K. NUNLEY & ASSOCIATES, INC.	11,380.00	CIP C005; Engineering Services for the Manhole Rehabilitation Project
0000001475	6/12/2024	TRI-COUNTY RHINO		VOID
0000001476	6/12/2024	SOUTHLAND WATER TECHNOLOGIES	9,356.14	CIP CEQU: Ford F350 Truck Bedliner
0000001477	6/21/2024	CA DEPT. OF FISH & WILDLIFE	4,073.50	CIP NO. C010; CA Fish & Wildlife License for the
0000001478	6/21/2024	CUSHMAN CONTRACTING, INC	19,833.36	CIP NO. T012; Construction Services for the Clarifier
			432,361.28	



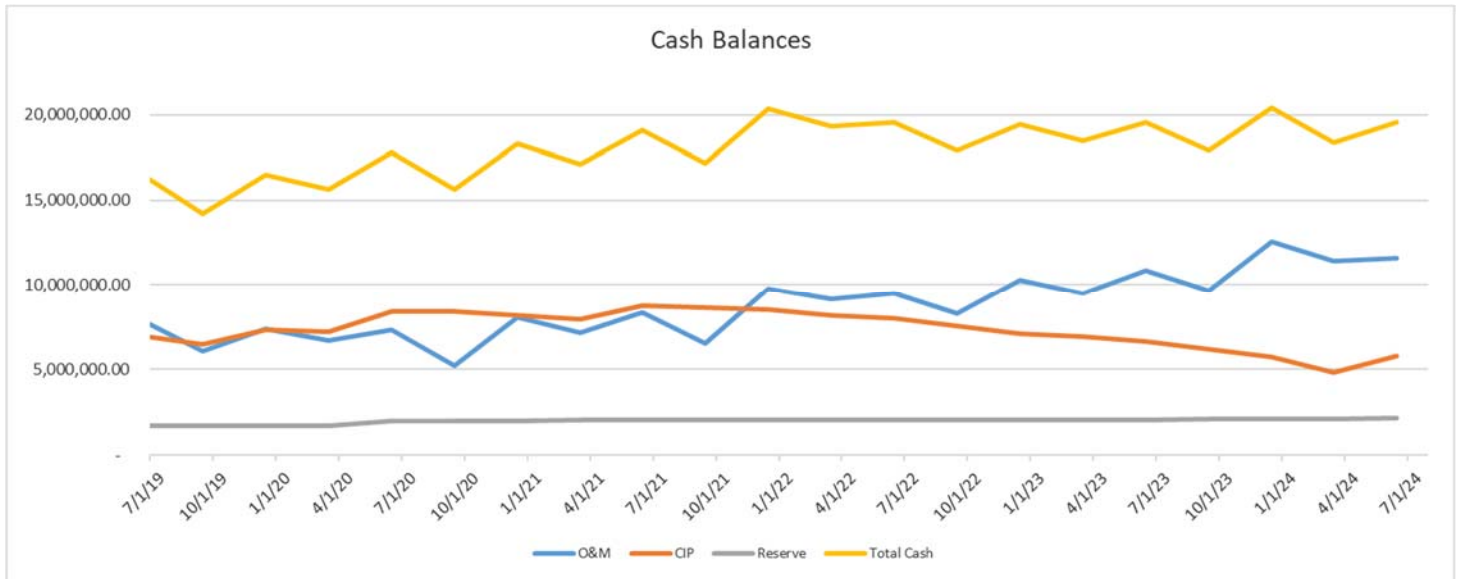
Fiscal Year 2023-24 Unaudited Quarterly Financial Summary Memo

For the Quarter Ended 6/30/2024

FINANCIAL HEALTH AND CASH POSITIONS

As of **June 30, 2024** the District is in a sound financial position. It maintains a healthy cash balance sufficient to cover its short term and long term obligations. The District also maintains a balance of **\$2.25M** in Reserve funds, which is equal to approximately **5** months of Operations & Maintenance (O&M) expenditures (approximately **\$450,00** per month). Typical business practice is to hold at least 3-6 months of cash on hand for emergencies, along with adequate insurance holdings, and based on this metric the District is within that range with its operating reserves.

Below is a chart detailing the District’s cash positions over the past five years:



Below is a chart detailing the current cash balances the District maintains compared to last quarter:

	Balance at 3/31/2024	Balance at 6/30/2024	Difference
Operations & Maintenance	\$ 11,440,177	\$ 11,599,707	\$ 159,530
Capital Improvement Projects	4,799,959	5,806,712	1,006,752
Reserve	2,112,927	2,135,503	22,576
Total Available Cash	<u>\$ 18,353,063</u>	<u>\$ 19,541,921</u>	<u>\$ 1,188,859</u>

Table 1. Fiscal Year 2023-24 Current Cash Comparison – Current Quarter vs. Prior Quarter

REVENUES

For Fiscal Year 2023-24, the District anticipated approximately **\$7.75M** in revenues between its two main revenue types: Operating and Non-operating revenue. The District receives approximately 96% of its revenues through two allocations from the County of Santa Barbara’s Property Tax apportionment, which occurs in December and April of each year. The District realized total revenues of **\$8,066,431**, which is **4%** higher than anticipated. The District has sufficient cash on hand to handle the timing of revenues, so no temporary borrowing is necessary for the District to meet its current and expected obligations.

Table 2 below shows the breakdown of revenue received for the period ending **June 30, 2024**.

OPERATIONS & MAINTENANCE BUDGET TO ACTUAL SUMMARY

OPERATING AND NONOPERATING REVENUES

	2023-24 Budget	2023-24 Actuals	Difference
Operating Revenues			
Service Charges	\$ 6,650,000	\$ 6,644,349	\$ (5,651)
Connection Fees	125,000	293,049	168,049
Other Services	75,000	49,540	(25,460)
Total Operating Revenues	\$ 6,850,000	\$ 6,986,937	\$ 136,937
Nonoperating Revenues			
Property Taxes	\$ 725,000	\$ 790,617	\$ 65,617
Interest Income	175,000	288,877	113,877
Total Nonoperating Revenues	\$ 900,000	\$ 1,079,494	\$ 179,494
Total Revenues	\$ 7,750,000	\$ 8,066,431	\$ 316,431

Table 2. Fiscal Year 2023-24 Budget to Actuals - Revenue

Operating and Non-operating Revenue Noteworthy Items:

- **Sewer Service Charges - The District’s primary source of revenues comes from Sewer Service Charges.** The District submitted all Sewer Service Charges to the County for inclusion on connected properties Property Tax bills in early July. This method saves a substantial amount of administrative time having to bill, collect, and reconcile over 3,000 sewer service bills to customers. The District received **\$6,644,349** in Fiscal Year 2023-24, which is within **0.01%** of what was budgeted.
- **Connection Fees –** The District has seen a higher number of connection fees mostly due to the increase in applications for Accessory Dwelling Unit connections. Properties that connect this year will be placed on the next fiscal years’ tax roll.
- **Other Services –** The District collects various fees as it relates to inspection services, sewer availability inquiries, engineering review services, agreements, and administrative certifications. The District realized approximately **\$25,000** less in revenue than anticipated, and this has been factored into next Fiscal Years budget.
- **Property Tax –** The District’s ½ of 1% Property Tax Revenue is collected in the same manner as the Sewer Service Charges. The County released an estimated property tax revenue figures in mid-October and the District is expected to receive **\$770,332**, which is **\$45,332** higher than budgeted for Fiscal Year 2023-24. The District actually received **\$790,617**, which is even higher than Auditor-Controller estimates.
- **Interest Income –** The District began budgeting for Interest Income in Fiscal Year 2023-24. Higher interest yields coupled with less than anticipated CIP spending led interest income to be higher than expected. The Fiscal Year 2024-25 budget was developed with the higher interest rate environment in mind.

OPERATING EXPENDITURES

	2023-24 Budget	2023-24 Actuals	Difference	% of Budget
Operating Expenditures				
Salaries and Benefits	\$ 3,289,900	\$ 3,033,460	\$ 256,440	92%
Insurance	119,200	127,165	(7,965)	107%
Maintenance & Repairs	180,000	325,262	(145,262)	181%
Goods & Supplies	138,500	113,996	24,504	82%
Professional Services	352,000	231,059	120,941	66%
Administrative Costs	400,000	403,463	(3,463)	101%
Plant & Lab Operating Costs	635,000	569,084	65,916	90%
Safety, Training, & Travel	53,500	41,894	11,606	78%
Utilities	302,500	302,822	(322)	100%
Total Operating Expenditures	\$ 5,470,600	\$ 5,148,205	\$ 322,395	94%

Table 3. Fiscal Year 2023-24 Budget to Actuals - Expenditures

The District’s Operations and Maintenance expenditure budget was close to what the District anticipated for the Fiscal Year, with **94%** of the budget being utilized.

Below is a deeper analysis of some of the areas the District wishes to highlight for the Board from its Operations & Maintenance budget to actuals:

Operating Expenditures Noteworthy Items:

- **6270 – Standby Pay** – In February of 2023 a new Memorandum of Understanding was negotiated and entered into with SEIU Local 620. Part of that contract included an increase to the standard Standby Pay rate along with a provision wherein employees could elect to collect Comp Time Off in lieu of Standby Pay. As such budget for Standby Pay assumed a certain percentage would elect to collect Comp Time off, but in how its played out more have elected to take the Standby Pay. The budget for Fiscal Year 2024-25 was adjusted accordingly based on the percentages utilized during the current fiscal year.
- **7121 – Property Maintenance** – This line item went over budget primarily due to repairs needed to the Operations Building as a result of a Eucalyptus tree falling on it. The District paid **\$122,550** during the year, of which all will be reimbursed through insurance with the exception of the **\$10,000** deductible. Furthermore the District paid **\$18,850** in unanticipated Eucalyptus Tree removal to prevent future falls from damaging critical District infrastructure as this has occurred twice since December of 2021. Other costs were mostly in line with budget.
- **7129 – Lift Station Parts** – Approximately **\$10,000** in unanticipated costs were incurred during the fiscal year to replace the metal doors at Lift Station 1 and Lift Station 4. Another **\$4,000** was needed to replace a Controller at Lift Station 4.
- **7461 – Professional Services – Legal** – This line item will now only track costs for the District’s General Legal Counsel (Colantuono Highsmith & Whatley). The District has drastically reduced its use of legal counsel compared to the last couple fiscal years. Staff expects this line item to be well under budget at the end of the year and will take into account for the Fiscal Year 2024-25 Budget Development.

- **7464 – Professional Fees – Computer/GIS** – In the first quarter staff implemented Office 365 which moves the District into a cloud-based network setup. This transition saves the District money when compared to replacing the physical servers it used to house on site as well as creates efficiencies with data backup/integration with the District’s new GIS upgrades. There have been several hardware needs unanticipated during the fiscal year (new laptops and desktops to replace fully depreciated machines as well as upgrades needed for SCADA and other asset management projects). Staff will monitor in future monthly periods to see if a budget revision is necessary.
- **7466 – Professional Services – Human Resources** – This line item has gone over budget due to a \$20,000 contract for recruitment services pertaining to the District’s recently filled Administrative Technician II position as well as the \$34,350 for Ralph, Andersen & Associates to perform a District-wide Total Compensation Study.
- **7510 - Contracted Services/Labor** – This line item is overbudget primarily to unanticipated electrical on call services that were approximately \$23,500 more than the prior fiscal year, primarily due to services needed during the extreme wet season we had from December through March. Additionally the District paid its initial setup and management fees for its Planetbids bidding services for \$7,375.
- **7653 – Chemicals** – Staff finalized a new contract at the end of the fiscal year for one of its chemical suppliers that will save 5% compared to the prior vendor. As such chemical costs are anticipated to be very similar in the next fiscal year.
- **7763 – Electricity** – The Board has expressed concern about electricity bills in the past. In Fiscal Year 2023-24 the District was within 3% of its budget, and next years budget includes a slight increase for anticipated rate increases.

CAPITAL IMPROVEMENTS PROJECTS

The District maintains separate Capital Improvement Project band of accounts from its Operations and Maintenance funds. As of the end of the period the balance held in CIP accounts totals **\$5,756,007**.

The budget passed for Fiscal Year 2023-24 utilizes estimates for the anticipated expenditures for CIP work including permitting, design, construction management, and all other costs associated with projects. The annual budget passed by the Board this Fiscal Year totaled **\$7,495,000**. The following table shows total budget and amount expended through the quarter by program.

Program	2023-24 Approved Budget	Project Expenditures Through 6/30/2024
Collections	\$ 4,020,000	\$ 2,105,707
Lift Stations	\$ 500,000	\$ 23,252
Treatment & Lab Facilities	\$ 2,830,000	\$ 258,514
Sewer Main Extens	\$ 75,000	\$ 170,862
	\$ 70,000	\$ -
Total	\$ 7,495,000	\$ 2,558,334

Table 4. Fiscal Year 2023-24 Budget to Actuals – Capital Improvement Program

The following highlights noteworthy capital expenditures for Q4 and Attachment C provides includes all CIP activity through the period ending June 30, 2024.

- C002 – Highway 101 Sewer Main Protect-In-Place** – One of the more notable capital expenditures during the quarter were related to the Highway 101 Sewer Main Protect-in-Place project, wherein the District expended **\$175,484.86**. A Notice of Completion was heard and approved by the Board at its June 19, 2024 Regular Meeting with a total construction cost of **\$1,786,349.27**. The District will begin the reimbursement process with SBCAG shortly to ensure the District recoups all qualified construction costs.
- C003 – Large Diameter Sewer Main Rehabilitation – Design** – The District began design work late in the third quarter and continued with progress during the fourth quarter and incurred costs of **\$209,566.51**.
- C010 – FEMA Rehabilitation – Design/Permitting** - The District continued work on its 2023 Winter Storm FEMA projects and spent **\$185,665.48** during the fourth quarter. FEMA progress will continue to be detailed in the monthly General Manager’s report at every Regular Board Meeting.
- CEQU – Equipment Replacement** – The District outlaid **\$76,664** during the fourth quarter as it received its new F-350 truck that was approved by the Board at its September 28, 2023 Regular Meeting.

Several large Requests for Proposal were sent out by the District near the end of the fiscal year that that hopefully will result in contracts being heard by the Board early in the first quarter of Fiscal Year 2024-25. Also note that monthly summaries of CIP projects are included in the General Manager’s report included at each Regular Board Meeting.

2017 SEWER REFUNDING REVENUE BONDS – CALIFORNIA SPECIAL DISTRICTS ASSOCIATION (CSDA) FINANCE CORPORATION

In May 2017 the District refunded its 2007 Certificates of Participation (COP). The District made two payments on its bond during Fiscal Year 2023-24 totaling **\$934,100**. Of this total **\$710,000** was applied to principal and **\$224,100** to interest. After all payments were made in Fiscal Year 2023-24 the remaining bond debt is **\$5,680,000** and is expected to be paid off by July 1, 2030.

ANNUAL DEPRECIATION FUNDING

Annually, District's Operations & Maintenance accounts contribute to the Capital Replacement Fund. Typically, this contribution has been based on the prior fiscal year's annual depreciation expense. The current year contribution based on the Fiscal Year 2022-23 Financial Audit, and that figure is **\$1,273,099**. Staff completed the transfer in the County's Financial System at the end of the Fiscal Year.

Attachments:

Attachment A – Quarterly Cash and Investments Holdings as of **6/30/2024**

Attachment B – Quarterly Operations & Maintenance Expenditure Status Report as of **6/30/2024**

Attachment C – Quarterly Capital Improvement Projects Expenditure Status Report as of **6/30/2024**

Attachment D – Quarterly Investment Certification

**FY2023-24 Quarterly Cash and Investment Activity
Quarter 4**

	<u>3/31/2024</u>	<u>Income</u>	<u>Interest</u>	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Withdrawals</u>	<u>6/30/2024</u>	<u>Net Change</u>	
Investment Accounts									
Cash with LAIF	2,112,926		22,576		(2,135,000)		502	22,576	
Cash with County-Operating	10,534,302	3,276,699	73,946		(1,773,099)	(822,050)	11,289,798	755,496	Property Tax/SSCs: \$3,276,699 Quarterly Interest: \$73,946 Transfers to MBT O&M: \$500,000 Transfers to County CIP: \$1,273,099 Bond Payment: \$822,050
Cash with County - Capital Replacement	3,192,281		24,619	1,273,099	(500,000)		3,989,999	797,718	Quarterly Interest: \$24,619 Transfers From County Oper: \$1,273,099 Transfers To MBT CIP: \$500,000
Cash with County-Retiree Medical	189,972		1,236				191,208	1,236	Quarterly Interest: \$1,236
Cash Accounts									
MBT Operating account	599,360	200,009		2,635,000		(1,296,435)	2,137,934	1,538,574	Income: connection, permit, & other fees Transfers From County Oper: \$500,000 Transfers From LAIF: \$2,135,000 Withdrawals: O&M Expenses (A/P, Payroll)
MBT Capital Improvement account	726,713			500,000		(514,671)	712,042	(14,671)	Transfers: \$1,000,000 from County CIP Withdrawals: pmts on Capital Projects
MBT Revolving fund account	211						211	-	Withdrawals: payments on O&M expenses for checks needed immediately
MBT Insurance Reimbursement Acct	114,843		464				115,307	464	Monthly Interest: \$463
MBT Recycled Water account	880,650	219,930	4,091				1,104,671	224,021	Monthly Interest: \$3,738 Withdrawals: pmts on Recycled Water Projects
District Petty Cash	250						250	-	
Total Cash & Investment accounts	18,351,507	3,696,638	126,932	4,408,099	(4,408,099)	(2,633,156)	19,541,921	3,325,414	

MONTECITO SANITARY DISTRICT OPERATIONS AND MAINTENANCE EXPENDITURE STATUS REPORT

FOR THE PERIOD ENDED 6/30/2024

		2023-24 BUDGET	2023-24 ACTUALS	VARIANCE	% OF BUDGET
OPERATING EXPENDITURES					
SALARIES AND BENEFITS					
6100	STAFF SALARIES	\$ 2,099,000.00	\$ 1,986,074.12	\$ 112,925.88	95%
6105	BOARD SALARIES	45,000.00	28,182.00	16,818.00	63%
6108	AUTO ALLOWANCE - GM	3,600.00	3,600.00	-	100%
6270	STANDBY PAY	33,000.00	52,500.00	(19,500.00)	159%
6300	OVERTIME	30,000.00	20,745.82	9,254.18	69%
6400	PERS CONTRIBUTION	415,000.00	397,597.77	17,402.23	96%
6410	EMPLOYEE BENEFITS	60,000.00	59,159.86	840.14	99%
6500	FICA CONTRIBUTION	135,000.00	125,545.34	9,454.66	93%
6510	MEDICARE	32,000.00	29,762.12	2,237.88	93%
6520	UNEMPLOYMENT TAX - STATE	3,500.00	2,615.62	884.38	75%
6600	GROUP MEDICAL - ACWA	300,000.00	223,207.06	76,792.94	74%
6605	RETIREE MEDICAL BENEFITS	20,000.00	17,301.04	2,698.96	87%
6610	LIFE INSURANCE - ACWA	7,300.00	4,675.00	2,625.00	64%
6615	DISABILITY INS - STANDARD	26,000.00	17,839.43	8,160.57	69%
6620	WORKER'S COMPENSATION	50,000.00	44,958.00	5,042.00	90%
6640	DENTAL INSURANCE - ACWA	19,000.00	9,667.16	9,332.84	51%
6650	UNIFORM SERVICE - MISSION	11,500.00	10,029.31	1,470.69	87%
TOTAL SALARIES AND BENEFITS		\$ 3,289,900.00	\$ 3,033,459.65	\$ 256,440.35	92%
SERVICES AND SUPPLIES					
7090	INS (GEN LIAB/AUTO/E&O) - CSRMA	\$ 80,000.00	\$ 78,487.00	\$ 1,513.00	98%
7091	PROPERTY INSURANCE	28,000.00	36,130.84	(8,130.84)	129%
7093	INS (EMP DISHONESTY BOND) - CSRMA	1,200.00	891.00	309.00	74%
7094	INS (MOBILE EQUIP) - CSRMA	10,000.00	11,656.34	(1,656.34)	117%
7110	EMPLOYEE PHYSICALS	2,500.00	1,000.00	1,500.00	40%
7121	PROPERTY MAINTENANCE	70,000.00	224,239.88	(154,239.88)	320%
7122	VEHICLE MAINTENANCE	15,000.00	5,516.32	9,483.68	37%
7126	COLL - EQUIPMENT RENTAL	1,000.00	-	1,000.00	0%
7127	COLL - SAFETY EQUIPMENT/SUPPLIES	8,000.00	5,326.02	2,673.98	67%
7129	LIFT STATION PARTS	30,000.00	44,738.28	(14,738.28)	149%
7133	VACCON EQUIPMENT & REPAIRS	15,000.00	9,098.94	5,901.06	61%
7134	CCTV EQUIPMENT/REPAIRS	15,000.00	15,479.61	(479.61)	103%
7136	COLL - MISC COLLECTION TOOLS	10,000.00	13,260.63	(3,260.63)	133%
7138	JETTER TRUCK EQUIP / REPAIRS	6,000.00	5,107.79	892.21	85%
7150	MECHANICAL MAINTENANCE	5,000.00	1,489.84	3,510.16	30%
7200	GENERAL OPERATING SUPPLIES	10,000.00	11,080.08	(1,080.08)	111%
7201	DRINKING WATER	2,500.00	2,326.21	173.79	93%
7202	GLOVES	8,000.00	7,485.87	514.13	94%
7205	COMMUNITY & EMPLOYEE GOODWILL	6,000.00	3,648.63	2,351.37	61%
7220	MAILING/SHIPPING EXPENSES	5,000.00	388.10	4,611.90	8%
7430	MEMBERSHIPS	50,000.00	23,987.17	26,012.83	48%
7440	MISCELLANEOUS EXPENSES	2,500.00	757.75	1,742.25	30%
7450	OFFICE EXPENSES	15,000.00	10,754.64	4,245.36	72%
7452	SCANNING & SHREDDING	10,000.00	-	10,000.00	0%
7454	BOOKS/SUBSCRIPTIONS/STUDY GUIDES	2,000.00	504.88	1,495.12	25%
7456	COMPUTER HARDWARE/SOFTWARE/LICENSING	37,500.00	53,062.62	(15,562.62)	142%
7461	PROFESSIONAL SERVICES/FEEES - LEGAL	100,000.00	67,426.70	32,573.30	67%
7462	PROFESSIONAL FEES - ACCOUNTING	45,000.00	31,834.60	13,165.40	71%
7463	PROF SERVICES - ENGINEERING	100,000.00	12,095.00	87,905.00	12%
7464	PROFESSIONAL FEES - COMPUTER/GIS	60,000.00	53,817.33	6,182.67	90%
7466	PROF SERVICES - HUMAN RESOURCES	12,000.00	60,754.10	(48,754.10)	506%
7467	PROF SERVICES - SPECIAL LEGAL COUNSEL	25,000.00	-	25,000.00	0%
7500	PUBLIC OUTREACH	10,000.00	5,131.55	4,868.45	51%
7506	ADMINISTRATIVE FEES	30,000.00	27,951.87	2,048.13	93%
7508	COLLECTION/TREATMENT FINES	10,000.00	-	10,000.00	0%
7510	CONTRACTED SERVICES/LABOR	95,000.00	152,375.56	(57,375.56)	160%
7530	ADS/NOTICES FOR PUBLICATION	3,000.00	1,582.50	1,417.50	53%
7610	FURNITURE/FIXTURES	10,000.00	2,257.83	7,742.17	23%
7641	NPDES PERMIT EXPENSES-LAB	17,000.00	11,450.91	5,549.09	67%
7645	NPDES PERMIT REQUIREMENTS - OPERATIONS	100,000.00	78,906.79	21,093.21	79%

7650	ELECTION EXPENSES	-	-	-	0%
7651	ANALYZER CHEMICALS	-	996.62	(996.62)	0%
7652	BIOSOLIDS DISPOSAL	65,000.00	61,476.70	3,523.30	95%
7653	CHEMICALS	300,000.00	305,774.24	(5,774.24)	102%
7654	GENERATOR SERVICE	10,000.00	1,113.86	8,886.14	11%
7655	HAZARDOUS MATERIALS DISPOSAL	2,000.00	290.60	1,709.40	15%
7656	PLANT EQUIPMENT RENTAL	5,000.00	139.86	4,860.14	3%
7657	PLANT MAINTENANCE MATERIALS	90,000.00	80,872.10	9,127.90	90%
7658	PLANT MAINTENANCE PROJECTS	5,000.00	-	5,000.00	0%
7659	PLANT SAFETY EXPENSES	-	864.69	(864.69)	100%
7661	POLYMER	10,000.00	4,832.59	5,167.41	48%
7662	SMALL TOOLS/EQUIP	4,000.00	3,815.53	184.47	95%
7670	SPECIAL PROJECTS	120,000.00	123,341.11	(3,341.11)	103%
7671	ASSET MANAGEMENT	97,000.00	63,235.00	33,765.00	65%
7675	COVID-19 EXPENSES	-	2,475.50	(2,475.50)	100%
7681	2023 WINTER STORM	-	817.25	(817.25)	100%
7700	LAB CONSUMABLES-SMALL EQUIPMENT	32,000.00	34,700.27	(2,700.27)	108%
7702	LAB EQUIPMENT MAINTENANCE	10,000.00	6,135.17	3,864.83	61%
7703	CONTRACT LAB ANALYSES	10,000.00	5,841.80	4,158.20	58%
7722	BOARD TRAINING/CONF REGISTRATION	2,500.00	1,300.00	1,200.00	52%
7723	BOARD MEETINGS/TRAVEL EXPENSES	1,000.00	3,907.39	(2,907.39)	391%
7724	STAFF TRAINING/CONF REGISTRN	15,000.00	7,858.92	7,141.08	52%
7725	STAFF TRAVEL EXPENSES	15,000.00	13,475.63	1,524.37	90%
7726	STAFF CERTIFICATIONS/LICENSES	8,000.00	3,132.00	4,868.00	39%
7727	OSHA REQUIRED TRAINING	5,000.00	6,297.29	(1,297.29)	126%
7728	SAFETY BOOT ALLOWANCE	4,500.00	2,445.07	2,054.93	54%
7729	APPAREL AND UNIFORMS	2,500.00	1,303.43	1,196.57	52%
7731	LOCAL MEETING EXPENSES	2,500.00	3,477.64	(977.64)	139%
7740	FUEL AND OIL	25,000.00	21,689.30	3,310.70	87%
7761	WATER	10,000.00	14,269.61	(4,269.61)	143%
7762	NATURAL GAS	5,500.00	2,841.39	2,658.61	52%
7763	ELECTRICITY	215,000.00	221,656.66	(6,656.66)	103%
7766	TRASH / RECYCLING	17,000.00	10,559.51	6,440.49	62%
7767	TELEPHONE - LOCAL/LD	18,000.00	18,607.13	(607.13)	103%
7768	TELEPHONE CELLULAR	12,000.00	13,198.59	(1,198.59)	110%
	TOTAL SERVICES AND SUPPLIES	\$ 2,180,700.00	\$ 2,114,745.63	\$ 65,954.37	97%
	TOTAL OPERATING EXPENDITURES	\$ 5,470,600.00	\$ 5,148,205.28	\$ 322,394.72	94%

Fiscal Year 2023-24 Capital Improvement Program (CIP)

Adopted by the Board on June 22, 2023

Collections:

Project No.	Description	Estimated Project Cost	2023-24 Approved Budget	Project Expenditures Through 6/30/2024
C001	Collection System Condition Assessment & Prioritization Plan	\$ 40,000	\$ 50,000	\$ -
C002	Highway 101 Sewer Main Protect-In-Place	\$ 1,700,000	\$ 1,700,000	\$ 1,293,159
C003	Large Diameter Sewer Main Rehabilitation - Design	\$ 75,000	\$ 75,000	\$ 241,337
C005	Manhole rehab project (Lining)	\$ 100,000	\$ 100,000	\$ 18,409
C009	Emergency Bypass Pumper	\$ 80,000	\$ 80,000	\$ -
C010	FEMA Rehabilitation - Design/Permitting	\$ 125,000	\$ 125,000	\$ 156,966
C010	FEMA Rehabilitation - Construction	\$ 950,000	\$ 950,000	\$ 188,095
CMAN	Manhole Adjustments	\$ 60,000	\$ 60,000	\$ 2,921
CEME	Collection O/M Emergencies	\$ 50,000	\$ 50,000	\$ 128,157
CEQU	Equipment Replacement	Various	\$ 830,000	\$ 76,664
				\$ 2,105,707

Lift Stations:

Project No.	Description	Estimated Project Cost	2023-24 Approved Budget	Project Expenditures Through 6/30/2024
L001	Lift Station Condition Assessment & Prioritization Plan	\$ 50,000	\$ 50,000	\$ -
L002	Channel Lift Station Improvement	\$ 840,000	\$ 420,000	\$ -
LEME	Lift Station Emergency Repairs	\$ 120,000	\$ 30,000	\$ 23,252
				\$ 23,252

Treatment & Laboratory:

Project No.	Description	Estimated Project Cost	2023-24 Approved Budget	Project Expenditures Through 6/30/2024
T001	Electrical Rehabilitation & Aeration Blower Replacement Proje	\$ 200,000	\$ 200,000	\$ 3,572
T001	Electrical Rehabilitation & Aeration Blower Replacement Proje	\$ 2,000,000	\$ 2,000,000	\$ -
T002	Skimmer Troughs Installation	\$ 70,000	\$ 70,000	\$ 83,224
T003	SCADA System Improvements	\$ 50,000	\$ 50,000	\$ 35,876
T005	IPS Channel Improvements - Design	\$ 40,000	\$ 40,000	\$ -
T011	Bar Screen Design	\$ 75,000	\$ 75,000	\$ -
T012	Clarifier Maintenance	\$ 220,000	\$ 220,000	\$ 83,353
T013	Bisulfate Tank Replacement	\$ 75,000	\$ 75,000	\$ -
TEME	Treatment O/M Emergencies	\$ 100,000	\$ 100,000	\$ 52,487
				\$ 258,514

Facilities:

Project No.	Description	Estimated Project Cost	2023-24 Approved Budget	Project Expenditures Through 6/30/2024
F001	Maintenance Building Restroom Alterations - Design	\$ 15,000	\$ 15,000	\$ -
F006	Admin/Operations Roof Replacement	\$ 50,000	\$ 60,000	\$ 170,862
Facilities Subtotal			\$ 75,000	\$ 170,862

Sewer Main Extensions:

Project No.	Description	Estimated Project Cost	2023-24 Approved Budget	Project Expenditures Through 6/30/2024
S001	Septic to Sewer Strategic Plan	\$ 70,000	\$ 70,000	\$ -
Sewer Main Extensions Subtotal			\$ 70,000	\$ -

Program	2023-24 Approved Budget	Project Expenditures Through 6/30/2024
Collections	\$ 4,020,000	\$ 2,105,707
Lift Stations	\$ -	\$ 23,252
Treatment & Lab Facilities	\$ 2,830,000	\$ 258,514
Sewer Main Extensions	\$ 70,000	\$ -
Total	\$ 6,995,000	\$ 2,558,334



Montecito Sanitary District

1042 Monte Cristo Lane
Santa Barbara, CA 93108

A Public Service Agency

Phone: (805) 969-4200
www.montsan.org

QUARTERLY CERTIFICATION STATEMENTS FOR THE MONTECITO SANITARY DISTRICT

in accordance with
RESOLUTION NO. 2013-883, MSD INVESTMENT POLICY

For the Quarter Ended

June 30, 2024

As Treasurer of the Montecito Sanitary District, I, **Ellwood T. Barrett II** certify that:

- (1) All investment actions executed since the last report have been made in full compliance with the Montecito Sanitary District Investment Policy;
- (2) A complete and timely record of all investment transactions is maintained in the District office from reports supplied by LAIF and the S. B. County Treasurer's office; and
- (3) The Montecito Sanitary District is able to meet its pool's expenditure requirements for the next six months.

Dated: _____

Board Treasurer
MONTECITO SANITARY DISTRICT

MONTECITO SANITARY DISTRICT
June 30, 2022 and 2021
FINANCIAL STATEMENTS



BARTLETT, PRINGLE & WOLF, LLP
CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

MONTECITO SANITARY DISTRICT

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INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors of
Montecito Sanitary District:**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Montecito Sanitary District (the District) as of and for the years ended June 30, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the District as of June 30, 2022 and 2021, and the changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 14, the California Public Employees' Retirement System Schedule of Montecito Sanitary District's Proportionate Share of the Net Pension Liability on page 44, the California Public Employees' Retirement System Schedule of Montecito Sanitary District's Contributions on page 45, and the Other Postemployment Benefits (OPEB) Plan – Schedule of Changes in the Net OPEB Liability and Related Ratios on page 46 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.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Montecito Sanitary District's basic financial statements. The Schedule of Operating Expenses – By Department on pages 47 through 49 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Operating Expenses – By Department is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the list of board of directors on page 47 but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audits of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Santa Barbara, California
April 17, 2024

MONTECITO SANITARY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

DRAFT

This Management's Discussion and Analysis (MD&A) is a key element of the District's annual audited financial statements that are prepared in accordance with the Governmental Accounting Standards Board Statement No. 34 (GASB 34). The purpose of the 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 fiscal years (FY) June 30, 2021-2022 and June 30, 2020-2021. We encourage readers to consider the information presented here in conjunction with the District's financial statements and related notes, which follow this section.

District Overview

The Montecito Sanitary District (the District) is an independent special district voted into existence in 1947 by the residents of Montecito to provide for the collection, treatment and disposal of wastewater. The District's mission has always been and continues to be "to protect public health and safety and to preserve the natural environment through the collection, treatment and disposal of wastewater in the most cost-effective way possible."

In 1961, the District constructed a wastewater treatment plant capable of processing 750,000 gallons per day. The infrastructure includes an ocean outfall pipeline (located 1,500 feet offshore) and sewer collection system pipeline and pumping system. In 1981 the voters approved \$3.1 million in revenue bonds to incorporate new technology, and double the plant's capacity to 1.5 million gallons per day. Today, the treatment plant capacity remains at 1.5 million gallons per day (mgd). The average daily flow as reported in the District's 2018 Annual Report to the California Regional Water Quality Control Board was 468,000 gallons per day (gpd).

In March 2007 the District issued Certificates of Participation (COPs) in the amount of \$14,765,000. These funds were used for capital replacement/improvement projects including a new testing laboratory and a maintenance building, over 25 miles of sewer main rehabilitation, lift station refurbishment and new sewer force main pipelines.

In May 2017 the District refunded the COPs by using \$1,121,862 available cash, \$957,824 COP reserve funds, and issuing new 2017 Sewer Refunding Revenue Bonds in the amount of \$10,020,000. This refunding will result in savings of over \$4 million due to favorable interest rates obtained and shortening of the term of the debt by seven years.

The District currently serves 3,048 residential properties and 38 commercial/institutional properties.

Management and Governance

The District is governed by a five-member Board of Directors. The Directors are elected on an at-large basis for four-year terms. In 2001, the Board voted to align its elections with the Statewide General Elections to increase voter turnout and achieve a substantial cost savings. At the Board's discretion an Organizational Meeting is held at least every other year to assign officers' duties and to appoint the standing Committee Representatives. This process generally results in a rotation of duties among the Board members. The established Committees meet on an as-needed basis. If necessary, Ad Hoc Committees are formed for special projects. The Board of Directors approves the annual operating and capital budgets and authorizes expenditures of the District's funds.

The District employs a General Manager as the chief executive. The General Manager reports directly to the Board of Directors and is responsible for the overall operation and administration of the District. The District's Management Staff also includes a District Administrator who is the chief administrator, an Operations Manager, an Engineering Manager and a Lab and Pretreatment Manager. The District had 18 full-time authorized positions in FY June 30, 2021-2022 and 18 in FY June 30, 2020-2021.

Financial Statements

This discussion and analysis provides an introduction and a brief description of the District's financial statements, including the relationship of the statements to each other and the significant differences in the information they provide. The District's basic financial statements include four components:

- Statement of Net Position
- Statement of Revenues, Expenses and Changes in Net Position
- Statement of Cash Flows
- Notes to the Financial Statements

The Statement of Net Position includes all the District's assets and deferred outflows and liabilities and deferred inflows, with the difference reported as net position. Net position is categorized as follows:

- Net Investment in Capital Assets
All property not easily converted to cash and held for a long period of time (real estate, equipment, etc.) net of related debt
- Restricted
Assets/Cash needed to pay liabilities and may be restricted according to law or regulation
- Unrestricted
Any asset that is not restricted

MONTECITO SANITARY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

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The Statement of Net Position includes all of the District's investments in resources (assets) and the obligations to creditors (liabilities). It also provides the basis for computing rate of return, evaluating the capital structure of the District and assessing the liquidity and financial flexibility of the District.

The Statement of Revenues, Expenses and Changes in Net Position presents information which shows how the District's net position changed during the year. All of the current year's revenues and expenses are recorded when the underlying transaction occurs, regardless of the timing of the related cash flows. The statement of revenues, expenses and changes in net position measures the success of the District's operations over the past year and determines whether the District has recovered its costs through user fees and other charges.

The Statement of Cash Flows provides information regarding the District's cash receipts and cash disbursements during the year. This statement reports cash activity in four categories:

- Operations
- Non-capital financing
- Capital and related financing
- Investing

This statement differs from the Statement of Revenues, Expenses and Changes in Net Position because the Statement of Cash Flows accounts only for transactions that result in cash receipts or cash disbursements.

The notes to the 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.

Financial Highlights

- The District's net position increased 4.39% or \$1,722,829 to \$40,978,482 in fiscal year June 30, 2021-2022. In the prior year, the District's net position increased 2.22% or \$851,568 to \$39,255,653.
- The District's operating revenues decreased by 0.26% and operating expenses decreased by 4.4% in FY June 30, 2021-2022. In the prior year, operating revenues increased by 5.62% and operating expenses increased by 1.10%.

**MONTECITO SANITARY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS**

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Financial Analysis of the District

The following is a summary of the District's Statement of Net Position:

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>% Change FY 2021- 2022 and 2020-2021</u>	<u>% Change FY 2020- 2021 and 2019-2020</u>
<u>Assets:</u>					
Current assets	\$ 19,779,250	\$ 19,158,689	\$ 18,011,843	3.24%	6.37%
Noncurrent assets:					
Capital assets	32,950,699	31,758,000	32,483,854	3.76%	-2.23%
Total Assets	<u>52,729,949</u>	<u>50,916,689</u>	<u>50,495,697</u>	<u>3.56%</u>	<u>0.83%</u>
<u>Deferred Outflows of Resources:</u>					
Deferred pensions	593,052	650,339	683,867	-8.81%	-4.90%
Deferred OPEB	291,218	342,403	27,894	-14.95%	1127.51%
Total Deferred Outflows	<u>884,270</u>	<u>992,742</u>	<u>711,761</u>	<u>-10.93%</u>	<u>39.48%</u>
<u>Liabilities:</u>					
Current liabilities	2,016,232	1,506,684	1,366,390	33.82%	10.27%
Long term liabilities	9,213,867	11,012,375	11,209,013	-16.33%	-1.75%
Total Liabilities	<u>11,230,099</u>	<u>12,519,059</u>	<u>12,575,403</u>	<u>-10.30%</u>	<u>-0.45%</u>
<u>Deferred Inflows of Resources:</u>					
Deferred pensions	1,331,615	59,003	145,967	2156.86%	-59.58%
Deferred OPEB	8,421	1,914	-	339.97%	0.00%
Deferred gain on refunding debt	65,602	73,802	82,003	-11.11%	-10.00%
Total Deferred Inflows	<u>1,405,638</u>	<u>134,719</u>	<u>227,970</u>	<u>943.39%</u>	<u>-40.90%</u>
<u>Net Position:</u>					
Net investment in capital assets	25,272,391	23,362,404	23,400,970	8.18%	-0.16%
Unrestricted	15,706,091	15,893,249	15,003,115	-1.18%	5.93%
Total Net Position	<u>\$ 40,978,482</u>	<u>\$ 39,255,653</u>	<u>\$ 38,404,085</u>	<u>4.39%</u>	<u>2.22%</u>

% Change calculated by current year less prior year number and divided by prior year number.

**MONTECITO SANITARY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS**

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The following is a summary of the District's statement of revenues, expense and changes in net position for the years ended June 30, 2022 and 2021:

	Fiscal Year Ended June 30, 2022	Fiscal Year Ended June 30, 2021	Fiscal Year Ended June 30, 2020	% Change FY 2021- 2022 and 2020-2021	% Change FY 2020- 2021 and 2019-2020
Operating revenues	\$ 6,823,389	\$ 6,841,292	\$ 6,477,103	-0.26%	5.62%
Operating expenses	5,640,501	5,897,097	5,832,724	-4.35%	1.10%
Operating income	<u>1,182,888</u>	<u>944,195</u>	<u>644,379</u>	<u>25.28%</u>	<u>46.53%</u>
Nonoperating revenue	194,533	618,657	913,109	-68.56%	-32.25%
Nonoperating expense	(208,152)	866,091	144,856	-124.03%	497.90%
Nonoperating income (loss)	<u>402,685</u>	<u>(247,434)</u>	<u>768,253</u>	<u>-262.74%</u>	<u>132.21%</u>
Excess of revenue over expenses	1,585,573	696,761	1,412,632	127.56%	-50.68%
Capital contributions	<u>137,256</u>	<u>154,807</u>	<u>42,479</u>	<u>-11.34%</u>	<u>264.43%</u>
Change in net position	1,722,829	851,568	1,455,111	102.31%	-41.48%
Net position, beginning of year	<u>39,255,653</u>	<u>38,404,085</u>	<u>36,948,974</u>	<u>2.22%</u>	<u>3.94%</u>
Net position, end of year	<u>\$ 40,978,482</u>	<u>\$ 39,255,653</u>	<u>\$ 38,404,085</u>	<u>4.39%</u>	<u>2.22%</u>

The following is a table of the Districts nonoperating revenue and expenses broken down by major source:

	Fiscal Year Ended June 30, 2022	Fiscal Year Ended June 30, 2021	Fiscal Year Ended June 30, 2020
Nonoperating Revenue:			
Investment income (loss)	(482,136)	(14,911)	309,612
Property taxes	676,669	633,568	603,497
Nonoperating Expense:			
Other income (expense)	403,564	(140,080)	100,156
Loss on disposal of assets	-	(505,200)	-
Interest expense	<u>(195,413)</u>	<u>(220,811)</u>	<u>(245,012)</u>
Total nonoperating revenue	<u>402,684</u>	<u>(247,434)</u>	<u>768,253</u>

FY 2020 to 2022 Nonoperating expense includes Interest expense (Bond/Debt Service interest payments).

FY 2021-22 Increase in Investment Income loss is due to Unrealized Losses on District funds held in the County Treasury.

FY 2020-21 Nonoperating expense includes a loss on the disposal of the essential services building project that was abandoned during the year.

FY 2020-21 Nonoperating expense includes approximately \$148,900 in COVID-19 related expenses reflected in other income (expense).

FY 2019-20 Nonoperating expense includes approximately \$134,000 in COVID-19 related expenses reflected in other income (expense).

FY 2019-20 Nonoperating expense includes \$226,417 Insurance Reimbursement for 2018 Debris Flow reflected in other income (expense).

**MONTECITO SANITARY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS**

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Sources of Revenue

The following is a table of the Districts revenues broken down by major source:

<u>Revenue Category</u>	<u>2021-2022</u>	<u>2020-2021</u>	<u>2019-2020</u>	<u>% Change FY 2021- 2022 and 2020-2021</u>	<u>% Change FY 2020- 2021 and 2019-2020</u>
Service charges	\$ 6,543,286	\$ 6,533,184	\$ 6,256,696	0.2%	4.4%
Connection fees	191,597	203,860	119,564	-6.0%	70.5%
Other services	88,506	104,248	100,843	-15.1%	3.4%
Operating revenue	<u>6,823,389</u>	<u>6,841,292</u>	<u>6,477,103</u>	<u>-0.3%</u>	<u>5.6%</u>
Investment income (loss)	(482,136)	(14,911)	309,612	3133.4%	-104.8%
Property taxes	676,669	633,568	603,497	6.8%	5.0%
Grant revenue for pandemic costs	438,560	-	-	0.0%	-100.0%
Nonoperating revenue	<u>633,093</u>	<u>618,657</u>	<u>913,109</u>	<u>2.3%</u>	<u>-32.2%</u>
Total revenue	<u>\$ 7,456,482</u>	<u>\$ 7,459,949</u>	<u>\$ 7,390,212</u>	<u>0.0%</u>	<u>0.9%</u>

Sewer Service Charge (SSC)

The major source of revenue for the District is its annual Sewer Service Charges (SSC). The fiscal year (FY) June 30, 2021-2022 sewer service charges revenue increased approximately 0.2% from the prior FY June 30, 2020-2021. The District's total annual SSC revenue for FY June 30, 2021-2022 was \$6,543,286, which amounted to 87.8% of the total revenues and 95.9% of the total operating revenue. The District's total annual SSC revenue for FY June 30, 2020-2021 was \$6,533,184, which amounted to 87.6% of the total revenues and 95.5% of the total operating revenue.

The District maintains a Teeter Plan agreement with the County of Santa Barbara. Under this agreement, the County guarantees payment to the District. The County collects these funds from the District's customers on their annual property tax statements, and the District receives the total amount of SSC revenue reported to the County each year.

Future Rate Increases

On May 9, 2016 the Board of Directors approved a 3-year planned rate increase structure for sewer service charges that went into effect beginning in FY 2016-17 and ran through FY 2018-19. On October 9, 2017 the Board of Directors approved to amend the fee schedule. All rate increases were validated and approved by following the procedures and requirements of Proposition 218. At this time there are no future planned rate increases.

**MONTECITO SANITARY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS**

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Connection Fees

The connection fees collected on District permits are charges for connection to the District's sanitary sewer system, necessary to cover or recoup prior infrastructure costs incurred to provide service. Connection fees collected for the FY June 30, 2021-2022 and FY June 30, 2020-2021 were \$191,597 and \$203,860, respectively. The decrease in connection fees received in FY June 30, 2021-2022 is due to several (3-4) large sewer main extension projects that occurred in the previous fiscal years, but not in the current year; homeowners connecting to newly available sewer mains, as well as abandoning aging septic systems to connect to previously available sewer main(s). The decrease in connection fees in FY June 30, 2021-2022 from FY June 30, 2020-2021 is reflected in decreased operating revenues on page 8.

Investment Income

The District's current approved investment policy, under Resolution No. 2013-883, states that it shall be the policy of the District to invest funds, with maximum security through diversification and prudence, in a manner which will provide the highest investment return, while meeting the daily cash flow demands of the entity and conforming to all statutes governing the investments of District funds.

In keeping with that policy, the District Board chose to distribute the District's monies between two investment vehicles: the Santa Barbara County Investment Pool, and the Local Agency Investment Fund (LAIF) which is a State of California controlled investment pool. Funds are readily available from either pool. The Santa Barbara County Pool consists of Sewer Service Charges, Property Tax Income, and Interest. The LAIF account consists of originally funded reserves and accumulated interest. District practice has been to draw from the Santa Barbara County Pool for operating funds.

Interest revenues received within FY June 30, 2021-2022 from the two investment pools was \$80,076. Investment income for the FY June 30, 2021-2022 also reflects a fair market value adjustment of \$(526,448) from the two investment pools. Note that these losses were not realized and these investments are managed by the County of Santa Barbara Treasurer-Tax Collector's office.

Property Tax

The District receives one half of 1% of the total property tax revenue that is collected by the County of Santa Barbara for parcels within its service area whether or not they are a customer of the District. The property tax revenue is inclusive of secure, unsecured, unitary, and supplemental property taxes. In FY June 30, 2021-2022 this property tax revenue amounted to \$675,991.

Operating Expenses

The District's operating expenses (not including depreciation) for FY June 30, 2021-2022 were \$4,397,257 and for FY June 30, 2020-2021 were \$4,668,806. This is an overall increase for FY June 30, 2021-2022 in actual operating expenses of 1.2%. For FY June 30, 2020-2021 there was a decrease in actual operating expenses of 4.0%. Depreciation expense for FY June 30, 2021-2022 was \$1,243,244 and for FY June 30, 2020-2021 was \$1,228,291.

**MONTECITO SANITARY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS**

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Expenditure increases or decreases in fiscal year June 30, 2021-2022 versus fiscal year June 30, 2020-2021 were as follows:

Expense Category	Expenses FY 2021/2022	Expenses FY 2020/2021	FY 2021/2022 Expense Increase (Decrease)	Difference	Comments/Justification
Personnel (Salaries, Payroll Taxes, WC Insurance, and Benefits)	\$ 2,977,355	\$ 3,119,194	\$ (141,839)	-4.5%	FY21-22 Decrease due to a vacancy in the Engineering position
Pooled Liability and Other CSRMA Insurance Programs	103,558	68,081	35,477	52.1%	FY21-22 Increase due a premium increase in the District's CSRMA Pooled Liability policy
Maintenance, Repairs, Operating Supplies/Equip, and Contracted Services	697,176	650,627	46,549	7.2%	FY21-22 Increase primarily due to COVID-19 related expenditures
Utilities, Telephone, Fuel and Oil	223,421	231,604	(8,183)	-3.5%	Immaterial difference from FY 2020-21
Research & Monitoring	30,348	22,828	7,520	32.9%	Immaterial difference from FY 2020-21
Office Expenses, Special Projects, and Misc. Administrative Costs	37,799	102,107	(64,308)	-63.0%	FY21-22 Decrease primarily due to reduced special project costs
Professional Services, Administrative Fees, and Memberships	305,124	454,015	(148,891)	-32.8%	FY 21-22 Decrease due to no longer having Contract Services for Interim General Manager
Training, Safety and Travel Expenses	22,476	20,350	2,126	10.4%	Immaterial difference from FY 2020-21
Subtotals	4,397,257	4,668,806	(271,549)	-5.8%	
Depreciation	1,243,244	1,228,291	14,953	1.2%	FY21-22 Increase due to new assets added
Totals	\$ 5,640,501	\$ 5,897,097	\$ (256,596)	-4.4%	

**MONTECITO SANITARY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS**

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Expenditure increases or decreases in fiscal year June 30, 2020-2021 versus fiscal year 2019-2020 were as follows:

Expense Category	Expenses FY 2020/2021	Expenses FY 2019/2020	FY 2020/2021 Expense Increase (Decrease)	Difference	Comments/Justification
Personnel (Salaries, Payroll Taxes, WC Insurance, and Benefits)	\$ 3,119,194	\$ 3,278,112	\$ (158,918)	-4.8%	FY20-21 Decrease due to 3 high level management position retirements
Pooled Liability and Other CSRMA Insurance Programs	68,081	67,965	116	0.2%	FY20-21 Immaterial difference from prior FY
Maintenance, Repairs, Operating Supplies/Equip, and Contracted Services	650,627	632,371	18,256	2.9%	FY20-21 Immaterial difference from prior FY
Utilities, Telephone, Fuel and Oil	231,604	203,618	27,986	13.7%	FY20-21 Increase due to Provider rate increases and telephone system upgrade
Research & Monitoring	22,828	27,155	(4,327)	-15.9%	FY20-21 Decrease due to prior FY equipment purchases
Office Expenses, Special Projects, and Misc. Administrative Costs	102,107	112,730	(10,623)	-9.4%	FY20-21 Decrease due to COVID, reduced budget, and prior FY project expenses
Professional Services, Administrative Fees, and Memberships	454,015	262,638	191,377	72.9%	FY 20-21 Increase due to Contract Services for Interim General Manager
Training, Safety and Travel Expenses	20,350	29,322	(8,972)	-30.6%	FY20-21 Decrease due to COVID
Subtotals	4,668,806	4,613,911	54,895	1.2%	
Depreciation	1,228,291	1,218,813	9,478	0.8%	FY20-21 Increase due to new assets added
Totals	\$ 5,897,097	\$ 5,832,724	\$ 64,373	1.1%	

MONTECITO SANITARY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

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Certificates of Participation (COPs) – California Special Districts Association (CSDA) Finance Corporation – 2007 Series UU

Due to an urgent need for capital improvement project funds in FY 2006-07 the District worked with CSDA to seek funding through the issuance of COPs. The Board saw this as a means to ensure the District would have the funds necessary to complete a list of capital projects deemed to be mission critical to the District's efforts to provide the service expected and mandated by federal and state regulations, and to ensure the environmental health and safety of the community which the District serves. On March 1, 2007 the CSDA Finance Corporation issued Certificates of Participation (COPs) in the amount of \$14,765,000 (see Note 6). The Acquisition Fund was established from these funds in 2007 with a beginning balance of \$10,533,493. All of those funds were spent on Board approved Mission Critical Projects by June 30, 2016. The COPs were refunded in May 2017.

2017 Sewer Refunding Revenue Bonds – California Special Districts Association (CSDA) Finance Corporation

The 2007 Certificates of Participation (COPs) used for capital improvement projects became eligible for "Current Refunding" after the initial call date in April 2017. In January 2017 the District engaged Fieldman, Rolapp & Associates, independent financial advisors, to analyze the opportunity for refunding the 2007 COPs. The analysis showed the District could decrease the maturity term by seven years, remove the requirement for a reserve fund, and take advantage of lower interest rates, resulting in savings of approximately \$4 million. In May 2017 the District refunded the COPs by using \$1,121,862 available cash, \$957,824 COP reserve funds, and issuing new 2017 Sewer Refunding Revenue Bonds in the amount of \$10,020,000 (see Note 6). During the fiscal year ending June 30, 2022, the District made principal payments totaling \$655,000 against the debt. As of June 30, 2022, the remaining principal balance was \$6,365,000 and unamortized premium balance was \$592,706.

The District makes two annual Debt service payments: A transfer for one half the annual interest due is made from County Treasury Operating fund to BNY Mellon in December each year, and BNY Mellon issues the debt service payment on January 1. A second transfer for the full principal payment and one half the annual interest due is made from County Treasury Operating fund to BNY Mellon in June each year, and BNY Mellon issues the debt service payment on July 1.

Annual Depreciation Funding

On May 26, 2009, the Board authorized the creation of a separate fund for depreciation. Effective July 1, 2009, the County Auditor-Controller's office established a fund titled Montecito Sanitary Capital Replacement Fund and as of June 30, 2022 there was \$6,414,295 in this fund. Annually the Board considers contributing to this fund. Typically, the annual amount contributed is based on the prior fiscal year's annual depreciation expense. The District may withdraw monies from the Capital Replacement Fund at any time to fund capital projects or to meet any operational needs of the District.

Annual Audited Financial Statements

At the end of each fiscal year, the District is audited by an independent certified public accounting firm qualified to perform government accounting audits. The financial statements consist of a series of financial statements and notes to those statements. The statements are organized so the reader can understand the District's entire financial position. These statements provide a detailed look at specific financial activities. This annual report consists of two parts; management's discussion and analysis (this section) and a series of basic financial statements.

The basic financial statements include the Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position, and a Statement of Cash Flows, followed by various and specific notes to those financial statements.

Additionally, the financial report includes required supplementary information, as well as other supplemental information as noted in the table of contents.

Contacting the District's Financial Management

This financial report has been prepared to provide the District's customers, creditors, and other interested parties with a general overview of the District's finances and to demonstrate the District's accountability of the money it receives. If you have any questions about this report or need additional financial information, contact Stephen Williams, District Administrator/Clerk to the Board, at 1042 Monte Cristo Lane, Santa Barbara, CA 93108, or by telephone at (805) 969-4200.

MONTECITO SANITARY DISTRICT
STATEMENT OF NET POSITION
June 30, 2022 and 2021

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	2022	2021
ASSETS		
Current Assets:		
Cash and investments (Note 2 and 3)	\$ 19,684,936	\$ 19,047,109
Receivables	34,976	58,305
Prepaid expenses	59,338	53,275
Total current assets	19,779,250	19,158,689
Capital Assets:		
Depreciable:		
Plant and equipment	55,612,113	54,792,416
Less accumulated depreciation	(25,039,289)	(23,796,045)
	30,572,824	30,996,371
Non-depreciable:		
Construction in progress	2,271,375	655,129
Land and improvements	106,500	106,500
Net capital assets (Note 2 and 4)	32,950,699	31,758,000
Total Assets	52,729,949	50,916,689
DEFERRED OUTFLOWS OF RESOURCES		
Deferred pensions (Note 8)	593,052	650,339
Deferred postemployment health care benefits (Note 9)	291,218	342,403
Total deferred outflows of resources	884,270	992,742
Total assets and deferred outflows of resources	\$ 53,614,219	\$ 51,909,431

MONTECITO SANITARY DISTRICT
STATEMENT OF NET POSITION
June 30, 2022 and 2021

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	2022	2021
LIABILITIES		
Current Liabilities:		
Accounts payable	\$ 561,959	\$ 131,806
Accrued salaries and benefits	24,113	45,699
Accrued interest	305,323	318,023
Customer deposits	469,837	376,156
Current portion of long-term debt (Note 6)	655,000	635,000
Total current liabilities	2,016,232	1,506,684
Long-Term Liabilities:		
Compensated absences payable (Note 5)	184,682	180,617
Long-term debt, net of current portion (Note 6)	6,957,706	7,686,794
Net pension liability (Note 8)	1,483,020	2,541,896
Net OPEB liability (Note 9)	588,459	603,068
Total long-term liabilities	9,213,867	11,012,375
Total Liabilities	11,230,099	12,519,059
DEFERRED INFLOWS OF RESOURCES		
Deferred pensions (Note 8)	1,331,615	59,003
Deferred postemployment health care benefits (Note 9)	8,421	1,914
Deferred gain on refunding debt	65,602	73,802
Total deferred inflows of resources	1,405,638	134,719
Total liabilities and deferred inflows of resources	12,635,737	12,653,778
NET POSITION		
Net investment in capital assets	25,272,391	23,362,404
Unrestricted, designated for retirement benefits obligation	178,429	184,072
Unrestricted, designated for capital replacement	6,414,295	7,622,671
Unrestricted, designated for reserves	1,995,964	2,016,534
Unrestricted, designated for recycled water	979,671	1,096,679
Unrestricted	6,137,732	4,973,293
Total Net Position	\$ 40,978,482	\$ 39,255,653

MONTECITO SANITARY DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Fiscal Years Ended June 30, 2022 and 2021

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	2022	2021
Operating Revenues:		
Service charges	\$ 6,543,286	\$ 6,533,184
Connection fees	191,597	203,860
Other services	88,506	104,248
Total operating revenues	6,823,389	6,841,292
Operating Expenses:		
Sewage collection	1,846,737	2,075,985
Sewage treatment	2,402,440	2,358,547
Sewage disposal	73,851	63,393
Administrative	1,317,473	1,399,172
Total operating expenses	5,640,501	5,897,097
Income from operations	1,182,888	944,195
Nonoperating Revenue (Expense):		
Investment loss	(482,136)	(14,911)
Property taxes	676,669	633,568
Other income (expense)	403,564	(140,078)
Loss on disposal of assets	(0)	(505,200)
Interest expense	(195,412)	(220,813)
Total nonoperating revenue (expense)	402,685	(247,434)
Excess of revenue over expenses	1,585,573	696,761
Capital contributions:		
Contributed subsurface lines	137,256	154,807
Total capital contributions	137,256	154,807
Change in net position	1,722,829	851,568
Net position, beginning of year	39,255,653	38,404,085
Net position, end of year	\$ 40,978,482	\$ 39,255,653

MONTECITO SANITARY DISTRICT
STATEMENT OF CASH FLOWS
For the Fiscal Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash Flows from Operating Activities:		
Cash received from customers	\$ 6,953,928	\$ 6,968,784
Cash payments to vendors for goods and services	(1,008,512)	(1,526,034)
Cash payments for employees services and benefits	(2,680,770)	(3,024,621)
Net cash provided by operating activities	<u>3,264,646</u>	<u>2,418,129</u>
Cash Flows from Noncapital Financing Activities:		
Property taxes	676,669	633,568
Other	403,564	(140,078)
Net cash provided by noncapital financing activities	<u>1,080,233</u>	<u>493,490</u>
Cash Flows from Capital and Related Financing Activities:		
Purchase of capital assets	(2,435,943)	(1,007,637)
Interest payments	(277,700)	(303,101)
Extension reimbursements	137,256	154,807
Principal payments on long term debt	(635,000)	(605,000)
Net cash used by capital and related financing activities	<u>(3,211,387)</u>	<u>(1,760,931)</u>
Cash Flows from Investing Activities:		
Investment income received	(495,665)	22,097
Net cash provided (used) by investing activities	<u>(495,665)</u>	<u>22,097</u>
Net increase in cash and restricted cash	637,827	1,172,785
Cash and investments – beginning of year	<u>19,047,109</u>	<u>17,874,324</u>
Cash and investments – end of year	<u>\$ 19,684,936</u>	<u>\$ 19,047,109</u>

MONTECITO SANITARY DISTRICT
STATEMENT OF CASH FLOWS
For the Fiscal Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 1,182,888	\$ 944,195
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	1,243,244	1,228,291
Change in assets and liabilities:		
Accounts receivable	36,858	(38,104)
Prepaid insurance	(6,063)	27,035
Deferred outflows	108,472	(280,981)
Accounts payable	430,153	11,638
Accrued salaries and benefits	(21,586)	(51,845)
Accrued interest	(12,700)	(15,095)
Customer deposits	93,681	165,596
Compensated absences	4,065	(93,262)
Net pension liability	(1,058,876)	224,706
Postemployment health care benefits	(14,609)	381,006
Deferred inflows	1,279,119	(85,051)
Net cash provided by operating activities	<u>\$ 3,264,646</u>	<u>\$ 2,418,129</u>

MONTECITO SANITARY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS

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Note 1 – Reporting Entity

Montecito Sanitary District was organized in 1947, pursuant to the Sanitary District Act of 1923, to provide sewage collection and treatment for residents within the District's geographical boundaries.

The District is governed by a Board of Directors consisting of five members elected at large. The Directors receive fees for attendance at Board and Committee meetings. The District employs a General Manager/District Engineer and such other personnel as are required to meet its responsibilities.

Note 2 – Summary of Significant Accounting Policies

Accounting Policies

The accounting policies of the District conform to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board and the American Institute of Certified Public Accountants (AICPA).

Accounting Basis

The District reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the District is that the costs, including depreciation, of providing goods and services on a continuing basis be financed or recovered primarily through user charges. The accounts are maintained and these financial statements are presented on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when they are earned and expenses recognized when they are incurred. An enterprise fund is accounted for on the "flow of economic resources" measurement focus. This means that all assets and liabilities, whether current or long term, are included on the statement of net position.

The District distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and the producing and delivering of goods in connection with the District's principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The financial statements of the District have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

Budget

The District prepares an annual budget which estimates major sources of revenue to be received during the fiscal year, as well as estimated expenditures needed for operation of District facilities. The budget is filed with Santa Barbara County (the County). The Board of Directors has the power to amend the budget during the year.

MONTECITO SANITARY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS

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Note 2 – Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents

For purposes of the statement of cash flows, cash and cash equivalents include restricted and unrestricted cash and investments held in pooled accounts and restricted and unrestricted certificates of deposit with original maturities of three months or less.

Receivables

Receivables are primarily comprised of sewer service fees collected by the County of Santa Barbara and interest earned on investments but not yet paid.

Property, Plant and Equipment

Capital assets purchased by the District are recorded at cost. Contributed or donated capital assets are recorded at fair value when acquired. Prior to the adoption of GASB 89 during fiscal year June 30, 2021, interest incurred during the construction period of an asset was capitalized as part of the cost.

Depreciation

Capital assets purchased by the District are depreciated over their estimated useful lives (ranging from 5-80 years) under the straight-line method of depreciation.

Accumulated Vacation, Compensated Time Off and Sick Leave

Accumulated unpaid employee vacation, compensated time off, and sick leave benefits are recognized as liabilities of the District.

Deferred Outflows and Inflows of Resources

Pursuant to GASB Statement No. 63, “Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position,” and GASB Statement No. 65, “Items Previously Reported as Assets and Liabilities,” the District recognizes deferred outflows and inflows of resources.

In addition to assets, the Statement of Net Position reports a separate section for deferred outflows of resources. A deferred outflow of resources is defined as a consumption of net position by the District that is applicable to a future reporting period.

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. A deferred inflow of resources is defined as an acquisition of net position by the District that is applicable to a future reporting period.

Net Position

Net position represents the difference between assets and deferred outflows, and liabilities and deferred inflows, and is classified into three components as follows:

MONTECITO SANITARY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS

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Note 2 – Summary of Significant Accounting Policies (Continued)

Net Position (Continued)

Net investment in capital assets – This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net investment in capital assets excludes unspent debt proceeds.

Restricted – This component of net position consists of assets which are legally restricted by outside parties for use for a specific purpose.

Unrestricted – This component of net position consists of net position that does not meet the definition of “restricted” or “net investment in capital assets.” Dedicated net position represents unrestricted assets which are segregated by the Board of Directors for specific future uses.

When an expense is incurred for purposes for which both unrestricted and restricted resources are available for use, it is the District's policy to apply restricted assets first, then unrestricted resources.

Revenue Recognition – Property Taxes and Services Charges

Property taxes and user sewer service charges are collected on the tax rolls of the County of Santa Barbara. The District receives an allocation of general property taxes. Sewer service charges are based upon the total number of equivalent residential units (ERU's) connected to the sewers of the District. Commercial properties are charged based upon loading factors and water consumption. The property taxes and service charges are recognized when they have been collected by the County and are available for distribution to the District.

Property taxes in the State of California are administered for all local agencies at the county level, and consist of secured, unsecured, and utility tax rolls. The following is a summary of major policies and practices relating to property taxes:

Property Valuations – are established by the Assessor of the County of Santa Barbara (County) for the secured and unsecured property tax rolls; the utility property tax roll is valued by the State Board of Equalization. Under the provisions of Article XIII A of the State Constitution (Proposition 13 adopted by the voters on June 6, 1978), properties are assessed at 100% of full value. From the base assessment, subsequent annual increases in valuation are limited to a maximum of 2%. However, increases to full value are allowed for property improvements or upon change in ownership. Personal property is excluded from these limitations, and is subject to annual reappraisal.

Tax Collections – are the responsibility of the County Tax Collector. Taxes and assessments on secured and utility rolls which constitute a lien against the property, may be paid in two installments: the first is due on November 1 of the fiscal year and is delinquent if not paid by December 10; and the second is due on March 1 of the fiscal year and is delinquent if not paid by April 10. Unsecured personal property taxes do not constitute a lien against real property unless the taxes become delinquent. Payment must be made in one installment, which is delinquent if not paid by August 31 of the fiscal year. Significant penalties are imposed by the County for late payments.

MONTECITO SANITARY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS

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Note 2 – Summary of Significant Accounting Policies (Continued)

Revenue Recognition – Property Taxes and Services Charges (Continued)

During the fiscal year ended June 30, 1994, the District adopted the “Teeter Plan” as defined in the Revenue and Taxation Code. Under this plan, the District is guaranteed 99.6% of the secured property tax apportionment each year. The District is also assured of receiving 95% of the unsecured property tax apportionment for each fiscal year by July 31 of the following fiscal year. The remaining 5% is placed in a Tax Loss Reserve Fund which will be used to offset future tax sale losses incurred by the County. Additionally, the District is assured of receiving 100% of its sewer service charges for each fiscal year.

Tax Levy Apportionments – Due to the nature of the District-wide maximum levy, it is not possible to identify general purpose tax rates for specific entities. Under State legislation adopted subsequent to the passage of Proposition 13, apportionments to local agencies are made by the County Auditor-Controller based primarily on the ratio that each agency represented of the total District-wide levy for the three years prior to fiscal year 1979. The District’s apportionment is ½ of 1% of the total property tax revenue that is collected by the County of Santa Barbara for parcels within its service area.

Property Tax Administration Fees – The State of California FY 90-91 Budget Act, authorized counties to collect an administrative fee for collection and distribution of property taxes. Property taxes are recorded as net of administrative fees withheld during the fiscal year.

Tax Levies – are limited to 1% of full value which results in a tax rate of \$1.00 per \$100 assessed valuation, under the provisions of Proposition 13. Tax rates for voter-approved indebtedness are excluded from this limitation.

Tax Levy Dates – are attached annually on January 1 preceding the fiscal year for which the taxes are levied. The fiscal year begins July 1 and ends June 30 of the following year. Taxes are levied on both real and unsecured personal property as they exist at that time. Liens against real estate, as well as the tax on personal property, are not relieved by subsequent renewal or change in ownership.

Connection Fees

Connection fees are one-time capacity charges imposed at the time a structure is connected to the District’s system, or an existing connection is expanded or increased. These funds are restricted and may be used to finance the expansion or upgrade of existing facilities that will benefit new customers including collection system improvements and treatment system upgrades. There are no unspent connection fees held at June 30, 2022 and 2021.

Annual Appropriations Limit

The District is exempt from the annual appropriations limit required by Senate Bill 813 (Chapter 1025, Statutes of 1987) in accordance with California Constitution Article XIII B. This exemption is based on a tax rate not greater than 12-1/2 cents per \$100 of assessed valuation in 1978.

MONTECITO SANITARY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS

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Note 2 – Summary of Significant Accounting Policies (Continued)

Grant Receivable and Revenue

The District recognizes grant revenue when the qualifying expenditures are incurred, all eligibility requirements have been met, and collection of the grant funds is probable. Receipt of funds under the grant is dependent on the approval of submitted expenditures. An allowance for estimated disallowed costs is reflected in the receivable balance.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Significant estimates used in preparing these financial statements include useful lives of capitalized assets and the liability for pension and postemployment healthcare benefits. It is at least reasonably possible that the significant estimates used will change within the next year.

Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of Montecito Sanitary District's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. For this report, the following timeframes are used:

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Measurement Period	July 1, 2020 to June 30, 2021

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the total OPEB liability of the District and additions to/deductions from the District's OPEB liability have been determined on the same basis. For this purpose, MSD recognizes benefit payments when due and payable in accordance with the benefit terms. For this report, the following timeframes are used:

<u>OPEB</u>	<u>Date</u>
Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Measurement Period	July 1, 2020 to June 30, 2021

**MONTECITO SANITARY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS**

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Note 2 – Summary of Significant Accounting Policies (Continued)

Future Governmental Accounting Standards Board (GASB) Pronouncements

The Governmental Accounting Standards Board Statements listed below will be implemented in future financial statements. These statements will be evaluated by the District to determine if they will have a material impact to the financial statements once effective.

Statement No. 91	<i>"Conduit Debt Obligations"</i>	The requirements of this statement are effective for periods beginning after December 15, 2021. (FY 22/23)
Statement No. 94	<i>"Public-Private and Public-Public Partnerships and Availability Payment Arrangements"</i>	The requirements of this statement are effective for periods beginning after June 15, 2022. (FY 22/23)
Statement No. 96	<i>"Subscription-Based Information Technology Arrangements"</i>	The requirements of this statement are effective for periods beginning after June 15, 2022. (FY 22/23)
Statement No. 99	<i>"Omnibus 2022"</i>	The requirements of this statement are effective for periods beginning after June 15, 2022. (FY 22/23)
Statement No. 100	<i>"Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62"</i>	The requirements of this statement are effective for periods beginning after June 15, 2023. (FY 23/24)
Statement No. 101	<i>"Compensated Absences"</i>	The requirements of this statement are effective for periods beginning after December 15, 2023. (FY 24/25)

Note 3 – Cash and Investments

Cash and investments are classified in the accompanying financial statements at June 30, 2022 and 2021 as follows:

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Unrestricted:		
Cash and investments, undesignated	\$ 10,116,577	\$ 8,127,153
Cash designated for retirement benefits	178,429	184,072
Cash designated for capital replacement	6,414,295	7,622,671
Cash designated for reserves	1,995,964	2,016,534
Cash designated for recycled water	979,671	1,096,679
Total cash and investments	<u>\$ 19,684,936</u>	<u>\$ 19,047,109</u>

**MONTECITO SANITARY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS**

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Note 3 – Cash and Investments (Continued)

Cash and investments as of June 30, 2022 and 2021 consist of the following:

	June 30, 2022	June 30, 2021
Cash on hand	\$ 250	\$ 250
Deposits held with financial institutions	1,764,587	1,616,810
Cash with fiscal agent	793,850	786,550
Local Agency Investment Fund	1,995,964	2,016,534
Santa Barbara County Investment Pool	15,130,285	14,626,965
Total cash and investments	\$ 19,684,936	\$ 19,047,109

Investments Authorized by the District’s Investment Policy

The District’s investment policy authorizes investments selected on the basis of credit worthiness, financial strength, experience, and minimal capitalization. The District shall select only licensed brokers and dealers in good standing with the California Department of Securities, the Securities and Exchange Commission, the National Association of Securities Dealers, or other applicable self-regulatory organizations. The District is prohibited from investing in any funds in inverse floaters, range notes, interest-only strips derived from mortgage pools, or any investment which may result in a zero interest accrual if held to maturity. It is the District policy to diversify its investment portfolio to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer, or a specific class of securities.

The primary objectives of the District’s investment activities in priority order are: safety, liquidity, and return on investments. Investments shall be chosen with judgment and care, considering the probable safety of their capital as well as the probable income to be derived. Although the District has pre-authorized investment categories per Resolution No. 2013-883, the only investments in practice are those in the local government investment pool administered by the State of California Local Agency Investment Fund (LAIF) and the Santa Barbara County Investment Pool.

Investments

The District participates in LAIF and the Santa Barbara County Investment Pool. LAIF and the Santa Barbara County Investment Pool are regulated by the California Government Code.

The District’s investment in LAIF is reported in the accompanying financial statements at amounts based on the District’s pro-rata share of the value provided by LAIF for the entire LAIF portfolio. The balance available for withdrawal is based on the accounting records maintained by LAIF, which is recorded on the amortized cost basis. LAIF invests some of its portfolio in derivatives. Detailed information on derivative investments held by this pool is not readily available. The fair value of LAIF is approximately equal to the value of the pool shares.

MONTECITO SANITARY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS

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Note 3 – Cash and Investments (Continued)

Investments (Continued)

The District's investment in the Santa Barbara County Investment Pool is reported in the accompanying financial statements at the amounts based upon the District's pro-rata share of the value provided by the Santa Barbara County Investment Pool for the entire Santa Barbara County Investment Pool portfolio, which is recorded on the amortized cost basis. The balance available for withdrawal is based on the accounting records maintained by the Santa Barbara Investment Pool. The fair value of the Santa Barbara Investment Pool is approximately equal to the value of the pool shares.

Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure the District's deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

None of the District's deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts.

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF and the Santa Barbara County Investment Pool).

Disclosures Relating to 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. The District did not have any investments that are considered highly sensitive to changes in interest rates at June 30, 2022 and 2021.

MONTECITO SANITARY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS

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Note 3 – Cash and Investments (Continued)

Disclosures Relating to Interest Rate Risk (Continued)

Information about the sensitivity of the fair values of the District’s investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District’s investments by maturity as of June 30, 2022 and 2021.

<u>Investment Type</u>	June 30, 2022				
	Carrying Amount	12 Months or Less	13-24 Months	25-60 Months	More than 60 Months
Local Agency Investment Fund	\$ 1,995,964	\$ 1,995,964	\$ -	\$ -	\$ -
Santa Barbara County Investment Pool	15,130,285	15,130,285	-	-	-
Total Investments	\$ 17,126,249	\$ 17,126,249	\$ -	\$ -	\$ -

<u>Investment Type</u>	June 30, 2021				
	Carrying Amount	12 Months or Less	13-24 Months	25-60 Months	More than 60 Months
Local Agency Investment Fund	\$ 2,016,534	\$ 2,016,534	\$ -	\$ -	\$ -
Santa Barbara County Investment Pool	14,626,965	14,626,965	-	-	-
Total Investments	\$ 16,643,499	\$ 16,643,499	\$ -	\$ -	\$ -

Concentration of Credit Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. There are no investments in any one issuer that represent 5% or more of total District investments.

Disclosures Relating to 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 rating by a nationally recognized statistical rating organization.

Presented below is the minimum rating required by the California Government Code and the District’s investment policy, and the actual rating as of June 30, 2022 and 2021 for each investment type.

MONTECITO SANITARY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS

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Note 3 – Cash and Investments (Continued)

<u>Investment Type</u>	2022					
	Carrying Amount	Minimum Legal Rating	Exempt From Disclosure	Rating as of Fiscal Year End		
				AAA	AA	Not Rated
Local Agency Investment Fund	\$ 1,995,964	N/A	\$ 1,995,964	\$ -	\$ -	\$ -
Santa Barbara County Investment Pool	15,130,285	N/A	15,130,285	-	-	-
Total Investments	\$ 17,126,249		\$ 17,126,249	\$ -	\$ -	\$ -
				2021		
<u>Investment Type</u>	Carrying Amount	Minimum Legal Rating	Exempt From Disclosure	Rating as of Fiscal Year End		
				AAA	AA	Not Rated
Local Agency Investment Fund	\$ 2,016,534	N/A	\$ 2,016,534	\$ -	\$ -	\$ -
Santa Barbara County Investment Pool	14,626,965	N/A	14,626,965	-	-	-
Total Investments	\$ 16,643,499		\$ 16,643,499	\$ -	\$ -	\$ -

Fair Value of Investments

The following investments are recognized at fair value at June 30, 2022 and 2021, respectively.

	June 30, 2022	June 30, 2021
Local Agency Investment Fund	\$ 1,995,964	\$ 2,016,534
Santa Barbara County Investment Pool	15,130,285	14,626,965
Total Investments	\$ 17,126,249	\$ 16,643,499

MONTECITO SANITARY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS

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Note 4 – Schedule of Capital Assets

A schedule of changes in capital assets and depreciation for the fiscal year ended June 30, 2022, is shown below:

	Balance July 1, 2021	Additions	Deletions	Transfers	Balance June 30, 2022
Subsurface Lines	\$29,861,149	\$ -	\$ -	\$ 440,077	\$30,301,226
Collection Facilities	9,718,253	-	-	236,300	9,954,553
Treatment Facilities	14,354,404	-	-	109,900	14,464,304
Disposal Facilities	532,466	-	-	-	532,466
Administrative Facilities	326,144	-	-	33,420	359,564
	<u>54,792,416</u>	<u>-</u>	<u>-</u>	<u>819,697</u>	<u>55,612,113</u>
Accumulated Depreciation	<u>(23,796,045)</u>	<u>(1,243,244)</u>	<u>-</u>	<u>-</u>	<u>(25,039,289)</u>
	30,996,371	(1,243,244)	-	819,697	30,572,824
Construction in Progress	655,129	2,435,943	-	(819,697)	2,271,375
Land and Improvements	<u>106,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>106,500</u>
Net capital assets	<u>\$31,758,000</u>	<u>\$1,192,699</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$32,950,699</u>

A schedule of changes in capital assets and depreciation for the fiscal year ended June 30, 2021, is shown below:

	Balance July 1, 2020	Additions	Deletions	Transfers	Balance June 30, 2021
Subsurface Lines	\$29,458,954	\$ -	\$ -	\$ 402,195	\$29,861,149
Collection Facilities	9,509,411	-	-	208,842	9,718,253
Treatment Facilities	14,334,496	-	-	19,908	14,354,404
Disposal Facilities	532,466	-	-	-	532,466
Administrative Facilities	326,144	-	-	-	326,144
	<u>54,161,471</u>	<u>-</u>	<u>-</u>	<u>630,945</u>	<u>54,792,416</u>
Accumulated Depreciation	<u>(22,567,754)</u>	<u>(1,228,291)</u>	<u>-</u>	<u>-</u>	<u>(23,796,045)</u>
	31,593,717	(1,228,291)	-	630,945	30,996,371
Construction in Progress	783,637	1,007,637	(505,200)	(630,945)	655,129
Land and Improvements	<u>106,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>106,500</u>
Net capital assets	<u>\$32,483,854</u>	<u>\$ (220,654)</u>	<u>\$ (505,200)</u>	<u>\$ -</u>	<u>\$31,758,000</u>

MONTECITO SANITARY DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS

Note 5 – Compensated Absences

Employees are entitled to accumulate up to 120 working days of sick leave, at the rate of eight hours per month for full time employees, and pro-rated for part-time employees. If employees retire under the District’s retirement program, or voluntarily resign after twenty or more years of service, they would receive full compensation for any unused sick leave, paid at their current salary level. If employees voluntarily resign with less than twenty years of service, they would receive one-half to three quarters of their unused sick leave, depending on the years of service completed. Employees hired on or after January 1, 2018 are not eligible for any unused sick leave cash out.

Employees are also entitled to accumulate vacation leave at a rate of two to five weeks per year, depending on the number of years of service completed. Such accumulated leave cannot exceed two times the employee’s annual entitlement. Employees are entitled to accumulate Personal Time Off (PTO) at a rate of six days per year. Accumulated PTO cannot exceed six days. Vacation and PTO leave is fully vested at all times and will be paid to employees upon termination of employment.

Eligible employees may request the option of selecting compensatory time off (CTO) for overtime hours worked during any workweek in lieu of overtime pay. All CTO hours will be subject to payout at the time of employment separation.

In accordance with accounting principles generally accepted in the United States of America, the liability is reflected on the statement of net position and the current fiscal year allocation has been expensed.

Note 6 – Long-Term Debt

The long-term debt liabilities of the District are as follows:

	Balance June 30, 2021	Additions	Retirements/ Amortization	Balance June 30, 2022
2017 Sewer Refunding Revenue Bonds	\$ 7,655,000	\$ -	\$ (635,000)	\$ 7,020,000
Unamortized premiums	666,794	-	(74,088)	592,706
Total 2017 Sewer Refunding Revenue Bonds	<u>8,321,794</u>	<u>-</u>	<u>(709,088)</u>	<u>7,612,706</u>
Current portion of long-term debt	<u>635,000</u>			<u>655,000</u>
Net long-term debt	<u>\$ 7,686,794</u>	<u>\$ -</u>	<u>\$ (709,088)</u>	<u>\$ 6,957,706</u>

CSDA Finance Corporation Certificates of Participation 2007 Series UU

The CSDA Finance Corporation Certificates of Participation 2007 Series UU (2007 COPs) were issued March 1, 2007 in the aggregate principal amount of \$14,765,000. Interest was payable semi-annually each January 1 and July 1, commencing July 1, 2007.

MONTECITO SANITARY DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS

Note 6 – Long-Term Debt (Continued)

CSDA Finance Corporation Certificates of Participation 2007 Series UU (Continued)

On May 3, 2017 the District deposited \$12,797,633 with an escrow agent to provide for payment when due (through July 1, 2017) of all principal and interest with respect to the 2007 COPs. The deposit amount was obtained by using \$1,121,862 available cash, \$957,824 COP reserve funds, and through the issuance of new 2017 Sewer Refunding Revenue Bonds. On July 1, 2017, the final payment from the escrow account was made, and the entire outstanding aggregate principal amount and interest of the 2007 COPs was refunded.

2017 Sewer Refunding Revenue Bonds

The 2017 Sewer Refunding Revenue Bonds (2017 Bonds) were issued May 1, 2017 in the aggregate principal amount of \$10,020,000 and a premium of \$963,147. The costs of issuance and the underwriter’s discount were \$165,000 and \$100,200, respectively. The Bonds consist of serial certificates in the principal amount of \$10,020,000 bearing interest rates ranging from 2-5%, with the final installment payment due July 1, 2030. Interest is payable semi-annually each January 1 and July 1, commencing July 1, 2017.

The District is required to use the proceeds from the bonds to 1) prepay the District’s obligations under the installment purchase contract, dated as of March 1, 2007, between the District and the CSDA Finance Corporation, and 2) to pay certain costs of issuing the 2017 Bonds. The Bonds are secured by a pledge of the District’s revenues.

The refunding resulted in decreased total debt service payments from \$19,409,316 to \$12,805,980. This decreased cash flow created an economic gain of approximately \$2,091,000 when discounted at the 2017 Bonds’ effective interest rate of 2.7436644%. Total annual requirements to amortize the 2017 Bonds are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
FY 2022-2023	\$ 655,000	\$ 264,600	\$ 919,600
FY 2023-2024	685,000	237,800	922,800
FY 2024-2025	710,000	209,900	919,900
FY 2025-2026	735,000	177,325	912,325
FY 2026-2027	775,000	139,575	914,575
FY 2027-2028 to 2030-2031	<u>3,460,000</u>	<u>220,000</u>	<u>3,680,000</u>
Total	<u>\$ 7,020,000</u>	<u>\$ 1,249,200</u>	<u>\$ 8,269,200</u>

Debt service payments in any one fiscal year will not exceed \$940,200.

MONTECITO SANITARY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS

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Note 7 – Deferred Compensation Plan

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all District employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The District makes no employer contributions into this plan.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the employees and therefore are not reflected in the financial statements of the District.

Note 8 – Defined Benefit Pension Plan

General Information about the Pension Plans

Plan Descriptions – All eligible full time employees are required to participate in Montecito Sanitary District’s Miscellaneous Employee Pension Plans, cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees’ Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and local government resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website. Eligible employees hired after January 1, 2013 that are considered new members as defined by the Public Employees’ Pension Reform Act (PEPRA) are participating in the PEPRA Miscellaneous Plan.

Benefits Provided – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, as discussed above. Members with five years of total service are eligible to retire at age 50 or 52 if in the PEPRA Miscellaneous Plan with statutorily reduced benefits. An optional benefit regarding sick leave is included in the District retirement contract with CalPERS. Any unused sick leave accumulated at the time of retirement will be converted to credited service at a rate of 0.004 years of service for each day of sick leave. All members are eligible for non-duty disability benefits after 10 years of service. The system also provides for the Optional Settlement 2W Death Benefit, as well as the 1959 Survivor Benefit. The cost of living adjustments for all plans are applied as specified by the Public Employees’ Retirement Law.

**MONTECITO SANITARY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS**

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Note 8 – Defined Benefit Pension Plan (Continued)

The Plans’ provisions and benefits in effect at June 30, 2022 and 2021 are summarized as follows:

	For the Year Ended June 30, 2022		For the Year Ended June 30, 2021	
	Miscellaneous Plan		Miscellaneous Plan	
	Prior to January 1, 2013	On or after January 1, 2013	Prior to January 1, 2013	On or after January 1, 2013
Hire date				
Benefit formula	2% @ 55	2% @ 62	2% @ 55	2% @ 62
Benefit vesting schedule	5 years of service	5 years of service	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life	monthly for life	monthly for life
Retirement age	50 - Minimum	52 - Minimum	50 - Minimum	52 - Minimum
Monthly benefits, as a % of eligible compensation	1.4% to 2.4%	1.0% to 2.5%	1.4% to 2.4%	1.0% to 2.5%
Required employee contribution rates	7.00%	6.75%	7.00%	6.75%
Required employer contribution rates	10.88%	7.59%	11.03%	7.73%

Contributions – Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Montecito Sanitary District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

The District’s contribution to the Plan for the years ended June 30, 2022 and 2021 were \$351,901 and \$330,274, respectively. Of the total contributions made for the years ended June 30, 2022 and 2021, \$185,282 and \$155,631, respectively, were required contributions for the unfunded liability.

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

The District’s net pension liability for all Plans is measured as the proportionate share of the net pension liability. As of June 30, 2022 and 2021, the District reported a liability of \$1,483,020 and \$2,541,896, respectively, for its proportionate shares of the net pension liability of all Plans. The net pension liability of all of the Plans is measured as of June 30, 2021, and the total pension liability for all Plans used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 using standard update procedures.

MONTECITO SANITARY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS

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Note 8 – Defined Benefit Pension Plan (Continued)

The District’s proportion of the net pension liability was determined by CalPERS using the output from the Actuarial Valuation System and the fiduciary net position, as provided in the CalPERS Public Agency Cost-Sharing Allocation Methodology Report, which is a publicly available report that can be obtained at CalPERS’ website, at www.calpers.ca.gov. The District’s proportionate share of the net pension liability for all Plans with an actuarial valuation date of June 30, 2020 and 2019 (and measurement date of June 30, 2021 and 2020, respectively) were as follows:

For the Year Ended June 30, 2022	
	Miscellaneous
Proportion - June 30, 2021	0.06026%
Proportion - June 30, 2022	0.07810%
Change - Increase (Decrease)	0.01784%

For the Year Ended June 30, 2021	
	Miscellaneous
Proportion - June 30, 2020	0.05786%
Proportion - June 30, 2021	0.06026%
Change - Increase (Decrease)	0.00240%

For the years ended June 30, 2022 and 2021, the District recognized pension earnings (expense) of \$622,924 and \$503,247, respectively. At June 30, 2022 and 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	June 30, 2022		June 30, 2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 351,901	\$ -	\$ 330,274	\$ -
Differences between actual and expected experience	166,305	-	130,991	-
Changes in assumptions	-	-	-	(18,130)
Changes in employer’s proportion and difference between the employer’s contributions and the employer’s proportionate share of contributions	74,846	(37,017)	113,563	(40,873)
Net differences between projected and actual earnings on plan investments	-	(1,294,598)	75,511	-
	\$ 593,052	\$ (1,331,615)	\$ 650,339	\$ (59,003)

MONTECITO SANITARY DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS

Note 8 – Defined Benefit Pension Plan (Continued)

Employer contributions of \$351,901 reported at June 30, 2022 as deferred outflows of resources related to contributions made subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. During the fiscal year ended June 30, 2022, \$330,274 of employer contributions that was reported in deferred outflows of resources at June 30, 2021 was recognized as a reduction to the net pension liability.

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

Year Ended June 30:	Amount
2023	\$ (207,854)
2024	(238,287)
2025	(286,563)
2026	(357,760)
2027	-
Thereafter	-
	<u>\$ (1,090,464)</u>

Actuarial Assumptions – The total pension liabilities in the June 30, 2020 and 2019 actuarial valuations were determined using the following actuarial assumptions:

	For the Year Ended June 30, 2022	For the Year Ended June 30, 2021
	Miscellaneous	Miscellaneous
Valuation Date	30-Jun-20	30-Jun-19
Measurement Date	30-Jun-21	30-Jun-20
Actual Cost Method	Entry-Age Normal Cost Method in accordance with the requirements of GASB Statement No. 68	Entry-Age Normal Cost Method in accordance with the requirements of GASB Statement No. 68
Actuarial Assumptions:		
Discount Rate	7.15%	7.15%
Inflation	2.50%	2.50%
Payroll Growth	2.75%	2.75%
Projected Salary Increase	Varies by entry age and service (1)	Varies by entry age and service (1)
Investment Rate of Return	7.15%	7.15%
Mortality	Derived using CalPERS' Membership Data for all Funds	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.5% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter	Contract COLA up to 2.5% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

MONTECITO SANITARY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS

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Note 8 – Defined Benefit Pension Plan (Continued)

Change of Assumption – During the measurement periods ended June 30, 2021 and 2020 there were no changes of assumptions.

Discount Rate – The discount rate used to measure the total pension liability was 7.15% for the measurement periods ending June 30, 2021 and 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made a statutorily required rates, actuarially determined. Based on those assumptions, the Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Long-term Expected Rate of Return – The long-term expected rate of return on pension plan investments 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.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds’ asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The expected real rates of return by asset class are as follows:

Asset Class	For the Year Ended June 30, 2022			For the Year Ended June 30, 2021		
	Net Strategic Allocation	Real Return Years 1-10 (a)	Real Return Years 11+ (b)	Net Strategic Allocation	Real Return Years 1-10 (a)	Real Return Years 11+ (b)
Global Equity	50.00%	4.80%	5.98%	50.00%	4.80%	5.98%
Global Fixed Income	28.00%	1.00%	2.62%	28.00%	1.00%	2.62%
Inflation Sensitive	0.00%	0.77%	1.81%	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%	8.00%	6.30%	7.23%
Real Estate	13.00%	3.75%	4.93%	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%	1.00%	0.00%	-0.92%

- (a) An expected inflation of 2.00% used for this period
- (b) An expected inflation of 2.92% used for this period

MONTECITO SANITARY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS

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Note 8 – Defined Benefit Pension Plan (Continued)

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents Montecito Sanitary District’s proportionate share of the net pension liability for all Plans, calculated using the discount rate for all Plans, as well as what Montecito Sanitary 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 or 1-percentage point higher than the current rate:

For the Year Ended June 30, 2022		For the Year Ended June 30, 2021	
Miscellaneous		Miscellaneous	
1% Decrease	6.15%	1% Decrease	6.15%
Net Pension Liability	\$ 2,877,171	Net Pension Liability	\$ 3,888,946
Current Discount Rate	7.15%	Current Discount Rate	7.15%
Net Pension Liability	\$ 1,483,020	Net Pension Liability	\$ 2,541,896
1% Increase	8.15%	1% Increase	8.15%
Net Pension Liability	\$ 330,496	Net Pension Liability	\$ 1,428,872

Pension Plan Fiduciary Net Position – Detailed information about all pension plan fiduciary net positions is available in the separately issued CalPERS financial reports.

Note 9 – Postemployment Health Care Benefits

Plan Description

For employees hired before July 1, 2010, the District provides retiree medical coverage to eligible current employees and one dependent as defined by the plan. Under the Plan, retired employees who attain age 55 with at least ten years of service are eligible to receive benefits until reaching age 65. The District pays 100% of the health insurance benefits’ monthly premium. The dependent of an eligible retiree is also eligible to receive benefits from this plan, and benefits continue until they are Medicare eligible or are no longer considered a dependent under the Patient Protection and Affordable Care Act (PPACA). When the retired employee reaches age 65 the retired employee and the dependent are no longer covered. In accordance with Montecito Sanitary District Board of Directors action taken on June 4, 2010, any employee hired by the District after July 1, 2010 is not eligible for postemployment health care benefits.

Employees Covered

As of the June 30, 2021 actuarial valuation, current and former employees that were covered by the benefit terms under the OPEB Plan are displayed in the table below:

Participating active employees	2
Inactive employees currently receiving benefits	2
Total	4

MONTECITO SANITARY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS

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Note 9 – Postemployment Health Care Benefits (Continued)

Funding Policy

The contribution requirements of plan members and the District are established and may be amended by the District and its board of directors. The required contribution is based on projected pay-as-you-go financing requirements. Currently, the District has \$178,429 of designated net position set aside to be used to fund the postemployment health care obligation, and plans to set aside \$15,000 each July until adequate funds have been established. The District pays 100% of costs on behalf of the eligible participants.

Actuarial Assumptions

The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

	OPEB Plan
Actual Cost Method	Entry-Age Actuarial Cost Method in accordance with the requirements of GASB Statement No. 75
Actuarial Assumptions:	
Discount Rate	
Measurement Date - 2021	2.16%
Measurement Date - 2020	2.20%
Inflation	2.50%
Salary Increases (1)	2.75%
Investment Rate of Return	
Measurement Date - 2021	2.16%
Measurement Date - 2020	2.20%
Mortality	2009 CalPERS Active Mortality for Miscellaneous Employees; 2009 CalPERS Retiree Mortality for Miscellaneous Employees
Pre-Retirement Turnover	2009 CalPERS Turnover for Miscellaneous Employees
Healthcare Trend Rate	4% per year

(1) Benefits are not dependent upon salary

Discount Rate

The discount rate used to measure the total OPEB liability was 2.16%. The projection of cash flows used to determine the discount rate assumed that District contributions will be sufficient to fully fund the obligation over a period not to exceed 30 years. Based on those assumptions, the OPEB Plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

MONTECITO SANITARY DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS

Note 9 – Postemployment Health Care Benefits (Continued)

Assumption Changes

The discount rate was decreased from 2.20% to 2.16% for the measurement period ending June 30, 2021. The discount rate was decreased from 3.50% to 2.20% for the measurement period ending June 30, 2020.

Changes in the Net OPEB Liability

The District accrued the net OPEB liability of \$588,459 and \$603,068 as of June 30, 2022 and 2021, which is included on the Statement of Net Position. The following table shows the components of the District’s annual OPEB cost for the year, the amount actually contributed to the plan, and the changes in the District’s net OPEB obligation for plan benefits for the years ended June 30, 2022 and 2021:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (a) - (b)
Balance at June 30, 2021 <i>(Measurement Date June 30, 2020)</i>	\$ 603,068	\$ -	\$ 603,068
Changes Recognized for the Measurement Period:			
Service cost	11,910	-	11,910
Interest on Total OPEB Liability	12,949	-	12,949
Contributions - Employer	-	32,379	(32,379)
Changes in Assumptions	1,408		1,408
Experience Gains/Losses	(8,497)		(8,497)
Benefit Payments & Refunds	(32,379)	(32,379)	-
Net Changes	<u>(14,609)</u>	<u>-</u>	<u>(14,609)</u>
Balance at June 30, 2022 <i>(Measurement Date June 30, 2021)</i>	<u>\$ 588,459</u>	<u>\$ -</u>	<u>\$ 588,459</u>

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the District if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2021.

Net OPEB Liability		
Current		
1% Decrease (1.16%)	Discount Rate (2.16%)	1% Increase (3.16%)
\$ 618,849	\$ 588,459	\$ 558,660

MONTECITO SANITARY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS

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Note 9 – Postemployment Health Care Benefits (Continued)

The following presents the net OPEB liability of the District if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2021.

Net OPEB Liability		
Trend 1% Lower (3.0%)	Valuation Trend (4.0%)	Trend 1% Higher (5.0%)
\$ 541,261	\$ 588,459	\$ 641,365

Recognition of Deferred Outflows and Deferred Inflows of Resources

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense. The recognition period differs depending on the source of the gain or loss.

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

For the fiscal year ended June 30, 2022 and 2021, the District recognized OPEB expense of \$61,276 and \$80,527, respectively.

As of the fiscal year ended June 30, 2021 and 2020, the District reported deferred outflows of resources and deferred inflows or resources related to OPEB from the following sources:

	June 30, 2022		June 30, 2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	\$ 20,909	\$ -	\$ 12,116	\$ -
Differences between expected and actual experience	155,732	7,169	191,127	-
Changes in assumptions	114,577	1,252	139,160	1,914
Total	\$ 291,218	\$ 8,421	\$ 342,403	\$ 1,914

MONTECITO SANITARY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS

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Note 9 – Postemployment Health Care Benefits (Continued)

At June 30, 2022, the District reported deferred outflows of resources of \$20,909 related to contributions made subsequent to the measurement date. This will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2023.

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

<u>Fiscal Year Ended June 30:</u>	<u>Amount</u>
2023	\$ 59,396
2024	59,468
2025	59,468
2026	60,648
2027	23,349
Thereafter	(441)
	<u>\$ 261,888</u>

Note 10 – Risk Management

Insurance

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disaster.

The District participates in the California Sanitation Risk Management Authority (CSRMA), which arranges for and provides general liability, property damage, workers' compensation and employee dishonesty liability insurance to its member agencies. The District pays a premium commensurate with the level of coverage requested.

Note 11 – Related Party Transaction

In May 2021, the District entered into an agreement for engineer services for the highway 101 sewer main crossing relocation with an estimated fee of \$177,900. In June 2021, a family member of the engineer providing services was hired by the District to serve in a management position. In September 2021, it was determined that there was not an independent member of management to oversee the engineering services and the contract was terminated. Total fees paid for services provided was \$66,297.

MONTECITO SANITARY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS

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Note 12 – Commitments and Contingencies

In the ordinary course of conducting business, various legal matters may be pending, however, in the opinion of the District’s management, the ultimate disposition of these matters will have no significant impact on the financial position of the District.

On September 9, 2021, a contract for engineering services to perform a recycled water feasibility analysis was entered into jointly with Montecito Water District. The cost will be shared equally. Fees under the service agreement are not to exceed \$439,860, with the District’s share estimated at \$219,930. As of June 30, 2022, approximately \$205,553 was spent related to this project.

On September 23, 2021, the District entered into a contract for engineering services for the highway 101 sewer main crossing relocation with an estimated fee of \$194,127. As of June 30, 2022, approximately \$122,283 was spent related to this project.

Note 13 – Subsequent Events

Subsequent events have been evaluated through April 17, 2024, the date that the financial statements were available to be issued.

On November 17, 2021, the results to the joint request of the District and SEIU Local 620 to conduct a card/petition cross-check election was provided. It was determined that the petitioning employee organization met or exceeded the majority designation to form a unit. The agreement was completed February 2023.

On September 7, 2024, the District entered into an agreement for engineering design and support services with an estimate fee of \$538,000 for the protective measures of District facilities project due to January 2023 storm damage.

The District applied for grant funds from the State Water Resources Control Board for reimbursements related to storm damage and was approved for amounts totaling approximately \$219,000.

REQUIRED SUPPLEMENTARY INFORMATION

**MONTECITO SANITARY DISTRICT
A COST-SHARING MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN
LAST 10 YEARS***

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF MONTECITO SANITARY DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY**

	As of June 30,							
	2022	2021	2020	2019	2018	2017	2016	2015
Valuation date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013
Measurement date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Proportion of the net pension liability	0.0274%	0.0234%	0.0226%	0.0217%	0.0214%	0.0208%	0.0190%	0.0198%
Proportionate share of the net pension liability	\$ 1,483,019	\$ 2,541,896	\$ 2,317,190	\$ 2,094,365	\$ 2,122,293	\$ 1,801,193	\$ 1,307,464	\$ 1,229,008
Covered payroll	\$ 1,754,587	\$ 1,899,486	\$ 1,854,359	\$ 1,729,391	\$ 1,669,379	\$ 1,534,968	\$ 1,450,789	\$ 1,065,779
Proportionate share of the net pension liability as percentage of covered payroll	84.52%	133.82%	124.96%	121.10%	127.13%	117.34%	90.12%	115.32%
Plan fiduciary net position as a percentage of the total pension liability	85.96%	74.89%	76.07%	77.09%	75.88%	77.39%	82.57%	83.46%

Notes to Schedule:

Benefit changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2021 measurement date.

Net Pension liability as a percentage of covered payroll demonstrates the relative size of the unfunded liability by expressing it in terms of current personnel expenditures.

* Fiscal year 2015 was the 1st year of implementation.

**MONTECITO SANITARY DISTRICT
A COST-SHARING MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN
LAST 10 YEARS***

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF MONTECITO SANITARY DISTRICT'S CONTRIBUTIONS**

	As of June 30,							
	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution (actuarially determined)	\$ 351,901	\$ 330,274	\$ 316,708	\$ 271,498	\$ 227,170	\$ 207,913	\$ 181,148	\$ 140,543
Contributions in relation to the actuarially determined contributions	\$ 351,901	\$ 330,274	\$ 316,708	\$ 271,498	\$ 227,170	\$ 207,913	\$ 181,148	\$ 140,543
Contribution deficiency (excess)	-	-	-	-	-	-	-	-
Covered payroll	\$ 1,691,839	\$ 1,754,587	\$ 1,899,486	\$ 1,854,359	\$ 1,729,391	\$ 1,669,379	\$ 1,534,968	\$ 1,450,789
Contributions as a percentage of covered payroll	20.80%	18.82%	16.67%	14.64%	13.14%	12.45%	11.80%	9.69%

Notes to Schedule:

The actuarial methods and assumptions used to set the actuarially determined contributions for the fiscal year 2021-2022 were derived from the June 30, 2019 funding valuation report.

* Fiscal year 2015 was the 1st year of implementation.

**MONTECITO SANITARY DISTRICT
OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
LAST 10 YEARS***

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability:					
Service cost	\$ 11,910	\$ 12,060	\$ 9,315	\$ 9,066	\$ 8,823
Interest on the total OPEB liability	12,949	7,963	7,008	7,686	7,668
Experience gain/losses	-	223,364	10,132	-	-
Assumption changes	(7,089)	139,371	29,554	(3,900)	-
Benefit payments	<u>(32,379)</u>	<u>(1,752)</u>	<u>(27,416)</u>	<u>(34,210)</u>	<u>(32,894)</u>
Net change in total OPEB liability	(14,609)	381,006	28,593	(21,358)	(16,403)
Total OPEB liability - beginning	603,068	222,062	193,469	214,827	231,230
Total OPEB liability - ending (a)	<u>\$ 588,459</u>	<u>\$ 603,068</u>	<u>\$ 222,062</u>	<u>\$ 193,469</u>	<u>\$ 214,827</u>
Fiduciary Net Position					
Employer contributions	\$ 32,379	\$ 1,752	\$ 20,936	\$ 34,210	\$ 32,894
Net investment income	-	-	-	-	-
Administrative expense	-	-	-	-	-
Benefit payments	<u>(32,379)</u>	<u>(1,752)</u>	<u>(20,936)</u>	<u>(34,210)</u>	<u>(32,894)</u>
Net change in fiduciary net position	-	-	-	-	-
Total fiduciary net position- beginning	-	-	-	-	-
Total fiduciary net position - ending (b)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net OPEB asset - ending (a) - (b)	\$ 588,459	\$ 603,068	\$ 222,062	\$ 193,469	\$ 214,827
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%
Covered - employee payroll	\$ 296,004	\$ 426,005	\$ 408,782	\$ 397,821	\$ 384,664
Net OPEB liability as a percentage of covered-employee payroll	198.80%	141.56%	54.32%	48.63%	55.85%
Measurement date	06/30/21	06/30/20	06/30/19	06/30/18	06/30/17
Valuation date	06/30/20	06/30/20	06/30/18	06/30/17	06/30/17

Notes to Schedule:

* Historical information is required only for measurement periods for which GASB 75 is applicable.

Future year's information will be displayed up to 10 years as information becomes available.

OTHER INFORMATION

MONTECITO SANITARY DISTRICT BOARD OF DIRECTORS

<u>NAME</u>	<u>POSITION</u>	<u>TERM EXPIRES</u>
Dorinne Lee Johnson	President	December 2024
Woody Barrett	Vice President	December 2022
Dana Newquist	Secretary	December 2022
Donald Eversoll	Treasurer	December 2024
Phillip Hogan	Director	December 2022

SUPPLEMENTARY INFORMATION

**MONTECITO SANITARY DISTRICT
STATEMENT OF OPERATING EXPENSES - BY DEPARTMENT
For the Fiscal Year Ended June 30, 2022**

	Collection	Treatment	Disposal	Administrative	2022	2021
Salaries and Benefits:						
Salaries	\$ 499,397	\$ 715,114	\$ -	\$ 538,709	\$ 1,753,220	\$ 1,908,867
Stand-by pay	16,425	16,380	-	-	32,805	31,275
Overtime	2,825	3,447	-	-	6,272	12,345
Retirement contribution	217,797	239,350	-	234,730	691,877	589,359
Payroll tax	39,025	42,504	-	53,995	135,524	145,669
Group insurance	78,661	133,799	-	145,197	357,657	431,679
Total Salaries and Benefits	854,130	1,150,594	-	972,631	2,977,355	3,119,194
Supplies and Services:						
Insurance	38,995	54,138	-	10,425	103,558	68,081
Maintenance	108,833	404,547	-	5,366	518,746	418,063
Operating supplies	2,589	3,197	-	994	6,780	9,700
Office supplies	2,356	2,254	-	8,696	13,306	12,700
Memberships	819	1,823	-	32,511	35,153	40,912
Employee/Community goodwill	0	-	-	1,506	1,506	2,182
Miscellaneous	-	486	-	-	486	32,755
Office expense	79	32	-	1,057	1,168	1,167
Legal services	-	-	-	66,143	66,143	90,805
Consulting services	-	-	-	29,237	29,237	29,607
NPDES permit expenses	-	30,588	-	-	30,588	40,278
Other professional services	17,903	-	-	97,910	115,813	224,629
Administrative fees	4,823	1,943	-	21,424	28,190	27,784
Research and monitoring	-	30,348	-	-	30,348	22,828
Contract services	42,508	26,616	65,779	5,044	139,947	186,001
Publications and notices	-	-	-	4,167	4,167	3,232
Minor equipment purchases	9,111	4,450	-	18,142	31,703	36,863
Training and safety	4,465	13,414	-	1,628	19,507	20,345
Travel and meeting costs	90	2,407	-	472	2,969	5
Fuel and oil	11,596	6,981	-	-	18,577	18,366
Utilities and telephone	46,847	142,031	-	15,966	204,844	213,238
Special projects	-	-	-	17,166	17,166	50,071
Depreciation	701,593	526,591	8,072	6,988	1,243,244	1,228,291
Total Supplies and Services	992,607	1,251,846	73,851	344,842	2,663,146	2,777,903
Totals, June 30, 2022	\$ 1,846,737	\$ 2,402,440	\$ 73,851	\$ 1,317,473	\$ 5,640,501	
Totals, June 30, 2021	\$ 2,075,985	\$ 2,358,547	\$ 63,393	\$ 1,399,172		\$ 5,897,097

**MONTECITO SANITARY DISTRICT
SCHEDULE OF OPERATING EXPENSES - BY DEPARTMENT
For the Fiscal Year Ended June 30, 2021**

	<u>Collection</u>	<u>Treatment</u>	<u>Disposal</u>	<u>Administrative</u>	<u>2021</u>	<u>2020</u>
Salaries and Benefits:						
Salaries	\$ 596,806	\$ 766,218	\$ -	\$ 545,843	\$ 1,908,867	\$ 2,025,772
Stand-by pay	15,300	15,975	-	-	31,275	32,940
Overtime	6,517	5,828	-	-	12,345	4,040
Retirement contribution	224,576	201,950	-	162,833	589,359	661,235
Payroll tax	52,558	53,236	-	39,875	145,669	147,071
Group insurance	144,121	128,841	-	158,717	431,679	407,054
Total Salaries and Benefits	1,039,878	1,172,048	-	907,268	3,119,194	3,278,112
Supplies and Services:						
Insurance	34,867	40,205	-	(6,991)	68,081	67,965
Maintenance	132,596	280,934	-	4,533	418,063	426,175
Operating supplies	3,437	6,061	-	202	9,700	10,056
Office supplies	2,792	2,309	-	7,599	12,700	12,267
Memberships	1,495	2,179	-	37,238	40,912	39,772
Employee/Community goodwill	71	-	-	2,111	2,182	712
Miscellaneous	-	32,755	-	-	32,755	8,151
Office expense	223	269	-	675	1,167	2,320
Legal services	-	-	-	90,805	90,805	30,721
Consulting services	-	-	-	29,607	29,607	28,249
NPDES permit expenses	-	40,278	-	-	40,278	51,504
Other professional services	14,273	-	-	210,356	224,629	87,706
Administrative fees	5,048	1,899	-	20,837	27,784	24,686
Research and monitoring	-	22,828	-	-	22,828	27,155
Contract services	84,250	41,808	55,321	4,622	186,001	165,087
Publications and notices	-	-	-	3,232	3,232	436
Minor equipment purchases	16,809	5,372	-	14,682	36,863	31,053
Training and safety	5,044	13,139	-	2,162	20,345	23,970
Travel and meeting costs	-	(55)	-	60	5	5,352
Fuel and oil	9,899	8,467	-	-	18,366	13,777
Utilities and telephone	42,010	155,494	-	15,734	213,238	189,841
Special projects	-	-	-	50,071	50,071	88,844
Depreciation	683,293	532,557	8,072	4,369	1,228,291	1,218,813
Total Supplies and Services	1,036,107	1,186,499	63,393	491,904	2,777,903	2,554,612
Totals, June 30, 2021	\$ 2,075,985	\$ 2,358,547	\$ 63,393	\$ 1,399,172	\$ 5,897,097	
Totals, June 30, 2020	\$ 1,934,291	\$ 2,480,324	\$ 58,000	\$ 1,360,109		\$ 5,832,724

April 17, 2024

Board of Directors
Montecito Sanitary District
1042 Monte Cristo Lane
Santa Barbara, CA 93108

To the Board of Directors:

We are pleased to present this letter related to our audit of the financial statements of the Montecito Sanitary District (the District) for the year ended June 30, 2022. This letter is to inform the Board of Directors about significant matters related to the conduct of the annual audit, so that it can appropriately discharge its oversight responsibility and we can comply with our professional responsibilities.

Auditing standards generally accepted in the United States of America (AU-C 260, *The Auditor's Communication With Those Charged With Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

Our Responsibilities With Regard to the Financial Statement Audit

Our responsibilities under auditing standards generally accepted in the United States of America have been described to you in our arrangement letter dated June 20, 2022. Our audit of the financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.

Overview of the Planned Scope and Timing of the Financial Statement Audit

We have issued a separate communication dated October 8, 2022 regarding the planned scope and timing of our audit and identified significant risks.

Significant Accounting Practices, Including Policies, Estimates and Disclosures

The following is a list of the matters, including the significant estimates, which you may wish to monitor for your oversight responsibilities of the financial reporting process:

Preferability of Accounting Policies and Practices

Under generally accepted accounting principles, in certain circumstances, management may select among alternative accounting practices. In our view, in such circumstances, management has selected the preferable accounting practice.

Adoption of, or Change in, Accounting Policies

Management has the ultimate responsibility for the appropriateness of the accounting policies used by the District. The District did not adopt any significant new accounting policies, nor have there been any changes in existing significant accounting policies during the current period.

Significant Accounting Policies

We did not identify any significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Unusual Transactions

We did not identify any significant unusual transactions.

Management's Judgments and Accounting Estimates

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events and certain assumptions about future events. You may wish to monitor throughout the year the process used to determine and record these accounting estimates. The following describes the significant accounting estimates reflected in the District's financial statements:

Depreciation

Depreciation of fixed assets is taken on a straight-line basis over the expected life of each fixed asset. This method meets the generally accepted accounting principles requirement of being systematic and rational.

Other Post-Employment Benefits

The cost of Other Post-Employment Benefits is calculated based on the annual required contribution of the employer. This amount is calculated by an actuary in accordance with the parameters of GASB Statement No. 75.

Net Pension Liability

In accordance with GASB Statement No. 68, each participating cost-sharing employer is required to report its proportionate share of the collective net pension liability, pension expense, and deferred outflows/inflows of resources. CalPERS actuaries calculated these amounts in accordance with the parameters of GASB 68.

Audit Adjustments and Uncorrected Misstatements

For purposes of this letter, professional standards define a significant audit adjustment as a proposed correction of the financial statements that, in our judgment, may not have been detected except through our auditing procedures.

Adjustments recorded after the initial trial balance was provided are attached to this letter.

We are not aware of any uncorrected misstatements other than misstatements that are clearly trivial.

Other Information Included in Annual Reports

Our responsibility for other information included in annual reports is to read the information and consider whether its content or the manner of its presentation is materially inconsistent with the financial information covered by our auditor's report, whether it contains a material misstatement of fact or whether the other information is otherwise misleading. We read the District's Schedule of Operating Expenses – By Department. We did not identify material inconsistencies with the audited financial statements.

Observations About the Audit Process

Disagreements with Management

We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit, or significant disclosures to be included in the financial statements.

Consultations with Other Accountants

We are not aware of any consultations management had with other accountants about accounting or auditing matters.

Significant Issues Discussed with Management

No significant issues arising from the audit were discussed or were the subject of correspondence with management.

Board of Directors, Montecito Sanitary District
April 17, 2024
Page 4

Significant Difficulties Encountered in Performing the Audit

We did not encounter any difficulties in dealing with management during the audit. Some information was not available in a timely manner which resulted in delay of completion of the audit.

Difficult or Contentious Matters That Required Consultation

We did not encounter any significant and difficult or contentious matters that required consultation outside the engagement team.

Internal Control Matters

We have separately communicated any internal control matters identified during our audit of the financial statements in a separate letter dated April 17, 2024.

Significant Written Communications Between Management and Our Firm

In conjunction with the audit of the financial statements, we have been provided a letter of certain representations from management dated April 17, 2024.

Conclusion

This report is intended solely for the information and use of the Board of Directors and management and is not intended to be and should not be used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have about this report. We appreciate the opportunity to continue to be of service to Montecito Sanitary District.

Very truly yours,

BARTLETT, PRINGLE & WOLF, LLP
Certified Public Accountants and Consultants

Year End: June 30, 2022
 Journal Entries: Adjusting
 Date: 7/1/2021 To 6/30/2022

Prepared by	1st Review	2nd Review
KLH 6/22/2023		

Number	Date	Name	Account No	Reference	Debit	Credit	Recurrence	Misstatement
1	6/30/2022	DEF PENSION OUTFLOW:GENRL	1975-00	6359		57,287.00		
1	6/30/2022	NET PENSION LIABILIT:GENRL	2750-00	6359	1,058,876.00			
1	6/30/2022	DEF PENSION INFLOWS:GENRL	2775-00	6359		1,272,612.00		
1	6/30/2022	PERS CONTRIBUTION: ADMIN	6400-10	6359	271,023.00			
1	6/30/2022	PERS CONTRIBUTION: ADMIN	6400-10	6359		177,533.00		
1	6/30/2022	PERS CONTRIBUTION: COLL	6400-20	6359	84,919.00			
1	6/30/2022	PERS CONTRIBUTION: TREAT	6400-40	6359	92,614.00			
Entry to record CalPERS current year entry and re-allocate expense between admin, collection and treatment based on the original percentage allocation of the unadjusted account balances.								
2	6/30/2022	ALLOWANCE FOR DEPRECIATION	1899-00	5513. 6		1,243,244.00		
2	6/30/2022	DEPRECIATION: ADMIN	7800-10	5513. 6	6,988.00			
2	6/30/2022	DEPRECIATION: COLL	7800-20	5513. 6	272,580.00			
2	6/30/2022	DEPRECIATION: DISP	7800-30	5513. 6	8,072.00			
2	6/30/2022	DEPRECIATION: TREAT	7800-40	5513. 6	526,591.00			
2	6/30/2022	DEPRECIATION - SUBSURFACE	7800-50	5513. 6	429,013.00			
PBC Entry: To record depreciation expense								
4	6/30/2022	BOND DELIVERY COSTS - BNY	1103-00	6002	655,000.00			
4	6/30/2022	OTHER ACCRUED EXPENSES	2030-00	6002		138,850.00		
4	6/30/2022	2017 SEWER REFUNDING REVENUE BONDS	2710-00	6002		655,000.00		
4	6/30/2022	DEBT SERVICE PMT - COPs	7105-00	6002	138,850.00			
To accrue debt service payment								
5	6/30/2022	BOND PREM - 2017 REFUNDING BONDS	2720-00	6001	74,088.00			
5	6/30/2022	INTEREST EXPENSE - ADMIN	7100-10	6001		74,088.00		
To amortize 2017 bond premium								
6	6/30/2022	DEF COP INFLOWS:2007 COP PREMIUM	2780-00	6004	8,200.00			
6	6/30/2022	INTEREST EXPENSE - ADMIN	7100-10	6004		8,200.00		
To amortize 2007 bond premium								
7	6/30/2022	ACCRUED SALARIES	2010-00			19,659.00		
7	6/30/2022	PERS - PEPPA EMPLOYEE PMT	2206-00			594.00		
7	6/30/2022	DEFERRED COMP PLAN - #457	2500-00			462.00		
7	6/30/2022	REGULAR SALARIES: ADMIN	6100-10		6,175.00			
7	6/30/2022	REGULAR SALARIES: COLL	6100-20		4,745.00			
7	6/30/2022	REGULAR SALARIES: TREAT	6100-40		7,961.00			
7	6/30/2022	AUTO ALLOWANCE:COLL	6108-20		8.00			
7	6/30/2022	AUTO ALLOWANCE:COLL	6108-20			8.00		
7	6/30/2022	STANDBY PAY: COLL	6270-20		180.00			
7	6/30/2022	STANDBY PAY: TREAT	6270-40		180.00			
7	6/30/2022	FICA CONTRIBUTION: ADMIN	6500-10		383.00			
7	6/30/2022	FICA CONTRIBUTION: COLL	6500-20		350.00			
7	6/30/2022	FICA CONTRIBUTION: TREAT	6500-40		461.00			
7	6/30/2022	MEDI-CARE CONTRIBUTION: ADMIN	6510-10		90.00			
7	6/30/2022	MEDI-CARE CONTRIBUTION: COLL	6510-20		82.00			
7	6/30/2022	MEDI-CARE CONTRIBUTION: TREAT	6510-40		108.00			
To record 4 days of accrued payroll for pay period 6/27/22 - 7/10/22								
10	6/30/2022	CONSTRUCTION IN PROGRESS	1910-00		11,059.00			
10	6/30/2022	ACCOUNTS PAYABLE	2000-00			11,059.00		
PBC Entry: to accrue payables related to FY 21-22								
11	6/30/2022	LONG TERM ACCRUED VAC/SICK	2600-00			72,834.00		
11	6/30/2022	REGULAR SALARIES: ADMIN	6100-10		6,033.00			
11	6/30/2022	REGULAR SALARIES: COLL	6100-20		19,493.00			

Year End: June 30, 2022
 Journal Entries: Adjusting
 Date: 7/1/2021 To 6/30/2022

Prepared by	1st Review	2nd Review
KLH 6/22/2023		

Number	Date	Name	Account No	Reference	Debit	Credit	Recurrence	Misstatement
11	6/30/2022	REGULAR SALARIES: TREAT	6100-40		47,308.00			
		PBC Entry: to record accrued vacation/sick leave for FY 21-22						
13	6/30/2022	LONG TERM ACCRUED VAC/SICK	2600-00		68,768.00			
13	6/30/2022	REGULAR SALARIES: ADMIN	6100-10			14,406.00		
13	6/30/2022	REGULAR SALARIES: COLL	6100-20			12,825.00		
13	6/30/2022	REGULAR SALARIES: TREAT	6100-40			41,537.00		
		To correct accrued sick pay balance to align with MSD policy						
14	6/30/2022	OPERATING CASH (MBT)	1125-00		12,968.00			
14	6/30/2022	CIP CASH (MBT)	1135-00			12,968.00		
14	6/30/2022	CONSTRUCTION IN PROGRESS	1910-00		12,968.00			
14	6/30/2022	INSPECTION FEES	5433-00			12,968.00		
		PBC Entry: To adjust inspection fees						
15	6/30/2022	DEF OPEB OUTFLOWS:GENRL	1985-00	6359	250,418.00			
15	6/30/2022	DEF OPEB OUTFLOWS:GENRL	1985-00	6359		301,603.00		
15	6/30/2022	RETIREE MEDICAL LIABILITY	2210-00	6359	14,609.00			
15	6/30/2022	DEF OPEB INFLOWS:GENRL	2776-00	6359		328,373.00		
15	6/30/2022	DEF OPEB INFLOWS:GENRL	2776-00	6359	321,866.00			
15	6/30/2022	RETIREE MEDICAL BENE:ADMIN	6605-10	6359	84,255.00			
15	6/30/2022	RETIREE MEDICAL BENE:ADMIN	6605-10	6359		20,263.00		
15	6/30/2022	RETIREE MEDICAL BENE:COLL	6605-20	6359		20,909.00		
15	6/30/2022	RETIREE MEDICAL BENE:COLL	6605-20	6359				
		Entry to record OPEB activity for the year						
16	6/30/2022	ACCRUED INTEREST RECEIVABLE	1250-00	7013	26,021.00			
16	6/30/2022	ACCRUED INTEREST RECEIVABLE	1250-00	7013	3,786.00			
16	6/30/2022	INTEREST EARNED	3380-00	7013		26,021.00		
16	6/30/2022	INTEREST EARNED	3380-00	7013		3,786.00		
		To accrue 4th quarter interest receivable for SB County and LAIF						
18	6/30/2022	COUNTY - FMV ADJUSTMENT	1111-00	5011		5,397.00		
18	6/30/2022	COUNTY - FMV ADJ	1111-01	5011		4,055.00		
18	6/30/2022	COUNTY - FMV ADJ	1111-02	5011		113.00		
18	6/30/2022	GASB 31 ADJUSTMENT	5750-00	5011	5,397.00			
18	6/30/2022	GASB 31 ADJUSTMENT	5750-00	5011	4,055.00			
18	6/30/2022	GASB 31 ADJUSTMENT	5750-00	5011	113.00			
		PBC Entry: To adjust County FMV accounts to YE actual.						
								Factual
19	6/30/2022	LAIF - FMV ADJUSTMENT	1101-00	5010		26,199.00		
19	6/30/2022	GASB 31 ADJUSTMENT	5750-00	5010	26,199.00			
		Entry for LAIF FMV adjustment						
								Factual
					4,562,853.00	4,562,853.00		
Net Income (Loss)					1,722,788.00			

April 17, 2024

Board of Directors
Montecito Sanitary District
1042 Monte Cristo Lane
Santa Barbara, CA 93108

To the Board of Directors:

In planning and performing our audit of the financial statements of the Montecito Sanitary District for the year ended June 30, 2022, in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified deficiencies in internal control that we consider to be a be significant deficiencies.

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

Status of Prior Year Comments

The following comments were communicated to you in the prior year letter dated December 9, 2021.

Significant Deficiencies

Accrued Liabilities

Original Comment

- During our search for unrecorded liabilities, we noted exceptions in which invoices relating to services performed prior to the year-end date were not recorded as payables and the expenses in the proper period. It was noted that batches were sorted by proper period, however were not posted accordingly. Proper cutoff is critical for the accuracy of the accrual basis of accounting. We suggest that procedures be implemented at year-end to record expenses in the period incurred, regardless of when they are paid.
- During our review of the accrued schedule of compensated absences, we noted that the District policy includes varying benefits depending on employee hire date which was not appropriately reflected in the calculation. We suggest the District implement procedures to accurately track and accrue compensated absences by employee based on the benefits they receive upon separation from employment. By doing this, the Company will be assured that sufficient records are maintained to record the required accrual for employee compensated absences.

Current Year Status

- During the current audit, we noted no exceptions during our search for unrecorded liabilities testing and transactions appeared to be recorded in the appropriate period.
- During the current audit, it was noted that compensated absences liability included accrued sick leave for ineligible employees which resulted in an adjustment to accrued vacation. We continue to recommend the District implement procedures to accurately track and accrue compensated absences to record the required accrual for employee compensated absences.

Capital Asset Tracking

Original Comment

The District currently maintains its capital assets in Excel to track and calculate depreciation expense. The spreadsheet requires formulas to be manually updated each year. During our audit, we noted certain formulas had not been updated which resulted in an adjustment to depreciation expense. We recommend the completed schedule be reviewed by a person independent of the preparation function to strengthen oversight and ensure accuracy and completeness.

Current Year Status

During the current audit, we noted formulas had been properly updated and appeared to be accurate and complete.

Conclusion

This communication is intended solely for the information and use of the Board of Directors, management, and others within the District, and is not intended to be and should not be used by anyone other than these specified parties. This letter does not affect our report dated April 17, 2024 on the financial statements of the Montecito Sanitary District.

Very truly yours,

BARTLETT, PRINGLE & WOLF, LLP
Certified Public Accountants and Consultants

MONTECITO SANITARY DISTRICT

June 30, 2022 and 2021

FINANCIAL STATEMENTS



BARTLETT, PRINGLE & WOLF, LLP
CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

MONTECITO SANITARY DISTRICT

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INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors of
Montecito Sanitary District:**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Montecito Sanitary District (the District) as of and for the years ended June 30, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the District as of June 30, 2022 and 2021, and the changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 14, the California Public Employees' Retirement System Schedule of Montecito Sanitary District's Proportionate Share of the Net Pension Liability on page 44, the California Public Employees' Retirement System Schedule of Montecito Sanitary District's Contributions on page 45, and the Other Postemployment Benefits (OPEB) Plan – Schedule of Changes in the Net OPEB Liability and Related Ratios on page 46 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.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Montecito Sanitary District's basic financial statements. The Schedule of Operating Expenses – By Department on pages 47 through 49 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Operating Expenses – By Department is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the list of board of directors on page 47 but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audits of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Bartlett, Pringle & Wolf, LLP

Santa Barbara, California

April 17, 2024

MONTECITO SANITARY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis (MD&A) is a key element of the District's annual audited financial statements that are prepared in accordance with the Governmental Accounting Standards Board Statement No. 34 (GASB 34). The purpose of the 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 fiscal years (FY) June 30, 2021-2022 and June 30, 2020-2021. We encourage readers to consider the information presented here in conjunction with the District's financial statements and related notes, which follow this section.

District Overview

The Montecito Sanitary District (the District) is an independent special district voted into existence in 1947 by the residents of Montecito to provide for the collection, treatment and disposal of wastewater. The District's mission has always been and continues to be "to protect public health and safety and to preserve the natural environment through the collection, treatment and disposal of wastewater in the most cost-effective way possible."

In 1961, the District constructed a wastewater treatment plant capable of processing 750,000 gallons per day. The infrastructure includes an ocean outfall pipeline (located 1,500 feet offshore) and sewer collection system pipeline and pumping system. In 1981 the voters approved \$3.1 million in revenue bonds to incorporate new technology, and double the plant's capacity to 1.5 million gallons per day. Today, the treatment plant capacity remains at 1.5 million gallons per day (mgd). The average daily flow as reported in the District's 2018 Annual Report to the California Regional Water Quality Control Board was 468,000 gallons per day (gpd).

In March 2007 the District issued Certificates of Participation (COPs) in the amount of \$14,765,000. These funds were used for capital replacement/improvement projects including a new testing laboratory and a maintenance building, over 25 miles of sewer main rehabilitation, lift station refurbishment and new sewer force main pipelines.

In May 2017 the District refunded the COPs by using \$1,121,862 available cash, \$957,824 COP reserve funds, and issuing new 2017 Sewer Refunding Revenue Bonds in the amount of \$10,020,000. This refunding will result in savings of over \$4 million due to favorable interest rates obtained and shortening of the term of the debt by seven years.

The District currently serves 3,048 residential properties and 38 commercial/institutional properties.

MONTECITO SANITARY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

Management and Governance

The District is governed by a five-member Board of Directors. The Directors are elected on an at-large basis for four-year terms. In 2001, the Board voted to align its elections with the Statewide General Elections to increase voter turnout and achieve a substantial cost savings. At the Board's discretion an Organizational Meeting is held at least every other year to assign officers' duties and to appoint the standing Committee Representatives. This process generally results in a rotation of duties among the Board members. The established Committees meet on an as-needed basis. If necessary, Ad Hoc Committees are formed for special projects. The Board of Directors approves the annual operating and capital budgets and authorizes expenditures of the District's funds.

The District employs a General Manager as the chief executive. The General Manager reports directly to the Board of Directors and is responsible for the overall operation and administration of the District. The District's Management Staff also includes a District Administrator who is the chief administrator, an Operations Manager, an Engineering Manager and a Lab and Pretreatment Manager. The District had 18 full-time authorized positions in FY June 30, 2021-2022 and 18 in FY June 30, 2020-2021.

Financial Statements

This discussion and analysis provides an introduction and a brief description of the District's financial statements, including the relationship of the statements to each other and the significant differences in the information they provide. The District's basic financial statements include four components:

- Statement of Net Position
- Statement of Revenues, Expenses and Changes in Net Position
- Statement of Cash Flows
- Notes to the Financial Statements

The Statement of Net Position includes all the District's assets and deferred outflows and liabilities and deferred inflows, with the difference reported as net position. Net position is categorized as follows:

- Net Investment in Capital Assets
All property not easily converted to cash and held for a long period of time (real estate, equipment, etc.) net of related debt
- Restricted
Assets/Cash needed to pay liabilities and may be restricted according to law or regulation
- Unrestricted
Any asset that is not restricted

MONTECITO SANITARY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

The Statement of Net Position includes all of the District's investments in resources (assets) and the obligations to creditors (liabilities). It also provides the basis for computing rate of return, evaluating the capital structure of the District and assessing the liquidity and financial flexibility of the District.

The Statement of Revenues, Expenses and Changes in Net Position presents information which shows how the District's net position changed during the year. All of the current year's revenues and expenses are recorded when the underlying transaction occurs, regardless of the timing of the related cash flows. The statement of revenues, expenses and changes in net position measures the success of the District's operations over the past year and determines whether the District has recovered its costs through user fees and other charges.

The Statement of Cash Flows provides information regarding the District's cash receipts and cash disbursements during the year. This statement reports cash activity in four categories:

- Operations
- Non-capital financing
- Capital and related financing
- Investing

This statement differs from the Statement of Revenues, Expenses and Changes in Net Position because the Statement of Cash Flows accounts only for transactions that result in cash receipts or cash disbursements.

The notes to the 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.

Financial Highlights

- The District's net position increased 4.39% or \$1,722,829 to \$40,978,482 in fiscal year June 30, 2021-2022. In the prior year, the District's net position increased 2.22% or \$851,568 to \$39,255,653.
- The District's operating revenues decreased by 0.26% and operating expenses decreased by 4.4% in FY June 30, 2021-2022. In the prior year, operating revenues increased by 5.62% and operating expenses increased by 1.10%.

**MONTECITO SANITARY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Financial Analysis of the District

The following is a summary of the District's Statement of Net Position:

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>% Change FY 2021- 2022 and 2020-2021</u>	<u>% Change FY 2020- 2021 and 2019-2020</u>
<u>Assets:</u>					
Current assets	\$ 19,779,250	\$ 19,158,689	\$ 18,011,843	3.24%	6.37%
Noncurrent assets:					
Capital assets	32,950,699	31,758,000	32,483,854	3.76%	-2.23%
Total Assets	<u>52,729,949</u>	<u>50,916,689</u>	<u>50,495,697</u>	<u>3.56%</u>	<u>0.83%</u>
<u>Deferred Outflows of Resources:</u>					
Deferred pensions	593,052	650,339	683,867	-8.81%	-4.90%
Deferred OPEB	291,218	342,403	27,894	-14.95%	1127.51%
Total Deferred Outflows	<u>884,270</u>	<u>992,742</u>	<u>711,761</u>	<u>-10.93%</u>	<u>39.48%</u>
<u>Liabilities:</u>					
Current liabilities	2,016,232	1,506,684	1,366,390	33.82%	10.27%
Long term liabilities	9,213,867	11,012,375	11,209,013	-16.33%	-1.75%
Total Liabilities	<u>11,230,099</u>	<u>12,519,059</u>	<u>12,575,403</u>	<u>-10.30%</u>	<u>-0.45%</u>
<u>Deferred Inflows of Resources:</u>					
Deferred pensions	1,331,615	59,003	145,967	2156.86%	-59.58%
Deferred OPEB	8,421	1,914	-	339.97%	0.00%
Deferred gain on refunding debt	65,602	73,802	82,003	-11.11%	-10.00%
Total Deferred Inflows	<u>1,405,638</u>	<u>134,719</u>	<u>227,970</u>	<u>943.39%</u>	<u>-40.90%</u>
<u>Net Position:</u>					
Net investment in capital assets	25,272,391	23,362,404	23,400,970	8.18%	-0.16%
Unrestricted	15,706,091	15,893,249	15,003,115	-1.18%	5.93%
Total Net Position	<u>\$ 40,978,482</u>	<u>\$ 39,255,653</u>	<u>\$ 38,404,085</u>	<u>4.39%</u>	<u>2.22%</u>

% Change calculated by current year less prior year number and divided by prior year number.

MONTECITO SANITARY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

The following is a summary of the District's statement of revenues, expense and changes in net position for the years ended June 30, 2022 and 2021:

	Fiscal Year Ended June 30, 2022	Fiscal Year Ended June 30, 2021	Fiscal Year Ended June 30, 2020	% Change FY 2021- 2022 and 2020-2021	% Change FY 2020- 2021 and 2019-2020
Operating revenues	\$ 6,823,389	\$ 6,841,292	\$ 6,477,103	-0.26%	5.62%
Operating expenses	5,640,501	5,897,097	5,832,724	-4.35%	1.10%
Operating income	<u>1,182,888</u>	<u>944,195</u>	<u>644,379</u>	<u>25.28%</u>	<u>46.53%</u>
Nonoperating revenue	194,533	618,657	913,109	-68.56%	-32.25%
Nonoperating expense	(208,152)	866,091	144,856	-124.03%	497.90%
Nonoperating income (loss)	<u>402,685</u>	<u>(247,434)</u>	<u>768,253</u>	<u>-262.74%</u>	<u>132.21%</u>
Excess of revenue over expenses	1,585,573	696,761	1,412,632	127.56%	-50.68%
Capital contributions	<u>137,256</u>	<u>154,807</u>	<u>42,479</u>	<u>-11.34%</u>	<u>264.43%</u>
Change in net position	1,722,829	851,568	1,455,111	102.31%	-41.48%
Net position, beginning of year	<u>39,255,653</u>	<u>38,404,085</u>	<u>36,948,974</u>	<u>2.22%</u>	<u>3.94%</u>
Net position, end of year	<u>\$ 40,978,482</u>	<u>\$ 39,255,653</u>	<u>\$ 38,404,085</u>	<u>4.39%</u>	<u>2.22%</u>

The following is a table of the Districts nonoperating revenue and expenses broken down by major source:

	Fiscal Year Ended June 30, 2022	Fiscal Year Ended June 30, 2021	Fiscal Year Ended June 30, 2020
Nonoperating Revenue:			
Investment income (loss)	(482,136)	(14,911)	309,612
Property taxes	676,669	633,568	603,497
Nonoperating Expense:			
Other income (expense)	403,564	(140,080)	100,156
Loss on disposal of assets	-	(505,200)	-
Interest expense	<u>(195,413)</u>	<u>(220,811)</u>	<u>(245,012)</u>
Total nonoperating revenue	<u>402,684</u>	<u>(247,434)</u>	<u>768,253</u>

FY 2020 to 2022 Nonoperating expense includes Interest expense (Bond/Debt Service interest payments).

FY 2021-22 Increase in Investment Income loss is due to Unrealized Losses on District funds held in the County Treasury.

FY 2020-21 Nonoperating expense includes a loss on the disposal of the essential services building project that was abandoned during the year.

FY 2020-21 Nonoperating expense includes approximately \$148,900 in COVID-19 related expenses reflected in other income (expense).

FY 2019-20 Nonoperating expense includes approximately \$134,000 in COVID-19 related expenses reflected in other income (expense).

FY 2019-20 Nonoperating expense includes \$226,417 Insurance Reimbursement for 2018 Debris Flow reflected in other income (expense).

**MONTECITO SANITARY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Sources of Revenue

The following is a table of the Districts revenues broken down by major source:

<u>Revenue Category</u>	<u>2021-2022</u>	<u>2020-2021</u>	<u>2019-2020</u>	<u>% Change FY 2021- 2022 and 2020-2021</u>	<u>% Change FY 2020- 2021 and 2019-2020</u>
Service charges	\$ 6,543,286	\$ 6,533,184	\$ 6,256,696	0.2%	4.4%
Connection fees	191,597	203,860	119,564	-6.0%	70.5%
Other services	88,506	104,248	100,843	-15.1%	3.4%
Operating revenue	<u>6,823,389</u>	<u>6,841,292</u>	<u>6,477,103</u>	<u>-0.3%</u>	<u>5.6%</u>
Investment income (loss)	(482,136)	(14,911)	309,612	3133.4%	-104.8%
Property taxes	676,669	633,568	603,497	6.8%	5.0%
Grant revenue for pandemic costs	438,560	-	-	0.0%	-100.0%
Nonoperating revenue	<u>633,093</u>	<u>618,657</u>	<u>913,109</u>	<u>2.3%</u>	<u>-32.2%</u>
Total revenue	<u>\$ 7,456,482</u>	<u>\$ 7,459,949</u>	<u>\$ 7,390,212</u>	<u>0.0%</u>	<u>0.9%</u>

Sewer Service Charge (SSC)

The major source of revenue for the District is its annual Sewer Service Charges (SSC). The fiscal year (FY) June 30, 2021-2022 sewer service charges revenue increased approximately 0.2% from the prior FY June 30, 2020-2021. The District's total annual SSC revenue for FY June 30, 2021-2022 was \$6,543,286, which amounted to 87.8% of the total revenues and 95.9% of the total operating revenue. The District's total annual SSC revenue for FY June 30, 2020-2021 was \$6,533,184, which amounted to 87.6% of the total revenues and 95.5% of the total operating revenue.

The District maintains a Teeter Plan agreement with the County of Santa Barbara. Under this agreement, the County guarantees payment to the District. The County collects these funds from the District's customers on their annual property tax statements, and the District receives the total amount of SSC revenue reported to the County each year.

Future Rate Increases

On May 9, 2016 the Board of Directors approved a 3-year planned rate increase structure for sewer service charges that went into effect beginning in FY 2016-17 and ran through FY 2018-19. On October 9, 2017 the Board of Directors approved to amend the fee schedule. All rate increases were validated and approved by following the procedures and requirements of Proposition 218. At this time there are no future planned rate increases.

MONTECITO SANITARY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

Connection Fees

The connection fees collected on District permits are charges for connection to the District's sanitary sewer system, necessary to cover or recoup prior infrastructure costs incurred to provide service. Connection fees collected for the FY June 30, 2021-2022 and FY June 30, 2020-2021 were \$191,597 and \$203,860, respectively. The decrease in connection fees received in FY June 30, 2021-2022 is due to several (3-4) large sewer main extension projects that occurred in the previous fiscal years, but not in the current year; homeowners connecting to newly available sewer mains, as well as abandoning aging septic systems to connect to previously available sewer main(s). The decrease in connection fees in FY June 30, 2021-2022 from FY June 30, 2020-2021 is reflected in decreased operating revenues on page 8.

Investment Income

The District's current approved investment policy, under Resolution No. 2013-883, states that it shall be the policy of the District to invest funds, with maximum security through diversification and prudence, in a manner which will provide the highest investment return, while meeting the daily cash flow demands of the entity and conforming to all statutes governing the investments of District funds.

In keeping with that policy, the District Board chose to distribute the District's monies between two investment vehicles: the Santa Barbara County Investment Pool, and the Local Agency Investment Fund (LAIF) which is a State of California controlled investment pool. Funds are readily available from either pool. The Santa Barbara County Pool consists of Sewer Service Charges, Property Tax Income, and Interest. The LAIF account consists of originally funded reserves and accumulated interest. District practice has been to draw from the Santa Barbara County Pool for operating funds.

Interest revenues received within FY June 30, 2021-2022 from the two investment pools was \$80,076. Investment income for the FY June 30, 2021-2022 also reflects a fair market value adjustment of \$(526,448) from the two investment pools. Note that these losses were not realized and these investments are managed by the County of Santa Barbara Treasurer-Tax Collector's office.

Property Tax

The District receives one half of 1% of the total property tax revenue that is collected by the County of Santa Barbara for parcels within its service area whether or not they are a customer of the District. The property tax revenue is inclusive of secure, unsecured, unitary, and supplemental property taxes. In FY June 30, 2021-2022 this property tax revenue amounted to \$675,991.

Operating Expenses

The District's operating expenses (not including depreciation) for FY June 30, 2021-2022 were \$4,397,257 and for FY June 30, 2020-2021 were \$4,668,806. This is an overall increase for FY June 30, 2021-2022 in actual operating expenses of 1.2%. For FY June 30, 2020-2021 there was a decrease in actual operating expenses of 4.0%. Depreciation expense for FY June 30, 2021-2022 was \$1,243,244 and for FY June 30, 2020-2021 was \$1,228,291.

MONTECITO SANITARY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

Expenditure increases or decreases in fiscal year June 30, 2021-2022 versus fiscal year June 30, 2020-2021 were as follows:

Expense Category	Expenses FY 2021/2022	Expenses FY 2020/2021	FY 2021/2022 Expense Increase (Decrease)	Difference	Comments/Justification
Personnel (Salaries, Payroll Taxes, WC Insurance, and Benefits)	\$ 2,977,355	\$ 3,119,194	\$ (141,839)	-4.5%	FY21-22 Decrease due to a vacancy in the Engineering position
Pooled Liability and Other CSRMA Insurance Programs	103,558	68,081	35,477	52.1%	FY21-22 Increase due a premium increase in the District's CSRMA Pooled Liability policy
Maintenance, Repairs, Operating Supplies/Equip, and Contracted Services	697,176	650,627	46,549	7.2%	FY21-22 Increase primarily due to COVID-19 related expenditures
Utilities, Telephone, Fuel and Oil	223,421	231,604	(8,183)	-3.5%	Immaterial difference from FY 2020-21
Research & Monitoring	30,348	22,828	7,520	32.9%	Immaterial difference from FY 2020-21
Office Expenses, Special Projects, and Misc. Administrative Costs	37,799	102,107	(64,308)	-63.0%	FY21-22 Decrease primarily due to reduced special project costs
Professional Services, Administrative Fees, and Memberships	305,124	454,015	(148,891)	-32.8%	FY 21-22 Decrease due to no longer having Contract Services for Interim General Manager
Training, Safety and Travel Expenses	22,476	20,350	2,126	10.4%	Immaterial difference from FY 2020-21
Subtotals	4,397,257	4,668,806	(271,549)	-5.8%	
Depreciation	1,243,244	1,228,291	14,953	1.2%	FY21-22 Increase due to new assets added
Totals	\$ 5,640,501	\$ 5,897,097	\$ (256,596)	-4.4%	

MONTECITO SANITARY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

Expenditure increases or decreases in fiscal year June 30, 2020-2021 versus fiscal year 2019-2020 were as follows:

Expense Category	Expenses FY 2020/2021	Expenses FY 2019/2020	FY 2020/2021 Expense Increase (Decrease)	Difference	Comments/Justification
Personnel (Salaries, Payroll Taxes, WC Insurance, and Benefits)	\$ 3,119,194	\$ 3,278,112	\$ (158,918)	-4.8%	FY20-21 Decrease due to 3 high level management position retirements
Pooled Liability and Other CSRMA Insurance Programs	68,081	67,965	116	0.2%	FY20-21 Immaterial difference from prior FY
Maintenance, Repairs, Operating Supplies/Equip, and Contracted Services	650,627	632,371	18,256	2.9%	FY20-21 Immaterial difference from prior FY
Utilities, Telephone, Fuel and Oil	231,604	203,618	27,986	13.7%	FY20-21 Increase due to Provider rate increases and telephone system upgrade
Research & Monitoring	22,828	27,155	(4,327)	-15.9%	FY20-21 Decrease due to prior FY equipment purchases
Office Expenses, Special Projects, and Misc. Administrative Costs	102,107	112,730	(10,623)	-9.4%	FY20-21 Decrease due to COVID, reduced budget, and prior FY project expenses
Professional Services, Administrative Fees, and Memberships	454,015	262,638	191,377	72.9%	FY 20-21 Increase due to Contract Services for Interim General Manager
Training, Safety and Travel Expenses	20,350	29,322	(8,972)	-30.6%	FY20-21 Decrease due to COVID
Subtotals	4,668,806	4,613,911	54,895	1.2%	
Depreciation	1,228,291	1,218,813	9,478	0.8%	FY20-21 Increase due to new assets added
Totals	\$ 5,897,097	\$ 5,832,724	\$ 64,373	1.1%	

MONTECITO SANITARY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

Certificates of Participation (COPs) – California Special Districts Association (CSDA) Finance Corporation – 2007 Series UU

Due to an urgent need for capital improvement project funds in FY 2006-07 the District worked with CSDA to seek funding through the issuance of COPs. The Board saw this as a means to ensure the District would have the funds necessary to complete a list of capital projects deemed to be mission critical to the District's efforts to provide the service expected and mandated by federal and state regulations, and to ensure the environmental health and safety of the community which the District serves. On March 1, 2007 the CSDA Finance Corporation issued Certificates of Participation (COPs) in the amount of \$14,765,000 (see Note 6). The Acquisition Fund was established from these funds in 2007 with a beginning balance of \$10,533,493. All of those funds were spent on Board approved Mission Critical Projects by June 30, 2016. The COPs were refunded in May 2017.

2017 Sewer Refunding Revenue Bonds – California Special Districts Association (CSDA) Finance Corporation

The 2007 Certificates of Participation (COPs) used for capital improvement projects became eligible for "Current Refunding" after the initial call date in April 2017. In January 2017 the District engaged Fieldman, Rolapp & Associates, independent financial advisors, to analyze the opportunity for refunding the 2007 COPs. The analysis showed the District could decrease the maturity term by seven years, remove the requirement for a reserve fund, and take advantage of lower interest rates, resulting in savings of approximately \$4 million. In May 2017 the District refunded the COPs by using \$1,121,862 available cash, \$957,824 COP reserve funds, and issuing new 2017 Sewer Refunding Revenue Bonds in the amount of \$10,020,000 (see Note 6). During the fiscal year ending June 30, 2022, the District made principal payments totaling \$655,000 against the debt. As of June 30, 2022, the remaining principal balance was \$6,365,000 and unamortized premium balance was \$592,706.

The District makes two annual Debt service payments: A transfer for one half the annual interest due is made from County Treasury Operating fund to BNY Mellon in December each year, and BNY Mellon issues the debt service payment on January 1. A second transfer for the full principal payment and one half the annual interest due is made from County Treasury Operating fund to BNY Mellon in June each year, and BNY Mellon issues the debt service payment on July 1.

Annual Depreciation Funding

On May 26, 2009, the Board authorized the creation of a separate fund for depreciation. Effective July 1, 2009, the County Auditor-Controller's office established a fund titled Montecito Sanitary Capital Replacement Fund and as of June 30, 2022 there was \$6,414,295 in this fund. Annually the Board considers contributing to this fund. Typically, the annual amount contributed is based on the prior fiscal year's annual depreciation expense. The District may withdraw monies from the Capital Replacement Fund at any time to fund capital projects or to meet any operational needs of the District.

MONTECITO SANITARY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

Annual Audited Financial Statements

At the end of each fiscal year, the District is audited by an independent certified public accounting firm qualified to perform government accounting audits. The financial statements consist of a series of financial statements and notes to those statements. The statements are organized so the reader can understand the District's entire financial position. These statements provide a detailed look at specific financial activities. This annual report consists of two parts; management's discussion and analysis (this section) and a series of basic financial statements.

The basic financial statements include the Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position, and a Statement of Cash Flows, followed by various and specific notes to those financial statements.

Additionally, the financial report includes required supplementary information, as well as other supplemental information as noted in the table of contents.

Contacting the District's Financial Management

This financial report has been prepared to provide the District's customers, creditors, and other interested parties with a general overview of the District's finances and to demonstrate the District's accountability of the money it receives. If you have any questions about this report or need additional financial information, contact Stephen Williams, District Administrator/Clerk to the Board, at 1042 Monte Cristo Lane, Santa Barbara, CA 93108, or by telephone at (805) 969-4200.

MONTECITO SANITARY DISTRICT
STATEMENT OF NET POSITION
June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Current Assets:		
Cash and investments (Note 2 and 3)	\$ 19,684,936	\$ 19,047,109
Receivables	34,976	58,305
Prepaid expenses	59,338	53,275
	<u>19,779,250</u>	<u>19,158,689</u>
Capital Assets:		
Depreciable:		
Plant and equipment	55,612,113	54,792,416
Less accumulated depreciation	<u>(25,039,289)</u>	<u>(23,796,045)</u>
	30,572,824	30,996,371
Non-depreciable:		
Construction in progress	2,271,375	655,129
Land and improvements	<u>106,500</u>	<u>106,500</u>
	32,950,699	31,758,000
Net capital assets (Note 2 and 4)	<u>32,950,699</u>	<u>31,758,000</u>
Total Assets	<u>52,729,949</u>	<u>50,916,689</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred pensions (Note 8)	593,052	650,339
Deferred postemployment health care benefits (Note 9)	<u>291,218</u>	<u>342,403</u>
Total deferred outflows of resources	<u>884,270</u>	<u>992,742</u>
Total assets and deferred outflows of resources	<u>\$ 53,614,219</u>	<u>\$ 51,909,431</u>

MONTECITO SANITARY DISTRICT
STATEMENT OF NET POSITION
June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
LIABILITIES		
Current Liabilities:		
Accounts payable	\$ 561,959	\$ 131,806
Accrued salaries and benefits	24,113	45,699
Accrued interest	305,323	318,023
Customer deposits	469,837	376,156
Current portion of long-term debt (Note 6)	655,000	635,000
	<u>2,016,232</u>	<u>1,506,684</u>
Total current liabilities		
Long-Term Liabilities:		
Compensated absences payable (Note 5)	184,682	180,617
Long-term debt, net of current portion (Note 6)	6,957,706	7,686,794
Net pension liability (Note 8)	1,483,020	2,541,896
Net OPEB liability (Note 9)	588,459	603,068
	<u>9,213,867</u>	<u>11,012,375</u>
Total long-term liabilities		
	<u>11,230,099</u>	<u>12,519,059</u>
Total Liabilities		
DEFERRED INFLOWS OF RESOURCES		
Deferred pensions (Note 8)	1,331,615	59,003
Deferred postemployment health care benefits (Note 9)	8,421	1,914
Deferred gain on refunding debt	65,602	73,802
	<u>1,405,638</u>	<u>134,719</u>
Total deferred inflows of resources		
	<u>12,635,737</u>	<u>12,653,778</u>
Total liabilities and deferred inflows of resources		
NET POSITION		
Net investment in capital assets	25,272,391	23,362,404
Unrestricted, designated for retirement benefits obligation	178,429	184,072
Unrestricted, designated for capital replacement	6,414,295	7,622,671
Unrestricted, designated for reserves	1,995,964	2,016,534
Unrestricted, designated for recycled water	979,671	1,096,679
Unrestricted	6,137,732	4,973,293
	<u>40,978,482</u>	<u>39,255,653</u>
Total Net Position		

MONTECITO SANITARY DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Fiscal Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Operating Revenues:		
Service charges	\$ 6,543,286	\$ 6,533,184
Connection fees	191,597	203,860
Other services	88,506	104,248
	<u>6,823,389</u>	<u>6,841,292</u>
Total operating revenues		
Operating Expenses:		
Sewage collection	1,846,737	2,075,985
Sewage treatment	2,402,440	2,358,547
Sewage disposal	73,851	63,393
Administrative	1,317,473	1,399,172
	<u>5,640,501</u>	<u>5,897,097</u>
Total operating expenses		
Income from operations	<u>1,182,888</u>	<u>944,195</u>
Nonoperating Revenue (Expense):		
Investment loss	(482,136)	(14,911)
Property taxes	676,669	633,568
Other income (expense)	403,564	(140,078)
Loss on disposal of assets	(0)	(505,200)
Interest expense	(195,412)	(220,813)
	<u>402,685</u>	<u>(247,434)</u>
Total nonoperating revenue (expense)		
Excess of revenue over expenses	<u>1,585,573</u>	<u>696,761</u>
Capital contributions:		
Contributed subsurface lines	137,256	154,807
	<u>137,256</u>	<u>154,807</u>
Total capital contributions		
Change in net position	1,722,829	851,568
Net position, beginning of year	<u>39,255,653</u>	<u>38,404,085</u>
Net position, end of year	<u>\$ 40,978,482</u>	<u>\$ 39,255,653</u>

MONTECITO SANITARY DISTRICT
STATEMENT OF CASH FLOWS
For the Fiscal Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash Flows from Operating Activities:		
Cash received from customers	\$ 6,953,928	\$ 6,968,784
Cash payments to vendors for goods and services	(1,008,512)	(1,526,034)
Cash payments for employees services and benefits	(2,680,770)	(3,024,621)
Net cash provided by operating activities	<u>3,264,646</u>	<u>2,418,129</u>
Cash Flows from Noncapital Financing Activities:		
Property taxes	676,669	633,568
Other	403,564	(140,078)
Net cash provided by noncapital financing activities	<u>1,080,233</u>	<u>493,490</u>
Cash Flows from Capital and Related Financing Activities:		
Purchase of capital assets	(2,435,943)	(1,007,637)
Interest payments	(277,700)	(303,101)
Extension reimbursements	137,256	154,807
Principal payments on long term debt	(635,000)	(605,000)
Net cash used by capital and related financing activities	<u>(3,211,387)</u>	<u>(1,760,931)</u>
Cash Flows from Investing Activities:		
Investment income received	(495,665)	22,097
Net cash provided (used) by investing activities	<u>(495,665)</u>	<u>22,097</u>
Net increase in cash and restricted cash	637,827	1,172,785
Cash and investments – beginning of year	<u>19,047,109</u>	<u>17,874,324</u>
Cash and investments – end of year	<u>\$ 19,684,936</u>	<u>\$ 19,047,109</u>

MONTECITO SANITARY DISTRICT
STATEMENT OF CASH FLOWS
For the Fiscal Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 1,182,888	\$ 944,195
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	1,243,244	1,228,291
Change in assets and liabilities:		
Accounts receivable	36,858	(38,104)
Prepaid insurance	(6,063)	27,035
Deferred outflows	108,472	(280,981)
Accounts payable	430,153	11,638
Accrued salaries and benefits	(21,586)	(51,845)
Accrued interest	(12,700)	(15,095)
Customer deposits	93,681	165,596
Compensated absences	4,065	(93,262)
Net pension liability	(1,058,876)	224,706
Postemployment health care benefits	(14,609)	381,006
Deferred inflows	1,279,119	(85,051)
Net cash provided by operating activities	<u>\$ 3,264,646</u>	<u>\$ 2,418,129</u>

MONTECITO SANITARY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS

Note 1 – Reporting Entity

Montecito Sanitary District was organized in 1947, pursuant to the Sanitary District Act of 1923, to provide sewage collection and treatment for residents within the District's geographical boundaries.

The District is governed by a Board of Directors consisting of five members elected at large. The Directors receive fees for attendance at Board and Committee meetings. The District employs a General Manager/District Engineer and such other personnel as are required to meet its responsibilities.

Note 2 – Summary of Significant Accounting Policies

Accounting Policies

The accounting policies of the District conform to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board and the American Institute of Certified Public Accountants (AICPA).

Accounting Basis

The District reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the District is that the costs, including depreciation, of providing goods and services on a continuing basis be financed or recovered primarily through user charges. The accounts are maintained and these financial statements are presented on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when they are earned and expenses recognized when they are incurred. An enterprise fund is accounted for on the "flow of economic resources" measurement focus. This means that all assets and liabilities, whether current or long term, are included on the statement of net position.

The District distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and the producing and delivering of goods in connection with the District's principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The financial statements of the District have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

Budget

The District prepares an annual budget which estimates major sources of revenue to be received during the fiscal year, as well as estimated expenditures needed for operation of District facilities. The budget is filed with Santa Barbara County (the County). The Board of Directors has the power to amend the budget during the year.

MONTECITO SANITARY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS

Note 2 – Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents

For purposes of the statement of cash flows, cash and cash equivalents include restricted and unrestricted cash and investments held in pooled accounts and restricted and unrestricted certificates of deposit with original maturities of three months or less.

Receivables

Receivables are primarily comprised of sewer service fees collected by the County of Santa Barbara and interest earned on investments but not yet paid.

Property, Plant and Equipment

Capital assets purchased by the District are recorded at cost. Contributed or donated capital assets are recorded at fair value when acquired. Prior to the adoption of GASB 89 during fiscal year June 30, 2021, interest incurred during the construction period of an asset was capitalized as part of the cost.

Depreciation

Capital assets purchased by the District are depreciated over their estimated useful lives (ranging from 5-80 years) under the straight-line method of depreciation.

Accumulated Vacation, Compensated Time Off and Sick Leave

Accumulated unpaid employee vacation, compensated time off, and sick leave benefits are recognized as liabilities of the District.

Deferred Outflows and Inflows of Resources

Pursuant to GASB Statement No. 63, “Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position,” and GASB Statement No. 65, “Items Previously Reported as Assets and Liabilities,” the District recognizes deferred outflows and inflows of resources.

In addition to assets, the Statement of Net Position reports a separate section for deferred outflows of resources. A deferred outflow of resources is defined as a consumption of net position by the District that is applicable to a future reporting period.

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. A deferred inflow of resources is defined as an acquisition of net position by the District that is applicable to a future reporting period.

Net Position

Net position represents the difference between assets and deferred outflows, and liabilities and deferred inflows, and is classified into three components as follows:

MONTECITO SANITARY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS

Note 2 – Summary of Significant Accounting Policies (Continued)

Net Position (Continued)

Net investment in capital assets – This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net investment in capital assets excludes unspent debt proceeds.

Restricted – This component of net position consists of assets which are legally restricted by outside parties for use for a specific purpose.

Unrestricted – This component of net position consists of net position that does not meet the definition of “restricted” or “net investment in capital assets.” Dedicated net position represents unrestricted assets which are segregated by the Board of Directors for specific future uses.

When an expense is incurred for purposes for which both unrestricted and restricted resources are available for use, it is the District's policy to apply restricted assets first, then unrestricted resources.

Revenue Recognition – Property Taxes and Services Charges

Property taxes and user sewer service charges are collected on the tax rolls of the County of Santa Barbara. The District receives an allocation of general property taxes. Sewer service charges are based upon the total number of equivalent residential units (ERU's) connected to the sewers of the District. Commercial properties are charged based upon loading factors and water consumption. The property taxes and service charges are recognized when they have been collected by the County and are available for distribution to the District.

Property taxes in the State of California are administered for all local agencies at the county level, and consist of secured, unsecured, and utility tax rolls. The following is a summary of major policies and practices relating to property taxes:

Property Valuations – are established by the Assessor of the County of Santa Barbara (County) for the secured and unsecured property tax rolls; the utility property tax roll is valued by the State Board of Equalization. Under the provisions of Article XIII A of the State Constitution (Proposition 13 adopted by the voters on June 6, 1978), properties are assessed at 100% of full value. From the base assessment, subsequent annual increases in valuation are limited to a maximum of 2%. However, increases to full value are allowed for property improvements or upon change in ownership. Personal property is excluded from these limitations, and is subject to annual reappraisal.

Tax Collections – are the responsibility of the County Tax Collector. Taxes and assessments on secured and utility rolls which constitute a lien against the property, may be paid in two installments: the first is due on November 1 of the fiscal year and is delinquent if not paid by December 10; and the second is due on March 1 of the fiscal year and is delinquent if not paid by April 10. Unsecured personal property taxes do not constitute a lien against real property unless the taxes become delinquent. Payment must be made in one installment, which is delinquent if not paid by August 31 of the fiscal year. Significant penalties are imposed by the County for late payments.

MONTECITO SANITARY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS

Note 2 – Summary of Significant Accounting Policies (Continued)

Revenue Recognition – Property Taxes and Services Charges (Continued)

During the fiscal year ended June 30, 1994, the District adopted the “Teeter Plan” as defined in the Revenue and Taxation Code. Under this plan, the District is guaranteed 99.6% of the secured property tax apportionment each year. The District is also assured of receiving 95% of the unsecured property tax apportionment for each fiscal year by July 31 of the following fiscal year. The remaining 5% is placed in a Tax Loss Reserve Fund which will be used to offset future tax sale losses incurred by the County. Additionally, the District is assured of receiving 100% of its sewer service charges for each fiscal year.

Tax Levy Apportionments – Due to the nature of the District-wide maximum levy, it is not possible to identify general purpose tax rates for specific entities. Under State legislation adopted subsequent to the passage of Proposition 13, apportionments to local agencies are made by the County Auditor-Controller based primarily on the ratio that each agency represented of the total District-wide levy for the three years prior to fiscal year 1979. The District’s apportionment is ½ of 1% of the total property tax revenue that is collected by the County of Santa Barbara for parcels within its service area.

Property Tax Administration Fees – The State of California FY 90-91 Budget Act, authorized counties to collect an administrative fee for collection and distribution of property taxes. Property taxes are recorded as net of administrative fees withheld during the fiscal year.

Tax Levies – are limited to 1% of full value which results in a tax rate of \$1.00 per \$100 assessed valuation, under the provisions of Proposition 13. Tax rates for voter-approved indebtedness are excluded from this limitation.

Tax Levy Dates – are attached annually on January 1 preceding the fiscal year for which the taxes are levied. The fiscal year begins July 1 and ends June 30 of the following year. Taxes are levied on both real and unsecured personal property as they exist at that time. Liens against real estate, as well as the tax on personal property, are not relieved by subsequent renewal or change in ownership.

Connection Fees

Connection fees are one-time capacity charges imposed at the time a structure is connected to the District’s system, or an existing connection is expanded or increased. These funds are restricted and may be used to finance the expansion or upgrade of existing facilities that will benefit new customers including collection system improvements and treatment system upgrades. There are no unspent connection fees held at June 30, 2022 and 2021.

Annual Appropriations Limit

The District is exempt from the annual appropriations limit required by Senate Bill 813 (Chapter 1025, Statutes of 1987) in accordance with California Constitution Article XIII B. This exemption is based on a tax rate not greater than 12-1/2 cents per \$100 of assessed valuation in 1978.

MONTECITO SANITARY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS

Note 2 – Summary of Significant Accounting Policies (Continued)

Grant Receivable and Revenue

The District recognizes grant revenue when the qualifying expenditures are incurred, all eligibility requirements have been met, and collection of the grant funds is probable. Receipt of funds under the grant is dependent on the approval of submitted expenditures. An allowance for estimated disallowed costs is reflected in the receivable balance.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Significant estimates used in preparing these financial statements include useful lives of capitalized assets and the liability for pension and postemployment healthcare benefits. It is at least reasonably possible that the significant estimates used will change within the next year.

Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of Montecito Sanitary District's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. For this report, the following timeframes are used:

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Measurement Period	July 1, 2020 to June 30, 2021

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the total OPEB liability of the District and additions to/deductions from the District's OPEB liability have been determined on the same basis. For this purpose, MSD recognizes benefit payments when due and payable in accordance with the benefit terms. For this report, the following timeframes are used:

<u>OPEB</u>	<u>Date</u>
Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Measurement Period	July 1, 2020 to June 30, 2021

MONTECITO SANITARY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS

Note 2 – Summary of Significant Accounting Policies (Continued)

Future Governmental Accounting Standards Board (GASB) Pronouncements

The Governmental Accounting Standards Board Statements listed below will be implemented in future financial statements. These statements will be evaluated by the District to determine if they will have a material impact to the financial statements once effective.

Statement No. 91	<i>"Conduit Debt Obligations"</i>	The requirements of this statement are effective for periods beginning after December 15, 2021. (FY 22/23)
Statement No. 94	<i>"Public-Private and Public-Public Partnerships and Availability Payment Arrangements"</i>	The requirements of this statement are effective for periods beginning after June 15, 2022. (FY 22/23)
Statement No. 96	<i>"Subscription-Based Information Technology Arrangements"</i>	The requirements of this statement are effective for periods beginning after June 15, 2022. (FY 22/23)
Statement No. 99	<i>"Omnibus 2022"</i>	The requirements of this statement are effective for periods beginning after June 15, 2022. (FY 22/23)
Statement No. 100	<i>"Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62"</i>	The requirements of this statement are effective for periods beginning after June 15, 2023. (FY 23/24)
Statement No. 101	<i>"Compensated Absences"</i>	The requirements of this statement are effective for periods beginning after December 15, 2023. (FY 24/25)

Note 3 – Cash and Investments

Cash and investments are classified in the accompanying financial statements at June 30, 2022 and 2021 as follows:

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Unrestricted:		
Cash and investments, undesignated	\$ 10,116,577	\$ 8,127,153
Cash designated for retirement benefits	178,429	184,072
Cash designated for capital replacement	6,414,295	7,622,671
Cash designated for reserves	1,995,964	2,016,534
Cash designated for recycled water	979,671	1,096,679
Total cash and investments	<u>\$ 19,684,936</u>	<u>\$ 19,047,109</u>

MONTECITO SANITARY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS

Note 3 – Cash and Investments (Continued)

Cash and investments as of June 30, 2022 and 2021 consist of the following:

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Cash on hand	\$ 250	\$ 250
Deposits held with financial institutions	1,764,587	1,616,810
Cash with fiscal agent	793,850	786,550
Local Agency Investment Fund	1,995,964	2,016,534
Santa Barbara County Investment Pool	<u>15,130,285</u>	<u>14,626,965</u>
Total cash and investments	<u>\$ 19,684,936</u>	<u>\$ 19,047,109</u>

Investments Authorized by the District’s Investment Policy

The District’s investment policy authorizes investments selected on the basis of credit worthiness, financial strength, experience, and minimal capitalization. The District shall select only licensed brokers and dealers in good standing with the California Department of Securities, the Securities and Exchange Commission, the National Association of Securities Dealers, or other applicable self-regulatory organizations. The District is prohibited from investing in any funds in inverse floaters, range notes, interest-only strips derived from mortgage pools, or any investment which may result in a zero interest accrual if held to maturity. It is the District policy to diversify its investment portfolio to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer, or a specific class of securities.

The primary objectives of the District’s investment activities in priority order are: safety, liquidity, and return on investments. Investments shall be chosen with judgment and care, considering the probable safety of their capital as well as the probable income to be derived. Although the District has pre-authorized investment categories per Resolution No. 2013-883, the only investments in practice are those in the local government investment pool administered by the State of California Local Agency Investment Fund (LAIF) and the Santa Barbara County Investment Pool.

Investments

The District participates in LAIF and the Santa Barbara County Investment Pool. LAIF and the Santa Barbara County Investment Pool are regulated by the California Government Code.

The District’s investment in LAIF is reported in the accompanying financial statements at amounts based on the District’s pro-rata share of the value provided by LAIF for the entire LAIF portfolio. The balance available for withdrawal is based on the accounting records maintained by LAIF, which is recorded on the amortized cost basis. LAIF invests some of its portfolio in derivatives. Detailed information on derivative investments held by this pool is not readily available. The fair value of LAIF is approximately equal to the value of the pool shares.

MONTECITO SANITARY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS

Note 3 – Cash and Investments (Continued)

Investments (Continued)

The District's investment in the Santa Barbara County Investment Pool is reported in the accompanying financial statements at the amounts based upon the District's pro-rata share of the value provided by the Santa Barbara County Investment Pool for the entire Santa Barbara County Investment Pool portfolio, which is recorded on the amortized cost basis. The balance available for withdrawal is based on the accounting records maintained by the Santa Barbara Investment Pool. The fair value of the Santa Barbara Investment Pool is approximately equal to the value of the pool shares.

Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure the District's deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

None of the District's deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts.

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF and the Santa Barbara County Investment Pool).

Disclosures Relating to 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. The District did not have any investments that are considered highly sensitive to changes in interest rates at June 30, 2022 and 2021.

MONTECITO SANITARY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS

Note 3 – Cash and Investments (Continued)

Disclosures Relating to Interest Rate Risk (Continued)

Information about the sensitivity of the fair values of the District’s investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District’s investments by maturity as of June 30, 2022 and 2021.

<u>Investment Type</u>	June 30, 2022				
	Carrying Amount	12 Months or Less	13-24 Months	25-60 Months	More than 60 Months
Local Agency Investment Fund	\$ 1,995,964	\$ 1,995,964	\$ -	\$ -	\$ -
Santa Barbara County Investment Pool	15,130,285	15,130,285	-	-	-
Total Investments	\$ 17,126,249	\$ 17,126,249	\$ -	\$ -	\$ -

<u>Investment Type</u>	June 30, 2021				
	Carrying Amount	12 Months or Less	13-24 Months	25-60 Months	More than 60 Months
Local Agency Investment Fund	\$ 2,016,534	\$ 2,016,534	\$ -	\$ -	\$ -
Santa Barbara County Investment Pool	14,626,965	14,626,965	-	-	-
Total Investments	\$ 16,643,499	\$ 16,643,499	\$ -	\$ -	\$ -

Concentration of Credit Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. There are no investments in any one issuer that represent 5% or more of total District investments.

Disclosures Relating to 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 rating by a nationally recognized statistical rating organization.

Presented below is the minimum rating required by the California Government Code and the District’s investment policy, and the actual rating as of June 30, 2022 and 2021 for each investment type.

MONTECITO SANITARY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS

Note 3 – Cash and Investments (Continued)

<u>Investment Type</u>	2022					
	Carrying Amount	Minimum Legal Rating	Exempt From Disclosure	Rating as of Fiscal Year End		
				AAA	AA	Not Rated
Local Agency Investment Fund	\$ 1,995,964	N/A	\$ 1,995,964	\$ -	\$ -	\$ -
Santa Barbara County Investment Pool	<u>15,130,285</u>	N/A	<u>15,130,285</u>	-	-	-
Total Investments	<u>\$ 17,126,249</u>		<u>\$ 17,126,249</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

<u>Investment Type</u>	2021					
	Carrying Amount	Minimum Legal Rating	Exempt From Disclosure	Rating as of Fiscal Year End		
				AAA	AA	Not Rated
Local Agency Investment Fund	\$ 2,016,534	N/A	\$ 2,016,534	\$ -	\$ -	\$ -
Santa Barbara County Investment Pool	<u>14,626,965</u>	N/A	<u>14,626,965</u>	-	-	-
Total Investments	<u>\$ 16,643,499</u>		<u>\$ 16,643,499</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Fair Value of Investments

The following investments are recognized at fair value at June 30, 2022 and 2021, respectively.

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Local Agency Investment Fund	\$ 1,995,964	\$ 2,016,534
Santa Barbara County Investment Pool	<u>15,130,285</u>	<u>14,626,965</u>
Total Investments	<u>\$ 17,126,249</u>	<u>\$ 16,643,499</u>

MONTECITO SANITARY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS

Note 4 – Schedule of Capital Assets

A schedule of changes in capital assets and depreciation for the fiscal year ended June 30, 2022, is shown below:

	Balance July 1, 2021	Additions	Deletions	Transfers	Balance June 30, 2022
Subsurface Lines	\$29,861,149	\$ -	\$ -	\$ 440,077	\$30,301,226
Collection Facilities	9,718,253	-	-	236,300	9,954,553
Treatment Facilities	14,354,404	-	-	109,900	14,464,304
Disposal Facilities	532,466	-	-	-	532,466
Administrative Facilities	326,144	-	-	33,420	359,564
	<u>54,792,416</u>	<u>-</u>	<u>-</u>	<u>819,697</u>	<u>55,612,113</u>
Accumulated Depreciation	(23,796,045)	(1,243,244)	-	-	(25,039,289)
	<u>30,996,371</u>	<u>(1,243,244)</u>	<u>-</u>	<u>819,697</u>	<u>30,572,824</u>
Construction in Progress	655,129	2,435,943	-	(819,697)	2,271,375
Land and Improvements	106,500	-	-	-	106,500
	<u>31,758,000</u>	<u>\$1,192,699</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$32,950,699</u>

A schedule of changes in capital assets and depreciation for the fiscal year ended June 30, 2021, is shown below:

	Balance July 1, 2020	Additions	Deletions	Transfers	Balance June 30, 2021
Subsurface Lines	\$29,458,954	\$ -	\$ -	\$ 402,195	\$29,861,149
Collection Facilities	9,509,411	-	-	208,842	9,718,253
Treatment Facilities	14,334,496	-	-	19,908	14,354,404
Disposal Facilities	532,466	-	-	-	532,466
Administrative Facilities	326,144	-	-	-	326,144
	<u>54,161,471</u>	<u>-</u>	<u>-</u>	<u>630,945</u>	<u>54,792,416</u>
Accumulated Depreciation	(22,567,754)	(1,228,291)	-	-	(23,796,045)
	<u>31,593,717</u>	<u>(1,228,291)</u>	<u>-</u>	<u>630,945</u>	<u>30,996,371</u>
Construction in Progress	783,637	1,007,637	(505,200)	(630,945)	655,129
Land and Improvements	106,500	-	-	-	106,500
	<u>\$32,483,854</u>	<u>\$ (220,654)</u>	<u>\$ (505,200)</u>	<u>\$ -</u>	<u>\$31,758,000</u>

MONTECITO SANITARY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS

Note 5 – Compensated Absences

Employees are entitled to accumulate up to 120 working days of sick leave, at the rate of eight hours per month for full time employees, and pro-rated for part-time employees. If employees retire under the District’s retirement program, or voluntarily resign after twenty or more years of service, they would receive full compensation for any unused sick leave, paid at their current salary level. If employees voluntarily resign with less than twenty years of service, they would receive one-half to three quarters of their unused sick leave, depending on the years of service completed. Employees hired on or after January 1, 2018 are not eligible for any unused sick leave cash out.

Employees are also entitled to accumulate vacation leave at a rate of two to five weeks per year, depending on the number of years of service completed. Such accumulated leave cannot exceed two times the employee’s annual entitlement. Employees are entitled to accumulate Personal Time Off (PTO) at a rate of six days per year. Accumulated PTO cannot exceed six days. Vacation and PTO leave is fully vested at all times and will be paid to employees upon termination of employment.

Eligible employees may request the option of selecting compensatory time off (CTO) for overtime hours worked during any workweek in lieu of overtime pay. All CTO hours will be subject to payout at the time of employment separation.

In accordance with accounting principles generally accepted in the United States of America, the liability is reflected on the statement of net position and the current fiscal year allocation has been expensed.

Note 6 – Long-Term Debt

The long-term debt liabilities of the District are as follows:

	Balance June 30, 2021	Additions	Retirements/ Amortization	Balance June 30, 2022
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
2017 Sewer Refunding				
Revenue Bonds	\$ 7,655,000	\$ -	\$ (635,000)	\$ 7,020,000
Unamortized premiums	666,794	-	(74,088)	592,706
Total 2017 Sewer Refunding				
Revenue Bonds	<u>8,321,794</u>	<u>-</u>	<u>(709,088)</u>	<u>7,612,706</u>
Current portion of long-term debt	<u>635,000</u>			<u>655,000</u>
Net long-term debt	<u>\$ 7,686,794</u>	<u>\$ -</u>	<u>\$ (709,088)</u>	<u>\$ 6,957,706</u>

CSDA Finance Corporation Certificates of Participation 2007 Series UU

The CSDA Finance Corporation Certificates of Participation 2007 Series UU (2007 COPs) were issued March 1, 2007 in the aggregate principal amount of \$14,765,000. Interest was payable semi-annually each January 1 and July 1, commencing July 1, 2007.

MONTECITO SANITARY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS

Note 6 – Long-Term Debt (Continued)

CSDA Finance Corporation Certificates of Participation 2007 Series UU (Continued)

On May 3, 2017 the District deposited \$12,797,633 with an escrow agent to provide for payment when due (through July 1, 2017) of all principal and interest with respect to the 2007 COPs. The deposit amount was obtained by using \$1,121,862 available cash, \$957,824 COP reserve funds, and through the issuance of new 2017 Sewer Refunding Revenue Bonds. On July 1, 2017, the final payment from the escrow account was made, and the entire outstanding aggregate principal amount and interest of the 2007 COPs was refunded.

2017 Sewer Refunding Revenue Bonds

The 2017 Sewer Refunding Revenue Bonds (2017 Bonds) were issued May 1, 2017 in the aggregate principal amount of \$10,020,000 and a premium of \$963,147. The costs of issuance and the underwriter’s discount were \$165,000 and \$100,200, respectively. The Bonds consist of serial certificates in the principal amount of \$10,020,000 bearing interest rates ranging from 2-5%, with the final installment payment due July 1, 2030. Interest is payable semi-annually each January 1 and July 1, commencing July 1, 2017.

The District is required to use the proceeds from the bonds to 1) prepay the District’s obligations under the installment purchase contract, dated as of March 1, 2007, between the District and the CSDA Finance Corporation, and 2) to pay certain costs of issuing the 2017 Bonds. The Bonds are secured by a pledge of the District’s revenues.

The refunding resulted in decreased total debt service payments from \$19,409,316 to \$12,805,980. This decreased cash flow created an economic gain of approximately \$2,091,000 when discounted at the 2017 Bonds’ effective interest rate of 2.7436644%. Total annual requirements to amortize the 2017 Bonds are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
FY 2022-2023	\$ 655,000	\$ 264,600	\$ 919,600
FY 2023-2024	685,000	237,800	922,800
FY 2024-2025	710,000	209,900	919,900
FY 2025-2026	735,000	177,325	912,325
FY 2026-2027	775,000	139,575	914,575
FY 2027-2028 to 2030-2031	<u>3,460,000</u>	<u>220,000</u>	<u>3,680,000</u>
Total	<u><u>\$ 7,020,000</u></u>	<u><u>\$ 1,249,200</u></u>	<u><u>\$ 8,269,200</u></u>

Debt service payments in any one fiscal year will not exceed \$940,200.

MONTECITO SANITARY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS

Note 7 – Deferred Compensation Plan

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all District employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The District makes no employer contributions into this plan.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the employees and therefore are not reflected in the financial statements of the District.

Note 8 – Defined Benefit Pension Plan

General Information about the Pension Plans

Plan Descriptions – All eligible full time employees are required to participate in Montecito Sanitary District’s Miscellaneous Employee Pension Plans, cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees’ Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and local government resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website. Eligible employees hired after January 1, 2013 that are considered new members as defined by the Public Employees’ Pension Reform Act (PEPRA) are participating in the PEPRA Miscellaneous Plan.

Benefits Provided – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, as discussed above. Members with five years of total service are eligible to retire at age 50 or 52 if in the PEPRA Miscellaneous Plan with statutorily reduced benefits. An optional benefit regarding sick leave is included in the District retirement contract with CalPERS. Any unused sick leave accumulated at the time of retirement will be converted to credited service at a rate of 0.004 years of service for each day of sick leave. All members are eligible for non-duty disability benefits after 10 years of service. The system also provides for the Optional Settlement 2W Death Benefit, as well as the 1959 Survivor Benefit. The cost of living adjustments for all plans are applied as specified by the Public Employees’ Retirement Law.

MONTECITO SANITARY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS

Note 8 – Defined Benefit Pension Plan (Continued)

The Plans' provisions and benefits in effect at June 30, 2022 and 2021 are summarized as follows:

	For the Year Ended June 30, 2022		For the Year Ended June 30, 2021	
	Miscellaneous Plan		Miscellaneous Plan	
	Prior to January 1, 2013	On or after January 1, 2013	Prior to January 1, 2013	On or after January 1, 2013
Hire date				
Benefit formula	2% @ 55	2% @ 62	2% @ 55	2% @ 62
Benefit vesting schedule	5 years of service	5 years of service	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life	monthly for life	monthly for life
Retirement age	50 - Minimum	52 - Minimum	50 - Minimum	52 - Minimum
Monthly benefits, as a % of eligible compensation	1.4% to 2.4%	1.0% to 2.5%	1.4% to 2.4%	1.0% to 2.5%
Required employee contribution rates	7.00%	6.75%	7.00%	6.75%
Required employer contribution rates	10.88%	7.59%	11.03%	7.73%

Contributions – Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Montecito Sanitary District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

The District's contribution to the Plan for the years ended June 30, 2022 and 2021 were \$351,901 and \$330,274, respectively. Of the total contributions made for the years ended June 30, 2022 and 2021, \$185,282 and \$155,631, respectively, were required contributions for the unfunded liability.

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

The District's net pension liability for all Plans is measured as the proportionate share of the net pension liability. As of June 30, 2022 and 2021, the District reported a liability of \$1,483,020 and \$2,541,896, respectively, for its proportionate shares of the net pension liability of all Plans. The net pension liability of all of the Plans is measured as of June 30, 2021, and the total pension liability for all Plans used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 using standard update procedures.

MONTECITO SANITARY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS

Note 8 – Defined Benefit Pension Plan (Continued)

The District’s proportion of the net pension liability was determined by CalPERS using the output from the Actuarial Valuation System and the fiduciary net position, as provided in the CalPERS Public Agency Cost-Sharing Allocation Methodology Report, which is a publicly available report that can be obtained at CalPERS’ website, at www.calpers.ca.gov. The District’s proportionate share of the net pension liability for all Plans with an actuarial valuation date of June 30, 2020 and 2019 (and measurement date of June 30, 2021 and 2020, respectively) were as follows:

For the Year Ended June 30, 2022	
	Miscellaneous
Proportion - June 30, 2021	0.06026%
Proportion - June 30, 2022	0.07810%
Change - Increase (Decrease)	0.01784%

For the Year Ended June 30, 2021	
	Miscellaneous
Proportion - June 30, 2020	0.05786%
Proportion - June 30, 2021	0.06026%
Change - Increase (Decrease)	0.00240%

For the years ended June 30, 2022 and 2021, the District recognized pension earnings (expense) of \$622,924 and \$503,247, respectively. At June 30, 2022 and 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	June 30, 2022		June 30, 2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 351,901	\$ -	\$ 330,274	\$ -
Differences between actual and expected experience	166,305	-	130,991	-
Changes in assumptions	-	-	-	(18,130)
Changes in employer’s proportion and difference between the employer’s contributions and the employer’s proportionate share of contributions	74,846	(37,017)	113,563	(40,873)
Net differences between projected and actual earnings on plan investments	-	(1,294,598)	75,511	-
	\$ 593,052	\$ (1,331,615)	\$ 650,339	\$ (59,003)

MONTECITO SANITARY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS

Note 8 – Defined Benefit Pension Plan (Continued)

Employer contributions of \$351,901 reported at June 30, 2022 as deferred outflows of resources related to contributions made subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. During the fiscal year ended June 30, 2022, \$330,274 of employer contributions that was reported in deferred outflows of resources at June 30, 2021 was recognized as a reduction to the net pension liability.

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

<u>Year Ended June 30:</u>	<u>Amount</u>
2023	\$ (207,854)
2024	(238,287)
2025	(286,563)
2026	(357,760)
2027	-
Thereafter	-
	<u>\$ (1,090,464)</u>

Actuarial Assumptions – The total pension liabilities in the June 30, 2020 and 2019 actuarial valuations were determined using the following actuarial assumptions:

	<u>For the Year Ended June 30, 2022</u>	<u>For the Year Ended June 30, 2021</u>
	<u>Miscellaneous</u>	<u>Miscellaneous</u>
Valuation Date	30-Jun-20	30-Jun-19
Measurement Date	30-Jun-21	30-Jun-20
Actual Cost Method	Entry-Age Normal Cost Method in accordance with the requirements of GASB Statement No. 68	Entry-Age Normal Cost Method in accordance with the requirements of GASB Statement No. 68
Actuarial Assumptions:		
Discount Rate	7.15%	7.15%
Inflation	2.50%	2.50%
Payroll Growth	2.75%	2.75%
Projected Salary Increase	Varies by entry age and service (1)	Varies by entry age and service (1)
Investment Rate of Return	7.15%	7.15%
Mortality	Derived using CalPERS' Membership Data for all Funds	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.5% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter	Contract COLA up to 2.5% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

MONTECITO SANITARY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS

Note 8 – Defined Benefit Pension Plan (Continued)

Change of Assumption – During the measurement periods ended June 30, 2021 and 2020 there were no changes of assumptions.

Discount Rate – The discount rate used to measure the total pension liability was 7.15% for the measurement periods ending June 30, 2021 and 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made a statutorily required rates, actuarially determined. Based on those assumptions, the Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Long-term Expected Rate of Return – The long-term expected rate of return on pension plan investments 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.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds’ asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The expected real rates of return by asset class are as follows:

Asset Class	For the Year Ended June 30, 2022			For the Year Ended June 30, 2021		
	Net Strategic Allocation	Real Return Years 1-10 (a)	Real Return Years 11+ (b)	Net Strategic Allocation	Real Return Years 1-10 (a)	Real Return Years 11+ (b)
Global Equity	50.00%	4.80%	5.98%	50.00%	4.80%	5.98%
Global Fixed Income	28.00%	1.00%	2.62%	28.00%	1.00%	2.62%
Inflation Sensitive	0.00%	0.77%	1.81%	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%	8.00%	6.30%	7.23%
Real Estate	13.00%	3.75%	4.93%	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%	1.00%	0.00%	-0.92%

(a) An expected inflation of 2.00% used for this period

(b) An expected inflation of 2.92% used for this period

MONTECITO SANITARY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS

Note 8 – Defined Benefit Pension Plan (Continued)

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents Montecito Sanitary District’s proportionate share of the net pension liability for all Plans, calculated using the discount rate for all Plans, as well as what Montecito Sanitary 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 or 1-percentage point higher than the current rate:

For the Year Ended June 30, 2022		For the Year Ended June 30, 2021	
Miscellaneous		Miscellaneous	
1% Decrease	6.15%	1% Decrease	6.15%
Net Pension Liability	\$ 2,877,171	Net Pension Liability	\$ 3,888,946
Current Discount Rate	7.15%	Current Discount Rate	7.15%
Net Pension Liability	\$ 1,483,020	Net Pension Liability	\$ 2,541,896
1% Increase	8.15%	1% Increase	8.15%
Net Pension Liability	\$ 330,496	Net Pension Liability	\$ 1,428,872

Pension Plan Fiduciary Net Position – Detailed information about all pension plan fiduciary net positions is available in the separately issued CalPERS financial reports.

Note 9 – Postemployment Health Care Benefits

Plan Description

For employees hired before July 1, 2010, the District provides retiree medical coverage to eligible current employees and one dependent as defined by the plan. Under the Plan, retired employees who attain age 55 with at least ten years of service are eligible to receive benefits until reaching age 65. The District pays 100% of the health insurance benefits’ monthly premium. The dependent of an eligible retiree is also eligible to receive benefits from this plan, and benefits continue until they are Medicare eligible or are no longer considered a dependent under the Patient Protection and Affordable Care Act (PPACA). When the retired employee reaches age 65 the retired employee and the dependent are no longer covered. In accordance with Montecito Sanitary District Board of Directors action taken on June 4, 2010, any employee hired by the District after July 1, 2010 is not eligible for postemployment health care benefits.

Employees Covered

As of the June 30, 2021 actuarial valuation, current and former employees that were covered by the benefit terms under the OPEB Plan are displayed in the table below:

Participating active employees	2
Inactive employees currently receiving benefits	2
Total	4

MONTECITO SANITARY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS

Note 9 – Postemployment Health Care Benefits (Continued)

Funding Policy

The contribution requirements of plan members and the District are established and may be amended by the District and its board of directors. The required contribution is based on projected pay-as-you-go financing requirements. Currently, the District has \$178,429 of designated net position set aside to be used to fund the postemployment health care obligation, and plans to set aside \$15,000 each July until adequate funds have been established. The District pays 100% of costs on behalf of the eligible participants.

Actuarial Assumptions

The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

	OPEB Plan
Actual Cost Method	Entry-Age Actuarial Cost Method in accordance with the requirements of GASB Statement No. 75
Actuarial Assumptions:	
Discount Rate	
Measurement Date - 2021	2.16%
Measurement Date - 2020	2.20%
Inflation	2.50%
Salary Increases (1)	2.75%
Investment Rate of Return	
Measurement Date - 2021	2.16%
Measurement Date - 2020	2.20%
Mortality	2009 CalPERS Active Mortality for Miscellaneous Employees; 2009 CalPERS Retiree Mortality for Miscellaneous Employees
Pre-Retirement Turnover	2009 CalPERS Turnover for Miscellaneous Employees
Healthcare Trend Rate	4% per year

(1) Benefits are not dependent upon salary

Discount Rate

The discount rate used to measure the total OPEB liability was 2.16%. The projection of cash flows used to determine the discount rate assumed that District contributions will be sufficient to fully fund the obligation over a period not to exceed 30 years. Based on those assumptions, the OPEB Plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

MONTECITO SANITARY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS

Note 9 – Postemployment Health Care Benefits (Continued)

Assumption Changes

The discount rate was decreased from 2.20% to 2.16% for the measurement period ending June 30, 2021. The discount rate was decreased from 3.50% to 2.20% for the measurement period ending June 30, 2020.

Changes in the Net OPEB Liability

The District accrued the net OPEB liability of \$588,459 and \$603,068 as of June 30, 2022 and 2021, which is included on the Statement of Net Position. The following table shows the components of the District’s annual OPEB cost for the year, the amount actually contributed to the plan, and the changes in the District’s net OPEB obligation for plan benefits for the years ended June 30, 2022 and 2021:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (a) - (b)
Balance at June 30, 2021 <i>(Measurement Date June 30, 2020)</i>	\$ 603,068	\$ -	\$ 603,068
Changes Recognized for the Measurement Period:			
Service cost	11,910	-	11,910
Interest on Total OPEB Liability	12,949	-	12,949
Contributions - Employer	-	32,379	(32,379)
Changes in Assumptions	1,408		1,408
Experience Gains/Losses	(8,497)		(8,497)
Benefit Payments & Refunds	(32,379)	(32,379)	-
Net Changes	(14,609)	-	(14,609)
Balance at June 30, 2022 <i>(Measurement Date June 30, 2021)</i>	\$ 588,459	\$ -	\$ 588,459

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the District if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2021.

Net OPEB Liability		
Current		
1% Decrease (1.16%)	Discount Rate (2.16%)	1% Increase (3.16%)
\$ 618,849	\$ 588,459	\$ 558,660

MONTECITO SANITARY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS

Note 9 – Postemployment Health Care Benefits (Continued)

The following presents the net OPEB liability of the District if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2021.

Net OPEB Liability		
Trend 1% Lower (3.0%)	Valuation Trend (4.0%)	Trend 1% Higher (5.0%)
\$ 541,261	\$ 588,459	\$ 641,365

Recognition of Deferred Outflows and Deferred Inflows of Resources

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense. The recognition period differs depending on the source of the gain or loss.

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

For the fiscal year ended June 30, 2022 and 2021, the District recognized OPEB expense of \$61,276 and \$80,527, respectively.

As of the fiscal year ended June 30, 2021 and 2020, the District reported deferred outflows of resources and deferred inflows or resources related to OPEB from the following sources:

	June 30, 2022		June 30, 2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	\$ 20,909	\$ -	\$ 12,116	\$ -
Differences between expected and actual experience	155,732	7,169	191,127	-
Changes in assumptions	114,577	1,252	139,160	1,914
Total	\$ 291,218	\$ 8,421	\$ 342,403	\$ 1,914

MONTECITO SANITARY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS

Note 9 – Postemployment Health Care Benefits (Continued)

At June 30, 2022, the District reported deferred outflows of resources of \$20,909 related to contributions made subsequent to the measurement date. This will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2023.

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

<u>Fiscal Year Ended June 30:</u>	<u>Amount</u>
2023	\$ 59,396
2024	59,468
2025	59,468
2026	60,648
2027	23,349
Thereafter	<u>(441)</u>
	<u>\$ 261,888</u>

Note 10 – Risk Management

Insurance

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disaster.

The District participates in the California Sanitation Risk Management Authority (CSRMA), which arranges for and provides general liability, property damage, workers' compensation and employee dishonesty liability insurance to its member agencies. The District pays a premium commensurate with the level of coverage requested.

Note 11 – Related Party Transaction

In May 2021, the District entered into an agreement for engineer services for the highway 101 sewer main crossing relocation with an estimated fee of \$177,900. In June 2021, a family member of the engineer providing services was hired by the District to serve in a management position. In September 2021, it was determined that there was not an independent member of management to oversee the engineering services and the contract was terminated. Total fees paid for services provided was \$66,297.

MONTECITO SANITARY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS

Note 12 – Commitments and Contingencies

In the ordinary course of conducting business, various legal matters may be pending, however, in the opinion of the District's management, the ultimate disposition of these matters will have no significant impact on the financial position of the District.

On September 9, 2021, a contract for engineering services to perform a recycled water feasibility analysis was entered into jointly with Montecito Water District. The cost will be shared equally. Fees under the service agreement are not to exceed \$439,860, with the District's share estimated at \$219,930. As of June 30, 2022, approximately \$205,553 was spent related to this project.

On September 23, 2021, the District entered into a contract for engineering services for the highway 101 sewer main crossing relocation with an estimated fee of \$194,127. As of June 30, 2022, approximately \$122,283 was spent related to this project.

Note 13 – Subsequent Events

Subsequent events have been evaluated through April 17, 2024, the date that the financial statements were available to be issued.

On November 17, 2021, the results to the joint request of the District and SEIU Local 620 to conduct a card/petition cross-check election was provided. It was determined that the petitioning employee organization met or exceeded the majority designation to form a unit. The agreement was completed February 2023.

On September 7, 2024, the District entered into an agreement for engineering design and support services with an estimate fee of \$538,000 for the protective measures of District facilities project due to January 2023 storm damage.

The District applied for grant funds from the State Water Resources Control Board for reimbursements related to storm damage and was approved for amounts totaling approximately \$219,000.

REQUIRED SUPPLEMENTARY INFORMATION

**MONTECITO SANITARY DISTRICT
A COST-SHARING MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN
LAST 10 YEARS***

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF MONTECITO SANITARY DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY**

	As of June 30,							
	2022	2021	2020	2019	2018	2017	2016	2015
Valuation date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013
Measurement date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Proportion of the net pension liability	0.0274%	0.0234%	0.0226%	0.0217%	0.0214%	0.0208%	0.0190%	0.0198%
Proportionate share of the net pension liability	\$ 1,483,019	\$ 2,541,896	\$ 2,317,190	\$ 2,094,365	\$ 2,122,293	\$ 1,801,193	\$ 1,307,464	\$ 1,229,008
Covered payroll	\$ 1,754,587	\$ 1,899,486	\$ 1,854,359	\$ 1,729,391	\$ 1,669,379	\$ 1,534,968	\$ 1,450,789	\$ 1,065,779
Proportionate share of the net pension liability as percentage of covered payroll	84.52%	133.82%	124.96%	121.10%	127.13%	117.34%	90.12%	115.32%
Plan fiduciary net position as a percentage of the total pension liability	85.96%	74.89%	76.07%	77.09%	75.88%	77.39%	82.57%	83.46%

Notes to Schedule:

Benefit changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2021 measurement date.

Net Pension liability as a percentage of covered payroll demonstrates the relative size of the unfunded liability by expressing it in terms of current personnel expenditures.

* Fiscal year 2015 was the 1st year of implementation.

**MONTECITO SANITARY DISTRICT
A COST-SHARING MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN
LAST 10 YEARS***

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF MONTECITO SANITARY DISTRICT'S CONTRIBUTIONS**

	As of June 30,							
	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution (actuarially determined)	\$ 351,901	\$ 330,274	\$ 316,708	\$ 271,498	\$ 227,170	\$ 207,913	\$ 181,148	\$ 140,543
Contributions in relation to the actuarially determined contributions	\$ 351,901	\$ 330,274	\$ 316,708	\$ 271,498	\$ 227,170	\$ 207,913	\$ 181,148	\$ 140,543
Contribution deficiency (excess)	-	-	-	-	-	-	-	-
Covered payroll	\$ 1,691,839	\$ 1,754,587	\$ 1,899,486	\$ 1,854,359	\$ 1,729,391	\$ 1,669,379	\$ 1,534,968	\$ 1,450,789
Contributions as a percentage of covered payroll	20.80%	18.82%	16.67%	14.64%	13.14%	12.45%	11.80%	9.69%

Notes to Schedule:

The actuarial methods and assumptions used to set the actuarially determined contributions for the fiscal year 2021-2022 were derived from the June 30, 2019 funding valuation report.

* Fiscal year 2015 was the 1st year of implementation.

**MONTECITO SANITARY DISTRICT
OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
LAST 10 YEARS***

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability:					
Service cost	\$ 11,910	\$ 12,060	\$ 9,315	\$ 9,066	\$ 8,823
Interest on the total OPEB liability	12,949	7,963	7,008	7,686	7,668
Experience gain/losses	-	223,364	10,132	-	-
Assumption changes	(7,089)	139,371	29,554	(3,900)	-
Benefit payments	<u>(32,379)</u>	<u>(1,752)</u>	<u>(27,416)</u>	<u>(34,210)</u>	<u>(32,894)</u>
Net change in total OPEB liability	(14,609)	381,006	28,593	(21,358)	(16,403)
Total OPEB liability - beginning	<u>603,068</u>	<u>222,062</u>	<u>193,469</u>	<u>214,827</u>	<u>231,230</u>
Total OPEB liability - ending (a)	<u>\$ 588,459</u>	<u>\$ 603,068</u>	<u>\$ 222,062</u>	<u>\$ 193,469</u>	<u>\$ 214,827</u>
Fiduciary Net Position					
Employer contributions	\$ 32,379	\$ 1,752	\$ 20,936	\$ 34,210	\$ 32,894
Net investment income	-	-	-	-	-
Administrative expense	-	-	-	-	-
Benefit payments	<u>(32,379)</u>	<u>(1,752)</u>	<u>(20,936)</u>	<u>(34,210)</u>	<u>(32,894)</u>
Net change in fiduciary net position	-	-	-	-	-
Total fiduciary net position- beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fiduciary net position - ending (b)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net OPEB asset - ending (a) - (b)	\$ 588,459	\$ 603,068	\$ 222,062	\$ 193,469	\$ 214,827
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%
Covered - employee payroll	\$ 296,004	\$ 426,005	\$ 408,782	\$ 397,821	\$ 384,664
Net OPEB liability as a percentage of covered-employee payroll	198.80%	141.56%	54.32%	48.63%	55.85%
Measurement date	06/30/21	06/30/20	06/30/19	06/30/18	06/30/17
Valuation date	06/30/20	06/30/20	06/30/18	06/30/17	06/30/17

Notes to Schedule:

* Historical information is required only for measurement periods for which GASB 75 is applicable.

Future year's information will be displayed up to 10 years as information becomes available.

OTHER INFORMATION

**MONTECITO SANITARY DISTRICT
BOARD OF DIRECTORS**

<u>NAME</u>	<u>POSITION</u>	<u>TERM EXPIRES</u>
Dorinne Lee Johnson	President	December 2024
Woody Barrett	Vice President	December 2022
Dana Newquist	Secretary	December 2022
Donald Eversoll	Treasurer	December 2024
Phillip Hogan	Director	December 2022

SUPPLEMENTARY INFORMATION

MONTECITO SANITARY DISTRICT
STATEMENT OF OPERATING EXPENSES - BY DEPARTMENT
For the Fiscal Year Ended June 30, 2022

	<u>Collection</u>	<u>Treatment</u>	<u>Disposal</u>	<u>Administrative</u>	<u>2022</u>	<u>2021</u>
Salaries and Benefits:						
Salaries	\$ 499,397	\$ 715,114	\$ -	\$ 538,709	\$ 1,753,220	\$ 1,908,867
Stand-by pay	16,425	16,380	-	-	32,805	31,275
Overtime	2,825	3,447	-	-	6,272	12,345
Retirement contribution	217,797	239,350	-	234,730	691,877	589,359
Payroll tax	39,025	42,504	-	53,995	135,524	145,669
Group insurance	78,661	133,799	-	145,197	357,657	431,679
Total Salaries and Benefits	854,130	1,150,594	-	972,631	2,977,355	3,119,194
Supplies and Services:						
Insurance	38,995	54,138	-	10,425	103,558	68,081
Maintenance	108,833	404,547	-	5,366	518,746	418,063
Operating supplies	2,589	3,197	-	994	6,780	9,700
Office supplies	2,356	2,254	-	8,696	13,306	12,700
Memberships	819	1,823	-	32,511	35,153	40,912
Employee/Community goodwill	0	-	-	1,506	1,506	2,182
Miscellaneous	-	486	-	-	486	32,755
Office expense	79	32	-	1,057	1,168	1,167
Legal services	-	-	-	66,143	66,143	90,805
Consulting services	-	-	-	29,237	29,237	29,607
NPDES permit expenses	-	30,588	-	-	30,588	40,278
Other professional services	17,903	-	-	97,910	115,813	224,629
Administrative fees	4,823	1,943	-	21,424	28,190	27,784
Research and monitoring	-	30,348	-	-	30,348	22,828
Contract services	42,508	26,616	65,779	5,044	139,947	186,001
Publications and notices	-	-	-	4,167	4,167	3,232
Minor equipment purchases	9,111	4,450	-	18,142	31,703	36,863
Training and safety	4,465	13,414	-	1,628	19,507	20,345
Travel and meeting costs	90	2,407	-	472	2,969	5
Fuel and oil	11,596	6,981	-	-	18,577	18,366
Utilities and telephone	46,847	142,031	-	15,966	204,844	213,238
Special projects	-	-	-	17,166	17,166	50,071
Depreciation	701,593	526,591	8,072	6,988	1,243,244	1,228,291
Total Supplies and Services	992,607	1,251,846	73,851	344,842	2,663,146	2,777,903
Totals, June 30, 2022	\$ 1,846,737	\$ 2,402,440	\$ 73,851	\$ 1,317,473	\$ 5,640,501	
Totals, June 30, 2021	\$ 2,075,985	\$ 2,358,547	\$ 63,393	\$ 1,399,172		\$ 5,897,097

MONTECITO SANITARY DISTRICT
SCHEDULE OF OPERATING EXPENSES - BY DEPARTMENT
For the Fiscal Year Ended June 30, 2021

	<u>Collection</u>	<u>Treatment</u>	<u>Disposal</u>	<u>Administrative</u>	<u>2021</u>	<u>2020</u>
Salaries and Benefits:						
Salaries	\$ 596,806	\$ 766,218	\$ -	\$ 545,843	\$ 1,908,867	\$ 2,025,772
Stand-by pay	15,300	15,975	-	-	31,275	32,940
Overtime	6,517	5,828	-	-	12,345	4,040
Retirement contribution	224,576	201,950	-	162,833	589,359	661,235
Payroll tax	52,558	53,236	-	39,875	145,669	147,071
Group insurance	144,121	128,841	-	158,717	431,679	407,054
Total Salaries and Benefits	<u>1,039,878</u>	<u>1,172,048</u>	<u>-</u>	<u>907,268</u>	<u>3,119,194</u>	<u>3,278,112</u>
Supplies and Services:						
Insurance	34,867	40,205	-	(6,991)	68,081	67,965
Maintenance	132,596	280,934	-	4,533	418,063	426,175
Operating supplies	3,437	6,061	-	202	9,700	10,056
Office supplies	2,792	2,309	-	7,599	12,700	12,267
Memberships	1,495	2,179	-	37,238	40,912	39,772
Employee/Community goodwill	71	-	-	2,111	2,182	712
Miscellaneous	-	32,755	-	-	32,755	8,151
Office expense	223	269	-	675	1,167	2,320
Legal services	-	-	-	90,805	90,805	30,721
Consulting services	-	-	-	29,607	29,607	28,249
NPDES permit expenses	-	40,278	-	-	40,278	51,504
Other professional services	14,273	-	-	210,356	224,629	87,706
Administrative fees	5,048	1,899	-	20,837	27,784	24,686
Research and monitoring	-	22,828	-	-	22,828	27,155
Contract services	84,250	41,808	55,321	4,622	186,001	165,087
Publications and notices	-	-	-	3,232	3,232	436
Minor equipment purchases	16,809	5,372	-	14,682	36,863	31,053
Training and safety	5,044	13,139	-	2,162	20,345	23,970
Travel and meeting costs	-	(55)	-	60	5	5,352
Fuel and oil	9,899	8,467	-	-	18,366	13,777
Utilities and telephone	42,010	155,494	-	15,734	213,238	189,841
Special projects	-	-	-	50,071	50,071	88,844
Depreciation	683,293	532,557	8,072	4,369	1,228,291	1,218,813
Total Supplies and Services	<u>1,036,107</u>	<u>1,186,499</u>	<u>63,393</u>	<u>491,904</u>	<u>2,777,903</u>	<u>2,554,612</u>
Totals, June 30, 2021	<u>\$ 2,075,985</u>	<u>\$ 2,358,547</u>	<u>\$ 63,393</u>	<u>\$ 1,399,172</u>	<u>\$ 5,897,097</u>	
Totals, June 30, 2020	<u>\$ 1,934,291</u>	<u>\$ 2,480,324</u>	<u>\$ 58,000</u>	<u>\$ 1,360,109</u>		<u>\$ 5,832,724</u>



April 17, 2024

Board of Directors
Montecito Sanitary District
1042 Monte Cristo Lane
Santa Barbara, CA 93108

To the Board of Directors:

We are pleased to present this letter related to our audit of the financial statements of the Montecito Sanitary District (the District) for the year ended June 30, 2022. This letter is to inform the Board of Directors about significant matters related to the conduct of the annual audit, so that it can appropriately discharge its oversight responsibility and we can comply with our professional responsibilities.

Auditing standards generally accepted in the United States of America (AU-C 260, *The Auditor's Communication With Those Charged With Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

Our Responsibilities With Regard to the Financial Statement Audit

Our responsibilities under auditing standards generally accepted in the United States of America have been described to you in our arrangement letter dated June 20, 2022. Our audit of the financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.

Overview of the Planned Scope and Timing of the Financial Statement Audit

We have issued a separate communication dated October 8, 2022 regarding the planned scope and timing of our audit and identified significant risks.

Significant Accounting Practices, Including Policies, Estimates and Disclosures

The following is a list of the matters, including the significant estimates, which you may wish to monitor for your oversight responsibilities of the financial reporting process:

Preferability of Accounting Policies and Practices

Under generally accepted accounting principles, in certain circumstances, management may select among alternative accounting practices. In our view, in such circumstances, management has selected the preferable accounting practice.

Adoption of, or Change in, Accounting Policies

Management has the ultimate responsibility for the appropriateness of the accounting policies used by the District. The District did not adopt any significant new accounting policies, nor have there been any changes in existing significant accounting policies during the current period.

Significant Accounting Policies

We did not identify any significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Unusual Transactions

We did not identify any significant unusual transactions.

Management's Judgments and Accounting Estimates

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events and certain assumptions about future events. You may wish to monitor throughout the year the process used to determine and record these accounting estimates. The following describes the significant accounting estimates reflected in the District's financial statements:

Depreciation

Depreciation of fixed assets is taken on a straight-line basis over the expected life of each fixed asset. This method meets the generally accepted accounting principles requirement of being systematic and rational.

Other Post-Employment Benefits

The cost of Other Post-Employment Benefits is calculated based on the annual required contribution of the employer. This amount is calculated by an actuary in accordance with the parameters of GASB Statement No. 75.

Net Pension Liability

In accordance with GASB Statement No. 68, each participating cost-sharing employer is required to report its proportionate share of the collective net pension liability, pension expense, and deferred outflows/inflows of resources. CalPERS actuaries calculated these amounts in accordance with the parameters of GASB 68.

Audit Adjustments and Uncorrected Misstatements

For purposes of this letter, professional standards define a significant audit adjustment as a proposed correction of the financial statements that, in our judgment, may not have been detected except through our auditing procedures.

Adjustments recorded after the initial trial balance was provided are attached to this letter.

We are not aware of any uncorrected misstatements other than misstatements that are clearly trivial.

Other Information Included in Annual Reports

Our responsibility for other information included in annual reports is to read the information and consider whether its content or the manner of its presentation is materially inconsistent with the financial information covered by our auditor's report, whether it contains a material misstatement of fact or whether the other information is otherwise misleading. We read the District's Schedule of Operating Expenses – By Department. We did not identify material inconsistencies with the audited financial statements.

Observations About the Audit Process

Disagreements with Management

We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit, or significant disclosures to be included in the financial statements.

Consultations with Other Accountants

We are not aware of any consultations management had with other accountants about accounting or auditing matters.

Significant Issues Discussed with Management

No significant issues arising from the audit were discussed or were the subject of correspondence with management.

Significant Difficulties Encountered in Performing the Audit

We did not encounter any difficulties in dealing with management during the audit. Some information was not available in a timely manner which resulted in delay of completion of the audit.

Difficult or Contentious Matters That Required Consultation

We did not encounter any significant and difficult or contentious matters that required consultation outside the engagement team.

Internal Control Matters

We have separately communicated any internal control matters identified during our audit of the financial statements in a separate letter dated April 17, 2024.

Significant Written Communications Between Management and Our Firm

In conjunction with the audit of the financial statements, we have been provided a letter of certain representations from management dated April 17, 2024.

Conclusion

This report is intended solely for the information and use of the Board of Directors and management and is not intended to be and should not be used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have about this report. We appreciate the opportunity to continue to be of service to Montecito Sanitary District.

Very truly yours,

Bartlett, Pringle & Wolf, LLP

BARTLETT, PRINGLE & WOLF, LLP
Certified Public Accountants and Consultants

Prepared by	1st Review	2nd Review
KLH 6/22/2023		

Number	Date	Name	Account No	Reference	Debit	Credit	Recurrence	Misstatement
1	6/30/2022	DEF PENSION OUTFLOW:GENRL	1975-00	6359		57,287.00		
1	6/30/2022	NET PENSION LIABILIT:GENRL	2750-00	6359	1,058,876.00			
1	6/30/2022	DEF PENSION INFLOWS:GENRL	2775-00	6359		1,272,612.00		
1	6/30/2022	PERS CONTRIBUTION: ADMIN	6400-10	6359	271,023.00			
1	6/30/2022	PERS CONTRIBUTION: ADMIN	6400-10	6359		177,533.00		
1	6/30/2022	PERS CONTRIBUTION: COLL	6400-20	6359	84,919.00			
1	6/30/2022	PERS CONTRIBUTION: TREAT	6400-40	6359	92,614.00			
Entry to record CalPERS current year entry and re-allocate expense between admin, collection and treatment based on the original percentage allocation of the unadjusted account balances.								
2	6/30/2022	ALLOWANCE FOR DEPRECIATION	1899-00	5513. 6		1,243,244.00		
2	6/30/2022	DEPRECIATION: ADMIN	7800-10	5513. 6	6,988.00			
2	6/30/2022	DEPRECIATION: COLL	7800-20	5513. 6	272,580.00			
2	6/30/2022	DEPRECIATION: DISP	7800-30	5513. 6	8,072.00			
2	6/30/2022	DEPRECIATION: TREAT	7800-40	5513. 6	526,591.00			
2	6/30/2022	DEPRECIATION - SUBSURFACE	7800-50	5513. 6	429,013.00			
PBC Entry: To record depreciation expense								
4	6/30/2022	BOND DELIVERY COSTS - BNY	1103-00	6002	655,000.00			
4	6/30/2022	OTHER ACCRUED EXPENSES	2030-00	6002		138,850.00		
4	6/30/2022	2017 SEWER REFUNDING REVENUE BONDS	2710-00	6002		655,000.00		
4	6/30/2022	DEBT SERVICE PMT - COPs	7105-00	6002	138,850.00			
To accrue debt service payment								
5	6/30/2022	BOND PREM - 2017 REFUNDING BONDS	2720-00	6001	74,088.00			
5	6/30/2022	INTEREST EXPENSE - ADMIN	7100-10	6001		74,088.00		
To amortize 2017 bond premium								
6	6/30/2022	DEF COP INFLOWS:2007 COP PREMIUM	2780-00	6004	8,200.00			
6	6/30/2022	INTEREST EXPENSE - ADMIN	7100-10	6004		8,200.00		
To amortize 2007 bond premium								
7	6/30/2022	ACCRUED SALARIES	2010-00			19,659.00		
7	6/30/2022	PERS - PEPPA EMPLOYEE PMT	2206-00			594.00		
7	6/30/2022	DEFERRED COMP PLAN - #457	2500-00			462.00		
7	6/30/2022	REGULAR SALARIES: ADMIN	6100-10		6,175.00			
7	6/30/2022	REGULAR SALARIES: COLL	6100-20		4,745.00			
7	6/30/2022	REGULAR SALARIES: TREAT	6100-40		7,961.00			
7	6/30/2022	AUTO ALLOWANCE:COLL	6108-20		8.00			
7	6/30/2022	AUTO ALLOWANCE:COLL	6108-20			8.00		
7	6/30/2022	STANDBY PAY: COLL	6270-20		180.00			
7	6/30/2022	STANDBY PAY: TREAT	6270-40		180.00			
7	6/30/2022	FICA CONTRIBUTION: ADMIN	6500-10		383.00			
7	6/30/2022	FICA CONTRIBUTION: COLL	6500-20		350.00			
7	6/30/2022	FICA CONTRIBUTION: TREAT	6500-40		461.00			
7	6/30/2022	MEDI-CARE CONTRIBUTION: ADMIN	6510-10		90.00			
7	6/30/2022	MEDI-CARE CONTRIBUTION: COLL	6510-20		82.00			
7	6/30/2022	MEDI-CARE CONTRIBUTION: TREAT	6510-40		108.00			
To record 4 days of accrued payroll for pay period 6/27/22 - 7/10/22								
10	6/30/2022	CONSTRUCTION IN PROGRESS	1910-00		11,059.00			
10	6/30/2022	ACCOUNTS PAYABLE	2000-00			11,059.00		
PBC Entry: to accrue payables related to FY 21-22								
11	6/30/2022	LONG TERM ACCRUED VAC/SICK	2600-00			72,834.00		
11	6/30/2022	REGULAR SALARIES: ADMIN	6100-10		6,033.00			
11	6/30/2022	REGULAR SALARIES: COLL	6100-20		19,493.00			

Prepared by	1st Review	2nd Review
KLH 6/22/2023		

Number	Date	Name	Account No	Reference	Debit	Credit	Recurrence	Misstatement	
11	6/30/2022	REGULAR SALARIES: TREAT	6100-40		47,308.00				
		PBC Entry: to record accrued vacation/sick leave for FY 21-22							
13	6/30/2022	LONG TERM ACCRUED VAC/SICK	2600-00		68,768.00				
13	6/30/2022	REGULAR SALARIES: ADMIN	6100-10			14,406.00			
13	6/30/2022	REGULAR SALARIES: COLL	6100-20			12,825.00			
13	6/30/2022	REGULAR SALARIES: TREAT	6100-40			41,537.00			
		To correct accrued sick pay balance to align with MSD policy							
14	6/30/2022	OPERATING CASH (MBT)	1125-00		12,968.00				
14	6/30/2022	CIP CASH (MBT)	1135-00			12,968.00			
14	6/30/2022	CONSTRUCTION IN PROGRESS	1910-00		12,968.00				
14	6/30/2022	INSPECTION FEES	5433-00			12,968.00			
		PBC Entry: To adjust inspection fees							
15	6/30/2022	DEF OPEB OUTFLOWS:GENRL	1985-00	6359	250,418.00				
15	6/30/2022	DEF OPEB OUTFLOWS:GENRL	1985-00	6359		301,603.00			
15	6/30/2022	RETIREE MEDICAL LIABILITY	2210-00	6359	14,609.00				
15	6/30/2022	DEF OPEB INFLOWS:GENRL	2776-00	6359		328,373.00			
15	6/30/2022	DEF OPEB INFLOWS:GENRL	2776-00	6359	321,866.00				
15	6/30/2022	RETIREE MEDICAL BENE:ADMIN	6605-10	6359	84,255.00				
15	6/30/2022	RETIREE MEDICAL BENE:ADMIN	6605-10	6359		20,263.00			
15	6/30/2022	RETIREE MEDICAL BENE:COLL	6605-20	6359		20,909.00			
15	6/30/2022	RETIREE MEDICAL BENE:COLL	6605-20	6359					
		Entry to record OPEB activity for the year							
16	6/30/2022	ACCRUED INTEREST RECEIVABLE	1250-00	7013	26,021.00				
16	6/30/2022	ACCRUED INTEREST RECEIVABLE	1250-00	7013	3,786.00				
16	6/30/2022	INTEREST EARNED	3380-00	7013		26,021.00			
16	6/30/2022	INTEREST EARNED	3380-00	7013		3,786.00			
		To accrue 4th quarter interest receivable for SB County and LAIF							
18	6/30/2022	COUNTY - FMV ADJUSTMENT	1111-00	5011		5,397.00			
18	6/30/2022	COUNTY - FMV ADJ	1111-01	5011		4,055.00			
18	6/30/2022	COUNTY - FMV ADJ	1111-02	5011		113.00			
18	6/30/2022	GASB 31 ADJUSTMENT	5750-00	5011	5,397.00				
18	6/30/2022	GASB 31 ADJUSTMENT	5750-00	5011	4,055.00				
18	6/30/2022	GASB 31 ADJUSTMENT	5750-00	5011	113.00				
		PBC Entry: To adjust County FMV accounts to YE actual.							
								Factual	
19	6/30/2022	LAIF - FMV ADJUSTMENT	1101-00	5010		26,199.00			
19	6/30/2022	GASB 31 ADJUSTMENT	5750-00	5010	26,199.00				
		Entry for LAIF FMV adjustment							
								Factual	
					4,562,853.00	4,562,853.00			
Net Income (Loss)			1,722,788.00						



April 17, 2024

Board of Directors
Montecito Sanitary District
1042 Monte Cristo Lane
Santa Barbara, CA 93108

To the Board of Directors:

In planning and performing our audit of the financial statements of the Montecito Sanitary District for the year ended June 30, 2022, in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified deficiencies in internal control that we consider to be a be significant deficiencies.

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

Status of Prior Year Comments

The following comments were communicated to you in the prior year letter dated December 9, 2021.

Significant Deficiencies

Accrued Liabilities

Original Comment

- During our search for unrecorded liabilities, we noted exceptions in which invoices relating to services performed prior to the year-end date were not recorded as payables and the expenses in the proper period. It was noted that batches were sorted by proper period, however were not posted accordingly. Proper cutoff is critical for the accuracy of the accrual basis of accounting. We suggest that procedures be implemented at year-end to record expenses in the period incurred, regardless of when they are paid.
- During our review of the accrued schedule of compensated absences, we noted that the District policy includes varying benefits depending on employee hire date which was not appropriately reflected in the calculation. We suggest the District implement procedures to accurately track and accrue compensated absences by employee based on the benefits they receive upon separation from employment. By doing this, the Company will be assured that sufficient records are maintained to record the required accrual for employee compensated absences.

Current Year Status

- During the current audit, we noted no exceptions during our search for unrecorded liabilities testing and transactions appeared to be recorded in the appropriate period.
- During the current audit, it was noted that compensated absences liability included accrued sick leave for ineligible employees which resulted in an adjustment to accrued vacation. We continue to recommend the District implement procedures to accurately track and accrue compensated absences to record the required accrual for employee compensated absences.

Capital Asset Tracking

Original Comment

The District currently maintains its capital assets in Excel to track and calculate depreciation expense. The spreadsheet requires formulas to be manually updated each year. During our audit, we noted certain formulas had not been updated which resulted in an adjustment to depreciation expense. We recommend the completed schedule be reviewed by a person independent of the preparation function to strengthen oversight and ensure accuracy and completeness.

Current Year Status

During the current audit, we noted formulas had been properly updated and appeared to be accurate and complete.

Conclusion

This communication is intended solely for the information and use of the Board of Directors, management, and others within the District, and is not intended to be and should not be used by anyone other than these specified parties. This letter does not affect our report dated April 17, 2024 on the financial statements of the Montecito Sanitary District.

Very truly yours,

Bartlett, Pringle & Wolf, LLP

BARTLETT, PRINGLE & WOLF, LLP

Certified Public Accountants and Consultants

Balance Sheet

As of: 6/30/2024
Accounting Period: CLOSED

Selection Criteria: Fund = 5100

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

Fund 5100 -- Montecito San Dist-Running Exp

	Beginning Balance 7/1/2023	Year-To-Date Debits	Year-To-Date Credits	Ending Balance 6/30/2024
Assets & Other Debits				
Assets				
0110 -- Cash in Treasury	10,101,189.92	14,887,858.18	13,699,250.09	11,289,798.01
0240 -- Interest Receivable	57,814.20	271,124.65	237,917.22	91,021.63
Total Assets	10,159,004.12	15,158,982.83	13,937,167.31	11,380,819.64
Total Assets & Other Debits	10,159,004.12	15,158,982.83	13,937,167.31	11,380,819.64
Liabilities, Equity & Other Credits				
Liabilities				
1015 -- EFT Payable	0.00	4,250,000.00	4,250,000.00	0.00
1210 -- Accounts Payable	0.00	4,250,000.00	4,250,000.00	0.00
1332 -- Due To Others	10,159,004.12	13,699,250.09	14,921,065.61	11,380,819.64
Total Liabilities	10,159,004.12	22,199,250.09	23,421,065.61	11,380,819.64
Total Liabilities, Equity & Other Credits	10,159,004.12	22,199,250.09	23,421,065.61	11,380,819.64

Balance Sheet

As of: 6/30/2024
Accounting Period: CLOSED

Selection Criteria: Fund = 5101

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

Fund 5101 -- Montecito San Capital Replmnt

	Beginning Balance 7/1/2023	Year-To-Date Debits	Year-To-Date Credits	Ending Balance 6/30/2024
Assets & Other Debits				
Assets				
0110 -- Cash in Treasury	5,207,841.27	1,382,157.50	2,600,000.00	3,989,998.77
0240 -- Interest Receivable	29,172.45	102,509.87	109,058.65	22,623.67
Total Assets	5,237,013.72	1,484,667.37	2,709,058.65	4,012,622.44
Total Assets & Other Debits	5,237,013.72	1,484,667.37	2,709,058.65	4,012,622.44
Liabilities, Equity & Other Credits				
Liabilities				
1015 -- EFT Payable	0.00	2,600,000.00	2,600,000.00	0.00
1210 -- Accounts Payable	0.00	2,600,000.00	2,600,000.00	0.00
1332 -- Due To Others	5,237,013.72	2,600,000.00	1,375,608.72	4,012,622.44
Total Liabilities	5,237,013.72	7,800,000.00	6,575,608.72	4,012,622.44
Total Liabilities, Equity & Other Credits	5,237,013.72	7,800,000.00	6,575,608.72	4,012,622.44

Balance Sheet

As of: 6/30/2024
Accounting Period: CLOSED

Selection Criteria: Fund = 5102

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

Fund 5102 -- Montecito San Retiree Med Ben

	Beginning Balance 7/1/2023	Year-To-Date Debits	Year-To-Date Credits	Ending Balance 6/30/2024
Assets & Other Debits				
Assets				
0110 -- Cash in Treasury	186,844.67	4,363.42	0.00	191,208.09
0240 -- Interest Receivable	996.23	4,729.66	4,363.42	1,362.47
Total Assets	187,840.90	9,093.08	4,363.42	192,570.56
Total Assets & Other Debits	187,840.90	9,093.08	4,363.42	192,570.56
Liabilities, Equity & Other Credits				
Liabilities				
1332 -- Due To Others	187,840.90	0.00	4,729.66	192,570.56
Total Liabilities	187,840.90	0.00	4,729.66	192,570.56
Total Liabilities, Equity & Other Credits	187,840.90	0.00	4,729.66	192,570.56

California State Treasurer *Fiona Ma, CPA*



Local Agency Investment Fund
P.O. Box 942809
Sacramento, CA 94209-0001
(916) 653-3001

July 22, 2024

[LAIF Home](#)
[PMIA Average Monthly Yields](#)

MONTECITO SANITARY DISTRICT

GENERAL MANAGER
1042 MONTE CRISTO LANE
SANTA BARBARA, CA 93108

[Tran Type Definitions](#)

Account Number: 70-42-004

June 2024 Statement

Account Summary




Total Deposit:	0.00	Beginning Balance:	502.95
Total Withdrawal:	0.00	Ending Balance:	502.95

MB&T Service Center
6950 Hollister Ave Suite 102
Goleta, CA 93117

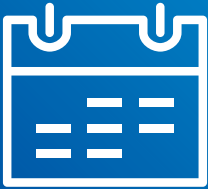
RETURN SERVICE REQUESTED

MONTECITO SANITARY DISTRICT
"OPERATING ACCOUNT"
1042 MONTE CRISTO LN
SANTA BARBARA CA 93108-2809

How can we help you?

	Phone	(800) 348-0146
	Mail	P.O. Box 2460 Santa Barbara, CA 93120-2460
	Online	https://montecito.bank

SCHEDULE OF FEES & CHARGES CHANGE NOTICE



Some of our fees will be changing **effective August 15, 2024**. Please see the **Schedule of Fees & Charges Change Notice** for a list of all the changes. If you have any questions, please call our Service Center at **(805) 963-7511**, Monday–Friday, 8am–6pm.

Summary of Accounts

Account Type	Account Number	Ending Balance
Business Analysis Checking	XXXXXXXX6796	\$2,137,934.10

Business Analysis Checking-XXXXXXXX6796

Account Summary

Date	Description	Amount
06/01/2024	Beginning Balance	\$2,518,731.74
	3 Credit(s) This Period	\$43,774.36
	96 Debit(s) This Period	\$424,572.00
06/28/2024	Ending Balance	\$2,137,934.10

Electronic Credits

Date	Description	Amount
06/03/2024	ALLPAID EDI/EFTPMT 193	\$3,305.00
06/14/2024	ALLPAID EDI/EFTPMT 182	\$14,325.00
06/27/2024	ALLPAID EDI/EFTPMT 189	\$26,144.36





Important Information Regarding Your Ready Cash Reserve Account and Other Open-End (Not Home Secured) Lines of Credit

We figure the INTEREST CHARGE on your account by applying the periodic rate to the "daily balance" of your account for each day in the billing cycle. To get the "daily balance", we take the beginning balance of your account each day, add any new advances, and subtract any payments or credits. This gives us the daily balance.

Please Examine this Statement and Any Enclosed Items At Once. If No Error is Reported Within 30 days, This Statement Will Be Considered Correct. All Items Credited Subject to Final Payment.

CHECKING ACCOUNT

How to balance your checkbook:

1. Subtract the monthly service charge and any other charges not previously deducted from your checkbook balance.
2. Add to your checkbook balance each Line of Credit Deposit, Automatic Deposit and any interest paid.
3. List and total the amount of all deposits entered in your checkbook that are not shown on the statement provided for "Deposits Not Credited".
4. Compare and check off each paid check against your checkbook record. List and total all checks you have not checked off in the space provided for "Checks Outstanding".
5. Perform the indicated steps in the "Statement Reconciliation" section.

If your checkbook and bank statement do not balance:

- Review last month's reconciliation to make sure any differences were corrected.
- Check additions and subtractions in your checkbook. Compare the amount of each check and deposit with the amount recorded in your checkbook and on this statement.
- Make sure all outstanding checks have been recorded under "Checks Outstanding".
- Make sure that each paid check listed on your statement has been recorded in your checkbook
- Make sure that all electronic funds transfer transactions (if any) are listed.

Deposits Not Credited	
Date	Amount
Total	\$

Checks Outstanding	
Date	Amount
Total	\$

Statement Reconciliation	
Statement Ending Balance	\$
Add:	
Deposits Not Credited	+ \$
Sub Total	\$
Subtract:	
Checks Outstanding	\$
Total:	
Should Agree With Your Checkbook Balance	\$

Business Analysis Checking-XXXXXXXX6796 (continued)

Other Debits

Date	Description	Amount
06/12/2024	PAYCHEX TPS TAXES 07736900000484X	\$27,505.69
06/12/2024	PAYCHEX INC. PAYROLL 07734100010041X	\$60,693.78
06/14/2024	EXPERTPAY EXPERTPAY XXXXX2192	\$480.00
06/20/2024	PAYCHEX-OAB INVOICE 07801600019079X	\$136.40
06/26/2024	EMPOWER EMPOWER 170030075798	\$200.00
06/26/2024	1946207465 1900 XXXXXX7425 100000017584083	\$985.00
06/26/2024	1946207465 3100 XXXXXX7425 100000017537100	\$6,385.58
06/26/2024	1946207465 3100 XXXXXX7425 100000017537140	\$7,375.07
06/26/2024	PAYCHEX TPS TAXES 07895800001743X	\$26,716.33
06/26/2024	PAYCHEX INC. PAYROLL 07892300008534X	\$56,369.64
06/28/2024	EXPERTPAY EXPERTPAY XXXXX2192	\$480.00
06/28/2024	1946207465 3100 XXXXXX7425 100000017537120	\$6,385.58
06/28/2024	1946207465 3100 XXXXXX7425 100000017537160	\$7,419.88

Checks Cleared

Check Nbr	Date	Amount	Check Nbr	Date	Amount	Check Nbr	Date	Amount
29203	06/25/2024	\$4,180.00	29365	06/12/2024	\$13.56	29394	06/12/2024	\$625.68
29287*	06/03/2024	\$1,800.00	29366	06/13/2024	\$219.77	29396*	06/12/2024	\$439.34
29294*	06/04/2024	\$14,138.29	29367	06/14/2024	\$1,242.17	29397	06/17/2024	\$722.35
29312*	06/10/2024	\$669.20	29368	06/18/2024	\$780.00	29398	06/13/2024	\$2,280.00
29318*	06/04/2024	\$1,895.32	29369	06/14/2024	\$1,363.04	29399	06/25/2024	\$1,365.00
29321*	06/11/2024	\$2,500.00	29370	06/25/2024	\$1,625.00	29401*	06/27/2024	\$3,777.66
29323*	06/04/2024	\$1,656.10	29371	06/13/2024	\$181.99	29403*	06/25/2024	\$269.61
29327*	06/13/2024	\$40.74	29372	06/14/2024	\$1,616.68	29404	06/25/2024	\$537.11
29335*	06/10/2024	\$5,765.00	29373	06/13/2024	\$1,235.78	29405	06/28/2024	\$1,700.59
29345*	06/05/2024	\$2,585.00	29374	06/17/2024	\$81.86	29406	06/25/2024	\$786.95
29346	06/07/2024	\$293.00	29375	06/14/2024	\$200.00	29407	06/28/2024	\$139.86
29347	06/04/2024	\$421.82	29376	06/13/2024	\$7,838.59	29410*	06/25/2024	\$2,739.01
29348	06/10/2024	\$2,300.00	29377	06/17/2024	\$235.80	29411	06/25/2024	\$640.00
29350*	06/18/2024	\$31,064.61	29378	06/18/2024	\$715.24	29413*	06/26/2024	\$119.58
29351	06/17/2024	\$817.50	29380*	06/17/2024	\$851.10	29415*	06/28/2024	\$11.73
29352	06/14/2024	\$46.48	29381	06/14/2024	\$532.41	29416	06/25/2024	\$152.93
29353	06/18/2024	\$14.76	29382	06/12/2024	\$221.00	29417	06/27/2024	\$44.00
29354	06/13/2024	\$3,626.50	29383	06/20/2024	\$2,925.00	29418	06/27/2024	\$160.39
29355	06/11/2024	\$103.00	29384	06/25/2024	\$5,233.75	29419	06/26/2024	\$2,102.50
29356	06/12/2024	\$2,603.00	29385	06/26/2024	\$1,150.00	29422*	06/25/2024	\$3,300.00
29357	06/17/2024	\$1,980.00	29386	06/13/2024	\$706.46	29423	06/26/2024	\$770.94
29358	06/12/2024	\$213.70	29387	06/18/2024	\$16,777.28	29424	06/26/2024	\$1,999.19
29359	06/18/2024	\$2,119.05	29388	06/13/2024	\$759.68	29425	06/25/2024	\$24,554.70
29360	06/17/2024	\$3,238.70	29389	06/14/2024	\$3,372.14	29426	06/26/2024	\$2,211.11
29361	06/17/2024	\$2,770.10	29390	06/14/2024	\$375.00	29427	06/25/2024	\$10,035.24
29362	06/18/2024	\$44.00	29391	06/14/2024	\$7,322.65	29428	06/24/2024	\$314.69
29363	06/18/2024	\$103.00	29392	06/14/2024	\$16,115.04	29429	06/27/2024	\$344.48
29364	06/17/2024	\$450.55	29393	06/18/2024	\$164.00			

* Indicates skipped check number

Daily Balances

Date	Amount	Date	Amount	Date	Amount
06/03/2024	\$2,520,236.74	06/10/2024	\$2,490,513.01	06/14/2024	\$2,360,364.14
06/04/2024	\$2,502,125.21	06/11/2024	\$2,487,910.01	06/17/2024	\$2,349,216.18
06/05/2024	\$2,499,540.21	06/12/2024	\$2,395,594.26	06/18/2024	\$2,297,434.24
06/07/2024	\$2,499,247.21	06/13/2024	\$2,378,704.75	06/20/2024	\$2,294,372.84

Business Analysis Checking-XXXXXXXXX6796 (continued)

Daily Balances (continued)

<u>Date</u>	<u>Amount</u>	<u>Date</u>	<u>Amount</u>	<u>Date</u>	<u>Amount</u>
06/24/2024	\$2,294,058.15	06/26/2024	\$2,132,253.91	06/28/2024	\$2,137,934.10
06/25/2024	\$2,238,638.85	06/27/2024	\$2,154,071.74		

Overdraft and Returned Item Fees




	Total for this period	Total year-to-date
Total Overdraft Fees	\$0.00	\$0.00
Total Returned Item Fees	\$0.00	\$0.00

MB&T Service Center
6950 Hollister Ave Suite 102
Goleta, CA 93117

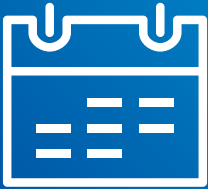
RETURN SERVICE REQUESTED

MONTECITO SANITARY DISTRICT
"CIP ACCOUNT"
1042 MONTE CRISTO LN
SANTA BARBARA CA 93108-2809

How can we help you?

-  Phone (800) 348-0146
-  Mail P.O. Box 2460
Santa Barbara, CA
93120-2460
-  Online <https://montecito.bank>

SCHEDULE OF FEES & CHARGES CHANGE NOTICE



Some of our fees will be changing **effective August 15, 2024**. Please see the **Schedule of Fees & Charges Change Notice** for a list of all the changes. If you have any questions, please call our Service Center at **(805) 963-7511**, Monday–Friday, 8am–6pm.

Summary of Accounts

Account Type	Account Number	Ending Balance
Business Analysis Checking	XXXXXXXX7512	\$712,041.91

Business Analysis Checking-XXXXXXXX7512

Account Summary

Date	Description	Amount
06/01/2024	Beginning Balance	\$569,635.44
	1 Credit(s) This Period	\$500,000.00
	11 Debit(s) This Period	\$357,593.53
06/28/2024	Ending Balance	\$712,041.91

Electronic Credits

Date	Description	Amount
06/21/2024	SANTA BARBARA CO AUT PMNT 852684	\$500,000.00





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How to balance your checkbook:

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Deposits Not Credited	
Date	Amount
Total	\$

Checks Outstanding	
Date	Amount
Total	\$

Statement Reconciliation	
Statement Ending Balance	\$
Add:	
Deposits Not Credited	+ \$
Sub Total	\$
Subtract:	
Checks Outstanding	\$
Total:	
Should Agree With Your Checkbook Balance	\$

Business Analysis Checking-XXXXXXXX7512 (continued)

Other Debits

Date	Description	Amount
06/03/2024	CA WATERBOARDS SWRCB FEES CABROW0003	\$2,985.00
06/18/2024	CA WATERBOARDS SWRCB FEES CABROW0003	\$2,985.00

Checks Cleared

Check Nbr	Date	Amount	Check Nbr	Date	Amount	Check Nbr	Date	Amount
1467	06/26/2024	\$5,176.98	1471*	06/25/2024	\$116,034.24	1474	06/25/2024	\$11,380.00
1468	06/25/2024	\$13,259.65	1472	06/25/2024	\$169,373.61	1476*	06/25/2024	\$9,356.14
1469	06/26/2024	\$6,909.55	1473	06/24/2024	\$300.00	1478*	06/25/2024	\$19,833.36

* Indicates skipped check number

Daily Balances

Date	Amount	Date	Amount	Date	Amount
06/03/2024	\$566,650.44	06/21/2024	\$1,063,665.44	06/25/2024	\$724,128.44
06/18/2024	\$563,665.44	06/24/2024	\$1,063,365.44	06/26/2024	\$712,041.91

Overdraft and Returned Item Fees




	Total for this period	Total year-to-date
Total Overdraft Fees	\$0.00	\$0.00
Total Returned Item Fees	\$0.00	\$0.00

MB&T Service Center
6950 Hollister Ave Suite 102
Goleta, CA 93117

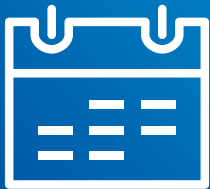
RETURN SERVICE REQUESTED

MONTECITO SANITARY DISTRICT
1042 MONTE CRISTO LN
SANTA BARBARA CA 93108-2809

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Summary of Accounts

Account Type	Account Number	Ending Balance
Basic Business Checking	XXXXXXXX1760	\$210.60

Basic Business Checking-XXXXXXXX1760

Account Summary

Date	Description	Amount
06/01/2024	Beginning Balance	\$210.60
	0 Credit(s) This Period	\$0.00
	0 Debit(s) This Period	\$0.00
06/28/2024	Ending Balance	\$210.60

Overdraft and Returned Item Fees

	Total for this period	Total year-to-date
Total Overdraft Fees	\$0.00	\$0.00
Total Returned Item Fees	\$0.00	\$0.00





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Deposits Not Credited	
Date	Amount
Total	\$

Checks Outstanding	
Date	Amount
Total	\$




Statement Reconciliation	
Statement Ending Balance	\$
Add:	
Deposits Not Credited	+ \$
Sub Total	\$
Subtract:	
Checks Outstanding	\$
Total:	
Should Agree With Your Checkbook Balance	\$

MB&T Service Center
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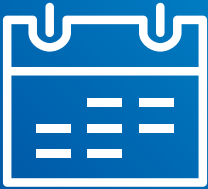
RETURN SERVICE REQUESTED

MONTECITO SANITARY DISTRICT
DISASTER INSURANCE ACCOUNT
1042 MONTE CRISTO LN
SANTA BARBARA CA 93108-2809

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Summary of Accounts

Account Type	Account Number	Ending Balance
Premier Public Funds	XXXXXXXX6591	\$115,306.99

Premier Public Funds-XXXXXXXX6591

Account Summary

Date	Description	Amount
06/01/2024	Beginning Balance	\$115,163.87
	1 Credit(s) This Period	\$143.12
	0 Debit(s) This Period	\$0.00
06/28/2024	Ending Balance	\$115,306.99

Interest Summary

Description	Amount
Interest Earned From 06/01/2024 Through 06/28/2024	
Annual Percentage Yield Earned	1.63%
Interest Days	28
Interest Earned	\$143.12
Interest Paid This Period	\$143.12
Interest Paid Year-to-Date	\$927.07





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Deposits Not Credited	
Date	Amount
Total	\$

Checks Outstanding	
Date	Amount
Total	\$

Statement Reconciliation	
Statement Ending Balance	\$
Add:	
Deposits Not Credited	+ \$
Sub Total	\$
Subtract:	
Checks Outstanding	\$
Total:	
Should Agree With Your Checkbook Balance	\$

Premier Public Funds-XXXXXXXX6591 (continued)

Account Activity

Post Date	Description	Debits	Credits	Balance
06/01/2024	Beginning Balance			\$115,163.87
06/28/2024	INTEREST		\$143.12	\$115,306.99
06/28/2024	Ending Balance			\$115,306.99

Daily Balances

Date	Amount
06/28/2024	\$115,306.99

Overdraft and Returned Item Fees




	Total for this period	Total year-to-date
Total Overdraft Fees	\$0.00	\$0.00
Total Returned Item Fees	\$0.00	\$0.00

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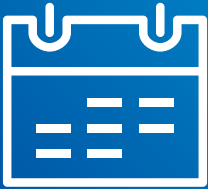
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1042 MONTE CRISTO LN
SANTA BARBARA CA 93108-2809

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Summary of Accounts

Account Type	Account Number	Ending Balance
Premier Public Funds	XXXXXXXX6807	\$1,104,670.90

Premier Public Funds-XXXXXXXX6807

Account Summary

Date	Description	Amount
06/01/2024	Beginning Balance	\$1,103,196.72
	1 Credit(s) This Period	\$1,474.18
	0 Debit(s) This Period	\$0.00
06/28/2024	Ending Balance	\$1,104,670.90

Interest Summary

Description	Amount
Interest Earned From 06/01/2024 Through 06/28/2024	
Annual Percentage Yield Earned	1.78%
Interest Days	28
Interest Earned	\$1,474.18
Interest Paid This Period	\$1,474.18
Interest Paid Year-to-Date	\$7,828.96





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Deposits Not Credited	
Date	Amount
Total	\$

Checks Outstanding	
Date	Amount
Total	\$

Statement Reconciliation	
Statement Ending Balance	\$
Add:	
Deposits Not Credited	+ \$
Sub Total	\$
Subtract:	
Checks Outstanding	\$
Total:	
Should Agree With Your Checkbook Balance	\$

Premier Public Funds-XXXXXXXX6807 (continued)

Account Activity

Post Date	Description	Debits	Credits	Balance
06/01/2024	Beginning Balance			\$1,103,196.72
06/28/2024	INTEREST		\$1,474.18	\$1,104,670.90
06/28/2024	Ending Balance			\$1,104,670.90

Daily Balances

Date	Amount
06/28/2024	\$1,104,670.90

Overdraft and Returned Item Fees

	Total for this period	Total year-to-date
Total Overdraft Fees	\$0.00	\$0.00
Total Returned Item Fees	\$0.00	\$0.00

Balance Sheet

As of: 5/31/2024
Accounting Period: CLOSED

Selection Criteria: Fund = 5100

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

Fund 5100 -- Montecito San Dist-Running Exp

	Beginning Balance 7/1/2023	Year-To-Date Debits	Year-To-Date Credits	Ending Balance 5/31/2024
Assets & Other Debits				
Assets				
0110 -- Cash in Treasury	10,101,189.92	14,682,931.28	11,604,101.24	13,180,019.96
0240 -- Interest Receivable	57,814.20	180,103.02	237,917.22	0.00
Total Assets	10,159,004.12	14,863,034.30	11,842,018.46	13,180,019.96
Total Assets & Other Debits	10,159,004.12	14,863,034.30	11,842,018.46	13,180,019.96
Liabilities, Equity & Other Credits				
Liabilities				
1015 -- EFT Payable	0.00	4,250,000.00	4,250,000.00	0.00
1210 -- Accounts Payable	0.00	4,250,000.00	4,250,000.00	0.00
1332 -- Due To Others	10,159,004.12	11,604,101.24	14,625,117.08	13,180,019.96
Total Liabilities	10,159,004.12	20,104,101.24	23,125,117.08	13,180,019.96
Total Liabilities, Equity & Other Credits	10,159,004.12	20,104,101.24	23,125,117.08	13,180,019.96

Balance Sheet

As of: 5/31/2024
Accounting Period: CLOSED

Selection Criteria: Fund = 5101

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

Fund 5101 -- Montecito San Capital Replmnt

	Beginning Balance 7/1/2023	Year-To-Date Debits	Year-To-Date Credits	Ending Balance 5/31/2024
Assets & Other Debits				
Assets				
0110 -- Cash in Treasury	5,207,841.27	109,058.65	2,100,000.00	3,216,899.92
0240 -- Interest Receivable	29,172.45	79,886.20	109,058.65	0.00
Total Assets	5,237,013.72	188,944.85	2,209,058.65	3,216,899.92
Total Assets & Other Debits	5,237,013.72	188,944.85	2,209,058.65	3,216,899.92
Liabilities, Equity & Other Credits				
Liabilities				
1015 -- EFT Payable	0.00	2,100,000.00	2,100,000.00	0.00
1210 -- Accounts Payable	0.00	2,100,000.00	2,100,000.00	0.00
1332 -- Due To Others	5,237,013.72	2,100,000.00	79,886.20	3,216,899.92
Total Liabilities	5,237,013.72	6,300,000.00	4,279,886.20	3,216,899.92
Total Liabilities, Equity & Other Credits	5,237,013.72	6,300,000.00	4,279,886.20	3,216,899.92

Balance Sheet

As of: 5/31/2024
Accounting Period: CLOSED

Selection Criteria: Fund = 5102

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

Fund 5102 -- Montecito San Retiree Med Ben

	Beginning Balance 7/1/2023	Year-To-Date Debits	Year-To-Date Credits	Ending Balance 5/31/2024
Assets & Other Debits				
Assets				
0110 -- Cash in Treasury	186,844.67	4,363.42	0.00	191,208.09
0240 -- Interest Receivable	996.23	3,367.19	4,363.42	0.00
Total Assets	187,840.90	7,730.61	4,363.42	191,208.09
Total Assets & Other Debits	187,840.90	7,730.61	4,363.42	191,208.09
Liabilities, Equity & Other Credits				
Liabilities				
1332 -- Due To Others	187,840.90	0.00	3,367.19	191,208.09
Total Liabilities	187,840.90	0.00	3,367.19	191,208.09
Total Liabilities, Equity & Other Credits	187,840.90	0.00	3,367.19	191,208.09

California State Treasurer *Fiona Ma, CPA*



Local Agency Investment Fund
P.O. Box 942809
Sacramento, CA 94209-0001
(916) 653-3001

July 22, 2024

[LAIF Home](#)
[PMIA Average Monthly Yields](#)

MONTECITO SANITARY DISTRICT

GENERAL MANAGER
1042 MONTE CRISTO LANE
SANTA BARBARA, CA 93108

[Tran Type Definitions](#)

Account Number: 70-42-004

May 2024 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Web Confirm Number	Authorized Caller	Amount
5/31/2024	5/31/2024	RW	1753739	1714172	STEPHEN WILLIAMS	-2,135,000.00

Account Summary




Total Deposit:	0.00	Beginning Balance:	2,135,502.95
Total Withdrawal:	-2,135,000.00	Ending Balance:	502.95

MB&T Service Center
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Goleta, CA 93117

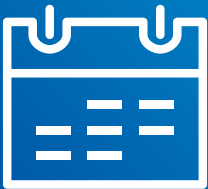
RETURN SERVICE REQUESTED

MONTECITO SANITARY DISTRICT
"OPERATING ACCOUNT"
1042 MONTE CRISTO LN
SANTA BARBARA CA 93108-2809

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Summary of Accounts

Account Type	Account Number	Ending Balance
Business Analysis Checking	XXXXXXXX6796	\$2,518,731.74

Business Analysis Checking-XXXXXXXX6796

Account Summary

Date	Description	Amount
05/01/2024	Beginning Balance	\$322,257.57
	8 Credit(s) This Period	\$2,696,226.36
	98 Debit(s) This Period	\$499,752.19
05/31/2024	Ending Balance	\$2,518,731.74

Deposits

Date	Description	Amount
05/22/2024	DEPOSIT	\$19,982.36





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Deposits Not Credited	
Date	Amount
Total	\$

Checks Outstanding	
Date	Amount
Total	\$

Statement Reconciliation	
Statement Ending Balance	\$
Add:	
Deposits Not Credited	+ \$
Sub Total	\$
Subtract:	
Checks Outstanding	\$
Total:	
Should Agree With Your Checkbook Balance	\$

Business Analysis Checking-XXXXXXXX6796 (continued)

Electronic Credits

Date	Description	Amount
05/01/2024	ALLPAID EDI/EFTPMT 210	\$1,159.00
05/06/2024	ALLPAID EDI/EFTPMT 192	\$435.00
05/09/2024	ALLPAID EDI/EFTPMT 199	\$11,430.00
05/13/2024	ALLPAID EDI/EFTPMT 184	\$11,245.00
05/15/2024	SANTA BARBARA CO AUT PMNT 847783	\$500,000.00
05/28/2024	ALLPAID EDI/EFTPMT 191	\$16,975.00
05/31/2024	Wire Transfer 76141816 STATE OF CALIFORNIA - LAIF 246046110050002 026009593 BK A	\$2,135,000.00

Other Debits

Date	Description	Amount
05/01/2024	PAYCHEX TPS TAXES 07240900000617X	\$26,125.28
05/01/2024	PAYCHEX INC. PAYROLL 07238100008256X	\$58,251.40
05/03/2024	EXPERTPAY EXPERTPAY XXXXX2192	\$480.00
05/06/2024	PITNEY BOWES POSTAGE 38602124	\$300.00
05/07/2024	EMPOWER EMPOWER 704222424186	\$200.00
05/07/2024	1946207465 1900 XXXXXX7425 100000017531641	\$985.00
05/07/2024	1946207465 3100 XXXXXX7425 100000017475798	\$6,385.58
05/07/2024	1946207465 3100 XXXXXX7425 100000017475831	\$7,131.22
05/15/2024	PAYCHEX TPS TAXES 07412800000730X	\$26,015.81
05/15/2024	PAYCHEX INC. PAYROLL 07408600009988X	\$55,516.09
05/17/2024	EXPERTPAY EXPERTPAY XXXXX2192	\$480.00
05/17/2024	1946207465 3100 XXXXXX7425 100000017506667	\$6,385.58
05/17/2024	1946207465 3100 XXXXXX7425 100000017506712	\$7,355.45
05/20/2024	PAYCHEX-OAB INVOICE 07455300019463X	\$132.00
05/20/2024	EMPOWER EMPOWER 703522456624	\$200.00
05/20/2024	1946207465 1900 XXXXXX7425 100000017549094	\$985.00
05/29/2024	PAYCHEX TPS TAXES 07561000000795X	\$26,929.98
05/29/2024	PAYCHEX INC. PAYROLL 07565600004509X	\$56,915.34
05/31/2024	EMPOWER EMPOWER 698391924970	\$200.00
05/31/2024	EXPERTPAY EXPERTPAY XXXXX2192	\$480.00
05/31/2024	1946207465 1900 XXXXXX7425 100000017555864	\$985.00
05/31/2024	1946207465 3100 XXXXXX7425 100000017506699	\$6,385.58
05/31/2024	1946207465 3100 XXXXXX7425 100000017506730	\$7,355.45

Checks Cleared

Check Nbr	Date	Amount	Check Nbr	Date	Amount	Check Nbr	Date	Amount
29206	05/29/2024	\$3,276.00	29271*	05/01/2024	\$310.68	29296	05/21/2024	\$810.60
29227*	05/10/2024	\$493.06	29275*	05/01/2024	\$2,186.95	29297	05/24/2024	\$1,361.85
29228	05/02/2024	\$28,502.79	29277*	05/21/2024	\$1,161.29	29298	05/22/2024	\$780.00
29229	05/01/2024	\$301.36	29278	05/22/2024	\$130.57	29300*	05/23/2024	\$575.39
29238*	05/01/2024	\$44.00	29279	05/29/2024	\$23.24	29301	05/22/2024	\$14,570.18
29240*	05/07/2024	\$540.00	29280	05/21/2024	\$12,427.00	29304*	05/21/2024	\$62.00
29242*	05/08/2024	\$504.88	29282*	05/21/2024	\$2,603.00	29305	05/21/2024	\$968.94
29243	05/13/2024	\$2,300.00	29283	05/23/2024	\$146.53	29306	05/21/2024	\$2,864.07
29251*	05/01/2024	\$230.00	29284	05/20/2024	\$632.76	29307	05/21/2024	\$1,681.51
29257*	05/02/2024	\$186.00	29285	05/28/2024	\$4,638.63	29308	05/28/2024	\$350.00
29258	05/02/2024	\$692.22	29286	05/28/2024	\$217.72	29309	05/21/2024	\$754.92
29260*	05/02/2024	\$332.70	29288*	05/21/2024	\$3,847.50	29310	05/21/2024	\$1,390.30
29261	05/03/2024	\$143.84	29289	05/22/2024	\$6,790.16	29311	05/22/2024	\$285.60
29262	05/14/2024	\$451.09	29290	05/30/2024	\$653.00	29313*	05/24/2024	\$2,154.28
29263	05/08/2024	\$30,700.00	29291	05/20/2024	\$10.19	29314	05/31/2024	\$3,084.00
29266*	05/13/2024	\$170.60	29292	05/22/2024	\$1,274.95	29315	05/21/2024	\$150.00
29268*	05/02/2024	\$1,139.52	29293	05/22/2024	\$5,899.53	29316	05/22/2024	\$157.50
29269	05/03/2024	\$113.23	29295*	05/28/2024	\$225.00	29317	05/28/2024	\$381.70

Business Analysis Checking-XXXXXXXXX6796 (continued)

Checks Cleared (continued)

Check Nbr	Date	Amount	Check Nbr	Date	Amount	Check Nbr	Date	Amount
29319*	05/23/2024	\$4,832.59	29329	05/23/2024	\$261.77	29338	05/23/2024	\$1,605.20
29320	05/22/2024	\$465.67	29330	05/22/2024	\$28.87	29339	05/20/2024	\$729.92
29322*	05/28/2024	\$706.46	29331	05/22/2024	\$375.00	29340	05/22/2024	\$750.00
29324*	05/24/2024	\$2,300.00	29332	05/22/2024	\$568.96	29341	05/23/2024	\$1,041.92
29325	05/24/2024	\$88.14	29333	05/23/2024	\$6,666.66	29342	05/21/2024	\$9,805.00
29326	05/28/2024	\$516.00	29336*	05/23/2024	\$6,680.50	29343	05/21/2024	\$2,280.00
29328*	05/22/2024	\$17,942.69	29337	05/22/2024	\$141.25	29344	05/30/2024	\$103.00

* Indicates skipped check number

Daily Balances

Date	Amount	Date	Amount	Date	Amount
05/01/2024	\$235,966.90	05/10/2024	\$169,001.86	05/22/2024	\$507,897.67
05/02/2024	\$205,113.67	05/13/2024	\$177,776.26	05/23/2024	\$486,087.11
05/03/2024	\$204,376.60	05/14/2024	\$177,325.17	05/24/2024	\$480,182.84
05/06/2024	\$204,511.60	05/15/2024	\$595,793.27	05/28/2024	\$490,122.33
05/07/2024	\$189,269.80	05/17/2024	\$581,572.24	05/29/2024	\$402,977.77
05/08/2024	\$158,064.92	05/20/2024	\$578,882.37	05/30/2024	\$402,221.77
05/09/2024	\$169,494.92	05/21/2024	\$538,076.24	05/31/2024	\$2,518,731.74

Overdraft and Returned Item Fees




	Total for this period	Total year-to-date
Total Overdraft Fees	\$0.00	\$0.00
Total Returned Item Fees	\$0.00	\$0.00

MB&T Service Center
6950 Hollister Ave Suite 102
Goleta, CA 93117

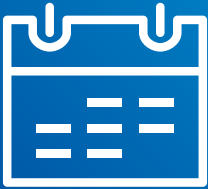
RETURN SERVICE REQUESTED

MONTECITO SANITARY DISTRICT
"CIP ACCOUNT"
1042 MONTE CRISTO LN
SANTA BARBARA CA 93108-2809

How can we help you?

-  Phone (800) 348-0146
-  Mail P.O. Box 2460
Santa Barbara, CA
93120-2460
-  Online <https://montecito.bank>

SCHEDULE OF FEES & CHARGES CHANGE NOTICE



Some of our fees will be changing **effective August 15, 2024**. Please see the **Schedule of Fees & Charges Change Notice** for a list of all the changes. If you have any questions, please call our Service Center at **(805) 963-7511**, Monday–Friday, 8am–6pm.

Summary of Accounts

Account Type	Account Number	Ending Balance
Business Analysis Checking	XXXXXXXX7512	\$569,635.44

Business Analysis Checking-XXXXXXXX7512

Account Summary

Date	Description	Amount
05/01/2024	Beginning Balance	\$652,833.58
	0 Credit(s) This Period	\$0.00
	7 Debit(s) This Period	\$83,198.14
05/31/2024	Ending Balance	\$569,635.44

Other Debits

Date	Description	Amount
05/22/2024	CA WATERBOARDS SWRCB FEES CABROW0002	\$2,985.00





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CHECKING ACCOUNT

How to balance your checkbook:

1. Subtract the monthly service charge and any other charges not previously deducted from your checkbook balance.
2. Add to your checkbook balance each Line of Credit Deposit, Automatic Deposit and any interest paid.
3. List and total the amount of all deposits entered in your checkbook that are not shown on the statement provided for "Deposits Not Credited".
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- Make sure that each paid check listed on your statement has been recorded in your checkbook
- Make sure that all electronic funds transfer transactions (if any) are listed.

Deposits Not Credited	
Date	Amount
Total	\$

Checks Outstanding	
Date	Amount
Total	\$

Statement Reconciliation	
Statement Ending Balance	\$
Add:	
Deposits Not Credited	+ \$
Sub Total	\$
Subtract:	
Checks Outstanding	\$
Total:	
Should Agree With Your Checkbook Balance	\$

Business Analysis Checking-XXXXXXXX7512 (continued)

Checks Cleared

Check Nbr	Date	Amount	Check Nbr	Date	Amount	Check Nbr	Date	Amount
1458	05/01/2024	\$5,676.06	1462*	05/22/2024	\$10,191.55	1464	05/21/2024	\$1,783.50
1459	05/01/2024	\$570.40	1463	05/21/2024	\$60,521.63	1465	05/21/2024	\$1,470.00

* Indicates skipped check number

Daily Balances

Date	Amount	Date	Amount	Date	Amount
05/01/2024	\$646,587.12	05/21/2024	\$582,811.99	05/22/2024	\$569,635.44

Overdraft and Returned Item Fees




	Total for this period	Total year-to-date
Total Overdraft Fees	\$0.00	\$0.00
Total Returned Item Fees	\$0.00	\$0.00

MB&T Service Center
6950 Hollister Ave Suite 102
Goleta, CA 93117

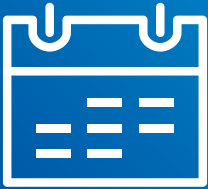
RETURN SERVICE REQUESTED

MONTECITO SANITARY DISTRICT
1042 MONTE CRISTO LN
SANTA BARBARA CA 93108-2809

How can we help you?

-  Phone (800) 348-0146
-  Mail P.O. Box 2460
Santa Barbara, CA
93120-2460
-  Online <https://montecito.bank>

SCHEDULE OF FEES & CHARGES CHANGE NOTICE



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Summary of Accounts

Account Type	Account Number	Ending Balance
Basic Business Checking	XXXXXXXX1760	\$210.60

Basic Business Checking-XXXXXXXX1760

Account Summary

Date	Description	Amount
05/01/2024	Beginning Balance	\$210.60
	0 Credit(s) This Period	\$0.00
	0 Debit(s) This Period	\$0.00
05/31/2024	Ending Balance	\$210.60

Overdraft and Returned Item Fees

	Total for this period	Total year-to-date
Total Overdraft Fees	\$0.00	\$0.00
Total Returned Item Fees	\$0.00	\$0.00





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- Make sure that each paid check listed on your statement has been recorded in your checkbook
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Deposits Not Credited	
Date	Amount
Total	\$

Checks Outstanding	
Date	Amount
Total	\$

Statement Reconciliation	
Statement Ending Balance	\$
Add:	
Deposits Not Credited	+ \$
Sub Total	\$
Subtract:	
Checks Outstanding	\$
Total:	
Should Agree With Your Checkbook Balance	\$

Schedule of Fees & Charges Change Notice



The following fee changes take effect August 15, 2024

Account Services	Current	New
Stop Payment Order, new or renewal	\$23 in-branch, telephone or online	\$30 in branch, telephone or online
Branch Services		
Cashier's Checks¹		
Customers	\$8 per check	\$10 per check
Non Customers	\$10 per check	\$12 per check
Debit Card Services		
ATM or Debit Card Transaction Foreign Currency Conversion and Cross Border Fee²	1% of amount	3% of amount
Miscellaneous Services		
Collections		
Domestic	\$20.00 per item	\$30.00 per item
Foreign	\$25.00 per item	\$40.00 per item
Safe Deposit Box Annual Fee		
3 x 5 x 24 ³	\$60	\$65
5 x 5 x 24	\$75	\$85
3 x 10 x 24	\$90	\$100
5 x 10 x 24	\$110	\$120
6 x 10 x 24	\$110	\$125
10 x 10 x 24	\$190	\$210
15 x 11 x 24	\$250	\$260
15 x 15 x 24	\$250	\$270
30 x 30 x 24	\$490	\$510
60 x 15 x 24	\$490	\$510
30 x 30 x 42	\$910	\$930
60 x 30 x 42	\$1,225	No change

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Goleta, CA 93117

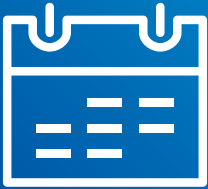
RETURN SERVICE REQUESTED

MONTECITO SANITARY DISTRICT
DISASTER INSURANCE ACCOUNT
1042 MONTE CRISTO LN
SANTA BARBARA CA 93108-2809

How can we help you?

-  Phone (800) 348-0146
-  Mail P.O. Box 2460
Santa Barbara, CA
93120-2460
-  Online <https://montecito.bank>

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Summary of Accounts

Account Type	Account Number	Ending Balance
Premier Public Funds	XXXXXXXX6591	\$115,163.87

Premier Public Funds-XXXXXXXX6591

Account Summary

Date	Description	Amount
05/01/2024	Beginning Balance	\$115,005.63
	1 Credit(s) This Period	\$158.24
	0 Debit(s) This Period	\$0.00
05/31/2024	Ending Balance	\$115,163.87

Interest Summary

Description	Amount
Interest Earned From 05/01/2024 Through 05/31/2024	
Annual Percentage Yield Earned	1.63%
Interest Days	31
Interest Earned	\$158.24
Interest Paid This Period	\$158.24
Interest Paid Year-to-Date	\$783.95





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5. Perform the indicated steps in the "Statement Reconciliation" section.

If your checkbook and bank statement do not balance:

- Review last month's reconciliation to make sure any differences were corrected.
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Deposits Not Credited	
Date	Amount
Total	\$

Checks Outstanding	
Date	Amount
Total	\$

Statement Reconciliation	
Statement Ending Balance	\$
Add:	
Deposits Not Credited	+ \$
Sub Total	\$
Subtract:	
Checks Outstanding	\$
Total:	
Should Agree With Your Checkbook Balance	\$

Premier Public Funds-XXXXXXXX6591 (continued)

Account Activity

Post Date	Description	Debits	Credits	Balance
05/01/2024	Beginning Balance			\$115,005.63
05/31/2024	INTEREST		\$158.24	\$115,163.87
05/31/2024	Ending Balance			\$115,163.87

Daily Balances

Date	Amount
05/31/2024	\$115,163.87

Overdraft and Returned Item Fees

	Total for this period	Total year-to-date
Total Overdraft Fees	\$0.00	\$0.00
Total Returned Item Fees	\$0.00	\$0.00

Register for online banking by going to <https://montecito.bank>

Schedule of Fees & Charges Change Notice



The following fee changes take effect August 15, 2024

Account Services	Current	New
Stop Payment Order, new or renewal	\$23 in-branch, telephone or online	\$30 in branch, telephone or online
Branch Services		
Cashier's Checks¹		
Customers	\$8 per check	\$10 per check
Non Customers	\$10 per check	\$12 per check
Debit Card Services		
ATM or Debit Card Transaction Foreign Currency Conversion and Cross Border Fee²	1% of amount	3% of amount
Miscellaneous Services		
Collections		
Domestic	\$20.00 per item	\$30.00 per item
Foreign	\$25.00 per item	\$40.00 per item
Safe Deposit Box Annual Fee		
3 x 5 x 24 ³	\$60	\$65
5 x 5 x 24	\$75	\$85
3 x 10 x 24	\$90	\$100
5 x 10 x 24	\$110	\$120
6 x 10 x 24	\$110	\$125
10 x 10 x 24	\$190	\$210
15 x 11 x 24	\$250	\$260
15 x 15 x 24	\$250	\$270
30 x 30 x 24	\$490	\$510
60 x 15 x 24	\$490	\$510
30 x 30 x 42	\$910	\$930
60 x 30 x 42	\$1,225	No change

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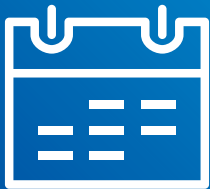
RETURN SERVICE REQUESTED

MONTECITO SANITARY DISTRICT
1042 MONTE CRISTO LN
SANTA BARBARA CA 93108-2809

How can we help you?

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SCHEDULE OF FEES & CHARGES CHANGE NOTICE



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Summary of Accounts

Account Type	Account Number	Ending Balance
Premier Public Funds	XXXXXXXX6807	\$1,103,196.72

Premier Public Funds-XXXXXXXX6807

Account Summary

Date	Description	Amount
05/01/2024	Beginning Balance	\$881,978.31
	2 Credit(s) This Period	\$221,218.41
	0 Debit(s) This Period	\$0.00
05/31/2024	Ending Balance	\$1,103,196.72

Interest Summary

Description	Amount
Interest Earned From 05/01/2024 Through 05/31/2024	
Annual Percentage Yield Earned	1.73%
Interest Days	31
Interest Earned	\$1,288.41
Interest Paid This Period	\$1,288.41
Interest Paid Year-to-Date	\$6,354.78





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- Make sure that all electronic funds transfer transactions (if any) are listed.

Deposits Not Credited	
Date	Amount
Total	\$

Checks Outstanding	
Date	Amount
Total	\$

Statement Reconciliation	
Statement Ending Balance	\$
Add:	
Deposits Not Credited	+ \$
Sub Total	\$
Subtract:	
Checks Outstanding	\$
Total:	
Should Agree With Your Checkbook Balance	\$

Premier Public Funds-XXXXXXXX6807 (continued)

Account Activity

Post Date	Description	Debits	Credits	Balance
05/01/2024	Beginning Balance			\$881,978.31
05/31/2024	DEPOSIT		\$219,930.00	\$1,101,908.31
05/31/2024	INTEREST		\$1,288.41	\$1,103,196.72
05/31/2024	Ending Balance			\$1,103,196.72

Daily Balances

Date	Amount
05/31/2024	\$1,103,196.72

Overdraft and Returned Item Fees

	Total for this period	Total year-to-date
Total Overdraft Fees	\$0.00	\$0.00
Total Returned Item Fees	\$0.00	\$0.00

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Schedule of Fees & Charges Change Notice



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Account Services	Current	New
Stop Payment Order, new or renewal	\$23 in-branch, telephone or online	\$30 in branch, telephone or online
Branch Services		
Cashier's Checks¹		
Customers	\$8 per check	\$10 per check
Non Customers	\$10 per check	\$12 per check
Debit Card Services		
ATM or Debit Card Transaction Foreign Currency Conversion and Cross Border Fee²	1% of amount	3% of amount
Miscellaneous Services		
Collections		
Domestic	\$20.00 per item	\$30.00 per item
Foreign	\$25.00 per item	\$40.00 per item
Safe Deposit Box Annual Fee		
3 x 5 x 24 ³	\$60	\$65
5 x 5 x 24	\$75	\$85
3 x 10 x 24	\$90	\$100
5 x 10 x 24	\$110	\$120
6 x 10 x 24	\$110	\$125
10 x 10 x 24	\$190	\$210
15 x 11 x 24	\$250	\$260
15 x 15 x 24	\$250	\$270
30 x 30 x 24	\$490	\$510
60 x 15 x 24	\$490	\$510
30 x 30 x 42	\$910	\$930
60 x 30 x 42	\$1,225	No change

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Balance Sheet

As of: 4/30/2024
Accounting Period: CLOSED

Selection Criteria: Fund = 5100

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

Fund 5100 -- Montecito San Dist-Running Exp

	Beginning Balance 7/1/2023	Year-To-Date Debits	Year-To-Date Credits	Ending Balance 4/30/2024
Assets & Other Debits				
Assets				
0110 -- Cash in Treasury	10,101,189.92	11,602,569.39	8,088,875.78	13,614,883.53
0240 -- Interest Receivable	57,814.20	180,103.02	237,917.22	0.00
Total Assets	10,159,004.12	11,782,672.41	8,326,793.00	13,614,883.53
Total Assets & Other Debits	10,159,004.12	11,782,672.41	8,326,793.00	13,614,883.53
Liabilities, Equity & Other Credits				
Liabilities				
1015 -- EFT Payable	0.00	3,750,000.00	3,750,000.00	0.00
1210 -- Accounts Payable	0.00	3,750,000.00	3,750,000.00	0.00
1332 -- Due To Others	10,159,004.12	8,088,875.78	11,544,755.19	13,614,883.53
Total Liabilities	10,159,004.12	15,588,875.78	19,044,755.19	13,614,883.53
Total Liabilities, Equity & Other Credits	10,159,004.12	15,588,875.78	19,044,755.19	13,614,883.53

Balance Sheet

As of: 4/30/2024
Accounting Period: CLOSED

Selection Criteria: Fund = 5101

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

Fund 5101 -- Montecito San Capital Replmnt

	Beginning Balance 7/1/2023	Year-To-Date Debits	Year-To-Date Credits	Ending Balance 4/30/2024
Assets & Other Debits				
Assets				
0110 -- Cash in Treasury	5,207,841.27	109,058.65	2,100,000.00	3,216,899.92
0240 -- Interest Receivable	29,172.45	79,886.20	109,058.65	0.00
Total Assets	5,237,013.72	188,944.85	2,209,058.65	3,216,899.92
Total Assets & Other Debits	5,237,013.72	188,944.85	2,209,058.65	3,216,899.92
Liabilities, Equity & Other Credits				
Liabilities				
1015 -- EFT Payable	0.00	2,100,000.00	2,100,000.00	0.00
1210 -- Accounts Payable	0.00	2,100,000.00	2,100,000.00	0.00
1332 -- Due To Others	5,237,013.72	2,100,000.00	79,886.20	3,216,899.92
Total Liabilities	5,237,013.72	6,300,000.00	4,279,886.20	3,216,899.92
Total Liabilities, Equity & Other Credits	5,237,013.72	6,300,000.00	4,279,886.20	3,216,899.92

Balance Sheet

As of: 4/30/2024
Accounting Period: CLOSED

Selection Criteria: Fund = 5102

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

Fund 5102 -- Montecito San Retiree Med Ben

	Beginning Balance 7/1/2023	Year-To-Date Debits	Year-To-Date Credits	Ending Balance 4/30/2024
Assets & Other Debits				
Assets				
0110 -- Cash in Treasury	186,844.67	4,363.42	0.00	191,208.09
0240 -- Interest Receivable	996.23	3,367.19	4,363.42	0.00
Total Assets	187,840.90	7,730.61	4,363.42	191,208.09
Total Assets & Other Debits	187,840.90	7,730.61	4,363.42	191,208.09
Liabilities, Equity & Other Credits				
Liabilities				
1332 -- Due To Others	187,840.90	0.00	3,367.19	191,208.09
Total Liabilities	187,840.90	0.00	3,367.19	191,208.09
Total Liabilities, Equity & Other Credits	187,840.90	0.00	3,367.19	191,208.09

California State Treasurer
Fiona Ma, CPA



Local Agency Investment Fund
 P.O. Box 942809
 Sacramento, CA 94209-0001
 (916) 653-3001

July 22, 2024

[LAIF Home](#)
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MONTECITO SANITARY DISTRICT

GENERAL MANAGER
 1042 MONTE CRISTO LANE
 SANTA BARBARA, CA 93108

[Tran Type Definitions](#)

Account Number: 70-42-004

April 2024 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Web Confirm Number	Authorized Caller	Amount
4/15/2024	4/12/2024	QRD	1750998	N/A	SYSTEM	22,576.10

Account Summary

Total Deposit:	22,576.10	Beginning Balance:	2,112,926.85
Total Withdrawal:	0.00	Ending Balance:	2,135,502.95

MB&T Service Center
6950 Hollister Ave Suite 102
Goleta, CA 93117

RETURN SERVICE REQUESTED

MONTECITO SANITARY DISTRICT
"OPERATING ACCOUNT"
1042 MONTE CRISTO LN
SANTA BARBARA CA 93108-2809




Statement Ending 04/30/2024

Montecito Sanitary District

Page 1 of 18

Account Number:XXXXXXXX6796

How can we help you?

	Phone	(800) 348-0146
	Mail	P.O. Box 2460 Santa Barbara, CA 93120-2460
	Online	https://montecito.bank

Summary of Accounts

Account Type	Account Number	Ending Balance
Business Analysis Checking	XXXXXXXX6796	\$322,257.57

Business Analysis Checking-XXXXXXXX6796

Account Summary

Date	Description	Amount
03/30/2024	Beginning Balance	\$599,360.06
	4 Credit(s) This Period	\$95,008.36
	84 Debit(s) This Period	\$372,110.85
04/30/2024	Ending Balance	\$322,257.57

Deposits

Date	Description	Amount
04/03/2024	DEPOSIT	\$70,768.36

Electronic Credits

Date	Description	Amount
04/05/2024	ALLPAID EDI/EFTPMT 194	\$14,605.00
04/15/2024	ALLPAID EDI/EFTPMT 188	\$7,760.00
04/17/2024	ALLPAID EDI/EFTPMT 219	\$1,875.00

Other Debits

Date	Description	Amount
04/03/2024	PAYCHEX TPS TAXES 06874000000391X	\$26,931.34
04/03/2024	PAYCHEX INC. PAYROLL 06867200007606X	\$57,909.23
04/05/2024	EMPOWER EMPOWER 703054666759	\$200.00
04/05/2024	EXPERTPAY EXPERTPAY XXXXX2192	\$480.00
04/05/2024	1946207465 1900 XXXXXX7425 100000017500476	\$2,205.00
04/05/2024	1946207465 3100 XXXXXX7425 100000017446100	\$6,385.58
04/05/2024	1946207465 3100 XXXXXX7425 100000017446168	\$6,881.57
04/17/2024	PAYCHEX TPS TAXES 07060200000448X	\$24,812.89
04/17/2024	PAYCHEX INC. PAYROLL 07056900009369X	\$52,648.61
04/19/2024	EXPERTPAY EXPERTPAY XXXXX2192	\$480.00
04/22/2024	PAYCHEX TPS TAXES 07103000041417X	\$123.18
04/22/2024	PAYCHEX-OAB INVOICE 07106200018358X	\$130.50
04/22/2024	EMPOWER EMPOWER 703054728243	\$200.00
04/22/2024	1946207465 1900 XXXXXX7425 100000017520114	\$2,205.00
04/22/2024	1946207465 3100 XXXXXX7425 100000017475780	\$6,385.58
04/22/2024	1946207465 3100 XXXXXX7425 100000017475816	\$6,881.57





Important Information Regarding Your Ready Cash Reserve Account and Other Open-End (Not Home Secured) Lines of Credit

We figure the INTEREST CHARGE on your account by applying the periodic rate to the “daily balance” of your account for each day in the billing cycle. To get the “daily balance”, we take the beginning balance of your account each day, add any new advances, and subtract any payments or credits. This gives us the daily balance.

Please Examine this Statement and Any Enclosed Items At Once. If No Error is Reported Within 30 days, This Statement Will Be Considered Correct. All Items Credited Subject to Final Payment.

CHECKING ACCOUNT

How to balance your checkbook:

1. Subtract the monthly service charge and any other charges not previously deducted from your checkbook balance.
2. Add to your checkbook balance each Line of Credit Deposit, Automatic Deposit and any interest paid.
3. List and total the amount of all deposits entered in your checkbook that are not shown on the statement provided for “Deposits Not Credited”.
4. Compare and check off each paid check against your checkbook record. List and total all checks you have not checked off in the space provided for “Checks Outstanding”.
5. Perform the indicated steps in the “Statement Reconciliation” section.

If your checkbook and bank statement do not balance:

- Review last month’s reconcilment to make sure any differences were corrected.
- Check additions and subtractions in your checkbook. Compare the amount of each check and deposit with the amount recorded in your checkbook and on this statement.
- Make sure all outstanding checks have been recorded under “Checks Outstanding”.
- Make sure that each paid check listed on your statement has been recorded in your checkbook
- Make sure that all electronic funds transfer transactions (if any) are listed.

Deposits Not Credited	
Date	Amount
Total	\$

Checks Outstanding	
Date	Amount
Total	\$

Statement Reconciliation	
Statement Ending Balance	\$
Add:	
Deposits Not Credited	+ \$
Sub Total	\$
Subtract:	
Checks Outstanding	\$
Total:	
Should Agree With Your Checkbook Balance	\$

Business Analysis Checking-XXXXXXXX6796 (continued)

Checks Cleared

Check Nbr	Date	Amount	Check Nbr	Date	Amount	Check Nbr	Date	Amount
29067	04/01/2024	\$2,300.00	29213	04/09/2024	\$78.40	29241*	04/30/2024	\$175.50
29167*	04/24/2024	\$2,097.14	29214	04/08/2024	\$708.41	29244*	04/29/2024	\$4,859.58
29178*	04/01/2024	\$759.68	29215	04/09/2024	\$13.34	29245	04/29/2024	\$542.54
29191*	04/03/2024	\$2,460.00	29216	04/12/2024	\$106.93	29246	04/29/2024	\$4,617.29
29192	04/08/2024	\$1,990.80	29217	04/05/2024	\$4,367.88	29247	04/30/2024	\$490.76
29193	04/15/2024	\$176.91	29218	04/10/2024	\$1,623.85	29248	04/29/2024	\$160.55
29194	04/09/2024	\$5,061.00	29219	04/09/2024	\$352.29	29249	04/29/2024	\$14,790.63
29195	04/08/2024	\$375.74	29220	04/09/2024	\$13,333.33	29250	04/25/2024	\$162.40
29196	04/08/2024	\$6,272.88	29221	04/16/2024	\$18.38	29252*	04/29/2024	\$968.94
29197	04/10/2024	\$160.39	29222	04/08/2024	\$5,427.91	29253	04/29/2024	\$1,157.91
29198	04/08/2024	\$1,210.01	29223	04/10/2024	\$590.96	29254	04/29/2024	\$1,307.31
29199	04/15/2024	\$345.06	29224	04/05/2024	\$185.92	29255	04/30/2024	\$2,644.69
29200	04/11/2024	\$7,090.00	29225	04/09/2024	\$1,465.00	29256	04/29/2024	\$3,727.15
29201	04/08/2024	\$198.46	29226	04/04/2024	\$98.00	29259*	04/29/2024	\$1,139.67
29202	04/09/2024	\$789.81	29230*	04/24/2024	\$190.00	29264*	04/30/2024	\$225.00
29204*	04/09/2024	\$422.12	29231	04/30/2024	\$97.78	29265	04/29/2024	\$252.80
29205	04/08/2024	\$786.46	29232	04/29/2024	\$6,206.50	29267*	04/29/2024	\$16,987.50
29207*	04/08/2024	\$11,704.24	29233	04/26/2024	\$2,603.00	29270*	04/29/2024	\$1,176.54
29208	04/11/2024	\$199.98	29234	04/30/2024	\$750.00	29272*	04/30/2024	\$375.00
29209	04/08/2024	\$951.71	29235	04/29/2024	\$371.74	29273	04/29/2024	\$6,146.07
29210	04/08/2024	\$2,795.74	29236	04/30/2024	\$5,897.50	29274	04/30/2024	\$148.25
29211	04/24/2024	\$207.20	29237	04/29/2024	\$19,733.70	29276*	04/29/2024	\$2,280.00
29212	04/17/2024	\$17.79	29239*	04/30/2024	\$320.78			

* Indicates skipped check number

Daily Balances

Date	Amount	Date	Amount	Date	Amount
04/01/2024	\$596,300.38	04/11/2024	\$509,966.39	04/24/2024	\$422,574.65
04/03/2024	\$579,768.17	04/12/2024	\$509,859.46	04/25/2024	\$422,412.25
04/04/2024	\$579,670.17	04/15/2024	\$517,097.49	04/26/2024	\$419,809.25
04/05/2024	\$573,569.22	04/16/2024	\$517,079.11	04/29/2024	\$333,382.83
04/08/2024	\$541,146.86	04/17/2024	\$441,474.82	04/30/2024	\$322,257.57
04/09/2024	\$519,631.57	04/19/2024	\$440,994.82		
04/10/2024	\$517,256.37	04/22/2024	\$425,068.99		

Overdraft and Returned Item Fees

	Total for this period	Total year-to-date
Total Overdraft Fees	\$0.00	\$0.00
Total Returned Item Fees	\$0.00	\$0.00

MB&T Service Center
6950 Hollister Ave Suite 102
Goleta, CA 93117

RETURN SERVICE REQUESTED

MONTECITO SANITARY DISTRICT
"CIP ACCOUNT"
1042 MONTE CRISTO LN
SANTA BARBARA CA 93108-2809




Statement Ending 04/30/2024

Montecito Sanitary District

Page 1 of 4

Account Number:XXXXXXXX7512

How can we help you?

	Phone	(800) 348-0146
	Mail	P.O. Box 2460 Santa Barbara, CA 93120-2460
	Online	https://montecito.bank

Summary of Accounts

Account Type	Account Number	Ending Balance
Business Analysis Checking	XXXXXXXX7512	\$652,833.58

Business Analysis Checking-XXXXXXXX7512

Account Summary

Date	Description	Amount
03/30/2024	Beginning Balance	\$726,712.51
	0 Credit(s) This Period	\$0.00
	6 Debit(s) This Period	\$73,878.93
04/30/2024	Ending Balance	\$652,833.58

Checks Cleared

Check Nbr	Date	Amount	Check Nbr	Date	Amount	Check Nbr	Date	Amount
1454	04/29/2024	\$3,360.00	1456	04/30/2024	\$4,807.00	1460*	04/29/2024	\$19,721.43
1455	04/29/2024	\$7,378.00	1457	04/29/2024	\$2,302.50	1461	04/30/2024	\$36,310.00

* Indicates skipped check number

Daily Balances

Date	Amount	Date	Amount
04/29/2024	\$693,950.58	04/30/2024	\$652,833.58

Overdraft and Returned Item Fees

	Total for this period	Total year-to-date
Total Overdraft Fees	\$0.00	\$0.00
Total Returned Item Fees	\$0.00	\$0.00





Important Information Regarding Your Ready Cash Reserve Account and Other Open-End (Not Home Secured) Lines of Credit

We figure the INTEREST CHARGE on your account by applying the periodic rate to the "daily balance" of your account for each day in the billing cycle. To get the "daily balance", we take the beginning balance of your account each day, add any new advances, and subtract any payments or credits. This gives us the daily balance.

Please Examine this Statement and Any Enclosed Items At Once. If No Error is Reported Within 30 days, This Statement Will Be Considered Correct. All Items Credited Subject to Final Payment.

CHECKING ACCOUNT

How to balance your checkbook:

1. Subtract the monthly service charge and any other charges not previously deducted from your checkbook balance.
2. Add to your checkbook balance each Line of Credit Deposit, Automatic Deposit and any interest paid.
3. List and total the amount of all deposits entered in your checkbook that are not shown on the statement provided for "Deposits Not Credited".
4. Compare and check off each paid check against your checkbook record. List and total all checks you have not checked off in the space provided for "Checks Outstanding".
5. Perform the indicated steps in the "Statement Reconciliation" section.

If your checkbook and bank statement do not balance:

- Review last month's reconciliation to make sure any differences were corrected.
- Check additions and subtractions in your checkbook. Compare the amount of each check and deposit with the amount recorded in your checkbook and on this statement.
- Make sure all outstanding checks have been recorded under "Checks Outstanding".
- Make sure that each paid check listed on your statement has been recorded in your checkbook
- Make sure that all electronic funds transfer transactions (if any) are listed.

Deposits Not Credited	
Date	Amount
Total	\$

Checks Outstanding	
Date	Amount
Total	\$

Statement Reconciliation	
Statement Ending Balance	\$
Add:	
Deposits Not Credited	+ \$
Sub Total	\$
Subtract:	
Checks Outstanding	\$
Total:	
Should Agree With Your Checkbook Balance	\$

MB&T Service Center
6950 Hollister Ave Suite 102
Goleta, CA 93117

RETURN SERVICE REQUESTED

MONTECITO SANITARY DISTRICT
1042 MONTE CRISTO LN
SANTA BARBARA CA 93108-2809




Statement Ending 04/30/2024

Montecito Sanitary District

Page 1 of 2

Account Number:XXXXXXXX1760

How can we help you?

	Phone	(800) 348-0146
	Mail	P.O. Box 2460 Santa Barbara, CA 93120-2460
	Online	https://montecito.bank

Summary of Accounts

Account Type	Account Number	Ending Balance
Basic Business Checking	XXXXXXXX1760	\$210.60

Basic Business Checking-XXXXXXXX1760

Account Summary

Date	Description	Amount
03/30/2024	Beginning Balance	\$210.60
	0 Credit(s) This Period	\$0.00
	0 Debit(s) This Period	\$0.00
04/30/2024	Ending Balance	\$210.60

Overdraft and Returned Item Fees

	Total for this period	Total year-to-date
Total Overdraft Fees	\$0.00	\$0.00
Total Returned Item Fees	\$0.00	\$0.00





Important Information Regarding Your Ready Cash Reserve Account and Other Open-End (Not Home Secured) Lines of Credit

We figure the INTEREST CHARGE on your account by applying the periodic rate to the "daily balance" of your account for each day in the billing cycle. To get the "daily balance", we take the beginning balance of your account each day, add any new advances, and subtract any payments or credits. This gives us the daily balance.

Please Examine this Statement and Any Enclosed Items At Once. If No Error is Reported Within 30 days, This Statement Will Be Considered Correct. All Items Credited Subject to Final Payment.

CHECKING ACCOUNT

How to balance your checkbook:

1. Subtract the monthly service charge and any other charges not previously deducted from your checkbook balance.
2. Add to your checkbook balance each Line of Credit Deposit, Automatic Deposit and any interest paid.
3. List and total the amount of all deposits entered in your checkbook that are not shown on the statement provided for "Deposits Not Credited".
4. Compare and check off each paid check against your checkbook record. List and total all checks you have not checked off in the space provided for "Checks Outstanding".
5. Perform the indicated steps in the "Statement Reconciliation" section.

If your checkbook and bank statement do not balance:

- Review last month's reconciliation to make sure any differences were corrected.
- Check additions and subtractions in your checkbook. Compare the amount of each check and deposit with the amount recorded in your checkbook and on this statement.
- Make sure all outstanding checks have been recorded under "Checks Outstanding".
- Make sure that each paid check listed on your statement has been recorded in your checkbook
- Make sure that all electronic funds transfer transactions (if any) are listed.

Deposits Not Credited	
Date	Amount
Total	\$

Checks Outstanding	
Date	Amount
Total	\$

Statement Reconciliation	
Statement Ending Balance	\$
Add:	
Deposits Not Credited	+ \$
Sub Total	\$
Subtract:	
Checks Outstanding	\$
Total:	
Should Agree With Your Checkbook Balance	\$

MB&T Service Center
6950 Hollister Ave Suite 102
Goleta, CA 93117

RETURN SERVICE REQUESTED

MONTECITO SANITARY DISTRICT
DISASTER INSURANCE ACCOUNT
1042 MONTE CRISTO LN
SANTA BARBARA CA 93108-2809




Statement Ending 04/30/2024

Montecito Sanitary District

Page 1 of 2

Account Number:XXXXXXXX6591

How can we help you?

	Phone	(800) 348-0146
	Mail	P.O. Box 2460 Santa Barbara, CA 93120-2460
	Online	https://montecito.bank

Summary of Accounts

Account Type	Account Number	Ending Balance
Premier Public Funds	XXXXXXXX6591	\$115,005.63

Premier Public Funds-XXXXXXXX6591

Account Summary

Date	Description	Amount
03/30/2024	Beginning Balance	\$114,842.52
	1 Credit(s) This Period	\$163.11
	0 Debit(s) This Period	\$0.00
04/30/2024	Ending Balance	\$115,005.63

Interest Summary

Description	Amount
Interest Earned From 03/30/2024 Through 04/30/2024	
Annual Percentage Yield Earned	1.63%
Interest Days	32
Interest Earned	\$163.11
Interest Paid This Period	\$163.11
Interest Paid Year-to-Date	\$625.71

Account Activity

Post Date	Description	Debits	Credits	Balance
03/30/2024	Beginning Balance			\$114,842.52
04/30/2024	INTEREST		\$163.11	\$115,005.63
04/30/2024	Ending Balance			\$115,005.63

Daily Balances

Date	Amount
04/30/2024	\$115,005.63

Overdraft and Returned Item Fees

	Total for this period	Total year-to-date
Total Overdraft Fees	\$0.00	\$0.00
Total Returned Item Fees	\$0.00	\$0.00





Important Information Regarding Your Ready Cash Reserve Account and Other Open-End (Not Home Secured) Lines of Credit

We figure the INTEREST CHARGE on your account by applying the periodic rate to the "daily balance" of your account for each day in the billing cycle. To get the "daily balance", we take the beginning balance of your account each day, add any new advances, and subtract any payments or credits. This gives us the daily balance.

Please Examine this Statement and Any Enclosed Items At Once. If No Error is Reported Within 30 days, This Statement Will Be Considered Correct. All Items Credited Subject to Final Payment.

CHECKING ACCOUNT

How to balance your checkbook:

1. Subtract the monthly service charge and any other charges not previously deducted from your checkbook balance.
2. Add to your checkbook balance each Line of Credit Deposit, Automatic Deposit and any interest paid.
3. List and total the amount of all deposits entered in your checkbook that are not shown on the statement provided for "Deposits Not Credited".
4. Compare and check off each paid check against your checkbook record. List and total all checks you have not checked off in the space provided for "Checks Outstanding".
5. Perform the indicated steps in the "Statement Reconciliation" section.

If your checkbook and bank statement do not balance:

- Review last month's reconciliation to make sure any differences were corrected.
- Check additions and subtractions in your checkbook. Compare the amount of each check and deposit with the amount recorded in your checkbook and on this statement.
- Make sure all outstanding checks have been recorded under "Checks Outstanding".
- Make sure that each paid check listed on your statement has been recorded in your checkbook
- Make sure that all electronic funds transfer transactions (if any) are listed.

Deposits Not Credited	
Date	Amount
Total	\$

Checks Outstanding	
Date	Amount
Total	\$

Statement Reconciliation	
Statement Ending Balance	\$
Add:	
Deposits Not Credited	+ \$
Sub Total	\$
Subtract:	
Checks Outstanding	\$
Total:	
Should Agree With Your Checkbook Balance	\$

MB&T Service Center
6950 Hollister Ave Suite 102
Goleta, CA 93117

RETURN SERVICE REQUESTED

MONTECITO SANITARY DISTRICT
1042 MONTE CRISTO LN
SANTA BARBARA CA 93108-2809




Statement Ending 04/30/2024

Montecito Sanitary District

Page 1 of 2

Account Number:XXXXXXXX6807

How can we help you?

	Phone	(800) 348-0146
	Mail	P.O. Box 2460 Santa Barbara, CA 93120-2460
	Online	https://montecito.bank

Summary of Accounts

Account Type	Account Number	Ending Balance
Premier Public Funds	XXXXXXXX6807	\$881,978.31

Premier Public Funds-XXXXXXXX6807

Account Summary

Date	Description	Amount
03/30/2024	Beginning Balance	\$880,650.34
	1 Credit(s) This Period	\$1,327.97
	0 Debit(s) This Period	\$0.00
04/30/2024	Ending Balance	\$881,978.31

Interest Summary

Description	Amount
Interest Earned From 03/30/2024 Through 04/30/2024	
Annual Percentage Yield Earned	1.73%
Interest Days	32
Interest Earned	\$1,327.97
Interest Paid This Period	\$1,327.97
Interest Paid Year-to-Date	\$5,066.37

Account Activity

Post Date	Description	Debits	Credits	Balance
03/30/2024	Beginning Balance			\$880,650.34
04/30/2024	INTEREST		\$1,327.97	\$881,978.31
04/30/2024	Ending Balance			\$881,978.31

Daily Balances

Date	Amount
04/30/2024	\$881,978.31

Overdraft and Returned Item Fees

	Total for this period	Total year-to-date
Total Overdraft Fees	\$0.00	\$0.00
Total Returned Item Fees	\$0.00	\$0.00





Important Information Regarding Your Ready Cash Reserve Account and Other Open-End (Not Home Secured) Lines of Credit

We figure the INTEREST CHARGE on your account by applying the periodic rate to the "daily balance" of your account for each day in the billing cycle. To get the "daily balance", we take the beginning balance of your account each day, add any new advances, and subtract any payments or credits. This gives us the daily balance.

Please Examine this Statement and Any Enclosed Items At Once. If No Error is Reported Within 30 days, This Statement Will Be Considered Correct. All Items Credited Subject to Final Payment.

CHECKING ACCOUNT

How to balance your checkbook:

1. Subtract the monthly service charge and any other charges not previously deducted from your checkbook balance.
2. Add to your checkbook balance each Line of Credit Deposit, Automatic Deposit and any interest paid.
3. List and total the amount of all deposits entered in your checkbook that are not shown on the statement provided for "Deposits Not Credited".
4. Compare and check off each paid check against your checkbook record. List and total all checks you have not checked off in the space provided for "Checks Outstanding".
5. Perform the indicated steps in the "Statement Reconciliation" section.

If your checkbook and bank statement do not balance:

- Review last month's reconciliation to make sure any differences were corrected.
- Check additions and subtractions in your checkbook. Compare the amount of each check and deposit with the amount recorded in your checkbook and on this statement.
- Make sure all outstanding checks have been recorded under "Checks Outstanding".
- Make sure that each paid check listed on your statement has been recorded in your checkbook
- Make sure that all electronic funds transfer transactions (if any) are listed.

Deposits Not Credited	
Date	Amount
Total	\$

Checks Outstanding	
Date	Amount
Total	\$

Statement Reconciliation	
Statement Ending Balance	\$
Add:	
Deposits Not Credited	+ \$
Sub Total	\$
Subtract:	
Checks Outstanding	\$
Total:	
Should Agree With Your Checkbook Balance	\$

Balance Sheet

As of: 3/31/2024
Accounting Period: CLOSED

Selection Criteria: Fund = 5100

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

Fund 5100 -- Montecito San Dist-Running Exp

	Beginning Balance 7/1/2023	Year-To-Date Debits	Year-To-Date Credits	Ending Balance 3/31/2024
Assets & Other Debits				
Assets				
0110 -- Cash in Treasury	10,101,189.92	8,513,250.51	8,080,138.71	10,534,301.72
0240 -- Interest Receivable	57,814.20	180,103.02	163,971.06	73,946.16
Total Assets	10,159,004.12	8,693,353.53	8,244,109.77	10,608,247.88
Total Assets & Other Debits	10,159,004.12	8,693,353.53	8,244,109.77	10,608,247.88
Liabilities, Equity & Other Credits				
Liabilities				
1015 -- EFT Payable	0.00	3,750,000.00	3,750,000.00	0.00
1210 -- Accounts Payable	0.00	3,750,000.00	3,750,000.00	0.00
1332 -- Due To Others	10,159,004.12	8,080,138.71	8,529,382.47	10,608,247.88
Total Liabilities	10,159,004.12	15,580,138.71	16,029,382.47	10,608,247.88
Total Liabilities, Equity & Other Credits	10,159,004.12	15,580,138.71	16,029,382.47	10,608,247.88

Balance Sheet

As of: 3/31/2024
Accounting Period: CLOSED

Selection Criteria: Fund = 5101

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

Fund 5101 -- Montecito San Capital Replmnt

	Beginning Balance 7/1/2023	Year-To-Date Debits	Year-To-Date Credits	Ending Balance 3/31/2024
Assets & Other Debits				
Assets				
0110 -- Cash in Treasury	5,207,841.27	84,439.83	2,100,000.00	3,192,281.10
0240 -- Interest Receivable	29,172.45	79,886.20	84,439.83	24,618.82
Total Assets	5,237,013.72	164,326.03	2,184,439.83	3,216,899.92
Total Assets & Other Debits	5,237,013.72	164,326.03	2,184,439.83	3,216,899.92
Liabilities, Equity & Other Credits				
Liabilities				
1015 -- EFT Payable	0.00	2,100,000.00	2,100,000.00	0.00
1210 -- Accounts Payable	0.00	2,100,000.00	2,100,000.00	0.00
1332 -- Due To Others	5,237,013.72	2,100,000.00	79,886.20	3,216,899.92
Total Liabilities	5,237,013.72	6,300,000.00	4,279,886.20	3,216,899.92
Total Liabilities, Equity & Other Credits	5,237,013.72	6,300,000.00	4,279,886.20	3,216,899.92

Balance Sheet

As of: 3/31/2024
Accounting Period: CLOSED

Selection Criteria: Fund = 5102

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

Fund 5102 -- Montecito San Retiree Med Ben

	Beginning Balance 7/1/2023	Year-To-Date Debits	Year-To-Date Credits	Ending Balance 3/31/2024
Assets & Other Debits				
Assets				
0110 -- Cash in Treasury	186,844.67	3,127.60	0.00	189,972.27
0240 -- Interest Receivable	996.23	3,367.19	3,127.60	1,235.82
Total Assets	187,840.90	6,494.79	3,127.60	191,208.09
Total Assets & Other Debits	187,840.90	6,494.79	3,127.60	191,208.09
Liabilities, Equity & Other Credits				
Liabilities				
1332 -- Due To Others	187,840.90	0.00	3,367.19	191,208.09
Total Liabilities	187,840.90	0.00	3,367.19	191,208.09
Total Liabilities, Equity & Other Credits	187,840.90	0.00	3,367.19	191,208.09

California State Treasurer *Fiona Ma, CPA*



Local Agency Investment Fund
P.O. Box 942809
Sacramento, CA 94209-0001
(916) 653-3001

July 22, 2024

[LAIF Home](#)
[PMIA Average Monthly Yields](#)

MONTECITO SANITARY DISTRICT

GENERAL MANAGER
1042 MONTE CRISTO LANE
SANTA BARBARA, CA 93108

[Tran Type Definitions](#)

Account Number: 70-42-004

March 2024 Statement

Account Summary

Total Deposit:	0.00	Beginning Balance:	2,112,926.85
Total Withdrawal:	0.00	Ending Balance:	2,112,926.85

MB&T Service Center
6950 Hollister Ave Suite 102
Goleta, CA 93117

RETURN SERVICE REQUESTED

MONTECITO SANITARY DISTRICT
"OPERATING ACCOUNT"
1042 MONTE CRISTO LN
SANTA BARBARA CA 93108-2809




Statement Ending 03/29/2024

Montecito Sanitary District

Page 1 of 26

Account Number:XXXXXXXX6796

How can we help you?

	Phone	(800) 348-0146
	Mail	P.O. Box 2460 Santa Barbara, CA 93120-2460
	Online	https://montecito.bank

Summary of Accounts

Account Type	Account Number	Ending Balance
Business Analysis Checking	XXXXXXXX6796	\$599,360.06

Business Analysis Checking-XXXXXXXX6796

Account Summary

Date	Description	Amount
03/01/2024	Beginning Balance	\$674,301.16
	4 Credit(s) This Period	\$523,590.00
	131 Debit(s) This Period	\$598,531.10
03/29/2024	Ending Balance	\$599,360.06

Electronic Credits

Date	Description	Amount
03/18/2024	ALLPAID EDI/EFTPMT 188	\$7,855.00
03/21/2024	ALLPAID EDI/EFTPMT 197	\$13,890.00
03/25/2024	SANTA BARBARA CO AUT PMNT 840880	\$500,000.00
03/27/2024	ALLPAID EDI/EFTPMT 209	\$1,845.00

Other Debits

Date	Description	Amount
03/06/2024	PAYCHEX TPS TAXES 06505800000420X	\$25,468.70
03/06/2024	PAYCHEX INC. PAYROLL 06507000001909X	\$57,819.86
03/08/2024	EXPERTPAY EXPERTPAY XXXXX2192	\$480.00
03/13/2024	1946207465 3100 XXXXXX7425 100000017446055	\$6,385.58
03/13/2024	1946207465 3100 XXXXXX7425 100000017446132	\$6,881.57
03/14/2024	EMPOWER EMPOWER 706323947326	\$200.00
03/14/2024	SAGE SOFTWARE COLLECTION	\$1,469.60
03/14/2024	1946207465 1900 XXXXXX7425 100000017484598	\$2,205.00
03/20/2024	PAYCHEX-OAB INVOICE 06661400018912X	\$130.50
03/20/2024	PAYCHEX TPS TAXES 06689500000559X	\$24,830.79
03/20/2024	PAYCHEX INC. PAYROLL 06686100009396X	\$54,071.75
03/22/2024	EXPERTPAY EXPERTPAY XXXXX2192	\$480.00
03/29/2024	EMPOWER EMPOWER 170028879802	\$200.00
03/29/2024	1946207465 1900 XXXXXX7425 100000017495797	\$2,205.00
03/29/2024	1946207465 3100 XXXXXX7425 100000017446077	\$6,385.58
03/29/2024	1946207465 3100 XXXXXX7425 100000017446149	\$6,881.57





Important Information Regarding Your Ready Cash Reserve Account and Other Open-End (Not Home Secured) Lines of Credit

We figure the INTEREST CHARGE on your account by applying the periodic rate to the "daily balance" of your account for each day in the billing cycle. To get the "daily balance", we take the beginning balance of your account each day, add any new advances, and subtract any payments or credits. This gives us the daily balance.

Please Examine this Statement and Any Enclosed Items At Once. If No Error is Reported Within 30 days, This Statement Will Be Considered Correct. All Items Credited Subject to Final Payment.

CHECKING ACCOUNT

How to balance your checkbook:

1. Subtract the monthly service charge and any other charges not previously deducted from your checkbook balance.
2. Add to your checkbook balance each Line of Credit Deposit, Automatic Deposit and any interest paid.
3. List and total the amount of all deposits entered in your checkbook that are not shown on the statement provided for "Deposits Not Credited".
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- Review last month's reconciliation to make sure any differences were corrected.
- Check additions and subtractions in your checkbook. Compare the amount of each check and deposit with the amount recorded in your checkbook and on this statement.
- Make sure all outstanding checks have been recorded under "Checks Outstanding".
- Make sure that each paid check listed on your statement has been recorded in your checkbook
- Make sure that all electronic funds transfer transactions (if any) are listed.

Deposits Not Credited	
Date	Amount
Total	\$

Checks Outstanding	
Date	Amount
Total	\$

Statement Reconciliation	
Statement Ending Balance	\$
Add:	
Deposits Not Credited	+ \$
Sub Total	\$
Subtract:	
Checks Outstanding	\$
Total:	
Should Agree With Your Checkbook Balance	\$

Business Analysis Checking-XXXXXXXX6796 (continued)

Checks Cleared

Check Nbr	Date	Amount	Check Nbr	Date	Amount	Check Nbr	Date	Amount
29023	03/04/2024	\$37.56	29110	03/15/2024	\$2,682.40	29151	03/20/2024	\$1,078.07
29071*	03/06/2024	\$28,502.79	29111	03/06/2024	\$11.81	29152	03/19/2024	\$17,476.20
29072	03/04/2024	\$995.99	29112	03/04/2024	\$58.45	29153	03/25/2024	\$419.08
29073	03/01/2024	\$18.94	29113	03/15/2024	\$6,275.00	29154	03/22/2024	\$475.35
29075*	03/04/2024	\$272.61	29114	03/06/2024	\$18,850.00	29155	03/19/2024	\$181.99
29076	03/01/2024	\$5,484.93	29115	03/12/2024	\$17,923.67	29156	03/19/2024	\$786.95
29077	03/05/2024	\$2,070.53	29116	03/01/2024	\$759.68	29157	03/19/2024	\$8,636.27
29078	03/04/2024	\$3,075.00	29117	03/07/2024	\$1,081.03	29158	03/20/2024	\$1,855.75
29079	03/05/2024	\$3,637.50	29118	03/08/2024	\$759.14	29159	03/22/2024	\$88.96
29080	03/05/2024	\$44.00	29119	03/04/2024	\$3,220.36	29160	03/22/2024	\$1,050.00
29081	03/01/2024	\$120.74	29120	03/12/2024	\$46.84	29162*	03/20/2024	\$194.30
29082	03/05/2024	\$8,636.89	29121	03/05/2024	\$375.00	29163	03/25/2024	\$634.67
29083	03/01/2024	\$4,863.30	29122	03/06/2024	\$4,615.00	29164	03/28/2024	\$150.00
29084	03/13/2024	\$2,576.34	29124*	03/04/2024	\$6,353.16	29165	03/21/2024	\$381.70
29085	03/01/2024	\$805.00	29125	03/05/2024	\$162.25	29166	03/20/2024	\$877.50
29086	03/01/2024	\$550.00	29126	03/01/2024	\$370.00	29168*	03/26/2024	\$24.11
29087	03/05/2024	\$695.71	29127	03/04/2024	\$182.10	29169	03/20/2024	\$78.40
29088	03/01/2024	\$14,718.48	29128	03/04/2024	\$2,280.00	29170	03/19/2024	\$2,960.00
29089	03/01/2024	\$92.34	29129	03/21/2024	\$28,502.79	29171	03/22/2024	\$1,360.88
29090	03/12/2024	\$1,145.21	29130	03/20/2024	\$652.18	29172	03/18/2024	\$192.00
29091	03/06/2024	\$360.93	29131	03/19/2024	\$78.77	29173	03/28/2024	\$1,012.00
29092	03/01/2024	\$1,755.89	29132	03/21/2024	\$330.54	29174	03/21/2024	\$218.00
29093	03/07/2024	\$7,028.94	29133	03/22/2024	\$38.04	29175	03/20/2024	\$83.64
29094	03/01/2024	\$2,208.43	29135*	03/19/2024	\$2,603.00	29176	03/22/2024	\$725.00
29095	03/05/2024	\$119.60	29136	03/22/2024	\$297.91	29177	03/22/2024	\$17,644.78
29096	03/07/2024	\$853.36	29137	03/18/2024	\$313.29	29179*	03/26/2024	\$342.84
29097	03/04/2024	\$295.00	29138	03/25/2024	\$3,077.12	29180	03/21/2024	\$92.05
29098	03/01/2024	\$157.50	29139	03/19/2024	\$3,000.00	29181	03/15/2024	\$98,269.09
29099	03/14/2024	\$222.00	29140	03/21/2024	\$4,177.05	29182	03/22/2024	\$498.07
29100	03/07/2024	\$619.20	29141	03/25/2024	\$44.00	29183	03/20/2024	\$1,610.18
29101	03/08/2024	\$246.81	29142	03/21/2024	\$160.39	29184	03/22/2024	\$375.00
29102	03/01/2024	\$1,170.00	29143	03/26/2024	\$319.00	29185	03/18/2024	\$7,893.77
29103	03/12/2024	\$35.00	29144	03/19/2024	\$3,069.01	29186	03/21/2024	\$9,970.65
29104	03/12/2024	\$40.95	29145	03/18/2024	\$83.10	29187	03/20/2024	\$134.25
29105	03/04/2024	\$308.87	29146	03/22/2024	\$2,795.37	29188	03/21/2024	\$389.05
29106	03/04/2024	\$3,875.00	29147	03/20/2024	\$2,794.92	29189	03/20/2024	\$2,290.00
29107	03/05/2024	\$450.00	29148	03/19/2024	\$89.47	29190	03/20/2024	\$2,280.00
29108	03/01/2024	\$787.76	29149	03/25/2024	\$1,138.87			
29109	03/06/2024	\$475.24	29150	03/21/2024	\$780.00			

* Indicates skipped check number

Daily Balances

Date	Amount	Date	Amount	Date	Amount
03/01/2024	\$640,438.17	03/13/2024	\$421,084.62	03/22/2024	\$120,348.90
03/04/2024	\$619,484.07	03/14/2024	\$416,988.02	03/25/2024	\$615,035.16
03/05/2024	\$603,292.59	03/15/2024	\$309,761.53	03/26/2024	\$614,349.21
03/06/2024	\$467,188.26	03/18/2024	\$309,134.37	03/27/2024	\$616,194.21
03/07/2024	\$457,605.73	03/19/2024	\$270,252.71	03/28/2024	\$615,032.21
03/08/2024	\$456,119.78	03/20/2024	\$177,290.48	03/29/2024	\$599,360.06
03/12/2024	\$436,928.11	03/21/2024	\$146,178.26		

Business Analysis Checking-XXXXXXXXX6796 (continued)

Overdraft and Returned Item Fees

	Total for this period	Total year-to-date
Total Overdraft Fees	\$0.00	\$0.00
Total Returned Item Fees	\$0.00	\$0.00

MB&T Service Center
6950 Hollister Ave Suite 102
Goleta, CA 93117

RETURN SERVICE REQUESTED

MONTECITO SANITARY DISTRICT
"CIP ACCOUNT"
1042 MONTE CRISTO LN
SANTA BARBARA CA 93108-2809




Statement Ending 03/29/2024

Montecito Sanitary District

Page 1 of 4

Account Number:XXXXXXXX7512

How can we help you?

	Phone	(800) 348-0146
	Mail	P.O. Box 2460 Santa Barbara, CA 93120-2460
	Online	https://montecito.bank

Summary of Accounts

Account Type	Account Number	Ending Balance
Business Analysis Checking	XXXXXXXX7512	\$726,712.51

Business Analysis Checking-XXXXXXXX7512

Account Summary

Date	Description	Amount
03/01/2024	Beginning Balance	\$819,454.99
	1 Credit(s) This Period	\$500,000.00
	12 Debit(s) This Period	\$592,742.48
03/29/2024	Ending Balance	\$726,712.51

Electronic Credits

Date	Description	Amount
03/25/2024	SANTA BARBARA CO AUT PMNT 840881	\$500,000.00

Checks Cleared

Check Nbr	Date	Amount	Check Nbr	Date	Amount	Check Nbr	Date	Amount
1441	03/04/2024	\$1,107.06	1445	03/04/2024	\$7,179.94	1449	03/20/2024	\$1,137.00
1442	03/05/2024	\$15,070.00	1446	03/04/2024	\$464,281.15	1450	03/25/2024	\$8,832.89
1443	03/01/2024	\$2,472.75	1447	03/04/2024	\$8,640.00	1451	03/21/2024	\$29,460.54
1444	03/08/2024	\$32,700.00	1448	03/19/2024	\$3,951.15	1453*	03/19/2024	\$17,910.00

* Indicates skipped check number

Daily Balances

Date	Amount	Date	Amount	Date	Amount
03/01/2024	\$816,982.24	03/08/2024	\$288,004.09	03/21/2024	\$235,545.40
03/04/2024	\$335,774.09	03/19/2024	\$266,142.94	03/25/2024	\$726,712.51
03/05/2024	\$320,704.09	03/20/2024	\$265,005.94		

Overdraft and Returned Item Fees

	Total for this period	Total year-to-date
Total Overdraft Fees	\$0.00	\$0.00
Total Returned Item Fees	\$0.00	\$0.00





Important Information Regarding Your Ready Cash Reserve Account and Other Open-End (Not Home Secured) Lines of Credit

We figure the INTEREST CHARGE on your account by applying the periodic rate to the "daily balance" of your account for each day in the billing cycle. To get the "daily balance", we take the beginning balance of your account each day, add any new advances, and subtract any payments or credits. This gives us the daily balance.

Please Examine this Statement and Any Enclosed Items At Once. If No Error is Reported Within 30 days, This Statement Will Be Considered Correct. All Items Credited Subject to Final Payment.

CHECKING ACCOUNT

How to balance your checkbook:

1. Subtract the monthly service charge and any other charges not previously deducted from your checkbook balance.
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3. List and total the amount of all deposits entered in your checkbook that are not shown on the statement provided for "Deposits Not Credited".
4. Compare and check off each paid check against your checkbook record. List and total all checks you have not checked off in the space provided for "Checks Outstanding".
5. Perform the indicated steps in the "Statement Reconciliation" section.

If your checkbook and bank statement do not balance:

- Review last month's reconciliation to make sure any differences were corrected.
- Check additions and subtractions in your checkbook. Compare the amount of each check and deposit with the amount recorded in your checkbook and on this statement.
- Make sure all outstanding checks have been recorded under "Checks Outstanding".
- Make sure that each paid check listed on your statement has been recorded in your checkbook
- Make sure that all electronic funds transfer transactions (if any) are listed.

Deposits Not Credited	
Date	Amount
Total	\$

Checks Outstanding	
Date	Amount
Total	\$

Statement Reconciliation	
Statement Ending Balance	\$
Add:	
Deposits Not Credited	+ \$
Sub Total	\$
Subtract:	
Checks Outstanding	\$
Total:	
Should Agree With Your Checkbook Balance	\$

MB&T Service Center
6950 Hollister Ave Suite 102
Goleta, CA 93117

RETURN SERVICE REQUESTED

MONTECITO SANITARY DISTRICT
1042 MONTE CRISTO LN
SANTA BARBARA CA 93108-2809




Statement Ending 03/29/2024

Montecito Sanitary District

Page 1 of 2

Account Number:XXXXXXXX1760

How can we help you?

	Phone	(800) 348-0146
	Mail	P.O. Box 2460 Santa Barbara, CA 93120-2460
	Online	https://montecito.bank

Summary of Accounts

Account Type	Account Number	Ending Balance
Basic Business Checking	XXXXXXXX1760	\$210.60

Basic Business Checking-XXXXXXXX1760

Account Summary

Date	Description	Amount
03/01/2024	Beginning Balance	\$210.60
	1 Credit(s) This Period	\$315.00
	1 Debit(s) This Period	\$315.00
03/29/2024	Ending Balance	\$210.60

Deposits

Date	Description	Amount
03/06/2024	WEB TRANSFER From x6807 To x1760 TEMPORARY TRANSFER	\$315.00

Checks Cleared

Check Nbr	Date	Amount
1012	03/15/2024	\$315.00

* Indicates skipped check number

Daily Balances

Date	Amount	Date	Amount
03/06/2024	\$525.60	03/15/2024	\$210.60

Overdraft and Returned Item Fees

	Total for this period	Total year-to-date
Total Overdraft Fees	\$0.00	\$0.00
Total Returned Item Fees	\$0.00	\$0.00





Important Information Regarding Your Ready Cash Reserve Account and Other Open-End (Not Home Secured) Lines of Credit

We figure the INTEREST CHARGE on your account by applying the periodic rate to the "daily balance" of your account for each day in the billing cycle. To get the "daily balance", we take the beginning balance of your account each day, add any new advances, and subtract any payments or credits. This gives us the daily balance.

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CHECKING ACCOUNT

How to balance your checkbook:

1. Subtract the monthly service charge and any other charges not previously deducted from your checkbook balance.
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- Check additions and subtractions in your checkbook. Compare the amount of each check and deposit with the amount recorded in your checkbook and on this statement.
- Make sure all outstanding checks have been recorded under "Checks Outstanding".
- Make sure that each paid check listed on your statement has been recorded in your checkbook
- Make sure that all electronic funds transfer transactions (if any) are listed.

Deposits Not Credited	
Date	Amount
Total	\$

Checks Outstanding	
Date	Amount
Total	\$

Statement Reconciliation	
Statement Ending Balance	\$
Add:	
Deposits Not Credited	+ \$
Sub Total	\$
Subtract:	
Checks Outstanding	\$
Total:	
Should Agree With Your Checkbook Balance	\$

MB&T Service Center
6950 Hollister Ave Suite 102
Goleta, CA 93117

RETURN SERVICE REQUESTED

MONTECITO SANITARY DISTRICT
DISASTER INSURANCE ACCOUNT
1042 MONTE CRISTO LN
SANTA BARBARA CA 93108-2809




Statement Ending 03/29/2024

Montecito Sanitary District

Page 1 of 2

Account Number:XXXXXXXX6591

How can we help you?

	Phone	(800) 348-0146
	Mail	P.O. Box 2460 Santa Barbara, CA 93120-2460
	Online	https://montecito.bank

Summary of Accounts

Account Type	Account Number	Ending Balance
Premier Public Funds	XXXXXXXX6591	\$114,842.52

Premier Public Funds-XXXXXXXX6591

Account Summary

Date	Description	Amount
03/01/2024	Beginning Balance	\$114,694.89
	1 Credit(s) This Period	\$147.63
	0 Debit(s) This Period	\$0.00
03/29/2024	Ending Balance	\$114,842.52

Interest Summary

Description	Amount
Interest Earned From 03/01/2024 Through 03/29/2024	
Annual Percentage Yield Earned	1.63%
Interest Days	29
Interest Earned	\$147.63
Interest Paid This Period	\$147.63
Interest Paid Year-to-Date	\$462.60

Account Activity

Post Date	Description	Debits	Credits	Balance
03/01/2024	Beginning Balance			\$114,694.89
03/29/2024	INTEREST		\$147.63	\$114,842.52
03/29/2024	Ending Balance			\$114,842.52

Daily Balances

Date	Amount
03/29/2024	\$114,842.52

Overdraft and Returned Item Fees

	Total for this period	Total year-to-date
Total Overdraft Fees	\$0.00	\$0.00
Total Returned Item Fees	\$0.00	\$0.00





Important Information Regarding Your Ready Cash Reserve Account and Other Open-End (Not Home Secured) Lines of Credit

We figure the INTEREST CHARGE on your account by applying the periodic rate to the “daily balance” of your account for each day in the billing cycle. To get the “daily balance”, we take the beginning balance of your account each day, add any new advances, and subtract any payments or credits. This gives us the daily balance.

Please Examine this Statement and Any Enclosed Items At Once. If No Error is Reported Within 30 days, This Statement Will Be Considered Correct. All Items Credited Subject to Final Payment.

CHECKING ACCOUNT

How to balance your checkbook:

1. Subtract the monthly service charge and any other charges not previously deducted from your checkbook balance.
2. Add to your checkbook balance each Line of Credit Deposit, Automatic Deposit and any interest paid.
3. List and total the amount of all deposits entered in your checkbook that are not shown on the statement provided for “Deposits Not Credited”.
4. Compare and check off each paid check against your checkbook record. List and total all checks you have not checked off in the space provided for “Checks Outstanding”.
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- Make sure that each paid check listed on your statement has been recorded in your checkbook
- Make sure that all electronic funds transfer transactions (if any) are listed.

Deposits Not Credited	
Date	Amount
Total	\$

Checks Outstanding	
Date	Amount
Total	\$

Statement Reconciliation	
Statement Ending Balance	\$
Add:	
Deposits Not Credited	+ \$
Sub Total	\$
Subtract:	
Checks Outstanding	\$
Total:	
Should Agree With Your Checkbook Balance	\$

MB&T Service Center
6950 Hollister Ave Suite 102
Goleta, CA 93117

RETURN SERVICE REQUESTED

MONTECITO SANITARY DISTRICT
1042 MONTE CRISTO LN
SANTA BARBARA CA 93108-2809




Statement Ending 03/29/2024

Montecito Sanitary District

Page 1 of 2

Account Number:XXXXXXXX6807

How can we help you?

	Phone	(800) 348-0146
	Mail	P.O. Box 2460 Santa Barbara, CA 93120-2460
	Online	https://montecito.bank

Summary of Accounts

Account Type	Account Number	Ending Balance
Premier Public Funds	XXXXXXXX6807	\$880,650.34

Premier Public Funds-XXXXXXXX6807

Account Summary

Date	Description	Amount
03/01/2024	Beginning Balance	\$879,763.43
	1 Credit(s) This Period	\$1,201.91
	1 Debit(s) This Period	\$315.00
03/29/2024	Ending Balance	\$880,650.34

Interest Summary

Description	Amount
Interest Earned From 03/01/2024 Through 03/29/2024	
Annual Percentage Yield Earned	1.73%
Interest Days	29
Interest Earned	\$1,201.91
Interest Paid This Period	\$1,201.91
Interest Paid Year-to-Date	\$3,738.40

Account Activity

Post Date	Description	Debits	Credits	Balance
03/01/2024	Beginning Balance			\$879,763.43
03/06/2024	WEB TRANSFER From x6807 To x1760 TEMPORARY TRANSFER	\$315.00		\$879,448.43
03/29/2024	INTEREST		\$1,201.91	\$880,650.34
03/29/2024	Ending Balance			\$880,650.34

Daily Balances

Date	Amount	Date	Amount
03/06/2024	\$879,448.43	03/29/2024	\$880,650.34

Overdraft and Returned Item Fees

	Total for this period	Total year-to-date
Total Overdraft Fees	\$0.00	\$0.00
Total Returned Item Fees	\$0.00	\$0.00





Important Information Regarding Your Ready Cash Reserve Account and Other Open-End (Not Home Secured) Lines of Credit

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Deposits Not Credited	
Date	Amount
Total	\$

Checks Outstanding	
Date	Amount
Total	\$

Statement Reconciliation	
Statement Ending Balance	\$
Add:	
Deposits Not Credited	+ \$
Sub Total	\$
Subtract:	
Checks Outstanding	\$
Total:	
Should Agree With Your Checkbook Balance	\$

Balance Sheet

As of: 2/29/2024
Accounting Period: CLOSED

Selection Criteria: Fund = 5100

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

Fund 5100 -- Montecito San Dist-Running Exp

	Beginning Balance 7/1/2023	Year-To-Date Debits	Year-To-Date Credits	Ending Balance 2/29/2024
Assets & Other Debits				
Assets				
0110 -- Cash in Treasury	10,101,189.92	8,513,250.51	7,580,138.71	11,034,301.72
0240 -- Interest Receivable	57,814.20	106,156.86	163,971.06	0.00
Total Assets	10,159,004.12	8,619,407.37	7,744,109.77	11,034,301.72
Total Assets & Other Debits	10,159,004.12	8,619,407.37	7,744,109.77	11,034,301.72
Liabilities, Equity & Other Credits				
Liabilities				
1015 -- EFT Payable	0.00	3,250,000.00	3,250,000.00	0.00
1210 -- Accounts Payable	0.00	3,250,000.00	3,250,000.00	0.00
1332 -- Due To Others	10,159,004.12	7,580,138.71	8,455,436.31	11,034,301.72
Total Liabilities	10,159,004.12	14,080,138.71	14,955,436.31	11,034,301.72
Total Liabilities, Equity & Other Credits	10,159,004.12	14,080,138.71	14,955,436.31	11,034,301.72

Balance Sheet

As of: 2/29/2024
Accounting Period: CLOSED

Selection Criteria: Fund = 5101

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

Fund 5101 -- Montecito San Capital Replmnt

	Beginning Balance 7/1/2023	Year-To-Date Debits	Year-To-Date Credits	Ending Balance 2/29/2024
Assets & Other Debits				
Assets				
0110 -- Cash in Treasury	5,207,841.27	84,439.83	1,600,000.00	3,692,281.10
0240 -- Interest Receivable	29,172.45	55,267.38	84,439.83	0.00
Total Assets	5,237,013.72	139,707.21	1,684,439.83	3,692,281.10
Total Assets & Other Debits	5,237,013.72	139,707.21	1,684,439.83	3,692,281.10
Liabilities, Equity & Other Credits				
Liabilities				
1015 -- EFT Payable	0.00	1,600,000.00	1,600,000.00	0.00
1210 -- Accounts Payable	0.00	1,600,000.00	1,600,000.00	0.00
1332 -- Due To Others	5,237,013.72	1,600,000.00	55,267.38	3,692,281.10
Total Liabilities	5,237,013.72	4,800,000.00	3,255,267.38	3,692,281.10
Total Liabilities, Equity & Other Credits	5,237,013.72	4,800,000.00	3,255,267.38	3,692,281.10

Balance Sheet

As of: 2/29/2024
Accounting Period: CLOSED

Selection Criteria: Fund = 5102

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

Fund 5102 -- Montecito San Retiree Med Ben

	Beginning Balance 7/1/2023	Year-To-Date Debits	Year-To-Date Credits	Ending Balance 2/29/2024
Assets & Other Debits				
Assets				
0110 -- Cash in Treasury	186,844.67	3,127.60	0.00	189,972.27
0240 -- Interest Receivable	996.23	2,131.37	3,127.60	0.00
Total Assets	187,840.90	5,258.97	3,127.60	189,972.27
Total Assets & Other Debits	187,840.90	5,258.97	3,127.60	189,972.27
Liabilities, Equity & Other Credits				
Liabilities				
1332 -- Due To Others	187,840.90	0.00	2,131.37	189,972.27
Total Liabilities	187,840.90	0.00	2,131.37	189,972.27
Total Liabilities, Equity & Other Credits	187,840.90	0.00	2,131.37	189,972.27

California State Treasurer *Fiona Ma, CPA*



Local Agency Investment Fund
P.O. Box 942809
Sacramento, CA 94209-0001
(916) 653-3001

July 22, 2024

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MONTECITO SANITARY DISTRICT

GENERAL MANAGER
1042 MONTE CRISTO LANE
SANTA BARBARA, CA 93108

[Tran Type Definitions](#)

Account Number: 70-42-004

February 2024 Statement

Account Summary

Total Deposit:	0.00	Beginning Balance:	2,112,926.85
Total Withdrawal:	0.00	Ending Balance:	2,112,926.85

MB&T Service Center
 6950 Hollister Ave Suite 102
 Goleta, CA 93117

RETURN SERVICE REQUESTED

MONTECITO SANITARY DISTRICT
 "OPERATING ACCOUNT"
 1042 MONTE CRISTO LN
 SANTA BARBARA CA 93108-2809




Statement Ending 02/29/2024

Montecito Sanitary District

Page 1 of 12

Account Number:XXXXXXXX6796

How can we help you?

	Phone	(800) 348-0146
	Mail	P.O. Box 2460 Santa Barbara, CA 93120-2460
	Online	https://montecito.bank

Summary of Accounts

Account Type	Account Number	Ending Balance
Business Analysis Checking	XXXXXXXX6796	\$674,301.16

Business Analysis Checking-XXXXXXXX6796

Account Summary

Date	Description	Amount
02/01/2024	Beginning Balance	\$437,292.99
	4 Credit(s) This Period	\$509,294.00
	53 Debit(s) This Period	\$272,285.83
02/29/2024	Ending Balance	\$674,301.16

Electronic Credits

Date	Description	Amount
02/05/2024	ALLPAID EDI/EFTPMT 200	\$435.00
02/15/2024	ALLPAID EDI/EFTPMT 190	\$6,525.00
02/16/2024	SANTA BARBARA CO AUT PMNT 836293	\$500,000.00
02/29/2024	ALLPAID EDI/EFTPMT 203	\$2,334.00

Other Debits

Date	Description	Amount
02/07/2024	PAYCHEX TPS TAXES 06161500000423X	\$26,248.08
02/07/2024	PAYCHEX INC. PAYROLL 06158300002607X	\$57,166.39
02/09/2024	EXPERTPAY EXPERTPAY XXXXX2192	\$480.00
02/09/2024	1946207465 3100 XXXXXX7425 100000017410809	\$6,385.58
02/09/2024	1946207465 3100 XXXXXX7425 100000017410845	\$6,815.28
02/12/2024	1946207465 1900 XXXXXX7425 100000017442911	\$2,185.00
02/20/2024	PAYCHEX-OAB INVOICE 06301300018156X	\$130.50
02/22/2024	PAYCHEX TPS TAXES 06332500000747X	\$24,625.33
02/22/2024	PAYCHEX INC. PAYROLL 06332900019068X	\$52,856.08
02/23/2024	EMPOWER EMPOWER 110029621529	\$200.00
02/23/2024	EMPOWER EMPOWER 110029621528	\$400.00
02/23/2024	EXPERTPAY EXPERTPAY XXXXX2192	\$480.00
02/23/2024	1946207465 1900 XXXXXX7425 100000017462374	\$2,185.00
02/23/2024	1946207465 3100 XXXXXX7425 100000017410829	\$6,385.58
02/23/2024	1946207465 3100 XXXXXX7425 100000017410866	\$6,881.57





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- Make sure that each paid check listed on your statement has been recorded in your checkbook
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Deposits Not Credited	
Date	Amount
Total	\$

Checks Outstanding	
Date	Amount
Total	\$

Statement Reconciliation	
Statement Ending Balance	\$
Add:	
Deposits Not Credited	+ \$
Sub Total	\$
Subtract:	
Checks Outstanding	\$
Total:	
Should Agree With Your Checkbook Balance	\$

Business Analysis Checking-XXXXXXXX6796 (continued)

Checks Cleared

Check Nbr	Date	Amount	Check Nbr	Date	Amount	Check Nbr	Date	Amount
28770	02/09/2024	\$103.00	29046	02/07/2024	\$180.00	29059	02/14/2024	\$143.84
28979*	02/05/2024	\$517.00	29047	02/07/2024	\$304.94	29060	02/12/2024	\$4,110.99
29035*	02/07/2024	\$28,502.79	29048	02/06/2024	\$8,377.35	29061	02/12/2024	\$3,951.90
29036	02/09/2024	\$176.88	29049	02/12/2024	\$2,300.00	29062	02/16/2024	\$12.21
29037	02/12/2024	\$64.00	29050	02/09/2024	\$2,875.00	29063	02/07/2024	\$78.40
29038	02/06/2024	\$2,652.25	29051	02/08/2024	\$111.79	29064	02/08/2024	\$708.02
29039	02/09/2024	\$44.00	29052	02/12/2024	\$2,300.00	29065	02/13/2024	\$113.00
29040	02/07/2024	\$160.39	29053	02/07/2024	\$656.98	29066	02/07/2024	\$299.12
29041	02/08/2024	\$1,749.97	29054	02/08/2024	\$121.89	29068*	02/09/2024	\$24.03
29042	02/12/2024	\$1,281.90	29055	02/12/2024	\$749.77	29069	02/09/2024	\$5,337.72
29043	02/09/2024	\$637.86	29056	02/22/2024	\$150.00	29070	02/08/2024	\$3,938.76
29044	02/07/2024	\$750.00	29057	02/06/2024	\$994.69	29074*	02/29/2024	\$2,603.00
29045	02/08/2024	\$1,680.00	29058	02/14/2024	\$98.00			

* Indicates skipped check number

Daily Balances

Date	Amount	Date	Amount	Date	Amount
02/05/2024	\$437,210.99	02/12/2024	\$262,706.27	02/20/2024	\$768,733.72
02/06/2024	\$425,186.70	02/13/2024	\$262,593.27	02/22/2024	\$691,102.31
02/07/2024	\$310,839.61	02/14/2024	\$262,351.43	02/23/2024	\$674,570.16
02/08/2024	\$302,529.18	02/15/2024	\$268,876.43	02/29/2024	\$674,301.16
02/09/2024	\$279,649.83	02/16/2024	\$768,864.22		

Overdraft and Returned Item Fees




	Total for this period	Total year-to-date	Previous year-to-date
Total Overdraft Fees	\$0.00	\$0.00	\$0.00
Total Returned Item Fees	\$0.00	\$0.00	\$0.00

MB&T Service Center
6950 Hollister Ave Suite 102
Goleta, CA 93117

RETURN SERVICE REQUESTED

MONTECITO SANITARY DISTRICT
"CIP ACCOUNT"
1042 MONTE CRISTO LN
SANTA BARBARA CA 93108-2809

How can we help you?

	Phone	(800) 348-0146
	Mail	P.O. Box 2460 Santa Barbara, CA 93120-2460
	Online	https://montecito.bank

Summary of Accounts

Account Type	Account Number	Ending Balance
Business Analysis Checking	XXXXXXXX7512	\$819,454.99

Business Analysis Checking-XXXXXXXX7512

Account Summary

Date	Description	Amount
02/01/2024	Beginning Balance	\$936,080.83
	0 Credit(s) This Period	\$0.00
	4 Debit(s) This Period	\$116,625.84
02/29/2024	Ending Balance	\$819,454.99

Checks Cleared

Check Nbr	Date	Amount	Check Nbr	Date	Amount
1435	02/21/2024	\$11,198.39	1439	02/09/2024	\$566.57
1438*	02/06/2024	\$88,537.53	1440	02/09/2024	\$16,323.35

* Indicates skipped check number

Daily Balances

Date	Amount	Date	Amount	Date	Amount
02/06/2024	\$847,543.30	02/09/2024	\$830,653.38	02/21/2024	\$819,454.99

Overdraft and Returned Item Fees

	Total for this period	Total year-to-date	Previous year-to-date
Total Overdraft Fees	\$0.00	\$0.00	\$0.00
Total Returned Item Fees	\$0.00	\$0.00	\$0.00





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Deposits Not Credited	
Date	Amount
Total	\$

Checks Outstanding	
Date	Amount
Total	\$

Statement Reconciliation	
Statement Ending Balance	\$
Add:	
Deposits Not Credited	+ \$
Sub Total	\$
Subtract:	
Checks Outstanding	\$
Total:	
Should Agree With Your Checkbook Balance	\$

MB&T Service Center
6950 Hollister Ave Suite 102
Goleta, CA 93117

RETURN SERVICE REQUESTED

MONTECITO SANITARY DISTRICT
1042 MONTE CRISTO LN
SANTA BARBARA CA 93108-2809




Statement Ending 02/29/2024

Montecito Sanitary District

Page 1 of 2

Account Number:XXXXXXXX1760

How can we help you?

-  Phone (800) 348-0146
-  Mail P.O. Box 2460
Santa Barbara, CA
93120-2460
-  Online <https://montecito.bank>

Summary of Accounts

Account Type	Account Number	Ending Balance
Basic Business Checking	XXXXXXXX1760	\$210.60

Basic Business Checking-XXXXXXXX1760

Account Summary

Date	Description	Amount
02/01/2024	Beginning Balance	\$210.60
	0 Credit(s) This Period	\$0.00
	0 Debit(s) This Period	\$0.00
02/29/2024	Ending Balance	\$210.60

Overdraft and Returned Item Fees

	Total for this period	Total year-to-date	Previous year-to-date
Total Overdraft Fees	\$0.00	\$0.00	\$0.00
Total Returned Item Fees	\$0.00	\$0.00	\$0.00





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Deposits Not Credited	
Date	Amount
Total	\$

Checks Outstanding	
Date	Amount
Total	\$

Statement Reconciliation	
Statement Ending Balance	\$
Add:	
Deposits Not Credited	+ \$
Sub Total	\$
Subtract:	
Checks Outstanding	\$
Total:	
Should Agree With Your Checkbook Balance	\$

MB&T Service Center
6950 Hollister Ave Suite 102
Goleta, CA 93117

RETURN SERVICE REQUESTED

MONTECITO SANITARY DISTRICT
DISASTER INSURANCE ACCOUNT
1042 MONTE CRISTO LN
SANTA BARBARA CA 93108-2809




Statement Ending 02/29/2024

Montecito Sanitary District

Page 1 of 2

Account Number:XXXXXXXX6591

How can we help you?

	Phone	(800) 348-0146
	Mail	P.O. Box 2460 Santa Barbara, CA 93120-2460
	Online	https://montecito.bank

Summary of Accounts

Account Type	Account Number	Ending Balance
Premier Public Funds	XXXXXXXX6591	\$114,694.89

Premier Public Funds-XXXXXXXX6591

Account Summary

Date	Description	Amount
02/01/2024	Beginning Balance	\$114,547.45
	1 Credit(s) This Period	\$147.44
	0 Debit(s) This Period	\$0.00
02/29/2024	Ending Balance	\$114,694.89

Interest Summary

Description	Amount
Interest Earned From 02/01/2024 Through 02/29/2024	
Annual Percentage Yield Earned	1.63%
Interest Days	29
Interest Earned	\$147.44
Interest Paid This Period	\$147.44
Interest Paid Year-to-Date	\$314.97

Account Activity

Post Date	Description	Debits	Credits	Balance
02/01/2024	Beginning Balance			\$114,547.45
02/29/2024	INTEREST		\$147.44	\$114,694.89
02/29/2024	Ending Balance			\$114,694.89

Daily Balances

Date	Amount
02/29/2024	\$114,694.89

Overdraft and Returned Item Fees

	Total for this period	Total year-to-date	Previous year-to-date
Total Overdraft Fees	\$0.00	\$0.00	\$0.00
Total Returned Item Fees	\$0.00	\$0.00	\$0.00





Important Information Regarding Your Ready Cash Reserve Account and Other Open-End (Not Home Secured) Lines of Credit

We figure the INTEREST CHARGE on your account by applying the periodic rate to the "daily balance" of your account for each day in the billing cycle. To get the "daily balance", we take the beginning balance of your account each day, add any new advances, and subtract any payments or credits. This gives us the daily balance.

Please Examine this Statement and Any Enclosed Items At Once. If No Error is Reported Within 30 days, This Statement Will Be Considered Correct. All Items Credited Subject to Final Payment.

CHECKING ACCOUNT

How to balance your checkbook:

1. Subtract the monthly service charge and any other charges not previously deducted from your checkbook balance.
2. Add to your checkbook balance each Line of Credit Deposit, Automatic Deposit and any interest paid.
3. List and total the amount of all deposits entered in your checkbook that are not shown on the statement provided for "Deposits Not Credited".
4. Compare and check off each paid check against your checkbook record. List and total all checks you have not checked off in the space provided for "Checks Outstanding".
5. Perform the indicated steps in the "Statement Reconciliation" section.

If your checkbook and bank statement do not balance:

- Review last month's reconciliation to make sure any differences were corrected.
- Check additions and subtractions in your checkbook. Compare the amount of each check and deposit with the amount recorded in your checkbook and on this statement.
- Make sure all outstanding checks have been recorded under "Checks Outstanding".
- Make sure that each paid check listed on your statement has been recorded in your checkbook
- Make sure that all electronic funds transfer transactions (if any) are listed.

Deposits Not Credited	
Date	Amount
Total	\$

Checks Outstanding	
Date	Amount
Total	\$

Statement Reconciliation	
Statement Ending Balance	\$
Add:	
Deposits Not Credited	+ \$
Sub Total	\$
Subtract:	
Checks Outstanding	\$
Total:	
Should Agree With Your Checkbook Balance	\$

MB&T Service Center
6950 Hollister Ave Suite 102
Goleta, CA 93117

RETURN SERVICE REQUESTED

MONTECITO SANITARY DISTRICT
1042 MONTE CRISTO LN
SANTA BARBARA CA 93108-2809




Statement Ending 02/29/2024

Montecito Sanitary District

Page 1 of 2

Account Number:XXXXXXXX6807

How can we help you?

	Phone	(800) 348-0146
	Mail	P.O. Box 2460 Santa Barbara, CA 93120-2460
	Online	https://montecito.bank

Summary of Accounts

Account Type	Account Number	Ending Balance
Premier Public Funds	XXXXXXXX6807	\$879,763.43

Premier Public Funds-XXXXXXXX6807

Account Summary

Date	Description	Amount
02/01/2024	Beginning Balance	\$878,562.81
	1 Credit(s) This Period	\$1,200.62
	0 Debit(s) This Period	\$0.00
02/29/2024	Ending Balance	\$879,763.43

Interest Summary

Description	Amount
Interest Earned From 02/01/2024 Through 02/29/2024	
Annual Percentage Yield Earned	1.73%
Interest Days	29
Interest Earned	\$1,200.62
Interest Paid This Period	\$1,200.62
Interest Paid Year-to-Date	\$2,536.49

Account Activity

Post Date	Description	Debits	Credits	Balance
02/01/2024	Beginning Balance			\$878,562.81
02/29/2024	INTEREST		\$1,200.62	\$879,763.43
02/29/2024	Ending Balance			\$879,763.43

Daily Balances

Date	Amount
02/29/2024	\$879,763.43

Overdraft and Returned Item Fees

	Total for this period	Total year-to-date	Previous year-to-date
Total Overdraft Fees	\$0.00	\$0.00	\$0.00
Total Returned Item Fees	\$0.00	\$0.00	\$0.00





Important Information Regarding Your Ready Cash Reserve Account and Other Open-End (Not Home Secured) Lines of Credit

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Deposits Not Credited	
Date	Amount
Total	\$

Checks Outstanding	
Date	Amount
Total	\$

Statement Reconciliation	
Statement Ending Balance	\$
Add:	
Deposits Not Credited	+ \$
Sub Total	\$
Subtract:	
Checks Outstanding	\$
Total:	
Should Agree With Your Checkbook Balance	\$

Balance Sheet

As of: 1/31/2024
Accounting Period: CLOSED

Selection Criteria: Fund = 5100

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

Fund 5100 -- Montecito San Dist-Running Exp

	Beginning Balance 7/1/2023	Year-To-Date Debits	Year-To-Date Credits	Ending Balance 1/31/2024
Assets & Other Debits				
Assets				
0110 -- Cash in Treasury	10,101,189.92	8,513,250.51	7,080,138.71	11,534,301.72
0240 -- Interest Receivable	57,814.20	106,156.86	163,971.06	0.00
Total Assets	10,159,004.12	8,619,407.37	7,244,109.77	11,534,301.72
Total Assets & Other Debits	10,159,004.12	8,619,407.37	7,244,109.77	11,534,301.72
Liabilities, Equity & Other Credits				
Liabilities				
1015 -- EFT Payable	0.00	2,750,000.00	2,750,000.00	0.00
1210 -- Accounts Payable	0.00	2,750,000.00	2,750,000.00	0.00
1332 -- Due To Others	10,159,004.12	7,080,138.71	8,455,436.31	11,534,301.72
Total Liabilities	10,159,004.12	12,580,138.71	13,955,436.31	11,534,301.72
Total Liabilities, Equity & Other Credits	10,159,004.12	12,580,138.71	13,955,436.31	11,534,301.72

Balance Sheet

As of: 1/31/2024
Accounting Period: CLOSED

Selection Criteria: Fund = 5101

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

Fund 5101 -- Montecito San Capital Replmnt

	Beginning Balance 7/1/2023	Year-To-Date Debits	Year-To-Date Credits	Ending Balance 1/31/2024
Assets & Other Debits				
Assets				
0110 -- Cash in Treasury	5,207,841.27	84,439.83	1,600,000.00	3,692,281.10
0240 -- Interest Receivable	29,172.45	55,267.38	84,439.83	0.00
Total Assets	5,237,013.72	139,707.21	1,684,439.83	3,692,281.10
Total Assets & Other Debits	5,237,013.72	139,707.21	1,684,439.83	3,692,281.10
Liabilities, Equity & Other Credits				
Liabilities				
1015 -- EFT Payable	0.00	1,600,000.00	1,600,000.00	0.00
1210 -- Accounts Payable	0.00	1,600,000.00	1,600,000.00	0.00
1332 -- Due To Others	5,237,013.72	1,600,000.00	55,267.38	3,692,281.10
Total Liabilities	5,237,013.72	4,800,000.00	3,255,267.38	3,692,281.10
Total Liabilities, Equity & Other Credits	5,237,013.72	4,800,000.00	3,255,267.38	3,692,281.10

Balance Sheet

As of: 1/31/2024
Accounting Period: CLOSED

Selection Criteria: Fund = 5102

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

Fund 5102 -- Montecito San Retiree Med Ben

	Beginning Balance 7/1/2023	Year-To-Date Debits	Year-To-Date Credits	Ending Balance 1/31/2024
Assets & Other Debits				
Assets				
0110 -- Cash in Treasury	186,844.67	3,127.60	0.00	189,972.27
0240 -- Interest Receivable	996.23	2,131.37	3,127.60	0.00
Total Assets	187,840.90	5,258.97	3,127.60	189,972.27
Total Assets & Other Debits	187,840.90	5,258.97	3,127.60	189,972.27
Liabilities, Equity & Other Credits				
Liabilities				
1332 -- Due To Others	187,840.90	0.00	2,131.37	189,972.27
Total Liabilities	187,840.90	0.00	2,131.37	189,972.27
Total Liabilities, Equity & Other Credits	187,840.90	0.00	2,131.37	189,972.27

California State Treasurer *Fiona Ma, CPA*



Local Agency Investment Fund
P.O. Box 942809
Sacramento, CA 94209-0001
(916) 653-3001

July 22, 2024

[LAIF Home](#)
[PMIA Average Monthly Yields](#)

MONTECITO SANITARY DISTRICT

GENERAL MANAGER
1042 MONTE CRISTO LANE
SANTA BARBARA, CA 93108

[Tran Type Definitions](#)

Account Number: 70-42-004

January 2024 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Web Confirm Number	Authorized Caller	Amount
1/12/2024	1/11/2024	QRD	1745872	N/A	SYSTEM	21,015.66

Account Summary

Total Deposit:	21,015.66	Beginning Balance:	2,091,911.19
Total Withdrawal:	0.00	Ending Balance:	2,112,926.85

MB&T Service Center
6950 Hollister Ave Suite 102
Goleta, CA 93117

RETURN SERVICE REQUESTED

MONTECITO SANITARY DISTRICT
"OPERATING ACCOUNT"
1042 MONTE CRISTO LN
SANTA BARBARA CA 93108-2809




Statement Ending 01/31/2024

Montecito Sanitary District

Page 1 of 16

Account Number:XXXXXXXX6796

How can we help you?

	Phone	(800) 348-0146
	Mail	P.O. Box 2460 Santa Barbara, CA 93120-2460
	Online	https://montecito.bank

Summary of Accounts

Account Type	Account Number	Ending Balance
Business Analysis Checking	XXXXXXXX6796	\$437,292.99

Business Analysis Checking-XXXXXXXX6796

Account Summary

Date	Description	Amount
12/30/2023	Beginning Balance	\$318,057.41
	7 Credit(s) This Period	\$746,350.04
	76 Debit(s) This Period	\$627,114.46
01/31/2024	Ending Balance	\$437,292.99

Deposits

Date	Description	Amount
01/23/2024	WEB TRANSFER From x6807 To x6796 TEMPORARY TRANSFER	\$200,000.00
01/31/2024	DEPOSIT	\$20,370.04

Electronic Credits

Date	Description	Amount
01/05/2024	ALLPAID EDI/EFTPMT 190	\$18,610.00
01/10/2024	ALLPAID EDI/EFTPMT 225	\$260.00
01/11/2024	ALLPAID EDI/EFTPMT 194	\$3,975.00
01/22/2024	ALLPAID EDI/EFTPMT 185	\$3,135.00
01/25/2024	SANTA BARBARA CO AUT PMNT 833467	\$500,000.00

Electronic Debits

Date	Description	Amount
01/26/2024	WEB TRANSFER From x6796 To x6807 RETURN TEMP TRANSFER	\$200,000.00

Other Debits

Date	Description	Amount
01/02/2024	1946207465 1900 XXXXXX7425 100000017400520	\$965.00
01/10/2024	PAYCHEX TPS TAXES 05565400000497X	\$26,356.08
01/10/2024	PAYCHEX INC. PAYROLL 055666000004435X	\$55,678.21
01/12/2024	EXPERTPAY EXPERTPAY XXXXX2192	\$480.00
01/16/2024	1946207465 3100 XXXXXX7425 100000017379340	\$6,385.58
01/16/2024	1946207465 3100 XXXXXX7425 100000017379384	\$6,783.06
01/17/2024	1946207465 1900 XXXXXX7425 100000017409282	\$965.00
01/22/2024	PAYCHEX-OAB INVOICE 05808200019963X	\$130.50





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- Make sure that each paid check listed on your statement has been recorded in your checkbook
- Make sure that all electronic funds transfer transactions (if any) are listed.

Deposits Not Credited	
Date	Amount
Total	\$

Checks Outstanding	
Date	Amount
Total	\$

Statement Reconciliation	
Statement Ending Balance	\$
Add:	
Deposits Not Credited	+ \$
Sub Total	\$
Subtract:	
Checks Outstanding	\$
Total:	
Should Agree With Your Checkbook Balance	\$

Business Analysis Checking-XXXXXXXX6796 (continued)

Other Debits (continued)

Date	Description	Amount
01/24/2024	PAYCHEX TPS TAXES 05894700000477X	\$24,500.42
01/24/2024	PAYCHEX INC. PAYROLL 05886700008789X	\$52,009.56
01/26/2024	EXPERTPAY EXPERTPAY XXXXX2192	\$480.00
01/26/2024	1946207465 3100 XXXXXX7425 100000017379363	\$6,385.58
01/26/2024	1946207465 3100 XXXXXX7425 100000017379401	\$6,783.06
01/29/2024	1946207465 1900 XXXXXX7425 100000017432271	\$2,185.00

Checks Cleared

Check Nbr	Date	Amount	Check Nbr	Date	Amount	Check Nbr	Date	Amount
28657	01/05/2024	\$3,450.00	28993	01/18/2024	\$160.39	29015	01/26/2024	\$150.00
28893*	01/19/2024	\$2,300.00	28994	01/19/2024	\$73,846.00	29016	01/19/2024	\$332.70
28933*	01/17/2024	\$260.35	28995	01/23/2024	\$221.00	29017	01/22/2024	\$1,150.00
28942*	01/04/2024	\$324.00	28996	01/18/2024	\$175.50	29018	01/18/2024	\$78.40
28952*	01/11/2024	\$277.91	28997	01/16/2024	\$134.24	29019	01/17/2024	\$1,552.50
28959*	01/31/2024	\$202.15	28998	01/17/2024	\$5,421.91	29020	01/22/2024	\$708.06
28961*	01/25/2024	\$3,438.83	28999	01/17/2024	\$139.63	29021	01/22/2024	\$475.29
28966*	01/03/2024	\$1,656.60	29000	01/16/2024	\$510.35	29022	01/24/2024	\$165.00
28980*	01/18/2024	\$29,971.47	29001	01/22/2024	\$637.86	29024*	01/19/2024	\$4,690.00
28981	01/18/2024	\$1,821.77	29003*	01/18/2024	\$427.39	29025	01/19/2024	\$16,840.61
28982	01/16/2024	\$225.00	29004	01/17/2024	\$14,193.39	29026	01/22/2024	\$1,077.78
28983	01/22/2024	\$177.33	29005	01/17/2024	\$719.28	29027	01/18/2024	\$1,325.00
28984	01/30/2024	\$1,558.00	29006	01/18/2024	\$225.00	29028	01/22/2024	\$375.00
28985	01/19/2024	\$252.30	29007	01/19/2024	\$134.78	29029	01/16/2024	\$17,380.30
28986	01/17/2024	\$2,603.00	29008	01/18/2024	\$1,186.91	29030	01/18/2024	\$7,281.74
28987	01/18/2024	\$600.00	29009	01/18/2024	\$388.24	29031	01/18/2024	\$97.50
28988	01/18/2024	\$272.61	29010	01/23/2024	\$850.00	29032	01/17/2024	\$745.00
28989	01/17/2024	\$226.92	29011	01/16/2024	\$339.12	29033	01/17/2024	\$2,280.00
28990	01/18/2024	\$1,046.53	29012	01/22/2024	\$127.90	29034	01/29/2024	\$1,899.20
28991	01/18/2024	\$6,050.00	29013	01/23/2024	\$484.61			
28992	01/17/2024	\$19,068.79	29014	01/25/2024	\$2,316.27			

* Indicates skipped check number

Daily Balances

Date	Amount	Date	Amount	Date	Amount
01/02/2024	\$317,092.41	01/16/2024	\$219,956.96	01/25/2024	\$636,565.94
01/03/2024	\$315,435.81	01/17/2024	\$171,781.19	01/26/2024	\$422,767.30
01/04/2024	\$315,111.81	01/18/2024	\$120,672.74	01/29/2024	\$418,683.10
01/05/2024	\$330,271.81	01/19/2024	\$22,276.35	01/30/2024	\$417,125.10
01/10/2024	\$248,497.52	01/22/2024	\$20,551.63	01/31/2024	\$437,292.99
01/11/2024	\$252,194.61	01/23/2024	\$218,996.02		
01/12/2024	\$251,714.61	01/24/2024	\$142,321.04		

Overdraft and Returned Item Fees

	Total for this period	Total year-to-date	Previous year-to-date
Total Overdraft Fees	\$0.00	\$0.00	\$0.00
Total Returned Item Fees	\$0.00	\$0.00	\$0.00

MB&T Service Center
6950 Hollister Ave Suite 102
Goleta, CA 93117

Montecito Sanitary District




Page 1 of 4

Account Number:XXXXXXXX7512

RETURN SERVICE REQUESTED

MONTECITO SANITARY DISTRICT
"CIP ACCOUNT"
1042 MONTE CRISTO LN
SANTA BARBARA CA 93108-2809

How can we help you?

	Phone	(800) 348-0146
	Mail	P.O. Box 2460 Santa Barbara, CA 93120-2460
	Online	https://montecito.bank

Summary of Accounts

Account Type	Account Number	Ending Balance
Business Analysis Checking	XXXXXXXX7512	\$936,080.83

Business Analysis Checking-XXXXXXXX7512

Account Summary

Date	Description	Amount
12/30/2023	Beginning Balance	\$713,618.32
	1 Credit(s) This Period	\$500,000.00
	5 Debit(s) This Period	\$277,537.49
01/31/2024	Ending Balance	\$936,080.83

Electronic Credits

Date	Description	Amount
01/25/2024	SANTA BARBARA CO AUT PMNT 833468	\$500,000.00

Checks Cleared

Check Nbr	Date	Amount	Check Nbr	Date	Amount	Check Nbr	Date	Amount
1431	01/12/2024	\$1,042.44	1434	01/18/2024	\$19,748.00	1437	01/19/2024	\$9,167.05
1433*	01/18/2024	\$5,059.25	1436*	01/17/2024	\$242,520.75			

* Indicates skipped check number

Daily Balances

Date	Amount	Date	Amount	Date	Amount
01/12/2024	\$712,575.88	01/18/2024	\$445,247.88	01/25/2024	\$936,080.83
01/17/2024	\$470,055.13	01/19/2024	\$436,080.83		

Overdraft and Returned Item Fees

	Total for this period	Total year-to-date	Previous year-to-date
Total Overdraft Fees	\$0.00	\$0.00	\$0.00
Total Returned Item Fees	\$0.00	\$0.00	\$0.00





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Deposits Not Credited	
Date	Amount
Total	\$

Checks Outstanding	
Date	Amount
Total	\$

Statement Reconciliation	
Statement Ending Balance	\$
Add:	
Deposits Not Credited	+ \$
Sub Total	\$
Subtract:	
Checks Outstanding	\$
Total:	
Should Agree With Your Checkbook Balance	\$

MB&T Service Center
6950 Hollister Ave Suite 102
Goleta, CA 93117

RETURN SERVICE REQUESTED

MONTECITO SANITARY DISTRICT
1042 MONTE CRISTO LN
SANTA BARBARA CA 93108-2809




Statement Ending 01/31/2024

Montecito Sanitary District

Page 1 of 2

Account Number:XXXXXXXX1760

How can we help you?

-  Phone (800) 348-0146
-  Mail P.O. Box 2460
Santa Barbara, CA
93120-2460
-  Online <https://montecito.bank>

Summary of Accounts

Account Type	Account Number	Ending Balance
Basic Business Checking	XXXXXXXX1760	\$210.60

Basic Business Checking-XXXXXXXX1760

Account Summary

Date	Description	Amount
12/30/2023	Beginning Balance	\$210.60
	0 Credit(s) This Period	\$0.00
	0 Debit(s) This Period	\$0.00
01/31/2024	Ending Balance	\$210.60

Overdraft and Returned Item Fees

	Total for this period	Total year-to-date	Previous year-to-date
Total Overdraft Fees	\$0.00	\$0.00	\$0.00
Total Returned Item Fees	\$0.00	\$0.00	\$0.00





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- Make sure that each paid check listed on your statement has been recorded in your checkbook
- Make sure that all electronic funds transfer transactions (if any) are listed.

Deposits Not Credited	
Date	Amount
Total	\$

Checks Outstanding	
Date	Amount
Total	\$

Statement Reconciliation	
Statement Ending Balance	\$
Add:	
Deposits Not Credited	+ \$
Sub Total	\$
Subtract:	
Checks Outstanding	\$
Total:	
Should Agree With Your Checkbook Balance	\$

MB&T Service Center
6950 Hollister Ave Suite 102
Goleta, CA 93117

RETURN SERVICE REQUESTED

MONTECITO SANITARY DISTRICT
DISASTER INSURANCE ACCOUNT
1042 MONTE CRISTO LN
SANTA BARBARA CA 93108-2809




Statement Ending 01/31/2024

Montecito Sanitary District

Page 1 of 2

Account Number:XXXXXXXX6591

How can we help you?

	Phone	(800) 348-0146
	Mail	P.O. Box 2460 Santa Barbara, CA 93120-2460
	Online	https://montecito.bank

Summary of Accounts

Account Type	Account Number	Ending Balance
Premier Public Funds	XXXXXXXX6591	\$114,547.45

Premier Public Funds-XXXXXXXX6591

Account Summary

Date	Description	Amount
12/30/2023	Beginning Balance	\$114,379.92
	1 Credit(s) This Period	\$167.53
	0 Debit(s) This Period	\$0.00
01/31/2024	Ending Balance	\$114,547.45

Interest Summary

Description	Amount
Interest Earned From 12/30/2023 Through 01/31/2024	
Annual Percentage Yield Earned	1.63%
Interest Days	33
Interest Earned	\$167.53
Interest Paid This Period	\$167.53
Interest Paid Year-to-Date	\$167.53

Account Activity

Post Date	Description	Debits	Credits	Balance
12/30/2023	Beginning Balance			\$114,379.92
01/31/2024	INTEREST		\$167.53	\$114,547.45
01/31/2024	Ending Balance			\$114,547.45

Daily Balances

Date	Amount
01/31/2024	\$114,547.45

Overdraft and Returned Item Fees

	Total for this period	Total year-to-date	Previous year-to-date
Total Overdraft Fees	\$0.00	\$0.00	\$0.00
Total Returned Item Fees	\$0.00	\$0.00	\$0.00





Important Information Regarding Your Ready Cash Reserve Account and Other Open-End (Not Home Secured) Lines of Credit

We figure the INTEREST CHARGE on your account by applying the periodic rate to the "daily balance" of your account for each day in the billing cycle. To get the "daily balance", we take the beginning balance of your account each day, add any new advances, and subtract any payments or credits. This gives us the daily balance.

Please Examine this Statement and Any Enclosed Items At Once. If No Error is Reported Within 30 days, This Statement Will Be Considered Correct. All Items Credited Subject to Final Payment.

CHECKING ACCOUNT

How to balance your checkbook:

1. Subtract the monthly service charge and any other charges not previously deducted from your checkbook balance.
2. Add to your checkbook balance each Line of Credit Deposit, Automatic Deposit and any interest paid.
3. List and total the amount of all deposits entered in your checkbook that are not shown on the statement provided for "Deposits Not Credited".
4. Compare and check off each paid check against your checkbook record. List and total all checks you have not checked off in the space provided for "Checks Outstanding".
5. Perform the indicated steps in the "Statement Reconciliation" section.

If your checkbook and bank statement do not balance:

- Review last month's reconciliation to make sure any differences were corrected.
- Check additions and subtractions in your checkbook. Compare the amount of each check and deposit with the amount recorded in your checkbook and on this statement.
- Make sure all outstanding checks have been recorded under "Checks Outstanding".
- Make sure that each paid check listed on your statement has been recorded in your checkbook
- Make sure that all electronic funds transfer transactions (if any) are listed.

Deposits Not Credited	
Date	Amount
Total	\$

Checks Outstanding	
Date	Amount
Total	\$

Statement Reconciliation	
Statement Ending Balance	\$
Add:	
Deposits Not Credited	+ \$
Sub Total	\$
Subtract:	
Checks Outstanding	\$
Total:	
Should Agree With Your Checkbook Balance	\$

MB&T Service Center
 6950 Hollister Ave Suite 102
 Goleta, CA 93117

RETURN SERVICE REQUESTED

 MONTECITO SANITARY DISTRICT
 1042 MONTE CRISTO LN
 SANTA BARBARA CA 93108-2809




Statement Ending 01/31/2024

Montecito Sanitary District

Page 1 of 2

Account Number:XXXXXXXX6807

How can we help you?

	Phone	(800) 348-0146
	Mail	P.O. Box 2460 Santa Barbara, CA 93120-2460
	Online	https://montecito.bank

Summary of Accounts

Account Type	Account Number	Ending Balance
Premier Public Funds	XXXXXXXX6807	\$878,562.81

Premier Public Funds-XXXXXXXX6807

Account Summary

Date	Description	Amount
12/30/2023	Beginning Balance	\$877,226.94
	2 Credit(s) This Period	\$201,335.87
	1 Debit(s) This Period	\$200,000.00
01/31/2024	Ending Balance	\$878,562.81

Interest Summary

Description	Amount
Interest Earned From 12/30/2023 Through 01/31/2024	
Annual Percentage Yield Earned	1.73%
Interest Days	33
Interest Earned	\$1,335.87
Interest Paid This Period	\$1,335.87
Interest Paid Year-to-Date	\$1,335.87

Account Activity

Post Date	Description	Debits	Credits	Balance
12/30/2023	Beginning Balance			\$877,226.94
01/23/2024	WEB TRANSFER From x6807 To x6796 TEMPORARY TRANSFER	\$200,000.00		\$677,226.94
01/26/2024	WEB TRANSFER From x6796 To x6807 RETURN TEMP TRANSFER		\$200,000.00	\$877,226.94
01/31/2024	INTEREST		\$1,335.87	\$878,562.81
01/31/2024	Ending Balance			\$878,562.81

Daily Balances

Date	Amount	Date	Amount
01/23/2024	\$677,226.94	01/26/2024	\$877,226.94
		01/31/2024	\$878,562.81

Overdraft and Returned Item Fees

	Total for this period	Total year-to-date	Previous year-to-date
Total Overdraft Fees	\$0.00	\$0.00	\$0.00
Total Returned Item Fees	\$0.00	\$0.00	\$0.00





Important Information Regarding Your Ready Cash Reserve Account and Other Open-End (Not Home Secured) Lines of Credit

We figure the INTEREST CHARGE on your account by applying the periodic rate to the "daily balance" of your account for each day in the billing cycle. To get the "daily balance", we take the beginning balance of your account each day, add any new advances, and subtract any payments or credits. This gives us the daily balance.

Please Examine this Statement and Any Enclosed Items At Once. If No Error is Reported Within 30 days, This Statement Will Be Considered Correct. All Items Credited Subject to Final Payment.

CHECKING ACCOUNT

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2. Add to your checkbook balance each Line of Credit Deposit, Automatic Deposit and any interest paid.
3. List and total the amount of all deposits entered in your checkbook that are not shown on the statement provided for "Deposits Not Credited".
4. Compare and check off each paid check against your checkbook record. List and total all checks you have not checked off in the space provided for "Checks Outstanding".
5. Perform the indicated steps in the "Statement Reconciliation" section.

If your checkbook and bank statement do not balance:

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- Check additions and subtractions in your checkbook. Compare the amount of each check and deposit with the amount recorded in your checkbook and on this statement.
- Make sure all outstanding checks have been recorded under "Checks Outstanding".
- Make sure that each paid check listed on your statement has been recorded in your checkbook
- Make sure that all electronic funds transfer transactions (if any) are listed.

Deposits Not Credited	
Date	Amount
Total	\$

Checks Outstanding	
Date	Amount
Total	\$

Statement Reconciliation	
Statement Ending Balance	\$
Add:	
Deposits Not Credited	+ \$
Sub Total	\$
Subtract:	
Checks Outstanding	\$
Total:	
Should Agree With Your Checkbook Balance	\$