SACRAMENTO METROPOLITAN FIRE DISTRICT

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

CALIFORNIA

Sacramento Metropolitan Fire District
10545 Armstrong Avenue, Suite 200
Mather, California 95655

COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2014

PREPARED BY THE FINANCE DIVISION

Table of Contents

INTRODUCTORY SECTION

Letter of Transmittal i

Directory of Officials vii

Organizational Chart viii

District Boundaries by Station x

Stations and Facilities xii

District History xviii

FINANCIAL SECTION

Independent Auditor's Report 1

Management's Discussion and Analysis 3

Basic Financial Statements

Governmental-wide Financial Statements –

Statement of Net Position 15

Statement of Activities 16

Fund Financial Statements –

Governmental Funds Balance Sheet 17

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position 18

Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds 19

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities 20

Statements of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual –

General Fund 21

Grant Fund 22

Notes to the Financial Statements 23

Required Supplementary Information

Schedule of Funding Progress –

PERS Safety Employees' Pension Plan 45

Other Post-Employment Benefits (OPEB) Plans 45

STATISTICAL SECTION

Financial Trends

- Net Position by Component 48
- Changes in Net Position 49
- Fund Balances of Governmental Funds 50
- Changes in Fund Balances of Governmental Funds 51
- Expenditures by Function 52

Revenue Capacity

- General Revenues by Source 53
- Assessed Value of Taxable Property 54
- Assessed and Estimated Actual Value of Taxable Property . . . 55
- Property Tax levies and Collections 56
- Typical Total Tax Rate per $100 of Assessed Valuation 57
- Principal Property Taxpayers 58

Debt Capacity

- Ratio of Outstanding Debt by Type 59
- Ratio of General Bonded Outstanding 60
- Computation of Direct and Overlapping Debt 61
- Computation of Legal Bonded Debt Margin 62

Demographic and Economic Information

- Demographic Statistics 63
- Demographic and Economic Statistics 64
- Private Sector Principal Employers 65

Operating Information

- Summary of District Activities 66
- Total Responses 67
- Emergency Response Detail Analysis 68
- Emergency Response Graph 70
- Service Connected Illness/Injury Report 71
- Staffing Summary 72

Introduction

Sacramento Metropolitan Fire District

10545 Armstrong Ave., Suite 200 • Mather, CA 95655 • Phone (916) 859-4300 • Fax (916) 859-3702

MARK A. WELLS
Fire Chief

January 22, 2015

Board of Directors
Sacramento Metropolitan Fire District
10545 Armstrong Ave, Suite 200
Mather, California 95655

Members of the Board:

We are pleased to present the Sacramento Metropolitan Fire District ("Metro Fire") Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2014. This is the first CAFR produced by Metro Fire.

This report has been prepared by the Finance Division following the guidelines recommended by the Government Finance Officers Association (GFOA) and is in conformance with generally accepted accounting principles (GAAP) for state and local government entities established by the Governmental Accounting Standards Board (GASB). Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that management has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Richardson & Company, LLP, Certified Public Accountants, have issued an unmodified ("clean") opinion on Metro Fire's financial statements for the year ended June 30, 2014. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

PROFILE OF SACRAMENTO METROPOLITAN FIRE DISTRICT

REPORTING ENTITY

Metro Fire is an autonomous Special District established under California Health and Safety Code Section 13800 on December 1, 2000. Metro Fire is the result of the reorganization of the American River and Sacramento County Fire Protection Districts, which brought together 16 predecessor fire districts including Arcade, Arden, Carmichael, Citrus Heights, Elverta, Fair Oaks, Florin, Mather Field, McClellan Field, Michigan Bar, Mills, North Highlands, Orangevale, Rancho Cordova, Rio Linda, and Sloughhouse. Metro Fire provides fire suppression services along with various other public safety and hazard mitigation community services.

As a special district, Metro Fire is governed by a Board of Directors; each member is elected by the voters within a geographical area, or division, of Metro Fire's operational area. The Fire Chief oversees the general operations of Metro Fire in accordance with the policy direction prescribed by the Board of Directors. The Fire Chief is

supported by his executive staff consisting of the Board Clerk and three Deputy Chiefs that manage the Operations, Administration, and Support Services Branches of Metro Fire.

SERVICE AREA AND SERVICES

Today, Metro Fire is the largest fire agency in the County of Sacramento and 7th largest in the state. Metro Fire serves a population of about 720,000 in a service area encompassing 417 square miles that include unincorporated Sacramento County, the cities of Citrus Heights and Rancho Cordova, and a portion of Placer County. Within the boundaries of the Metro Fire are wildland areas, single and multi-family residential units, commercial and light industrial occupancies, hotels, regional hospitals, institutional buildings, local airfields, numerous convalescent/assisted living facilities, equestrian areas, and open space areas including hiking trails. Several major interstate highways also traverse Metro Fire's jurisdiction, along with the American River, a major recreation resource for area residents.

Metro Fire provides all-hazard emergency services to the communities it serves. Additionally, mutual aid agreements to provide fire and/or emergency medical assistance between Metro Fire and other public safety agencies are in place and are honored by Metro Fire. Metro Fire staff is also routinely deployed to local, state, and federal emergencies around the country.

Metro Fire's philosophy with regard to all-hazard emergencies is one of a rapid and effective deployment of appropriate resources to mitigate any emergency. Metro Fire's response goal as approved by the Board of Directors is for a 4 minute travel time to 90% of all major emergencies (in addition to a 1 minute dispatch and 2 minute turnout time).

Metro Fire is organized into three branches - Operations, Administration, and Support Services.

The all-hazard nature of Metro Fire is exemplified by the Operations Branch, which consists of Suppression, Emergency Medical Services (EMS), Special Operations, Training, Safety, Health & Fitness, Emergency Planning, and Communications.

- Suppression oversees all aspects of Metro Fire's all-hazard emergency services delivered from 40 stations with daily shift staffing of 188 personnel. The Operations Branch answered over 88,000 calls for service in 2014; a number that has steadily increased during each year of the economic downturn that the region has experienced in recent years.

- The EMS Division is responsible for the management of the emergency medical system which ensures that our emergency medical technician (EMT) and paramedic personnel are trained and equipped to serve the public at the highest levels. EMTs are certified health care professionals trained to provide basic life support in accordance with the State of California Scope of Practice for EMTs, while Paramedics are licensed by the State of California to provide advanced life support (ALS). The provision of ALS services is accomplished through the strategic deployment of dual-role fire department medic units (FDM) and the single role paramedic program (SRPP). Metro Fire employs over four hundred (400) paramedics who are assigned on engines, trucks, ambulances, helicopters, ARFF (Aircraft Rescue and Fire Fighting) units, boats, and bicycles. On a daily basis, all ambulances and suppression apparatus are staffed with at least one paramedic.

  Metro Fire currently deploys thirteen 24-hour FDM units that are staffed by Firefighter/Paramedics and Firefighter/EMTs, along with six reserve ambulances that are available if needed to be staffed and placed in service. The additional ambulances provide surge protection during periods of high call volume. There are thirty-three ALS engine companies and eight ALS truck companies in service on a 24-hour basis. These apparatus responded to calls for emergency medical service with paramedics who assist with critically ill or injured patients if needed.

In fiscal year 2012/13, Metro Fire introduced a Single Role Paramedic Program (SRPP). This program enhances emergency medical services within the community by providing five additional 24-hour ALS ambulances along with five peak time ambulances to augment the EMS system during times of high demand. The SRPP units are staffed with non-firefighter EMT & Paramedic personnel. To implement the SRPP, Metro Fire acquired four Type-II ("Sprinter") ambulances. Four additional Sprinter ambulances were placed in service as front-line vehicles in fiscal year 2013/14. The Sprinter ambulances offer greatly improved fuel economy and reduced overhead costs.

- Metro Fire has several Special Operations programs that are managed under the Operations Division. These programs include Hazardous Materials (HAZMAT), Technical Rescue, Urban Search and Rescue (US&R), Swift Water Rescue, Tactical Emergency Medical Support (TEMS), Aviation and Dozer programs. Metro Fire's HAZMAT and Technical Rescue programs are certified by the California Office of Emergency Services for Type I statewide response. The US&R program is a member of California Urban Search and Rescue Task Force 7 (CA TF-7), one of 28 US&R task forces in the nation, and one of eight in California. Metro Fire's aviation and dozer programs are the only ones of their kind regionally, and provide critical response capabilities to the region. Metro Fire's TEMS program, also the only one of its kind regionally, provides tactical medical support to the Sacramento County Sheriff, Citrus Heights Police Department, and FBI SWAT Teams. Additionally, Metro Fire is a member of the FBI Joint Terrorism Task Force, Regional Fusion Center and Urban Area Security Initiative's Urban Area Working Group.

- The Training Division's mission is to improve service delivery to the community by providing realistic, ongoing, and verifiable training to Metro Fire personnel and assisting them to develop and strengthen essential job skills. Training strives to ensure all-hazard operational readiness and enhance the ability of our members to provide quality public service.

- Communications oversees radio communications throughout Metro Fire's fire stations, administrative buildings, and vehicles.

The Support Services branch of Metro Fire is comprised of four divisions; Fleet, Facilities, Logistics and Community Risk Reduction. Each division has specific duties within Metro Fire ranging from construction projects and building maintenance to fire inspections.

- Under the direction of the Fire Marshal, the Community Risk Reduction Division (CRRD) works with developers and citizens to make the community safe through activities such as Plan Review, Fire Inspections, Code Enforcement, Fire Investigation and Exterior Fire Hazard Mitigation. The Fire Marshal also oversees the Community Services Division which facilitates school/event presentations with Firefighters and/or Public Education Technicians, fire station tours, Fire Camp for children within Metro Fire's jurisdiction, fire extinguisher training, life jacket loan program, and other programs.

- The Facilities Division has the responsibility of providing repairs, improvements and maintenance for all of Metro Fire's existing fire stations, support and administrative facilities.

- The Fleet Maintenance Division maintains a fleet in excess of 340 emergency and support vehicles in a modern facility that contains 30 functional working bays. The majority of the fleet services and repairs are performed at this facility and range from routine service and maintenance to full engine in-frame and pump overhauls. A Mobile Repair Program provides limited field repairs in an effort to reduce inconvenience and downtime to emergency apparatus.

- Logistics is responsible for ordering, receiving and storing of fire suppression equipment, emergency medical equipment and other essential supplies that are used on a daily basis.

The Administration Branch is comprised of three divisions: Human Resources, Information Technology, and Finance.

- The Finance Division oversees all financial aspects Metro Fire's multi-million dollar operation. Processes are in place to safeguard Metro Fire's assets, track spending, properly pay employees, collect all revenue and cost reimbursements, and produce quality reporting of all transactions. This Division also guides the very important budget process to see resources are properly allocated for optimum public service levels.

- Providing the highest quality of service to the citizens of Metro Fire depends on having a dedicated, well-qualified group of employees. The Human Resources Division seeks to recruit and maintain a diverse workforce that reflects the community served, and strives to support Metro Fire's mission of providing professional and compassionate protection, education, and service to the community.

- Information Technology is responsible for providing data, voice, and video communications to 40 fire stations, four administrative buildings and over 340 vehicles.

APPARATUS

Metro Fire's fleet is made up of emergency vehicles and apparatus which must be kept in a constant state of readiness, and consists of:

Apparatus Type	No. in Service	Apparatus Type	No. in Service
Engine	53	Aircraft Rescue Firefighting Unit	4
Wildland Engine	40	Ambulance	54
Pumper/Foam	1	Decontamination Unit	1
Ladder Truck	10	Dozer	2
Hazmat Truck	1	Rescue Boat	2
Rescue Truck	2	Helicopter	2
Water Tender	6		

Metro Fires' fire suppression apparatus have been equipped to the highest industry standards for fighting and extinguishing structural type fires, and rendering assistance to patients on medical emergency incidents. Metro Fire's fire engines are capable of delivering water at rates up to 1,500 gallons per minute. Metro Fire's philosophy related to wildland fires revolves around strategically located, specialized "off road" wildland apparatus specifically designed to combat these difficult fires. Because of the potential for major wildland fires, Metro Fire deploys water tender units capable of supplying smaller attack vehicles during large incidents. These units are strategically placed within Metro Fire for maximum effectiveness. Metro Fire is the only fire agency in the region with aircraft and dozer response programs. Because of this, these apparatus are critical assets to the region and enhance regional capabilities.

Other support vehicles include mobile air units, fuel trucks, helicopter tender, aircraft tow vehicle, battalion chief and staff vehicles, SCBAs (Self-Contained Breathing Apparatus) repair unit, trailers, flatbeds, forklifts, pallet jack, scissor lift, tractors, and tow vehicles.

Metro Fire has in place a 20-year rolling vehicle/apparatus replacement plan which measures the proper utilization period for each piece of apparatus and when replacements should occur.

ECONOMIC OUTLOOK

LOCAL ECONOMY

Metro Fire's primary source of funding is property tax revenue and as such, its operations are significantly affected by property values. While the lingering effects of the economic recession continue to present Metro Fire with significant fiscal challenges, all aggregate economic indicators point to a recovery underway in the Sacramento Region. In 2013, Sacramento County saw the largest increase in property values since 2007/08, yet median home prices still remain 40% below peak values. Metro Fire is projecting a modest increase in property tax revenues for the upcoming year. Although the Sacramento County Assessor is beginning to reinstate single-family home values that were lowered during the recession, the Assessor is now working through a backlog of commercial property value appeals that could have a dampening effect on property tax recovery. Metro Fire is confident that the positive economic outlook will continue and will allow Metro Fire to maintain current service levels.

Another major source of funding for Metro Fire is cost recovery associated with providing emergency medical ("ambulance") transport services. Metro Fire bills approximately $110 million annually for these services, with a collection rate of around 30%, which is typical for public sector providers in California. As property tax revenues declined during the recession, greater emphasis was placed on cost recovery and this revenue source has steadily increased over recent years.

LONG-TERM FINANCIAL PLANNING AND MAJOR INITIATIVES

The Board of Directors, command staff and employees have been working together to not only address the immediate fiscal challenges, but also to address future financial and operational challenges with the goal of putting Metro Fire on a more predictable and sustainable path going forward. This is being accomplished by adopting balanced budgets, maintaining sufficient reserves, forecasting long-term needs, identifying cost-saving measures, enhancing cost recovery where appropriate, and exploring potential new revenue sources.

Metro Fire's long range fiscal planning efforts identified several key issues that, if left unaddressed, would create fiscal uncertainty and likely result in a disruption in future service delivery. Two of these critical issues are the long-term liability associated with retiree medical benefits and the retirement of $67 million of pension obligation bonds originally issued in 2004.

Metro Fire's OPEB funding plan involves a combination of contributions and cost-saving measures agreed to by Metro Fire employees that both lowered the long-term cost of other post-employment benefits (OPEB) and provides for fully funding the annual required contribution (ARC). As a result, and as reported in recent OPEB actuarial valuations, Metro Fire experienced a substantial reduction in the OPEB unfunded liability; which in turn substantially lowered the ARC. With respect to the pension obligations bonds, Metro Fire has a longstanding policy to set aside funds each year, in addition to the annual debt service required by the bond documents, so as to accumulate the necessary funds to fully retire two series of pension bonds maturing in 2018 and 2025.

Another key component of long-term fiscal stability is looking ahead and planning for the needs of future development. This is especially critical for the greater Sacramento metropolitan area, where there is significant development on the horizon. Metro Fire has reached out to the regional planning departments to ascertain current and future development plans. This data was used to identify the approximate location of future fire stations; that information was then used to develop a Facilities Master Plan. Costs were assigned for the land acquisition, station construction and related apparatus and equipment. This development information and cost data is being incorporated into an updated Capital Facilities Fee study to ensure capital funds will be available when needed to address the impacts of new development and avoid any degradation of services to the existing communities served by Metro Fire.

Metro Fire has made great strides in identifying new sources of revenues. Metro Fire has led a statewide effort to increase the cost recovery associated with emergency medical transport services by sponsoring state legislation allowing ground emergency medical transporters (GEMT) in California to seek additional reimbursement from the federal government related to fee-for-service Medi-Cal patients. In addition, Metro Fire will be participating in an Inter-Governmental Transfer (IGT) program that will allow Metro Fire to receive federal matching funds for medical transports related to Managed Care HMO beneficiaries. Any additional funding from these cost recovery efforts will free up general property tax revenues for Metro Fire's all-hazard, non-fee based services.

ACKNOWLEDGEMENTS

The preparation of this report reflects the combined and dedicated effort of Metro Fire staff. We especially want to recognize the Finance Division staff, along with Metro Fire's independent auditors, Richardson & Company, LLP for their contributions to provide complete, reliable, open and transparent financial information, and for fostering the enhanced stewardship of public funds. Credit is also due to the Development Division which assisted in designing the report.

We would like to take this opportunity to express our thanks and sincere appreciation to the Board of Directors for their continued support, trust, and guidance.

Together, Metro Fire's leadership and staff bring an effective combination of skills, experience and dedication to carry out Metro Fire's mission:

"TO PROVIDE PROFESSIONAL AND COMPASSIONATE PROTECTION, EDUCATION AND SERVICE TO OUR COMMUNITY."

Respectfully submitted,

Mark A. Wells
Fire Chief

Kenneth R. Campo, CPA
Interim Chief Financial Officer

Directory of Officials

As of June 30, 2014

Board of Directors

Randy Orzalli
PRESIDENT

Grant B. Goold
VICE-PRESIDENT

Dave Pierson
SECRETARY

D'Elman Clark
DIRECTOR

Gay Jones
DIRECTOR

Matt Kelly
DIRECTOR

Gary Monk
DIRECTOR

Jack Scheidegger
DIRECTOR

Ted Wood
DIRECTOR

Command Staff

Kurt P. Henke
FIRE CHIEF

Mark Wells
DEPUTY CHIEF
ADMINISTRATION

Chris Holbrook
DEPUTY CHIEF
OPERATIONS

Scott Cockrum
DEPUTY CHIEF
SUPPORT SERVICES

Larry Davis
CHIEF DEVELOPMENT
OFFICER

Rhonda McFarlane
CHIEF FINANCIAL
OFFICER

Assistant Chiefs

Darren Taylor
A SHIFT

Brian Shannon
B SHIFT

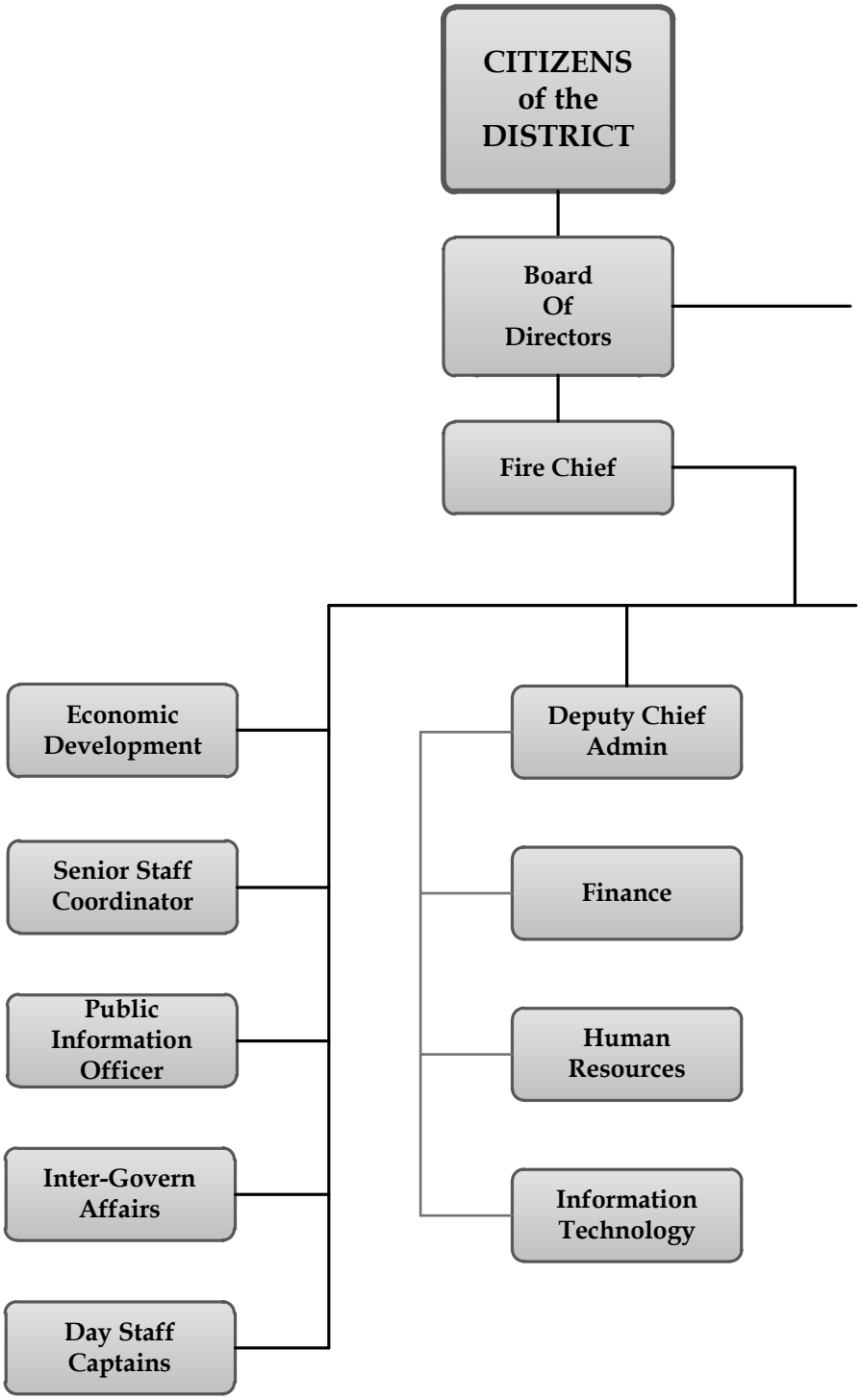
John Wagner
C SHIFT

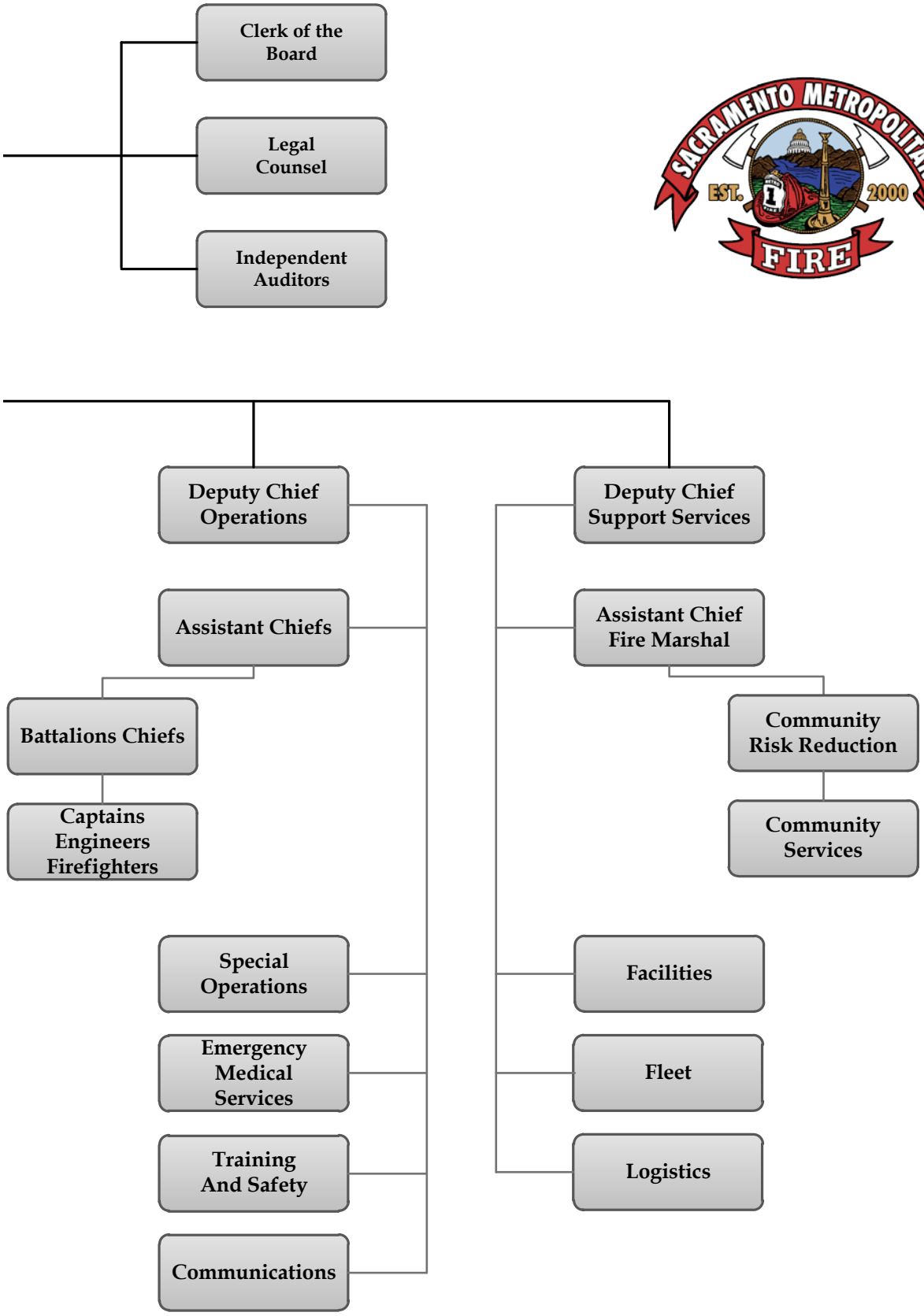
Scott Clough
EMS

Bill Daniels
FIRE MARSHAL

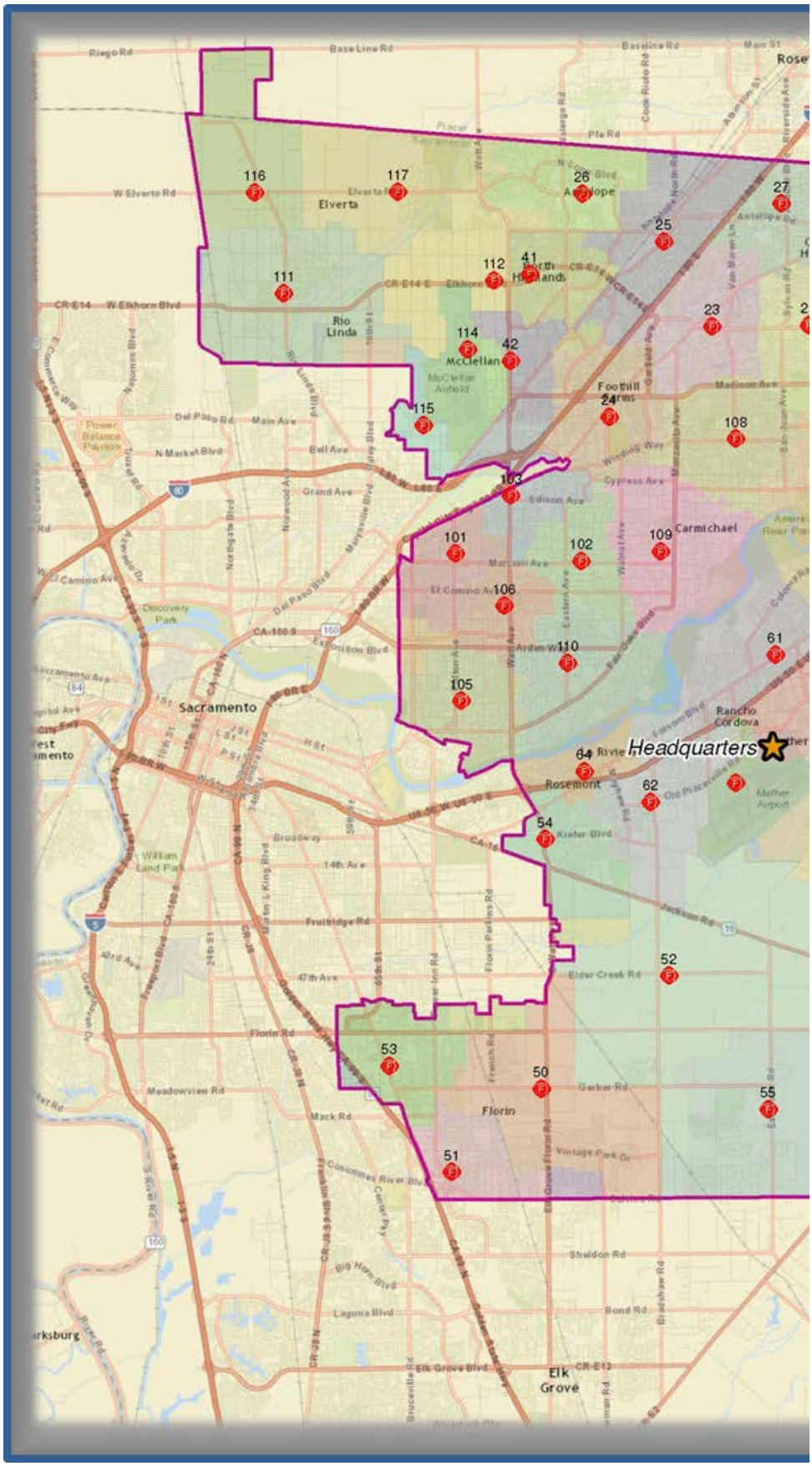
Walt White
TRAINING/SAFETY

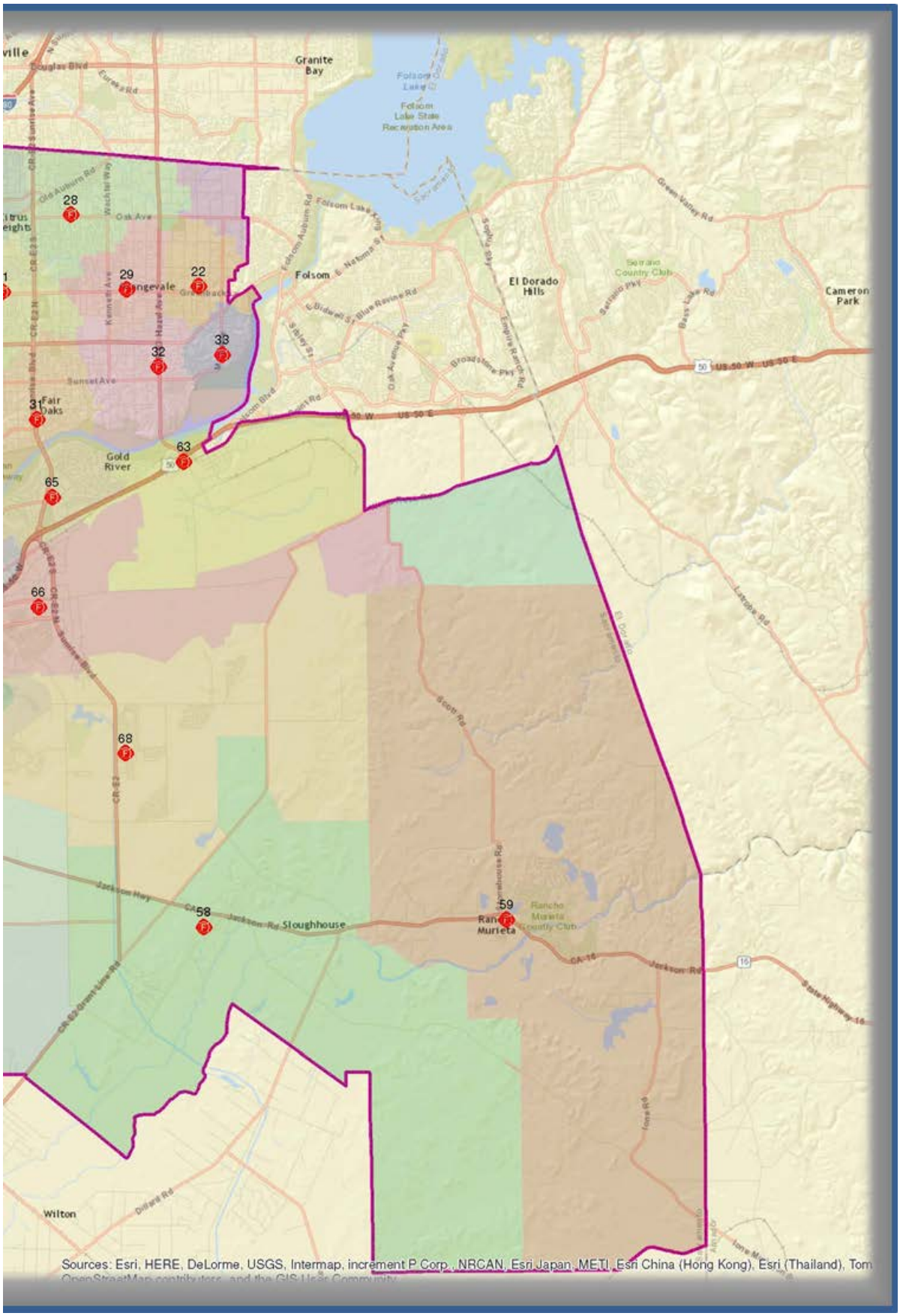
Organizational Chart



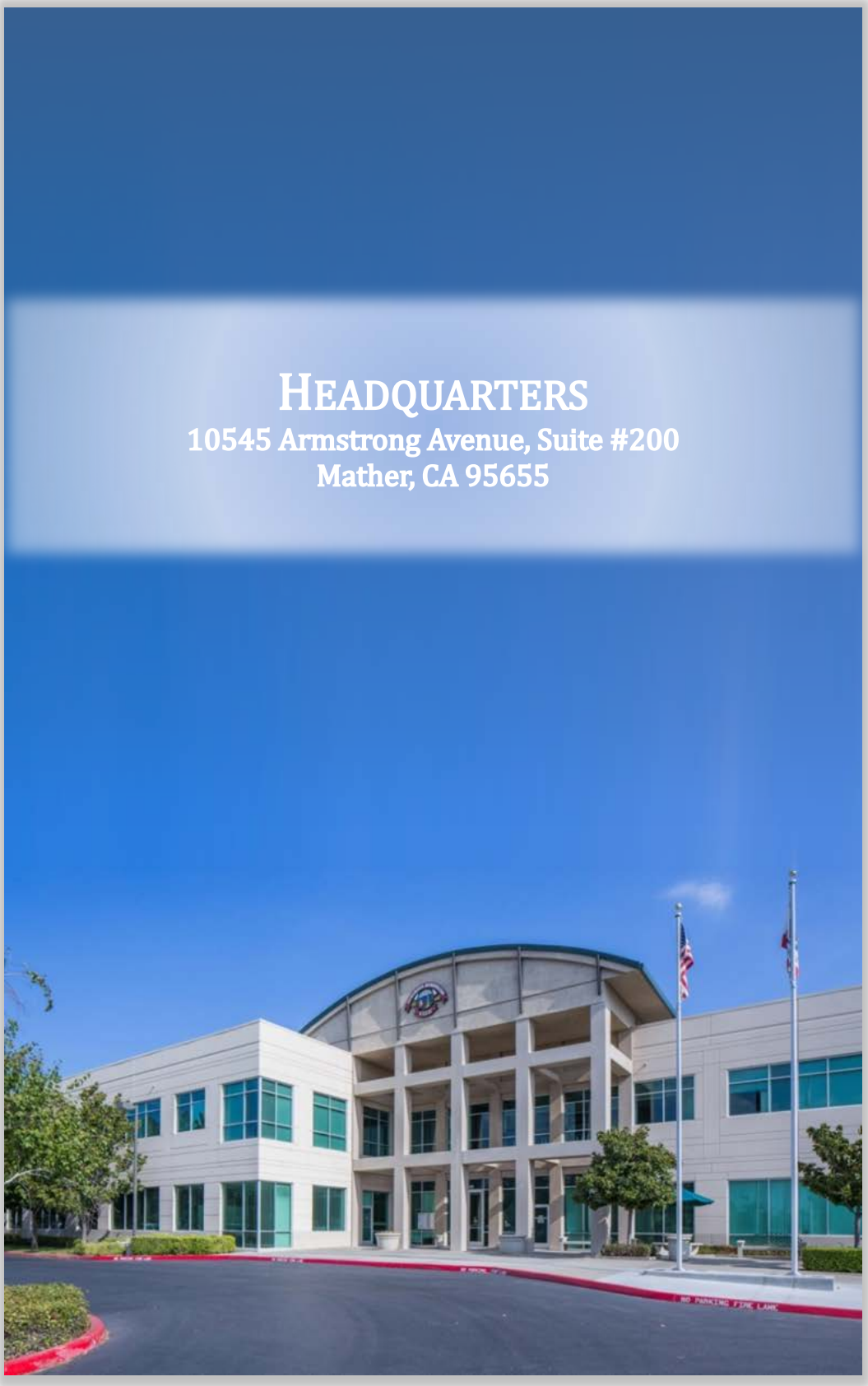

Clerk of the Board
Legal Counsel
Independent Auditors
Deputy Chief Operations
Assistant Chiefs
Battalions Chiefs
Captains Engineers Firefighters
Special Operations
Emergency Medical Services
Training And Safety
Communications
Deputy Chief Support Services
Assistant Chief Fire Marshal
Community Risk Reduction
Community Services
Facilities
Fleet
Logistics

District Boundaries by Station

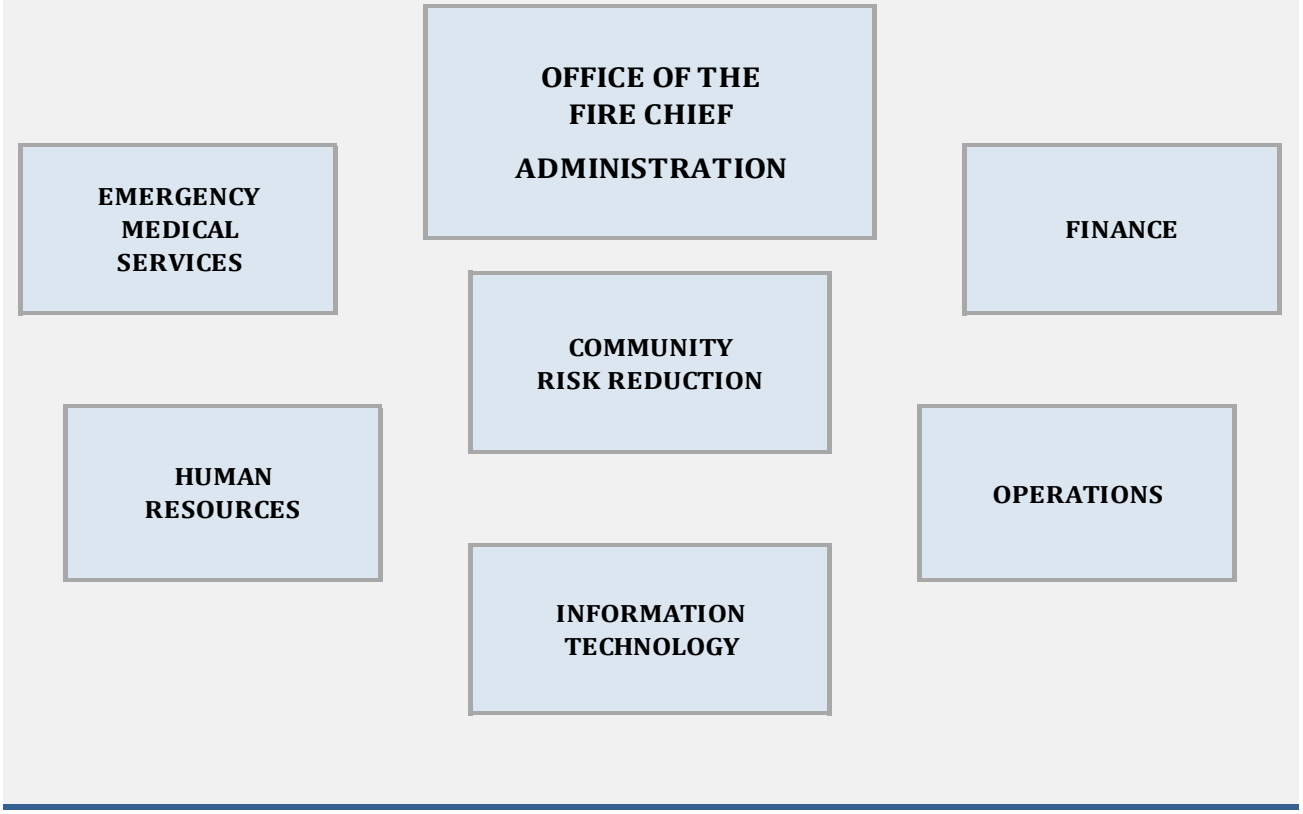



Granite Bay
Folsom Lake State Recreation Area
Folsom
El Dorado Hills
Cameron Park
Fair Oaks
Gold River
Rancho Murieta
Sloughhouse
Wilton
28
29
22
33
32
31
63
65
66
68
58
59
Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P Corp., NRCAN, Esri Japan, METI, Esri China (Hong Kong), Esri (Thailand), Tom

Stations and Facilities



HEADQUARTERS' DIVISONS



FLEET
4425 Dudley Blvd.
McClellan

LOGISTICS/TRAINING/SAFETY
3012 Gold Canal Drive
Rancho Cordova

STATION #21
7641 Greenback Lane
Citrus Heights

STATION #22
6248 Chestnut Avenue
Orangevale

STATION #23
6421 Greenback Lane
Citrus Heights

STATION #24
4942 College Oak Drive
Sacramento

STATION #25
7352 Roseville Road
Sacramento

STATION #26
8000 Palmerson Drive
Antelope

STATION #27
7474 Grand Oaks Blvd.
Citrus Heights

STATION #28
8189 Oak Avenue
Citrus Heights

STATION #29
8681 Greenback Lane
Orangevale

STATION #31
7950 California Avenue
Fair Oaks

STATION #32
8890 Roediger Lane
Fair Oaks

STATION #41
6900 Thomas Drive
North Highlands

STATION #42
5608 North Haven
Horth Highlands

STATION #50
8880 Gerber Road
Sacramento

STATION #51
8210 Meadowhaven Drive
Sacramento

STATION #53
6722 Fleming Avenue
Sacramento

STATION #54
8900 Fredic Avenue
Sacramento

STATION #55
7776 Excelsior Road
Sacramento

STATION #58
7250 Sloughhouse Road
Elk Grove

STATION #59
7210 Murieta Drive
Rancho Murieta

STATION #61
10595 Folsom Blvd.
Rancho Cordova

STATION #62
3646 Bradshaw Road
Sacramento

STATION #63
12395 Folsom Blvd.
Rancho Cordova

STATION #64
9116 Vancouver Drive
Sacramento

STATION #65
11201 Coloma Road
Rancho Cordova

STATION #66
3180 Kilgore Road
Rancho Cordova

STATION #101
3000 Fulton Avenue
Sacramento

STATION #102
4501 Marconi Avenue
Sacramento

STATION #103
3824 Watt Avenue
Sacramento

STATION #105
2691 Northrop Avenue
Sacramento

STATION #106
2200 Park Towne Circle
Sacramento

STATION #108
6701 Winding Way
Fair Oaks

STATION #109
5634 Robertson Avenue
Carmichael

STATION #110
1432 Eastern Avenue
Sacramento

STATION #111
6609 Rio Linda Blvd.
Rio Linda

STATION #112
6801 34th Street
North Highlands

STATION #114
5824 Kelly Way
McClellan

STATION #115
4727 Kilzer Avenue
McClellan

STATION #116
7995 Elwyn Avenue
Elverta

STATION #117
7961 Cherry Brook Drive
Elverta

District History

1918- **Mather Air Force Base Fire Department** was established in 1918, named after a WWI test pilot, Carl Mather.

1922- Established in June 1922, the **Mills Fire Department** covered approximately 55 square miles. Its original budget was in the $3,000 range.

1923- In May 1923, the first meeting was held to form the **Rio Linda Outpost of Fire Protection** which had a roster of 13 volunteers and a newly purchased soda and acid type fire engine, affectionately known as "Old Betsy".

1925- The **Elverta Fire District** was formed in October 1925. A Graham Dodge truck was later purchased and modified to serve as its first fire truck. On its main fire station, a siren was installed with a button on the outside of the building – the first person to hear of a fire would run to the station to push it and activate the siren.

1933- The **Orangevale Volunteer Fire Dept.** was formed in 1933 with a single fire station located on Hazel Avenue and Greenback Lane. Its first fire engine was a converted 1917 REO touring car purchased for $650 by volunteers.

1935- While onlookers stood by helplessly as a barn burned to the ground on December 31, 1933, talk began on the need for fire protection. In 1935, the non-profit corporation called the **Citrus Heights Fire District** was formed. Amidst the depression and lack of funds, everything pertaining to the District was purchased with funds from the local residents rather than county taxes. This was the only source of income until 1941.

1938- In late December 1938, the first piece of firefighting equipment was put into service at the Sacramento Air Depot and staffed by temporary firefighters. In 1939, staff was replaced with an all-civilian fire department and the base and was ultimately renamed to McClellan Air Force Base. **McClellan AFB Fire Department** grew to a maximum of six fire stations with personnel in excess of 30. It was augmented early on by over 125 airmen.

1942- In January 1942, a temporary Board of Commissioners was elected and in July of that same year, a groundbreaking ceremony was held for Station 1 of the newly formed **Arcade Fire Protection District**. The construction of the station began with volunteer labor and donated materials. In the summer of 1952, Station 2 was built, Station 3 was purchased from the San Juan School District in 1957, and Station 4 was converted from a portion of a warehouse in 1973.

1942- In 1935, several concerned citizens conceived the idea of fire protection and received eight donated Indian back pumps. In 1938, the community appropriated $250 for the purchase of a 1932 Model "B" Ford pickup with a small water tank, pump and hose. In 1942, the **Fair Oaks Fire District** was legally formed. Ten volunteer firemen served the area and in 1947 the first voluntary Fire Chief was appointed.

1942- Local merchants and citizens, seeing the need for fire protection, purchased a hand drawn chemical cart for $950 in 1918. In the 1930s, the cart was no longer serviceable and the area was without any organized fire protection. On July 26, 1942, the **Florin Fire District** was formally organized and the first official act of the Board of Directors was to appoint a Fire Chief.

1942- Mr. Daniel W. Carmichael developed the Carmichael Colony in 1909 with the purchase of 2,000 acres of land north and west of the American River. Two years later, he acquired an additional 1,000 acres. Fire prevention at that time was a community endeavor. In 1927 a local businessman instituted a more formal volunteer firefighting force, purchasing a Model T fire engine which held 30 gallons of water, 100 feet of hose and other tools and equipment. In 1942, the **Carmichael Fire District** was officially organized and the area that was known as Donovan's Corners became Fire Station 1.

1943- County maps refer to Arden as "Rancho del Paso." It is a community of approximately 2,000 people which included two stores, two service stations, three large hop ranches, and one school in a nine-square mile agricultural area. On January 4, 1943, from the efforts of a close-knit group of citizens, a petition for formation of a fire district was submitted and approved by the Sacramento County Board of Supervisors and the **Arden Fire District** was born.

1945- The **Citrus Heights Fire Protection District** became a legal governmental entity in 1945 with the merger of the Citrus Heights Fire District and the Orangevale Volunteer Fire Department.

1947- The **Sloughhouse Fire Protection District** was formed in 1947 with volunteers and donated equipment. Without a formal fire station, the pumper and other apparatus were housed at Riella Ranch and the Sloughhouse Grocery Store until 1965 when volunteers built a station on Sloughhouse Road.

1951- The first firehouse for the **North Highlands Village Fire District**, which was formed in September 1951, was located next to the Flying A gasoline station on North Haven Drive. Daytime alarms were received by telephone at the Flying A gasoline station and night calls were answered at an apartment across the street. This District remained an all-volunteer district until July, 1957 when three firefighters were hired at $340 per month.

1958- The Rancho Cordova community was protected by the Mills Fire Dept. In 1958, the name of the department was changed to the **Rancho Cordova Fire Protection District**.

1983- The **American River Fire Protection District** was formed on August 1, 1983 by the consolidation of the Arden and Carmichael Fire Districts. At conception, the District had six fire stations and served 26 square miles. It responded to 3,715 alarms during the inaugural year.

1984- In 1983 the Board of Directors voted to merge the Citrus Heights and North Highlands Fire Districts. It was approved and on February 4, 1984, the North Highlands Village Fire District became part of the Citrus Heights Fire Protection District.

1989- The **Sacramento County Fire Protection District** was organized with the consolidation of the Rancho Cordova Fire Protection District and the Citrus Heights Fire Protection District in July 1989. Emergency services were provided to the community through 20 fire stations.

2000- On December 1, 2000, the **Sacramento Metropolitan Fire District** was formed from the consolidation of 16 historic fire districts. Now commonly known as Metro Fire, it is the seventh largest local fire district in the State of California and the largest in Sacramento County. For more detail on the merge, please see the Letter of Transmittal in this report.

www.metrofire.ca.gov

This page intentionally left blank

Financial

Richardson & Company, LLP

550 Howe Avenue, Suite 210
Sacramento, California 95825

Telephone: (916) 564-8727
FAX: (916) 564-8728

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Sacramento Metropolitan Fire District
Sacramento, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Sacramento Metropolitan Fire District (Metro Fire) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Metro Fire's financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the State Controller's Minimum Audit Requirements for California Special Districts. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

To the Board of Directors
Sacramento Metropolitan Fire District

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Metro Fire as of June 30, 2014 and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America as well as accounting systems prescribed by the State Controller's Office and state regulations governing special districts.

Other Matters

Report on Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 to 14 and 21 to 22 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Metro Fire's basic financial statements. The introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 16, 2015 on our consideration of Metro Fire's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations and contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Metro Fire's internal control over financial reporting and compliance.

Richardson & Company, LLP

January 16, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the Sacramento Metropolitan Fire District (Metro Fire) provides the reader with a narrative overview of Metro Fire's financial position and performance for the fiscal year ending June 30, 2014. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-vi of this report.

FINANCIAL HIGHLIGHTS

- During the year, Metro Fire generated $165,460,882 in taxes and other revenues from governmental programs, which was $682,244 less than related expenses.
- The assets of Metro Fire exceeded its liabilities at the close of the fiscal year by $31,206,587 (net position).
- Metro Fire's governmental funds reported combined fund balances of $37,750,116, a decrease of $836,309 in comparison with the prior year. Approximately 34.6% of this amount ($13,084,121) is available for spending at the government's discretion (*unassigned fund balance)*.
- Unrestricted fund balance (the total of the *committed, assigned,* and *unassigned* components of *fund balance*) for the general fund was $32,213,185, or approximately 20.1% of total general fund expenditures.
- During the year, Metro Fire completed several constructions projects relating to its Armstrong Headquarters and acquired several pieces of new apparatus for its operations. This led to a decrease in the Capital Facilities Fund balance of $3,217,208.
- Overall outstanding long-term debt decreased by $824,925 during the year. This was the net result of scheduled debt payments ($3.9 million), new capital lease obligations ($2.9 million), accreted interest on pension bonds ($1 million), and a reduction in the long-term liabilities associated with compensated absences, workers' compensation and retiree medical benefits ($800,000).

ANNUAL REPORT OVERVIEW

The discussion and analysis provided herein is intended to serve as an introduction to Metro Fire's basic financial statements. The basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements.

The *government-wide financial statements* are comprised of the *Statement of Net Position* and the *Statement of Activities* which provide broad financial information and present a longer-term view of Metro Fire's finances. These statements are reported using the accrual basis of accounting which is similar to the accounting used by most private sector companies. All of Metro Fire's assets and liabilities are included in these statements, with the difference between the two reported as net position. Revenues and expenses are recognized as soon as the underlying event occurs, regardless of the timing of related cash flows. These two statements report Metro Fire's net position and changes in them. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial health of Metro Fire is improving or deteriorating.

The *governmental fund financial statements* are comprised of the *Balance Sheet* and the *Statement of Revenues, Expenditures, and Changes in Fund Balances* which focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. These statements present a detailed short-term view of Metro Fire's operations and services. The modified accrual basis of accounting is used to measure cash and all other financial assets that can readily be converted into cash. It helps determine the availability of financial resources that can be spent in the near future to finance Metro Fire's programs.

Financial statement notes are an important part of the basic financial statements. They provide the readers additional information required by Generally Accepted Accounting Principles. The notes to the basic financial statements can be found on pages 23-44 of this report.

In addition to the Basic Financial Statements and accompanying notes, this report also presents certain Required Supplementary Information such as Budgetary Comparison Schedules and a Statistical Section, providing financial tables conforming to GASB 44 standard requirements and historical trend data.

FINANCIAL ACTIVITIES OF METRO FIRE AS A WHOLE

This analysis focuses on the net position and changes in net position of Metro Fire's Governmental Activities presented in the Government-wide Statement of Net Position and Statement of Activities.

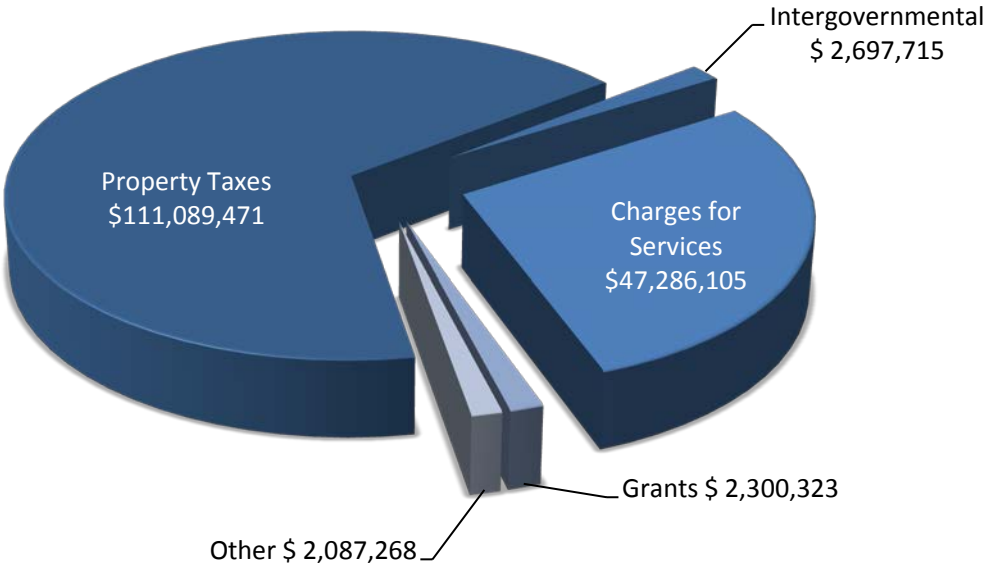
GENERAL AND PROGRAM REVENUES

The primary source of funding for the services provided by Metro Fire comes from property taxes, which comprised about 67% of total revenues for the year. Other large revenue sources are charges for services and grant revenue. A summary of revenue sources is presented below:

Table 1
Condensed Schedule of Revenues
(in thousands)

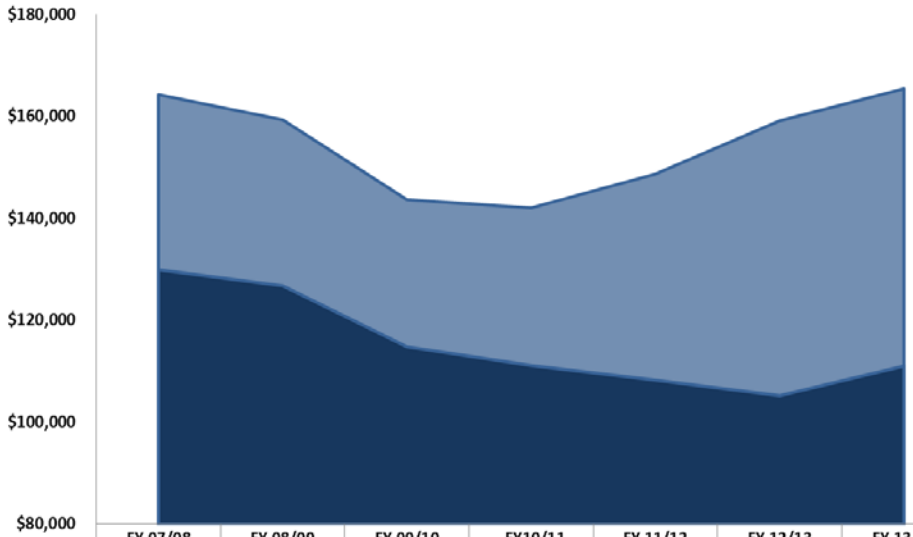
	2014	2013
General revenues		
Property taxes and assessments	$ 111,089	$ 105,260
Intergovernmental	2,698	5,545
Rent and other income	985	1,012
Miscellaneous	1,103	(54)
Total general revenues	115,875	111,763
Program revenues		
Charges for services	47,286	39,473
Operating grants and contributions	920	4,007
Capital grants and contributions	1,380	3,940
Total program revenues	49,586	47,420
Total revenues	$ 165,461	$ 159,183

REVENUE SOURCES



Property values in Metro Fire's service area reached $56.8 billion in 2008. The real estate market in the region was hit hard by the recession, and property values within Metro Fire's boundaries steadily declined to $49.5 billion in 2013; a reduction of $7.3 billion, or 13%. Annual property revenue during this time declined from a high of $130 million in 2008 to $105 million in 2013; a drop of $25 million, or 19%, in annual property tax revenue from the 2008 peak level. While certain areas of the state have been showing significant increases in property values for the past several years, the Sacramento region has been slow to rebound. Property values within Metro Fire finally saw growth in 2014, increasing by $1.9 billion, to a total of $51.4 billion. Property tax revenue in 2014 grew by $5.8 million, or 5.5%.

REVENUE HISTORY
(in thousands)



	FY 07/08	FY 08/09	FY 09/10	FY10/11	FY 11/12	FY 12/13	FY 13/14
TOTAL REVENUE	$164,307	$159,377	$143,707	$142,097	$148,732	$159,183	$165,461
PROPERTY TAXES	$129,962	$126,816	$114,845	$111,182	$108,310	$105,260	$111,089

To mitigate the decline in property tax revenue, Metro Fire deployed a number cost saving measures, including the closing of engine companies and working with labor to reduce personnel costs while simultaneously exploring ways to enhance cost recovery where appropriate and seek federal grant revenues to maintain service levels. As noted in the chart in the previous page, non-property tax related revenue grew from $34 million in 2007/08 to $53 million in 2013/14; an increase of $20 million, or 58%, over the 2007/08 level. Metro Fire was successful in securing federal grant funds to maintain the operation of two truck companies, while the implementation of the SRPP, Ground Emergency Medical Transportation (GEMT) and other changes relative to delivery of emergency medical transport services provided for a substantial increase in cost reimbursement. As a result of these efforts, charges for services were up $7.9 million in fiscal year 2013/14.

During the year, operating and capital grants decreased by $5.2 million or about 69% compared to the prior year. Fiscal year 2012/13 was Metro Fire's most successful grant year which garnered awards amounting to $7.1 million, a majority of which ended in FY 2012/13. One of two Staffing for Adequate Fire and Emergency Response (SAFER) federal grant awards, which provided about $2.7 million in revenues in FY 2012/13, expired in July 2013. Metro Fire also received in FY 2012/13 one-time Assistance to Firefighter Grants (AFG) of $1.7 million and $1 million to purchase defibrillators and thermal imaging cameras, respectively.

In addition, in fiscal year 2012/13, Metro Fire recognized retroactive GEMT cost reimbursements relating to fiscal years prior to 2012/13 amounting to $3.3 million. Ongoing GEMT revenues in the current year amounted to $819 thousand only.

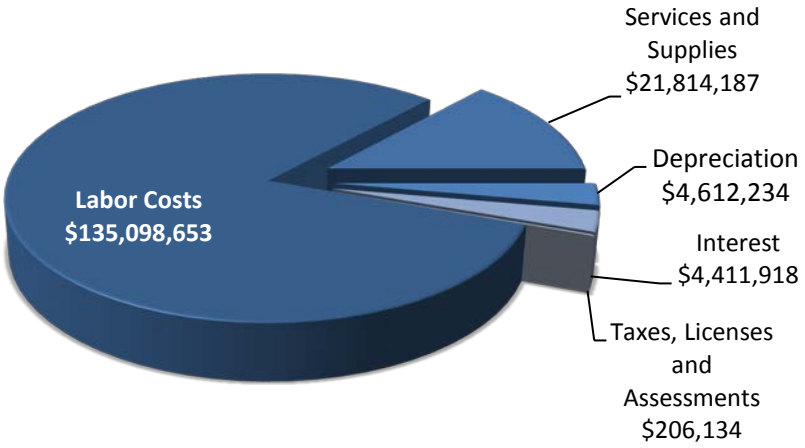
EXPENSES

As a public safety provider, the majority of Metro Fire's operating expense relates to labor costs, which comprise about 82% of total expenses. A summary of Metro Fire's expenses is presented below:

Table 2
Condensed Schedule of Expenses
(in thousands)

	2014	2013
Public protection		
Compensation	$ 135,099	$ 129,040
Services and supplies	21,814	17,600
Other	206	1,037
Total public protection	157,119	147,677
Interest	4,412	4,484
Depreciation	4,612	4,461
TOTAL EXPENSES	$ 166,143	$ 156,622

EXPENSES

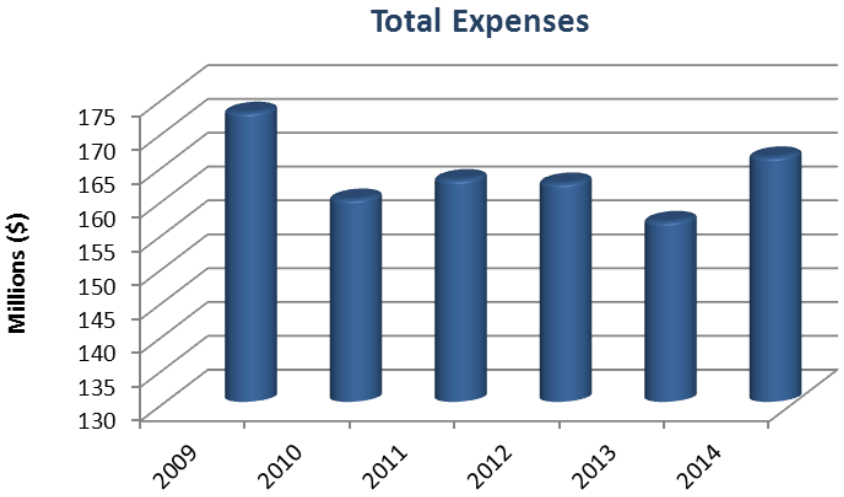


Public protection expenses for the year were $157.1 million, or 6.4% more than the prior year. The majority of program expenses relates to salaries and benefits. Salaries and benefits increased by about 4.7% primarily due to increases in the cost of retirement and medical benefits, and overtime costs associated with state and national wildland fire deployments (for which Metro Fire was reimbursed).

The other significant program expense is services and supplies which amounted to $21.8 million, an increase of $4.2 million or 24% from prior year. Several factors contributed to this increase, the most significant of which are the following:

- Dispatch fees paid to a Joint Powers Authority providing dispatch services, of which Metro Fire is a member agency, increased by more than $800,000. The increase was due to higher operational costs and necessary improvements for the dispatch center.
- Metro Fire undertook a feasibility study related to a proposed fire suppression benefit assessment. This study along with the cost of other projects increased expenses by more than $600,000.
- One-time expenditures of about $600,000 were incurred for the development of a Community Wildfire Protection Plan.
- Medic Supply and EMS billing fees increased by more than $800,000 as a result the first full-year operation of the SRPP.
- More than $300,000 of non-capitalizable equipment was purchased to upgrade Metro Fire's computer and networking hardware.

Below is a history of Metro Fire's total expenses:



NET POSITION

This analysis focuses on the net position and changes in net position of Metro Fire's Governmental Activities (Tables 3 and 4), as presented in the government-wide Statement of Net Position and Statement of Activities that follow.

Table 3
Condensed Schedule of Net Position
(in thousands)

	2014	2013
Assets:		
Current and other	$ 61,056	$ 61,949
Pension asset	76,211	74,480
Capital assets	92,898	91,598
Total Assets	230,165	228,027
Liabilities:		
Current	38,699	40,283
Long-Term	160,259	155,855
Total Liabilities	198,958	196,138
Net Position:		
Net investment in capital assets	71,375	71,966
Restricted	2,523	5,698
Unrestricted	(42,691)	(45,775)
TOTAL NET POSITION	$ 31,207	$ 31,889

Unrestricted net position, which can be used to finance day-to-day operations without constraints, increased by $3.1 million, which lowered the net deficit to $42.7 million. This deficit is caused by the inclusion of post-employment medical costs in the operating expenses; as of June 30, 2014, the Other Post-Employment Benefits (OPEB) liability was at $52 million. Restricted net position decreased by $3.2 million resulting in a balance of $2.5 million, the bulk of which can only be used for capital outlay expenses and debt service. This decrease is mainly due to construction projects and equipment acquisitions that occurred during the year.

Table 4
Schedule of Changes in Net Position
(in thousands)

	2014	2013
Total revenues	$ 165,461	$ 159,183
Total expenses	(166,143)	(156,622)
Excess (Deficiency)	(682)	2,561
Beginning net position	31,889	29,328
Ending Net Position	$ 31,207	$ 31,889

The graph above shows the decline in Metro Fire's net position that occurred during the recession. However, in the most recent fiscal year, Metro Fire's total net position has stabilized due to efforts by management to lower operating costs and enhance revenues.

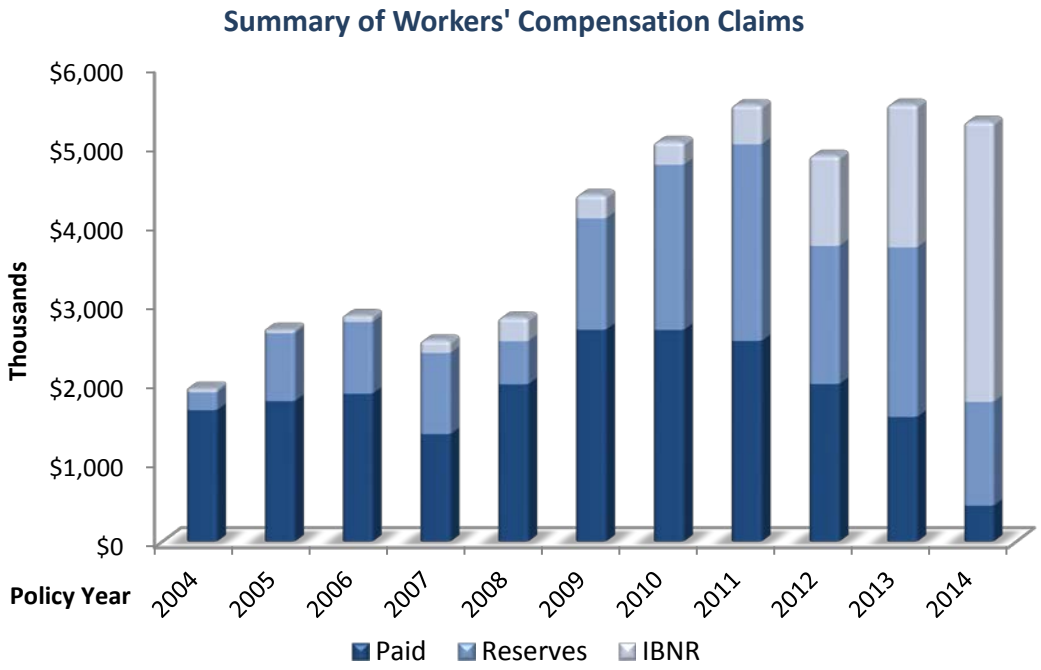
ASSETS AND LIABILITIES

The following points explain the major changes impacting net position as shown in Table 3:

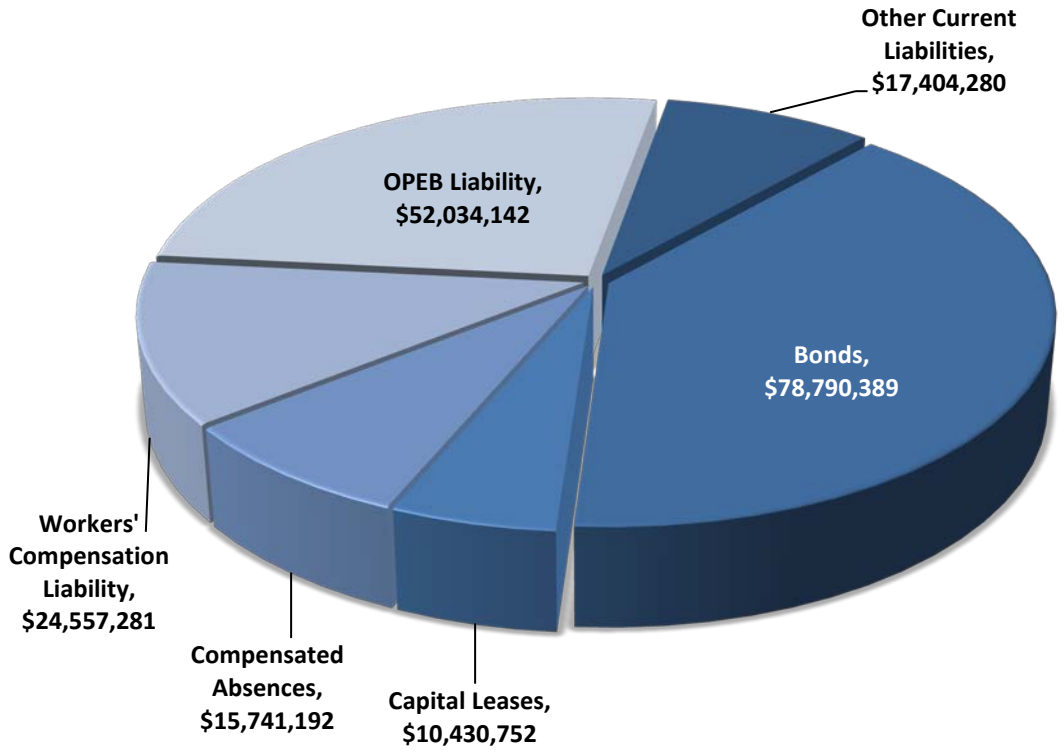
- Total assets of Metro Fire increased by $2.1 million or 1%. Pension Assets accounted for $1.7 million of the increase due to the resulting actuarial interest adjustments. Capital assets are more thoroughly discussed in a later section.
- Current liabilities include amounts for trade payables, labor costs payable, unearned revenue, accrued interest payable and that portion of long-term debt due within one year. The decrease of $1.6 million was primarily due to a decrease in the estimated current portion of the liability for OPEB offset mostly by amounts owed to employees to comply with the overtime provisions of the federal Fair Labor Standards Act.
- Long-term liabilities include capital leases, bonds, compensated absences, OPEB liability and workers' compensation liability. Capital leases and bonds are discussed on pages 36-38. During fiscal year 2013/14, Metro Fire expended $7.3 million on retiree medical benefits while about $5.3 million has contributed into an irrevocable trust to pay future retiree medical benefits. The $638,000 difference between the annual required contribution (ARC) and the amount funded during the year was added to the OPEB liability, which amounted to $52 million as of June 30, 2014.

  Metro Fire is self-insured for workers' compensation claims and the liability is actuarially determined. Claim liabilities and related expenditures are reported when it is probable that a loss has occurred and the loss amount can be reasonably estimated. The liability for workers' compensation claims on June 30, 2014 was $24.6 million.

Below is a chart depicting Metro Fire's claim losses by policy year since 2004, which reflects how much remains outstanding for each year.



The breakdown of Metro Fire's liabilities is as follows:



GOVERNMENTAL FUND BALANCE AND BUDGETARY HIGHLIGHTS

General Fund

The General Fund is the general operating fund of Metro Fire and is generally used to account for all financial resources relative to operations. The major source of revenue for the General Fund is property taxes ($113 million), which accounts for 70% of the Metro Fire's operational funding. Charges for ambulance transport services, deployments, and other services ($42 million) accounts for 26% of operational funding. General Fund expenditures increased by $15.6 million (11%) from prior year. Major factors affecting this increase include increasing medical and retirement costs, and federally required overtime adjustments.

General Fund Budgetary Highlights

Budgetary fund variances are monitored by the Board of Directors during regular Finance and Audit Committee meetings. As necessary, the Board revises the budget when new information is available. The general fund final *adopted* budget for fiscal year 2013/14 forecasted for a $4 million (*modified accrual basis,* see page 24*)* deficit to be funded by the use of reserves. Actual results had a more favorable $1.2 million surplus. A comparison of Metro Fire's original and final budget as well as the actual governmental fund results for the various major funds appears on pages 21 to 22 of this report. Below is summary of final budget and actual results for all funds for fiscal year 2013/14:

Table 5
Condensed Schedule of Revenues and Expenditures
Budget to Actual - General Fund
(in thousands)

	Final Budget	Actual	Variance
Total Revenues	$ 161,196	$ 162,014	$ 818
Total Expenditures	(164,735)	(160,598)	4,137
Financing Sources	(439)	(249)	190
Net Change in Fund Balance	$ (3,978)	$ 1,167	$ 5,145

Actual revenue was slightly ahead (0.5%) of budgeted revenues due to higher than projected intergovernmental revenues.

Actual expenditures were $4.1 million lower than budgeted due to the following:

- $3.1 million due budget savings resulting from successful implementation of various cost-cutting programs in services and supplies and not moving forward with a proposed benefit assessment in the current fiscal year.
- $2.5 million was set-aside in anticipation of pension bond retirements and was budgeted as an expenditure; in the fund financial statements, it is treated as a restricted asset rather than as an expenditure
- the above savings were offset by about $1.2 million more in overtime costs to fully comply with the federal Fair Labor Standards Act (FLSA)

During the year, there was an increase in General Fund budgeted revenues of $4.8 million between the original and final budget primarily due to GEMT as well as significant deployment cost reimbursements. The final budget further increased appropriations by about $11.3 million mainly due to increases in constant staffing costs (overtime) and federally required overtime rate adjustments.

Other Governmental Funds

The Capital Facilities Fund is used to account for development impact fees and capital lease proceeds. During the year, Metro Fire acquired several pieces of apparatus and undertook construction projects and major repair projects for a total expenditure of $4.9 million. Annual amortization payments for capital leases and a portion of the lease revenue bonds ($2.5 million) were also paid out of this fund. The remaining fund balances are restricted for capital expenditures only.

The Grant Fund is used to account for various types of grants awarded to Metro Fire. During the year, there was a total of $4.9 million spent in this fund. As previously discussed, the largest of these grants include the SAFER grants which assisted Metro Fire in paying for 24 firefighter positions and funding fire prevention planning. Also included is the Homeland Security and Emergency Management Simulator Grant which funded the construction of an exercise simulation center which can simulate disasters in real time. The remaining fund balances can only be used for purposes authorized in the grant awards.

CAPITAL ASSET AND DEBT ADMINISTRATION

CAPITAL ASSETS

At the end of fiscal year 2013/14, Metro Fire had $92.9 million invested in a broad range of capital assets, including buildings, fire stations, and various pieces of equipment. This amount represents an increase of about $1.3 million, or 1.4%, from the previous year.

Table 6
Capital Assets at Year-End
Net of Depreciation
(in thousands)

	2014	2013
Land	$ 25,860	$ 23,131
Construction in progress	3,156	3,945
Building and improvements	38,492	38,473
Equipment	25,390	26,049
Totals	$ 92,898	$ 91,598

Metro Fire owns 42 fire stations: 40 fire stations currently providing fire suppression/EMS responses and two stations closed for cost savings. Metro Fire also owns its headquarters building, a logistics warehouse building, a training facility, a fleet maintenance building, a radio shop building, and two surplus office buildings. Resources include more than 340 vehicles and equipment consisting of fire engines, fire trucks, ambulances, a hazardous materials unit, a heavy rescue unit, two firefighting rescue helicopters, a bulldozer, rescue boats, a decontamination unit, and multiple support staff vehicles.

Funding for infrastructure has historically come from a combination of development fees and property tax revenue; both of which sources were negatively impacted by the recession. As a result, in order to fund infrastructure and fire service apparatus needs, a combination of lease revenue bond issues and capital lease financing was employed.

Additional detail regarding capital assets is located in Note 3 of the financial statements.

DEBT ADMINISTRATION

The following table summarizes the long-term debt for the last two years:

Table 7
Outstanding Debt at Year-End
(in thousands)

	2014	2013
Pension bonds payable	$ 67,572	$ 68,376
Lease revenue bonds payable	11,218	11,981
Capital Leases	10,431	8,895
Totals	$ 89,221	$ 89,252

New debt resulted mainly from the acquisition of new fire apparatus and support vehicles as well as computer and networking equipment financed through capital leasing. In conjunction with the December 2011 lease revenue bond debt issuance, Moody's Investor Service rated Metro Fire's credit as a favorable A1.

Metro Fire budget includes bi-annual principal and interest payments. In addition, Metro Fire has a policy that requires setting aside of an annual deposit payment for the eventual extinguishment of the Pension Bond Series B and C, in 2018 and 2025, respectively. Additional detail regarding long-term debt is located in Note 6 of the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Since 2008, the economy has presented Metro Fire with significant challenges. The Board of Directors, management and employees responded by working together to address both the immediate and long-term fiscal challenges confronting Metro Fire, with the goal of preserving service levels. While fiscal challenges remain, Metro Fire at least appears to be on a more predictable and fiscally sustainable path moving forward. As discussed previously, Metro Fire is now utilizing long-range financial planning tools to help identify fiscal challenges and guide current decision making. These fiscal planning efforts reflect a shared commitment on the part of the Board, management and employees to provide an exceptionally high level of service within a framework that promotes long-term fiscal stability.

During this time, management and union representatives engaged in a highly collaborative effort to address a structural budget imbalance in the General Fund brought on by the negative impacts of the lingering economic recession; namely reduced property tax revenue, rising health care costs and rising pension costs caused by significant pension fund investment losses. Labor and management were able to reach agreement on a number of concessions that both achieved operational cost savings, and allowed Metro Fire to begin pre-funding retiree medical benefits. Pre-funding retiree medical benefits was identified as a key measure in preserving and reducing the long-term cost of this significant retirement benefit. The agreed-upon labor concessions have resulted in annual cost savings in excess of $9 million.

Employees agreed to "pick-up" a portion of Metro Fire's required retirement contributions, as follows: Safety employees - 12%; non-safety - 8%. This concession resulted in significant pension cost savings. To address the unfunded liability for retiree medical benefits, employees and retirees agreed to pay 8% of their monthly health premiums, and are subject to a "cap" on the monthly premium. In exchange, Metro Fire has agreed that all savings associated with these changes will be used to pre-fund retiree medical contributions (i.e. paid into the retiree medical benefit "OPEB" trust fund). This is expected to both lower the unfunded liability and reduce the long-term cost of providing retiree medical benefits. Metro Fire has budgeted contributions of $5.3 million into

the OPEB trust fund for fiscal year 2014/15, which when combined with the $7.6 million for retiree medical premium payments in 2014/15, is just slightly below the ARC of $13.7 million. The Board has committed to revisit the OPEB funding during 2014/15 with the intent of fully funding the ARC if resources are available.

Property values within Metro Fire's jurisdiction have increased for two consecutive years and are projected to grow by 5% in next fiscal year. However, this growth is being driven primarily by the restoration of values previously reduced by the County Assessor during the height of the recession, not by change of ownership. What this means is that sales prices (or the value of property) remain sluggish. This trend is expected to continue for the foreseeable future. While the final budget for 2014/15 falls short of achieving the Board's desired goal of establishing an operating reserve of 15%, it does achieve the following: balances current operating expenditures with current revenue; keeps Metro Fire on track with respect to addressing the long-term financial obligations associated with the commitment to current employees and retirees to pay medical benefits after retirement; maintains the funding plan for the outstanding pension obligation bonds; maintains a 10% reserve level for 2014/15; and projects an increase in reserves to around 12% for 2015/16.

Management regularly reviews financial projections and makes adjustments based on recent trends in real property value, new commercial and residential development, State of California economic forecasts, and changes adopted by the retirement and healthcare systems under which Metro Fire provides benefits to its employees. District spending choices are prioritized and reflect public values, with service levels balanced against adequate funding to maintain facilities, vehicles and equipment and providing a sustainable level of fair and reasonable employee compensation. These efforts are undertaken with a commitment to sustaining the high level of service Metro Fire currently provides to the community and maintaining its long-term fiscal stability.

OBTAINING ADDITIONAL INFORMATION

These financial reports are intended to provide Metro Fire's elected officials, citizens, investors, and creditors with a general overview of Metro Fire's financial condition and an accounting of the public's money. If you have questions about this report or need more financial information, contact Metro Fire's Chief Financial Officer at 10565 Armstrong Avenue, Mather, CA 95655. More information on Metro Fire's operations can also be found at www.metrofire.ca.gov.

Sacramento Metropolitan Fire District
Statement of Net Position
June 30, 2014

ASSETS	
Cash and investments	$ 41,828,755
Receivables, net of	
allowance for uncollectibles:	
Medic fees receivable	5,523,814
Interest receivable	2,997
Taxes receivable	1,200,000
Other receivables	1,000,488
Due from other governments	6,668,614
Inventory	3,052,805
Prepaid expenses and other assets	7,728
Restricted cash and investments	1,770,422
Pension asset	76,211,413
Capital assets:	
Not being depreciated	29,016,553
Being depreciated, net	63,881,034
Total Assets	230,164,623
LIABILITIES	
Accounts payable and accrued expenses	10,396,384
Salaries and benefits payable	5,719,891
Unearned revenue	602,202
Accrued interest payable	685,803
Long-term liabilities:	
Due within one year	21,294,851
Due in more than one year	160,258,905
Total Liabilities	198,958,036
NET POSITION	
Net investment in capital assets	71,374,548
Restricted	2,522,753
Unrestricted	(42,690,714)
Total Net Position	$ 31,206,587

The accompanying notes are an integral part of these financial statements.

Sacramento Metropolitan Fire District
Statement of Activities
For the Year Ended June 30, 2014

EXPENSES	
Public protection	
Salaries, benefits, services and supplies	$157,118,974
Interest and financing costs	4,411,918
Depreciation	4,612,234
Total Expenses	166,143,126
PROGRAM REVENUES	
Charges for services	
Emergency medical services	34,155,622
Reimbursements from other agencies	3,762,073
Development fees and other charges	9,368,410
Operating grants and contributions	920,143
Capital contribution:	
Capital grants	1,380,180
Total Program Revenues	49,586,428
Net Program Expense	(116,556,698)
GENERAL REVENUES	
Property taxes	111,089,471
Intergovernmental	2,697,715
Rental and other income	984,578
Miscellaneous	1,102,690
Total General Revenues	115,874,454
Change in Net Position	(682,244)
Net Position, Beginning of Year	31,888,831
Net Position, End of Year	$ 31,206,587

The accompanying notes are an integral part of these financial statements.

Sacramento Metropolitan Fire District
Governmental Funds Balance Sheet
June 30, 2014

	Major Funds		Non-major Fund	
	General Fund	Grant Funds	Capital Facilities	Total
ASSETS				
Cash and investments	$ 40,065,139	$ 1,763,616		$ 41,828,755
Receivables, net of allowance for uncollectibles:				
Medic fees receivable	5,523,814			5,523,814
Interest receivable	1,685	545	$ 767	2,997
Taxes receivable	1,200,000			1,200,000
Other receivables	1,000,488			1,000,488
Due from other governments	6,131,532	492,596	44,486	6,668,614
Due from other funds	206,086	205,472		411,558
Inventory	3,052,805			3,052,805
Prepaid costs and other assets	7,728			7,728
Restricted cash and investments	91,057		1,679,365	1,770,422
Total Assets	$ 57,280,334	$ 2,462,229	$ 1,724,618	$ 61,467,181
LIABILITIES				
Accounts payable and accrued expenditures	$ 9,700,896	$ 595,320	$ 100,168	$ 10,396,384
Salaries and benefits payable	5,446,873	273,018		5,719,891
Due to other funds	205,472		206,086	411,558
Unearned revenue		602,202		602,202
Workers compensation payable	258,075			258,075
Total Liabilities	15,611,316	1,470,540	306,254	17,388,110
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	6,282,100	2,369	44,486	6,328,955
Total Deferred Inflows of Resources	6,282,100	2,369	44,486	6,328,955
FUND BALANCES				
Nonspendable	3,061,033			3,061,033
Restricted	112,700	989,320	1,373,878	2,475,898
Committed	19,129,064			19,129,064
Unassigned	13,084,121			13,084,121
Total Fund Balances	35,386,918	989,320	1,373,878	37,750,116
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 57,280,334	$ 2,462,229	$ 1,724,618	$ 61,467,181

The accompanying notes are an integral part of these financial statements.

Sacramento Metropolitan Fire District
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2014

Fund Balances - Total Governmental Funds	$37,750,116
When capital assets that are to be used in governmental activities are purchased or constructed, the costs of those assets are reported as expenditures in governmental funds. However, the statement of net position includes those capital assets among the assets of Metro Fire as a whole.	92,897,587
Pension asset of the governmental activities is not a financial resource and, therefore, is not reported in the funds.	76,211,413
Certain receivables are not available to pay current period expenditures and therefore are unavailable in the governmental funds.	6,328,955
Long-term liabilities applicable to Metro Fire's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net position.	
Bonds payable	(78,790,389)
Compensated absences	(15,741,192)
Interest payable on long-term debt	(685,803)
Workers compensation liability	(24,299,206)
Liability for other post-employment benefits	(52,034,142)
Capital lease	(10,430,752)
Net Position of Governmental Activities	$31,206,587

The accompanying notes are an integral part of these financial statements.

Sacramento Metropolitan Fire District
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2014

	Major Funds		Non-major Fund	
	General Fund	Grant Funds	Capital Facilities	Total
REVENUES				
Property taxes	$112,297,471			$112,297,471
Intergovernmental	4,255,030	$ 6,154,462	$ 5,928	10,415,420
Charges for services	44,207,768			44,207,768
Development fees			1,092,120	1,092,120
Use of money and property	1,020,039	3,519	(4,813)	1,018,745
Miscellaneous	233,783			233,783
Total Revenues	162,014,091	6,157,981	1,093,235	169,265,307
EXPENDITURES				
Current:				
Public protection	155,038,995	3,874,377	812,069	159,725,441
Capital outlay	671,063	1,104,884	4,136,022	5,911,969
Debt service:				
Principal	2,124,480		1,839,488	3,963,968
Interest and financing costs	2,763,716		616,663	3,380,379
Total Expenditures	160,598,254	4,979,261	7,404,242	172,981,757
Excess (Deficiency) of Revenues Over Expenditures	1,415,837	1,178,720	(6,311,007)	(3,716,450)
OTHER FINANCING SOURCES (USES):				
Transfers in		248,979	213,658	462,637
Transfers out	(248,979)	(213,658)		(462,637)
Proceeds from capital leases			2,880,141	2,880,141
Total Other Financing Sources (Uses)	(248,979)	35,321	3,093,799	2,880,141
Excess (Deficiency) of Revenues and Other Sources Over Expenditures	1,166,858	1,214,041	(3,217,208)	(836,309)
Fund Balance, Beginning of Year	34,220,060	(224,721)	4,591,086	38,586,425
Fund Balance, End of Year	$ 35,386,918	$ 989,320	$ 1,373,878	$ 37,750,116

Sacramento Metropolitan Fire District
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2014

Net Change in Fund Balance - Total Governmental Funds	$ (836,309)
Governmental funds report capital outlay as expenditures. However, in the Government-wide Statement of Activities the cost of those assets when completed is allocated over their estimated useful lives as depreciation expense.	
Cost of assets capitalized	5,911,969
Depreciation expense	(4,612,234)
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Government-wide Statement of Net Position. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position principal payments on long-term debt.	
Principal payments	3,963,968
Bond accretion and write-off of issuance costs	(1,053,546)
Proceeds from debt issuance	(2,880,141)
Some expenses reported in the Government-wide Statement of Activities do not require the use of current financial resources and therefore are not expenditures in the governmental funds.	
Change in accrued interest payable	22,007
Change in compensated absences	1,379,974
Change in other post-employment benefits liability	(638,051)
Change in workers compensation	82,981
Any excess of the amount funded during the fiscal year over the annual required contributions (ARC) for pension benefits was recorded as an expenditure for governmental funds. However, the difference between the ARC and the amount funded is recorded as an adjustment to retirement expense in the statement of activities.	1,731,676
Some receivables are unavailable in the Governmental Funds because the amounts do not represent current financial resources that are recognized under the accrual basis in the Statement of Activities.	(3,754,538)
Change in Net Position of Governmental Activities	$ (682,244)

The accompanying notes are an integral part of these financial statements.

Sacramento Metropolitan Fire District
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
General Fund
For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Property taxes	$112,100,001	$112,378,501	$112,297,471	$ (81,030)
Intergovernmental	3,246,000	3,144,550	4,255,030	1,110,480
Charges for services	39,424,000	43,344,516	44,207,768	863,252
Use of money and property	1,099,435	1,167,238	1,020,039	(147,199)
Miscellaneous	542,800	1,160,800	233,783	(927,017)
Total Revenues	156,412,236	161,195,605	162,014,091	818,486
EXPENDITURES				
Current:				
Public protection				
Salaries and benefits	124,237,223	132,048,806	134,902,380	(2,853,574)
Services and supplies	20,698,123	22,984,266	19,930,481	3,053,785
Other	271,500	270,160	206,134	64,026
Capital outlay	731,553	857,102	671,063	186,039
Debt service:				
Principal	4,645,246	5,781,246	2,124,480	3,656,766
Interest and financing costs	2,798,554	2,793,554	2,763,716	29,838
Total Expenditures	153,382,199	164,735,134	160,598,254	4,136,880
Excess (Deficiency) of Revenues Over Expenditures	3,030,037	(3,539,529)	1,415,837	4,955,366
OTHER FINANCING SOURCES (USES)				
Transfers out	(448,979)	(448,979)	(248,979)	200,000
Proceeds from sale of assets	10,000	10,000		(10,000)
Total Other Financing Sources (Uses)	(438,979)	(438,979)	(248,979)	190,000
Net Change in Fund Balance	$ 2,591,058	$ (3,978,508)	$ 1,166,858	$ 5,145,366

The accompanying notes are an integral part of these financial statements.

Sacramento Metropolitan Fire District
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Grant Fund
For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Intergovernmental	$ 6,187,281	$ 7,765,059	$ 6,154,462	$ (1,610,597)
Use of money and property	750	(748)	3,519	4,267
Total Revenues	6,188,031	7,764,311	6,157,981	(1,606,330)
EXPENDITURES				
Current:				
Public protection				
Salaries and personnel	2,962,382	3,245,292	2,752,769	492,523
Services and supplies	1,466,485	1,441,745	1,121,608	320,137
Capital outlay	712,957	2,626,311	1,104,884	1,521,427
Total Expenditures	5,141,824	7,313,348	4,979,261	2,334,087
Excess (Deficiency) of Revenues Over Expenditures	1,046,207	450,963	1,178,720	727,757
OTHER FINANCING SOURCES (USES)				
Transfers in	290,599	297,389	290,599	(6,790)
Transfers out	(41,620)	(255,278)	(255,278)	-
Total Other Financing Sources (Uses)	248,979	42,111	35,321	(6,790)
Net Change in Fund Balance	$ 1,295,186	$ 493,074	$ 1,214,041	$ 720,967

The accompanying notes are an integral part of these financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of Sacramento Metropolitan Fire District ("Metro Fire") have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles. Metro Fire's significant accounting policies are described below.

A. SCOPE OF FINANCIAL REPORTING ENTITY

Metro Fire was established under Health & Safety Code Section 13800 on December 1, 2000, as a result of the merger between the American River and Sacramento County Fire Protection Districts. It is governed by a nine member Board of Directors elected by geographic division. Metro Fire's boundaries cover approximately 417 square miles that include Sacramento and Placer counties with a population exceeding 715,000 residents. Metro Fire provides fire protection services including fire suppression, fire prevention, inspection, plan checking, and public education programs. It also provides emergency medical services, advanced life support and rescue services. It employs approximately 644 people and operates forty fire stations, an administration building, a fire prevention/supply warehouse building, a training facility, a fleet maintenance shop, and two surplus office buildings.

Metro Fire has reviewed criteria to determine whether other entities with activities that benefit Metro Fire should be included within its financial reporting entity. The criteria include, but are not limited to, whether it exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters), the scope of public service, and a special financing relationship. Metro Fire has determined that no outside entity meets the above criteria, and therefore, no agency has been included as a component unit in Metro Fire's financial statements. In addition, Metro Fire is not aware of any entity that would exercise such oversight responsibility that would result in Metro Fire being considered a component unit of that entity.

Joint Powers Authorities or Jointly Governed Organizations

Metro Fire is a member of the California Fire and Rescue Training Authority (CFRTA) at Sacramento, the Sacramento Regional Fire/EMS Communications Center (SRFECC), the Special District Risk Management Authority (SDRMA), and the California Municipal Finance Authority (CMFA) for which Metro Fire's participation does not involve an ongoing financial interest or responsibility. As a member of these organizations, Metro Fire receives the following services:

- CFRTA provides fire, rescue, EMS, and Haz-Mat training
- SRFECC serves as Metro Fire's fire and EMS dispatch center
- SDRMA provides insurance coverage for general and auto liability, errors and omissions, property, boiler and machinery and employee dishonesty
- CMFA facilitates the issuance of Metro Fire bonds

The amounts contributed to these jointly governed organizations in fiscal year 2013/14 consist of the following:

CFRTA	$	45,000
SRFECC		3,618,306
SDRMA		406,356

During the year, Metro Fire paid CFRTA $186,405 for training costs. On December 19, 2011, Metro Fire entered into a ground lease agreement with CFRTA whereby Metro Fire leased 8.25 acres of land to CFRTA for 55 years at a minimum rental fee of $30,000 per year, to be increased by $10,000 per year upon additional agencies joining CFRTA. On March 14, 2013, Metro Fire entered into a reimbursement agreement with CFRTA for the construction and installation of Urban Search and Rescue props on the aforementioned land leased by CFRTA. The total reimbursement for the year was $2,923,442.

B. BASIS OF ACCOUNTING AND PRESENTATION

Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the activities of Metro Fire. The effect of interfund activity has been removed from these statements. Metro Fire has only governmental activities, which are supported primarily by taxes, intergovernmental revenues and charges for services.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year which they are levied. Grants and similar items are recognized as revenue when all eligibility requirements have been met.

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

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, Metro Fire considers all revenues, except property taxes, to be available if they are collected within 90 days of the end of the current fiscal period. Property taxes are recognized if received within 60 days. Property taxes, charges for services, intergovernmental revenues, rental income, and investment earnings associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and workers compensation claims, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Payable balances consist primarily of payables to vendors.

C. FUND ACCOUNTING

The accounts of Metro Fire are organized on the basis of funds. A fund is a separate accounting unit with a self-balancing set of accounts. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Metro Fire resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent. Metro Fire's funds are as follows:

Major Funds

The General Fund is the general operating fund of Metro Fire. It is used to account for all financial resources except those required or designated by the Board of Directors to be accounted for in another fund.

The Grant Fund is a special revenue fund used to account for the proceeds of federal and state grants that are legally restricted to expenditures for specific purposes.

Nonmajor Funds

The Capital Facilities Fund is a capital projects fund used to account for all resources received from development impact fees as well as proceeds from Metro Fire's lease revenue bonds. It is used for the acquisition or construction of major capital facilities and equipment.

D. BUDGETARY PRINCIPLES

As required by the laws of the State of California, Metro Fire prepares and legally adopts a final operating budget on or before October 1 of each fiscal year. Public hearings are conducted on the proposed final budget to review all appropriations, sources of financing, and to provide opportunities for public comment. Metro Fire's governing board satisfied these requirements.

Operating budgets are adopted for the General Fund on the modified accrual basis of accounting. Budgetary control and the legal level of control are at the fund level. Significant operating or capital spending changes are addressed by Metro Fire's Board of Directors in their Mid-Year Budget amendment or earlier if necessary. The final budget data contained in the financial statements reflects the effect of all approved budget amendments.

The Statements of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual is included as part of the basic financial statements. Reclassifications were made in the budgeted amounts to be consistent with the presentation of the actual balances. These reclassifications include transferring budgeted capital outlay to services and supplies for capital expenditures not meeting Metro Fire's capitalization threshold and eliminating intra-fund transfers.

E. MEDIC FEES RECEIVABLE

Accounts receivable arises from billings to insurance companies and patients medic services. Metro Fire has a receivable balance of $5,523,814 which is net of allowance for doubtful accounts of $10,664,194 at June 30, 2014. The allowance includes an estimate for future uncollectible debt and insurance write-offs.

F. INVENTORY

Inventories are stated at cost using the weighted average method. Inventories consist of medical and other supplies, vehicle parts, helicopter parts, and fuel. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

G. PREPAID COSTS

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid costs in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased. Prepaid costs of governmental funds offset nonspendable fund balance to indicate they do not constitute resources available for future appropriation.

H. CAPITAL ASSETS

Capital assets for governmental fund types are not capitalized in the funds used to acquire or construct them. Capital acquisitions are reflected as expenditures in the governmental fund, and the related assets are reported in the government-wide financial statements. Capital assets are defined by Metro Fire as assets with an initial, individual cost of more than $5,000. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at the estimated fair market value at the date of donation. For certain older assets, including infrastructure, estimated historical costs are used. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extended assets lives are not capitalized.

Capital assets are depreciated using the straight-line method over the following useful lives:

Asset Class	Years
Buildings and Improvements	25 to 50
Equipment	5 to 25

Costs of assets sold or retired (and related amounts of accumulated depreciation) are eliminated from the accounts in the year of sale or retirement and the resulting gain or loss is included in the operating statement of the related fund. In governmental funds, the sale of general capital assets is included in the statement of revenues, expenditures and changes in fund balances as proceeds from sale.

I. RESTRICTED ASSETS

Metro Fire's restricted assets consist of fees collected to defray the cost of constructing facilities to serve new construction, unspent bond proceeds for capital acquisitions, amounts held for payment of workers compensation claims and for Metro Fire's flexible spending plan, and debt service reserves.

J. COMPENSATED ABSENCES

Regular, full-time Metro Fire employees are granted vacation, sick and holiday leave in varying amounts based upon length of service. Any accrued hours, not in excess of the maximum allowable and unused during the current period, are carried forward to following years. Additionally, certain employees are allowed compensated time-off in lieu of overtime compensation and/or from working on holidays. Metro Fire employees may receive from 36% to 38% of accumulated sick leave in cash upon termination, with the remainder applied as an additional service credit for the purpose of determining pension benefits under the Public Employees' Retirement System.

Compensated absences are accrued in the government-wide financial statements when earned. A liability for compensated absences is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements and is currently payable. Each year's budget includes a provision for the estimated expenditure for the current year.

K. UNAVAILABLE AND UNEARNED REVENUES

Unearned revenues arise when resources are received by Metro Fire before it has legal claim to them (i.e., when grant monies are received prior to the incurrence of qualifying expenditures). Unavailable revenues in governmental funds arise when a potential revenue source does not meet both the "measurable" and "available" criteria for recognition in the current period. Revenues not received in the availability period are recognized for the government-wide presentation.

L. LONG-TERM OBLIGATIONS

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable government activities. Issuance costs are expensed as incurred. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

M. PROPERTY TAXES

The County of Sacramento is responsible for the collection and allocation of property taxes. Under California law, property taxes are assessed and collected by the County of Sacramento up to 1% of the full cash value of taxable property, plus other increases approved by the voters and distributed in accordance with statutory formulas. Metro Fire recognizes property taxes when the individual installments are due provided they are collected within 60 days after year-end.

Secured property taxes are levied on or before the first day of September of each year. They become a lien on real property on March 1 preceding the fiscal year for which taxes are levied. These taxes are paid in two equal installments; the first is due November 1 and delinquent with penalties after December 10; the second is due February 1 and delinquent with penalties after April 10. Secured property taxes, which are delinquent and unpaid as of June 30, are declared to be tax defaulted and are subject to redemption penalties, cost, and interest when paid. If the delinquent taxes are not paid at the end of five years, the property is sold at public auction and the proceeds are used to pay the delinquent amounts due. Any excess is remitted, if claimed, to the taxpayer. Additional tax liens are created when there is a change in ownership of property or upon completion of new construction. Tax bills for these new tax liens are issued throughout the fiscal year and contain various payments and delinquent dates, but are generally due within one year. If the new tax liens are lower, the taxpayer receives a tax refund rather than a tax bill. Unsecured personal property taxes are not a lien against real property. These taxes are due on March 1, and become delinquent, if unpaid on August 31.

The County uses the alternative method of property tax apportionment known as the "Teeter Plan." Under this method of property tax apportionment, the County purchases the delinquent secured taxes at June 30 of each fiscal year. These taxes are accrued as intergovernmental receivables; they are recognized as governmental fund revenues only if they are received from the County within 60 days after year-end. For government-wide presentation, they are accrued when earned regardless of the timing of the related cash flows.

N. CHARGES FOR SERVICES

Charges for services represent various cost reimbursements that Metro Fire obtains in the normal course of its operations. A bulk of these charges comes from cost reimbursements for its emergency medical transports. In addition, Metro Fire obtains reimbursements from other agencies for costs associated with deploying strike teams to fight fires. These reimbursements are reflected as revenues and the related costs as expenses.

O. ELIMINATIONS AND RECLASSIFICATIONS

In the process of aggregating data for the government-wide statements, some amounts reported as interfund activity and balances in the fund financial statements were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities. In addition, certain reclassifications have been made to revenue categories compared to those reported in the prior year financial statements. The prior year balances reported in the MD&A have been reclassified to conform to the current year presentation.

P. NEW PRONOUNCEMENTS

In June 2012, the GASB approved Statement No. 68, *Accounting and Financial Reporting for Pensions*. This Statement requires governments providing defined benefit pension plans to recognize their long-term obligation for pension benefits as a liability on the statement of net position and to more comprehensively and comparably measure the annual costs of pension benefits. Among other things, this Statement requires the balance sheet to reflect the plan funding status showing the net difference between the pension liabilities and pension assets. Pension liabilities are determined using the entry age normal cost method and pension assets are determined using market value. Certain other changes will also impact the pension liability and expense. In addition, this Statement requires employers to revise and expand note disclosures and to provide required supplementary information (RSI). The implementation of this GASB Statement will have a significant impact on Metro Fire's financial statements and is effective for Metro Fire's June 30, 2015 financial statements.

In January 2013, GASB issued Statement No. 69, Government Combinations and Disposals of Government Operations. The primary objective of this Statement is to establish accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term government combinations include a variety of transactions referred to as mergers, acquisitions, and transfers of operations. The provisions of Statement 69 are effective for financial statements for periods beginning after December 15, 2013, with earlier application encouraged. Metro Fire has not determined its effect on the financial statements.

In November 2013, the GASB approved Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. GASB Statement No. 68 requires a local government employer to recognize a net pension liability measured as of a date (measurement date) no earlier than the end of its prior fiscal year. This Statement requires that, at transition, a government recognize a beginning deferred outflow of resources for its pension contribution made subsequent to the measurement date of the beginning net pension liability. This Statement will be implemented simultaneously with Statement No. 68.

NOTE 2 – CASH AND INVESTMENTS

As of June 30, 2014, Metro Fire's cash and investments are classified in the accompanying financial statements as follows:

Cash and investments	$ 41,828,755
Restricted cash and investments	1,770,422
	$ 43,599,177

Cash and investments as of June 30, 2014 consisted of the following:

Cash on hand and in banks	$ 574,267
Investment in Sacramento County Pooled Investment Fund	26,840,041
Investments with fiscal agent Money market mutual funds	16,184,869
Total Cash and Investments	$ 43,599,177

Cash on hand and in banks consists of all cash held by Metro Fire and all cash maintained in commercial bank accounts. Cash in County treasury consists of Metro Fire cash held by the Sacramento County Treasury that is invested in the County investment pool. Investments with fiscal agent consist of funds held with a bank trustee committed to the planned early retirement of Metro Fire's pension bond obligations. It is also comprised of funds held for debt reserve requirements of its lease revenue bonds as well as for qualified capital outlay expenditures. Investments are stated at fair value.

A. DEPOSIT AND INVESTMENT POLICIES

California statutes authorize special districts to invest idle or surplus funds in a variety of credit instruments as provided for in the California Government Code, Section 53600. The following table identifies the investment types that are authorized for Metro Fire by the California Government Code (or Metro Fire's investment policy, whichever is more restrictive) that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issue
U.S. Treasury obligations and Agency securities	5 years	None	None
California Local Agency debt	5 years	None	None
Bankers acceptances	180 days	40%	30%
High grade commercial paper	270 days	25%	10%
Negotiable certificates of deposit	5 years	30%	None
Medium term corporate notes	5 years	30%	None
Mutual funds	N/A	20%	10%
Mortgage pass-through securities	5 years	20%	None
Collateralized negotiable investments	5 years	None	None
Repurchase agreements	92 days	20%	None
Local government investment pools	N/A	None	None

Metro Fire complied with the provisions of California Government Code and Metro Fire's investment policy pertaining to the types of investments held, institutions in which deposits were made and security requirements.

B. INVESTMENT IN POOLED FUNDS

Metro Fire's investments in the Sacramento County pooled investment fund is managed by the Sacramento County Treasurer and is stated at fair value or amortized cost, which approximates fair value. The total amount invested by all public agencies as of June 30, 2014 was $2,482,277,534. The investment pool is actively managed with a weighted average maturity of 293 days. Metro Fire's share of the pool is stated at market value in Metro Fire's financial statement. Sacramento County does not invest in any derivative financial products directly. The Sacramento County Treasury Investment Oversight Committee (Committee) has oversight responsibility for Sacramento County's cash and investment pool. The Committee consists of ten members as required by State law. The value of pooled shares in Sacramento County that may be withdrawn is determined on an amortized cost basis, which is different than the fair value of Metro Fire's position in the pool.

C. 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. Information about the sensitivity of the fair values of Metro Fire's investments to market fluctuations is provided by the following table that shows the distribution of its investments by maturity as of June 30, 2014:

		Effective Duration	
	Total	< 1 year	1-5 years
Investment in Sacramento County Pooled Investment Fund	$ 26,840,041	$ 26,840,041	$ -
Investments with fiscal agent			
Money market mutual funds	16,184,869	16,184,869	-
Total	$ 43,024,910	$ 43,024,910	$ -

D. CREDIT RISK

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the instrument. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, and the actual rating as of year-end for each investment type as of June 30, 2014:

		Minimum	Ratings as of Year End	
	Total	Legal Rating	AAA	Not Rated
Investment in Sacramento County Pooled Investment Fund	$ 26,840,041	N/A	$ -	$ 26,840,041
Investments with fiscal agent				
Money market mutual funds	16,184,869	N/A	$ 16,184,869	-
Total	$ 43,024,910		$ 16,184,869	$ 26,840,041

NOTE 2 – CASH AND INVESTMENTS (Cont.)

E. CONCENTRATION OF CREDIT RISK

Metro Fire had no investment policy limiting the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. At June 30, 2014, Metro Fire had no investments in one issuer (other than mutual funds and the Sacramento County Pooled Investment Fund) that represented 5% or more of total Metro Fire investments.

F. CUSTODIAL CREDIT RISK

Custodial risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and Metro Fire's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depositary regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities must be equal to at least 110% of the total amount deposited by the public agencies. California law allows financial institutions to secure deposits by pledging first trust deed mortgage notes having a value of 150% of the secured deposits.

At June 30, 2014, the carrying value of Metro Fire's deposits was $573,767 and the balance in financial institutions was $654,992. At June 30, 2014, Metro Fire had $209,311 in deposits at banks above the federally insured limit.

NOTE 3 – CAPITAL ASSETS

Metro Fire's capital assets consist of the following:

	July 1, 2013	Additions	Deductions Transfers	June 30, 2014
Capital assets, not being depreciated:				
Land and Land Improvements	$23,131,184	$ -	$ 2,728,931	$25,860,115
Construction-in-progress	3,944,886	1,940,483	(2,728,931)	3,156,438
Total capital assets, not being depreciated	27,076,070	1,940,483	-	29,016,553
Capital assets, being depreciated:				
Buildings and improvements	55,288,853	1,161,130		56,449,983
Equipment	57,762,669	2,810,356	(140,000)	60,433,025
Total capital assets, being depreciated	113,051,522	3,971,486	(140,000)	116,883,008
Less accumulated depreciation for:				
Buildings and improvements	(16,816,217)	(1,142,269)		(17,958,486)
Equipment	(31,713,523)	(3,469,965)	140,000	(35,043,488)
Total accumulated depreciation	(48,529,740)	(4,612,234)	140,000	(53,001,974)
Total capital assets, being depreciated, net	64,521,782	(640,748)	-	63,881,034
Total capital assets	$91,597,852	$1,299,735	$ -	$92,897,587

NOTE 3 – CAPITAL ASSETS (Cont.)

Net depreciation expense of $4,612,234 was recorded for the year ended June 30, 2014.

As discussed in Note 6, on November 15, 2011, Metro Fire issued lease revenue bonds to finance certain capital acquisitions. Three fire stations with a net book value of $10,005,340 as of June 30, 2014 were used as security for the bonds. In addition, Metro Fire also has a capital lease obligation in which equipment with a total net book value of $10,912,625 as of June 30, 2014 were pledged as collateral.

NOTE 4 – INTERFUND TRANSACTIONS

Transactions between funds of Metro Fire are recorded as interfund transfers. The unpaid balances at year-end, as a result of such transactions, are shown as due to and due from other funds. Interfund balances at June 30, 2014 consisted of the following:

	Due from			
	General Fund	Grant Funds	Capital Facilities	Total
Due to				
General Fund	$ -	$ -	$ 206,084	$ 206,084
Grant Funds	205,472	-	-	205,472
Total	$ 205,472	$ -	$ 206,084	$ 411,556

The balance between the General and the Capital Facilities Fund represent an interfund-loan which is not expected to be paid within the next year. All remaining balances resulted from processing certain disbursements by Metro Fire's fiscal agent out of funds other than the intended fund.

Interfund transfers for the fiscal year ended June 30, 2014, consisted of the following amounts:

	Transfer from			
	General Fund	Grant Funds	Capital Facilities	Total
Transfer to				
Grant Funds	$ 248,979	$ -	$ -	$ 248,979
Capital Facilities Fund	-	213,658	-	213,658
Total	$ 248,979	$ 213,658	$ -	$ 462,637

The interfund transfer made by the General Fund to the Grant Fund was made to fulfill grant match requirements. The transfer from the Grant Fund to the Capital Facilities Fund was made to offset expenditures recorded in the latter in the previous year for which reimbursements were recorded in the Grant Fund.

NOTE 5 – RETIREMENT PLAN

A. PLAN DESCRIPTIONS

Metro Fire contributes to the following defined benefit pension plans:

- The Safety Plan of the Sacramento Metropolitan Fire District (the Safety Plan), an agent multiple-employer defined benefit pension plan administered by the California Public Employees' Retirement System (PERS).
- The Miscellaneous Plan of the Sacramento Metropolitan Fire District (the Miscellaneous Plan), a cost-sharing multiple-employer defined benefit pension plan administered by PERS.
- The Sacramento County Employees Retirement System Safety Tier 1 Plan (the SCERS Plan), a cost-sharing multiple-employer defined benefit pension plan administered by the County of Sacramento.

Benefit provisions and all other requirements for PERS are established by State statute and benefit provisions and all other requirements for SCERS are established by Section 31584 of the County of the Sacramento Retirement Law of 1932. The establishment and amendment of specific benefit provisions of the plans are authorized by resolutions of the Board.

Each plan provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. All permanent and part-time employees working at least 1,000 hours per year are enrolled in the Safety Plan or the Miscellaneous Plan. Under the Safety Plan or the Miscellaneous Plan, benefits vest after five years of service. Upon retirement, participants are entitled to an annual retirement benefit, payable for life, in an amount equal to a benefit factor multiplied by their highest average monthly salary over 12 consecutive months of employment or in the case of PEPRA employees 36 consecutive months of employment. Only the plans administered by PERS are open for new enrollment. Safety Plan members benefit formula is 3% at age 50 for non-PEPRA safety employees and 2.7% at age 57 for PEPRA safety members. The Miscellaneous Plan participates in the PERS Miscellaneous 3% at age 60 Risk Pool for non-PEPRA employees and 2% at age 62 for PEPRA employees. PERS issues publicly available financial reports for its plans. Copies of the PERS annual financial report and pertinent past trend information may be obtained from their website at www.calpers.ca.gov. SCERS issues a publicly available financial report for its plans. Copies of the SCERS annual report may be obtained from their website at www.scers.org.

B. FUNDING POLICY

Metro Fire is required by statute to contribute the actuarially determined amounts necessary to fund the benefits for participants in each of its plans. Required contributions of active plan members and of Metro Fire for fiscal year 2013/14 were as follows:

PERS Safety Plan:		
Plan participants		9.00%
Metro Fire rate		34.367%
Required contributions		$ 26,964,675
Metro Fire contributions made	$ 20,133,800	
Employee contributions made	$ 6,830,875	

PERS Miscellaneous Plan:		
Plan participants		8.00%
Metro Fire rate		15.866%
Required contributions		$ 1,420,506
Metro Fire contributions made	$ 990,000	
Employee contributions made	$ 430,506	
SCERS Plan (Safety Tier 1):		
Plan participants		14.52%
Metro Fire rate		41.85%
Required contributions		$ 1,136,000
Contributions made		$ 1,136,000

Contribution rates and amounts for each plan are actuarially determined annually by the respective administrators. Required contributions were made each pay period, based on required contribution rates. Metro Fire makes the contributions on behalf of the plan participants. However, due to the changes made to the plan, the employees paid a portion of Metro Fire's contribution.

Contribution rates for the Safety Plan are individually determined for Metro Fire by PERS. Contribution rates for the Miscellaneous Plan are determined with reference to the risk pool to which it belongs. Additionally, PERS manages a Side Fund for the Miscellaneous Plan, that was created at the time Metro Fire joined the plan, to reflect the difference between the funded status of Metro Fire's plan and the funded status of the risk pool. The Side Fund is invested and is being amortized to reduce the normal required contributions. Contribution rates and amounts for the SCERS Plan are determined annually by SCERS.

C. ANNUAL PENSION COST AND NET PENSION ASSET—PERS SAFETY PLAN

The annual pension cost and net pension asset for the year ended June 30, 2014 was as follows:

Annual Required Contribution (ARC)	$ 26,964,675
Less interest on pension asset	(4,764,533)
Plus amortization on pension asset	3,567,193
Annual pension cost	25,767,335
Contributions made	26,964,675
Increase in net pension asset	1,197,340
Net pension asset - beginning of year	63,527,112
Net pension asset - end of year	$ 64,724,452

Three-year Trend Information for PERS Safety Plan

Fiscal Year Ended	Annual Pension Cost (APC)	% of APC Contributed	Net Pension Asset
June 30, 2012	$ 17,288,782	107%	$ 62,302,926
June 30, 2013	$ 24,551,376	105%	$ 63,527,112
June 30, 2014	$ 25,767,335	105%	$ 64,724,452

D. FUNDED STATUS AND FUNDING PROGRESS

As of June 30, 2012, the most recent actuarial valuation date, the Safety Plan was 78.3% funded. The actuarial liability for benefits was $854 million and the actuarial value of assets was $669 million, resulting in an unfunded actuarial accrued liability (UAAL) of $185 million. The covered payroll (annual payroll of active employees covered by the plan) was $60 million, and the ratio of the UAAL to the covered payroll was 307.1%. The schedule of funding progress, presented as Required Supplementary Information (RSI), provides multi-year trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

E. ACTUARIAL METHODS AND ASSUMPTIONS

In the June 30, 2012 actuarial valuation for the Safety Plan, the entry age normal cost method was used to determine the required contribution. The actuarial assumptions included (a) 7.5% investment rate of return (net of administrative expenses) (b) projected salary increases ranging from 3.30% to 14.20% depending on age, service and type of employment and (c) an inflation component of 2.75%, which is included in the salary increase assumptions. The actuarial value of assets was determined using techniques that spread the effects of short term volatility in the market value of investments over a 15-year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining rolling amortization period at June 30, 2012 was 28 years.

F. OTHER PENSION ASSETS

In addition to the Net Pension Asset of the Safety Plan, pension assets exist for the Miscellaneous Plan and SCERS Plan. Contributions to the plans and the net pension asset were as follows for the past three fiscal years:

Three-year Trend Information for PERS Miscellaneous Plan

Fiscal Year Ending	Annual Pension Cost (APC)	% of APC Contributed	Net Pension Asset
June 30, 2012	$ 1,361,271	100%	$ 1,002,971
June 30, 2013	$ 997,174	100%	$ 1,039,721
June 30, 2014	$ 990,000	100%	$ 1,091,441

Three-year Trend Information for SCERS Plan

Fiscal Year Ending	Annual Pension Cost (APC)	% of APC Contributed	Net Pension Asset
June 30, 2012	$ 567,647	100%	$ 9,406,325
June 30, 2013	$ 567,647	100%	$ 9,912,904
June 30, 2014	$ 1,136,000	100%	$ 10,395,520

NOTE 6 – LONG-TERM LIABILITIES

The following is a summary of long-term obligation transactions for the fiscal year ended June 30, 2014:

	Balance July 1, 2013	Additions	Repayments	Balance June 30, 2014	Amounts Due within One Year
Pension bonds payable	$ 68,375,545	$ 1,056,465	$ (1,860,000)	$ 67,572,010	$ 2,105,000
Lease revenue bonds payable, net of unamortized premiums	11,981,300	-	(762,921)	11,218,379	795,000
Capital leases	8,894,579	2,880,141	(1,343,968)	10,430,752	1,658,950
Compensated absences	17,121,166	4,842,705	(6,222,679)	15,741,192	5,075,000
Workers' compensation liability	24,610,000	2,813,128	(2,865,847)	24,557,281	4,395,753
OPEB Liability	51,396,091	13,299,404	(12,661,353)	52,034,142	7,265,148
	$ 182,378,681	$ 24,891,843	$ (25,716,768)	$ 181,553,756	$ 21,294,851

The liability for compensated absences, worker's compensation, and other postemployment benefits are fully liquidated by the general fund.

A. PENSION BONDS PAYABLE

In October 2004, Metro Fire issued pension obligation bonds in the original amount of $69,998,975. The proceeds were used to reduce the unfunded actuarial liabilities in three of its pension plans. The bonds were issued in three series and bear interest at rates of 4.79% to 5.51%. Two of the series require semi-annual payments of interest. The remaining series accretes interest, which results in increases to principal, until November 15, 2018. Principal repayments, which are made annually, began May 15, 2005 for one series, and begin May 15, 2020, 2026 and 2031 for the other three series, respectively. The interest rates for two of the series change to auction rate as of November 15, 2018 and 2025, respectively. The bonds mature at various dates from May 15, 2019 to 2034. In the following maturity schedule, an interest rate of 5% is assumed at the point in time where the rates change to auction rates. As of June 30, 2014, pension bonds payable maturities based on the fully accreted amounts were as follows:

Fiscal year ending June 30,	Principal	Interest	Total
2015	$ 2,105,000	$ 2,476,357	$ 4,581,357
2016	2,365,000	2,375,527	4,740,527
2017	2,640,000	2,262,244	4,902,244
2018	2,940,000	2,135,788	5,075,788
2019	2,465,000	2,632,462	5,097,462
2020-2024	12,155,000	14,475,990	26,630,990
2025-2029	18,035,000	10,646,362	28,681,362
2030-2034	30,400,000	4,853,750	35,253,750
	$ 73,105,000	$ 41,858,480	$ 114,963,480

B. LEASE REVENUE BONDS

On November 15, 2011, Metro Fire sold Lease Revenue Bonds with interest rates ranging from 3% to 5.125% and a face value of $12,960,000, of which $11,786,000 was available to replenish reserves for the headquarters building fund, building improvements, purchase of firefighting and computer equipment and to pay off the note payable of $74,509. The bonds were issued at a premium of $85,926. The debt service on the bonds is approximately $1,322,000 per year until May 15, 2016 and then drops to about $675,000 per year through 2041.

Standard & Poor's Rating Agency rated the bonds at AA-. As of June 30, 2014, unspent bond proceeds amounted to $126,092 which will be drawn down as expenditures are incurred.

As of June 30, 2014, bonds payable maturities were as follows:

Fiscal year ending June 30,	Principal	Interest	Total
2015	$ 795,000	$ 529,306	$ 1,324,306
2016	830,000	497,506	1,327,506
2017	210,000	464,306	674,306
2018	215,000	455,906	670,906
2019	225,000	447,306	672,306
2020-2024	1,310,000	2,064,281	3,374,281
2025-2029	1,615,000	1,756,069	3,371,069
2030-2034	2,060,000	1,316,094	3,376,094
2035-2039	2,630,000	738,001	3,368,001
2040-2044	1,250,000	96,862	1,346,862
	$ 11,140,000	$ 8,365,637	$ 19,505,637

C. CAPITAL LEASES

Metro Fire previously leased equipment under capital leases which have yearly payments of $1,122,164 through September 27, 2020 and $340,008 through September 27, 2015, including interest at 2.88% and 2.17%, respectively.

During the year, Metro Fire entered into three lease agreements as lessee for financing the acquisition of various computer and networking equipment as well as several apparatuses. The yearly payments were $351,589, $92,502, and $38,519 through June 9, 2021, February 1, 2018, and November 1, 2017, with interest rates of 1.88%, 5.90%, and 6.52%, respectively.

Capital assets acquired under the capital leases consist of equipment with cost totaling $12,974,080 and accumulated depreciation of $2,061,455 at June 30, 2014. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of future minimum lease payments as of the inception date.

NOTE 6 – LONG-TERM LIABILITIES (Cont.)

Future minimum lease payments under the capital lease obligation are as follows:

Fiscal year ending June 30,	Principal	Interest	Total
2015	$ 1,658,950	$ 285,833	$ 1,944,783
2016	1,704,656	240,126	1,944,782
2017	1,411,764	193,010	1,604,774
2018	1,452,962	151,812	1,604,774
2019	1,364,495	109,258	1,473,753
2020-2024	2,837,925	109,583	2,947,508
	$ 10,430,752	$ 1,089,622	$ 11,520,374

NOTE 7 – RISK MANAGEMENT

Metro Fire is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omission, injuries to employees, and natural disasters. Metro Fire is self-insured for all losses from workers compensation claims from 2003, when it terminated its excess liability insurance coverage until 2009. Beginning in 2010, Metro Fire obtained excess commercial coverage for the first $1,000,000 of losses in excess of $3,000,000, for each claim. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. The liability for claims is based on historical cost and/or actuarial estimates of the amounts needed to pay prior and current year claims, and to allow the accrual of estimated incurred but not reported claims and incremental claims expense.

Changes in Metro Fire's claims liability for the fiscal year ended June 30, 2014 and 2013 were as follows:

	2014	2013
Unpaid claims and claim adjustment expenses at beginning of fiscal year	$ 24,610,000	$ 23,085,975
Incurred claims and claim adjustment expenses:		
Provision for insured events of current fiscal year	5,308,000	8,048,280
Decreases in provision for insured events of prior fiscal year	(2,494,872)	(4,076,328)
Total incurred claims and claim adjustment expenses	2,813,128	3,971,952
Payments:		
Claim and claim adjustment expenses attributable to insured events of the current fiscal year	457,534	673,114
Claim and claim adjustment expenses attributable to insured events of the current fiscal year	2,408,313	1,774,813
Total payments	2,865,847	2,447,927
Total unpaid claims and claim adjustment expenses	$ 24,557,281	$ 24,610,000

NOTE 7 – RISK MANAGEMENT (Cont.)

Metro Fire's claims liability consists of the following:

	2014	2013
Claims Reserve	$ 15,790,440	$ 18,092,823
Incurred but not reported (IBNR)	8,332,681	6,088,427
Unallocated loss adjustment expenses (ULAE)	434,160	428,750
	$ 24,557,281	$ 24,610,000
Short-term liability	$ 4,395,753	$ 4,411,071
Long-term liability	20,161,528	20,198,929
Total unpaid claims and claim adjustment expenses	$ 24,557,281	$ 24,610,000

Metro Fire is a member of the Special District Risk Management Authority (SDRMA). The SDRMA is a risk-pooling self-insurance authority, created under the provisions of the California Government Code Sections 6500 et. seq. Its purpose is to provide a full risk management program for California local governments. Metro Fire pays an annual premium to SDRMA for general and auto liability, errors and omissions, property, boiler and machinery and employee dishonesty insurance coverage. Metro Fire's annual premium is based on its pro-rata share of charges for the pooled risk, claims adjusting and legal costs, and administrative and other costs to operate the SDRMA. Aviation insurance continues to be covered through a commercial insurer.

Metro Fire's coverage and corresponding deductibles are as follows:

Coverage	Amount	Deductible
General liability	$ 10,000,000	$ 500
Auto liability	10,000,000	3,000
Property damage	1,000,000,000	1,000
Boiler and machinery	100,000,000	1,000 to 250,000
Errors and omissions	10,000,000	25,000
Employment practices liability	10,000,000	25,000
Employee dishonesty	400,000	-
Aviation	10,000,000	1,000 - 30,000

Metro Fire did not have any claim settlements in excess of the insurance coverage in any of the three prior fiscal years.

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS

A. PLAN DESCRIPTION

The Sacramento Metropolitan Fire District Retiree Healthcare Plan ("Plan") is a single-employer defined benefit healthcare plan administered by Metro Fire. The Plan provides healthcare benefits to eligible retirees and their dependents through the California Public Employees' Retirement System healthcare program (PEMHCA). Benefit provisions are established and may be amended through agreements and memorandums of understanding among Metro Fire, its non-represented employees, and the unions for represented Metro Fire employees. The Retiree Healthcare Plan does not issue financial statements.

Metro Fire provides a retiree medical contribution for employees who retire directly from Metro Fire under CalPERS. Metro Fire's contribution is capped at the greater of the non-Medicare eligible Blue Shield and Kaiser family premiums. The benefit continues to surviving spouses and dependents. Since PEMHCA is a community-rated plan, an implied subsidy is not valued under GASB 45.

Metro Fire also provides subsidy/offset payments for certain retirees receiving benefits through the Sacramento County Employees Retirement System. The benefit continues at 50% for surviving spouses of retirees.

B. FUNDING POLICY

The contribution requirements of the Plan participants and Metro Fire are established by and may be amended pursuant to agreements with its non-represented employees and the union for represented Metro Fire employees. Retired plan members and their beneficiaries pay the annual premium cost not paid by the employer.

On June 19, 2012, Metro Fire entered into an agreement to contribute to the California Employer's Retiree Benefit Trust (CERBT) Fund. The CERBT Fund is managed by the California Public Employees' Retirement System (CalPERS) and provides Metro Fire with a trust through which it may prefund retiree medical costs and other post-employment benefits. In addition to Metro Fire contributions, employee healthcare cost-sharing as well as employee healthcare premium savings are also being contributed to the trust. On April 25, 2013 the Board of Directors approved a new agreement with union and unrepresented employees share the cost of medical premium cost. Both employees and retirees as of July 1, 2013 will contribute 8% towards their medical premium cost.

C. ANNUAL OPEB COST AND NET OPEB OBLIGATION

Metro Fire's annual other post-employment benefit cost (expense) is calculated based on the annual required contribution (ARC) of the employer. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

The following table shows the components of Metro Fire's annual OPEB cost, the amount actually contributed to the Plan, and changes in Metro Fire's Net OPEB obligation for the fiscal year ended June 30, 2014:

Annual OPEB Cost	
Annual Required Contribution	$ 12,651,332
Interest on net OPEB obligation	3,726,217
Adjustment to annual required contribution	(3,078,145)
	13,299,404
Contributions Made	
Payments on behalf of retirees	(7,333,808)
Contribution to OPEB trust	(5,327,545)
	(12,661,353)
Increase in net OPEB obligation	638,051
Net OPEB Obligation, beginning of year	51,396,091
Net OPEB Obligation, end of year	$ 52,034,142

Metro Fire's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for fiscal year ended June 30, 2014 and the two preceding fiscal years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2012	$ 16,579,431	37.15%	$ 47,561,450
June 30, 2013	$ 12,686,666	69.77%	$ 51,396,091
June 30, 2014	$ 13,299,404	95.20%	$ 52,034,142

D. FUNDED STATUS AND FUNDING PROGRESS

The funded status of the Plan as of July 1, 2013, the most recent valuation date, was as follows:

Actuarial accrued liability (AAL)	$ 156,358,864
Actuarial value of Plan assets	2,099,846
Unfunded actuarial accrued liability (UAAL)	$ 154,259,018
Funded ratio (actuarial value of Plan assets/AAL)	1.3%
Covered payroll (active Plan participants)	50,863,948
UAAL as a percentage of covered payroll	303.3%

Actuarial valuations of an ongoing plan involve estimates of the value of expected benefit payments and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The schedule of funding progress, presented as required supplementary information immediately following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

E. ACTUARIAL METHODS AND ASSUMPTIONS

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

For the July 1, 2013 actuarial valuation, the entry age normal actuarial cost method and market value asset valuation method was used. The actuarial assumptions included a 7.25% investment rate of return (net of administrative expenses), 3.25% annual salary increase, and a general inflation rate of 3%. Premiums were assumed to increase from 8.5% in 2015 with an ultimate rate of 4.5% for 2023 and thereafter. The initial UAAL was amortized as a level percentage of projected payroll over a closed 30-year period. As of June 30, 2014, the remaining period was 28 years.

NOTE 9 – NET POSITION AND FUND BALANCES

The government-wide financial statements report net position. The following are the three categories:

Net investment in capital assets – This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balances of debt, net of unspent proceeds, which are attributable to the acquisition, construction or improvement of these assets, reduce the balance in this category.

Restricted net position – This category presents external restrictions imposed by creditors, grantors, contributors, laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position – This category represents net position of Metro Fire not restricted for any project or other purpose.

In the fund financial statements, governmental funds report fund balances in the following categories:

Nonspendable Funds – Fund balance should be reported as nonspendable when the amounts cannot be spent because they are either not in spendable form, or are legally or contractually required to be maintained intact. Nonspendable balances are not expected to be converted to cash within the next operating cycle, which comprise inventory, pre-paid items and other assets.

Restricted Funds – Fund balance should be reported as restricted when constraints placed on the use of resources are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Restricted for capital acquisitions – represents developer and impact fees to mitigate the impact of providing additional fire stations and fire equipment. It also includes unspent bond proceeds.

Debt service – represents the amount held by bond trustees and the County of Sacramento for payment of bonds.

Workers compensation checking account – represents the amount maintained in the checking account for the payment of workers compensation claims.

Deferred compensation – represents amounts restricted for the costs of administering the deferred compensation program.

Grants - represents amounts restricted for purposes enumerated in the grant agreements.

Committed Funds – Fund balance should be reported as committed when the amounts can only be used for specific purposes pursuant to constraints imposed by formal action (i.e. resolution) of Metro Fire's highest level of decision-making authority, the Board of Directors. These amounts cannot be used for any other purpose unless the Board Directors modifies or removes the fund balance commitment through another resolution.

Workers compensation claims – represents the amount recommended for contingency reserves in the actuarial reports.

Pension bond retirement – to set aside amounts for the retirement of the pension bonds prior to their repricing at auction rates in 2018 and 2025.

Assigned Funds – Fund balance should be reported as assigned when the amounts are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by the Board of Directors or the Fire Chief and may be changed at their discretion.

Unassigned Funds – Unassigned fund balance is the residual classification of Metro Fire's funds and includes all spendable amounts that have not been restricted, committed, or assigned to specific purposes.

Although the Board has established a contingency reserve for unanticipated or extraordinary expenditures equal to a minimum of 1.8 months of the General Fund Operating Expenditures, this reserve does not meet the definition of a committed fund balance.

An individual government fund could include nonspendable resources and amounts that are restricted or unrestricted (committed, assigned, or unassigned) or any combination of those classifications. Restricted or unrestricted amounts are to be considered spent when an expenditure is incurred for purposes for which both restricted or unrestricted fund balance is available. Committed, assigned, then unassigned amounts are considered to have been spent when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

The following are components of fund balances as of June 30, 2014:

	General Fund	Grant Funds	Capital Facilities	Total
Nonspendable:				
Inventory	$ 3,052,805	$ -	$ -	$ 3,052,805
Prepaid expenses	7,728	-	-	7,728
Petty cash	500	-	-	500
Total nonspendable fund balance	3,061,033	-	-	3,061,033
Restricted for:				
Capital acquisition	-		444,170	444,170
Debt service reserves	-		929,708	929,708
Workers compensation claims	91,057	-	-	91,057
Deferred compensation	21,643	-	-	21,643
Grant-approved expenditures	-	989,320	-	989,320
Total restricted fund balance	112,700	989,320	1,373,878	2,475,898
Committed to:				
Workers compensation claims	4,000,000	-	-	4,000,000
Pension bond retirement	15,129,064	-	-	15,129,064
Total committed fund balance	19,129,064	-	-	19,129,064
Unassigned	13,084,121	-	-	13,084,121
Total fund balance	$ 35,386,918	$ 989,320	$ 1,373,878	$ 37,750,116

NOTE 9 – NET POSITION AND FUND BALANCES (Cont.)

The following are components of restricted net position as of June 30, 2014:

Capital acquisition	$ 488,656
Debt service reserve	929,708
Workers compensation claims	91,057
Deferred compensation	21,643
Grant-approved expenditures	991,689
Total restricted net position	$ 2,522,753

NOTE 10 – COMMITMENTS AND CONTINGENCIES

A. COMMITMENTS

Metro Fire has several construction contracts relating to its Headquarters and the Zinfandel Training Facility. As of June 30, 2014, Metro Fire had total construction commitments of $692,720.

B. CONTINGENCIES

Metro Fire is a defendant in a number of lawsuits, which have arisen in the normal course of business. While substantial damages are alleged in some of these actions, their outcome cannot be predicted with certainty. In the opinion of Management and legal counsel, these actions, when finally adjudicated will not have a material adverse effect on the financial position of Metro Fire.

Metro Fire participates in a number of federal grant programs subject to financial and compliance audits by the grantors or their representatives. Audits of certain grant programs, including those for the year ended June 30, 2014, have yet to be conducted. The amount, if any, of expenditures that may be disallowed by the granting agencies cannot be determined at this time. Management believes that such disallowances, if any, would not have a material effect on the financial statements.

NOTE 11 – BORROWINGS

Metro Fire has borrowings available from the County of Sacramento equal to 85% of estimated tax revenues for July 1 to December 10 and 42.50% of estimated revenues for December 10 to April 10. These borrowings are permitted until the last Monday of April each year. The amount available as of June 30, 2014 is $47,698,154. The interest rate charged is the rate earned by the County investment pool.

NOTE 12 – SUBSEQUENT EVENTS

On October 14, 2014, Metro Fire secured a lease for the purchase of additional computer and networking equipment as part of its plan to upgrade its technology infrastructure. The lease was funded for $849,000 and will be repaid with approximately 1.6% interest. There are 5 annual payments of $177,898 with the final payment due in October 2018. The funds are being held in a trust account with Bank of America and will be disbursed directly to vendors as items are purchased throughout the fiscal year.

SACRAMENTO METROPOLITAN FIRE DISTRICT
PERS SAFETY EMPLOYEES' PENSION PLAN
SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
June 30, 2007	$501,988,835	$599,888,655	$ 97,899,820	83.7%	$ 69,364,626	141.1%
June 30, 2008	$542,351,006	$664,882,903	$ 122,531,897	81.6%	$ 70,203,763	174.5%
June 30, 2009	$570,524,919	$720,740,716	$ 150,215,797	79.2%	$ 68,303,685	219.9%
June 30, 2010	$603,000,919	$757,949,033	$ 154,948,114	79.6%	$ 62,741,464	247.0%
June 30, 2011	$639,709,428	$813,537,381	$ 173,827,953	78.6%	$ 60,701,037	286.4%
June 30, 2012	$669,015,965	$854,170,133	$ 185,154,168	78.3%	$ 60,298,035	307.1%
June 30, 2013	$617,216,245	$896,608,151	$ 279,391,906	68.8%	$ 62,280,620	448.6%

Refer to Note 5-A for plan description

SACRAMENTO METROPOLITAN FIRE DISTRICT
OTHER POST-EMPLOYMENT BENEFITS PLAN
SCHEDULE OF FUNDING PROGRESS

Required Supplementary Information
Other Postemployment Benefits Plan
Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
June 30, 2009	$ -	$ 194,809,000	$ 194,809,000	0%	$ 66,540,000	292.8%
June 30, 2011	$ -	$ 225,418,331	$ 225,418,331	0%	$ 48,543,708	464.4%
July 1, 2012	$ -	$ 144,860,462	$ 144,860,462	0%	$ 49,520,220	292.5%
July 1, 2013	$ 2,099,846	$ 156,358,864	$ 154,259,018	1.3%	$ 50,863,948	303.3%

Refer to Note 8-A for plan description

This page intentionally left blank

Statistical

STATISTICAL SECTION

This part of Metro Fire's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about Metro Fire's overall financial health.

Contents **Pages**

FINANCIAL TRENDS 48-52

These schedules contain trend information to help the reader understand how Metro Fire's financial performance and well-being have changed over time.

1. Net Position by Component
2. Changes in Net Position
3. Fund Balances of Governmental Funds
4. Changes in Fund Balances of Governmental Funds
5. Expenditures by Function

REVENUE CAPACITY 53-58

These schedules contain information to help the reader assess Metro Fire's most significant local revenue source, the property tax.

1. General Revenues by Source
2. Assessed Value of Taxable Property
3. Assessed and Estimated Actual Value of Taxable Property
4. Property Tax Levies and Collections
5. Direct and Overlapping Property Tax Rates
6. Principal Property Taxpayers

DEBT CAPACITY 59-62

These schedules present information to help the reader assess the affordability of Metro Fire's current level of outstanding debt and its ability to issue additional debt in the future.

1. Ratio of Outstanding Debt by Type
2. Ratio of General Bonded Debt Outstanding
3. Computation of District and Overlapping Debt
4. Computation of Legal Bonded Debt Margin

DEMOGRAPHIC AND ECONOMIC INFORMATION 63-65

These schedules present information to help the reader understand the environment within which Metro Fire's financial activities take place.

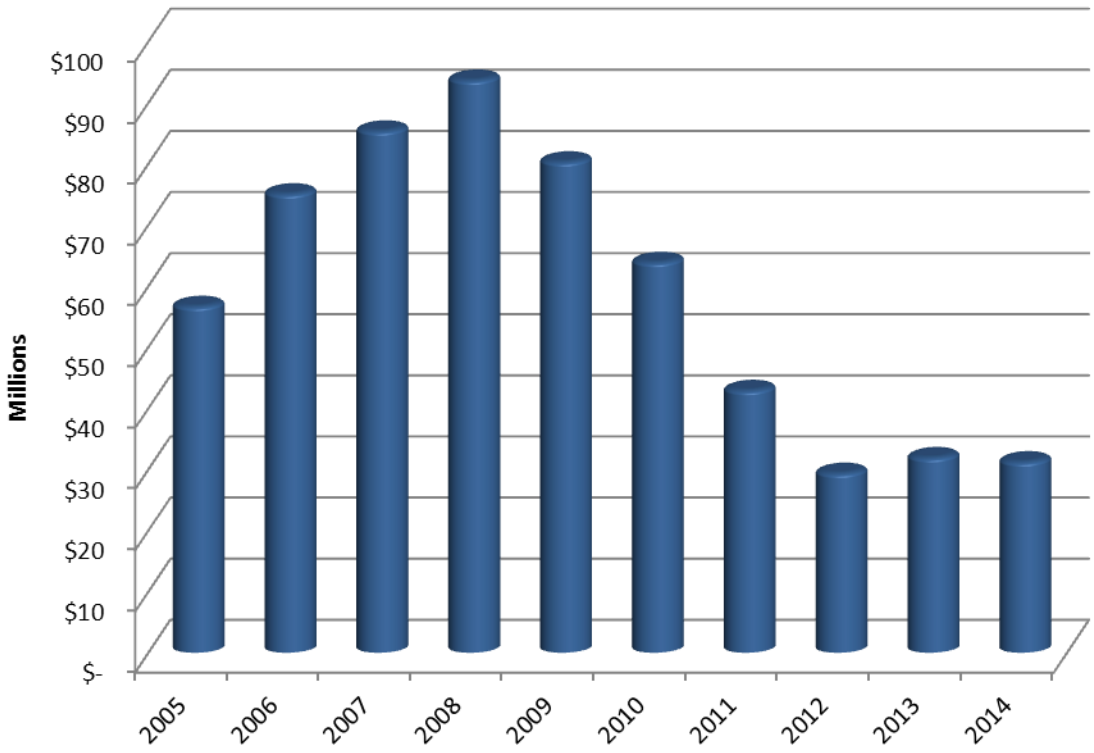
1. Demographic Statistics
2. Demographic and Economic Statistics
3. Private Sector Principal Employers

OPERATING INFORMATION 66-72

These schedules contain service and infrastructure data to help the reader understand how the information in Metro Fire's financial report relates to the services it provides and the activities it performs.

1. Summary of District Activities
2. Total Responses
3. Emergency Response Detail Analysis
4. Emergency Response – Percent of Total Response by Type
5. Service-connected Injury/Illness Report
6. Staffing Summary

SACRAMENTO METROPOLITAN FIRE DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)



(IN THOUSANDS)

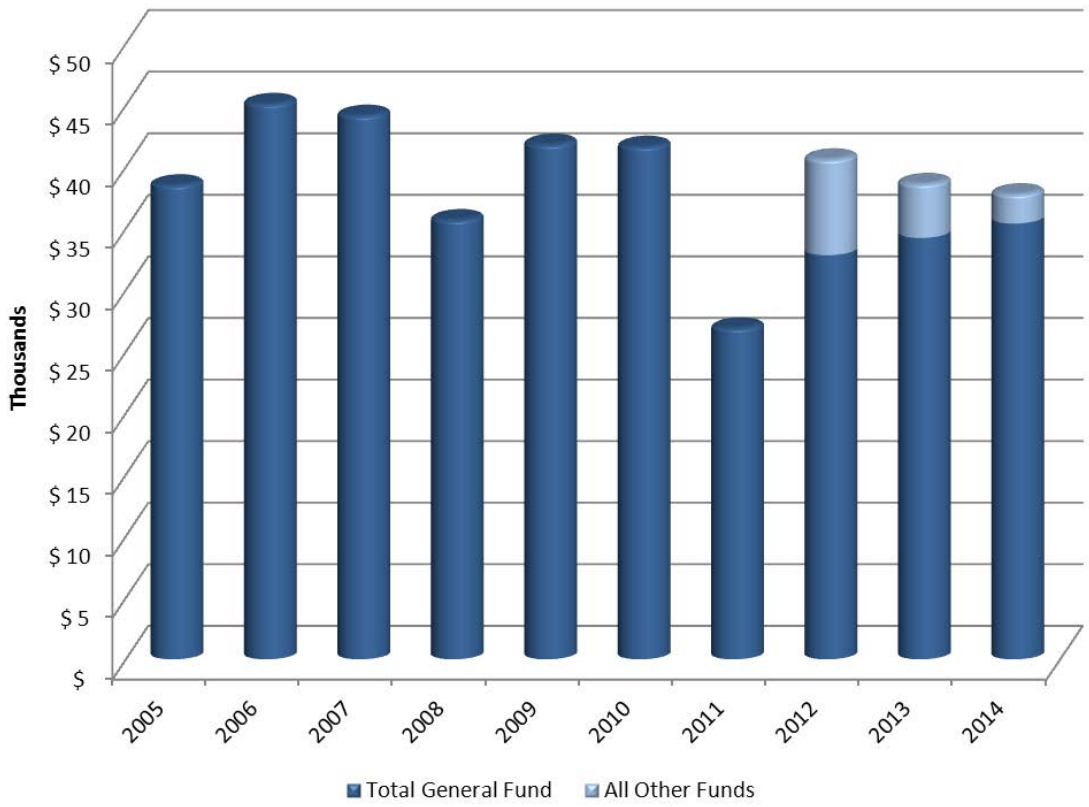
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental Activities										
Net Investment in capital assets	$40,625	$54,419	$63,087	$76,706	$77,964	$74,713	$80,148	$69,132	$71,966	$71,375
Restricted	662	13,070	11,762	7,969	7,061	7,609	2,901	9,507	5,698	2,523
Unrestricted	15,348	7,560	10,492	8,981	(4,740)	(18,476)	(40,160)	(49,310)	(45,775)	(42,691)
Total net position	$56,635	$75,050	$85,341	$93,656	$80,285	$63,846	$42,890	$29,328	$31,889	$31,207

SACRAMENTO METROPOLITAN FIRE DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

(IN THOUSANDS)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
EXPENSES										
Governmental Activities:										
Public Protection	$ 120,060	$ 121,399	$ 137,712	$ 145,930	$ 164,474	$ 152,208	$ 154,796	$ 154,206	$ 147,677	$ 157,119
Interest on Long-Term Debt	2,542	5,304	3,787	6,593	4,305	3,872	4,139	4,580	4,484	4,412
Depreciation		2,710	3,144	3,469	3,968	3,841	3,864	3,507	4,461	4,612
Total Government Activities	122,602	129,412	144,642	155,993	172,747	159,920	162,799	162,293	156,622	166,143
PROGRAM REVENUES										
Governmental Activities:										
Charges for Services	18,068	19,423	18,533	19,992	19,552	19,066	20,356	30,149	39,473	47,286
Operating Grants and Contributions		3,767	3,676	3,939	4,174	4,288	5,170	5,469	4,007	920
Capital Grants and Contributions		986			923	83	1,909		3,465	1,380
Donated equipment									475	
Total Program Revenues	18,068	24,176	22,209	23,931	24,648	23,436	27,435	35,618	47,420	49,586
NET (EXPENSES)/REVENUE										
Total Program Expenses	(104,534)	(105,236)	(122,433)	(132,062)	(148,099)	(136,484)	(135,364)	(126,675)	(109,202)	(116,557)
Total Net Expense	(104,534)	(105,236)	(122,433)	(132,062)	(148,099)	(136,484)	(135,364)	(126,675)	(109,202)	(116,557)
GENERAL REVENUES										
Governmental Activities:										
Property Taxes	101,649	115,512	126,032	129,962	126,816	114,845	111,182	108,310	105,260	111,089
Intergovernmental	3,834	4,086	4,218	5,570	5,954	4,171	3,366	3,972	5,545	2,698
Rent and others	1,204	3,746	2,233	4,595	1,157	327	101	718	1,012	985
Miscellaneous	831	340	271	321	461	197	(109)	158	394	1,103
Gain (loss) on disposal of assets		(33)	(30)	(71)	340	506	(132)	(46)	(448)	
Total General Revenues	107,519	123,651	132,724	140,376	134,728	120,045	114,408	113,114	111,763	115,874
CHANGE IN NET POSITION										
Governmental Activities	2,985	18,415	10,291	8,315	(13,371)	(16,439)	(20,956)	(13,561)	2,560	(682)
Net Position Beginning Fund Balance, as restated	53,650	56,635	75,050	85,341	93,656	80,285	63,846	42,890	29,328	31,889
Net Position Ending Fund Balance	$ 56,635	$ 75,050	$ 85,341	$ 93,656	$ 80,285	$ 63,846	$ 42,890	$ 29,328	$ 31,889	$ 31,207

SACRAMENTO METROPOLITAN FIRE DISTRICT
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)



(IN THOUSANDS)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
GENERAL FUND										
Reserved	$ 406	$ 16,682	$ 15,737	$ 11,426	$ 9,513	$ 9,980				
Unreserved	38,070	28,397	28,385	24,218	32,259	31,620				
Nonspendable							$ 2,866	$ 2,836	$ 2,710	$ 3,061
Restricted							2,901	1,726	468	113
Committed							13,622	17,050	15,882	19,129
Unassigned							7,470	11,207	15,161	13,084
Total General Fund	$ 38,476	$ 45,080	$ 44,121	$ 35,644	$ 41,772	$ 41,600	$ 26,858	$ 32,819	$ 34,220	$ 35,387
ALL OTHER GOVERNMENTAL FUNDS										
Nonspendable								$ 3	$ 671	
Restricted								7,781	3,920	$ 2,363
Committed										
Unassigned								(22)	(225)	
Total all other Governmental funds								$ 7,761	$ 4,366	$ 2,363

(a) In fiscal year 2010-2011, Metro Fire adopted GASB 54.

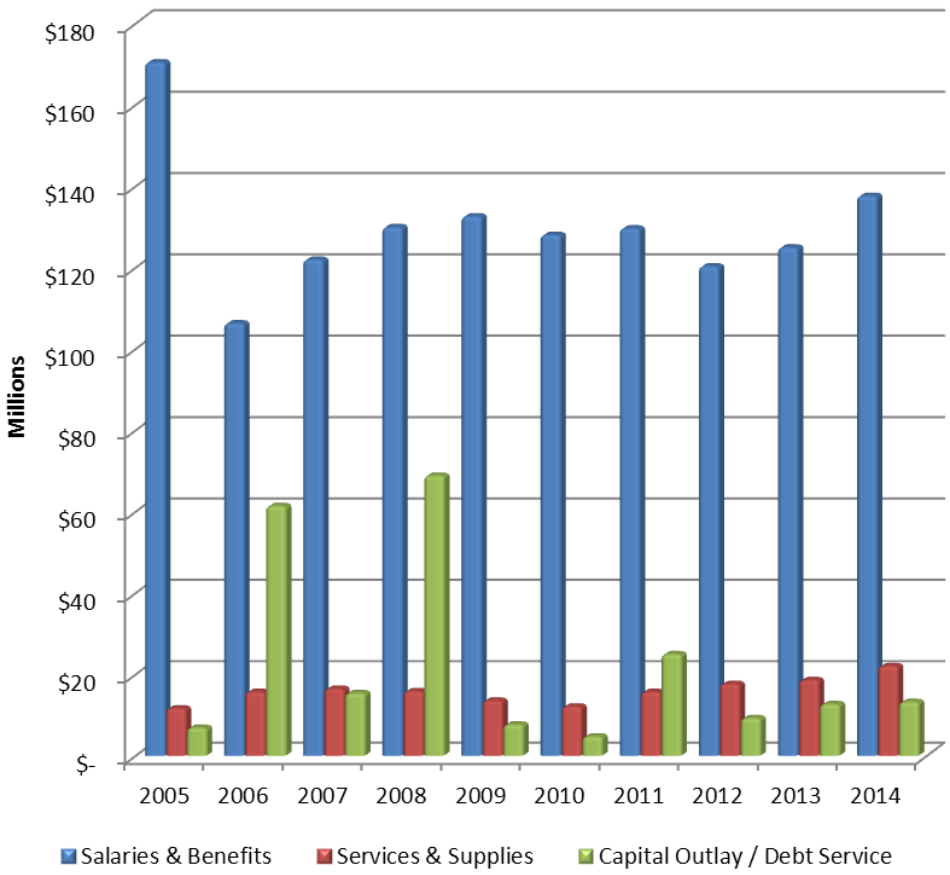
(b) Metro Fire did not start segregating special revenue funds in the fund financial statements until 2012 so 2011 and prior amounts for the General Fund include these other funds

SACRAMENTO METROPOLITAN FIRE DISTRICT
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

(IN THOUSANDS)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
REVENUES										
Property Taxes	$ 101,649	$ 112,417	$ 124,200	$ 128,817	$ 128,170	$ 116,509	$ 112,080	$ 108,149	$ 105,058	$ 112,297
Intergovernmental revenues	3,834	8,678	7,297	8,040	11,083	7,503	12,730	9,019	10,562	10,415
Charges for services	16,746	14,867	15,960	17,321	18,104	18,464	18,521	28,646	36,711	44,208
Development Fees		4,051	2,961	2,156	1,369	893	671	1,153	1,326	1,092
Use of money and property	1,204	3,746	2,233	4,595	1,157	327	101	522	1,015	1,019
Miscellaneous	846	358	281	335	481	454	159	452	401	234
Total Revenues	124,280	144,118	152,931	161,264	160,363	144,150	144,262	147,940	155,072	169,265
EXPENDITURES										
Current:										
Public Safety	182,163	122,042	138,457	145,857	146,191	140,182	145,363	137,989	143,613	159,725
Capital Outlay	3,682	16,408	11,841	17,375	3,352	740	20,790	2,735	5,665	5,912
Debt Service:										
Principal repayment	816	40,423	563	45,714	874	1,045	1,236	2,965	3,556	3,964
Interest and fiscal charges	2,414	4,583	3,028	5,795	3,465	2,988	2,974	3,587	3,516	3,380
Total Expenditures	189,075	183,456	153,890	214,741	153,883	144,954	170,362	147,276	156,349	172,982
Excess (deficiency) of revenues over (under) expenditures	(64,795)	(39,338)	(958)	(53,477)	6,480	(804)	(26,100)	664	(1,277)	(3,716)
OTHER FINANCING SOURCES (USES)										
Transfers in									86	504
Transfers out									(86)	(504)
Proceeds from debt	69,999	40,000		45,000				13,046		
Proceeds from sale of assets					512	631	133	13	46	
Leased proceeds							11,226			2,880
Total other financing sources (uses)	69,999	40,000		45,000	512	631	11,359	13,059	46	2,880
Net Change in fund balances	$ 5,204	$ 662	$ (958)	$ (8,477)	$ 6,992	$ (173)	$ (14,741)	$ 13,722	$ (1,230)	$ (836)
Debt service as a percentage of noncapital expenditures	1.8%	36.9%	2.6%	35.3%	3.0%	2.9%	2.9%	4.7%	4.9%	4.6%

Sacramento Metropolitan Fire District
Expenditures by Function
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

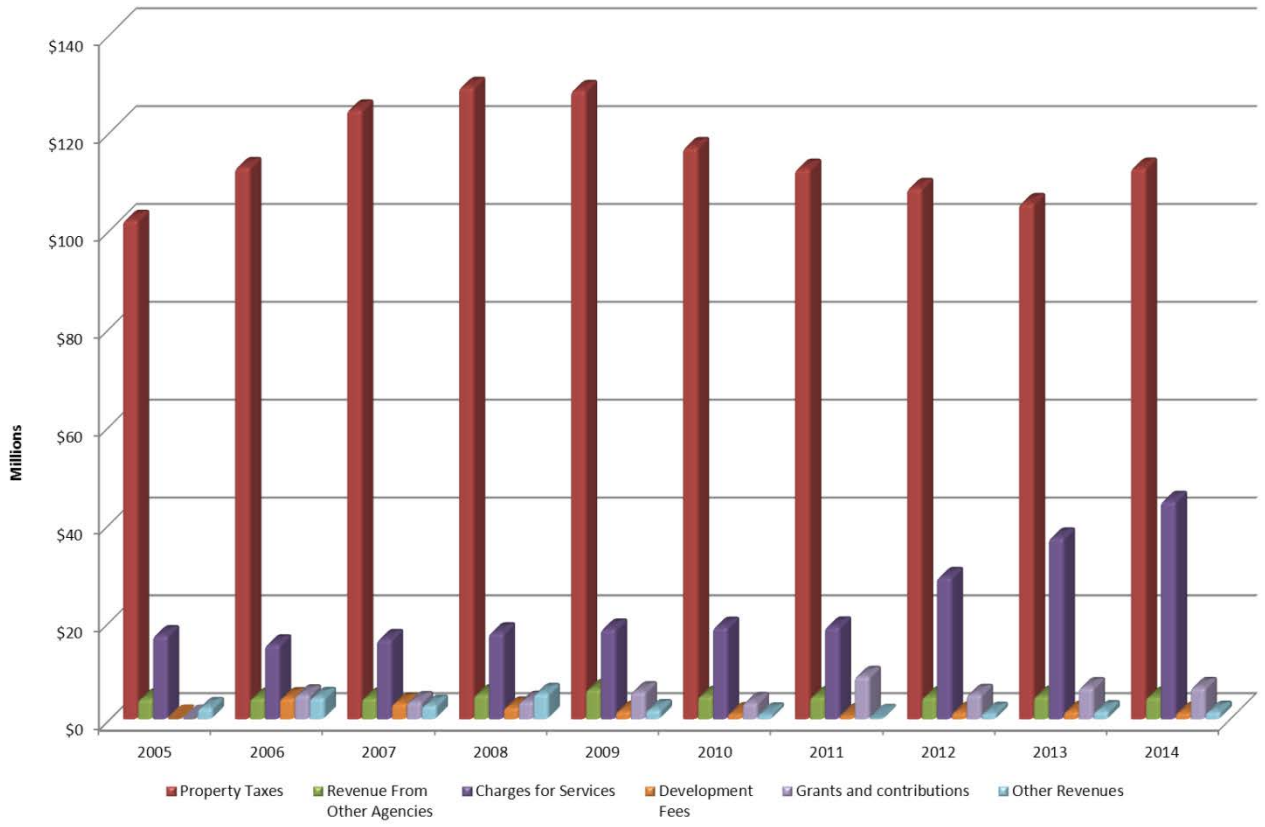


Fiscal Year	Salaries & Benefits	Services & Supplies	Capital Outlay / Debt Service	Total
2005	$ 170,493,386	$ 11,669,224	$ 6,912,143	$ 189,074,753
2006	106,325,824	15,716,394	61,413,469	183,455,687
2007	121,963,586	16,493,870	15,432,171	153,889,627
2008	129,976,903	15,879,944	68,884,063	214,740,910
2009	132,604,682	13,586,427	7,691,800	153,882,909
2010	128,045,471	12,136,337	4,772,250	144,954,058
2011	129,650,797	15,711,906	24,999,569	170,362,272
2012	120,307,666	17,681,749	9,286,859	147,276,274
2013	124,975,145	18,637,441	12,736,479	156,349,065
2014	137,655,149	22,070,292	13,256,316	172,981,757

Note: In FY 2004-05, Metro Fire issued pension obligation bonds amounting to $69,998,975 which were used to prepay the unfunded actuarial liabilities in its pension plans.

Source: Sacramento Metropolitan Fire District Financial Statements and Records

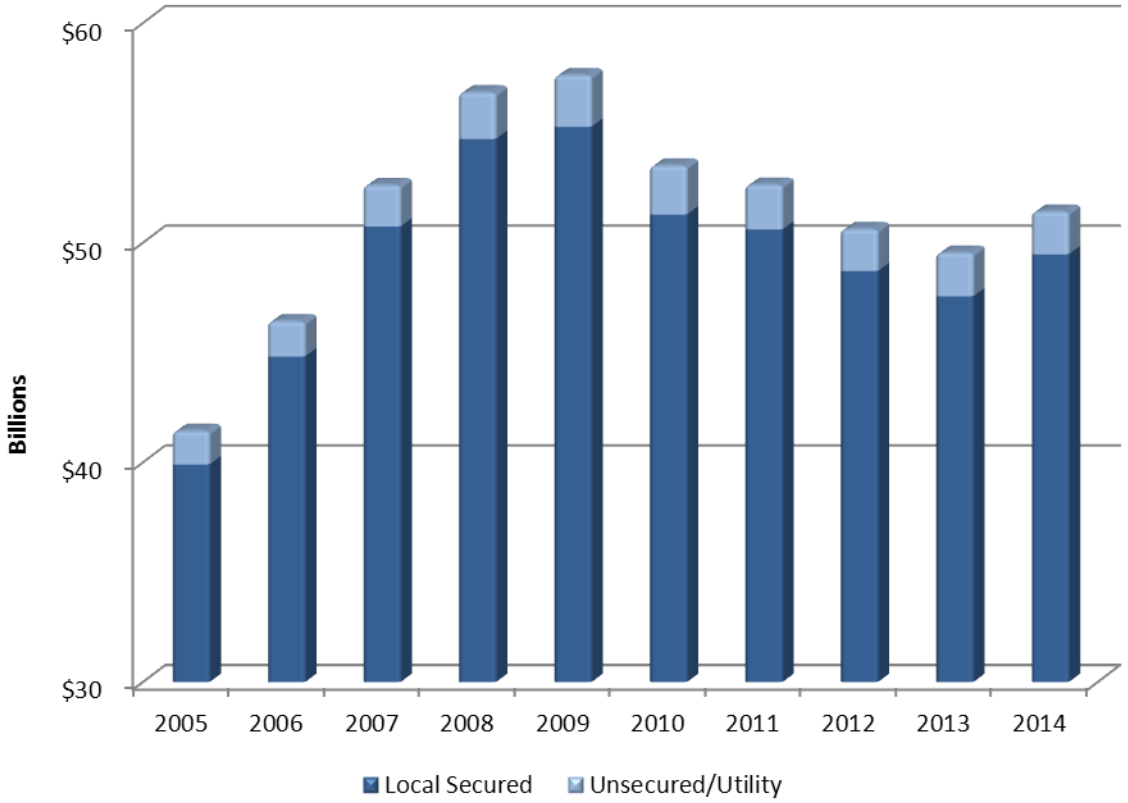
SACRAMENTO METROPOLITAN FIRE DISTRICT
GENERAL REVENUES BY SOURCE
ALL GOVERNMENTAL FUND TYPES
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)



Fiscal Year	Property Taxes	Charges for Services	Development Fees	Revenue From Other Agencies	Other Revenues	Total
2005	$ 101,649,254	$ 16,746,475	$ -	$ 3,834,072	$ 2,050,310	$ 124,280,111
2006	112,417,254	14,867,458	4,051,246	8,678,031	4,103,514	144,117,503
2007	124,199,920	15,959,841	2,960,561	7,296,914	2,514,122	152,931,358
2008	128,816,821	17,321,455	2,155,674	8,039,820	4,930,112	161,263,882
2009	128,169,834	18,103,703	1,368,581	11,083,485	1,637,805	160,363,408
2010	116,508,904	18,464,189	893,121	7,503,415	780,699	144,150,328
2011	112,080,077	18,521,065	670,997	12,730,378	259,364	144,261,881
2012	108,148,609	28,645,724	1,152,633	9,019,099	973,898	147,939,963
2013	105,058,038	36,710,780	1,326,406	10,561,785	1,415,487	155,072,496
2014	112,297,471	44,207,768	1,092,120	10,415,420	1,252,528	169,265,307

Source: Sacramento Metropolitan Fire District Financial Statements and Records

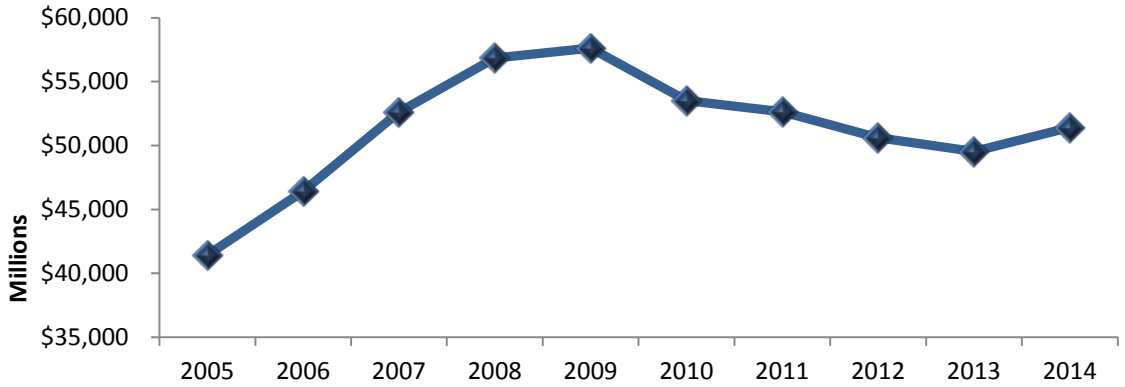
Sacramento Metropolitan Fire District
Assessed Value of Taxable Property
Last Ten Fiscal Years



Fiscal Year	Local Secured	Unsecured	Utility	Total Assessed Value
2005	$39,913,809,682	$ 1,511,238,261	$ 5,006,669	$41,430,054,612
2006	44,822,756,665	1,599,062,259	4,810,612	46,426,629,536
2007	50,743,413,073	1,873,754,209	4,306,679	52,621,473,961
2008	54,733,895,432	2,109,204,925	2,804,597	56,845,904,954
2009	55,285,269,256	2,337,740,343	2,935,847	57,625,945,446
2010	51,286,454,165	2,222,237,544	2,935,847	53,511,627,556
2011	50,609,340,722	2,004,513,815	27,666,847	52,641,521,384
2012	48,712,749,798	1,901,522,231	10,268,185	50,624,540,214
2013	47,566,618,901	1,966,760,711	12,397,271	49,545,776,883
2014	49,477,107,848	1,929,129,291	12,293,600	51,418,530,739

Source: Sacramento County Assessor Tax Rolls

Sacramento Metropolitan Fire District
Assessed and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years



	Real Secured Property				
Fiscal Year	Residential Property	Commercial Property	Industrial Property	Other	Total
2005	$ 30,941,693,111	$ 5,888,849,055	$ 1,792,792,262	$ 1,295,481,923	$ 39,918,816,351
2006	34,968,100,386	6,351,718,185	1,799,543,885	1,708,204,821	44,827,567,277
2007	39,770,377,829	6,884,361,588	2,040,232,593	2,052,747,742	50,747,719,752
2008	42,663,587,873	7,582,666,883	2,260,504,885	2,229,940,388	54,736,700,029
2009	42,585,050,528	8,183,861,205	2,356,886,609	2,162,406,761	55,288,205,103
2010	38,267,668,930	8,644,902,951	2,485,846,802	1,890,971,329	51,289,390,012
2011	37,865,205,638	8,547,572,892	2,425,431,997	1,798,797,042	50,637,007,569
2012	36,810,616,937	7,964,084,210	2,437,897,478	1,510,419,358	48,723,017,983
2013	35,881,502,392	7,836,158,353	2,438,471,837	1,422,883,590	47,579,016,172
2014	38,324,932,712	7,457,564,962	2,322,976,102	1,383,927,672	49,489,401,448

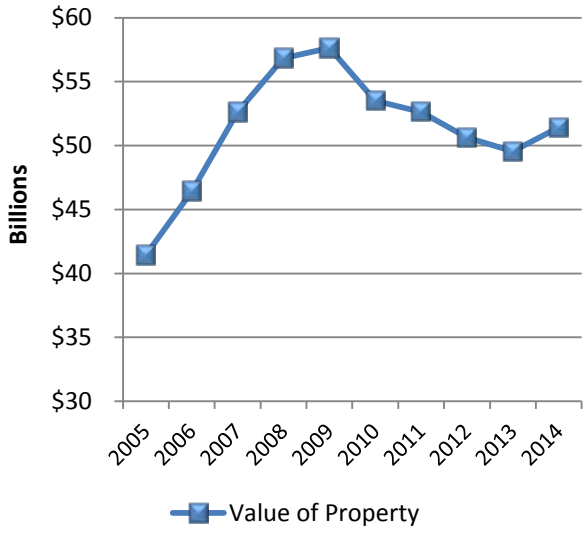
	Total Assessed Values				
Fiscal Year	Total Real Secured Property	Unsecured Property	Total Assessed (a)	Estimated Full Market (a)	Total Direct Tax Rate (b)
2005	$ 39,918,816,351	$ 1,511,238,261	$ 41,430,054,612	$ 41,430,054,612	1%
2006	44,827,567,277	1,599,062,259	46,426,629,536	46,426,629,536	1%
2007	50,747,719,752	1,873,754,209	52,621,473,961	52,621,473,961	1%
2008	54,736,700,029	2,109,204,925	56,845,904,954	56,845,904,954	1%
2009	55,288,205,103	2,337,740,343	57,625,945,446	57,625,945,446	1%
2010	51,289,390,012	2,222,237,544	53,511,627,556	53,511,627,556	1%
2011	50,637,007,569	2,004,513,815	52,641,521,384	52,641,521,384	1%
2012	48,723,017,983	1,901,522,231	50,624,540,214	50,624,540,214	1%
2013	47,579,016,172	1,966,760,711	49,545,776,883	49,545,776,883	1%
2014	49,489,401,448	1,929,129,291	51,418,530,739	51,418,530,739	1%

Source: Sacramento County Assessor Tax Rolls

(a) The State Constitution requires property to be assessed at one hundred percent of the most recent purchase price, plus an increment of no more than two percent annually, plus any local over-rides. These values are considered to be full market values.

(b) California cities do not set their own direct tax rate. The State Constitution establishes the rate at 1% and allocates a portion of that amount, by an annual calculation, to all the taxing entities within a tax rate area.

Sacramento Metropolitan Fire District
Property Tax Levies and Collections
Last Ten Fiscal Years



Fiscal Year	Property Taxes	Current Collections	Percentage of Levy Collected[(a)]	Value of Property Subject to Local Tax Rate
2005	$ 101,649,254	$ 101,649,254	100%	$ 41,430,054,612
2006	112,417,254	112,417,254	100%	46,426,629,536
2007	124,199,920	124,199,920	100%	52,621,473,961
2008	128,816,821	128,816,821	100%	56,845,904,954
2009	128,169,834	128,169,834	100%	57,625,945,446
2010	116,508,904	116,508,904	100%	53,511,627,556
2011	112,080,077	112,080,077	100%	52,641,521,384
2012	108,148,609	108,148,609	100%	50,624,540,214
2013	105,058,038	105,058,038	100%	49,545,776,883
2014	112,297,471	112,297,471	100%	51,418,530,739

(a) Metro Fire participates in a Teeter Plan wherein it receives three distributions equal to the actual amount of property taxes collected. Any delinquencies at June 30 are purchased by the County and remitted to Metro Fire. As part of the Plan, the County retains the penalties and interest on the delinquent taxes.

Source: Sacramento Metropolitan Fire District Financial Records

SACRAMENTO METROPOLITAN FIRE DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST FIVE FISCAL YEARS

Fiscal Year	Basic County Wide Levy	Los Rios Community College District	San Juan Unified School District	Total
2010	1.0000	0.0124	0.0688	1.0812
2011	1.0000	0.0090	0.0813	1.0903
2012	1.0000	0.0192	0.0948	1.1140
2013	1.0000	0.0193	0.1003	1.1196
2014	1.0000	0.0181	0.1630	1.1811

Note: In 1978, California voters passed Proposition 13 which set the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of any voter approved bonds. Overlapping rates are those of local and county governments that apply to property owners within Metro Fire. Not all overlapping rates apply to all Metro Fire property owners.

Information for fiscal years prior to 2010 is not available.

Source: California Municipal Statistics, Inc.

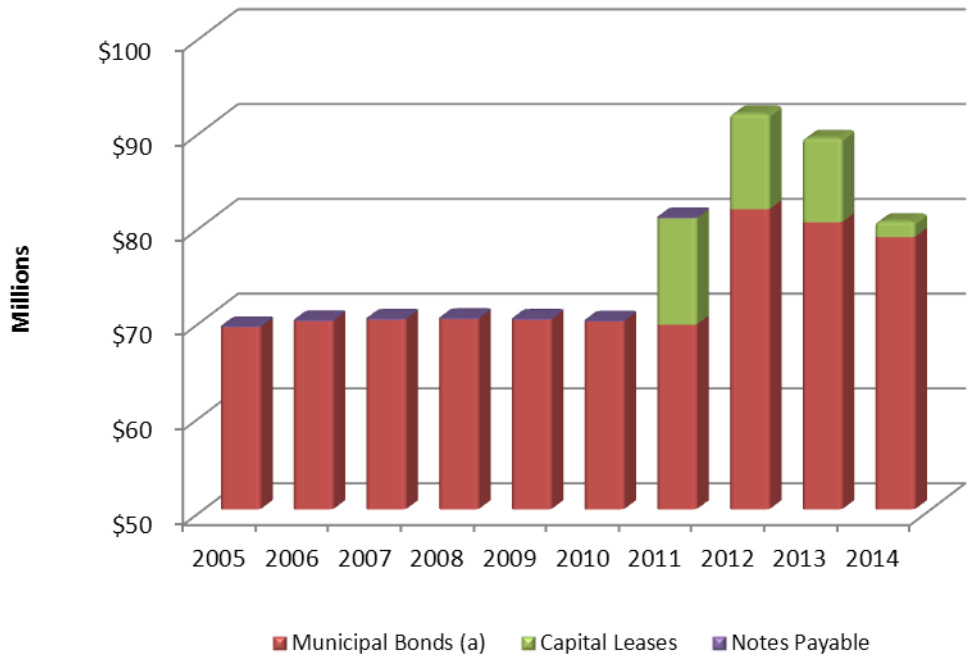
Sacramento Metropolitan Fire District
Principal Property Taxpayers
Current Year and Nine Years Ago

	2013-2014			2004-2005		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Assessed Value
Easton Development Company LLC	$ 192,829,568	1	0.38%			
Wal Mart Stores, Inc.	155,151,746	2	0.30%			
Mp Holdings LLC	153,015,396	3	0.30%	$ 97,435,548	3	0.24%
Ampac Fine Chemicals LLC	152,694,319	4	0.30%			
California American Water Company	123,638,553	5	0.24%	67,325,283	8	0.16%
Xojet Inc.	118,371,545	6	0.23%			
Comcast Cable	98,010,193	7	0.19%	76,342,499	5	0.18%
Thr California LP	95,615,782	8	0.19%			
Steadfast Sunrise LLC	84,271,231	9	0.16%			
Franklin Resources Inc.	81,071,456	10	0.16%			
Aerojet General Corporation				278,774,477	1	0.67%
A Teichert And Son Inc.				109,960,913	2	0.27%
Intel Corporation				83,967,694	4	0.20%
Prospect Green Partners				73,855,934	6	0.18%
Altair Holding Company				70,058,905	7	0.17%
Gmac Model Home Finance Inc.				65,678,489	9	0.16%
Costco Wholesale Corporation				63,239,186	10	0.15%
	$ 1,254,669,789		2.44%	$ 986,638,928		2.38%

Total Net Assessed Valuation:	
Fiscal Year 2013-14	$ 51,418,530,739
Fiscal Year 2004-05	41,430,054,612

Source: Sacramento County Assessor 2004/05 and 2013/14 Tax Rolls

Sacramento Metropolitan Fire District
Ratio of Outstanding Debt by Type
Last Ten Fiscal Years



Fiscal Year	General Obligation Bonds [(a)]	Capital Leases	Notes Payable	Total Primary Government	Percentage of Personal Income [(b)]	Debt per Capita [(b)]
2005	$ 69,188,975		$ 129,101	$ 69,318,076	0.29%	$ 99
2006	69,830,950		121,376	69,952,326	0.28%	99
2007	69,997,855		113,220	70,111,075	0.27%	100
2008	70,055,305		104,496	70,159,801	0.25%	99
2009	69,995,000		95,000	70,090,000	0.26%	98
2010	69,810,000		85,000	69,895,000	0.26%	98
2011	69,483,000	$ 11,226,000	75,000	80,784,000	0.30%	112
2012	81,650,000	10,076,000		91,726,000	0.32%	130
2013	80,276,000	8,895,000		89,171,000	0.30%	125
2014	78,712,010	10,430,752		89,142,762	0.28%	125

(a) Debt amounts exclude any premiums or discounts.
(b) See page 64 (Demographic Statistics) for population data.

Sources: Sacramento Metropolitan Fire District Financial Records and the State of California, Department of Finance.

Sacramento Metropolitan Fire District
Ratio of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds[a]	Less: Amounts Available for Debt Service[b]	Net General Bonded Debt	Ratio of Net General Bonded Debt to Estimated Actual Taxable Value of Property[c]	Per Capita[d]
2005	$ 69,188,975		$ 69,188,975	0.17%	$ 98
2006	69,830,950		69,830,950	0.15%	99
2007	69,997,855		69,997,855	0.13%	99
2008	70,055,305	$ 2,378,780	67,676,525	0.12%	95
2009	69,995,000	6,067,039	63,927,961	0.11%	89
2010	69,810,000	7,767,081	62,042,919	0.12%	86
2011	69,483,000	7,766,882	61,716,118	0.12%	87
2012	81,650,000	9,518,396	72,131,604	0.14%	102
2013	80,276,000	11,881,581	68,394,419	0.14%	96
2014	78,712,010	15,129,062	63,582,948	0.12%	88

(a) Debt amounts exclude any premiums or discounts.
(b) This is the amount set aside for debt service principal payments.
(c) See the Assessed Value and the Estimated Actual Value of Taxable Property for property value data.
(d) Population data can be found in the Schedule of Demographic and Economic Statistics.

SACRAMENTO METROPOLITAN FIRE DISTRICT
COMPUTATION OF DISTRICT AND OVERLAPPING DEBT
JUNE 30, 2014

2013-14 Assessed Valuation: $51,418,530,739	Total Debt Outstanding	% Applicable [1]	Amount Applicable to Metro Fire
OVERLAPPING TAX AND ASSESSMENT DEBT			
Los Rios Community College District	$ 370,270,000	32.919%	$ 121,889,181
Center Joint Unified School District	37,496,861	89.447%	33,539,817
Folsom Cordova USD School Facilities Improvement District Nos. 1, 2, 3 and 4	187,920,596	0.680-100.000%	155,088,286
Sacramento Unified School District	372,362,966	11.663%	43,428,693
San Juan Unified School District	335,630,397	96.337%	323,336,256
Twin Rivers Unified School District (former Grant Joint Union High School District Bonds)	192,856,793	43.650%	84,181,990
Twin Rivers Unified School District (former Elementary School District Bonds)	18,945,000	50.898%	9,642,626
Other School Districts	367,084,134	Various	56,439,050
City of Folsom	6,195,000	0.759%	47,020
Dry Creek Joint School District Community Facilities District No. 1	12,124,952	100.000%	12,124,952
Elk Grove Unified School District Community Facilities District No. 1	182,043,915	29.406%	53,531,834
City of Rancho Cordova Community Facilities District No. 2003-1 and 2004-1	82,290,000	100.000%	82,290,000
Other Community Facilities Districts	36,080,000	100.000%	36,080,000
1915 Act and Benefit Assessment Bonds	233,245,000	Various	54,777,076
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			$ 1,066,396,781
DIRECT AND OVERLAPPING GENERAL FUND DEBT			
Sacramento County General Fund Obligations	$ 297,541,055	42.442%	$ 126,282,375
Sacramento County Pension Obligation Bonds	990,307,535	42.442%	420,306,324
Sacramento County Board of Education Certificates of Participation	8,010,000	42.442%	3,399,604
Folsom-Cordova Unified School District Certificates of Participation	21,575,000	36.658%	7,908,964
Sacramento USD Certificates of Participation and Pension Obligation Bonds	76,025,000	11.663%	8,866,796
San Juan Unified School District Certificates of Participation	999,191	96.337%	962,591
Twin Rivers Unified School District Certificates of Participation	129,825,000	43.650%	56,668,613
Other School District Certificates of Participation	18,796,803	Various	3,594,871
City of Folsom General Fund Obligations	8,694,642	0.754%	65,558
City of Rancho Cordova Certificates of Participation	21,570,000	100.000%	21,570,000
City of Sacramento Certificates of Participation	654,165,000	0.001%	3,271
Sacramento Metropolitan Fire District Pension Obligation Bonds	**67,572,010**	**100.000%**	**67,572,010** [2]
Sacramento Metropolitan Fire District Lease Revenue Bonds	**11,218,379**	**100.000%**	**11,218,379**
Sacramento Metropolitan Fire District Capital Lease Obligations	**10,430,752**	**100.000%**	**10,430,752**
Recreation and Park District Certificates of Participation	11,905,130	82.201-100.000%	10,956,420
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT			749,806,526
Less: Sacramento County supported obligations			(2,739,631)
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT			$ 747,066,895
OVERLAPPING TAX INCREMENT DEBT			
Successor Agency	$ 73,500,000	100.00%	$ 73,500,000
TOTAL DIRECT DEBT			**$ 89,221,141**
TOTAL GROSS OVERLAPPING DEBT			$ 1,800,482,165 [3]
TOTAL NET OVERLAPPING DEBT			$ 1,797,742,534
GROSS COMBINED TOTAL DEBT			$ 1,889,703,306
NET COMBINED TOTAL DEBT			$ 1,886,963,675

(1) The percentage of overlapping debt applicable to Metro Fire is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the Metro Fire divided by the overlapping district's total taxable assessed value.

(2) Includes accreted value.

(3) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Ratios to 2013-14 Assessed Valuation:	
Total Overlapping Tax and Assessment Debt	2.074%
Total Direct Debt	**0.174%**
Gross Combined Total Debt	3.675%
Net Combined Total Debt	3.670%
Ratios to Redevelopment Successor Agency Incremental Valuation ($1,381,818,094):	
Total Overlapping Tax Increment Debt	5.32%

Source: California Municipal Statistics, Inc.

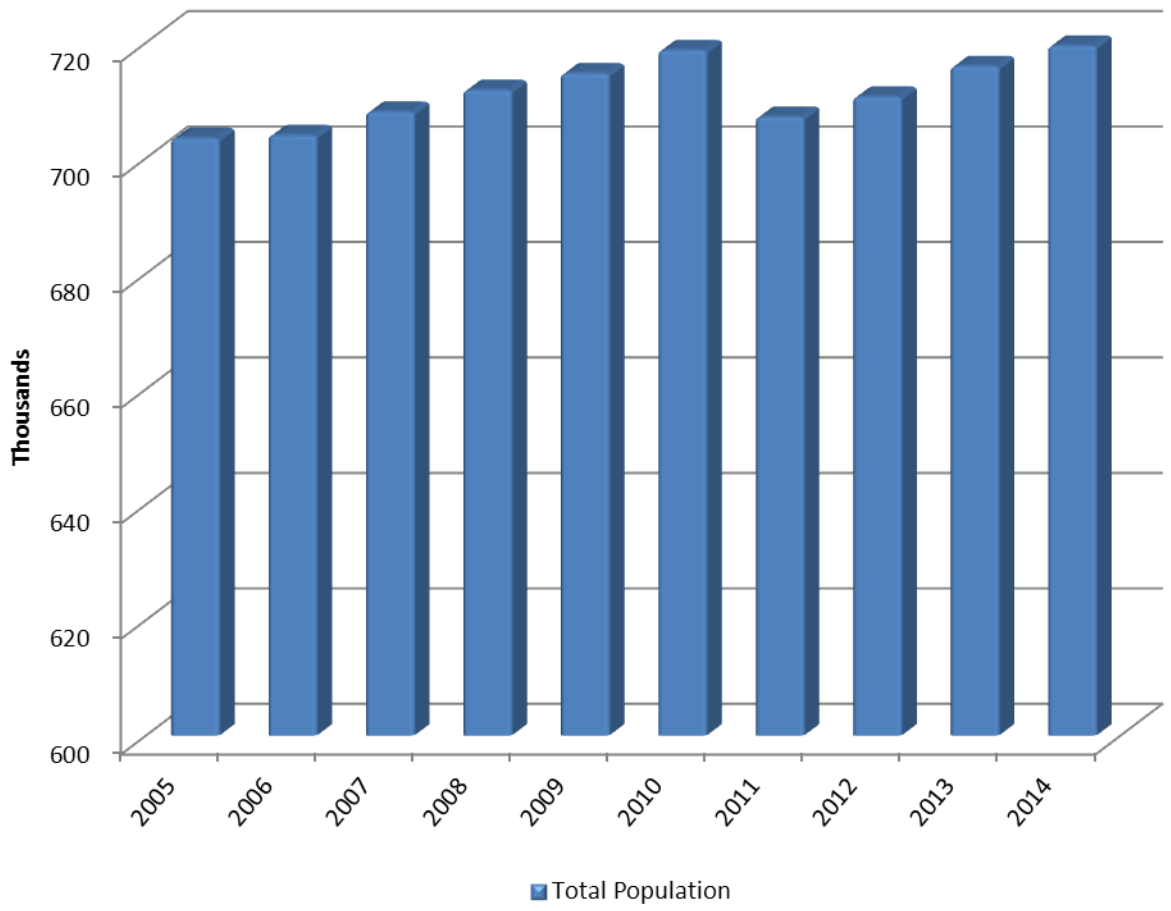
SACRAMENTO METROPOLITAN FIRE DISTRICT
COMPUTATION OF LEGAL BONDED DEBT MARGIN
JUNE 30, 2014

Assessed Valuation		$ 51,418,530,739
Debt Margin Ratio [(a)]		2.50%
Bonded Debt Limit		1,285,463,268
Outstanding Debt		
Total Bonded Debt	$ 78,712,010	
Less Amounts in Sinking Fund	(15,129,062)	
Total Applicable Debt		63,582,948
Legal Debt Margin		$ 1,221,880,320

Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Percentage of Legal Debt Margin Available
2005	$ 1,035,751,365	$ 69,188,975	$ 966,562,390	93.32%
2006	1,160,665,738	69,830,950	1,090,834,788	93.98%
2007	1,315,536,849	69,997,855	1,245,538,994	94.68%
2008	1,421,147,624	67,676,525	1,353,471,099	95.24%
2009	1,440,648,636	63,927,961	1,376,720,675	95.56%
2010	1,337,790,689	62,042,919	1,275,747,769	95.36%
2011	1,316,038,035	61,716,118	1,254,321,917	95.31%
2012	1,265,613,505	72,131,604	1,193,481,901	94.30%
2013	1,238,644,422	68,394,419	1,170,250,003	94.48%
2014	1,285,463,268	63,582,948	1,221,880,320	95.05%

(a) California Health and Safety Code, Section 13937 sets the debt limit at 10%. The Code section was enacted when assessed valuations were based on 25% of full market value. This has since changed to 100% of full market value. Thus, the limit shown is 2.50% (one-fourth the limit of 10%) to account for the adjustment of showing assessed valuation at full market value.

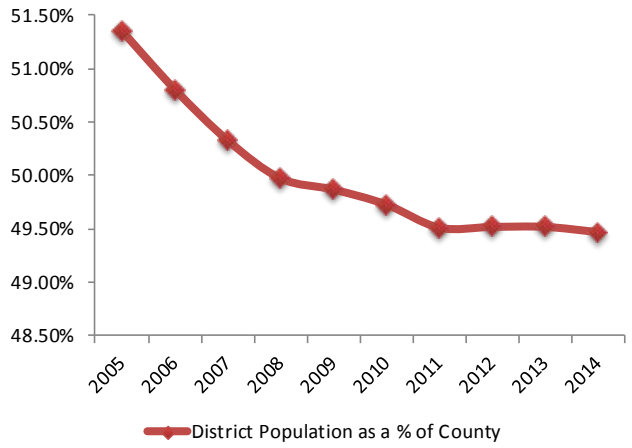
SACRAMENTO METROPOLITAN FIRE DISTRICT
DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS

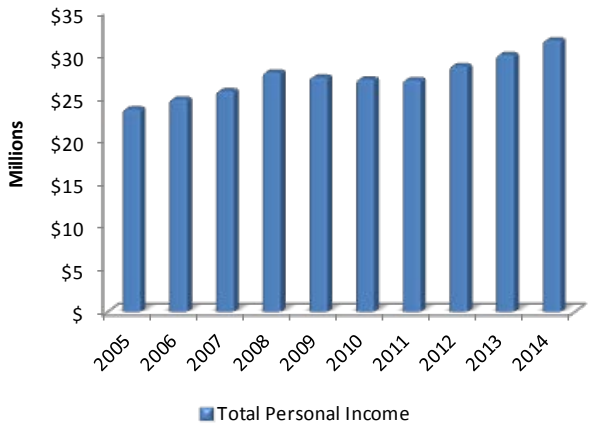


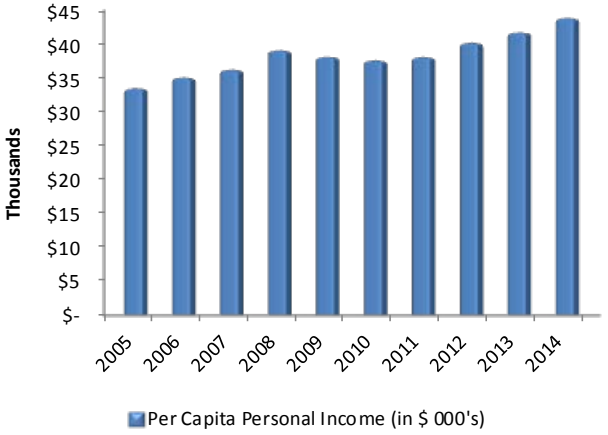
Fiscal Year	Citrus Heights	Rancho Cordova	Unincorporated Population	Total Population	% Increase
2005	87,549	55,145	560,785	703,479	0.22%
2006	86,883	56,355	560,741	703,979	0.07%
2007	87,017	59,056	561,951	708,024	0.57%
2008	87,321	60,975	563,514	711,810	0.53%
2009	87,565	61,817	565,309	714,691	0.40%
2010	88,115	62,899	567,700	718,714	0.56%
2011	83,618	65,502	558,061	707,181	-1.60%
2012	83,881	66,093	560,675	710,649	0.49%
2013	84,345	66,927	564,657	715,929	0.74%
2014	84,544	67,839	567,095	719,478	0.50%

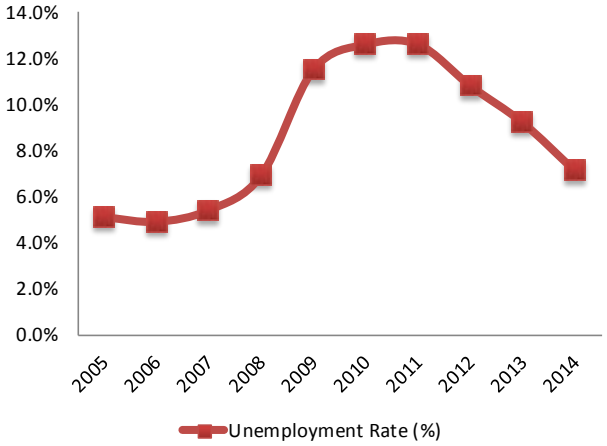
Source: State of California, Department of Finance.

Sacramento Metropolitan Fire District
Demographic and Economic Statistics
Last Ten Fiscal Years









Fiscal Year	District Population	Total Personal Income (in $ 000's)	Per Capita Personal Income (in $ 000's)	Unemployment Rate (%)	County Population	District Population as a % of County
2005	703,479	$ 23,631,970	$ 34	5.1%	1,369,855	51.35%
2006	703,979	24,765,277	35	4.9%	1,385,607	50.81%
2007	708,024	25,729,592	36	5.4%	1,406,804	50.33%
2008	711,810	27,893,698	39	6.9%	1,424,415	49.97%
2009	714,691	27,323,352	38	11.5%	1,433,187	49.87%
2010	718,714	27,095,518	38	12.6%	1,445,327	49.73%
2011	707,181	27,015,729	38	12.6%	1,428,355	49.51%
2012	710,649	28,646,794	40	10.8%	1,435,153	49.52%
2013	715,929	29,947,643	42	9.2%	1,445,806	49.52%
2014	719,478	31,637,020	44	7.1%	1,454,406	49.47%

Source: State of California, Department of Finance.

Sacramento Metropolitan Fire District
Private Sector Principal Employers
Current Year and Nine Years Ago

	June 30, 2014			June 30, 2005		
Employer	Employees [a]	Rank	Percentage of Total County Employment	Employees [b]	Rank	Percentage of Total County Employment
Sutter / California Health Services	9,494	1	1.53%	3,300	10	0.53%
Kaiser Permanente	9,109	2	1.47%	11,284	2	1.81%
Dignity / Mercy Healthcare	7,397	3	1.19%	11,729	1	1.88%
Raley's Inc. / Bel Air	6,240	4	1.01%	8,203	3	1.31%
Intel Corporation	6,000	5	0.97%	6,500	5	1.04%
Wells Fargo & Co.	3,249	6	0.52%			
Hewlett-Packard	3,200	7	0.52%	4,500	8	0.72%
Cache Creek Casino Resort	2,400	8	0.39%			
Health Net of California	2,358	9	0.39%			
VSP Global	2,223	10	0.36%			
Wal-Mart				3,693	9	0.59%
Target				5,229	7	0.84%
SBC Communications				5,753	6	0.92%
University of California, Davis (UCD)				8,000	4	1.28%
Total	51,670		8.35%	68,191		10.92%

Note: Information presented is for the Sacramento region's major county employers since separate data is not available for Metro Fire.

(a) Source: Sacramento Business Journal Annual Book of Lists
(b) Source: Sacramento Area Commerce and Trade Organization

SACRAMENTO METROPOLITAN FIRE DISTRICT
SUMMARY OF DISTRICT ACTIVITIES
FISCAL YEAR 2013-2014

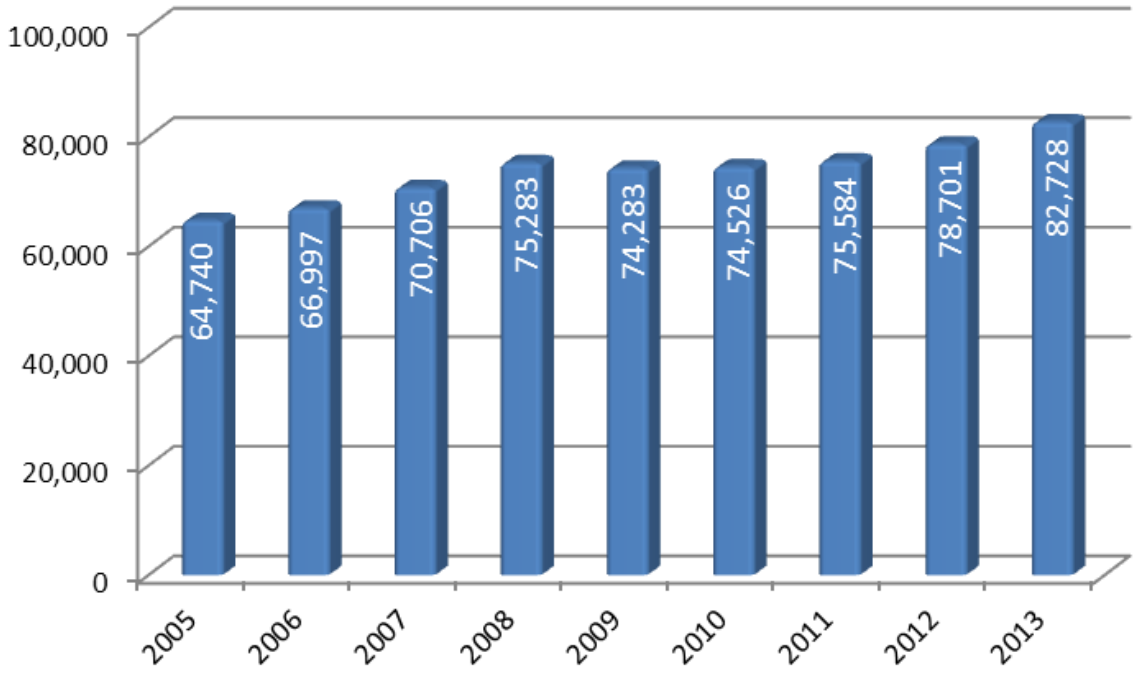
CATEGORY	TOTAL	% CHANGE
POPULATION	715,929	0.7%
OPERATIONAL FIRE STATIONS	40	0.0%
INCIDENT RESPONSES	86,308	(a)
TOTAL ACTUAL FULL-TIME EMPLOYEES	644	-3.3%
WORKERS' COMPENSATION CLAIMS		
Premium and Claims Expenses	$ 3,180,400	14.7%
LEAVE HOURS (All Personnel)		
Sick Leave Used	48,900	25.3%
Service Connected Disability Leave	24,350	-21.1%
Vacation Time Used	123,259	-1.9%
TRAINING FOR SUPPRESSION PERSONNEL		
Total Training Hours	149,358	-3.9%

Note: % change is the measurement against prior year actuals

(a) Metro Fire has historically been tracking responses on a calendar year basis. There is no available data on the number of incidents for the prior fiscal year so the change cannot be calculated. However, please see the next page for historical data on the past calendar years.

Source: Sacramento Metropolitan Fire District Records

SACRAMENTO METROPOLITAN FIRE DISTRICT
TOTAL RESPONSES
LAST NINE CALENDAR YEARS



Note: Total incident responses have been tracked on a calendar year basis for the past ten years. Data for the 2014 calendar year is not yet available as of the time of the preparation of this report.

Source: Sacramento Metropolitan Fire District Operations Division Records

Sacramento Metropolitan Fire District
Emergency Response Detail Analysis
Fiscal Year 2013-14
Total Responses: 86,308

INCIDENT REPORT SYSTEM CODE	CATEGORY DESCRIPTION	NUMBER OF INCIDENTS
	FIRE INCIDENTS	
No Code on Report		315
100	Fire, Other	220
111, 123	Building Fires	413
112	Fire in a structure other than a building	12
113	Cooking Fires	172
114, 115, 116, 118, 120	Fires other than building or transportation	45
121	Mobile home used as a fixed residence	17
131	Passenger vehicle fire	238
122, 130, 132, 133, 134, 135, 136, 137, 138	Transportation fires other than passenger vehicles	75
140, 141, 142, 143	All vegetation fires	666
150, 151, 152, 153, 154, 155	Rubbish and dumpster/trash fires	487
160, 161, 162, 163, 164, 170, 171, 172, 173	Other outside fires	133
	TOTAL FIRE INCIDENTS	2,793
	OVERPRESSURE RUPTURE & EXPLOSION INCIDENTS	
200, 210, 211, 220, 221, 223, 231	Steam, Air, Gas, or Chemical Rupture	20
240, 241, 243	Fireworks or Bomb Explosion (no fire)	7
251	Excessive heat, scorch burns with no ignition	30
	TOTAL OVERPRESSURE & RUPTURE & EXPLOSION	**57**
	EMS & RESCUE INCIDENTS	
300,311,320	Rescue, EMS incident, other	3,014
321	EMS call, excluding vehicle accident with injury	53,874
322, 323, 324	Motor vehicle accidents	3,446
331, 340, 341, 342	Searches	10
350, 351, 352, 353, 355, 356, 357	Extrications of various types	39
360, 361, 363, 365	Water Rescues	8
371	Electrocution	0
381	EMS Standby	10
	TOTAL EMS & RESCUE INCIDENTS	**60,401**
	HAZARDOUS CONDITIONS (No Fire)	
400	Other	112
410, 411, 412, 413	Flammable liquids and gas spills	331
420, 421, 422, 423	Toxics and chemical spills	23
424	Carbon monoxide incidents	32
440, 441, 442, 443, 444, 445	Electrical hazards	289
451	Biological hazards	5
460, 461, 462, 463, 471, 480, 481, 482	Building/vehicle and other hazards	72
	TOTAL HAZARDOUS CONDITIONS	**864**

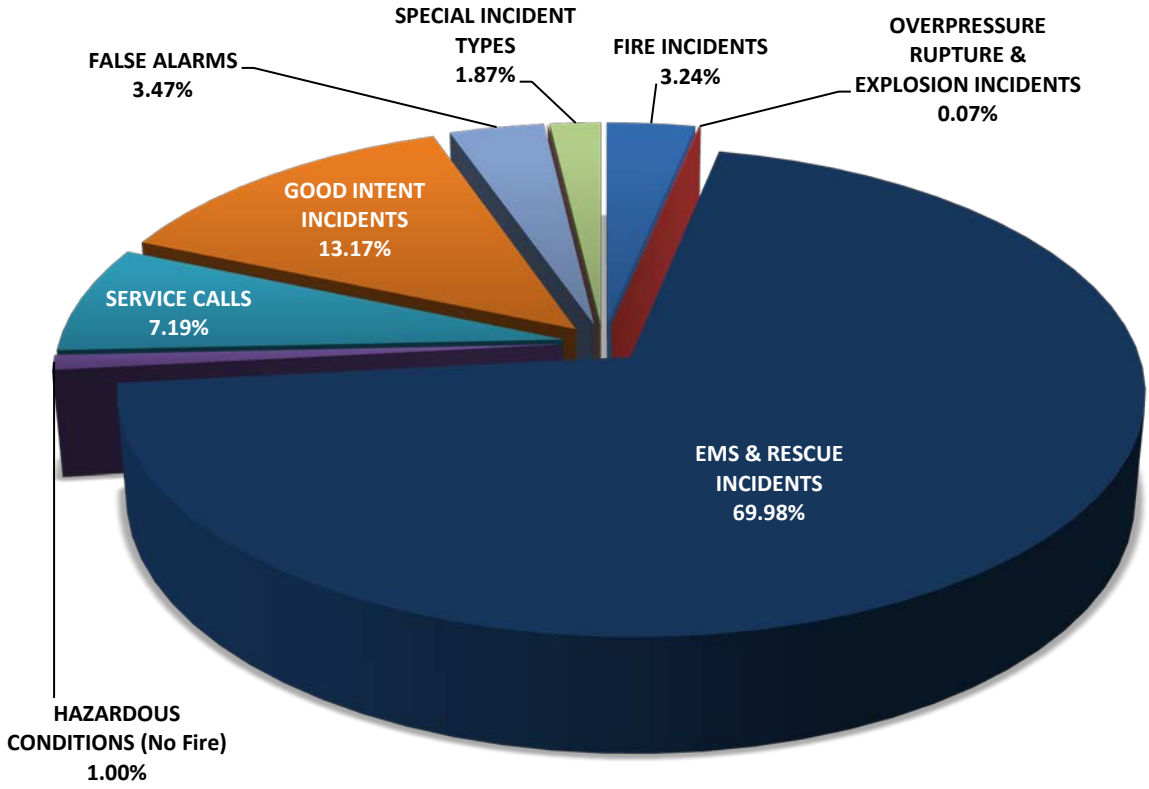
SACRAMENTO METROPOLITAN FIRE DISTRICT
EMERGENCY RESPONSE DETAIL ANALYSIS
FISCAL YEAR 2013-14
TOTAL RESPONSES: 86,308
(CONT.)

FIRE INCIDENT REPORT SYSTEM CODE	CATEGORY DESCRIPTION	NUMBER OF INCIDENTS
	SERVICE CALLS	
500	Service calls	728
510, 511, 512	Distress, lock-outs, jewelry removal	613
520, 521, 522	Water incidents	187
531	Smoke removal	191
540, 541, 542	Animal problems	232
550, 553, 554	Public assists	3,327
551, 552	Law assists	687
555, 561, 571	Elevator, unauthorized burning, stand by	241
	TOTAL SERVICE CALLS	**6,206**
	GOOD INTENT INCIDENTS	
600	Other	1,987
611, 621, 622	Canceled en route, wrong location	9,085
631, 632, 641, 650, 651, 652, 653	Fire, smoke, or odor	213
661	EMS (PT self-transported)	58
671, 672	Haz-Mat, biological investigations	28
	TOTAL GOOD INTENT INCIDENTS	**11,371**
	FALSE ALARMS	
700	Other	557
7001, 7002,7003	False alarm residential/school/auto aid	760
710, 711, 712, 713, 714, 715	Malicious, mischievous	157
721	Bomb scare	1
730, 731, 732, 733, 734, 735, 736, 740, 743, 744, 745, 746	System/device malfunction	1,497
741, 742	Sprinkler/extinguishing system activation	26
	TOTAL FALSE ALARMS	**2,998**
	SEVERE WEATHER	
800	Other	2
812	Flood assessment	1
813	Wind assessment	1
	TOTAL SEVERE WEATHER	**4**
	SPECIAL INCIDENT TYPES	
900	Special type of incident, Other	72
9001	Released from call	45
9002	No Metro units responded	1452
9003	Out of district	27
911	Citizen complaint	18
	SPECIAL INCIDENT TYPES	**1614**

Note: Total incident responses have been tracked on a calendar year basis in the past years. Data for the current year is being presented on a fiscal year basis.

Source: Sacramento Metropolitan Fire District Operations Division Records

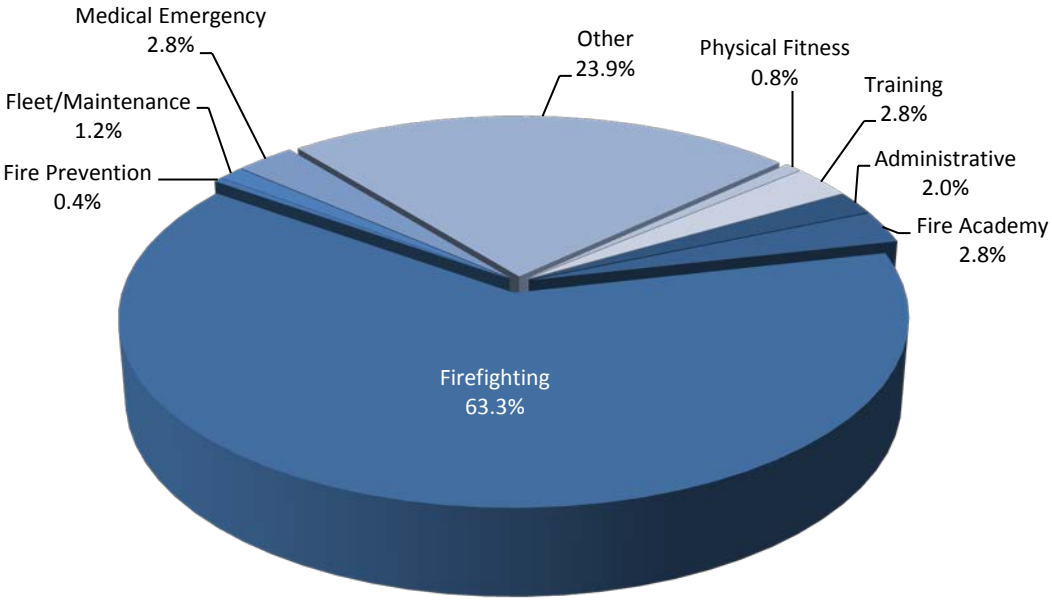
SACRAMENTO METROPOLITAN FIRE DISTRICT
EMERGENCY RESPONSE - PERCENT OF TOTAL RESPONSE BY TYPE
FISCAL YEAR 2013-14



Source: Sacramento Metropolitan Fire District Operations Division Records

SACRAMENTO METROPOLITAN FIRE DISTRICT
SERVICE-CONNECTED INJURY/ILLNESS REPORT
FISCAL YEAR 2013-14

INCIDENT ACTIVITY	NUMBER	%
Administrative	5	2.0%
Fire Academy	7	2.8%
Firefighting	156	63.3%
Fire Prevention	1	0.4%
Fleet/Maintenance	3	1.2%
Medical Emergency	7	2.8%
Other	59	23.9%
Physical Fitness	2	0.8%
Training	7	2.8%
TOTAL NUMBER OF MEDICAL INJURIES	**247**	**100%**



Source: Sacramento Metropolitan Fire District Human Resources Division Records

Sacramento Metropolitan Fire District
Staffing Summary
Last Nine Fiscal Years

DIVISION	2006	2007	2008	2009	2010	2011	2012	2013	2014
Office of the Fire Chief	4	5	4	4	7	7	7	9	8
Administration	22	22	21	5	4	3	2	2	2
Human Resources	7	9	8	9	4	4	3	4	4
Finance	12	13	13	16	12	11	10	12	12
Information Technology	12	10	11	10	7	8	9	7	7
Operations	6	7	6	8	7	7	8	8	8
Fire Suppression	570	620	605	605	533	520	525	522	522
Single Role Paramedic Program									65
EMS	5	5	5	8	5	7	7	6	6
Training, Safety, Health & Fitness	11	12	11	15	6	7	7	7	7
Communications								2	2
Support Services	2	2	2	2	2	1	1	1	1
Logistics	13	12	12	13	10	10	10	10	10
Facilities	4	6	4	6	3	3	4	4	4
Fleet	18	18	18	19	14	13	13	13	13
Community Risk Reduction	34	36	36	42	18	17	17	20	20
Community Services	6	9	8	9	4	2	2	2	2
TOTAL	**726**	**786**	**764**	**771**	**636**	**620**	**625**	**629**	**693**

Note: Data above represents authorized positions.

Source: Sacramento Metropolitan Fire District Human Resources Division Records