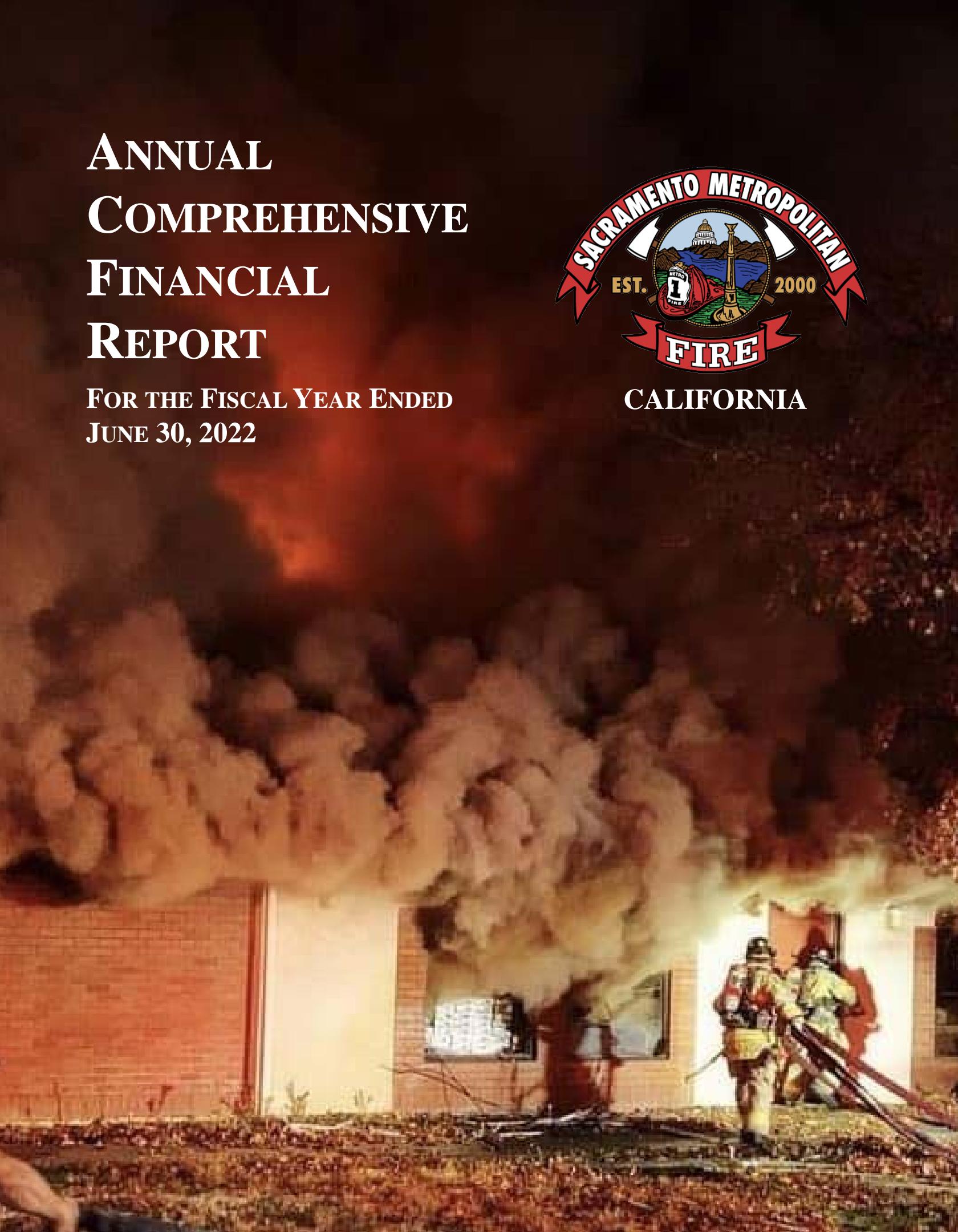


# ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED  
JUNE 30, 2022



CALIFORNIA



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**SACRAMENTO METROPOLITAN FIRE DISTRICT**  
Serving Sacramento and Placer Counties, California  
since December 2000

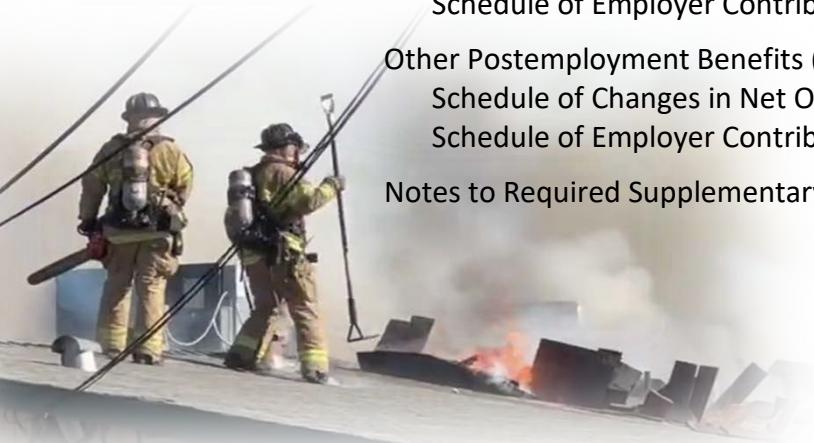
# **ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**PREPARED BY THE FINANCE DIVISION**  
**For the Fiscal Year Ended**  
**June 30, 2022**



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# Introductory Section

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# Sacramento Metropolitan Fire District

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

DAN HAVERTY

*Fire Chief*

January 25, 2023

To the Citizens and Board of Directors of the  
Sacramento Metropolitan Fire District

We are pleased to present the Sacramento Metropolitan Fire District (“Metro Fire”) Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2022. 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 of this report 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, 2022. 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 and emergency medical services (EMS) 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 Senior Staff Coordinator, Board Clerk, and three Deputy Chiefs that manage the Operations, Administration, and Support Services Branches of Metro Fire.

The Board of Directors is required to adopt a preliminary budget no later than June 30 preceding the beginning of the fiscal year on July 1 and a final budget no later than October 1 of each year. The budget is prepared by fund, division, and object level. Division heads may transfer resources within object levels. Transfers between funds or object levels, however, need special approval from the Board.

## SERVICE AREA AND SERVICES

Metro Fire serves a population of about 770,000 in a service area encompassing 359 square miles that include most of unincorporated Sacramento County, the cities of Citrus Heights and Rancho Cordova, and a portion of Placer County. Within the boundaries of Metro Fire are wildland areas, residential units, commercial and light industrial occupancies, hotels, regional hospitals, institutional buildings, local airfields, numerous 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 emergency medical assistance between Metro Fire and other public safety agencies are established and honored by Metro Fire. Metro Fire staff are also routinely deployed to local, state, and federal emergencies around the country.

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

## OPERATIONS

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

- Suppression encompasses all aspects of Metro Fire's all-hazard emergency services delivered from 41 stations with daily shift staffing of 190 personnel. Suppression resources answered over 108,232 calls for service in 2021-22.
- The EMS Division is responsible for the management of the emergency medical system, ensuring that 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 (FDM) units and the single role paramedic program (SRPP). Metro Fire employs about 488 paramedics, 85 EMTs, who are assigned on engines, trucks, ambulances, helicopters, aircraft rescue and firefighting (ARFF) units, boats, bicycles. On a daily basis, all ambulances and suppression apparatus are staffed with at least one paramedic.

As of June 30, 2022, Metro Fire deployed fifteen 24-hour medic units that are staffed by Firefighter/Paramedics and Firefighter/EMTs, along with five reserve ambulances that are available if needed to be staffed and placed in service. The additional ambulances are cross-staffed by firefighters and provide surge protection during periods of high call volume. There are 36 ALS engine companies and seven ALS truck companies in service on a 24-hour basis. These apparatuses responded to calls for emergency medical service with paramedics who assist with critically ill or injured patients if needed.

In addition, the SRPP enhances emergency medical services within the community by providing up to five additional 24-hour ALS ambulances along with eight peak time ambulances from a private ambulance firm to augment the EMS system during times of high demand. The SRPP units are staffed with non-firefighter EMT and paramedic personnel.

- 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. 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's Department, 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 Metro Fire to provide quality public service.

## SUPPORT SERVICES

The Support Services branch of Metro Fire comprises five divisions: Fleet, Facilities, Logistics, Community Risk Reduction, and Communications.

- The Fleet Maintenance Division maintains a fleet of about 350 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.
- 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.
- Logistics is responsible for ordering, receiving and storing fire suppression equipment, emergency medical equipment and other essential supplies that are used on a daily basis.
- 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.
- Communications oversees radio communications throughout Metro Fire's fire stations, administrative buildings, and vehicles.

## ADMINISTRATION

The Administration Branch comprises four divisions: Human Resources, Information Technology, Economic Development, and Finance.

- The Human Resources Division seeks to recruit and maintain a diverse workforce that reflects the community it serves. Through benefits and labor management, training, and hiring, the HR Division 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 41 fire stations, four administrative buildings, and over 350 vehicles.
- The Economic Development Division works with regional stakeholders to plan for the long-term growth of Metro Fire, including the construction of stations in new development areas and infill communities. Economic Development also oversees legislative coordination and outreach with regional, state, and federal officials and grant administration.
- The Finance Division oversees all financial aspects of Metro Fire's multi-million dollar operation, tracking all District assets, monitoring spending, paying employees, collecting revenue and cost reimbursements, and producing clear and comprehensive reporting of all transactions. Finance also guides the budget process to ensure resources are transparently and properly allocated for the best possible public service.

## APPARATUS

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 identifies when replacements should occur. Metro Fire's fleet is made up of emergency vehicles and apparatus which must be kept in a constant state of readiness.

<u>Apparatus Type</u>	<u>No. In Service</u>	<u>Apparatus Type</u>	<u>No. in Service</u>
Engine	59	Aircraft Rescue Firefighting Unit	3
Wildland Engine	37	Ambulance	40
Ladder Truck	7	Dozer	2
Hazmat Truck	2	Rescue Boat	4
Rescue Truck	2	Helicopter	2
Water Tender	7	Support/Other Vehicles	185
Decontamination Unit	1		

Metro Fire's fire suppression apparatus have been equipped at 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's service area for maximum effectiveness.

Metro Fire operates special assets that are critical to regional fire response. Metro Fire is the only fire agency in the region with aircraft and dozer response programs. Other support vehicles include mobile air units, fuel trucks, helicopter tender, an aircraft tow vehicle, battalion chief and staff vehicles, a self-contained breathing apparatus (SCBA) repair unit, trailers, flatbeds, forklifts, a pallet jack, a scissor lift, tractors, and tow vehicles.

## ECONOMIC OUTLOOK

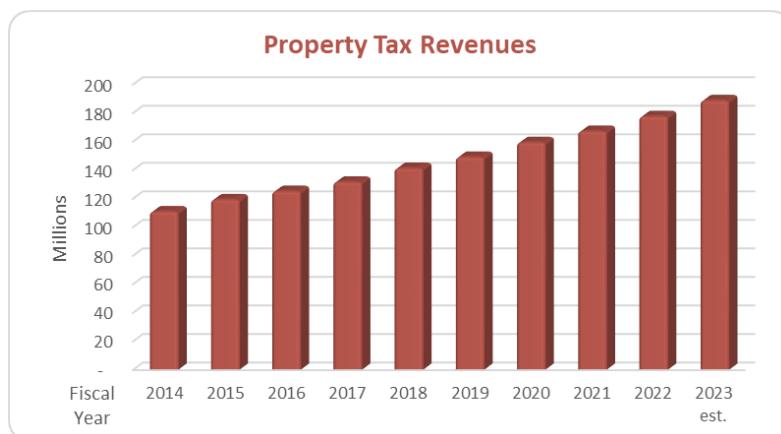
### LOCAL ECONOMY

Metro Fire's primary funding source is property tax revenue and, consequently, the level of resources available to support operations are driven by assessed property values, with residential property accounting for more than three quarters of the net taxable value within Metro Fire's jurisdiction. Metro Fire has now enjoyed nine straight years of property tax growth since the Great Recession and, while continued growth is expected, the size of that growth is anticipated to shrink substantially.

The single biggest factor affecting property tax revenue are home sales. Portions of the District have seen rapid growth in new homes, while demand for homes (resale and new) has stayed strong throughout the pandemic. While Proposition 13 limits growth in assessed value to 2.0 percent per year unless the property is reassessed, the most recent Sacramento County Assessor's report documented a surge in reassessed values that will lead to 8.0 percent overall growth in property taxes across the County, with approximately 7.8 percent growth for Metro Fire's service area in FY 2022-23.

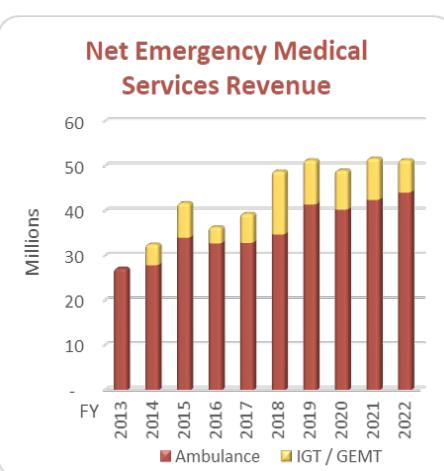
According to the California Association of Realtors, the median home price in Sacramento County is now \$550,000—among the highest prices in the country. Housing affordability has declined to where now less than 40 percent of households could afford the median price home. While the Federal Reserve's recent interest rate hikes have begun to soften the home buying market, home prices are not expected to fall significantly in Metro Fire's service area during FY 2022/23.

The following table documents property tax growth in since FY 2013/14.



The second-most consequential economic driver for Metro Fire revenues is Emergency Medical Services charges. During late FY 2019/20 and the first half of FY 2020/21, Metro Fire experienced a sizeable reduction in Emergency Medical Services (EMS) revenues due to the Covid-19 pandemic. Those impacts diminished during the second half of FY 2021/22 and EMS revenues are expected to return to modest annual growth during FY 2022-23, with \$47.0 million in revenues anticipated.

Metro Fire led a statewide effort, enacted into State law in 2011, 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. Funds for this program were paused in FY 2018/19 due to a federal review of proposed changes, however, in FY 2021-22, the program once again began accepting cost reimbursement requests. Total revenues accrued for FY 2018/19 through FY 2021/22 were \$2.5 million. In addition, under the Ground Emergency Medical Transport Quality Assurance Fee (GEMT QAF) implemented in FY 2018/19, Metro Fire was required to pay a current QAF rate of \$32.30 for every ambulance transport and received a reimbursement rate add-on of \$220.80 for every Medi-Cal transport, resulting in additional net revenue to Metro Fire.

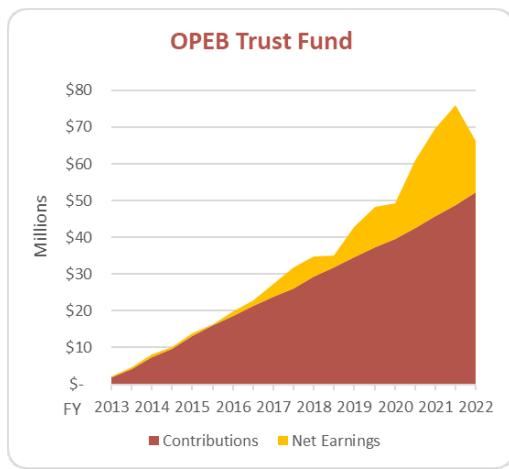


Finally, Metro Fire has participated in an Inter-Governmental Transfer (IGT) program that allows Metro Fire to receive federal matching funds for medical transports related to Medi-Cal Managed Care beneficiaries. For FY 2021/22, net revenue from IGT was \$4.7 million.

The GEMT and the GEMT QAF programs will be replaced on January 1, 2023 by the Public Provider Ground Emergency Medical Transport (PP-GEMT) Intergovernmental Transfer Program (IGT) program. This new program will provide increased reimbursements, by application of an add-on fee increase for emergency medical transports provided by eligible public GEMT providers such as Metro Fire.

## LONG-TERM FINANCIAL PLANNING AND SUSTAINABILITY

The District's Board of Directors, command staff and employees have a track record of working together to establish and maintain policies and practices to ensure Metro Fire's long-term financial sustainability. Metro Fire's long-term financial planning efforts have identified 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 liabilities associated with retiree medical benefits and retiree pensions, including the retirement of the remaining \$30 million of pension obligation bonds originally issued in 2004.



Accounting standards require the reporting of the net liability relating to retiree medical or other post-employment benefits (OPEB). Metro Fire's OPEB funding plan involves a combination of contributions to a trust and cost-saving measures agreed to by Metro Fire employees that both lower the long-term cost of OPEB and provides for funding the actuarially determined contribution associated with the explicit rate subsidy for retiree medical premiums. To help finance future costs with investment earnings, Metro Fire makes contributions to California Employers' Benefit Trust (CERBT) Fund managed by California Public Employees' Retirement System (CalPERS).

Metro Fire continues to make the required pension contributions to CalPERS each year to fund both the normal cost and amortization of the unfunded liability for its miscellaneous and safety plans. While required pension contributions continue to increase each year, these contributions are expected to result in improvement to the funded ratio, which was 75 percent for Metro Fire's safety plan as of June 30, 2022.

Finally, Metro Fire has a longstanding policy to set aside funds each year, in addition to the annual debt service required by the bond documents, to retire its pension bonds early. Metro Fire retired one of the bond series in November 2018 for \$25.5 million and intends to retire another series early in 2025. Combined with scheduled principal and interest payments on a third series of pension bonds, also issued in 2004, Metro Fire's pension bond debt is expected to be fully retired in 2025.

Another key component of Metro Fire's long-term financial sustainability is planning for the needs of future community development. Using information provided by regional planning departments about current and future development plans, Metro Fire is actively planning for the facility and service needs of those future developments. The cost of future capital needs will be funded with revenue generated from a Capital Facilities Fee that was implemented in FY 2014/15, specifically to address the impacts of new development. To date, nearly \$13 million in fees has been generated. About \$9 million of the funding was used in the construction of the new fire station 68 that now serves the Anatolia Community in the City of Rancho Cordova. An additional fire station is currently in the planning phase.

To the extent that property tax revenues expected to be generated by new development would not be sufficient to fund the expected operating cost to provide service, Metro Fire will explore alternative funding mechanisms to ensure that adequate service is provided and to avoid any degradation of service to existing communities.

The focus of Metro Fire's approach to financial sustainability is to ensure maximum cost recovery for fee-based services provided and to identify and sustainably fund long-term liabilities, aligning revenues and expenditures so that reserves are sufficient to cover future contingencies.

## **AWARDS AND ACKNOWLEDGEMENTS**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Metro Fire for its annual comprehensive financial report (ACFR) for the fiscal year ended June 30, 2021. This is the eight consecutive year that Metro Fire has achieved this prestigious award. In order to be awarded a Certificate of Achievement, Metro Fire had to publish an easily readable and efficiently organized ACFR that satisfied both generally accepted accounting principles and specified program requirements. A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year only. However, Metro Fire believes that the current ACFR continues to meet the Certificate of Achievement for Excellence in Financial Reporting Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Metro Fire also received its fourth consecutive Award for Outstanding Achievement in Popular Financial Reporting from the GFOA for its *Community Annual Report* for the fiscal year ended June 30, 2021. This prestigious national award recognizes conformance with the highest standards for the preparation of creative popular annual financial reports specifically designed to be easily understandable to the general public. In addition, Metro Fire also received the California Society of Municipal Finance Officers (CSMFO) Meritorious Award for its 2020-21 operating budget. The award recognizes high quality budget documents that reflect CSMFO's recommended practices on budgeting.

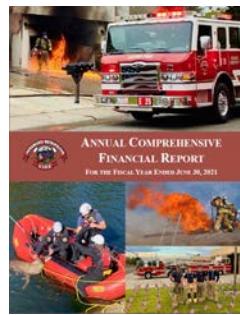
The preparation of the annual reports reflects the combined and dedicated effort of Metro Fire staff. We especially recognize the Finance Division staff and Metro Fire's independent auditors, Richardson & Company, LLP for their contributions to provide complete, reliable, open and transparent financial information, and for fostering the exceptional stewardship of public funds. We would also 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, we bring the skills, experience and dedication to carry out Metro Fire's mission:

***"To Provide Professional and Compassionate  
Protection, Education and Service to Our Community."***

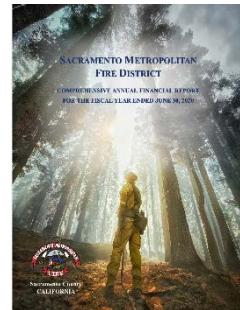
Respectfully submitted,



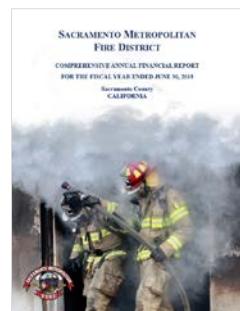
Dave O'Toole  
Chief Financial Officer

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Government Finance Officers Association

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## Certificate of Achievement for Excellence in Financial Reporting

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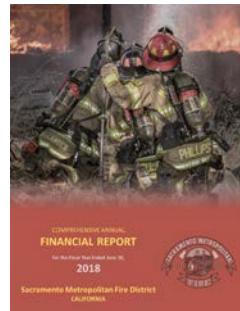
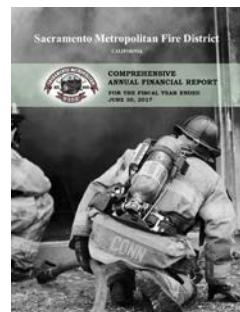
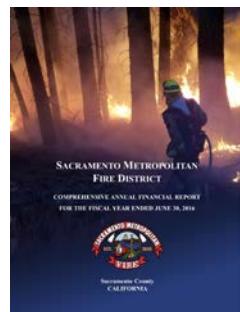
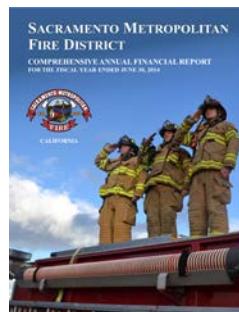
Presented to

## Sacramento Metropolitan Fire District California

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2021

Executive Director/CEO

2  
0  
1  
82  
0  
1  
72  
0  
1  
62  
0  
1  
52  
0  
1  
4

# Directory of Officials

As of June 30, 2022

## Board of Directors

### PRESIDENT



Cinthia Saylors  
Division 1



Grant B. Goold  
Division 2



Randy Orzalli  
Division 3



Ted Wood  
Division 4



Jennifer Sheetz  
Division 5

### VICE-PRESIDENT



D'Elman Clark  
Division 6



Matt Kelly  
Division 7



Gay Jones  
Division 8



Walt White  
Division 9

### BOARD SECRETARY



Gay Jones  
Division 8



Walt White  
Division 9

## Executive Staff

### FIRE CHIEF



Todd Harms

### DEPUTY CHIEF

#### ADMINISTRATION

Ty Bailey

### DEPUTY CHIEF

#### OPERATIONS

Adam Mitchell

### DEPUTY CHIEF

#### SUPPORT SERVICES

Tyler Wagaman

### CHIEF FINANCIAL

#### OFFICER

Dave O'Toole

### CHIEF DEVELOPMENT

#### OFFICER

Jeff Frye

## Assistant Chiefs

### A SHIFT

Joe Fiorica

### B SHIFT

Chris Greene

### C SHIFT

Charles Jenkins

### EMS

Jon Rudnicki

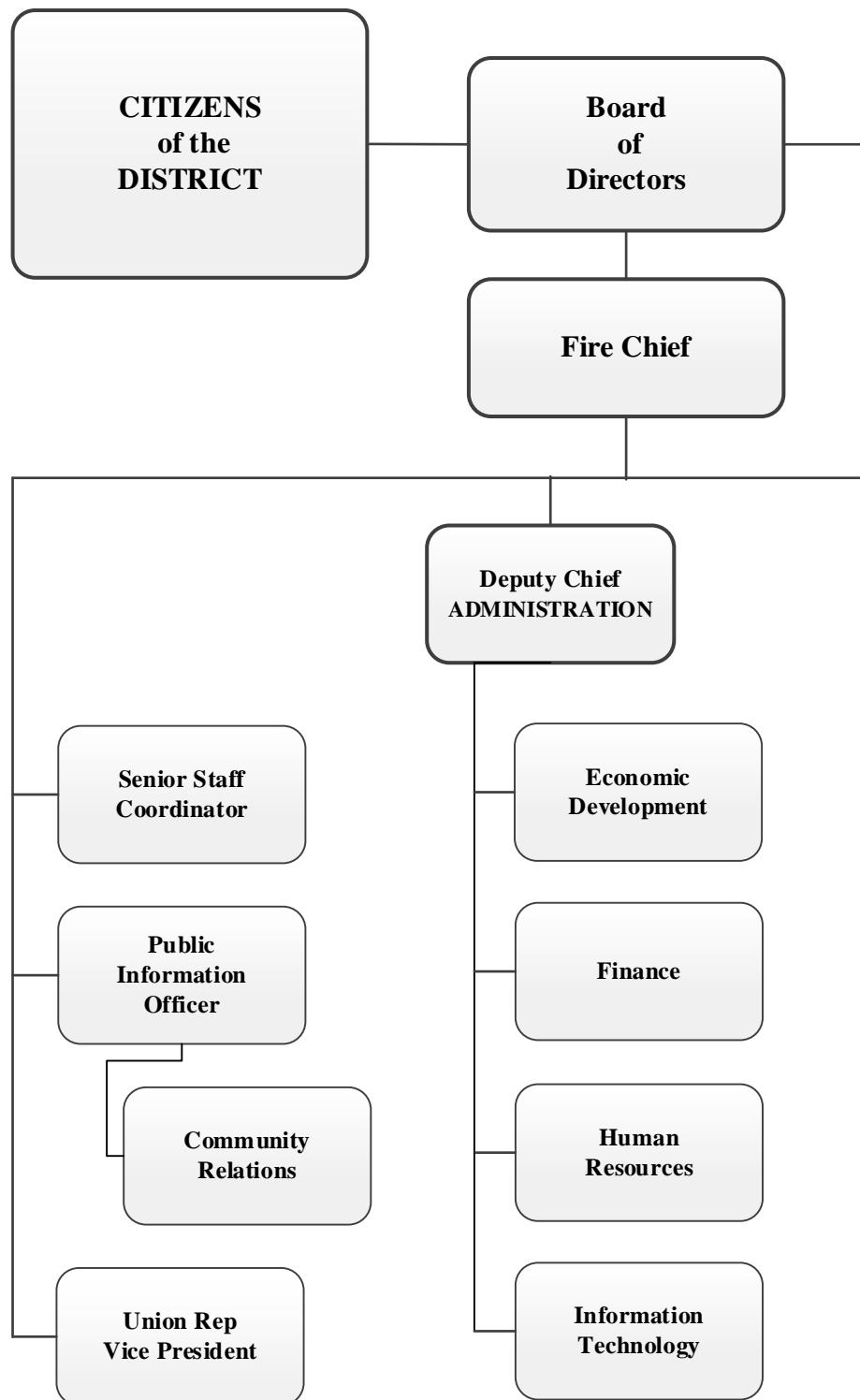
### FIRE MARSHAL

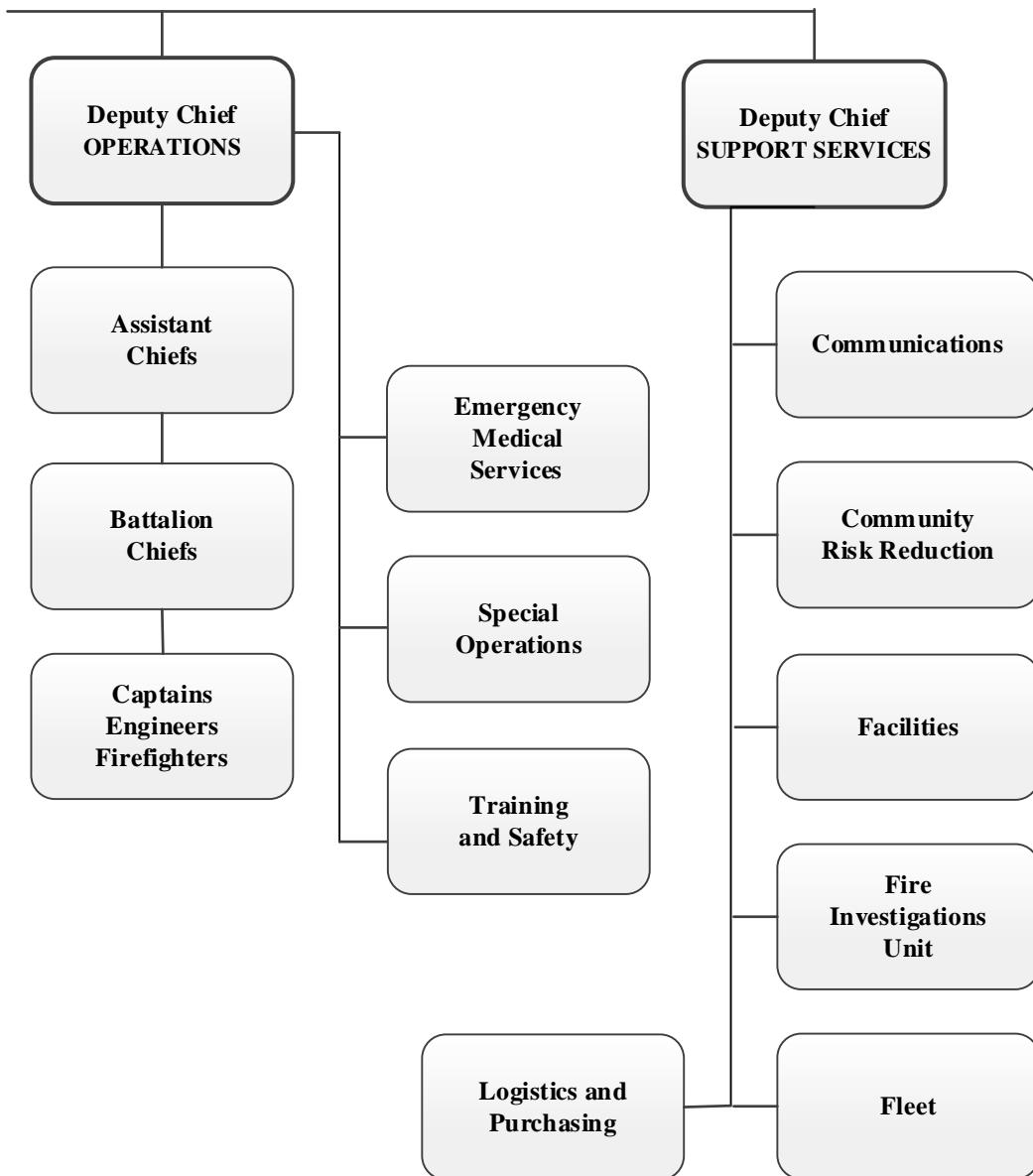
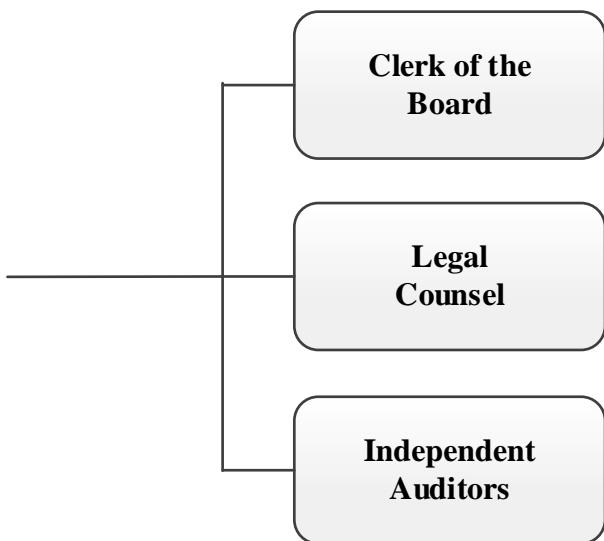
Barbara Law

### TRAINING

Michael Lozano

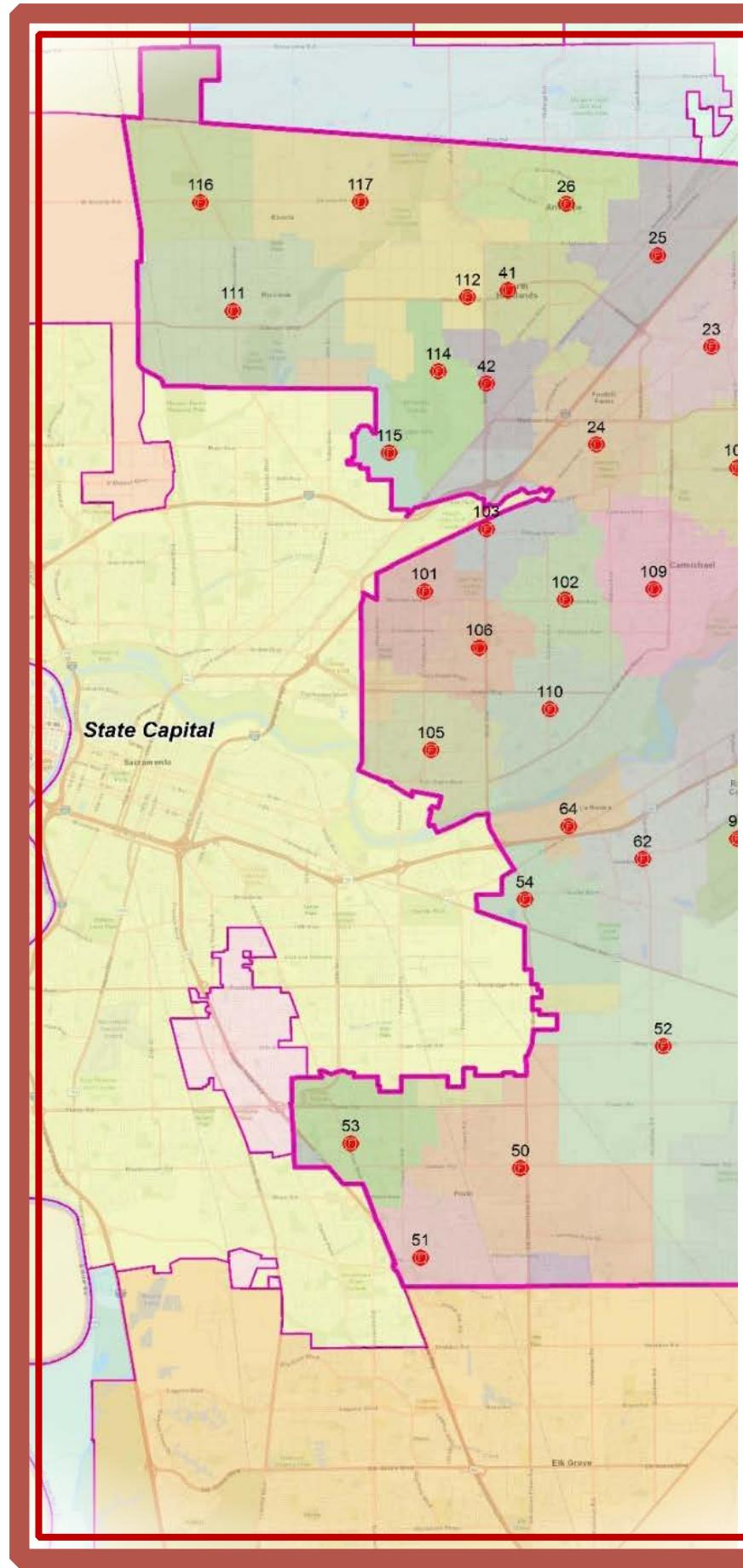
# Organizational Chart

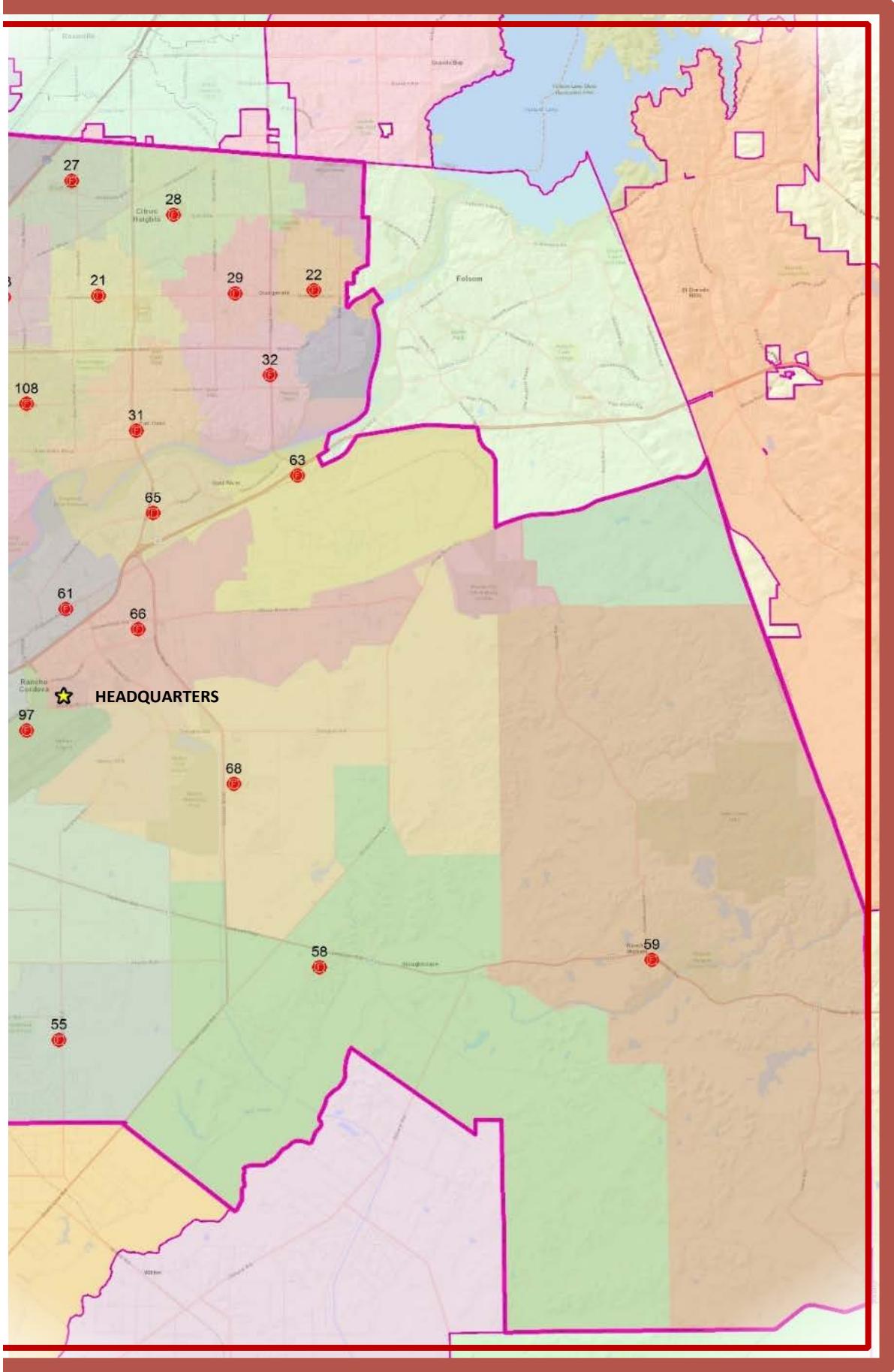




# District Map

## FIRE STATIONS





# Stations and Facilities



## HEADQUARTERS

---

**10545 Armstrong Avenue, Suite #200  
Mather, California 95655**

## HEADQUARTERS DIVISIONS

EMERGENCY  
MEDICAL  
SERVICES

OFFICE OF THE  
FIRE CHIEF  
ADMINISTRATION

FINANCE

HUMAN  
RESOURCES

COMMUNITY  
RISK REDUCTION

OPERATIONS

INFORMATION  
TECHNOLOGY



**COMMUNICATIONS/FACILITIES/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  
North 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 #68**  
12065 Cobble Brook Drive  
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 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, Fair Oaks Fire District and the Citrus Heights Fire Protection District in July of 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.





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# Financial Section

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Sacramento, California 95825  
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FAX: (916) 564-8728

## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Audit of the Financial Statements

#### *Opinions*

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, 2022, and the related notes to the financial statements, which collectively comprise Metro Fire's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Metro Fire, as of June 30, 2022, the respective changes in financial position, and the respective budgetary comparison for the General Fund and Grant Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Metro Fire and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Responsibilities of Management for the Financial Statements*

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

### ***Required Supplementary Information***

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

### ***Supplementary 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 accompanying budgetary comparison schedules for the capital projects fund and nonmajor special revenue fund are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

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

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

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 25, 2023, 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, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Metro Fire's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Metro Fire's internal control over financial reporting and compliance.

*Richardson & Company, LLP*

January 25, 2023



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# **Management's Discussion and Analysis**

## 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 ended June 30, 2022. Readers are encouraged to consider the information presented here in conjunction with additional information furnished in our letter of transmittal, which can be found on pages i-vii of this report.

### **FINANCIAL HIGHLIGHTS**

#### Government-wide:

- During the fiscal year, Metro Fire recognized \$258,375,040 in taxes and other revenues from governmental activities, which was \$33,636,757 less than related expenses. As a result, overall financial position has improved by about \$34 million compared to the prior year.
- Metro Fire's net position as of the end of the fiscal year is a net *deficit* of \$544,402,253, mainly due to unfunded pension and other post-employment benefits obligations. Included in this amounts is net investments in capital assets of \$87,892,983.
- Overall outstanding long-term liabilities decreased by \$147 million during the year. This was mainly the result of decreases in net pension liability which in turn resulted from better-than-expected investment performance of the pension plans.

#### Fund level:

- Metro Fire's governmental funds reported combined fund balances of \$66,871,974, a decrease of \$2,797,644 in comparison with the prior year largely due to higher salaries and benefits in the General Fund and construction activity in the Impact Fee Fund.
- Unassigned fund balance for the General Fund was \$35.6 million or 14.2% of total General Fund expenditures. This amount is available for spending at Metro Fire's discretion.

### **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:

- Government-wide financial statements
- Governmental fund financial statements, including budgetary comparison statements
- Notes to financial statements

### **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

The *government-wide financial statements* comprise the *Statement of Net Position* and the *Statement of Activities* that provide broad financial information and a long-term presentation 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. The government-wide financial statements can be found on pages 20-21 of this report.

The *Statement of Net Position* presents information on all of Metro Fire's assets and deferred outflows, and liabilities and deferred inflows, with the difference between them reported as net position. 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.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The *Statement of Activities* presents information showing how Metro Fire's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Consequently, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

### GOVERNMENTAL FUND FINANCIAL STATEMENTS

A fund is a grouping of related accounts used to maintain control over resources segregated for specific activities or objectives. Metro Fire uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

*Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions.

The governmental fund financial statements comprise the *Balance Sheet* and the *Statement of Revenues, Expenditures, and Changes in Fund Balances* both of which provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*. 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 programs. The governmental fund financial statements can be found on pages 22-27 of this report.

### NOTES TO THE FINANCIAL STATEMENTS

Financial statement notes are an important part of the basic financial statements and provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 28-57 of this report.

In addition to the Basic Financial Statements and accompanying notes, this report also includes supplementary information intended to furnish additional detail to support the basic financial statements. A Statistical Section is also included which provides various financial schedules as well as 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 reported using the accrual basis of accounting.

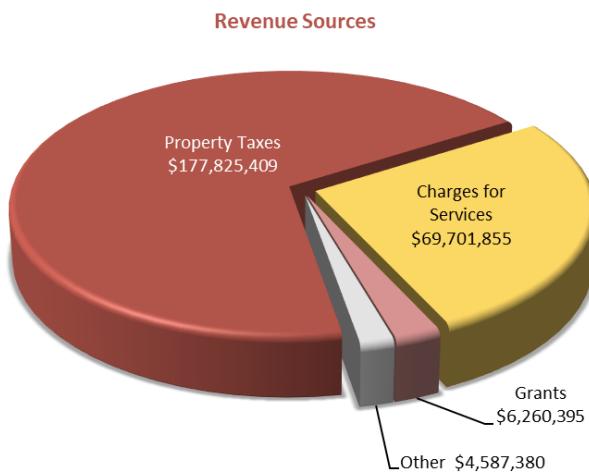
### GENERAL AND PROGRAM REVENUES

The primary source of funding for the services provided by Metro Fire comes from property taxes, which comprised about 69% of total revenues for the year. A summary of revenue sources for the fiscal years ended June 30, 2022 and 2021 is presented on the next page.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

**Table 1**  
**Condensed Schedule of Revenues**  
*(in thousands)*

	2022	2021	\$ Change	% Change
<b>General revenues</b>				
Property taxes	\$ 177,825	\$ 167,482	\$ 10,343	6.2%
Tax-related revenues	4,005	4,345	(340)	(7.8%)
Investment earnings	(907)	(361)	(546)	151.2%
Gain on Sale of Capital Assets	-	8	(8)	(100.0%)
Miscellaneous	1,490	158	1,332	843.0%
Total general revenues	<u>182,413</u>	<u>171,632</u>	<u>10,781</u>	6.3%
<b>Program revenues</b>				
Charges for services	69,702	75,311	(5,609)	(7.4%)
Operating grants and contributions	3,009	148	2,861	1933.1%
Capital grants and contributions	3,251	41	3,210	7829.3%
Total program revenues	<u>75,962</u>	<u>75,500</u>	<u>462</u>	0.6%
<b>Total revenues</b>	<u><u>\$ 258,375</u></u>	<u><u>\$ 247,132</u></u>	<u><u>\$ 11,243</u></u>	4.5%

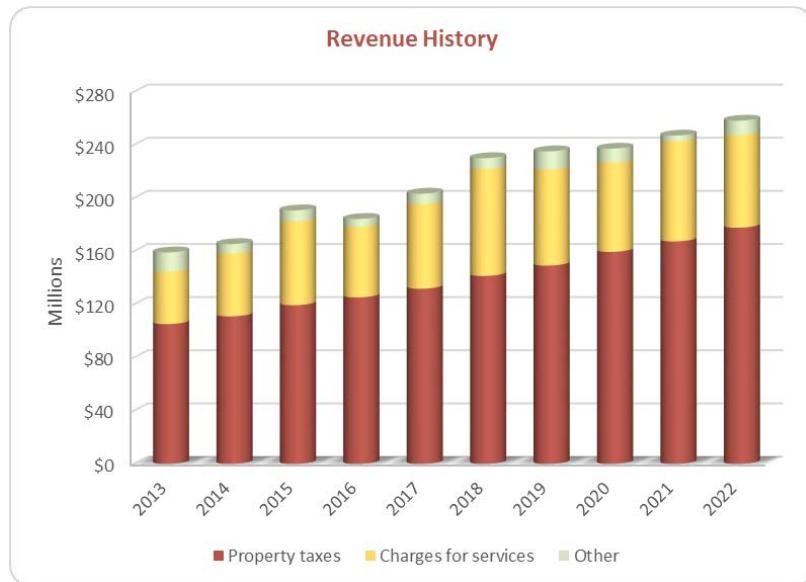


### General Revenues

Metro Fire monitors property valuation trends closely using a property tax consultant to identify revenues and develop forecasts. In fiscal year 2008/09, assessed property values in Metro Fire's service area reached \$57.8 billion, however, in the recession that followed, assessed property values within Metro Fire's boundaries steadily declined to \$49.5 billion in 2012/13; a reduction of \$8.3 billion, or 14%. Since then, Metro Fire experienced 9 straight years of growth in assessed property values, increasing by \$3.6 billion in the most recent fiscal year to a total of \$77.7 billion resulting to an increase in property tax revenue in 2021/22 of \$10.3 million.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

While Metro Fire expects to see modest growth in future property taxes, it continues to find ways to diversify its revenue base. The chart below presents Metro Fire's revenue history for the past 10 fiscal years.



As reflected in the chart, non-property tax related revenue grew at a steady pace to \$80.5 million in 2021/22. The introduction of the Single-Role Paramedic Program (SRPP), supplemental medical transport cost reimbursements (GEMT and IGT) as discussed below, and other changes relative to delivery of emergency medical transport services have resulted in a substantial increase in cost recovery for emergency medical services. As a result of the efforts mentioned above, charges for services now comprise 27% of total revenues.

### Program Revenues

Charges for services in the current year amounted to \$69.7 million, a decrease of \$5.6 million over the prior year. The decrease is mainly attributable to the following items:

- For the past eight fiscal years, Metro Fire was able to receive additional federal funds for the rest of its Medi-Cal patients consisting of managed care beneficiaries through a mechanism called Intergovernmental Transfer (IGT). The IGT program provided gross reimbursement of about \$7.9 million before related fees, or \$4.8 million net of related fees. Due to program changes resulting in a partial deferral of payments to the next year, gross revenues were \$7.5 million lower than the prior year.
- Starting in 2013/14, Metro Fire participated in the Ground Emergency Medical Transport (GEMT) Program that allows qualified public entities to collect federal matching funds for services provided to Medi-Cal Fee for Service beneficiaries. This program accounts for approximately 6% of the medical patients seen by Metro Fire. The GEMT cost reimbursement program was suspended in FY 2018-19 until the State of California received federal approval of program changes. The program resumed accepting cost reimbursement requests in June 2022, which resulted in \$2.5 million in additional revenues.
- Metro Fire continues to participate in the GEMT Quality Assurance Fee (GEMT QAF) program implemented by the State in FY 2018/19. Under this program, Metro Fire received an additional \$220.80 per Medi-Cal transport and paid a QAF rate of \$33.42 for every ambulance transport.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

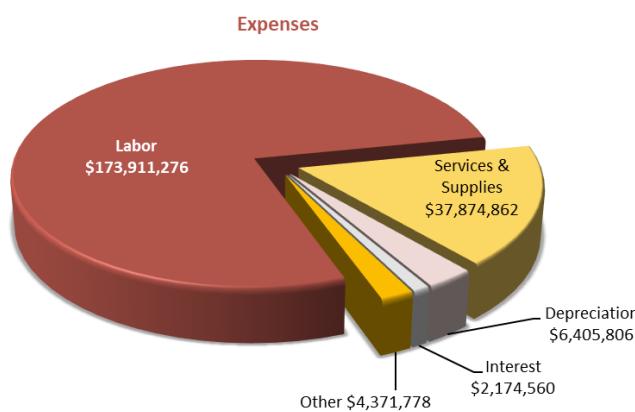
Metro Fire was awarded several grants during the fiscal year resulting in a \$6 million increase in revenues. The federal government awarded to Metro Fire a capital grant of \$3 million from the Assistance to Firefighters Grant (AFG) which funded the replacement all of Metro Fire's defibrillators. In addition, an \$11 million operating grant was also awarded by the federal government from its Staffing for Adequate Fire and Emergency Response (SAFER) Grant, which funded 21 firefighters over a three-year period, with \$1 million recognized in the current fiscal year. Finally, Metro Fire received \$944,000 in COVID-related grants.

### EXPENSES

As a public safety provider, the majority of Metro Fire's operating expense relates to labor costs, which comprise about 77% of total expenses. A summary of Metro Fire's expenses is presented below:

**Table 2**  
**Condensed Schedule of Expenses**  
*(in thousands)*

	2022	2021	\$ Change	% Change
<b>Public protection</b>				
Salaries and benefits	\$ 173,911	\$ 206,496	\$ (32,585)	(16%)
Services and supplies	37,875	34,936	2,939	8%
Other	4,291	4,026	265	7%
<b>Subtotal</b>	<b>216,077</b>	<b>245,458</b>	<b>(29,381)</b>	<b>(12%)</b>
<b>Interest</b>	2,174	2,418	(244)	(10%)
<b>Loss on disposal of capital assets</b>	81	-	81	-
<b>Depreciation</b>	6,406	6,418	(12)	(0%)
<b>TOTAL EXPENSES</b>	<b>\$ 224,738</b>	<b>\$ 254,294</b>	<b>\$ (29,556)</b>	<b>(12%)</b>



Public protection expenses for the year were \$216 million, or 12% lower than the prior year. The majority of the expenses relates to salaries and benefits which decreased by about 16%, primarily due to the decrease in net pension liability and the related deferred outflows and inflows. The pension expense used for financial reporting is usually larger than the required employer contributions and will likely be more volatile from year-to-year as both favorable and unfavorable results flow through the statements on an accelerated basis. One of the biggest contributors to the lower net pension liability was the better-than-expected investment performance of pension plan assets compared to the prior year.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### ANALYSIS OF NET POSITION

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

**Table 3**  
**Condensed Schedule of Net Position**

	(in thousands)			
	2022	2021	\$ Change	% Change
<b>Assets:</b>				
Cash and investments	\$ 59,185	\$ 62,782	\$ (3,597)	(6%)
Current and other assets	31,878	26,611	5,267	20%
Capital assets	<u>103,362</u>	<u>101,312</u>	2,050	2%
Total Assets	<u>194,425</u>	<u>190,705</u>	3,720	2%
<b>Deferred outflows of resources</b>	<u>128,970</u>	<u>125,736</u>	3,234	3%
<b>Liabilities:</b>				
Current and other liabilities	11,554	11,288	266	2%
Long-Term liabilities	<u>658,165</u>	<u>805,573</u>	(147,408)	(18%)
Total Liabilities	<u>669,719</u>	<u>816,861</u>	(147,142)	(18%)
<b>Deferred inflows of resources</b>	<u>198,078</u>	<u>77,619</u>	120,459	155%
<b>Net position:</b>				
Net investment in capital assets	87,893	81,259	6,634	8%
Restricted	8,491	7,333	1,158	16%
Unrestricted	<u>(640,786)</u>	<u>(666,631)</u>	25,845	4%
<b>Total net position</b>	<u>\$ (544,402)</u>	<u>\$ (578,039)</u>	<u>\$ 33,637</u>	6%

**Table 4**  
**Schedule of Changes in Net Position**

	(in thousands)			
	2022	2021	\$ Change	% Change
Total revenues	\$ 258,375	\$ 247,132	\$ 11,243	5%
Total expenses	<u>(224,738)</u>	<u>(254,294)</u>	29,556	12%
Excess (Deficiency)	<u>33,637</u>	<u>(7,162)</u>	40,799	570%
Beginning net position	<u>(578,039)</u>	<u>(570,877)</u>	(7,162)	(1%)
Ending net position	<u>\$ (544,402)</u>	<u>\$ (578,039)</u>	<u>\$ 33,637</u>	6%

Metro Fire's net position improved by \$33.6 million during the year. Metro Fire's net position is highly dependent on recognition of pension and Other Post-Employment Benefit (OPEB) liabilities.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Net Investment in Capital Assets

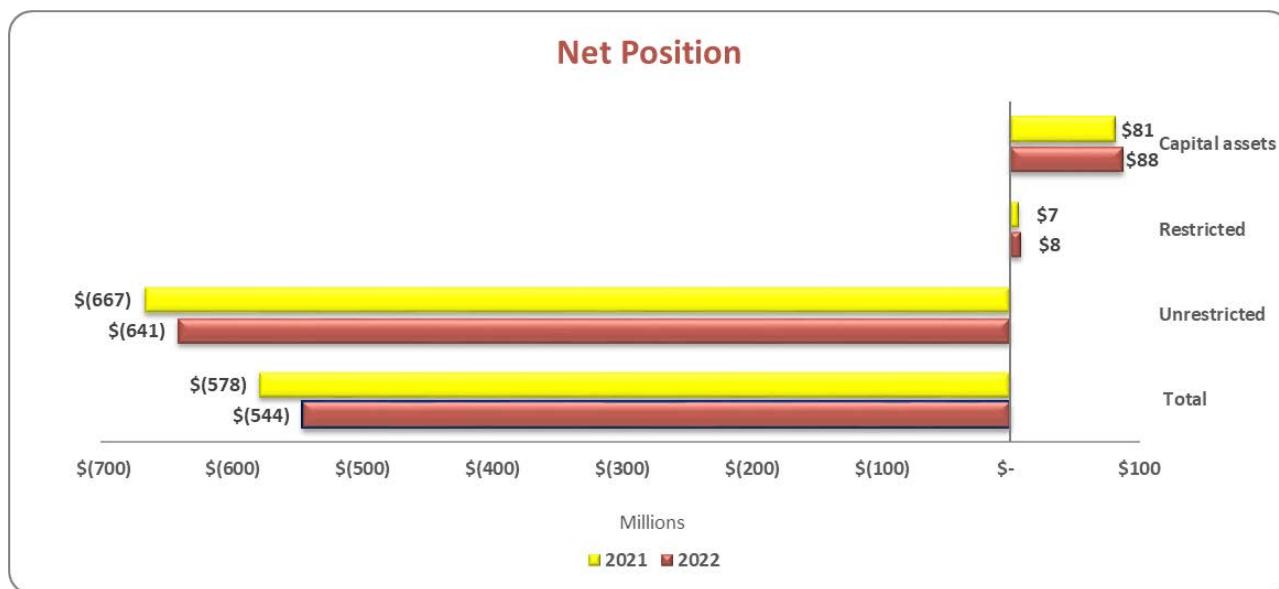
Metro Fire uses capital assets to deliver firefighting and medical services to the citizens and as such these are not available for future spending. Metro Fire's investment in capital assets of \$88 million is shown net of related debt of \$15 million. This represents an increase of \$6.6 million from the prior year, mainly due to the construction of a new fire station and the purchase of equipment. Although reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources since the capital assets themselves cannot be used to repay this debt.

### Restricted Net Position

Restricted net position of \$8.5 million represents resources that are subject to external restrictions on their use. These resources can be used mainly for capital acquisition and grant-approved expenditures.

### Unrestricted Net Position

Unrestricted net position, which can be used to finance day-to-day operations without constraints, is a negative \$641 million, an increase of \$26 million from the prior year. This increase is mainly caused by the favorable effect of the decrease in net pension liability. Metro Fire's net position for the past ten years is shown on page 76.



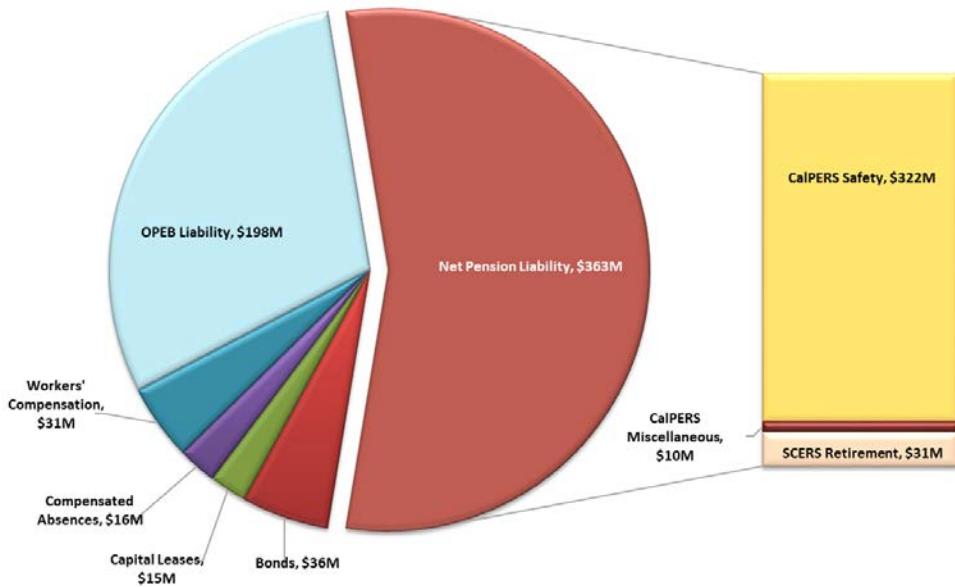
### **ASSETS AND LIABILITIES**

As shown in Table 3, Cash and Investments decreased by \$3.6 million while Other Current Assets increased by \$5.3 million largely due to the timing receipts and disbursements. In the current fiscal year, Metro Fire's total assets increased by only about 2%.

Total liabilities decreased by \$147 million, mainly due to decreases in long-term liabilities. These liabilities include capital leases, bonds, compensated absences, workers' compensation liability, net OPEB liability, and net pension liability.

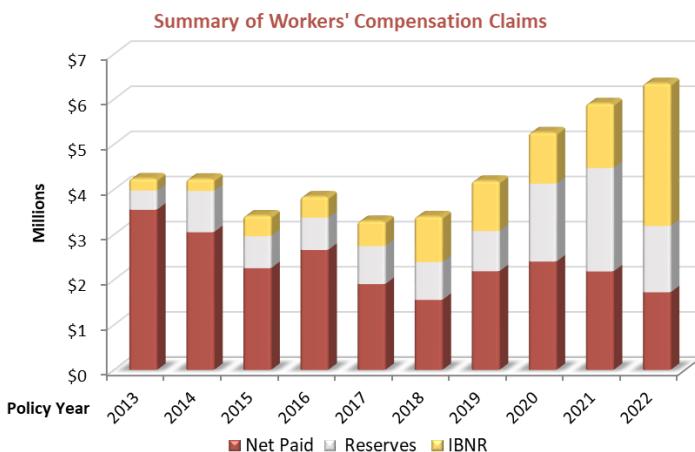
## MANAGEMENT'S DISCUSSION AND ANALYSIS

Below is a breakdown of Metro Fire's liabilities:



Unfunded liabilities from pension and OPEB account for 85% of Metro Fire's total liabilities. Net pension liability decreased by \$145 million mainly due to investment gains.

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 at year end was \$30.8 million which increased by \$3.2 million from the prior year. Below is a chart depicting Metro Fire's claim losses by policy year for the last ten years, which also reflects how much remains outstanding for each year (i.e., reserves and Incurred but not reported [IBNR]).



Metro Fire's personnel continued to work during the COVID-19 pandemic, resulting in additional exposure that is expected to increase ultimate losses from worker's compensation claims.

Capital leases and bonds are discussed in Note 5.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### DEFERRED OUTFLOWS & INFLOWS OF RESOURCES

Deferred outflows are not available to pay liabilities in the way assets are available. In the same vein, deferred inflows of resources are not technically liabilities. When all the recognition criteria are met, the deferred outflow of resources will become an expense while the deferred inflow of resources will become revenues. These deferrals relate to the implementation of the accounting standards on pension and OPEB liability reporting. The majority of the deferred outflows reported resulted from current year pension and OPEB contributions. Deferred inflows arose from changes in assumptions, actual investment gains in excess of the amount assumed, and other deferred items.

### GOVERNMENTAL FUND BALANCE AND BUDGETARY HIGHLIGHTS

This analysis focuses on fund balances and changes in fund balance presented in the Governmental Funds Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances reported using the modified accrual basis.

#### GENERAL FUND

The General Fund is the 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 (\$178 million), which accounts for 71% of Metro Fire's operating revenues. Charges for ambulance transport services, deployments, and other services (\$65 million) account for 25% of operating revenues.

General Fund revenues increased by \$4.3 million or 2% when compared to the prior year. Property taxes increased by \$10 million as result of higher assessed property values. Partially offsetting this increase is a decrease in charges for services by \$7.2 million, due mainly to a decrease in IGT revenues as previously discussed.

General Fund expenditures increased by \$15.3 million or 6.5% compared to the prior year. About \$12.4 million of this increase is from labor as a result of a combination of wage growth and increases in required pension and other postemployment benefits (OPEB) contributions.

#### 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 significant changes to the budget are anticipated. For budgeting purposes, Metro Fire accounts for the activities of its leased properties and IGT separately from its other general fund activities. For purposes of this report, those activities have been combined.

The combined General Fund final adopted budget for fiscal year 2021/22 forecasted a \$12.5 million deficit as a result of anticipated increases in salaries and benefits. Actual results show a lesser deficit of \$6.3 million. Comparisons of Metro Fire's original and final budget as well as the actual governmental fund results for the General Fund and other funds appears on pages 26, 27, and 70 to 73 of this report.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Below is a summary of final budget and actual results for the General Fund as of the fiscal year end:

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

	2021-22 Final Budget	2021-22 Actual	Variance
Total Revenues	\$ 249,520	\$ 249,648	\$ 128
Total Expenditures	(257,176)	(251,079)	6,097
Financing Sources (Uses)	<u>(4,852)</u>	<u>(4,912)</u>	<u>(60)</u>
Net Change in Fund Balance	<u>\$ (12,508)</u>	<u>\$ (6,343)</u>	<u>\$ 6,165</u>

Actual expenditures were \$6.1 million lower than budget due to the following:

- \$2.4 million was set aside in anticipation of pension bond retirements. This amount was treated as a budgeted expenditure resulting in a transfer of unassigned fund balance to committed fund balance. In the fund financial statements, it is treated as a transfer from cash to investments, rather than an expenditure.
- The rest of the budget savings resulted from lower-than-expected overtime and reduced services and supplies spending.

The final budget appropriation was significantly lower than the original budget to reflect changes in the timing of IGT and GEMT revenues, which were deferred to the subsequent fiscal year.

### OTHER GOVERNMENTAL FUNDS

The Capital Facilities Fund is used to account for capital lease proceeds and general operating transfers to fund capital purchases. The final budget projected a deficit of \$3.2 million while actual results ended with a more favorable \$5.5 million surplus due mainly to the deferral of certain capital outlays into the next fiscal year as a result of supply chain constraints.

The Impact Fee Fund accounts for the proceeds from development impact fees. The final budget projected a deficit of \$4 million, however the actual deficit was \$2.4 million, mainly due to higher than anticipated development fees as a result of increased residential construction in the County. The fund balance is restricted for use on capital outlay relating to construction of future fire stations and acquisition of apparatus to serve new developments.

The Grant Fund is used to account for various types of grants awarded to Metro Fire. Metro Fire's grant activity increased relative to the prior year due to several grants awarded during the year as discussed previously. Remaining fund balances can only be used for purposes authorized in the grant awards.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### CAPITAL ASSET AND DEBT ADMINISTRATION

#### CAPITAL ASSETS

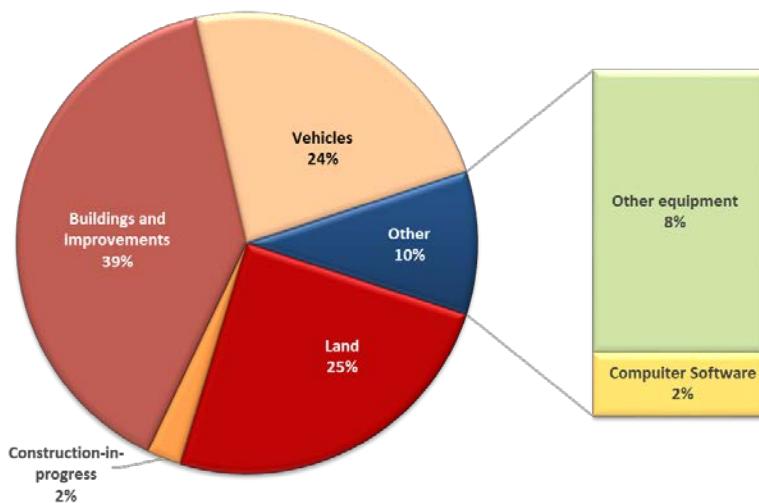
Metro Fire owns 42 fire stations, 41 of which are currently providing fire suppression/EMS responses. Metro Fire also owns its headquarters building, a logistics warehouse building, a training facility, a fleet maintenance building, a radio shop building, and two surplus office buildings. Resources include hundreds of vehicles and equipment consisting of fire engines, fire trucks, ambulances, a hazardous materials unit, heavy rescue units, two firefighting rescue helicopters, two bulldozers, rescue boats, a decontamination unit, and multiple support staff vehicles.

**Capital Assets at Year-End**

**Net of Depreciation**

*(in thousands)*

	<b>2022</b>	<b>2021</b>	<b>\$ Change</b>	<b>% Change</b>
Land	\$ 25,492	\$ 25,507	\$ (15)	(0%)
Construction-in-progress	2,491	5,915	(3,424)	(58%)
Buildings and improvements	40,568	33,443	7,125	21%
Equipment	32,925	34,247	(1,322)	(4%)
Intangibles	1,886	2,200	(314)	(14%)
<b>Totals</b>	<b>\$ 103,362</b>	<b>\$ 101,312</b>	<b>\$ 2,050</b>	<b>2%</b>



Funding for infrastructure has historically come from development fees and property tax revenue. Since the recession, infrastructure and fire service apparatus needs have been funded through a combination of lease revenue bond issues and capital lease financing.

At the end of the current fiscal year, Metro Fire had over \$103 million invested in a broad range of capital assets, including buildings, fire stations, and various pieces of equipment. During the current year, Metro Fire invested about \$8.8 million in capital assets in accordance with its capital replacement plan and for the construction of a new fire station. This increase was offset mainly by depreciation of \$6.4 million. Additional detail regarding capital assets can be found in Note 3 of the financial statements.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### DEBT ADMINISTRATION

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

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

	2022	2021	\$ Change	% Change
Pension bonds payable	\$ 27,530	\$ 30,410	\$ (2,880)	(9%)
Lease revenue bonds payable	8,030	8,433	(403)	(5%)
Capital leases	15,120	13,287	1,833	14%
<b>Totals</b>	<b>\$ 50,680</b>	<b>\$ 52,130</b>	<b>\$ (1,450)</b>	<b>(3%)</b>

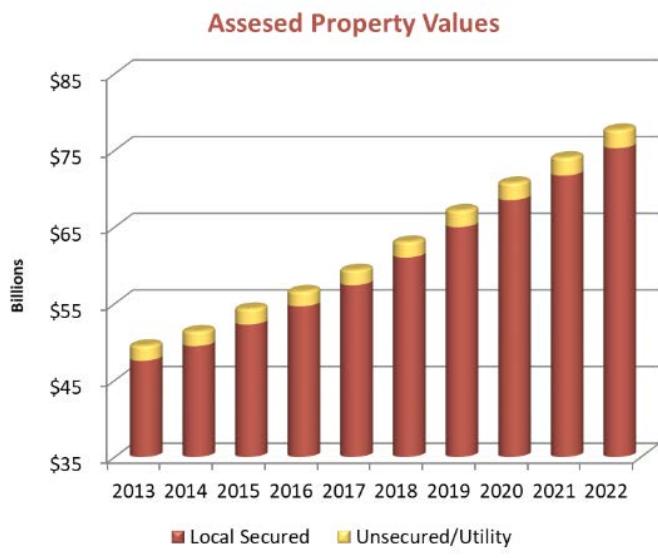
Metro Fire's budget includes bi-annual principal and interest payments. In addition, Metro Fire has a policy that requires setting aside of an annual deposit payment for the eventual extinguishment of the Pension Bond Series B in 2025. In conjunction with the pension bond debt, S&P Global Ratings rated Metro Fire's credit with a rating of AA and AA-, respectively. This rating means that Metro Fire's capacity to meet its financial commitments on its debt is very strong. Additional detail regarding long-term debt is located in Note 5 of the financial statements.

During the year, Metro Fire issued 2022 Refunding Lease Revenue Bonds Payable with a par value of \$8,030,000. The proceeds were used for the early retirement of the 2011 Lease Revenue Bonds which had a higher interest rate. See Note 1-E.6 and Note 5-B for more information.

### ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Since the recession, Board of Directors, management and employees have worked closely together to address immediate and long-term fiscal challenges while preserving service levels. While fiscal challenges remain, steps have been taken that place Metro Fire on a more predictable and fiscally sustainable path moving forward. As discussed previously, Metro Fire utilizes long-term financial planning tools to help identify fiscal challenges and guide current decision making. These financial 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 financial sustainability.

The chart to the right provides a history of the assessed value of properties within Metro Fire's jurisdiction in the last 10 fiscal years. Property values have now increased for 9 consecutive years and are projected to grow by 7.8% next fiscal year. The assessed value increase between 2021/22 and 2022/23 is estimated at \$6 billion, with the largest share of that amount (approximately \$3.5 billion) resulting from increases in assessed value due to transfers of ownership.



## MANAGEMENT'S DISCUSSION AND ANALYSIS

The final budget for FY 2022/23 projects a General Fund overall planned surplus (including leased property and IGT activities) of \$4.5 million in order to increase the General Fund reserve balance. While residential property values within Metro Fire have actually improved since the pandemic began, long term property value trends, unemployment, and increasing inflation remain an uncertain threat to District finances.

The final budget provides increased ongoing spending requirements resulting from labor cost escalation, including salary increases and an increase in required pension contributions, and additional debt service payments resulting from substantial capital replacement and other financed equipment purchases.

The final budget for 2022/23 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 by funding the OPEB funding policy contribution as well as maintaining the funding plan for the outstanding pension obligation bonds.

Management regularly reviews financial projections and makes adjustments based on recent trends in real property value, capital needs and financing costs, 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, Dave O'Toole, at [O'Toole.Dave@metrofire.ca.gov](mailto:O'Toole.Dave@metrofire.ca.gov) or call 916-859-4520. More information on Metro Fire's operations can also be found at [www.metrofire.ca.gov](http://www.metrofire.ca.gov).

# **Basic Financial Statements**

**Sacramento Metropolitan Fire District**  
**Statement of Net Position**  
**June 30, 2022**

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**ASSETS**

Cash and investments	\$ 50,452,922
Receivables, net of allowance for uncollectibles:	
Medic fees receivable	9,617,066
Leases receivable	3,208,098
Taxes receivable	1,400,000
Other receivables	1,395,716
Due from other governments	8,225,917
Inventory	3,471,468
Prepaid expenses and other assets	4,559,847
Restricted cash and investments	8,731,836
Capital assets:	
Not being depreciated	27,982,632
Being depreciated/amortized, net	<u>75,379,594</u>
Total Assets	<u>194,425,096</u>

**DEFERRED OUTFLOWS OF RESOURCES**

Deferred outflows related to pension	84,330,823
Deferred outflows related to OPEB	<u>44,639,460</u>
Total Deferred Outflows of Resources	<u>128,970,283</u>

**LIABILITIES**

Accounts payable and accrued expenses	5,853,932
Salaries and benefits payable	4,737,039
Unearned revenue	682,329
Accrued interest payable	280,757
Long-term liabilities:	
Due within one year - others	16,045,858
Due in more than one year - OPEB liability	197,549,245
Due in more than one year - net pension liability	363,264,160
Due in more than one year - others	<u>81,305,866</u>
Total Liabilities	<u>669,719,186</u>

**DEFERRED INFLOWS OF RESOURCES**

Deferred inflows related to pension	121,101,767
Deferred inflows related to OPEB	73,870,335
Deferred inflows related to leases	<u>3,106,344</u>
Total Deferred Inflows of Resources	<u>198,078,446</u>

**NET POSITION**

Net investment in capital assets	87,892,983
Restricted for:	
Capital acquisition	8,415,587
Grants	74,957
Unrestricted	<u>(640,785,780)</u>
Total Net Position	<u>\$ (544,402,253)</u>

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

**Sacramento Metropolitan Fire District**  
**Statement of Activities**  
**For the Fiscal Year Ended June 30, 2022**

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**EXPENSES**

Public protection

Salaries, benefits, services and supplies	\$ 216,077,165
Interest and financing costs	2,174,560
Depreciation/amortization	6,405,806
Loss on disposal of capital assets	80,751
<b>Total Expenses</b>	<b><u>224,738,282</u></b>

**PROGRAM REVENUES**

Charges for services

Emergency medical services	54,617,957
Reimbursements from other agencies	2,370,461
Development fees and other charges	12,713,437
Operating grants and contributions	3,009,129
Capital grants and contributions	3,251,266
<b>Total Program Revenues</b>	<b><u>75,962,250</u></b>

Net Program Expense

**(148,776,032)**

**GENERAL REVENUES**

Property taxes	177,825,409
Tax-related revenues	4,004,738
Unrestricted investment earnings	(907,155)
Miscellaneous	1,489,797
<b>Total General Revenues</b>	<b><u>182,412,789</u></b>

Change in Net Position

33,636,757

Net position, Beginning of Year

**(578,039,010)**

Net Position, End of Year

**\$ (544,402,253)**

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

**Sacramento Metropolitan Fire District**  
**Governmental Funds Balance Sheet**  
**June 30, 2022**

	General Fund	Grant Fund	Capital Facilities Fund	Nonmajor Impact Fee Fund	Total Governmental Funds
<b>ASSETS</b>					
Cash and investments	\$ 49,302,739	\$ -	\$ 1,150,183	\$ -	\$ 50,452,922
Receivables, net of allowance for uncollectibles:					
Medic fees receivable	9,617,066	-	-	-	9,617,066
Leases receivable	3,208,098	-	-	-	3,208,098
Taxes receivable	1,400,000	-	-	-	1,400,000
Other receivables	1,366,806	3,108	6,885	18,917	1,395,716
Due from other governments	3,958,675	4,267,242	-	-	8,225,917
Due from other funds	3,096,782	-	1,003,857	-	4,100,639
Inventory	3,471,468	-	-	-	3,471,468
Prepaid costs and other assets	381,935	586,462	3,591,450	-	4,559,847
Restricted cash and investments	-	88,578	4,310,848	4,332,410	8,731,836
<b>Total Assets</b>	<b>\$ 75,803,569</b>	<b>\$ 4,945,390</b>	<b>\$ 10,063,223</b>	<b>\$ 4,351,327</b>	<b>\$ 95,163,509</b>
<b>LIABILITIES</b>					
Accounts payable and accrued expenditures	\$ 5,371,893	\$ 468,261	\$ 148,296	\$ 176,186	\$ 6,164,636
Salaries and benefits payable	4,737,039	-	-	-	4,737,039
Due to other funds	962,432	3,133,381	-	4,826	4,100,639
Unearned revenue	-	682,329	-	-	682,329
<b>Total Liabilities</b>	<b>11,071,364</b>	<b>4,283,971</b>	<b>148,296</b>	<b>181,012</b>	<b>15,684,643</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue	9,250,448	250,100	-	-	9,500,548
Deferred inflows related to leases	3,106,344	-	-	-	3,106,344
<b>Total Deferred Inflows of Resources</b>	<b>12,356,792</b>	<b>250,100</b>	<b>-</b>	<b>-</b>	<b>12,606,892</b>
<b>FUND BALANCES</b>					
Nonspendable	3,853,903	586,462	3,591,450	-	8,031,815
Restricted	-	-	4,114,193	4,170,315	8,284,508
Committed	12,948,903	-	2,209,284	-	15,158,187
Unassigned	35,572,607	(175,143)	-	-	35,397,464
<b>Total Fund Balances</b>	<b>52,375,413</b>	<b>411,319</b>	<b>9,914,927</b>	<b>4,170,315</b>	<b>66,871,974</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 75,803,569</b>	<b>\$ 4,945,390</b>	<b>\$ 10,063,223</b>	<b>\$ 4,351,327</b>	<b>\$ 95,163,509</b>

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, 2022**

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Total fund balances reported on the governmental funds balance sheet	\$ 66,871,974
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**Capital Assets**

Cost of capital assets used in governmental activities are reported as expenditures in governmental funds. However, the statement of net position includes these as capital assets.

	103,362,226
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**Deferred Outflows of Resources**

Deferred outflows applicable to future periods and, therefore, are not reported in the governmental funds, related to the following:

Pensions	84,330,823
Other Postemployment Benefits	44,639,460

**Long-term Liabilities**

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.

Accrued interest payable on long-term debt	(280,757)
Bonds payable	(35,560,000)
Capital lease obligations	(15,119,500)
Compensated absences	(15,845,556)
Workers' compensation liability	(30,515,964)
Liability for other post-employment benefits	(197,549,245)
Net pension liability	(363,264,160)

**Deferred Inflows of Resources**

Certain receivables are not available to pay current period expenditures and therefore are unavailable in the governmental funds.

	9,500,548
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Deferred inflows applicable to future periods and, therefore, are not reported in the funds, related to the following:

Pensions	(121,101,767)
Other Postemployment Benefits	<u>(73,870,335)</u>

Net Position of Governmental Activities	<u>\$ (544,402,253)</u>
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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 Fiscal Year Ended June 30, 2022**

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	General Fund	Grant Fund	Capital Facilities Fund	Nonmajor Impact Fee Fund	Total Governmental Funds
<b>REVENUES</b>					
Property taxes	\$ 177,925,409	\$ -	\$ -	\$ -	\$ 177,925,409
Charges for services	64,986,101	-	-	-	64,986,101
Intergovernmental	4,949,218	4,672,402	-	-	9,621,620
Development fees	-	-	-	2,635,223	2,635,223
Use of money and property	249,892	405	(21,565)	(39,692)	189,040
Miscellaneous	1,538,614	456,075	-	-	1,994,689
<b>Total Revenues</b>	<b>249,649,234</b>	<b>5,128,882</b>	<b>(21,565)</b>	<b>2,595,531</b>	<b>257,352,082</b>
<b>EXPENDITURES</b>					
Current:					
Public protection	245,963,507	1,796,964	103,949	108,488	247,972,908
Capital outlay	-	3,251,267	719,097	4,854,284	8,824,648
Debt service:					
Principal	3,115,272	-	4,833,136	-	7,948,408
Interest and financing costs	2,000,654	-	247,584	-	2,248,238
<b>Total Expenditures</b>	<b>251,079,433</b>	<b>5,048,231</b>	<b>5,903,766</b>	<b>4,962,772</b>	<b>266,994,202</b>
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	(1,430,199)	80,651	(5,925,331)	(2,367,241)	(9,642,120)
<b>OTHER FINANCING SOURCES (USES):</b>					
Issuance of finance leases	-	-	6,641,303	-	6,641,303
Issuance of refunding bonds	-	-	8,030,000	-	8,030,000
Sale of capital assets	-	-	288,173	-	288,173
Payment to refunded bond escrow agent	-	-	(8,115,000)	-	(8,115,000)
Transfers in	441,522	357,699	4,996,137	-	5,795,358
Transfers out	(5,353,836)	(20,043)	(421,479)	-	(5,795,358)
Total Other Financing Sources (Uses)	(4,912,314)	337,656	11,419,134	-	6,844,476
Net Change in Fund Balances	(6,342,513)	418,307	5,493,803	(2,367,241)	(2,797,644)
Fund Balance, Beginning of Year	58,717,926	(6,988)	4,421,124	6,537,556	69,669,618
Fund Balance, End of Year	<b>\$ 52,375,413</b>	<b>\$ 411,319</b>	<b>\$ 9,914,927</b>	<b>\$ 4,170,315</b>	<b>\$ 66,871,974</b>

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

**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 Fiscal Year Ended June 30, 2022**

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Net Change in Fund Balance - Total Governmental Funds	\$ (2,797,644)
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**Capital Asset Transactions**

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	8,824,648
Depreciation expense	(6,405,806)

Governmental funds report proceeds from disposal of capital assets as revenues. However, in the government-wide statement of activities only the gain or (loss) on the sale of capital assets is reported. This is the difference between the gain or (loss) and proceeds.

(368,924)

**Long-Term Debt**

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities and has no effect on net position.	(14,671,303)
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Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities and has no effect on net position.	16,063,408
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Other bond related items that do not require the use of current financial resources but affects net position.	
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Amortization of bond premiums and discounts	57,932
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**Measurement Focus**

The amounts below included in the Statement of Activities do not provide (or require) the use of current financial resources and therefore are not reported as revenue or expenditures in governmental funds (net change):

Change in accrued interest payable	15,745
Change in compensated absences	(686,294)
Change in workers' compensation	(3,118,560)
Change in net pension liability	145,364,444
Change in net deferrals relating to pension	(125,933,000)
Change in OPEB liability	4,455,150
Change in net deferrals relating to OPEB	11,814,003

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.

1,022,958

Change in Net Position of Governmental Activities	<u>\$ 33,636,757</u>
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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 Fiscal Year Ended June 30, 2022**

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	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Property taxes	\$ 173,504,000	\$ 175,646,167	\$177,925,409	\$ 2,279,242
Charges for services	82,582,946	65,139,101	64,986,101	(153,000)
Intergovernmental	4,155,000	5,886,480	4,949,218	(937,262)
Use of money and property	1,151,596	1,151,928	249,892	(902,036)
Miscellaneous	1,675,160	1,696,188	1,538,614	(157,574)
<b>Total Revenues</b>	<b>263,068,702</b>	<b>249,519,864</b>	<b>249,649,234</b>	<b>129,370</b>
<b>EXPENDITURES</b>				
Current:				
Public protection				
Salaries and benefits	197,073,680	206,197,540	204,402,784	1,794,756
Services and supplies	42,843,890	39,132,972	37,269,696	1,863,276
Other	4,051,382	4,288,353	4,291,027	(2,674)
Debt service:				
Principal	5,553,362	5,553,362	3,115,272	2,438,090
Interest and financing costs	2,003,326	2,003,326	2,000,654	2,672
<b>Total Expenditures</b>	<b>251,525,640</b>	<b>257,175,553</b>	<b>251,079,433</b>	<b>6,096,120</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>11,543,062</b>	<b>(7,655,689)</b>	<b>(1,430,199)</b>	<b>6,225,490</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	501,614	441,522	(60,092)
Transfers out	(6,044,929)	(5,353,836)	(5,353,836)	-
<b>Net Change in Fund Balance</b>	<b>\$ 5,498,133</b>	<b>\$ (12,507,911)</b>	<b>\$ (6,342,513)</b>	<b>\$ 6,165,398</b>

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 Fiscal Year Ended June 30, 2022**

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	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Intergovernmental	\$ 1,050,644	\$ 5,248,495	\$ 4,672,402	\$ (576,093)
Use of money and property	-	2,148	405	(1,743)
Miscellaneous	-	1,108,987	456,075	(652,912)
<b>Total Revenues</b>	<b>1,050,644</b>	<b>6,359,630</b>	<b>5,128,882</b>	<b>(1,230,748)</b>
<b>EXPENDITURES</b>				
Current:				
Public protection				
Salaries and benefits	969,102	1,917,487	1,404,235	513,252
Services and supplies	635,461	1,388,486	392,729	995,757
Capital outlay	413,663	3,315,658	3,251,267	64,391
<b>Total Expenditures</b>	<b>2,018,226</b>	<b>6,621,631</b>	<b>5,048,231</b>	<b>1,573,400</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<b>(967,582)</b>	<b>(262,001)</b>	<b>80,651</b>	<b>342,652</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	357,699	357,699	-
Transfers out	-	(80,135)	(20,043)	60,092
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>277,564</b>	<b>337,656</b>	<b>60,092</b>
<b>Net Change in Fund Balance</b>	<b>\$ (967,582)</b>	<b>\$ 15,563</b>	<b>\$ 418,307</b>	<b>\$ 402,744</b>

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

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the 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 within geographic districts. Metro Fire’s boundaries cover approximately 359 square miles that includes portions of Sacramento and Placer counties with an estimated population of 720,000 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, including advanced life support; hazardous materials response; and rescue services. It employs close to 700 personnel and operates 41 fire stations, an administration building, a supply warehouse, a training facility, a fleet shop, and several other support 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 used is financial accountability which is determined by a combination of factors such as fiscal dependence, board appointment, the existence of a financial benefit or burden relationship, or the ability of Metro Fire to impose its will on the other entity. Metro Fire has determined that no outside entity meets the required 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 participates in three joint ventures under joint powers agreement (JPAs):

- Sacramento Regional Fire/EMS Communications Center (SRFECC) serves as Metro Fire’s fire and Emergency Medical Services (EMS) dispatch center
- Special District Risk Management Authority (SDRMA) provides insurance coverage for general and auto liability, errors and omissions, property, boiler and machinery and employee dishonesty
- The California Fire and Rescue training Authority (CFRTA) provides fire, rescue, EMS, and Haz-Mat training

The JPAs are governed by boards consisting of representatives from member districts. Each board controls the operations of their JPAs, including selection of management and approval of operating budgets independent of any influence by the member districts beyond their representation on the Board. The relationships between Metro Fire and the JPAs are such that the JPAs are not component units of Metro Fire for financial reporting purposes. In the event of the dissolution of CFRTA or SRFECC, Metro Fire will receive a pro-rata share of the assets and liabilities of these organizations. In the event of the dissolution of SDRMA, Metro Fire is only liable for unpaid insurance premiums and is neither entitled to nor obligated for any assets or liabilities of SDRMA.

During the year, Metro Fire contributed the following amounts: \$4,837,887 to SRFECC, \$3,177,231 to SDRMA, and \$45,000 to CFRTA. Metro Fire also paid CFRTA \$103,254 for training costs.

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Effective as of June 30, 2022, Metro Fire withdrew from the CFRTA. Another member agency also has notified CFRTA of its intent to withdraw. As a result, the JPA agreement provides for the dissolution of the CFRTA with the assets and liabilities returned in proportion to the contribution of each member agency. Metro Fire's contribution accounts for 40% of the total contributions. As of June 30, 2022, audited financial statements for CFRTA are not available but it is expected that the effect of the dissolution will be immaterial to Metro Fire.

Annual audited financial information can be obtained by contacting each JPA's management.

Sacramento Regional Fire/EMS  
Communications Center  
10230 Systems Parkway  
Sacramento , CA 95827  
[www.srfecc.ca.gov](http://www.srfecc.ca.gov)

Sepcial District Risk  
Management Authority  
1112 I St., #300  
Sacramento, CA 95814  
[www.sdrma.org](http://www.sdrma.org)

### B. BASIS OF ACCOUNTING AND PRESENTATION

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

#### Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of Metro Fire and incorporate data from the governmental funds. 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 they are levied. Grants and similar items are recognized as revenue when all eligibility requirements have been met.

#### 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. 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 of the end of the current fiscal period.

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source. All other revenue items are considered to be measurable and available only when cash is received by Metro Fire.

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. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

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. The emphasis of fund financial statements is on major governmental funds reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor funds.

Metro Fire reports the *General Fund* as a major governmental fund. 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.

Metro Fire reports the following funds as major governmental funds:

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

The *Capital Facilities Fund* is a capital projects fund used to account for the acquisition and construction of Metro Fire's major capital facilities. It is primarily funded by lease financing and general fund transfers.

Metro Fire reports the following fund as a nonmajor governmental fund:

The *Impact Fee Fund* is a capital projects fund used to account for all resources received from development impact fees. It is used for the construction or acquisition of future fire stations and acquisition of apparatus to serve new developments.

During the course of operations, Metro Fire has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, they are eliminated in the government-wide financial statements. Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, they are eliminated in the government-wide financial statements.

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### C. BUDGETARY PRINCIPLES

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund, Grant Fund, Capital Facilities Fund, and Impact Fee Fund. As required by the laws of the State of California, a preliminary and then a final budget are adopted on or before October 1 of each fiscal year. Significant operating changes are addressed by the Board of Directors in their Mid-Year Budget amendment or earlier if necessary. The appropriated budget is prepared by fund, division, and object level.

The legal level of budgetary control is at the fund level and then the object level. Each fund will have its own budget for the following items: 1) salaries and benefits, 2) services and supplies, 3) capital outlay, and 4) debt service and other expenditures. The Board must approve amendments or transfers of appropriations between funds or objects.

A Statements of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual is presented for all funds on pages 26, 27, and 70 to 73. It is presented at the legal level except for debt service and other expenditures in which debt service is presented separately from other expenditures. Reclassifications were made in the budgeted amounts to be consistent with the presentation of the actual balances.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget.

For the year ended June 30, 2022, Metro Fire exceeded its appropriations in Other Expenditures by \$2,674. Metro Fire participated in the State of California's GEMT QAF (Quality Assurance Fee) program, which requires the submission of transport data after each quarter. The data is then used to calculate the fee paid to the State. The data for the last quarter of the current fiscal year resulted in an estimated fee higher than appropriated but it was too late to adopt a board resolution to increase the budget.

### D. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLows OF RESOURCES, AND NET POSITION/FUND BALANCE

#### 1. Cash and Investments

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition, including money market mutual funds. Investments are reported at fair value.

#### 2. Medic Fees Receivable

The medic fees receivable balance arises from billings to insurance companies and patients for medic services. Metro Fire has a receivable balance of \$9,617,066, which is net of allowance for doubtful accounts of \$12,530,898 at year-end. The allowance includes an estimate for future uncollectible debt and insurance write-offs.

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 3. Deferred Outflows and Inflows of Resources

Pursuant to GASB Statement No. 63, “Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position,” Metro Fire recognizes deferred outflows and inflows of resources. In addition to assets, a deferred outflow of resources is reported separately which is defined as a consumption of net assets that applies to future periods. In addition to liabilities, a deferred inflow of resources is also reported separately and is defined as an acquisition of net assets that applies to future periods. See Note 6-E and 7-E for information about deferred outflows and inflows relating to Metro Fire’s pension plan and other postemployment benefits. In addition, Metro Fire implemented GASB Statement No. 87, *Leases* during the year ended June 30, 2022, which resulted in the recognition of deferred inflows related to leases; see Note 9 for further information.

### 4. Inventory and Prepaid Items

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.

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 non-spendable fund balance to indicate they do not constitute resources available for future appropriation.

### 5. 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 acquisition value or the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date. 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 extend the asset’s life 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

In addition, software is amortized on a straight-line basis over the service life of the asset in accordance with contractual provisions. 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.

### 6. Restricted Assets

Metro Fire’s restricted assets consist of fees collected to defray the cost of constructing facilities to serve new development, unspent financing proceeds for capital acquisitions, amounts held for payment of workers’ compensation claims, and debt service reserves.

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 7. 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.

### 8. Fund Balance Flow Assumptions

Sometimes Metro Fire will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied.

It is Metro Fire's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

### 9. Net Position Flow Assumption

Sometimes Metro Fire will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is Metro Fire's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

## E. REVENUES AND EXPENDITURES/EXPENSES

### 1. 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 assessed 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 November of each year. They become a lien on real property on January 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.

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 also 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.

### **2. 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 recoveries for its emergency medical transports. In addition, Metro Fire obtains reimbursements from other agencies for costs associated with deploying personnel and equipment to respond to emergencies. These reimbursements are reflected as revenues and the related costs as expenses.

Metro Fire participates in a statewide Intergovernmental Transfer (IGT) program by which the federal government provides for federal matching funds related to the medical assessment and transportation of Medi-Cal managed care beneficiaries. This program required Metro Fire to transfer funds to the State of California, which then received matching funds from the federal government. The State then transferred the funds, less its administrative fees to the managed care plans which then paid Metro Fire. Metro Fire records the gross amount transferred to the State as expenses and the gross amount received from the plans as revenues.

### **3. Compensated Absences**

Regular, full-time Metro Fire employees are granted vacation and sick 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 up to 40% of accumulated sick leave in cash upon retirement, with the remainder applied as an additional service credit for the purpose of determining pension benefits under the California Public Employees’ Retirement System (CalPERS).

Compensated absences are accrued in the government-wide financial statements when earned. A liability for compensated absences is reported in governmental funds only if it has matured (e.g., as a result of an employee resignation or retirement) and is currently payable.

### **4. Pensions**

In government-wide financial statements pensions are required to be recognized and disclosed using the accrual basis of accounting (see Note 6 and the required supplementary information [RSI] section immediately following the Notes to Financial Statements). This applies regardless of the amount recognized as pension expenditures on the governmental fund statements, which use the modified accrual basis of accounting.

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The net pension liability is measured as of Metro Fire's prior fiscal year-end. Changes in the net pension liability are recorded in the period incurred as pension expense or as deferred inflows of resources or deferred outflows of resources, depending on the nature of the change. The changes in net pension liability that are recorded as deferred inflows of resources or deferred outflows of resources (that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience) are amortized over the weighted average remaining service life of all participants in the respective pension plan and are recorded as a component of pension expense beginning with the period in which they are incurred.

For purposes of measuring the net pension liability and deferred outflows/inflows or resources relating to pensions and pension expense, information about the fiduciary net position of Metro Fire's pension plans with CalPERS and the Sacramento County Employees' Retirement System (SCERS), and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS and SCERS.

Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefits terms. Investments are reported at fair value. Projected earnings on pension investments are recognized as a component of pension expense. Differences between projected and actual investment earnings are reported as deferred inflows of resources or deferred outflows of resources and amortized as a component of pension expense on a closed basis over a five-year period.

### 5. Other Postemployment Benefits Obligation (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Sacramento Metropolitan Fire District Retiree Healthcare Plan ("Plan") and additions to/deductions from Plan's fiduciary net position have been determined on the same basis as they are reported by the trustee for the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflow and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense. The net difference between projected and actual earnings on investments is spread over 5 years while the expected average remaining service life (EARSL, 7.05 years at June 30, 2022) is used for all other amounts. See Note 7 for additional information.

### F. USE OF ESTIMATES

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

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### G. NEW ACCOUNTING PRONOUNCEMENTS

Effective July 1, 2021, Metro Fire implemented GASB issued Statement No. 87, *Leases*. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. This standard required Metro Fire to report all leases that were previously classified as operating leases on the statement of net position/ balance sheet with leased assets, lease liabilities, inflows of resources or outflows of resources based on the payment provisions of the contract. There was no effect on the beginning fund balance or net position due to the implementation of this Statement. See Note 9 for additional disclosures relating to leases.

## NOTE 2 – CASH AND INVESTMENTS

It is the policy of Metro Fire to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of Metro Fire, and confirming to all state and local statutes governing the investment of public funds, using the “prudent person” standard for managing the overall portfolio. The primary objective of the policy is safety (preservation of capital), liquidity, and yield.

At June 30, 2022, Metro Fire's cash and investments comprised of the following:

Cash on hand and in banks	\$ 1,579,279
Investments:	
Sacramento County Pooled Investment Fund	47,305,581
Money market mutual funds	1,609,688
U.S. government issues	<u>8,690,210</u>
Total Investments	<u>10,299,898</u>
Total Cash and Investments	<u>\$ 59,184,758</u>

Cash and investments are reflected on the basic financials statements as follows:

Cash and investments	\$ 50,452,922
Restricted cash and investments	<u>8,731,836</u>
Total Cash and Investments	<u>\$ 59,184,758</u>

### 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 table on the next page identifies the investment types that are authorized for Metro Fire by law (or Metro Fire's investment policy, whichever is more restrictive) that address interest rate risk, credit risk, and concentration of credit risk.

## NOTE 2 – CASH AND INVESTMENTS (Continued)

Authorized Investment Type	Maximum Maturity	Maximum %age of Portfolio
U.S. Treasury and Agency Obligations	5 years	None
California Local Agency debt	5 years	80%
Bankers acceptances	180 days	40%
Commercial paper	270 days	40%
Negotiable certificates of deposit	180 days	30%
Medium-term corporate notes	180 days	30%
Collateralized mortgage obligation	180 days	20%
Repurchase agreements	1 year	30%
Reverse repurchase agreements	92 days	20%
Money market mutual funds	N/A	20%

The ultimate maximum maturity of any investment is limited to five years and no more than 80% of the portfolio may be invested in issues other than United States Treasuries and Government Agencies. Metro Fire has complied with the provisions of California Government Code and Metro Fire's investment policy.

### 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, 2022 was \$6,310,279,001. The investment pool is actively managed with a weighted average maturity of 278 days. Metro Fire's share of the pool is stated at fair value in its financial statements. Sacramento County does not invest in any derivative financial products directly. 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. The Sacramento County Treasury Investment Oversight Committee (Committee) has oversight responsibility for the County's cash and investment 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. In accordance with its investment policy, Metro Fire manages its exposure to declines in fair values by limiting the maximum maturity length of investments to five years. The following table that shows the distribution of its investments by maturity as of year-end:

Type of Investment	Total	Effective Duration		
		< 1 year	1-2 years	3-5 years
Sacramento county pooled investment fund	\$ 47,305,581	\$ 47,305,581	\$ -	\$ -
Money market mutual funds	1,609,688	1,609,688	-	-
U.S. government issues	8,690,210	-	4,174,919	4,515,291
Total	<u>\$ 57,605,479</u>	<u>\$ 48,915,269</u>	<u>\$ 4,174,919</u>	<u>\$ 4,515,291</u>

## NOTE 2 – CASH AND INVESTMENTS (Continued)

### 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. Metro Fire is permitted to hold investments of issuers with a minimum short-term rating of A-1 and P-1, and the long-term rating of A and A2, respectively by Standard & Poor's and Moody's rating agencies.

Presented below is the actual rating as of year-end for each investment:

Type of Investment	Total	Ratings as of Year End		
		AAA/Aaa	AA+/Aa1	Unrated
Sacramento county pooled investment fund	\$ 47,305,581	\$ -	\$ -	\$ 47,305,581
Money market mutual funds	1,609,688	1,609,688	-	-
U.S. government issues	8,690,210	-	8,690,210	-
Total	<u>\$ 57,605,479</u>	<u>\$ 1,609,688</u>	<u>\$ 8,690,210</u>	<u>\$ 47,305,581</u>

### E. CONCENTRATION OF CREDIT RISK

The concentration of credit risk is the risk of loss that may be caused by Metro Fire's investment in a single issuer. Metro Fire's investment policy limits the amount of the portfolio that can be invested in any one investment vehicle to no more than 10% of the portfolio except for investments in the Sacramento County Pooled Investment Fund and in U.S. Treasury and Agency obligations. At year-end, there were no investments in any one issuer (other than investments in external investment pools) that represented 5% or more of total district-wide investments.

### F. CUSTODIAL CREDIT RISK

Custodial risk for *deposits* is the risk that, in the event of a bank failure, 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 custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

The California Government Code requires that a financial institution secures deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The fair value of the pledged securities 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, 2022, Metro Fire's actual bank balance was \$1,834,722 of which \$285,899 was covered by federal depository insurance while \$1,548,823 was collateralized with securities held by the pledging or financial institution's trust department or agent, but not in Metro Fire's name.

### G. FAIR VALUE MEASUREMENTS

All investments are reported in the statement of net position/balance sheet at fair value, except for money market mutual funds which are reported at net asset value. Metro Fire categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset.

## NOTE 2 – CASH AND INVESTMENTS (Continued)

Metro Fire has the following recurring fair value measurements as of year-end:

	Fair Value Measurements Using			
	Quoted Prices in Active Markets for Identical assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
	Amount			
<b>Investments by fair value level:</b>				
U.S. government issues	\$ 8,690,210	\$ 3,463,512	\$ 5,226,698	\$ -
<b>Investments measured at the net asset value (NAV):</b>				
Money market mutual funds	1,609,688			
<b>Investments not subject to fair value hierarchy:</b>				
Sacramento County Investment Pool	47,305,581			
Total investments measured at fair value	<u>\$57,605,479</u>			

Debt securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. All securities classified in Level 2 are valued using pricing models based on market data, such as matrix or model pricing from outside pricing services. These valuation techniques include third party benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two sided markets, benchmark securities, bids, offers and reference data including market research publications.

## NOTE 3 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2022, was as follows:

	July 1, 2021	Increases	Decreases	Transfers	June 30, 2022
Capital assets, not being depreciated:					
Land and Land Improvements	\$ 25,506,569	\$ -	\$ (15,000)	\$ -	\$ 25,491,569
Construction-in-progress	5,914,638	5,059,862	-	(8,483,437)	2,491,063
Total capital assets, not being depreciated	<u>31,421,207</u>	<u>5,059,862</u>	<u>(15,000)</u>	<u>(8,483,437)</u>	<u>27,982,632</u>
Capital assets, being depreciated:					
Buildings and improvements	61,185,844	108,509	-	8,359,744	69,654,097
Equipment	77,621,566	3,656,277	(4,634,412)	123,693	76,767,124
Computer software	2,514,396	-	-	-	2,514,396
Total capital assets, being depreciated and amortized	<u>141,321,806</u>	<u>3,764,786</u>	<u>(4,634,412)</u>	<u>8,483,437</u>	<u>148,935,617</u>
Less accumulated depreciation for:					
Buildings and improvements	(27,741,872)	(1,343,613)	-	-	(29,085,485)
Equipment	(43,374,533)	(4,747,894)	4,280,488	-	(43,841,939)
Computer software	(314,300)	(314,299)	-	-	(628,599)
Total accumulated depreciation and amortization	<u>(71,430,705)</u>	<u>(6,405,806)</u>	<u>4,280,488</u>	<u>-</u>	<u>(73,556,023)</u>
Total capital assets being depreciated and amortized, net	<u>69,891,101</u>	<u>(2,641,020)</u>	<u>(353,924)</u>	<u>8,483,437</u>	<u>75,379,594</u>
Total capital assets	<u>\$101,312,308</u>	<u>\$ 2,418,842</u>	<u>\$ (368,924)</u>	<u>\$ -</u>	<u>\$103,362,226</u>

Depreciation/amortization expense of \$6,405,806 was charged to governmental activities during the fiscal year.

## 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 and transfers at June 30, 2022 consisted of the following:

Due to	Due from					
	General Fund		Capital Facilities Fund	Impact Fee Fund	Nonmajor	
	General Fund	Grant Fund	Facilities Fund	Impact Fee Fund	Total	
General Fund	\$ -	\$ 3,091,956	\$ -	\$ 4,826	\$ 3,096,782	
Capital Facilities Fund	<u>962,432</u>	<u>41,425</u>	<u>-</u>	<u>-</u>	<u>1,003,857</u>	
	<u>\$ 962,432</u>	<u>\$ 3,133,381</u>	<u>\$ -</u>	<u>\$ 4,826</u>	<u>\$ 4,100,639</u>	

Transfer to	Transfer from					
	General Fund		Capital Facilities Fund	Impact Fee Fund	Nonmajor	
	General Fund	Grant Fund	Facilities Fund	Impact Fee Fund	Total	
General Fund	\$ -	\$ 20,043	\$ 421,479	\$ -	\$ 441,522	
Grant Fund	<u>357,699</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>357,699</u>	
Capital Facilities Fund	<u>4,996,137</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,996,137</u>	
Total	<u>\$ 5,353,836</u>	<u>\$ 20,043</u>	<u>\$ 421,479</u>	<u>\$ -</u>	<u>\$ 5,795,358</u>	

The balance between the General Fund and the Grant Fund is due to an interfund loan to allow the Grant Fund to pay grant expenses before receiving grant reimbursements and is expected to be paid within the next year. All remaining balances are interfund loans that resulted from processing certain disbursements by Metro Fire's fiscal agent out of funds other than the intended fund and are not expected to be paid within the next year.

The interfund transfer made by the General Fund to the Capital Facilities Fund was made to pay mainly for debt service and capital spending in the Capital Facilities Fund. The transfer by the General Fund to the Grant Fund were made to fulfill grant matching requirements.

## NOTE 5 – LONG-TERM LIABILITIES

The following is a summary of long-term obligation transactions for the fiscal year ended June 30, 2022:

	Balance	Additions	Reductions	Balance	Due Within One Year
	July 1, 2021			June 30, 2022	
Bonds and notes from direct placements and direct borrowings	\$ 52,129,538	\$ 14,671,303	\$ (16,121,341)	\$ 50,679,500	\$ 7,105,604
Compensated absences	15,159,262	3,600,481	(2,914,187)	15,845,556	4,717,000
Workers' compensation liability	27,651,630	8,473,313	(5,298,275)	30,826,668	4,223,254
OPEB Liability	202,004,395	52,644,726	(57,099,876)	197,549,245	-
Net Pension Liability	<u>508,628,604</u>	<u>121,688,824</u>	<u>(267,053,268)</u>	<u>363,264,160</u>	<u>-</u>
	<u>\$ 805,573,429</u>	<u>\$ 201,078,647</u>	<u>\$ (348,486,947)</u>	<u>\$ 658,165,129</u>	<u>\$ 16,045,858</u>

The liability for compensated absences, worker's compensation liability, OPEB liability, and net pension liability, are fully liquidated by the General Fund.

## NOTE 5 – LONG-TERM LIABILITIES (Continued)

### A. PENSION BONDS FROM DIRECT PLACEMENTS

In October 2004, Metro Fire issued taxable pension obligation bonds in three series for the original amount of \$69,998,975. The proceeds were used to reduce the unfunded actuarial liabilities of its pension plans. Series A bonds were issued as fixed rate bonds which require semi-annual payments of interest at a fixed rate of 4.79% with annual principal payments that began on May 15, 2005 until the final maturity date of May 15, 2025. Series B bonds were issued as auction rate securities which initially require semi-annual interest payments at a rate of 5.37% which will reset to auction rates on November 19, 2025 with principal payments beginning on May 15, 2026 until the final maturity date of May 15, 2030.

The bond indentures provide for optional redemption of the Series B bonds by their initial auction dates. By policy, Metro Fire is setting aside funds annually for the purpose of fully retiring the Series B bonds on their initial auction date. The bond indenture contains a provision, that in the event of default, the outstanding principal balance and accrued interest may be declared due and payable immediately. In the following maturity schedule, an interest rate of 5% is assumed at the point in time where the rates change to auction rates.

Fiscal year ending June 30,	Principal	Interest	Total
2023	\$ 2,075,000	\$ 1,474,696	\$ 3,549,696
2024	2,520,000	1,364,306	3,884,306
2025	2,735,000	1,230,242	3,965,242
2026	3,150,000	1,047,370	4,197,370
2027	3,675,000	852,500	4,527,500
2028 - 2032	<u>13,375,000</u>	<u>1,386,250</u>	<u>14,761,250</u>
	<u><u>\$ 27,530,000</u></u>	<u><u>\$ 7,355,364</u></u>	<u><u>\$ 34,885,364</u></u>

### B. LEASE REVENUE BONDS FROM DIRECT PLACEMENTS

On February 24, 2022, Metro Fire issued 2022 Lease Revenue Refunding Bonds with an annual interest rate of 2.53% and par value of \$8,030,000. On May 15, 2022, the proceeds of the bond issuance were used for the early redemption of Metro Fire's 2011 Lease Revenue Bonds with an outstanding par value of \$8,115,000. The refunding reduced the aggregate debt service by \$2,805,879 and yielded an economic gain of \$2,026,527.

The new bond indenture contains a provision, that in the event of default, the outstanding principal balance and accrued interest may be declared due and payable immediately. One fire station with a net book value of \$220,430 as of year-end was used as security. Portions of the bonds mature annually until January 1, 2040. The bonds may be optionally redeemed at par on or after July 1, 2031. The bond maturities were as follows:

Fiscal year ending June 30,	Principal	Interest	Total
2023	\$ 387,000	\$ 170,808	\$ 557,808
2024	366,000	191,053	557,053
2025	374,000	181,755	555,755
2026	381,000	172,242	553,242
2027	392,000	162,527	554,527
2028 - 2032	<u>2,128,000</u>	<u>656,864</u>	<u>2,784,864</u>
2033 - 2037	<u>2,408,000</u>	<u>372,226</u>	<u>2,780,226</u>
2038 - 2042	<u>1,594,000</u>	<u>71,283</u>	<u>1,665,283</u>
	<u><u>\$ 8,030,000</u></u>	<u><u>\$ 1,978,758</u></u>	<u><u>\$ 10,008,758</u></u>

## NOTE 5 – LONG-TERM LIABILITIES (Continued)

The 2011 Lease Revenue Bonds was subject to the arbitrage rebate and yield restriction requirements of the federal tax code. The final arbitrage calculation was performed as of May 15, 2022 and it was determined that Metro Fire had no rebatable arbitrage liability.

### C. NOTES FROM DIRECT BORROWINGS

Metro Fire has entered into certain financing lease arrangements under which the related asset will become the property of Metro Fire when all terms of the financing agreements are met. In the current year, Metro Fire entered into a 5-year lease agreement as lessee for financing the acquisition of fire equipment for \$3,897,560 with an interest rate of 2.381%. Financing leases still outstanding have lease terms that expire from 2023 through 2027 with interest rates ranging from 0.918% to 3.43%. Future minimum payments under the financing lease arrangement are as follows:

Fiscal year ending June 30,	Principal	Interest	Total
2023	\$ 4,643,604	\$ 269,795	\$ 4,913,399
2024	3,891,995	176,309	4,068,304
2025	3,038,863	110,686	3,149,549
2026	2,153,169	62,932	2,216,101
2027	1,391,869	24,904	1,416,773
	<u>\$ 15,119,500</u>	<u>\$ 644,626</u>	<u>\$ 15,764,126</u>

The following is a schedule of capital assets acquired through financing leases that serve as security as of June 30, 2022:

Equipment	\$ 15,162,944
Less: accumulated depreciation	(2,867,639)
Total capital assets, net	<u>\$ 12,295,305</u>

## NOTE 6 – RETIREMENT PLANS

### A. PLAN DESCRIPTIONS

Metro Fire provides pension benefits to eligible employees through defined benefit pension plans administered by CalPERS and SCERS, which both act as a common investment and administrative agent for its participating member employers. Benefit provisions and all other requirements for CalPERS are established by State statute and benefit provisions and all other requirements for SCERS are established by Section 31584 of the County Employees Retirement Law of 1937. The establishment and amendment of specific benefit provisions of the plans are authorized by resolutions of the Board.

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 CalPERS.
- ❖ The Miscellaneous Plan of the Sacramento Metropolitan Fire District (the Miscellaneous Plan), a cost-sharing multiple-employer defined benefit pension plan administered by CalPERS.
- ❖ The Sacramento County Employees Retirement System Plan (the SCERS Plan), a cost-sharing multiple-employer defined benefit pension plan administered by the County of Sacramento.

## NOTE 6 – RETIREMENT PLANS (Continued)

Only the plans administered by CalPERS are open for new enrollment. SCERS is only responsible for providing benefits to employees or retirees of Metro Fire who were members of SCERS before January 1, 1997. CalPERS issues publicly available financial reports for its plans. Copies of the CalPERS annual financial report and pertinent past trend information may be obtained at <https://www.calpers.ca.gov>. SCERS issues a publicly available financial report for its plans. Copies of the SCERS annual report may be obtained at <http://www.scers.org>.

### B. BENEFITS PROVIDED

Each plan provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. The passage of the Public Employees' Pension Reform Act ("PEPRA") imposed several restrictions to the pension benefits that may be offered to employees hired on or after January 1, 2013 that were not previously CalPERS members, including increasing minimum retirement ages, increasing the percentage required for member contributions, and excluding certain types of compensation as pensionable. PEPRA has also created limits on pensionable compensation tied to the Social Security taxable wage base. The cumulative effect of these PEPRA changes will ultimately reduce Metro Fire's retirement costs.

All permanent full-time employees and part-time employees working at least 1,000 hours per year are enrolled in the CalPERS Safety Plan or the Miscellaneous Plan. Safety membership is extended only to those involved in fire suppression, and certain other related classifications, while all other employees are classified as Miscellaneous. Upon retirement, participants are entitled to a monthly retirement benefit, payable for life, in an amount equal to a benefit factor multiplied by their service years and by their highest average monthly salary over 12 consecutive months of employment or, in the case of PEPRA employees, 36 consecutive months of employment.

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

	Safety Plan		Miscellaneous Plan	
	Prior to January 1, 2013	On or after January 1, 2013	Prior to January 1, 2013	On or after January 1, 2013
CalPERS membership date	January 1, 2013	January 1, 2013	January 1, 2013	January 1, 2013
Benefit formula (at full retirement)	3.0% @ 50	2.7% @ 57	3.0% @ 60	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life	monthly for life
Retirement age	50 and up	50 and up	50 and up	52 and up
Monthly benefits, as a % of eligible compensation (based on retirement age)	3.0%	2.0% to 2.7%	2.0% to 3.0%	1.0% to 2.0%

The SCERS Plan provides benefits to employees or retirees of Metro Fire who were members of SCERS before January 1, 1997 (closed to new entrants). It provides retirement and death benefits based on the employee's years of service while an active member, age, and average final compensation. Employees with 5 years of service prior to January 1, 1997 are vested and may receive retirement benefits at age 50.

## NOTE 6 – RETIREMENT PLANS (Continued)

### C. EMPLOYEES COVERED

The following employees were covered by the benefit terms for the Plans:

	CalPERS		SCERS
	Safety	Miscellaneous	
Inactive or their beneficiaries currently receiving benefits	824	144	145
Inactive entitled to but not yet receiving benefits	153	65	1
Active	568	85	-
Total covered employees	<u>1,545</u>	<u>294</u>	<u>146</u>

The information above was based on the most recent actuarial information available as of June 30, 2021.

### D. CONTRIBUTIONS

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. For each of the CalPERS plans, the contractually required contribution rate for the year ended June 30, 2022, was a specified percent of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year; and a fixed dollar amount contribution for any unfunded accrued liability for past service.

Contribution rates for the Safety Plan are individually determined for Metro Fire by CalPERS and do not reflect any cost-sharing provisions. Contribution rates for the Miscellaneous Plan are determined with reference to the risk pool to which they belong. Additionally, CalPERS 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.

Required normal cost contributions were made each pay period based on required contribution rates as shown below. Unfunded liability contributions were made in July 2021 for Miscellaneous Classic and PEPRA separately and for Safety Classic and PEPRA combined. In addition to their employee contributions, classic safety employees contribute 3% of their pay towards employer contributions. Required contributions of active plan members and of Metro Fire for fiscal year ended June 30, 2022 were as follows:

	Safety Plan		Miscellaneous Plan	
	Classic	PEPRA	Classic	PEPRA
Required employer normal cost rates	19.300%	19.300%	16.460%	7.540%
Unfunded Liability Contribution	\$ 31,568,774		\$ 1,261,601	\$ 9,811
Required employee contribution rates	9.000%	12.000%	8.000%	7.750%
Actual employer contributions made	\$ 39,506,009	\$ 5,183,854	\$ 2,068,360	\$ 257,999
Actual employee contributions made	\$ 5,896,985	\$ 3,233,954	\$ 393,136	\$ 256,133

As part of its withdrawal from the SCERS Plan, Metro Fire has contractually agreed to eliminate its net pension liability by July 2037. Metro Fire contributes annually to the Plan to pay down this liability which is recalculated annually by SCERS' actuary. For the fiscal year ended June 30, 2022, Metro Fire paid \$4,407,807.

## NOTE 6 – RETIREMENT PLANS (Continued)

### E. PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS/INFLOWS OF RESOURCES RELATED TO PENSIONS

Net Pension Liability: The net pension liability (NPL) is measured as of June 30, 2021 based on the results of the actuarial calculation performed as of June 30, 2020 for the CalPERS plans and as of June 30, 2021 for the SCERS plan. Fiduciary net position is based on fair value of investments as of June 30, 2021. As of June 30, 2022, Metro Fire reported the following net pension liabilities:

CalPERS Safety Plan	\$ 322,226,957
CalPERS Miscellaneous Plan	9,623,344
SCERS Plan	31,413,859
Total NPL	<u>\$ 363,264,160</u>

Metro Fire's net pension liability for the CalPERS Safety Plan is measured as the Plan's total pension liability, less the Plan's fiduciary net position. The changes in the NPL for the Safety Plan is as follows:

CalPERS Safety Plan	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at June 30, 2020	\$ 1,263,899,240	\$ 821,769,094	\$ 442,130,146
Changes recognized for the measurement period			
Service cost	19,574,004	-	19,574,004
Interest on the total pension liability	88,886,002	-	88,886,002
Differences between actual and expected experience	4,295,871	-	4,295,871
Contributions from employer	-	39,272,086	(39,272,086)
Contributions from employee	-	8,728,931	(8,728,931)
Net investment income	-	185,478,946	(185,478,946)
Benefit payments	(69,642,509)	(69,642,509)	-
Administrative Expense	-	(820,897)	820,897
Net changes	<u>43,113,368</u>	<u>163,016,557</u>	<u>(119,903,189)</u>
Balances at June 30, 2021	<u>\$ 1,307,012,608</u>	<u>\$ 984,785,651</u>	<u>\$ 322,226,957</u>

The net pension liability for CalPERS Miscellaneous Plan is measured as the proportionate share of the collective net pension liability of the Miscellaneous Risk Pool (risk pool) as a whole. In determining an individual rate plan's proportion of the risk pool's net pension liability, CalPERS first estimates the total pension liability (TPL) and the fiduciary net position (FNP) for the risk pool as a whole as well as the individual rate plans. The allocated net pension liability represents the difference between the plan's proportionate share of the TPL and FNP.

Metro Fire's proportionate share of the net pension liability for the Miscellaneous Plan is as follows:

Proportion - June 30, 2021	0.40782%
Proportion - June 30, 2022	0.50681%
Change - Increase (Decrease)	0.09899%

As Metro Fire has withdrawn from SCERS, SCERS calculates the net pension liability in a separate account as contractually agreed. Although a separate study is done to determine Metro Fire's TPL and FNP, the study uses assumptions based on the combined experience of the risk pool as a whole (e.g., longevity, salary increases, etc.).

## NOTE 6 – RETIREMENT PLANS (Continued)

**Pension Expenses and Deferred Outflows/Inflows of Resources:** Pension expense represents the change in the net pension liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, actuarial gain/loss, actuarial assumptions or method, and plan benefits. For the year ended June 30, 2022, Metro Fire recognized pension expense as follows:

CalPERS Safety Plan	\$ 28,092,356
CalPERS Miscellaneous Plan	3,281,604
SCERS Plan	790,992
Total Pension Expense	<u>\$ 32,164,952</u>

Metro Fire reported deferred outflows and inflows of resources related to pensions from the following sources:

	CalPERS Safety	CalPERS Miscellaneous	SCERS	Total
<b>Deferred Outflows</b>				
Differences between actual and expected experience	\$ 24,411,160	\$ 1,079,155	\$ 1,011,100	\$ 26,501,415
Changes of assumptions	5,908,237	-	-	5,908,237
Adjustments due to differences in proportions	-	497,142	-	497,142
Pension contributions subsequent to measurement date	<u>44,689,863</u>	<u>2,326,359</u>	<u>4,407,807</u>	<u>51,424,029</u>
Total	<u>\$ 75,009,260</u>	<u>\$ 3,902,656</u>	<u>\$ 5,418,907</u>	<u>\$ 84,330,823</u>
<b>Deferred Inflows</b>				
Differences between actual and expected experience	\$ 4,824,333	\$ -	\$ 2,279,568	\$ 7,103,901
Changes of assumptions	1,046,631	-	1,780,552	2,827,183
Net differences between projected and actual earnings on plan investments	92,709,633	8,400,670	9,420,173	110,530,476
Adjustments due to differences in proportions	-	640,207	-	640,207
Total	<u>\$ 98,580,597</u>	<u>\$ 9,040,877</u>	<u>\$ 13,480,293</u>	<u>\$ 121,101,767</u>

The \$51,424,029 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense (or reduction in pension expense) as follows:

Year ending June 30,	CalPERS Safety	CalPERS Miscellaneous	SCERS	Total
2023	\$ (14,390,167)	\$ (1,564,856)	\$ (2,961,187)	\$ (18,916,210)
2024	(14,584,821)	(1,679,078)	(3,080,200)	(19,344,099)
2025	(16,179,575)	(1,899,134)	(3,269,587)	(21,348,296)
2026	(23,424,848)	(2,321,512)	(3,158,219)	(28,904,579)
2027	318,211	-	-	318,211
	<u>\$ (68,261,200)</u>	<u>\$ (7,464,580)</u>	<u>\$ (12,469,193)</u>	<u>\$ (88,194,973)</u>

## NOTE 6 – RETIREMENT PLANS (Continued)

### F. ACTUARIAL ASSUMPTIONS

The total pension liabilities were determined using the following actuarial methods and assumptions:

	CalPERS Plans	SCERS Plans
Actuarial Cost Method	Entry Age Normal Cost	Entry Age Actuarial Cost
Amortization Method	Level Percent of Payroll	Level Percent of Payroll
Asset Valuation Method	Fair Value of Assets	Fair Value of Assets
Actuarial Assumptions:		
Investment Rate of Return	7.15%	6.75%
Inflation	2.50%	2.75%
Payroll Growth	Varies by entry age and service	3.00% (includes inflation)
Mortality Rate table	Derived using CalPERS' membership data for all funds. The table includes 15 years of mortality improvements using the Society of Actuaries Scale 90% of scale MP 2016.	Derived using Headcount-Weighted RP-2014 Healthy Annuitant Mortality Table projected generationally with two-dimensional scale MP-2016 set back four years for males and females.
Post Retirement Benefit Increase	The lesser of contract COLA or 2.5% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.5% thereafter.	COLA up to 3.0% depending on retiree classification.

Discount Rate: The long-term expected rate of return on pension plan investments for CalPERS Plans was determined using a building-block method in which expected future real rates of returns are developed for each major asset class.

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

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

Asset Class	Target Allocation	Real Return Years 1 - 10	Real Return Years 11 +
Public Equity	50.00 %	4.80 %	5.98 %
Fixed income	28.00	1.00	2.62
Inflation Assets	-	0.77	1.81
Private Equity	8.00	6.30	7.23
Real Assets	13.00	3.75	4.93
Liquidity	1.00	-	(0.92)

To produce the long-term expected rate of return, SCERS weighted the expected future real rates of return by the target asset allocation percentage, adding expected inflation and subtracting expected investment expenses and a risk margin.

## NOTE 6 – RETIREMENT PLANS (Continued)

The target allocation and projected real rates of return for each major asset class for the SCERS Plan are as follows:

Asset Class	Target Allocation	Real Return
U.S. Equity	20.00 %	5.50 %
International Equity	20.00	6.96
Fixed Income	21.00	0.89
Absolute Return	12.00	2.75
Private Assets	13.00	8.23
Real Assets	14.00	6.81

Sensitivity of the Net Pension Liability to Changes in the Discount Rate: The following presents Metro Fire's net pension liability for each Plan, calculated using the discount rate for each Plan, as well as what Metro Fire's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

Net Pension Liability	Current Discount		
	1% decrease	Rate (7.15%/6.75%)	1% increase
CalPERS Safety (7.15%)	\$ 496,571,738	\$ 322,226,957	\$ 178,947,569
CalPERS Miscellaneous (7.15%)	19,368,690	9,623,344	1,567,005
SCERS Plan (6.75%)	43,789,042	31,413,859	21,075,655

## G. PENSION PLAN FIDUCIARY NET POSITION

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS and SCERS financial reports which can be found online at [www.calpers.ca.gov/page/employers/actuarial-services/gasb](http://www.calpers.ca.gov/page/employers/actuarial-services/gasb) and [www.scers.org/actuarial-information](http://www.scers.org/actuarial-information).

## H. DEFERRED COMPENSATION PLAN

Metro Fire employees may defer a portion of their compensation under a Metro Fire sponsored Deferred Compensation Plan created in accordance with Internal Revenue Code Section 457. Under this Plan, participants are not taxed on the deferred portion of their compensation until distributed to them; distributions may be made only at termination, retirement, death or in an emergency defined by the Plan. The laws governing deferred compensation plan assets require plan assets to be held by a Trust for the exclusive benefit of plan participants and their beneficiaries. Since the assets held under these plans are not Metro Fire's assets and are not subject to its control, they have been excluded from these financial statements.

## NOTE 7 – OTHER POSTEMPLOYMENT 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 CalPERS under the Public Employees' Medical and Hospital Care Act (PEMHCA). This coverage requires the employee to satisfy the requirements for retirement: (a) attainment of age 50 (age 52, for miscellaneous employees who are new to PERS on or after January 1, 2013) with 5 years of State or public agency service or (b) an approved disability retirement.

## NOTE 7 – OTHER POSTEMPLOYMENT BENEFITS (Continued)

### B. BENEFITS PROVIDED

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. As a PEMHCA employer, Metro Fire is obligated to contribute toward the cost of retiree medical coverage for the retiree's lifetime or until coverage is discontinued. Metro Fire has resolutions with CalPERS defining the level of contribution toward active and retiree medical plan premiums. Benefits fall into one of four categories:

1. For employees hired prior to December 1, 2011, the current resolutions provide that:
  - a. While covered by a Basic or Combination plan, Metro Fire will contribute 92% of the medical premium for the retiree and his or her dependents, but not more than 92% of the premium for the 3rd highest Basic or Combination plan rate corresponding to the retiree's coverage level, and
  - b. When the retiree and all of his or her covered dependents are covered by Medicare plans, Metro Fire will contribute 100% of the medical premium, not to exceed 100% of the 3rd highest Supplemental plan rate corresponding to the retiree's coverage level.
2. Employees hired on or after December 1, 2011 in general are covered by a "special" PEMHCA vesting resolution, which provides that Metro Fire will pay the benefit described in 1 above, multiplied by a vesting percentage with a minimum service of 5 years starting at 25% increasing by intervals of 5% with full vesting to those having 20 years of service.
3. Retirees who retain SCERS medical coverage receive a subsidy, increasing by 5% per year, based on the retiree's years of service with Metro Fire. The benefit continues at 50% for surviving spouses of retirees.
4. Metro Fire also reimburses the monthly Medicare Part B premiums for former employees who retired from American River Fire District and their spouses.

All retirees eligible for coverage under the district-sponsored medical plans (except those in 3. above) who opt out of CalPERS medical insurance will receive instead up to \$300 per month toward the cost of outside coverage.

### C. EMPLOYEES COVERED

Based on the most recent actuarial information available, the following employees were covered by the benefit terms of the Plan:

Inactive or their beneficiaries currently receiving benefits	747
Inactive entitled to but not yet receiving benefits	14
Active	655
Total covered employees	<u>1,416</u>

### D. CONTRIBUTIONS

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. Metro Fire prefunds its obligation by contributing to the California Employer's Retiree Benefit Trust (CERBT) Fund, an irrevocable trust established to fund OPEB. CERBT is administrated by CalPERS, and is managed by an appointed board not under the control of Metro Fire. CalPERS issues a publicly available financial report for the Plan that can be obtained at [www.calpers.ca.gov/page/employers/benefit-programs/cerbt](http://www.calpers.ca.gov/page/employers/benefit-programs/cerbt).

## NOTE 7 – OTHER POSTEMPLOYMENT BENEFITS (Continued)

In accordance with its annual budget, Metro Fire contributes to CERBT an amount that, together with the payment of retiree medical premiums, will fully fund the explicit portion of the actuarially determined contribution and will fund the implicit subsidy liability on a pay-as-you-go basis. An “implicit subsidy” exists when the premiums charged for retiree coverage are lower than the expected retiree claims for that coverage. Pre-Medicare retirees able to continue medical coverage at the same premium rates as are charged for active employees creates this implicit benefit. Employees are not required to contribute to the Plan. For the fiscal year ended June 30, 2022, Metro Fire’s contributions were as follows:

Employer Cash Contributions to the trust	\$ 6,587,979
Employer Contributions in the form of	
Direct Benefit Payments (not reimbursed by the Trust)	11,265,366
Estimated Implicit Subsidy	<u>3,048,503</u>
Total contributions	<u>\$ 20,901,848</u>

### E. OPEB LIABILITY, OPEB EXPENSE, AND DEFERRED OUTFLOW/INFLOWS OF RESOURCES RELATED TO OPEB

Net OPEB Liability: Metro Fire’s net OPEB liability was measured as of June 30, 2021 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. Metro Fire’s net OPEB liability is measured as the Plan’s total OPEB liability, less the Plan’s fiduciary net position.

The changes in the Net OPEB liability are as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balances at June 30, 2020	\$ 251,275,746	\$ 49,271,351	\$ 202,004,395
Changes recognized for the measurement period			
Service Cost	7,239,289		7,239,289
Interest Cost	17,724,611		17,724,611
Employer Contributions		20,373,515	(20,373,515)
Expected Investment Income		3,690,405	(3,690,405)
Administrative Expenses		(19,642)	19,642
Benefit Payments	(14,204,225)	(14,204,225)	-
Assumption Changes	27,661,184		27,661,184
Plan Experience	(22,505,040)		(22,505,040)
Investment Experience		10,530,916	(10,530,916)
Net Changes	15,915,819	20,370,969	(4,455,150)
Balances at June 30, 2021	<u>\$ 267,191,565</u>	<u>\$ 69,642,320</u>	<u>\$ 197,549,245</u>

## NOTE 7 – OTHER POSTEMPLOYMENT BENEFITS (Continued)

OPEB Expense and Deferred Outflows/Inflows of Resources: For the year ended June 30, 2022, Metro Fire recognized OPEB expense of \$4,632,695. At year-end, Metro Fire reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 23,737,612	\$ 41,916,528
Net differences between projected and actual earnings on OPEB plan investments	-	7,405,087
Differences between actual and expected experience	-	24,548,720
OPEB contributions subsequent to measurement date	20,901,848	-
Total	<u>\$ 44,639,460</u>	<u>\$ 73,870,335</u>

The \$20,901,848 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year ending June 30,	
2023	\$ (16,511,620)
2024	(16,494,736)
2025	(13,207,243)
2026	(4,788,205)
2027	101,145
Thereafter	<u>767,936</u>
	<u><u>\$ (50,132,723)</u></u>

### F. ASSUMPTIONS

The total OPEB liabilities were determined using the following actuarial methods and assumptions, applied to all periods included in the measurement, unless otherwise specified:

Long-Term Return on Assets	6.21%
Discount Rate	5.90%
Inflation	2.50%
Payroll Growth	3.0% per year; since benefits do not depend on pay, this is used only to allocate the cost of benefits between service years.
Mortality	MacLeod Watts Scale 2022 developed from a blending of data and methodologies found in (1) the Society of Actuaries Mortality Improvement Scale MP-2021 Report and (2) the demographic assumptions used in the 2021 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors insurance and Federal Disability Insurance Trust Funds, published in 2021.
Healthcare Trend	5.8% for 2023 with an ultimate rate of 3.9% for 2076 and later years developed using the Getzen Model 2021_b published by the Society of Actuaries.

## NOTE 7 – OTHER POSTEMPLOYMENT BENEFITS (Continued)

The long-term expected rate of return on OPEB plan investments was determined using a building block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return for time periods 1-5 years and 6-20 years by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Real Return Years 1 - 5	Real Return Years 6-20
Global Equity	49.00 %	6.80 %	6.80 %
Fixed Income	23.00	0.90	2.70
Global Real Estate (REITs)	20.00	5.40	6.00
Treasury Inflation Protected Securities	5.00	0.60	2.80
Commodities	3.00	3.20	3.40

Changes in Assumptions: The long-term return on assets was decreased from 7.05% to 6.21% reflecting updated long-term rates of return provided by CalPERS in March 2022. In addition, the discount rate used to value the OPEB liabilities was decreased from 7.05% to 5.9%. Mortality improvement and healthcare trends were updated with more current information.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate: The following presents the net OPEB liability of Metro Fire, as well as what the Metro Fire's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	Current		
	1% decrease	Discount Rate	1% increase
Net OPEB Liability	\$ 233,689,814	\$ 197,549,245	\$ 167,904,616

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate: The following presents the net OPEB liability of Metro Fire, as well as what Metro Fire's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	Current		
	1% decrease	Healthcare Cost Trend Rate	1% increase
Net OPEB Liability	\$ 164,592,260	\$ 197,549,245	\$ 238,691,640

## NOTE 8 – 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 manages these risks through various full insurance policies and self-insurance combined with excess insurance policies. 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 losses in excess of \$3,000,000, for each claim up to the statutory limits. 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.

## NOTE 8 – RISK MANAGEMENT (Continued)

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 liabilities for the fiscal year ended June 30, 2022 and 2021 were as follows:

	2022	2021
Unpaid claims and claim adjustment expenses at beginning of fiscal year	<u>\$ 27,651,630</u>	<u>\$ 26,315,782</u>
 Incurred claims and claim adjustment expenses:		
Provision for insured events of current fiscal year	6,348,000	5,725,000
Changes in provision for insured events of prior fiscal years	<u>2,125,313</u>	<u>(140,313)</u>
Total incurred claims and claim adjustment expenses	<u>8,473,313</u>	<u>5,584,687</u>
 Payments:		
Claim and claim adjustment expenses attributable to insured events of the current fiscal year	1,720,756	1,109,863
Claim and claim adjustment expenses attributable to insured events of the prior fiscal years	<u>3,577,519</u>	<u>3,138,976</u>
Total payments	<u>5,298,275</u>	<u>4,248,839</u>
Total unpaid claims and claim adjustment expenses	<u><u>\$ 30,826,668</u></u>	<u><u>\$ 27,651,630</u></u>

Metro Fire's claims liabilities at fiscal year ended June 30, 2022 and 2021 were comprised of the following:

	2022	2021
Claim reserves	\$ 19,508,499	\$ 17,506,574
Incurred but not reported (IBNR)	10,529,169	9,384,369
Unallocated loss adjustment expenses (ULAE)	<u>789,000</u>	<u>760,687</u>
Total unpaid claims and claim adjustment expenses	<u><u>\$ 30,826,668</u></u>	<u><u>\$ 27,651,630</u></u>
 Short-term liability	\$ 4,223,254	\$ 3,796,146
Long-term liability	<u>26,603,414</u>	<u>23,855,484</u>
Total unpaid claims and claim adjustment expenses	<u><u>\$ 30,826,668</u></u>	<u><u>\$ 27,651,630</u></u>

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.

## NOTE 8 – RISK MANAGEMENT (Continued)

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

Coverage	Amount	Deductible
General liability	\$ 10,000,000	\$ 500
Auto liability	10,000,000	5,000
Property damage	800,000,000	1,000
Boiler and machinery	100,000,000	1,000
Errors and omissions	10,000,000	25,000
Employment practices liability	10,000,000	25,000
Employee dishonesty	1,000,000	-
Aviation	10,000,000	1,000 to 2% of insured value
Cyber	2,000,000	25,000
Pollution	2,000,000	75,000

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

## NOTE 9 – LEASES

Metro Fire leases out some of its buildings and land. Most leases are short-term leases except for the first floor of its headquarters which is leased out for a 90-month term with two 5-year options to extend at the option of the lessee. Metro Fire has generally included these renewal periods in the lease term when it is reasonably certain that the renewal option(s) will be exercised. As the interest rate implicit in the leases is not readily determinable, Metro Fire uses its incremental borrowing rates of 4% to measure the present value of the lease payments expected to be received during the lease term period. Minimum lease payments receivable on leases of properties and equipment are as follows:

Fiscal year ending June 30,	Principal	Interest	Total
2023	\$ 740,776	\$ 114,943	\$ 855,719
2024	792,743	84,369	877,112
2025	847,373	51,668	899,041
2026	827,205	16,730	843,935
	<u>\$ 3,208,097</u>	<u>\$ 267,710</u>	<u>\$ 3,475,807</u>

In the current fiscal year, Metro Fire recognized revenue (inflows of resources) relating to all its leases of \$1,096,195 for lease revenue and \$143,495 for interest revenue. Per GASB 87, \$3,106,344 was recognized as deferred inflows as of the end of the year which will be amortized over the remaining lease term of 3.92 years.

## NOTE 10 – NET POSITION AND FUND BALANCES

### A. NET POSITION

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 reduced by accumulated depreciation and the outstanding balances of debt, net of unspent proceeds, which are attributable to the acquisition, construction or improvement of these assets.

## NOTE 10 – NET POSITION AND FUND BALANCES (Continued)

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.

### B. FUND BALANCES

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 consist of 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.

*Capital acquisitions* – represents developer and impact fees to mitigate the impact of providing additional fire stations and fire equipment.

*Equipment purchases* – represents proceeds from financing restricted for specifically approved equipment.

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 modifies or removes the fund balance commitment through another resolution.

*Capital acquisitions* – represents transfers from the general fund committed to the purchase of capital assets.

*Workers' compensation claims* – represents the amount adopted by the Board for contingency reserves.

*Pension bond retirement* – represents the amounts set aside for the retirement of the pension bonds prior to their repricing at auction rates in 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. Unlike commitments, assignments generally exist only temporarily.

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. The General Fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

## NOTE 10 – NET POSITION AND FUND BALANCES (Continued)

The following are components of fund balances as of year-end:

	General Fund	Grant Fund	Capital Facilities Fund	Nonmajor Impact Fee Fund	Total
<b>Nonspendable:</b>					
Inventory	\$ 3,471,468	\$ -	\$ -	\$ -	\$ 3,471,468
Prepaid items	381,935	586,462	3,591,450	-	4,559,847
Petty cash	500	-	-	-	500
<b>Total nonspendable fund balance</b>	<b>3,853,903</b>	<b>586,462</b>	<b>3,591,450</b>	<b>-</b>	<b>8,031,815</b>
<b>Restricted for:</b>					
Capital acquisition	-	-	-	4,170,315	4,170,315
Equipment purchases	-	-	4,114,193	-	4,114,193
<b>Total restricted fund balance</b>	<b>-</b>	<b>-</b>	<b>4,114,193</b>	<b>4,170,315</b>	<b>8,284,508</b>
<b>Committed to:</b>					
Capital acquisition	-	-	2,209,284	-	2,209,284
Workers compensation claims	4,000,000	-	-	-	4,000,000
Pension bond retirement	8,948,903	-	-	-	8,948,903
<b>Total committed fund balance</b>	<b>12,948,903</b>	<b>-</b>	<b>2,209,284</b>	<b>-</b>	<b>15,158,187</b>
Unassigned	35,572,607	(175,143)	-	-	35,397,464
<b>Total fund balance</b>	<b>\$ 52,375,413</b>	<b>\$ 411,319</b>	<b>\$ 9,914,927</b>	<b>\$ 4,170,315</b>	<b>\$ 66,871,974</b>

At June 30, 2022, restricted cash and investments amounted to \$8,731,836 while the restricted fund balance is \$8,284,508. The difference represents payables from restricted assets net of government-wide adjustments reported in the Statement of Net Position.

At year-end, the Grant Fund, a major fund, has a deficit fund balance of \$175,143. Most of Metro Fire's grants are reimbursement-type grants in which expenditures are recorded in the year incurred while revenues are recorded when measurable and available (i.e., must be collected within 90 days of the year-end), which may result in revenues recognized in a later year depending on when the reimbursements are collected. This difference in the timing of the recognition of revenues and expenditures is the reason for the current year's deficit.

## NOTE 11 – COMMITMENTS AND CONTINGENCIES

### A. ENCUMBRANCES

At year end, the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

General Fund	\$ 42,576
Capital Facilities Fund	4,095,206
Grant Fund	30,000
<b>Total</b>	<b>\$ 4,167,782</b>

## NOTE 11 – COMMITMENTS AND CONTINGENCIES (Continued)

### B. GRANTS

Metro Fire participates in various federal grant programs, the principal of which are subject to program compliance audits pursuant to the Single Audit Act as amended. Accordingly, Metro Fire's compliance with applicable grant requirements will be established at a future date. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although Metro Fire anticipates such amounts, if any, will be immaterial.

### C. LITIGATION

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.

## NOTE 12 – 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 25. These borrowings are permitted until the last Monday of April each year. The amount available as of December 10, 2021 and April 25, 2022 were \$143,549,694 and \$71,774,847, respectively. The interest rate charged is the rate earned by the County investment pool. The schedule below details the changes in short-term borrowings during the year ended June 30, 2022:

Beginning Balance	Draws	Repayments	Ending Balance
\$ -	\$ 112,424,224	\$ (112,424,224)	\$ -

This short-term borrowing serves as a dry-period financing for Metro Fire's operations during the periods before property taxes are received in its accounts, generally in January and April of each year. These amounts are accounted for in the General Fund.

## NOTE 13 – SUBSEQUENT EVENTS

On December 8, 2022, the Board of Directors approved a series of MOU and adjoining resolutions (MOUs) that will result in significant increases in wages and benefits for Metro Fire employees. Wages will rise five percent in calendar year 2023, and between 3 and 6 percent in 2024. New benefits were established for special qualifications, advanced education attainment, and standby pay, among others. Altogether, the new MOUs are expected to cost approximately \$5.8 million in FY 2022/23 and \$15.2 million in 2023/24.

On December 31, 2022, two Ground Emergency Medical Transport (GEMT) programs, the Quality Assurance Fee (QAF) and Certified Public Expenditure (CPE) will end and be replaced by a new intragovernmental transfer program called the Public Provider Ground Emergency Medical Transport Program (PPGEMT). The PPGEMT program will also draw down federal funds for transporting Medi-Cal covered patients, and is expected to generate substantially more revenues than were earned under the QAF and CPE programs: approximately \$7.9 million more each fiscal year.



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# **Required Supplementary Information**

## REQUIRED SUPPLEMENTARY INFORMATION

### SACRAMENTO METROPOLITAN FIRE DISTRICT CALPERS SAFETY PLAN (AGENT MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN)

#### SCHEDULE OF CHANGES IN NET PENSION LIABILITY FOR THE YEARS ENDED JUNE 30 - LAST TEN FISCAL YEARS\* (UNAUDITED)

Total Pension Liability	2022	2021	2020	2019	2018	2017	2016	2015
Service Cost	\$ 19,574,004	\$ 18,766,968	\$ 18,137,896	\$ 17,332,236	\$ 18,488,530	\$ 16,072,085	\$ 15,837,720	\$ 17,164,358
Interest on total pension liability	88,886,002	85,929,895	82,105,414	78,005,367	76,681,729	74,892,269	71,337,251	68,648,516
Changes in assumptions	-	-	-	(4,267,031)	64,990,592	-	(17,820,492)	-
Differences between expected and actual experience	4,295,871	17,433,208	21,855,583	(15,628,482)	(10,900,231)	8,521,299	(4,507,130)	-
Benefit payments, including refunds of employee contributions	(69,642,509)	(66,461,721)	(62,541,860)	(57,963,578)	(54,404,805)	(51,145,410)	(47,539,831)	(43,704,931)
Net change in total pension liability	43,113,368	55,668,350	59,557,033	17,478,512	94,855,815	48,340,243	17,307,518	42,107,943
Total pension liability - beginning	1,263,899,240	1,208,230,890	1,148,673,857	1,131,195,345	1,036,339,530	987,999,287	970,691,769	928,583,826
Total pension liability - ending	\$1,307,012,608	\$1,263,899,240	\$1,208,230,890	\$1,148,673,857	\$1,131,195,345	\$1,036,339,530	\$987,999,287	\$970,691,769
<u>Plan fiduciary net position</u>								
Contributions from employer	\$ 39,272,086	\$ 35,658,740	\$ 31,297,519	\$ 27,135,840	\$ 24,771,710	\$ 18,891,148	\$ 15,870,191	\$ 14,207,176
Contributions from employee	8,728,931	8,766,573	7,993,672	7,682,574	7,261,402	12,024,009	12,603,971	13,104,801
Net investment income	185,478,946	40,075,268	51,036,123	62,499,606	77,241,891	3,609,980	15,773,470	106,764,514
Benefit payments, including refunds of employee contributions	(69,642,509)	(66,461,721)	(62,541,860)	(57,963,578)	(54,404,805)	(51,145,410)	(47,539,831)	(43,704,931)
Administrative expense	(820,897)	(1,134,662)	(554,935)	(1,155,664)	(1,015,454)	(429,554)	(797,878)	-
Other miscellaneous expense	-	-	1,809	(2,194,626)	(1,809)	-	391	33,463
Plan to plan resource movement	-	-	-	-	-	-	-	-
Net change in plan fiduciary net position	163,016,557	16,904,198	27,232,328	36,002,343	53,854,744	(17,049,436)	(4,056,614)	90,371,560
Plan fiduciary net position-beginning	821,769,094	804,864,896	777,632,568	741,630,225	687,775,481	704,824,917	708,881,531	618,509,971
Plan fiduciary net position-ending	\$ 984,785,651	\$ 821,769,094	\$ 804,864,896	\$ 777,632,568	\$ 741,630,225	\$ 687,775,481	\$ 704,824,917	\$ 708,881,531
Net pension liability - ending	\$ 322,226,957	\$ 442,130,146	\$ 403,365,994	\$ 371,041,289	\$ 389,565,120	\$ 348,564,049	\$ 283,174,370	\$ 261,810,238
Plan fiduciary net position as a %age of the total pension liability	75.35%	65.02%	66.62%	67.70%	65.56%	66.37%	71.34%	73.03%
Covered payroll	\$ 99,317,901	\$ 93,171,590	\$ 94,748,833	\$ 89,614,453	\$ 84,874,556	\$ 79,593,547	\$ 84,053,108	\$ 74,082,665
Net pension liability as %age of covered payroll	324.44%	474.53%	425.72%	414.04%	458.99%	437.93%	336.90%	353.40%
Measurement Date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014

\* The fiscal year ended June 30, 2015 was the first year of implementation.

See Notes to Required Supplementary Information on page 65.

## REQUIRED SUPPLEMENTARY INFORMATION

**SACRAMENTO METROPOLITAN FIRE DISTRICT  
CALPERS MISCELLANEOUS PLANS AND SCERS PLAN  
(COST SHARING MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLANS)**

**SCHEDULE OF PLAN'S PROPORTIONATE SHARE OF NET PENSION LIABILITY  
LAST TEN FISCAL YEARS\***

**(UNAUDITED)**

	CalPERS Miscellaneous Plans							
	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability	0.50681%	0.40782%	0.39329%	0.37975%	0.36951%	0.35752%	0.33301%	0.31403%
District's proportionate share of the net pension liability	\$ 9,623,344	\$17,202,113	\$15,749,126	\$14,311,580	\$14,566,410	\$12,419,649	\$ 9,135,887	\$ 7,761,287
District's covered payroll	8,961,592	7,970,689	7,605,501	7,356,408	6,682,508	6,437,464	5,967,598	5,682,089
District's proportionate share of the net pension liability as a percentage of its covered payroll	107.38%	215.82%	207.08%	194.55%	217.98%	192.93%	153.09%	136.59%
District's proportionate share of the fiduciary net position as a Percentage of the District's total pension liability	86.96%	75.44%	76.47%	77.31%	76.34%	77.97%	82.95%	84.86%
Measurement Date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
SCERS Plan								
	2022	2021	2020	2019	2018	2017	2016	2015
	6.93778%	1.78379%	2.21556%	2.26088%	2.10315%	2.16878%	2.71553%	3.58479%
District's proportion of the net pension liability	\$31,413,859	\$49,296,345	\$46,987,869	\$45,369,064	\$45,045,597	\$38,910,909	\$32,096,516	\$28,663,664
District's proportionate share of the net pension liability	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)
District's covered payroll	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)
District's proportionate share of the net pension liability as a percentage of its covered payroll	71.60%	56.67%	49.33%	49.87%	48.98%	53.23%	58.36%	62.29%
Measurement Date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014

\* The fiscal year ended June 30, 2015 was the first year of implementation.

(a) As part of its withdrawal from the SCERS Plan, Metro Fire has contractually agreed to eliminate its accrued actuarial unfunded liability by making required contributions through fiscal year 2036/37. As a withdrawn member, SCERS calculates Metro Fire's pension liabilities in an account separate from the rest of the active employers, per contract agreement. A separate study is done to determine Metro Fire's TPL and FNP, using assumptions based on the combined experience of the risk pool as a whole. As of the measurement date, there are no active employees contributing to the Plan.

## REQUIRED SUPPLEMENTARY INFORMATION

### SACRAMENTO METROPOLITAN FIRE DISTRICT CALPERS AND SCERS PLANS

#### SCHEDULE OF EMPLOYER CONTRIBUTIONS TO THE PENSION PLAN LAST TEN FISCAL YEARS\* (UNAUDITED)

	2022	2021	2020	2019	2018	2017	2016	2015
<b>CalPERS Safety Plan</b>								
Actuarially determined contribution <sup>(b)</sup>	\$ 44,689,863	\$ 39,200,543	\$ 35,705,185	\$ 31,239,755	\$ 31,297,519	\$ 24,771,710	\$ 18,891,148	\$ 15,870,191
Contributions in relation to the actuarially determined contributions	<u>44,689,863</u>	<u>39,200,543</u>	<u>35,705,185</u>	<u>31,239,755</u>	<u>31,297,519</u>	<u>24,771,710</u>	<u>18,891,148</u>	<u>15,870,191</u>
Contribution deficiency (excess)	<u>\$ -</u>							
District's covered payroll	\$106,173,580	\$ 99,317,901	\$ 93,171,590	\$ 94,748,833	\$ 89,614,453	\$ 84,874,556	\$ 79,593,547	\$ 84,053,108
Contributions as a percentage of covered payroll	42.09%	39.47%	38.32%	32.97%	34.92%	29.19%	23.73%	18.88%
<b>CalPERS Miscellaneous Plan</b>								
Actuarially determined contribution <sup>(b)</sup>	\$ 2,326,359	\$ 2,088,652	\$ 1,893,862	\$ 1,640,922	\$ 1,400,265	\$ 1,252,247	\$ 1,034,835	\$ 959,424
Contributions in relation to the actuarially determined contributions	<u>2,326,359</u>	<u>2,088,652</u>	<u>1,893,862</u>	<u>1,640,922</u>	<u>1,400,265</u>	<u>1,252,247</u>	<u>1,034,835</u>	<u>959,424</u>
Contribution deficiency (excess)	<u>\$ -</u>							
District's covered payroll	\$ 8,981,224	\$ 8,961,592	\$ 7,970,689	\$ 7,605,501	\$ 7,356,408	\$ 6,682,508	\$ 6,437,464	\$ 5,967,598
Contributions as a percentage of covered payroll	25.90%	23.31%	23.76%	21.58%	19.03%	18.74%	16.08%	16.08%
Valuation Date	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012
<b>SCERS Plan</b>								
Agreed upon contribution <sup>(a)(b)</sup>	\$ 4,407,807	\$ 4,735,416	\$ 3,530,927	\$ 3,141,977	\$ 3,300,000	\$ 2,000,000	\$ 1,136,000	\$ 1,136,000
Contributions in relation to the agreed upon contributions	<u>4,407,807</u>	<u>4,735,416</u>	<u>3,530,927</u>	<u>3,141,977</u>	<u>3,300,000</u>	<u>2,000,000</u>	<u>1,136,000</u>	<u>1,136,000</u>
Contribution deficiency (excess)	<u>\$ -</u>							
District's covered payroll	(a)							
Contributions as a percentage of covered payroll	(a)							

\* The fiscal year ended June 30, 2015 was the first year of implementation. Ten-year trend information required by GASB Statement 68 will be presented prospectively. Amounts presented above were determined as of June 30.

(a) See note (a) on previous page and Notes to Pension Plans on pages 65 to 66.

(b) Based on employer's fiscal year.

## REQUIRED SUPPLEMENTARY INFORMATION

### SACRAMENTO METROPOLITAN FIRE DISTRICT OTHER POSTEMPLOYMENT BENEFITS PLAN

#### SCHEDULE OF CHANGES IN NET OPEB LIABILITY FOR THE YEARS ENDED JUNE 30 - LAST TEN FISCAL YEARS\* (UNAUDITED)

	2022	2021	2020	2019	2018
<b>Total OPEB Liability</b>					
Service Cost	\$ 7,239,289	\$ 7,028,436	\$ 7,495,527	\$ 11,032,356	\$ 12,634,019
Interest on total OPEB liability	17,724,611	17,003,368	16,145,887	14,310,340	13,077,526
Benefit payments	(14,204,225)	(13,820,280)	(12,739,327)	(12,766,407)	(12,187,992)
Assumption Changes	27,661,184	-	(3,417,601)	(70,000,614)	(29,263,904)
Plan Experience	(22,505,040)	-	(8,822,108)	-	-
Net change in total OPEB liability	15,915,819	10,211,524	(1,337,622)	(57,424,325)	(15,740,351)
Total OPEB liability - beginning	<u>251,275,746</u>	<u>241,064,222</u>	<u>242,401,844</u>	<u>299,826,169</u>	<u>315,566,520</u>
Total OPEB liability - ending	<u>\$ 267,191,565</u>	<u>\$ 251,275,746</u>	<u>\$ 241,064,222</u>	<u>\$ 242,401,844</u>	<u>\$ 299,826,169</u>
<b>Plan fiduciary net position</b>					
Contributions from employer	\$ 20,373,515	\$ 18,801,471	\$ 18,112,898	\$ 18,116,370	\$ 17,534,354
Net investment income	14,221,321	1,637,884	2,448,728	2,256,130	2,359,359
Benefit payments	(14,204,225)	(13,820,280)	(12,739,327)	(12,766,407)	(12,187,992)
Administrative expense	(19,642)	(21,994)	(8,006)	(15,755)	(11,856)
Other expense	-	-	-	(36,139)	-
Net change in plan fiduciary net position	20,370,969	6,597,081	7,814,293	7,554,199	7,693,865
Plan fiduciary net position - beginning	<u>49,271,351</u>	<u>42,674,270</u>	<u>34,859,977</u>	<u>27,305,778</u>	<u>19,611,913</u>
Plan fiduciary net position - ending	<u>\$ 69,642,320</u>	<u>\$ 49,271,351</u>	<u>\$ 42,674,270</u>	<u>\$ 34,859,977</u>	<u>\$ 27,305,778</u>
Net OPEB Liability - ending	<u>\$ 197,549,245</u>	<u>\$ 202,004,395</u>	<u>\$ 198,389,952</u>	<u>\$ 207,541,867</u>	<u>\$ 272,520,391</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>26.06%</u>	<u>19.61%</u>	<u>17.70%</u>	<u>14.38%</u>	<u>9.11%</u>
Covered-employee payroll	<u>\$ 108,279,493</u>	<u>\$ 101,142,279</u>	<u>\$ 102,354,334</u>	<u>\$ 96,970,861</u>	<u>\$ 91,557,064</u>
Net OPEB liability as percentage of covered-employee payroll	<u>182.44%</u>	<u>199.72%</u>	<u>193.83%</u>	<u>214.02%</u>	<u>297.65%</u>
Measurement Date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017

\* GASB Statement No. 75 was implemented during the year ended June 30, 2018. No information was available prior to this date. Information will be added prospectively as it becomes available until 10 years are reported. See Notes to Required Supplementary Information on page 67. Refer to Note 7-A for plan description.

## REQUIRED SUPPLEMENTARY INFORMATION

### SACRAMENTO METROPOLITAN FIRE DISTRICT OTHER POSTEMPLOYMENT BENEFITS PLAN

#### SCHEDULE OF EMPLOYER CONTRIBUTIONS TO THE OPEB PLAN LAST TEN FISCAL YEARS\* (UNAUDITED)

	2022	2021	2020	2019	2018
Actuarially determined contribution <sup>(a)</sup>	\$ 22,792,115	\$ 22,182,381	\$ 20,151,574	\$ 19,597,240	\$ 20,839,933
Contributions in relation to the actuarially determined contributions	<u>20,901,848</u>	<u>20,373,515</u>	<u>18,801,471</u>	<u>18,112,898</u>	<u>18,116,370</u>
Contribution deficiency (excess)	<u>\$ 1,890,267</u>	<u>\$ 1,808,866</u>	<u>\$ 1,350,103</u>	<u>\$ 1,484,342</u>	<u>\$ 2,723,563</u>
District's covered - employee payroll	\$ 115,154,804	\$ 108,279,493	\$ 101,142,279	\$ 102,354,334	\$ 96,970,861
Contributions as a percentage of covered-employee payroll	18.15%	18.82%	18.59%	17.70%	18.68%
Valuation Date	June 30, 2019	June 30, 2019	June 30, 2017	June 30, 2017	July 1, 2015

\* GASB Statement No. 75 was implemented during the year ended June 30, 2018. No information was available prior to this date. Information will be added prospectively as it becomes available until 10 years are reported.

(a) Annual contributions are based on an actuarial study preformed every two years. See Notes to Required Supplementary Information on page 68.

## REQUIRED SUPPLEMENTARY INFORMATION

### NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PENSION PLANS

#### **Notes to Schedules Relating to Net Pension Liability**

CalPERS Plans. There were no changes in actuarial assumptions used in determining the amounts reported in the current year for CalPERS Plans. There were changes in the following actuarial assumptions in the prior years:

- From 2018 to 2019, the inflation rate was changed from 2.75% to 2.50%. Demographic assumptions were also changed in accordance to the CalPERS Experience Study and Review of Assumptions completed in December 2017. There were no changes in the discount rate.
- From 2017 to 2018, the discount rate was changed from 7.65% to 7.15%.
- From 2015 to 2016, the discount rate was changed from 7.5% net of administrative expenses to 7.65% without a reduction of administrative expenses.

SCERS Plan. There were no changes in actuarial assumptions used in determining the amounts reported in the current year for the SCERS Plan. There were changes in the following actuarial assumptions in the prior years:

- From 2019 to 2020, the assumption for inflation/cost-of living adjustment was changed from 3.00% to 2.75% while the discount rate was changed from 7.0% to 6.75%.
- From 2017 to 2018, the discount rate was changed from 7.5% to 7.0% while the inflation rate was changed from 3.25% to 3.0%. The payroll growth rate is based on the inflation rate plus 0.25%. Demographic assumptions were also changed during that year from using RP-2000 Mortality Tables to RP 2014 Mortality tables.

#### **Notes to Schedule of Employer Contributions to the Pension Plans**

Below are the methods and assumptions used to calculate the contributions for the most recent year presented:

	CalPERS Plans	SCERS Plans
Actuarial Cost Method	Entry Age Normal Cost	Entry Age Actuarial Cost
Amortization Method	Level Percent of Payroll	Level Percent of Payroll
Asset Valuation Method	Fair Value	Fair Value
Investment Rate of Return	7.00%	6.75%
Inflation	2.50%	2.75%
Payroll Growth	2.75%	3.00% (includes inflation)
Salary Increases	Varies by entry age and service	Varies by entry age and service
Mortality Rate table	Derived using CalPERS' membership data for all funds which includes 15 years of mortality improvements using the Society of Actuaries Scale 90% of scale MP 2016.	Derived using Headcount-Weighted RP-2014 Healthy Annuitant Mortality Table projected generationally with two-dimensional scale MP-2016.
Post Retirement Benefit Increase	The lesser of contract COLA or 2.5% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.5% thereafter.	COLA up to 3.0% depending on retiree classification.

## REQUIRED SUPPLEMENTARY INFORMATION

### NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PENSION PLANS (continued)

#### **Notes to Schedule of Employer Contributions to the Pension Plans (continued)**

CalPERS Plans. In determining the current year contributions, the period over which actuarial gains and losses are amortized was shortened from 30 years to 20 years. In addition, the 5-year ramp-up and ramp-down on UAL bases attributable to assumption and method changes, investment and non-investment gains/losses will no longer be used.

There were changes in the following actuarial assumptions in the prior years:

- From 2020 to 2021, the discount rate was changed from 7.25% to 7.00% while the inflation rate was changed from 2.625% to 2.5%.
- From 2019 to 2020, the discount rate was changed from 7.375% to 7.25% while the inflation rate was changed from 2.75% to 2.625%. Demographic assumptions were also changed in accordance to the CalPERS Experience Study and Review of Assumptions completed in December 2017.
- From 2018 to 2019, the discount rate was changed from 7.5% to 7.375%.

## REQUIRED SUPPLEMENTARY INFORMATION

### NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – OPEB PLAN

#### **Notes to Schedule of Changes in Net OPEB Liability**

In determining the net OPEB liability reported in the current year, the following assumptions were changed:

- Trust rate of return was decreased from 7.05% to 6.21%.
- The discount rate was decreased from 7.05% to 5.90%, reflecting updated projected benefit cash flows and updated expected return on trust assets.
- Updated the base healthcare trend scale from Getzen Model 2019\_b to Getzen Model 2021\_b, as published by the Society of Actuaries
- The mortality improvement scale was updated from MacLeod Watts Scale 2018 to MacLeod Watts Scale 2022, reflecting continued updates in available information

From 2019 to 2020, the following were the changes in actuarial assumptions:

- Discount rate changed from a single equivalent discount rate of 6.63% to 7.05%.
- Assumed mortality, termination, and retirement rates were updated from those provided in the 2014 experience study report to those provided in the 2017 experience study report of CalPERS.
- Mortality rates were updated from MacLeod Watts Scale 2017 to MacLeod Watts Scale 2018.
- Inflation rate changed from 2.75% to 2.5%.
- Salary increase changed from 3.25% to 3.0%.
- The percentage of employees assumed to cover a dependent child in retirement was increased from 45% until the retiree reaches age 63 to 75% until the retiree reaches age 62.
- Excluded the excise tax for high-cost retiree coverage from this valuation due to its December 2019 repeal.

From 2018 to 2019 the following were the changes used in actuarial assumptions:

- The discount rate was changed from blended rate of 4.7% used to develop the total OPEB liability to a single equivalent discount rate of 6.63% determined as follows:
  - 7.25% to calculate the explicit subsidy liability
  - 3.62% to calculate the implicit subsidy liability

## REQUIRED SUPPLEMENTARY INFORMATION

### NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – OPEB PLAN (continued)

#### **Notes to Schedule of Employer Contributions**

Contribution rates are determined by an actuarial study conducted biennially. Contributions are not based on a measure of pay. The contribution rates for 2022 and 2021 were derived from an actuarial study performed as of June 30, 2019 while contribution rates for 2020 and 2019 were derived from an actuarial study performed as of June 30, 2017. The contribution rate for 2018 was derived from an actuarial study performed as of June 30, 2015. Below are the methods and assumptions used to determine contribution rates for the most recent year:

Long-Term Return on Assets	6.95%
Discount Rate	6.95%
Inflation	2.50%
Payroll Growth	3.0% per year; since benefits do not depend on pay, this is used only to allocate the cost of benefits between service years.
Mortality	2017 CalPERS Experience Study; Improvement using MW Scale 2018
Healthcare Trend	5.4% for 2021 decreasing to an ultimate rate of 4.0% for 2076 and later years.

From 2020 to 2021, the discount rate and inflation rate were decreased from 7.25% and 2.75% to 6.95% and 2.5%, respectively. In addition, the medical trend was updated to the Getzen model and the assumption regarding dependent child coverage was updated.

From 2018 to 2019, the discount rate was changed from a split rate of 7.25% for explicit subsidy and 4.0% for implicit subsidy to a single rate of 7.25%.

## Other Supplementary Information

## **Other Major Governmental Fund**

The *Capital Facilities Fund* is a capital projects fund used to account for the acquisition and construction of Metro Fire's major capital facilities. It is primarily funded by capital lease financing and general fund operating transfers.

**Sacramento Metropolitan Fire District  
Schedule of Revenues, Expenditures,  
and Changes in Fund Balance - Budget and Actual  
Capital Facilities Fund  
For the Fiscal Year Ended June 30, 2022**

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	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Use of money and property	\$ -	\$ -	\$ (21,565)	\$ (21,565)
Total Revenues	<u>-</u>	<u>-</u>	<u>(21,565)</u>	<u>(21,565)</u>
<b>EXPENDITURES</b>				
Current:				
Public protection				
Services and supplies	-	125,000	103,949	21,051
Capital outlay	8,477,877	9,730,265	719,097	9,011,168
Debt service:				
Principal	5,468,770	5,528,031	4,833,136	694,895
Interest and financing costs	313,560	320,240	247,584	72,656
Total Expenditures	<u>14,260,207</u>	<u>15,703,536</u>	<u>5,903,766</u>	<u>9,799,770</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(14,260,207)</u>	<u>(15,703,536)</u>	<u>(5,925,331)</u>	<u>9,778,205</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of finance leases	6,645,000	7,911,303	6,641,303	(1,270,000)
Issuance of refunding bonds	-	8,029,000	8,030,000	1,000
Sale of capital assets	-	55,148	288,173	233,025
Payment to refunded bond escrow agent	-	(8,115,000)	(8,115,000)	-
Transfers in	6,044,929	4,996,137	4,996,137	-
Transfers out	<u>-</u>	<u>(421,479)</u>	<u>(421,479)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>12,689,929</u>	<u>12,455,109</u>	<u>11,419,134</u>	<u>(1,035,975)</u>
Net Change in Fund Balance	<u>\$ (1,570,278)</u>	<u>\$ (3,248,427)</u>	<u>\$ 5,493,803</u>	<u>\$ 8,742,230</u>

## **Nonmajor Governmental Fund**

The *Impact Fee Fund* is a capital projects fund used to account for all resources received from development impact fees. It is used for the construction or acquisition of future fire stations and acquisition of apparatus to serve new developments.

**Sacramento Metropolitan Fire District  
Schedule of Revenues, Expenditures,  
and Changes in Fund Balance - Budget and Actual  
Impact Fee Fund  
For the Fiscal Year Ended June 30, 2022**

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	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Development Fees	\$ 1,300,000	\$ 1,459,486	\$ 2,635,223	\$ 1,175,737
Use of money and property	-	-	(39,692)	(39,692)
Total Revenues	<u>1,300,000</u>	<u>1,459,486</u>	<u>2,595,531</u>	<u>1,136,045</u>
<b>EXPENDITURES</b>				
Current:				
Public protection				
Services and supplies	236,000	151,946	108,488	43,458
Capital outlay	<u>5,834,000</u>	<u>5,278,712</u>	<u>4,854,284</u>	<u>424,428</u>
Total Expenditures	<u>6,070,000</u>	<u>5,430,658</u>	<u>4,962,772</u>	<u>467,886</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(4,770,000)</u>	<u>(3,971,172)</u>	<u>(2,367,241)</u>	<u>1,603,931</u>
Net Change in Fund Balance	<u><u>\$ (4,770,000)</u></u>	<u><u>\$ (3,971,172)</u></u>	<u><u>\$ (2,367,241)</u></u>	<u><u>\$ 1,603,931</u></u>



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# Statistical Section

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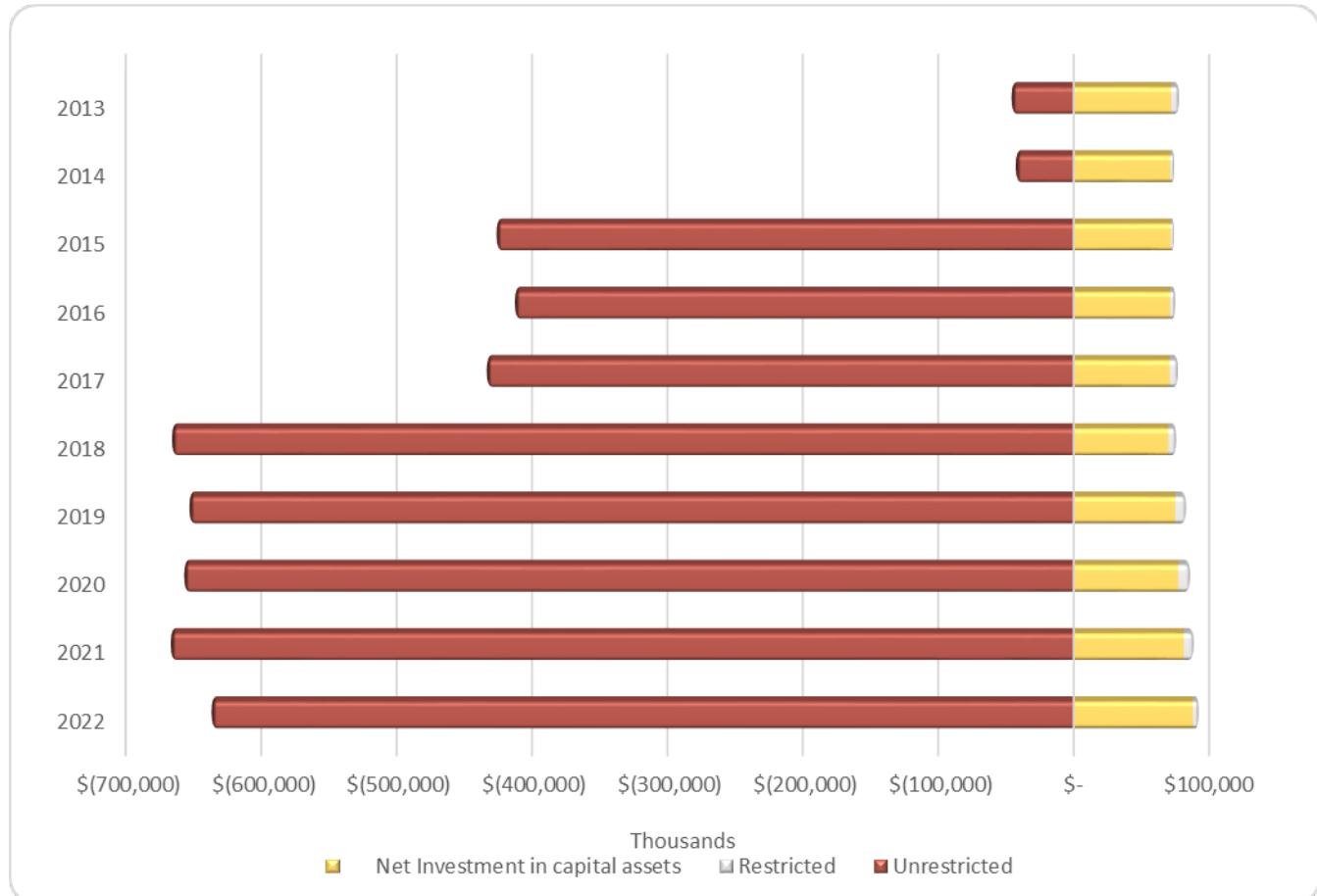


## STATISTICAL SECTION

This part of Metro Fire's annual comprehensive 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.

<u>Contents</u>	<u>Pages</u>
<b>FINANCIAL TRENDS</b> These schedules contain trend information to help the reader understand how Metro Fire's financial performance and well-being have changed over time. <ol style="list-style-type: none"><li>1. Net Position by Component</li><li>2. Changes in Net Position</li><li>3. Fund Balances of Governmental Funds</li><li>4. Changes in Fund Balances of Governmental Funds</li><li>5. Expenditures by Function</li></ol>	76-80
<b>REVENUE CAPACITY</b> These schedules contain information to help the reader assess Metro Fire's most significant local revenue source, property tax. <ol style="list-style-type: none"><li>1. General Revenues by Source</li><li>2. Assessed Value of Taxable Property</li><li>3. Assessed and Estimated Actual Value of Taxable Property</li><li>4. Property Tax Levies and Collections</li><li>5. Direct and Overlapping Property Tax Rates</li><li>6. Principal Property Taxpayers</li></ol>	81-86
<b>DEBT CAPACITY</b> 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. <ol style="list-style-type: none"><li>1. Ratio of Outstanding Debt by Type</li><li>2. Ratio of General Bonded Debt Outstanding</li><li>3. Computation of District and Overlapping Debt</li><li>4. Computation of Legal Bonded Debt Margin</li></ol>	87-90
<b>DEMOGRAPHIC AND ECONOMIC INFORMATION</b> These schedules present information to help the reader understand the community environment where Metro Fire's financial activities occur. <ol style="list-style-type: none"><li>1. Demographic Statistics</li><li>2. Demographic and Economic Statistics</li><li>3. Private Sector Principal Employers</li></ol>	91-93
<b>OPERATING INFORMATION</b> These schedules contain service and infrastructure data to help the reader understand how Metro Fire's financial report relates to the services provided and activities performed. <ol style="list-style-type: none"><li>1. Summary of District Activities</li><li>2. Total Responses</li><li>3. Emergency Response Detail Analysis</li><li>4. Emergency Response – Percent of Total Response by Type</li><li>5. Service-connected Injury/Illness Report</li><li>6. Staffing Summary</li><li>7. Capital Asset Statistics by Function</li></ol>	94-101

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



	(IN THOUSANDS)									
			(a)				(a)			
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Governmental Activities</b>										
Net Investment in capital assets	\$ 71,966	\$ 71,375	\$ 71,615	\$ 71,132	\$ 70,897	\$ 69,839	\$ 74,969	\$ 77,153	\$ 81,259	\$ 87,893
Restricted	5,698	2,523	2,099	3,673	5,974	5,667	7,919	8,691	7,333	8,491
Unrestricted	(45,775)	(42,691)	(426,074)	(412,546)	(433,299)	(665,709)	(652,860)	(656,721)	(666,631)	(640,786)
Total net position	<u>\$31,889</u>	<u>\$31,207</u>	<u>\$ (352,360)</u>	<u>\$ (337,741)</u>	<u>\$ (356,429)</u>	<u>\$ (590,203)</u>	<u>\$ (569,972)</u>	<u>\$ (570,877)</u>	<u>\$ (578,039)</u>	<u>\$ (544,402)</u>

Source: Sacramento Metropolitan Fire District financial records

- (a) In 2015, Metro Fire implemented GASB 68, which required the recognition of net pension liability and related deferrals in the Statement of Net Position instead of just providing a note disclosure. In 2018, GASB 75 was implemented, which also required the recognition of the net OPEB liability and related deferrals. These two pronouncements required Metro Fire's net position to be restated, which resulted in a large decrease in unrestricted net position in both years.

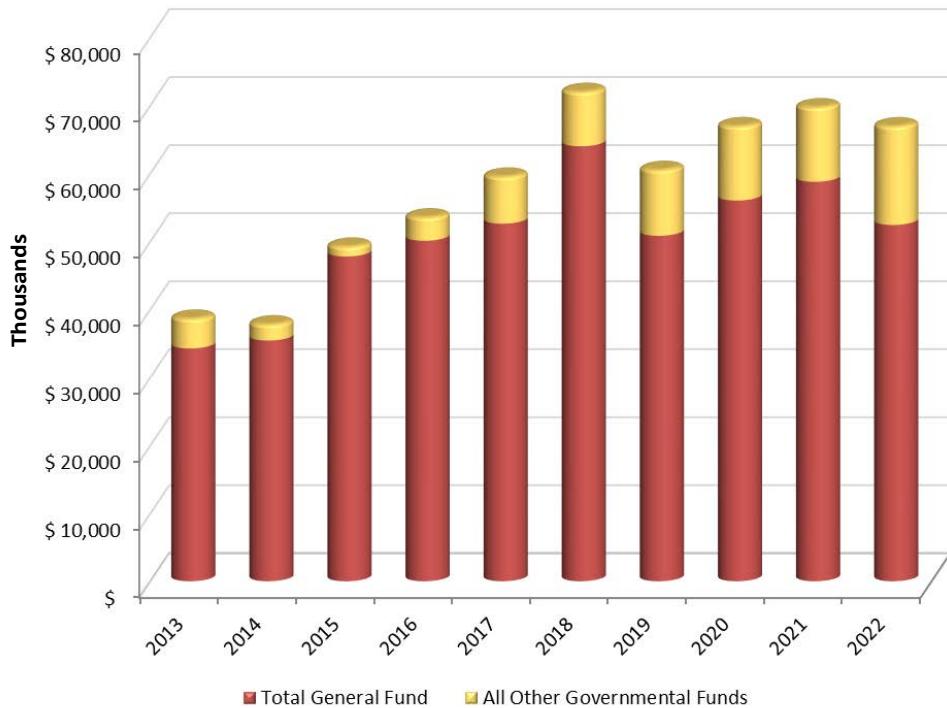
**SACRAMENTO METROPOLITAN FIRE DISTRICT**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
**(ACCRAUL BASIS OF ACCOUNTING)**

(IN THOUSANDS)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>EXPENSES</b>										
Governmental Activities:										
Public Protection	\$ 147,677	\$ 157,119	\$ 171,186	\$ 160,884	\$ 213,097	\$ 232,831	\$ 206,134	\$ 229,940	\$ 245,459	\$ 216,077
Interest on Long-Term Debt	4,484	4,412	4,383	4,338	4,271	4,198	3,458	2,478	2,418	2,175
Depreciation	4,461	4,612	3,930	4,070	4,721	4,628	5,434	5,762	6,418	6,406
Loss on disposal of assets	448	-	688	448	-	91	-	45	-	81
Total Government Activities	157,070	166,143	180,186	169,740	222,089	241,747	215,026	238,225	254,294	224,738
<b>PROGRAM REVENUES</b>										
Governmental Activities:										
Charges for Services	39,473	47,286	63,061	53,124	63,902	80,537	73,324	67,196	75,311	69,702
Operating Grants and Contributions	4,007	920	2,737	333	1,037	1,794	398	3,378	148	3,009
Capital Grants and Contributions	3,940	1,380	857	206	370	-	5,000	1,822	41	3,251
Total Program Revenues	47,420	49,586	66,655	53,663	65,309	82,331	78,722	72,395	75,500	75,962
<b>NET (EXPENSES)/REVENUE</b>										
Total Net Expense	(109,650)	(116,557)	(113,532)	(116,076)	(156,779)	(159,416)	(136,305)	(165,830)	(178,795)	(148,776)
<b>GENERAL REVENUES (EXPENSES)</b>										
Governmental Activities:										
Property Taxes	105,260	111,089	119,475	125,343	131,875	141,519	149,288	159,601	167,482	177,825
Tax-related Revenues	5,545	2,698	3,532	3,554	4,107	4,234	4,559	3,910	4,345	4,005
Investment Earnings	1,012	985	1,048	1,353	951	425	1,276	1,204	(361)	(907)
Gain on Sale of Capital Assets	-	-	-	-	-	-	188	-	8	-
Miscellaneous	394	1,103	137	446	1,158	1,624	1,225	210	158	1,490
Total General Revenues	112,211	115,874	124,192	130,695	138,092	147,802	156,536	164,925	171,633	182,413
<b>CHANGE IN NET POSITION</b>										
Governmental Activities	2,560	(682)	10,660	14,619	(18,688)	(11,615)	20,231	(905)	(7,162)	33,637
Net Position, Beginning of year	29,328	31,889	(363,020)	(352,360)	(337,741)	(578,588)	(590,203)	(569,972)	(570,877)	(578,039)
Net Position, End of year	\$ 31,889	\$ 31,207	\$ (352,360)	\$ (337,741)	\$ (356,429)	\$ (590,203)	\$ (569,972)	\$ (570,877)	\$ (578,039)	\$ (544,402)

Source: Sacramento Metropolitan Fire District financial records

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



	(IN THOUSANDS)									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>GENERAL FUND</b>										
Nonspendable	\$ 2,710	\$ 3,061	\$ 3,183	\$ 2,914	\$ 2,406	\$ 2,830	\$ 3,429	\$ 3,369	\$ 3,404	\$ 3,854
Restricted	468	113	369	311	171	124	278	247	57	-
Committed	15,882	19,129	21,031	23,977	26,248	28,860	6,061	8,669	10,990	12,949
Unassigned	15,161	13,084	23,156	22,854	23,744	32,132	41,014	43,683	44,268	35,573
<b>Total General Fund</b>	<b>\$ 34,220</b>	<b>\$ 35,387</b>	<b>\$ 47,739</b>	<b>\$ 50,056</b>	<b>\$ 52,569</b>	<b>\$ 63,946</b>	<b>\$ 50,781</b>	<b>\$ 55,968</b>	<b>\$ 58,718</b>	<b>\$ 52,375</b>
<b>ALL OTHER GOVERNMENTAL</b>										
Nonspendable	\$ 671	\$ -	\$ -	\$ 17	\$ -	\$ 953	\$ -	\$ -	\$ -	\$ 4,178
Restricted	3,920	2,363	1,680	3,409	6,900	6,266	8,768	9,056	8,880	8,285
Committed	-	-	-	-	-	767	910	1,866	2,079	2,209
Unassigned	(225)	-	(238)	-	-	-	-	-	(7)	(175)
<b>Total all other Governmental funds</b>	<b>\$ 4,366</b>	<b>\$ 2,363</b>	<b>\$ 1,442</b>	<b>\$ 3,426</b>	<b>\$ 6,900</b>	<b>\$ 7,986</b>	<b>\$ 9,678</b>	<b>\$ 10,923</b>	<b>\$ 10,952</b>	<b>\$ 14,497</b>

Source: Sacramento Metropolitan Fire District financial records

- (a) In fiscal year 2018-19 Metro Fire retired its Series C Pension Bonds for \$25,500,000. The funds used to pay its bondholders came from committed funds in the general fund.

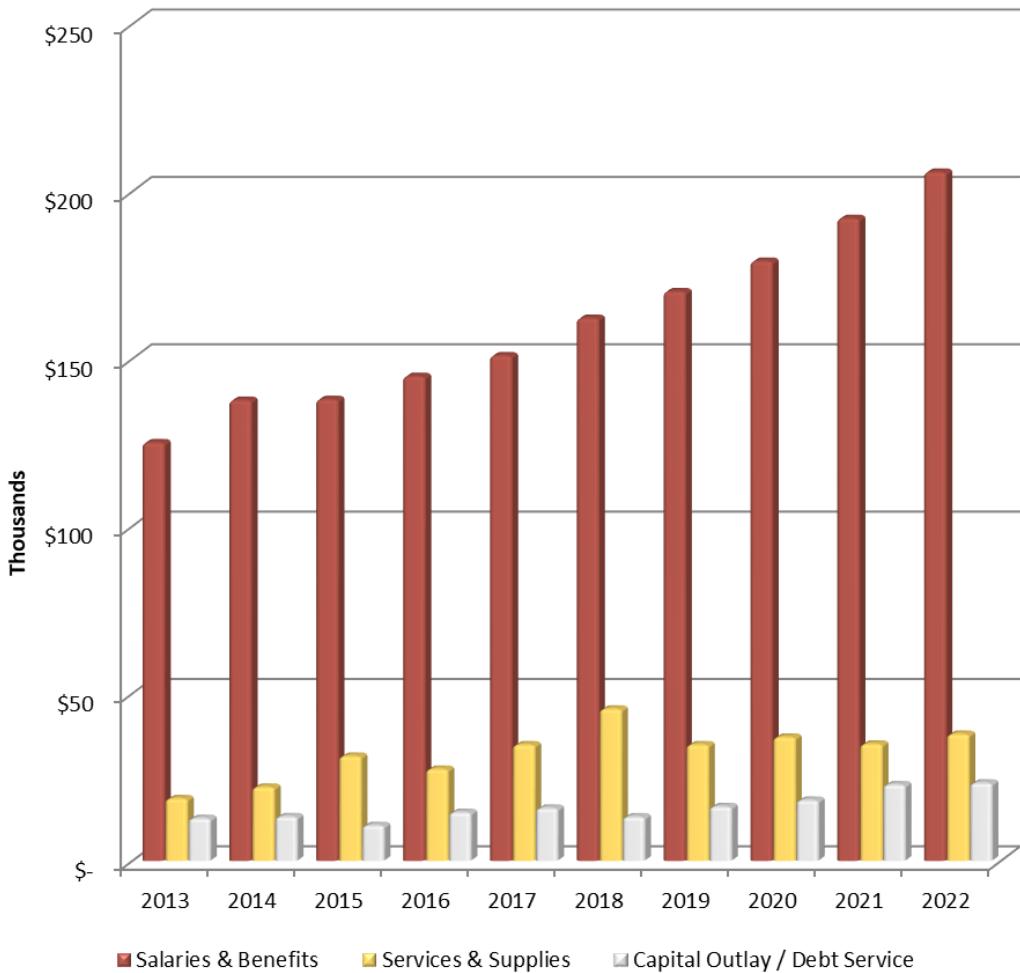
**SACRAMENTO METROPOLITAN FIRE DISTRICT**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

(IN THOUSANDS)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>REVENUES</b>										
Property taxes	\$ 105,058	\$ 112,297	\$ 119,575	\$ 125,443	\$ 131,575	\$ 141,419	\$ 149,457	\$ 158,932	\$ 167,882	\$ 177,925
Charges for services	36,711	44,208	60,343	51,788	60,911	79,380	70,505	64,403	72,214	64,986
Intergovernmental revenues	10,562	10,415	7,199	4,141	5,520	5,966	5,019	8,979	4,602	9,622
Development Fees	1,326	1,092	1,257	1,528	1,506	1,232	1,601	1,492	2,843	2,635
Use of money and property	1,015	1,019	1,084	1,433	994	425	1,755	2,182	782	189
Miscellaneous	401	234	777	632	724	1,861	1,310	208	162	1,995
Total Revenues	155,072	169,265	190,235	184,965	201,230	230,283	229,646	236,196	248,484	257,352
<b>EXPENDITURES</b>										
Current:										
Public protection	143,613	159,725	169,216	172,225	185,675	207,553	204,866	216,191	230,931	247,973
Capital outlay	5,665	5,912	2,593	5,793	7,250	3,188	6,142	7,638	7,598	8,825
Debt service:										
Principal repayment	3,556	3,964	4,732	5,587	5,513	7,078	7,296	7,839	8,686	7,948
Interest and fiscal charges	3,516	3,380	3,297	3,155	3,027	2,938	2,826	2,690	2,489	2,248
Total Expenditures	156,349	172,982	179,837	186,760	201,465	220,756	221,130	234,357	249,703	266,994
Excess (deficiency) of revenues over (under) expenditures	(1,277)	(3,716)	10,398	(1,794)	(235)	9,527	8,516	1,839	(1,219)	(9,642)
<b>OTHER FINANCING SOURCES (USES)</b>										
Issuance of capital leases	-	2,880	849	6,005	6,207	2,925	5,232	4,510	3,898	6,641
Issuance of refunding bonds	-	-	-	-	-	-	-	-	-	8,030
Sale of capital assets	46	-	184	91	13	12	280	83	101	288
Payment to refunded bond escrow agent		-	-	-	-	-	-	-	-	(8,115)
Transfers in	86	504	538	3,266	5,022	3,842	5,174	6,940	7,621	5,795
Transfers out	(86)	(504)	(538)	(3,266)	(5,022)	(3,842)	(5,174)	(6,940)	(7,621)	(5,795)
Total other financing sources (uses)	46	2,880	1,033	6,096	6,220	2,937	5,511	4,593	3,998	6,844
<b>SPECIAL ITEM</b>										
Early retirement of debt	-	-	-	-	-	-	(25,500)	-	-	-
Net Change in fund balances	\$ (1,230)	\$ (836)	\$ 11,431	\$ 4,302	\$ 5,985	\$ 12,464	\$ (11,473)	\$ 6,432	\$ 2,779	\$ (2,798)
Debt service as a percentage of noncapital expenditures	4.7%	4.4%	4.5%	4.8%	4.4%	4.6%	4.7%	4.6%	4.6%	3.9%

Source: Sacramento Metropolitan Fire District financial records

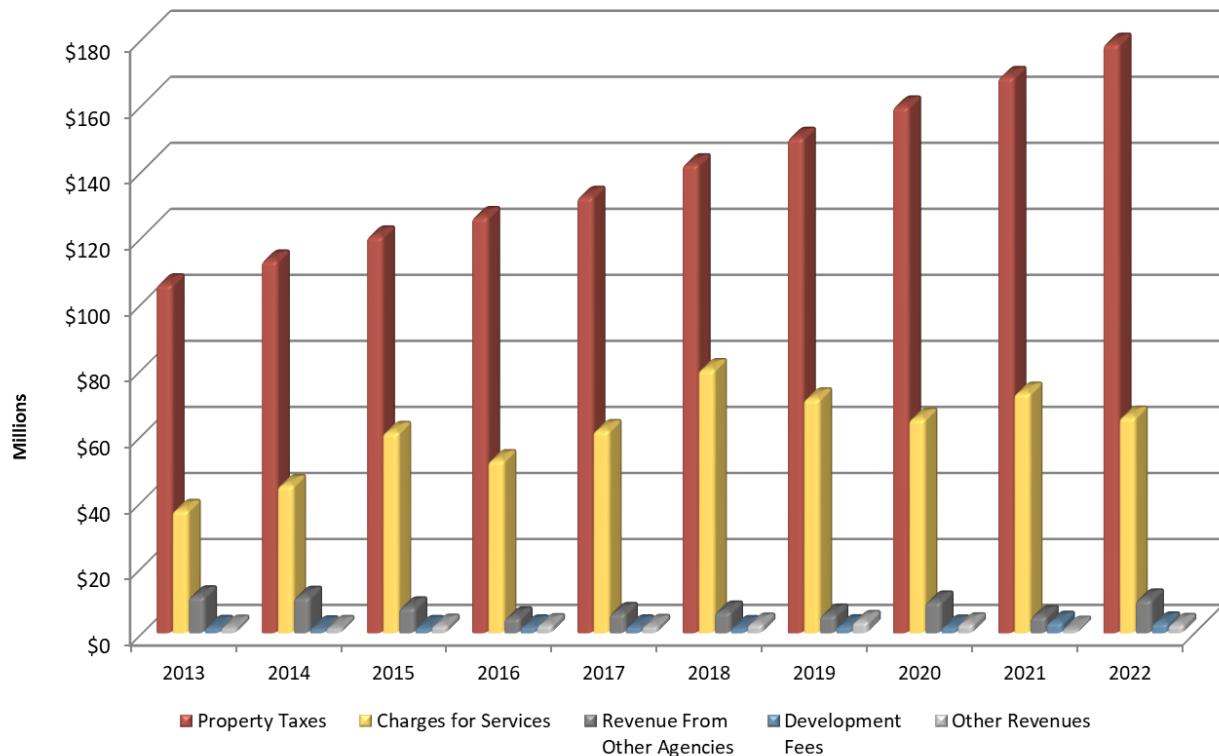
**SACRAMENTO METROPOLITAN FIRE DISTRICT**  
**EXPENDITURES BY FUNCTION**  
**LAST TEN FISCAL YEARS**  
**(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**



Fiscal Year	Salaries & Benefits	Services & Supplies	Capital Outlay / Debt Service	Total
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
2015	137,900,260	31,315,336	10,621,731	179,837,327
2016	144,787,467	27,437,632	14,534,802	186,759,901
2017	150,963,327	34,712,039	15,789,537	201,464,903
2018	162,144,725	45,407,883	13,203,330	220,755,938
2019	170,126,581	34,739,840	16,263,739	221,130,160
2020	179,191,062	36,999,701	18,166,577	234,357,340
2021	191,968,522	34,936,429	22,798,478	249,703,429
2022	205,807,019	37,874,862	23,312,321	266,994,202

Source: Sacramento Metropolitan Fire District financial records

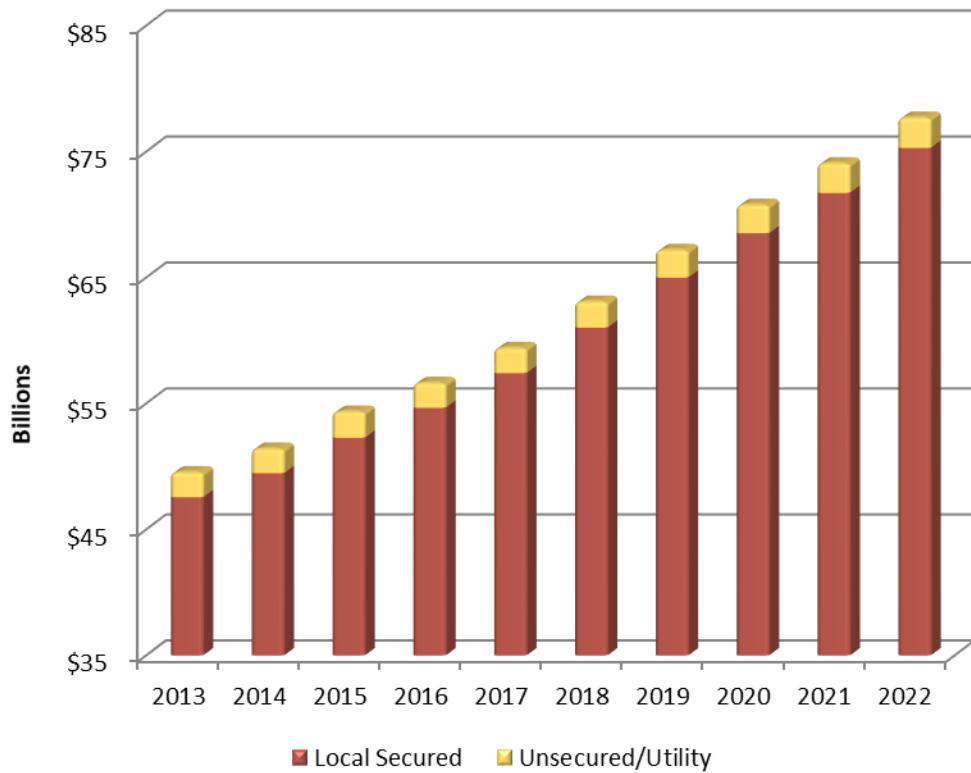
**SACRAMENTO METROPOLITAN FIRE DISTRICT**  
**GENERAL REVENUES BY SOURCE**  
**ALL GOVERNMENTAL FUND TYPES**  
**LAST TEN FISCAL YEARS**  
**(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**



Fiscal Year	Property Taxes	Charges for Services	Revenue From Other Agencies	Development Fees	Other Revenues	Total
2013	\$ 105,058,038	\$ 36,710,780	\$ 10,561,785	\$ 1,326,406	\$ 1,415,487	\$ 155,072,496
2014	\$ 112,297,471	\$ 44,207,768	\$ 10,415,420	\$ 1,092,120	\$ 1,252,528	\$ 169,265,307
2015	\$ 119,575,421	\$ 60,343,284	\$ 7,198,784	\$ 1,257,063	\$ 1,860,770	\$ 190,235,322
2016	\$ 125,442,598	\$ 51,788,463	\$ 4,141,009	\$ 1,528,101	\$ 2,065,316	\$ 184,965,487
2017	\$ 131,575,144	\$ 60,910,756	\$ 5,519,514	\$ 1,506,440	\$ 1,718,002	\$ 201,229,856
2018	\$ 141,419,059	\$ 79,380,313	\$ 5,966,037	\$ 1,231,621	\$ 2,285,744	\$ 230,282,774
2019	\$ 149,456,508	\$ 70,505,085	\$ 5,018,804	\$ 1,600,941	\$ 3,064,667	\$ 229,646,005
2020	\$ 158,932,322	\$ 64,402,578	\$ 8,978,707	\$ 1,492,492	\$ 2,390,119	\$ 236,196,218
2021	\$ 167,882,456	\$ 72,213,990	\$ 4,601,775	\$ 2,842,887	\$ 943,220	\$ 248,484,328
2022	\$ 177,925,409	\$ 64,986,101	\$ 9,621,620	\$ 2,635,223	\$ 2,183,729	\$ 257,352,082

Source: Sacramento Metropolitan Fire District Financial Records

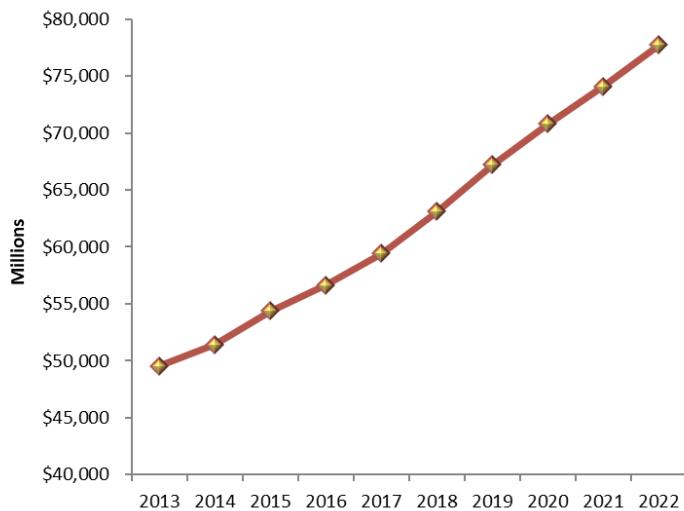
**SACRAMENTO METROPOLITAN FIRE DISTRICT**  
**ASSESSED VALUE OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS**



Fiscal Year	Local Secured	Unsecured	Utility	Total Assessed Value
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
2015	52,288,258,939	2,056,903,763	12,374,963	54,357,537,665
2016	54,665,273,502	1,958,102,943	14,281,090	56,637,657,535
2017	57,422,958,579	1,975,992,652	14,666,412	59,413,617,643
2018	61,032,287,650	2,046,388,502	15,203,547	63,093,879,699
2019	65,006,172,245	2,168,642,105	17,833,905	67,192,648,255
2020	68,530,055,001	2,233,379,015	18,374,984	70,781,809,000
2021	71,729,219,971	2,329,422,342	18,900,332	74,077,542,645
2022	75,298,080,718	2,402,101,925	2,324,564	77,702,507,207

Source: Sacramento County Assessor Tax Rolls

**SACRAMENTO METROPOLITAN FIRE DISTRICT**  
**ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS**



Fiscal Year	Real Secured Property				
	Residential Property	Commercial Property	Industrial Property	Other	Total
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
2015	41,305,538,059	7,306,871,726	2,239,426,342	1,448,797,775	52,300,633,902
2016	43,266,191,121	7,542,297,469	2,302,158,204	1,568,907,798	54,679,554,592
2017	45,560,923,825	7,865,309,908	2,375,680,303	1,635,710,955	57,437,624,991
2018	48,540,703,558	8,268,423,631	2,505,362,207	1,733,001,801	61,047,491,197
2019	51,775,767,454	8,660,293,077	2,697,351,672	1,890,593,947	65,024,006,150
2020	54,861,785,343	8,840,966,601	2,853,982,637	1,991,695,404	68,548,429,985
2021	57,839,042,407	9,106,013,965	3,008,565,745	1,794,498,186	71,748,120,303
2022	61,007,456,232	9,274,475,132	3,153,209,079	1,865,264,839	75,300,405,282

Fiscal Year	Total Assessed Values				
	Total Real Secured Property	Unsecured Property	Total Assessed (a)	Estimated Full Market (a)	Total Direct Tax Rate (b)
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%
2015	52,300,633,902	2,056,903,763	54,357,537,665	54,357,537,665	1%
2016	54,679,554,592	1,958,102,943	56,637,657,535	56,637,657,535	1%
2017	57,437,624,991	1,975,992,652	59,413,617,643	59,413,617,643	1%
2018	61,047,491,197	2,046,388,502	63,093,879,699	63,093,879,699	1%
2019	65,024,006,150	2,168,642,105	67,192,648,255	67,192,648,255	1%
2020	68,548,429,985	2,233,379,015	70,781,809,000	70,781,809,000	1%
2021	71,748,120,303	2,329,422,342	74,077,542,645	74,077,542,645	1%
2022	75,300,405,282	2,402,101,925	77,702,507,207	77,702,507,207	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 local governments 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	Current Collections		Percentage of Levy Collected <sup>(a)</sup>	Value of Property Subject to Local Tax Rate
	Property Taxes	Levy Collected		
2013	\$ 105,058,038	\$ 105,058,038	100%	\$ 49,545,776,883
2014	112,297,471	112,297,471	100%	51,418,530,739
2015	119,575,421	119,575,421	100%	54,357,537,665
2016	125,442,598	125,442,598	100%	56,637,657,535
2017	131,575,144	131,575,144	100%	59,413,617,643
2018	141,419,059	141,419,059	100%	63,093,879,699
2019	149,456,508	149,456,058	100%	67,192,648,255
2020	158,932,322	158,932,322	100%	70,781,809,000
2021	167,882,456	167,882,456	100%	74,077,542,645
2022	177,825,409	177,825,409	100%	77,702,507,207

Sources: Sacramento Metropolitan Fire District Financial Records and Sacramento County Assessor Tax Rolls

- (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.

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

<b>Fiscal Year</b>	<b>Los Rios</b>			<b>Total</b>
	<b>Basic County Wide Levy</b>	<b>Community College District</b>	<b>San Juan Unified School District</b>	
2013	1.0000 %	0.0193 %	0.1003 %	1.1196 %
2014	1.0000	0.0181	0.1630	1.1811
2015	1.0000	0.0113	0.1509	1.1622
2016	1.0000	0.0091	0.1547	1.1638
2017	1.0000	0.0141	0.1522	1.1663
2018	1.0000	0.0130	0.2115	1.2245
2019	1.0000	0.0131	0.1993	1.2124
2020	1.0000	0.0232	0.1793	1.2025
2021	1.0000	0.0223	0.1809	1.2032
2022	1.0000	0.0249	0.1887	1.2136

Source: California Municipal Statistics, Inc.

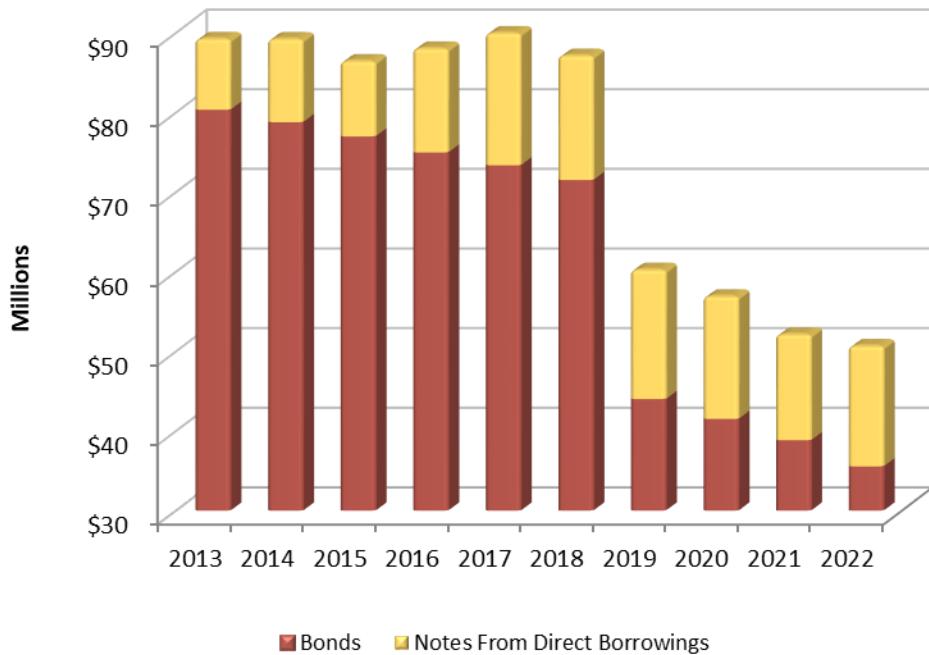
Note: In 1978, California voters passed Proposition 13 which set the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies within which the subject property resides. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property 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.

**SACRAMENTO METROPOLITAN FIRE DISTRICT**  
**PRINCIPAL PROPERTY TAXPAYERS**  
**CURRENT YEAR AND NINE YEARS AGO**

Taxpayer	2022			2013		
	Taxable Assessed		Percentage of Total Assessed	Taxable		Percentage of Total Assessed
	Value	Rank		Assessed Value	Rank	
Ethan Conrad	\$ 330,277,504	1	0.43%	\$ 85,028,350	9	0.17%
MP Holdings LLC	325,440,553	2	0.42%	161,508,959	3	0.33%
Walmart/Sams	192,881,529	3	0.25%	170,752,884	2	0.34%
California-American Water Company	159,581,517	4	0.21%	119,469,890	4	0.24%
Comcast	155,178,525	5	0.20%	116,799,108	5	0.24%
Siemens Mobility Inc.	153,955,011	6	0.20%			
2017-1 IH Borrower LP	114,556,210	7	0.15%			
Aerojet Rocketdyne Inc	109,865,797	8	0.14%	248,163,424	1	0.50%
Oakmont Props Oak Brook LLC	108,954,493	9	0.14%			
MP Core Selby Ranch LLC	99,403,530	10	0.13%			
VSP Holding Company				101,114,931	6	0.20%
Xojet Inc				97,944,887	7	0.20%
Ampac Fine Chemicals LLC				94,765,338	8	0.19%
Florin Associates LLC				80,954,557	10	0.16%
	<u>\$ 1,750,094,669</u>		<u>2.27%</u>	<u>\$ 1,276,502,328</u>		<u>2.57%</u>

Source: Sacramento County Assessor Tax Rolls

**SACRAMENTO METROPOLITAN FIRE DISTRICT**  
**RATIO OF OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS**



Fiscal Year	Bonds <sup>(a)</sup>	Notes From Direct Borrowings	Total Primary Government	Percentage of Personal Income <sup>(b)</sup>	Debt per Capita <sup>(b)</sup>
2013	\$ 80,356,845	\$ 8,895,000	\$ 89,251,845	0.30%	\$ 125
2014	78,790,389	10,430,752	89,221,141	0.28%	124
2015	77,002,581	9,447,809	86,450,390	0.27%	119
2016	74,982,507	13,061,097	88,043,604	0.26%	119
2017	73,372,966	16,605,506	89,978,472	0.25%	121
2018	71,527,785	15,607,580	87,135,365	0.23%	116
2019	44,018,774	16,233,713	60,252,487	0.15%	80
2020	41,525,853	15,395,100	56,920,953	0.14%	75
2021	38,842,932	13,286,606	52,129,538	0.12%	69
2022	35,560,000	15,119,500	50,679,500	0.11%	66

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

(a) Comprised of Pension Obligation Bonds and Lease Revenue Bonds, net of unamortized premiums/discounts.

(b) See page 91 (Demographic Statistics) for population data and page 92 for personal income. Debt per capita decreased significantly in 2019 due to the early retirement of a pension bond series amounting to \$25.5 million.

**SACRAMENTO METROPOLITAN FIRE DISTRICT**  
**RATIO OF GENERAL BONDED DEBT OUTSTANDING**  
**LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>General Obligation Bonds<sup>(a)</sup></b>	<b>Less: Amounts Restricted for Debt Service<sup>(b)</sup></b>	<b>Net General Bonded Debt</b>	<b>Ratio of Net General Bonded Debt to Estimated Actual Taxable Value of Property<sup>(c)</sup></b>	<b>Per Capita<sup>(d)</sup></b>
	\$	\$	\$		
2013	\$ 68,375,545	\$ -	\$ 68,375,545	0.14%	\$ 96
2014	67,572,010	-	67,572,010	0.13%	94
2015	66,582,123	-	66,582,123	0.12%	92
2016	65,394,970	-	65,394,970	0.12%	89
2017	63,998,350	-	63,998,350	0.11%	86
2018	62,371,090	-	62,371,090	0.10%	83
2019	35,090,000	-	35,090,000	0.05%	46
2020	32,840,000	-	32,840,000	0.05%	43
2021	30,410,000	-	30,410,000	0.04%	40
2022	27,530,000	-	27,530,000	0.04%	36

Source: Sacramento Metropolitan Fire District Financial Records

(a) Comprised of Pension Obligation Bonds.

(b) There is no restricted debt service reserve for the Pension Bonds. Debt service reserves currently reported in the statement of net position are for the Lease Revenue Bonds only and are not included the above schedule.

(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 DIRECT AND OVERLAPPING DEBT**  
**JUNE 30, 2022**

	Total Debt Outstanding	% Applicable <sup>(1)</sup>	Amount Applicable to Metro Fire
<u>2021/22 Assessed Valuation:</u> \$77,702,507,207			
<b>OVERLAPPING TAX AND ASSESSMENT DEBT</b>			
Los Rios Community College District	\$ 495,095,000	31.779%	\$ 157,336,240
Center Joint Unified School District	92,853,699	79.931%	74,218,890
Folsom Cordova Unified School District School Facilities Improvement District Nos. 1, 2, 3, 4 and 5	495,573,520	0.015-100	239,494,270
Sacramento Unified School District	488,647,966	10.560%	51,601,225
San Juan Unified School District	752,168,565	96.562%	726,309,010
Twin Rivers Unified School District (former Grant Joint Union High School District Bonds)	259,153,860	41.830%	108,404,060
Twin Rivers Unified School District (former Elementary School District Bonds)	51,225,000	48.975%	25,087,444
Other School Districts	947,652,712	Various	126,236,883
Fair Oaks Recreation and Park District	16,860,000	100.000%	16,860,000
Dry Creek Joint School District Community Facilities District No. 1	3,950,000	100.000%	3,950,000
Elk Grove Unified School District Community Facilities District No. 1	178,666,133	30.057%	53,701,680
City of Rancho Cordova Community Facilities District Nos. 2003-1, 2004-1, 2005-1, and 2018-1	124,430,000	100.000%	124,430,000
Other Community Facilities Districts	99,322,000	100.000%	99,322,000
1915 Act and Other Assessment Bonds	353,306,000	Various	118,662,959
<b>TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT</b>			\$ 1,925,614,661
<b>DIRECT AND OVERLAPPING GENERAL FUND DEBT</b>			
Sacramento County General Fund Obligations	\$ 128,277,354	40.567%	\$ 52,038,274
Sacramento County Pension Obligation Bonds	625,201,330	40.567%	253,625,424
Sacramento County Board of Education Certificates of Participation	2,635,000	40.567%	1,068,940
Sacramento Unified School District Certificates of Participation	55,030,000	10.560%	5,811,168
Twin Rivers Unified School District Certificates of Participation	8,090,000	41.830%	3,384,047
Other School District Certificates of Participation	79,696,000	Various	7,048,937
City of Citrus Heights General Fund Obligations	3,520,001	100.000%	3,520,001
City of Folsom General Fund Obligations	1,000,748	0.643%	6,435
City of Rancho Cordova Certificates of Participation	12,870,000	100.000%	12,870,000
City of Sacramento General Fund Obligations	558,215,000	0.0010%	5,582
<b>Sacramento Metropolitan Fire District Bonds</b>	<b>35,560,000</b>	<b>100.000%</b>	<b>35,560,000</b>
<b>Sacramento Metropolitan Fire District Financing leases</b>	<b>15,119,500</b>	<b>100.000%</b>	<b>15,119,500</b>
Arcade Creek Recreation and Park District General Fund Obligations	181,400	98.925%	179,450
Cordova Recreation and Park District General Fund Obligations	6,514,347	100.000%	6,514,347
Fulton-El Camino Recreation and Park District General Fund Obligations	1,024,000	83.063%	850,565
Orangevale Recreation and Park District General Fund Obligations	902,000	100.000%	902,000
Southgate Recreation and Park District General Fund Obligations	8,052,812	83.617%	6,733,520
Sunrise Recreation and Park District Certificates of Participation	5,060,000	100.000%	5,060,000
<b>TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT</b>			410,298,190
Less: Sacramento County supported obligations			(5,572,832)
City of Sacramento supported obligations			(3,863)
<b>TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT</b>			\$ 404,721,495
<b>OVERLAPPING TAX INCREMENT DEBT</b>			
Successor Agency	\$ 59,565,000	100.00%	\$ 59,565,000
<b>TOTAL DIRECT DEBT</b>			\$ 50,679,500
<b>TOTAL GROSS OVERLAPPING DEBT</b>			\$ 2,344,798,351
<b>TOTAL NET OVERLAPPING DEBT</b>			\$ 2,339,221,656
<b>GROSS COMBINED TOTAL DEBT</b>			\$ 2,395,477,851 <sup>(2)</sup>
<b>NET COMBINED TOTAL DEBT</b>			\$ 2,389,901,156

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

**Ratios to 2021-22 Assessed Valuation:**

Total Overlapping Tax and Assessment Debt	0.52%
Total Direct Debt	0.07%
Gross Combined Total Debt	3.08%
Net Combined Total Debt	3.08%

**Ratios to Redevelopment Successor Agency Incremental Valuation (\$1,775,467,545):**

Total Overlapping Tax Increment Debt	3.35%
--------------------------------------	-------

Source: California Municipal Statistics and Metro Fire records

**SACRAMENTO METROPOLITAN FIRE DISTRICT**  
**COMPUTATION OF LEGAL BONDED DEBT MARGIN**  
**JUNE 30, 2022**

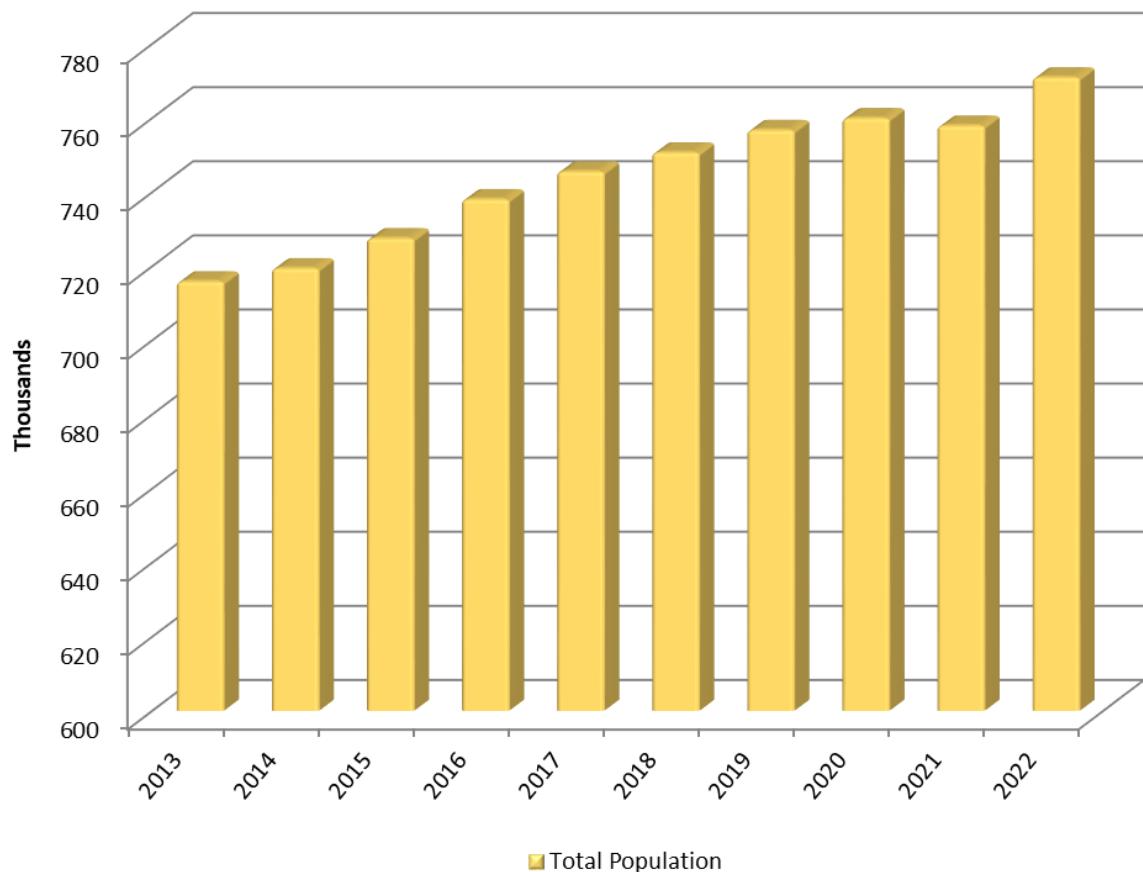
Assessed Valuation	\$ 77,702,507,207
Debt Margin Ratio <sup>(a)</sup>	2.50%
Bonded Debt Limit	1,942,562,680
Outstanding Debt	
Total Bonded Debt	\$ 35,560,000
Less Amounts in Sinking Fund	(8,948,903)
Total Applicable Debt	26,611,097
Legal Debt Margin	\$ 1,915,951,583

Fiscal Year	Debt Limit	Total Net Debt	Percentage of Legal Debt Margin Available	
			Applicable to Limit	Legal Debt Margin
2012	\$ 1,265,613,505	\$ 71,250,940	\$ 1,194,362,566	94.37%
2013	1,238,644,422	67,520,602	1,171,123,820	94.55%
2014	1,285,463,268	62,731,619	1,222,731,649	95.12%
2015	1,358,938,442	59,068,787	1,299,869,655	95.65%
2016	1,415,941,438	54,130,874	1,361,810,564	96.18%
2017	1,485,340,441	50,446,930	1,434,893,511	96.60%
2018	1,577,346,992	45,986,590	1,531,360,402	97.08%
2019	1,679,816,206	41,266,823	1,638,549,383	97.54%
2020	1,769,545,225	36,180,903	1,733,364,322	97.96%
2021	1,851,938,566	31,177,079	1,820,761,487	98.32%
2022	1,942,562,680	26,611,097	1,915,951,583	98.63%

Source: California Municipal Statistics, Inc.

- (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**

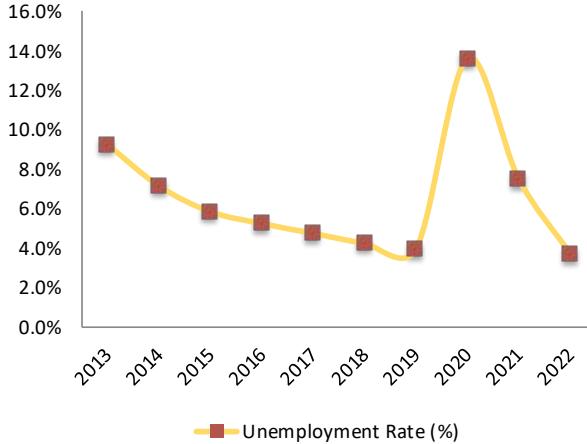
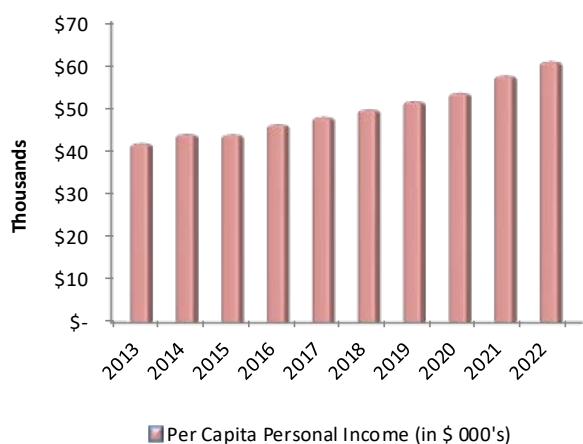
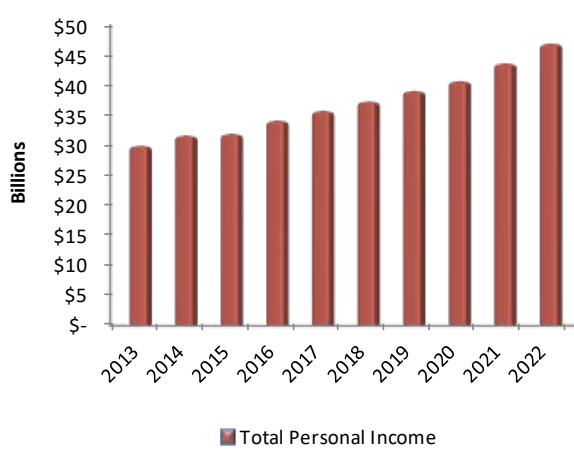
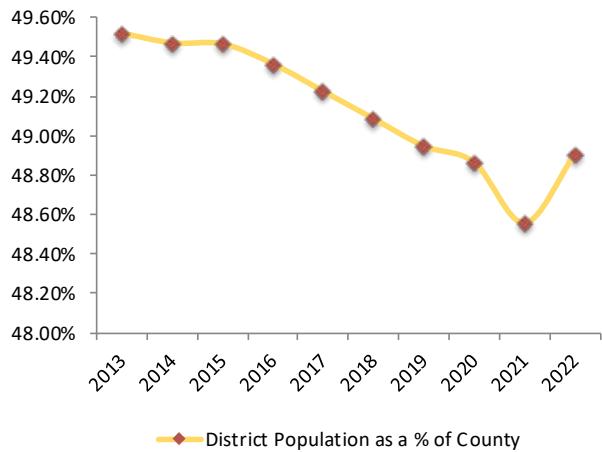


Fiscal Year	Citrus Heights	Rancho Cordova	Unincorporated Population (a)	Total Population	% Increase
2013	84,345	66,927	564,657	715,929	0.74%
2014	84,544	67,839	567,095	719,478	0.50%
2015	85,147	69,112	573,313	727,572	1.12%
2016	86,291	72,203	579,613	738,107	1.45%
2017	87,013	73,872	584,729	745,614	1.02%
2018	87,731	74,210	588,798	750,739	0.69%
2019	88,095	74,471	594,216	756,782	0.80%
2020	87,811	78,381	593,801	759,993	0.42%
2021	87,811	79,662	590,493	757,966	-0.27%
2022	86,367	80,359	604,272	770,998	1.72%

Source: State of California, Department of Finance.

(a) Data is reported for the entire unincorporated area of Sacramento County, whereas portions of the unincorporated County are outside of Metro Fire's boundaries.

**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
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%
2015	727,572	31,919,347	44	5.8%	1,470,912	49.46%
2016	738,107	34,120,417	46	5.2%	1,495,297	49.36%
2017	745,614	35,739,291	48	4.7%	1,514,770	49.22%
2018	750,739	37,305,594	50	4.2%	1,529,501	49.08%
2019	756,782	39,053,708	52	3.9%	1,546,174	48.95%
2020	759,993	40,682,295	54	13.6%	1,555,365	48.86%
2021	757,966	43,637,112	58	7.5%	1,561,014	48.56%
2022	770,998	46,930,778	61	3.7%	1,576,618	48.90%

Source: State of California, Employment Development Department.

Note: All data for Sacramento County except District population.

**SACRAMENTO METROPOLITAN FIRE DISTRICT**  
**PRIVATE SECTOR PRINCIPAL EMPLOYERS**  
**CURRENT YEAR AND NINE YEARS AGO**

Employer	2022			2013		
	Employees <sup>(a)</sup>	Rank	Percentage of Total County Employment	Employees <sup>(b)</sup>	Rank	Percentage of Total County Employment
UC Davis Health System	16,075	1	2.30%			
Kaiser Permanente	12,301	2	1.76%	10,140	1	1.67%
Sutter/California Health Services	9,595	3	1.37%	9,112	2	1.50%
Dignity / Mercy Healthcare	7,488	4	1.07%	7,054	4	1.16%
Intel Corporation	6,013	5	0.86%	6,500	5	1.07%
Siemens Mobility Inc.	2,500	6	0.36%			
Safeway Inc.	1,938	7	0.28%			
Pacific Gas and Electric Co	1,447	8	0.21%	2,247	10	0.37%
Blue Diamond Growers	968	9	0.14%			
WellSpace Health	926	10	0.13%			
Raley's Inc. / Bel Air				7,283	3	1.20%
Hewlett-Packard				3,200	6	0.53%
Wells Fargo & Co.				3,188	7	0.52%
Health Net of California				2,552	8	0.42%
Cache Creek Casino Resort				2,400	9	0.39%
Total	<u>59,251</u>		<u>8.48%</u>	<u>53,676</u>		<u>8.83%</u>

Sources: (a) Sacramento Business Journal Annual Book of Lists

(b) Sacramento County Comprehensive Annual Financial Report

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

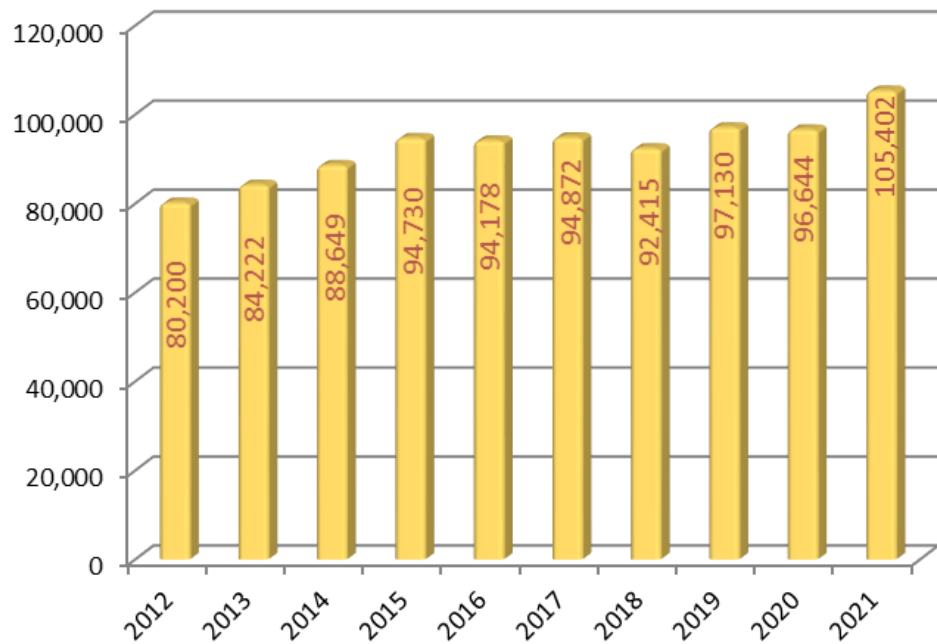
**SACRAMENTO METROPOLITAN FIRE DISTRICT  
SUMMARY OF DISTRICT ACTIVITIES  
FISCAL YEAR 2020-2021**

<u>CATEGORY</u>	<u>TOTAL</u>	<u>% CHANGE OVER PRIOR YEAR</u>
POPULATION	770,998	1.7%
OPERATIONAL FIRE STATIONS	41	0.0%
INCIDENTS	108,232	8.1%
TOTAL ACTUAL FULL-TIME EMPLOYEES	671	1.7%
WORKERS' COMPENSATION CLAIMS Premium and Claims Expenditures	\$ 7,719,648	90.7%
LEAVE HOURS (All Personnel) Sick Leave Used	92,907	19.1%
Service Connected Disability Leave	83,966	5.2%
Vacation Time Used	129,970	6.9%
TRAINING FOR SUPPRESSION PERSONNEL Total Training Hours	114,276	-18.8%

Source: Various Divisions within Sacramento Metropolitan Fire District

Note: % change is the measurement against prior year actuals

**SACRAMENTO METROPOLITAN FIRE DISTRICT  
TOTAL RESPONSES  
LAST TEN CALENDAR YEARS**



Source: Sacramento Metropolitan Fire District Operations Division Records

Note: Total incident responses have historically been tracked on a calendar year basis.

**SACRAMENTO METROPOLITAN FIRE DISTRICT**  
**EMERGENCY RESPONSE DETAIL ANALYSIS**  
**FISCAL YEAR 2021-22**  
**TOTAL INCIDENTS: 108,232**

INCIDENT REPORT SYSTEM CODE	CATEGORY DESCRIPTION	NUMBER OF INCIDENTS
<b>FIRE INCIDENTS</b>		
100, 110	Fire, Other	0
111, 123	Building Fires	424
112	Fire in a structure other than a building	118
113	Cooking Fires	145
114, 115, 116, 117, 118, 120	Fires other than building or transportation	47
121	Mobile home used as a fixed residence	9
131	Passenger vehicle fire	377
122, 130, 132, 133, 134, 135, 136, 137, 138	Transportation fires other than passenger vehicles	84
140, 141, 142, 143	All vegetation fires	1054
150, 151, 152, 153, 154, 155	Rubbish and dumpster/trash fires	1708
160, 161, 162, 163, 164, 170, 171, 172, 173	Other outside fires	71
<b>TOTAL FIRE INCIDENTS</b>		<b>4,037</b>
<b>OVERPRESSURE RUPTURE &amp; EXPLOSION INCIDENTS</b>		
200, 210, 211, 213, 220, 221, 222, 223, 231	Steam, Air, Gas, or Chemical Rupture	0
240, 241, 242, 243	Fireworks or Bomb Explosion (no fire)	8
251	Excessive heat, scorch burns with no ignition	24
<b>TOTAL OVERPRESSURE &amp; RUPTURE &amp; EXPLOSION</b>		<b>32</b>
<b>EMS &amp; RESCUE INCIDENTS</b>		
300, 311, 320	Rescue, EMS incident, other	0
321, 3211	EMS call, excluding vehicle accident with injury	70,512
322, 323, 324	Motor vehicle accidents	4,276
331, 340, 341, 342, 343	Searches	37
350, 351, 352, 353, 354, 355, 356, 357	Extrications of various types	46
360, 361, 363, 365	Water Rescues	12
370, 371, 372	Electrical Rescue / Electrocution / Trapped by Power Lines	3
381	EMS Standby	72
<b>TOTAL EMS &amp; RESCUE INCIDENTS</b>		<b>74,958</b>
<b>HAZARDOUS CONDITIONS (No Fire)</b>		
400	Other	0
410, 411, 412, 413	Flammable liquids and gas spills	441
420, 421, 422, 423	Toxics and chemical spills	60
424	Carbon monoxide incidents	87
440, 441, 442, 443, 444, 445	Electrical hazards	358
430, 431, 451	Biological hazards	4
460, 461, 462, 463, 471, 480, 481, 482	Building/vehicle and other hazards	69
<b>TOTAL HAZARDOUS CONDITIONS</b>		<b>1,019</b>

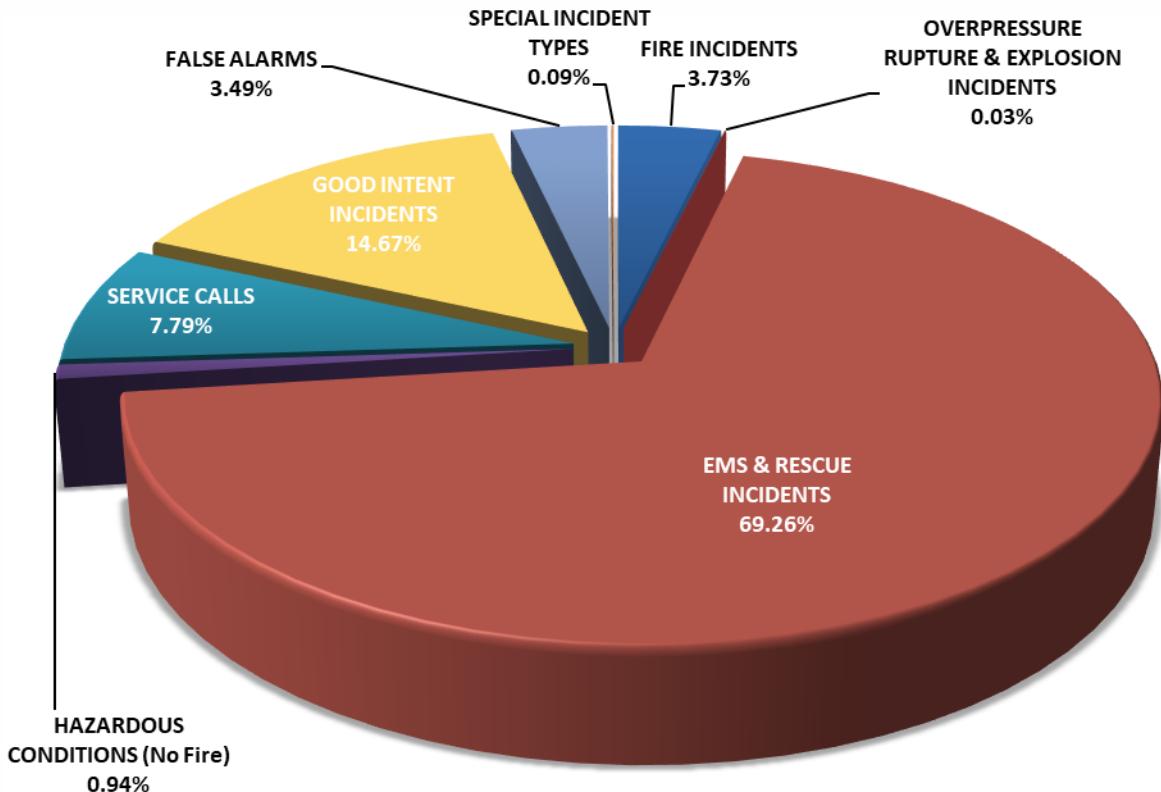
**SACRAMENTO METROPOLITAN FIRE DISTRICT**  
**EMERGENCY RESPONSE DETAIL ANALYSIS**  
**FISCAL YEAR 2021-22**  
**TOTAL INCIDENTS: 108,232**  
**(CONT.)**

INCIDENT REPORT SYSTEM CODE	CATEGORY DESCRIPTION	NUMBER OF INCIDENTS
<b>SERVICE CALLS</b>		
500	Service calls	0
510, 511, 512	Distress, lock-outs, jewelry removal	174
520, 521, 522	Water incidents	247
531	Smoke removal	194
540, 541, 542	Animal problems	317
550, 553, 5531, 5532, 554	Public assists	6,352
551, 552	Law assists	430
555, 561, 571, 5611	Elevator, unauthorized burning, stand by	719
<b>TOTAL SERVICE CALLS</b>		<b>8,433</b>
<b>GOOD INTENT INCIDENTS</b>		
600	Other	0
611, 621, 622, 6221	Canceled en route, wrong location	15,299
631, 632, 641, 650, 651, 652, 653	Fire, smoke, or odor	505
661	EMS (PT self-transported)	29
671, 672	Haz-Mat, biological investigations	49
<b>TOTAL GOOD INTENT INCIDENTS</b>		<b>15,882</b>
<b>FALSE ALARMS</b>		
700	Other	742
7001, 7002, 7003, 7004, 7401	False alarm residential/school/medical alert/auto aid	1184
710, 711, 712, 713, 714, 715	Malicious, mischievous	190
721	Bomb scare	1
730, 731, 732, 733, 734, 735, 736, 740, 743, 744, 745, 746	System/device malfunction	1,632
741, 742, 751	Sprinkler/extinguishing system activation	30
<b>TOTAL FALSE ALARMS</b>		<b>3,779</b>
<b>SEVERE WEATHER</b>		
800	Other	0
812	Flood assessment	5
813, 814, 815	Wind assessment / Severe Weather/Natural Disaster Standby	4
<b>TOTAL SEVERE WEATHER</b>		<b>9</b>
<b>SPECIAL INCIDENT TYPES</b>		
900	Special type of incident, Other, No code	70
9001	Released from call	0
9002	No Metro units responded	0
9003	Out of district	0
911	Citizen complaint	13
<b>SPECIAL INCIDENT TYPES</b>		<b>83</b>

Source: Sacramento Metropolitan Fire District Operations Division Records

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.

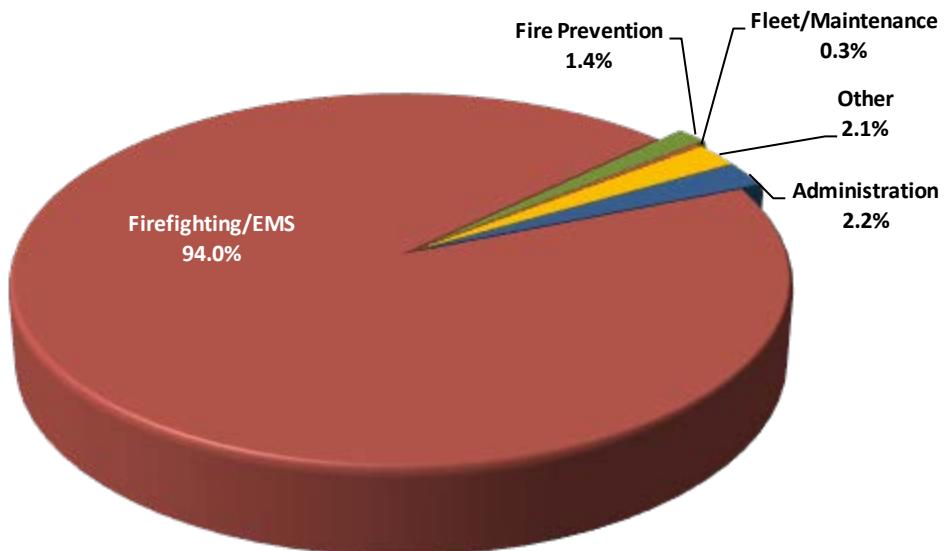
**SACRAMENTO METROPOLITAN FIRE DISTRICT  
EMERGENCY RESPONSE - PERCENT OF TOTAL RESPONSE BY TYPE  
FISCAL YEAR 2021-22**



Source: Sacramento Metropolitan Fire District Operations Division Records

**SACRAMENTO METROPOLITAN FIRE DISTRICT  
SERVICE-CONNECTED INJURY/ILLNESS REPORT  
FISCAL YEAR 2021-22**

INCIDENT ACTIVITY	NUMBER	%
Administration	17	2.2%
Firefighting/EMS	715	94.0%
Fire Prevention	11	1.4%
Fleet/Maintenance	2	0.3%
Other	16	2.1%
<b>TOTAL NUMBER OF MEDICAL INJURIES</b>	<b>761</b>	



Source: Sacramento Metropolitan Fire District Workers' Compensation Records

**SACRAMENTO METROPOLITAN FIRE DISTRICT**  
**STAFFING SUMMARY**  
**LAST TEN FISCAL YEARS**

DIVISION	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Office of the Fire Chief	9	8	9	10	11	11	11.5	10	10	10
Administration	2	2	2	2	1	1	1	1	1	1
Human Resources	4	4	5	6	6	6	6	6	6	6
Finance	12	12	13	13	13	13	13	13	13	13
Information Technology	7	7	7	8	8	8	8.5	9.5	10	11
Operations	8	8	8	8	8	12	12	13	9	9
Fire Suppression	522	522	522	522	522	522	522	522	522	543
Single Role Paramedic Program		65	61	61	61	61	61	61	61	61
EMS	6	6	8	8	8	8	8	8	8	8
Training, Safety, Health & Fitness	7	7	7	8	8	9	9	9	9	9
Communications	2	2	2	4	4	4	3.5	3.5	3	3
Support Services	1	1	1	1	1	1	1	1	2	2
Logistics	10	10	10	10	11	11	11	11	11	11
Facilities	4	4	4	4	4	5	5	5	5	5
Fleet	13	13	13	13	15	15	15	15	15	15
Community Risk Reduction	20	20	20	31	28	27	26.5	27	30	30
Community Services/Development	2	2	2	3	3	2	2	2	2	2
<b>TOTAL</b>	<b>629</b>	<b>693</b>	<b>694</b>	<b>712</b>	<b>712</b>	<b>716</b>	<b>716</b>	<b>717</b>	<b>717</b>	<b>739</b>

Source: Sacramento Metropolitan Fire District Human Resources Division Records

Note: Data above represents authorized positions.

**SACRAMENTO METROPOLITAN FIRE DISTRICT**  
**CAPITAL ASSET STATISTICS BY FUNCTION**  
**LAST TEN FISCAL YEARS**

Function	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Public Safety:</b>										
Number of Operational Stations	40	40	40	41	41	41	41	41	41	41
Number of Support Buildings	10	10	10	9	9	9	9	9	9	9
<b>Equipment:</b>										
Engine	53	53	53	53	55	57	56	58	56	59
Wildland Engine	36	40	40	40	40	39	43	41	39	37
Pumper/Foam	1	1	1	1	0	0	0	0	0	0
Ladder Truck	10	10	10	8	9	9	8	8	8	7
Hazmat Truck	1	1	1	1	2	2	2	2	2	2
Rescue Truck	2	2	2	2	2	2	2	2	2	2
Water Tender	6	6	6	6	5	6	6	8	6	7
Aircraft Rescue Firefighting Unit	4	4	4	4	3	3	3	3	3	3
Ambulance	51	54	45	50	60	43	39	39	40	40
Decontamination Unit	1	1	1	1	1	1	1	1	1	1
Dozer	1	2	2	2	2	2	2	2	2	2
Rescue Boat	2	2	3	4	4	3	3	3	3	4
Helicopter*	1	2	2	2	2	2	2	2	2	2
Support/Other Vehicles	133	142	175	182	142	168	165	161	180	185

Source: Sacramento Metropolitan Fire District Fleet Division Records

\* There are two operational helicopters and an additional two helicopters donated in the prior years but not yet operational as of the end of the current year.

