

SANTA CLARA COUNTY
CENTRAL FIRE PROTECTION DISTRICT
LOS GATOS, CALIFORNIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2014

**SANTA CLARA COUNTY CENTRAL FIRE
PROTECTION DISTRICT**

14700 Winchester Boulevard, Los Gatos, California 95032

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended June 30, 2014

Prepared by the Business Services Division

**Fred Schulenburg
Director of Business Services**

SANTA CLARA COUNTY CENTRAL FIRE PROTECTION DISTRICT
Comprehensive Annual Financial Report
June 30, 2014

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INTRODUCTORY SECTION



FIRE DEPARTMENT SANTA CLARA COUNTY



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(408) 378-4010 • (408) 378-9342 (fax) • www.sccfd.org

September 17, 2014

Board of Directors
Santa Clara County Central Fire Protection District
14700 Winchester Boulevard
Los Gatos, CA 95032

Members of the Board:

We are pleased to present the SANTA CLARA COUNTY CENTRAL FIRE PROTECTION DISTRICT Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2014. This is the third year the District has produced a CAFR.

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 it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Vargas and Company, Certified Public Accountants, have issued an unmodified ("clean") opinion on the SANTA CLARA COUNTY CENTRAL FIRE PROTECTION DISTRICT'S financial statements for the year ended June 30, 2014. The independent auditor's report is located at the front of the financial section of this report.

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

District Profile

The Santa Clara County Central Fire Protection District is a full-service fire department that has evolved through fire consolidations and contracts. In 1947, two agencies, the Cottage Grove Fire District and the Oakmead Farms Fire District, were consolidated to form the Santa Clara County Central Fire Protection District (a.k.a. Santa Clara County Fire Department). This consolidation was the result of the California Division of Forestry (a.k.a. CAL FIRE) withdrawing from the valley floor when its contract with Santa Clara County was terminated in 1947.

In 1977, the Fire District contracted with four local cities to provide service to portions of the District, known as “Zone 1”, that were not contiguous to the core District service area and could be better served by adjoining agencies. The City of San Jose provides fire services for a vast majority of the unincorporated areas in the eastern part of the County. Five fire stations and assigned personnel were ultimately transferred to the City of San Jose. The “Zone 2” designation remains as the intrinsic service area for the Fire District.

In 1987, the Fire Chief was appointed to serve in the position of County Fire Marshal and the District began providing fire marshal services to County facilities and unincorporated county areas. During the 1990’s the Fire District entered into contracts with the cities of Campbell, Morgan Hill, Los Altos and the Los Altos Hills County Fire District to provide fire and emergency medical services. The merger of the personnel, facilities and equipment into the Fire District made the Department the second-largest fire agency in Santa Clara County.

In 1997, for its 50-year service anniversary, the District adopted the also know as (a.k.a.) name of Santa Clara County Fire Department. The name was changed to more accurately reflect the area served and to avoid confusion between agencies with similar names in adjacent counties.

In 2008, following a three-year administrative management agreement, the Saratoga Fire District entered into a full-service fire, rescue, and emergency medical agreement with the Fire District.

In 2011, the City of Morgan Hill solicited bids from various local agencies to provide fire and emergency medical services in the City. The Fire District decided not to participate in this process and on January 3, 2013, the agreement between the City and the Fire District was allowed to expire. As part of the termination process, the Fire District sold the two fire stations located in the City of Morgan Hill back to the City.

Today the Santa Clara County Fire Department provides fire protection services to one of the most diverse areas in the state. Challenges range from high-rise buildings, downtown commercial areas, large retail malls and wildland-urban interface areas to industrial business centers, semi-conductor manufacturing with related hazardous materials and hi-tech systems. Services have evolved to include fire protection and education, hazardous materials response, rescue, and advanced life support.

Since 1947, the State Fire Protection District Law has been rewritten several times. The District’s authority is granted by the California Health and Safety Code, Div. 12, Part 2.7, and the Fire Protection District Law of 1987, also known as the Bergeson Fire District Law. The District is governed by the Santa Clara County Board of Supervisors sitting as the Board of Directors. As such, the District is classified as a *dependent* District. The Fire Chief is appointed by the Board of Supervisors, and is responsible for the proper administration of all affairs of the District.

The Fire Chief consults with city/town managers to assure local matters are addressed. The District takes great pride in the ability to be responsive to local issues and priorities. Fire codes and regulations are typically adopted at the local governmental level.

Local Economy

The Fire District is situated in the heart of Silicon Valley, known for its significant concentration of high technology and electronics research, development and manufacturing. The area also supports a wide variety of retail, office and personnel services industries. Silicon Valley's economy continues to show signs of a strong resurgence from the "Great Recession." Recovery can be seen in declining unemployment rates, a dramatic reduction in office and apartment vacancies, and housing values commanding multiple offers and sales above the asking price.

Because of the huge presence of technology companies in the region, unemployment figures rise and fall with the health of the tech sector. Unemployment for the region was 5.3% in June 2014, under the national average of 6.1%, and an improvement over the 6.5% unemployment rate from June 2013. Silicon Valley's residential employment is increasing at a faster rate than the State and the nation. The region's employment surpassed pre-recession (December 2007) levels last year, a feat that the state did not achieve until June 2014.

The 2014 Silicon Valley Index report, published by Joint Venture Silicon Valley, reports that income growth in Silicon Valley is uneven, and the gap between the high and low income earners is more pronounced than ever. Median wages for low- and middle-skilled workers are stagnant and the share of households with mid-level incomes has fallen in Silicon Valley more than in the State and the nation.

Following a three-year downward trend, median income in Silicon Valley increased 2.8% between 2011 and 2012 to \$90,415, while the downward trend in California and the U.S. continued. Median income in Silicon Valley remains much higher than that of the State (\$59,455) and nation (\$52,006). The Silicon Valley Index also reports that the share of households earning over \$100,000 increased two percentage points to 45 percent in 2012, while the share of households earning \$35,000 to \$99,000 fell two percentage points to 35 percent over the same period, suggesting a narrowing of the middle income category.

Services provided within the Fire Districts boundaries are funded almost exclusively from the District's share of the one-percent ad-valorem property tax assessed under the provisions of State Proposition 13. Changes in property tax revenues historically tend to lag the local economy by one to two years. Property tax revenues in 2014 were 5.26% higher than the previous year, the second consecutive year of sustained growth, following 4 years of stagnant growth in tax roll. The County's Controller-Treasurer's Office is projecting 4.36% growth in property tax revenue in FY 2015.

Long-term financial planning and major initiatives

Unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) in the general fund at year-end was 36.84 percent of total General Fund revenues. This amount exceeds the 10 – 15 percent corridor that the District has set for budgetary and planning purposes. Unrestricted fund balance was significantly impacted in the prior fiscal year due to the sale of the two fire stations in Morgan Hill, the repayment of funds borrowed by the State under Prop 1A and the distribution of residual Redevelopment Agency funds to the Fire District.

The Fire District continues to have long-term concerns over funding for rising pension and health care costs, as well as its unfunded OPEB obligation. In June 2012, the Fire District established an irrevocable trust to account for the funds being set aside for future retiree health care expenses and a 10-year funding plan was adopted to bring the annual contributions up to the actuarially determined amount. In February 2014, the Fire District's employees agreed to contribute 1% of base pay to the OPEB Trust.

In July 2012, the Fire District was notified that it was successful in its application for a Staffing for Adequate Fire & Emergency Response (SAFER) grant. The grant provides the Fire District with \$3.5 million in funding to hire and train 10 firefighters for a period of two years. In July 2013, the Fire District was notified that it had been awarded a second SAFER grant in the amount of \$2.34 million to hire and train 7 additional firefighters for a period of two years. It is anticipated that the strong growth in property tax revenue over the last two years will provide sufficient funding to retain all seventeen firefighter positions when the grants expire in October 2014 and October 2015.

The Fire District has identified the need to build new stations at three of its older facilities. Preliminary cost estimates indicate that it will cost between \$10 and \$12 million dollars to replace two of the stations and approximately \$250,000 to replace the third station, a modular type unit. The Fire District has recently engaged an outside consultant to perform a Space Needs Analysis and Facilities Master Plan to better identify and plan for future improvements over the next three to five years.

Relevant financial policies

The Santa Clara County Central Fire Protection District has informally adopted a set of financial policies, which are used to provide guidance and direction in dealing with budget and long-term financial planning issues. The Fire District has a policy that requires the adoption of a balanced annual operating budget (i.e., estimated revenues equal to or in excess of appropriations). The Fire District's FY 2015 adopted budget anticipates a modest surplus of \$172 thousand. It is the goal of the Fire District to meet its funding obligations on a long-term basis without having to rely on the use of fund balance.

In addition, the Fire District has a policy that non-recurring (i.e., "one-time") resource inflows will not be used to fund on-going operations, but will be used to purchase major capital assets,


to meet temporary funding shortfalls, or to fund other unique one-time events. In June 2014, the Fire District obtained approval from its governing Board of Directors to commit \$10 million dollars of its fund balance for the future replacement of Fire District facilities and \$2.5 million of fund balance for the future replacement of fire apparatus.

Awards and Acknowledgements

The Fire District believes that our current CAFR meets the Government Finance Officers Association of the United States and Canada (GFOA)'s requirements to receive a Certificate of Achievement in Financial Reporting award and we are submitting it to the GFOA to determine its eligibility.

The preparation of this report would not have been possible without the skill, effort and dedication of the entire staff of the Business Services Division. We wish to thank all government agencies for their assistance in providing the data necessary to prepare this report. Credit is also due to the Board of Directors for their unfailing support for maintaining the highest standards of professionalism in the management of the Santa Clara County Central Fire Protection District.

Respectfully submitted,



Kenneth Kehmna,
Fire Chief

Fred Schulenburg
Director of Business Services



SANTA CLARA COUNTY FIRE DEPARTMENT

COMPREHENSIVE ANNUAL FINANCIAL REPORT

DIRECTORY OF OFFICIALS



BOARD OF DIRECTORS

Mike Wasserman, President Cindy Chavez
District 1 District 2

Dave Cortese Ken Yeager
District 3 District 4

Joseph Simitian
District 5

PRINCIPAL STAFF

Kenneth R. Kehmna Donald F. Jarvis
Fire Chief Assistant Fire Chief

John Justice Joe Parker
Deputy Chief Deputy Chief

Stephen Prziborowski Daron Pisciotta
Deputy Chief Deputy Chief

Fred Schulenburg Wilma J. Cadorna
Director of Business Services Personnel Services Manager

Dana Reed Julie M. Thomas
Director of Emergency Mgmt. Administrative Support Officer

Eric Prosser
Information Technology Officer

SANTA CLARA COUNTY
FIRE DEPARTMENT

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

DIRECTOR & OFFICIALS

BOARD OF DIRECTORS

Mike Wasserman, President
District 1
Cindy Chavez
District 2

Dave Cortez
District 3
Ken Yarger
District 4

Joseph Simlitz
District 5

MANAGERIAL STAFF

Kenneth R. Robbins
Fire Chief
Donald F. Jarvis
Assistant Fire Chief

John Justice
Deputy Chief
Joe Parker
Deputy Chief

Stephen Fitzpatrick
Deputy Chief
Daron Piscollia
Deputy Chief

Fred Schulenburg
Director of Business Services
William J. Cadogan
Personnel Services Manager

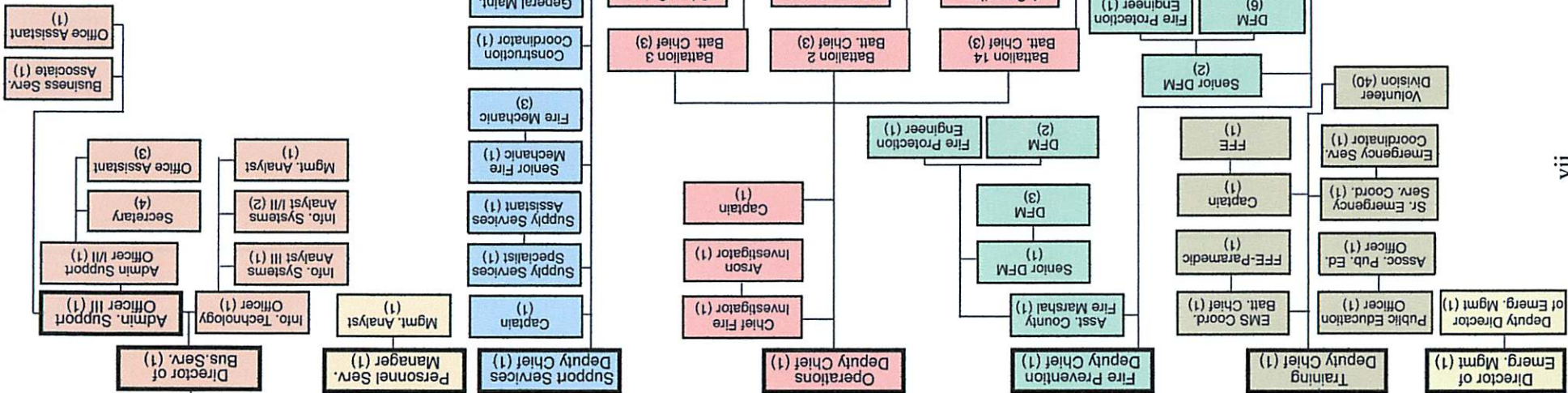
Dana Head
Director of Emergency Mgmt.
Julie M. Thomas
Administrative Support Officer

Eric Prosser
Information Technology Officer




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    A[Santa Clara County Board of Fire Commissioners] --- B[Santa Clara County Executive]
    A -.- C[Santa Clara County Executive]
  
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FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Santa Clara County Central Fire Protection District
Los Gatos, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and major fund of the Santa Clara County Central Fire Protection District (the "District"), a component unit of the County of Santa Clara, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of the Santa Clara County Central Fire Protection District, as of June 30, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedules of funding progress on pages 4-16, 46-47, and 48 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Santa Clara County Central Fire Protection District's basic financial statements. The introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 21, 2014, on our consideration of the Santa Clara County Central Fire Protection District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Santa Clara County Central Fire Protection District's internal control over financial reporting and compliance.



Vargas and Company
San Jose, California
August 21, 2014

Management's Discussion and Analysis
(Required Supplementary Information)

SANTA CLARA COUNTY CENTRAL FIRE PROTECTION DISTRICT
Management's Discussion and Analysis
Year Ended June 30, 2014

This section of the Santa Clara County Central Fire Protection District (the "District") annual financial report presents a discussion and analysis of the District's financial performance during the fiscal year ended June 30, 2014. The District's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosure following this section.

FINANCIAL HIGHLIGHTS

- The assets of the District exceeded liabilities and deferred inflows of resources at the close of the 2013-2014 fiscal year by \$12,770,940 (*net position*). Of this amount, negative \$9,605,872 (*unrestricted net position*) represents the District's current inability to meet its long-term obligation to fund the cost of its retiree medical program, and \$22,376,812 is net investment in capital assets.
- The District's total net position increased by \$4,801,058 and compared to prior year's increase on net position of \$4,219,349, this year's activities has improved due to an additional \$2.6 million in SAFER grant funding and continued property tax growth.
- As of June 30, 2014, the District's governmental funds reported combined ending fund balances of \$33,559,852, an increase of \$7,952,791 in comparison with the prior year. Of this amount \$10 million is committed for major facility replacement, repair or maintenance; \$2.5 million is committed for fire apparatus replacement; and the remaining \$21 million is available to meet the District's current and future needs (*unassigned fund balance*).
- In the current year, the District reported an increase in the fund balance of \$8 million compared to last year's increase in the fund balance of \$14 million due to one-time revenues reported in the prior year for the sale of two fire stations to the City of Morgan Hill and the repayment of Prop 1A funds borrowed by the State in 2009.
- At the end of the fiscal year, unassigned fund balance for the general fund was \$21,059,852 or 25% of total general fund expenditures.
- The District's total long-term debt increased \$2.2 million mainly due to the additional net OPEB obligation.

SANTA CLARA COUNTY CENTRAL FIRE PROTECTION DISTRICT
Management's Discussion and Analysis
Year Ended June 30, 2014

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: (1) **Government-wide** financial statements, (2) **Fund** financial statements, and (3) **Notes** to the basic financial statements. Required Supplementary Information is included in addition to the basic financial statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all District assets and deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether or not the financial position of the District is improving or deteriorating.

The *statement of activities* presents information showing how the District'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. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods, such as revenues pertaining to uncollected taxes and expenses pertaining to earned but unused vacation and sick leave.

Both of these government-wide financial statements distinguish functions of the District that are principally supported by property taxes and assessments, and charges for services (*governmental activities*). The only governmental activity of the District is public protection. The District does not have any business-type activities.

Fund Financial Statements

The fund financial statements are designed to report information about groupings of related accounts, which are used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements—i.e. most of the District's basic services are reported in governmental funds. These statements, however, focus on (1) how cash and other financial assets can readily be converted to available resources and (2) the balances left at year-end that are available for spending. Such information may be useful in determining what financial resources are available in the near future to finance the District's programs.

SANTA CLARA COUNTY CENTRAL FIRE PROTECTION DISTRICT
Management's Discussion and Analysis
Year Ended June 30, 2014

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. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains a governmental fund, the general fund. If there were other types of governmental funds, the information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the general fund, which is considered to be a major fund. Data from the remaining non-major governmental funds would be in a single presentation.

Proprietary funds are generally used to account for services for which the District charges customers—either outside customers, or internal units or departments of the District. Proprietary funds provide the same type of information as shown in the government-wide financial statements, only in more detail. The District maintains proprietary funds: the health benefit and workers compensation funds which are internal service funds.

Internal service funds are an accounting device used to accumulate and allocate costs internally among the District's various functions. The District uses internal service funds to account for its health benefit and workers compensation functions. Because these services predominantly benefits governmental rather than business-type functions, it has been included within governmental activities in the government-wide financial statements. The internal service funds are presented in the proprietary fund financial statements.

Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds except for agency funds. The District has no fiduciary fund.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information

The required supplementary information is presented concerning the District's budgetary comparison schedule. The District adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

SANTA CLARA COUNTY CENTRAL FIRE PROTECTION DISTRICT
Management's Discussion and Analysis
Year Ended June 30, 2014

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The District's net position at the close of the current fiscal year is \$12,770,940.

Net Position

	<u>Governmental Activities</u>		
	<u>2014</u>	<u>2013</u>	<u>Increase/ (Decrease)</u>
Assets:			
Current assets	\$50,228,050	\$40,875,298	23%
Capital assets, net	<u>23,493,240</u>	<u>24,616,801</u>	(5%)
Total assets	<u>73,721,290</u>	<u>65,492,099</u>	13%
Liabilities:			
Current liabilities	5,476,133	4,186,306	31%
Long-term liabilities	<u>55,272,789</u>	<u>53,067,340</u>	4%
Total liabilities	<u>60,748,922</u>	<u>57,253,646</u>	6%
Deferred Inflows of Resources			
Deferred gain from refunded debt	<u>201,428</u>	<u>268,571</u>	(25%)
Total Deferred Inflows of Resources	<u>201,428</u>	<u>268,571</u>	(25%)
Net position:			
Net investment in capital assets	22,376,812	23,042,929	(3%)
Unrestricted net position	<u>(9,605,872)</u>	<u>(15,073,047)</u>	36%
Total net position	<u>\$12,770,940</u>	<u>\$7,969,882</u>	60%

SANTA CLARA COUNTY CENTRAL FIRE PROTECTION DISTRICT
Management's Discussion and Analysis
Year Ended June 30, 2014

Analysis of Net Position

The larger portion of the District's net position, \$22,376,812, reflects its net investment in capital assets (e.g. land, buildings, improvements, vehicles, machinery, equipment, and furnishings). The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The remaining balance of unrestricted net position is a negative \$9,605,872, which means the District is not currently able to meet its long-term obligation to fund its retiree medical program.

At the end of the current fiscal year, the District reported a positive balance in one of the two categories of net position.

Changes in Net Position

	<u>Governmental Activities</u>		Increase/ (Decrease)
	<u>2014</u>	<u>2013</u>	
Revenues:			
Program revenues:			
Charges for services	\$26,636,860	\$27,709,087	(4%)
Operating grants and contribution	3,872,635	3,794,718 *	2%
General revenues:			
Property taxes and assessments	59,106,983	55,281,731	7%
Interest and investment income	154,232	403,689	(62%)
Miscellaneous	1,381,712	1,031,887	34%
Gain on disposal of capital assets	<u>-</u>	<u>1,933,348</u>	(100%)
Total revenues	<u>91,152,422</u>	<u>90,154,460</u>	1%
Expenses:			
Public protection	85,988,695	85,928,220	0%
Loss on disposal of capital assets	362,669	-	na
Interest on long-term debt	<u>-</u>	<u>6,891</u>	(100%)
Total expenses	<u>86,351,364</u>	<u>85,935,111</u>	0%
Changes in net position	<u>\$4,801,058</u>	<u>\$4,219,349</u>	14%

*reclassified FY13 intergovernmental revenues to operating grants and contribution for comparability.

SANTA CLARA COUNTY CENTRAL FIRE PROTECTION DISTRICT
Management's Discussion and Analysis
Year Ended June 30, 2014

Analysis of Changes in Net Position

Governmental activities increased the District's net position by \$4,801,058 thereby accounting for 100% of the total increase in net position of the District. In comparison to the prior year, this is an improvement in the District's activities. Key elements of this change are as follows:

- Property taxes increased \$3,825,252 or 7% due to a significant improvement in residential and commercial property values.
- Charges for services decreased \$1,072,227 or 4% due to the termination of a service contract with the City of Morgan Hill on January 3, 2013.
- Interest and investment income decreased \$249,457 or 62% due to a one time interest payment from the State in the prior fiscal year related to the repayment Prop 1A funds to the District.
- Miscellaneous revenues increased \$349,825 or 34% due to increased premiums for dependent retiree health coverage and reinsurance proceeds related to the administration of the District's self-funded health plan.
- In the current year, the District recognized a \$362,669, loss on disposal of capital assets while last year had a gain on disposal of capital assets due to the sale of the Morgan Hill stations.

While the key elements noted above account for the year-to-year changes in major revenue and expense categories, the main reason for the \$4.9 million growth in net position is attributable to the rapid recovery in property tax revenues. It is anticipated that this structural surplus will erode over the next two years as the District's SAFER grants reach the end of their respective grant periods.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. The type of governmental fund reported by the District is the General Fund.

SANTA CLARA COUNTY CENTRAL FIRE PROTECTION DISTRICT
Management's Discussion and Analysis
Year Ended June 30, 2014

At June 30, 2014, the District's governmental funds reported an ending fund balance of \$33,559,852, an increase of \$7,952,791 in comparison with the prior year. Of this fund balance, \$10 million is committed for major facility replacement, repair or maintenance; \$2.5 million is committed for fire apparatus replacement; and \$21 million is fund balance which is available to meet the District's current and future needs.

The general fund is the chief operating and only governmental fund of the District. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. The general fund's unassigned and total fund balance both represents 25% and 40%, respectively, of general fund expenditures of \$83,176,621.

Revenues for governmental functions totaled \$91,098,104 in fiscal year 2013-2014, which represents a decrease of \$1,241,560 or 1% from the previous fiscal year. Expenditures for governmental functions, totaling \$83,176,621, increased by \$1,996,023 or 2% from the previous fiscal year. In fiscal year 2013-2014, revenues for governmental functions exceeded expenditures by \$7,921,483.

The following table presents the amount of revenues from various sources as well as increases or decreases from the prior year.

Revenues Classified by Source Governmental Funds						
<u>Revenues by Source</u>	<u>FY 2014</u>		<u>FY 2013</u>		<u>Increase/(Decrease)</u>	
	<u>Amount</u>	<u>% of Total</u>	<u>Amount</u>	<u>% of Total</u>	<u>Amount</u>	<u>% of Change</u>
Property taxes and assessments	\$59,106,983	65%	\$59,463,136	64%	(\$ 356,153)	(1%)
Licenses and permits	581,096	1%	508,892	1%	72,204	14%
Intergovernmental revenues	3,872,635	4%	3,794,718	4%	77,917	2%
Use of money and property	195,857	0%	424,236	1%	(228,379)	(54%)
Charges for services	26,055,764	29%	27,200,195	29%	(1,144,431)	(4%)
Miscellaneous revenues	<u>1,285,769</u>	<u>1%</u>	<u>948,487</u>	<u>1%</u>	<u>337,282</u>	<u>36%</u>
Total	<u>\$91,098,104</u>	<u>100%</u>	<u>\$92,339,664</u>	<u>100%</u>	<u>(\$1,241,560)</u>	<u>(1%)</u>

The following provides an explanation of revenues by source that changed significantly over the prior year.

- Property taxes and assessments – Decreased due to the repayment of Prop 1A funds by the State in the prior fiscal year, partially offset by increased property tax growth in the current fiscal year.
- Use of money and property – Decreased due to a one-time interest payment from the State in the prior fiscal year related to the repayment Prop 1A funds to the District.

SANTA CLARA COUNTY CENTRAL FIRE PROTECTION DISTRICT
Management's Discussion and Analysis
Year Ended June 30, 2014

- Charges for services – Decreased due to the termination of a service contract with the City of Morgan Hill on January 3, 2013.
- Miscellaneous revenues – Increased due to increased premiums received for dependent retiree health coverage and reinsurance proceeds.

The following table presents expenditures by function compared to prior year amounts.

Expenditures by Function Governmental Funds						
<u>Expenditures by Function</u>	<u>FY 2014</u>		<u>FY 2013</u>		<u>Increase/(Decrease)</u>	
	<u>Amount</u>	<u>% of Total</u>	<u>Amount</u>	<u>% of Total</u>	<u>Amount</u>	<u>% of Change</u>
Public protection	\$81,740,835	98%	\$80,333,705	99%	\$1,407,130	2%
Capital outlay	987,060	1%	404,918	1%	582,142	144%
Debt service – principal	390,301	1%	366,284	0%	24,017	7%
Debt service – interest	<u>58,425</u>	<u>0%</u>	<u>75,691</u>	<u>0%</u>	(<u>17,266</u>)	(23%)
Total	<u>\$83,176,621</u>	<u>100%</u>	<u>\$81,180,598</u>	<u>100%</u>	<u>\$1,996,023</u>	2%

The following provides an explanation of expenditures by function that changed significantly over the prior year.

- Public protection – Increased due to a four percent wage increase, effective February 3, 2014.
- Capital outlay – Increased due to the purchase of a water tender vehicle in the current fiscal year.
- Debt service-principal – Increased due to higher debt service payments for bonded debt.
- Debt service-interest – Decreased due to a reduction in outstanding debt.

SANTA CLARA COUNTY CENTRAL FIRE PROTECTION DISTRICT
Management's Discussion and Analysis
Year Ended June 30, 2014

The current year change in fund balance is presented below:

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

	<u>Major Fund</u> <u>General</u> <u>Fund</u>
Revenues	\$91,098,104
Expenditures	(83,176,621)
Net other financing sources (uses)	<u>31,308</u>
Net change in fund balances	7,952,791
Fund balance, beginning	<u>25,607,061</u>
Fund balance, ending	<u>\$33,559,852</u>

The fund balance of the District's General Fund increased by \$7,952,791 during the fiscal year. The increase is mainly due to a continued surplus of revenues related to a strong recovery in property tax revenues over the last two years. As noted above, the District's general fund public protection expenditures increased by 2% due mainly to a 4% wage increase in February 2014. Overall, the general fund's performance resulted in a net increase in fund balance for the fiscal year ended June 30, 2014 of \$6,238,127, a decrease of 44% over the prior year's net increase in fund balance of \$14,190,918.

Proprietary Funds – Internal Service

The District's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail.

The Health Benefit fund had unrestricted net position of \$300,889 at June 30, 2014. The total increase in net position for the Health Benefit fund was \$124,150 due to normal fluctuations in the timing and extent of payments in the District's self-funded health plan.

The Workers Compensation fund had unrestricted net position of \$2,958,532 at June 30, 2014. The total decrease in net position for the Workers Compensation fund was \$278,742 due to normal fluctuations in the timing and extent of payments in the District's self-funded workers compensation plan.

SANTA CLARA COUNTY CENTRAL FIRE PROTECTION DISTRICT
Management's Discussion and Analysis
Year Ended June 30, 2014

The following table shows actual revenues, expenses and results of operations for the current fiscal year and in comparison to the prior year:

	<u>Health Benefit</u>			<u>Workers Compensation</u>		
	<u>2014</u>	<u>2013</u>	<u>Increase/ (Decrease)</u>	<u>2014</u>	<u>2013</u>	<u>Increase/ (Decrease)</u>
Operating revenues	\$12,859,046	\$6,452,844	99%	\$2,044,175	\$1,562,853	31%
Operating expenses	<u>(12,734,896)</u>	<u>(6,517,644)</u>	95%	<u>2,322,917</u>	<u>2,306,137</u>	1%
Change in net position	<u>\$124,150</u>	<u>(\$64,800)</u>	292%	<u>(\$278,742)</u>	<u>(\$743,284)</u>	62%

GENERAL FUND BUDGETARY HIGHLIGHTS

The difference between the original and the final budget resulted in a \$1,164,650 increase in the amounts available for appropriations. Those changes can be briefly summarized as follows:

- Intergovernmental revenues budget increased by \$944,650 due to the award of a SAFER grant from FEMA to hire 7 firefighters.
- Licenses and permits budget increased by \$200,000 due to a reimbursement agreement with Apple for third party plan check services

During the year, actual revenues were more than budgetary estimates by \$3,169,704. The main components of the positive variance are as follows:

- Property taxes and assessments had a positive variance of \$4,196,983 due to a strong growth in property values.
- Intergovernmental revenues had a positive variance of \$647,985 due to the high number of unanticipated mutual aid responses that were reimbursed by the State.
- Charges for services had a positive variance of \$484,922 due to higher than anticipated net revenue from service contracts with local agencies.
- Miscellaneous revenues had a negative variance of \$489,231 due to lower than anticipated revenues received for miscellaneous reimbursable costs.
- Proceeds from lease purchase financing had a negative variance of \$1,650,000 due to the District's deferral of purchasing new fire apparatus and the use of cash to purchase a water tender.

SANTA CLARA COUNTY CENTRAL FIRE PROTECTION DISTRICT
Management's Discussion and Analysis
Year Ended June 30, 2014

The difference between the original and the final budget resulted in a \$1,164,650 increase in the total charges for appropriations. Those changes can be briefly summarized as follows:

- Salaries and benefits budget increased by \$944,650 due to the award of a SAFER grant from FEMA to hire 7 firefighters.
- Services & supplies and other charges budget increased by \$220,000 due to the use of a third party reviewer to perform plan checking and inspection services at the new Apple campus currently under construction and funding from the County of Santa Clara to conduct an anti-fireworks media campaign.

Actual expenditures were lower than budgetary estimates by \$4,460,237. The main components of the positive variance are as follows:

- Salaries and benefits had a positive variance of \$1,748,559 due to lower than anticipated health care costs.
- Services & supplies and other charges had a positive variance of \$590,335 due to lower than anticipated costs, particularly for clothing and medical supplies.
- Capital outlay had a positive variance of \$2,178,940 due to a delay in purchasing new fire apparatus and other capital items.

Overall, the net effect of over-realization of revenues and under-utilization of expenditures versus budgeted amounts resulted in a favorable variance of \$7,629,941.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The District's capital assets for its governmental activities as of June 30, 2014, amounted to \$23,493,240 (net of accumulated depreciation). These capital assets include land, buildings, improvements, vehicles, machinery, equipment, and furnishings. The total decrease in the District's capital assets for the current period was 5%.

Major capital asset events during the current fiscal year included the following:

- The purchase of a new water tender.
- The replacement of the District's hand-held radios.
- The purchase of computers and network equipment.
- The sale and disposal of various vehicles and equipment.

For government-wide financial statement presentation, depreciation is not taken in the year acquisition, but a full year of depreciation is taken in the year of disposal. Fund financial statements record capital asset purchases as expenditures.

SANTA CLARA COUNTY CENTRAL FIRE PROTECTION DISTRICT
Management's Discussion and Analysis
Year Ended June 30, 2014

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

	Governmental Activities		Increase/ (Decrease)
	<u>2014</u>	<u>2013</u>	<u>% of Change</u>
Land	\$ 3,742,499	\$ 4,065,549	(8%)
Construction in progress	363,098	-	na
Buildings	16,239,574	16,142,802	1%
Vehicles, machinery, equipment, and furnishings	<u>20,951,500</u>	<u>22,147,608</u>	(5%)
Total cost	41,296,671	42,355,959	(3%)
Less: accumulated depreciation	<u>(17,803,431)</u>	<u>(17,739,158)</u>	0%
Capital assets, net	<u>\$23,493,240</u>	<u>\$24,616,801</u>	(5%)

Additional information on the Santa Clara County Central Fire Protection District's capital assets can be found in Note 5 on page 36 of this report.

Long-term debt

At June 30, 2014, the District had total long-term debt outstanding of \$49,118,662 as compared to \$47,095,590 in the prior year. This amount was comprised of \$915,000 of bonds payable (lease revenue bonds); \$7,967,167 of compensated absences; and \$40,236,495 of net OPEB obligations. During the year, principal payments for bonds payable were \$285,000; principal payments for capital lease payable of \$105,301; increase in compensated absences by \$398,478; and an additional \$2,014,895 in net OPEB obligation was recognized.

Additional information on the Santa Clara County Central Fire Protection District's long-term debt can be found in Note 7 on pages 37 to 38 of this report.

SANTA CLARA COUNTY CENTRAL FIRE PROTECTION DISTRICT
Management's Discussion and Analysis
Year Ended June 30, 2014

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The following economic factors currently affect the District and were considered in developing the 2014-15 fiscal year budget.

- The District signed a new four-year labor agreement with its represented bargaining unit on February 3, 2014. The District's 2015 adopted budget includes funding for a 3% salary increase on November 10, 2014.
- The District is forecasting modest growth in property tax revenues of 2%-3% in the coming fiscal year.
- Revenues from contract agencies are expected to grow by 2% to 3% in the coming year.
- SAFER Grant funding for 7 firefighter positions along with a strong recovery in property tax revenues has allowed the District to adopt a budget with a \$172 thousand surplus.

All of these factors were considered in preparing the District's budget for fiscal year 2015.

During the current fiscal year, the total fund balance in the general fund increased to approximately \$33.6 million. Unassigned fund balance decreased to approximately \$21.2 million due to the Board of Directors taking formal action to commit \$10 million in fund balance for major facilities replacement and \$2.5 million for fire apparatus replacement.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Santa Clara County Central Fire Protection District, 14700 Winchester Boulevard, Los Gatos, California, 95032.

**Basic Financial Statements –
Government-wide Financial Statements**

SANTA CLARA COUNTY CENTRAL FIRE PROTECTION DISTRICT
Statement of Net Position
June 30, 2014

	<u>Governmental Activities</u>
Assets	
Cash and investments	
Unrestricted	\$ 46,687,996
Restricted with fiscal agents	300,889
Accounts receivable	860,404
Interest receivable	44,350
Due from other governmental agencies	2,334,411
Capital assets, net	<u>23,493,240</u>
Total Assets	<u>73,721,290</u>
Liabilities	
Accounts payable	695,804
Accrued salaries and benefits	1,461,715
Other accrued liabilities	7,406
Due to other governmental agencies	27,125
Insurance claims payable	8,228,000
Deferred revenue	1,210,210
Compensated absences, due within one year	1,783,873
Compensated absences, due beyond one year	6,183,294
Bonds payable, due within one year	290,000
Bonds payable, due beyond one year	625,000
Net OPEB Obligation	<u>40,236,495</u>
Total Liabilities	<u>60,748,922</u>
Deferred Inflows of Resources	
Deferred gain from refunded debt	<u>201,428</u>
Total Deferred Inflows of Resources	<u>201,428</u>
Net Position	
Net investment in capital assets	22,376,812
Unrestricted	<u>(9,605,872)</u>
Total Net Position	<u>\$ 12,770,940</u>

The notes to the basic financial statements are an integral part of this statement.

SANTA CLARA COUNTY CENTRAL FIRE PROTECTION DISTRICT

Statement of Activities Year Ended June 30, 2014

		Program Revenues		Net (Expenses)
		Charges for	Operating	Revenues and
	Expenses	Services	Grants and	Changes in
Functions/Programs			Contributions	Net Position
Governmental Activities				Governmental
Public protection	\$ 85,988,695	\$ 26,636,860	\$ 3,872,635	Activities
Loss on disposal of capital assets	<u>362,669</u>	<u>-</u>	<u>-</u>	
Total Governmental Activities	<u>\$ 86,351,364</u>	<u>\$ 26,636,860</u>	<u>\$ 3,872,635</u>	
General Revenues				
Property taxes and assessments				59,106,983
Interest and investment income				154,232
Miscellaneous				<u>1,381,712</u>
Total General Revenues				<u>60,642,927</u>
Change in Net Position				4,801,058
Net Position, Beginning				<u>7,969,882</u>
Net Position, Ending				<u>\$ 12,770,940</u>

The notes to the basic financial statements are an integral part of this statement.

**Basic Financial Statements –
Fund Financial Statements**

SANTA CLARA COUNTY CENTRAL FIRE PROTECTION DISTRICT
Balance Sheet - Governmental Funds
June 30, 2014

	<u>General Funds</u>
Assets	
Cash and investments	
Unrestricted	\$ 35,678,044
Accounts receivable	690,852
Interest receivable	35,172
Due from other governmental agencies	<u>2,334,411</u>
Total Assets	<u>\$ 38,738,479</u>
Liabilities	
Accounts payable	\$ 693,654
Accrued salaries and benefits	1,272,878
Other accrued liabilities	2,050
Due to other governmental agencies	27,125
Insurance claims payable	188,837
Deferred revenue	1,210,210
Compensated absences, due within one year	<u>1,783,873</u>
Total Liabilities	<u>5,178,627</u>
Fund Balances	
Committed	
Major facility replacement, repair or maintenance	10,000,000
Fire apparatus replacement	2,500,000
Unassigned	<u>21,059,852</u>
Total Fund Balances	<u>33,559,852</u>
Total Liabilities and Fund Balances	<u>\$ 38,738,479</u>

The notes to the basic financial statements are an integral part of this statement.

SANTA CLARA COUNTY CENTRAL FIRE PROTECTION DISTRICT
Reconciliation of the Governmental Funds Balance Sheet to the
Government-wide Statement of Net Position - Governmental Activities
June 30, 2014

Fund Balances - Total Governmental Funds		\$ 33,559,852
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		23,493,240
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities are included in governmental activities in the statement of net position.		3,259,421
Interest payable on long-term debt does not require the use of current financial resources and, therefore, is not accrued as a liability in the governmental funds.		(5,356)
Deferred gain from refunded debt is recognized and amortized over the life of the bond for purposes of the statement of net position.		(201,428)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds.		
Compensated absences	\$ (6,183,294)	
Net OPEB Obligation	(40,236,495)	
Bonds payable	<u>(915,000)</u>	<u>(47,334,789)</u>
Net Position of Governmental Activities		\$ <u>12,770,940</u>

The notes to the basic financial statements are an integral part of this statement.

SANTA CLARA COUNTY CENTRAL FIRE PROTECTION DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2014

	<u>General Funds</u>
Revenues	
Property taxes and assessments	\$ 59,106,983
Licenses and permits	581,096
Intergovernmental revenues	3,872,635
Use of money and property	195,857
Charges for services	26,055,764
Miscellaneous revenues	<u>1,285,769</u>
Total Revenues	<u>91,098,104</u>
Expenditures	
Public protection	
Salaries and benefits	69,219,911
Services and supplies	6,620,551
City provided services	5,097,597
Other charges	802,776
Capital outlay	987,060
Debt service - principal	390,301
Debt service - interest	<u>58,425</u>
Total Expenditures	<u>83,176,621</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>7,921,483</u>
Other Financing Sources (Uses)	
Sale of capital assets	<u>31,308</u>
Net Other Financing Sources (Uses)	<u>31,308</u>
Net Change in Fund Balances	7,952,791
Fund Balance, Beginning	<u>25,607,061</u>
Fund Balance, Ending	<u>\$ 33,559,852</u>

The notes to the basic financial statements are an integral part of this statement.

SANTA CLARA COUNTY CENTRAL FIRE PROTECTION DISTRICT
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures,
and Changes in Fund Balances to the Government-wide Statement of Activities
Governmental Activities
Year Ended June 30, 2014

Net Change in Fund Balances - Total Governmental Funds **\$ 7,952,791**

Amounts reported for governmental activities in the statement of activities
are different because:

Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Expenditures for general capital assets, infrastructure, and other related capital assets adjustment	\$ 984,992	
Less: current year depreciation	<u>(1,714,576)</u>	(729,584)

In the statement of activities, only the gain on disposal of capital assets is reported, whereas in the governmental funds, the proceeds from the sale increase the financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the asset sold, net of related accumulated depreciation. (393,977)

Repayments of debt principal is an expenditure in the governmental funds, but the repayment reduces the long-term liabilities in the statement of net position.

Principal repayments		
Capital lease payable	105,301	
Bonds payable	<u>285,000</u>	390,301

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expenses) of certain activities of the internal service funds is reported with governmental activities. (154,592)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Change in accrued interest payable	1,425	
Amortization of deferred gain from refunded debt	67,143	
Change in net OPEB obligation	(2,014,895)	
Change in compensated absences	<u>(317,554)</u>	<u>(2,263,881)</u>

Change in Net Position of Governmental Activities **\$ 4,801,058**

The notes to the basic financial statements are an integral part of this statement.

SANTA CLARA COUNTY CENTRAL FIRE PROTECTION DISTRICT
Statement of Net Position - Proprietary Funds - Internal Service
June 30, 2014

	<u>Governmental Activities</u>
Assets	
Cash and investments	
Unrestricted	\$ 11,009,952
Restricted with fiscal agents	300,889
Accounts receivable	694,627
Interest receivable	<u>9,178</u>
Total Assets	<u>12,014,646</u>
Liabilities	
Accounts payable	2,150
Insurance claims payable	<u>8,753,075</u>
Total Liabilities	<u>8,755,225</u>
Net Position	
Unrestricted	<u>3,259,421</u>
Total Net Position	<u><u>\$ 3,259,421</u></u>

The notes to the basic financial statements are an integral part of this statement.

SANTA CLARA COUNTY CENTRAL FIRE PROTECTION DISTRICT
Statement of Revenues, Expenses and Changes in Net Position -
Proprietary Funds - Internal Service
Year Ended June 30, 2014

	<u>Governmental Activities</u>
Operating Revenues	
Plan contribution	\$ 14,859,046
Interest and investment income	<u>44,175</u>
Total Operating Revenues	<u>14,903,221</u>
Operating Expenses	
Claims expenses	<u>15,057,813</u>
Total Operating Expenses	<u>15,057,813</u>
Change in Net Position	(154,592)
Net Position, Beginning	<u>3,414,013</u>
Net Position, Ending	<u>\$ 3,259,421</u>

The notes to the basic financial statements are an integral part of this statement.

SANTA CLARA COUNTY CENTRAL FIRE PROTECTION DISTRICT
Statement of Cash Flows - Proprietary Funds - Internal Service
Year Ended June 30, 2014

	<u>Governmental Activities</u>
Cash Flows from Operating Activities	
Cash receipts from interfund services provided - contributions to the plan	\$ 14,753,294
Cash payment for interfund services used - paid claims	<u>(14,911,512)</u>
Net cash used by operating activities	(158,218)
Cash and Investments, Beginning	<u>11,469,059</u>
Cash and Investments, Ending	<u>\$ 11,310,841</u>
Reconciliation of change in net position to net cash provided (used) by operating activities	
Change in Net Position	\$ (154,592)
Adjustment to reconcile change in net position to net cash provided (used) by operating activities	
Decrease (increase) in assets	
Accounts receivable	(150,703)
Interest receivable	776
Increase (decrease) in liabilities	
Accounts payable	2,150
Insurance claims payable	<u>144,151</u>
Net cash used by operating activities	<u>\$ (158,218)</u>

The notes to the basic financial statements are an integral part of this statement.

Basic Financial Statements –
Notes to the Basic Financial Statements

SANTA CLARA COUNTY CENTRAL FIRE PROTECTION DISTRICT
Notes to the Basic Financial Statements
Year Ended June 30, 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The District also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental activities provided they do not conflict with or contradict GASB pronouncements. The most significant of the District's accounting policies are described below:

A. Reporting Entity

The Santa Clara County Central Fire Protection District (the "District") is a dependent special district formed under the California Health and Safety Code. The District serves the areas of Santa Clara County not protected by other fire departments, districts, or the State Division of Forestry.

The Fire District is reported as a blended component unit in the County of Santa Clara's annual financial report because the County Board of Supervisors sits as the Board of Directors for the Fire District. The County has also issued debt on behalf of the Fire District. As of June 30, 2014, the outstanding principal balance amounted to \$900 thousand with a final maturity in 2017.

B. Basis of Presentation

Government-wide Financial Statements

The statement of net position and statement of activities display information about the District. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal service fund activities. Governmental activities are normally supported by taxes and intergovernmental revenues.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipients of goods or services offered by the programs. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

SANTA CLARA COUNTY CENTRAL FIRE PROTECTION DISTRICT
Notes to the Basic Financial Statements
Year Ended June 30, 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

When both restricted and unrestricted net position are available, restricted resources are used only after the unrestricted resources are depleted.

Fund Financial Statements

Fund financial statements of the District are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. Separate statements for each fund category are presented. The emphasis of fund financial statements is on major governmental and enterprise funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The District does not have nonmajor governmental funds. The internal service funds are presented in the proprietary fund financial statements.

Proprietary fund *operating* revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. *Nonoperating* revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

Governmental Funds

The District reports one major governmental fund:

- The *General Fund* is the primary operating fund of the District and is always classified as a major fund. It is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the District that are not accounted for through other funds. For the District, the General Fund's primary activity is public protection.

SANTA CLARA COUNTY CENTRAL FIRE PROTECTION DISTRICT
Notes to the Basic Financial Statements
Year Ended June 30, 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Proprietary Funds

The District reports the following proprietary funds:

Internal Service accounts for the financing goods or services provided by one department or agency to other departments or agencies of the District, or to other governments, on a cost reimbursement basis. The District has the following Internal Service funds:

- *Health Benefit* Fund, which accounts for the finance activities of the District's self funded health insurance program for its employees, retirees and eligible dependents (via Coastal Healthcare Administrators, a third party administrator).
- *Workers Compensation* Fund is used to account for assets held by the District to meet present and future workers' compensation claims liabilities.

C. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

The government-wide, proprietary, and fiduciary fund financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This differs from the manner in which governmental fund financial statements are prepared. Therefore, governmental fund financial statements include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The accounting objectives of the economic resources measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Fund equity is classified as net position.

Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes. On an accrual basis, revenue from property taxes, the District's major revenue source, is recognized in the fiscal year for which the taxes are levied.

SANTA CLARA COUNTY CENTRAL FIRE PROTECTION DISTRICT
Notes to the Basic Financial Statements
Year Ended June 30, 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

The governmental fund financial statements are prepared using the current financial resources measurement focus and the modified accrual basis of accounting.

Property taxes, licenses and permits, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues for the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of the year end). 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 (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the government.

In the current financial resources measurement focus, only current financial assets and liabilities are generally included on the balance sheets. The operating statements present sources and uses of available spendable financial resources during a given period. The fund balance is used as the measure of available spendable financial resources at the end of the period.

Under the modified accrual basis of accounting, revenues are recognized when measurable and available. Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year end. Expenditures (including capital outlay) are recorded when the related liability is incurred, except for debt service expenditures (principal and interest), as well as expenditures related to compensated absences which are reported when due.

D. Budgets and Budgetary Accounting

The District, as per California Health and Safety Code Section 13895, adopts final annual operating budgets before October 1. From the effective date of the budget, which is adopted by the Board of Directors after public hearings, the proposed expenditures become appropriations. The Fire Chief generally may transfer appropriations among programs. Unencumbered and unexpended appropriations lapse at fiscal year-end.

SANTA CLARA COUNTY CENTRAL FIRE PROTECTION DISTRICT
Notes to the Basic Financial Statements
Year Ended June 30, 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Budgeted revenues and expenditures in the financial statements represent the original budget modified by authorized adjustments during the year. Budgeted expenditure amounts represent original appropriations adjusted for supplemental appropriations during the year that were contingent upon new or additional revenue sources and reappropriated amounts for prior year encumbrances. Expenditures may not legally exceed budgeted appropriations at the object category level.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary accounting in the General Fund.

E. Cash and Cash Equivalents

For purposes of the accompanying statement of cash flows, the internal service fund considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

F. Capital Assets

In the government-wide financial statements, capital assets (fixed assets with a value of \$1,000 or more) are recorded at historical cost or at estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated fair market value on the date of donation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation expense is provided over the assets' estimated useful lives using the straight-line method of depreciation. The estimated useful lives, by type of asset, are as follows:

Buildings	50 years
Vehicles, machinery, equipment, and furnishings	5 to 20 years

Maintenance and repairs are charged to operations when incurred. Betterments and major improvements which significantly increase values, change capacities or extend useful lives are capitalized. Upon sale or retirement of capital assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

SANTA CLARA COUNTY CENTRAL FIRE PROTECTION DISTRICT
Notes to the Basic Financial Statements
Year Ended June 30, 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Upon sale of capital assets, the proceeds from sale of capital assets is included in the results of operations as other financing sources.

G. Long-term Debt

All long-term debt to be paid from governmental resources are reported as liabilities in the government-wide statements. The long-term debt consists primarily of compensated absences, net OPEB obligation, and bonds payable.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest are reported as expenditures.

H. Compensated Absences

The District's employees earn vacation which may either be taken or accumulated, up to certain amounts, until paid upon retirement or termination. There is no accrual limit on sick leave; however, there are various restrictions and limitations on the sick leave pay-off upon termination depending on the employee group and retirement factors. For all funds, this liability reflects amounts attributable to employee service already rendered, cumulative, probable for payment and reasonably estimated.

The District accrues accumulated unpaid compensated absences when earned (or estimated to be earned) by the employee. The liability for these compensated absences is recorded as long-term debt in the government-wide statements. In the fund financial statements, governmental funds report the compensated absence liabilities payable from expendable available financial resources, only if they have matured.

SANTA CLARA COUNTY CENTRAL FIRE PROTECTION DISTRICT
Notes to the Basic Financial Statements
Year Ended June 30, 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

I. Equity Classifications

In the government-wide and proprietary fund financial statements, equity is classified as net position and divided into three components:

- *Net Investment In Capital Assets* – This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.
- *Restricted Net Position* – This category presents external restrictions imposed by creditors, grantors, contributors or 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 the District, not restricted for any project or other purpose.

Governmental funds report fund balances in classifications based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. Fund balance for governmental funds can consist of the following:

- *Nonspendable Fund Balance* – includes amounts that are (a) not in spendable form—such as inventory, prepaid amounts or long-term notes receivable, or (b) legally or contractually required to be maintained intact—such as a trust that must be retained in perpetuity. The “not in spendable form” criterion includes items that are expected to be converted to cash.
- *Restricted Fund Balance* – constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation. Restriction may effectively be changed or lifted only with the consent of resource providers.

SANTA CLARA COUNTY CENTRAL FIRE PROTECTION DISTRICT
Notes to the Basic Financial Statements
Year Ended June 30, 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

- *Committed Fund Balance* – amounts that can be used only be used for the specific purposes determined by a formal action of the District’s highest level of decision-making authority, the Board. Commitments may be changed or lifted by the District taking the same formal action that imposed the constraint originally.
- *Assigned Fund Balance* – comprises amounts intended to be used by the District for specific purposes that are neither restricted nor committed. Intent is expressed by (a) the District’s Board or (b) a body (e.g., a budget or finance committee) or official to which the District’s Board has delegated the authority to assign, modify, rescind amounts to be used for specific purposes. With the exception of the General Fund, this is the residual fund balance classification for all governmental funds with positive balances.
- *Unassigned Fund Balance* – the residual classification for the General Fund. It is also used to report negative fund balance in other governmental funds.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is generally depleted in the order of restricted, committed, assigned, and unassigned.

J. Estimates

The preparation of basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

K. Subsequent Events

Management has evaluated subsequent events through August 21, 2014.

SANTA CLARA COUNTY CENTRAL FIRE PROTECTION DISTRICT
Notes to the Basic Financial Statements
Year Ended June 30, 2014

NOTE 2. PROPERTY TAX

The reported lien date is January 1 for secured and unsecured property taxes.

In accordance with Government Code Section 29100, on or before September 1, the Board of Supervisors shall adopt the rates of taxes on the secured roll. The Tax Collector then completes the tax bill processing by the end of September. The Revenue and Taxation Code specifies that the Tax Collector shall issue secured tax bills by November 1.

The due dates and delinquency dates for secured taxes are as follows:

Due date for the first installment is Nov. 1, delinquent after Dec. 10.

Due date for the second installment is Feb. 1, delinquent after April 10.

On July 19, 1993, the County Board of Supervisors, adopted the Alternative Method of Tax Apportionment "Teeter Plan". Under this plan the District receives annually the full amount of its share of property taxes on the secured rolls. In return, the County receives all future delinquent tax payments otherwise due to the District.

NOTE 3. CASH AND INVESTMENTS

The cash balance of the District's General Fund, Capital Project, and the Workers Compensation Trust Fund are pooled and invested by the County's Treasurer in the pooled cash investment program ("Pool") for the purpose of increasing earnings through investment activities. The County's pooled deposits and investments are regulated by California Government Code and by a County investment policy approved annually by the County Treasury Oversight Committee and the Board. At fiscal year end, the County provides the participants' the pooled investments' fair value, based on quoted market prices. The County allocates interest to the District based on the District's average daily cash balance relative to the entire Pool. The value of the participants' pool shares that may be withdrawn is determined on an amortized basis, which is different than the fair value of the participants' positions in the pool. In addition, the County's investment pool is not rated by any of the credit rating agencies. The County's comingled pool consists of cash in bank, U.S. government and agency securities, corporate bonds, negotiable certificates of deposit, commercial paper, and deposits in the State's Local Agency Investment Fund. Additional information regarding the County's investment policy and cash and investments, including interest rate risk, credit risk, custodial credit risk categories, and maturities of the different categories of investments, can be found in the County's notes to the basic financial statements.

SANTA CLARA COUNTY CENTRAL FIRE PROTECTION DISTRICT
Notes to the Basic Financial Statements
Year Ended June 30, 2014

NOTE 4. CASH AND INVESTMENTS - Continued

The cash balances for the Health Benefit Fund were held in a bank account by the health plan's third party administrator, Coastal Healthcare Administrators, in Salinas, California. The account is insured by the Federal Deposit Insurance Corporation (FDIC).

Cash and investments at June 30, 2014 consists of the following:

	<u>Carrying Amount</u>	<u>Fair Value</u>
Cash and investments with the County Treasury common pool:		
General Fund	\$35,675,944	\$35,592,343
Proprietary - Worker's Compensation	11,009,952	10,984,151
Proprietary - Health Benefit (restricted)	300,889	300,889
Petty cash	<u>2,100</u>	<u>2,100</u>
Total cash and investments	<u>\$46,988,885</u>	<u>\$46,879,483</u>

Governmental Accounting Standards Board, Statement No. 31, "Accounting and Financial Reporting for Certain Investment and for External Investment Pools" establishes accounting and financial reporting standards for all investments held by governmental external investment pools. The statement requires governmental entities to report investments at fair value.

Based on the County's calculations, the application of GASB, Statement No. 31, would decrease the District's cash balance and interest and investment income (use of money and property, in the fund financials) by \$83,601 for the General Fund and \$25,801 for Worker's Compensation. However, since the effect of the application of GASB 31, in this instance, is not material, the District's cash and investments account is stated at cost.

SANTA CLARA COUNTY CENTRAL FIRE PROTECTION DISTRICT
Notes to the Basic Financial Statements
Year Ended June 30, 2014

NOTE 5. CAPITAL ASSETS

The capital asset activity for the year ended June 30, 2014 is as follows:

	Balance <u>6/30/13</u>	Increases/ <u>Adjustments</u>	<u>Decreases</u>	Balance <u>6/30/14</u>
Capital assets, not being depreciated:				
Land	\$ 4,065,549	\$ -	(\$ 323,050)	\$ 3,742,499
Construction in progress	<u>-</u>	<u>363,098</u>	<u>-</u>	<u>363,098</u>
Total capital assets, not being depreciated	<u>4,065,549</u>	<u>363,098</u>	(<u>323,050</u>)	<u>4,105,597</u>
Capital assets, being depreciated:				
Buildings	16,142,802	173,127	(76,355)	16,239,574
Vehicles, machinery, equipment, and furnishings	<u>22,147,608</u>	<u>448,767</u>	(<u>1,644,875</u>)	<u>20,951,500</u>
Total capital assets, being depreciated	<u>38,290,410</u>	<u>621,894</u>	(<u>1,721,230</u>)	<u>37,191,074</u>
Less accumulated depreciation for:				
Buildings	(5,355,604)	(331,101)	37,779	(5,648,926)
Vehicles, machinery, equipment, and furnishings	(<u>12,383,554</u>)	(<u>1,383,475</u>)	<u>1,612,524</u>	(<u>12,154,505</u>)
Total accumulated depreciation	(<u>17,739,158</u>)	(<u>1,714,576</u>)	<u>1,650,303</u>	(<u>17,803,431</u>)
Total capital assets, being depreciated, net	<u>20,551,252</u>	(<u>1,092,682</u>)	(<u>70,927</u>)	<u>19,387,643</u>
Capital assets, net	<u>\$24,616,801</u>	(<u>\$ 729,584</u>)	(<u>\$ 393,977</u>)	<u>\$23,493,240</u>

For the year ended June 30, 2014, depreciation expense charged to public protection under governmental activities was \$1,714,576.

SANTA CLARA COUNTY CENTRAL FIRE PROTECTION DISTRICT
Notes to the Basic Financial Statements
Year Ended June 30, 2014

NOTE 6. WORKERS COMPENSATION

As of July 1, 1979, the District began self-insuring workers compensation claims. The District Workers Compensation Program is administered by the County of Santa Clara. The District's policy is to accrue a liability for anticipated losses as claims are received based upon the probability of payout against each claim.

NOTE 7. LONG-TERM DEBT

A. Bonds Payable

On February 18, 2010, the Santa Clara County Financing Authority issued \$50,110,000 in lease revenue bonds with an average coupon rate of 4.53% to refund \$15,595,000 in outstanding 1998 Series A lease revenue bonds with an average interest rate of 4.60% and \$37,245,000 in outstanding 2000 Series B lease revenue bonds with an average interest rate of 5.50%. The net proceeds of \$53,839,005 (including a premium of \$4,263,916 and a payment of \$539,703 in underwriting fees and other issuance costs) plus an additional \$654,811 in reserve funds from the 1998 Series A Lease revenue bonds and the 2000 Series B lease revenue bonds were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 1998 Series A lease revenue bonds and the 2000 Series B lease revenue bonds. As a result, the 1998 Series A lease revenue bonds and the 2000 Series B lease revenue bonds are considered to be defeased and the Fire District's share of the liability for the 1998 Series A bonds has been removed from the government-wide statement of net position.

The Santa Clara County Financing Authority refunded the 1998 Series A lease revenue bonds and the 2000 Series B lease revenue bonds to reduce its total debt service payments over the next seven (7) years by almost \$5.2 million and to obtain an economic gain of \$856,113. The Fire District's share of the remaining debt on the 1998 Series A lease revenue bonds was \$2,560,000. The Fire District's share of the 2010 Series N refunding bonds is \$2,090,000 for a net reduction in principal payments of \$470,000 and interest payments of \$76,175 over the next seven (7) years. The economic gain attributable to the Fire District's share of the refinancing is \$133,126.

SANTA CLARA COUNTY CENTRAL FIRE PROTECTION DISTRICT
Notes to the Basic Financial Statements
Year Ended June 30, 2014

NOTE 7. LONG-TERM DEBT - Continued

As of June 30, 2014, the outstanding principal balance amounted to \$915,000. The annual requirements to amortize debt outstanding are as follows:

Year ending June 30:	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$290,000	\$42,850	\$ 332,850
2016	305,000	29,200	334,200
2017	<u>320,000</u>	<u>13,950</u>	<u>333,950</u>
Bond payable	<u>\$915,000</u>	<u>\$86,000</u>	<u>\$1,001,000</u>

B. Compensated Absences

As of June 30, 2014, the District's long-term compensated absences amounted to \$6,183,294 as reported in the government wide statements while the current portion of \$1,783,873 is fund financials.

C. Changes in Long-term Debt

The following is a summary of changes in long-term debt for the year ended June 30, 2014:

	<u>Balance July 1, 2013</u>	<u>Additions/ Adjustments</u>	<u>Deductions</u>	<u>Balance June 30, 2014</u>	<u>Due within one year</u>	<u>Due beyond one year</u>
Bonds Payable	\$ 1,200,000	\$ -	\$ 285,000	\$ 915,000	\$ 290,000	\$ 625,000
Capital lease	105,301	-	105,301	-	-	-
Compensated absences	7,568,689	3,386,458	2,987,980	7,967,167	1,783,873	6,183,294
Net OPEB Obligation (see Note 9)	<u>38,221,600</u>	<u>2,014,895</u>	<u>-</u>	<u>40,236,495</u>	<u>-</u>	<u>40,236,495</u>
Totals	<u>\$47,095,590</u>	<u>\$5,401,353</u>	<u>\$3,378,281</u>	<u>\$49,118,662</u>	<u>\$2,073,873</u>	<u>\$47,044,789</u>

Other long-term liabilities have normally been liquidated by the general fund in prior years.

SANTA CLARA COUNTY CENTRAL FIRE PROTECTION DISTRICT
Notes to the Basic Financial Statements
Year Ended June 30, 2014

NOTE 8. PENSION PLAN

A. Plan Description

All eligible Fire District employees participate in the California Public Employees Retirement System (CalPERS). The Fire District participates in two plans (Miscellaneous and Safety) with CalPERS. CalPERS provides retirement, disability, and death benefits based on the employees' years of service, age and final compensation. The provisions and all other requirements are established by State statute and Fire District resolutions. Copies of the CalPERS' annual financial report may be obtained from their executive office at 400 Q Street, Sacramento, California 95811. A separate report for the Fire District's plan in PERS is not available.

Effective with the June 30, 2003 valuation, CalPERS converted the Fire District's Miscellaneous employees' defined benefit retirement plan from an agent multiple-employer to a cost sharing multiple-employer. The Fire District's Miscellaneous employees' retirement plan is under the CalPERS Miscellaneous 2.7% at 55 Risk Pool. The Fire District's Safety plan is an agent multiple-employer defined benefit retirement plan. CalPERS acts as a common investment and administrative agent for various local and state governmental agencies within the state.

B. Pension Plan Benefits

1. Classic Plan

Benefits for employees in the Miscellaneous and Safety Plans vest after five of CalPERS credited service. The retirement benefits under both plans are based on the retirees age, years of CalPERS credited service, and a benefit factor of 2.7% at 55 for Miscellaneous Plan members and 3% at 50 for Safety Plan members. These plans included a pre-retirement Option 2W Death Benefit.

Miscellaneous Plan

Participants in this plan are eligible for service retirement and receive graduated benefits upon attaining the age of 50 and with at least five years of credited service with a CalPERS employer. The service retirement benefit is a monthly allowance equal to the product of the benefit factor (2.7% at 55), years of service, and the final compensation (monthly average of the members highest 12 consecutive months' full time equivalent pay). The services retirement for this group is not capped.

SANTA CLARA COUNTY CENTRAL FIRE PROTECTION DISTRICT
Notes to the Basic Financial Statements
Year Ended June 30, 2014

NOTE 8. PENSION PLAN – Continued

Safety Plan

Participants in this plan are eligible for service retirement upon attaining the age of 50 and with at least five years of credited service with a CalPERS employer. The service retirement benefit is a monthly allowance equal to the product of the benefit factor (3.0% at 50), years of service, and the final compensation (monthly average of the members highest 12 consecutive months' full time equivalent pay). The services retirement for the Safety Plan is capped at 90% of final compensation.

2. **PEPRA Plan**

The Public Employee' Pension Reform Act of 2013 (PEPRA) required that all state, school, and local government employers offer a reduced benefit formula with increased retirement ages to new public employees, who first became CalPERS members on or after January 1, 2013. The new defined benefit formula is 2% at age 62 for newly hired Miscellaneous employees and 2.7% at age 57 for newly hired Safety employees.

PEPRA also imposes the following changes to both Miscellaneous and Safety Plans for new members:

- A pensionable compensation cap of \$136,440 for agencies that do not participate in social security (the Fire District does not participate). Future adjustments to the cap will be based on changes to the CPI All Urban Consumers index.
- The employee contribution rate will be at least 50% of the total normal cost rate.
- Final compensation will based on the highest average annual pensionable compensation earned by a member during a period of a least 36 consecutive months.

C. Funding Policy

The contribution requirements of the plan members and the Fire District are established and may be amended by CalPERS. The Fire District is required to contribute at an actuarially determined rate or prepay a discounted annual required contribution between July 1 and July 15. The Fire District does not pay any portion of the employees' share of the required contribution.

SANTA CLARA COUNTY CENTRAL FIRE PROTECTION DISTRICT
Notes to the Basic Financial Statements
Year Ended June 30, 2014

NOTE 8. PENSION PLAN – Continued

Below is a summary of the employee contribution rates and employer contributions rates for fiscal year 2013-2014:

Plan		Employee Contribution Rate	Employer Contribution Rate
Classic	Miscellaneous	8.00%	24.301%
	Safety	9.00%	32.743%
New Member (PEPRA)	Miscellaneous	6.50%	6.700%
	Safety	11.25%	32.743%

D. Annual Pension Cost

The required contribution for the year ended June 30, 2014 was determined as part of the June 30, 2011, actuarial valuation using the entry age normal actuarial cost method with the contributions determined as a percent of pay. The Entry Age Normal Actuarial Cost Method is a projected benefit cost method, which takes into account those benefits that are expected to be earned in the future, as well as those already accrued.

According to this cost method, the normal cost for an employee is the level amount that would fund the projected benefit if it were paid annually from the date of employment until retirement. CalPERS uses a modification of the Entry Age Normal Actuarial Cost Method in which the District's total normal cost is expressed as a level percent of payroll. CalPERS also uses the level percentage of projected payroll method to amortize the any unfunded liabilities (or excess assets) on a closed basis over the remaining amortization period. The remaining amortization period as of June 30, 2011 was 20 years for the Miscellaneous Plan and 32 years for the Safety Plan. The asset valuation method is based on a 15 year smoothed market.

The significant assumptions used to compute the actuarially determined contribution requirement for the year ended June 30, 2014 included the following:

- A rate of return on the investment of present and future assets of 7.5% per year compounded annually.
- Projected salary increases that vary by duration of service ranging from 3.30% to 14.20%.
- Overall payroll growth of 3.00% compounded annually.
- Inflation factor of 2.75% compounded annually.

SANTA CLARA COUNTY CENTRAL FIRE PROTECTION DISTRICT
Notes to the Basic Financial Statements
Year Ended June 30, 2014

NOTE 8. PENSION PLAN – Continued

The District's actuarial required contribution rates and incurred costs paid to CalPERS for the last three fiscal years are as follows:

<u>Fiscal Year</u> <u>Ending</u>	<u>Required</u> <u>Contribution</u> <u>Rates for</u> <u>Safety</u>	<u>Required</u> <u>Contribution</u> <u>Rates for</u> <u>Miscellaneous</u>	<u>Annual Pension</u> <u>Cost (APC) for</u> <u>Safety and</u> <u>Miscellaneous</u> <u>Employees</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
6/30/12	31.474%	23.124%	\$11,324,486	100%	\$ -
6/30/13	31.681%	23.508%	11,086,813	100%	-
6/30/14	32.743%	24.301%	11,368,288	100%	-

<u>Actuarial</u> <u>Valuation</u> <u>Date</u>	<u>Actuarial</u> <u>Accrued</u> <u>Liability (AAL)</u>	<u>Actuarial</u> <u>Value of</u> <u>Assets (AVA)</u>	<u>Unfunded</u> <u>Actuarial</u> <u>Accrued</u> <u>Liability (UAAL)</u>	<u>Funded</u> <u>Ratios</u>	<u>Annual</u> <u>Covered</u> <u>Payroll</u>	<u>UAAL as</u> <u>a</u> <u>% of</u> <u>Payroll</u>
<u>MISCELLANEOUS PLAN:</u>						
6/30/12	\$34,937,324	\$22,720,874	\$12,216,450	65.0%	\$5,147,438	237.3%
<u>SAFETY PLAN:</u>						
6/30/12	\$426,249,798	\$344,225,274	\$82,024,524	80.8%	\$31,057,520	264.1%

Above is the funded status as of the latest valuation date. The schedule of funding progress, presented as Required Supplementary Information following the Notes to the Basic Financial Statements, presents the multi-year trend information about whether the actuarial value of the plan assets is increasing or decreasing relative to the actuarial accrued liability for benefits.

NOTE 9. HEALTH BENEFIT

A. Plan Description

The District's other postemployment benefit (OPEB) provides for lifetime medical coverage to retirees who meet certain eligibility requirements. Currently, employees who retire directly from the District, have accrued seven years of service and were hired between January 1, 1995 and December 31, 2006, inclusive, or retire directly from the District, have accrued 10 years of service and were hired after December 31, 2006 are eligible.

SANTA CLARA COUNTY CENTRAL FIRE PROTECTION DISTRICT
Notes to the Basic Financial Statements
Year Ended June 30, 2014

NOTE 9. HEALTH BENEFIT – Continued

Presently the District offers two health plans: Kaiser Permanente (HMO) and a self-funded indemnity-type plan that has a preferred provider discount feature (Coastal Healthcare Administrators, a third party administrator). Each plan offers a prescription drug benefit.

The District began prefunding with the California Employers' Retiree Benefit Trust Fund (CERBT) in June of 2012. The CERBT is an IRS Section 115 trust maintained by CalPERS as a retiree welfare prefunding vehicle for any California public sector employer.

B. Funding Policy

The District pays the cost of postemployment health care benefits for a retiree and his/her spouse if the retiree retired on or before January 1, 1978. The District will pay for the spouse's coverage so long as the retiree maintains eligibility. An employee who retires after January 1, 1978 may include his/her dependent on the plan at the retiree's cost.

As part of the current labor agreement, adopted on February 3, 2014, Plan members now contribute 1% of base pay, with a maximum annual contribution of \$1,500, towards the District's net OPEB obligation.

Based on the latest actuarial report as of June 30, 2013, the District's Annual Required Contribution (ARC) rate for 2013/2014 is 16% of annual covered payroll of \$37,232,700.

C. Annual OPEB Cost and Net OPEB Obligation

Annual Required Contributions (ARC)	\$ 6,104,900
Interest on beginning Net OPEB Obligation (NOO)	2,675,500
Amortization of beginning NOO	(<u>2,253,400</u>)
Annual OPEB Cost (AOC)	6,527,000
Contributions made:	
Direct Benefit Payments	(\$3,376,065)
Adjustment for implicit subsidy	788,203
Contributions to irrevocable trust – CERBT	(<u>1,924,243</u>) (<u>4,512,105</u>)
Change in OPEB obligation	2,014,895
NOO at beginning of year	<u>38,221,600</u>
NOO at end of year	<u>\$40,236,495</u>

SANTA CLARA COUNTY CENTRAL FIRE PROTECTION DISTRICT
Notes to the Basic Financial Statements
Year Ended June 30, 2014

NOTE 9. HEALTH BENEFIT – Continued

<u>Fiscal Year Ending</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
6/30/12	\$8,059,600	95%	\$34,981,700
6/30/13	6,530,800	58%	38,221,600
6/30/14	6,527,000	69%	40,236,495

D. Funded Status and Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Actuarial Value of Assets (AVA)</u>	<u>Unfunded Actuarial Accrued Liability (UAAL)</u>	<u>Funded Ratios</u>	<u>Annual Covered Payroll</u>	<u>UAAL as a % of Payroll</u>
6/30/11	\$76,555,500	\$ -	\$76,555,500	0%	\$36,846,900	208%
6/30/13	84,335,400	7,296,400	77,039,000	9%	37,232,700	207%

Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These actuarially determined amounts are subject to continual revisions as actual results are compared to past expectations and new estimates are made about the future. The schedule of funding progress presented immediately following the financial statements as required supplementary information, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

E. Actuarial Methods and Assumptions

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

SANTA CLARA COUNTY CENTRAL FIRE PROTECTION DISTRICT
Notes to the Basic Financial Statements
Year Ended June 30, 2014

NOTE 9. HEALTH BENEFIT – Continued

In the June 30, 2013 actuarial valuation, the modified Projected Unit Credit actuarial cost method was used. Under this method, the actuarial present value of the projected benefits for each active employee is allocated evenly over their years from hire to projected date of full eligibility for plan benefits. 7.00% was both the assumed long-term rate of investment return on CERBT assets and (because the District contributes approximately 100% of ARC to the CERBT) the assumed valuation discount rate. The assumed annual healthcare trend rates for the various benefit types were initially between 5.00% and 8.50%, and each graded down to an ultimate rate of 4.50% by fiscal year 2021/2022. All discount and trend rates included an assumed 3.0% general inflation assumption. The actuarial value of CERBT assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period.

The unfunded actuarial accrued liability as of June 30, 2013 was used to determine the ARC for fiscal years 2014/2015 and 2015/2016. Such unfunded liability was amortized as a level percentage of projected payroll on a closed basis using an assumed aggregate payroll increase of 3.00% per year. The remaining amortization period at July 1, 2014 was 27 years.

Required Supplementary Information
(Other than MD&A)

SANTA CLARA COUNTY CENTRAL FIRE PROTECTION DISTRICT
Budgetary Comparison Schedule - General Fund (1524)
Year Ended June 30, 2014

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Budgetary Fund Balance, Beginning	\$ 25,600,952	\$ 25,600,952	\$ 25,600,952	\$ -
Resources (Inflows)				
Property taxes and assessments	54,910,000	54,910,000	59,106,983	4,196,983
Licenses and permits	469,200	669,200	581,096	(88,104)
Intergovernmental revenues	2,280,000	3,224,650	3,872,635	647,985
Use of money and property	140,000	140,000	195,841	55,841
Charges for services	25,550,842	25,570,842	26,055,764	484,922
Miscellaneous revenues	1,775,000	1,775,000	1,285,769	(489,231)
Sale of capital assets	20,000	20,000	31,308	11,308
Proceeds from lease purchase financing	1,650,000	1,650,000	-	(1,650,000)
Amounts Available for Appropriation	<u>86,795,042</u>	<u>87,959,692</u>	<u>91,129,396</u>	<u>3,169,704</u>
Charges to Appropriations (Outflows)				
Public protection				
Salaries and benefits	70,017,698	70,962,348	69,213,789	1,748,559
Services & supplies and other charges	7,793,662	8,013,662	7,423,327	590,335
City provided services	5,040,000	5,040,000	5,097,597	(57,597)
Capital outlay	3,166,000	3,166,000	987,060	2,178,940
Debt service - principal	390,301	390,301	390,301	-
Debt service - interest	58,425	58,425	58,425	-
Total Charges to Appropriations	<u>86,466,086</u>	<u>87,630,736</u>	<u>83,170,499</u>	<u>4,460,237</u>
Budgetary Fund Balance, Ending	\$ <u>25,929,908</u>	\$ <u>25,929,908</u>	\$ <u>33,559,849</u>	\$ <u>7,629,941</u>

Continued

SANTA CLARA COUNTY CENTRAL FIRE PROTECTION DISTRICT
Budgetary Comparison Schedule - General Fund (1524)
Year Ended June 30, 2014

**Explanation of Differences between Budgetary Inflows and Outflows
and GAAP Revenues and Expenditures**

Sources/Inflows of Resources

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule	\$ 91,129,396
---	---------------

Differences - budget to GAAP:

Proceeds from sale of capital assets are inflows of budgetary resources but are not revenues for financial reporting purposes	(31,308)
---	----------

Items reported in the Retiree Medical fund (0473) which are not subject to annual appropriations	<u>16</u>
--	-----------

Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ <u><u>91,098,104</u></u>
--	-----------------------------

Uses/Outflows of Resources

Actual amounts (budgetary basis) "total charges to appropriation" from the budgetary comparison schedule	\$ 83,170,499
--	---------------

Differences - budget to GAAP:

Items reported in the Retiree Medical fund (0473) which are not subject to annual appropriations	<u>6,122</u>
--	--------------

Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ <u><u>83,176,621</u></u>
--	-----------------------------

Concluded

SANTA CLARA COUNTY CENTRAL FIRE PROTECTION DISTRICT
Schedules of Funding Progress
June 30, 2014

	(a)	(b)	(a)-(b)	(b)/(a)	(c)	[(a)-(b)]/(c)
Actuarial Valuation Date	Actuarial Accrued Liability (AAL)	Actuarial Value of Assets (AVA)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratios	Annual Covered Payroll	UAAL as a % of Payroll
<u>CalPERS Retirement Plan - Miscellaneous:</u>						
6/30/2011	\$ 33,366,740	\$ 22,776,943	\$ 10,589,797	68.3%	\$ 5,154,917	205.4%
6/30/2012	\$ 34,937,324	\$ 22,720,874	\$ 12,216,450	65.0%	\$ 5,147,438	237.3%
<u>CalPERS Retirement Plan - Safety:</u>						
6/30/2010	\$ 393,044,855	\$ 314,505,458	\$ 78,539,397	80.0%	\$ 32,467,063	241.9%
6/30/2011	\$ 412,761,049	\$ 330,807,673	\$ 81,953,376	80.1%	\$ 31,515,437	260.0%
6/30/2012	\$ 426,249,798	\$ 344,225,274	\$ 82,024,524	80.8%	\$ 31,057,520	264.1%
<u>Other Postemployment Benefits - Health Benefit:</u>						
6/30/2011	\$ 76,555,500	\$ -	\$ 76,555,500	0%	\$ 36,846,900	208%
6/30/2013	\$ 84,335,400	\$ 7,296,400	\$ 77,039,000	9%	\$ 37,232,700	207%

Other Supplementary Information

SANTA CLARA COUNTY CENTRAL FIRE PROTECTION DISTRICT

Internal Service Funds

Internal Service accounts for the financing goods or services provided by one department or agency to other departments or agencies of the District, or to other governments, on a cost reimbursement basis. The District has the following Internal Service funds:

Health Benefit Fund, which accounts for the finance activities of the District's self-funded health insurance program for its employees, retirees and eligible dependents (via Coastal Healthcare Administrators, a third party administrator).

Workers Compensation Fund is used to account for assets held by the District to meet present and future workers' compensation claims liabilities.

SANTA CLARA COUNTY CENTRAL FIRE PROTECTION DISTRICT
Combining Statement of Net Position - Proprietary Funds - Internal Service
June 30, 2014

	Governmental Activities		
	Health Benefit	Workers Compensation	Total
Assets			
Cash and investments			
Unrestricted	\$ -	\$ 11,009,952	\$ 11,009,952
Restricted with fiscal agents	300,889	-	300,889
Accounts receivable	525,075	169,552	694,627
Interest receivable	-	9,178	9,178
	<u>825,964</u>	<u>11,188,682</u>	<u>12,014,646</u>
Total Assets			
Liabilities			
Accounts payable	-	2,150	2,150
Insurance claims payable	<u>525,075</u>	<u>8,228,000</u>	<u>8,753,075</u>
	<u>525,075</u>	<u>8,230,150</u>	<u>8,755,225</u>
Total Liabilities			
Net Position			
Unrestricted	<u>300,889</u>	<u>2,958,532</u>	<u>3,259,421</u>
	<u>\$ 300,889</u>	<u>\$ 2,958,532</u>	<u>\$ 3,259,421</u>
Total Net Position			

SANTA CLARA COUNTY CENTRAL FIRE PROTECTION DISTRICT
Combining Statement of Revenues, Expenses and Changes in Net Position -
Proprietary Funds - Internal Service
Year Ended June 30, 2014

	Governmental Activities		
	Health Benefit	Workers Compensation	Total
Operating Revenues			
Plan contribution	\$ 12,859,046	\$ 2,000,000	\$ 14,859,046
Interest and investment income	<u>-</u>	<u>44,175</u>	<u>44,175</u>
Total Operating Revenues	<u>12,859,046</u>	<u>2,044,175</u>	<u>14,903,221</u>
Operating Expenses			
Claims expenses	<u>12,734,896</u>	<u>2,322,917</u>	<u>15,057,813</u>
Total Operating Expenses	<u>12,734,896</u>	<u>2,322,917</u>	<u>15,057,813</u>
Change in Net Position	124,150	(278,742)	(154,592)
Net Position, Beginning	<u>176,739</u>	<u>3,237,274</u>	<u>3,414,013</u>
Net Position, Ending	<u>\$ 300,889</u>	<u>\$ 2,958,532</u>	<u>\$ 3,259,421</u>

SANTA CLARA COUNTY CENTRAL FIRE PROTECTION DISTRICT
Combining Statement of Cash Flows - Proprietary Funds - Internal Service
Year Ended June 30, 2014

	Governmental Activities		
	Health Benefit	Workers Compensation	Total
Cash Flows from Operating Activities			
Cash receipts from interfund services provided - contributions to the plan	\$ 12,877,895	\$ 1,875,399	\$ 14,753,294
Cash payment for interfund services used - paid claims	<u>(12,753,745)</u>	<u>(2,157,767)</u>	<u>(14,911,512)</u>
Net cash used by operating activities	124,150	(282,368)	(158,218)
Cash and Investments, Beginning	<u>176,739</u>	<u>11,292,320</u>	<u>11,469,059</u>
Cash and Investments, Ending	<u>\$ 300,889</u>	<u>\$ 11,009,952</u>	<u>\$ 11,310,841</u>
Reconciliation of change in net position to net cash provided (used) by operating activities			
Change in Net Position	\$ 124,150	\$ (278,742)	\$ (154,592)
Adjustment to reconcile change in net position to net cash provided (used) by operating activities			
Decrease (increase) in assets			
Accounts receivable	18,849	(169,552)	(150,703)
Interest receivable	-	776	776
Increase (decrease) in liabilities			
Accounts payable	-	2,150	2,150
Insurance claims payable	<u>(18,849)</u>	<u>163,000</u>	<u>144,151</u>
Net cash used by operating activities	<u>\$ 124,150</u>	<u>\$ (282,368)</u>	<u>\$ (158,218)</u>

STATISTICAL SECTION

SANTA CLARA COUNTY CENTRAL FIRE PROTECTION DISTRICT

Statistical Section

This part of the District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the accompanying financial statements and notes to the basic financial statements says about the District's overall financial health.

Financial Trends

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

Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the District's ability to generate revenues.

Debt Capacity

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place and to help make comparisons over time and with other agencies.

Operating Information

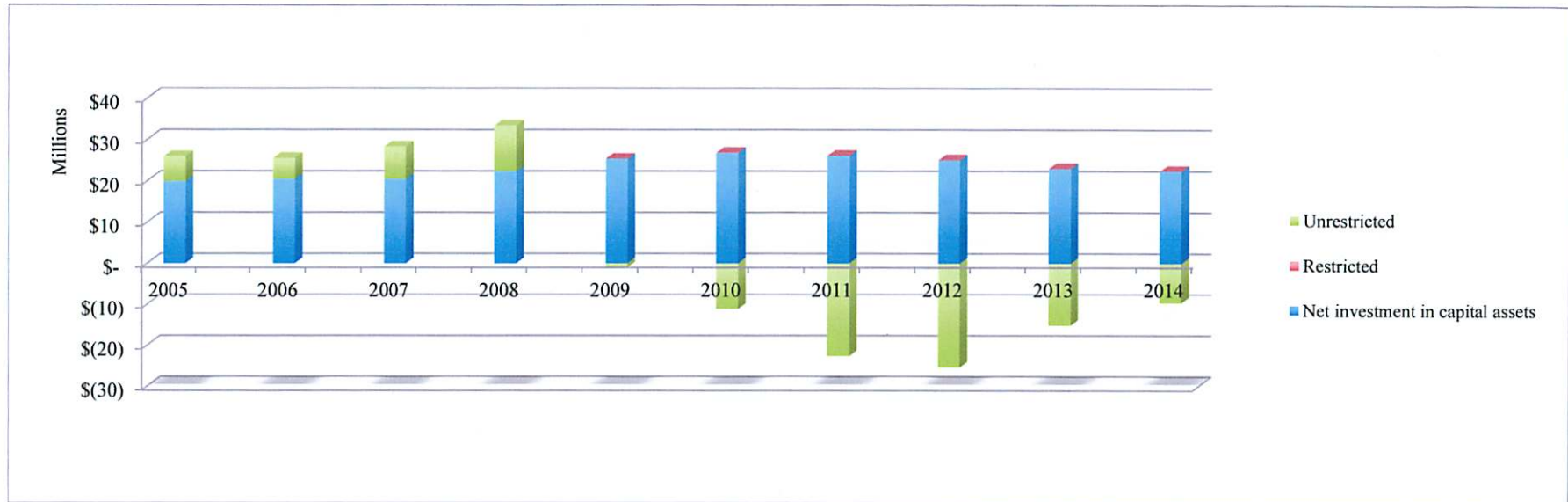
These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.

Sources:

Unless otherwise noted, the information in these schedules is derived from the audit reports for the relevant year.

SANTA CLARA COUNTY CENTRAL FIRE PROTECTION DISTRICT

Net Position by Component Last Ten Fiscal Years (Accrual Basis of Accounting) (Unaudited)



	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental Activities:										
Net investment in capital assets	\$19,932	\$20,536	\$20,484	\$22,339	\$25,375	\$26,848	\$26,133	\$25,084	\$23,043	\$22,377
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	6,016	4,988	7,828	11,030	(890)	(11,101)	(22,564)	(25,314)	(15,073)	(9,606)
Total governmental activities net position	<u>\$25,948</u>	<u>\$25,524</u>	<u>\$28,312</u>	<u>\$33,369</u>	<u>\$24,485</u>	<u>\$15,747</u>	<u>\$ 3,569</u>	<u>\$ (230)</u>	<u>\$ 7,970</u>	<u>\$12,771</u>

Amounts are reported in thousands

Source: Santa Clara County Central Fire Protection District Financial Statements

SANTA CLARA COUNTY CENTRAL FIRE PROTECTION DISTRICT

Changes in Net Position Last Ten Fiscal Years (Accrual Basis of Accounting) (in thousands) (Unaudited)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
EXPENSES										
Governmental Activities:										
Public Protection	\$ 58,519	\$ 58,801	\$ 61,171	\$ 64,536	\$ 88,495	\$ 89,670	\$ 91,984	\$ 85,873	\$ 85,928	\$ 85,989
Interest on Long-Term Debt	209	176	166	155	143	131	63	47	7	-
Loss on disposal of capital assets	171	-	-	12	137	-	-	-	-	363
Total Expenses	<u>58,899</u>	<u>58,977</u>	<u>61,337</u>	<u>64,703</u>	<u>88,775</u>	<u>89,801</u>	<u>92,047</u>	<u>85,920</u>	<u>85,935</u>	<u>86,352</u>
PROGRAM REVENUES										
Governmental Activities:										
Charges for Services*	14,822	15,677	17,504	19,911	27,613	29,513	29,835	30,926	30,231	26,637
Operating Grants and Contributions	-	-	-	-	-	-	-	-	1,273	3,873
Total Program Revenues	<u>14,822</u>	<u>15,677</u>	<u>17,504</u>	<u>19,911</u>	<u>27,613</u>	<u>29,513</u>	<u>29,835</u>	<u>30,926</u>	<u>31,504</u>	<u>30,510</u>
NET REVENUES (EXPENSES)										
Governmental Activities:										
Net revenues (expenses)	<u>\$ (44,077)</u>	<u>\$ (43,300)</u>	<u>\$ (43,833)</u>	<u>\$ (44,792)</u>	<u>\$ (61,162)</u>	<u>\$ (60,288)</u>	<u>\$ (62,212)</u>	<u>\$ (54,994)</u>	<u>\$ (54,431)</u>	<u>\$ (55,842)</u>
GENERAL REVENUES										
Governmental Activities:										
Property Taxes and Assessments	\$ 39,071	\$ 42,486	\$ 46,040	\$ 48,621	\$ 51,748	\$ 50,392	\$ 49,321	\$ 50,140	\$ 55,282	\$ 59,107
Use of money & property	233	264	452	586	353	190	131	149	403	154
Gain on sale of capital assets	-	3	-	-	-	1	11	34	1,933	-
Miscellaneous	255	123	129	642	177	967	571	872	1,032	1,382
Total General Revenues	<u>39,559</u>	<u>42,876</u>	<u>46,621</u>	<u>49,849</u>	<u>52,278</u>	<u>51,550</u>	<u>50,034</u>	<u>51,195</u>	<u>58,650</u>	<u>60,643</u>
CHANGES IN NET POSITION										
Governmental Activities:										
Changes in net position	<u>\$ (4,518)</u>	<u>\$ (424)</u>	<u>\$ 2,788</u>	<u>\$ 5,057</u>	<u>\$ (8,884)</u>	<u>\$ (8,738)</u>	<u>\$ (12,178)</u>	<u>\$ (3,799)</u>	<u>\$ 4,219</u>	<u>\$ 4,801</u>
NET POSITION										
Governmental Activities:										
Changes in net position	\$ (4,518)	\$ (424)	\$ 2,788	\$ 5,057	\$ (8,884)	\$ (8,738)	\$ (12,178)	\$ (3,799)	\$ 4,219	\$ 4,801
Net Position, Beginning	30,466	25,948	25,524	28,312	33,369	24,485	15,747	3,569	(230)	7,970
Prior period adjustment	-	-	-	-	-	-	-	-	3,981	-
Net Position, Beginning, as restated	<u>30,466</u>	<u>25,948</u>	<u>25,524</u>	<u>28,312</u>	<u>33,369</u>	<u>24,485</u>	<u>15,747</u>	<u>3,569</u>	<u>3,751</u>	<u>7,970</u>
Net Position, Ending	<u>\$ 25,948</u>	<u>\$ 25,524</u>	<u>\$ 28,312</u>	<u>\$ 33,369</u>	<u>\$ 24,485</u>	<u>\$ 15,747</u>	<u>\$ 3,569</u>	<u>\$ (230)</u>	<u>\$ 7,970</u>	<u>\$ 12,771</u>

Amounts are reported in thousands

* - Revenue from Intergovernmental Revenues was previously reported under General Revenues. All prior year activity has been reclassified to Program Revenues - Charges for Services.

Source: Santa Clara County Central Fire Protection District Financial Statements

SANTA CLARA COUNTY CENTRAL FIRE PROTECTION DISTRICT
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(Unaudited)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
GENERAL FUND										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
Unreserved	9,796	8,748	11,742	15,841	17,451	14,523				
Total General Fund	<u>\$ 9,796</u>	<u>\$ 8,748</u>	<u>\$11,742</u>	<u>\$ 15,841</u>	<u>\$ 17,451</u>	<u>\$ 14,523</u>				
ALL OTHER GOVERNMENTAL FUNDS										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
Unreserved, reported in:										
Capital project fund	549	570	598	-	-	-				
	<u>\$ 549</u>	<u>\$ 570</u>	<u>\$ 598</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>				
GENERAL FUNDS										
Committed							\$ 3,650	\$ 6	\$ -	\$ 12,500
Unassigned							10,439	11,410	25,607	21,060
Total General Funds							<u>\$ 14,089</u>	<u>\$ 11,416</u>	<u>\$ 25,607</u>	<u>\$ 33,560</u>

Amounts are reported in thousands

Source: Santa Clara County Central Fire Protection District Financial Statements

SANTA CLARA COUNTY CENTRAL FIRE PROTECTION DISTRICT
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(Unaudited)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
REVENUES										
Property taxes and assessments	\$ 39,071	\$ 42,486	\$ 46,040	\$ 48,621	\$ 51,748	\$ 46,211	\$ 49,321	\$ 50,140	\$ 59,463	\$ 59,107
Licenses and permits	389	411	557	494	489	425	511	529	509	581
Intergovernmental revenues	398	789	549	489	815	1,107	1,248	1,313	3,795	3,873
Use of money and property	234	264	452	586	354	190	131	149	424	195
Charges for services	14,035	14,477	16,398	18,928	26,309	27,981	28,077	29,084	27,200	26,056
Miscellaneous revenues	255	122	129	642	177	967	570	884	949	1,286
Total Revenues	<u>54,382</u>	<u>58,549</u>	<u>64,125</u>	<u>69,760</u>	<u>79,892</u>	<u>76,881</u>	<u>79,858</u>	<u>82,099</u>	<u>92,340</u>	<u>91,098</u>
EXPENDITURES										
Public Protection										
Salaries and benefits	46,054	47,521	47,320	50,340	60,373	64,258	67,014	72,619	68,655	69,220
Services and supplies	4,126	4,812	5,219	5,905	6,498	6,285	6,258	6,003	6,065	6,621
City provided services	4,714	5,104	7,166	6,703	6,864	5,958	5,168	4,609	4,892	5,098
Other charges	109	185	60	143	100	85	686	705	722	803
Capital outlay	224	1,530	911	2,793	4,079	2,803	1,062	334	405	987
Debt service - principal	240	250	260	270	280	290	512	417	366	390
Debt service - interest	187	177	167	156	145	133	132	118	76	58
Total Expenditures	<u>55,654</u>	<u>59,579</u>	<u>61,103</u>	<u>66,310</u>	<u>78,339</u>	<u>79,812</u>	<u>80,832</u>	<u>84,805</u>	<u>81,181</u>	<u>83,177</u>
Excess (Deficiency) of Revenues										
Over Expenditures	<u>(1,272)</u>	<u>(1,030)</u>	<u>3,022</u>	<u>3,450</u>	<u>1,553</u>	<u>(2,931)</u>	<u>(974)</u>	<u>(2,706)</u>	<u>11,159</u>	<u>7,921</u>
OTHER FINANCING SOURCES (USES)										
Proceeds from the sale of capital assets	43	3	-	50	58	3	29	34	3,032	31
Proceeds from lease financing	-	-	-	-	-	-	511	-	-	-
Total other financing sources (uses)	<u>43</u>	<u>3</u>	<u>-</u>	<u>50</u>	<u>58</u>	<u>3</u>	<u>540</u>	<u>34</u>	<u>3,032</u>	<u>31</u>
Net Change in Fund Balances	<u>\$ (1,229)</u>	<u>\$ (1,027)</u>	<u>\$ 3,022</u>	<u>\$ 3,500</u>	<u>\$ 1,611</u>	<u>\$ (2,928)</u>	<u>\$ (434)</u>	<u>\$ (2,672)</u>	<u>\$ 14,191</u>	<u>\$ 7,952</u>
Debt service as a percentage of noncapital expenditures	0.77%	0.74%	0.71%	0.67%	0.57%	0.55%	0.81%	0.63%	0.55%	0.55%

Amounts are reported in thousands

Source: Santa Clara County Central Fire Protection District Financial Statements

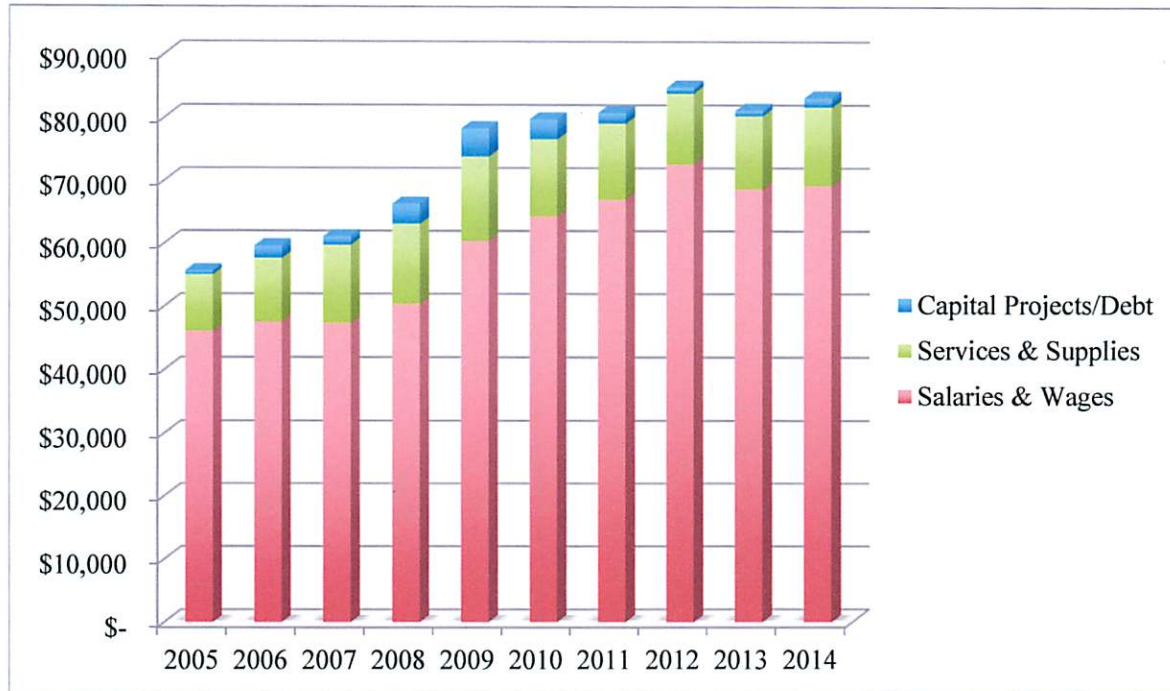
SANTA CLARA COUNTY CENTRAL FIRE PROTECTION DISTRICT

General Expenditures by Function

All Governmental Fund Types

Last Ten Fiscal Years

(Unaudited)

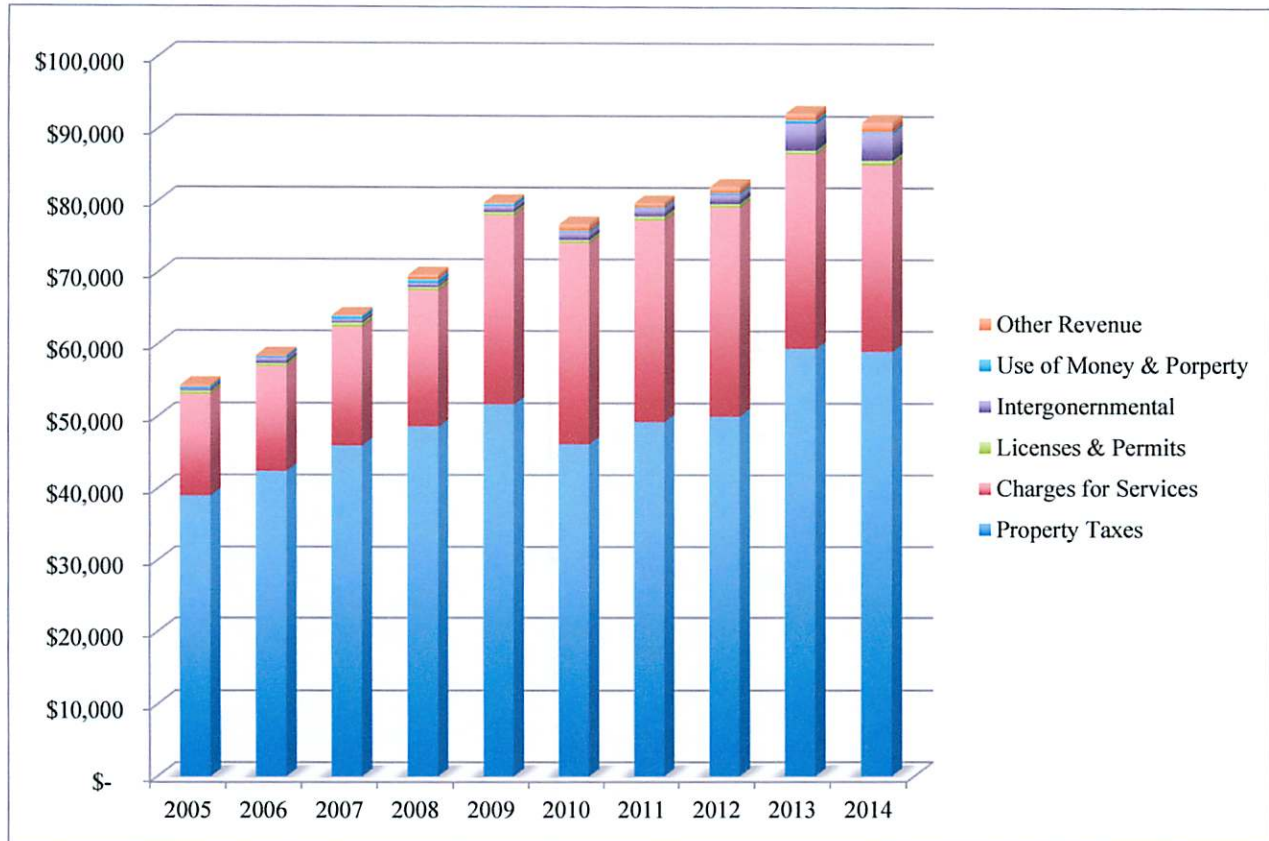


Fiscal Year	Salaries & Benefits	Services & Supplies	Capital Projects/ Equipment/ Debt Service	Total
2005	\$ 46,054	\$ 8,949	\$ 651	\$55,654
2006	47,521	10,101	1,957	59,579
2007	47,320	12,445	1,338	61,103
2008	50,340	12,751	3,219	66,310
2009	60,373	13,462	4,504	78,339
2010	64,258	12,329	3,225	79,812
2011	67,014	12,112	1,706	80,832
2012	72,619	11,316	870	84,805
2013	68,655	11,679	847	81,181
2014	69,220	12,521	1,436	83,177

Amounts are reported in thousands

Source: Santa Clara County Central Fire Protection District Financial Statements

SANTA CLARA COUNTY CENTRAL FIRE PROTECTION DISTRICT
General Revenues by Source
All Governmental Fund Types
Last Ten Fiscal Years
(Unaudited)



Fiscal Year	Property Taxes	Charges for Services	Licenses & Permits	Intergovernmental Revenues	Use of Money & Property	Other Revenue	Total
2005	\$39,071	\$ 14,036	\$ 389	\$ 397	\$ 234	\$ 255	\$ 54,382
2006	42,486	14,477	411	789	264	122	58,549
2007	46,040	16,398	557	549	452	129	64,125
2008	48,621	18,928	494	489	586	642	69,760
2009	51,748	26,309	489	815	354	177	79,892
2010	46,211	27,981	425	1,107	190	967	76,881
2011	49,321	28,077	511	1,248	131	570	79,858
2012	50,140	29,084	529	1,313	149	884	82,099
2013	59,463	27,200	509	3,795	424	949	92,340
2014	59,107	26,056	581	3,873	196	1,285	91,098

Amounts are reported in thousands

Source: Santa Clara County Central Fire Protection District Financial Statements

SANTA CLARA COUNTY CENTRAL FIRE PROTECTION DISTRICT
Assessed Valuations and Tax Rates
Last Ten Fiscal Years
(Unaudited)

Assessed Valuations

	<u>Local Secured</u>	<u>Utility</u>	<u>Unsecured</u>	<u>Total</u>
2004-05	\$21,635,634,752	\$6,205,719	\$ 577,286,294	\$22,219,126,765
2005-06	23,626,644,050	6,164,522	572,254,435	24,205,063,007
2006-07	25,712,314,832	6,062,909	605,512,054	26,323,889,795
2007-08	27,364,514,995	5,593,056	640,517,434	28,010,625,485
2008-09	29,603,384,623	2,289,400	774,871,947	30,380,545,970
2009-10	30,206,569,891	2,289,400	842,571,313	31,051,430,604
2010-11	30,154,364,420	2,289,400	723,210,748	30,879,864,568
2011-12	30,835,886,894	2,318,920	773,485,166	31,611,690,980
2012-13	32,210,410,240	2,318,920	987,111,882	33,199,841,042
2013-14	35,288,937,150	2,318,920	1,078,312,455	36,369,568,525

Tax Rates (TRA 13-003 – 2013-14 Assessed Valuation: \$7,547,946,671)

	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>
County-wide	1.0000	1.0000	1.0000	1.0000	1.0000
County Retirement Levy	.0388	.0388	.0388	.0388	.0388
County Library Retirement	.0024	.0024	.0024	.0024	.0024
Cupertino Elementary School District Bonds	.0360	.0350	.0289	.0337	.0306
Fremont High School District Bond	.0268	.0260	.0243	.0241	.0339
Foothill-De Anza Community College District Bond	.0129	.0119	.0346	.0113	.0123
Total All Property Tax Rate	1.1169	1.1141	1.1290	1.1103	1.1180
Santa Clara Valley Water District State Water Project	.0086	.0069	.0070	.0067	.0059
Santa Clara Valley Water District, Zone W-1 Bond	.0006	.0009	.0002	.0004	.0002
Total Land and Improvement Tax Rate	.0092	.0078	.0072	.0071	.0061
	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>
County-wide	1.0000	1.0000	1.0000	1.0000	1.0000
County Retirement Levy	.0388	.0388	.0388	.0388	.0388
County Library Retirement	.0024	.0024	.0024	.0024	.0024
County Hospital Bonds	.0122	.0095	.0047	.0051	.0035
Cupertino Elementary School District Bonds	.0312	.0308	.0290	.0598	.0525
Fremont High School District Bond	.0306	.0365	.0415	.0390	.0405
Foothill-De Anza Community College District Bond	.0322	.0326	.0297	.0287	.0290
Total All Property Tax Rate	1.1474	1.1506	1.1461	1.1738	1.1667
Santa Clara Valley Water District State Water Project	.0071	.0070	.0063	.0069	.0070
Santa Clara Valley Water District, Zone W-1 Bond	.0003	.0002	.0001	-	-
Total Land and Improvement Tax Rate	.0074	.0072	.0064	.0069	.0070

YV:(\$50)

Source: California Municipal Statistics

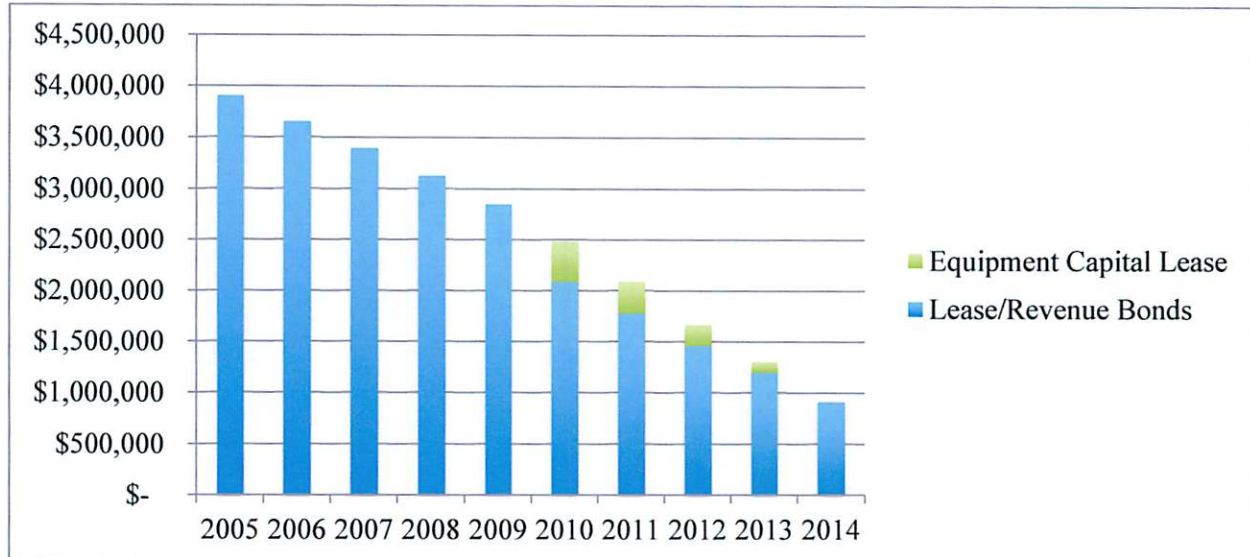
SANTA CLARA COUNTY CENTRAL FIRE PROTECTION DISTRICT
Largest Local Secured Taxpayers
Year Ended June 30, 2014
(Unaudited)

	<u>Property Owner</u>	<u>Primary Land Use</u>	<u>2013-14 Assessed Valuation</u>	<u>% of Total (1)</u>
1.	Apple Computer Inc.	Office Building	\$801,555,490	2.27%
2.	Campus Holdings Inc.	Office Building	713,842,601	2.02
3.	Heidelberg Cement Inc.	Industrial	168,690,871	0.48
4.	SI 32 LLC	Apartments	149,670,916	0.42
5.	SVF Cupertino City Center Corp.	Office Building	122,400,000	0.35
6.	Cupertino City Center Buildings	Office Building	109,418,183	0.31
7.	Mission West Properties LP	Office Building	105,703,542	0.30
8.	Vallco Shopping Mall LLC	Shopping Center	79,116,929	0.22
9.	Villa Serra Apartments	Apartments	78,155,825	0.22
10.	San Jose Water Works	Water Company	76,785,685	0.22
11.	IAC at Cupertino LLC	Apartments	73,878,779	0.21
12.	ECI Two Results LLC	Industrial	67,455,871	0.19
13.	Rocktino Fee LLC	Office Building	64,319,889	0.18
14.	SFERS Real Estate Corp. UU	Apartments	63,766,690	0.18
15.	I&G Direct Real Estate 27 LP	Office Building	62,795,390	0.18
16.	CH Cupertino Owner LLC	Shopping Center	58,750,772	0.17
17.	Cupertino Village LP	Shopping Center	57,128,746	0.16
18.	500 Forbes LLC	Undeveloped	57,066,566	0.16
19.	Knowles Los Gatos LLC	Industrial	47,986,850	0.14
20.	Seagate Technology LLC	Office Building	<u>47,723,776</u>	<u>0.14</u>
			\$3,006,213,371	8.52%

(1) 2013-14 Local Secured Assessed Valuation: \$35,288,937,150

Source: California Municipal Statistics

SANTA CLARA COUNTY CENTRAL FIRE PROTECTION DISTRICT
Ratio of Outstanding Debt by Type
Last Ten Fiscal Years
(Unaudited)



Fiscal Year	Lease/ Revenue Bonds	Equipment Capital Leases	Total Outstanding Debt	Debt Per Capita*
2005	\$ 3,910,000	\$ -	\$ 3,910,000	14.779424
2006	3,660,000	-	3,660,000	13.764780
2007	3,400,000	-	3,400,000	12.588024
2008	3,130,000	-	3,130,000	11.425151
2009	2,850,000	-	2,850,000	9.300383
2010	2,090,000	401,574	2,491,574	8.286051
2011	1,785,000	304,007	2,089,007	7.821711
2012	1,465,000	206,585	1,671,585	5.594496
2013	1,200,000	105,300	1,305,300	4.314585
2014	915,000	-	915,000	3.458259

* - Calculation included population data from both the Fire District and its contract agencies.

Source: Santa Clara County Central Fire Protection District and State of California Department of Finance (population)

SANTA CLARA COUNTY CENTRAL FIRE PROTECTION DISTRICT

Direct and Overlapping Debt

June 30, 2014

(Unaudited)

2013-14 Assessed Valuation: \$36,369,568,525

OVERLAPPING TAX AND ASSESSMENT DEBT:

	Total Debt 6/30/14	% Applicable (1)	District's Share of Debt 6/30/14
Santa Clara County	\$804,700,000	10.874%	\$ 87,503,078
Foothill-De Anza Community College District	613,179,288	15.599	95,649,837
West Valley-Mission Community College District	294,322,663	19.760	58,158,158
Santa Clara Unified School District	416,910,000	1.840	7,671,144
Campbell Union High School District	152,410,000	14.505	22,107,071
Fremont Union High School District	290,570,108	34.340	99,781,775
Los Gatos Joint Union High School District	41,805,000	66.152	27,654,844
Cambrian School District	15,164,944	0.405	61,418
Campbell Union School District	106,685,056	16.308	26,204,519
Cupertino Union School District	261,223,462	56.879	148,581,293
Lakeside Joint School District	505,593	29.276	148,017
Loma Prieta Joint Union School District	4,224,840	19.744	834,152
Los Gatos Union School District	102,870,000	98.708	101,540,920
Moreland School District	94,832,888	13.025	12,351,984
Saratoga Union School District	40,224,483	38.658	15,549,981
Union School District	64,636,708	22.067	14,263,382
City of Saratoga	11,055,000	52.540	5,808,297
El Camino Hospital District	140,010,000	1.251	1,751,525
Santa Clara Valley Water Benefit Assessment District	115,045,000	10.874	<u>12,509,993</u>
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$738,131,388

DIRECT AND OVERLAPPING GENERAL FUND DEBT:

Santa Clara County General Fund Obligations	\$756,899,320	10.874%	\$ 81,489,729
Santa Clara County Pension Obligation Bonds	375,419,144	10.874	40,823,078
Santa Clara County Board of Education Certificates of Participation	9,730,000	10.874	1,058,040
Foothill-De Anza Community College District Certificates of Participation	13,468,694	15.599	2,100,982
West Valley Mission Community College District Certificates of Participation	65,095,000	19.760	12,862,772
Santa Clara Unified School District Certificates of Participation	13,430,000	1.840	247,112
Campbell Union High School District Certificates of Participation	10,159,891	14.505	1,473,692
Los Gatos-Saratoga Joint Union High School District Certificates of Participation	7,925,000	66.152	5,242,546
Campbell Union High School District Certificates of Participation	3,500,000	16.308	570,780
Saratoga Union School District Certificates of Participation	5,240,000	38.658	2,025,679
Loma Prieta Joint Union School District General Fund Obligations	160,579	19.744	31,705
City of Cupertino Certificates of Participation	42,020,000	100.000	42,020,000
Santa Clara County Vector Control Certificates of Participation	3,275,000	10.874	356,124
Midpeninsula Regional Open Space District General Fund Obligations	133,209,717	18.170	24,204,206
Santa Clara County Central Fire Protection District	915,000	100.000	<u>915,000</u>
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$215,421,445
Less: Santa Clara County supported obligations			<u>58,012,424</u>
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$157,409,021

OVERLAPPING TAX INCREMENT DEBT (Successor Agency):

	\$21,865,000	100. %	\$21,865,000
TOTAL DIRECT DEBT			\$915,000
TOTAL GROSS OVERLAPPING DEBT			\$975,417,833
TOTAL NET OVERLAPPING DEBT			\$917,405,409
GROSS COMBINED TOTAL DEBT			\$975,417,833
NET COMBINED TOTAL DEBT			\$917,405,409

- (1) The percentage of overlapping debt applicable to the fire protection district 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 fire protection district divided by the overlapping district's total taxable assessed value.
- (2) Excludes tax revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Ratio to 2013-14 Assessed Valuation:

Total Overlapping Tax and Assessment Debt	2.03%
Total Direct Debt	0.00%
Gross Combined Total Debt	2.68%
Net Combined Total Debt	2.52%

Ratios to Redevelopment Successor Agency Incremental Valuation (\$1,007,918,423):

Total Overlapping Tax Increment Debt	2.17%
--	-------

AB:(\$475)

Source: California Municipal Statistics

SANTA CLARA COUNTY CENTRAL FIRE PROTECTION DISTRICT
Computation of Legal Bonded Debt Margin
June 30, 2014
(Unaudited)

ASSESSED VALUATION

Secured Property assessed value, net of exempt real property \$ 35,288,937,150

BONDED DEBT LIMIT (3.75% OF ASSESSED VALUE) (a) \$ 1,323,335,143

AMOUNT OF DEBT SUBJECT TO LIMIT:

Total Bonded Debt \$ 915,000

Less Lease Revenue Bonds and Equipment Leases
not subject to limit 915,000

Amount of debt subject to limit -

LEGAL BONDED DEBT MARGIN \$ 1,323,335,143

Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total Net Debt Applicable to the Limit as a Percentage of Debt Limit
2005	\$ 811,336,303	\$ -	\$ 811,336,303	0.00%
2006	885,999,152	-	885,999,152	0.00%
2007	964,211,806	-	964,211,806	0.00%
2008	1,026,169,312	-	1,026,169,312	0.00%
2009	1,110,126,923	-	1,110,126,923	0.00%
2010	1,132,746,371	-	1,132,746,371	0.00%
2011	1,130,788,666	-	1,130,788,666	0.00%
2012	1,156,345,759	-	1,156,345,759	0.00%
2013	1,207,890,384	-	1,207,890,384	0.00%
2014	1,323,335,143	-	1,323,335,143	0.00%

NOTE:

(a) California Health & Safety Code, Section 13937 sets the debt limit at 10%. The Code section was enacted prior to the change in basing assessed value to full market value when it was previously 25% of market value. Thus, the limit shown as 3.75% is one-fourth the limit to account for the adjustment of showing assessed valuation at full cash value.

Source: California Municipal Statistics

SANTA CLARA COUNTY CENTRAL FIRE PROTECTION DISTRICT
Principal Employers
Fiscal Year 2013 & Nine Years ago
(Unaudited)

Employer	Fiscal Year 2013 (Latest Available)				Fiscal Year 2004		
	City/Town	Rank	Number of Employees	Percentage of Total District Employment	Rank	Number of Employees	Percentage of Total District Employment
Apple	Cupertino	1	15,000	14.81%	1	6,000	6.29%
Columbia Health Care Assoc/Mission Oaks Hospital	Los Gatos	2	2,000	1.97%	3	2,000	2.10%
Cupertino Union School District	Cupertino	3	1,597	1.58%	4	1,500	1.57%
Foothill/DeAnza Community College District	Cupertino	4	1,183	1.17%	5	1,200	1.26%
Fremont Union High School District	Cupertino	5	961	0.95%	7	735	0.77%
NetFlix	Los Gatos	6	900	0.89%	-	-	-
West Valley Community College	Saratoga	7	765	0.76%	-	-	-
El Camino Hospital of Los Gatos	Los Gatos	8	700	0.69%	-	-	-
Safeway	Various	9	653	0.64%	-	-	-
Seagate	Cupertino	10	500	0.49%	-	-	-
Hewlett-Packard	Cupertino	-	-	-	2	4,682	4.91%
Morgan Hill Unified School District	Morgan Hill	-	-	-	6	866	0.91%
Community Hospital of Los Gatos	Los Gatos	-	-	-	8	730	0.76%
Abbott Laboratories	Morgan Hill	-	-	-	9	602	0.63%
Anritsu Company	Morgan Hill	-	-	-	10	485	0.51%

Note: List was compiled to include data from employers located in the District and contracting agencies.

Employment data for the Town of Los Gatos is not available prior to 2005/06.

Employment data for the City of Saratoga is not available prior to 2004/05.

The Fire District ended its service contract with the City of Morgan Hill on January 3, 2013.

Sources: Cupertino, Los Gatos, Saratoga, Campbell, Los Altos and Morgan Hill CAFR's
California Employment Development Department

SANTA CLARA COUNTY CENTRAL FIRE PROTECTION DISTRICT
Demographic and Economic Statistics - County of Santa Clara
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	County Population ⁽¹⁾	Total Personal Income (000's) ⁽²⁾	Per Capita Personal Income ⁽²⁾	Median Age ⁽³⁾	School Enrollment ⁽⁴⁾	Unemployment Rate ⁽⁵⁾
2013	1,842,254	n/a	n/a	n/a	273,701	7.6%
2012	1,813,696	n/a	n/a	n/a	269,858	8.8%
2011	1,797,375	\$ 111,880,131	\$ 61,833	36.4	265,543	10.2%
2010	1,880,876	103,636,350	58,018	36.2	262,126	11.1%
2009	1,857,621	99,549,995	55,781	36.2	259,800	11.5%
2008	1,837,075	103,992,999	59,227	36.6	259,116	5.9%
2007	1,808,056	104,102,421	60,107	36.4	255,722	4.8%
2006	1,773,258	95,911,624	55,735	36.1	254,622	4.6%
2005	1,759,585	87,154,432	51,112	36.2	253,065	5.5%
2004	1,731,300	82,638,917	49,132	36.0	251,198	6.7%

Sources:

- (1) State of California - Department of Finance
- (2) U.S. Department of Commerce - Bureau of Economic Analysis
- (3) Association of Bay Area Census (California)
- (4) Santa Clara County Office of Education
- (5) State of California - Employment Development Department

SANTA CLARA COUNTY CENTRAL FIRE PROTECTION DISTRICT
Demographic and Economic Indicators - District Population
Last Ten Fiscal Years
(Unaudited)

	Population									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Fire District										
Cupertino	52,590	53,012	53,549	54,584	55,045	55,838	58,302	58,302	59,620	59,646
Monte Sereno	3,426	3,467	3,504	3,582	3,657	3,341	3,341	3,373	3,420	3,450
Saratoga (CFPD)	15,425	15,418	15,676	15,796	15,840	15,999	15,098	15,181	15,345	15,444
Unincorporated	10,000	10,000	10,000	10,077	4,000	1,942	1,500	1,212	1,225	1,250
Los Gatos	28,965	29,116	29,362	30,170	30,497	30,802	29,651	29,854	30,247	30,532
Total Zone 2	<u>110,406</u>	<u>111,013</u>	<u>112,091</u>	<u>114,209</u>	<u>109,039</u>	<u>107,922</u>	<u>107,892</u>	<u>107,922</u>	<u>109,857</u>	<u>110,322</u>
Zone 1	<u>40,500</u>	<u>40,500</u>	<u>40,600</u>	<u>40,855</u>	<u>56,567</u>	<u>52,000</u>	<u>50,000</u>	<u>50,000</u>	<u>49,400</u>	<u>49,500</u>
Subtotal Fire District	<u>150,906</u>	<u>151,513</u>	<u>152,691</u>	<u>155,064</u>	<u>165,606</u>	<u>159,922</u>	<u>157,892</u>	<u>157,922</u>	<u>159,257</u>	<u>159,822</u>
Contract Agencies										
Campbell	38,415	38,408	39,748	40,161	40,420	39,363	39,664	39,882	40,404	41,993
Morgan Hill	36,423	37,091	38,418	39,218	39,814	40,246	38,309	39,127	40,079	-
Los Altos	27,513	27,584	27,941	28,165	28,457	28,863	28,863	29,460	29,792	29,969
Los Altos Hills County FD	11,300	11,300	11,300	11,349	11,400	11,400	11,450	11,500	11,800	11,800
Saratoga Fire District	-	-	-	-	20,743	20,902	20,900	20,900	21,200	21,000
Total Contract	<u>113,651</u>	<u>114,383</u>	<u>117,407</u>	<u>118,893</u>	<u>140,834</u>	<u>140,774</u>	<u>139,186</u>	<u>140,869</u>	<u>143,275</u>	<u>104,762</u>
Toal Service Area	<u>264,557</u>	<u>265,896</u>	<u>270,098</u>	<u>273,957</u>	<u>306,440</u>	<u>300,696</u>	<u>297,078</u>	<u>298,791</u>	<u>302,532</u>	<u>264,584</u>

Notes: The Fire District ended its service contract with the City of Morgan Hill on January 3, 2013.
The Fire Disrict entered into a service contract with the Saratoga Fire Protection on July 1, 2008.

Source: City and Fire District data collected from respective annual financial reports. Zone 1 and unincorporated population data estimated from parcel data provided by the Santa Clara County Assessor's Office.

SANTA CLARA COUNTY CENTRAL FIRE PROTECTION DISTRICT
Demographic and Economic Indicators for Major Cities Served by Fire District
Fiscal Years 2004 through 2013
(Unaudited)

DISTRICT CITIES

Saratoga

<u>Fiscal Year</u>	<u>Population</u>	<u>Total Personal Income (000's)</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>	<u>Labor Force</u>
2004	30,300	n/a	n/a	n/a	n/a
2005	30,850	\$ 1,586,245	\$ 51,418	2.5%	12,600
2006	30,835	1,719,175	55,754	2.1%	12,700
2007	31,352	1,859,362	59,306	2.3%	12,900
2008	31,592	1,843,425	58,351	3.2%	13,100
2009	31,679	1,747,699	55,169	6.0%	13,300
2010	31,997	2,401,151	75,043	5.6%	13,200
2011	30,195	2,211,963	73,256	5.0%	13,400
2012	30,363	2,119,463	69,804	4.4%	14,000
2013	30,706	2,179,904	70,993	4.2%	13,900

Los Gatos

<u>Year</u>	<u>Population</u>	<u>Total Personal Income (000's)</u>	<u>Per Capita Personal Income</u>	<u>Median Age</u>
2004	28,911	\$ 1,415,425	\$ 48,958	42.52
2005	28,965	1,508,526	52,081	44.04
2006	29,116	1,644,239	56,472	44.19
2007	29,362	1,764,862	60,107	44.64
2008	30,170	1,781,780	59,058	44.86
2009	30,497	1,701,153	55,781	45.35
2010	30,802	1,787,070	58,018	45.09
2011	29,651	1,833,410	61,833	44.22
2012	29,808	1,854,892	62,228	42.64
2013	30,247	1,938,621	64,093	45.80

Cupertino

<u>Year</u>	<u>Population</u>	<u>Total Personal Income (000's)</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>	<u>Median Age</u>
2004	51,858	\$ 2,368,206	\$ 45,667	5.4%	n/a
2005	52,590	2,595,892	49,361	4.1%	n/a
2006	53,012	2,805,559	52,923	3.4%	n/a
2007	53,549	3,117,408	58,216	2.8%	n/a
2008	54,584	3,369,668	61,734	3.0%	n/a
2009	55,045	3,442,884	62,547	3.8%	n/a
2010	55,838	3,350,250	59,999	7.2%	40.5
2011	58,302	2,586,120	44,357	7.3%	39.1
2012	59,022	2,818,655	47,756	6.3%	39.2
2013	59,620	2,985,829	50,081	5.4%	39.5

Continued

SANTA CLARA COUNTY CENTRAL FIRE PROTECTION DISTRICT
Demographic and Economic Indicators for Major Cities Served by Fire District
Fiscal Years 2004 through 2013
(Unaudited)

CONTRACT CITIES

Campbell

Year	Population	Total Personal Income (000's)	Per Capita Personal Income	Unemployment Rate
2004	38,179	\$ 1,875,811	\$ 49,132	6.4%
2005	38,415	2,006,646	52,236	4.9%
2006	38,408	2,170,897	56,522	4.1%
2007	39,748	2,386,390	60,038	3.8%
2008	40,161	2,371,828	59,058	4.4%
2009	40,421	2,254,668	55,781	7.7%
2010	39,363	2,139,937	54,364	9.7%
2011	39,664	2,210,423	55,729	9.1%
2012	39,882	2,306,363	57,830	7.5%
2013	40,404	2,456,182	60,791	5.8%

Los Altos

Year	Population	Total Personal Income (000's)	Per Capita Personal Income	Unemployment Rate	Median Age
2004	27,512	\$ 1,948,592	\$ 70,827	3.2%	n/a
2005	27,614	2,109,268	76,384	2.7%	n/a
2006	27,608	2,256,761	81,743	2.3%	n/a
2007	28,104	2,521,097	89,706	2.3%	n/a
2008	28,291	2,687,617	94,999	3.0%	n/a
2009	28,458	2,738,286	96,222	5.6%	n/a
2010	28,863	2,666,624	92,389	5.5%	46.9
2011	28,863	2,118,948	73,414	5.7%	45.3
2012	29,460	2,139,032	72,608	4.9%	45.4
2013	29,792	2,221,589	74,570	3.2%	45.8

Concluded

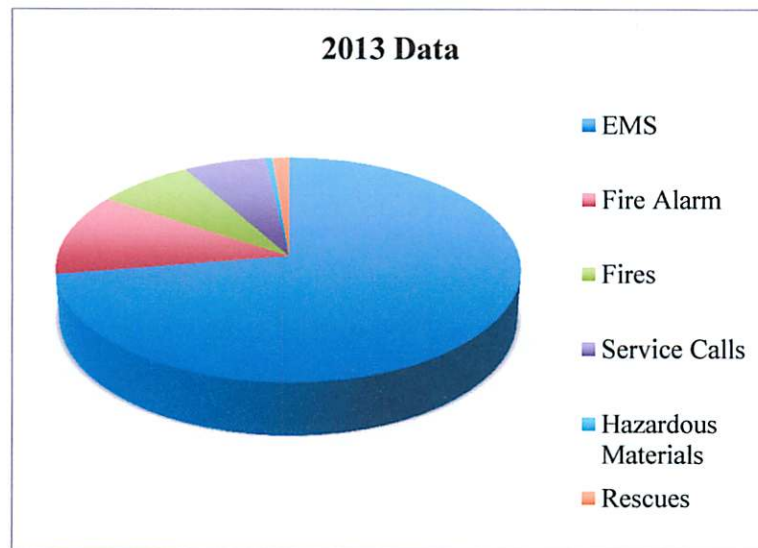
Source: Data collected from statistical section of individual City CAFRs

SANTA CLARA COUNTY CENTRAL FIRE PROTECTION DISTRICT
Full-time and Part Time Employees by Function/Department
Last Ten Fiscal Years
(Unaudited)

<u>Function/Department</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Public Safety:										
Executive Management	9	9	9	9	9	9	9	9	9	10
Operations	219	219	219	242	245	245	245	245	232	232
Fire Prevention	23	23	23	23	23	23	23	23	20	20
Training	8	9	9	9	9	9	9	9	9	10
Support Services	10	10	10	10	10	10	10	11	10	10
Administration	<u>13</u>	<u>13</u>	<u>13</u>	<u>15</u>	<u>15</u>	<u>15</u>	<u>16</u>	<u>15</u>	<u>16</u>	<u>16</u>
	<u>282</u>	<u>283</u>	<u>283</u>	<u>308</u>	<u>311</u>	<u>311</u>	<u>312</u>	<u>312</u>	<u>296</u>	<u>298</u>

Source: Santa Clara County Central Fire Protection District

SANTA CLARA COUNTY CENTRAL FIRE PROTECTION DISTRICT
Incidents by Type and Total
Last Ten Calendar Years
(Unaudited)



For the Year Ended December 31	EMS	Fire Alarm	Fires	Service Calls	Hazardous Materials	Rescues	Total
2004	9,860	1,783	1,537	1,136	248	n/a	14,564
2005	8,946	2,625	2,263	1,307	230	n/a	15,371
2006	10,768	1,873	1,717	1,092	156	n/a	15,606
2007	11,081	2,052	1,770	1,194	165	n/a	16,262
2008	12,491	2,121	1,958	1,396	163	n/a	18,129
2009	12,523	2,188	1,745	1,247	151	254	18,108
2010	12,584	2,071	1,701	1,219	155	277	18,007
2011	13,344	2,061	1,772	1,150	136	218	18,681
2012	13,942	2,100	1,827	1,209	127	253	19,458
2013	11,523	1,880	1,201	1,030	89	206	15,929

Source: Santa Clara County Central Fire Protection District

John F. Kennedy
 1961-1963
 President

[illegible]

Year	Age	Sex	Weight (kg)	Length (cm)	Wing (cm)	Tail (cm)	Bill (cm)
1961	1	M	1.2	15.5	10.5	8.5	1.5
1962	1	F	1.1	15.0	10.0	8.0	1.4
1963	1	M	1.3	16.0	11.0	9.0	1.6
1964	1	F	1.2	15.5	10.5	8.5	1.5
1965	1	M	1.4	16.5	11.5	9.5	1.7
1966	1	F	1.3	16.0	11.0	9.0	1.6
1967	1	M	1.5	17.0	12.0	10.0	1.8
1968	1	F	1.4	16.5	11.5	9.5	1.7
1969	1	M	1.6	17.5	12.5	10.5	1.9
1970	1	F	1.5	17.0	12.0	10.0	1.8
1971	1	M	1.7	18.0	13.0	11.0	2.0
1972	1	F	1.6	17.5	12.5	10.5	1.9
1973	1	M	1.8	18.5	13.5	11.5	2.1
1974	1	F	1.7	18.0	13.0	11.0	2.0
1975	1	M	1.9	19.0	14.0	12.0	2.2
1976	1	F	1.8	18.5	13.5	11.5	2.1
1977	1	M	2.0	19.5	14.5	12.5	2.3
1978	1	F	1.9	19.0	14.0	12.0	2.2
1979	1	M	2.1	20.0	15.0	13.0	2.4
1980	1	F	2.0	19.5	14.5	12.5	2.3
1981	1	M	2.2	20.5	15.5	13.5	2.5
1982	1	F	2.1	20.0	15.0	13.0	2.4
1983	1	M	2.3	21.0	16.0	14.0	2.6
1984	1	F	2.2	20.5	15.5	13.5	2.5
1985	1	M	2.4	21.5	16.5	14.5	2.7
1986	1	F	2.3	21.0	16.0	14.0	2.6
1987	1	M	2.5	22.0	17.0	15.0	2.8
1988	1	F	2.4	21.5	16.5	14.5	2.7
1989	1	M	2.6	22.5	17.5	15.5	2.9
1990	1	F	2.5	22.0	17.0	15.0	2.8
1991	1	M	2.7	23.0	18.0	16.0	3.0
1992	1	F	2.6	22.5	17.5	15.5	2.9
1993	1	M	2.8	23.5	18.5	16.5	3.1
1994	1	F	2.7	23.0	18.0	16.0	3.0
1995	1	M	2.9	24.0	19.0	17.0	3.2
1996	1	F	2.8	23.5	18.5	16.5	3.1
1997	1	M	3.0	24.5	19.5	17.5	3.3
1998	1	F	2.9	24.0	19.0	17.0	3.2
1999	1	M	3.1	25.0	20.0	18.0	3.4
2000	1	F	3.0	24.5	19.5	17.5	3.3
2001	1	M	3.2	25.5	20.5	18.5	3.5
2002	1	F	3.1	25.0	20.0	18.0	3.4
2003	1	M	3.3	26.0	21.0	19.0	3.6
2004	1	F	3.2	25.5	20.5	18.5	3.5
2005	1	M	3.4	26.5	21.5	19.5	3.7
2006	1	F	3.3	26.0	21.0	19.0	3.6
2007	1	M	3.5	27.0	22.0	20.0	3.8
2008	1	F	3.4	26.5	21.5	19.5	3.7
2009	1	M	3.6	27.5	22.5	20.5	3.9
2010	1	F	3.5	27.0	22.0	20.0	3.8
2011	1	M	3.7	28.0	23.0	21.0	4.0
2012	1	F	3.6	27.5	22.5	20.5	3.9
2013	1	M	3.8	28.5	23.5	21.5	4.1
2014	1	F	3.7	28.0	23.0	21.0	4.0
2015	1	M	3.9	29.0	24.0	22.0	4.2
2016	1	F	3.8	28.5	23.5	21.5	4.1
2017	1	M	4.0	29.5	24.5	22.5	4.3
2018	1	F	3.9	29.0	24.0	22.0	4.2
2019	1	M	4.1	30.0	25.0	23.0	4.4
2020	1	F	4.0	29.5	24.5	22.5	4.3
2021	1	M	4.2	30.5	25.5	23.5	4.5
2022	1	F	4.1	30.0	25.0	23.0	4.4
2023	1	M	4.3	31.0	26.0	24.0	4.6
2024	1	F	4.2	30.5	25.5	23.5	4.5
2025	1	M	4.4	31.5	26.5	24.5	4.7
2026	1	F	4.3	31.0	26.0	24.0	4.6
2027	1	M	4.5	32.0	27.0	25.0	4.8
2028	1	F	4.4	31.5	26.5	24.5	4.7
2029	1	M	4.6	32.5	27.5	25.5	4.9
2030	1	F	4.5	32.0	27.0	25.0	4.8
2031	1	M	4.7	33.0	28.0	26.0	5.0
2032	1	F	4.6	32.5	27.5	25.5	4.9
2033	1	M	4.8	33.5	28.5	26.5	5.1
2034	1	F	4.7	33.0	28.0	26.0	5.0
2035	1	M	4.9	34.0	29.0	27.0	5.2
2036	1	F	4.8	33.5	28.5	26.5	5.1
2037	1	M	5.0	34.5	29.5	27.5	5.3
2038	1	F	4.9	34.0	29.0	27.0	5.2
2039	1	M	5.1	35.0	30.0	28.0	5.4
2040	1	F	5.0	34.5	29.5	27.5	5.3
2041	1	M	5.2	35.5	30.5	28.5	5.5
2042	1	F	5.1	35.0	30.0	28.0	5.4
2043	1	M	5.3	36.0	31.0	29.0	5.6
2044	1	F	5.2	35.5	30.5	28.5	5.5
2045	1	M	5.4	36.5	31.5	29.5	5.7
2046	1	F	5.3	36.0	31.0	29.0	5.6
2047	1	M	5.5	37.0	32.0	30.0	5.8
2048	1	F	5.4	36.5	31.5	29.5	5.7
2049	1	M	5.6	37.5	32.5	30.5	5.9
2050	1	F	5.5	37.0	32.0	30.0	5.8
2051	1	M	5.7	38.0	33.0	31.0	6.0
2052	1	F	5.6	37.5	32.5	30.5	5.9
2053	1	M	5.8	38.5	33.5	31.5	6.1
2054	1	F	5.7	38.0	33.0	31.0	6.0
2055	1	M	5.9	39.0	34.0	32.0	6.2
2056	1	F	5.8	38.5	33.5	31.5	6.1
2057	1	M	6.0	39.5	34.5	32.5	6.3
2058	1	F	5.9	39.0	34.0	32.0	6.2
2059	1	M	6.1	40.0	35.0	33.0	6.4
2060	1	F	6.0	39.5	34.5	32.5	6.3
2061	1	M	6.2	40.5	35.5	33.5	6.5
2062	1	F	6.1	40.0	35.0	33.0	6.4
2063	1	M	6.3	41.0	36.0	34.0	6.6
2064	1	F	6.2	40.5	35.5	33.5	6.5
2065	1	M	6.4	41.5	36.5	34.5	6.7
2066	1	F	6.3	41.0	36.0	34.0	6.6
2067	1	M	6.5	42.0	37.0	35.0	6.8
2068	1	F	6.4	41.5	36.5	34.5	6.7
2069	1	M	6.6	42.5	37.5	35.5	6.9
2070	1	F	6.5	42.0	37.0	35.0	6.8
2071	1	M	6.7	43.0	38.0	36.0	7.0
2072	1	F	6.6	42.5	37.5	35.5	6.9
2073	1	M	6.8	43.5	38.5	36.5	7.1
2074	1	F	6.7	43.0	38.0	36.0	7.0
2075	1	M	6.9	44.0	39.0	37.0	7.2
2076	1	F	6.8	43.5	38.5	36.5	7.1
2077	1	M	7.0	44.5	39.5	37.5	7.3
2078	1	F	6.9	44.0	39.0	37.0	7.2
2079	1	M	7.1	45.0	40.0	38.0	7.4
2080	1	F	7.0	44.5	39.5	37.5	7.3
2081	1	M	7.2	45.5	40.5	38.5	7.5
2082	1	F	7.1	45.0	40.0	38.0	7.4
2083	1	M	7.3	46.0	41.0	39.0	7.6
2084	1	F	7.2	45.5	40.5	38.5	7.5
2085	1	M	7.4	46.5	41.5	39.5	7.7
2086	1	F	7.3	46.0	41.0	39.0	7.6
2087	1	M	7.5	47.0	42.0	40.0	7.8
2088	1	F	7.4	46.5	41.5	39.5	7.7
2089	1	M	7.6	47.5	42.5	40.5	7.9
2090	1	F	7.5	47.0	42.0	40.0	7.8
2091	1	M	7.7	48.0	43.0	41.0	8.0
2092	1	F	7.6	47.5	42.5	40.5	7.9
2093	1	M	7.8	48.5	43.5	41.5	8.1
2094	1	F	7.7	48.0	43.0	41.0	8.0
2095	1	M	7.9	49.0	44.0	42.0	8.2
2096	1	F	7.8	48.5	43.5	41.5	8.1
2097	1	M	8.0	49.5	44.5	42.5	8.3
2098	1	F	7.9	49.0	44.0	42.0	8.2
2099	1	M	8.1	50.0	45.0	43.0	8.4
2100	1	F	8.0	49.5	44.5	42.5	8.3
2101	1	M	8.2	50.5	45.5	43.5	8.5
2102	1	F	8.1	50.0	45.0	43.0	8.4
2103	1	M	8.3	51.0	46.0	44.0	8.6
2104	1	F	8.2	50.5	45.5	43.5	8.5
2105	1	M	8.4	51.5	46.5	44.5	8.7
2106	1	F	8.3	51.0	46.0	44.0	8.6
2107	1	M	8.5	52.0	47.0	45.0	8.8
2108	1	F	8.4	51.5	46.5	44.5	8.7
2109	1	M	8.6	52.5	47.5	45.5	8.9
2110	1	F	8.5	52.0	47.0	45.0	8.8
2111	1	M	8.7	53.0	48.0	46.0	9.0
2112	1	F	8.6	52.5	47.5	45.5	8.9
2113	1	M	8.8	53.5	48.5	46.5	9.1
2114	1	F	8.7	53.0	48.0	46.0	9.0
2115	1	M	8.9	54.0	49.0	47.0	9.2
2116	1	F	8.8	53.5	48.5	46.5	9.1
2117	1	M	9.0	54.5	49.5	47.5	9.3
2118	1	F	8.9	54.0	49.0	47.0	9.2
2119	1	M	9.1	55.0	50.0	48.0	9.4
2120	1	F	9.0	54.5	49.5	47.5	9.3
2121	1	M	9.2	55.5	50.5	48.5	9.5
2122	1	F	9.1	55.0	50.0	48.0	9.4
2123	1	M	9.3	56.0	51.0	49.0	9.6
2124	1	F	9.2	55.5	50.5	48.5	9.5
2125	1	M	9.4	56.5	51.5	49.5	9.7
2126	1	F	9.3	56.0	51.0	49.0	9.6
2127	1	M	9.5	57.0	52.0	50.0	9.8
2128	1	F	9.4	56.5	51.5	49.5	9.7
2129	1	M	9.6	57.5	52.5	50.5	9.9
2130	1	F	9.5	57.0	52.0	50.0	9.8
2131	1	M	9.7	58.0	53.0	51.0	10.0
2132	1	F	9.6	57.5	52.5	50.5	9.9
2133	1	M	9.8	58.5	53.5	51.5	10.1
2134	1	F	9.7	58.0	53.0	51.0	10.0
2135	1	M	9.9	59.0	54.0	52.0	10.2
2136	1	F	9.8	58.5	53.5	51.5	10.1
2137	1	M	10.0	59.5	54.5	52.5	10.3
2138	1	F	9.9	59.0	54.0	52.0	10.2
2139	1	M	10.1	60.0	55.0	53.0	10.4
2140	1	F	10.0	59.5	54.5	52.5	10.3
2141	1	M	10.2	60.5	55.5	53.5	10.5
2142	1	F	10.1	60.0	55.0	53.0	10.4
2143	1	M	10.3	61.0	56.0	54.0	10.6
2144	1	F	10.2	60.5	55.5</		

for the following are: (1) \mathbf{A} is a 2×2 matrix, (2) \mathbf{A} is a 2×1 vector, (3) \mathbf{A} is a 1×2 vector, (4) \mathbf{A} is a scalar.

SANTA CLARA COUNTY CENTRAL FIRE PROTECTION DISTRICT
Capital Asset Statistics
Last Ten Fiscal Years
(Unaudited)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Number of Stations										
District Owned	8	8	8	8	8	8	8	8	6	6
Operated by Contract	8	8	8	8	9	9	9	9	9	9
Total Fire Stations	<u>16</u>	<u>16</u>	<u>16</u>	<u>16</u>	<u>17</u>	<u>17</u>	<u>17</u>	<u>17</u>	<u>15</u>	<u>15</u>
Other Facilities										
Fleet Maintenance Shop	1	1	1	1	1	1	1	1	1	1
Craftworkers Maintenance Shop	-	-	-	1	1	1	1	1	1	1
Training Center	1	1	1	1	1	1	1	1	1	1
Headquarters Building	1	1	1	1	1	1	1	1	1	1
Storage Facility	1	1	1	1	1	1	1	1	1	1
Total - Other Facilities	<u>4</u>	<u>4</u>	<u>4</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>
Equipment										
Engines										
Frontline	14	14	14	15	15	15	15	15	13	13
Reserve	6	6	6	8	8	8	8	8	6	6
Subtotal - Engines	<u>20</u>	<u>20</u>	<u>20</u>	<u>23</u>	<u>23</u>	<u>23</u>	<u>23</u>	<u>23</u>	<u>19</u>	<u>19</u>
Rescues										
Frontline	2	2	2	3	3	3	3	3	3	3
Reserve	1	1	1	-	-	-	-	-	-	-
Subtotal - Rescues	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>
Trucks										
Frontline	4	4	4	4	4	4	4	4	3	3
Reserve	1	1	1	1	1	1	1	1	2	0
Subtotal - Trucks	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>3</u>
Type III/IV Engines										
Frontline	5	5	5	5	6	6	6	6	7	7
Reserve	-	-	-	-	4	4	4	2	1	1
Subtotal - Type III/IV's	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>8</u>	<u>8</u>	<u>8</u>
Command Vehicles										
Frontline	4	4	4	6	8	8	8	8	7	8
Reserve	2	2	2	1	1	1	2	2	1	1
Subtotal - Command Vehicles	<u>6</u>	<u>6</u>	<u>6</u>	<u>7</u>	<u>9</u>	<u>9</u>	<u>10</u>	<u>10</u>	<u>8</u>	<u>9</u>
Specialized/Support Vehicles										
HazMat	2	2	2	2	2	2	2	2	2	1
Breathing Support	-	1	1	1	1	1	1	1	1	1
Prime Mover	-	-	-	1	1	1	1	1	1	1
Trailer	2	2	4	6	7	7	7	7	7	7
S.A.F.E. House Trailer	1	1	1	1	1	1	1	-	-	-
USAR 5	1	1	1	1	1	1	1	1	1	1

Source: Santa Clara County Central Fire Protection District