

# Novato Fire

# Protection District

Novato California

Comprehensive Annual Financial Report  
For Fiscal Year Ended June 30, 2014



# Comprehensive Annual Financial Report



The Novato Fire District exists to care for, protect and serve our communities.

Issued by

Finance Division

Dan Hom, CPA, Finance Director

Jeanne Villa, Information Analyst

Jenny O'Brien, Accounting Specialist

Novato Fire Protection District

95 Rowland Way

Novato, CA 94945

**Comprehensive Annual Financial Report  
For the Year Ended June 30, 2014**

# NOVATO FIRE PROTECTION DISTRICT

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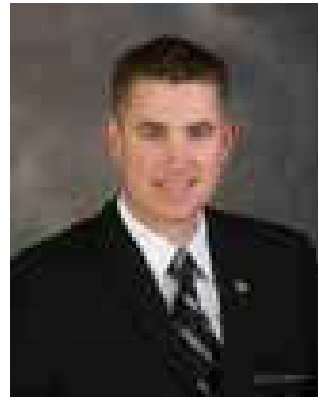
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**NOVATO FIRE PROTECTION DISTRICT  
DIRECTORY OF OFFICIALS**

**2014 Board of Directors**



**President Lj Silverman**



**Vice President Tomas Kaselionis**



**Secretary/Treasurer Brad Beedle**



**Director Worth "Skip" Fenner, Jr.**



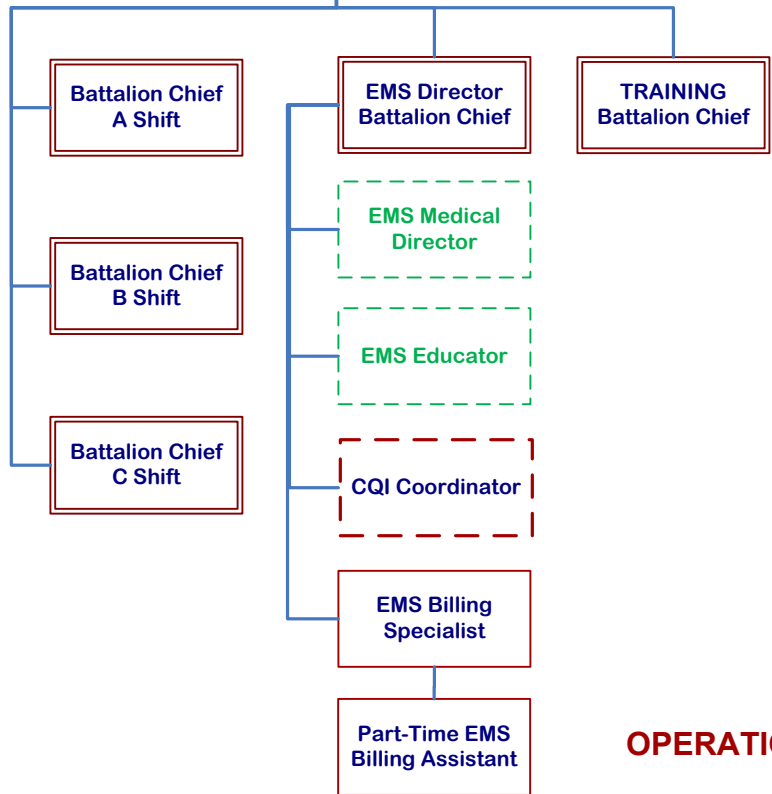
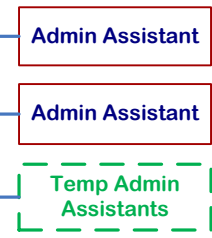
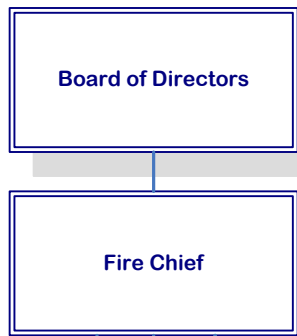
**Director James Galli**

# NOVATO FIRE PROTECTION DISTRICT

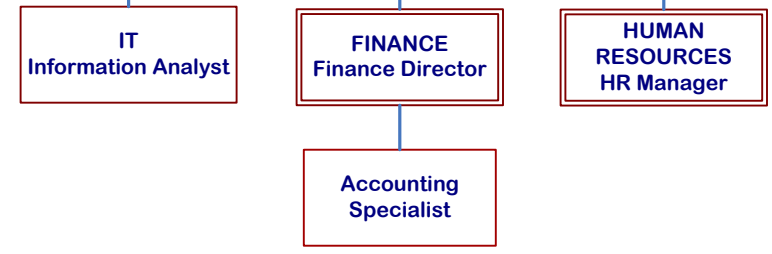
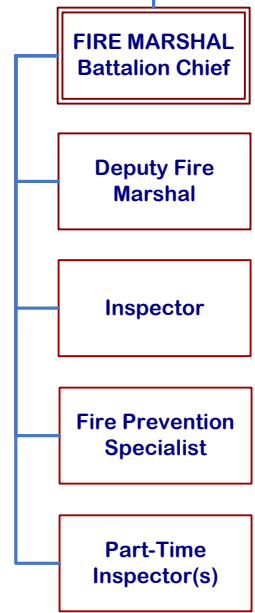
## DIRECTORY OF OFFICIALS

### Executive and Command Staff

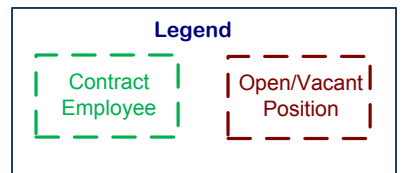
Fire Chief	Mark Heine, CFO
Deputy Fire Chief	Adam Brolan
Battalion Chief (Fire Marshal)	Bill Tyler, CFO
Battalion Chief (Emergency Medical Services)	Ted Peterson, CMO
Battalion Chiefs (Operations)	
A Shift	Gerald McCarthy
B Shift	Dmitri Menzel
C Shift	Jeffrey Veliquette
Training and Education Division	Jeffrey Whittet
Organizational Resources	Position Vacant
Finance Director	Dan Hom, CPA
Human Resources Manager	Lisa MacCubbin



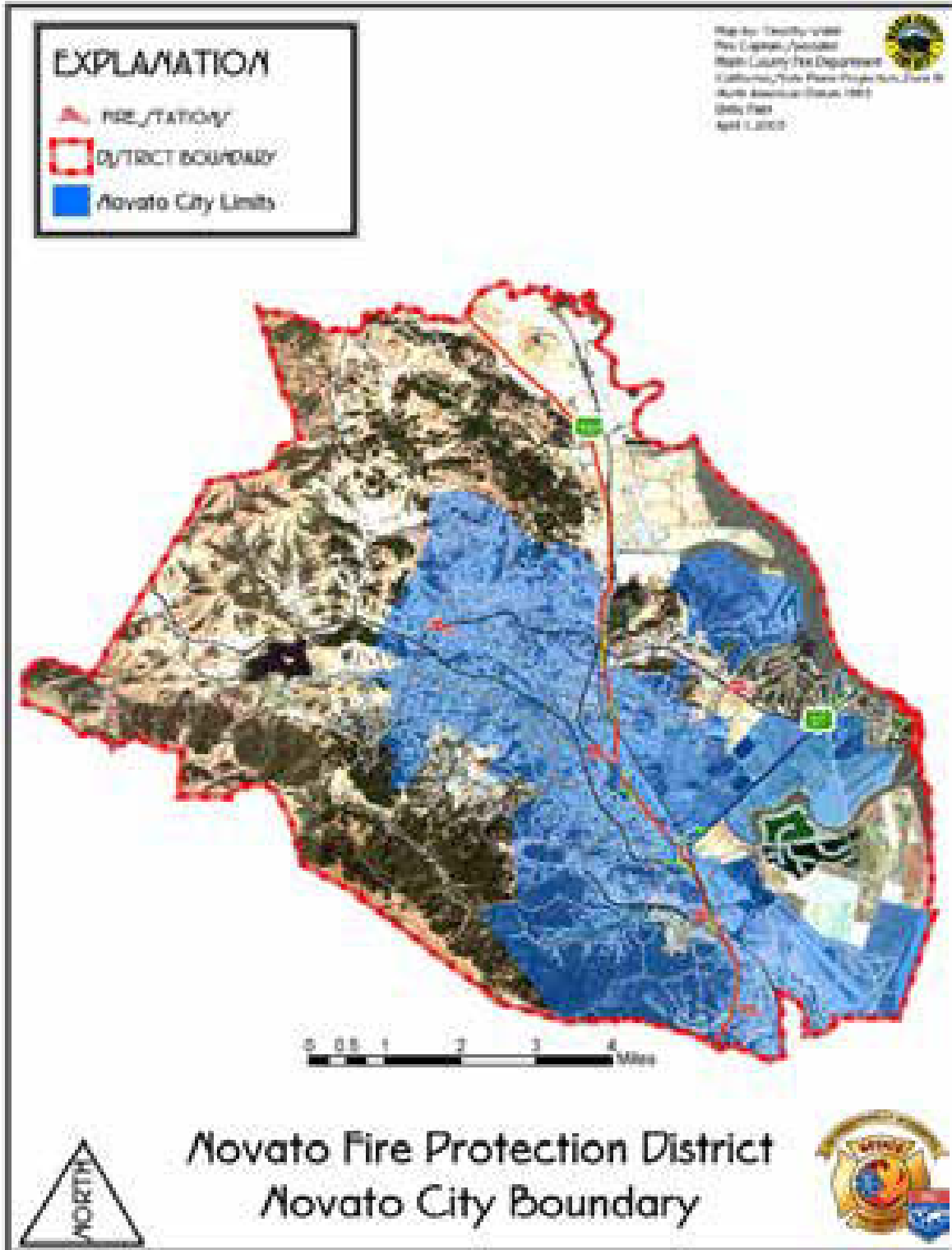
**OPERATIONS**



**ADMINISTRATION**



# NOVATO FIRE PROTECTION DISTRICT DISTRICT MAP





**NOVATO FIRE PROTECTION DISTRICT  
FIRE STATIONS AND FACILITIES**



**Administration Building  
95 Rowland Way**



**Station 61  
7025 Redwood Blvd**



**Station 62  
450 Atherton Avenue**



**Station 63  
65 San Ramon Way**



**Station 64  
105 Roblar Drive**



**Station 65  
5 Bolling Drive**



# Novato Fire District

Fire Chief Mark Heine

95 Rowland Way, Novato, CA 94945 415.878.2690 Fax 415.878.2660 [www.novatofire.org](http://www.novatofire.org)

November 21, 2014

Board of Directors  
Novato Fire Protection District  
95 Rowland Way  
Novato, CA 94945

Members of the Board:

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of Novato Fire Protection District (District) for the fiscal year ended June 30, 2014. This is the seventh consecutive CAFR prepared by the District's Finance Division.

District management is responsible for the accuracy of the information contained in this report, the adequacy of its disclosures, and the fairness of its presentation. District management believes this CAFR to be complete and reliable in all material respects. To provide a reasonable basis for making this representation, the District has established a comprehensive system of internal controls designed to protect District assets from loss, to identify and record transactions accurately, and to compile the information necessary to produce financial statements in conformity with Generally Accepted Accounting Principles (GAAP).

District financial statements have been audited by Maze and Associates, a firm of Certified Public Accountants licensed to practice in the State of California. The independent auditors expressed an opinion that the District financial statements for the fiscal year ended June 30, 2014, are fairly presented in conformity with GAAP in the United States. This is the most favorable conclusion and is commonly known as an "unqualified" or "clean" opinion. The independent auditors' report is presented as the first component of the financial section of this report.

The Management's Discussion and Analysis (MD&A) narrative provides financial highlights and interprets the financial reports by analyzing trends and by explaining changes, fluctuations and variances in the financial data. The MD&A is also intended to disclose any known significant events or decisions that affect the financial condition of the District. The MD&A complements and should be read in conjunction with this letter of transmittal.

## **PROFILE OF NOVATO FIRE PROTECTION DISTRICT**

**Reporting Entity** - The Novato Fire Protection District is a separate governmental unit established on July 6, 1926, as a Special District of the State of California. The purpose of the District is to provide fire protection, emergency medical and related services to the City of Novato and the surrounding unincorporated area. The City of Novato and surrounding unincorporated area is approximately 71 square miles with an estimated population of 65,000. A five-person Board of Directors elected by the citizens for four-year terms governs the District. The District's legal authority and responsibilities are contained in the State of California Health and Safety Code under the "Fire Protection District Law of 1987."

**Budgeting** - The District Annual Budget, adopted prior to July 1, provides the overall control of its revenues and expenses, including appropriations (budgeted expenses) on a line item basis and the means of financing them (budgeted revenues). The District accounting system produces monthly reports on expense activity that assist Department and Division Managers to monitor their activities and programs. These reports are also reviewed by the Fire Chief and the Finance Director to assure budgetary compliance. The legal level of budgetary control is set at the object classification level. This level is presented as subtotals of revenue, salaries, and benefits, services and supplies, etc.

**Internal Controls** - As a recipient of federal, state, and county financial assistance, the District is responsible for ensuring that an adequate control structure is in place to comply with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by the Fire Chief and the District Finance staff.

In developing and evaluating the District accounting system, consideration is given to the adequacy of internal accounting control. Internal accounting controls are designed to provide reasonable assurance regarding the safeguarding of assets against loss from unauthorized use or disposition, the accuracy and reliability of accounting data and the adherence to prescribed managerial policy. The concept of reasonable assurance recognizes that the cost of control should not exceed the benefits likely to be derived, and the cost-benefit analysis requires estimates and judgments by management.

**Services Provided** - The District maintains five fire stations and one administrative headquarters office building, all strategically located within the District. All five stations house full-time paid firefighters. The District staffs eight companies, including structure and wildland engines, a ladder truck, Advanced Life Support ambulances, command chief officer, Rescue, and other support units.

Within the boundaries of the District are wildland areas, single and multi-family residential units, commercial and light industrial occupancies, a major research facility, hotels, a hospital, numerous convalescent/assisted living facilities, equestrian areas and open space areas including hiking trails. With such diversity, it is mandatory the District be equipped with proper apparatus and be appropriately staffed to handle all risk emergencies.

The total population serviced by the District exceeds 65,000. On business days, the population grows to include the personnel employed in the Novato Unified School District (Novato's largest employer), Fireman's Fund, Bio Marin, the Buck Center and other large employers located within the District.

The District's philosophy with regards to fire, medical, or hazardous material emergencies has been one of a strong, rapid deployment of appropriate resources to mitigate any emergency, as recognized by a Class 3 Insurance Service Office (ISO) rating. The District's goal is to maintain overall total response time of 8 minutes or less 90% of the time for all dispatched emergencies. Total response time is defined as the total time beginning when a 9-1-1 emergency call is answered to the time emergency responders arrive at the scene of an emergency. Under daily normal conditions, there are 20 full-time professional emergency responders who can be deployed for an emergency within the boundaries of the Novato Fire Protection District. In addition, the District serves as the primary Joint Emergency Operations Center (EOC) location for the City of Novato and the Novato Fire Protection District.

**Apparatus** - District fleet is made up of emergency vehicles and apparatus which must be kept in a constant state of readiness. Among these resources are eight Type I engines, two Type III wildland engines, one ladder truck (105-foot aerial ladder), one medium duty rescue squad and four Advanced Life Support transport ambulances. For rural responses, the District is equipped with one 2,078 gallon all-wheel water tender with porta-tank.

The Type I and Type III engines all carry Advanced Life Support (ALS) emergency medical equipment, including oxygen, defibrillator units, and ALS medications and are staffed with three personnel, including at least one Firefighter/Paramedic. In addition, these vehicles are fully equipped to respond as needed to mitigate any emergency including fire, rescue, hazardous material spill, or vehicle accident.

The three Advanced Life Support ambulances are equipped to meet the needs of ALS paramedic service. In addition, the District maintains one reserve ambulance and a multi-casualty unit that can be placed into service. The District participates in a Joint Powers Agreement in the Marin County Hazardous Materials Response Team. Through the Homeland Security Grant process, the Team acquired a state-of-the-art emergency response vehicle for its Type II Hazardous Materials Team. The crew and vehicle provide assistance for a wide variety of calls, such as spills, abandoned chemicals, carbon monoxide emissions, natural gas leaks, household chemical issues, structure fires, pipeline ruptures, vehicle accidents involving tankers and industrial accidents. The apparatus is stocked with modern hazardous materials detection equipment, advanced life support supplies, and has a computer link to a hazardous materials information line.

The District participates in a Marin County Urban Search and Rescue Team. The team carries a complete complement of ropes, hardware, and rescue baskets for utilization in areas of high peaks and crevices or during earthquake operations or other natural disasters. It also carries an air compressor for various pneumatic tools. This unit meets the State Office of Emergency Services (OES) standards and has been certified as a medium rescue apparatus.

A comprehensive vehicle replacement plan has been implemented to maintain a state of the art fleet. Based upon the frequency of use and mechanical status, apparatus are replaced in a timely fashion to ensure the highest levels of in-service vehicle availability.

**Executive Staff** - The Fire Chief oversees the general operations of the District in accordance with the policy direction prescribed by the Board of Directors. At present, the Fire Chief is supported by his executive staff, consisting of a Deputy Fire Chief, Battalion Chief/Fire Marshal, Battalion Chief/EMS Director, Battalion Chief/Training Officer, three Shift Battalion Chiefs, a Finance Director, a Human Resources Manager, and an Executive Assistant.

The executive staff is responsible for three District functions: Operations, Fire Loss Management, and Organizational Resources.

The Deputy Chief, who is also the Operations Chief, is responsible for the delivery of all risk emergency services to the citizens and public, overseeing the Training and Education Division and the Emergency Medical Services Division.

The Training Division provides training to firefighters, supports a safe work culture through a safety committee and enforces work place and emergency fire ground safety policies through a research and development committee.

The Emergency Medical Services Division is responsible for the delivery of emergency medical services to the community and oversees the ambulance billing department, which provides billing services for the District and three other fire agencies. Kaiser Permanente provides an emergency physician to serve as the District's Medical Director at no cost to the District.

The Battalion Chief/Fire Marshal is responsible for the Fire Loss Management Division and manages the District's community risk reduction programs. He also oversees code compliance, exterior hazard abatement, and public education.

The Battalion Chief/Training Officer is responsible for the Training Division and ensures that all District personnel receive continuing education related to local, State, and Federal mandated training as well as training on contemporary fire service and EMS topics.

Shift Battalion Chiefs manage on-duty personnel assigned to the five fire stations. Additionally, each Shift Battalion Chief has program management responsibilities for programs including fleet management, facilities management, and special operations team management.

The Finance Director is responsible for financial functions of the District including financial statement reporting, maintaining general ledger, financial policies, systems and procedures, cash management, debt management, accounting and budgeting, accounts receivables/payables, and payroll.

The Human Resources Manager is responsible for managing personnel, medical, dental, vision, and life insurance benefits and Workers Compensation claims for current and retired employees.

## **ECONOMIC OUTLOOK**

**Local Economy** – The District's financial position for the last several years has been negatively affected by the global recession. However, we are cautiously optimistic that the worst may be over and the economy is on its way to recovery. The District's major source of revenue, secured property taxes, has increased for the first time in many years. There are signs that the local real-estate market is recovering. We are projecting modest property tax revenue growth in 2014 through 2015. Additional evidence of a strengthening economy is the local unemployment rate improving from a high of 9.6% in 2009 to 4.8% in 2014.

**Long-term Financial Planning** – Periodically the District prepares multi-year projections of revenues and expenditures. Included in these projections are assumptions for property tax growth, salaries, retirement, health care insurance and apparatus replacement. These projections are useful in assessing long term sustainability and budgeting.

The renovation of Station 64 which began last year, will impact future budgets. The District has secured long-term financing of \$3,000,000 in August 2014. The remainder of the construction costs is paid from designated reserve funds.

**Financial Policies** – The District adopted the provisions of GASB 54 and established a Fund Balance policy. The Board also adopted a resolution to establish a Rainy Day Fund. The purpose of the Rainy Day Fund is to provide the District with contingency funding for use in situations including, but not limited to, adverse economic conditions, unforeseen emergencies, or other situations deemed warranted by the Board.

**Major Initiatives** - The Novato Fire Protection District evolution over the past 86 years is remarkable and its endeavors impressive. The District has accomplished many notable achievements, from a number of administrative staffing enhancements to providing new station facilities for its customers, along with improved apparatus in the field. These successes have proven to be beneficial to District personnel, but most importantly, to the community which the District serves.

There are several major initiatives that are reflected in the District budget and will have financial impact. The District has a fleet replacement plan that specifies the replacement of specific fleet vehicles in each fiscal year. Recently, the District commissioned a comprehensive facility condition assessment. The assessment found that the District's facilities are in good shape. It also outlines the predicted facility maintenance and replacement expectations for future fiscal years.

The District is in the process of rebuilding Fire Station 64 to replace a fire station that had significant structural stability issues. The new fire station is projected to be completed in spring of 2015. It is a 7,200 square foot, single story fire station that will be home to the District's ladder truck and an ALS ambulance. The District anticipates the need to make improvements to its information technology hardware and software in the next few years to include a new phone system, new server system, and new backup data systems.

## **AWARDS AND ACKNOWLEDGEMENTS**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to the District for its CAFR for the fiscal year ended June 30, 2013.

This was the sixth consecutive year the District has received this prestigious award.

To qualify for the Certificate of Achievement, the District must publish an easily readable and efficiently organized CAFR, the contents of which conform to program standards. This report must satisfy both GAAP and applicable legal requirements.

The Certificate of Achievement is valid for a period of one year only. The District believes that this CAFR continues to meet the Certificate of Achievement Program requirements and will be submitting it to the GFOA for consideration of the annual award.

The preparation of this report reflects the combined and dedicated effort of District staff. We especially want to recognize the Finance Division staff and the auditors for their contributions to provide complete and reliable information for the stewardship of public funds.

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

The Novato Fire District leadership and staff bring an effective combination of skills, experience and dedication to carry out the District mission:

***The Novato Fire District Exists  
To Care For, Protect and Serve Our Communities.***

Sincerely,



Mark Heine, CFO  
Fire Chief



Dan Hom, CPA  
Finance Director





Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Novato Fire Protection District  
California**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year ended

**June 30, 2013**

Executive Director GFOA

# Novato Fire Protection District

Financial Section





## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Novato, Fire Protection District  
Novato, California

### ***Report on Financial Statements***

We have audited the accompanying financial statements of the governmental activities and major fund of the Novato Fire Protection District (District), California, 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 the financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District'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 District'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 each major fund of the District's as of June 30, 2014 and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Emphasis of Matters***

Management adopted the provisions of the following Governmental Accounting Standards Board Statement, which became effective during the year ended June 30, 2014 and required certain changes in nomenclature to the financial statements:

Statement 65 – *Items Previously Report as Assets and Liabilities*. See Note 1 to the financial statements for relevant disclosures.

The emphasis of these matters does not constitute a modification to our opinions.

***Other Matters***

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that Management’s Discussion and Analysis and budgetary comparison information for General Fund 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 generally accepted auditing standards 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 District’s basic financial statements as a whole. The Introductory Section, and Statistical Section as listed in the Table of Contents are presented for purposes of additional analysis and are not required parts 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.



Pleasant Hill, California  
November 4, 2014



# Novato Fire District

Fire Chief Mark Heine

95 Rowland Way, Novato, CA 94945 415.878.2690 Fax 415.878.2660 [www.novatofire.org](http://www.novatofire.org)

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis (MD&A) provides an overview of the District's financial activities for the fiscal year ended June 30, 2014. The MD&A describes the significant changes from the prior year that occurred in general operations and discusses the activities during the year for capital assets and long-term debt. The discussion concludes with a description of currently known conditions that are expected to impact the financial position of the District. The reader is encouraged to consider the information presented here in conjunction with the additional information furnished in the Letter of Transmittal.

### FINANCIAL HIGHLIGHTS

#### GOVERNMENT-WIDE

- The District ended its fiscal year with a net position of \$20,328,235.
- The total Program Expenses were \$27,094,328.
- The total Program Revenues were \$3,082,809.
- The total General Revenues were \$21,838,713.
- The change in Net Position represents a decrease of \$2,172,806 in expenses over revenues.

#### GENERAL FUND

- The General Fund operating revenues exceeded expenses by \$1,223,660.
- The actual resources received in the General Fund exceeded final budget by \$1,640,802, while actual expenditures were less than final budget by \$1,748,434.
- At the end of the fiscal year, unassigned fund balance for the General Fund was \$6,071,352 or 26% of General Fund expenditures.

### ANNUAL REPORT OVERVIEW

This annual report consists of a series of financial statements. The District's basic financial statements are comprised of three components: Government-wide financial statements, Fund financial statements and Notes to the basic financial statements. This report also contains supplementary information and statistical data in addition to the basic financial statements.

#### GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements provide the reader with a longer term view of the District's finances as a whole and includes the Statement of Net Position and Statement of Activities. The manner of presentation is similar to a private sector business.

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

### **(Continued)**

The Statement of Net Position presents information about the financial position of the District as a whole, including all its capital assets and long-term liabilities on the full accrual basis. Over time, increases or decreases in net position is one indicator in monitoring the financial health of the District.

The Statement of Activities provides information about all the District's revenues and expenses on the full accrual basis, with the emphasis on measuring net revenues or expenses of each specific program. This statement explains in detail the change in Net Position for the year.

All of the activities in the government-wide financial statements are principally supported by taxes, intergovernmental revenues and fire related charges, i.e. ambulance services and inspection fees. The government activities of the District include general government and interest on long-term debt.

The government-wide financial statements use the full accrual basis of accounting method which records revenues when earned and expenses at the time the liability is incurred, regardless of when the related cash flows take place.

The government-wide financial statements can be found on pages 11 to 12 of this report.

#### **GOVERNMENTAL FUND FINANCIAL STATEMENTS**

The governmental fund financial statements provide more detailed information about the District's Governmental Fund, focusing primarily on the short-term activities of the organization. The Governmental Fund Financial Statements measure only current revenues and expenditures and fund balances, excluding capital assets, long-term debt and other long-term obligations.

All of the District's basic services are considered to be governmental activities. Novato Fire Protection District's services are supported by general District revenues such as taxes, ambulance services and inspection fees.

Government funds focus on how money flows into and out of the fund and the balance left at year-end available for spending. These funds are reported using an accounting method called the modified accrual method, which measures cash and all other financial assets that can readily be converted to cash. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is itemized in a reconciliation following the fund financial statements on page 14.

**Notes to the Basic Financial Statements:** The notes provide additional information that is essential to the reader for a full understanding of the data provided in the Government-wide and Fund Financial Statements.

**MANAGEMENT’S DISCUSSION AND ANALYSIS  
(Continued)**

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

**FINANCIAL ACTIVITIES OF THE DISTRICT AS A WHOLE**

This analysis focuses on the net position and changes in net position of the District’s Governmental Activities (Tables 1 and 2), as presented in the Government-Wide Statement of Net Position and Statement of Activities that follow:

Table 1  
Condensed Statement of Net Position  
As of June 30, 2014 and 2013  
(in thousands)

	Governmental Activities		
	2014	2013	Increase (decrease)
Current assets	\$ 18,042	\$ 15,650	\$ 2,392
Non-current assets	526	526	-
Net capital assets	<u>15,797</u>	<u>16,395</u>	<u>(598)</u>
Total assets	34,365	32,571	1,794
Current liabilities	4,130	3,500	630
Non-current liabilities	<u>9,907</u>	<u>6,570</u>	<u>3,337</u>
Total liabilities	<u>14,037</u>	<u>10,070</u>	<u>3,967</u>
Net Position:			
Net investment in capital assets	12,546	12,561	(15)
Unrestricted	<u>7,782</u>	<u>9,940</u>	<u>(2,158)</u>
<b>Total Net Position</b>	<u>\$ 20,328</u>	<u>\$ 22,501</u>	<u>\$ (2,173)</u>

The following explains the major points impacting net position as shown in Table 1:

- Current assets increased by approximately \$2,400,000 or 15%, due primarily to increased property taxes due to improved assessed valuations (\$1,560,000).
- Net capital assets decreased by approximately \$600,000 or 4% due primarily to Station 64 construction in progress (\$525,000) offset by depreciation for the year (\$1,200,000).

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

- Current liabilities increased by approximately \$630,000 or 18%, due primarily to increased personnel costs resulting from labor negotiations (\$500,000), Station 64 construction progress payment (\$200,000) and additional retiree health care pre-funding contribution (\$320,000).
- Non-current liabilities increased by approximately \$3,337,000 or 51%, due primarily to an increase in Workers Compensation claims resulting from initial actuarial study (\$3,590,000).

Table 2  
Condensed Statement of Activities  
For the Years Ended June 30, 2014 and 2013  
(in thousands)

	Governmental Activities		
	2014	2013	Increase (decrease)
<b>Expenses</b>			
Personnel	\$ 22,809	\$ 18,598	\$ 4,211
Material and services	2,973	3,089	(116)
Depreciation	1,220	1,001	219
Interest on debt	92	265	(173)
Total expenses	27,094	22,953	4,141
<b>Program revenues</b>			
Charges for services	3,046	2,785	261
Capital grants	36	1,051	(1,015)
Total program revenues	3,082	3,836	(754)
Net program expense	24,012	19,117	4,895
<b>General revenues</b>			
Property taxes	\$ 21,561	\$ 19,999	\$ 1,562
Investment earnings	29	29	-
Grants	90	91	(1)
Miscellaneous	159	54	105
Total general revenues	21,839	20,173	1,666
Change in Net Position	(2,173)	1,056	(3,229)
Net Position - beginning of year	22,501	21,445	1,056
<b>Net Position - end of year</b>	\$ 20,328	\$ 22,501	\$ (2,173)



## **MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

The following describes the major points impacting the statement of activities as shown in Table 2:

- Personnel expenses increased by approximately \$4,211,000 or 24%, due primarily to an increase in Workers Compensation expense resulting from the actuarial valuation (\$3,590,000), labor negotiations (\$500,000) and increased retiree health care prefunding contribution due to reduction of amortization period from 30 to 17 years (\$320,000).
- Material and services decreased by approximately \$116,000 or 10%, due primarily to a decrease in a litigation settlement that occurred in 2012/13 (\$130,000).
- Depreciation expense increased by approximately \$219,000 or 22%, due primarily to increased fixed assets acquired during 2012/13 of the ladder truck, two ambulances and heart monitors.
- Interest on debt decreased by approximately \$173,000 or 65%, due primarily to a decrease in the market value of the loan collateral during 2012/13 (\$171,000).
- Charges for services increased by approximately \$261,000 or 9% primarily due to an increase in Ground Emergency Medical Transport program revenue which began during 2013/14 (\$215,000).
- Capital grants decreased by approximately \$1,015,000 or 97% primarily due to FEMA grants for mobile data computers, self-contained breathing apparatus and heart monitors during 2012/13.
- Property taxes increased by \$1,562,000 or 8% primarily due to recovery of real estate valuations, secured property taxes (\$543,000), special assessment taxes (\$182,000), supplemental assessment taxes (\$130,000), Educational Revenue Augmentation Fund (\$372,000) and redevelopment agencies (\$330,000).

### **FUND FINANCIAL STATEMENTS**

The fund financial statements provide detailed information about the District's general fund.

The fund financial statements provide a short-term view of the District's operations. They are reported using an accounting basis called modified accrual which reports cash and other short-term assets and liabilities (receivables and payables) that will soon be converted to cash or will soon be paid with cash.

As shown on page 16, the government fund balance increased by \$1,268,960. Fund balance increased during the year due to various changes in revenues and expenditures. The largest change was an increase in property tax revenues of approximately \$1,500,000 due to the recovery of real estate valuations.

**MANAGEMENT’S DISCUSSION AND ANALYSIS  
(Continued)**

On page 17, there is reconciliation from the modified-accrual net change in fund balance reported in the Statement of Revenues, Expenditures and Changes in Fund Balance for the governmental fund to the full-accrual change in net position of the Statement of Activities.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

During the year there was an increase in General Fund appropriations of \$199,700, or 0.8%, between the original and final amended budget. The increase was principally due to retirement and health care increase of \$450,000 offset by a decrease in Workers Compensation of \$200,000.

Significant variances between final amended budget and actual include approximately \$1,000,000 positive variance for property taxes attributable to rising assessed valuations, and approximately \$1,100,000 positive variance for salaries and benefits resulting primarily from savings from base salaries from unfilled positions and reduction of overtime.

Additional details comparing budget to actual are shown on page 40.

**CAPITAL ASSETS**

As of June 30, 2014, the District had approximately \$15,798,000 in net capital assets.

Table 3  
Capital Assets  
As of June 30, 2014 and 2013  
(in thousands)

	Governmental Activities		
	2014	2013	Increase (decrease)
<b>Nondepreciable capital assets:</b>			
Land	\$ 3,028	\$ 3,028	\$ -
Construction in progress	2,582	2,057	525
Total nondepreciable capital assets	5,610	5,085	525
<b>Depreciable capital assets:</b>			
Buildings and improvements	13,032	13,423	(391)
Equipment	3,948	3,930	18
Apparatus and vehicles	6,421	6,985	(564)
Total depreciable capital assets	23,401	24,338	(937)
Less accumulated depreciation	(13,213)	(13,028)	(185)
<b>Capital Assets, net</b>	<b>\$ 15,798</b>	<b>\$ 16,395</b>	<b>\$ (597)</b>

**MANAGEMENT’S DISCUSSION AND ANALYSIS  
(Continued)**

Capital assets purchased or acquired with an original cost of \$1,000 or more are reported at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are reported at fair market value as of the date contributed. Depreciation is a systematic approach to allocate the cost of capital assets over their estimated useful lives. The District has adopted a 30 year life for its buildings, 15 years for fire apparatus, 10 years for ambulances, 5 years for other motor vehicles, and 3-10 years for furniture, fixtures, and equipment.

Additional detail about capital assets is shown in Notes 1 and 4 in the financial statements.

**DEBT ADMINISTRATION**

As of June 30, 2014, the District had approximately \$3,251,000 in outstanding debt.

Table 4  
Outstanding Debt  
As of June 30, 2014 and 2013  
(in thousands)

	Governmental Activities		
	2014	2013	Increase (decrease)
Notes payable	\$ 1,932	\$ 2,121	\$ (189)
Capital leases payable	1,319	1,713	(394)
<b>Total Debt</b>	<b>\$ 3,251</b>	<b>\$ 3,834</b>	<b>\$ (583)</b>

During the preceding years the District entered into leases to acquire two ambulances (cost approximately \$335,000), two fire engines (cost approximately \$915,000), a water tender (cost approximately \$194,000) and three command vehicles (cost approximately \$372,000). In 2013 the District entered into a lease to acquire a ladder truck (cost approximately \$1,097,000) and refinanced debt on administration building (\$2,135,000).

Additional details about long term debt are disclosed in Notes 5 and 6.

**ECONOMIC OUTLOOK**

The Novato Fire Protection District’s financial position for the last five years has been negatively affected by the downturn of the global economy. However, the District is cautiously optimistic that the worst may be over and the economy is on its way to recovery. There are positive signs of real estate valuations on the rise and foreclosures on the decline. The local unemployment rate has decreased over the last four years as well. Financial markets have rebounded from their lows of a few years ago.

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

The District believes that it can still maintain a high level of service to our community, but will have to review all areas where it can reduce cost and/or increase revenues. The District still has appropriate reserves to ensure equipment and apparatus replacement, however unlike anything that it has seen in recent financial history, the District feels that it needs to proceed with any future major funding issues with a great deal of caution.

The District is projecting that it will experience modest revenue growth in 2015 through 2016. This assumption is based upon recent trends in real property values. It is the District's assessment that as the financial markets stabilizes, and the unemployment rate decreases, the housing market improves. All three have to take place before the District, which receives the majority of its financial support from property taxes, will be able to increase revenue.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide our citizens, taxpayers and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the funds under its stewardship.

Please address any questions about this report or requests for additional financial information to the address on our letterhead.

Respectfully submitted,



Mark Heine, CFO  
Fire Chief

## **Basic Financial Statements**

NOVATO FIRE PROTECTION DISTRICT  
STATEMENT OF NET POSITION  
AS OF JUNE 30 2014

	Governmental Activities
<b>ASSETS</b>	
<b>CURRENT ASSETS</b>	
Cash and cash equivalents (Note 2)	\$17,328,039
Receivables:	
Due from other governments	174,520
Ambulance service fees, net allowance for doubtful accounts of \$1,955,908	245,189
Property taxes	266,449
Prepaid expenses	27,853
Total current assets	18,042,050
<b>NON-CURRENT ASSETS</b>	
Notes receivable, net (Note 3)	525,547
Land and construction-in-progress (Note 4)	5,610,513
Depreciable capital assets, net (Note 4)	10,187,124
Total non-current assets	16,323,184
Total assets	34,365,234
<b>LIABILITIES</b>	
<b>CURRENT LIABILITIES</b>	
Accounts payable	803,305
Accrued expense	635,548
Unearned revenue	9,570
Notes payable to bank (Note 5)	193,500
Obligation under capital leases (Note 6)	402,871
Compensated absences (Note 1)	1,354,393
Workers' compensation claims (Note 12)	730,456
Total current liabilities	4,129,643
<b>NON-CURRENT LIABILITIES</b>	
Notes payable to bank (Note 5)	1,738,653
Obligation under capital leases (Note 6)	916,086
Unfunded OPEB obligation (Note 11)	2,620,921
Compensated absences (Note 1)	398,152
Workers' compensation claims (Note 12)	4,233,544
Total non-current liabilities	9,907,356
Total liabilities	14,036,999
<b>NET POSITION (Note 1)</b>	
Net investment in capital assets	12,546,527
Unrestricted	7,781,708
Total net position	\$20,328,235

See accompanying notes to financial statements

NOVATO FIRE PROTECTION DISTRICT  
STATEMENTS OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2014

	<b>Governmental Activities</b>					
	Total	Emergency Medical Services	Fire Loss Management	Operations	Organizational Resources & Support	Training
<b>EXPENSES</b>						
Personnel	\$22,809,822	\$6,616,140	\$978,556	\$12,060,047	\$2,970,877	\$184,202
Material and services	2,973,071	204,556	51,806	83,548	2,557,637	75,524
Depreciation	1,219,849	4,764		252,154	962,680	251
Interest on debt	91,586				91,586	
Total expenses	<u>27,094,328</u>	<u>6,825,460</u>	<u>1,030,362</u>	<u>12,395,749</u>	<u>6,582,780</u>	<u>259,977</u>
<b>PROGRAM REVENUES:</b>						
Charges for services	3,046,009	2,402,208	56,437	290,304	294,510	2,550
Capital grants and contributions	36,800				36,800	
Net program expense	<u>24,011,519</u>	<u>\$4,423,252</u>	<u>\$973,925</u>	<u>\$12,105,445</u>	<u>\$6,251,470</u>	<u>\$257,427</u>
<b>GENERAL REVENUES</b>						
Property taxes	21,560,994					
Investment earnings	29,114					
Grants not restricted to specific programs	90,076					
Miscellaneous	158,529					
Total general revenues	<u>21,838,713</u>					
Change in net position	(2,172,806)					
<b>NET POSITION-BEGINNING OF THE YEAR</b>	<u>22,501,041</u>					
<b>NET POSITION-END OF THE YEAR</b>	<u>\$20,328,235</u>					

See accompanying notes to financial statements

NOVATO FIRE PROTECTION DISTRICT  
BALANCE SHEET  
GOVERNMENTAL (GENERAL) FUND  
JUNE 30, 2014

**ASSETS**

Cash and cash equivalents (Note 2)	\$17,328,039
Receivables:	
Due from other governments	174,520
Ambulance service fees, net allowance for doubtful accounts of \$1,955,908	245,189
Property taxes	266,449
Notes receivable, net (Note 3)	525,547
Prepaid items	<u>27,853</u>
Total assets	<u><u>\$18,567,597</u></u>

**LIABILITIES**

Accounts payable	\$803,305
Accrued expenses	635,548
Unearned revenue	<u>9,570</u>
Total liabilities	<u>1,448,423</u>

**DEFERRED OUTFLOWS OF RESOURCES**

Unavailable revenue	<u>414,323</u>
Total Deferred Outflows of Resources	<u>414,323</u>

**FUND BALANCE**

Nonspendable (Note 8)	553,400
Committed (Note 8)	4,115,948
Assigned (Note 8)	5,964,151
Unassigned	<u>6,071,352</u>
Total fund balance	<u>16,704,851</u>
Total liabilities, deferred outflows of resources and fund balance	<u><u>18,567,597</u></u>

See accompanying notes to financial statements



NOVATO FIRE PROTECTION DISTRICT  
 Reconciliation of the  
 GOVERNMENTAL (GENERAL) FUND  
 with the  
 STATEMENT OF NET POSITION  
 JUNE 30, 2014

Total fund balances reported on the governmental fund balance sheet \$16,704,851

Amounts reported for Governmental Activities in the Statement of Net Position  
 are different from those reported in the Governmental Funds above because of the following:

Capital assets used in Governmental Activities are not current assets or financial resources and  
 therefore are not reported in the Governmental Funds. 15,797,637

Ambulance service, property tax receivable and intergovernmental, that are not available  
 that are not available to pay current period expenditures  
 and therefore are deferred in the balance sheet. 414,323

Certain liabilities are not due and payable in the current period and therefore they are not reported in the  
 Governmental Funds Balance Sheet.

Notes payable	(1,932,153)
Leases payable	(1,318,957)
Other post employment benefits	(2,620,921)
Compensated absences payable	(1,752,545)
Workers compensation claims	(4,964,000)
	(11,588,576)

NET POSITION OF GOVERNMENTAL ACTIVITIES \$20,328,235

See accompanying notes to basic financial statements

NOVATO FIRE PROTECTION DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2014

REVENUES:	
Property taxes	\$21,561,012
Charges for services	2,552,768
Interest income	29,114
Intergovernmental	116,552
Miscellaneous	557,145
Total Revenues	<u>24,816,591</u>
EXPENDITURES:	
Current:	
Public Safety	
Salaries and benefits	19,277,383
Services and supplies	2,956,533
Capital outlay	684,160
Debt service	
Principal	583,269
Interest	91,586
Total Expenditures	<u>23,592,931</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>1,223,660</u>
OTHER FINANCING SOURCES	
Proceeds from sale of capital assets	45,300
Total Other Financing Sources	<u>45,300</u>
NET CHANGE IN FUND BALANCES	1,268,960
Fund balances at beginning of year	<u>15,435,891</u>
Fund balances at end of year	<u><u>\$16,704,851</u></u>

See accompanying notes to basic financial statements

NOVATO FIRE PROTECTION DISTRICT  
 Reconciliation of the  
 NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS  
 with the  
 STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED JUNE 30, 2014

The schedule below reconciles the Net Change in Fund Balances reported on the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance, which measures only changes in current assets and current liabilities on the modified accrual basis, with the Change in Net Position of Governmental Activities reported in the Statement of Activities, which is prepared on the full accrual basis.

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$1,268,960
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Amounts reported for governmental activities in the Statement of Activities are different because of the following:

Governmental Funds report capital outlays as expenditures. However in the Statement of Activities, the cost of those assets is capitalized and allocated over their estimated useful lives and reported as depreciation expense.

The capitalized expenditures are therefore added back to fund balance	684,160
Non-capitalized capital outlay expenditures were reclassified to governmental activities	(14,837)
Depreciation expense is deducted from the fund balance	(1,219,849)
Loss on retirement of capital asset is deducted from the fund balance	(47,004)

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

Deferred inflow of resources	104,933
Compensated absences	(133,818)
Other post employment benefits	192,559
Workers' compensation claims	(3,591,179)

Debt principal transactions reported in the governmental fund statement of revenue but not considered an operating activity in the statement of activities (but only as changes in liabilities)

Principal repayments on note payable	188,755
Payments to reduce obligations under capital leases	394,514

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	(\$2,172,806)
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See accompanying notes to basic financial statements

**NOVATO FIRE PROTECTION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2014**

<b>NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES</b>
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***Reporting Entity***

The Novato Fire Protection District (the District) is a separate governmental unit established July 6, 1926, as a special district of the State of California. The purpose of the District is to provide fire protection, emergency medical and related services to the City of Novato and the surrounding area. The City of Novato and surrounding area approximates 71 square miles with an estimated population of 60,000. A five-person Board of Directors elected by the citizens for four-year terms governs the District. The District's legal authority and responsibilities are contained in the State of California Health and Safety Code under the "Fire Protection District Law of 1987."

***Introduction***

The District's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations.).

**BASIC FINANCIAL STATEMENTS**  
**GOVERNMENT-WIDE STATEMENTS**

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds and excluding fiduciary funds).

In the government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities), the District's activities are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position are reported in two parts: (1) Net investment in capital assets, and (2) unrestricted net position.

The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions. The functions are supported by general government revenues (property taxes and intergovernmental revenues). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Operating grants include operating-specific and discretionary (either operating or capital) grants while capital grants reflect capital-specific grants.

The categories of governmental activities included in the statement of activities report expenses directly attributable to the functions indicated. The category "Operations" includes services for structural and wildland fire suppression, response to hazardous materials incidents, search and rescue, vehicle extrication and other emergency services. The category, "Organizational Support," includes all expenses (including those incurred in support of other activities) not directly chargeable to another activity.

The government-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities.

**NOVATO FIRE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended June 30, 2014**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**FUND FINANCIAL STATEMENTS**

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues and expenditures.

The District uses the following fund types:

**Governmental funds**

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial positions (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental fund of the District:

**General fund** is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

**BASIS OF ACCOUNTING:**

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurement made regardless of the measurement focus applied.

**Accrual**

The governmental activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

**Modified accrual**

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e. both measurable and available. "Available" means collectible within the current period or within 60 days after year-end. Expenditures are generally recognized when the related liability is incurred. The exception to this general rule is that payments for general obligation long-term liabilities are recognized when due.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. 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 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.

**NOVATO FIRE PROTECTION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2014**

<b>NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)</b>
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**FINANCIAL STATEMENT AMOUNTS**

**Cash and cash equivalents**

The District has defined cash and cash equivalents to include cash on hand, demand deposits, and short-term investments with its fiscal agent (County of Marin).

**Prepaid items**

Payments to vendors that benefit future accounting periods are classified as prepaid items until charged to expenditures in the period benefited.

**Deferred revenue**

Deferred revenue (in the fund financial statements) represents ambulance fees and property taxes earned during the year but not collected in time to be available to finance the current year's operations.

**Net position**

Net position is the excess of all the District's assets and deferred outflows over all its liabilities and deferred inflow, regardless of fund. Net position is divided into three captions on the Statement of Net Position. These captions apply only to net position, which is determined at the Government-wide level and proprietary funds and are described below:

*Net Investment in Capital Assets*, describes the portion of net position which is represented by the current net book value of the District's capital assets, less the outstanding balance of any debt issued to finance these assets.

*Restricted* describes the portion of net position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws or other restrictions which the District cannot unilaterally alter. These principally include developer fees received for use on capital projects, debt service requirements and funds restricted to low and moderate income purposes.

*Unrestricted* describes the portion of net position which is not restricted as to use.

**Fund balance**

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Governmental accounting principles provide that fund balance is reported in five components – nonspendable, restricted, committed, assigned and unassigned.

**Nonspendable** – This component includes amount that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

**NOVATO FIRE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended June 30, 2014**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Restricted** – This component consists of amounts that have constraints placed on them either externally by third-parties (creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislations. The District did not have any restricted fund balance at June 30, 2014.

**Committed** – This component consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal actions taken, such as majority of vote or resolution, by the District. Those committed amounts cannot be used for any other purpose unless the District removes or changes the specified use by taking the same type of action it employed previously to commit those amounts.

**Assigned** – This component consists of amounts that are constrained by the District’s intent to be used for specific purposes, but are neither restricted nor committed. The authority for assigning fund balance is expressed by the Board of Directors, Fire Chief or their designee (Finance Director) as established in the District’s Fund Balance Policy.

**Unassigned** – This classification represents amounts that have not been restricted, committed or assigned to specific purposes within the General Fund.

The District’s policy is that committed and assigned fund balances are considered to have been spent first before unassigned fund balances are spent.

**Use of estimates**

The basic financial statements have been prepared in conformity to generally accepted accounting principles and therefore include amounts based on informed estimates and judgments of management. Actual results could differ from those estimates.

**Capital assets**

Capital assets purchased or acquired with an original cost of \$1,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

- Buildings 30 years
- Fire apparatus 15 years
- Ambulances 10 years
- Other vehicles 5 years
- Furniture, fixtures and equipment 3-10 years

**NOVATO FIRE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended June 30, 2014**

<b>NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)</b>
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**Compensated absences**

The District accrues accumulated unpaid vacation and sick leave and associated employee- related costs when earned by the employee.

In accordance with an agreement with the Novato Professional Firefighters Association, the District is obligated to provide the following compensated absence benefits:

Sick leave Shift employees of the District earn sick leave at 12 hours per month and may accumulate up to 2,912 hours. Day employees earn 8.5 hours per month. An employee’s accumulated sick leave may be applied toward retirement, or upon separation from the District, may be received in salary at 25% of the current hourly rate. Management has estimated that all of the total accrued sick leave payable is a current liability.

Vacations Shift personnel earn vacation shifts at a rate of 6 to 18 shifts per year, depending on length of service. Day personnel earn between 102 to 306 hours per year. The District allows members to rollover their annual vacation shifts to the following year and each employee may bank twice their annual vacation accrual. Management has estimated that all of the total accrued vacation payable will be redeemed within one year.

Compensatory time-off All District personnel may accumulate accrued overtime pay at one and one-half times their basic pay rate. Accumulated compensatory time is limited to 96 hours. Amounts in excess of 96 hours or time accumulated for over one year from the date earned are paid to the employee.

The following is a schedule of changes in compensated absences during the year:

Balance as of June 30, 2013	\$1,618,727
Increases during the year	1,488,211
Decreases during the year	<u>(1,354,393)</u>
Balance as of June 30, 2014	1,752,545
Less amount due within 1 year	<u>1,354,393</u>
Amount due after 1 year	<u><u>\$398,152</u></u>



**NOVATO FIRE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended June 30, 2014**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position or fund balance that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

**WORKERS' COMPENSATION CLAIMS**

A liability for workers compensation claims is shown on the Statement of Net Assets. The short-term portion of the liability is estimated based on historical claims paid during a recent for the preceding year beginning September 1st through August 31st of the current year. Additional information is presented in Note 12.

**ENCUMBRANCES**

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrances outstanding at year-end are reported as assigned fund balance and do not constitute expenditures or liabilities.

**PROPERTY TAXES**

The County of Marin levies taxes and places liens on real property as of January 1 on behalf of the District. Secured property taxes are due the following November 1 and March 1 and become delinquent April 10 and December 10, for the first and second installments, respectively. Unsecured property taxes are levied throughout the year.

In 1993, the District entered into an agreement (commonly known as the Teeter Plan) with the County of Marin. The Teeter Plan calls for the County to advance the District its share of the annual gross levy of secured property taxes and special assessments. In consideration, the District gives the County of Marin its rights to penalties and interest on delinquent property tax receivables and actual proceeds collected. The receivable on the balance sheet refers to unsecured property taxes.

Special fire and paramedic tax charges are assessed by the District Board of Directors before September 1 and adopted by ordinance. These special tax charges are incorporated on property tax bills, and therefore are attached as an enforceable lien on real property located within the District.

**NOVATO FIRE PROTECTION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2014**

**NOTE 2 - CASH**

Cash and investments consisted of the following:

Cash with County Treasurer	\$16,735,241
Cash in banks	592,673
Petty cash	<u>125</u>
Total	<u><u>\$17,328,039</u></u>

The District maintains most of its cash in the County of Marin pooled investment fund for the purpose of increasing interest earnings through pooled investment activities. Interest earned on the investment pool is allocated quarterly to the participating funds using the daily cash balance of each fund. This pool, which is available for use by all funds, is displayed in the financial statements as “Cash and Cash Equivalents.”

The County Pool includes both voluntary and involuntary participation from external entities. The State of California statutes require certain special districts and other governmental entities to maintain their cash surplus with the County Treasurer.

The County’s investment pool is not registered with the Securities and Exchange Commission as an investment company. Investments made by the Treasurer are regulated by the California Government Code and by the County’s investment policy. The objectives of the policy are in order of priority, safety, liquidity, yield, and public trust. The County has established a treasury oversight committee to monitor and review the management of public funds maintained in the investment pool in accordance with Article 6 Section 27131 of the California Government Code. The oversight committee and the Board of Supervisors review and approve the investment policy annually. The County Treasurer prepares and submits a comprehensive investment report to the members of the oversight committee and the investment pool participants every month. The report covers the types of investments in the pool, maturity dates, par value, actual costs and fair value.

**INTEREST RATE RISK**

In accordance with its investment policy, the County manages its exposure to declines in fair values by limiting the weighted average maturity of its investment pool to 540 days, or 1.5 years. At June 30, 2014, the County’s investment pool had a weighted average maturity of 264 days.

For purposes of computing weighted average maturity, the maturity date of variable rate notes is the length of time until the next reset date rather than the stated maturity date.

**CREDIT RISK**

State law and the County’s Investment Policy limits investments in commercial paper, corporate bonds, and medium term notes to the rating of “A” or higher as provided by Moody’s Investors Service or Standard & Poor’s Corporation. The County’s Investment Policy limits investments purchased by Financial Institution Investment Accounts, a type of mutual fund, to United States Treasury and Agency obligations with a credit quality rating of “AAA.”

**NOVATO FIRE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended June 30, 2014**

**NOTE 2 – CASH (Continued)**

**CONCENTRATION OF CREDIT RISK**

The following is a summary of the concentration of credit risk by investment type as a percentage of the pool’s fair value at June 30, 2014.

Investment types in investment pool	Percent of portfolio
Federal agency - coupon	24%
Federal agency - discount	73%
Money market funds	3%
	100%

**CUSTODIAL CREDIT RISK**

For investments and deposits held with safekeeping agents, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or deposits that are in the possession of an outside party. At year end, the County’s investment pool had no securities exposed to custodial credit risk.

**LOCAL AGENCY INVESTMENT FUND**

The County Treasurer’s Pool maintains an investment in the State of California Local Agency Investment Fund (LAIF), managed by the State Treasurer. This fund is not registered with the Securities and Exchange Commission as an investment company, but is required to invest according to California State Code. Participants in the pool include voluntary and involuntary participants, such as special districts and school districts for which there are legal provisions regarding their investments. The Local Investment Advisor Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State statute.

Cash held with financial institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 for interest bearing accounts.

**NOTE 3 – NOTES RECEIVABLE**

In September 2006, the District made a loan to the former Fire Chief in the amount of \$695,875 in order to assist with the purchase of a residence. The interest-bearing loan is secured by the former Fire Chief’s principal family residence. The agreement requires monthly payments of interest and principal, amortized over 45 years. This loan has been in default since fiscal year 2012-13. In fiscal year 2013-14, the District repossessed the property and is now in the process of selling the property. As of June 30, 2013, the value of the loan was written down to \$475,547, However as of June 30, 2014, the value of the property has gone up, but for conservative reasons it will remain at the same value as of June 30, 2013.

In August 2002, the District instituted a Housing Assistance Program for its employees. The program would make available six loans in the amount of up to \$50,000 each. Interest, based on the California Local Agency Investment Fund (LAIF) investment rates, would begin to accrue in the tenth year of the loan. In December 2008, the Housing Assistance Program was revised for loans to be up to \$100,000, with payments due within five years. In November 2012, the District suspended the Housing Assistance Program. As of June 30, 2014, one loan of \$50,000 was outstanding. This remaining loan was repaid in August 2014.

**NOVATO FIRE PROTECTION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2014**

**NOTE 4 - CAPITAL ASSETS**

Capital assets activity for the year ended June 30, 2014, was as follows:

	Balance June 30, 2013	Additions	Dispositions	Balance June 30, 2014
Nondepreciable capital assets:				
Land	\$3,028,295			\$3,028,295
Construction in progress	2,056,622	\$525,596		2,582,218
Total capital assets not being depreciated	<u>5,084,917</u>	<u>525,596</u>		<u>5,610,513</u>
Capital assets being depreciated:				
Buildings and building improvements	13,423,209		(\$391,358)	13,031,851
Furniture, fixtures and equipment	3,929,751	98,427	(79,734)	3,948,444
Fire apparatus and vehicles	6,985,087		(564,474)	6,420,613
Total capital assets being depreciated	<u>24,338,047</u>	<u>98,427</u>	<u>(1,035,566)</u>	<u>23,400,908</u>
Less accumulated depreciation for:				
Buildings and building improvements	6,961,319	447,794	(389,654)	7,019,459
Furniture, fixtures and equipment	2,110,125	363,885	(79,734)	2,394,276
Fire apparatus and vehicles	3,956,353	408,170	(564,474)	3,800,049
Total accumulated depreciation	<u>13,027,797</u>	<u>1,219,849</u>	<u>(1,033,862)</u>	<u>13,213,784</u>
Total depreciable assets	<u>11,310,250</u>	<u>(1,121,422)</u>	<u>(1,704)</u>	<u>10,187,124</u>
Governmental activity capital assets, net	<u>\$16,395,167</u>	<u>(\$595,826)</u>	<u>(\$1,704)</u>	<u>\$15,797,637</u>

Construction-in-progress includes expenditures for the construction of a new fire station.

**NOVATO FIRE PROTECTION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2014**

**NOTE 5 - NOTE PAYABLE**

On December 16, 2003, real property located at 95 Rowland Way, Novato, was purchased for \$3,650,000. A loan of \$2,700,000 was secured with Bank of Marin to finance the purchase. The loan was due in December 2013, at a fixed rate of 3.5% per annum for the first 60 months, with monthly payments of \$12,202. After the fixed rate period, the rate was adjusted for the remaining 60 months to 0.25% in excess of the most current month's 5-year Treasury Constant Maturity. On May 5, 2013, the District refinanced the outstanding balance of this Note with a new Note which bears interest at 2.763% with a monthly repayment schedule that ends May 15, 2023.

The following is a summary of the District's future annual obligations:

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$193,500	\$51,661	\$245,161
2016	198,866	46,295	245,161
2017	204,633	40,528	245,161
2018	210,440	34,721	245,161
2019	216,411	28,750	245,161
2020-2023	<u>908,303</u>	<u>51,315</u>	<u>959,618</u>
Total obligation	1,932,153	253,270	2,185,423
Less amount due within 1 year	<u>193,500</u>	<u>51,661</u>	<u>245,161</u>
Amount due after 1 year	<u>\$1,738,653</u>	<u>\$201,609</u>	<u>\$1,940,262</u>

**CHANGES IN NOTE PAYABLE**

The following is a schedule of changes in note payable during the year:

	<u>Note payable</u>
Balance as of June 30, 2013	\$2,120,908
Repayments	<u>(188,755)</u>
Balance as of June 30, 2014	1,932,153
Less amount due within 1 year	<u>(193,500)</u>
Amount due after 1 year	<u>\$1,738,653</u>

**NOVATO FIRE PROTECTION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2014**

**NOTE 6 – CAPITAL LEASE OBLIGATIONS**

The District has entered into the following capital leases:

	Fire Engines	Water Tender	Command Vehicles	2012 Ambulances	Ladder Truck
Date of lease	January 2007	June 2008	July 2008	April 2012	May 2013
Semi-annual payment	\$50,493	\$11,158	\$29,851	\$39,533	-
Annual Payment	-	-	-	-	6
Number of payments left	5	7	2	4	5
Interest rate	2.10%	2.30%	2.05%	2.05%	2.15%
Cost of equipment	915,468	193,511	431,160	829,414	1,096,882

The following is a summary of the District's future annual obligations:

Year ending June 30	Engines	Water Tender	Command Vehicles	2012 Ambulances	Ladder Truck	Total
2015	\$100,986	\$22,316	\$59,702	\$79,066	\$167,625	\$429,695
2016	100,986	22,316		79,065	167,625	369,992
2017	50,493	22,315			167,625	240,433
2018		11,156			167,625	178,781
2019					167,626	167,626
Total payments	252,465	78,103	59,702	158,131	838,126	1,386,527
Less: Interest	7,763	3,472	906	3,970	51,459	67,570
Net	244,702	74,631	58,796	154,161	786,667	1,318,957
Less: Amount due within 1 year	(96,350)	(20,718)	(58,796)	(76,295)	(150,712)	(402,871)
Amount due after 1 year	\$148,352	\$53,913	\$0	\$77,866	\$635,955	\$916,086

**CHANGES IN CAPITAL LEASE OBLIGATIONS**

The following is a schedule of changes in leases payable during the year:

	Balances as of June 30, 2013	Repayments	Balances as of June 30, 2014
Engines	\$339,061	(\$94,359)	\$244,702
Water Tender	94,881	(20,250)	74,631
Command Vehicles	116,406	(57,610)	58,796
2012 Ambulances	228,916	(74,755)	154,161
Ladder Truck	934,207	(147,540)	786,667
Total	\$1,713,471	(\$394,514)	\$1,318,957

**NOVATO FIRE PROTECTION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2014**

**NOTE 7 - CREDIT LINE**

The District utilizes a credit card with a credit limit of \$175,000. As of July 11, 2014 (the closes date to June 30, 2014), the available credit was approximately \$150,725. The interest rate is based on the prime rate identified in the Wall Street Journal, as described in the credit card agreement. At the end of the year, the interest rate was approximately 14.24%. The District routinely pays the credit card balance in full each month and is therefore is not subject to interest charges.

**NOTE 8 - FUND BALANCE**

The District's fund balance is reported in classifications as described in Note 1. The following amounts are classified as nonspendable:

Prepaid items	\$27,853
Long-term receivables	<u>525,547</u>
	<u><u>\$553,400</u></u>

In September 2013, the District established a Rainy Day Fund. The establishment or modification of, or transfer to or from the Rainy Day Fund requires a unanimous decision by the Board of Directors. The Fund should be used to provide the District with contingency funding only in the following situations: (a) when actual District revenue is 15% or more below expected District revenue, or (b) when a state of emergency is declared by the District Board or when a state of emergency is declared by the County of Marin for an area that includes any area within District boundaries. The balance in the Rainy Day Fund, as of June 30, 2014, is \$4,115,948. and is included in committed fund balance.

The following are assigned fund balances as of the balance sheet date:

Assigned for:	
Future Projects	\$135,773
Unemployment Insurance	35,100
Management Information Systems	50,000
Apparatus and Equipment Replacement	1,235,668
Worker's Compensation Fund	1,283,559
Retiree Health Benefits	875,951
Future Debt Service	1,131,025
Protective Equipment	250,000
Compensated Absences	<u>967,075</u>
 Total	 <u><u>\$5,964,151</u></u>

**NOVATO FIRE PROTECTION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2014**

**NOTE 9 - DEFERRED COMPENSATION PLAN**

District employees may defer a portion of their compensation under a District sponsored Deferred Compensation Plan created in accordance with Internal Revenue Code Section 457. Under this plan, participants are not taxed on the deferred portion of their compensation until distributed to them. Distributions may be made only at termination, retirement, death or in an emergency as defined by the Plan.

The laws governing deferred compensation plan assets require plan assets to be held by a Trust for the exclusive benefit of plan participants and their beneficiaries. Since assets held under these plans are not the District's property and are not subject to District control, they have been excluded from these financial statements.

**NOTE 10 - PENSION PLAN**

The District contributes to the Marin County Employees Retirement Association (the Association), an agent multiple-employer public employee defined benefit pension plan. The Association provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The Association acts as a common investment and administrative agent for participating public entities within the County of Marin. Benefit provisions and all other requirements are established by State statute. Copies of the Association's annual financial report may be obtained from its offices at One McInnis Parkway, Suite 100, San Rafael, California 94903.

**FUNDING POLICY**

Participants are required to contribute a percentage of their annual covered salary. Contributions vary depending on the age and classification at hire date and range from 6.93% to 18.85% of covered payroll. The District is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members averaging an additional 48.78% of covered payroll. The actuarial methods and assumptions used are those adopted by the Association's Board of Retirement. Due to contractual arrangements, the District pays a portion of the required contribution of plan members. The contribution requirements of the plan members are established by State statute and the employer contribution rates are determined by annual actuarial valuations.

**ANNUAL PENSION COST**

The annual pension cost of \$4,365,000 equaled the District's required contribution. The required contributions were determined as part of the June 30, 2012, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.50% investment rate of return (net of administrative expenses) and (b) projected annual salary increases of 3.25%. Both (a) and (b) included an inflation component of 3.25%. The actuarial value of the Association's assets were determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period but within an 80%/120% corridor (smoothed market value). The District's unfunded actuarial accrued liability (or excess assets) is being amortized as a level percentage of projected payroll on an open basis over 17 years.



**NOVATO FIRE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended June 30, 2014**

**NOTE 10 - PENSION PLAN (Continued)**

**THREE-YEAR TREND INFORMATION FOR THE DISTRICT**

Fiscal Year Ending June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2012	\$4,420,000	100%	\$0
2013	4,347,000	100%	0
2014	4,365,000	100%	0

**REQUIRED SUPPLEMENTARY INFORMATION**

Following is a schedule of funding progress (dollars in thousands):

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	(c) Unfunded AAL (UAAL) (b)-(a)	(d) Funded Ratio	(e) Covered Payroll	(f) UAAL as a percentage of Covered Payroll (c)/(e)
6/30/2011	\$106,062	\$136,348	\$30,286	77.8%	\$9,426	321.3%
6/30/2012	109,107	143,051	33,944	76.3%	9,336	363.6%
6/30/2013	115,644	148,259	32,615	78.0%	8,759	372.4%

**PUBLIC EMPLOYEES' PENSION REFORM ACT (PEPRA)**

Assembly Bill 340 (AB 34) created the Public Employees' Pension Reform Act (PEPRA) that implemented new benefit formulas and final compensation periods, as well as new contribution requirements for new employees hired on or after January 1, 2013, who meet the definition of new member under PEPRA.

The table below provides the details of the new provisions.

Benefit Formula	Miscellaneous	Safety
	9.25%	14.75%

**NOVATO FIRE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended June 30, 2014**

<b>NOTE 11 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS</b>
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**PLAN DESCRIPTION**

In accordance with its agreement with the Novato Professional Firefighters Association, the District provides post-retirement health care benefits to its retirees through the Novato Fire Protection District Retiree Health Plan (Plan). The Plan is a single-employer plan for which audited financial statements are not available.

**ELIGIBILITY AND BENEFITS**

The following were eligibility and benefits as of the June 30, 2013 actuarial valuation date:

*Management and Administrative Support Staff*

Management and Administrative Support Staff retiring that terminate service and commence a retirement or disability are eligible. Members must be employed prior to July 1, 2009 to be eligible for tier 1. All members hired after June 30, 2009 are eligible for tier 2. In addition, the member must have been enrolled in the healthcare plan at retirement. Surviving spouses/domestic partners of eligible retirees are eligible for the mandated subsidy only. Surviving spouses/domestic partners of deceased active employees are eligible for the mandated subsidy only if the employee had attained age 55 with ten years of service.

For members under tier 1, the District will pay 100% of single coverage or 83.29% of two person or family coverage. Members under tier 2 may purchase medical insurance through the District in retirement and the District will pay the minimum contribution required under the PEMCHA law.

*Chief Officers Association*

Chief Officers Association members retiring that terminate service commence a retirement or disability are eligible. Members must retire prior to January 1, 2011, to be eligible for tier 1 benefits. Members must be employed prior to July 1, 2009 and retire after December 31, 2010 to be eligible for tier 2, all members hired after June 30, 2009 are eligible for tier 3. In addition, the member must have been enrolled in the healthcare plan at retirement.

**NOVATO FIRE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended June 30, 2014**

**NOTE 11 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (Continued)**

Tier 1 benefits for Chief Officers Association members are listed below:

<u>Position District Pays for:</u>	<u>Medical</u>	<u>Dental</u>	<u>Vision</u>
Fire Chief or Deputy Fire Chief (retired 1992 or later)	100% for retired member and dependents until the death of both parties	100% for retired member and spouse	100% for retired member and spouse
Fire Chief or Deputy Fire Chief (retired 1991 or earlier)	100% for retired member and dependents until the death of both parties	100% for retired member and spouse	0% of premium
Division Chief or Battalion Chief (retired 1992 or later)	100 % of Kaiser-Family rate or 83.29% of higher premium	100% for retired member and spouse	100% for retired member and spouse
Division Chief or Battalion Chief (retired 1991 or earlier)	100% of Kaiser Family rate or 83.29% of higher premium	100% for retired member and spouse	0% of premium

Beginning January 1, 2012, for those under tier 2, the Supplemental Retiree Benefit Allowance paid by the District will decrease by 2.00% until reaching a percentage of 82% for members retiring in 2020. The Supplemental Retiree Benefit Allowance paid by the District is fixed at the rate in effect the year in which the member retires. For example, in the year 2016 the Supplemental Retiree Benefit Allowance paid by the District for retired members will be 90%. Retired members are responsible for paying the difference between the cost of their selected medical insurance premium and the established Supplemental Benefit Allowance Cap. The following table provides the Supplemental Retiree Benefit Allowance percentage paid by the District for retired members medical insurance premiums beginning in 2010 through 2020, when the percentage of 82% is reached.

Members under tier 3 may purchase medical insurance through the District in retirement and the District will pay the minimum contribution required under the PEMHCA law.

**NOVATO FIRE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended June 30, 2014**

**NOTE 11 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (Continued)**

*Firefighters*

Firefighters retiring that terminate service and commence a retirement or disability are eligible. Members must retire prior to December 31, 2010, to be eligible for tier 1 benefits. Members must be employed prior to July 1, 2009 and retire after December 31, 2010 to be eligible for tier 2, all members hired after June 30, 2009 are eligible for tier 3. In addition, the member must have been enrolled in the healthcare plan at retirement.

Surviving spouses/domestic partners of eligible retirees are eligible for the mandated subsidy only. Surviving spouses/domestic partners of deceased active employees are eligible for the mandated subsidy only if the employee had attained age 50 with ten years of service.

Under tier 1, eligible members retired prior to December 31, 2010, the District will pay 100% of single coverage or 83.29% of two person or family coverage.

Under tier 2, beginning January 1, 2011 the District will provide a Supplemental Retiree Benefit Allowance based upon a vesting formula. Each member shall fall into a category below based on current years of service as of July 1, 2010.

Current Years of Service as of July 1, 2010	Vesting Based
0-5	55%
5-10	60%
10-25	65%
15-20	70%
20-25	75%
25-30	80%

Each member shall accrue additional coverage at 0.75% for each year of service. This accrual will be in addition to the vesting base percentage described above. The sum of these two calculations shall be the total percentage of healthcare premium that is paid for by the District covering family, member and spouse or single of the Kaiser HMO Premium to a maximum of 80% on January 1, 2011, 75% on April 1, 2023 and 70% on April 1, 2028.

Members under tier 3 may purchase medical insurance through the District in retirement and the District will pay the minimum contribution required under the PEMHCA law.

**NOVATO FIRE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended June 30, 2014**

**NOTE 11 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (Continued)**

**FUNDING POLICY**

The required contribution rate is based on the annual required contribution (ARC), and amount that is actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the District over a period not to exceed twenty-five years.

**ANNUAL OPEB COST AND NET OPEB OBLIGATION**

During the year ended June 30, 2010, the District began partial pre-funding of the retiree health care liabilities. Previously, only current benefit costs were funded (pay-go funding). In addition to the pay-go contribution of \$886,992, a pre-funding contribution of \$804,048 was made to the CalPERS Trust during fiscal year 2013-14.

Annual required contribution	\$1,446,103
Interest on net OPEB obligation	214,106
Adjustment to annual required contribution	<u>(161,728)</u>
Annual OPEB cost	1,498,481
Contributions made	<u>(1,691,040)</u>
Increase (decrease) in net OPEB obligation	(192,559)
Net OPEB obligation - beginning of the year	<u>2,813,480</u>
Net OPEB obligation - ending of the year	<u><u>\$2,620,921</u></u>

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for 2014 is as follows:

Fiscal Year Ending June 30	Annual OPEB Cost	Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2012	\$1,285,270	\$1,248,545	97%	\$2,840,788
2013	1,285,953	1,313,261	102%	2,813,480
2014	1,498,481	1,691,040	113%	2,620,921

**NOVATO FIRE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended June 30, 2014**

**NOTE 11 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (Continued)**

**FUNDING STATUS AND FUNDING PROGRESS**

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information, presents multiyear trend information that shows whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Following is a schedule of funding progress:

Actuarial Valuation Date	Actuarial Value of Assets	Unfunded AAL(UAAL)	Funded Ratio	Covered Payroll	UAAL as a percentage of Covered Payroll
7/1/2010	\$488,309	\$16,111,288	2.94%	\$8,701,929	185.1%
6/30/2011	954,116	16,751,185	5.39%	8,389,546	199.7%
6/30/2013	1,963,630	13,189,027	12.96%	7,447,000	177.1%

**ACTUARIAL METHODS AND ASSUMPTIONS**

Projections of benefits are based on the types of benefits provided under the substantive plan at the time of each valuation and on the pattern of sharing of benefit costs between the employer and plan members to that point. The projection of benefits for financial reporting purposes do not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future.

The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2013 actuarial valuation, the entry-age actuarial cost method was used. The actuarial assumptions include a 7.61% discount rate assuming the District continues to fully fund for its retiree health benefits through the CERBT under investment Strategy 1 and a general inflation rate of 3.25%. Health care cost trend rate increase was assumed to be 4.5%. The unfunded actuarial liability is being amortized as a level-percent of payroll on a closed basis. The remaining amortization period at June 30, 2013, was seventeen years.

**NOVATO FIRE PROTECTION DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 For the Year Ended June 30, 2014**

**NOTE 12 - RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts, loss or damage to assets, injuries to employees, errors and omissions, for which the District carries commercial insurance or is self-insured up to a certain limit. During the years, the District maintained the following types of insurance: property (\$2,930,622 limit, \$1,000 deductible per occurrence), general liability (\$3,000,000 general aggregate limit), auto (\$1,000,000 limit), workers' compensation, management liability (\$3,000,000 aggregate limit, \$0 deductible), public employee blanket bond (\$250,000 limit, \$0 deductible), commercial excess liability insurance (\$20,000,000 aggregate limit) and pollution insurance policies.

The District is self-insured for potential liabilities arising from workers' compensation claims. Claims in excess of the self-insured retention amount of \$1,250,000 are covered through a third-party insurance policy, subject to a \$25,000,000 limit.

The liability for workers' compensation claims is based on a detailed analysis of reported claims outstanding. In conjunction with its insurance consultants, management estimates the probable total future cost of each reported claim outstanding.

In July 2014 the District joined Fire Agencies Self Insurance System (FASIS) risk pool for worker's compensation for future potential liabilities. This policy covers worker's compensation claims that are filed after June 30, 2014. However, the District is still self-insured for all claims filed before June 30, 2014. The District has begun using actuaries for the District's worker's compensation liability. Using actuarial information has increased the District's Change in Provision for Prior Year Claims for the fiscal year. The District actuarial worker's compensation claims liability is estimated using an 80% confidence level.

There were no settlements in excess of the insurance coverage in any of the three prior fiscal years.

The following schedule presents the changes in the liability for workers' compensation claims:

Balance as of June 30, 2013	\$1,372,821
Change in provision for prior year claims	4,364,962
Claims paid during the year	(773,783)
Balance as of June 30, 2014	4,964,000
Less amount due within 1 year	(730,456)
Amount due after 1 year	\$4,233,544

At June 30, 2014, the District did not record a liability for outstanding claims other than workers' compensation, as it believes the claims were minimal.

**NOVATO FIRE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended June 30, 2014**

**NOTE 13 – JOINT VENTURE**

The District entered into a Joint Powers Agreement in February 1998, establishing the Marin Emergency Radio Authority (the Authority). The Authority is responsible to acquire, construct, and improve a countywide emergency radio system. During the year ended June 30, 1999, the Authority issued Revenue Bonds to be used for the acquisition of the radio system. Of the \$27 million in Revenue Bonds, the District will be responsible for 4.894%, or approximately \$1.3 million. Each year through August 2020, approximately \$104,000 annual payments will be due to the Authority from the District. Including interest and principal, it is anticipated the District’s total obligation over 20 years will be approximately two million dollars.

The financial statements of the Authority are available at the County of Marin office. Unaudited condensed financial information for the Authority is presented below for the year ended June 30, 2014:

Total Assets and Deferred Outflows of Resources	\$17,132,405
Total Liabilities	<u>16,314,651</u>
Net Position	<u><u>\$817,754</u></u>
Total Revenues	\$4,009,670
Total Expenses	<u>5,754,084</u>
Net Increase (Decrease) in Net Position	<u><u>(\$1,744,414)</u></u>

**NOTE 14 - COMMITMENTS AND CONTINGENCIES**

The District’s balance sheet (governmental fund) includes a reserve for encumbrances of \$289,890 to provide for commitments related to unperformed contracts for goods and services.

In November of 2013, a former Chief of the District filed a lawsuit against the District alleging two claims of Defamation, Fraud, Negligent Misrepresentation, and Violation of Government Code 3250, the Firefighter Bill of Rights. The former Chief claimed at least \$2 million in damages. On May 6, 2014, a judge in Marin County Superior Court struck down the two claims of defamation. After having the defamation claims struck, the former Chief decided to drop his suit against the District.

In fiscal year 2014, the District entered into an agreement with D.L. Falk, Construction, Inc. in the amount of \$4,373,000 for the Districts Fire Station 64 project.

On June 10, 2014, the District entered into an agreement with Bank of the West for a loan of \$3,000,000 to partially finance the construction of Novato’s Fire District Fire Station 62. Bank of the West proposes a rate of 1.75% for a 7-year term or 1.9% for a ten-year term. The loan would mature no later than 10 years from the date the transaction closes. Equal payments of principal and interest will be made semi-annually. As of June 30, 2014, the District had not drawn down any funds from this loan. However, the District has begun the construction on the new fire station expending \$525,596 as of June 30, 2014.



**NOVATO FIRE PROTECTION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2014**

**NOTE 14 - COMMITMENTS AND CONTINGENCIES (Continued)**

The District participates in several Federal grant programs. These programs are subject to audits performed by the District's independent accountants in accordance with the provisions of the Federal Single Audit Act of 1984 as amended and applicable State requirements. In addition, these programs are subject to further examination by the grantors and the amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. The District expects such amounts, if any, to be immaterial.

## Required Supplemental Information

NOVATO FIRE PROTECTION DISTRICT  
 BUDGETARY COMPARISON SCHEDULE - GENERAL FUND  
 FOR THE YEAR ENDED JUNE 30, 2014

	Current Year Budget		Actual			Variance with Final Budget Positive (Negative)	
	Original	Final	Revenue and Expenditures	Encumbrances			
				Prior Year Unexpended	Current Year Unexpended		Total
RESOURCES (Inflows):							
Property taxes - secured and unsecured	\$20,482,052	\$20,482,052	\$21,561,012		\$21,561,012	\$1,078,960	
Charges for services	2,392,605	2,392,605	2,552,768		2,552,768	160,163	
Interest income	9,426	9,426	29,114		29,114	19,688	
Intergovernmental	91,247	91,247	116,552		116,552	25,305	
Other	200,459	200,459	557,145		557,145	356,686	
<b>Total Revenues</b>	<b>23,175,789</b>	<b>23,175,789</b>	<b>24,816,591</b>		<b>24,816,591</b>	<b>1,640,802</b>	
APPROPRIATIONS/EXPENDITURES (Outflows):							
Salaries and benefits							
Emergency medical services	6,688,836	6,777,974	6,616,139		6,616,139	161,835	
Fire loss management	901,736	916,677	978,556		978,556	(61,879)	
Operations	9,642,269	9,355,890	8,527,609		8,527,609	828,281	
Organizational resources and support	2,677,773	3,099,773	2,970,877		2,970,877	128,896	
Training	360,790	310,790	184,202		184,202	126,588	
<b>Total salaries and benefits</b>	<b>20,271,404</b>	<b>20,461,104</b>	<b>19,277,383</b>		<b>19,277,383</b>	<b>1,183,721</b>	
Services and supplies:							
Emergency medical services	223,735	223,735	204,559	(\$1,242)	\$8,647	211,964	11,771
Fire loss management	124,140	124,140	51,806	(4,828)	26,187	73,165	50,975
Operations	367,779	117,779	83,548		1,710	85,258	32,521
Organizational resources and support	2,844,970	2,844,970	2,541,096	(109,911)	75,099	2,506,284	338,686
Training	89,470	89,470	75,524	(500)	18,979	94,003	(4,533)
<b>Total services and supplies</b>	<b>3,650,094</b>	<b>3,400,094</b>	<b>2,956,533</b>	<b>(116,481)</b>	<b>130,622</b>	<b>2,970,674</b>	<b>429,420</b>
Capital outlay:							
Organizational resources and support	384,850	644,850	684,160	(173,409)	5,151	515,902	128,948
<b>Total capital outlay</b>	<b>384,850</b>	<b>644,850</b>	<b>684,160</b>	<b>(173,409)</b>	<b>5,151</b>	<b>515,902</b>	<b>128,948</b>
Debt service:							
Principal	588,500	588,500	583,269			583,269	5,231
Interest	92,700	92,700	91,586			91,586	1,114
<b>Total debt service</b>	<b>681,200</b>	<b>681,200</b>	<b>674,855</b>			<b>674,855</b>	<b>6,345</b>
<b>Total Appropriations/Expenditures</b>	<b>24,987,548</b>	<b>25,187,248</b>	<b>23,592,931</b>	<b>(\$289,890)</b>	<b>\$135,773</b>	<b>23,438,814</b>	<b>1,748,434</b>
EXCESS REVENUE OVER (UNDER) APPROPRIATIONS	<u>(\$1,811,759)</u>	<u>(\$2,011,459)</u>	<u>\$1,223,660</u>			<u>\$1,377,777</u>	<u>\$3,389,236</u>

**NOVATO FIRE PROTECTION DISTRICT  
NOTES TO THE REQUIRED SUPPLEMENTAL INFORMATION FOR  
THE YEAR ENDED JUNE 30, 2014**

**1. BUDGETARY BASIS OF PRESENTATION**

The budget included in these financial statements represents the original budget and amendments approved by the Board of Directors. The budgetary basis is the modified accrual basis of accounting with encumbrances included as actual. Accordingly, for the purpose of comparing budgeted expenditures to actual amounts, prior and current year encumbrances have been integrated with the amounts shown on the Statement of Revenues, Expenditures, and Changes in Fund Balances.

Various reclassifications have been made to the actual amounts to conform to classifications included in the budget approved by the Board of Directors.

The legal level of budgetary control attributed to the Board of Directors is considered at the objective or natural classification level, presented as subtotals in the schedule of budget to actual (e.g., total revenue, total salaries and benefits, total services and supplies, etc.).

# Novato Fire Protection District

Statistical Section



# NOVATO FIRE PROTECTION DISTRICT STATISTICS

## Statistical Section Information

This part of the District Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health. The detailed schedules presented in the Statistical Section are grouped into five sections pertaining to financial trends, revenue capacity, debt capacity, demographic and economic information and operating information. In contrast to the financial section, the statistical section information is not subject to independent audit.

**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:

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

**Revenue Capacity** – These schedules contain information to help the reader assess the District's most significant local revenue source, property tax:

1. General Revenues by Source
2. Assessed Value of Taxable Property
3. Secured Assessed Valuation
4. Assessed and Estimated Actual Value of Taxable Property
5. Property Tax Levies and Collections
6. Property Tax Rates, All Overlapping Governments
7. Principal Property Taxpayers

**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:

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

# NOVATO FIRE PROTECTION DISTRICT STATISTICS

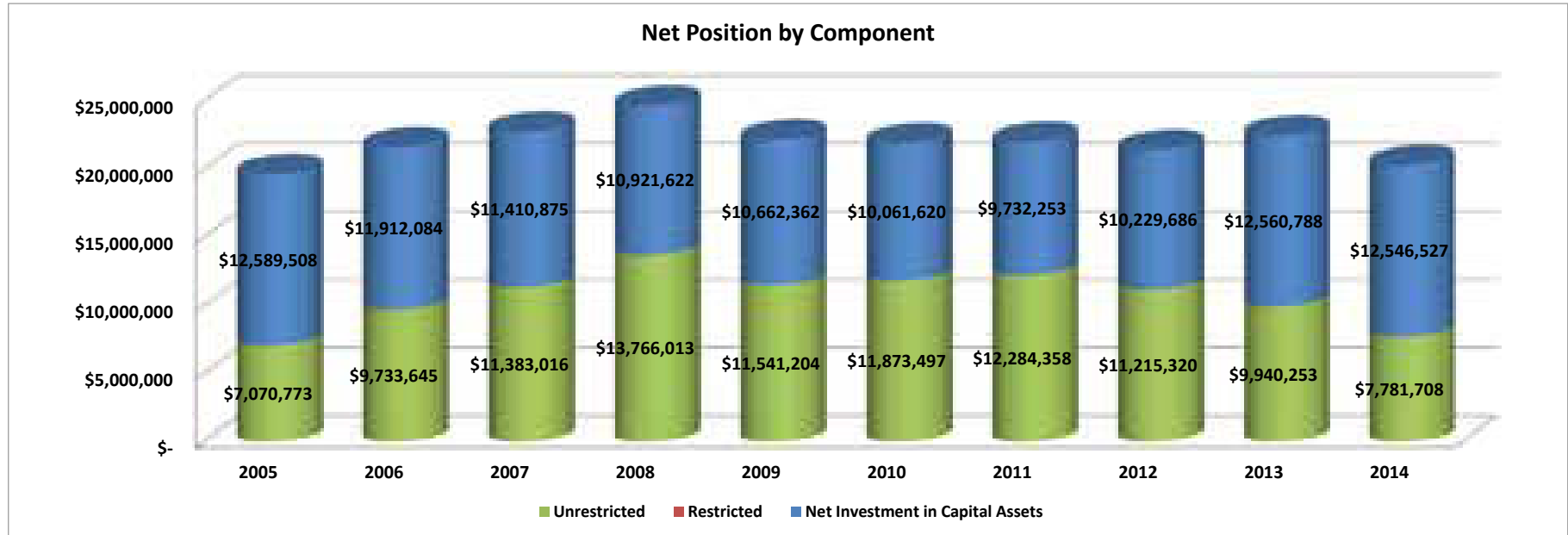
**Demographic and Economic Information** – These schedules offer demographic and economic indicators to help the reader understand the environment within which the District’s financial activities take place:

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

**Operating Information** – These schedules contain data to help the reader understand how the information in the financial reports relates to the services the District provides and the activities it performs:

1. Summary of District Activities
2. Apparatus Inventory
3. Full and Part-time Employees by Function
4. Comparative Annual Graph, Total Responses
5. Emergency Response Category Definitions
6. Emergency Responses by Incident Type
7. Emergency Response Detail Analysis
8. Average Incident Response Time
9. District Response Times
10. Call Frequency Analysis by Station
11. Call Frequency Analysis by Hour
12. Call Frequency Analysis by Month
13. Call Frequency Analysis by Type
14. Fire Loss Management Activities
15. Fire Training Activity (Public Education)
16. Personnel Training Hours Chart
17. Personnel Training Hours, Detail
18. Service Connected Illness/Injury Report

**Novato Fire Protection District  
Net Position by Component  
Last Ten Fiscal Years  
(Accrual Basis of Accounting)**



**Fiscal Year Ended June 30**

	<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>
Governmental Activities										
Net investment in capital assets	\$ 12,589,508	\$ 11,912,084	\$ 11,410,875	\$ 10,921,622	\$ 10,662,362	\$ 10,061,620	\$ 9,732,253	\$ 10,229,686	\$ 12,560,788	\$ 12,546,527
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	<u>7,070,773</u>	<u>9,733,645</u>	<u>11,383,016</u>	<u>13,766,013</u>	<u>11,541,204</u>	<u>11,873,497</u>	<u>12,284,358</u>	<u>11,215,320</u>	<u>9,940,253</u>	<u>7,781,708</u>
Total governmental activities net assets	<u>\$ 19,660,281</u>	<u>\$ 21,645,729</u>	<u>\$ 22,793,891</u>	<u>\$ 24,687,635</u>	<u>\$ 22,203,566</u>	<u>\$ 21,935,117</u>	<u>\$ 22,016,611</u>	<u>\$ 21,445,006</u>	<u>\$ 22,501,041</u>	<u>\$ 20,328,235</u>

Source: Novato Fire Protection District audited financial statements as restated, if applicable



Novato Fire Protection District  
Changes in Net Position  
Last Ten Fiscal Years  
(Accrual Basis of Accounting)

	<u>Fiscal Year Ended June 30</u>				
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Expenses					
Governmental Activities					
Public Safety					
Emergency Medical Services	\$ 5,980,906	\$ 6,032,953	\$ 6,469,619	\$ 6,576,005	\$ 7,347,578
Fire Loss Management	808,538	805,422	757,117	766,523	1,061,040
Operations	6,830,751	7,344,951	9,276,294	10,158,796	12,230,966
Organizational Resources & Support	3,547,335	3,246,362	3,342,553	3,874,173	4,634,295
Training	242,809	268,757	501,840	527,477	697,271
Interest on long term debt	95,416	93,529	108,461	134,585	147,426
Total Governmental Activities Expenses	<u>17,505,755</u>	<u>17,791,974</u>	<u>20,455,884</u>	<u>22,037,559</u>	<u>26,118,576</u>
Program Revenues					
Governmental Activities					
Charges for services					
Emergency Medical Services	1,687,512	2,034,081	1,878,604	1,739,845	1,645,048
Fire Loss Management	139,834	108,341	54,522	50,517	85,785
Operations	192,567	91,435	464,500	735,709	876,482
Organizational Resources & Support	-	-	20,728	79,279	117,141
Training	5,751	8,225	8,475	9,661	6,262
Operating grants and contributions					
Fire Loss Management	-	11,599	-	-	-
Operations	-	-	-	-	-
Capital grants and contributions					
Organizational Resources & Support	320,006	279,471	124,777	93,974	27,739
Total Governmental Activities Program Revenues	<u>2,345,670</u>	<u>2,533,152</u>	<u>2,551,606</u>	<u>2,708,985</u>	<u>2,758,457</u>
Net (Expense) / Revenue					
Governmental Activities Net (Expense) / Revenue	<u>(15,160,085)</u>	<u>(15,258,822)</u>	<u>(17,904,278)</u>	<u>(19,328,574)</u>	<u>(23,360,119)</u>
General Revenues and Other Changes in Net Position					
Governmental Activities					
Property taxes	15,842,225	16,857,570	18,385,890	20,495,437	20,366,923
Investment earnings	111,357	246,979	505,782	571,587	313,072
Grants not restricted to specific programs	105,835	105,772	108,701	107,148	107,565
Miscellaneous	101,546	33,949	52,067	48,146	88,490
Total Governmental Activities General Revenues	<u>16,160,963</u>	<u>17,244,270</u>	<u>19,052,440</u>	<u>21,222,318</u>	<u>20,876,050</u>
Changes in Net Position					
Governmental Activities Changes in Net Position	<u>\$ 1,000,878</u>	<u>\$ 1,985,448</u>	<u>\$ 1,148,162</u>	<u>\$ 1,893,744</u>	<u>\$ (2,484,069)</u>

(Continued)

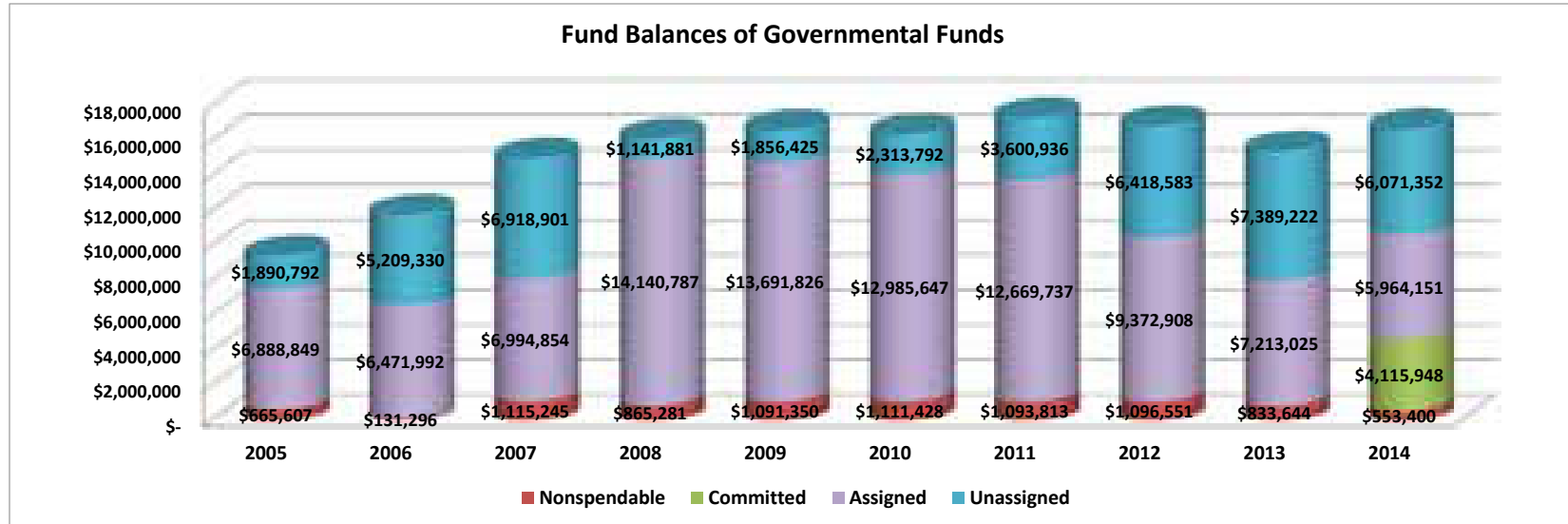
Source: Novato Fire Protection District audited financial statements as restated, if applicable

Novato Fire Protection District  
Changes in Net Position  
Last Ten Fiscal Years  
(Accrual Basis of Accounting)

(Continued)	<u>Fiscal Year Ended June 30</u>				
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Expenses					
Governmental Activities					
Public Safety					
Emergency Medical Services	\$ 6,414,578	\$ 5,963,435	\$ 6,134,622	\$ 5,989,297	\$ 6,825,460
Fire Loss Management	679,312	700,917	721,211	903,791	1,030,362
Operations	10,521,052	10,559,537	10,695,745	9,666,919	12,395,749
Organizational Resources & Support	4,443,688	4,765,194	5,222,395	5,821,370	6,491,194
Training	578,193	645,603	605,719	477,324	259,977
Interest on long term debt	137,946	127,164	124,200	100,698	91,586
Total Governmental Activities Expenses	<u>22,774,769</u>	<u>22,761,850</u>	<u>23,503,892</u>	<u>22,959,399</u>	<u>27,094,328</u>
Program Revenues					
Governmental Activities					
Charges for services					
Emergency Medical Services	1,986,620	2,030,507	2,336,029	2,385,637	2,402,208
Fire Loss Management	60,622	58,358	43,803	53,377	56,437
Operations	282,250	24,415	89,631	266,420	290,304
Organizational Resources & Support	215,528	178,769	79,376	77,839	294,510
Training	10,317	7,756	3,780	2,220	2,550
Operating grants and contributions					
Fire Loss Management	-	-	-	-	-
Operations	-	-	-	-	-
Capital grants and contributions					
Organizational Resources & Support	97,348	184,831	222,668	1,050,570	36,800
Total Governmental Activities Program Revenues	<u>2,652,685</u>	<u>2,484,636</u>	<u>2,775,287</u>	<u>3,836,063</u>	<u>3,082,809</u>
Net (Expense) / Revenue					
Governmental Activities Net (Expense) / Revenue	<u>(20,122,084)</u>	<u>(20,277,214)</u>	<u>(20,728,605)</u>	<u>(19,123,336)</u>	<u>(24,011,519)</u>
General Revenues and Other Changes in Net Position					
Governmental Activities					
Property taxes	19,578,876	20,077,824	19,958,352	19,998,893	21,560,994
Investment earnings	152,546	90,190	52,838	29,602	29,114
Grants not restricted to specific programs	97,428	96,502	94,786	91,247	90,076
Miscellaneous	24,785	94,192	51,024	59,629	158,529
Total Governmental Activities General Revenues	<u>19,853,635</u>	<u>20,358,708</u>	<u>20,157,000</u>	<u>20,179,371</u>	<u>21,838,713</u>
Changes in Net Position					
Governmental Activities Changes in Net Position	<u>\$ (268,449)</u>	<u>\$ 81,494</u>	<u>\$ (571,605)</u>	<u>\$ 1,056,035</u>	<u>\$ (2,172,806)</u>

Source: Novato Fire Protection District audited financial statements as restated, if applicable

**Novato Fire Protection District  
Fund Balances of Governmental Funds  
Last Ten Fiscal Years  
(Modified Accrual Basis of Accounting)**



**Fiscal Year Ended June 30**

	<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>
<b>General Fund</b>										
Nonspendable	\$ 665,607	\$ 131,296	\$ 1,115,245	\$ 865,281	\$ 1,091,350	\$ 1,111,428	\$ 1,093,813	\$ 1,096,551	\$ 833,644	\$ 553,400
Committed	-	-	-	-	-	-	-	-	-	4,115,948
Assigned	6,888,849	6,471,992	6,994,854	14,140,787	13,691,826	12,985,647	12,669,737	9,372,908	7,213,025	5,964,151
Unassigned	1,890,792	5,209,330	6,918,901	1,141,881	1,856,425	2,313,792	3,600,936	6,418,583	7,389,222	6,071,352
<b>Total General Fund</b>	<u>\$ 9,445,248</u>	<u>\$ 11,812,618</u>	<u>\$ 15,029,000</u>	<u>\$ 16,147,949</u>	<u>\$ 16,639,601</u>	<u>\$ 16,410,867</u>	<u>\$ 17,364,486</u>	<u>\$ 16,888,042</u>	<u>\$ 15,435,891</u>	<u>\$ 16,704,851</u>
<b>All Other Governmental Funds</b>										
Nonspendable	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
<b>Total All Other Governmental Funds</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

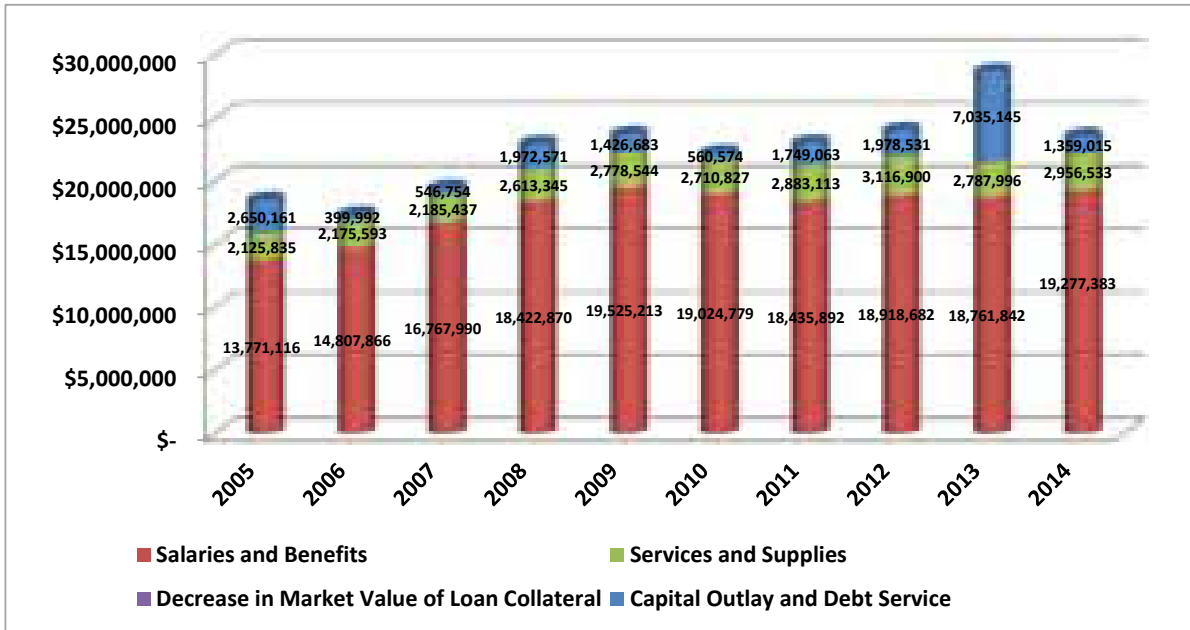
Source: Novato Fire Protection District audited financial statements as restated, if applicable

Novato Fire Protection District  
Changes in Fund Balances of Governmental Funds  
Last Ten Fiscal Years  
(Modified Accrual Basis of Accounting)

	<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>
Revenues										
Property taxes	\$ 15,859,312	\$ 16,875,188	\$ 18,343,495	\$ 20,524,997	\$ 20,363,987	\$ 19,586,946	\$ 20,082,534	\$ 19,947,983	\$ 19,999,008	\$ 21,561,012
Charges for services	1,755,363	2,110,327	1,962,411	1,852,664	2,072,509	1,740,789	2,397,589	2,707,045	2,506,149	2,552,768
Interest income	111,357	246,979	505,782	571,587	313,072	152,546	90,190	52,838	29,603	29,114
Intergovernmental	278,054	204,907	573,201	842,857	984,047	454,864	349,183	307,825	1,084,338	116,552
Miscellaneous	<u>421,552</u>	<u>313,420</u>	<u>176,844</u>	<u>142,120</u>	<u>116,229</u>	<u>132,301</u>	<u>102,191</u>	<u>147,064</u>	<u>362,140</u>	<u>557,145</u>
Total Revenues	<u>18,425,638</u>	<u>19,750,821</u>	<u>21,561,733</u>	<u>23,934,225</u>	<u>23,849,844</u>	<u>22,067,446</u>	<u>23,021,687</u>	<u>23,162,755</u>	<u>23,981,238</u>	<u>24,816,591</u>
Expenditures										
Current - Public Safety:										
Salaries and benefits	13,771,116	14,807,866	16,767,990	18,422,870	19,525,214	19,024,779	18,435,892	18,918,682	18,761,842	19,277,383
Services and supplies	2,125,835	2,175,593	2,185,437	2,613,345	2,778,544	2,710,827	2,883,113	3,116,900	2,787,996	2,956,533
Decrease in market value of loan collateral	-	-	-	-	-	-	-	-	170,777	-
Capital outlay	2,502,393	252,223	315,679	1,641,594	1,022,541	156,433	344,922	1,563,488	4,310,712	684,160
Debt service:										
Principal	52,352	54,240	122,614	196,392	256,716	266,195	276,977	290,843	2,623,735	583,269
Interest	<u>95,416</u>	<u>93,529</u>	<u>108,461</u>	<u>134,585</u>	<u>147,426</u>	<u>137,946</u>	<u>127,164</u>	<u>124,200</u>	<u>100,698</u>	<u>91,586</u>
Total Expenditures	<u>18,547,112</u>	<u>17,383,451</u>	<u>19,500,181</u>	<u>23,008,786</u>	<u>23,730,441</u>	<u>22,296,180</u>	<u>22,068,068</u>	<u>24,014,113</u>	<u>28,755,760</u>	<u>23,592,931</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(121,474)</u>	<u>2,367,370</u>	<u>2,061,552</u>	<u>925,439</u>	<u>119,403</u>	<u>(228,734)</u>	<u>953,619</u>	<u>(851,358)</u>	<u>(4,774,522)</u>	<u>1,223,660</u>
Other Financing Sources (Uses)										
Issuance of debt from capital lease transaction	-	-	1,154,830	193,510	372,249	-	-	341,694	1,101,832	-
Issuance of debt	-	-	-	-	-	-	-	-	2,135,691	-
Sales of assets	-	-	-	-	-	-	-	33,220	84,848	45,300
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>1,154,830</u>	<u>193,510</u>	<u>372,249</u>	<u>-</u>	<u>-</u>	<u>374,914</u>	<u>3,322,371</u>	<u>45,300</u>
Net Change in Fund Balances	<u>\$ (121,474)</u>	<u>\$ 2,367,370</u>	<u>\$ 3,216,382</u>	<u>\$ 1,118,949</u>	<u>\$ 491,652</u>	<u>\$ (228,734)</u>	<u>\$ 953,619</u>	<u>\$ (476,444)</u>	<u>\$ (1,452,151)</u>	<u>\$ 1,268,960</u>
Debt Service as a Percentage of Noncapital Expenditures	0.9%	0.9%	1.2%	1.5%	1.8%	1.8%	1.9%	1.8%	11.1%	2.9%

Source: Novato Fire Protection District audited financial statements as restated, if applicable

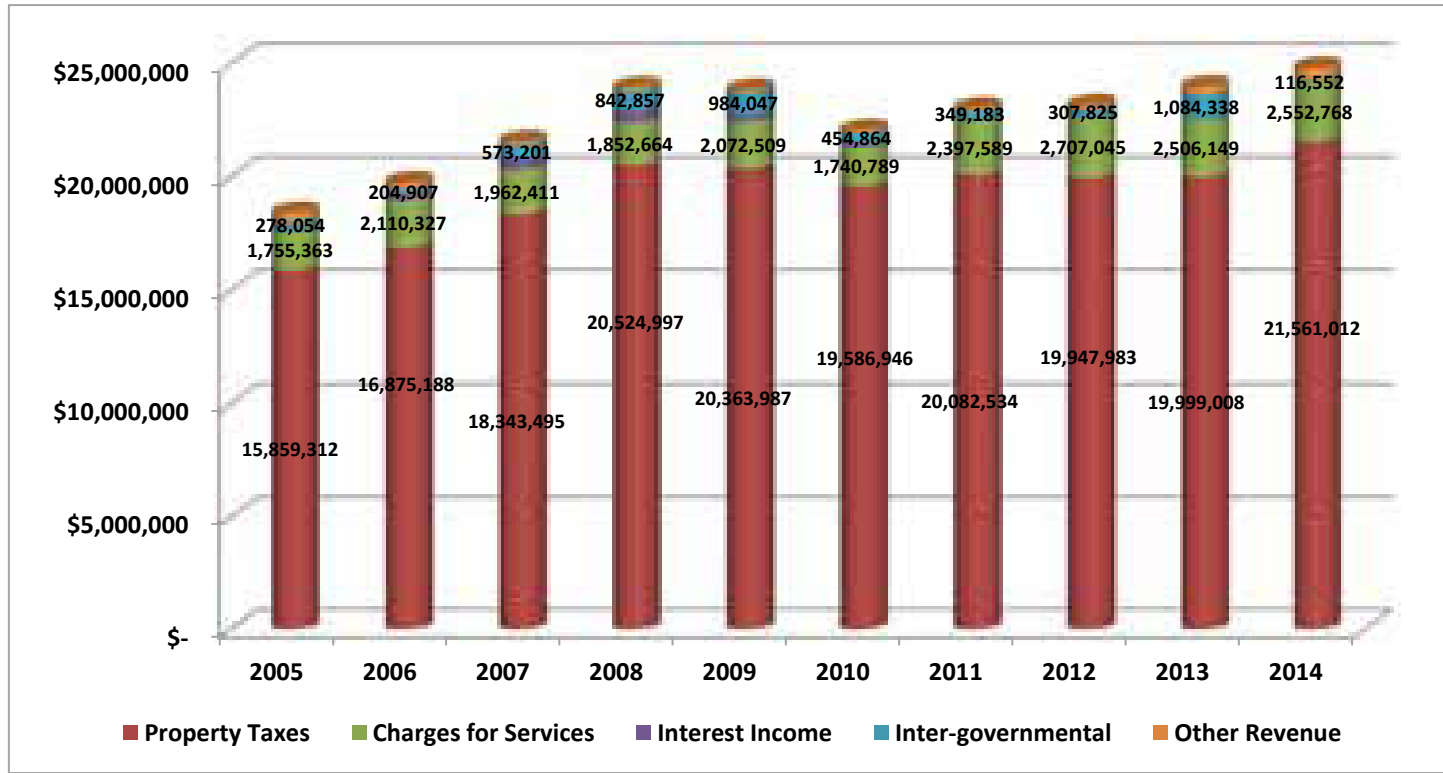
**Novato Fire Protection District  
Expenditures By Function  
Last Ten Fiscal Years  
(Modified Accrual Basis of Accounting)**



Fiscal Year Ended June 30	Salaries and Benefits	Services and Supplies	Decrease in Market Value of Loan Collateral	Capital Outlay and Debt Service	Total
2005	\$ 13,771,116	\$ 2,125,835	\$ -	\$ 2,650,161	\$ 18,547,112
2006	14,807,866	2,175,593	-	399,992	17,383,451
2007	16,767,990	2,185,437	-	546,754	19,500,181
2008	18,422,870	2,613,345	-	1,972,571	23,008,786
2009	19,525,213	2,778,544	-	1,426,683	23,730,440
2010	19,024,779	2,710,827	-	560,574	22,296,180
2011	18,435,892	2,883,113	-	1,749,063	23,068,068
2012	18,918,682	3,116,900	-	1,978,531	24,014,113
2013	18,761,842	2,787,996	170,777	7,035,145	28,755,760
2014	19,277,383	2,956,533	-	1,359,015	23,592,931

Source: Novato Fire Protection District audited financial statements as restated, if applicable

**Novato Fire Protection District  
General Revenues By Source  
Last Ten Fiscal Years  
(Modified Accrual Basis of Accounting)**



Fiscal Year Ended June 30	Property Taxes	Charges for Services	Interest Income	Inter-governmental	Other Revenue	Total
2005	\$ 15,859,312	\$ 1,755,363	\$ 111,357	\$ 278,054	\$ 421,552	\$ 18,425,638
2006	16,875,188	2,110,327	246,979	204,907	313,420	19,750,821
2007	18,343,495	1,962,411	505,782	573,201	176,844	21,561,733
2008	20,524,997	1,852,664	571,587	842,857	142,120	23,934,225
2009	20,363,987	2,072,509	313,072	984,047	116,229	23,849,844
2010	19,586,946	1,740,789	152,546	454,864	132,301	22,067,446
2011	20,082,534	2,397,589	90,190	349,183	102,191	23,021,687
2012	19,947,983	2,707,045	52,838	307,825	147,064	23,162,755
2013	19,999,008	2,506,149	29,603	1,084,338	362,140	23,981,238
2014	21,561,012	2,552,768	29,114	116,552	557,145	24,816,591

Source: Novato Fire Protection District audited financial statements as restated, if applicable

**Novato Fire Protection District  
Assessed Value of Taxable Property  
Last Ten Fiscal Years**

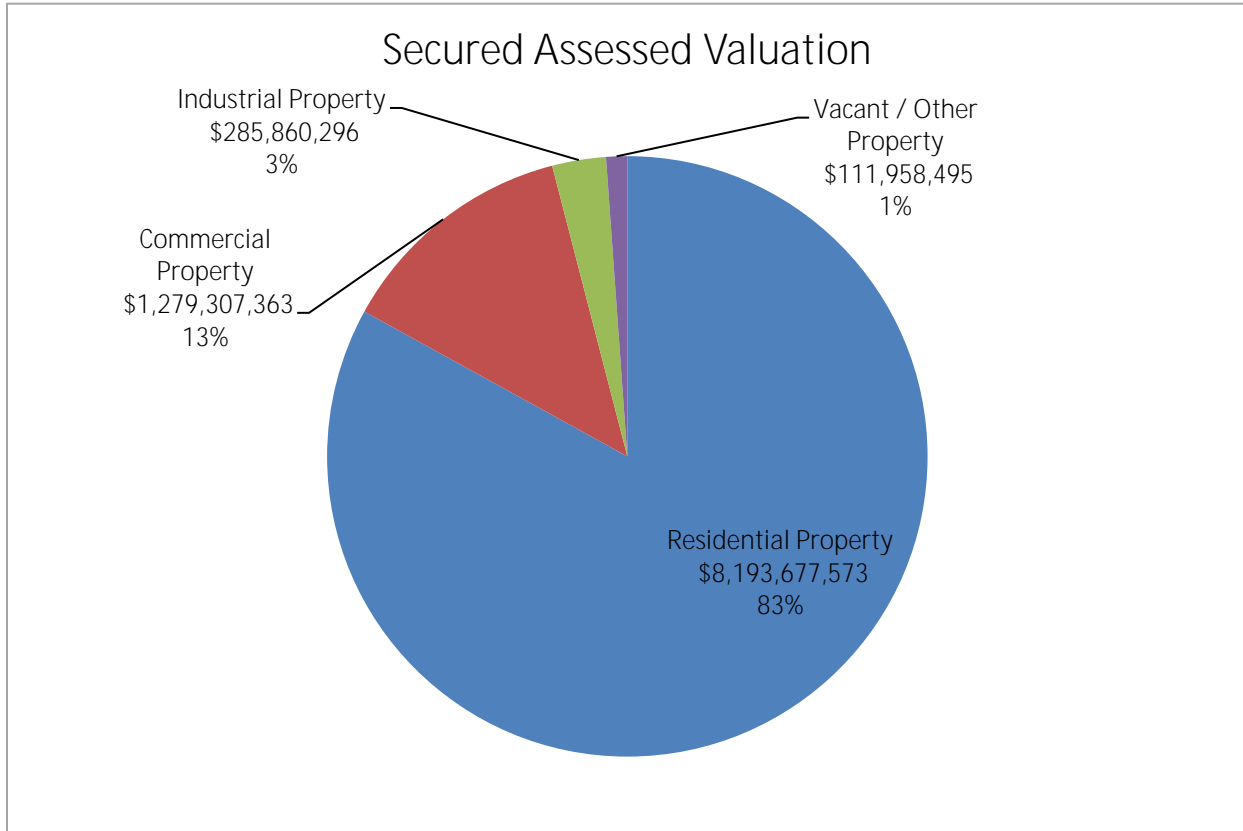


Fiscal Year	Local Secured	Utility	Unsecured	Total Assessed Value	Total Direct Tax Rate (1)
2005	\$ 7,435,327,208	\$ 2,129,938	\$ 298,916,894	\$ 7,736,374,040	1.00%
2006	8,190,314,687	2,129,938	309,524,535	8,501,969,160	1.00%
2007	9,143,820,588	2,129,938	295,087,617	9,441,038,143	1.00%
2008	9,811,066,105	2,129,938	269,701,502	10,082,897,545	1.00%
2009	10,151,650,276	1,076,288	269,851,009	10,422,577,573	1.00%
2010	9,897,874,531	1,076,288	299,425,424	10,198,376,243	1.00%
2011	9,748,163,343	1,076,288	312,818,366	10,062,057,997	1.00%
2012	9,627,705,724	1,571,094	315,996,135	9,945,272,953	1.00%
2013	9,503,198,165	950,235	301,852,222	9,806,000,622	1.00%
2014	9,870,803,727	950,235	279,698,868	10,151,452,830	1.00%

(1) California cities do not set their own direct tax rate. The state constitution establishes the tax rate at 1.00% and allocates a portion of that amount by an annual calculation, to all taxing entities within a tax rate area.

Sources: County of Marin Department of Finance and California Municipal Statistics, Inc

Novato Fire Protection District  
 Secured Assessed Valuation  
 Fiscal Year 2013 - 2014

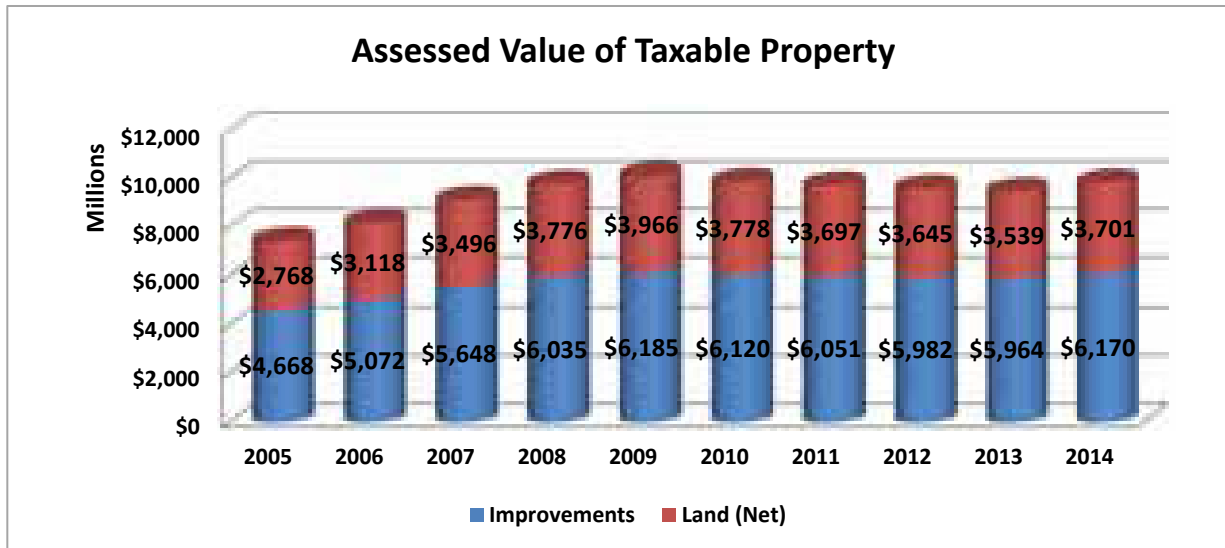


Residential Property	Commercial Property	Industrial Property	Vacant / Other Property	Total Secured Property
\$ 8,193,677,573	\$ 1,279,307,363	\$ 285,860,296	\$ 111,958,495	\$ 9,870,803,727

Source: California Municipal Statistics, Inc



**Novato Fire Protection District**  
**Assessed and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**



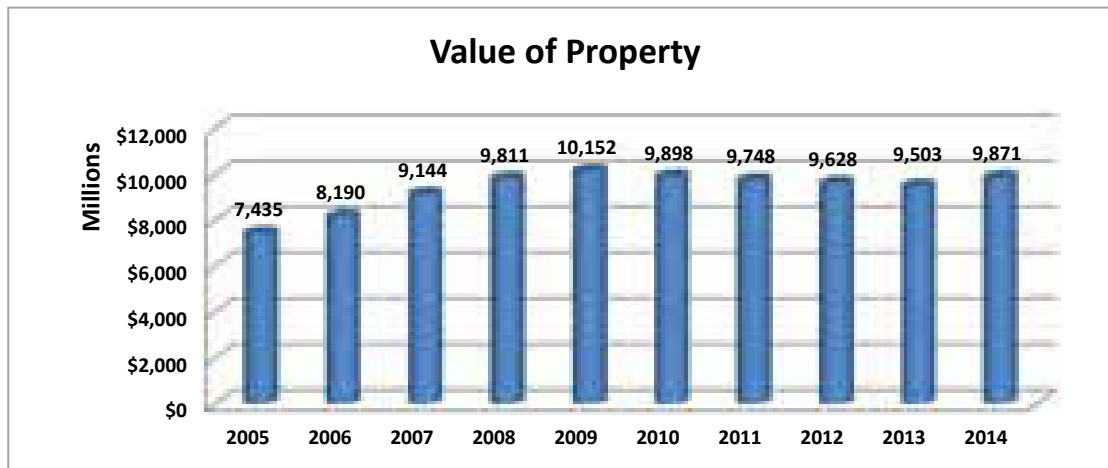
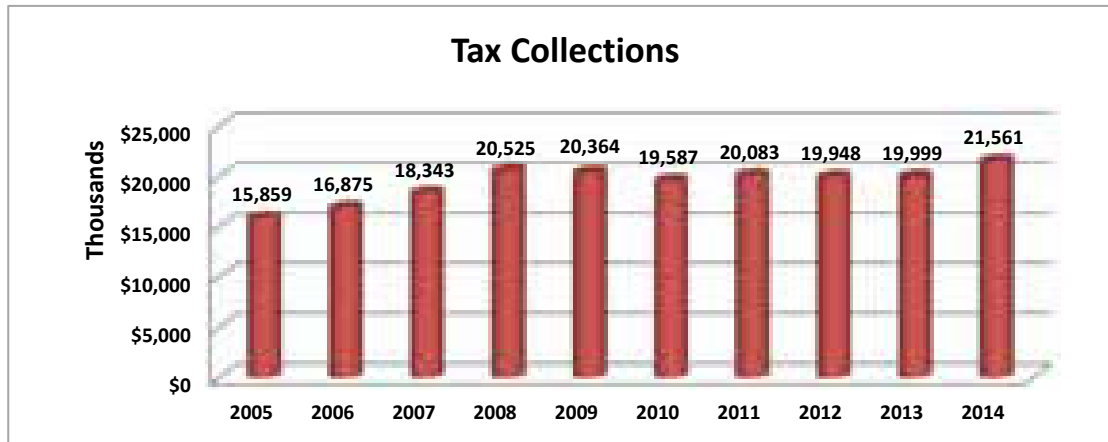
Fiscal Year	Land	Improvements	Other	Exemptions	Total Secured Assessed Value
2005	\$ 3,054,706,775	\$ 4,639,988,594	\$ 27,546,948	\$ (286,915,109)	\$ 7,435,327,208
2006	3,433,995,461	5,031,740,421	40,286,173	(315,707,368)	8,190,314,687
2007	3,905,730,959	5,602,309,496	45,632,634	(409,852,501)	9,143,820,588
2008	4,223,446,020	5,964,584,491	70,072,181	(447,036,587)	9,811,066,105
2009	4,424,642,469	6,115,549,738	69,872,235	(458,414,166)	10,151,650,276
2010	4,246,559,817	6,015,655,951	104,389,336	(468,730,573)	9,897,874,531
2011	4,163,485,840	5,938,497,151	112,224,015	(466,043,663)	9,748,163,343
2012	4,126,115,560	5,873,572,572	108,857,458	(480,839,866)	9,627,705,724
2013	4,049,270,620	5,851,311,686	112,761,491	(510,145,632)	9,503,198,165
2014	4,243,415,593	6,058,929,869	111,081,433	(542,623,168)	9,870,803,727

Fiscal Year	Total Secured Assessed Value	Utility	Unsecured Property	Total Assessed Value	Estimated Market Value (1)
2005	\$ 7,435,327,208	\$ 2,129,938	\$ 298,916,894	\$ 7,736,374,040	\$ 7,736,374,040
2006	8,190,314,687	2,129,938	309,524,535	8,501,969,160	8,501,969,160
2007	9,143,820,588	2,129,938	295,087,617	9,441,038,143	9,441,038,143
2008	9,811,066,105	2,129,938	269,701,502	10,082,897,545	10,082,897,545
2009	10,151,650,276	1,076,288	269,851,009	10,422,577,573	10,422,577,573
2010	9,897,874,531	1,076,288	299,425,424	10,198,376,243	10,198,376,243
2011	9,748,163,343	1,076,288	312,818,366	10,062,057,997	10,062,057,997
2012	9,627,705,724	1,571,094	315,996,135	9,945,272,953	9,945,272,953
2013	9,503,198,165	950,235	301,852,222	9,806,000,622	9,806,000,622
2014	9,870,803,727	950,235	279,698,868	10,151,452,830	10,151,452,830

Sources: County of Marin Department of Finance and California Municipal Statistics, Inc

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

**Novato Fire Protection District  
Property Tax Levies and Collections  
Last Ten Fiscal Years**

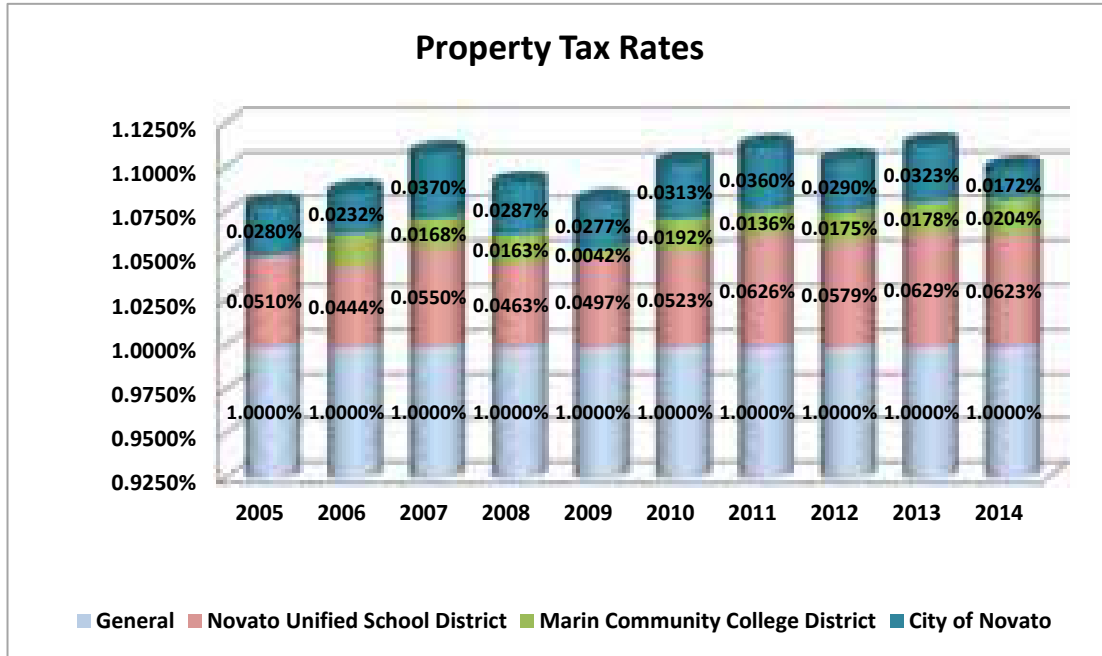


<b>Fiscal Year Ended June 30</b>	<b>Total Tax Levy</b>	<b>Current Tax Collections</b>	<b>Percent of Levy Collected</b>	<b>Value of Property Subject to Local Tax Rate</b>
2005	\$ 15,859,312	\$ 15,859,312	100.0%	\$ 7,435,327,208
2006	16,875,188	16,875,188	100.0%	8,190,314,687
2007	18,343,495	18,343,495	100.0%	9,143,820,588
2008	20,524,997	20,524,997	100.0%	9,811,066,105
2009	20,363,987	20,363,987	100.0%	10,151,650,276
2010	19,586,946	19,586,946	100.0%	9,897,874,531
2011	20,082,534	20,082,534	100.0%	9,748,163,343
2012	19,947,983	19,947,983	100.0%	9,627,705,724
2013	19,999,008	19,999,008	100.0%	9,503,198,165
2014	21,561,012	21,561,012	100.0%	9,870,803,727

Note: In 1993, the District entered into an agreement (commonly known as the Teeter Plan) with the County of Marin. Under the Teeter Plan, the District receives 100% of the secured property taxes billed each year without regard to delinquencies. In consideration, the District gives the County of Marin its rights to penalties and interest on delinquent property tax receivables and actual proceeds collected.

Sources: County of Marin Auditor Controller and California Municipal Statistics, Inc

**Novato Fire Protection District  
Property Tax Rates  
All Overlapping Governments  
Last Ten Fiscal Years**



Fiscal Year Ended June 30	General	Novato Unified School District	Marin Community College District	City of Novato	Total
2005	1.0000%	0.0510%	0.0000%	0.0280%	1.0790%
2006	1.0000%	0.0444%	0.0188%	0.0232%	1.0864%
2007	1.0000%	0.0550%	0.0168%	0.0370%	1.1088%
2008	1.0000%	0.0463%	0.0163%	0.0287%	1.0913%
2009	1.0000%	0.0497%	0.0042%	0.0277%	1.0816%
2010	1.0000%	0.0523%	0.0192%	0.0313%	1.1028%
2011	1.0000%	0.0626%	0.0136%	0.0360%	1.1122%
2012	1.0000%	0.0579%	0.0175%	0.0290%	1.1044%
2013	1.0000%	0.0629%	0.0178%	0.0323%	1.1130%
2014	1.0000%	0.0623%	0.0204%	0.0172%	1.0999%

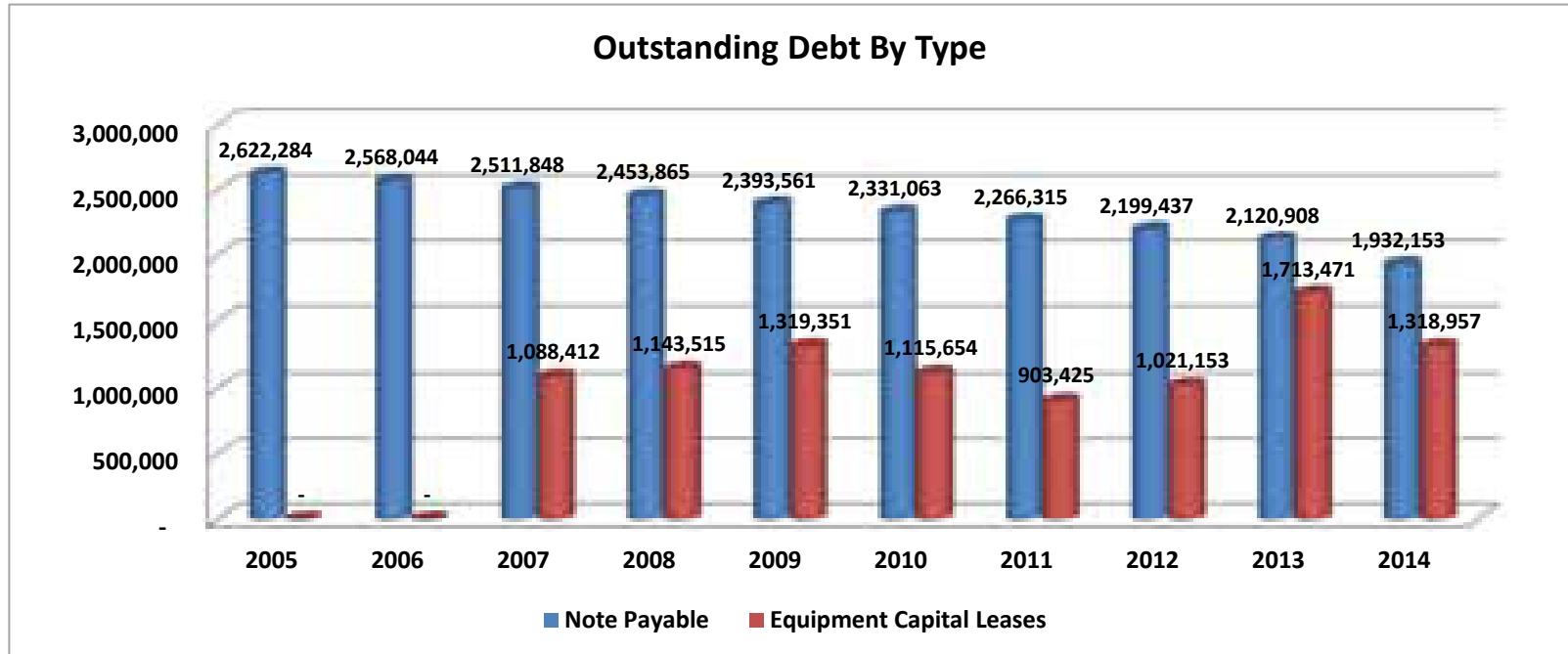
Source: California Municipal Statistics, Inc

Novato Fire Protection District  
Principal Property Taxpayers  
Current Year and Nine Years Ago

Property Taxpayer	Fiscal Year 2013/2014			Fiscal Year 2004/2005		
	Assessed Valuation	Rank	Percent of Assessed Valuation	Assessed Valuation	Rank	Percent of Assessed Valuation
Novato FF Property LLC	\$ 132,000,000	1	1.34%	\$ -		0.00%
Biomarin Pharmaceutical Inc.	95,452,685	2	0.97%	-		0.00%
Hamilton Marin LLC	94,437,619	3	0.96%	41,294,627	6	0.49%
Steven J. Scarpa	67,536,121	4	0.68%	-		0.00%
JCC Cal Properties LLC	59,226,274	5	0.60%	48,890,459	5	0.59%
Contesta Novato Investors LLC	46,155,000	6	0.47%	-		0.00%
Sutter Health	44,140,738	7	0.45%	-		0.00%
Hamilton Marketplace LLC	38,312,128	8	0.39%	-		0.00%
Redwood Landfill Inc.	33,996,165	9	0.34%	23,634,595	11	0.28%
Professional Investors Security Fund	31,556,756	10	0.32%	28,579,397	8	0.34%
Condiotti Enterprises Inc.	28,966,843	11	0.29%	25,590,859	10	0.31%
Karen Pell 2011 Revocable Trust	26,560,000	12	0.27%	-		0.00%
Novato Fair Shopping Center LLC	25,419,574	13	0.26%	22,385,940	14	0.27%
BPG-Rock Rowland LLC	25,326,101	14	0.26%	-		0.00%
Lexington Wood Hollow	23,700,000	15	0.24%	39,780,000	7	0.48%
Bayview Ignacio LLC	23,504,211	16	0.24%	20,764,771	15	0.25%
ARV Assisted Living Inc	20,818,366	17	0.21%	-		0.00%
Nave Brothers	19,796,526	18	0.20%	-		0.00%
Costco Wholesale Corp.	19,147,356	19	0.19%	-		0.00%
CA-Woodside Office Center Office	19,000,000	20	0.19%	-		0.00%
San Marin Assurance Co Inc	-		0.00%	108,750,000	1	1.30%
Buck Center for Research	-		0.00%	60,770,361	2	0.73%
Novato Community Hospital	-		0.00%	60,580,606	3	0.73%
W.H. McVay Trust	-		0.00%	50,979,165	4	0.61%
Riggs & Co Trust	-		0.00%	28,397,891	9	0.34%
Karen & Debra Pell	-		0.00%	23,500,000	12	0.28%
C B Ventures Napa II LLC	-		0.00%	22,750,000	13	0.27%
Fairfield Wyndover LP	-		0.00%	20,455,386	16	0.24%
Novato Senior Village LP	-		0.00%	18,234,500	17	0.22%
Woodside Office Center LLC	-		0.00%	17,475,250	18	0.21%
California Newspapers	-		0.00%	15,551,171	19	0.19%
Davidon Homes	-		0.00%	15,517,190	20	0.19%
<b>Total</b>	<b>\$ 875,052,463</b>		<b>8.87%</b>	<b>\$ 693,882,168</b>		<b>8.32%</b>

Sources: California Municipal Statistics, Inc and ParcelQuest

**Novato Fire Protection District  
Ratio of Outstanding Debt By Type  
Last Ten Fiscal Years**



Fiscal Year	Note Payable	Equipment Capital Leases	Total Primary Government	Total Personal Income	Percentage of		Per Capita
					Personal Income	Total Population	
2005	\$ 2,622,284	\$ -	\$ 2,622,284	\$ 2,385,142,799	0.11%	62,173	\$ 42.18
2006	2,568,044	-	2,568,044	2,506,264,644	0.10%	62,842	\$ 40.87
2007	2,511,848	1,088,412	3,600,260	2,683,395,575	0.13%	64,435	\$ 55.87
2008	2,453,865	1,143,515	3,597,380	2,815,131,944	0.13%	64,817	\$ 55.50
2009	2,393,561	1,319,351	3,712,912	2,842,444,143	0.13%	65,043	\$ 57.08
2010	2,331,063	1,115,654	3,446,717	2,793,075,189	0.12%	65,579	\$ 52.56
2011	2,266,315	903,425	3,169,740	2,807,032,380	0.11%	64,293	\$ 49.30
2012	2,199,437	1,021,153	3,220,590	2,735,553,480	0.12%	64,460	\$ 49.96
2013	2,120,908	1,713,471	3,834,379	2,881,513,712	0.13%	64,592	\$ 59.36
2014	1,932,153	1,318,957	3,251,110	2,897,470,800	0.11%	65,100	\$ 49.94

Sources: Novato Fire Protection District audited financial statements and California Department of Finance

Novato Fire Protection District  
 Computation of Direct and Overlapping Debt  
 June 30, 2014

2013 / 14 Assessed Valuation                      \$ 10,151,452,830

	Total Debt 6/30/2014	Percentage Applicable (1)	District's Share of Debt 6/30/2014
<u>OVERLAPPING TAX AND ASSESSMENT DEBT</u>			
Marin Community College District	\$ 220,770,000	17.284%	\$ 38,157,887
Sonoma County Joint Community College District	174,720,000	0.014%	24,461
Novato Unified School District	87,310,000	99.996%	87,306,508
Petaluma City Joint Union High School District	26,847,832	0.095%	25,505
City of Novato	14,555,000	100.000%	14,555,000
City of Novato Community Facilities District No. 1	16,810,000	100.000%	16,810,000 (2)
City of Novato Community Facilities District No. 1994-1	13,094,690	100.000%	13,094,690
City of Novato Community Facilities District No. 2002-1	10,070,000	100.000%	10,070,000
City of Novato Community Facilities District No. 2014-1	345,000	100.000%	345,000
City of Novato 1915 Act Bonds	1,020,000	100.000%	1,020,000
Novato Sanitary District Assessment District No. 2000-1	1,155,000	100.000%	1,155,000
Bel Marin Keys Community Services District Community Facilities District No. 2001-1	4,735,000	100.000%	4,735,000 (2)
Marin County Open Space Assessment Districts	320,492	100.000%	320,492
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$ 187,619,543
<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT</u>			
Marin County General Fund Obligations	\$ 71,687,267	17.271%	\$ 12,381,108
Marin County Pension Obligations	106,085,000	17.271%	18,321,940
Marin Community College District General Fund Obligations	2,675,834	17.284%	462,491
Sonoma County Joint Community College District General Fund Obligations	1,715,000	0.014%	240
Petaluma Joint Union High School District Certificates of Participation	6,615,000	0.095%	6,284
City of Novato General Fund Obligations	1,496,183	100.000%	1,496,183
City of Novato Pension Obligations	17,421,066	100.000%	17,421,066
Marin Emergency Radio Authority General Fund Obligations	701,470	100.000%	701,470 (3)
Novato Fire Protection District Notes Payable	1,932,153	100.000%	1,932,153
Novato Fire Protection District Lease Purchase Obligations	1,318,957	100.000%	1,318,957
Other Special District General Fund Obligations	169,271	17.271%	29,235
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$ 54,071,127
<u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency):</u>	\$ 44,575,000	100.000%	\$ 44,575,000
TOTAL DIRECT DEBT			\$ 3,251,110
TOTAL OVERLAPPING DEBT			\$ 283,014,560
COMBINED TOTAL DEBT			\$ 286,265,670 (4)

- (1) The percentage of overlapping debt applicable to the 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) To be refunded in fiscal year 2014-15.
- (3) Share of Marin Emergency Radio Authority bonds.
- (4) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

RATIOS TO 2013 / 14 ASSESSED VALUATION

Total Overlapping Tax and Assessment Debt	1.85%
Total Direct Debt (\$3,251,110)	0.03%
Combined Total Debt	2.82%

RATIOS TO REDEVELOPMENT SUCCESSOR AGENCY INCREMENTAL VALUATION (\$1,414,026,536):

Total Overlapping Tax Increment Debt	3.15%
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Source: California Municipal Statistics, Inc

Novato Fire Protection District  
 Computation of Legal Bonded Debt Margin  
 June 30, 2014

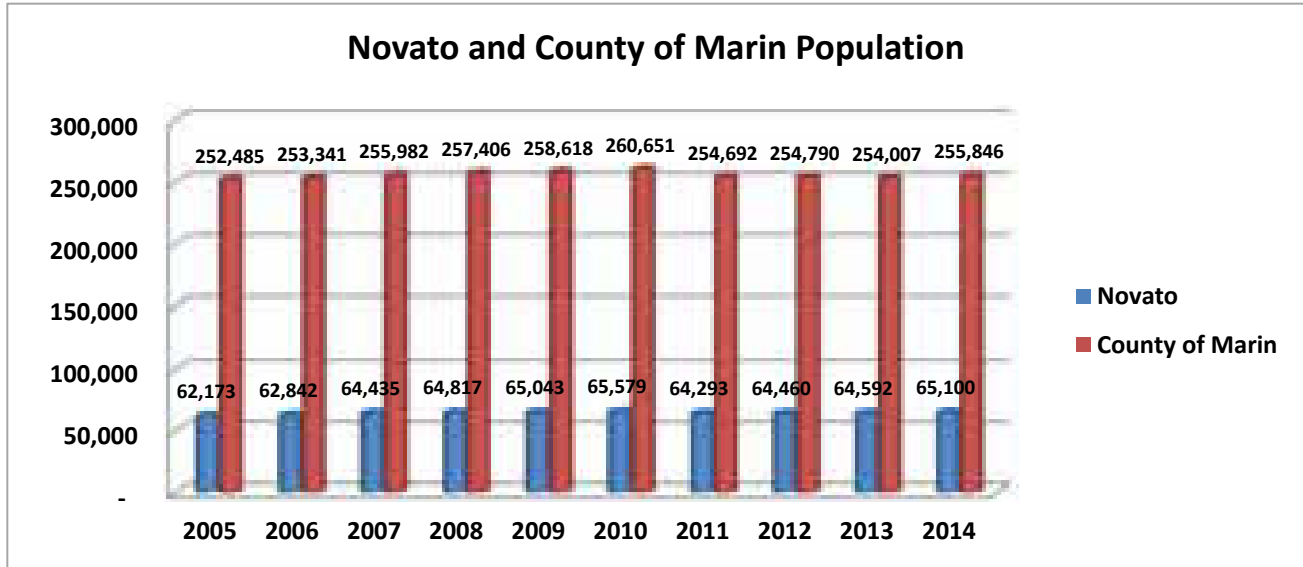
Gross Assessed Valuation	\$ 10,151,452,830
Debt Margin Ratio (1)	3.75%
Debt Margin	<u>\$ 380,679,481</u>
Less: Outstanding General Obligations	<u>-</u>
Net Debt Margin	<u><u>\$ 380,679,481</u></u>

Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total Net Debt Applicable to the Limit as Percentage of Debt Limit
2005	\$ 290,114,027	\$ -	\$ 290,114,027	0.00%
2006	318,823,844	-	318,823,844	0.00%
2007	354,038,930	-	354,038,930	0.00%
2008	378,108,658	-	378,108,658	0.00%
2009	390,846,659	-	390,846,659	0.00%
2010	382,439,109	-	382,439,109	0.00%
2011	377,327,175	-	377,327,175	0.00%
2012	372,947,736	-	372,947,736	0.00%
2013	367,725,023	-	367,725,023	0.00%
2014	380,679,481	-	380,679,481	0.00%

(1) California Government Code, Section 43605 sets the debt limit at 15%. The Code section was enacted when assessed valuations were based on 25% of full market value. This has since changed to 100% of full market value. Thus, the limit shown is 3.75% (one-fourth the limit of 15%).

Sources: County of Marin Department of Finance and California Municipal Statistics, Inc

**Novato Fire Protection District  
Demographic Statistics  
Last Ten Fiscal Years**



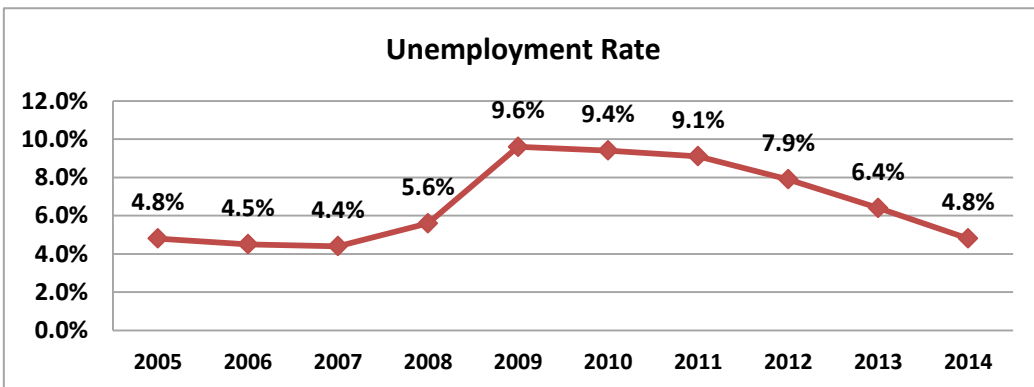
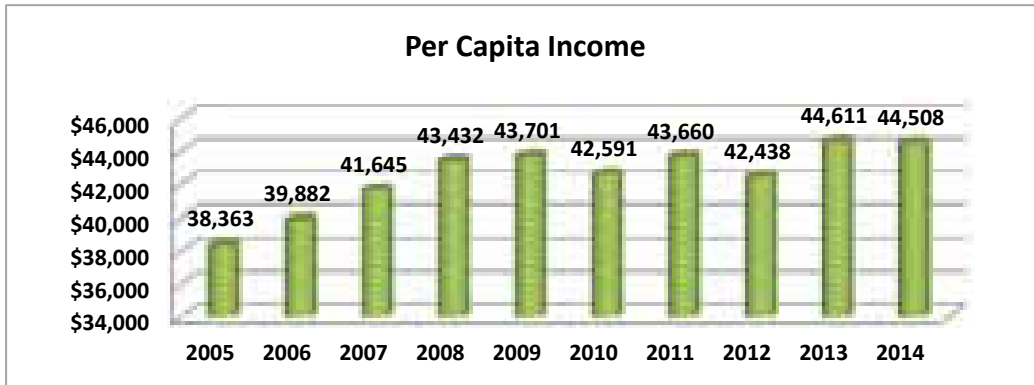
<u>Fiscal Year</u>	<u>City of Novato Population</u>	<u>Unincorporated Population (1)</u>	<u>Total Population</u>	<u>% Change</u>	<u>County of Marin</u>	<u>% of County</u>
2005	50,586	11,587	62,173	2.4%	252,485	24.6%
2006	51,130	11,712	62,842	1.1%	253,341	24.8%
2007	52,426	12,009	64,435	2.5%	255,982	25.2%
2008	52,737	12,080	64,817	0.6%	257,406	25.2%
2009	52,921	12,122	65,043	0.3%	258,618	25.2%
2010	53,357	12,222	65,579	0.8%	260,651	25.2%
2011	52,311	11,982	64,293	-2.0%	254,692	25.2%
2012	52,447	12,013	64,460	0.3%	254,790	25.3%
2013	52,554	12,038	64,592	0.2%	254,007	25.4%
2014	52,967	12,133	65,100	0.8%	255,846	25.4%

(1) Estimated

Source: California Department of Finance



**Novato Fire Protection District  
Demographic and Economic Statistics  
Last Ten Fiscal Years**



<u>Fiscal Year</u>	<u>Total Population</u>	<u>Total Personal Income</u>	<u>Per Capita Income</u>	<u>Unemployment Rate</u>
2005	62,173	\$ 2,385,142,799	\$ 38,363	4.8%
2006	62,842	2,506,264,644	39,882	4.5%
2007	64,435	2,683,395,575	41,645	4.4%
2008	64,817	2,815,131,944	43,432	5.6%
2009	65,043	2,842,444,143	43,701	9.6%
2010	65,579	2,793,075,189	42,591	9.4%
2011	64,293	2,807,032,380	43,660	9.1%
2012	64,460	2,735,553,480	42,438	7.9%
2013	64,592	2,881,513,712	44,611	6.4%
2014	65,100	2,897,470,800	44,508	4.8%

*Sources: California Department of Finance and Employment  
Development Department*

Novato Fire Protection District  
Principal Employers  
Current Year and Nine Years Ago

Employer	Fiscal Year 2013/2014			Fiscal Year 2004/2005		
	Number of Employees	Rank	Percent of Total Employment	Number of Employees	Rank	Percent of Total Employment
Novato Unified School District	800	1	3.01%	825	2	3.42%
Fireman's Fund	736	2	2.77%	1,274	1	5.29%
BioMarin Pharmaceuticals	607	3	2.28%	267	7	1.11%
2K/Visual Concepts Entertainment	398	4	1.50%			
Cagwin & Dorward	387	5	1.45%	330	4	1.37%
Costco Wholesale	294	6	1.11%	250	8	1.04%
Novato Community Hospital	291	7	1.09%	307	5	1.27%
Target Store	268	8	1.01%			
Buck Institute	261	9	0.98%			
Safeway Stores	243	10	0.91%			
Greenpoint Mortgage				564	3	2.34%
Marin Independent Journal				285	6	1.18%
Brayton Purcell				244	9	1.01%
Birkenstock				230	10	0.95%
Total	4,285		16.11%	4,576		18.98%

Sources: City of Novato and Employment Development Department

Novato Fire Protection District  
Summary of District Activities  
Fiscal Year 2013-2014

Category / Description	2013-2014	2012-2013	Change	% Change
District Population	65,100	64,592	508	0.8%
Per Capita Income	\$ 44,508	\$ 44,611	\$ (103)	-0.2%
Unemployment Rate	4.8%	6.4%	-1.6%	-25.0%
Total Employees	77	78	(1)	-1.3%
Total Incidents	4,888	5,016	(128)	-2.6%
Fire / Explosion Incidents	153	148	5	3.4%
Property Loss	\$ 790,230	\$ 503,775	\$ 286,455	56.9%
False Alarm Incidents	252	264	(12)	-4.5%
Rescue / Emergency Medical Incidents	3,224	3,336	(112)	-3.4%
Percentage of Rescue / Emergency Medical Incidents	66.0%	66.5%	-0.5%	-0.8%
Average Response Time - Rescue / Emergency Medical Incidents	05:04	04:59	00:05	1.7%
Hour of Day With Highest Call Frequency	4 - 5 P.M. 303	3 - 4 P.M. 323	(20)	-6.2%
Hour of Day With Lowest Call Frequency	5 - 6 A.M. 81	5 - 6 A.M. 78	3	3.8%
Total Training Hours	24,829	19,598	5,231	26.7%
Number of Citizens receiving Fire/Life Safety Instruction (CPR, Fire Extinguisher Use, CERT Training, etc.; excludes special events)	5,339	4,849	490	10.1%

Sources: California Department of Finance and Employment Development,  
District NFIRS database, Annual Budget, CPR Database, Fire Loss Management Division

**Novato Fire Protection District  
Apparatus Inventory  
Fiscal Year 2013-2014**

The District utilizes a variety of apparatus to respond to a diverse range of emergency situations, as well as vehicles for use by Administrative staff. Type 1 engines are housed at all five of the District stations; a Truck Company is housed at Station 65. Two Type 1 engines are kept in reserve, and are stationed at Station 61 and Station 62. Type 1 engines respond to all types of emergency operations, including commercial and residential fires, medical calls, hazardous material calls, and wildland/urban interface fires.

The District inventory includes two Type 3 engines equipped for off road capability, all of which respond to wildland fires. For an independent water source, the District uses a Water Tender.

The Truck Company cross-staffs a 105 foot aerial ladder truck and a Type 1 engine. Of the five ambulances, three are kept in service daily, with two in reserve. The reserve ambulances are housed at Stations 61 and 63.

Specialty apparatus includes a medium duty Rescue Unit.

The Fire Chief drives an SUV capable of responding "Code 3" when a life or property emergency exists. The three shift Battalion Chiefs have SUVs that are equipped as command vehicles, outfitted to run incident command. In addition, the Battalion Chiefs who head the Training Division and the EMS Division have "Code 3" vehicles and can respond to emergency incidents.

The Fire Loss Management Division utilizes several SUVs for inspections, investigations, and fire response. For Public Education purposes, the District maintains a minivan and a golf cart. There are two pool vehicles (a hybrid car and a 12 passenger van) utilized by all staff for administrative needs.

**District Apparatus Inventory by Station:**

Station 61: Type 1 engine, Ambulance, Water Tender, B/C Command SUV, Reserve Ambulance, Off Road Utility, Reserve B/C Command SUV, Medium Duty Rescue Unit.

Station 62: Type 1 Engine, 1 Reserve Type 1, 1 Ambulance, Golf Cart

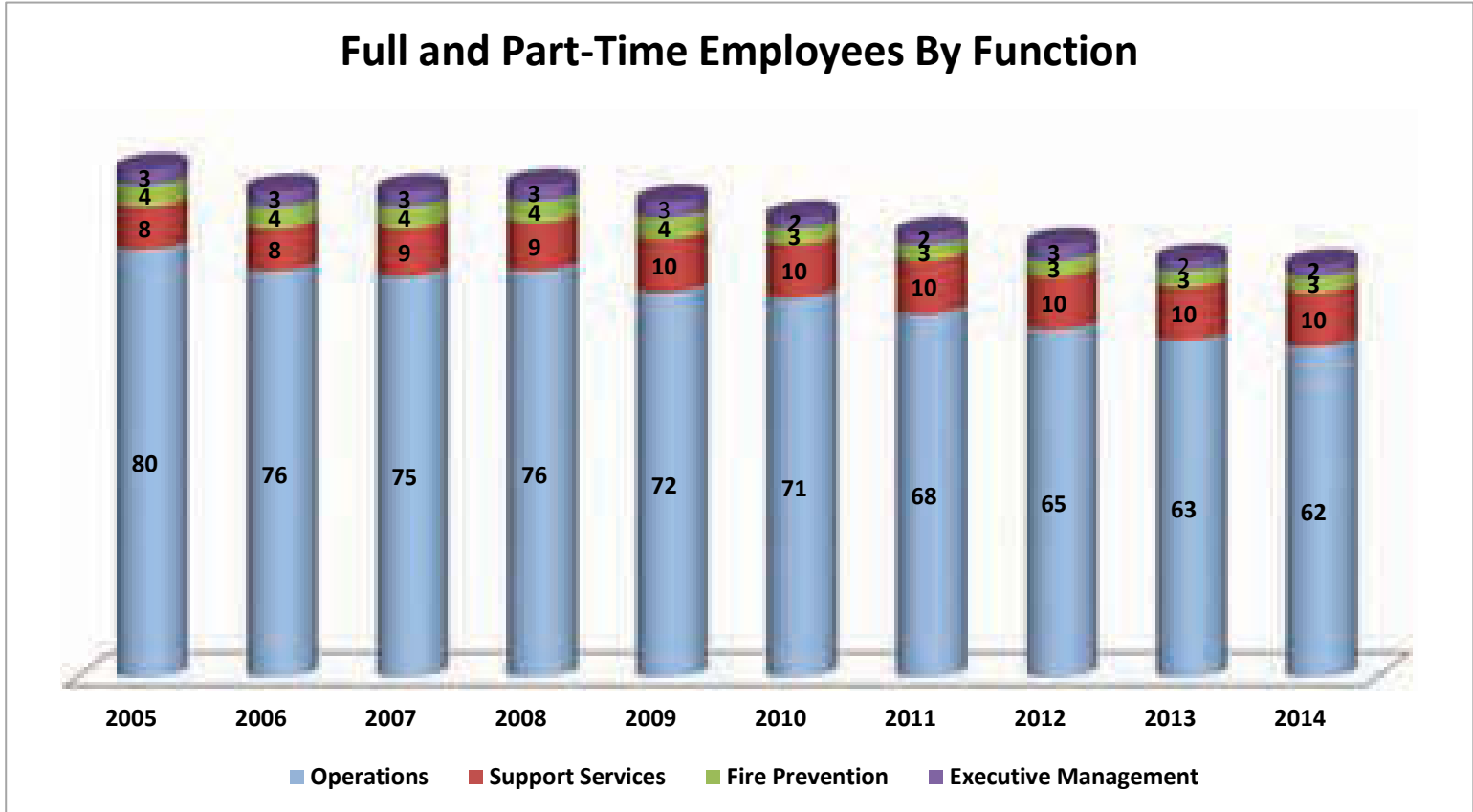
Station 63: Type 1 engine, Type 3 engine, 1 Reserve Ambulance

Station 64: Type 1 engine, Type 3 engine

Station 65: Type 1 engine, Ambulance, Ladder Truck

Source: District Mechanics Bureau

**Novato Fire Protection District  
Full-time and Part-time Employees By Function  
Last Ten Fiscal Years**

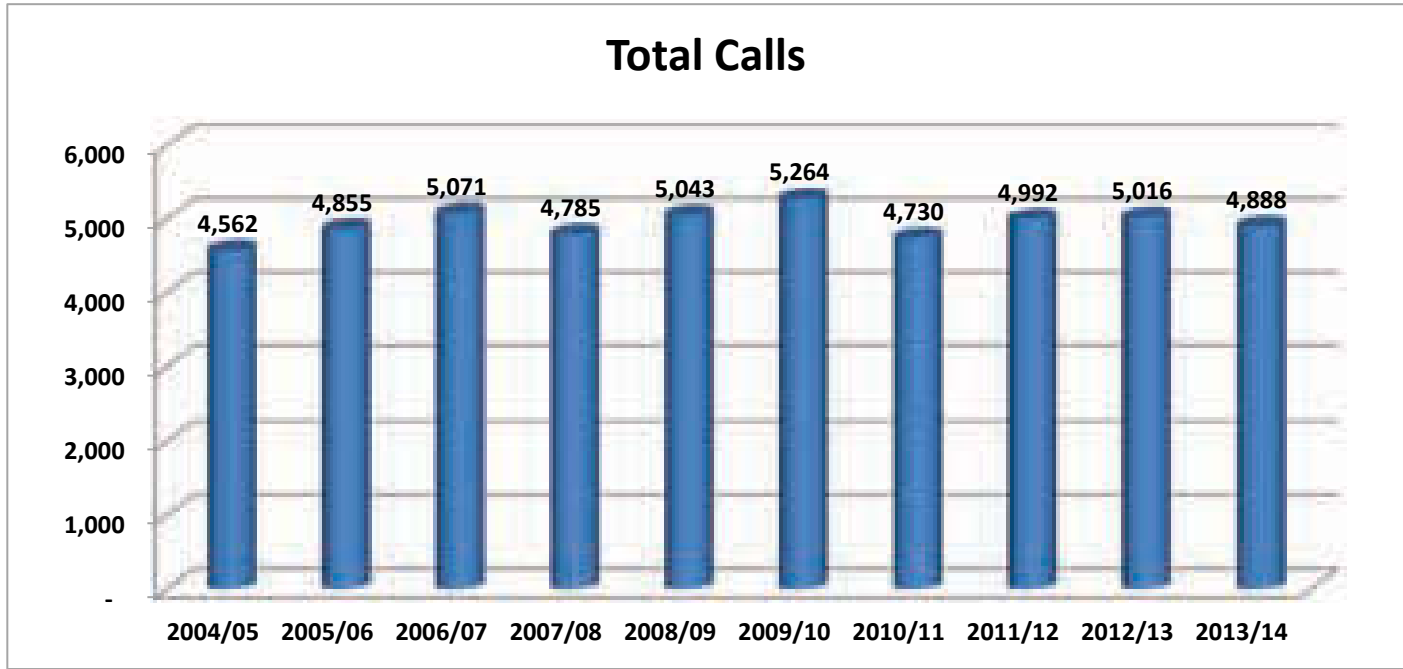


**Fiscal Year Ended June 30**

	<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	3	3	3	3	3	2	2	3	2	2
Operations	80	76	75	76	72	71	68	65	63	62
Fire Prevention	4	4	4	4	4	3	3	3	3	3
Support Services	8	8	9	9	10	10	10	10	10	10
Total Public Safety	<u>95</u>	<u>91</u>	<u>91</u>	<u>92</u>	<u>89</u>	<u>86</u>	<u>83</u>	<u>81</u>	<u>78</u>	<u>77</u>

Source: Annual Budgets - funded positions

**Novato Fire Protection District  
Comparative Annual Graph - Total Responses  
Last Ten Fiscal Years**



<u>Fiscal Year</u>	<u>Total Calls</u>
2004/05	4,562
2005/06	4,855
2006/07	5,071
2007/08	4,785
2008/09	5,043
2009/10	5,264
2010/11	4,730
2011/12	4,992
2012/13	5,016
2013/14	4,888

*Source: District NFIRS database*

Novato Fire Protection District  
Emergency Response Category Definitions

**Fire, Explosion:** This category includes fire responses, even if the fire has been extinguished upon arrival. This category also includes combustion explosions with no resulting fire. Examples of this category include structure fires, rubbish fires, dumpster fires and vehicle fires.

**Over-Pressure/Rupture:** This category includes vessels or containers that suffer failure or near failure due to extreme pressure from either an outside source, such as direct heating, or internally due to a cooling system failure or over-filling, such as a propane tank. Examples of this category also include explosions from bombs, dynamite or similar explosives.

**Rescue/EMS Call:** This category includes all medical aids, illness and heart attacks, as well as traffic accidents and missing persons.

**Hazardous Condition Standby:** This category includes Hazardous Materials incidents; electrical wire arcing; suspected drug labs; or situations where there is a perceived problem that may prove to be a potential emergency.

**Service Call:** This category includes incidents for persons in distress, such as a lock-in or lock-out of a vehicle or dwelling creating an emergency situation or critical need, and smoke or odor problems. This category would also include moving units from one station to another to provide area coverage.

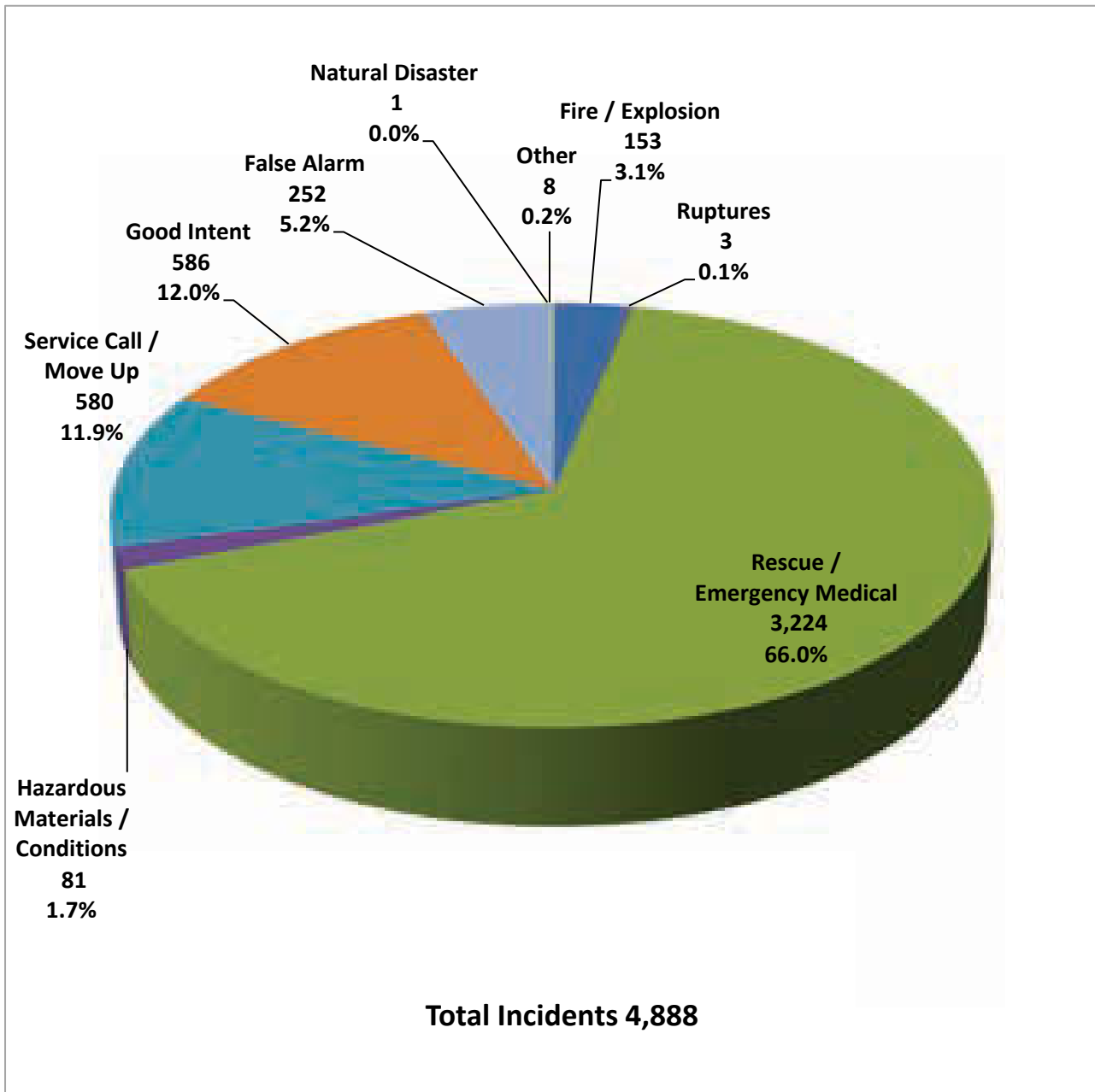
**Good Intent Call:** This category includes incidents that are cleared prior to arrival, such as a medical aid where the injured party has left the scene, or the initial information indicated that there were injuries and upon arrival no persons were injured. This category may also include calls where the informant has mistaken steam for smoke.

**False Alarm:** Some examples of the incidents in this category are malicious mischief calls, system malfunctions and the accidental tripping of an interior alarm sensor or device.

**Natural Disaster:** This category includes incidents that are not normal occurrences, such as earthquakes, lightning strikes, hurricanes and other weather or natural events.

**Other:** This includes citizen complaints and reports of fire code or ordinance violations.

**Novato Fire Protection District  
Emergency Responses by Incident Type  
Fiscal Year 2013-2014**



Source: District NFIRS database



Novato Fire Protection District  
Emergency Response Detail Analysis  
Fiscal Year 2013-2014

Incident Code	Category / Description	Total Incidents	Total Dollar Loss	Acres Burned
Fire / Explosion				
100	Fire, other	12	\$ 24,100	\$ -
111	Building fire	12	568,600	-
112	Fires in structures other than in a building	2	18,150	-
113	Cooking fire, confined to container	9	10,010	-
114	Chimney or flue fire, confined to chimney or flue	2	-	-
118	Trash or rubbish fire, contained	10	600	-
130	Mobile property (vehicle) fire, other	5	40,200	-
131	Passenger vehicle fire	16	68,420	-
132	Road freight or transport vehicle fire	1	4,500	-
140	Natural vegetation fire, other	32	52,350	1.94
141	Forest, woods or wildland fire	1	-	-
142	Brush, or brush and grass mixture fire	9	500	0.22
143	Grass fire	25	550	1,028.06
150	Outside rubbish fire, other	7	200	-
154	Dumpster or other outside trash receptacle fire	2	1,000	-
160	Special outside fire, other	7	950	-
163	Outside gas or vapor combustion explosion	1	100	-
Total Fire / Explosion		153	790,230	1,030.22
Over-Pressure / Rupture				
231	Chemical reaction rupture of process vessel	1	-	-
251	Excessive heat, scorch burns with no ignition	2	-	-
Total Over-Pressure / Rupture		3	-	-
Rescue / EMS Call				
300	Rescue, emergency medical call (EMS) call, other	14	-	-
311	Medical assist, assist EMS crew	2	-	-
321	EMS call, excluding vehicle accident with injury	2,983	-	-
322	Vehicle accident with injuries	141	-	-
323	Motor vehicle/pedestrian accident (MV Ped)	17	-	-
324	Motor vehicle accident with no injuries	59	-	-
350	Extrication, rescue, other	2	-	-
352	Extrication of victim(s) from vehicle	2	-	-
353	Removal of victim(s) from stalled elevator	3	-	-

Novato Fire Protection District  
Emergency Response Detail Analysis  
Fiscal Year 2013-2014

(Continued)

Incident Code	Category / Description	Total Incidents	Total Dollar Loss	Acres Burned
355	Confined space rescue	1	-	-
	Total Rescue / EMS Call	3,224	-	-
	Hazardous Condition			
400	Hazardous condition, other	8	-	-
410	Flammable gas or liquid condition, other	1	-	-
411	Gasoline or other flammable liquid spill	5	-	-
412	Gas leak (natural gas or LPG)	15	-	-
420	Toxic condition, other	1	-	-
421	Chemical hazard (no spill or leak)	1	-	-
422	Chemical spill or leak	2	-	-
424	Carbon monoxide incident	12	-	-
440	Electrical wiring/equipment problem, other	12	-	-
441	Heat from short circuit (wiring), defective/worn	1	-	-
442	Overheated motor	4	-	-
444	Power line down	5	-	-
445	Arcing, shorted electrical equipment	8	-	-
460	Accident, potential accident, other	2	-	-
463	Vehicle accident, general cleanup	2	-	-
471	Explosive, bomb removal (for bomb scare, use 721)	1	-	-
480	Attempted burning, illegal action, other	1	-	-
	Total Hazardous Condition	81	-	-
	Service Call			
500	Service Call, other	37	-	-
510	Person in distress, other	46	-	-
511	Lock-out	30	-	-
512	Ring or jewelry removal	1	-	-
520	Water problem, other	43	-	-
521	Water evacuation	7	-	-
522	Water or steam leak	12	-	-
531	Smoke or odor removal	8	-	-
540	Animal problem, other	1	-	-
541	Animal problem	2	-	-
550	Public service assistance, other	39	-	-

Novato Fire Protection District  
Emergency Response Detail Analysis  
Fiscal Year 2013-2014

(Continued)

Incident Code	Category / Description	Total Incidents	Total Dollar Loss	Acres Burned
551	Assist police or other governmental agency	21	-	-
552	Police matter	8	-	-
553	Public service	44	-	-
554	Assist invalid	219	-	-
555	Defective elevator, no occupants	1	-	-
561	Unauthorized burning	3	-	-
571	Cover assignment, standby, moveup	58	-	-
	Total Service Call	580	-	-
Good Intent				
600	Good intent call, other	13	-	-
611	Dispatched & canceled en route	290	-	-
622	No incident found on arrival at dispatch address	96	-	-
631	Authorized controlled burning	1	-	-
632	Prescribed fire	1	-	-
650	Steam, other gas mistaken for smoke, other	10	-	-
651	Smoke scare, odor of smoke	155	-	-
652	Steam, vapor, fog or dust thought to be smoke	10	-	-
653	Barbecue, tar kettle	3	-	-
661	EMS call, party transported by non-fire agency	1	-	-
671	Hazmat release investigation w/ no hazmat	5	-	-
672	Biological Hazard Investigation, None Found	1	-	-
	Total Good Intent	586	-	-
False Alarm				
700	False alarm or false call, other	39	-	-
710	Malicious, mischievous false call, other	5	-	-
711	Municipal alarm system, malicious false alarm	6	-	-
714	Central station, malicious false alarm	6	-	-
715	Local alarm system, malicious false alarm	4	-	-
730	System malfunction, other	6	-	-
731	Sprinkler activation due to malfunction	1	-	-
733	Smoke detector activation due to malfunction	33	-	-
734	Heat detector activation due to malfunction	1	-	-
735	Alarm system sounded due to malfunction	44	-	-

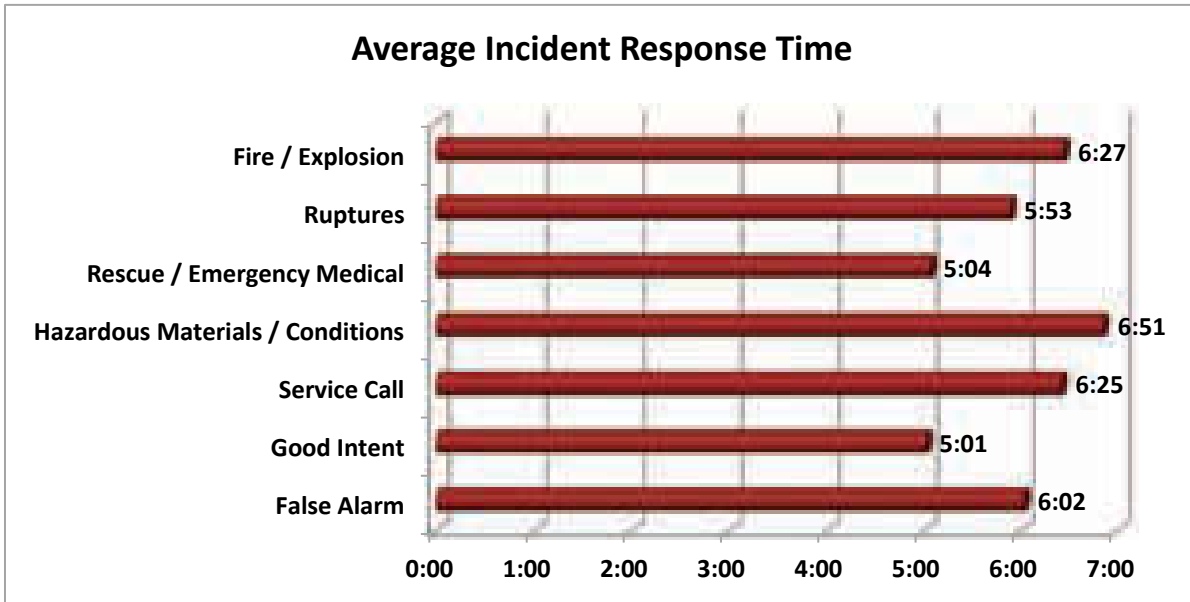
Novato Fire Protection District  
 Emergency Response Detail Analysis  
 Fiscal Year 2013-2014

(Continued)

Incident Code	Category / Description	Total Incidents	Total Dollar Loss	Acres Burned
736	CO detector activation due to malfunction	6	-	-
740	Unintentional transmission of alarm, other	27	-	-
741	Sprinkler activation, no fire - unintentional	6	-	-
743	Smoke detector activation, no fire - unintentional	33	-	-
745	Alarm system sounded, no fire - unintentional	33	-	-
746	Carbon monoxide detector activation, no CO	2	-	-
	Total False Alarm	252	-	-
	Natural Disaster			
800	Severe weather or natural disaster, other	1	-	-
	Total Natural Disaster	1	-	-
	Other			
900	Special type of incident, other	7	-	-
911	Citizen complaint	1	-	-
	Total Other	7	-	-
	Grand Total	4,888	\$ 790,230	1,030.22

Source: District NFIRS database

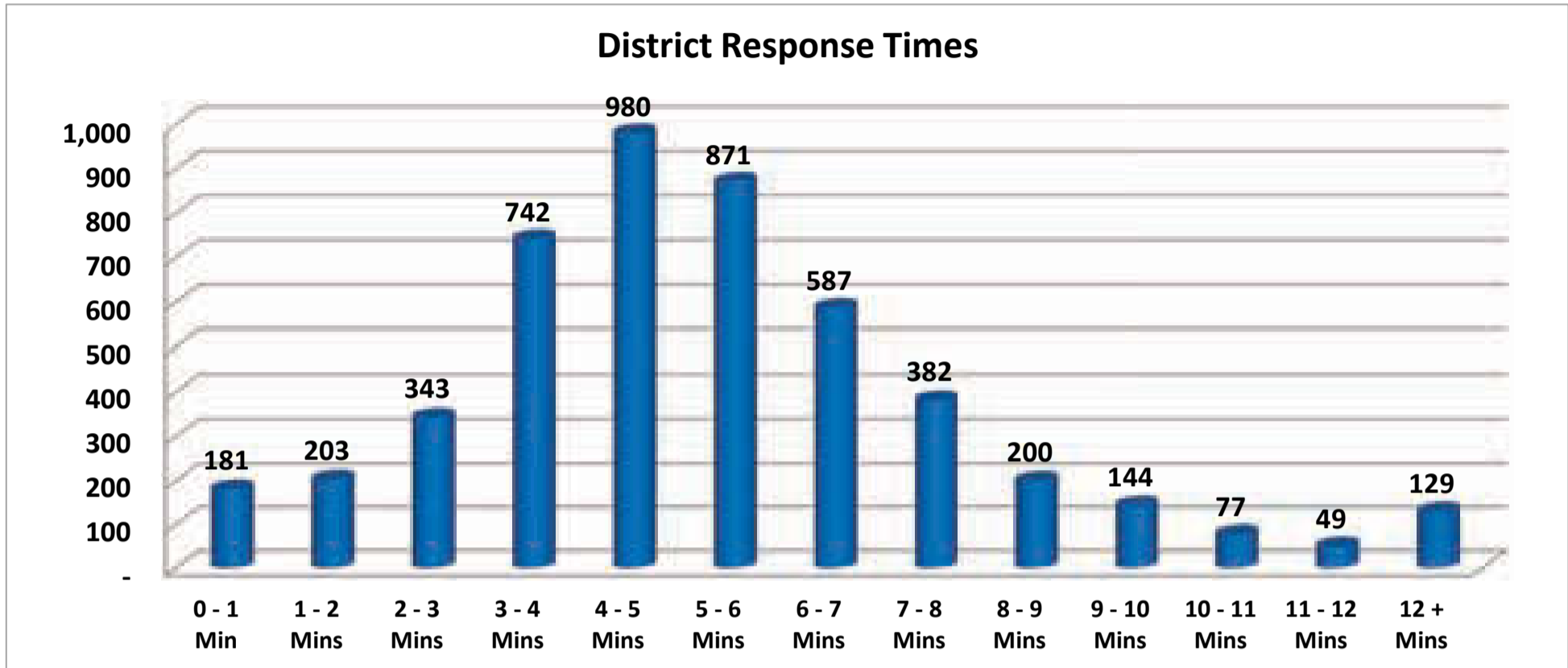
**Novato Fire Protection District  
Average Incident Response Time  
Fiscal Year 2013-2014**



<b>Incident Type</b>	<b>Average Response Time Minutes</b>
Fire / Explosion	6:27
Ruptures	5:53
Rescue / Emergency Medical	5:04
Hazardous Materials / Conditions	6:51
Service Call	6:25
Good Intent	5:01
False Alarm	6:02

Source: District NFIRS database

**Novato Fire Protection District  
District Response Times  
Fiscal Year 2013-2014**



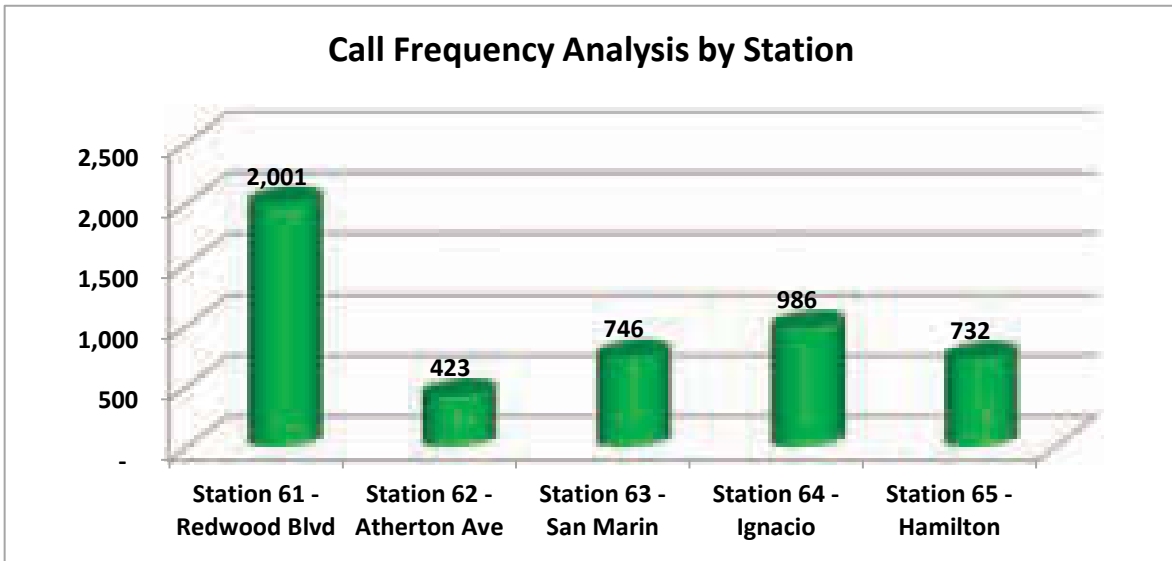
Incident Type	0 - 1 Min	1 - 2 Mins	2 - 3 Mins	3 - 4 Mins	4 - 5 Mins	5 - 6 Mins	6 - 7 Mins	7 - 8 Mins	8 - 9 Mins	9 - 10 Mins	10 - 11 Mins	11 - 12 Mins	12 + Mins	Total
Fire / Explosion	5	5	3	9	27	28	24	20	9	5	4	2	12	153
Ruptures	-	-	-	-	1	-	1	1	-	-	-	-	-	3
Rescue / Emergency														
Medical	82	99	246	601	733	606	378	215	111	61	31	18	43	3,224
Hazardous Materials / Conditions	2	1	2	8	16	11	8	10	4	5	4	3	7	81
Service Call	26	18	26	42	73	98	82	74	35	42	20	12	32	580
Good Intent	60	70	54	58	78	86	56	35	22	15	14	14	24	586
False Alarm	4	10	12	23	51	42	38	26	19	15	4	-	8	252
Natural Disaster	-	-	-	-	-	-	-	1	-	-	-	-	-	1
Other	2	-	-	1	1	-	-	-	-	1	-	-	3	8
<b>Total</b>	<b>181</b>	<b>203</b>	<b>343</b>	<b>742</b>	<b>980</b>	<b>871</b>	<b>587</b>	<b>382</b>	<b>200</b>	<b>144</b>	<b>77</b>	<b>49</b>	<b>129</b>	<b>4,888</b>

Mutual aid responses to areas outside Novato Fire Protection District are included

District objective is to respond to 80% of all calls within 8 minutes.

Source: District NFIRS database

**Novato Fire Protection District  
Call Frequency Analysis by Station  
Fiscal Year 2013-2014**

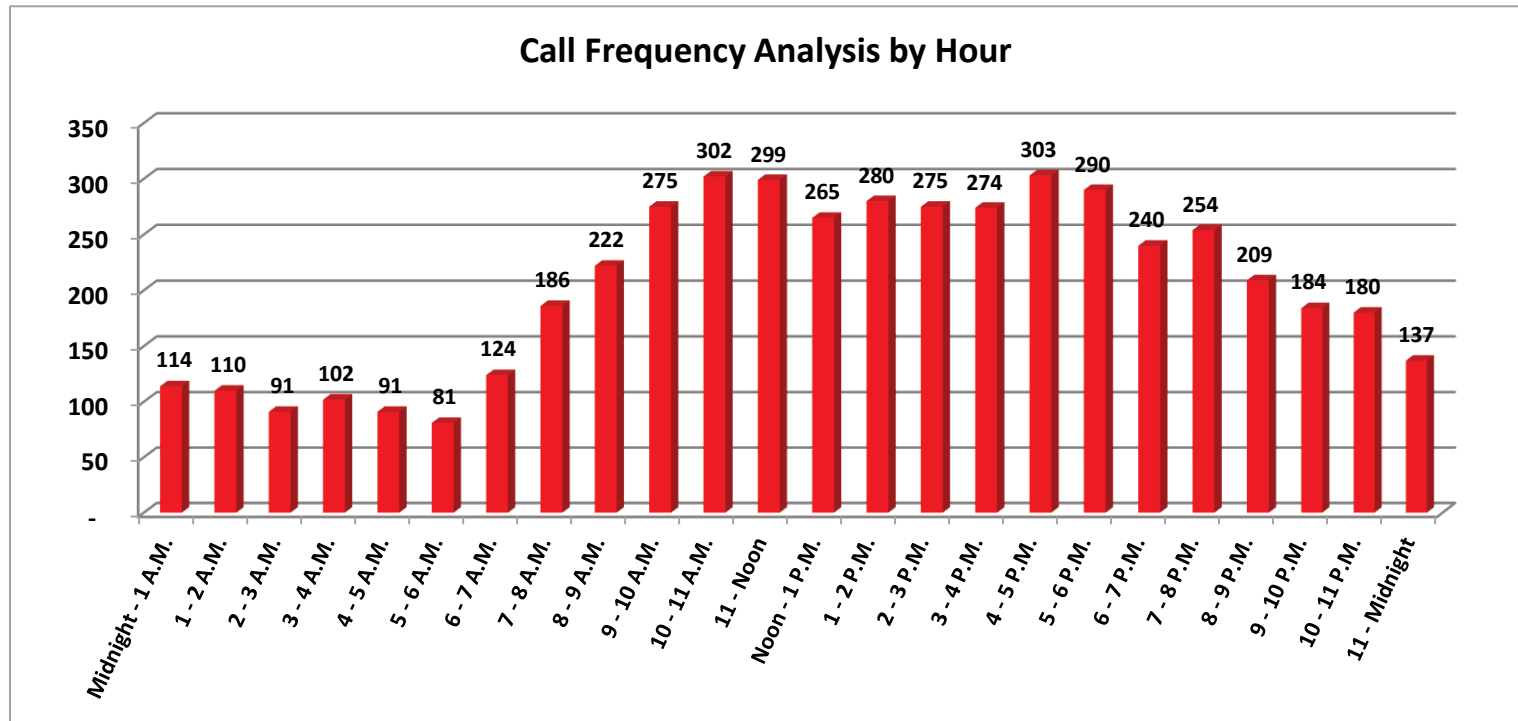


Station Location	Total Calls	% of Total
Station 61 - Redwood Blvd *	2,001	40.9%
Station 62 - Atherton Ave	423	8.7%
Station 63 - San Marin	746	15.3%
Station 64 - Ignacio	986	20.2%
Station 65 - Hamilton	732	15.0%
<b>Total</b>	<b><u>4,888</u></b>	<b><u>100.0%</u></b>

\* Station 61 is centrally located near Novato's downtown area and covers a large portion of the residentially populated zones. It is the largest station in terms of staffing and apparatus, including an ambulance and an engine company, and therefore has a proportionally higher call volume.

Source: District NFIRS database

**Novato Fire Protection District  
Call Frequency Analysis by Hour  
Fiscal Year 2013-2014**



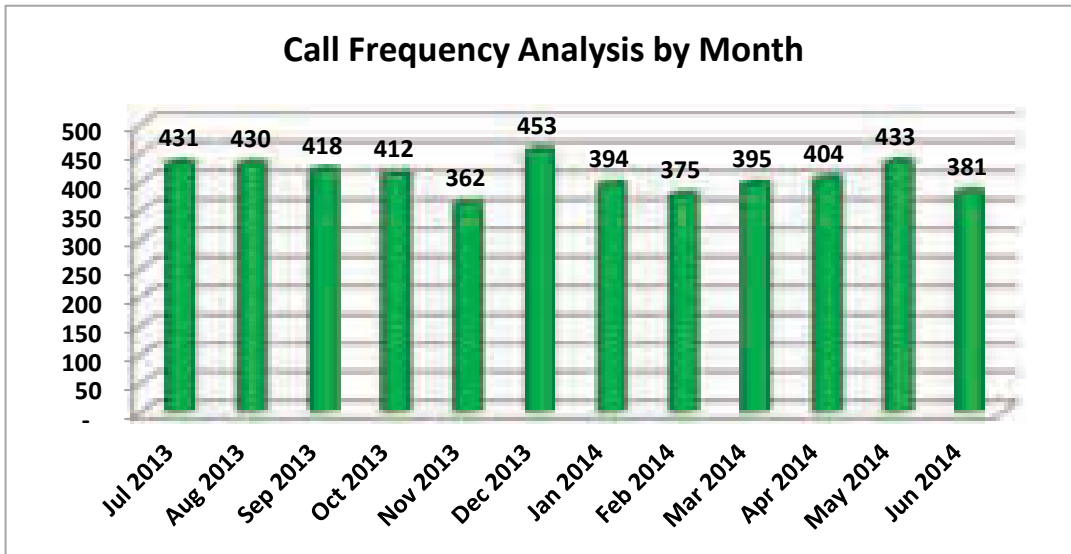
Hour	Number of Calls	% of Total	Hour	Number of Calls	% of Total
Midnight - 1 A.M.	114	2.33%	Noon - 1 P.M.	265	5.42%
1 - 2 A.M.	110	2.25%	1 - 2 P.M.	280	5.73%
2 - 3 A.M.	91	1.86%	2 - 3 P.M.	275	5.63%
3 - 4 A.M.	102	2.09%	3 - 4 P.M.	274	5.61%
4 - 5 A.M.	91	1.86%	4 - 5 P.M.	303	6.20%
5 - 6 A.M.	81	1.66%	5 - 6 P.M.	290	5.93%
6 - 7 A.M.	124	2.54%	6 - 7 P.M.	240	4.91%
7 - 8 A.M.	186	3.81%	7 - 8 P.M.	254	5.20%
8 - 9 A.M.	222	4.54%	8 - 9 P.M.	209	4.28%
9 - 10 A.M.	275	5.63%	9 - 10 P.M.	184	3.76%
10 - 11 A.M.	302	6.18%	10 - 11 P.M.	180	3.68%
11 - Noon	299	6.12%	11 - Midnight	137	2.80%
<b>Total</b>				<b>4,888</b>	<b>100.00%</b>

Call volume is generally higher from 7:00 A.M. to 10:00 P.M., when people are awake, working, or traveling.

Source: District NFIRS database



**Novato Fire Protection District  
Call Frequency Analysis by Month  
Fiscal Year 2013-2014**

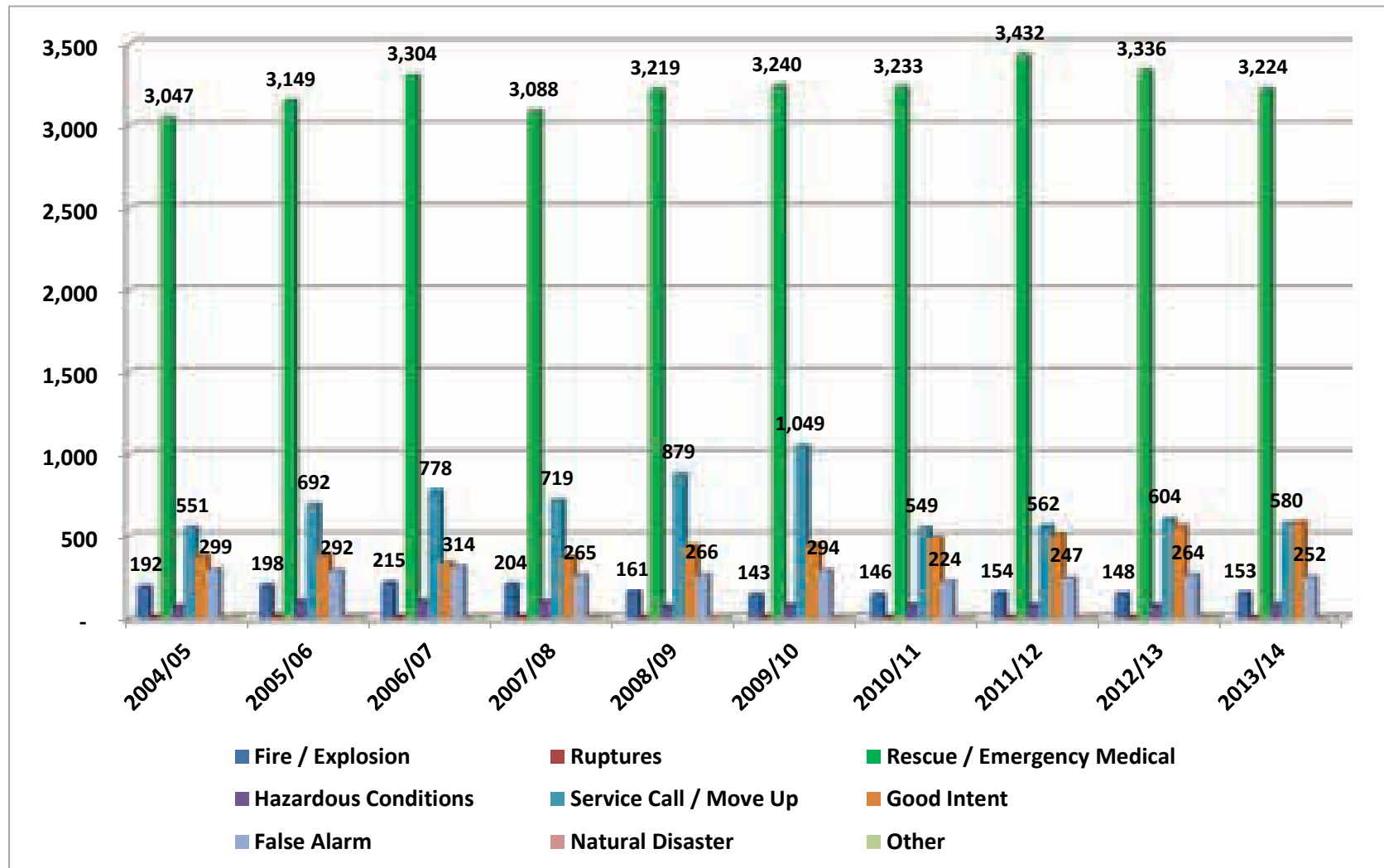


Month	Total Calls	% of Total
Jul 2013	431	8.82%
Aug 2013	430	8.80%
Sep 2013	418	8.55%
Oct 2013	412	8.43%
Nov 2013	362	7.41%
Dec 2013	453	9.27%
Jan 2014	394	8.06%
Feb 2014	375	7.67%
Mar 2014	395	8.08%
Apr 2014	404	8.27%
May 2014	433	8.86%
Jun 2014	381	7.79%
<b>Total</b>	<b><u>4,888</u></b>	<b><u>100.00%</u></b>

Data includes mutual aid calls.

Source: District NFIRS database

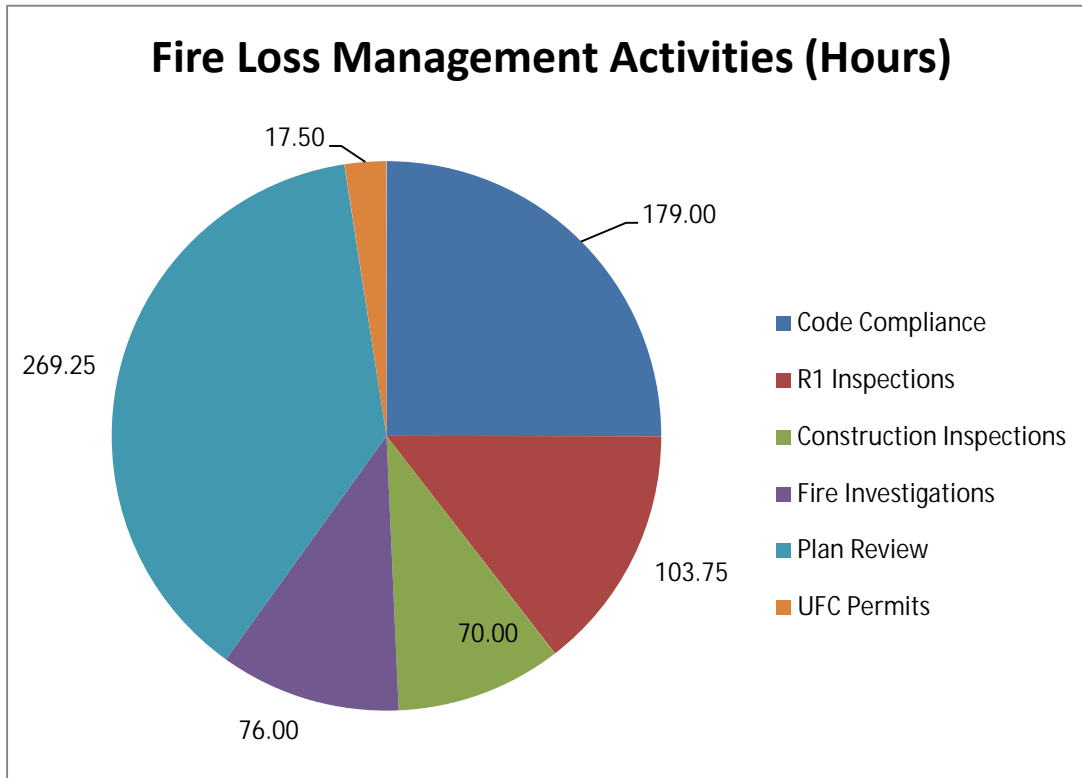
### Novato Fire Protection District Call Frequency Analysis by Type Last Ten Fiscal Years



Fiscal Year	Fire / Explosion	Ruptures	Rescue / Emergency Medical	Hazardous Materials / Conditions	Service Call / Move Up	Good Intent	False Alarm	Natural Disaster	Other	Total
2004/05	192	7	3,047	73	551	385	299	-	8	4,562
2005/06	198	14	3,149	103	692	390	292	9	8	4,855
2006/07	215	7	3,304	105	778	336	314	-	12	5,071
2007/08	204	9	3,088	102	719	377	265	15	6	4,785
2008/09	161	-	3,219	72	879	443	266	1	2	5,043
2009/10	143	5	3,240	78	1,049	450	294	2	3	5,264
2010/11	146	4	3,233	81	549	491	224	-	2	4,730
2011/12	154	2	3,432	79	562	510	247	1	5	4,992
2012/13	148	2	3,336	77	604	564	264	14	7	5,016
2013/14	153	3	3,224	81	580	586	252	1	8	4,888

Source: District NFIRS database

**Novato Fire Protection District  
Fire Loss Management Activities  
Fiscal Year 2013-2014**



<b>FLM Inspections and Investigations</b>	<b>Hours</b>
Code Compliance	179.00
R1 Inspections	103.75
Construction Inspections	70.00
Fire Investigations	76.00
Plan Review	269.25
UFC Permits	17.50
<b>Total</b>	<b>715.50</b>

<b>Weed Abatement</b>	<b>Incidents</b>	<b>Hours (approx.)</b>
Weed Complaints Received	113	20
Weed Complaints Investigated and Closed	113	170
Complimentary Vegetation Evaluations	92	95

Source: Prevention database, NFIRS database

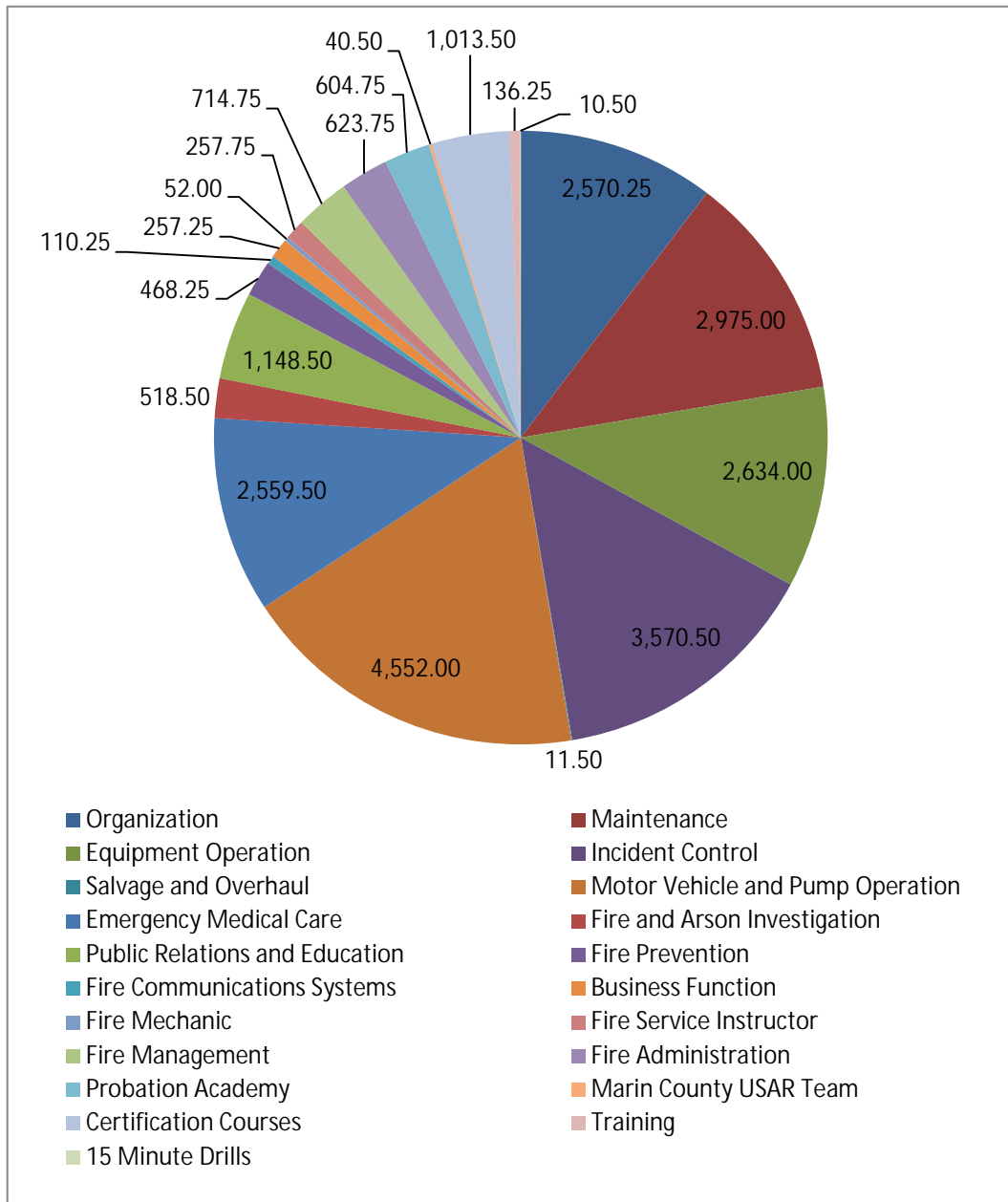
**Novato Fire Protection District  
Fire Training Activity/Public Education  
Fiscal Year 2013-2014**

<b>Category</b>	<b>Class Hours*</b>	<b>Number of Citizens Instructed</b>
CPR/AED Training (4 hours per class)	48	164
First Aid Training	1	12
CERT Training	36	52
Safety House	50	680
Fire Squirts Camp	52	26
Youth Fire Setter Intervention	16	11
Arson Awareness Program	6	820
Fire Extinguisher Training	10	114
Evacuation Drills -Business	6	195
School Programs	92	2,300
Special Events*	100	5,000**
Station Tours	17	291
Vial of Life	6	380
Senior Programs	15	232
Spanish Language Safety Programs	2	60
Car Seat Program	2	2
	459	10,339

\*Hours from Press Releases, IO Media Contact, Copy for Advertising and Flyers/Brochures are not included.

\*\*Large events, attendance estimated

**Novato Fire Protection District  
Personnel Training Hours  
Fiscal Year 2013-2014**



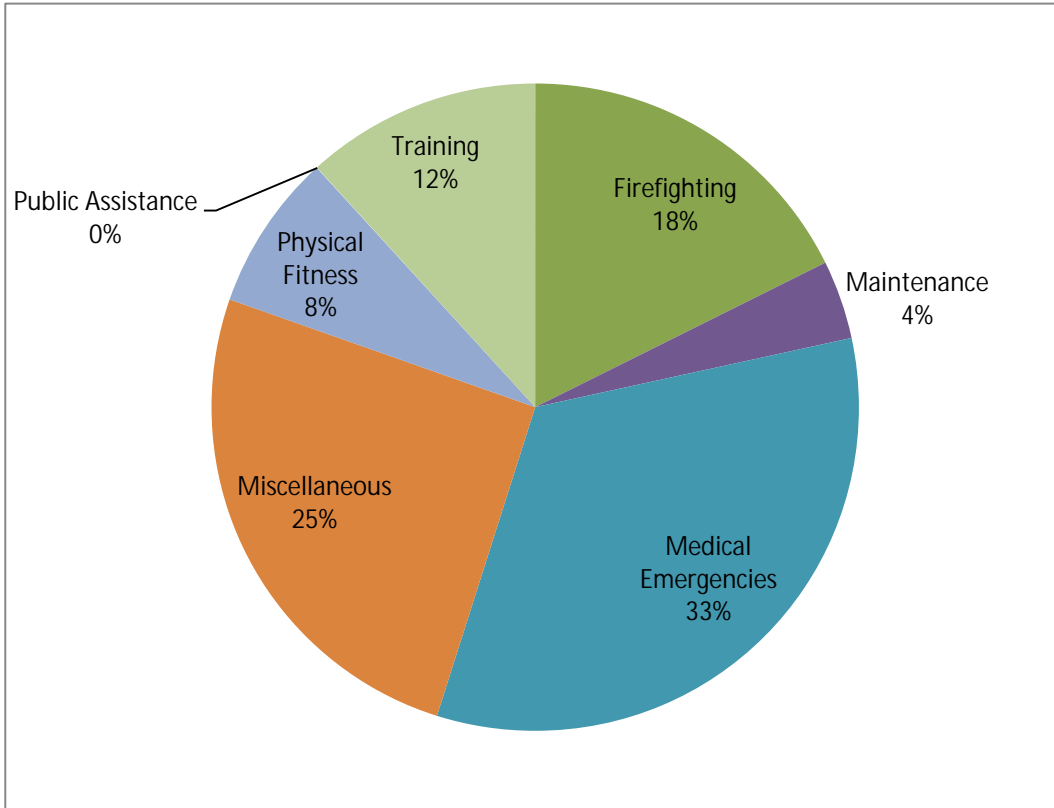
Source: Nfirs database, Mechanic Bureau records

**Novato Fire Protection District  
Personnel Training Hours Detail  
Fiscal Year 2013-2014**

<b>Description</b>	<b>Hours/Duration</b>
1 Organization	2,570.25
2 Maintenance	2,975.00
3 Equipment Operation	2,634.00
4 Incident Control	3,570.50
5 Salvage and Overhaul	11.50
6 Motor Vehicle and Pump Operation	4,552.00
7 Emergency Medical Care	2,559.50
8 Fire and Arson Investigation	518.50
9 Public Relations and Education	1,148.50
10 Fire Prevention	468.25
11 Fire Communications Systems	110.25
12 Business Function	257.25
13 Fire Mechanic	52.00
14 Fire Service Instructor	257.75
15 Fire Management	714.75
16 Fire Administration	623.75
17 Probation Academy	604.75
18 Marin County USAR Team	40.50
19 Certification Courses	1,013.50
20 Training	136.25
21 15 Minute Drills	10.50
<b>Total Training Hours</b>	<b>24,829.25</b>

*Source: Nfirs database, Mechanic Bureau records*

**Novato Fire Protection District  
Service Connected Illness/Injury Report  
Fiscal Year 2013-2014**



<b>Type of Activity</b>	<b>Number</b>	<b>% of Total</b>
Firefighting	9	18%
Maintenance	2	4%
Medical Emergencies	17	33%
Miscellaneous	13	25%
Physical Fitness	4	8%
Public Assistance	0	0%
Training	6	12%
<b>Total</b>	<b>51</b>	<b>100%</b>

*Data from Personnel Workers Compensation files.*