RETIREMENT PLANS FOR SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES

FINANCIAL STATEMENTS WITH INDEPENDENT AUDITOR'S REPORT

FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013

RETIREMENT PLANS FOR SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES

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RETIREMENT PLANS FOR SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES

MEMBERS OF THE RETIREMENT BOARD AND ADMINISTRATIVE STAFF

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Ralph Niz, Chairperson
Corina De La Torre, Member
Steve Muniz, Alternate

International Brotherhood of Electrical Workers Local 1245
Eric Ohlson, Chairperson
Lorrin Burdick, Member
Constance Bibbs, Alternate

Administrative Employees Association
James Drake, Chairperson
Mark Bennett, Member
Russel Devorak, Alternate

American Federation of State, County & Municipal Employees, Local 146, AFL-CIO
Charles Mallonee, Chairperson
Rob Hoslett, Member
Tim Kent, Alternate

Management and Confidential Employees
Mike Mattos, Chairperson
Alane Masui, Member
Roger Thorn, Alternate

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Steve Hansen, Alternate

Assistant Secretary, Acting
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Legal Counsel
Shayna M. van Hoften, Partner
Anne C. Hydorn, Partner
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Finance Department
Dee Brookshire, Chief Financial Officer
Brent Bernegger, Director of Finance/Treasury
Jamie Adelman, Senior Accountant

Human Resources Department
June Moua, Sr. HR Analyst
Bonnie Estep, Administrative Technician

INDEPENDENT AUDITOR'S REPORT

Gilbert Associates, Inc.
CPAs and Advisors
Relax. We got this.℠

Members of the Board of Directors
Sacramento Regional Transit District
Sacramento, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Retirement Plans for Sacramento Regional Transit District Employees (the Plans) as of and for the years ended June 30, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the Plans' basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the fiduciary net position of the Retirement Plans for Sacramento Regional Transit District Employees as of June 30, 2014 and 2013, and the changes in fiduciary net position for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note 2, the Plans adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25*. Our opinion is not modified with respect to this matter.

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Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Schedules of Changes in the Net Pension Liability and Related Ratios, Schedules of District Contributions, and the Schedule of Investment Returns, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the Management's Discussion and Analysis that governmental accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Plans' financial statements. The accompanying Combining Statements and supplemental Schedules of Investment and Administrative Expenses are presented for purposes of additional analysis and are not a required part of the financial statements.

The Combining Statements and Schedules of Investment and Administrative Expenses are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining Statements and Schedules of Investment and Administrative Expenses are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Gilbert Associates, Inc.

GILBERT ASSOCIATES, INC
Sacramento, California

November 7, 2014

RETIREMENT PLANS FOR SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES

STATEMENTS OF FIDUCIARY NET POSITION
JUNE 30, 2014 AND 2013

	2014	2013
Assets		
Investments, at fair value:		
Equity securities	$ 146,098,774	$ 132,915,236
Fixed income securities	93,940,952	82,065,476
Total investments	240,039,726	214,980,712
Cash and short-term investments	13,693,518	9,340,395
Receivables		
Securities sold	1,975,127	16,059,204
Interest and dividends	407,486	412,844
Other receivables and prepaids	129,204	68,196
Total receivables	2,511,817	16,540,244
Total assets	256,245,061	240,861,351
Liabilities		
Securities purchased payable	14,268,440	28,158,801
Accounts payable	654,000	705,376
Total liabilities	14,922,440	28,864,177
Net position restricted for pension benefits	$ 241,322,621	$ 211,997,174

(Schedules of Changes in Net Pension Liability and Related Ratios for the Plans are presented on pages 22 and 23.)

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

RETIREMENT PLANS FOR SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES

STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013

	2014	2013
Additions		
Contributions:		
Employer	$ 16,320,190	$ 14,493,114
Member	24,103	14,416
Total contributions	16,344,293	14,507,530
Investment Income:		
Net appreciation in fair value of investments	29,601,544	23,688,270
Interest, dividends, and other income	3,359,164	3,409,525
Investment expenses	(1,031,245)	(978,516)
Net investment income	31,929,463	26,119,279
Total additions	48,273,756	40,626,809
Deductions		
Benefits paid to participants	18,541,577	17,517,586
Administrative expenses	406,732	281,739
Total deductions	18,948,309	17,799,325
Net increase in fiduciary net position	29,325,447	22,827,484
Net position restricted for pension benefits - Beginning of fiscal year	211,997,174	189,169,690
Net position restricted for pension benefits - End of fiscal year	$ 241,322,621	$ 211,997,174

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

1. DESCRIPTION OF THE PLANS

ATU/IBEW Plan

The Retirement Plan for Sacramento Regional Transit District Employees who are Members of Amalgamated Transit Union (ATU) Local 256 and International Brotherhood of Electrical Workers (IBEW) Local 1245 (the ATU/IBEW Plan) is a noncontributory single employer defined benefit pension plan covering contract employees of Sacramento Regional Transit District (the District). Participants should refer to their respective ATU/IBEW Plan agreements for more complete information. The ATU Plan and the IBEW Plan are accounted for by the District as one Plan (collectively, the "ATU/IBEW Plan"). The ATU/IBEW Plan is reported as a pension trust fund in the District's financial statements.

General - The ATU/IBEW Plan provides defined pension, disability, and death benefits to employees who are members of the ATU and IBEW. ATU members' benefits are fully vested after ten (10) years. IBEW employees fully vest after five (5) years of service. Membership in the Plan commences upon the first day of the month following employment. Contributions to the ATU/IBEW Plan are authorized or amended by the Retirement Board based on a sound actuarial basis. The authority under which benefit provisions are established and amended rests with the District's Board of Directors as a result of labor negotiations. Assembly Bill 1064, effective January 1, 2004, mandates that the Retirement Boards be comprised of equal representation of management and Bargaining Group employees. The Retirement Board shall consist of not more than 4 members and 2 alternates. Two (2) voting members and one (1) alternate shall be appointed by the District's Board of Directors and two (2) voting members and one (1) alternate shall be appointed by the ATU and IBEW member groups.

ATU/IBEW Plan membership at June 30, consisted of:

	2014	2013
Retirees and beneficiaries currently receiving benefits	493	473
Terminated members entitled to but not yet collecting benefits	39	44
Current active members	708	690
	1,240	1,207

Retirement Benefits – A participant is eligible for normal service retirement under the ATU/IBEW Plan upon attaining age 55 and completing 10 or more years of service for ATU employees and completing 5 or more years of service for the IBEW employees.

In addition, ATU and IBEW members are eligible to retire upon reaching 25 or more years of service. The normal service retirement benefit is the greater of the benefit accrued under the ATU/IBEW Plan provisions in effect on February 28, 1993 or the participant's benefit under the current Plan provisions. Under the current ATU/IBEW Plan provisions, the participant receives a percentage of the average final earnings, as defined, multiplied by the participant's service at retirement. The percentage for IBEW members is equal to: a) 2.0%, if the participant retires prior to age 60, or b) 2.5%, if the participant terminates or retires on or after age 60, or after earning at least 30 years of service.

1. DESCRIPTION OF THE PLANS (Continued)

The percentage for ATU members is as follows:

Age/Service	Benefit
55 or 25 years	2.00%
56 or 26 years	2.10%
57 or 27 years	2.20%
58 or 28 years	2.30%
59 or 29 years	2.40%
60 or 30 (or more) years	2.50%

The benefits begin at retirement and continue for the participant's life with no cost of living adjustment unless the participant elects to receive reduced benefits with continuing benefits to a beneficiary after death.

Disability Benefits – A participant is eligible for a disability benefit if the participant is unable to perform the duties of his or her job with the District, cannot be transferred to another job with the District, and has submitted satisfactory medical evidence of permanent disqualification from his or her job. Members of the ATU are required to have ten years of service and members of the IBEW are required to have at least 5 years of service to qualify for disability. The disability benefit is equal to the retirement allowance, as defined by the ATU/IBEW Plan, multiplied by service accrued through the date of disability. The disability benefit cannot exceed the retirement benefit. The benefit begins at disability and continues until recovery or for the participant's life unless the participant elects to receive reduced benefits with continuing benefits to a beneficiary after death.

Pre-Retirement Death Benefit – A participant's surviving spouse is eligible for a pre-retirement death benefit if the participant is vested, based on the respective bargaining agreements. The pre-retirement death benefit is the actuarial equivalent of the normal retirement benefit, as if the participant retired on the date of death. The death benefit begins when the participant dies and continues for the life of the surviving spouse or until remarriage.

Administration – The ATU/IBEW Plan is administered by the ATU/IBEW Plan's Retirement Board. All expenses incurred in the administration of the ATU/IBEW Plan are paid by the ATU/IBEW Plan.

Plan Termination – Should the ATU/IBEW Plan be terminated, the ATU/IBEW Plan's fiduciary net position will first be applied to provide for retirement benefits to retired members. Any remaining net position will be allocated to other members, oldest first, on the basis of the actuarial present value of their benefits.

Employees Hired After January 1, 2015 – At the April 28, 2014 Sacramento Regional Transit District board meeting the District board approved the terms for settlement of labor negotiations between the District and the ATU and IBEW union groups. ATU employees will be required to contribute 3% of their annual salary to the plan. The IBEW employees will be fully vested after 10 years of service, they have a revised multiplier increasing the age to 67 to receive 2.5% at retirement, and employees are required to contribute 1.5% of their salary in year one up to a 5% maximum in year four and beyond.

1. DESCRIPTION OF THE PLANS (Continued)

Salaried Plan

The Retirement Plan for Sacramento Regional Transit District Salaried Employees (the Salaried Plan) is a noncontributory single employer defined benefit pension plan covering full or part-time employees in an authorized non-contract salaried job classification of the District. Participants should refer to the Salaried Plan agreement for more complete information. The Salaried Plan is reported as a pension trust fund in the District's financial statements.

General - The Salaried Plan provides defined pension, disability, and death benefits to salaried employees. Membership in the Salaried Plan commences the first day of the month following employment. Members' benefits are fully vested after five or nine years. Members of the Administrative Employees' Association (AEA), non-representative salaried employees, and the Management and Confidential Employees' Group (MCEG) fully vest when a member has at least 5 years of service. Members of the American Federation of State, County & Municipal Employees, Local 146, AFL-CIO (AFSCME) are vested as follows:

Years of Service	Percentage Vested
5	20%
6	40%
7	60%
8	80%
9 or more	100%

Contributions to the Salaried Plan are authorized by the Retirement Board based on a sound actuarial basis. The authority under which benefit provisions are established and amended rests with the District's Board of Directors as a result of labor negotiations. Assembly Bill 1064, effective January 1, 2004, mandates that the Retirement Board be comprised of equal representation of management and salaried employees. The Retirement Board shall consist of not more than 4 members and 2 alternates. Two (2) voting members and one (1) alternate shall be appointed by the District's Board of Directors and two (2) voting members and one (1) alternate shall be appointed by the AEA, MCEG, and AFSCME.

Salaried Plan membership as of June 30, consisted of:

	2014	2013
Retirees and beneficiaries currently receiving benefits	221	213
Terminated members entitled to but not yet collecting benefits	47	52
Current active members	252	252
	520	517

1. DESCRIPTION OF THE PLANS (Continued)

Retirement Benefits – A participant of AEA and MCEG is eligible for normal service retirement upon attaining age 55 and completing 5 years of service. A participant of AFSCME is eligible for the normal service retirement upon attaining age 55 and completing 9 years of service. The normal service retirement benefit is the greater of the benefit accrued under the plan provisions in effect on February 1, 1994, or the participant's benefit under the current plan provisions. Under the current plan provisions, AEA, MCEG and AFSCME participants receive a percentage of the average final earnings, as defined, multiplied by the participant's service at retirement as follows:

Age/Service	Benefit
55 or 25 years	2.00%
56 or 26 years	2.10%
57 or 27 years	2.20%
58 or 28 years	2.30%
59 or 29 years	2.40%
60 or 30 (or more) years	2.50%

The benefits begin at retirement and continue for the participant's life with no cost of living adjustments unless the participant elects to receive reduced benefits with continuing benefits to a beneficiary after death.

Disability Benefits – A participant is eligible for a disability benefit if the participant is unable to perform the duties of his or her job with the District, cannot be transferred to another job with the District, and has submitted satisfactory medical evidence of permanent disqualification from his or her job. Members of the AEA, non-representative salaried employees, and MCEG are eligible for disability retirement after 5 years of service. Members of the AFSCME are eligible for disability retirement after 9 years of service. The disability benefit is equal to the retirement allowance, as defined by the Salaried Plan, multiplied by service accrued through the date of disability. The disability benefit cannot exceed the retirement benefit. The benefit begins at disability and continues until recovery or for the participant's life unless the participant elects to receive reduced benefits with continuing benefits to a beneficiary after death.

Pre-Retirement Death Benefit – A participant's surviving spouse is eligible for a pre-retirement death benefit if the participant is vested, based on the respective bargaining agreements. The pre-retirement death benefit is the actuarial equivalent of the normal retirement benefit, as if the participant retired on the date of death. The death benefit begins when the participant dies and continues for the life of the surviving spouse or until remarriage.

Administration – The Salaried Plan is administered by the Salaried Plan's Retirement Boards. All expenses incurred in the administration of the Salaried Plan are paid by the Salaried Plan.

Plan Termination – Should the Salaried Plan be terminated, plan's fiduciary net position will first be applied to provide for retirement benefits to retired members. Any remaining net position will be allocated to other members, oldest first, on the basis of the actuarial present value of their benefits.

Employees Hired After January 1, 2015 – The AFSCME Technical group will require employee contributions of 1.5% of annual salary in year one up to 4.5% maximum in year 3 and beyond. The AEA, MCEG and AFSCME groups are undergoing negotiations.

1. DESCRIPTION OF THE PLANS (Continued)

PEPRA Employees

The Public Employees' Pension Reform Act (PEPRA) of 2013 created new pension rules for employees hired after January 1, 2013. 'PEPRA employees' were hired under both the ATU/IBEW Plan and the Salaried Plan and are required to contribute 50% of the normal cost of their plan. The benefits under PEPRA were reduced in an effort to reduce the pension liability of local agencies in the state of California.

The general benefits as listed above for the ATU/IBEW and Salaried Plans are the same for PEPRA employees. PEPRA creates a new defined benefit formula of 2% at age 62 for all members hired after January 1, 2013, with an early retirement age of 52 and a maximum benefit factor of 2.5% at age 67. PEPRA also puts a ceiling on wages that can be used to calculate the pension benefit. Employer paid member contributions are not allowed under PEPRA; therefore, the District is required to subtract the employees' contributions from each pay check and deposit the balance in the Pension Plans' assets. As of January 1, 2013, all new employees are required to contribute 50% of the normal cost of the pension benefits.

As of October 4, 2013, Assembly Bill 1222 provided a temporary exemption to the January 1, 2013 PEPRA law for employees of Transit Agencies. Along with changes to employee retirement benefits, this exemption eliminated employee contributions through January 1, 2015. Therefore all contributions received were refunded in November 2013 and these employees will now be included in the existing plans. On September 28, 2014, Assembly Bill 1783 was signed, which extends the District's PEPRA exemption to January 1, 2016.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting – The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. The ATU/IBEW and Salaried Plans are reported as pension trust funds which report resources that are required to be held in trust for the members and beneficiaries of the defined benefit pension plans. The ATU/IBEW and Salaried Plans are accounted for on the flow of economic resources measurement focus and the accrual basis of accounting.

The ATU/IBEW and Salaried Plans have adopted Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25*, as their source of accounting and reporting principles. The District's contributions to the ATU/IBEW and Salaried Plans are recognized in the period in which the contributions are due pursuant to formal commitments or contractual requirements. Benefits and refunds are recognized when due and payable in accordance with the ATU/IBEW and Salaried Plans' agreements.

Cash and Short-Term Investments – The ATU/IBEW and Salaried Plans consider all highly liquid investments with a maturity of three months or less to be short-term investments.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments – Investments are stated at fair value based on quoted market prices (or, if not available, at estimated fair value determined by third-party pricing services). Realized gains or losses on the sale of investments are recorded on the trade date as the difference between proceeds received and the fair value at the beginning of the year, or cost if acquired during the year. Net appreciation (depreciation) in fair value of investments includes net unrealized market appreciation and depreciation of investments and net realized gains and losses on the sale of investments during the period. Interest income includes dividends and interest paid on the ATU/IBEW and Salaried Plans' investments. The investment assets for the ATU/IBEW and the Salaried Plans are combined into one commingled investment portfolio. The balances of investments owned by the plans are calculated based on a percentage of ownership as determined by the Plans' custodian, State Street.

Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires the ATU/IBEW and Salaried Plans administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

New Pronouncements - For the fiscal year ended June 30, 2014, the ATU/IBEW and Salaried Plans implemented GASB pronouncement 67, *Financial Reporting for Pension Plans, an amendment of GASB 25*. This statement replaces the requirements of Statements No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and No. 50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or equivalent arrangements. For defined benefit pension plans, this Statement establishes standards of financial reporting for separately issued financial reports and specifies the required approach to measuring the pension liability of employers and nonemployer contributing entities for benefits provided through the pension plan (the net pension liability), about which information is required to be presented. The implementation of the GASB statement resulted in certain changes in presentation but did not have a material impact on the Plans' financial Statements.

For the fiscal year ended June 30, 2013, the ATU/IBEW and Salaried Plans implemented GASB pronouncement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB pronouncement 65, *Items Previously Reported as Assets and Liabilities*. The implementation of the two GASB statements resulted in certain changes in presentation but did not have a material impact on the Plans' financial statements.

There are currently no future pronouncements that will be applicable to the ATU/IBEW and Salaried Retirement Plans financial statements.

3. CONTRIBUTION REQUIREMENTS

EMPLOYER CONTRIBUTIONS

The ATU/IBEW and Salaried Plans' funding policy provides for actuarially determined periodic contributions. Contribution rates for retirement benefits are determined using the entry age normal cost method. During the fiscal years ended June 30, 2014 and June 30, 2013, the District made 100% of the actuarially determined contributions to the ATU/IBEW and Salaried Plans of $16,320,190 and $14,493,114, respectively, for all employees.

3. CONTRIBUTION REQUIREMENTS (Continued)

NON-PEPRA EMPLOYEES

For the fiscal year ended June 30, 2014 and 2013, the actuarially determined rate for the ATU/IBEW Plan was 26.27% and 24.27%, respectively, of covered payroll. For the fiscal year ended June 30, 2014 and 2013, the actuarially determined rate for the Salaried Plan was 29.95% and 27.71%, respectively, of covered payroll. No contributions are required by the ATU/IBEW and Salaried Plans' members pursuant to each respective bargaining agreement for employees hired before January 1, 2013; however, ATU/IBEW Plan members can buy-back service.

PEPRA EMPLOYEES

As of January 1, 2013, all new employees are required to contribute 50% of the normal cost of the pension benefit. The employee contributions for the fiscal year ending June 30, 2014 were 5.75% or $22,425 and 4.75% or $1,678, for the ATU/IBEW Plan and the Salaried Plan, respectively. The employee contributions for the fiscal year ending June 30, 2013 were 5.75% or $13,346 and 4.75% or $1,070, for the ATU/IBEW Plan and the Salaried Plan, respectively. The employer portion of the actuarially determined rate for the ATU/IBEW Plan and Salaried Plan was 18.18% and 21.61%, respectively, of covered payroll for the fiscal year ended June 30, 2014. The employer portion of the actuarially determined rate for the ATU/IBEW Plan and Salaried Plan was 17.29% and 21.52%, respectively, of covered payroll for the fiscal year ended June 30, 2013. The contribution rates for the years ending June 30, 2014 and 2013 were actuarially determined on July 9, 2013 and December 4, 2012, respectively, using the member data from actuarial valuations of the Plans as of June 30, 2012.

4. CASH AND INVESTMENTS

CASH AND SHORT-TERM INVESTMENTS

At June 30, 2014 and 2013, the reported amount of cash and short-term investments of the ATU/IBEW and Salaried Plans was $13,693,518 and $9,340,395, respectively. The amount was collateralized with securities held by the counterparty's trust department or agent in the District's name on behalf of the Retirement Plan.

INVESTMENTS

An annual Board-adopted policy, the Statement of Investment Objectives and Policy Guidelines for the Sacramento Regional Transit District Retirement Plans (Policy), governs the ATU/IBEW and Salaried Plans' investments. This Policy focuses on the continued feasibility of achieving, and the appropriateness of, the Asset Allocation Policy, the Investment Objectives, the Investment Policies and Guidelines, and the Investment Restrictions. The Retirement Boards have the authority to amend the asset allocation targets as well as establish and amend investment policies. The following was the Plans adopted asset allocation policy as of June 30, 2014:

Asset Class	Target Allocation
Domestic Equity Large Cap	30%
Domestic Equity Small Cap	7%
International Equity Developed	18%
International Equity Emerging Markets	5%
Domestic Fixed Income	40%

4. CASH AND INVESTMENTS (Continued)

All of the ATU/IBEW and Salaried Plans' investments are reported at fair value measured by quoted market prices.

For the year ended June 30, 2014, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was 15.64%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

The following table identifies the investment types that are authorized by the ATU/IBEW and Salaried Plans' Retirement Boards. The table also identifies certain provisions of the Investment Objectives and Policy that address interest rate risk, credit risk and concentration of credit risk.

Authorized Investment Type	Maximum Maturity (1)	Minimum Rating	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Municipal Debt	None	Baa	None	None
U.S. Treasury Obligations	None	N/A	None	None
U.S. Agency Securities	None	N/A	None	None
Bankers' Acceptances	None	N/A	None	None
Commercial Paper	None	A2	None	None
Certificates of Deposit	None	N/A	None	None
Repurchase Agreements with US Treasury and Agency Securities as Collateral	None	N/A	None	None
Corporate Bonds	None	Baa	None	None
Mortgage Pass-Through Securities	None	None	None	None
Collateralized Mortgage Obligations	None	Aaa	None	None
Asset-Backed Securities	None	None	None	None
Mutual Funds	N/A	N/A	25% (2)	5%
Real Estate Investment Trust	N/A	N/A	25% (2)	5%
Depository Receipts	N/A	N/A	25% (2)	5%
Stocks	N/A	N/A	25% (2)	5%

(1) The fixed income portion of the ATU/IBEW and Salaried Plans shall be limited in duration to between 75% and 125% of the benchmark.
(2) No more than 25% of the fair value on the purchase cost basis of the total common stock portfolio (equity securities) shall be invested in a single industry at the time of purchase.

4. CASH AND INVESTMENTS (Continued)

INVESTMENT RISK FACTORS

There are many factors that can affect the value of investments. Such factors as interest rate risk, credit risk, custodial credit risk, concentration of credit risk, and foreign currency risk may affect both equity and fixed income securities.

INTEREST RATE RISK

Interest rate risk is the risk that the value of fixed income securities will decline because of rising interest rates. The prices of fixed income securities with a longer time to maturity, measured by duration, tend to be more sensitive to changes in interest rates and, therefore, more volatile than those with shorter duration.

The following table provides information about the interest rate risks associated with the ATU/IBEW and Salaried Plans' investments at June 30, 2014.

	Maturity in Years				
	Less than 1	1 – 5	6 – 10	More than 10	Fair Value
Collateralized Mortgage Obligations	$ -	$ 363,661	$ 2,977,041	$ 7,637,213	$ 10,977,915
Corporate Bonds	1,139,096	6,470,913	3,527,154	3,763,174	14,900,337
Municipal Bonds	-	-	438,356	681,598	1,119,954
U.S. Government Agency Obligations	-	2,735	2,311,794	20,467,290	22,781,819
U.S. Government Issued Obligations	6,980,614	14,397,839	8,803,837	3,399,803	33,582,093
Asset-Backed Securities	-	-	1,513,343	9,065,491	10,578,834
Total	$ 8,119,710	$ 21,235,148	$ 19,571,525	$ 45,014,569	$ 93,940,952

The following table provides information about the interest rate risks associated with the ATU/IBEW and Salaried Plan's investments at June 30, 2013.

	Maturity in Years				
	Less than 1	1 – 5	6 – 10	More than 10	Fair Value
Collateralized Mortgage Obligations	$ -	$ 447,744	$ 3,282,652	$ 11,336,807	$ 15,067,203
Corporate Bonds	1,913,214	5,151,928	4,924,728	3,682,513	15,672,383
Municipal Bonds	-	147,936	511,095	860,904	1,519,935
U.S. Government Agency Obligations	-	5,169	2,670,433	18,228,014	20,903,616
U.S. Government Issued Obligations	2,034,567	15,002,039	1,020,850	2,093,446	20,150,902
Asset-Backed Securities	-	29,625	750,131	7,971,681	8,751,437
Total	$ 3,947,781	$ 20,784,441	$ 13,159,889	$ 44,173,365	$ 82,065,476

In accordance with the ATU/IBEW and Salaried Plans' investment policy, investments may include mortgage pass-through securities, collateralized mortgage obligations, asset-backed securities, callable bonds and corporate debts that are considered to be highly sensitive to changes in interest rates.

4. CASH AND INVESTMENTS (Continued)

COLLATERALIZED MORTGAGE OBLIGATIONS

Collateralized mortgage obligations (CMO's) are bonds that represent claims to specific cash flow from large pools of home mortgages. The streams of principal and interest payments on the mortgages are distributed to the different classes of CMO interests.

CMO's are often highly sensitive to changes in interest rates and any resulting change in the rate at which homeowners sell their properties, refinance, or otherwise pre-pay their loans. Investors in these securities may not only be subjected to such prepayment risk, but also exposed to significant market and liquidity risks.

CORPORATE DEBT – RANGE NOTES

Range notes are securities which pay two different interest rates depending on whether or not a benchmark index falls within a pre-determined range as structured per the note. If the benchmark index rate does not fall within the pre-determined range, the note will not earn the coupon rate for that time period. With this pre-determined range feature, range notes are highly sensitive to changes in interest rates. As of June 30, 2014, the ATU/IBEW and Salaried Plans held range notes with a fair value of $446,243. As of June 30, 2013, the ATU/IBEW and Salaried Plans held range notes with a fair value of $461,132.

MORTGAGE PASS-THROUGH SECURITIES

These securities are issued by Government Sponsored Enterprises (GSEs), which are a group of financial services corporations created by the United States Congress. The GSEs include: the Federal National Mortgage Association (Fannie Mae), the Federal Home Loan Mortgage Association (Freddie Mac), and the Federal Home Loan Banks. Another institution that issues these securities is the Government National Mortgage Association (Ginnie Mae). These securities are highly sensitive to interest rate fluctuations because they are subject to early payment. In a period of declining interest rate, the resulting reduction in expected total cash flows affects the fair value of these securities.

ASSET-BACKED SECURITIES

Asset-backed securities generate a return based upon either the payment of interest or principal on obligations in an underlying pool. The relationship between interest rates and prepayments make the fair value highly sensitive to changes in interest rates.

CALLABLE BONDS

Although bonds are issued with clearly defined maturities, an issuer may be able to redeem, or call, a bond earlier than its maturity date. The Plans must then replace the called bond with a bond that may have a lower yield than the original bond. The call feature causes the fair value to be highly sensitive to changes in interest rates. As of June 30, 2014, the ATU/IBEW and Salaried Plans held callable bonds with a fair value of $3,450,766. As of June 30, 2013, the ATU/IBEW Plan and the Salaried Plan held callable bonds with a fair value of $8,687,269.

CREDIT RISK

Fixed income securities are subject to credit risk, which is the risk that a bond issuer or other counterparty to a debt instrument will not fulfill its obligation to pay interest or principal in a timely manner, or that negative perceptions of the issuer's ability to make these payments will cause security prices to decline. The circumstances may arise due to a variety of factors such as financial weakness, bankruptcy, litigation and/or adverse political developments.

4. CASH AND INVESTMENTS (Continued)

A bond's credit quality is an assessment of the issuer's ability to pay interest on the bond, and ultimately, to pay the principal. Credit quality is evaluated by one of the independent bond-rating agencies, for example Moody's Investors Services (Moody's). The lower the rating the greater the chance, in the rating agency's opinion, the bond issuer will default, or fail to meet their payment obligations. Generally, the lower a bond's credit rating, the higher its yield should be to compensate for the additional risk.

Certain fixed income securities, including obligations of the U.S. government or those explicitly guaranteed by the U.S. government, are not considered to have credit risk.

For the fiscal years ending June 30, 2014 and 2013, the ATU/IBEW and Salaried Plans were in adherence with the credit risk provisions of the Statement of Investment Objectives and Policy Guidelines which require a minimum overall portfolio quality rating and a minimum credit rating at the time of purchase.

The following table provides information on the credit ratings and fair value associated with the ATU/IBEW and Salaried Plans' investments as of June 30, 2014.

Investment Rating	Fair Value	Percentage of Portfolio
Not applicable	$ 159,792,292	62.98%
Not rated	57,905,098	22.82%
Aaa	14,259,652	5.62%
Aa1	977,535	0.39%
Aa2	1,771,440	0.70%
Aa3	354,555	0.14%
A1	1,448,258	0.57%
A2	1,520,943	0.60%
A3	2,409,478	0.95%
Baa1	4,660,839	1.84%
Baa2	4,642,177	1.83%
Baa3	1,235,670	0.49%
Ba1	116,350	0.05%
Ba2	161,895	0.06%
Ba3	827,823	0.32%
B1	616,190	0.24%
B2	132,728	0.05%
Caa1	503,608	0.20%
Caa3	386,167	0.15%
Ca	10,546	0.00%
Total Cash & Investments	$ 253,733,244	100.00%

4. CASH AND INVESTMENTS (Continued)

The following table provides information on the credit ratings and fair value associated with the ATU/IBEW and Salaried Plans' investments as of June 30, 2013.

Investment Rating	Fair Value	Percentage of Portfolio
Not applicable	$ 142,255,631	63.42%
Not rated	32,782,618	14.61%
Aaa	26,066,985	11.62%
Aa1	161,421	0.07%
Aa2	2,330,204	1.04%
Aa3	594,388	0.26%
A1	1,980,502	0.88%
A2	1,153,566	0.51%
A3	3,561,172	1.59%
Baa1	2,931,397	1.31%
Baa2	6,144,684	2.74%
Baa3	924,069	0.41%
Ba1	403,728	0.18%
Ba2	149,447	0.07%
Ba3	497,729	0.22%
B1	250,690	0.11%
B2	403,456	0.18%
B3	392,918	0.18%
Caa1	498,613	0.22%
Caa3	758,752	0.34%
Ca	79,137	0.04%
Total Cash & Investments	$ 224,321,107	100.00%

CONCENTRATION OF CREDIT RISK

Concentration of credit risk is the risk of loss attributed to the magnitude of an entity's investment in a single issuer.

The investment policies of the ATU/IBEW and Salaried Plans state that an investment in each domestic or international equity fund managers' securities of a single issuer shall not exceed 5% (at cost) of the value of the portfolios and/or of the total outstanding shares. As of June 30, 2014 and 2013, the ATU/IBEW and Salaried Plans did not have domestic or international equity fund managers' investments in a single issuer that exceeded 5% (at cost) of the value of the portfolios and/or of the total outstanding shares. As of June 30, 2014 and 2013, the Plans held more than 5% of the Plans' investments in the following fixed-income securities investments.

	2014	2013
Federal National Mortgage Association	$ 21,236,745	$ 20,519,153
Federal Home Loan Bank	13,963,182	-
US Treasury	22,002,362	-

4. CASH AND INVESTMENTS (Continued)

CUSTODIAL CREDIT RISK

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party.

The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The ATU/IBEW and Salaried Plans' investment policy does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments. The ATU/IBEW and Salaried Plans' investment securities are not exposed to custodial credit risk because all securities are held by the ATU/IBEW and Salaried Plans' custodian bank in the District's name.

FOREIGN CURRENCY RISK

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The ATU/IBEW and Salaried Plans' investment policy states international equity securities shall be comprised of American Depository Receipts (ADR) of non-U.S. companies, common stocks of non-U.S. companies, preferred stocks of non-U.S. companies, foreign convertible securities including debentures convertible to common stocks, and cash equivalents.

The following table provides information on deposits and investments held in various foreign currencies, which are stated in U.S. dollars. The ATU/IBEW and Salaried Plans do have foreign currency deposits and investments which may be used for hedging purposes.

At June 30, 2013 the ATU/IBEW and Salaried Plans had no foreign currency risk. At June 30, 2014, the U.S. dollar balances organized by investment type and currency denominations for the ATU/IBEW and Salaried Plans are as follows:

	Foreign Currency	2014 U.S. Dollars
Cash	EURO	$ 528
	Total	$ 528

5. NET PENSION LIABILITY

ATU/IBEW Plan

The components of the net pension liability of the ATU/IBEW Plan at June 30, 2014, were as follows:

Total pension liability	$	215,046,075
Plan fiduciary net position		(170,497,673)
ATU/IBEW net pension liability	$	44,548,402
Plan fiduciary net position as a percentage of the total pension liability		79.28%

The total pension liability was determined by an actuarial valuation as of June 30, 2013, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25%
Amortization growth rate	3.25%
Salary increases	3.25%, plus merit component
Investment rate of return.	7.75%, net of investment expense
Post-retirement mortality	Sex distinct RP-2000 Combined Blue Collar Mortality, 3 year setback for females

The actuarial assumptions used in the June 30, 2013, valuation were based on the results of an actuarial experience study for the period July 1, 2006 through June 30, 2011.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2014, are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Domestic Equity Large Cap	9.15%
Domestic Equity Small Cap	10.15%
International Equity Developed	9.25%
International Equity Emerging	11.45%
Domestic Fixed Income	3.05%

5. NET PENSION LIABILITY (continued)

The discount rate used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that the District will continue to contribute to the Plan based on an actuarially determined contribution, reflecting a payment equal to annual normal cost, the expected administrative expenses, and an amount necessary to amortize the remaining unfunded actuarial liability as a level percentage of payroll over a closed period (19 years remaining as of the June 30, 2013 actuarial valuation)

Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current Plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the net pension liability of the ATU/IBEW Plan, calculated using the discount rate of 7.75%, as well as what the ATU/IBEW Plans net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75%) or 1-percentage-point higher (8.75%) than the current rate:

	1% Decrease 6.75%	Discount Rate 7.75%	1% Increase 8.75%
Total pension liability	$ 236,122,190	$ 215,046,075	$ 196,881,715
Plan fiduciary net position	(170,497,673)	(170,497,673)	(170,497,673)
Net pension liability	$ 65,624,517	$ 44,548,402	$ 26,384,042
Plan fiduciary net position as a percentage of the total pension liability	72.21%	79.28%	86.60%

5. NET PENSION LIABILITY (continued)

Salaried Plan

The components of the net pension liability of the Salaried Plan at June 30, 2014, were as follows:

Total pension liability	$	109,824,641
Plan fiduciary net position		(70,824,948)
Salaried net pension liability	$	38,999,693
Plan fiduciary net position as a percentage of the total pension liability		64.49%

The total pension liability was determined by an actuarial valuation as of June 30, 2013, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25%
Amortization growth rate	3.25%
Salary increases	3.25%, plus merit component
Investment rate of return.	7.75%, net of investment expense
Post-retirement mortality	Sex distinct RP-2000 Combined White Collar Mortality, 3 year setback for females

The actuarial assumptions used in the June 30, 2013, valuation were based on the results of an actuarial experience study for the period July 1, 2006 through June 30, 2011.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2014, are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Domestic Equity Large Cap	9.15%
Domestic Equity Small Cap	10.15%
International Equity Developed	9.25%
International Equity Emerging	11.45%
Domestic Fixed Income	3.05%

5. NET PENSION LIABILITY (continued)

The discount rate used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that the District will continue to contribute to the Plan based on an actuarially determined contribution, reflecting a payment equal to annual normal cost, the expected administrative expenses, and an amount necessary to amortize the remaining unfunded actuarial liability as a level percentage of payroll over a closed period (19 years remaining as of the June 30, 2013 actuarial valuation)

Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current Plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the net pension liability of the Salaried Plan, calculated using the discount rate of 7.75%, as well as what the Salaried Plans net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75%) or 1-percentage-point higher (8.75%) than the current rate:

	1% Decrease 6.75%	Discount Rate 7.75%	1% Increase 8.75%
Total pension liability	$ 121,716,812	$ 109,824,641	$ 99,698,837
Plan fiduciary net position	(70,824,948)	(70,824,948)	(70,824,948)
Net pension liability	$ 50,891,864	$ 38,999,693	$ 28,873,889
Plan fiduciary net position as a percentage of the total pension liability	58.19%	64.49%	71.04%

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. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective and are based on the benefits provided under the terms of the substantive plan in effect at the time of each valuation. Actuarial methods and assumptions used include techniques designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of plan assets.

The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effect of legal or contractual funding limitations.

REQUIRED SUPPLEMENTARY INFORMATION

RETIREMENT PLANS FOR SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
EMPLOYEES WHO ARE MEMBERS OF
ATU LOCAL 256 AND IBEW LOCAL 1245
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

		2014
Total pension liability		
Service Cost	$	5,599,479
Interest		15,740,342
Transfers out - Salaried Plan		(174,166)
Benefit payments, including refunds of member contributions		(12,877,177)
Net change in total pension liability		8,288,478
Total pension liability - beginning		206,757,597
Total pension liability - ending (a)	$	215,046,075
Plan fiduciary net position		
Contributions - employer	$	9,711,107
Contributions - member		22,425
Net investment income		22,631,819
Transfers out - Salaried Plan		(174,166)
Benefit payments, including refunds of member contributions		(12,877,177)
Administrative expense		(230,365)
Net change in plan fiduciary net position		19,083,643
Plan fiduciary net position - beginning		151,414,030
Plan fiduciary net position - ending (b)	$	170,497,673
Net pension liability - ending (a) - (b)	$	44,548,402
Plan fiduciary net position as a percentage of the total pension liability		79.28%
Covered employee payroll	$	38,857,668
Net pension liability as a percentage of covered employee payroll		114.65%

Note: Information prior to 2014 was not available.

RETIREMENT PLANS FOR SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
SALARIED EMPLOYEES
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

		2014
Total pension liability		
Service Cost	$	3,321,337
Transfers In - ATU/IBEW Plan		174,166
Interest (includes interest on service cost)		7,978,675
Benefit payments, including refunds of member contributions		(5,664,400)
Net change in total pension liability		5,809,778
Total pension liability - beginning		104,014,863
Total pension liability - ending (a)	$	109,824,641
Plan fiduciary net position		
Contributions - employer	$	6,609,083
Contributions - member		1,678
Transfers in - ATU/IBEW Plan		174,166
Net investment income		9,297,644
Benefit payments, including refunds of member contributions		(5,664,400)
Administrative expense		(176,367)
Net change in plan fiduciary net position		10,241,804
Plan fiduciary net position - beginning		60,583,144
Plan fiduciary net position - ending (b)	$	70,824,948
Net pension liability - ending (a) - (b)	$	38,999,693
Plan fiduciary net position as a percentage of the total pension liability		64.49%
Covered employee payroll	$	22,008,809
Net pension liability as a percentage of covered employee payroll		177.20%

Note: Information prior to 2014 was not available.

RETIREMENT PLANS FOR SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES

SCHEDULE OF DISTRICT CONTRIBUTIONS
EMPLOYEES WHO ARE MEMBERS OF
ATU LOCAL 256 AND IBEW LOCAL 1245
LAST 10 FISCAL YEARS
(Dollar amounts in thousands)

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Actuarially determined contribution	$ 9,711	$ 8,694	$ 7,885	$ 6,809	$ 7,426	$ 6,937	$ 7,681	$ 7,088	$ 6,227	$ 4,536
Contributions in relation to the actuarially determined contribution	9,711	8,694	7,885	6,809	7,426	6,937	7,681	7,088	6,227	4,536
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered-employee payroll	38,858	37,110	38,558	38,343	43,626	44,916	44,718	42,897	41,284	37,679
Contributions as a percentage of covered-employee payroll	24.99%	23.43%	20.45%	17.76%	17.02%	15.44%	17.18%	16.52%	15.08%	12.04%

Note: This schedule uses covered payroll which is different than actual payroll and therefore the contributions as a percentage of covered payroll will differ from what was actually contributed.

Notes to Schedule

Valuation Date	6/30/2012 (to determine FY13-14 contribution)
Timing	Actuarially determined contribution rates are calculated based on the actuarial valuation one year prior to the beginning of the plan year

Key methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age
Amortization method	Level percentage of payroll, closed 19 year period as of 6/30/2013
Asset valuation method	5-year smoothed market
Discount Rate	7.75%
Price inflation	3.25%
Salary Increases	3.51% to 12.54%
Mortality	Sex distinct RP-2000 Combined Blue Collar Mortality, 3 year setback for females

Other information:
A complete description of the methods and assumptions used to determine contribution rates for the year ending June 30, 2014, can be found in the June 30, 2012 actuarial valuation report.

RETIREMENT PLANS FOR SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES

SCHEDULE OF DISTRICT CONTRIBUTIONS
SALARIED EMPLOYEES
LAST 10 FISCAL YEARS
(Dollar amounts in thousands)

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Actuarially determined contribution	$ 6,609	$ 5,800	$ 4,580	$ 3,718	$ 4,269	$ 3,820	$ 4,132	$ 3,694	$ 2,564	$ 2,510
Contributions in relation to the actuarially determined contribution	6,609	5,800	4,580	3,718	4,269	3,820	4,132	3,694	2,564	2,510
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered-employee payroll	22,009	19,627	19,105	19,466	22,602	21,115	21,929	21,363	21,217	20,163
Contributions as a percentage of covered-employee payroll	30.03%	29.55%	23.97%	19.10%	18.89%	18.09%	18.84%	17.29%	12.08%	12.45%

Note: This schedule uses covered payroll which is different than actual payroll and therefore the contributions as a percentage of covered payroll will differ from what was actually contributed.

Notes to Schedule

Valuation Date	6/30/2012 (to determine FY13-14 contribution)
Timing	Actuarially determined contribution rates are calculated based on the actuarial valuation one year prior to the beginning of the plan year

Key methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age
Amortization method	Level percentage of payroll, closed 19 year period as of 6/30/2013
Asset valuation method	5-year smoothed market
Discount Rate	7.75%
Price inflation	3.25%
Salary Increases	3.25% to 15.6%
Mortality	Sex distinct RP-2000 Combined White Collar Mortality, 3 year setback for females

Other information:
A complete description of the methods and assumptions used to determine contribution rates for the year ending June 30, 2014, can be found in the June 30, 2012 actuarial valuation report.

RETIREMENT PLANS FOR SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES

SCHEDULE OF INVESTMENT RETURNS
EMPLOYEES WHO ARE MEMBERS OF
ATU LOCAL 256 AND IBEW LOCAL 1245
AND SALARIED EMPLOYEES
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(Dollar amounts in thousands)

	2014
Annual money-weighted rate of return, net of investment expense	15.64%

Note: Information prior to 2014 was not available.

COMBINING STATEMENTS

RETIREMENT PLANS FOR SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES

STATEMENTS OF FIDUCIARY NET POSITION
JUNE 30, 2014

	ATU/IBEW	Salaried	Total
Assets			
Investments, at fair value:			
Equity securities	$ 102,436,610	$ 43,662,164	$ 146,098,774
Fixed income securities	67,330,781	26,610,171	93,940,952
Total investments	169,767,391	70,272,335	240,039,726
Cash and short-term investments	9,766,996	3,926,522	13,693,518
Receivables			
Securities sold	1,412,085	563,042	1,975,127
Interest and dividends	290,759	116,727	407,486
Other receivables and prepaids	36,492	92,712	129,204
Total receivables	1,739,336	772,481	2,511,817
Total assets	181,273,723	74,971,338	256,245,061
Liabilities			
Securities purchased payable	10,226,692	4,041,748	14,268,440
Accounts payable	549,358	104,642	654,000
Total liabilities	10,776,050	4,146,390	14,922,440
Net position restricted for pension benefits	$ 170,497,673	$ 70,824,948	$ 241,322,621

RETIREMENT PLANS FOR SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES

STATEMENTS OF FIDUCIARY NET POSITION
JUNE 30, 2013

	ATU/IBEW	Salaried	Total
Assets			
Investments, at fair value:			
Equity securities	$ 94,534,988	$ 38,380,248	$ 132,915,236
Fixed income securities	59,156,304	22,909,172	82,065,476
Total investments	153,691,292	61,289,420	214,980,712
Cash and short-term investments	6,709,653	2,630,742	9,340,395
Receivables			
Securities sold	11,572,630	4,486,574	16,059,204
Interest and dividends	297,032	115,812	412,844
Other receivables and prepaids	36,702	31,494	68,196
Total receivables	11,906,364	4,633,880	16,540,244
Total assets	172,307,309	68,554,042	240,861,351
Liabilities			
Securities purchased payable	20,292,862	7,865,939	28,158,801
Accounts payable	600,417	104,959	705,376
Total liabilities	20,893,279	7,970,898	28,864,177
Net position restricted for pension benefits	$ 151,414,030	$ 60,583,144	$ 211,997,174

RETIREMENT PLANS FOR SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES

STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	ATU/IBEW	Salaried	Total
Additions			
Contributions:			
Employer	$ 9,711,107	$ 6,609,083	$ 16,320,190
Member	22,425	1,678	24,103
Total contributions	9,733,532	6,610,761	16,344,293
Investment Income:			
Net appreciation in fair value of investments	20,970,171	8,631,373	29,601,544
Interest, dividends, and other income	2,394,445	964,719	3,359,164
Investment expenses	(732,797)	(298,448)	(1,031,245)
Net investment income	22,631,819	9,297,644	31,929,463
Total additions	32,365,351	15,908,405	48,273,756
Deductions			
Benefits paid to participants	12,877,177	5,664,400	18,541,577
Administrative expenses	230,365	176,367	406,732
Total deductions	13,107,542	5,840,767	18,948,309
Transfers in/(out) of plans	(174,166)	174,166	-
Net increase in fiduciary net position	19,083,643	10,241,804	29,325,447
Net position restricted for pension benefits - Beginning of fiscal year	151,414,030	60,583,144	211,997,174
Net position restricted for pension benefits - End of fiscal year	$ 170,497,673	$ 70,824,948	$ 241,322,621

RETIREMENT PLANS FOR SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES

STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	ATU/IBEW	Salaried	Total
Additions			
Contributions:			
Employer	$ 8,693,568	$ 5,799,546	$ 14,493,114
Member	13,346	1,070	14,416
Total contributions	8,706,914	5,800,616	14,507,530
Investment Income:			
Net appreciation in fair value of investments	16,957,815	6,730,455	23,688,270
Interest, dividends, and other income	2,454,274	955,251	3,409,525
Investment expenses	(699,252)	(279,264)	(978,516)
Net investment income	18,712,837	7,406,442	26,119,279
Total additions	27,419,751	13,207,058	40,626,809
Deductions			
Benefits paid to participants	12,070,149	5,447,437	17,517,586
Administrative expenses	136,996	144,743	281,739
Total deductions	12,207,145	5,592,180	17,799,325
Net increase in fiduciary net position	15,212,606	7,614,878	22,827,484
Net position restricted for pension benefits - Beginning of fiscal year	136,201,424	52,968,266	189,169,690
Net position restricted for pension benefits - End of fiscal year	$ 151,414,030	$ 60,583,144	$ 211,997,174

SUPPLEMENTAL SCHEDULES

RETIREMENT PLANS FOR SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES

SCHEDULES OF INVESTMENT AND ADMINISTRATIVE EXPENSES EMPLOYEES WHO ARE MEMBERS OF ATU LOCAL 256 AND IBEW LOCAL 1245 FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013

Investment Expenses:

Vendor Names	Type of Services	2014	2013
Metropolitan West Asset Management, L.L.C.	Asset Management	$ 169,601	$ 159,504
Robeco Investment Management	Asset Management	146,791	144,263
Atlanta Capital Management Co.	Asset Management	113,462	102,288
JP Morgan Investment Management, Inc.	Asset Management	108,346	94,137
SSgA S&P 500	Asset Management	13,583	19,533
SSgA MSCI EAFE	Asset Management	13,472	16,296
Callan Associates, Inc.	Investment Advisor	78,529	76,065
State Street Bank and Trust Company	Custodian Services	89,013	87,166
Total		$ 732,797	$ 699,252

Administrative Expenses:

Vendor Names	Type of Services	2014	2013
Hanson Bridgett	Consulting Services	$ 151,242	$ 86,893
Cheiron EFI	Actuarial Services	44,649	21,490
AON Risk Services, Inc.	Fiduciary Insurance	23,603	18,678
Law Offices of John Kagel	Arbitration	-	5,229
CALAPRS	Dues & Training Course	5,250	1,345
Sacramento Occupational Medical Group	Medical Evaluation	3,010	1,095
Callan Associates	Training Workshop	1,081	-
MP Radocy, Inc.	Arbitration	-	994
Information Services	Technical Support	375	520
United Parcel Service	Shipping	18	122
Other	Misc	1,137	630
Total		$ 230,365	$ 136,996

RETIREMENT PLANS FOR SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES

SCHEDULES OF INVESTMENT AND ADMINISTRATIVE EXPENSES
SALARIED EMPLOYEES
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013

Investment Expenses:

Vendor Names	Type of Services	2014	2013
Metropolitan West Asset Management, L.L.C.	Asset Management	$ 69,461	$ 62,291
Robeco Investment Management	Asset Management	60,081	57,237
Atlanta Capital Management Co.	Asset Management	46,407	41,271
JP Morgan Investment Management, Inc.	Asset Management	44,327	36,332
SSgA S&P 500	Asset Management	5,560	9,728
SSgA MSCI EAFE	Asset Management	5,517	7,334
Callan Associates, Inc.	Investment Advisor	31,871	29,932
State Street Bank and Trust Company	Custodian Services	35,224	35,139
Total		$ 298,448	$ 279,264

Administrative Expenses:

Vendor Names	Type of Services	2014	2013
Hanson Bridgett	Consulting Services	$ 117,416	$ 102,613
Cheiron EFI	Actuarial Services	30,276	15,719
AON Risk Services, Inc.	Fiduciary Insurance	23,603	25,203
CALAPRS	Dues & Training Course	2,750	250
Callan Associates, Inc.	Training Workshop	1,081	-
United Parcel Service	Shipping	18	156
Information Services	Technical Support	-	230
Other	Miscellaneous	1,223	572
Total		$ 176,367	$ 144,743