

BOARD OF FIRE COMMISSIONERS

Marsha Berkgigler, Chair
Kitty Jung, Vice-Chair
Bob Lucey
Vaughn Hartung
Jeanne Herman

FIRE CHIEF

Charles A. Moore

DEPUTY DISTRICT ATTORNEY

David Watts-Vial



Notice of Joint Meeting and Agenda

TRUCKEE MEADOWS FIRE PROTECTION DISTRICT SIERRA FIRE PROTECTION DISTRICT

9:00 a.m.

Tuesday, December 15, 2015

**Washoe County Administrative Complex, Commission Chambers
1001 E. Ninth Street, Reno, Nevada**

NOTE: Items on the agenda may be taken out of order; combined with other items; removed from the agenda; moved to the agenda of another meeting; moved to or from the Consent section; or may be voted on in a block. Items with a specific time designation will not be heard prior to the stated time, but may be heard later.

The Washoe County Commission Chambers is accessible to the disabled. If you require special arrangements for the meeting, call the Truckee Meadows Fire Protection District Office, 326-6000, 24-hours prior to the meeting.

Time Limits. Public comments are welcomed during the Public Comment periods for all matters, whether listed on the agenda or not, and are limited to three minutes per person. Additionally, public comment of three minutes per person will be heard during individual action items on the agenda. Persons are invited to submit comments in writing on the agenda items and/or attend and make comment on that item at the Board meeting. Persons may not allocate unused time to other speakers.

Forum Restrictions and Orderly Conduct of Business. The Board conducts the business of the District and its citizens during its meetings. The presiding officer may order the removal of any person whose statement or other conduct disrupts the orderly, efficient or safe conduct of the meeting. Warnings against disruptive comments or behavior may or may not be given prior to removal. The viewpoint of a speaker will not be restricted, but reasonable restrictions may be imposed upon the time, place and manner of speech. Irrelevant and unduly repetitious statements and personal attacks which antagonize or incite others are examples of speech that may be reasonably limited.

Responses to Public Comments. The Board can deliberate or take action only if a matter has been listed on an agenda properly posted prior to the meeting. During the public comment period, speakers may address matters listed or not listed on the published agenda. The Open Meeting Law does not expressly prohibit responses to public comments by the Board. However, responses from Board members to unlisted public comment topics could become deliberation on a matter without notice to the public. On the advice of legal counsel and to ensure the public has notice of all matters the Board will consider, the Board members may choose not to respond to public comments, except to correct factual inaccuracies, ask for staff action or to ask that a matter be listed on a future agenda. The Board may do this either during the public comment item or during the following item: "*Commissioners'/Chief's Announcements, Requests for Information, Topics for Future Agendas and Statements Relating to Items Not on the Agenda".

Pursuant to NRS 241.020, the Agenda for the Board of Fire Commissioner Meetings has been posted at the following locations: Washoe County Administration Building (1001 E. 9th Street, Bldg. A), Washoe County Courthouse-District Court Administrator/Clerk of Court (75 Court Street), Washoe County Central Library (301 South Center Street) and Sparks Justice Court (1675 East Prater Way) and Truckee Meadows Fire Protection District's website at www.washoecounty.us/tmfpd

Support documentation for the items on the agenda, provided to the Board of Fire Commissioners is available to members of the public at the District's Admin Office (1001 E. 9th Street, Bldg. D, 2nd Floor, Reno, Nevada) Sandy Francis, Administrative Assistant I, phone (775) 328-6124 and on the Truckee Meadows Fire Protection District's website at www.washoecounty.us/tmfpd ; and <https://notice.nv.gov>.

All items numbered or lettered below are hereby designated **for possible action** as if the words "for possible action" were written next to each item (NRS 241.020). An item listed with asterisk (*) next to it is an item for which no action will be taken.

- 9:00am *1. Salute to the Flag
- *2. Call to order/roll call
- *3. Public Comment - Comment heard under this item will be limited to three minutes per person and may pertain to matters both on and off the Board of Fire Commissioners agenda. The District will also hear public comment during individual action items, with comment limited to three minutes per person. Comments are to be made to the Board of Fire Commissioners as a whole.
4. Consent Items:
- A. Approval of minutes from the November 17, 2015 meeting.
 - B. Possible consideration and authorization to reclassify the five (5) remaining Firefighter/EMT Intermediate positions to Firefighter/Paramedic positions as they become vacant or to reclassify when a currently employed Firefighter/EMT Intermediate employee completes the District requirements to become a Firefighter/Paramedic, whichever occurs first.
5. Presentation by Washoe County Health District - Emergency Medical Services Oversight Program.
- *6. Fire Chief Report:
- A. Report and discussion related to fire district operations
 - B. Career Statistics and Report for November 2015
 - C. Volunteer Statistics and Report for November 2015
7. Approve and execute final settlement and title paperwork with a closing date of December 28, 2015 for the acquisition of property located in the vicinity of Foothill Road and S Virginia Street (APN 044-300-09 and a portion of APN 044-300-10) to accommodate the replacement of Fire Station #14 in the total amount of \$1,310,577.69 including \$3,577.79 in escrow charges.

The following agenda item #8 will be heard by the Washoe County Board of Commissioners who will convene solely as the Board of Fire Commissioners for the Truckee Meadows Fire Protection District

8. Review and acceptance of the Truckee Meadows Fire Protection District's Audited Financial Statements for the Fiscal Year ended June 30, 2015.

The following agenda item #9 will be heard by the Washoe County Board of Commissioners who will convene solely as the Board of Fire Commissioners for the Sierra Fire Protection District.

9. Review and acceptance of the Sierra Fire Protection District's Audited Financial Statements for the Fiscal Year ended June 30, 2015.
10. Possible Closed Session for the purpose of discussing labor issues with Truckee Meadows Fire Protection District per NRS 288.220.
11. Commissioners'/Fire Chief's announcements, requests for information, topics for future agendas, and statements relating to items not on the Agenda. (No discussion among Commissioners will take place on this item).
- *12. Public Comment. Comment heard under this item will be limited to three minutes per person and may pertain to matters both on and off the Board of Fire Commissioners agenda. The District will also hear public comment during individual action items, with comment limited to three minutes per person. Comments are to be made to the Board of Fire Commissioners as a whole.
13. Adjournment.

**BOARD OF FIRE COMMISSIONERS
TRUCKEE MEADOWS FIRE PROTECTION DISTRICT (TMFPD)
SIERRA FIRE PROTECTION DISTRICT (SFPD)**

TUESDAY

9:00 a.m.

NOVEMBER 17, 2015

PRESENT:

Marsha Berkbigler, Chair
Kitty Jung, Vice Chair
Vaughn Hartung, Commissioner
Bob Lucey, Commissioner

Jan Galassini, Chief Deputy Clerk
David Watts-Vial, Legal Counsel
Charles Moore, Fire Chief

ABSENT:

Jeanne Herman, Commissioner

The Board convened at 9:00 a.m. in regular session in the Commission Chambers of the Washoe County Administration Complex, 1001 East Ninth Street, Reno, Nevada. Following the Pledge of Allegiance to the flag of our Country, the Chief Deputy Clerk called the roll and the Board conducted the following business:

15-0177F AGENDA ITEM 3 Public Comment.

There was no response to the call for public comment.

15-0178F CONSENT ITEMS 4A through 4B

A. Approval of minutes from the October 20, 2015 Meeting.

B. Discussion and possible approval of an amendment to the existing Collective Bargaining Agreement between Truckee Meadows Fire Protection District and Truckee Meadows Firefighters Association I.A.F.F. Local 3895 at "Article 2 –Recognition" to include and recognize the position of Fire Officer in Charge of Strategic and Volunteer Services within the bargaining unit represented by I.A.F.F. Local 3895.

There was no public comment on this item.

On motion by Commissioner Jung, seconded by Commissioner Hartung, which motion duly carried with Commissioner Herman absent, it was ordered that the Consent Agenda Items 4A through 4B be approved. Any and all Resolutions or Interlocal

AGENDA ITEM #4A

NOVEMBER 17, 2015

PAGE 1

Agreements pertinent to Consent Agenda Items 4A through 4B are attached hereto and made a part hereof.

15-0179F **AGENDA ITEM 5** Fire Chief Report. A: Report and discussion related to fire district operations. B: Career Statistics' and Report for October 2015. C: Volunteer Statistics' and Report for October 2015.

Chief Moore indicated the ash cans had arrived. He said information about the Ash Can Program would be on the website and he anticipated delivery to the participants prior to the holidays.

Chief Moore stated it had been necessary to deploy the chest compression machine during a recent cardiac arrest call and it proved to be successful.

Chief Moore noted that last month crews responded to three structure fires within the TMFPD area and four mutual aid calls.

There was no public comment or action taken on this item.

15-0180F **AGENDA ITEM 6** Approve a Lease Agreement between Truckee Meadows Fire Protection District and the Northwestern Mutual Life Insurance Company for the warehouse facility located at 1315 Greg Street, Suite 105, Sparks, NV for a term of thirty-seven (37) months, subject to a Funding Out Clause, for a total lease amount of \$179,712.

Chief Moore indicated the lease agreement was for a logistics warehouse and they intended to occupy the new location by December 1st. He stated that during the three-year lease they would seek a permanent location.

Commissioner Jung wondered with the anticipation of rising costs of land and materials, if it would be more cost effective to move into a permanent location earlier than three years.

Chief Moore stated there had been conversations with the County Manager about the location and proximity to the County Complex. He mentioned one of the options would be to tear down and rebuild on the armory property.

There was no public comment on this item.

On motion by Commissioner Hartung, seconded by Commissioner Lucey, which motion duly carried with Commissioner Herman absent, it was ordered that Agenda Item 6 be approved.

15-0181F AGENDA ITEM 7 Announcements/Reports.

Chief Moore said it was possible he would not have any agenda items for the December meeting and if there was a meeting, it would be short.

Chair Berkbigler requested an item to be placed on a future agenda regarding the de-annexation of the fire stations in Mogul and Stead as well as the Sierra Sage Golf Course.

There was no public comment or action taken on this item.

15-0182F AGENDA ITEM 8 Public Comment.

Robert Parker spoke about his concerns regarding the consolidation of the TMFPD with the Reno Fire Department. He was concerned that Reno's equipment was old and in poor condition.

* * * * *

9:12 a.m. There being no further business to come before the Board, on motion by Commissioner Lucey, seconded by Commissioner Lucey, which motion duly carried with Commissioner Herman absent, the meeting was adjourned.

ATTEST:

MARSHA BERKBIGLER, Chair
Truckee Meadows Fire
Protection District and Sierra
Fire Protection District

NANCY PARENT, Washoe County Clerk
and Ex-Officio Clerk, Truckee Meadows
Fire Protection District and Sierra Fire
Protection District

Minutes Prepared By:
Doni Gassaway, Deputy County Clerk



TRUCKEE MEADOWS FIRE PROTECTION DISTRICT

STAFF REPORT

Board Meeting Date: December 15, 2015

CM/ACM _____
Finance VVB
Legal DWV
Risk Mgt. DE
HR N/A

DATE: December 3, 2015

TO: Truckee Meadows Fire Protection District Board of Fire Commissioners

FROM: Charles A. Moore, Fire Chief
Phone: (775) 328-6123 Email: cmoore@tmfpd.us

SUBJECT: Possible consideration and authorization to reclassify the five (5) remaining Firefighter/EMT Intermediate positions to Firefighter/Paramedic positions as they become vacant or to reclassify when a currently employed Firefighter/EMT Intermediate employee completes the District requirements to become a Firefighter/Paramedic, whichever occurs first. (All Commission Districts)

SUMMARY

Possible consideration and authorization to reclassify the five (5) remaining Firefighter/EMT Intermediate positions to Firefighter/Paramedic positions as they become vacant or to reclassify when a currently employed Firefighter/EMT Intermediate employee completes the District requirements to become a Firefighter/Paramedic, whichever occurs first.

Strategic Objective supported by this item: *Safe, Secure and Healthy Communities*

PREVIOUS ACTION

On February 26, 2013, the Board of Fire Commissioners approved the increase of service level for emergency medical services in the Truckee Meadows Fire Protection District boundary from Intermediate Life Support (ILS) to Advanced Life Support (ALS).

On February 26, 2013, the Board of Fire Commissioners approved the authorization to reclassify nine (9) of the thirteen (13) existing vacant Firefighter/EMT Intermediate positions to Firefighter/Paramedic positions.

BACKGROUND

On February 26, 2013, the Board of Fire Commissioners approved the increase of service level for emergency medical services in the Truckee Meadows Fire Protection District boundary from Intermediate Life Support (ILS) to Advanced Life Support (ALS). At that same meeting, the Board authorized the reclassification of nine (9) of the thirteen (13) existing vacant Firefighter/EMT Intermediate positions to Firefighter/Paramedic positions in order to accomplish the ALS service level increase at all career stations.

Currently, staff is recommending that the five (5) remaining vacant Firefighter/EMT-Intermediate positions be reclassified to Firefighter/Paramedic positions as they become vacant or to reclassify when a currently employed Firefighter/EMT Intermediate employee completes the District requirements to become a Firefighter/Paramedic, whichever occurs first. These reclassified positions will allow for more flexibility in staffing, particularly with fill-in staff for vacations, sick leave, injuries or other leave.

FISCAL IMPACT

The annual fiscal impact is estimated at \$65,000 and the fiscal year 2015/2016 budget includes sufficient funding to cover the additional costs. These reclassifications will not add any additional positions to the number of approved positions.

RECOMMENDATION

Recommendation to approve the authorization to reclassify the five (5) remaining Firefighter/EMT Intermediate positions to Firefighter/Paramedic positions as they become vacant or to reclassify when a currently employed Firefighter/EMT Intermediate employee completes the District requirements to become a Firefighter/Paramedic, whichever occurs first.

POSSIBLE MOTION

"I move to approve the reclassification of the five (5) remaining Firefighter/EMT Intermediate positions to Firefighter/Paramedic positions as they become vacant or to reclassify when a currently employed Firefighter/EMT Intermediate employee completes the District requirements to become a Firefighter/Paramedic, whichever occurs first."



EMS OVERSIGHT PROGRAM

Christina Conti, EMS Program Manager

AGENDA ITEM #5

Washoe County Health District and EMS

- In 1985 the legislature made an amendment to NRS to allow cities and counties to grant exclusive franchises.
 - August 1986 – local jurisdictions signed an interlocal agreement to allow the District Board of Health (DBOH) the ability to grant an ambulance franchise.
 - October 1986 – a resolution was adopted to grant an exclusive franchise to Regional Emergency Medical Services Authority (REMSA).
 - May 2014 – DBOH adopted an Amended and Restated Franchise Agreement for Ambulance Service.

EMS Oversight InterLocal Agreement

- August 2014 – an interlocal agreement for EMS oversight was adopted by the following political jurisdictions:
 - Washoe County Health District
 - Washoe County
 - Truckee Meadows Fire Protection District (TMFPD)
 - City of Reno
 - City of Sparks
- The agreement created a regional EMS oversight function within the WCHD for the management, measurement and improvement of EMS.
 - Compliance vs. performance
 - Expansion of data collection and reporting

EMS Advisory Board

- The Interlocal agreement also established an EMS Advisory Board with the following members:
 - Reno City Manager
 - Sparks City Manager
 - Washoe County Manager
 - District Health Officer
 - Emergency Room Physician – (DBOH Appointment)
 - Hospital Continuous Quality Improvement (CQI) Representative – (DBOH appointment)

EMS Advisory Board

- The EMS Advisory Board was established to provide concurrent review of present topics within the Washoe County EMS System.
- The Board reviews reports, evaluations, and recommendations of the EMS Oversight Program.
 - Makes recommendations to District Health Officer and/or the District Board of Health related to performance standards, medical protocols, etc.
 - Strives to implement recommendations of the EMS Oversight Program.
 - Makes recommendations to respective Boards/Councils regarding participation in working groups established for coordination, review, evaluation and continuous improvement of Emergency Medical Services.

Regional EMS Oversight Program

- Established by the Interlocal Agreement to provide oversight for all Emergency Medical Services provided by the City of Reno, City of Sparks, Unincorporated Washoe County, Truckee Meadows Fire Protection District and REMSA.
 - EMS Program Manager
 - EMS Program Coordinator
 - Statistician

Program Duties

- EMS Program Manager
 - Oversees the day-to-day operations of the Program.
 - Conducts investigations and formulates recommendations for enhanced efficiency and coordination of the EMS system.
 - Takes lead on regional projects that influence system performance.
- EMS Coordinator
 - Completes monthly and annual REMSA Franchise Compliance reviews.
 - Updates the MCIP and MAEA plans.
- Statistician
 - Conducts statistical analysis of EMS data submitted by regional agencies.
 - Prepares the quarterly and annual reports for the Program.

Program Duties (continued)

- Monitor the response and performance of each agency providing EMS and provide recommendations for the maintenance, improvement, and long-range success.
- Coordinate and integrate provisions of Medical Direction for EMS agencies.
- Recommend regional standards and protocols.
- Measure performance, analysis of system characteristics, data and outcomes of EMS and provide performance measurement and recommendations.

Program Duties (continued)

- Collaborate with EMS agencies on analysis of EMS response data and formulate recommendations for modifications or changes to the Regional Emergency Medical Response Map.
- Identify sub-regions to be analyzed and evaluated for potential recommendations regarding EMS responses.
- Provide a written Annual Report on the State of EMS in Washoe County.
- Maintain a Five-Year Strategic Plan to ensure the continuous improvement of EMS in Washoe County.

Accomplishments: August 2014-Current

- Privacy policies
 - Specific criteria for handling the data submitted to our Program
- Investigation procedures
- EMS Advisory Board
 - Convenes on a quarterly basis
- EMS data reports
 - Completed FY 14-15 Quarterly Reports
 - Annual Report
 - Drafted New Templates against National Standards, getting away from comparative statistics
- Ride/sit along with regional partner agencies

Current Projects with Regional Partners

- Development of a regional 5-year Strategic Plan
- Development of Omega protocols
- Revision of the existing REMSA franchise response zones
- Multi-Casualty Incident Plan Revision
 - Mass Gathering guidelines relating to mitigation efforts
 - Family Services Center Annex
- Planning for possible addition to data report to include outcome data
- HeartSafe Designation for the Community



Questions?



MEMORANDUM

December 8, 2015

To: Board of Fire Commissioners
Truckee Meadows Fire Protection District

Fm: Charles A. Moore, Fire Chief

Re: Fire Chief's Report and Statistics for November 2015

Attached are statistical summaries for career and volunteer operations and training for the month of November 2015.

Open Burning:

I have enclosed 3 pages of the Health District's burning regulations as respects open burning in the County. I have discussed the regulations and protocols with the Air Quality staff from the Health District and will present some discussion concerning the regulations that affect citizens in the District.

Please note the highlighted sections 040.035 OPEN FIRES paragraphs A, B, C and D.

Dispatch Update:

I will present an update on dispatch issues, including where the region is on Tiburon upgrades and CAD to CAD with REMSA.

SECTION D – ADMINISTRATIVE REQUIREMENTS

1. Upon request of the Control Officer any governmental agency and /or its contractor shall provide proof to verify that any street sweeper acquired was certified street sweeping equipment at the time of purchase.

SECTION E – COMPLIANCE AND RECORDS

1. Any governmental agency or any person who contracts with such governmental agency for street sweeping activities within the District shall complete a report and submit it to the Control Officer no later than June 30 of each year with the following information regarding sweeper deployment:
 - a. Dates - List each date necessary to complete all lane miles where sanding materials were applied, or until there is another sanding event.
 - b. Number of sweepers.
 - c. Number of lane miles swept on each date.
 - d. Type of equipment used (recorded as a percentage of lane miles swept per type of sweeper).
 - e. Major equipment malfunctions, if any.

040.033 FOOD ESTABLISHMENTS (Adopted 1/90, Amended 12/15/93)

Food establishments operating devices to cook food that emit more than two (2) pounds per day of air emissions, must obtain a Permit to Operate. Whenever there is a change of ownership, significant equipment modification, or new construction, establishments with emissions exceeding ten (10) pounds per day must apply Best Available Control Technology (BACT). All restaurants exceeding 20 pounds/day must meet the BACT requirement no later than July 1, 1994. BACT may include, but is not limited to, the use of grooved griddles, exhaust control, mist eliminator systems, etc. Emissions will be calculated using the latest available emission factors for this source and all emissions will be considered, including, but not limited to PM₁₀, CO, VOCs, and NO_x.

040.035 OPEN FIRES (Amended 4/88, 8/25/93)

- A. As used in this section, "open fire" includes all outdoor fires which are not confined in a District approved incinerator, except those which are set during camping and other recreational activities for the purpose of preparing food or for warmth. It is unlawful to burn, or cause to be burned, any combustible refuse in any outdoor waste burner, unless that burner is an incinerator with a valid Permit to Operate, approved by the Control Officer and in compliance with the provisions of **Sections 040.010, 040.046, 040.050 and 040.055**. Prescribed burns are governed by the rules of part D of this section.

- B. Except as provided in this section and **Section 040.040**, no person may burn or cause to be burned, any material in an open fire within the Health District without a valid open burning permit. Under no condition shall an open fire be used to dispose of any vegetative material or other solid waste within the Truckee Meadows hydrographic basin, except as provided under **Section 040.035 (C)**.
- C. **Effective September 1, 1993**, within the Truckee Meadows hydrographic basin may be issued only to the following persons:
1. Divisions of local municipalities;
 2. Divisions of state or federal government;
 3. Operators of agricultural facilities greater than 2 acres in size;
 4. Operators of ditch and water delivery facilities;
 5. The owner of any property where the fire control agency and the Air Quality Control Officer jointly determine based on an on-site inspection, that a public safety hazard exists and no other reasonable alternative exists for eliminating that hazard.
 6. Open burn permits may be issued to any person for burning to be conducted outside the Truckee Meadows hydrographic basin.
- D. All open burning permits within the Health District must comply with the following terms, conditions and limitations:
1. Open burn permits within the Health District shall be issued by the appropriate fire control agency. Such permits may only be issued for burning from March 1 through October 31.
 2. The permit shall set forth conditions of burning which will limit the impact of burn related emissions. Materials other than vegetation, such as construction debris, wood, rubber, plastics, household refuse, etc. may not be burned. The fire control agencies shall attach to each open burn permit an information packet which shall be provided by the Air Quality Control Officer.
 3. Open burn permits shall be issued by the fire control agencies only in cases where no reasonable or cost effective alternatives exist.
 4. The fire control agencies shall notify the Air Quality Control Officer of all open burn permits at the time of issuance upon request. The Air Quality Control Officer shall provide a form for making such notification.

5. Fire control agencies shall notify the Air Quality Control Officer at least five (5) days in advance of any periods for which they plan to allow open burning.
 6. The fire control agencies shall have responsibility for the physical inspection each site and the materials to be burned to determine compliance with fire safety and other applicable codes and requirements prior to the burn.
 7. The open burn permit holder shall contact the local fire control authority to determine if open burning is allowed on the day on which the permittee plans to burn. Open burning permits may be suspended whenever the Air Quality Control Officer determines that adverse meteorological conditions exist.
 8. A copy of the open burn permit shall be available at the site of the open burn and shall be presented to the fire control agency representative and/or Air Quality Control Officer upon request.
 9. All provisions and conditions imposed by the permit must be strictly followed by the permit holder. Failure of the permittee to comply with all such provisions and conditions constitutes a violation of these regulations.
 10. Compliance with all applicable codes and requirements for open burning is the responsibility of the person(s) obtaining and using the open burn permit.
- E. The Control Officer may allow prescribed burning in forest areas during favorable air dispersion conditions. For the purposes of this regulation, a prescribed burn shall mean the controlled application of fire to natural vegetation under specified conditions. Prescribed burns shall not be subject to the burn period limitations of **Section 040.035 (C)**

A prescribed burning permit, issued by the Air Quality Control Officer, shall be required for all prescribed burns. Prescribed burn permits may only be issued to local fire control authorities or managers of the Forest Service, Bureau of Land Management and Nevada Division of Forests for lands under their control and jurisdiction. The Air Quality Control Officer shall review the smoke management portion of the burn prescription and set forth conditions of operation to limit the air quality impacts of burn related emissions.

Any application for a prescribed burn permit must be submitted at least ten (10) days in advance of the burn. The application shall include the agency overseeing the burn, a responsible person to be contacted in relation to the burn, the area to be burned, a copy of the burn prescription and any other information as required by the Air Quality Control Officer. The burn prescription shall be available at the site of the burn and shall be presented to the Air Quality Control Officer upon request.



TRUCKEE MEADOWS FIRE PROTECTION DISTRICT MONTHLY REPORT

November 2015

The following report contains non-audited figures based on data extracted from the District's incident reporting system and Washoe County E-Comm Dispatch.

Monthly Call Volume by Station & Type													
INCIDENT TYPE	STATION/DISTRICT												
	13- Stead	14- Danonte Ranch	15- Sun Valley	16- E. Washoe Valley	17- Spanish Springs	18- Cold Springs	30- W. Washoe Valley	35- Verdi/Caughlin	36- Arrowcreek	37- Hidden Valley	39- Galena Forest	Other	TOTAL
Structure Fire		1		1	2								4
Wildland Fire		1											1
Vehicle/Trash/Other Fire		2	2		2		2		1				9
Emergency Medical Services	56	28	128	17	74	57	2	16	31	15	6		430
Motor Vehicle Accident	9	4	21	3	5	7	11	7	2	6	4	1	80
Rescue						1							1
Haz-Mat/Hazardous Condition	3	6	11	4	3	2	1	4	1	2			37
Public Assist	4	2	14	3	11	1	1		2		2		40
Good Intent Call	17	9	20	4	12	2	1	8	2	19	11		105
Activated Fire Alarm	2	2	5	2	6	3	1	1	5	4	3	2	36
Severe Weather Related													0
Other													0
NOVEMBER 2015 TOTAL	91	55	201	34	115	73	17	38	43	47	26	3	743
NOVEMBER 2014 TOTAL	70	53	169	33	125	54	8	32	32	30	14	4	624

In the month of November, 2015 the TMFPD responded to 743 incidents, for a cumulative total of 8,604 incidents in the past twelve months.

AGENDA ITEM #6B

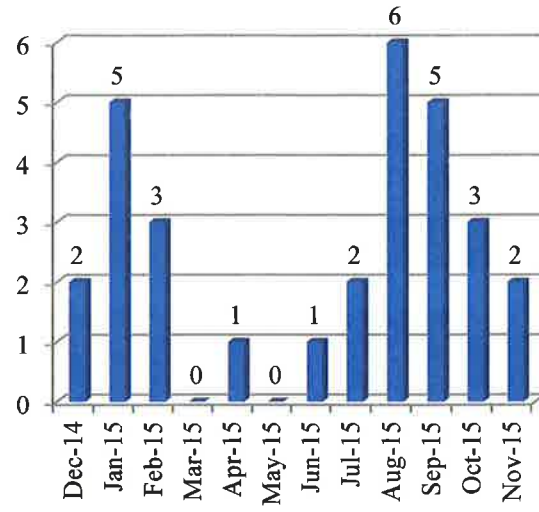
Fire Loss to Value Comparison – November 2015

November 2015 Fire Loss/Save



Property Conserved 94%
 Total Structure Value: \$ 121,233
 Total Structure Conserved: \$ 113,833
 Total Structure Loss \$ 7,400

Structure Fires



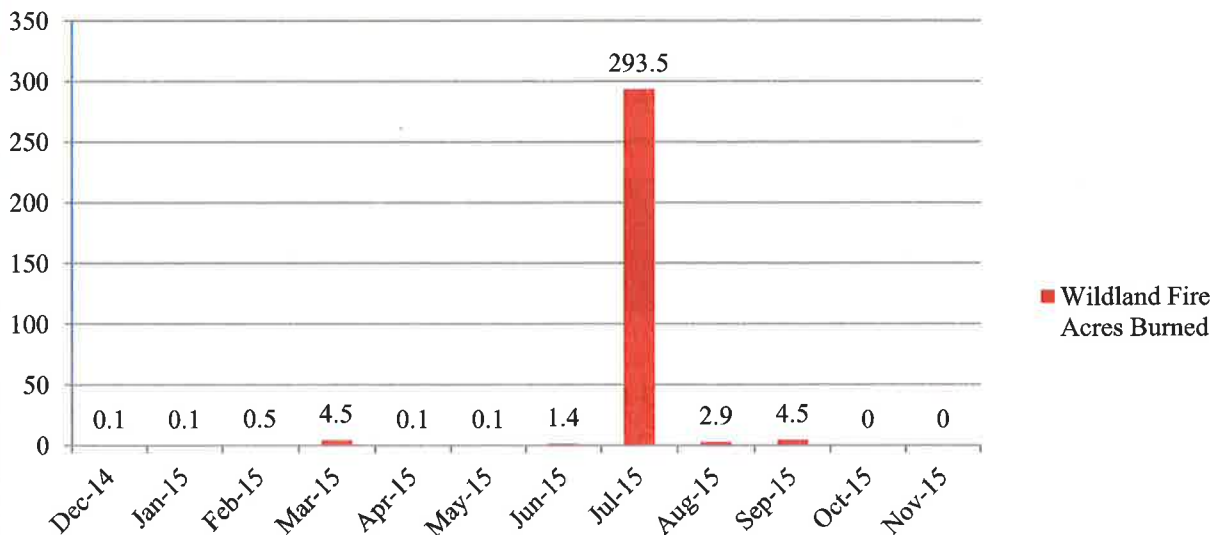
Rolling Year Statistics

TMFPD responded to 2 structure fires in November 2015, for a total of 30 structure fires in the past year. ■ Structure Fires

**Includes incidents only in Truckee Meadows Fire Protection District. Mutual Aid and Automatic Aid calls are excluded from this graph.*

Wildland Fires - November 2015

One Year History: Wildland Fire Acres Burned



In the month of November 2015, 0 acres were burned. As of November 31, 2015, 307.7 acres burned in the past twelve months.

Mutual Aid Given and Received - November 2015

Mutual Aid Given & Received by Department		
DEPARTMENT	AID GIVEN	AID RECEIVED
Bureau of Land Management	0	0
Carson City FD	1	0
Eastfork FD	0	0
Nevada Division of Forestry	0	0
North Lake Tahoe FPD	0	7
North Lyon County FPD	0	0
Pyramid Lake Fire	1	1
Reno FD	2	2
Reno/Sparks Indian Colony	5	0
Sierra County, CA	1	0
Sparks FD	1	5
Storey County FPD	0	2
Truckee Fire, CA	1	0
US Forest Service	0	0
TOTAL	12	17

The TMFPD received aid 17 times from neighboring agencies and provided aid 12 times based on NFIRS reporting standards. Additional responses to/from the TMFPD may have occurred but did not meet the NFIRS definitions for automatic or mutual aid. Only incidents where representatives from two or more entities are on scene together qualify as aid given or received by an agency. When one entity handles an incident for another jurisdiction without assistance, the incident is not classified as auto/mutual aid according to NFIRS, and neither are responses where one entity cancels its response prior to arriving at the incident.

SIGNIFICANT INCIDENTS

Significant incidents for the month are reported below. The number of incidents reported in the Call Volume Table may not exactly match the narrative provided below; i.e. a structure fire that is limited to a small out building is reported in the Call Volume, however it does not warrant inclusion below.

Station by Commission District		
Station	District	Commissioner
Station 13 – Stead	5	Herman
Station 14 – Damonte Ranch	2	Lucey
Station 15 – Sun Valley	3/5	Jung / Herman
Station 16 – East Washoe Valley	2	Lucey
Station 17 – Spanish Springs	4	Hartung
Station 18 – Cold Springs	5	Herman
Station 30 – West Washoe Valley	2	Lucey
Station 35 – Mogul	5	Herman
Station 36 – Arrowcreek	2	Lucey
Station 37 – Hidden Valley	2/4	Lucey/Hartung
Station 39 – Galena Forest	2/1	Lucey/Berkbigler

Stations are predominantly within the Commissioner's District as listed above.

Incidents:

Structure Fire – Station 15 (Sun Valley); Madeiros Dr.

Commissioner District 5

Automatic Aid was received from Sparks Fire

On November 1st at 06:53 hours, crews were dispatched to a report of a structure fire. Upon arrival crews found heavy smoke, and flames were seen coming from the back area of a shed nestled up to fences from three adjacent properties. Fire was found on both sides of the fence and involved the shed. The fire was a result of improperly disposed ashes. Crews were able to knock the fire down quickly, and upon interviewing the occupant, learned that the party did not have an ash can. TM Crews delivered an ash can to the resident on the following shift.

4 TM Engines, 1 TM Training Captain, 1 TM Battalion Chief, and 1 Sparks Fire Engine responded to this incident.

Extrication Accident – Station 39 (Joy Lake); Mt. Rose Highway

Commissioner District 2

Automatic Aid was received from North Lake Tahoe Fire Protection District

On November 9th at 15:37 hours, crews were dispatched to a motor vehicle accident requiring extrication. A vehicle traveling down Mt. Rose Highway slid off the roadway in snowy weather, and proceeded down an embankment into a ravine, coming to rest on its side. TM and NLTFPD crews worked to secure the vehicle, remove the windshield, and remove the driver from the vehicle. The driver was uninjured.

2 TM Engines, 1 TM Battalion Chief, 1 NLTFPD Engine, 1 NLTFPD Medic and 1 NLTFPD Battalion Chief responded to this incident.

Extrication Accident – Station 35 (Mogul); I-80 near Scenic View in Mogul

Commissioner District 5

On November 12th at 16:44 hours, crews were dispatched to an accident of a motor vehicle that had gone off of an approximate 100 ft. cliff at a high rate of speed, rolling several times down the embankment and coming to rest on its side in between the railroad tracks that run alongside the river. Crews immediately notified the Union Pacific to stop all train service, and climbed down the cliff to begin working to extricate the patient. Lighting was set up as darkness fell and REMSA arrived to assist with patient care, while crews determined a safe landing zone for CareFlight. The patient was transported to the landing zone, where CareFlight took over patient care and transport. Washoe County HASTY Team arrived and assisted with a search of the area for other victims, as the driver, confused presumably by head injuries, insisted that another person had been in the vehicle. No other victims were found. Crews coordinated with the Union Pacific to control train traffic through the scene until it could be fully released to NHP and Union Pacific officials upon completion of the incident.

1 TM Engines, 1 TM Heavy Rescue, 1 TM Training Captain, 1 TM Battalion Chief, 1 TM Deputy Chief, and Washoe County HASTY Team responded to this incident.

Structure Fire – Station 14 (Damonte Ranch); Virginia Foothill Dr.

Commissioner District 2

On November 20th at 22:21 hours, crews were dispatched to a report of a structure fire. Engine 14 arrives on scene to find a fire burning in the chimney chase of a 2,000 square foot residence, all occupants had been evacuated. Crews quickly contained the fire to the chase, preventing extension into the living area. Crews completed overhaul and securing of the structure and cleared the scene at 23:55 hours.

4 TM Engines, 1 TM Training Captain, 1 TM Battalion Chief, and 1 South Valleys VFD Engine responded to this incident.

**Structure Fire – Station 17 (Spanish Springs); Pyramid Way
Commissioner District 4
2 in/ 2 out Required
Automatic Aid received from Sparks Fire**

On November 23rd at 13:20 hours, crews were dispatched to a report of a structure fire. Upon arrival, crews found the single wide mobile home approximately 80% involved (middle section) with fire exiting windows on both sides as well as a man door on the north side. The porch (10x12) in the area of the man door was fully involved. Occupants had escaped through a bedroom window, as the kitchen area was engulfed in flames and egress out the nearest door was not accessible. Crews knocked the fire down, limiting damage to the structure of origin. The occupants were assisted by the American Red Cross with shelter, food and clothing.

4 TM Engines, 1 TM Training Captain, 1 TM Battalion Chief, 2 Sparks Fire Engines, 1 Sparks Fire Ladder Truck, 1 Sparks Training Captain and 1 Sparks Battalion Chief responded to this incident.

**Extrication Accident – Station 18 (Cold Springs); Hwy 395 North of Hallelujah Junction
Commissioner District 5**

On November 24th at 16:46 hours, Plumas County requested assistance with a head on collision requiring extrication of multiple passengers. Engine 18 arrived on scene with CHP and a volunteer response from Chilcoot, CA. A total of 9 patients were involved. Crews ascertained priority of the patients and began extrication and packaging of patients, transferring care to REMSA as ambulances arrived. A total of 9 patients were transported from the accident.

1 TM Engine, 1 Chilcoot Volunteer Unit, and CHP responded to this incident.

Training

- EMS Training – Head and Facial Injuries
- EMS Training – Airway Management
- ITLS (International Trauma Life Support) Refresher
- EMS Skills Refresher
- Initiated Ice Rescue Training
- EVOC Training for Career and Volunteers
- Initiated and Completed Rope Rescue Training
- TRIAD HAZMAT Training
- PODS Vaccination Training
- Assisted with EMT Bridge class for Volunteers
- Extrication Training Completed
- Size-up Training Initiated

Accomplishments

- Hosted TMCC EMT Student Ride-Alongs
- Station 17 (Spanish Springs) hosted a Fire Station Tour Boy Scouts
- Station 15 (Sun Valley) presented fires safety tips at Hero Night at Palmer Elementary School



VOLUNTEER FIRE DEPARTMENT MONTHLY REPORT

November 2015

The following report contains non-audited figures based on data extracted from the District's incident reporting system and Washoe County E-Comm Dispatch.

Monthly Call Volume by Station & Type												
VOLUNTEER RESPONSE: INCIDENT TYPE	STATION/DISTRICT											
	220, 321 - Cold Springs VFD	221 - Silver Lake VFD	223, 331 - Lemmon Valley VFD	225 - Wadsworth (Pyramid Lake VFD)	227, 237 - South Valleys VFD	229 - Palomino Valley	240 - Red Rock VFD	242 - Gerlach VFD	301 - South Valleys VFD	351 - Verdi VFD	381 - Galena VFD	TOTAL
Structure Fire				1								1
Wildland Fire												0
Vehicle/Trash/Other Fire									1			1
Emergency Medical Services	1	1	2		1							5
Motor Vehicle Accident		1		2				1	2			6
Rescue												0
HazMat/Hazardous Condition								1				1
Public Assist												0
Good Intent Call	1											1
Activated Fire Alarm							1					1
Severe Weather Related												0
Lightning Plan												0
Other												0
NOVEMBER 2015 TOTAL	0	2	2	2	3	0	1	1	2	3	0	16

In the month of November, 2015 the Truckee Meadows Volunteers responded to 16 incidents. (Wadsworth Volunteers operate under Pyramid Lake Volunteer Fire Department. Incidents listed for the Wadsworth Volunteer Station 225 are specific to responses in the Truckee Meadows Fire Protection District boundary, and do not include responses into tribal territory.)

AGENDA ITEM #6C

SIGNIFICANT INCIDENTS

Significant incidents for the month are reported below. The number of incidents reported in the Call Volume Table may not exactly match the narrative provided below; i.e. a structure fire that is limited to a small out building is reported in the Call Volume, however it does not warrant inclusion below.

Incidents:

Structure Fire – Station 14 (Damonte Ranch); Virginia Foothill Dr. Commissioner District 2

On November 20th at 22:21 hours, crews were dispatched to a report of a structure fire. Engine 14 arrives on scene to find a fire burning in the chimney chase of a 2,000 square foot residence, all occupants had been evacuated. Crews quickly contained the fire to the chase, preventing extension into the living area. Crews completed overhaul and securing of the structure and cleared the scene at 23:55 hours.

4 TM Engines, 1 TM Training Captain, 1 TM Battalion Chief, and 1 South Valleys VFD Engine responded to this incident.

TRAINING AND ACTIVITY

STATION	ACTIVITY	CREWS	HOURS PER	TOTAL HOURS
Cold Springs VFD	Airport Fire MCI Vehicle and Trailer	1	0.5	0.5
	CECBEMS Airway Management Basic	1	1	1
	CECBEMS Aquatic Emergencies	1	2	2
	CECBEMS Burn Management Basic	1	1	1
	CECBEMS Communication and Documentation	1	1	1
	CECBEMS Health & Wellness	1	1	1
	CECBEMS Heat Illness and Emergencies	1	1	1
	CECBEMS HIV/AIDS Awareness	1	2	2
	CECBEMS Medical, Ethical, and Legal Issues	1	1	1
	CECBEMS Musculoskeletal Injuries Basic	1	1	1
	CECBEMS Orotracheal Intubation	1	1	1
	CECBEMS Patient Assessment Advanced	1	1	1
	CECBEMS Patients with Special Challenges	1	1	1
	CECBEMS Respiratory System A&P Review	1	1	1
	RIT review by watching video and discussion.	1	2	2
	NFPA Fire 1 Intro.	5	2.5	12.5
	SCBA Competency-Classroom	1	2	2
Cold Springs Total				32
Gerlach VFD	CECBEMS Airway Management Basic	1	1	1
	CECBEMS Date Rape Drugs	1	2	2
	CECBEMS Head & Facial Injuries Advanced	1	1	1
	CECBEMS Health & Wellness	1	1	1
	CECBEMS Heat Illness and Emergencies	1	1	1
	CECBEMS HIV/AIDS Awareness	1	2	2
	CECBEMS Medical, Ethical, and Legal Issues	1	1	1
	CECBEMS Musculoskeletal Injuries Basic	1	1	1
	CECBEMS Orotracheal Intubation	1	1	1
	CECBEMS Pharmacology Basic	1	1	1
	Lock-Out / Tag-Out	1	1	1
	Measles Review	1	0.25	0.25
	NFPA 1500 Confined Space Entry	1	1	1
	NFPA 1500 Respiratory Protection	1	1	1
	RT-130	1	2	2
	RT-130: Annual Wildland Fire Safety Refresher (MOD #2)	1	2	2
	RT-130: Annual Wildland Fire Safety Refresher (MOD #4)	1	2	2
Gerlach VFD Total				21.25
Lemmon Valley VFD	Airport Fire MCI Vehicle and Trailer	2	0.5	1
	CECBEMS Abdominal Trauma Basic	1	1	1

STATION	ACTIVITY	CREWS	HOURS PER	TOTAL HOURS
Lemmon Valley VFD, Cont'd	CECBEMS Advanced Airways: Intubation and Beyond	1	2	2
	CECBEMS Airway Management Advanced	1	2	2
	CECBEMS Airway Management Basic	2	1	2
	CECBEMS Allergies and Anaphylaxis Advanced	1	1	1
	CECBEMS Allergies and Anaphylaxis Basic	1	1	1
	CECBEMS Altered Mental Status	1	1	1
	CECBEMS Back Injury Prevention	1	1	1
	CECBEMS Behavioral Emergencies Advanced	1	1	1
	CECBEMS Behavioral Emergencies Basic	1	1	1
	CECBEMS Bleeding and Shock Advanced	2	1	2
	CECBEMS Bleeding and Shock Basic	1	1	1
	CECBEMS Blind Nasotracheal Intubation Advanced	1	1	1
	CECBEMS Burn Management Advanced	1	2	2
	CECBEMS Burn Management Basic	2	1	2
	CECBEMS Cardiac Emergencies Advanced	1	1	1
	CECBEMS Cardiac Emergencies Basic	1	1	1
	CECBEMS CNS Injuries Advanced	1	1	1
	CECBEMS CNS Injuries Basic	1	1	1
	CECBEMS Communication and Documentation	1	1	1
	CECBEMS Confined-Space Entry	1	1	1
	CECBEMS Date Rape Drugs	1	2	2
	CECBEMS Fundamentals of 12 Lead ECG Operation and Interpretation	1	1	1
	CECBEMS Understanding the Basics of ECGs	1	1	1
	Company EMS Training: SWING & SWATH, RIGID ARM SPLINT, C-SPINE	6	2	12
	Importance of a 360 around a structure, how to secure utilities, extinguishing of chimney fires.	5	2	10
	EVOC	8	2	16
	SCBA Competency-Classroom	2	2	4
	The Art of Reading Smoke	1	0.5	0.5
Lemmon Valley VFD Total				74.5
Palomino Valley VFD	Bloodborne Pathogens Safety	1	1	1
	Checked trucks, cycled primer circuits on all units; inspected cabinets, station cleaning and hose out mud from recent response; Joe Strange conducted wildland tool sharpening demo; inspected floating fire pump.	1	2.5	2.5
	EVOC	3	2	6
	Fleet Program Defensive Driving Strategies for Emergency Vehicle Operators	1	1	1
	Hazard Communication	1	1	1
	Lock-Out / Tag-Out	1	1	1
	NFPA 1500 Confined Space Entry	1	1	1

STATION	ACTIVITY	CREWS	HOURS PER	TOTAL HOURS
Palomino Valley VFD, Cont'd	Respiratory Protection	1	1	1
Palomino Valley VFD Total				14.5
Red Rock VFD	CECBEMS Airway Management Basic	2	1	2
	CECBEMS Altered Mental Status	2	1	2
	CECBEMS Behavioral Emergencies Basic	2	1	2
	CECBEMS Bleeding and Shock Basic	2	1	2
	CECBEMS Date Rape Drugs	1	2	2
	CECBEMS Diet & Nutrition	1	1	1
	CECBEMS Femur Fractures	1	1	1
	CECBEMS Health & Wellness	1	1	1
	CECBEMS Patients with Special Challenges	2	1	2
	CECBEMS Pediatric Assessment	2	1	2
	CECBEMS Pediatric Trauma Advanced	1	2	2
Red Rock VFD Total				19
Silver Lake VFD	Airport Fire MCI Vehicle and Trailer	1	2	2
	CECBEMS Airway Management Basic	1	1	1
	CECBEMS Date Rape Drugs	1	2	2
	CECBEMS Head & Facial Injuries Advanced	2	1	2
	Fire Shelters	1	2	2
	Rescue 42 TeleCrib Strut System - Part I: Video Based	1	1	1
	RT-130: Annual Wildland Fire Safety Refresher (MOD #2)	1	2	2
	RT-130: Annual Wildland Fire Safety Refresher (MOD #3)	1	2	2
	RT-130: Annual Wildland Fire Safety Refresher (MOD #4)	1	2	2
Silver Lake VFD Total				16
South Valleys VFD	Airport Fire MCI Vehicle and Trailer	1	2	2
	CECBEMS Airway Management Basic	1	1	1
	CECBEMS Burn Management Basic	1	1	1
	CECBEMS Date Rape Drugs	1	2	2
	CECBEMS Head & Facial Injuries Advanced	1	1	1
	CECBEMS HIV/AIDS Awareness	1	2	2
	CECBEMS Medical, Ethical, and Legal Issues	1	1	1
	SCBA Competency-Classroom	1	2	2
South Valleys VFD Total				12
Verdi VFD	1.3.3 TMFPD Code of Conduct	1	0.25	0.25
	Airport Fire MCI Vehicle and Trailer	1	2	2
	CECBEMS Altitude Emergencies	1	2	2
	CECBEMS Bleeding and Shock Basic	1	1	1
	CECBEMS Burn Management Advanced	1	2	2
	CECBEMS Cardiac Emergencies Basic	1	1	1

STATION	ACTIVITY	CREWS	HOURS PER	TOTAL HOURS
Verdi VFD, Cont'd	CECBEMS Emergency Response to Terrorism (MOD #2)	1	1	1
	CECBEMS HIV/AIDS Awareness	1	2	2
	CECBEMS Kinematics of Trauma	1	1	1
	CECBEMS Medical Extrication and Rescue	1	2	2
	CECBEMS Operating an AED	1	1	1
	Single engine attack drill for residential structure fire	4	2	8
	Ebola Infection Control	1	0.5	0.5
	Emergency Response to Terrorism (MOD #1)	1	1	1
	Fleet Program Vehicle Safety and Security for Emergency Vehicle Operators	1	1	1
	General First Aid Part 1	1	1	1
	General First Aid Part 2	1	1	1
	Harris Battery Charger Review	1	0.5	0.5
	Harris XG-75 Fire Remote Microphone	1	0.5	0.5
	Harris XG-75 Radio Review	1	0.5	0.5
	Infection Control Test-2015	1	1	1
	NFPA 1001 Firefighting Foams	1	1	1
Verdi VFD Total				31.25



TRUCKEE MEADOWS FIRE PROTECTION DISTRICT

STAFF REPORT

Board Meeting Date: December 15, 2015

CM/ACM _____
Finance VVB
Legal DWV
Risk Mgt. DE
HR N/A

DATE: December 7, 2015

TO: Truckee Meadows Fire Protection District Board of Fire Commissioners

FROM: Charles A. Moore, Fire Chief
Phone: 775.328.6123 Email: cmoore@tmfpd.us

SUBJECT: Approve and execute final settlement and title paperwork with a closing date of December 28, 2015 for the acquisition of property located in the vicinity of Foothill Road and S Virginia Street (APN 044-300-09 and a portion of APN 044-300-10) to accommodate the replacement of Fire Station #14 in the total amount of \$1,310,577.69 including \$3,577.79 in escrow charges. (Commission District 2)

SUMMARY

This item authorizes final approval of a sale and purchase agreement and authorizes the Chair to execute final settlement and title paperwork with a closing date of December 28, 2015 for the acquisition of property located in the vicinity of Foothill Road and S Virginia Street (APN 044-300-09 and a portion of APN 044-300-10) to accommodate the replacement of Fire Station #14 in the total amount of \$1,310,577.69 including \$3,577.79 in escrow charges.

Strategic Objective supported by this item: *Safe, Secure and Healthy Communities*

PREVIOUS ACTION

May 19, 2014, the BOFC approved the District's FY 14/15 Budget and adopted the Capital Improvements Plan for Fiscal Year 2015, which includes funds allocated for the purchase of land to relocate career Station #14.

October 16, 2014, the BOFC authorized the Fire Chief to begin negotiation on the potential acquisition of a subject property APN 044-300-09 (and a portion of APN 044-300-10) and to perform any due diligence as needed, including a Phase I and Phase II, and if the acquisition is acceptable staff shall return to the Board of Fire Commissioners for review of the terms and final approval of the acquisition.

On February 9, 2015, the BOFC authorized the Fire Chief to enter into a Purchase and Sale Agreement for a 3.00 acre (+/-) parcel of a portion of APN 044-300-10, and to authorize the opening of escrow by deposit of the amount of \$50,000 as called for in the Purchase and Sale Agreement; fiscal impact not to exceed \$1,307,000 for acquisition.

May 18, 2015, the BOFC approved the District's FY 15/16 Budget and adopted the Capital Improvements Plan for Fiscal Year 2016, which includes funds allocated for the purchase of land for Truckee Meadows Fire Protection District (TMFPD) Station #14.

BACKGROUND

Truckee Meadows Fire Protection District began planning for the future facility needs of the District in order to achieve long term sustainability. Staff recommended a new fire station site to replace the aging Station 14 which is currently located at 12300 Old Virginia Road. The current facility was constructed in 1966 and the designation by the County Assessor's office of the current condition is "Low". The existing Station 14 property was granted by Bennie J. and Eva Damonte on July 18th, 1967 to the Brown-Huffaker Volunteer Fire Department via a Deed, (Document 108243). On May 14, 1993, a small portion was granted to the Nevada Department of Transportation, by Deed under Document 1684019, approximately 2,111 feet or 0.05 of an acre.

The location and building structure of the current Station #14 is problematic due to the excessive retail traffic and physical constraints of the property.

Staff has evaluated multiple options for the replacement for Station 14 in conjunction with The Washoe County Property Program Manager and the Washoe County GIS Specialist. There were limited options for 2-4 acres of land close to the main access points in S. Reno on the market. Working with local real estate specialists, there were 6 viable options. The property located in the vicinity of Foothill Road and S. Virginia Street (APN 044-300-09 and a portion of APN 044-300-10) was identified as a potential replacement location to accommodate Fire Station #14; The Seller is a willing party and endeavored to help the District achieve a parcel size and configuration that is effective and efficient for the future development plans. The subject property is also in Washoe County Sphere of Influence which makes it desirable for this department use. Staff is requesting approval of the final settlement and title paperwork with a closing date of December 28, 2015 for this property.

FISCAL IMPACT

The District's FY 15/16 Budget and adopted Capital Improvements Plan for Fiscal Year 2016 includes funds allocated for the purchase of land to relocate TMFPD Station #14.

RECOMMENDATION

It is recommended that the Board of Fire Commissioners approve and authorize the Chair to execute final settlement and title paperwork with a closing date of December 28, 2015 for the acquisition of property located in the vicinity of Foothill Road and S Virginia Street (APN 044-300-09 and a portion of APN 044-300-10) to accommodate the replacement of Fire Station #14 in the total amount of \$1,310,577.69 including \$3,577.79 in escrow charges.

POSSIBLE MOTION

Should the Board agree with the staff's recommendation, a possible motion could be:

"I move to approve and Authorize the Chair to execute final settlement and title paperwork with a closing date of December 28, 2015 for the acquisition of property located in the vicinity of Foothill Road and S Virginia Street (APN 044-300-09 and a portion of APN 044-300-10) to accommodate the replacement of Fire Station #14 in the total amount of \$1,310,577.69 including \$3,577.79 in escrow charges."



First American Title

First American Title Insurance Company
5310 Kietzke Lane, Suite 100
Reno, NV 89511-2043
Phn - (775)823-6200
Fax - 1-(877)272-1362
mroma@firstam.com

Truckee Meadows Fire Protection District
Attn: Chief Charles Moore,
1001 E. 9th St. Building D
Reno, NV 89512

11/20/2015
File No: 121-2487998 (MLR)

Re: Foothill and Broken Hill Rd., Reno, NV 89502

To our valued customer,

Enclosed please find opening documents required to process your escrow. Please review, sign where indicated and return to our office as soon as possible.

Estimated Settlement Statement
Wire Instructions
Grant Bargain Sale Deed
Declaration of Value
Escrow Instructions
Title Commitment

Should you have any questions, please do not hesitate to contact the undersigned.

Sincerely,

Margie Roma
Commercial Escrow Officer

MLR/pb

Encl.



First American Title Insurance Company

5310 Kietzke Lane, Suite 100 • Reno, NV 89511-2043

Office Phone: (775) 823-6200 Office Fax: (775) 823-6250

Estimated Settlement Statement

Property: Foothill and Broken Hill Rd., Reno, NV 89502 **File No:** 121-2487998
Officer: Margie Roma/pb
Estimated Settlement Date: 12/28/2015
Disbursement Date:
Print Date: 11/20/2015, 3:07 PM

Buyer: Truckee Meadows Fire Protection District
Address: Attn: Chief Charles Moore, 1001 E. 9th St. Building D, Reno, NV 89512
Seller: South Hills Investment Company
Address: 3652 S. Virginia St. #C7, Reno, NV 89502
Lender:
Address:
New Loan No.:

Buyer Charge	Buyer Credit	Charge Description	Seller Charge	Seller Credit
1,307,000.00		Consideration: Total Consideration		1,307,000.00
	50,000.00	Deposits In Escrow: Receipt No. 1249126822 on 06/26/2015 by Truckee Meadows Fire Protection District		
	50,000.00	Receipt No. 1249127306 on 07/31/2015 by Truckee Meadows Fire Protection District		
11.94		Prorations: County Tax 12/28/15 to 07/01/16 @\$23.43/yr		11.94
		Commission: Commission Paid at Settlement to Colliers International	52,280.00	
80.00		Title/Escrow Charges to: Document Preparation to First American Title Insurance Company	80.00	
786.40		Escrow Fee - General to First American Title Insurance Company	786.40	
20.00		Overnight Delivery Services to First American Title Insurance Company	20.00	
		ALTA Owners 2006 to First American Title Insurance Company	3,339.95	
		Grant Deed to First American Title Insurance Company	26.00	
		e-Recording Fee - S to	5.00	
2,679.35		Real Property Transfer Tax-County to First American Title Insurance Company	2,679.35	
	1,210,577.69	Cash (X From) (To) Buyer		
		Cash (X To) (From) Seller	1,247,795.24	
1,310,577.69	1,310,577.69	Totals	1,307,011.94	1,307,011.94

BUYER(S):

Truckee Meadows Fire Protection District

By: _____

Name: Marsha Berkgigler

Title: Chair Truckee Meadows Fire Protection District

SELLER(S):

South Hills Investment Company, A Nevada General Partnership

By: _____

Name: Ben Farahi

Title: Managing Partner

Initials: _____



First American Title

First American Title Insurance Company
5310 Kietzke Lane, Suite 100
Reno, NV 89511-2043
(775)823-6200

INCOMING DOMESTIC WIRE INSTRUCTIONS

PAYABLE TO: First American Title Insurance Company
BANK: First American Trust, FSB
ADDRESS: Attn: Banking Services M/S #4 5 First American Way, Santa Ana,
CA 92707
ACCOUNT NO: 3012490000
ROUTING NUMBER: 122241255

PLEASE REFERENCE THE FOLLOWING:

PROPERTY: Foothill and Broken Hill Rd., Reno, NV 89502
FILE NUMBER: 121-2487998 (MLR)

PLEASE USE THE ABOVE INFORMATION WHEN WIRING FUNDS TO **First American Title Insurance Company. FUNDS MUST BE WIRED FROM A BANK WITHIN THE UNITED STATES.** PLEASE NOTIFY YOUR ESCROW OFFICER AT **(775)823-6200** OR **mroma@firstam.com** WHEN YOU HAVE TRANSMITTED YOUR WIRE.

IF YOUR FUNDS ARE BEING WIRED FROM A NON-U.S. BANK, ADDITIONAL CHARGES MAY APPLY. PLEASE CONTACT YOUR ESCROW OFFICER/CLOSER FOR INTERNATIONAL WIRING INSTRUCTIONS.

AN ACH TRANSFER CANNOT BE ACCEPTED FOR CLOSING, BECAUSE IT IS NOT THE SAME AS A WIRE AND REQUIRES ADDITIONAL TIME FOR CLEARANCE.

FIRST AMERICAN TRUST CONTACT INFO: Banking Services 1-877-600-9473

**ALL WIRES WILL BE RETURNED IF THE FILE NUMBER
AND/OR PROPERTY REFERENCE ARE NOT INCLUDED**

With cyber crimes on the increase, it is important to be ever vigilant. If you receive an e-mail or any other communication that appears to be generated from a First American employee that contains new, revised or altered bank wire instructions, consider it suspect and call our office at a number you trust. Our bank wire instructions seldom change.

A.P.N.: 04430010
File No: 121-2487998 (MLR)
R.P.T.T.: \$5,358.70 C

RECEIVED, READ & APPROVED IN ITS ENTIRETY
BY: _____

When Recorded Mail To: Mail Tax Statements To:
Truckee Meadows Fire Protection District
Attn: Chief Charles Moore, 1001 E. 9th St. Building D
Reno, NV 89512



GRANT, BARGAIN and SALE DEED

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

South Hills Investment Company, A Nevada General Partnership

do(es) hereby *GRANT, BARGAIN and SELL* to

Truckee Meadows Fire Protection District

the real property situate in the County of Washoe, State of Nevada, described as follows:

A PORTION OF PARCEL 4 OF PARCEL MAP NO. 1255 FOR SOUTH HILLS INVESTMENT COMPANY, FILED IN THE OFFICE OF THE COUNTY RECORDER OF WASHOE COUNTY, STATE OF NEVADA ON MAY 27, 1981 AS FILE NO. 740526 OF OFFICIAL RECORDS.

NOTE: PRIOR TO THE ISSUANCE OF ANY POLICY OF TITLE INSURANCE A PROPERLY ENGINEERED LEGAL DESCRIPTION MUST BE SUBMITTED TO THE TITLE DEPARTMENT FOR REVIEW.

Subject to

1. All general and special taxes for the current fiscal year.
2. Covenants, Conditions, Restrictions, Reservations, Rights, Rights of Way and Easements now of record.

TOGETHER with all tenements, hereditaments and appurtenances, including easements if any, thereto belonging or appertaining, and any reversions, remainders, rents, issues or profits thereof.

Date: 11/05/2015

**STATE OF NEVADA
DECLARATION OF VALUE**

1. Assessor Parcel Number(s)

- a) 04430010
b) _____
c) _____
d) _____

2. Type of Property

- a) ☒ Vacant Land b) ☐ Single Fam. Res.
c) ☐ Condo/Twnhse d) ☐ 2-4 Plex
e) ☐ Apt. Bldg. f) ☐ Comm'l/Ind'l
g) ☐ Agricultural h) ☐ Mobile Home
i) ☐ Other _____

FOR RECORDERS OPTIONAL USE

Book _____ Page: _____
Date of Recording: _____
Notes: _____

3. a) Total Value/Sales Price of Property: \$1,307,000.00
b) Deed In Lieu of Foreclosure Only (value of \$ _____)
c) Transfer Tax Value: \$1,307,000.00
d) Real Property Transfer Tax Due \$5,358.70

4. If Exemption Claimed:

- a. Transfer Tax Exemption, per 375.090, Section: _____
b. Explain reason for exemption: _____

5. Partial Interest: Percentage being transferred: 100 %

The undersigned declares and acknowledges, under penalty of perjury, pursuant to NRS 375.060 and NRS 375.110, that the information provided is correct to the best of their information and belief, and can be supported by documentation if called upon to substantiate the information provided herein. Furthermore, the parties agree that disallowance of any claimed exemption, or other determination of additional tax due, may result in a penalty of 10% of the tax due plus interest at 1% per month. Pursuant to NRS 375.030, the Buyer and Seller shall be jointly and severally liable for any additional amount owed.

Signature: _____
Signature: _____

Capacity: _____
Capacity: _____

SELLER (GRANTOR) INFORMATION
(REQUIRED)

Print Name: South Hills Investment Company
Address: 3652 S. Virginia St. #C7
City: Reno
State: NV Zip: 89502

BUYER (GRANTEE) INFORMATION
(REQUIRED)

Print Name: Truckee Meadows Fire
Protection District
Attn: Chief Charles Moore,
Address: 1001 E. 9th St. Building D
City: Reno
State: NV Zip: 89512

COMPANY/PERSON REQUESTING RECORDING (required if not seller or buyer)

First American Title Insurance
Print Name: Company File Number: 121-2487998 MLR/pb
Address: 5310 Kietzke Lane, Suite 100
City: Reno State: NV Zip: 89511-2043

(AS A PUBLIC RECORD THIS FORM MAY BE RECORDED/MICROFILMED)



First American Title

First American Title Insurance Company
5310 Kietzke Lane, Suite 100
Reno, NV 89511-2043
Phn - (775)823-6200
Fax - 1-(877)272-1362

ESCROW INSTRUCTIONS

Date: 11/05/2015

Commercial Escrow Officer: Margie Roma

Escrow Number: 121-2487998

Property: Foothill and Broken Hill Rd., Reno, NV 89502

The undersigned South Hills Investment Company, A Nevada General Partnership ("Seller") and Truckee Meadows Fire Protection District ("Buyer"), hereby authorize, direct and instruct First American Title Insurance Company ("Escrow Holder"), as follows:

Buyer and Seller have entered into that certain Purchase and Sale Agreement dated June 16, 2015 ("Agreement"), a copy of which is attached hereto as Exhibit "A". By this reference said Agreement and any amendments or addendum that may be entered into from time to time are incorporated herein and Escrow Holder is authorized and instructed to comply with the provisions therein that are only within the control of Escrow Holder.

In the event that the Agreement provides for title to be vested in an "Assignee" and/or "Nominee", Escrow Holder is authorized to insert the name of said assignee/nominee into the deed and related documents prior to delivery and/or recording of same without the benefit of any further written instructions from the Seller, unless the Agreement states otherwise.

Pursuant to the Agreement the parties have agreed that the Seller shall sell and the Buyer shall purchase that certain real property of the Seller, which real property is described as:

See Exhibit "B" attached hereto for complete legal description and by referenced made a part hereof.

If this Agreement or any matter relating thereto shall become the subject of any litigation or controversy, Buyer and Seller agree, jointly and severally, to hold Escrow Holder free and harmless from any loss or expense, except losses or expenses as may arise from Escrow Holder's negligence or willful misconduct. If conflicting demands are made or notices served upon Escrow Holder with respect to this Agreement, the parties expressly agree that Escrow Holder shall be entitled to file a suit in interpleader and litigate an order from the court requiring the parties to interplead and litigate their several claims and rights among themselves. Upon the filing of the action in interpleader, Escrow Holder shall be fully released and discharged from any obligations sufficiency or correctness as to form, manner, execution or validity of any instrument deposited with it or as to the identity, authority or rights of any person executing with such Agreement, contract or other instrument filed with Escrow Holder or referred to herein. Escrow Holder's duties hereunder shall be limited to the safekeeping of all monies, instruments or other documents received by it as Escrow Holder, and for their disposition in accordance with the terms of this Agreement.

These Escrow Instructions are not intended to modify or amend the Agreement between Seller and Buyer unless such modification and/or amendment is specifically set forth herein.



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This agreement in all parts applies to, inures to the benefit of , and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns, and whenever the context so requires, the masculine gender includes the feminine and neuter, and the singular number includes the plural.

The "General Provisions" attached hereto are made a part hereof by this reference.



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EXHIBIT "B"

A PORTION OF PARCEL 4 OF PARCEL MAP NO. 1255 FOR SOUTH HILLS INVESTMENT COMPANY, FILED IN THE OFFICE OF THE COUNTY RECORDER OF WASHOE COUNTY, STATE OF NEVADA ON MAY 27, 1981 AS FILE NO. 740526 OF OFFICIAL RECORDS.

NOTE: PRIOR TO THE ISSUANCE OF ANY POLICY OF TITLE INSURANCE A PROPERLY ENGINEERED LEGAL DESCRIPTION MUST BE SUBMITTED TO THE TITLE DEPARTMENT FOR REVIEW.

BUYER:

Truckee Meadows Fire Protection District

By: _____

Name: Marsha Berkbigler
Title: Chair Truckee Meadows Fire
Protection District



SELLER:

South Hills Investment Company, A Nevada
General Partnership

By: _____

Name: Ben Farahi
Title: Managing Partner

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ESCROW GENERAL PROVISIONS**The parties understand and acknowledge:****1. SPECIAL DISCLOSURES:****A. DEPOSIT OF FUNDS & DISBURSEMENTS**

Unless directed in writing to establish a separate, interest-bearing account together with all necessary taxpayer reporting information (i.e. W9), all funds shall be deposited in general escrow accounts in a federally insured financial institution (which may include First American Trust Company which is an affiliate of Escrow Holder) ("depositories"). All disbursements shall be made by Escrow Holder's check or by wire transfer unless otherwise instructed in writing.

B. GOOD FUNDS LAW.

ALL funds to close Escrow and/or to be released early must be deposited into escrow in sufficient time prior to the date of close/release so that funds have cleared and are available in Escrow Holder's account. Wire transfers are immediately disburseable upon confirmation of receipt. Funds deposited by a cashier's or certified check are generally available on the next banking day following deposit. Funds deposited by a personal check and other types of instruments may not be available until confirmation from Escrow Holder's bank which can vary from 2 to 10 days.

C. DISCLOSURE OF POSSIBLE BENEFITS TO ESCROW HOLDER

As a result of Escrow Holder maintaining its general escrow accounts with the depositories, Escrow Holder may receive certain financial benefits such as an array of bank services, accommodations, loans or other business transactions from the depositories ("collateral benefits"). All collateral benefits shall accrue to the sole benefit of Escrow Holder and Escrow Holder shall have no obligation to account to the parties to this escrow for the value of any such collateral benefits.

D. MISCELLANEOUS FEES

Escrow Holder may incur certain additional costs on behalf of the parties for services performed by third party providers. The fees charged by Escrow Holder for services such as wire transfers or overnight delivery/courier services may include a mark up over the direct cost of such services to reflect the averaging of direct, administrative and overhead charges of Escrow Holder for such services.

E. METHOD TO DELIVER PAYOFF TO LENDERS/LIEN HOLDERS

To minimize the amount of interest due on any existing loan or lien, Escrow Holder will deliver the payoff funds to the lender/lien holder in an expeditious manner as demanded by the lender/lien holder using (a) personal delivery, (b) wire transfer, or (c) overnight delivery service, unless otherwise directed in writing by the affected party.

2. PRORATIONS & ADJUSTMENTS

The term "close of escrow" means the date on which documents are recorded. All prorations and/or adjustments shall be made to the close of escrow based on the number of actual days, unless otherwise instructed in writing.

3. CONTINGENCY PERIODS

Escrow Holder shall not be responsible for monitoring contingency time periods between the parties. The parties shall execute such documents as may be requested by Escrow Holder to confirm the status of any such periods.

4. REPORTS

As an accommodation, Escrow Holder may agree to transmit orders for inspection, termite, disclosure and other reports if requested, in writing or orally, by the parties or their agents. Escrow Holder shall deliver copies of any such reports as directed.

Escrow Holder is not responsible for reviewing such reports or advising the parties of the content of same.

5. INFORMATION FROM AFFILIATED COMPANIES

Escrow Holder may provide the parties' information to and from its affiliates in connection with the offering of products and services from these affiliates.

6. RECORDATION OF DOCUMENTS

Escrow Holder is authorized to record documents delivered through escrow which are necessary or proper for the issuance of the requested title insurance policy(ies).

7. PERSONAL PROPERTY TAXES

No examination, UCC search, insurance as to personal property and/or the payment of personal property taxes is required unless otherwise instructed in writing.

8. REAL PROPERTY TAXES

Real property taxes are prorated based on the most current available tax statement from the tax collector's office. Supplemental taxes may be assessed as a result of a change in ownership or completion of construction. Adjustments due either party based on the actual new tax bill issued after close of escrow or a supplemental tax bill will be made by the parties outside of escrow and Escrow Holder is released of any liability in connection with such adjustments.

9. CANCELLATION OF ESCROW

Any party desiring to cancel this escrow shall deliver written notice of cancellation to Escrow Holder. Within a reasonable time after receipt of such notice, Escrow Holder shall send by regular mail to the address on the escrow instructions, one copy of said notice to the other party(ies). Unless written objection to cancellation is delivered to Escrow Holder by a party within 10 days after date of mailing, Escrow Holder is authorized, at its option, to comply with the notice and terminate the escrow. If a written objection is received by Escrow Holder, Escrow Holder is authorized, at its option, to hold all funds and documents in escrow (subject to the funds held fee) and to take no other action until otherwise directed by either the parties' mutual written instructions or a final order of a court of competent jurisdiction. If no action is taken on this escrow within 6 months after the closing date specified in the escrow instructions, Escrow Holder's obligations shall, at its option, terminate. Upon termination of this escrow, the parties shall pay all fees, charges and reimbursements due to Escrow Holder and all documents and remaining funds held in escrow shall be returned to the parties depositing same.

10. CONFLICTING INSTRUCTIONS & DISPUTES

If Escrow Holder becomes aware of any conflicting demands or claims concerning this escrow, Escrow Holder shall have the right to discontinue all further acts on Escrow Holder's part until the conflict is resolved to Escrow Holder's satisfaction. Escrow Holder has the right at its option to file an action in interpleader requiring the parties to litigate their claims/rights. If such an action is filed, the parties jointly and severally agree (a) to pay Escrow Holder's cancellation charges, costs (including the funds held fees) and reasonable attorneys' fees, and (b) that Escrow Holder is fully released and discharged from all further obligations under the escrow. If an action is brought involving this escrow and/or Escrow Holder, the party(ies) involved in the action agree to indemnify and hold the Escrow Holder harmless against liabilities, damages and costs incurred by Escrow Holder (including reasonable attorneys' fees and costs) except to the extent that such liabilities, damages and costs were caused by the negligence or willful misconduct of Escrow Holder.



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A. Funds Held Charge

If funds remain in escrow pursuant to parties instructions, or as a result of insufficient instructions, past the date which is ninety (90) days after Close of Escrow or if escrow has not closed, ninety (90) days after the estimated closing date set forth in the instructions, then a monthly funds held fee of \$25.00 shall accrue for each month or fraction thereof that the funds remain in escrow.

B. Dormancy Charge

If checks issued by Escrow Holder are not cashed a dormancy fee of \$50.00 per year shall accrue on any funds that remain in escrow 180 days or more after the date (or estimated date) of the closing of the transaction pursuant to which the funds were deposited.

C. Release of Monthly and Annual Charges

Escrow Holder is authorized to deduct the monthly funds held fee directly from the funds held on a monthly or other periodic basis (i.e. quarterly, semi-annually, etc.) and or the annual dormancy fee. The parties acknowledge and agree to pay these sums to compensate Escrow Holder for administering, monitoring, accounting, reminder and other notifications and processing of the funds so held.

12. USURY

Escrow Holder is not to be concerned with usury as to any loans or encumbrances in this escrow and is hereby released of any responsibility and/or liability therefore.

13. AMENDMENTS TO ESCROW INSTRUCTIONS

Any amendment to the escrow instructions must be in writing, executed by all parties and accepted by Escrow Holder. Escrow Holder may, at its sole option, elect to accept and act upon oral instructions from the parties. If requested by Escrow Holder the parties agree to confirm said instructions in writing as soon as practicable. The escrow instructions as amended shall constitute the entire escrow agreement between the Escrow Holder and the parties hereto with respect to the subject matter of the escrow.

14. INSURANCE POLICIES

In all matters relating to insurance, Escrow Holder may assume that each policy is in force and that the necessary premium has been paid. Escrow Holder is not responsible for obtaining fire, hazard or liability insurance, unless Escrow Holder has received specific written instructions to obtain such insurance prior to close of escrow from the parties or their respective lenders.

15. COPIES OF DOCUMENTS; AUTHORIZATION TO RELEASE

Escrow Holder is authorized to rely upon copies of documents, which include facsimile, electronic, NCR, or photocopies as if they were an originally executed document. If requested by Escrow Holder, the originals of such documents shall be delivered to Escrow Holder. Escrow Holder may withhold documents and/or funds due to the party until such originals are delivered. Documents to be recorded **MUST** contain original signatures. Escrow Holder may furnish copies of any and all documents to the lender(s), real estate broker(s), attorney(s) and/or accountant(s) involved in this transaction upon their request. Delivery of documents by escrow to a real estate broker or agent who is so designated in the purchase agreement shall be deemed delivery to the principal.

16. COOPERATION REGARDING INADVERTENT ERROR

Should adjustments be required after close of escrow due to clerical errors or oversight, the parties shall cooperate as required to assist Escrow Holder in effecting such corrections including, but not limited to, the payment of funds, execution of documents, etc.

17. EXECUTION IN COUNTERPART

The escrow instructions and any amendments may be executed in one or more counterparts, each of which shall be deemed an original,

and all of which taken together shall constitute the same instruction.

18. SPECIAL PROPERTY DISCLOSURES

A. WOODSTOVE (WASHOE COUNTY ONLY)

Washoe County Health Department ("HD") requires that as a condition of closing of escrow, Escrow Holder has in its possession either a "compliance Certificate" or "Notice of Exemption" signed by the parties and approved in writing by HD. Escrow Holder is authorized to advance the cost of the HD documents from funds held in escrow.

B. NEVADA PROPERTY DISCLOSURE

Nevada law mandates that a seller of residential property deliver to the buyer (a) a "Seller's Property Disclosure Form" or "Waiver Form" at least ten (10) days prior to transfer of the property, and (b) copies of homeowner association by laws, minutes and financial statements prior to the transfer of the property. Buyer and Seller agree that these deliveries shall be made between the parties outside of escrow and Escrow Holder is not to be concerned with this matter.

19. TAX REPORTING, WITHHOLDING & DISCLOSURE

The parties are advised to seek independent advice concerning the tax consequences of this transaction, including but not limited to, their withholding, reporting and disclosure obligations. Escrow Holder does not provide tax or legal advice and the parties agree to hold Escrow Holder harmless from any loss or damage that the parties may incur as a result of their failure to comply with federal and/or state tax laws. **WITHHOLDING OBLIGATIONS ARE THE EXCLUSIVE OBLIGATIONS OF THE PARTIES. ESCROW HOLDER IS NOT RESPONSIBLE TO PERFORM THESE OBLIGATIONS UNLESS ESCROW HOLDER AGREES IN WRITING.**

A. TAXPAYER IDENTIFICATION NUMBER REPORTING

Federal law requires Escrow Holder to report seller's social security number or tax identification number (both numbers are hereafter referred to as the "TIN"), forwarding address, and the gross sales price to the Internal Revenue Service ("IRS"). To comply with the USA PATRIOT Act, certain taxpayer identification information (including, but not limited to, the TIN) may be required by Escrow Holder from certain persons or entities involved (directly or indirectly) in the transaction prior to closing. Escrow cannot be closed nor any documents recorded until the information is provided and certified as to its accuracy to Escrow Holder. The parties agree to promptly obtain and provide such information as requested by Escrow Holder.

B. FEDERAL WITHHOLDING & REPORTING

Certain federal reporting and withholding requirements exist for real estate transactions where the seller (transferor) is a non-resident alien, a non-domestic corporation, partnership, or limited liability company; or a domestic corporation, partnership or limited liability company controlled by non-residents; or non-resident corporations, partnerships or limited liability companies.

C. OTHER STATE'S WITHHOLDING OBLIGATIONS

If withholding is required by the laws of any state other than Nevada, that withholding obligation is the sole responsibility of the parties and Escrow Holder is not obligated to withhold or to notify the parties of any such obligation.

D. TAXPAYER IDENTIFICATION DISCLOSURE

Federal and state laws require that certain forms include a party's TIN and that such forms or copies of the forms be provided to the other party and to the applicable governmental authorities. Parties to a real estate transaction involving seller-provided financing are required to furnish, disclose, and include the other party's TIN in their tax returns. Escrow Holder is authorized to release a party's TINs and copies of statutory forms to the other party and to the applicable governmental authorities in the foregoing circumstances. The parties agree to hold Escrow Holder harmless against any fees, costs, or judgments incurred and/or awarded because of the release of their TIN as authorized herein.



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Washoe County Treasurer
Tammi Davis

RECEIVED, READ & APPROVED IN ITS ENTIRETY

BY: _____

Washoe County Treasurer
P.O. Box 30039, Reno, NV 89520-3039
ph (775) 328-2510 fax: (775) 328-2500

Bill Detail

[Back to Account Detail](#)

[Change of Address](#)

[Print this Page](#)

Washoe County Parcel Information

Parcel ID	Status	Last Update
04430010	Active	11/5/2015 2:10:18 AM
Current Owner: SOUTH HILLS INVESTMENT COMPANY 3652 S VIRGINIA ST STE C7 RENO, NV 89502		SITUS: 0 FOOTHILL RD WCTY NV
Taxing District 4005		Geo CD:
Legal Description SubdivisionName _UNSPECIFIED Township 18 Section 8 Range 20		

Installments

Period	Due Date	Tax Year	Tax	Penalty/Fee	Interest	Total Due
INST 1	8/17/2015	2015	\$0.00	\$0.00	\$0.00	\$0.00
Total Due:			\$0.00	\$0.00	\$0.00	\$0.00

Tax Detail

	Gross Tax	Credit	Net Tax
<u>State of Nevada</u>	\$1.99	(\$0.76)	\$1.23
<u>Truckee Meadows Fire Dist</u>	\$6.32	(\$2.42)	\$3.90
<u>Washoe County</u>	\$16.29	(\$6.23)	\$10.06
<u>Washoe County Sg</u>	\$13.33	(\$5.10)	\$8.23
<u>Truckee Mdw Ungr Water</u>	\$0.01	\$0.00	\$0.01
Total Tax	\$37.94	(\$14.51)	\$23.43

Payment History

Tax Year	Bill Number	Receipt Number	Amount Paid	Last Paid
2015	245720	B15.74314	\$23.43	8/25/2015

Pay By Check

AMOUNT ABOVE WILL POPULATE
AFTER PAYMENT TYPE IS SELECTED

Please make checks payable to:
WASHOE COUNTY TREASURER

Mailing Address:
P.O. Box 30039
Reno, NV 89520-3039

Overnight Address:
1001 E. Ninth St., Ste D140
Reno, NV 89512-2845

Change of Address

All requests for a mailing address change
must be submitted in writing, including a
signature (unless using the online form).

Please mail your request to: Washoe
County Treasurer
P.O. Box 30039
Reno, NV 89520-3039

Or fax your request to:
(775) 328-2500

Or [click here](#) to submit online form

The Washoe County Treasurer's Office makes every effort to produce and publish the most current and accurate information possible. No warranties, expressed or implied, are provided for the data herein, its use, or its interpretation. If you have any questions, please contact us at (775) 328-2510 or tax@washocounty.us

This site is best viewed using Google Chrome, Internet Explorer 11, Mozilla Firefox or Safari.

First Amended RECEIVED, READ & APPROVED IN ITS ENTIRETY
BY: _____



First American Title

First American Title Insurance Company

**5310 Kietzke Lane, Suite 100
Reno, NV 89511-2043**



November 06, 2015

Ted Stoever
Colliers International
100 West Liberty Street, Suite 740
Reno, NV 89501

Phone: (775)823-9666

Fax: (775)823-4699

Title Officer: William Bernard
Phone: (775)823-6200

Order Number: 121-2487998

Escrow Officer: Margie Roma
Phone: (775)823-6200

Property: NV, APN 044-300-10

First American Title Insurance Company

Attached please find the following item(s):

Commitment

Thank You for your confidence and support. We at First American Title Insurance Company maintain the fundamental principle:

Customer First!

First American Title Insurance Company

INFORMATION

The Title Insurance Commitment is a legal contract between you and the company. It is issued to show the basis on which we will issue a Title Insurance Policy to you. The Policy will insure you against certain risks to the land title, subject to the limitations shown in the policy.

The Company will give you a sample of the Policy form, if you ask.

The Commitment is based on the land title as of the Commitment Date. Any changes in the land title or the transaction may affect the Commitment and the Policy.

The Commitment is subject to its Requirements, Exceptions and Conditions.

This information is not part of the title insurance commitment.

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Schedule B-2 - Exceptions	
Conditions	

YOU SHOULD READ THE COMMITMENT VERY CAREFULLY.
If you have any questions about the Commitment,
please contact the issuing office.

COMMITMENT FOR TITLE INSURANCE

Issued by

First American Title Insurance Company

Agreement to Issue Policy

We agree to issue a policy to you according to the terms of this Commitment.

When we show the policy amount and your name as the proposed insured in Schedule A, this Commitment becomes effective as of the Commitment Date shown in Schedule A.

If the Requirements shown in this Commitment have not been met within six months after the Commitment Date, our obligation under this Commitment will end. Also, our obligation under this Commitment will end when the Policy is issued and then our obligation to you will be under the Policy.

Our obligation under this Commitment is limited by the following:

The Provisions in Schedule A.

The Requirements in Schedule B-1.

The Exceptions in Schedule B-2.

The Conditions.

This Commitment is not valid without Schedule A and Sections 1 and 2 of Schedule B.

First American Title Insurance Company



Dennis J. Gilmore
President



Jeffrey S. Robinson
Secretary



By:

First American Title Insurance Company

Authorized Signatory

SCHEDULE A

1. Commitment Date: October 28, 2015 at 7:30 A.M.
2. Policy or Policies to be issued: Amount
 - a. ALTA Owner's Policy \$1,307,000.00

Proposed Insured:
Truckee Meadows Fire Protection District
 - b. ALTA Loan Policy \$To Be Determined

Proposed Insured:
To Be Determined
3. (A) The estate or interest in the land described in this Commitment is:

Fee

(B) Title to said estate or interest at the date hereof is vested in:

South Hills Investment Company, a Nevada general partnership
4. The land referred to in this Commitment is situated in the County of Washoe, State of Nevada, and is described as follows:

A PORTION OF PARCEL 4 OF PARCEL MAP NO. 1255 FOR SOUTH HILLS INVESTMENT COMPANY, FILED IN THE OFFICE OF THE COUNTY RECORDER OF WASHOE COUNTY, STATE OF NEVADA ON MAY 27, 1981 AS FILE NO. 740526 OF OFFICIAL RECORDS.

NOTE: PRIOR TO THE ISSUANCE OF ANY POLICY OF TITLE INSURANCE A PROPERLY ENGINEERED LEGAL DESCRIPTION MUST BE SUBMITTED TO THE TITLE DEPARTMENT FOR REVIEW.

SCHEDULE B

SECTION ONE

REQUIREMENTS

The following requirements must be met:

- (A) Pay the agreed amounts for the interest in the land and/or the mortgage to be insured.
- (B) Pay us the premiums, fees and charges for the policy.
- (C) Documents satisfactory to us creating the interest in the land and/or the mortgage to be insured must be signed, delivered and recorded.
- (D) You must tell us in writing the name of anyone not referred to in this Commitment who will get an interest in the land or who will make a loan on the land. We may then make additional requirements or exceptions.
- (E) Releases(s) or Reconveyance(s) of Item(s): N/A
- (F) Other:
- (G) You must give us the following information:
 - 1. Any off record leases, surveys, etc.
 - 2. Statement(s) of Identity, all parties.
 - 3. Other: X
- Prior to the issuance of any policy of title insurance a properly engineered legal description must be submitted to the Company for review.

The following additional requirements, as indicated by "X", must be met:

- [X] (H) Provide information regarding any off-record matters, which may include, but are not limited to: leases, recent works of improvement, or commitment statements in effect under the Environmental Responsibility Acceptance Act, Civil Code Section 850, et seq.

The Company's Owner's Affidavit form (attached hereto) must be completed and submitted prior to close in order to satisfy this requirement. This Commitment will then be subject to such further exceptions and/or requirements as may be deemed necessary.

- [X] (I) An ALTA/ACSM survey of recent date, which complies with the current minimum standard

detail requirements for ALTA/ACSM land title surveys, must be submitted to the Company for review. This Commitment will then be subject to such further exceptions and/or requirements as may be deemed necessary.

☐ (J) The following LLC documentation is required from .

☒ (K) The following partnership documentation is required from South Hills Investment Company, a Nevada general partnership:

- Prior to the close of escrow or the issuance of any policy of title insurance, we will require that a copy of the South Hills Investment Company, a Partnership Agreement and any amendments thereto be submitted to the Company for examination.
- Evidence of proper filing and good standing in the State of Nevada of South Hills Investment Company.

☐ (L) The following documentation is required from corporation:

☐ (M) Based upon the Company's review of that certain partnership/operating agreement dated for the proposed insured herein, the following requirements must be met:

Any further amendments to said agreement must be submitted to the Company, together with an affidavit from one of the general partners or members stating that it is a true copy, that said partnership or limited liability company is in full force and effect, and that there have been no further amendments to the agreement. This Commitment will then be subject to such further requirements as may be deemed necessary.

☐ (N) A copy of the complete lease, as referenced in Schedule A, #3 herein, together with any amendments and/or assignments thereto, must be submitted to the Company for review, along with an affidavit executed by the present lessee stating that it is a true copy, that the lease is in full force and effect, and that there have been no further amendments to the lease. This Commitment will then be subject to such further requirements as may be deemed necessary.

☒ (O) Approval from the Company's Underwriting Department must be obtained for issuance of the policy contemplated herein and any endorsements requested thereunder. This Commitment will then be subject to such further requirements as may be required to obtain such approval.

☒ (P) Potential additional requirements, if ALTA Extended coverage is contemplated hereunder, and work on the land has commenced prior to close, some or all of the following requirements, and any other requirements which may be deemed necessary, may need to be met:

- ☐ (Q) The Company's "Mechanic's Lien Risk Addendum" form must be completed by a Company employee, based upon information furnished by the appropriate parties involved.
- ☐ (R) The Company's "Indemnity Agreement I" must be executed by the appropriate parties.
- ☐ (S) Financial statements from the appropriate parties must be submitted to the Company for review.
- ☐ (T) A copy of the construction contract must be submitted to the Company for review.
- ☐ (U) An inspection of the land must be performed by the Company for verification of the phase of construction.

SCHEDULE B

SECTION TWO

EXCEPTIONS

Schedule B of the policy or policies to be issued will contain exceptions to the following matters unless the same are disposed of to the satisfaction of the Company:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records. Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests, or claims that are not shown by the public records but that could be ascertained by an inspection of the land or that may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. Unpatented mining claims, (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof, (c) water rights or, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.
6. Any lien or right to a lien for services, labor or material not shown by the public records.

Exceptions 1-6 will be omitted on extended coverage policies

7. Water rights, claims or title to water, whether or not shown by the public records.
8. Any taxes that may be due, but not assessed, for new construction which can be assessed on the unsecured property rolls, in the Office of the Washoe County Assessor, per Nevada Revised Statute 361.260.
9. Any unpaid charges due the Washoe County Sewer & Water District. Specific amounts may be obtained by calling the Washoe County Water Resources, Utility Services Division at P.O. Box 11130, Reno, NV 89520, (775)954-4601.

10. The lien of deferred taxes due upon conversion of use of said land from agricultural to a higher use, as the same is defined and provided for in NRS 361A.010, et.seq.
 - A document entitled "Notice of Attachment of Tax Lien on Agricultural and Open Space Real Property in Washoe County", recorded July 15, 2015, in Book N/A as Instrument No. 4491223 of Official Records.
11. Reservations or exceptions in Patents, or in acts authorizing the issuance thereof.
12. An Easement for a water ditch and incidental purposes, recorded October 10, 1903 in Book No. 24, Page 290 as Instrument No. N/A of Deed Records.
Affects: A portion of the land
13. The terms and provisions contained in the document entitled Agreement, executed by and between T.R. Holcomb Estates Company, a corporation and Nick Ginnochio, recorded June 10, 1930 in Book No. J, Page 332 as Instrument No. 51479 of Bonds and Agreements.
14. An Easement for communication, electric power line and incidental purposes, recorded June 21, 1950 in Book No. 256, Page 138 as Instrument No. 185284 of Deed Records.
Affects: A portion of the land
15. An Easement for ditch and incidental purposes, recorded October 03, 1958 in Book No. 490, Page 181 as Instrument No. 293175 of Deed Records.
Affects: A portion of the land
16. An Easement for an irrigation, water canal and incidental purposes, recorded August 29, 1975 in Book No. 913, Page 756 as Instrument No. 376279 of Official Records.
Affects: A portion of the land
17. An Easement for irrigation, water canal and incidental purposes, recorded April 23, 1973 in Book No. 725, Page 370 as Instrument No. 283615 of Official Records.
Affects: A portion of the land
18. Easements, dedications, reservations, provisions, relinquishments, recitals, certificates, and any other matters as provided for or delineated on Parcel Map #1255 referenced in the legal description contained herein. Reference is hereby made to said plat for particulars.
19. Covenants, conditions, and restrictions in a Deed Restriction recorded September 09, 1998, in Book 5378, Page 734 as Instrument No. 2251308 of Official Records.

20. Any facts, rights, interests or claims which would be disclosed by a correct ALTA/ACSM Survey.
21. Rights of parties in possession of the land by reason of unrecorded leases and all parties claiming by, through or under said lessees or tenants, if any, that would be disclosed from an inquiry of the parties, or by an inspection of the land.

INFORMATIONAL NOTES

NOTE: Taxes for the fiscal year July 1, 2015 through June 30, 2016, including any secured personal property taxes collected therewith.
APN 044-300-10
Total tax: \$23.43 (Paid)

- (Includes other land)

NOTE: We find no open deeds of trust. Escrow please confirm before closing.

The map attached, if any, may or may not be a survey of the land depicted hereon. First American expressly disclaims any liability for loss or damage which may result from reliance on this map except to the extent coverage for such loss or damage is expressly provided by the terms and provisions of the title insurance policy, if any, to which this map is attached.

CONDITIONS

1. DEFINITIONS

(a)"Mortgage" means mortgage, deed of trust or other security instrument.

(b)"Public Records" means title records that give constructive notice of matters affecting the title according to the state law where the land is located.

2. LATER DEFECTS

The Exceptions in Schedule B - Section Two may be amended to show any defects, liens or encumbrances that appear for the first time in the public records or are created or attached between the Commitment Date and the date on which all of the Requirements (a) and (c) of Schedule B - Section One are met. We shall have no liability to you because of this amendment.

3. EXISTING DEFECTS

If any defects, liens or encumbrances existing at Commitment Date are not shown in Schedule B, we may amend Schedule B to show them. If we do amend Schedule B to show these defects, liens or encumbrances, we shall be liable to you according to Paragraph 4 below unless you knew of this information and did not tell us about it in writing.

4. LIMITATION OF OUR LIABILITY

Our only obligation is to issue to you the Policy referred to in this Commitment, when you have met its Requirements. If we have any liability to you for any loss you incur because of an error in this Commitment, our liability will be limited to your actual loss caused by your relying on this Commitment when you acted in good faith to:

comply with the Requirements shown in Schedule B - Section One

or

eliminate with our written consent any Exceptions shown in Schedule B - Section Two.

We shall not be liable for more than the Policy Amount shown in Schedule A of this Commitment and our liability is subject to the terms of the Policy form to be issued to you.

5. CLAIMS MUST BE BASED ON THIS COMMITMENT

Any claim, whether or not based on negligence, which you may have against us concerning the title to the land must be based on this commitment and is subject to its terms.

Privacy Policy

We Are Committed to Safeguarding Customer Information

In order to better serve your needs now and in the future, we may ask you to provide us with certain information. We understand that you may be concerned about what we will do with such information - particularly any personal or financial information. We agree that you have a right to know how we will utilize the personal information you provide to us. Therefore, together with our parent company, The First American Corporation, we have adopted this Privacy Policy to govern the use and handling of your personal information.

Applicability

This Privacy Policy governs our use of the information which you provide to us. It does not govern the manner in which we may use information we have obtained from any other source, such as information obtained from a public record or from another person or entity. First American has also adopted broader guidelines that govern our use of personal information regardless of its source. First American calls these guidelines its *Fair Information Values*, a copy of which can be found on our website at www.firstam.com.

Types of Information

Depending upon which of our services you are utilizing, the types of nonpublic personal information that we may collect include:

- Information we receive from you on applications, forms and in other communications to us, whether in writing, in person, by telephone or any other means;
- Information about your transactions with us, our affiliated companies, or others; and
- Information we receive from a consumer reporting agency.

Use of Information

We request information from you for our own legitimate business purposes and not for the benefit of any nonaffiliated party. Therefore, we will not release your information to nonaffiliated parties except: (1) as necessary for us to provide the product or service you have requested of us; or (2) as permitted by law. We may, however, store such information indefinitely, including the period after which any customer relationship has ceased. Such information may be used for any internal purpose, such as quality control efforts or customer analysis. We may also provide all of the types of nonpublic personal information listed above to one or more of our affiliated companies. Such affiliated companies include financial service providers, such as title insurers, property and casualty insurers, and trust and investment advisory companies, or companies involved in real estate services, such as appraisal companies, home warranty companies, and escrow companies. Furthermore, we may also provide all the information we collect, as described above, to companies that perform marketing services on our behalf, on behalf of our affiliated companies, or to other financial institutions with whom we or our affiliated companies have joint marketing agreements.

Former Customers

Even if you are no longer our customer, our Privacy Policy will continue to apply to you.

Confidentiality and Security

We will use our best efforts to ensure that no unauthorized parties have access to any of your information. We restrict access to nonpublic personal information about you to those individuals and entities who need to know that information to provide products or services to you. We will use our best efforts to train and oversee our employees and agents to ensure that your information will be handled responsibly and in accordance with this Privacy Policy and First American's *Fair Information Values*. We currently maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.



TRUCKEE MEADOWS FIRE PROTECTION DISTRICT

STAFF REPORT

Board Meeting Date: December 15, 2015

CM/ACM _____
Finance VVB
Legal DWV
Risk Mgt. DE
HR N/A

DATE: December 7, 2015
TO: Truckee Meadows Fire Protection District Board of Fire Commissioners
FROM: Vicki Van Buren, Fiscal Officer
THROUGH: Charles A. Moore, Fire Chief
Phone: (775) 328-6123 Email: cmoore@tmfpd.us
SUBJECT: Review and acceptance of the Truckee Meadows Fire Protection District's Audited Financial Statements for the Fiscal Year ended June 30, 2015. (All Commission Districts)

SUMMARY

Please find attached the Truckee Meadows Fire Protection District's financial statements for the fiscal year ended June 30, 2015 which were audited by Eide Bailly LLP. The auditor's opinion of the financial statements is an "unqualified" opinion which means the financial statements present fairly, in all material respects, the respective financial position of the District's governmental activities. The auditors have stated in the report the auditors found the District conformed to all significant statutory constraints on its financial administration during the year with the exception in Note 2 regarding the transfers out of the Health Benefits Fund. Note 2 states there are potential violations of NRS 354.6215 as excess balances shall be transferred to the general fund and are not available as a basis for augmentation of the budget during the year of the transfer. These transfers and expenditures were budgeted and approved by the Department of Taxation in the FY14/15 budget. The auditors did note two deficiencies in internal controls to be material weaknesses which included deposits, capital assets, and accounts payable and financial statement preparation. First, due to limited staffing, the depreciation schedules and construction in progress review was not completed until after the audit had commenced. Additionally, the capital deposits and accounts payable balances were not posted to the correct period due to the timing of the check runs. The District is implementing a quarterly review of the capital projects fund to ensure that completed projects are classified appropriately and that the deposits and accounts payable items are recorded in the proper period. Second, due to limited staffing in the administration of the District, it was determined that contracting with Eide Bailly LLP for the preparation of the financial statements and the related statement disclosures provided the best cost benefit to the District. For the future, staffing will continue to be evaluated to determine the needs and best benefits of the District in the preparation of the financial statements. It is recommended the Truckee Meadows Fire Protection District Board of Fire Commissioners accept the District's Audited Financial Statements for FY 14-15.

Strategic Objective supported by this item: *Sustainability of our financial, social and natural resources.*

PREVIOUS ACTION

None

BACKGROUND

The highlights of the Truckee Meadows Fire Protection District's Audited Financial Statements for the Fiscal Year Ended June 30, 2015 are as follows:

General Fund:

The Truckee Meadows Fire Protection District's finances are stable in the short-term and long-term. In FY 14-15, the total General Fund expenditures were \$20,070,213. The total General Fund expenditures were under budget by \$2,169,520 which was anticipated to a large extent and was already built into the FY 15-16 budget to be utilized for the District's capital improvement program such as the fire station replacement program (Station 14) and purchase of fire apparatus with savings rather than acquiring debt. The savings were due to not expending the District's contingency account, savings in personnel costs due to vacant positions, and additional line item savings in services and supplies. Per the TMFPD/SFPD Interlocal Agreement for Fire Service, these savings will be allocated to the TMFPD and SFPD in FY 15-16.

The District's actual fund balance for FY 14-15 was \$11,455,369 which is an increase of \$552,567 from the prior year. This increase was attributable to the improving economy and budget savings due to the administrative and operational efficiencies achieved through the consolidation with the Sierra Fire Protection District. It is the District's practice to utilize additional one-time fund balances to fund the upcoming year's Capital Improvement Program in order to reduce the reliance on acquiring debt for capital projects.

In FY 14-15, the total General Fund revenues were 4% or \$974,437 above budget primarily due an increase of property tax and consolidated tax revenue.

Capital Projects Fund:

The TMFPD Capital Projects Fund is used to fund the purchase of equipment, building improvements and construction projects for the District.

As of June 30, 2015, the Capital Projects Fund Balance was \$4,942,100 due to the time delay in the fire station replacement program and the purchase of water tenders. This fund balance was built up over several years due to not expending the capital projects budget in previous years. However, this fund balance has been carried over to the FY 15-16 budget to be spent for the District's Capital Improvement Program.

Emergency Fund:

The Emergency Fund was established according to NRS 474 to allow the District to set aside up to \$1 million per year for emergency operations, primarily wildland fire operations. As of June 30, 2015, the Emergency Fund had a fund balance of \$644,314. This fund balance was carried forward to FY 15-16 to allow for District funding for the cost of future wildland fires and other emergencies.

Workers' Compensation Fund:

In FY 03-04, the District established the Workers' Compensation Internal Service Fund in order to account for the District's liability for workers' compensation claims. Per the Reno/TMFPD Interlocal Agreement, the TMFPD shall pay a pro rata share of the Reno Fire Department workers' compensation claims based upon the number of positions attributable to the TMFPD vs. the total Reno Fire Department staff. With the termination of the TMFPD/Reno Interlocal Agreement, the TMFPD will

continue to pay their proportionate share of actual costs for the remaining 2 years claims still left to pay until the claims are bought out at the fifth year per the Agreement. This payment is for all claims except new heart and lung claims which have not been claimed within the 5 year buy-out period, but are submitted subsequently. As of June 30, 2015, the District had restricted net position of \$3,411,814 which is set aside to fund the District's workers' compensation liability.

Other Funds:

As of June 30, 2015, the District's Stabilization Fund had a fund balance of \$578,550 which is consistent with prior years. The fund is available to be utilized for declines in revenues and emergencies. The District established the Health Benefits Internal Service Fund to account for group medical insurance benefits and retiree health benefits. As of June 30, 2015, the Health Benefits Fund had a net restricted position of \$605,535. As of June 30, 2015, the Sick Annual Comp Benefits Fund had a fund balance of \$461,419. This fund was established to be used for the significant retirement payouts related to sick and comp time benefits.

Conclusion:

The Truckee Meadows Fire Protection District is financially sound as of June 30, 2015. The consolidated operations of the District with the Truckee Meadows Fire Protection District has culminated in administrative and operational savings and the District's finances are stable.

FISCAL IMPACT

None

RECOMMENDATION

To accept the Truckee Meadows Fire Protection District's Audited Financial Statements for the Fiscal Year ended June 30, 2015.

POSSIBLE MOTION

Should the Board agree with staff's recommendation a possible motion would be:

"I move to accept the Truckee Meadows Fire Protection District's Audited Financial Statements for the Fiscal Year ended June 30, 2015."



CPAs & BUSINESS ADVISORS

November 25, 2015

Ms. Marsha Berkbighler, Chairwoman
Board of Fire Commissioners
Truckee Meadows Fire Protection District
P.O. Box 11130
Reno, Nevada 89520

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Truckee Meadows Fire Protection District for the year ended June 30, 2015. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated September 15, 2015. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Truckee Meadows Fire Protection District are described in Note 1 to the financial statements. As described in Note 1, Truckee Meadows Fire Protection District changed accounting policies related to accounting for pensions to adopt the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71 *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Accordingly, the accounting change has been retrospectively applied to the financial statements beginning July 1, 2014. We noted no transactions entered into by Truckee Meadows Fire Protection District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the District's financial statements were:

Management's estimate of the actuarial accrued liability for other post-employment benefits is based on a third party actuarial valuation. We evaluated the key factors and assumptions used to develop the actuarial accrued liability for postemployment benefits in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the pension liability is based on actuarial valuation. The actuarial valuation is calculated based on the employee information submitted by the District to the Public Employees' Retirement System of the State of Nevada (PERS). We evaluated the key factors and assumptions used to develop the estimate of the pension liability in determining that it is reasonable in relation to the financial statements taken as a whole.

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Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

The disclosure of the District's participation in the Washoe County OPEB Trust, as described in Note 7 to the financial statements.

The disclosure of the District's participation in the Interlocal Agreement for Fire Services and Consolidation of the Districts as described in Note 1 to the financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management.

The following material misstatements detected as a result of audit procedures were corrected by management.

- An adjustment was made to the Capital Projects Fund for \$1,508,009 to decrease accounts payable and deposits.
- An adjustment was made to reclassify \$5,293,230 from construction in progress to buildings and improvements or equipment. As a result, an adjustment for \$108,139 of depreciation expense and accumulated depreciation was made.
- An adjustment was made to governmental activities for \$21,451,071 to record the District's net pension liability.
- An adjustment was made to governmental activities for \$192,952 to record deferred outflows of resources related to the District's net pension liability.
- An adjustment was made to governmental activities for \$5,532,155 to record deferred inflows of resources related to the District's net pension liability.
- An adjustment was made to governmental activities for \$2,843,259 to record the District's net pension expense recognized during the year ended June 30, 2015.

In addition, the following summarizes uncorrected misstatements of the financial statements, for which management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

- Current year understatement of salaries payable in the General Fund \$34,722

The effect of this uncorrected misstatement is an overstatement of change in fund balance of \$34,722, and an overstatement of fund balance of \$34,722, as of and for the year ended June 30, 2015 in the General Fund.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 25, 2015.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the Management's Discussion and Analysis, budgetary comparison information, Schedule of Funding Progress – Other Postemployment Benefits, Schedule of District's Share of Net Pension Liability, and Schedule of District's Contributions, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining and individual fund statements and schedules, including budgetary comparisons and reconciliations, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of the Board of Fire Commissioners and management of the District and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in cursive script that reads "Esde Bailly LLP".

Reno, Nevada



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June 30, 2015

Truckee Meadows Fire Protection District

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Independent Auditor's Report

To the Honorable Board of Fire Commissioners
Truckee Meadows Fire Protection District
Reno, Nevada

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Truckee Meadows Fire Protection District (the District) (a component unit of Washoe County, Nevada) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Notes 1 and 10 to the financial statements, the District has adopted the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71 *Pension Transition for Contributions Made Subsequent to the Measurement Date*, which has resulted in a restatement of the net position as of July 1, 2014. Our opinions are not modified with respect to this matter.

Other Matters**Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of funding progress, schedule of proportionate share of the net pension liability, and schedule of contributions on pages 4-11, 41-43, 44 and 45-46, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual fund statements and schedules, including budgetary comparisons and reconciliations are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements and schedules, including budgetary comparisons and reconciliations 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 audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statement and schedules, including budgetary comparisons and reconciliations are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report November 25, 2015, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Eide Bailly LLP

Reno, Nevada
November 25, 2015

As management of the Truckee Meadows Fire Protection District's (the District) finances, we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2015.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the District's governmental activities exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$14,343,749 of which includes \$17,170,326 net investment in capital assets, \$710,654 restricted for wildland fire emergencies, \$4,942,100 restricted for capital projects, \$4,017,349 restricted for claims, and (\$12,496,680) which is the unrestricted net position. Governmental activities include all funds of the District.
- The District took over the administration and operations of the Sierra Fire Protection District through an Interlocal Agreement for Consolidated Fire Service as of April 1, 2012. The Sierra Fire Protection District paid the District \$6,321,924 for this service in fiscal year 2015.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$17,041,783, an increase of \$2,037,958 or 13.6% in comparison with the prior year. This increase was caused by transfers from the Health Benefits Fund of one-time savings to the Capital Projects fund in anticipation of funding future station replacement needs with cash instead of incurring debt and the General Fund for compensated absences paid upon retirement of personnel. Approximately 48.7% of the combined ending fund balance is available for spending at the government's discretion (unassigned fund balance).

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required and other supplementary information in addition to the basic financial statements themselves.

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

The statement of net position presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. Total assets of the District at June 30, 2015, were \$42,270,700 with capital assets, net of accumulated depreciation, accounting for \$17,170,326 of that total. Of the total liabilities of \$26,058,398, approximately 92.1% represent liabilities related to long-term liabilities of the District. This is an increase of \$21,587,782 in liabilities in comparison with the prior year which was primarily

caused by the implementation of a new accounting standard requiring the reporting of the Net Pension Liability on the balance sheet.

The statement of activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave). Total revenues for the year ended June 30, 2015 were \$24,693,353 consisting primarily of taxes and intergovernmental revenues, while total expenses were \$22,340,917. This resulted in an increase in net position of \$2,352,436, an indication that the financial condition of the District improved during the year which was primarily caused by a reduction of expenses caused by the administrative and operational efficiencies achieved through the consolidation with the Sierra Fire Protection District.

Both of the government-wide financial statements show the public safety function of the District, which is principally supported by taxes and intergovernmental revenues (governmental activities). All governmental activities of the District are included in the public safety function since the District is a single-purpose entity.

The government-wide financial statements can be found on pages 12 and 13 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District fall into the governmental funds category, except for the proprietary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains three individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Emergency Fund and Capital Projects Fund, all of which are considered to be major funds.

The District adopts an annual appropriated budget for each of its funds. A budgetary comparison statement or schedule has been provided for each fund to demonstrate compliance with the budget. The governmental fund financial statements and the reconciliations to the government-wide financial statements can be found on pages 14-17 of this report.

Proprietary funds. The District maintains two proprietary funds, which are both internal service funds. Internal service funds are an accounting device used to accumulate and allocate costs internally among the District's functions. The District uses two internal service funds to account for its workers' compensation liability and health benefits liability. Because these services benefit the governmental function, they have been included within governmental activities in the government-wide financial statements. The internal service funds are reported in the proprietary fund financial statements and can be found on pages 18-20 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 21-40 of this report.

Other information. The District maintains a stabilization fund and a sick annual comp benefits fund for internal purposes. These funds do not meet the definition of special revenue funds under Governmental Accounting Standards Board (GASB) Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which was implemented in 2011 by the District. The activity for these funds is included in the General Fund in the basic financial statements; however, since the District prepares a budget for these funds, a reconciliation of budgetary basis financial statements to GAAP basis financial statements is presented on pages 42 and 47 of this report.

Currently known facts. On September 15, 2014, the City of Reno filed a lawsuit against the District alleging the District owes the City \$851,826 for an increase in the indirect costs in FY 09-10 and FY 10-11 the City originally charged the District. It is the preliminary assessment of the District's counsel that the accusations are without merit. In management's opinion, the ultimate liability of the suit, if any, would not have a material effect on the financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. As of June 30, 2015, the District's total net position was \$14,343,749, which is a \$21,594,579 decrease from the prior year. The primary reason for the decrease was the implementation of a new accounting standard requiring the reporting of the Net Pension Liability on the Statement of Net Position.

Truckee Meadows Fire Protection District's Net Position

	Governmental Activities	
	2015	2014
Current and other assets	\$25,100,374	\$24,831,477
Capital assets	17,170,326	15,577,467
Total assets	42,270,700	40,408,944
Deferred outflows of resources	3,663,602	-
Other liabilities	2,052,868	1,926,394
Long-term liabilities	24,005,530	2,544,222
Total liabilities	26,058,398	4,470,616
Deferred inflows of resources	5,532,155	-
Net position:		
Net investment in capital assets	17,170,326	15,577,467
Restricted	9,670,103	9,355,404
Unrestricted	(12,496,680)	11,005,457
Total net position	\$14,343,749	\$35,938,328

The assets and deferred outflows of resources of the District's governmental activities exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$14,343,749. Net position includes the District's net investment in capital assets (e.g., land, buildings, machinery, and equipment). The net investment in capital assets as of June 30, 2015 was \$17,170,326. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

An additional portion of the District's net position \$9,670,103 represents resources that are subject to external restrictions on how they may be used, such as the retiree health benefits, capital projects and emergencies. The remaining balance of unrestricted net position was (\$12,496,680).

At the end of the current fiscal year, the District is able to report positive balances in two of the three categories of net position. The negative unrestricted net position was caused by the implementation of a new accounting standard requiring the reporting of the Net Pension Liability on the Statement of Net Position.

Truckee Meadows Fire Protection District's Changes in Net Position

	Governmental Activities	
	2015	2014
Revenues:		
Program revenues:		
Charges for services	\$ 6,917,724	\$ 6,374,245
Capital grants and contributions	-	750,000
Operating grants and contributions	128,966	135,732
General revenues:		
Property taxes	10,664,958	10,105,769
Consolidated taxes	5,630,395	5,206,953
Other taxes	740,766	685,215
Unrestricted investment earnings	219,725	322,274
Reimbursements	341,683	369,243
Other	49,136	408,071
Total revenues	<u>24,693,353</u>	<u>24,357,502</u>
Expenses:		
Public safety	<u>22,340,917</u>	<u>22,249,275</u>
Increase in net position	2,352,436	2,108,227
Net position, July 1	<u>35,938,328</u>	<u>33,830,101</u>
Prior period Adjustment	(23,947,015)	-
Net position, June 30	<u>\$14,343,749</u>	<u>\$35,938,328</u>

Total Revenues. The District's total revenues increased by \$335,851, or 1.4%, however, Fiscal Year 2014 included a \$750,000 reimbursement by the Sierra Fire Protection District for its portion of the Mogul Fire Station cost. The primary increase was caused by an increase of property tax and consolidated tax revenue which reflects a recovering economy.

Total Expenses. The District's total expenses increased by \$91,642 or by 0.4% which shows the stabilization of costs with the third full year's consolidation of fire operations with the Sierra Fire Protection District and the District being fully staffed.

Net Position. The District's total net position increased by \$2,352,436 during the fiscal year ended June 30, 2015, and \$2,108,227 during the fiscal year ended June 30, 2014. The increase in total net position in the fiscal year ended June 30, 2015 was primarily caused by increased revenue due to the economic recovery and savings of expenditures caused by the administrative and operational efficiencies achieved through the consolidation with the Sierra Fire Protection District.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

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

As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$17,041,783, an increase of \$2,037,958 or 13.6% in comparison with the prior year. This increase was caused by transfers from the Health Benefits Fund of one-time savings to the Capital Projects Fund in anticipation of funding future station replacement needs with cash instead of incurring debt and the General Fund for compensated absences paid upon retirement of personnel. Approximately 48.7% of the combined ending fund balance is available for spending at the government's discretion (unassigned fund balance).

The General Fund is the primary operating fund of the District. For the fiscal year ended June 30, 2015, the total fund balance for the General Fund was \$11,455,369. The total fund balance included \$3,164,592 assigned for encumbrances for fuel and various financial services and subsequent year appropriated fund balance. The remaining fund balance of \$8,290,777 is unassigned and consists of the General Fund unassigned fund balance of \$7,250,808, the Stabilization Fund unassigned fund balance of \$578,550 and the Sick Annual Comp Benefits Fund unassigned fund balance of \$461,419.

The total fund balance for the General Fund in the amount of \$11,455,369 is an increase of \$552,567 from the prior year. This increase was attributable to the improving economy and budget savings due to the administrative and operational efficiencies achieved through the consolidation with the Sierra Fire Protection District.

As a measure of the General Fund's liquidity, it may be useful to compare the June 30, 2015, total fund balance not attributable to the Stabilization Fund or the Sick Annual Comp Benefits Fund of \$10,415,400 to fund expenditures. The fund balance represents 51.9% of total General Fund expenditures. This represents approximately 6 months' worth of expenditures. The fund balance will give the District's General Fund sufficient cash flow to meet its operational obligations in the future and the ability to pay for large wildland fires as they occur.

The District's Emergency Fund was established according to NRS 474 for the funding for unforeseen emergencies, primarily large wildland fires and other natural disasters. In fiscal year 2015, the District did not incur any large wildland fires within its jurisdiction; however, it provided fire suppression services to other entities for a fee and paid for the State wildland fire insurance program and other expenditures which totaled \$409,851. The Emergency Fund balance as of June 30, 2015 was \$644,314.

The Capital Projects Fund activity in fiscal year 2015 included, among other things, the purchase of radios, and the purchase of several pieces of apparatus.

Proprietary funds. The District's proprietary funds provide information on the workers' compensation and health benefit programs of the District. The net position of the Workers' Compensation Internal Service Fund as of June 30, 2015, was \$3,411,814. The net position of the Health Benefits Fund was \$605,535. In fiscal year 2015, the District fully funded its workers' compensation and health benefits liabilities. In fiscal year 2016, the District budgeted to continue to fully fund the District's workers' compensation and health benefits liabilities.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. The District's net investment in capital assets as of June 30, 2015, amounts to \$17,170,326 (net of accumulated depreciation). This net investment in capital assets includes land, construction in progress, buildings and building improvements, and vehicles and equipment. Refer to Note 4 for further detail.

Long-term debt. At the end of the fiscal year, the District had no bonded debt outstanding. Refer to Note 5 for further detail.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

- Nevada's local governments rely heavily on sales tax as a primary revenue source. Washoe County's taxable sales reflect the current recovery of the U.S. and Nevada economy and compares favorably to Statewide and Clark County for fiscal year 2015 as demonstrated below.

Percentage Increase (Decrease) in Taxable Sales Over Prior Year

Entity	Fiscal Year			
	2012	2013	2014	2015
Statewide	7.6%	5.2%	4.9%	7.1%
Clark County	7.0%	4.8%	7.6%	6.3%
Washoe County	4.5%	5.5%	9.4%	12.2%

- Washoe County's taxable gaming revenues showed some growth with a 2.72% increase in fiscal year 2015 over the prior year which demonstrates the nation's modest economic recovery while California gaming continues to affect the local gaming industry. Clark County saw a 2.2% decrease over the prior year and the State of Nevada saw a 1.58% decrease. The taxable gaming revenue trend reflects the modest national and statewide economic recovery.

- The June 2015 unemployment rate in Washoe County was 6.4% which compares favorably to the June 2014 unemployment rate of 7.3%. Washoe County's June 2015 unemployment rate of 6.4% is somewhat more favorable than the Clark County unemployment rate of 7.0%. The statewide unemployment rate was 6.9% at June 30, 2015 which compares favorably to the 7.8% statewide unemployment rate at June 30, 2014.
- Over the past five years, the TMFPD assessed value has declined from \$3,060,211,189 in fiscal year 2009 to \$2,041,608,070 in fiscal year 2015 or by 33%. This is a significant decline and was caused primarily by the high unemployment and high number of foreclosures in Washoe County, however, the trend was more favorable in 2015. Washoe County's foreclosure rate in August, 2015 was .10% compared to August, 2014 which was .12% while the Nevada foreclosure rate was .18% and the national foreclosure rate was .08%. The decline of assessed value created a loss of property tax revenues from \$11,547,973 in fiscal year 2009 to \$10,664,958 in fiscal year 2015 for \$883,015 or 7.6% decrease in annual on-going property tax revenues. For fiscal year 2016, the District experienced an increase in its assessed value caused by an increase in the property values and a lower number of foreclosures in Washoe County.

These factors were considered in preparing the District's budget for the 2016 fiscal year.

REQUESTS FOR INFORMATION

The financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Truckee Meadows/Sierra Fire Protection District, 1001 East Ninth Street, Reno, Nevada 89512.

Truckee Meadows Fire Protection District

Statement of Net Position

June 30, 2015

	Governmental Activities
Assets	
Cash and investments	\$ 21,890,643
Accounts receivable	1,325
Taxes receivable	113,859
Due from other governments	2,249,863
Interest receivable	58,237
Net OPEB asset	786,447
Capital assets, not being depreciated	875,676
Capital assets, net of accumulated depreciation	16,294,650
Total assets	42,270,700
Deferred Outflows of Resources	
Net pension liability - related amounts	3,663,602
Liabilities	
Accounts payable and accrued liabilities	1,100,033
Due to other governments	939,713
Unearned revenue	13,122
Noncurrent liabilities	
Due within one year	1,429,649
Due in more than one year	22,575,881
Total liabilities	26,058,398
Deferred Inflows of Resources	
Net pension liability - related amounts	5,532,155
Net Position	
Net investment in capital assets	17,170,326
Restricted for	
Wildland fire emergencies	710,654
Capital projects	4,942,100
Claims	4,017,349
Unrestricted	(12,496,680)
Total net position	\$ 14,343,749

Truckee Meadows Fire Protection District

Statement of Activities
Year Ended June 30, 2015

					Net (Expense) Revenue and Changes in Net Position
Functions/Programs	Expenses	Charges for Services	Capital Grants and Contributions	Operating Grants and Contributions	Governmental Activities
Governmental activities					
Public safety	\$ 22,340,917	\$ 6,917,724	\$ -	\$ 128,966	\$ (15,294,227)
General Revenues					
Ad valorem taxes					10,664,958
Intergovernmental Revenues					
Consolidated taxes					5,630,395
SCCRT-AB104					700,710
Real property transfer tax					40,056
Licenses and permits					3,631
Reimbursements					341,683
Unrestricted investment earnings					219,725
Other					45,505
Total general revenues					17,646,663
Change in Net Position					2,352,436
Net Position, Beginning of Year, as previously stated					35,938,328
Prior Period Adjustment					(23,947,015)
Net Position, Beginning of Year, as restated					11,991,313
Net Position, End of Year					\$ 14,343,749

Truckee Meadows Fire Protection District

Balance Sheet – Governmental Funds

June 30, 2015

	General Fund (GAAP Basis)	Emergency Fund	Capital Projects Fund	Total Governmental Funds
Assets				
Cash and investments	\$ 11,422,608	\$ 635,822	\$ 4,973,161	\$ 17,031,591
Accounts receivable	1,325	-	-	1,325
Taxes receivable	113,859	-	-	113,859
Due from other governments	2,175,031	74,832	-	2,249,863
Interest receivable	32,307	-	12,633	44,940
Total assets	\$ 13,745,130	\$ 710,654	\$ 4,985,794	\$ 19,441,578
Liabilities				
Accounts payable and accrued liabilities	\$ 1,069,461	\$ -	\$ 30,572	\$ 1,100,033
Due to other governments	939,713	-	-	939,713
Unearned revenue	-	-	13,122	13,122
Total liabilities	2,009,174	-	43,694	2,052,868
Deferred Inflows of Resources				
Unavailable revenues				
Property taxes	95,105	-	-	95,105
Reimbursements	185,482	66,340	-	251,822
Total deferred inflows of resources	280,587	66,340	-	346,927
Fund Balances				
Restricted	-	644,314	4,942,100	5,586,414
Assigned	3,164,592	-	-	3,164,592
Unassigned	8,290,777	-	-	8,290,777
Total fund balances	11,455,369	644,314	4,942,100	17,041,783
Total liabilities, deferred inflows of resources, and fund balances	\$ 13,745,130	\$ 710,654	\$ 4,985,794	\$ 19,441,578

Truckee Meadows Fire Protection District
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2015

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

Total fund balances - total governmental funds		\$ 17,041,783
Capital assets used in governmental activities are not financial resources, and, therefore are not reported in the funds.		
Governmental capital assets	27,359,596	
Less accumulated depreciation	<u>(10,189,270)</u>	
		17,170,326
Deferred inflows of resources are not available to pay for current period expenditures, and, therefore, are deferred in the funds.		346,927
The net OPEB asset cannot be used as a current financial resource to finance general operations, and, therefore, is not reported in the funds.		786,447
Long-term liabilities are not due and payable in the current period, and, therefore, are not reported in the funds.		
Compensated absences	(1,699,459)	
Net pension liability	<u>(21,451,071)</u>	
		(23,150,530)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.		
Deferred outflows of resources related to pensions	3,663,602	
Deferred inflows of resources related to pensions	<u>(5,532,155)</u>	
		(1,868,553)
Internal service funds are used by management to charge the cost of certain activities to individual funds. The net position of the Internal Service Funds is reported with governmental activities		<u>4,017,349</u>
Net position of governmental activities		<u>\$ 14,343,749</u>

Truckee Meadows Fire Protection District
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds
Year Ended June 30, 2015

	General Fund (GAAP Basis)	Emergency Fund	Capital Projects Fund	Total Governmental Funds
Revenues				
Taxes	\$ 10,702,267	\$ -	\$ -	\$ 10,702,267
Licenses and permits	3,631	-	-	3,631
Intergovernmental	13,407,051	-	-	13,407,051
Charges for services	10,800	-	-	10,800
Miscellaneous	338,001	282,314	20,171	640,486
Total revenues	<u>24,461,750</u>	<u>282,314</u>	<u>20,171</u>	<u>24,764,235</u>
Expenditures				
Current				
Public safety	20,199,082	409,851	623,186	21,232,119
Capital outlay	-	-	2,684,057	2,684,057
Total expenditures	<u>20,199,082</u>	<u>409,851</u>	<u>3,307,243</u>	<u>23,916,176</u>
Excess (Deficiency) of Revenues over Expenditures	<u>4,262,668</u>	<u>(127,537)</u>	<u>(3,287,072)</u>	<u>848,059</u>
Other Financing Sources (Uses)				
Proceeds from asset disposition	130	-	-	130
Transfers in	589,769	-	4,900,000	5,489,769
Transfers out	(4,300,000)	-	-	(4,300,000)
Total other financing sources (uses)	<u>(3,710,101)</u>	<u>-</u>	<u>4,900,000</u>	<u>1,189,899</u>
Net Change in Fund Balances	<u>552,567</u>	<u>(127,537)</u>	<u>1,612,928</u>	<u>2,037,958</u>
Fund Balances, Beginning of Year	<u>10,902,802</u>	<u>771,851</u>	<u>3,329,172</u>	<u>15,003,825</u>
Fund Balances, End of Year	<u>\$ 11,455,369</u>	<u>\$ 644,314</u>	<u>\$ 4,942,100</u>	<u>\$ 17,041,783</u>

Truckee Meadows Fire Protection District
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental
Funds to the Statement of Activities
Year Ended June 30, 2015

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

Net change in fund balances - total governmental funds		\$ 2,037,958
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over the estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.		1,599,192
Some revenues reported in the governmental funds were reported on the statement of activities in the prior year.		(128,612)
Some expenses reported in the statement of activities do not require the use of current financial resources, and, therefore, are not reported as expenditures reported as expenditures in governmental funds:		
Change in compensated absences	(325,237)	
Change in postemployment benefits	(214,891)	
Disposition of capital assets	<u>(6,333)</u>	
		(546,461)
Governmental funds report pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned is reported as pension expense.		
Pension contributions	3,470,650	
Pension expense	<u>(2,843,259)</u>	
		627,391
The internal service funds are used by management to account for the costs of retiree health medical expenses and workers' compensation. The net revenue of the internal service funds is reported with governmental activities.		<u>(1,237,032)</u>
Change in net position of governmental activities		<u><u>\$ 2,352,436</u></u>

Truckee Meadows Fire Protection District

Statement of Net Position – Proprietary Fund

June 30, 2015

	Governmental Activities Internal Service Funds
Assets	
Current assets	
Cash and investments	\$ 4,859,052
Interest receivable	13,297
Total assets	4,872,349
Liabilities	
Current liabilities	
Short-term portion of long-term liabilities	
Claims and judgments	464,497
Noncurrent liabilities	
Claims and judgments	390,503
Total liabilities	855,000
Net Position	
Restricted	\$ 4,017,349

Truckee Meadows Fire Protection District
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Fund
Year Ended June 30, 2015

	Governmental Activities Internal Service Funds
Operating Expenses	
Services and supplies	
Claims	\$ 104,863
Nonoperating Revenues (Expenses)	
Investment earnings	67,689
Net increase (decrease) in the fair value of investments	(10,089)
Total nonoperating revenues	57,600
Loss Before Transfers	(47,263)
Transfers Out	
Sick Annual Comp Benefits Fund	(589,769)
Capital Projects Fund	(600,000)
Total transfers out	(1,189,769)
Change in Net Position	(1,237,032)
Net Position, Beginning of Year	5,254,381
Net Position, End of Year	\$ 4,017,349

Truckee Meadows Fire Protection District
Statement of Cash Flows – Proprietary Fund
Year Ended June 30, 2015

	Governmental Activities Internal Service Funds
Operating Activities	
Cash payments for services and supplies	<u>\$ (419,863)</u>
Noncapital Financing Activities	
Transfers out	<u>(1,189,769)</u>
Investing Activities	
Investment earnings	<u>60,945</u>
Net Change in Cash and Cash Equivalents	(1,548,687)
Cash and Cash Equivalents, Beginning of Year	<u>6,407,739</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 4,859,052</u></u>
Reconciliation of operating income (loss) to net cash from (used for) operating activities	
Operating income (loss)	\$ (104,863)
Adjustments to reconcile operating income (loss) to net cash from (used for) operating activities:	
Change in	
Pending claims	<u>(315,000)</u>
Net Cash used for Operating Activities	<u><u>\$ (419,863)</u></u>

Note 1 - Summary of Significant Accounting Policies**Reporting Entity**

Truckee Meadows Fire Protection District (District) is a municipality of the State of Nevada located in Washoe County, Nevada. The District is governed by the Board of Fire Commissioners. The Washoe County Board of County Commissioners functions as the Board of Fire Commissioners of the District.

Prior to July 1, 2012, the District was considered a blended component unit of Washoe County. Although the District is a legally separate organization, the County was financially accountable, as defined in governmental accounting standards generally accepted in the United States of America, for Truckee Meadows Fire Protection District. Financial accountability was determined primarily by the Board of County Commissioners' participation as the governing body of the District. As of July 1, 2012, the County has no financial benefit or burden relationship with the District and, as such, the District has been reclassified from a blended component unit to a discretely presented component unit.

As of April 1, 2012, an Interlocal Agreement for Fire Services and Consolidation (Agreement) became effective between the Truckee Meadows Fire Protection District and the Sierra Fire Protection District. Under the Agreement, the two Fire Districts consolidated fire department administration and operations, although the two Fire Districts remain legally separate governmental entities. The major points of the Agreement in effect as of April 1, 2012 are listed below:

- The Sierra Fire Protection District will continue to levy taxes and make equal monthly installments to the Truckee Meadows Fire Protection District to fund its portion of the Consolidated Budget.
- All Sierra Fire Protection District employees became employees of the Truckee Meadows Fire Protection District. All sick leave and vacation hours accrued by the District at the time of transfer to the Truckee Meadows Fire Protection District transferred with Sierra Fire employees. Health insurance and workers' compensation benefits are paid by the Truckee Meadows Fire Protection District through the Consolidated Budget.
- Each Fire District retained their separate interests in and ownership of real property, equipment and rolling stock while the Truckee Meadows Fire Protection District provides for the repair and maintenance of such assets. The cost of insuring and replacing these assets is the responsibility of each District.
- The Truckee Meadows Fire Protection District provides comprehensive general liability insurance for all claims arising out of acts or omissions of personnel; the Sierra Fire Protection District continues coverage for the actions of the District's Board of Fire Commissioners.
- Dispatch services are provided to both Fire Districts by the Washoe County Sheriff's Department.
- Other costs paid by each District separately include debt service, independent contractors hired by each District, actuarial studies, annual audits, retiree health costs, wildland fire emergency expenditures and any other costs needed to sustain a local government.

Government-Wide and Fund Financial Statements

The government-wide financial statements (Statement of Net Position and the Statement of Activities) report information about the activities of the District. The effect of interfund activity has been removed from these statements.

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

The fund financial statements provide information about the funds of the District. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also report deferred inflows of resources in connection with resources that have been received, but not yet earned. Expenditures generally are recorded when the related liabilities are incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, postemployment benefits, and claims and judgments, are recorded only when payment is due.

The District initially utilizes restricted resources to finance qualifying activities prior to unrestricted resources, which are utilized as they are needed.

Property taxes, licenses and permits, intergovernmental revenues, and interest earnings associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Other revenue items are considered to be measurable and available only when cash is received by the District.

The focus of proprietary fund measurement is upon determination of operating income or loss, changes in net position, financial position, and cash flows. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. Operating expenses for internal service funds include the cost of services (employee benefits). All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The generally accepted accounting principles applicable are those similar to businesses in the private sector.

The District's Internal Service Funds are the only proprietary funds. The financial statements of the Internal Service Funds are consolidated into the governmental column when presented in the government-wide financial statements. The costs of these services are reported in the public safety function. The effect of interfund activity has been removed from the government-wide financial statements.

The District reports the following major governmental funds:

The General Fund is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.

The Wildland Fire Emergency Reserve Fund (The Emergency Fund), a special revenue fund under Nevada Revised Statutes (NRS), was created to account for the cost of unforeseen large wildland fire emergencies pursuant to NRS 474.510.

The Capital Projects Fund, a capital projects fund, accounts for the financial resources to be used for the acquisition and construction of major capital assets.

Additionally, the District reports the following fund type:

The Internal Service Funds, proprietary funds, account for the workers' compensation activity and the health benefits activity.

Budgets and Budgetary Accounting

Truckee Meadows Fire Protection District adheres to the Local Government Budget and Finance Act incorporated within the statutes of the State of Nevada, which include the following major procedures to establish the budgetary data, which is reflected in these financial statements:

1. On or before April 15, the Board of Fire Commissioners files a tentative budget with the Nevada Department of Taxation for all funds.
2. Public hearings on the tentative budget are held on the third Monday in May in conjunction with Washoe County's budget hearing.
3. Prior to June 1, at a public hearing, the Board indicates changes, if any, to be made to the tentative budget and adopts a final budget by the favorable vote of a majority of the members of the Board. The final budget must then be forwarded to the Department of Taxation for compliance with State laws and regulations. In any year in which legislative action, which was not anticipated, affects the local government's final budget, the Board may file an amended final budget within 30 days of adjournment of the legislative session.
4. Formal budgetary integration in the financial records of all funds is employed to enhance management control during the year. Unencumbered appropriations lapse at the end of the year.
5. Budgets for all externally reported funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America. In addition, budgets are required for the internally reported special revenue fund.
6. Pursuant to Nevada Revised Statute 354.598005 the person designated to administer the budget may transfer appropriations within any function. Budget amounts may be transferred between functions within a fund if the governing body is advised of the action at the next regular meeting and the action is recorded in the official minutes of the meeting. Transfer of appropriations between funds or from the contingency account or budget augmentations in excess of original budgetary amounts may not be made without prior approval of the Board of Fire Commissioners, following a scheduled and noticed public hearing, as necessary. The budget was augmented as set forth above during the year. In accordance with state statute, actual expenditures generally may not exceed budgetary appropriations of the public safety function of the General Fund, Special Revenue Funds, and Capital Projects Fund. Also, actual operating and non-operating expenses of the Internal Service Funds generally may not exceed budgeted amounts.

Cash Deposited and Invested with Washoe County Treasurer

All cash transactions of the District are handled by the Washoe County Treasurer's office. Cash balances are pooled and, to the extent practicable, invested as permitted by law in combination with Washoe County funds.

For purposes of the Statement of Cash Flows, cash equivalents are defined as short-term, highly liquid investments, generally with original maturities of three months or less. Since all cash and investments of the District are pooled with Washoe County funds and are available upon demand, all cash and investments of the District are considered to be cash equivalents.

Taxes Receivable

Real and personal property taxes receivable reflect only those taxes receivable from the delinquent roll years. Delinquent taxes from all roll years prior to 2013-2014 have been written off. No provision for uncollectible accounts has been established since management does not anticipate any material collection loss in respect to the remaining balances.

Personal property taxes receivable reflect only those taxes management believes to be collectible.

Amounts not collected within 60 days after year-end have been recorded as deferred inflows of resources at the governmental fund level.

Receivables

Management does not anticipate any material collection losses in respect to the receivable balances.

Capital Assets

Capital assets, which include land, buildings and improvements, and equipment, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of more than \$10,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

Property, plant, and equipment of the District are depreciated using the straight line method over the following estimated useful lives:

Land improvements	40 years
Buildings	40 years
Building improvements	20 years
Vehicles and equipment	5-20 years

Pension

For purposes of measuring the net pension liability and pension expense, information about the fiduciary net position of the Public Employees' Retirement System of the State of Nevada (PERS) Base Plan (Base Plan) and additions to/deductions from Base Plan's fiduciary net position have been determined on the same basis as they are reported by the Base Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position and Governmental Funds Balance Sheet may report a separate section for deferred outflows of resources. The separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District recognizes deferred outflow of resources as it related to the net pension liability.

In addition to liabilities, the Statement of Net Position and Governmental Funds Balance Sheet may report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents and acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District recognizes deferred inflow of resources as it relates to the net pension liability on the Statement of Net Position. In addition, the District recognizes deferred inflows of resources as they relate to property taxes and wildland fire reimbursements in the governmental fund financial statements.

Long-Term Liabilities

In the government-wide financial statements and the proprietary funds, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position.

Compensated Absences

The costs involved in vacation time and sick leave benefits are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured as a result of employee resignations and retirements; costs are recorded as payroll costs only when the accumulated benefits are paid or accrued as a result of a termination of service.

The District provides for payment of accrued vacation. Upon death, retirement, permanent disability, or termination of an employee after ten years of full-time employment or its equivalent if the employee has not served as a full-time employee for reasons other than discharge for just cause, an employee shall be compensated for total accrued sick leave at the rate of one hour for every three hours earned up to a maximum hour limitation.

Fund Equity

In the government-wide financial statements, equity is classified as net position and displayed in three components:

Net Investment in Capital Assets – Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets, if applicable.

Restricted Net Position – Consists of net position with constraints placed on its use either by (1) external groups such as creditors, contributors, or laws or regulations; (2) law through constitutional provisions or enabling legislation.

Unrestricted Net Position – All other net position that does not meet the definition of restricted or net investment in capital assets.

In the governmental fund financial statements, fund balances are classified based primarily on the extent to which the District is bound to observe constraints imposed on the use of the resources in the fund. The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form. The restricted fund balance occurs when constraints are placed on the use of resources externally (such as through debt covenants or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation). For the District, the restricted fund balance consists of restricted assets for capital projects and emergency resources. The assigned fund balance includes amounts that are constrained by the District's intent to be used for specific purposes and consists of the District's encumbrances as approved by the Board of Fire Commissioners and the amount of fund balance to be expended in the ensuing fiscal year as approved by the Board of Fire Commissioners. The remaining fund balance is shown as unassigned. When expenditures are incurred for purposes for which amounts in any unrestricted fund balance classifications could be used, committed funds, if any, are to be spent first, assigned funds second, and unassigned funds last.

Property Taxes

All real property in the District is assigned a parcel number in accordance with state law, with each parcel being subject to physical reappraisal every five years. A factoring system is used to adjust the appraised value during the years between physical appraisals. The valuation of the property and its improvements is being assessed at 35 percent of "taxable value" as defined by statute. The amount of tax levied is determined by multiplying the assessed value by the tax rate applicable to the area in which the property is located. The maximum tax rate was established in the State Constitution at \$5 per \$100 of assessed valuation; however, as a result of the legislative action the tax rate was further limited to \$3.64 per \$100 of assessed valuation except in cases of severe financial emergency as defined in Nevada Revised statutes (NRS) 354.705 or as a result of the State of Nevada rate.

Taxes on real property are a lien on the property and attach on July 1 of the year for which the taxes are levied.

Taxes may be paid in four installments payable on the third Monday in August, and the first Mondays in October, January, and March, to the Treasurer of Washoe County. Penalties are assessed if a taxpayer fails to pay an installment within ten days of the installment due date. After a two-year waiting period, if taxes remain unpaid, a tax deed is issued conveying the property to the County with a lien for back taxes and accumulated charges. Redemption may be made by the owner and such persons as described by statute by paying all back taxes and accumulated penalties, interest, and costs before sale.

Taxes on personal property are collected currently. Personal property declarations are mailed out annually and the tax is computed using percentages of taxable values established by the Department of Taxation and tax rates described above.

The major classifications of personal property are commercial and mobile homes. In Washoe County, taxes on motor vehicles are collected by a State agency and remitted to the local governments in the County as part of the Consolidated Tax distribution.

Implementation of GASB Statement No. 68 and GASB Statement No. 71

As of July 1, 2014, the District adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71 *Pension Transition for Contributions Made Subsequent to the Measurement Date*. The implementation of these standards requires governments calculate and report the costs and obligations associated with pensions in their basic financial statements. Employers are required to recognize pension amounts for all benefits provided through the plan which include the net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense. The effect of the implementation of these standards on beginning net position is disclosed in Note 10 and the additional disclosures required by these standards are included in Note 8.

Reconciliation of Government-Wide and Fund Financial Statements

The governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances includes a reconciliation between *net change in fund balances – total governmental funds* and *change in net position - governmental activities* as reported in the government-wide Statement of Activities. One element of that reconciliation explains "Governmental Funds report capital outlays as expenditures while the Statement of Activities allocates the cost of those assets over their estimated useful lives and reports depreciation expense." The details of the \$1,599,192 difference are as follows:

Capital outlay	\$ 2,684,057
Less amounts not capitalized	(21,082)
Less depreciation expense	<u>(1,063,783)</u>
Net adjustment to increase net change in fund balances - governmental funds to arrive at change in net position - governmental activities	<u><u>\$ 1,599,192</u></u>

Note 2 - Compliance with Nevada Revised Statutes and the Nevada Administrative Code

The District conformed to all significant statutory and administrative code constraints on its financial administration during the year except for the following:

The balances of reserves in the Health Benefits Fund are governed by NRS 354.6215, which limits the use of the reserves. When the governing body deems the reserve to be no longer required, either in whole or in part, it shall transfer the excess balance to the general fund of the local government. Money so transferred is not available as a basis for augmentation of the local government's budget during the year of transfer.

During the year, the Health Benefits Fund transferred funds to the Capital Projects Fund and Sick Annual Comp Benefits Fund rather than the General Fund. In addition, a part of the transfer to the Sick Annual Comp Benefits Fund was spent in the year of transfer. These transfers and subsequent use of reserves of the Health Benefits Fund appear to be potential violations of NRS 354.6215.

Note 3 - Cash and Investments**Pooled Investments**

The District participates in the Washoe County Investment Pool (WCIP). The Washoe County Board of County Commissioners administers and is responsible for the WCIP in accordance with NRS 355.175. The investment pool is not registered with the SEC as an investment company. Public Financial Management, LLC determines the fair value of the investment pool monthly. Washoe County has not provided or obtained any legally binding guarantees during the audit period to support these values. Each participant's share is equal to their investment plus or minus their pro-rata portion of monthly interest income and realized and unrealized gains/losses. The District's investment in the external investment pool at June 30, 2015 was \$21,890,643.

Of the investments as of June 30, 2015, 50.9% are in U.S. Government and Agency securities including U.S. Treasuries and debt issued by Federal Home Loan Bank, Federal National Mortgage Associate, and Federal Home Loan Mortgage Corporation. Approximately 17.0% of pooled investments are held in short and long-term corporate notes. Of pooled investments, 19.4% consist of certificates of deposit, money market mutual funds and collateralized mortgage obligations. The remaining 12.7% is held as cash within the pool. At June 30, 2015, the funds of the District in the Washoe County investment pool were approximately 5.1% of the pool's total balance.

Credit Risk

Fixed income securities are subject to credit risk. Credit risk refers to the risk that a borrower will default on debt by failing to make required payments. The District does not hold any such investments directly, but participates in the WCIP. The WCIP is unrated by recognized statistical rating agencies

Custodial Credit Risk

Custodial credit risk is the risk that an entity's deposits, which are in the possession of an outside party, will not be returned to the entity if the counterparty fails. The District is a participant in the WCIP. Balances in the WCIP are covered by one or more of the following: Federal depository insurance, the Securities Investor Protection Corporation, collateral held by the District's agent in the District's name, or by collateral held by depositories in the name of the Nevada Collateral Pool, and the balances are not exposed to custodial credit risk.

Note 4 - Capital Assets

Capital asset activity for the year ended June 30, 2015 was as follows:

Governmental Activities

	Balance July 1, 2014	Increases	Decreases	Balance June 30, 2015
Capital assets, not being depreciated				
Land	\$ 721,545	\$ -	\$ -	\$ 721,545
Construction in progress	2,807,427	142,193	(2,795,489)	154,131
Total capital assets, not being depreciated	3,528,972	142,193	(2,795,489)	875,676
Capital assets, being depreciated				
Land improvements	263,322	-	-	263,322
Buildings and building improvements	9,054,089	2,814,365	-	11,868,454
Vehicles and equipment	12,010,237	2,501,907	(160,000)	14,352,144
Total capital assets, being depreciated	21,327,648	5,316,272	(160,000)	26,483,920
Less accumulated depreciation for				
Land improvements	(176,215)	(7,562)	-	(183,777)
Buildings and building improvements	(3,621,462)	(357,920)	-	(3,979,382)
Vehicles and equipment	(5,481,476)	(698,302)	153,667	(6,026,111)
Total accumulated depreciation	(9,279,153)	(1,063,784)	153,667	(10,189,270)
Total capital assets, being depreciated, net	12,048,495	4,252,488	(6,333)	16,294,650
Governmental activities capital assets, net	\$ 15,577,467	\$ 4,394,681	\$ (2,801,822)	\$ 17,170,326

The increase in accumulated depreciation includes depreciation expense of \$1,063,784 charged to the public safety function.

Note 5 - Long-Term Liabilities

The District does not have any general obligation bonds outstanding as of June 30, 2015. Long-term liability activity for the year ended June 30, 2015, was as follows:

	Amount Outstanding July 1, 2014	Additions	Reductions	Amount Outstanding June 30, 2015	Due Within One Year
Compensated absences	\$ 1,374,222	\$ 1,127,732	\$ 802,495	\$ 1,699,459	\$ 965,152
Claims and judgments	1,170,000	104,862	419,862	855,000	464,497
	<u>\$ 2,544,222</u>	<u>\$ 1,232,594</u>	<u>\$ 1,222,357</u>	<u>\$ 2,554,459</u>	<u>\$ 1,429,649</u>

Compensated absences and the net pension liability are generally liquidated from the General Fund and claims and judgments are liquidated from the Workers' Compensation Internal Service Fund.

Note 6 - Interfund Activity

Interfund transfers for the year ended June 30, 2015 consisted of the following:

	Transfer in	
	General Fund	Capital Projects Fund
Transfers out		
General Fund	\$ -	\$ 4,300,000
Health Benefits Fund	589,769	600,000
Total transfers in	\$ 589,769	\$ 4,900,000

The transfer from the General Fund to the Capital Projects Fund was used to move unrestricted, one-time savings to fund one-time capital outlay expenditures.

The transfer from the Health Benefits Fund to the General Fund was used to move reserves that were no longer needed to fund sick and compensated absence expenditures upon retirement of employees.

The transfer from the Health Benefits Fund to the Capital Projects Fund was used to move reserves that were no longer needed to fund one-time capital outlay expenditures.

Note 7 - Postemployment Health Care Benefits

Plan Description and Eligibility

Prior to July 1, 2000, the District provided health insurance benefits to retired employees through a single-employer defined benefit plan. At June 30, 2000, ten retirees were participating in the District's health benefits program. On July 1, 2000, pursuant to an Interlocal Agreement for Fire Services and Consolidation, District fire operations were transferred to the City of Reno and the City accepted liability for the ten retirees under this plan. In accordance with the Interlocal Agreement, the District pays a proportionate share of employees' retiree health benefit costs based on service earned prior to July 1, 2000, for those employees who transferred employment to the City of Reno and retired prior to June 30, 2012 or during the term of the Interlocal Agreement. Health benefits under the City's plan included medical, prescription, vision, dental and life insurance. As of July 1, 2010, the Plan is administered through an irrevocable trust, Washoe County, Nevada OPEB Trust (Trust), established on May 11, 2010, by the Board of Washoe County Commissioners. The Trust, a multiple-employer trust, was created to fund and account for the participating employers' costs of retiree healthcare benefits pursuant to Nevada Revised Statutes 287.017. The District is a participating employer in the Trust. Complete financial statements of the Trust may be obtained by writing to: OPEB Trust, c/o Washoe County Comptroller's Office, P.O. Box 11130, Reno, Nevada, 89520.

The Interlocal Agreement was terminated on June 30, 2012, and the District assumed responsibility for its own fire district operations as of July 1, 2012. As of June 30, 2012, in preparation of standing up the new fire operations, 11 former Reno firefighters transferred to the District with the provision the District would provide retiree health benefits for those 11 employees. Any former District employees remaining employed by the City of Reno as of July 1, 2012 retained retiree health benefits with the City and the City retained the liability for those employees. Benefits under the new District plan, a single-employer defined benefit plan, include health, dental, vision and prescription coverage. Eligible retirees who retire from the District will be required to pay for 50% of the retirees' health insurance premium and 100% of the cost of coverage for their families. Eligibility requirements, benefit levels, employee contributions and employer contributions may be amended by the mutual agreement of the Truckee Meadows Fire Protection District and the District's Fire Firefighters' Association.

Funding Policy and Annual OPEB Cost

The amount of annual contributions each year are established through the annual budget process by the District's Board of Fire Commissioners and may be amended through negotiations with the employee association. The required contributions are based on projected pay-as-you-go financing requirements, with an additional amount, generally equal to the normal cost, to prefund benefits.

The annual OPEB Cost, the percentage of OPEB cost contributed to the Trust, and the net OPEB obligation (asset) at June 30, 2015 and the two preceding years were as follows:

<u>Fiscal Year Ended June 30,</u>	<u>Annual OPEB Cost</u>	<u>Employer Contributions</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation (Asset)</u>
2013	\$ 70,278	\$ -	0.00%	\$ (1,224,753)
2014	223,415	-	0.00%	(1,001,338)
2015	214,891	-	0.00%	(786,447)

Truckee Meadows Fire Protection District

Notes to Financial Statements

June 30, 2015

The net OPEB obligation (asset) as of June 30, 2015, was calculated as follows:

Determination of Annual Required Contribution:

Normal cost	\$ 259,595
Amortization of Unfunded Actuarial Accrued Liability (UAAL)	(70,463)
Annual Required Contribution (ARC)	<u>\$ 189,132</u>

Determination of Net OPEB Obligation (Asset):

Annual Required Contribution	\$ 189,132
Interest on prior year net OPEB obligation (asset)	(70,094)
Adjustment to ARC	<u>95,853</u>
Annual OPEB Cost	214,891
Retiree benefit plan costs paid by district	-
District contributions made to OPEB Trust	<u>-</u>
Change in net OPEB obligation (asset)	214,891
Net OPEB Obligation (Asset), Beginning of Year	<u>(1,001,338)</u>
Net OPEB Obligation (Asset), End of Year	<u>\$ (786,447)</u>

The funded status as of the most recent actuarial valuation was as follows:

Actuarial valuation date	July 1, 2014
Accrued actuarial liability (a)	\$ 3,293,617
Actuarial value of plan assets (b)	<u>3,981,559</u>
Unfunded actuarial accrued liability (a-b)	<u>\$ (687,942)</u>
Funded ratio (b/a)	120.9%
Covered payroll* (active plan members) (c)	\$ 5,034,484
Unfunded actuarial accrued liability as a percentage of covered payroll [(a - b)/c]	-13.66%

*The covered payroll for active plan members for the District's retiree group medical plan reported above represents salaries and wages for the 10 former Reno firefighters who transferred from the City of Reno to the District in June 2012 and who were still employed by the District at June 30, 2015 as well as employees who were hired by the District prior to July 1, 2014. The UAAL shown includes the District's proportionate share of the liability, based on service earned prior to July 1, 2000 for the 45 employees who transferred employment to the City of Reno and retired during the term of the Interlocal Agreement as well as current eligible employees.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far in the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend

information. The schedule will show whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. 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.

An actuarial valuation of retiree health and life benefits was completed as of July 1, 2014, using the Projected Unit Credit Method. Significant actuarial assumptions used were a 7.00% effective annual discount rate and an initial 7.75% health cost trend for non-Medicare and 7.50% for Medicare. The non-Medicare health cost trend assumes a staggered decline before an ultimate trend rate of 4.50% for 2070 and beyond. The Medicare health cost trend assumes a staggered decline before an ultimate trend rate of 4.50% for 2099 and beyond. The actuarial assumptions also assume that Medicare will be the primary coverage once the retiree reaches the age of 65. The Actuarial Accrued Liability (AAL) is the actuarial present value of benefits attributed to employee service rendered prior to the valuation date. The AAL equals the present value of benefits multiplied by a fraction equal to service date over service at expected retirement. The Normal Cost is the actuarial present value of benefits attributed to one year of service. This equals the present value of benefits divided by service at expected retirement. The plan's unfunded actuarial accrued liability is being amortized as a level dollar amount over a 17 year closed amortization period.

Note 8 - Defined Benefit Pension Plan

Plan Description

The District contributes to the Public Employees' Retirement System of the State of Nevada (PERS). PERS administers a cost-sharing, multiple-employer, defined benefit public employees' retirement system which includes both Regular and Police/Fire members. PERS was established by the Nevada Legislature in 1947, effective July 1, 1948. PERS is administered to provide a reasonable base income to qualified employees who have been employed by a public employer and whose earnings capacities have been removed or substantially impaired by age or disability.

Benefits Provided

Benefits, as required by the Nevada Revised Statutes (NRS or statute), are determined by the number of years of accredited service at time of retirement and the member's highest average compensation in any 36 consecutive months with special provisions for members entering PERS on or after January 1, 2010. Benefit payments to which participants or their beneficiaries may be entitled under the plan include pension benefits, disability benefits, and survivor benefits.

Monthly benefit allowances for members are computed as 2.5% of average compensation for each accredited year of service prior to July 1, 2001. For service earned on and after July 1, 2001, this multiplier is 2.67% of average compensation. For members entering PERS on or after January 1, 2010, there is a 2.5% multiplier. PERS offers several alternatives to the unmodified service retirement allowance which, in general, allow the retired employee

to accept a reduced service retirement allowance payable monthly during his or her lifetime and various optional monthly payments to a named beneficiary after his or her death.

Post-retirement increases are provided by authority of NRS 286.575 - .579.

Vesting

Regular members are eligible for retirement at age 65 with five years of service, at age 60 with 10 years of service, or at any age with thirty years of service. Regular members entering PERS on or after January 1, 2010, are eligible for retirement at age 65 with five years of service, or age 62 with 10 years of service, or any age with thirty years of service.

Police/Fire members are eligible for retirement at age 65 with five years of service, at age 55 with ten years of service, at age 50 with twenty years of service, or at any age with twenty-five years of service. Police/Fire members entering PERS on or after January 1, 2010, are eligible for retirement at 65 with five years of service, or age 60 with ten years of service, or age 50 with twenty years of service, or at any age with thirty years of service. Only service performed in a position as a police officer or firefighter may be counted towards to eligibility for retirement as Police/Fire accredited service.

The normal ceiling limitation on monthly benefits allowances is 75% of average compensation. However, a member who has an effective date of membership before July 1, 1985, is entitled to a benefit of up to 90% of average compensation. Both Regular and Police/Fire members become fully vested as to benefits upon completion of five years of service.

Contributions

The authority for establishing and amending the obligation to make contributions and member contribution rates, is set by statute. New hires, in agencies which did not elect the Employer-Pay Contribution (EPC) plan prior to July 1, 1983, have the option of selecting one of two contribution plans. Contributions are shared equally by employer and employee. Employees can take a reduced salary and have contributions made by the employer (EPC) or can make contributions by a payroll deduction matched by the employer.

PERS' basic funding policy provides for periodic contributions at a level pattern of cost as a percentage of salary throughout an employee's working lifetime in order to accumulate sufficient assets to pay benefits when due.

PERS receives an actuarial valuation on an annual basis indicating the contribution rates required to fund PERS on an actuarial reserve basis. Contributions actually made are in accordance with the required rates established by the Nevada Legislature. These statutory rates are increased/decreased pursuant to NRS 286.421 and 286.450.

The actuary funding method used is the Entry Age Normal Cost Method. It is intended to meet the funding objective and result in a relatively level long-term contributions requirement as a percentage of salary.

For the fiscal year ended June 30, 2014 and June 30, 2015 the Statutory Employer/employee matching rate was 13.25% for Regular and 20.75% for Police/Fire. The Employer-pay contribution (EPC) rate was 25.75% for Regular and 40.50% for Police/Fire.

The District's contributions were \$3,118,661 for the year ended June 30, 2014 and \$3,470,650 for the year ended June 30, 2015.

PERS Investment Policy

PERS' policies which determine the investment portfolio target asset allocation are established by the PERS Board. The asset allocation is reviewed annually and is designed to meet the future risk and return needs of the System.

The following was the PERS Board adopted policy target asset allocation as of June 30, 2015:

Asset Class	Target Allocation	Long-term Geometric Expected Real Rate of Return
Domestic Equity	42%	5.50%
International Equity	18%	5.75%
Domestic Fixed Income	30%	0.25%
Private Markets	10%	6.80%

As of June 30, 2015, PERS' long-term inflation assumption was 3.5%.

Net Pension Liability

At June 30, 2015, the District reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability (\$21,451,071) was based on the District's share of contributions in PERS pension plan relative to the total contributions of all participating PERS employers and members. At July 1, 2014, the District's proportion was 0.20583 percent.

Pension Liability Discount Rate Sensitivity

The following presents the net pension liability of the District as of June 30, 2014, calculated using the discount rate of 8.00%, as well as what the District's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.00%) or 1-percentage-point higher (9.00%) than the current discount rate:

	1% Decrease in Discount Rate (7.00%)	Discount Rate (8.00%)	1% Increase in Discount Rate (9.00%)
Net Pension Liability	\$ 33,358,761	\$ 21,451,071	\$ 11,552,748

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the PERS Comprehensive Annual Financial Report, available on the PERS website.

Actuarial Assumptions

The District's net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation Rate	3.50%
Payroll Growth	5.00% including inflation
Investment Rate of Return	8.00%
Productivity Pay Increase	0.75%
Projected Salary Increases	Regular: 4.60% to 9.75%, depending on service Police/Fire: 5.25% to 14.5%, depending on service Rates include inflation and productivity increases
Consumer Price Index	3.50%
Other Assumptions	Same as those used in the June 30, 2014 funding actuarial valuation

Mortality rates for non-disabled male regular members were based on the RP-2000 Combined Healthy Mortality Table projected to 2013 with Scale AA. Mortality rates for non-disabled female regular members were based on the RP-2000 Combined Healthy Mortality Table, projected to 2013 with Scale AA, set back one year. Mortality rates for all non-disabled police/fire members were based on the RP-2000 Combined Healthy Mortality Table projected to 2013 with Scale AA, set forward one year. The mortality table used in the actuarial valuation to project mortality rates for all disabled regular members and all disabled police/fire members is the RP-2000 Disabled Retiree Mortality Table projected to 2013 with Scale AA, set forward three years.

Actuarial assumptions used in the June 30, 2014 valuation were based on the results of the experience review completed in 2013.

The discount rate used to measure the total pension liability was 8.00% as of June 30, 2014 and June 30, 2013. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, the pension plan's fiduciary net position at June 30, 2014, was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2014 and June 30, 2013.

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2015, the District recognized pension expense of \$2,843,259. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 1,026,552
Changes in assumptions or other inputs	-	-
Net difference between projected and actual earnings on pension plan investments	-	4,505,603
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions	192,952	-
District contributions subsequent to the measurement date	3,470,650	-
Total	<u>\$ 3,663,602</u>	<u>\$ 5,532,155</u>

\$3,470,650 reported as deferred outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2016.

The average of the expected remaining service lives of all employees that are provided with pensions through PERS (active and inactive employees) determined at July 1, 2013 (the beginning of the measurement period ended June 30, 2014) is 6.7 years.

Other estimated amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30,</u>	
2016	\$ (1,272,647)
2017	(1,272,647)
2018	(1,272,647)
2019	(1,272,646)
2020	(146,246)
Thereafter	<u>(102,370)</u>
Total	<u>\$ (5,339,203)</u>

The following is the reconciliation of the June 30, 2015 net pension liability:

Beginning Net Pension Liability	\$ 27,065,676
Pension Expense	2,843,259
Employer Contributions	(3,118,661)
New Net Deferred Inflows/Outflows	(5,339,203)
Recognition of Prior Deferred (Inflows)/Outflows	-
	<hr/>
Ending Net Pension Liability	<u>\$ 21,451,071</u>

Additional Information

The PERS Comprehensive Annual Financial Report (CAFR) available on the PERS website at www.nvpers.org under Quick Links – Publications.

Note 9 - Risk Management

The District is exposed, as are all entities, to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The District has joined together with similar public agencies throughout the State of Nevada to create a pool, Nevada Public Agency Insurance Pool (NPAIP), under the Nevada Interlocal Cooperation Act. Property and liability is fully insured with NPAIP with a \$5,000 deductible. The District pays an annual premium to the Pool for its general insurance coverage. The Pool is considered a self-sustaining risk pool that provides coverage for its members up to \$10 million per event. Property, crime and equipment breakdown coverage is provided to its members up to \$300,000,000 per loss with various sub-limits established for earthquake, flood, equipment breakdown, and money and securities.

The District self-funded its health benefits until June 1, 2013. The Health Benefits fund was established to account for life insurance, medical, prescription, dental and vision programs. The self-funded plans contained within the Health Benefits fund are handled through contracts with an external claims administrator and through the purchase of various insurance plans. As of June 1, 2013, the District purchased a guaranteed health benefit plan and is no longer self-funded.

During the term of the Reno/Truckee Meadows Fire Protection District Interlocal Agreement, workers' compensation was fully insured with the City of Reno's self-funded workers' compensation plan. Due to the termination of the Agreement, as of July 1, 2012, the District is no longer self-funded with the City of Reno but has purchased a guaranteed workers compensation insurance plan. However, the District is still required to pay workers' compensation claims costs to the City of Reno for those years the District was self-funded through the City of Reno's workers' compensation plan.

During the fiscal year ended June 30, 2004, the District and the City of Reno instituted a "pay as you go" system for workers' compensation claims. The District shared the combined losses with the Reno Fire Department (RFD). Each year, the District was assigned the portion of paid losses corresponding to the ratio of employees originally transferred from the District to the total number of current RFD employees. The ratio applied to the District for the fiscal year ended June 30, 2012, which was the last fiscal year of the Agreement, was 25%. The District established the Workers' Compensation Fund to account for this program. During the fiscal year ended June 30, 2015, the District paid the City of Reno the amount of \$275,316 for the purpose of buying out its workers' compensation liability for fiscal year 2009.

The liability for workers' compensation was determined through an actuarial valuation performed for the District as of December 31, 2011. Using a 70% probability level set by the actuary, claims of \$2,424,922 were determined to be long-term in nature. The non-discounted carrying amount of unpaid claims was \$2,903,000. The interest rate used for discount was 3%. Allocated loss adjustment expense is included in the actuarial calculation. Under the plan, the District and the City of Reno self-insure up to a maximum of \$2.5 million for each workers' compensation claim. Claims incurred prior to fiscal year 2004 remain the liability of the City of Reno under the guaranteed payment plan in effect prior to July 1, 2003.

Claims' liability and activity for the fiscal years ended June 30 were as follows:

Claims liability, June 30, 2011	\$ 2,424,922
Claims and changes in estimates	118,938
Claims paid	<u>(549,860)</u>
Claims liability, June 30, 2012	1,994,000
Claims and changes in estimates	16,731
Claims paid	<u>(524,731)</u>
Claims liability, June 30, 2013	1,486,000
Claims and changes in estimates	97,734
Claims paid	<u>(413,734)</u>
Claims liability, June 30, 2014	1,170,000
Claims and changes in estimates	104,862
Claims paid	<u>(419,862)</u>
Claims liability, June 30, 2015	<u><u>\$ 855,000</u></u>

Note 10 - Adoption of New Standard

As of July 1, 2014, the District adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71 *Pension Transition for Contributions Made Subsequent to the Measurement Date*. The implementation of these standards requires governments calculate and report the cost and obligations associated with pensions in their financial statements, including additional note disclosures and required supplementary information. Beginning net position was restated to retroactively report the beginning net pension liability and deferred outflows of resources related to contributions made after the measurement date as follows:

Net position at June 30, 2014, as previously reported	\$ 35,938,328
Net pension liability at June 30, 2014	(27,065,676)
Deferred outflows of resources related to contributions made during the year ended June 30, 2014	<u>3,118,661</u>
Net position at July 1, 2014, as restated	<u><u>\$ 11,991,313</u></u>

Note 11 - Contingencies

On September 15, 2014, the City of Reno filed a lawsuit against the District alleging the District owes the City \$851,826 for an increase in the Indirect Costs in FY 09-10 and FY 10-11 over what the City originally charged the District. It is the assessment of the District's counsel that the accusations are without merit. In management's opinion, the ultimate liability of the suit, if any, would not have a material effect on the financial statements.

Note 12 - Related Party Transactions

As more fully described in Note 1, the District has an interlocal agreement with the Sierra Fire Protection District to consolidate the operations of the two fire districts, which will occur on July 1, 2016. Sierra Fire Protection District paid the District \$6,321,924 during the year ended June 30, 2015 in accordance with the terms of the interlocal agreement. In addition, the District refunded \$383,620 to Sierra Fire Protection District during the year ended June 30, 2015 for operational savings related to the prior year in accordance with the interlocal agreement.



Required Supplementary Information

Truckee Meadows Fire Protection District

Truckee Meadows Fire Protection District
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund
(Budgetary Basis)
Year Ended June 30, 2015

	2015 Budgeted Amounts		2015	
	Original	Final	Actual	Variance with Final Budget
Revenues				
Taxes				
Ad valorem, general	\$ 10,150,166	\$ 10,150,166	\$ 10,557,284	\$ 407,118
Ad valorem, AB 104	155,066	155,066	144,983	(10,083)
Licenses and permits				
Gaming, AB 104	4,084	4,084	1,331	(2,753)
Other	-	-	2,300	2,300
Intergovernmental				
Federal grants	158,727	158,727	128,966	(29,761)
Consolidated taxes	5,311,283	5,311,283	5,630,395	319,112
Real property transfer tax, AB 104	31,454	31,454	40,056	8,602
Supplemental city/county relief tax, AB 104	667,137	667,137	700,710	33,573
Interlocal cooperative agreement fire suppression	6,876,795	6,876,795	6,906,924	30,129
Charges for services				
Services to other agencies	10,700	10,700	10,000	(700)
Other	-	-	800	800
Miscellaneous				
Investment earnings	100,000	100,000	152,853	52,853
Net change in the fair value of investments	-	-	(16,770)	(16,770)
Other	16,030	16,030	196,047	180,017
Total revenues	<u>23,481,442</u>	<u>23,481,442</u>	<u>24,455,879</u>	<u>974,437</u>
Expenditures				
Public safety function				
Fire				
Salaries and wages	11,517,069	11,517,069	10,637,660	879,409
Employee benefits	6,064,324	6,064,324	5,703,890	360,434
Services and supplies	4,658,340	4,658,340	3,728,663	929,677
Total expenditures	<u>22,239,733</u>	<u>22,239,733</u>	<u>20,070,213</u>	<u>2,169,520</u>
Excess (Deficiency) of Revenues over Expenditures	<u>1,241,709</u>	<u>1,241,709</u>	<u>4,385,666</u>	<u>3,143,957</u>
Other Financing Sources (Uses)				
Proceeds from asset disposition	-	-	130	130
Transfers out				
Capital Projects Fund	(4,300,000)	(4,300,000)	(4,300,000)	-
Contingency	(350,000)	(350,000)	-	350,000
Total other financing sources (uses)	<u>(4,650,000)</u>	<u>(4,650,000)</u>	<u>(4,299,870)</u>	<u>350,130</u>
Net Change in Fund Balances	<u>(3,408,291)</u>	<u>(3,408,291)</u>	<u>85,796</u>	<u>3,494,087</u>
Fund Balances, Beginning of Year	<u>9,064,749</u>	<u>9,064,749</u>	<u>10,329,604</u>	<u>1,264,855</u>
Fund Balances, End of Year	<u>\$ 5,656,458</u>	<u>\$ 5,656,458</u>	<u>\$ 10,415,400</u>	<u>\$ 4,758,942</u>

See Notes to Required Supplementary Information

Truckee Meadows Fire Protection District
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual: Major Special Revenue
Fund – Emergency Fund
Year Ended June 30, 2015

	2015 Budgeted Amounts		2015	
	Original	Final	Actual	Variance with Final Budget
Revenues				
Miscellaneous				
Other	\$ -	\$ -	\$ 282,314	\$ 282,314
Expenditures				
Public safety function				
Fire				
Salaries and wages	250,000	250,000	263,053	(13,053)
Employee benefits	25,000	25,000	13,215	11,785
Services and supplies	375,000	375,000	133,583	241,417
Total expenditures	650,000	650,000	409,851	240,149
Net Change in Fund Balances	(650,000)	(650,000)	(127,537)	522,463
Fund Balances, Beginning of Year	806,621	806,621	771,851	(34,770)
Fund Balances, End of Year	\$ 156,621	\$ 156,621	\$ 644,314	\$ 487,693

Truckee Meadows Fire Protection District

Reconciliation of the General Fund Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual (Budgetary Basis) to the General Fund Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual (GAAP Basis) Year Ended June 30, 2015

	General Fund (Budgetary Basis)	Internally Reported Funds	General Fund (GAAP Basis)
Revenues			
Taxes	\$ 10,702,267	\$ -	\$ 10,702,267
Licenses and permits	3,631	-	3,631
Intergovernmental	13,407,051	-	13,407,051
Charges for services	10,800	-	10,800
Miscellaneous	332,130	5,871	338,001
Total revenues	24,455,879	5,871	24,461,750
Expenditures			
Current			
Public safety	20,070,213	128,869	20,199,082
Excess (Deficiency) of Revenues over Expenditures	4,385,666	(122,998)	4,262,668
Other Financing Sources (Uses)			
Proceeds from asset disposition	130	-	130
Transfers in	-	589,769	589,769
Transfers out	(4,300,000)	-	(4,300,000)
Total other financing courses (uses)	(4,299,870)	589,769	(3,710,101)
Net Change in Fund Balances	85,796	466,771	552,567
Fund Balances, Beginning of Year	10,329,604	573,198	10,902,802
Fund Balances, End of Year	\$ 10,415,400	\$ 1,039,969	\$ 11,455,369

Truckee Meadows Fire Protection District
Schedule of Funding Progress – Other Postemployment Benefits
June 30, 2015

Actuarial Valuation Date	Actuarial Accrued Liability (AAL) (a)	Actuarial Value of Plan Assets (b)	Unfunded AAL (UALL) (a-b)	Funded Ratio (b/a)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(a-b)/c]
7/1/2011	\$ 3,361,331	\$ 3,533,063	\$ (171,732)	105.11%	\$ 793,352	(21.65)%
7/1/2013	4,079,936	3,573,083	506,853	87.58%	797,886	63.52 %
7/1/2014	3,293,617	3,981,559	(687,942)	120.89%	5,034,484	(13.66)%

Truckee Meadows Fire Protection District
Schedule of District's Share of Net Pension Liability
Public Employee's Retirement System of Nevada (PERS)
Last Ten Fiscal Years

	2014
District's portion of net the pension liability	0.20583%
District's proportionate share of the net pension liability	\$ 21,451,071
District's covered-employee payroll	\$ 7,783,987
District's proportional share of the net pension liability as a percentage of its covered-employee payroll	275.58%
Plan fiduciary net position as a percentage of the total pension liability	76.31%

* GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the District will present information for those use for which information is available.

Truckee Meadows Fire Protection District
Schedule of District's Contributions
Public Employee's Retirement System of Nevada (PERS)
Last Ten Fiscal Years

	2015
Statutorily required contribution	\$ 3,470,650
Contributions in relation to the statutorily required contribution	\$ 3,470,650
Contribution (deficiency) excess	\$ -
Employer's covered-employee payroll	\$ 8,435,593
Contributions as a percentage of covered-employee payroll	41.14%

* GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the District will present information for those use for which information is available.

Note 1 - Internally Reported (Budgetary Basis) Funds

The accompanying Reconciliation of the General Fund (Budgetary Basis) to the General Fund (GAAP Basis) presents balances combined for external reporting purposes.

Budget to actual comparisons are presented for all funds of the District, as required by Nevada Revised Statutes. Such budget comparisons are required to be presented using the budget as adopted and approved by the State of Nevada Department of Taxation. However, guidance provided by Governmental Accounting Standards Board Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, specifies that two of these internally reported funds of the District do not meet the definition of special revenue funds and do not qualify to be separately presented for external reporting purposes.

These internally reported special revenue funds of the District (Sick Annual Comp Benefits Fund and Stabilization Fund) are combined with the General Fund for external reporting purposes.

Note 2 - Employer Contributions

The District joined the Washoe County, Nevada OPEB Trust in the fiscal year 2011. Information on employer contributions can be found in the Trust's separately issued OPEB Trust, c/o Washoe County Comptroller's office, PO Box 11130, Reno, NV 89520.

Note 3 - Trend Analysis

The Actuarial Accrued Liability (AAL) decreased by \$786,319 since the last valuation due primarily to a change under the current labor agreement, requiring retirees to enroll in Medicare at 65.



Supplementary Information

Truckee Meadows Fire Protection District

Truckee Meadows Fire Protection District
Reconciliation of the General Fund Balance Sheet (Budgetary Basis) to the General Fund Balance Sheet
(GAAP Basis) – Governmental Funds
June 30, 2015

	General Fund (Budgetary Basis)	Internally Reported Funds	General Fund (GAAP Basis)
Assets			
Cash and investments	\$ 10,384,153	\$ 1,038,455	\$ 11,422,608
Accounts receivable	1,325	-	1,325
Taxes receivable	113,859	-	113,859
Due from other governments	2,175,031	-	2,175,031
Interest receivable	30,793	1,514	32,307
Total assets	\$ 12,705,161	\$ 1,039,969	\$ 13,745,130
Liabilities			
Accounts payable and accrued liabilities	\$ 1,069,461	\$ -	\$ 1,069,461
Due to other governments	939,713	-	939,713
Total liabilities	2,009,174	-	2,009,174
Deferred Inflows of Resources			
Unavailable reveue			
Property taxes	95,105	-	95,105
Reimbursement	185,482	-	185,482
Total deferred inflows of resources	280,587	-	280,587
Fund Balances			
Assigned	2,866,592	298,000	3,164,592
Unassigned	7,548,808	741,969	8,290,777
Total fund balances	10,415,400	1,039,969	11,455,369
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 12,705,161	\$ 1,039,969	\$ 13,745,130

Truckee Meadows Fire Protection District
Combing Balance Sheet – Internally Reported (Budgetary Basis) Funds Reported as Part of the General Fund for
External Reporting Purposes
June 30, 2015

	Sick Annual Comp Benefits Fund	Stabilization Fund	Internally Reported Total
Assets			
Cash and investments	\$ 461,419	\$ 577,036	\$ 1,038,455
Interest receivable	-	1,514	1,514
Total assets	<u>\$ 461,419</u>	<u>\$ 578,550</u>	<u>\$ 1,039,969</u>
Fund Balances			
Assigned	\$ 298,000	\$ -	\$ 298,000
Unassigned	163,419	578,550	741,969
Total fund balances	<u>\$ 461,419</u>	<u>\$ 578,550</u>	<u>\$ 1,039,969</u>

Truckee Meadows Fire Protection District

Combing Statement of Revenues, Expenditures, and Changes in Fund Balances – Internally Reported (Budgetary Basis) Funds Reported as Part of the General Fund for External Reporting Purposes
Year Ended June 30, 2015

	Sick Annual Comp Benefits Fund	Stabilization Fund	Internally Reported Total
Revenues			
Miscellaneous	\$ -	\$ 5,871	\$ 5,871
Expenditures			
Current			
Public safety	128,350	519	128,869
Excess (Deficiency) of Revenues over Expenditures	(128,350)	5,352	(122,998)
Other Financing Sources (Uses)			
Transfers in	589,769	-	589,769
Net Change in Fund Balances	461,419	5,352	466,771
Fund Balances, Beginning of Year	-	573,198	573,198
Fund Balances, End of Year	\$ 461,419	\$ 578,550	\$ 1,039,969

Truckee Meadows Fire Protection District

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Sick Annual Comp Benefits Fund Year Ended June 30, 2015

	2015 Budgeted Amounts		2015	
	Original	Final	Actual	Variance with Final Budget
Revenues				
Miscellaneous				
Investment earnings	\$ 10,000	\$ 10,000	\$ -	\$ (10,000)
Expenditures				
Public safety function				
Fire				
Salaries and wages	250,000	250,000	126,516	123,484
Employee benefits	5,000	5,000	1,834	3,166
Total expenditures	255,000	255,000	128,350	126,650
Excess (Deficiency) of Revenues over Expenditures	(245,000)	(245,000)	(128,350)	116,650
Other Financing Sources (Uses)				
Transfers in				
Health Benefits Fund	589,769	589,769	589,769	-
Net Change in Fund Balance	344,769	344,769	461,419	116,650
Fund Balance, Beginning of Year	-	-	-	-
Fund Balance, End of Year	\$ 344,769	\$ 344,769	\$ 461,419	\$ 116,650

Truckee Meadows Fire Protection District

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Stabilization Fund

Year Ended June 30, 2015

	2015 Budgeted Amounts		2015	
	Original	Final	Actual	Variance with Final Budget
Revenues				
Miscellaneous				
Investment earnings	\$ 8,000	\$ 8,000	\$ 7,166	\$ (834)
Net decrease in the fair value of investments	-	-	(1,295)	(1,295)
Total revenues	8,000	8,000	5,871	(2,129)
Expenditures				
Public safety function				
Fire				
Services and supplies	500,000	500,000	519	499,481
Excess (Deficiency) of Revenues over Expenditures	(492,000)	(492,000)	5,352	497,352
Fund Balance, Beginning of Year	569,968	569,968	573,198	3,230
Fund Balance, End of Year	\$ 77,968	\$ 77,968	\$ 578,550	\$ 500,582

Truckee Meadows Fire Protection District

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Capital Projects Fund
Year Ended June 30, 2015

	2015 Budgeted Amounts		2015	
	Original	Final	Actual	Variance with Final Budget
Revenues				
Miscellaneous				
Investment earnings	\$ 100,000	\$ 100,000	\$ 35,523	\$ (64,477)
Net decrease in the fair value of investments	-	-	(15,352)	(15,352)
Total revenues	100,000	100,000	20,171	(79,829)
Expenditures				
Public safety function				
Fire				
Services and supplies	1,371,859	1,371,859	623,186	748,673
Capital outlay	7,365,120	7,365,120	2,684,057	4,681,063
Total expenditures	8,736,979	8,736,979	3,307,243	5,429,736
Excess (Deficiency) of Revenues over Expenditures	(8,636,979)	(8,636,979)	(3,287,072)	5,349,907
Other Financing Sources (Uses)				
Transfers in				
General Fund	4,300,000	4,300,000	4,300,000	-
Health Benefits Fund	1,200,000	1,200,000	600,000	(600,000)
Total other financing sources (uses)	5,500,000	5,500,000	4,900,000	(600,000)
Net Change in Fund Balance	(3,136,979)	(3,136,979)	1,612,928	4,749,907
Fund Balance, Beginning of Year	3,535,292	3,535,292	3,329,172	(206,120)
Fund Balance, End of Year	\$ 398,313	\$ 398,313	\$ 4,942,100	\$ 4,543,787

Truckee Meadows Fire Protection District
Combining Statement of Net Position – Internal Service Funds
June 30, 2015

	Governmental Activities		
	Workers' Compensation Internal Service Fund	Health Benefits Internal Service Fund	Total
Assets			
Current assets			
Cash and investments	\$ 4,255,160	\$ 603,892	\$ 4,859,052
Interest receivable	11,654	1,643	13,297
Total assets	<u>4,266,814</u>	<u>605,535</u>	<u>4,872,349</u>
Liabilities			
Current liabilities			
Short-term portion of long-term liabilities			
Claims and judgments	464,497	-	464,497
Noncurrent liabilities			
Claims and judgments	<u>390,503</u>	<u>-</u>	<u>390,503</u>
Total liabilities	<u>855,000</u>	<u>-</u>	<u>855,000</u>
Net Position			
Restricted	<u>\$ 3,411,814</u>	<u>\$ 605,535</u>	<u>\$ 4,017,349</u>

Truckee Meadows Fire Protection District
Combining Statement of Revenues, Expenses, and Changes in Net Position – Internal Service Funds
Year Ended June 30, 2015

	Governmental Activities		
	Workers' Compensation Internal Service Fund	Health Benefits Internal Service Fund	Total
Operating Expenses			
Services and supplies			
Claims	\$ 104,863	\$ -	\$ 104,863
Nonoperating Revenues (Expenses)			
Investment earnings	52,985	14,704	67,689
Net decrease in the fair value of investments	(9,552)	(537)	(10,089)
Total nonoperating revenues (expenses)	43,433	14,167	57,600
Income (Loss) Before Transfers	(61,430)	14,167	(47,263)
Transfers Out			
Sick Annual Comp Benefits Fund	-	(589,769)	(589,769)
Capital Projects Fund	-	(600,000)	(600,000)
Total transfers out	-	(1,189,769)	(1,189,769)
Change in Net Position	(61,430)	(1,175,602)	(1,237,032)
Net Position, Beginning of Year	3,473,244	1,781,137	5,254,381
Net Position, End of Year	\$ 3,411,814	\$ 605,535	\$ 4,017,349

Truckee Meadows Fire Protection District
Combining Statement of Cash Flows – Internal Service Funds
Year Ended June 30, 2015

	Governmental Activities		
	Workers' Compensation Internal Service Fund	Health Benefits Internal Service Fund	Total
Operating Activities			
Cash payments for services and supplies	\$ (419,863)	\$ -	\$ (419,863)
Noncapital Financing Activities			
Transfers out	-	(1,189,769)	(1,189,769)
Investing Activities			
Investment earnings	43,083	17,862	60,945
Net Change in Cash and Cash Equivalents	(376,780)	(1,171,907)	(1,548,687)
Cash and Cash Equivalents, Beginning of Year	4,631,940	1,775,799	6,407,739
Cash and Cash Equivalents, End of Year	\$ 4,255,160	\$ 603,892	\$ 4,859,052
Reconciliation of operating loss to net cash used for operating activities			
Operating income (loss)	\$ (104,863)	\$ -	\$ (104,863)
Adjustments to reconcile operating loss to net cash used for operating activities			
Change in Pending claims	(315,000)	-	(315,000)
Net Cash used for Operating Activities	\$ (419,863)	\$ -	\$ (419,863)

Truckee Meadows Fire Protection District
Schedule of Revenues, Expenses, and Changes in Net Position – Budget and Actual – Workers' Compensation
Fund
Year Ended June 30, 2015

	2015 Budgeted Amounts		2015	
	Original	Final	Actual	Variance with Final Budget
Operating Expenses				
Services and supplies				
Claims	\$ 1,000,000	\$ 1,000,000	\$ 104,863	\$ 895,137
Nonoperating Revenues (Expenses)				
Investment earnings	50,000	50,000	52,985	2,985
Net decrease in the fair value of investments	-	-	(9,552)	(9,552)
Total nonoperating revenues (expenses)	50,000	50,000	43,433	(6,567)
Change in Net Position	<u>\$ (950,000)</u>	<u>\$ (950,000)</u>	(61,430)	<u>\$ 888,570</u>
Net Position, Beginning of Year			<u>3,473,244</u>	
Net Position, End of Year			<u>\$ 3,411,814</u>	

Truckee Meadows Fire Protection District
Schedule of Cash Flows – Budget and Actual – Workers' Compensation Fund
Year Ended June 30, 2015

	2015 Budgeted Amounts		2015	
	Original	Final	Actual	Variance with Final Budget
Operating Activities				
Cash payments for services and supplies	\$ (1,000,000)	\$ (1,000,000)	\$ (419,863)	\$ 580,137
Investing Activities				
Investment earnings	50,000	50,000	43,083	(6,917)
Net Change in Cash and Cash Equivalents	(950,000)	(950,000)	(376,780)	573,220
Cash and Cash Equivalents, Beginning of Year	4,773,428	4,773,428	4,631,940	(141,488)
Cash and Cash Equivalents, End of Year	<u>\$ 3,823,428</u>	<u>\$ 3,823,428</u>	<u>\$ 4,255,160</u>	<u>\$ 431,732</u>
Reconciliation of operating loss to net cash used for operating activities				
Operating income (loss)			\$ (104,863)	
Adjustments to reconcile operating loss to net cash used for operating activities				
Change in				
Pending claims			<u>(315,000)</u>	
Net Cash Provided used for Operating Activities			<u>\$ (419,863)</u>	

Truckee Meadows Fire Protection District
Schedule of Revenues, Expenses, and Changes in Net Position – Budget and Actual – Health Benefits Fund
Year Ended June 30, 2015

	2015 Budgeted Amounts		2015	
	Original	Final	Actual	Variance with Final Budget
Nonoperating Revenues (Expenses)				
Investment earnings	\$ -	\$ -	\$ 14,704	\$ 14,704
Net decrease in the fair value of investments	-	-	(537)	(537)
Total nonoperating revenues (expenses)	-	-	14,167	14,167
Transfers In (Out)				
Transfers out				
Sick Annual Comp				
Benefits Fund	(589,769)	(589,769)	(589,769)	-
Capital Projects Fund	(1,200,000)	(1,200,000)	(600,000)	600,000
Total Transfers In (Out)	(1,789,769)	(1,789,769)	(1,189,769)	600,000
Change in Net Position	<u>\$ (1,789,769)</u>	<u>\$ (1,789,769)</u>	(1,175,602)	<u>\$ 614,167</u>
Net Position, Beginning of Year			<u>1,781,137</u>	
Net Position, End of Year			<u>\$ 605,535</u>	

Truckee Meadows Fire Protection District
Schedule of Cash Flows – Budget and Actual – Health Benefits Fund
Year Ended June 30, 2015

	2015 Budgeted Amounts		2015	
	Original	Final	Actual	Variance with Final Budget
Noncapital Financing Activities				
Transfers out	\$ (1,789,769)	\$ (1,789,769)	\$ (1,189,769)	\$ 600,000
Investing Activities				
Investment earnings (loss)	-	-	17,862	17,862
Net Change in Cash and Cash Equivalents	(1,789,769)	(1,789,769)	(1,171,907)	617,862
Cash and Cash Equivalents, Beginning of Year	1,789,769	1,789,769	1,775,799	(13,970)
Cash and Cash Equivalents, End of Year	\$ -	\$ -	\$ 603,892	\$ 603,892

**Independent Auditor's Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

To the Honorable Board of Fire Commissioners
Truckee Meadows Fire Protection District
Reno, Nevada

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Truckee Meadows Fire Protection District (the District) (a component unit of Washoe County, Nevada) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 25, 2015.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified a certain deficiency in internal control that we consider to be a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and responses as findings 2015-A and 2015-B to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Truckee Meadows Fire Protection District's Response to Findings

The District's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The District's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Reno, Nevada
November 25, 2015

**2015-A Deposits, Capital Assets, and Accounts Payable
Material Weakness**

<i>Criteria:</i>	Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. An important component of an effective system of internal control over financial reporting includes the identification and proper recording of deposits, accounts payable, and capital assets in accordance with U.S. generally accepted accounting principles (GAAP).
<i>Condition and Context:</i>	<p>During our audit testing, we noted the balances for deposits and accounts payable in the Capital Projects Fund required adjustment. The deposits balance included amounts that should have been reclassified to capital outlay during 2015. The accounts payable balance included the deposit balance; however, these amounts had been paid during 2015.</p> <p>In addition, the amounts that should have been reclassified to capital outlay during 2015, noted above, were improperly classified as construction in progress rather than equipment and depreciated. During our audit testing, we noted other balances of completed projects still classified as construction in progress at June 30, 2015. The balances required reclassification to either buildings or equipment and an adjustment was made to reflect the related depreciation.</p>
<i>Effect:</i>	Before the adjustments, deposits and accounts payable were overstated by \$1,508,009; construction in progress was overstated and buildings and equipment were understated by \$5,293,230 and depreciation was understated by \$108,139.
<i>Cause:</i>	Truckee Meadows Fire Protection District did not have sufficient internal controls in place to identify adjustments needed to properly reflect deposit and account payable balances for capital items. In addition, the District did not have internal controls in place to provide for the review of construction in progress balances to ensure completed projects were classified appropriately.
<i>Recommendation:</i>	We recommend Truckee Meadows Fire Protection District enhance internal controls in place to identify adjustments needed to properly reflect deposit and account payable balances for capital items. In addition, we recommend the District implement internal controls to provide for the review of construction in progress balances to ensure completed projects are classified appropriately.
<i>Management's Response:</i>	The District agrees that internal controls should be enhanced in the Capital Projects Fund. The depreciation schedules and construction in progress review should be completed prior to the start of the audit. Due to limited staffing and coordination with Washoe County's Comptroller staff, these schedules were not available until after the audit had commenced. The deposits and accounts payable balances should have corrected through the software program automatically when the capital items were marked as received in the system; however, due to the timing of the check runs, the adjustment was not issued in the system until July 1 st which was fiscal year 2016. The District is implementing a quarterly review of the Capital Projects Fund to ensure that completed projects are classified appropriately and that the deposits and accounts payable items are recorded in the proper period.

**2015-B Financial Statement Preparation
Material Weakness**

<i>Criteria:</i>	Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. One of the key components of an effective system of internal control over financial reporting is having the capability to prepare full disclosure financial statements.
<i>Condition and Context:</i>	The District does not have an internal control system designed to provide for the preparation of the financial statements and related financial statement disclosures being audited. In conjunction with the completion of our audit, we were requested to draft the financial statements and accompanying notes to those financial statements. Although this circumstance is not unusual for a government the size of Truckee Meadows Fire Protection District, the preparation of financial statements as part of the audit engagement may result in financial statements and related information included in financial statement disclosures not being available for management purposes as timely as it would be if prepared by District personnel. In addition, the absence of controls over the preparation of the financial statements and related financial statement disclosures increases the possibility that a misstatement of the financial statements could occur and not be prevented, or detected and corrected, in a timely manner by the District's internal control. It is the responsibility of management and those charged with governance to determine whether to accept the risk associated with this condition because of cost or other considerations.
<i>Effect:</i>	Internally prepared financial information may not be accurate and full disclosure financial statements may not be available as timely as they would be if prepared by District personnel.
<i>Cause:</i>	Due to a shortage of personnel with the ability to prepare full disclosure financial statements, the District has chosen to contract with Eide Bailly LLP to prepare its financial statements and related financial statement disclosures.
<i>Recommendation:</i>	We recommend Truckee Meadows Fire Protection District's finance staff obtain training in the preparation of governmental financial statements and related financial statement disclosures in order to gain the knowledge needed to prepare the financial statements and related financial statement disclosures internally.
<i>Management's Response:</i>	Currently, due to limited staffing in the administration of the District, it was determined that contracting with Eide Bailly LLP for the preparation of the financial statements and the related statement disclosures provided the best cost benefit to the District. For the future, staffing will continue to be evaluated to determine the needs and best benefits of the District in the preparation of the financial statements.

Auditor's Comments

To the Honorable Board of Fire Commissioners
Truckee Meadows Fire Protection District
Reno, Nevada

In connection with our audit of the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Truckee Meadows Fire Protection District (the District) as of and for the year ended June 30, 2015, and the related notes to the financial statements, nothing came to our attention that caused us to believe that Truckee Meadows Fire Protection District failed to comply with the specific requirements of Nevada Revised Statutes except as noted below. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the District's noncompliance with the requirements of Nevada Revised Statutes cited below, insofar as they related to accounting matters.

Current Year Statute Compliance

The District conformed to all significant statutory constraints on its financial administration during the year except for those items identified in Note 2 of the accompanying financial statements.

Progress on Prior Year Statute Compliance

There were no potential statute or Administrative Code violations noted in the June 30, 2014 audit.

Prior Year Recommendations

We noted no material weaknesses and reported no significant deficiencies in internal controls in the 2014 audit.

Current Year Recommendations

Our current year recommendations are included in the Schedule of Findings and Responses.



Reno, Nevada
November 25, 2015



SIERRA FIRE PROTECTION DISTRICT

STAFF REPORT

Board Meeting Date: December 15, 2015

CM/ACM _____
Finance VVB
Legal DWV
Risk Mgt. DE
HR N/A

DATE: December 7, 2015
TO: Sierra Fire Protection District Board of Fire Commissioners
FROM: Vicki Van Buren, Fiscal Officer
THROUGH: Charles A. Moore, Fire Chief
Phone: (775) 328-6123 Email: cmoore@tmfpd.us
SUBJECT: Review and acceptance of the Sierra Fire Protection District's Audited Financial Statements for the Fiscal Year ended June 30, 2015. (All Commission Districts)

SUMMARY

Please find attached the Sierra Fire Protection District's financial statements for the fiscal year ended June 30, 2015 which were audited by Eide Bailly LLP. The auditor's opinion of the financial statements is an "unqualified" opinion which means the financial statements present fairly, in all material respects, the respective financial position of the District's governmental activities. The auditors have stated in the report the auditors found the District conformed to all significant statutory constraints on its financial administration during the year and that there were no material weaknesses. The auditors did note two significant deficiencies which include financial statement preparation and internal controls over State distributed revenues. First, due to limited staffing in the administration of the District, it was determined that contracting with Eide Bailly LLP for the preparation of the financial statements and the related statement disclosures provided the best cost benefit to the District. For the future, staffing will continue to be evaluated to determine the needs and best benefits of the District in the preparation of the financial statements. Second, the District is implementing a quarterly review and reconciliation of the State distributed revenues to ensure that the revenues are received and recorded in the proper period which will ensure this significant deficiency in internal controls will not reoccur. It is recommended the Sierra Fire Protection District Board of Fire Commissioners accept the District's Audited Financial Statements for FY14-15.

Strategic Objective supported by this item: *Sustainability of our financial, social and natural resources.*

PREVIOUS ACTION

None

BACKGROUND

The highlights of the Sierra Fire Protection District's Audited Financial Statements for the Fiscal Year Ended June 30, 2015 are as follows:

General Fund:

The General Fund's fund balance as of June 30, 2015 was \$1,823,049, an increase of \$522,552 or 40% from the prior year. The increase was caused by revenues exceeding expenditures due to one-time capital projects that were not completed. The total fund balance of \$1,823,049 equates to 27.9% or approximately three months' worth of expenditures.

In FY 14-15, the total General Fund expenditures were \$6,531,970 of which \$6,321,924 was payment to the TMFPD for fire administration and operations. The total expenditures were under budget by \$785,927 or by 10.7%.

In FY 14-15, the General Fund revenues and other sources were under budget by \$129,997 or by 1.8%.

Wildland Fire Emergency Fund:

The Wildland Fire Emergency Fund was established to fund the District's emergency and wildland fire liability. As of June 30, 2015, the fund balance was \$755,386. This fund balance was carried forward to FY 15-16 to allow for District funding for the cost of future wildland fires and other emergencies.

Conclusion

The Sierra Fire Protection District is financially sound as of June 30, 2015. The consolidated operations of the District with the Truckee Meadows Fire Protection District has culminated in administrative and operational savings and the District's finances are stable.

FISCAL IMPACT

None

RECOMMENDATION

To accept the Sierra Fire Protection District's Audited Financial Statements for the Fiscal Year ended June 30, 2015.

POSSIBLE MOTION

Should the Board agree with staff's recommendation a possible motion would be:

"I move to accept the Sierra Fire Protection District's Audited Financial Statements for the Fiscal Year ended June 30, 2015."

November 25, 2015

Ms. Marsha Berkbigler, Chairwoman
Board of Fire Commissioners
Sierra Fire Protection District
P.O. Box 11130
Reno, Nevada 89520

We have audited the financial statements of the governmental activities and each major fund of Sierra Fire Protection District for the year ended June 30, 2015. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated September 15, 2015. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Sierra Fire Protection District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2015. We noted no transactions entered into by Sierra Fire Protection District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the District's financial statements were:

Management's estimate of the actuarial accrued liability for other post-employment benefits is based on a third party actuarial valuation. We evaluated the key factors and assumptions used to develop the actuarial accrued liability for postemployment benefits in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

The disclosure of the District's participation in the Washoe County OPEB Trust, as described in Note 6 to the financial statements.

The disclosure of the District's participation in the Interlocal Agreement for Fire Services and Consolidation of the Districts as described in Note 1 to the financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

The following material misstatement detected as a result of audit procedures was corrected by management.

- An adjustment was made to the General Fund for \$23,643 to increase due from other governments and related AB104 revenues.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 25, 2015.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the Management's Discussion and Analysis and Schedule of Funding Progress – Other Postemployment Benefits, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

This information is intended solely for the use of the Board of Fire Commissioners and management of the District and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Edie Sully LLP

Reno, Nevada



Financial Statements
June 30, 2015

Sierra Fire Protection District

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Independent Auditor's Report

To the Honorable Board of Fire Commissioners
Sierra Fire Protection District
Reno, Nevada

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Sierra Fire Protection District (the District) (a component unit of Washoe County, Nevada) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

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 as of June 30, 2015, and the respective changes in financial position and the respective budgetary comparisons for the General Fund and the Wildland Fire Emergency Reserve Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters**Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedule of funding progress on pages 3-9 and 29 respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated November 25, 2015, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Reno, Nevada
November 25, 2015

As management of the Sierra Fire Protection District's (the District) finances, we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2015.

FINANCIAL HIGHLIGHTS

- The assets of the District's governmental activities exceeded its liabilities at the close of the most recent fiscal year by \$4,527,414 which includes \$4,375,046 net investment in capital assets, \$755,386 which is restricted for wildland fire emergencies and (\$603,018) which is the unrestricted net position. Governmental activities includes all funds of the District.
- For fiscal year 2015, the District's Government Wide revenues were \$7,056,525 while the total expenses were \$7,256,206 for a net decrease in Net Position of \$199,681 primarily caused by an increase in the OPEB liability and depreciation expense.
 - As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$2,578,435, an increase of \$407,552 or 19% in comparison with the prior year. This increase was caused by revenues exceeding expenditures due to one-time capital projects that were not completed.
 - On April 1, 2012, the Truckee Meadows Fire Protection District took over the administration and operations of the Sierra Fire Protection District through an Interlocal Agreement. The Sierra Fire Protection District paid the Truckee Meadows Fire Protection District \$6,321,924 for this service in fiscal year 2015.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

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

The statement of net position presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. Total assets of the District at June 30, 2015 were \$7,001,901 with capital assets, net of accumulated depreciation, accounting for \$4,375,046 of that total. Of the total liabilities of \$2,474,487 approximately 99.9% represent liabilities related to long-term liabilities of the District. Total net position decreased by \$199,681 primarily due to the increase in OPEB liability and depreciation expense.

The statement of activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave). Total revenues for the year ended June 30, 2015 were \$7,056,525 consisting primarily of property taxes and intergovernmental revenues while total expenses were \$7,256,206. This resulted in a decrease in net position of \$199,681.

Both of the government-wide financial statements show the public safety function of the District, which is principally supported by taxes and intergovernmental revenues (governmental activities). All governmental activities of the District are included in the public safety function since the District is a single-purpose entity.

The government-wide financial statements can be found on pages 10 and 11 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District fall into the governmental funds category, except for the proprietary fund.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains two individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund and the Wildland Fire Emergency Reserve Fund, both of which are considered to be major funds.

The District adopts an annual appropriated budget for each of its funds. A budgetary comparison statement has been provided for each fund to demonstrate compliance with the budget. The governmental fund financial statements, the reconciliations to the government-wide financial statements, and budgetary comparisons can be found on pages 12-17 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 18-28 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position.

Sierra Fire Protection District's Net Position

	Governmental Activities	
	2015	2014
Current and other assets	\$2,626,855	\$2,283,605
Capital assets	<u>4,375,046</u>	<u>4,651,558</u>
Total Assets	<u>\$7,001,901</u>	<u>\$6,935,163</u>
Other liabilities	288	66,593
Long-term liabilities	<u>2,474,199</u>	<u>2,141,475</u>
Total Liabilities	<u>2,474,487</u>	<u>2,208,068</u>
Net Position:		
Net investment in capital assets	4,375,046	4,651,558
Restricted	755,386	870,386
Unrestricted	<u>(603,018)</u>	<u>(794,849)</u>
Total Net Position	<u>\$4,527,414</u>	<u>\$4,727,095</u>

The assets of the District's governmental activities exceeded its liabilities at the close of the most recent fiscal year by \$4,527,414. The net position includes the District's net investment in capital assets (e.g., vehicles and equipment). There was no debt related to capital assets outstanding at June 30, 2015. The net investment in capital assets as of June 30, 2015, was \$4,375,046 a decrease of \$276,512 from the prior year primarily due to the depreciation of capital assets. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

An additional portion of the District's net position (16.7%) represents resources for wildland fire emergencies that is subject to external restrictions on how it may be used. The remaining balance of unrestricted net position was (\$603,018).

At the end of the fiscal year, the District is able to report positive balances in two of the three categories of net position. The negative unrestricted net position is caused by the District's OPEB Liability.

Sierra Fire Protection District's Changes in Net Position

	<u>2015</u>	<u>2014</u>
Revenues:		
Program revenues:		
Capital grants and contributions	\$ -	\$ 206,043
General revenues:		
Property taxes	5,053,035	4,830,504
Consolidated taxes	1,305,581	1,207,498
Other taxes	273,556	248,213
Reimbursements	383,620	988,826
Unrestricted investment earnings	24,574	32,973
Other	16,159	55,299
Total revenues	7,056,525	7,569,356
Expenses:		
Public safety	7,256,206	8,686,631
Change in net position	(199,681)	(1,117,275)
Net position, July 1	4,727,095	5,844,370
Net position, July 30	\$4,527,414	\$4,727,095

Total Revenues. The District's total revenues decreased by \$512,831, or 7% primarily due to the receipt of a one-time payment by the Truckee Meadows Fire Protection District (TMFPD) in Fiscal Year 2014 to reimburse the District for their portion of the FY 12-13 budget savings and the construction of the Arrowcreek Fire Station.

Total Expenses. The District's total expenses decreased by \$1,430,425 due to two one-time expenses in Fiscal Year 2014 which were an increase in expenses for the OPEB liability and a \$750,000 one-time payment to the TMFPD for the District's portion of the construction of the Mogul Fire Station.

Net Position. The District's total net position decreased by \$199,681 during the fiscal year ended June 30, 2015. This decrease was primarily caused by the increase in the OPEB liability and depreciation expense.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

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

As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$2,578,435, an increase of \$407,552 or 19% in comparison with the prior year. This increase was caused by revenues exceeding expenditures due to one-time capital projects that were not completed. The District's combined governmental fund balances consist of the fund balances of the General Fund and the Wildland Fire Emergency Reserve Fund. Approximately 52% of the total amount of ending fund balances is unassigned fund balances.

The General Fund is the chief operating fund of the District. For the fiscal year ended June 30, 2015, the fund balance for the General Fund was \$1,823,049, an increase of \$522,552 or 40% from the prior year. The increase was caused by one-time capital projects that were not completed. The total fund balance included \$486,555 in assigned fund balance and \$1,336,494 for unassigned fund balance.

As a measure of the General Fund's liquidity, it may be useful to compare the June 30, 2015 fund balance of \$1,823,049 to fund expenditures. This fund balance represents 27.9% of total General Fund expenditures. This represents approximately 3 months' worth of expenditures. This fund balance will give the District's General Fund the required cash flow to help meet its operational obligations in the upcoming year.

The Wildland Fire Emergency Reserve Fund (NRS 474.200) fund balance is due to the District's accumulation of financial resources to fund the cost of suppressing future large unforeseen wildland fires. This reserve provides additional financial stability to the District. At June 30, 2015, the fund balance of the Wildland Fire Emergency Reserve Fund was \$755,386.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets. The District's net investment in capital assets as of June 30, 2015, amounts to \$4,375,046 (net of accumulated depreciation). This net investment in capital assets includes fire stations, vehicles and equipment. For more information see Note 4.

Long-term debt. At the end of the fiscal year, the District had no bonded debt outstanding.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

- Nevada's local governments rely heavily on sales tax as a primary revenue source. Washoe County's taxable sales reflect the current recovery of the U.S. and Nevada economy and compares favorably to Statewide and Clark County for fiscal year 2015 as demonstrated below.

Percentage Increase (Decrease) in Taxable Sales Over Prior Year

Entity	Fiscal Year			
	2012	2013	2014	2015
Statewide	7.6%	5.2%	4.9%	7.1%
Clark County	7.0%	4.8%	7.6%	6.3%
Washoe County	4.5%	5.5%	9.4%	12.2%

- Washoe County's taxable gaming revenues showed some growth with a 2.72% increase in fiscal year 2015 over the prior year which demonstrates the nation's modest economic recovery while California gaming continues to affect the local gaming industry. Clark County saw a 2.2% decrease over the prior year and the State of Nevada saw a 1.58% decrease, or relatively flat. The taxable gaming revenue trend reflects the modest national and statewide economic recovery.
- The June 2015 unemployment rate in Washoe County was 6.4% which compares favorably to the June 2014 unemployment rate of 7.3%. Washoe County's June 2015 unemployment rate of 6.4% is somewhat more favorable than the Clark County unemployment rate of 7.0%. The statewide unemployment rate was 6.9% at June 30, 2015 which compares favorably to the 7.8% statewide unemployment rate at June 30, 2014.
- Over the past five years, the SFPD assessed value has declined from \$1,353,863,078 in fiscal year 2009 to \$989,532,997 in fiscal year 2015, or by 27%. This is a significant decline and was caused primarily by the high unemployment and high number of foreclosures in Washoe County, however, the trend was more favorable in 2015. Washoe County's foreclosure rate in August, 2015 was .10% compared to August, 2014 which was .12%, while the Nevada foreclosure rate was .18% and the national foreclosure rate was .08%. The decline of assessed value created a loss of property tax revenues from \$5,785,115 in fiscal year 2009 to \$5,053,035 in fiscal year 2015 for a \$732,080 or 13% decrease in annual on-going property tax revenues. For fiscal year 2016, the District experienced an increase in its assessed value caused by an increase in the property values and a lower number of foreclosures in Washoe County.

These factors were considered in preparing the District's budget for the 2016 fiscal year.

REQUESTS FOR INFORMATION

The financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Truckee Meadows/Sierra Fire Protection District, 1001 East Ninth Street, Reno, Nevada 89512.

Sierra Fire Protection District
Statement of Net Position
June 30, 2015

	Governmental Activities
Assets	
Cash and investments	\$ 2,213,554
Taxes receivable	56,295
Due from other governments	350,699
Interest receivable	6,307
Capital assets, not being depreciated	162,585
Capital assets, net of accumulated depreciation	<u>4,212,461</u>
Total assets	<u>7,001,901</u>
Liabilities	
Accounts payable	288
Noncurrent liabilities	
Other postemployment benefits	<u>2,474,199</u>
Total liabilities	<u>2,474,487</u>
Net Position	
Net investment in capital assets	4,375,046
Restricted for	
Wildland fire emergencies	755,386
Unrestricted	<u>(603,018)</u>
Total net position	<u>\$ 4,527,414</u>

Sierra Fire Protection District
Statement of Activities
Year Ended June 30, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for	Capital	Operating	Revenue and
		Services	Grants and	Grants and	Changes in
			Contributions	Contributions	Net Position
					Governmental
					Activities
Governmental activities					
Public safety	<u>\$ 7,256,206</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (7,256,206)</u>
General Revenues					
Ad valorem taxes					5,053,035
Consolidated taxes					1,305,581
SCCRT-AB 104					273,556
Real property transfer tax-AB 104					15,639
Licenses and permits					520
Interlocal reimbursements					383,620
Unrestricted investment earnings					<u>24,574</u>
Total general revenues					<u>7,056,525</u>
Change in Net Position					(199,681)
Net Position, Beginning of Year					<u>4,727,095</u>
Net Position, End of Year					<u>\$ 4,527,414</u>

Sierra Fire Protection District
Balance Sheet – Governmental Funds
June 30, 2015

	General Fund	Wildland Fire Emergency Reserve Fund	Total Governmental Funds
Assets			
Cash and investments	\$ 1,458,168	\$ 755,386	\$ 2,213,554
Taxes receivable	56,295	-	56,295
Due from other governments	350,699	-	350,699
Interest receivable	6,307	-	6,307
Total assets	<u>\$ 1,871,469</u>	<u>\$ 755,386</u>	<u>\$ 2,626,855</u>
Liabilities			
Accounts payable	\$ 288	\$ -	\$ 288
Deferred Inflows of Resources			
Unavailable revenue - property taxes	48,132	-	48,132
Fund Balances			
Restricted	-	755,386	755,386
Assigned	486,555	-	486,555
Unassigned	1,336,494	-	1,336,494
	<u>1,823,049</u>	<u>755,386</u>	<u>2,578,435</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,871,469</u>	<u>\$ 755,386</u>	<u>\$ 2,626,855</u>

Sierra Fire Protection District
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2015

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

Total fund balances - total government funds	\$ 2,578,435
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Capital assets used in governmental activities are not financial resources and, therefore are not reported in the funds.

Governmental capital assets	6,395,206	
Less accumulated depreciation	<u>(2,020,160)</u>	
		4,375,046

Deferred inflows of resources are not available to fund current-period expenditures and, therefore, are not reported as revenue in the funds.	48,132
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Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

Other postemployment benefits	<u>(2,474,199)</u>
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Net position of governmental activities	<u><u>\$ 4,527,414</u></u>
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Sierra Fire Protection District
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds
Year Ended June 30, 2015

	General Fund	Wildland Fire Emergency Reserve Fund	Total Governmental Funds
Revenues			
Taxes	\$ 5,051,032	\$ -	\$ 5,051,032
Licenses and permits	520	-	520
Intergovernmental	1,978,396	-	1,978,396
Miscellaneous	24,574	-	24,574
Total revenues	<u>7,054,522</u>	<u>-</u>	<u>7,054,522</u>
Expenditures			
Current			
Public safety	<u>6,531,970</u>	<u>115,000</u>	<u>6,646,970</u>
Net Change in Fund Balances	<u>522,552</u>	<u>(115,000)</u>	<u>407,552</u>
Fund Balances, Beginning of Year	<u>1,300,497</u>	<u>870,386</u>	<u>2,170,883</u>
Fund Balances, End of Year	<u><u>\$ 1,823,049</u></u>	<u><u>\$ 755,386</u></u>	<u><u>\$ 2,578,435</u></u>

Sierra Fire Protection District
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental
Funds to the Statement of Activities
June 30, 2015

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

Net change in fund balances - total governmental funds	\$ 407,552
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over the estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.	(276,512)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.	
Change in deferred inflows of resources	2,003
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Change in postemployment benefits	<u>(332,724)</u>
Change in net position of governmental activities	<u><u>\$ (199,681)</u></u>

Sierra Fire Protection District
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual –
General Fund
Year Ended June 30, 2015

	2015 Budgeted Amounts		2015	
	Original	Final	Actual	Variance with Final Budget
Revenues				
Taxes				
Ad valorem, general	\$ 4,950,025	\$ 4,950,025	\$ 4,994,429	\$ 44,404
Ad valorem, AB 104	57,190	57,190	56,603	(587)
Licenses and permits				
Gaming, AB 104	2,500	2,500	520	(1,980)
Intergovernmental				
Consolidated taxes	1,231,880	1,231,880	1,305,581	73,701
Real property transfer tax, AB 104	9,500	9,500	15,639	6,139
Supplemental city/county relief tax, AB 104	252,424	252,424	273,556	21,132
Interlocal agreement, fire suppression	642,000	642,000	383,620	(258,380)
Miscellaneous				
Investment earnings	24,000	24,000	30,489	6,489
Net decrease in the fair value of investments	-	-	(5,915)	(5,915)
Reimbursements	15,000	15,000	-	(15,000)
Total revenues	<u>7,184,519</u>	<u>7,184,519</u>	<u>7,054,522</u>	<u>(129,997)</u>
Expenditures				
Public safety function				
Fire				
Services and supplies	6,692,002	6,692,002	6,484,760	207,242
Capital outlay	625,895	625,895	47,210	578,685
Total expenditures	<u>7,317,897</u>	<u>7,317,897</u>	<u>6,531,970</u>	<u>785,927</u>
Net Change in Fund Balance	(133,378)	(133,378)	522,552	655,930
Fund Balance, Beginning of Year	<u>1,199,899</u>	<u>1,199,899</u>	<u>1,300,497</u>	<u>100,598</u>
Fund Balance, End of Year	<u>\$ 1,066,521</u>	<u>\$ 1,066,521</u>	<u>\$ 1,823,049</u>	<u>\$ 756,528</u>

Sierra Fire Protection District
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual –
Wildland Fire Emergency Reserve Fund
Year Ended June 30, 2015

	2015 Budgeted Amounts		2015	
	Original	Final	Actual	Variance with Final Budget
Expenditures				
Public safety function				
Fire				
Services and supplies	\$ 730,000	\$ 730,000	\$ 115,000	\$ 615,000
Net Change in Fund Balances	(730,000)	(730,000)	(115,000)	615,000
Fund Balance, Beginning of Year	837,865	837,865	870,386	32,521
Fund Balance, End of Year	<u>\$ 107,865</u>	<u>\$ 107,865</u>	<u>\$ 755,386</u>	<u>\$ 647,521</u>

Note 1 - Summary of Significant Accounting Policies

Reporting Entity

Sierra Fire Protection District (the "District") is a municipality of the State of Nevada located in Washoe County, Nevada. The District is governed by the Board of Fire Commissioners. The Washoe County Board of County Commissioners functions as the Board of Fire Commissioners of the District.

The District became a component unit of Washoe County (the "County") effective July 1, 2006. At that time, expenditure responsibility was transferred under an interlocal agreement from the State of Nevada to the new Sierra Fire Protection District under the governance of the Washoe County Commissioners acting as the Sierra Fire Protection District Board of Directors. Although the District is a legally separate organization, the County was financially accountable, as defined in governmental accounting standards generally accepted in the United States of America, for Sierra Fire Protection District. Financial accountability was determined primarily by the Board of County Commissioners' participation as the governing body of the District. As of July 1, 2012, the County has no financial benefit or burden relationship with the District and, as such, the District has been reclassified from a blended component unit to a discretely presented component unit.

As of July 1, 2008, the District was reorganized from an NRS 473 Fire Protection District to an NRS 474 County Fire Protection District, thereby creating a new government. An NRS 473 Fire District is designed for wildland protection through the management of the State of Nevada while an NRS 474 Fire District is a local government with authority for ad valorem tax collection under the management of the District's Fire Chief and the Board of Fire Commissioners.

As of April 1, 2012, an Interlocal Agreement for Fire Services and Consolidation (Agreement) became effective for the District and the Truckee Meadows Fire Protection District. Under the Agreement, the two Fire Districts consolidated fire department administration and operations, although the two Fire Districts remain legally separate governmental entities. The major points of the Agreement in effect as of April 1, 2012 are listed below:

- The District will continue to levy taxes and make equal monthly installments to the Truckee Meadows Fire Protection District to fund its portion of the Consolidated Budget.
- All District employees became employees of the Truckee Meadows Fire Protection District. All sick leave and vacation hours accrued by the District at the time of transfer to the Truckee Meadows Fire Protection District transferred with District employees. Health insurance and workers' compensation benefits are paid by the District through the Consolidated Budget.
- The District retained its interest in and ownership of real property, with the Truckee Meadows Fire Protection District maintaining such property. The District has retained ownership of equipment and rolling stock. All real and personal property are insured by the District. The cost of replacement of such property is the District's responsibility. The Truckee Meadows Fire Protection District has assumed normal maintenance and repair of such items.
- The Truckee Meadows Fire Protection District provides comprehensive general liability insurance for all claims arising out of acts or omissions of personnel; the District continues coverage for the actions of the District Board of Fire Commissioners.
- Dispatch services are provided to both Fire Districts by the Washoe County Sheriff's Department.
- Other costs paid by the District include debt service, independent contractors hired by the District, actuarial studies, annual audits, retiree health costs, wildland fire emergency expenditures and any other costs needed to sustain a local government.

Government-Wide and Fund Financial Statements

The government-wide financial statements (Statement of Net Position and the Statement of Activities) report information about the activities of the District. The effect of interfund activity has been removed from these statements.

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

The fund financial statements provide information about the funds of the District. The two major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also report deferred inflows of resources in connection with resources that have been received, but not yet earned. Expenditures generally are recorded when the related liabilities are incurred, as under accrual accounting. However, expenditures related to other postemployment benefits are recorded only when payment is due.

The District initially utilizes restricted resources to finance qualifying activities prior to unrestricted resources, which are utilized as they are needed.

Property taxes, licenses and permits, intergovernmental revenues, and interest earnings associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following major governmental funds:

The General Fund is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.

The Wildland Fire Emergency Reserve Fund, a special revenue fund, was created pursuant to Nevada Revised Statutes to account for the cost of unforeseen large wildland fire emergencies. Board committed property taxes and fire reimbursements from other governmental agencies qualify this fund for reporting as a special revenue fund.

Budgets and Budgetary Accounting

Sierra Fire Protection District adheres to the Local Government Budget and Finance Act incorporated within the statutes of the State of Nevada, which include the following major procedures to establish the budgetary data, which is reflected in these financial statements:

1. On or before April 15, the Board of Fire Commissioners files a tentative budget with the Nevada Department of Taxation for all funds.
2. Public hearings on the tentative budget are held on the third Monday in May in conjunction with Washoe County's budget hearing.
3. Prior to June 1, at a public hearing, the Board indicates changes, if any, to be made to the tentative budget and adopts a final budget by the favorable vote of a majority of the members of the Board. The final budget must then be forwarded to the Nevada Department of Taxation for compliance with laws and regulations. In any year in which legislative action, which was not anticipated, affects the local government's final budget, the Board may file an amended final budget within 30 days of adjournment of the legislative session.
4. Formal budgetary integration in the financial records of all funds is employed to enhance management control during the year. Unencumbered appropriations lapse at the end of the year.
5. Budgets for all funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America.
6. Pursuant to Nevada Revised Statute 354.598005 the person designated to administer the budget may transfer appropriations within any function. Budget amounts between functions within a fund may be transferred if the governing body is advised of the action at the next regular meeting and the action is recorded in the official minutes of the meeting. Transfer of appropriations between funds or from the contingency account or budget augmentations in excess of original budgetary amounts may not be made without prior approval of the Board of Fire Commissioners, following a scheduled and noticed public hearing, as necessary.
7. In accordance with state statute, actual expenditures generally may not exceed budgetary appropriations of the public safety function of the General Fund and Special Revenue Fund.

Cash Deposited and Invested with Washoe County Treasurer

The majority of all cash transactions of the District are handled by the Washoe County Treasurer's office. Cash balances are combined and, to the extent practicable, invested as permitted by law in combination with Washoe County funds.

Taxes Receivable

Real property taxes receivable reflect only those taxes receivable from the delinquent roll years. Delinquent taxes from all roll years prior to 2013-2014 have been written off. No provision for uncollectible accounts has been established since management does not anticipate any material collection loss in respect to the remaining balances.

Personal property taxes receivable reflect only those taxes management believes to be collectible.

Amounts not collected within 60 days after year-end have been recorded as deferred inflows of resources at the government fund level.

Receivables

Management does not anticipate any material collection losses in respect to the receivable balances.

Capital Assets

Capital assets, which include land, land improvements, buildings and building improvements, and vehicles and equipment, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of \$10,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

Property, plant, and equipment of the District are depreciated using the straight line method over the following estimated useful lives:

Land improvements	20 years
Building and building improvements	20-40 years
Vehicles and equipment	3-15 years

Deferred Inflows of Resources

In addition to liabilities, the Governmental Funds Balance Sheet may report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents and acquisition of fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District recognizes deferred inflows of resources as it relates to property taxes.

Fund Equity

In the government-wide financial statements, equity is classified as Net Position and displayed in three components:

Net investment in capital assets – consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets, if any.

Restricted net position – consists of net position with constraints placed on its use either by (1) external groups such as creditors, contributors, or laws or regulations; (2) law through constitutional provisions or enabling legislation.

Unrestricted net position – all other net position that does not meet the definition of restricted or net investment in capital assets.

In the governmental fund financial statements, fund balances are classified based primarily on the extent to which the District is bound to observe constraints imposed on the use of resources in the fund. The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form. The restricted fund balance occurs when constraints are placed on the use of resources externally (such as through debt covenants or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation). For the District, the restricted fund balance consists of assets restricted by Nevada Revised Statutes for emergency resources. The assigned fund balance includes amounts that are constrained by the District's intent to be used for specific purposes and consists of the District's encumbrances as approved by the Board of Fire Commissioners and the amount of fund balance to be expended in the ensuing fiscal year as approved by the Board of Fire Commissioners. The remaining fund balance is shown as unassigned. When expenditures are incurred for purposes for which amounts in any unrestricted fund balance classifications could be used, committed funds are to be spent first, assigned funds second, and unassigned funds last.

Property Taxes

All real property in the District is assigned a parcel number in accordance with state law, with each parcel being subject to physical reappraisal every five years. A factoring system is used to adjust the appraised value during the years between physical appraisals. The valuation of the property and its improvements is being assessed at 35 percent of "taxable value" as defined by statute. The amount of tax levied is determined by multiplying the assessed value by the tax rate applicable to the area in which the property is located. The maximum tax rate was established in the State Constitution at \$5 per \$100 of assessed valuation; however, as a result of the legislative action the tax rate was further limited to \$3.64 per \$100 of assessed valuation except in cases of severe financial emergency as defined in NRS 354.705 or as a result of the State of Nevada rate.

Taxes on real property are a lien on the property and attach on July 1 of the year for which the taxes are levied.

Taxes may be paid in four installments payable on the third Monday in August, and the first Mondays in October, January, and March, to the Treasurer of Washoe County. Penalties are assessed if a taxpayer fails to pay an installment within ten days of the installment due date. After a two-year waiting period, if taxes remain unpaid, a tax deed is issued conveying the property to the County with a lien for back taxes and accumulated charges. Redemption may be made by the owner and such persons as described by statute by paying all back taxes and accumulated penalties, interest, and costs before sale.

Taxes on personal property are collected currently. Personal property declarations are mailed out annually and the tax is computed using percentages of taxable values established by the Department of Taxation and tax rates described above.

The major classifications of personal property are commercial and mobile homes. In Washoe County, taxes on motor vehicles are collected by a State agency and remitted to the local governments in the County as part of the Consolidated Tax distribution.

Reconciliation of Government-Wide and Fund Financial Statements

The governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances includes a reconciliation between *net change in fund balances – total governmental funds* and *change in net position - governmental activities* as reported in the government-wide Statement of Activities. One element of that reconciliation explains "Governmental Funds report capital outlays as expenditures while the Statement of Activities allocates the cost of those assets over their estimated useful lives and reports depreciation expense." The details of the \$276,512 difference are as follows:

Capital outlay	\$ 47,210
Less amounts not capitalized	(5,625)
Less depreciation expense	<u>(318,097)</u>
Net adjustment to decrease net change in fund balances - governmental funds to arrive at change in net position - governmental activities	<u><u>\$ (276,512)</u></u>

Note 2 - Compliance with Nevada Revised Statutes and the Nevada Administrative Code

The District conformed to all significant statutory and administrative code constraints on its financial administration during the year.

Note 3 - Cash and Investments

Pooled Investments

The District participates in the Washoe County Investment Pool (WCIP). The Washoe County Board of County Commissioners administers and is responsible for the WCIP in accordance with NRS 355.175. The investment pool is not registered with the SEC as an investment company. Public Financial Management, LLC determines the fair value of the investment pool monthly. Washoe County has not provided or obtained any legally binding guarantees during the audit period to support these values. Each participant's share is equal to their investment plus or minus their pro-rata portion of monthly interest income and realized and unrealized gains/losses. The District's investment in the external investment pool at June 30, 2015 was \$2,213,554.

Of the investments as of June 30, 2015, 50.9% are in U.S. Government and Agency securities including U.S. Treasuries and debt issued by Federal Home Loan Bank, Federal National Mortgage Associate, and Federal Home Loan Mortgage Corporation. Approximately 17.0% of pooled investments are held in short and long-term corporate notes. Of pooled investments, 19.4% consist of certificates of deposit, money market mutual funds and collateralized mortgage obligations. The remaining 12.7% is held as cash within the pool. At June 30, 2015, the funds of the District in the Washoe County investment pool were approximately 0.5% of the pool's total balance.

Credit Risk

Fixed income securities are subject to credit risk. Credit risk refers to the risk that a borrower will default on debt by failing to make required payments. The District does not hold any such investments directly, but participates in the WCIP. The WCIP is unrated by recognized statistical rating agencies.

Custodial Credit Risk

Custodial credit risk is the risk that an entity's deposits, which are in the possession of an outside party, will not be returned to the entity if the counterparty fails. The District is a participant in the WCIP. Balances in the WCIP are covered by one or more of the following: Federal depository insurance, the Securities Investor Protection Corporation, collateral held by the District's agent in the District's name, or by collateral held by depositories in the name of the Nevada Collateral Pool, and the balances are not exposed to custodial credit risk.

Note 4 - Capital Assets

Capital asset activity for the year ended June 30, 2015 was as follows:

Governmental Activities

	Balance July 1, 2014	Increases	Decreases	Balance June 30, 2015
Capital assets, not being depreciated				
Land	\$ 121,000	\$ -	\$ -	\$ 121,000
Construction in progress	-	41,585	-	41,585
Total capital assets, not being depreciated	121,000	41,585	-	162,585
Capital assets, being depreciated				
Land improvements	24,105	-	-	24,105
Buildings and building improvements	2,901,259	-	-	2,901,259
Vehicles and equipment	3,307,257	-	-	3,307,257
Total capital assets, being depreciated	6,232,621	-	-	6,232,621
Less accumulated depreciation for				
Land improvements	(7,612)	(1,269)	-	(8,881)
Buildings and building improvements	(232,149)	(79,946)	-	(312,095)
Vehicles and equipment	(1,462,302)	(236,882)	-	(1,699,184)
Total accumulated depreciation	(1,702,063)	(318,097)	-	(2,020,160)
Total capital assets, being depreciated, net	4,530,558	(318,097)	-	4,212,461
Governmental activities capital assets, net	\$ 4,651,558	\$ (276,512)	\$ -	\$ 4,375,046

The increase in accumulated depreciation includes depreciation expense of \$318,097 charged to the public safety function.

Note 5 - Postemployment Health Care Benefits

Plan Description

The District provides health insurance benefits to eligible retired employees who transferred from State service on July 1, 2006 or transferred from District service to the Truckee Meadows Fire Protection District in fiscal year 2011-2012. As of April 1, 2012, all District employees transferred to the Truckee Meadows Fire Protection District under the terms of an Interlocal Agreement for Fire Services and Consolidation between the two Districts. The health insurance benefits are through the Truckee Meadows Fire Protection District Retiree Group Medical Plan, however, the liability for the payment for these retiree health benefits is retained by each District. The plan is a single-employer defined benefit other postemployment benefit (OPEB) plan. As of June 30, 2015, there were five employees participating in the plan who retired from the District. The District pays pre-funding of the service costs or other associated costs of the future obligation of health benefits to retiring District employees. As of July 1, 2010, the Plan is administered through an irrevocable trust, Washoe County, Nevada OPEB Trust (Trust) established on May 11, 2010 by the Board of Washoe County Commissioners. The Trust, a multiple employer trust, was created to fund and account for the participating employers' costs of retiree healthcare benefits pursuant to Nevada Revised Statutes 287.017. The District is a participating employer in the Trust. Complete financial statements of the OPEB plans and the trust fund may be obtained by writing to: OPEB Trust, c/o Washoe County Comptroller's Office, P.O. Box 11130, Reno, Nevada 89520.

Eligibility

In accordance with Nevada Revised Statutes, the Board of Fire Commissioners for the Sierra Fire Protection District (District) entered into an agreement between the District and the Sierra Firefighters Association for retiree health insurance. This employee agreement was assumed by the Truckee Meadows Fire Protection District as of April 1, 2012, however, the payment of the monthly benefits continue to be paid from the District's portion of the OPEB Trust. Eligible employees who retire from District employment and receive monthly payments under the Public Employees Retirement System (PERS) of Nevada are allowed coverage in the District's health benefit programs. Health benefits include medical, vision, dental and prescription coverage. The District pays 50% of the cost of health premiums of retirees who transferred to the District as of July 1, 2006 or from the District to the Truckee Meadows Fire Protection District in FY 11-12 and retire directly from the Districts with 10 or more years of combined service with the Nevada Division of Forestry or the Districts. Retirees are responsible for the remaining 50% of the health premiums and 100% of the cost of coverage for their spouses or families. Eligibility requirements, benefit levels, employee contributions, and employer contributions may be amended by the mutual agreement of the Truckee Meadows Fire Protection District and the Fire Fighters Association, I.A.F.F. Local 3895.

Funding Policy and Annual OPEB Cost

The amount of annual contributions each year is established through the annual budget process by the District's Board of Fire Commissioners and may be amended through negotiations with the respective employee association. The required contributions are based on projected pay-as-you-go financing requirements, with an additional amount, generally equal to the normal cost, to prefund benefits.

The annual OPEB cost, percentage of OPEB cost contributed to the Trust, and the Net OPEB obligation at June 30, 2015 and for each of the two preceding years is as follows:

Fiscal Year Ended June 30,	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2013	\$ 337,359	\$ -	0.00%	\$ 1,169,540
2014	1,516,804	544,869	35.92%	2,141,475
2015	332,724	-	0.00%	2,474,199

The net OPEB obligation as of June 30, 2015 was calculated as follows:

Determination of Annual Required Contribution:

Normal cost	\$ 139,139
Amortization of Unfunded Actuarial Accrued Liability (UAAL)	248,674
	<u>387,813</u>
Annual Required Contribution (ARC)	<u>\$ 387,813</u>

Determination of Net OPEB Obligation:

Annual Required Contribution	\$ 387,813
Interest on prior year net OPEB obligation	149,903
Adjustment to ARC	(204,992)
	<u>332,724</u>

Annual OPEB Cost	332,724
Retiree benefit plan costs paid by district	-
District contributions made to OPEB Trust	<u>-</u>

Change in Net OPEB Obligation	332,724
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Net OPEB Obligation, Beginning of Year	<u>2,141,475</u>
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Net OPEB Obligation, End of Year	<u>\$ 2,474,199</u>
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The funded status as of the most recent actuarial valuation was as follows:

Actuarial valuation date	July 1, 2014
Accrued actuarial liability (a)	\$ 3,662,758
Actuarial value of plan assets (b)	1,234,898
	<hr/>
Unfunded actuarial accrued liability (a-b)	\$ 2,427,860
	<hr/>
Funded ratio (b/a)	33.71%
Covered payroll* (active plan members) (c)	\$ 3,303,999
Unfunded actuarial accrued liability as a percentage of covered payroll [(a - b)/c]	73.48%

*The covered payroll for active plan members for the District's retiree group medical plan reported above represents the salaries and wages of former District employees transferred to the Truckee Meadows Fire Protection District per the Interlocal Agreement which the Sierra Fire Protection District retained retiree health liability.

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

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. 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.

An actuarial valuation of retiree health and life benefits was completed as of July 1, 2014, using the Projected Unit Credit Method. Significant actuarial assumptions used were a 7.00% effective annual discount rate and an initial 7.75% health cost trend for non-Medicare and 7.50% for Medicare. The non-Medicare health cost trend assumes a staggered decline before an ultimate trend rate of 4.50% for 2070 and beyond. The Medicare health cost trend assumes a staggered decline before an ultimate trend rate of 4.50% for 2099 and beyond. The actuarial assumptions also assume that Medicare will be the primary coverage once the retiree reaches the age of 65. The Actuarial Accrued Liability (AAL) is the actuarial present value of benefits attributed to employee service rendered prior to the valuation date. The AAL equals the present value of benefits multiplied by a fraction equal to service date over service at expected retirement. The Normal Cost is the actuarial present value of benefits attributed to one year of service. This equals the present value of benefits divided by service at expected retirement. The plan's unfunded actuarial accrued liability is being amortized as a level dollar amount over a 17 year closed amortization period.

Note 6 - Risk Management

The District is exposed, as are all entities, to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. Property and liability is fully insured with the Nevada Public Agency Insurance Pool (NPAIP) with a \$5,000 deductible. The Pool is considered a self-sustaining risk pool that provides coverage for its members up to \$10 million per event. Property, crime and equipment breakdown coverage is provided to its members up to \$300,000,000 per loss with various sub-limits established for earthquake, flood, equipment breakdown, and money and securities.

Note 7 - Related Party Transactions

As more fully described in Note 1, the District has an interlocal agreement with the Truckee Meadows Fire Protection District to consolidate the operations of the two fire districts, which will occur on July 1, 2016. The District paid the Truckee Meadows Fire Protection District \$6,321,924 during the year ended June 30, 2015 in accordance with the terms of the interlocal agreement. In addition, the District received \$383,620 from the Truckee Meadows Fire Protection District during the year ended June 30, 2015 for operational savings related to the prior year in accordance with the interlocal agreement.

Sierra Fire Protection District
Schedule of Funding Progress – Other Postemployment Benefits
June 30, 2015

Actuarial Valuation Date	Actuarial Accrued Liability (AAL) (a)	Actuarial Value of Plan Assets (b)	Unfunded AAL (UALL) (a-b)	Funded Ratio (b/a)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(a-b)/c]
7/1/2011	\$2,472,793	\$ 530,895	\$ 1,941,898	21.47%	\$3,087,570	62.89%
7/1/2013	11,148,737	585,289	10,563,448	5.25%	3,221,020	327.95%
7/1/2014	3,662,758	1,234,898	2,427,860	33.71%	3,303,999	73.48%

Note 1 – Employer Contributions

The District joined the Washoe County, Nevada OPEB Trust in the fiscal year 2011. Information on employer contributions can be found in the Trust's separately issued OPEB Trust, c/o Washoe County Comptroller's office, PO Box 11130, Reno, NV 89520.

Note 2 – Trend Analysis

The Actuarial Accrued Liability (AAL) decreased by \$7,485,979 since the last valuation due primarily to a change under the current labor agreement, requiring retirees to enroll in Medicare at 65.

**Independent Auditor's Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

To the Honorable Board of Fire Commissioners
Sierra Fire Protection District
Reno, Nevada

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Sierra Fire Protection District (the District) (a component unit of Washoe County, Nevada) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 25, 2015.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as findings 2015-A and 2015-B, that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Sierra Fire Protection District's Response to Findings

The District's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The District's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Reno, Nevada
November 25, 2015

2015-A Financial Statement Preparation
Significant Deficiency

<i>Criteria:</i>	Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. One of the key components of an effective system of internal control over financial reporting is having the capability to prepare full disclosure financial statements.
<i>Condition and Context:</i>	The District does not have an internal control system designed to provide for the preparation of the financial statements and related financial statement disclosures being audited. In conjunction with the completion of our audit, we were requested to draft the financial statements and accompanying notes to those financial statements. Although this circumstance is not unusual for a government the size of Sierra Fire Protection District, the preparation of financial statements as part of the audit engagement may result in financial statements and related information included in financial statement disclosures not being available for management purposes as timely as it would be if prepared by District personnel. In addition, the absence of controls over the preparation of the financial statements and related financial statement disclosures increases the possibility that a misstatement of the financial statements could occur and not be prevented, or detected and corrected, by the District's internal control. It is the responsibility of management and those charged with governance to determine whether to accept the risk associated with this condition because of cost or other considerations.
<i>Effect:</i>	Internally prepared financial information may not be accurate and full disclosure financial statements may not be available as timely as they would be if prepared by District personnel.
<i>Cause:</i>	Due to a shortage of personnel with the ability to prepare full disclosure financial statements, the District has chosen to contract with Eide Bailly LLP to prepare its financial statements and related financial statement disclosures.
<i>Recommendation:</i>	We recommend Sierra Fire Protection District's finance staff obtain training in the preparation of governmental financial statements and related financial statement disclosures in order to gain the knowledge needed to prepare the financial statements and related financial statement disclosures internally.
<i>Management's Response:</i>	Currently, due to limited staffing in the administration of the District, it was determined that contracting with Eide Bailly LLP for the preparation of the financial statements and the related statement disclosures provided the best cost benefit to the District. For the future, staffing will continue to be evaluated to determine the needs and best benefits of the District in the preparation of the financial statements.

**2015-B Revenue Recognition
Significant Deficiency**

<i>Criteria:</i>	Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. An important component of an effective system of internal control over financial reporting includes the identification and proper recording of revenue in accordance with U.S. generally accepted accounting principles (GAAP).
<i>Condition and Context:</i>	During our audit testing, we noted the State's June distribution of AB 104 revenue was not recorded as revenue in fiscal year 2015, as appropriate. The distribution was inappropriately recorded as a fiscal year 2016 revenue.
<i>Effect:</i>	An adjustment of \$23,643 was required to correct the due from other government and related AB 104 revenue balances.
<i>Cause:</i>	Sierra Fire Protection District did not have adequate internal controls in place to ensure State distributed revenues were received and recorded in the proper period.
<i>Recommendation:</i>	We recommend Sierra Fire Protection District enhance internal controls in place to ensure State distributed revenues are received and recorded in the proper period.
<i>Management's Response:</i>	The District agrees that internal controls should be enhanced to ensure that State distributed revenues are received and recorded in the proper period. The District is implementing a quarterly review and reconciliation of the State distributed revenues to ensure that the revenues are received and recorded in the proper period.

Auditor's Comments

To the Honorable Board of Fire Commissioners
Sierra Fire Protection District
Reno, Nevada

In connection with our audit of the financial statements of the governmental activities and each major fund of the Sierra Fire Protection District (the District) as of and for the year ended June 30, 2015, and the related notes to the financial statements, nothing came to our attention that caused us to believe that Sierra Fire Protection District failed to comply with the specific requirements of Nevada Revised Statutes cited below. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the District's noncompliance with the requirements of Nevada Revised Statutes cited below, insofar as they related to accounting matters.

Current Year Statute Compliance

The District conformed to all significant statutory constraints on its financial administration during the year.

Progress on Prior Year Statute Compliance

The District monitored all significant constraints during the year ended June 30, 2015.

Prior Year Recommendations

We noted no material weaknesses and reported no significant deficiencies in internal controls.

Current Year Recommendations

Our current year recommendations are included in the Schedule of Findings and Responses.



Reno, Nevada
November 25, 2015