

## **BOARD OF FIRE COMMISSIONERS**

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

## **FIRE CHIEF**

Charles A. Moore

## **DEPUTY DISTRICT ATTORNEY**

David Watts-Vial



### **Notice of Meeting and Agenda**

## **TRUCKEE MEADOWS FIRE PROTECTION DISTRICT**

**9:00 a.m.**

**Tuesday, December 13, 2016**

**Washoe County Health District Board Room, Bldg. B  
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 Health District Board Room 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. 9<sup>th</sup> Street, Bldg. A), Washoe County Courthouse-District Court Administrator/Clerk of Court (75 Court Street), Washoe County Downtown 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](http://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. 9<sup>th</sup> Street, Bldg. D, 2<sup>nd</sup> 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](http://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.

9:00 am \*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 15 2016 meeting.
- B. Accept a personal monetary donation in the amount of \$900 from Vaughn Hartung in support of the Truckee Meadows Fire Protection District's inaugural firefighter recognition event and to express appreciation for the thoughtful contribution.
- C. Approve a change of the third party administrator for the Districts Health Savings account and flexible Benefit Plan, from Discovery Benefits to American Fidelity for the 2017 Health Benefits Program for District employees.

\*5. Presentation – EMS Advisory Board update presented by Christina Conti

6. Review and acceptance of the Sierra Fire Protection District's Audited Financial Statements for the Fiscal Year ended June 30, 2016.

7. Review and acceptance of the Truckee Meadows Fire Protection District's Audited Financial Statements for the Fiscal Year ended June 30, 2016.

\*8. 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).

\*9. 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.

Adjournment





# TRUCKEE MEADOWS FIRE PROTECTION DISTRICT

## STAFF REPORT

Board Meeting Date: December 13, 2016

Fire Chief *CM*  
Finance *MD*  
Legal *DE*  
Risk Mgt. *RS*  
HR *AW*

**DATE:** November 30, 2016  
**TO:** Truckee Meadows Fire Protection District Board of Fire Commissioners  
**FROM:** Charles A. Moore, Fire Chief  
Phone: (775) 328-6123 Email: [cmoore@tmfpd.us](mailto:cmoore@tmfpd.us)  
**SUBJECT:** Accept a personal monetary donation in the amount of \$900 from Vaughn Hartung in support of the Truckee Meadows Fire Protection District's inaugural firefighter recognition event and to express appreciation for the thoughtful contribution. (All Commission Districts)

### SUMMARY

Accept a personal monetary donation in the amount of \$900 from Vaughn Hartung in support of the Truckee Meadows Fire Protection District's inaugural firefighter recognition event and to express appreciation for the thoughtful contribution.

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

### PREVIOUS ACTION

The Board has accepted monetary donations from citizens for various purposes.

### BACKGROUND

On Friday, November 4, 2016 Truckee Meadows Fire Protection District held a Firefighter Recognition and Appreciation Event. Mr. Hartung desires to donate \$900.00 to pay for gift cards presented to Staff and Volunteers in association with an award.

### FISCAL IMPACT

The monetary donation will be deposited into the Truckee Meadows Fire Protection District account within the operational budget to purchase gift cards.

### RECOMMENDATION

It is recommended that the Board accept a personal monetary donation in the amount of \$900 from Vaughn Hartung in support of the Truckee Meadows Fire Protection District's inaugural firefighter recognition event and to express appreciation for the thoughtful contribution.

### POSSIBLE MOTION

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

*"I move to accept a personal monetary donation in the amount of \$900 from Vaughn Hartung in support of the Truckee Meadows Fire Protection District's inaugural firefighter recognition event and to express appreciation for the thoughtful contribution."*





# TRUCKEE MEADOWS FIRE PROTECTION DISTRICT

## STAFF REPORT

Board Meeting Date: December 13, 2016

Fire Chief *CM*  
Finance *ML*  
Legal *ML*  
Risk Mgt. *ML*  
HR *ML*

**DATE:** November 30, 2016  
**TO:** Truckee Meadows Fire Protection District Board of Fire Commissioners  
**FROM:** Charles A. Moore, Fire Chief  
Telephone: (775) 328-6123, Email: [cmoore@tmfpd.us](mailto:cmoore@tmfpd.us)  
**SUBJECT:** Approve a change of the third party administrator for the Districts Health Savings account and flexible Benefit Plan, from Discovery Benefits to American Fidelity for the 2017 Health Benefits Program for District employees. (All Commission Districts)

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### SUMMARY

Staff is recommending Board of Fire Commissioners approve a change of the third party administrator for a the Districts Health Savings account (HSA) and flexible Benefit Plan (FSA), from Discovery Benefits to American Fidelity for the 2017 Health Benefits Program for District employees.

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

### PREVIOUS ACTION

On November 15, 2016, the Board approved the 2017 Health Benefits Program for District employees, dependents and retirees at an estimated annual cost of \$1,691,633.

### BACKGROUND

Upon completing the account set up with Discovery Benefits, they required an automatic deduction from the Districts Accounts to fund the HSA for our employees. As this is not common practice for the District, an inquiry was made to our Broker, LP Insurance to solicit bids from other third party health benefit administrators with like products and minimal cost increases. Since employees already have some voluntary supplemental benefit plans through American Fidelity and they submitted a proposal at or below the cost of Discovery Benefits, the District is seeking approval to change our HSA and FSA Vendor to American Fidelity.

#### Health Saving Account

The District proposes to change from Discovery Benefits to American Fidelity as the third party administrator for the HSA, and will contribute biannually the Cost difference between the PPO and the HDHP minus any administration fees to a HSA in the employee's name

#### Flexible Benefit Plan (Section 125)

The District proposed to change from Discovery Benefits to American Fidelity as the administrator of the Flexible Benefit Plan providing employees the ability to direct a part of their pay, on a pre-tax basis



into a special account that can be used to reimburse them for dependent day care and/or unreimbursed medical expenses.

**FISCAL IMPACT**

Funding for the Health Benefits Program was approved on November 15, 2016; this change will not incur any additional cost to the District.

**RECOMMENDATION**

It is recommended that the Board of Fire Commissioners approve a change of the third party administrator for the Districts Health Savings account and flexible Benefit Plan, from Discovery Benefits to American Fidelity for the 2017 Health Benefits Program for District employees.

**POSSIBLE MOTION**

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

*“Move to approve a change of the third party administrator for the Districts Health Savings account and flexible Benefit Plan, from Discovery Benefits to American Fidelity for the 2017 Health Benefits Program for District employees.”*



## RESPONSE TO REQUEST FOR PROPOSAL



## TRUCKEE MEADOWS FIRE PROTECTION DISTRICT

Angela Kyle, Nevada State Manager  
775-829-1313  
[angela.kyle@americanfidelity.com](mailto:angela.kyle@americanfidelity.com)

Administered and Managed by:

**American Fidelity**  
**Health Services Administration**  
a different opinion



Marketed by:

**AMERICAN FIDELITY**  
a different opinion





# HEALTH SAVINGS ACCOUNT (HSA)

American Fidelity Health Services Administration, L.L.C. (AFHSA) is proud to be an affiliate of American Fidelity Corporation (AFC). American Fidelity Assurance Company (AFA), also an affiliate of AFC, is a family-owned organization with a 50-year history of providing its customers with sound financial security solutions. AFHSA is proud of our association with AFA, one of the top-rated insurance companies in the nation.

## Why choose American Fidelity Health Services Administration (AFHSA)

AFHSA has been an independent HSA provider since 2005. Our independence means that, unlike other HSA trustees that are integrated with the major medical plan, we give you more flexibility to make changes to your major medical plan insurer or administrator without the need to change HSA providers and affect your employees' HSAs. Additionally, AFHSA gives consumers the opportunity to drive their health care decisions and provide the tools, resources and services valued by those taking advantage of what an HSA has to offer.

Adept in the world of HSAs and their relationship with a High Deductible Health Plan (HDHP), we provide every customer personal attention and a wealth of options to meet individual needs. Easy 24-hour online access and investment opportunities that fit your requirements, we believe makes AFHSA the right choice.

Proud of our association, AFHSA is an affiliate of AFA. A third-generation, family-owned organization, AFA provides insurance products and financial services to education employees, trade association members, and companies throughout the United States and across the globe.

## HSA and Section 125 Plans

An HSA can be offered easily under your existing Section 125 Plan – along with a qualified High Deductible Health Plan (HDHP), making it a great fit for your existing benefit package.

By placing the HSA under your Section 125 Plan, you are allowing your employees to payroll deduct a monthly tax-free contribution. This automatic deduction is typically preferred to depositing amounts directly into the HSA because it is more convenient, the deductions are exempt from employment taxes, and the employee will not have to file for a tax deduction on their annual return.

## Centralized Offering of Basic Account and Investment Options

We offer a central approach where HSA funds are invested in FDIC-insured interest-bearing accounts. The more that an employee saves in the HSA, the more interest earned. For current interest rates visit [www.afhsa.com](http://www.afhsa.com).

In addition, your employees will have access to mutual fund investment offerings that cover a wide range of risk tolerances for balances above the \$2,500 required in their cash accounts. A current listing of funds available can be viewed at [www.afhsa.com](http://www.afhsa.com).



When coupled with your Section 125 Plan, the HSA allows your employees a triple tax advantage:

- Pre-tax contributions
- Tax-free interest accumulation
- Tax-free distributions for qualified medical expenses

## Employee Education

Educating your employees about how an HSA can work for them is important for successful implementation of a high deductible health plan paired with an HSA. Especially when coordinating with the FSA unreimbursed medical, if currently offered, as proper coordination is needed to ensure employees meet the eligibility requirements to contribute to an HSA. We work with you on deciding what avenue is best for your employees. We can provide employee workshops, marketing materials, as well as talking with them via telephone or email. We offer HSA educational information on our website, [www.afhsa.com](http://www.afhsa.com).

## Enrollment

Your AFA Representative will work with you on how to best enroll your employees in the HSA during your open enrollment. This will help ensure the proper coordination with your qualified HDHP and your Health Flexible Spending Account Plan (Health FSA). Your representative will also work with you on how to best enroll any new employee you hire after open enrollment.

## Customer Service

Our experienced staff is available to answer questions that you or your employees may have during business hours (Monday through Friday, 7am – 6pm Central Time). We do not have an automated voice response system because we want to answer your questions personally.

Our team of specialized individuals are dedicated to serving you and your employees. Our team of HSA professionals allows us to provide the best service possible. Our staff is committed to providing:

- **Personal Service** – Your employees can expect to speak with a familiar person when they call, which helps build lasting relationships.
- **Quick Response** – We strive to return emails and phone calls within 24 hours.
- **Advice on All Accounts** – Our staff regularly communicates with each other to know what is going on with our customers. If for some reason the person your employee contacts is unavailable, you can trust that any other team member will be able to help.

AFHSA is dedicated to serving our customers and their investments with the respect they deserve.



## AFHSA WILL PROVIDE

### Account Access

Since the HSA money is the employees' money, accessing those funds should be easy. We offer several ways for them to access their money. They can choose the way that best suits them!

- **Debit Card** – Use the debit card at different vendors, for example a doctor's office or pharmacy, to get immediate access to HSA funds for qualified medical expenses.
- **Online Account** – Distributions can be requested online either before or after an expense has been incurred. Distributions can be received via check by mail or by direct deposit to an account chosen by your employee. Distributions can also be sent directly to doctor's offices, dentist's offices, etc. via our new "pay someone else" feature.
- **Distribution Request Form** –A distribution form can be filled out and printed from our website. Once completed, your employee can either fax or mail the form in to receive a distribution via check.

These three avenues give your employees different options when they are trying to decide when and how to access their HSA funds. Unlike traditional bank accounts, your employees will not need to order and keep track of checks. When they are ready to take a distribution of funds from their accounts, it is quick and easy, just like it should be.

### Billing

Unlike flexible spending accounts, employees can change their HSA contribution amount monthly. To help you with processing your employee's HSA contributions, you can request that a monthly bill is sent to you. You can simply make changes to your employee's contributions on your bill and send to us by email. We will then process your request once received. A new bill with the updated information will be sent to you the following month.

### Secured Website

Our website, [www.afhsa.com](http://www.afhsa.com) offers your employees a quick and easy way to navigate to administrative forms, quick reference guides, as well as allow them access to their secured online accounts.

The website offers different educational items including a slideshow for both you, the employer, and account holders. You can refer your employees to our website to go through the slide show to help them gain an understanding of an HSA.

All account maintenance forms are available on our website in the Forms and Information section. Your employees can utilize this section of the website when they need to conduct a name or address change, a distribution request, or an investment funds transfer.



Online account access offers an array of possibilities. The website's functionality helps your employees get the most out of their HSAs by giving them the following items:

- **Balance Information** – Get year to date balance information, current balance, etc.
- **Distribution Requests** – Request distribution via direct deposit or check. Change direct deposit information.
- **Access 24/7** – Access your account 24 hours a day, 7 days a week.
- **Recent Transactions** – Not only can recent transactions be viewed on the home screen, but all transactions can be viewed on the Account Activity page.
- **Upload Receipts** – Your employees can upload receipts to their online account to avoid possibility of damage or fading.

Our goal is to make HSA administration as easy as possible. We do this by having items that are simple to access right at your fingertips.

## Independence

AFHSA will be your administrator regardless of which medical insurance provider you use. Like many employers, you may change insurance providers every 3 - 4 years. If you coordinate your HSA with your health care provider, you will probably be required to change HSA providers as well. Why change HSA providers when your employees have built up savings?

Changing HSA providers may require educating your employees on a number of things including:

- What to do with their HSA funds
- How to manage two HSAs
- How to transfer funds

Keeping your HSA with AFHSA could avoid additional paperwork and signatures which means less work.



## FEE STRUCTURE

We handle the majority of account administration at no charge to you or your employees. Certain non-routine activities such as manual distributions, stop payment fees, and researching fees may incur an additional fee if applicable. See [www.afhsa.com](http://www.afhsa.com) for a full listing of miscellaneous fees.

- We do not allow accounts to be overdrawn. If the money is not there, the debit card transaction or the distribution request will be declined. With many banks, if the money is not there, the charge will be paid for you but you will also be charged an overdraft fee. Overdraft fees normally are charged on a per item basis, which can add up very quickly. On rare occasions, a vendor might process a force post causing the participant's HSA to have a negative balance. We do not charge a fee for this and work closely with the participant to resolve the issue.
- There are no trade fees specific to HSAs. Employees can choose to move their HSA funds to our wide variety of investment options. Occasionally, there may be a fee associated with a specific mutual fund.
- There is no need to order checks, which can be lost or have to be re-ordered due to changing an address, phone number, etc. The HSA can be accessed online and unlimited online distributions can be made free of charge. Employees can request a check to be mailed to them or they can receive direct deposit to an account of their choice for a miscellaneous fee per transaction.

Having an HSA with AFHSA allows employees access to a knowledgeable staff that they demand.

Service	AFHSA
Set-up Fee	No Charge
Monthly Maintenance Fee*, including...	No Charge
<ul style="list-style-type: none"><li>• 2 debit cards</li><li>• Account Statement Mailed Quarterly</li><li>• Unlimited on-line withdrawals 24/7</li><li>• Receipt Upload functionality</li><li>• Account Holder decides when to be reimbursed</li><li>• No overdraft fee</li><li>• Personalized customer service</li></ul>	



## Fee Structure, cont.

### Miscellaneous Fees (if applicable, per transaction)

Service	AFHSA
Miscellaneous Fees (per transaction)	
<ul style="list-style-type: none"><li>Manual Distribution (On-line distributions are no charge)</li></ul>	\$10.00
<ul style="list-style-type: none"><li>Additional / Replacement Debit Card (one time charge)</li></ul>	\$10.00
<ul style="list-style-type: none"><li>Excess Contribution Distribution, Mistaken Distribution Return, Reissue of Reimbursement Check, Correct IRS Filing Fee/Copy</li></ul>	\$15.00
<ul style="list-style-type: none"><li>Rollover/Transfer, Wire Transfer, Account Closure, Research on Account / Debit Card</li></ul>	\$25.00

### Investments\*\* (A current listing of mutual funds can be found at [www.afhsa.com](http://www.afhsa.com))

Service	AFHSA
Set-up (Account base minimum of \$2,500)	No Additional Charge
Access to investment personnel	No Additional Charge
Trading Fees	No Additional Charge

\*Monthly maintenance fees will be deducted automatically from your HSA on a monthly basis following set up of the account and each month thereafter unless otherwise directed by the individual or is paid by a third party. If you signed up for the Health Savings Account through your employer or major medical plan, the set up fee and/or the monthly maintenance fees may not apply to your account as long as your employer or plan membership remains the same. Some negotiated services or obligations may apply. Employees that terminate employment will be required to pay the current fee as outlined on [www.afhsa.com](http://www.afhsa.com).

\*\*AFHSA reserves the right to sell these funds if the base account does not have the funds to cover the monthly maintenance fee or other transaction fees. \$50.00 trade minimum.

AFHSA may change the amount or type of any of the above fees or add additional fees at any time in accordance with the terms of the Custodial Agreement.




# **FY 2015-2016 Annual**

## **Presentation to Regional EMS Partner Councils**

Christina Conti  
Washoe County Health District

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- EMS Oversight Program Manager – Christina Conti
  - EMS Program Coordinator – Brittan Dayton
  - Statistician – Heather Kerwin

# **EMS Oversight Program**

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- August 2014 – Inter-Local Agreement (ILA) for EMS Oversight adopted by political jurisdictions
  - 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

# **Inter-Local Agreement**

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- District Board of Health (DBOH)
  - Inter Local Agreement for EMS Oversight
    - Established EMS Advisory Board
    - Established Regional EMS Oversight Program
    - Defined duties of EMS Oversight Program
    - Defined duties of signatories
      - City of Reno, City of Sparks, Truckee Meadows Fire Protection District, Washoe County Board of County Commissioners, and Washoe County Health District

# Authority of ILA

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- EMS Advisory Board is comprised of 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

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- The EMS Advisory Board was established to provide concurrent review of present topics within the Washoe County EMS System.
  - The EMS Advisory Board meets quarterly and reviews reports, evaluations, and recommendations of the EMS Oversight Program.
    - Makes recommendations to District Health Officer and/or the DBOH 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.

# EMS Advisory Board

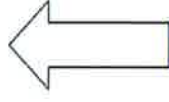
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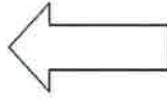
**Reno City Council**



**District Board of Health**




**EMS Advisory Board**



**EMS Oversight Program**

# **Organizational Chart**



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- Revision of ambulance franchise response zones map, effective 07/16
  - Multi-Casualty Incident Plan revision, effective 07/16
  - Development of Omega Protocols, effective 07/16
  - Development of Regional Annex to the Statewide Medical Surge Plan
  - Heart Safe Community Designation, submitted 07/11/16
  - Regional 5-year EMS Strategic Plan Development

# **FY 2015-2016 Accomplishments**

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# **FY 2015-2016 Annual Report**

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- 45,294 calls for service
  - Matched calls between fire agencies and REMSA
- Median Response Times
  - 911 Call → Fire First Responder arrival: **06:55 minutes**
  - 911 Call → REMSA arrival: **07:19 minutes**
- Arriving Agency Information:
  - Fire agency first: 47%
  - REMSA First: 38.3%
  - REMSA Only (fire cancelled): 11.2%
  - Fire Only (REMSA cancelled): 2.1%
  - All responders cancelled: 1.0%
  - Same time arrival: 0.2%

# Data Report Highlights






# **REGIONAL EMS FIVE YEAR STRATEGIC PLAN**

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- 
- SWOT Analysis (Strengths, Weaknesses, Opportunities, & Threats)
    - EMS Working Group, August 2015
  - Monthly mentoring sessions
    - Manager Driscoll, City of Sparks
  - Monthly meetings with stakeholders
    - Fire representatives
    - PSAP representatives
    - REMSA
    - WCRCs (radio communications)
  - Quarterly updates to EMS Advisory Board

# Development Process

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To coordinate the delivery of efficient and effective emergency medical services to the citizens, businesses and visitors of Washoe County through collaboration with EMS providers.

# **Mission Statement**

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The Washoe County EMS system will provide high quality patient care through collaborative efforts and integrated healthcare providing evidence-based prehospital medicine exceeding the expectations of the community.

# **Vision Statement**

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- Respectful
  - Customer Service Oriented
  - Accountable
  - Professional
  - Responsive
  - Quality Improvement/Assurance
  - Collaborative

# **Regional Values**

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- **Goals** – overarching goal for region
  - **Objectives** – the elements to achieve the goal
  - **Strategies** – the steps to achieve the objective

# Overview

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- Enhance utilization of EMS resources by matching appropriate services, as defined by the call for service, through alternate protocols, service options and transportation options.
- Omega Protocols
- Alternate Transportation Options






- Improve prehospital EMS performance by reducing system response times through the use of technology and the development of regional response policies.

- AVL (Automatic Vehicle Locator) utilization
- Ambulance franchisee response map
- Mutual Aid Agreements
- Define EMS Tier 1 (fire jurisdictions) response measurement



- Improve Communications between EMS partners through enhanced usage of technology and the development of regional guidelines.
- Enhance radio communications
- CAD-to-CAD interface
- AVL visualization for EMS vehicles




- 
- Improve continuity of care through regional processes that ensure patient information transfers from the scene to the hospital.
  - Electronic Patient Care Reporting
  - Annual EMS system performance report with hospital data




- Design an enhanced EMS response system through effective regional protocols and quality assurance.
- Regional protocols
- Regional continuous improvement process




- 
- Continue collaborative model with regional EMS agencies, health organizations and public safety stakeholders.
  - Coordinate and report on strategic objectives
  - Promote EMS Oversight Program through regional education (biannual report to signatories of Inter Local Agreement & ambulance franchisee Board)



- 
- October 2018
    - Begin drafting goals, objectives and strategies for years 2022-2023
    - Bring updated Regional EMS strategic plan to EMS Advisory Board and District Board of Health



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- Determination of data elements for process verification of the Omega protocols (09/30/16)
  - Finalize standardized methodology for ambulance franchise map reviews (09/30/16)
  - Jurisdictional fire response measurement (03/31/07)
  - Development of Regional Protocols (06/30/17)
  - Establish CAD to CAD Interface between PSAP and REMSA (ongoing until 12/31/17)

# **FY 2016-2017 Strategic Planning Projects**

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**WASHOE COUNTY  
EMERGENCY MEDICAL  
SERVICES**

2017-2021: Five-Year Strategic Plan

2017



## **The Washoe County EMS System**

The Washoe County Emergency Medical Services (EMS) Five- Year strategic plan was created with EMS Advisory Board support and reviewed by:

### **Contracted Ambulance Provider:**

REMSA

### **Fire Service Agencies:**

Reno Fire Department  
Sparks Fire Department  
Truckee Meadows Fire Protection District  
Gerlach Volunteer Fire Department

### **Stakeholder Organizations and County Departments:**

North Lake Tahoe Fire Protection District  
Pyramid Lake Fire Rescue  
Reno Dispatch  
Airport Authority Fire Department  
Sparks Dispatch  
WC Shared Communication System  
Washoe County EMS Oversight Program  
Washoe County Communications

### **Approved by:**

District Board of Health  
EMS Advisory Board

### **Document Distributed to:**

Contracted Ambulance Provider  
Fire Service Agencies  
Incline Village Community Hospital  
Northern Nevada Medical Center  
Renown Regional Medical Center  
Saint Mary's Regional Medical Center  
Stakeholder Organizations and County Departments  
Veterans Affairs Sierra Nevada Health Care System



# CONTENTS

<b>Strategic Planning at a Glance</b>	<b>p 4</b>
<b>Executive Summary</b>	<b>p 5</b>
<b>Emergency Medical Services Regional Mission, Vision and Values</b>	<b>p 6</b>
<b>Emergency Medical Services Authority</b>	<b>p 6</b>
<b>Regional Strategic Plan Process, Objectives and Implementation</b>	<b>p 9</b>
Goal #1	p 11
Goal #2	p 13
Goal #3	p 15
Goal #4	p 16
Goal #5	p 17
Goal #6	p 18
<b>Strategic Plan Evaluation and Update</b>	<b>p 19</b>



# Strategic Planning at a Glance

The Washoe County EMS system will provide high quality patient care through collaborative efforts and integrated healthcare providing evidence based prehospital medicine exceeding the expectations of the community.

RESPECTFUL

CUSTOMER SERVICE  
ORIENTED

PROFESSIONAL

RESPONSIVE

QUALITY  
IMPROVEMENT/  
ASSURANCE

ACCOUNTABLE

COLLABORATIVE

It is the mission of the WC EMS System to coordinate the delivery of efficient and effective emergency medical services to the citizens, businesses and visitors of Washoe County through collaboration with EMS providers.

Enhance the regional EMS resources utilization matching the appropriate services as defined by the call for service through alternative protocols, service options and transportation options.

Improve pre-hospital EMS performance by reducing system response times through the use of technology and the development of regional response policies.

Improve communications between EMS partners through enhanced usage of technology and the development of regional guidelines.

Improve continuity of care through regional processes that ensure patient information transfers from the scene to the hospital.

Design an enhanced EMS response system through effective regional protocols and quality assurance.

Continue collaborative models with regional EMS agencies, health organizations and public safety stakeholders.

Service Levels for Omega Calls

EMD process for low acuity calls

Alternative Transportation Options

Automatic Vehicle Locator

Ambulance Franchise Area Map Review

Mutual Aid Agreements for EMS services

Tier 1 response measurement

Enhance radio communication systems

CAD to CAD interface

Prehospital patient information flow

EMS system annual report

Regional set of protocols

Regional quality improvement process

Strategic plan implementation

Reporting structure to IIA signatories



## **Executive Summary**

Washoe County is the second largest EMS region in the state of Nevada. It is 6,551 square miles in size and has approximately 433,000 residents. Washoe County is diverse geographically in its mountainous, urban, suburban, rural and wilderness/frontier terrain.

There are many EMS system stakeholder organizations including police and fire agencies, dispatch centers, healthcare organizations, and a contracted ambulance provider. The current ambulance contractor provides service to Washoe County; excluding the Gerlach Volunteer Fire Department service area and the North Lake Tahoe Fire Protection District.

The Washoe County EMS Five-Year Strategic Plan was created between August 2015 and October 2016 to guide the future direction of the Washoe County EMS System. The assessment process evaluated the strengths and weaknesses, as well as the opportunities and threats facing the EMS system from national, regional and local influences. The information obtained through the analysis created goals to optimize the structure, processes, and outcomes of the EMS Five-Year Strategic Plan, focusing on: 1) maintaining or improving clinical care and patient satisfaction; and 2) improving operational efficiency and collaboration across the region.

The best EMS systems are based on collaborations among the diverse organizations that comprise the EMS system. When these organization's strengths are emphasized by system-wide integration and a culture of trust, the EMS system can more effectively capitalize on new opportunities and mitigate threats to the system. The planning process for Washoe County was supported by and involved EMS stakeholder leadership.

The strategic planning process was collaborative and included consensus building processes within the region and provided periodic updates to the EMS Advisory Board and District Board of Health. The results of this process were the EMS System's Mission, Vision, Values, Goals and Objectives. The EMS Five-Year Strategic Plan was approved by the EMS Advisory Board on October 6, 2016 and approved by the District Board of Health on October 27, 2016.

The six goals within Washoe County EMS Five-Year Strategic Plan are most relevant to the EMS system's ability to adapt to the changing healthcare environment, specifically focusing on pre-hospital care. There are three goals within the strategic plan to ensure maintenance and improvements related to clinical care and patient satisfaction. The remaining three goals focus on improving operational efficiencies within the region, both internally and externally through collaboration. These include proposed changes to existing processes that will positively impact the EMS System in its entirety.



## **Emergency Medical Services Regional Mission, Vision and Values**

It is the mission of the Washoe County EMS System to coordinate the delivery of efficient and effective emergency medical services to the citizens, businesses and visitors of Washoe County through collaboration with EMS providers.

### **Vision:**

The Washoe County EMS system will provide high quality patient care through collaborative efforts and integrated healthcare providing evidence-based prehospital medicine exceeding the expectations of the community.

### **The values of the Washoe County EMS System are:**

- Respectful: To be open-minded of all stakeholder's views and ideas.
- Customer Service Oriented: To be responsive to our customers' needs striving to provide high quality services in a respectful and courteous manner.
- Accountable: To be responsible for our behaviors, actions and decisions.
- Professional: To be dedicated in our service to the region and ourselves through adherence of recognized policies, rules and regulations. This includes maintaining the highest moral and ethical standards.
- Responsive: To rapidly identify emerging issues and respond appropriately.
- Quality Improvement/Assurance: To continuously evaluate operations, procedures and practices to ensure the EMS system is meeting the needs of our patients and stakeholders.
- Collaborative: To work together towards delivering efficient and effective emergency medical services to the citizens, businesses, and visitors of Washoe County.

## **Emergency Medical Services Authority**

Washoe County is comprised of three political jurisdictions, the City of Reno, City of Sparks and unincorporated Washoe County. In addition to the political bodies and their operational policy decisions, the State Division of Public and Behavioral Health also oversees EMS licensing and certifications within Washoe County.

There are multiple regulations that impact how the EMS system operates in Washoe County. At the State level, Nevada Revised Statute 450B is the overarching legislation that identifies minimum requirements for EMS services. In addition, the Nevada Administrative Code also includes codified regulations for EMS personnel and agencies.

At the local government level, by the authority established through Nevada Revised Statute (NRS 439.370 et seq.) and the 1986 Interlocal Agreement (last amended 1993), the Washoe County Health District has jurisdiction over all public health matters in Reno, Sparks, and Washoe County through the policy-making Washoe County District Board of Health (DBOH). Through this authority the DBOH established an



exclusive ambulance franchise in August 1986 in Washoe County, excluding Gerlach and the North Lake Tahoe Fire Protection District. This Franchise was awarded to the Regional Emergency Medical Services Authority (REMSA) in May 1987. Through a regional process, the agreement was amended, restated and approved by the DBOH in May 2014. As part of the regional process, one recommendation for improvement of the delivery of patient care and outcomes and the delivery of emergency medical services was the creation of a Regional Emergency Medical Oversight Program through an Inter Local Agreement (ILA).

The ILA was fully executed in August 2014 and is an agreement between five political jurisdictions; City of Sparks<sup>1</sup>, City of Reno<sup>2</sup>, Washoe County Board of County Commissioners<sup>3</sup>, District Board of Health<sup>4</sup>, and Truckee Meadows Board of Fire Commissioners<sup>5</sup>. The ILA establishes an Emergency Medical Services Advisory Board (EMS Advisory Board).

The EMS Advisory Board is comprised of the following members:

- a. City Manager, Reno
- b. City Manager, Sparks
- c. County Manager, Washoe County
- d. District Health Officer
- e. Emergency Room Physician (DBOH Appointment)
- f. Hospital Continuous Quality Improvement (CQI) Representative (DBOH Appointment)

The purpose of the EMS Advisory Board is to review reports, evaluations and recommendations of the Regional Emergency Medical Services Oversight Program and to discuss issues related to regional emergency medical services. The function of the EMS Advisory Board is to thoroughly discuss changes within the regional EMS system prior to making recommendations to the respective Board(s), of the five signatories, and placing items on an agenda for possible approval and implementation.

Additionally, the EMS Advisory Board can make recommendations to the District Health Officer and/or the District Board of Health related to performance standards and attainment of those standards, medical protocols, communication, coordination, and other items of importance to a high performing Regional Emergency Medical Services System, and providing for concurrent review and approval by the Managers of the City of Reno, City of Sparks and Washoe County, striving to have a uniform system maintained for the region whenever possible.

The ILA also established the Regional Emergency Medical Services Oversight Program (Program). The purpose of the Program is to provide oversight of all emergency medical services provided by the EMS personnel within the signatory jurisdictions, as well as REMSA. Additionally, the Program is expected to achieve the duties outlined within the ILA. The program consists of a Program Manager, Program Coordinator and Statistician.

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<sup>1</sup> Referred to as "SPARKS" within the ILA

<sup>2</sup> Referred to as "RENO" within the ILA

<sup>3</sup> Referred to as "WASHOE" within the ILA

<sup>4</sup> Referred to as "DISTRICT" within the ILA

<sup>5</sup> Referred to as "FIRE" within the ILA



The eight duties specifically detailed within the ILA are:

1. Monitor the response and performance of each agency providing Emergency Medical Services and provide recommendations to each agency for the maintenance, improvement, and long-range success of the Emergency Medical Services;
2. Coordinate and integrate provision of Medical Direction for RENO, SPARKS, WASHOE, FIRE and REMSA providing emergency medical services;
3. Recommend regional standards and protocols for RENO, SPARKS, WASHOE, FIRE and REMSA;
4. Measure performance, analysis of system characteristics, data and outcomes of the Emergency Medical Services and provide performance measurement and recommendations to RENO, SPARKS, WASHOE, FIRE and REMSA;
5. Collaborate with REMSA, RENO, SPARKS, WASHOE, FIRE and DISTRICT on analysis of EMS response data and formulation of recommendations for modifications or changes to the Regional Emergency Medical Response Map;
6. Identify sub-regions as may be requested by RENO, SPARKS, WASHOE, FIRE or the DISTRICT to be analyzed and evaluated for potential recommendations regarding EMS response services in order to optimize the performance of system resources;
7. Provide a written Annual Report on the State of Emergency Medical Services to RENO, SPARKS, WASHOE, FIRE and REMSA covering the preceding fiscal year (July 1<sup>st</sup> to June 30<sup>th</sup>), containing measured performance in each agency including both ground and rotary wing air ambulance services provided by REMSA in Washoe County; the compliance with performance measures established by the District Emergency Medical Services Oversight Program in each agency, and audited financial statements and an annual compliance report by REMSA as required in the exclusive Emergency Medical Ambulance Service Franchise;
8. Maintain a Five-Year Strategic Plan to ensure the continuous improvement of Emergency Medical Services in the area of standardized equipment, procedures, technology training, and capital investments to ensure that proper future operations continue to perform including Dispatching Systems, Automated Vehicle Locations Systems, Records Management Systems, Statistical Analysis, Regional Medical Supply and Equipment, and other matters related to strategic and ongoing Emergency Medical Services and approved by RENO, SPARKS, WASHOE and FIRE.

The ILA also outlines the duties of the signatories, which support the expectation that the strategic planning objectives will be achieved. Those duties are:



- a. Providing information, records, and data on Emergency Medical Services dispatch and response from their respective Public Safety Answering Points (PSAPs) and Fire Services for review, study and evaluation by DISTRICT.
- b. Participating in working groups established by DISTRICT for coordination, review, evaluation, and continuous improvement of Emergency Medical Services.
- c. Participating in establishing and utilizing a Computer Aided Dispatch (CAD) – to – CAD two-way interface with REMSA which provides for the instantaneous and simultaneous transmission of call-related information for unit status updates;
- d. Working cooperatively with DISTRICT to provide input to the development of the Five Year Strategic Plan and to ensure consistent two-way communication and coordination of the Emergency Medical Services System between RENO, SPARKS, WASHOE, FIRE, and REMSA in the future as technologies, equipment, systems, and protocols evolve;
- e. Participating on the Regional Emergency Medical Services Advisory Board;
- f. Striving to implement recommendations of DISTRICT, or submitting those recommendations to their governing bodies for consideration and possible action if determined necessary and appropriate by the respective managers; and
- g. Submitting recommendations regarding the Emergency Medical Services System to DISTRICT for implementation or for consideration and possible action by the District Board of Health if determined necessary and appropriate by the District Health Officer.

<b>Regional Strategic Plan</b> <b>Process, Objectives and Implementation</b>
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Washoe County has a two tiered system response to emergency medical calls. When an individual dials 9-1-1 the call routes through one of three Public Safety Answering Points (PSAPs): Reno, Sparks or Washoe County. Jurisdictional fire departments are dispatched to a medical call by PSAP personnel. If appropriate, the caller is then transferred to REMSA's communications center for Emergency Medical Dispatch (EMD). EMD allows REMSA dispatch to prioritize the caller's chief complaint to dispatch appropriate resources and provide pre-arrival instruction to the caller.

There are several agencies and organizations involved in the response to an emergency medical call. The EMS Advisory Board recognizes the need to provide optimal emergency care under the varied conditions throughout Washoe County. Therefore, the EMSAB strives to influence the coordination of all stakeholders as it develops and sustains a system to ensure appropriate and adequate emergency medical services. With this in mind, the Five-Year EMS strategic plan was constructed.

To ensure the objectives of the entire region were considered, the EMS Working Group convened and participated in a SWOT analysis. The SWOT analysis looks at the strengths (internal), weaknesses (internal), opportunities (external), and threats (external) for the regional EMS system.



Representatives from both dispatch and operations for the EMS agencies provided input and feedback on the development of the strategic plan. The EMS Oversight Program frequently met with the representatives to review the goals, objectives, and strategies while discussing realistic timelines for implementation. These meetings were an integral part of the process to ensure the regional planning goals mirrored the jurisdictional strategic planning goals of the individual EMS agencies. This culminated in the development of a regional strategic plan for the EMS Advisory Board's consideration.

The Five-Year EMS strategic plan includes goals, objectives and strategies. The six goals of the strategic plan are broad statements to identify future achievements of the Washoe County EMS system. Each goal includes objectives designed to measure progress towards the attainment of the goal. The strategies for each goal describe a major approach or method for attaining the objectives.

Additionally, the strategic plan outlines the method to achieve effective and efficient solutions to system-wide challenges. The strategic plan calls for maximum collaboration to achieve the objectives and strategies within the five year planning period (2017-2021). Through continued collaboration, the strategic plan can be updated to capitalize on new opportunities or to mitigate threats to the system. This process will ensure key stakeholders remain involved in regional emergency medical services planning activities.



<p align="center"><b>Goal #1 –</b></p> <p>Enhance utilization of EMS resources by matching the appropriate services, as defined by the call for service, through alternative protocols, service options and transportation options by October 7, 2021.</p>	
<p><b>Objective 1.1.</b> Develop appropriate protocols to determine service level for Omega calls by January 5, 2017.</p>	<p><b>Strategy 1.1.1.</b> Resolve legal issues impacting fire partners by March 30, 2016.</p> <p><b>Strategy 1.1.2.</b> Develop regional Standard Operating Procedures to address response to Omega calls by June 21, 2016.</p> <p><b>Strategy 1.1.3.</b> Approval by the EMS Advisory Board of protocols determining service levels for Omega calls by July 7, 2016.</p> <p><b>Strategy 1.1.4.</b> Determine data elements required for process verification by September 30, 2016.</p> <p><b>Strategy 1.1.5.</b> Analyze, interpret and report data elements to EMS Advisory Board and partner agencies quarterly beginning January 5, 2017.</p>
<p><b>Objective 1.2.</b> Implement appropriate protocols to determine service level through EMD process to low acuity Priority 3 calls by February 5, 2017.</p>	<p><b>Strategy 1.2.1.</b> Resolve regional concerns (operational, legal, and patient care) relating to protocols to determine service level through EMD process to low acuity Priority 3 calls by June 30, 2016.</p> <p><b>Strategy 1.2.2.</b> Develop Standard Operating Procedures to determine service level through EMD process to low acuity Priority 3 calls by October 28, 2016.</p> <p><b>Strategy 1.2.3.</b> Determine data elements required for process verification by December 16, 2016.</p> <p><b>Strategy 1.2.4.</b> Review by the EMS Advisory Board of the protocols that determine service levels through EMD process to low acuity Priority 3 calls by January 5, 2017.</p>



**- Goal #1 Continued -**

Enhance utilization of EMS resources by matching the appropriate services, as defined by the call for service, through alternative protocols, service options and transportation options by October 7, 2021.

**Objective 1.3.** Develop standardized procedures for eligible patients to receive funded alternative transportation to obtain medical care at an alternative destination by October 7, 2021.

**Strategy 1.3.1.** Conduct research on alternative transportation options utilized across the United States by October 31, 2020.

**Strategy 1.3.2.** If applicable, develop processes for dispatch centers to select eligible patients to receive funded alternative transport to facilities that accept patients who meet alternative destination criteria (e.g. urgent care, physician's office criteria) by August 31, 2021.

**Strategy 1.3.3.** If applicable, obtain approval by the EMS Advisory Board of standardized procedures for patients to receive funded alternative transportation to obtain medical care by October 7, 2021.



**- Goal #2 -**

Improve pre-hospital EMS performance by reducing system response times through the use of technology and the development of regional response policies by December 21, 2022.

<p><b>Objective 2.1.</b> Implement regional usage of Automatic Vehicle Locator (AVL) technology to dispatch closest available unit by December 31, 2022.</p>	<p><b>Strategy 2.1.1.</b> Complete a regional assessment to identify and understand existing AVL capabilities to dispatch the closest EMS responder by June 30, 2021.</p> <p><b>Strategy 2.1.2.</b> Approval to utilize AVL to dispatch the closest available unit to EMS calls by individual Councils/Boards and EMS Advisory Board by December 31, 2021.</p> <p><b>Strategy 2.1.3.</b> Develop regional dispatching process that will utilize the AVL technology to dispatch the closest unit to EMS calls for service by June 30, 2022.</p> <p><b>Strategy 2.1.4.</b> Purchase and install additional AVL equipment to increase capabilities in region by December 31, 2022.</p>
<p><b>Objective 2.2.</b> Establish ambulance franchise response map review methodology by September 30, 2016.</p>	<p><b>Strategy 2.2.1.</b> Develop standardized methodology for the annual review of the ambulance franchise response map by June 30, 2016.</p> <p><b>Strategy 2.2.2.</b> Develop standardized methodology for the five and ten year review for the ambulance franchise response map by September 30, 2016.</p> <p><b>Strategy 2.2.3.</b> Approval by the EMS Advisory Board of the standardized methodology for the annual, five and ten year reviews by October 6, 2016.</p> <p><b>Strategy 2.2.4</b> Analyze and report franchise map reviews annually including any recommended modifications to the EMS Advisory Board, beginning July 6, 2017.</p>
<p><b>Objective 2.3.</b> Increase depth of resources able to respond to EMS calls for service in Washoe County by December 31<sup>st</sup> annually.</p>	<p><b>Strategy 2.3.1.</b> Identification of operational opportunities by WC EMS agencies through a review of mutual aid agreements (MAA) and/or memorandum of understanding (MOU) that include EMS services for Washoe County by June 30<sup>th</sup> annually.</p>



<p align="center"><b>- Goal #2 Continued -</b></p> <p>Improve pre-hospital EMS performance by reducing system response times through the use of technology and the development of regional response policies by December 31, 2022.</p>	
<p><b>Objective 2.3.</b> Increase depth of resources able to respond to EMS calls for service in Washoe County by December 31<sup>st</sup> annually.</p>	<p><b>Strategy 2.3.2.</b> Enter into or modify MAAs/MOUs with partner agencies as necessarily by December 31<sup>st</sup> annually.</p> <p><b>Strategy 2.3.3.</b> Provide an update to EMS Advisory Board on all MA/MOU process changes or additional agreements being utilized in region by January 31<sup>st</sup> annually, beginning in January 2017.</p>
<p><b>Objective 2.4.</b> Define a measurement for EMS Tier 1 response agencies, to support recommendations for system improvements, by March 31, 2017.</p>	<p><b>Strategy 2.4.1.</b> Jurisdictional fire response measurement identified by March 31, 2017.</p> <p><b>Strategy 2.4.2.</b> Review defined jurisdictional measurement with EMS Oversight Program by March 31, 2017.</p> <p><b>Strategy 2.4.3.</b> Monitor and report to the EMS Advisory Board the performance of the regional EMS system utilizing the jurisdictional fire measurement and ambulance franchise response map by the 15<sup>th</sup> of the month, following the fiscal year quarter.</p> <p><b>Strategy 2.4.4.</b> Provide recommendations for improvements based on defined performance measures to EMS Advisory Board as needed.</p>



### - Goal #3 -

Improve communications between EMS partners through enhanced usage of technology and the development of regional guidelines by June 30, 2021.

<p><b>Objective 3.1.</b> Enhance radio communication systems within Washoe County by June 30, 2021.</p>	<p><b>Strategy 3.1.1.</b> REMSA will ensure interoperability between UHF and 800 MHz through a gateway connection between REMSA and Washoe County Regional Communication System by December 31, 2016.</p> <p><b>Strategy 3.1.2.</b> Obtain clarification from District Board of Health regarding Amended and Restated Franchise section 5.1 by June 30, 2017.</p> <p><b>Strategy 3.1.3.</b> Develop a comprehensive migration interoperability plan for WCRCS that outlines the enhancement of the radio communication system to include completion of upgrades, maintenance of REMSA gateway connection and identified equipment needs by December 31, 2018.</p> <p><b>Strategy 3.1.4.</b> REMSA and regional public safety partners will develop a plan to upgrade system based on jurisdictional analysis, in alignment with WCRCS target date of June 30, 2021.</p>
<p><b>Objective 3.2.</b> Establish a CAD-to-CAD (computer aided dispatch) interface between the primary PSAP and REMSA dispatch center by December 31, 2017.</p>	<p><b>Strategy 3.2.1.</b> Create a regional workgroup to design the elements of the CAD-to-CAD interface increasing interoperability between dispatch centers by January 31, 2016.</p> <p><b>Strategy 3.2.2.</b> Complete configuration process that includes development of the data exchange overview document and implementation by December 31, 2017.</p> <p><b>Strategy 3.2.3.</b> Provide process updates to EMS Advisory Board quarterly, beginning April 7, 2016.</p>
<p><b>Objective 3.3.</b> Establish a two-way interface to provide visualization of AVL for all EMS vehicles for the primary PSAPs and REMSA dispatch center by December 31, 2017.</p>	<p><b>Strategy 3.3.1.</b> Complete a regional assessment to identify and understand AVL existing capabilities by December 31, 2016.</p> <p><b>Strategy 3.3.2.</b> Develop regional process that will utilize the AVL technology to visualize EMS vehicles in both the primary PSAPs and REMSA dispatch center by December 31, 2017.</p> <p><b>Strategy 3.3.3.</b> If applicable, purchase and install additional AVL equipment to increase capabilities in region by December 31, 2017.</p>



<p align="center"><b>- Goal #4 -</b></p> <p><b>Improve continuity of care through regional processes that ensure patient information transfers from the scene to the hospital by December 31, 2018.</b></p>	
<p><b>Objective 4.1.</b> Develop a process to improve the flow of patient information throughout the prehospital setting by December 31, 2018.</p>	<p><b>Strategy 4.1.1.</b> Identify the electronic patient care reporting (ePCR) software being utilized or purchased for use in the region by June 30, 2016.</p> <p><b>Strategy 4.1.2.</b> Evaluate how to transfer information between the ePCR from the fire response unit to the REMSA response unit by December 31, 2016.</p> <p><b>Strategy 4.1.3.</b> Evaluate existing processes for transferring all prehospital care information to hospital personnel and implement process improvement by June 30, 2018.</p> <p><b>Strategy 4.1.4.</b> Create and conduct training on regional policy, to include pertinent information required for seamless transfer of patient care from agency to agency by December 31, 2018.</p>
<p><b>Objective 4.2.</b> Produce an annual report on EMS system performance that includes hospital outcome data by December 31, 2018.</p>	<p><b>Strategy 4.2.1.</b> Collaborate with hospital partners on data available for submission to the EMS Oversight Program for cardiac, stroke and stemi patients by October 31, 2016.</p> <p><b>Strategy 4.2.2.</b> Pilot the annual report with hospital outcome data with one regional hospital by March 31, 2017.</p> <p><b>Strategy 4.2.3.</b> Draft for distribution an annual report with relevant regional hospital partner data included by June 30, 2017.</p> <p><b>Strategy 4.2.4.</b> Review annual report with ePCR implementation and determine enhancements available for hospital outcome data by October 31, 2018.</p> <p><b>Strategy 4.2.5.</b> Draft for distribution of an annual report with enhanced data included by December 31, 2018.</p>



### - Goal #5 -

Design an enhanced EMS response system through effective regional protocols and quality assurance by December 31, 2018.

<p><b>Objective 5.1.</b> Develop a regional set of protocols for the delivery of prehospital patient care by July 2017.</p>	<p><b>Strategy 5.1.1.</b> Review current protocols for each regional agency to determine differences and opportunities for improvement by October 31, 2016.</p> <p><b>Strategy 5.1.2.</b> Coordinate with PMAC<sup>6</sup> to develop regional protocols based on national standards and recent clinical studies, by June 30, 2017, amend as needed with a minimum annual review.</p> <p><b>Strategy 5.1.3.</b> Presentation to the EMS Advisory Board of the regional protocols and conflict resolution procedure for prehospital care by July 2017</p> <p><b>Strategy 5.1.4.</b> Create and conduct training on regional protocols for prehospital care by December 31, 2017.</p>
<p><b>Objective 5.2.</b> Establish a regional process that continuously examines performance of the EMS system by December 31, 2018.</p>	<p><b>Strategy 5.2.1.</b> Create a regional team, including PMAC representation, which would work to improve the system through examination of system performance by December 31, 2018.</p> <p><b>Strategy 5.2.2.</b> Determine team goals and identify initial performance measures to be utilized to continuously improve processes by December 31, 2018.</p> <p><b>Strategy 5.2.3.</b> Acceptance by the EMS Advisory Board of the performance initiatives to be used during the review process by January 2019.</p> <p><b>Strategy 5.2.4.</b> Present information from the quarterly meeting to the appropriate entity, beginning April 2019.</p>

<sup>6</sup> PMAC is the Prehospital Medical Advisory Committee for Washoe County



**- Goal #6 -**

Continue collaborative models with regional EMS agencies, health organizations and public safety stakeholders.

**Objective 6.1.** Coordinate and report on strategic planning objectives quarterly through June 2021.

**Strategy 6.1.1.** Create a Gantt chart for the regional partners with the details of the goals by October 31, 2016.

**Strategy 6.1.2.** Develop structured feedback loops for the current initiatives of the strategic plan goals.

**Strategy 6.1.3.** Provide progress reports to the EMS Advisory Board quarterly, beginning January 2017.

**Objective 6.2.** Promote the EMS Oversight Program through regional education of the strategic plan's goals and initiatives by January 31, 2017.

**Strategy 6.2.1.** Create a reporting structure for the signatories of the Inter-Local Agreement and ambulance franchisee Board to receive updates on the status of the regional EMS system, biannually, beginning January 2017.



## **Strategic Plan Evaluation and Update**

In an effort to ensure the successful implementation of the strategies and objectives of the EMS Advisory Board strategic plan, the EMS Oversight Program will develop a Gantt chart. The chart will be distributed to the regional partners upon approval of the strategic plan by the District Board of Health. The chart will be reviewed semi-annually to ensure all projected timelines remain achievable. Progress on the strategic planning strategies and objectives will be included in the EMS Oversight Program “Program and Performance Data Update” staff report at the EMS Advisory Board meeting.

Every two years, beginning in October 2018, the regional partners will convene to review the status of the current strategies and objectives. During the October 2018 review, the EMS Oversight Program will begin to develop the draft goals, strategies and objectives for years 2022-2023. Upon completion the EMS Oversight Program will bring an updated 5-year strategic plan to the EMS Advisory Board for review, input and approval.



2016

# Washoe County EMS Oversight Program

Annual Report FY 15-16

Washoe County Health District  
Division of Epidemiology and Public Health Preparedness  
EMS Oversight Program





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## **Acknowledgements**

The EMS Oversight Program would like to thank the following for contributing to the FY15-16 Annual Report:

- ❖ Washoe County GIS Technological Services/Regional Services for creating all the maps contained within this document.
- ❖ The partner agencies for providing their highlights and accomplishments.



## Table of Contents

<b>Introduction</b>	<b>pg 4</b>
<b>Section 1: About the Washoe County EMS Oversight Program</b>	<b>pg 4</b>
<b>Section 2: How Washoe County's 9-1-1 and EMS systems are designed</b>	<b>pg 6</b>
Figure 1: 9-1-1 Call Routing in Washoe County	pg 7
<b>Section 3: Washoe County EMS Partner Agencies</b>	<b>pg 8</b>
Jurisdictional Response and Station Maps	pg 8
Figure 2: Jurisdictional Boundaries and Fire Station Locations	pg 10
Figure 3: REMSA Franchise Response Map through June 30, 2016	pg 11
<b>Section 4: Regional EMS Performance Analyses</b>	<b>pg 12</b>
Table 1 Total matched calls by REMSA priority	pg 12
Table 2 PSAP notification of a 9-1-1 call prior to REMSA	pg 12
Table 3 The median time intervals to dispatch and arrival on scene	pg 13
Table 4 The median travel time	pg 13
Table 5 First responding unit on scene	pg 14
<b>Section 5: EMS Oversight Program Accomplishments FY 15-16</b>	<b>pg 16</b>
Revised REMSA Franchise Response Map	pg 16
Figure 4: REMSA Franchise Response Map Effective July 1, 2016	pg 17
Figure 5: Map of REMSA's Previous and Current Franchise Response Zones	pg 18
HeartSafe Community Designation	pg 19
Multi-Casualty Incident Plan (MCIP) Update	pg 19
MCIP Executive Training	pg 20
Nevada Statewide Medical Surge Plan	pg 20
<b>Section 6: Partner Agency EMS Highlights &amp; Accomplishments FY 15-16</b>	<b>pg 21</b>
City of Reno Fire Department Highlights for FY 15-16	pg 21
City of Sparks Fire Department Highlights for FY 15-16	pg 23
Truckee Meadows Fire Protection District Highlights for FY 15-16	pg 24
REMSA's Agency Highlights for FY 15-16	pg 26
Gerlach Volunteer Fire Department Highlights for FY 15-16	pg 28
<b>Section 7: Goals for Next Fiscal Year</b>	<b>pg 29</b>
Five-Year Strategic Plan	pg 29
Patient Outcome Data	pg 30



## **Introduction**

The Emergency Medical Services (EMS) Oversight Program Annual Report contains a summary of the Washoe County regional EMS system from July 1, 2015 through June 30, 2016 (FY 15-16). Within the report there are seven sections highlighting the EMS system within Washoe County, to include EMS response agencies and their jurisdictional boundaries, regional performance data, and regional EMS accomplishments and goals for fiscal year 16-17.

### **Section 1: About the Washoe County EMS Oversight Program**

An assessment of the Washoe County EMS system was conducted in 2012 by a public safety consulting firm, TriData; this study resulted in 36 recommendations to the region for the improvement of EMS services, including the establishment of a Regional EMS Oversight Program (Program). On August 26, 2014 an Interlocal Agreement (ILA) for Emergency Medical Services Oversight was fully executed between the City of Reno (Reno), City of Sparks (Sparks), Washoe County Board of Commissioners (Washoe), Washoe County Health District, and Truckee Meadows Board of Fire Commissioners (Fire). The ILA created the Program, the purpose of which is to provide oversight of all emergency medical services provided by Reno, Sparks, Washoe, Fire, and Regional Emergency Medical Services Authority (REMSA). The Program is staffed with 2.5 full-time employees; a full-time Program Manager, a full-time Program Coordinator, and a part-time Program Statistician. Additionally, the establishment of the ILA and the Program created specific duties and expectations of the signatories. A summary of the eight duties of the Program, and seven duties of the signatory partners, as designated per the ILA, are provided below.

The Program is tasked with the following:

1. Monitoring the response and performance of each agency providing EMS in the region
2. Coordinate and integrate medical direction
3. Recommending regional standards and protocols
4. Measure performance, system characteristics, data and outcomes for EMS to result in recommendations
5. Collaboration with partners on analyses of EMS response data and formulation of recommendations for modifications or changes of the regional Emergency Medical Response Map
6. Identification on sub-regions to be analyzed and evaluated for recommendations regarding EMS response
7. Provide an annual report on the state of EMS to contain measured performance of each agency and compliance with performances measures established by the Program for each agency



8. Create and maintain a five-year strategic plan to ensure continued improvement in EMS to include standardized equipment, procedures, technology training and capital investments

The signatory partners are tasked with the following:

1. Provide information, records and data on EMS dispatch and response for review, study and evaluation by the EMS Program
2. Participate in working groups for coordination, review, evaluation and continued improvement of EMS
3. Participate in the establishment and utilization of computer-aided-dispatch (CAD)-to-CAD interface<sup>1</sup>
4. Work cooperatively with the EMS Program to provide input on the five-year strategic plan and ensure two-way communication and coordination of EMS system as future technologies, equipment, systems and protocols evolve
5. Participate in the EMS Advisory board
6. Strive to implement recommendations of the EMS Program or submit recommendations to their respective governing bodies for consideration and possible action
7. Submitting recommendations regarding the EMS system to the EMS Program for implementation or consideration and possible action by the District Board of Health

The ILA also created an Emergency Medical Services Advisory Board (EMSAB), comprised of the following members:

- a. City Manager, Reno
- b. City Manager, Sparks
- c. County Manager, Washoe County
- d. District Health Officer
- e. Emergency Room Physician (DBOH Appointment<sup>2</sup>)
- f. Hospital Continuous Quality Improvement (CQI) Representative (DBOH Appointment<sup>2</sup>)

The EMSAB was established to provide a concurrent review of topics within the EMS system. The purpose of the EMSAB is to review reports, evaluations and recommendations of the Program, discuss issues related to regional emergency medical services and make recommendations to the respective jurisdictional Boards.

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<sup>1</sup> CAD-to-CAD is a two-way interface with allows for call-related information to be transferred between all agencies involved with an incident to have access to live updates and incident status information

<sup>2</sup> DBOH is the Washoe County District Board of Health; the governing board which oversees health-related issues within Washoe County



## **Section 2: How Washoe County's 9-1-1 and EMS systems are designed**

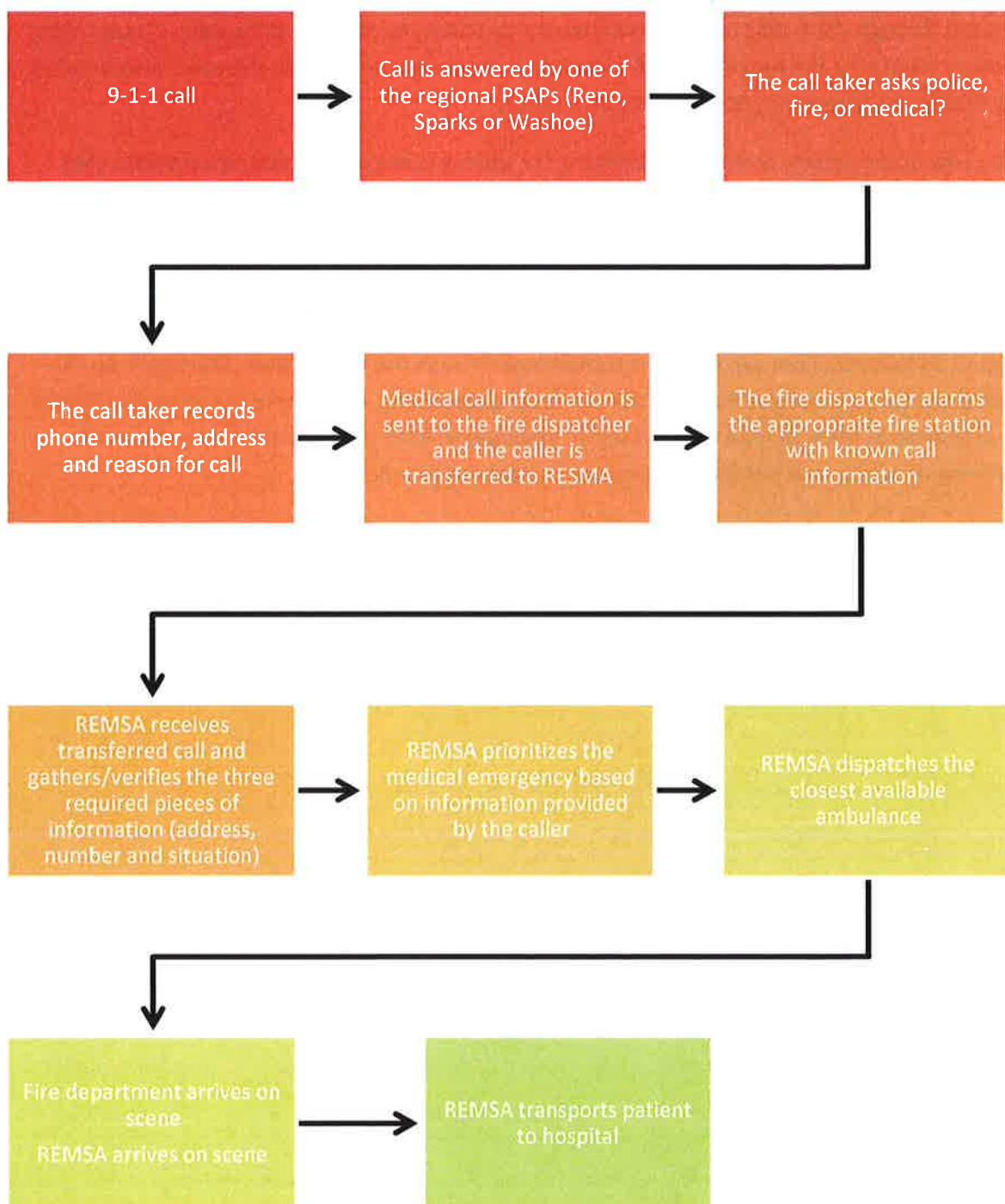
Washoe County has a two-tiered response system to emergency medical calls. A 9-1-1 call is routed through the Public Safety Answering Point (PSAP), to determine if a caller is requesting police, medical or fire response; and if medical is requested or needed, the caller is forwarded to REMSA for Emergency Medical Dispatch (EMD).

The two-tiered system is designed so that a fire agency is dispatched first to a medical EMS incident in their jurisdiction, since fire stations are located within neighborhoods throughout the region. While fire is being dispatched, the call taker is questioned by REMSA to determine the call priority, and the subsequent dispatching of an ambulance. The performance of the EMS System within Washoe County is dependent on all parties working together.

Figure 1 illustrates how a 9-1-1 call is transferred through the EMS system. Starting from the initial call coming into the PSAP, to the call taker questioning, dispatch of fire, transferring the 9-1-1 call to REMSA, REMSA dispatching an ambulance, EMS (Fire and REMSA) responders arriving on scene, and REMSA transporting the patient to a hospital.



**Figure 1: 9-1-1 Call Routing in Washoe County**





### **Section 3: Washoe County EMS Partner Agencies**

The EMS system within Washoe County is comprised of multiple partner agencies. These agencies work together daily to ensure the needs of the community are met. These EMS partner agencies include:

- City of Reno<sup>3</sup>
- City of Reno Fire Department
- City of Reno Public Safety Dispatch (Reno ECOMM)
- City of Sparks<sup>3</sup>
- City of Sparks Fire Department
- City of Sparks Public Safety Answering Point
- Gerlach Volunteer Fire Department
- North Lake Tahoe Fire Protection District
- Pyramid Lake Fire and Rescue
- Reno-Tahoe Airport Authority Fire Department
- REMSA
- Truckee Meadows Fire Protection District<sup>3</sup>
- Washoe County<sup>3</sup>
- Washoe County Health District<sup>3</sup>
- Washoe County Sheriff's Office

#### **Jurisdictional Response and Station Maps**

Emergency Medical Services in Washoe County are provided by the following career fire agencies: Reno Fire Department, Sparks Fire Department, Truckee Meadows Fire Protection District, North Lake Tahoe Fire Protection District and Pyramid Lake Fire and Rescue. The City of Reno and City of Sparks Fire Departments' jurisdictions encompass the city limits of their respective cities (Figure 2), while Truckee Meadows Fire Protection District's jurisdiction encompasses the more rural areas of unincorporated Washoe County (Figure 3) up to the Rural Fire Boundary (Figure 4). The southwest corner of Washoe County falls under the jurisdiction of North Lake Tahoe Fire Protection District (NLTFPD). NLTFPD provides fire and ambulance coverage and transport for the residents of Incline Village, Crystal Bay and surrounding communities. Pyramid Lake Fire and Rescue's jurisdiction includes the Pyramid Lake Tribal Land reservation boundaries.

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<sup>3</sup> signatory of the ILA



Washoe County citizens also are served by the following volunteer fire agencies: EMS coverage north of the Rural Fire Boundary is covered by Gerlach Volunteer Ambulance and Fire Department, their jurisdiction includes the towns of Gerlach, Empire, and surrounding rural region. The Red Rock Volunteer Fire Department serves a rural area north of Reno supplemented by Truckee Meadows Fire Protection District.

The private ambulance company, REMSA, is responsible for the transport of patients within their designated Franchise response area. REMSA's response area extends from the southern border of Washoe County, north to the border of the Pyramid Lake Paiute tribal lands, east to Wadsworth and west to the border of California (Figure 3).



**Figure 2: Jurisdictional Boundaries and Fire Station Locations for Reno Fire Department, Sparks Fire Department and Truckee Meadows Fire Protection District**

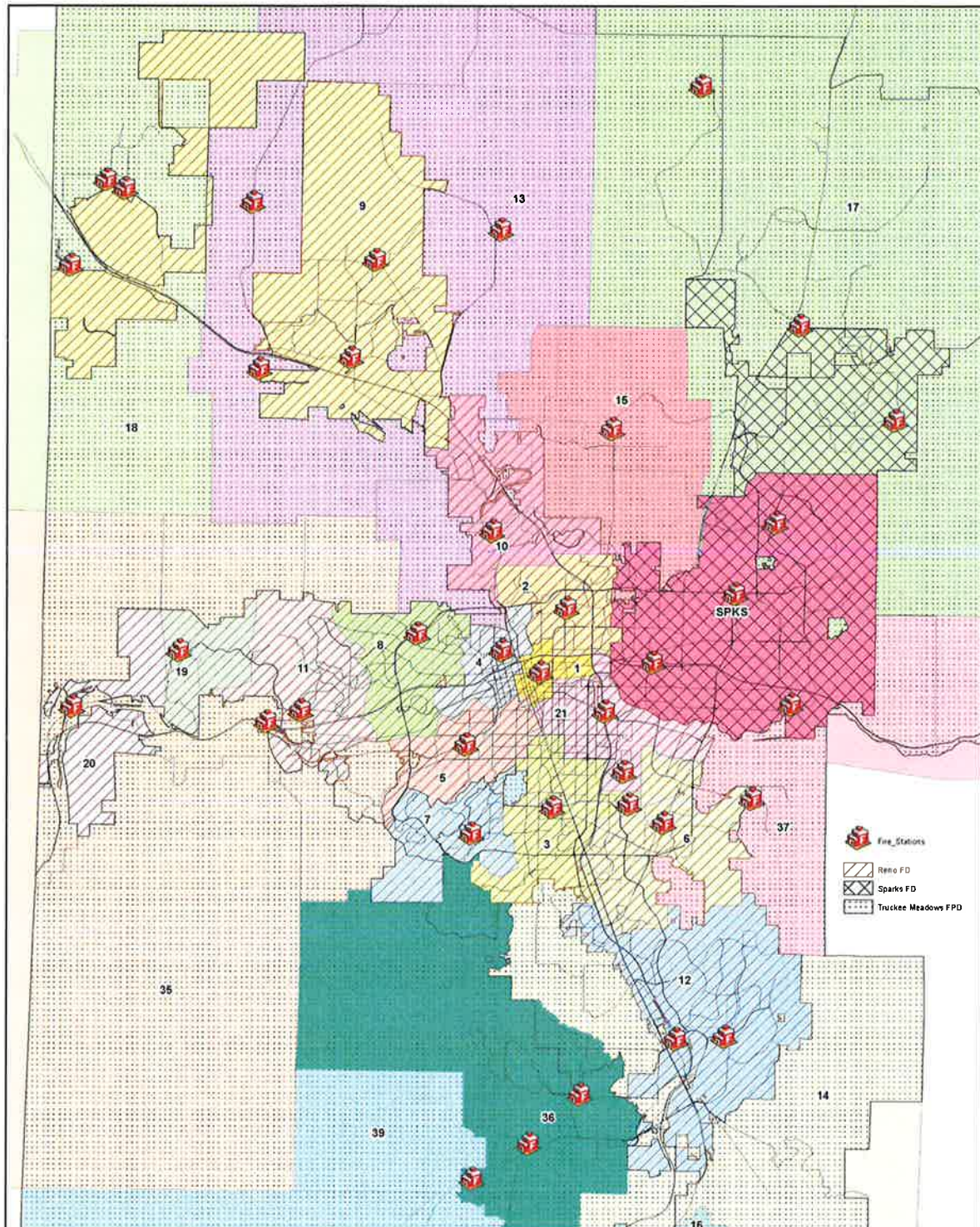
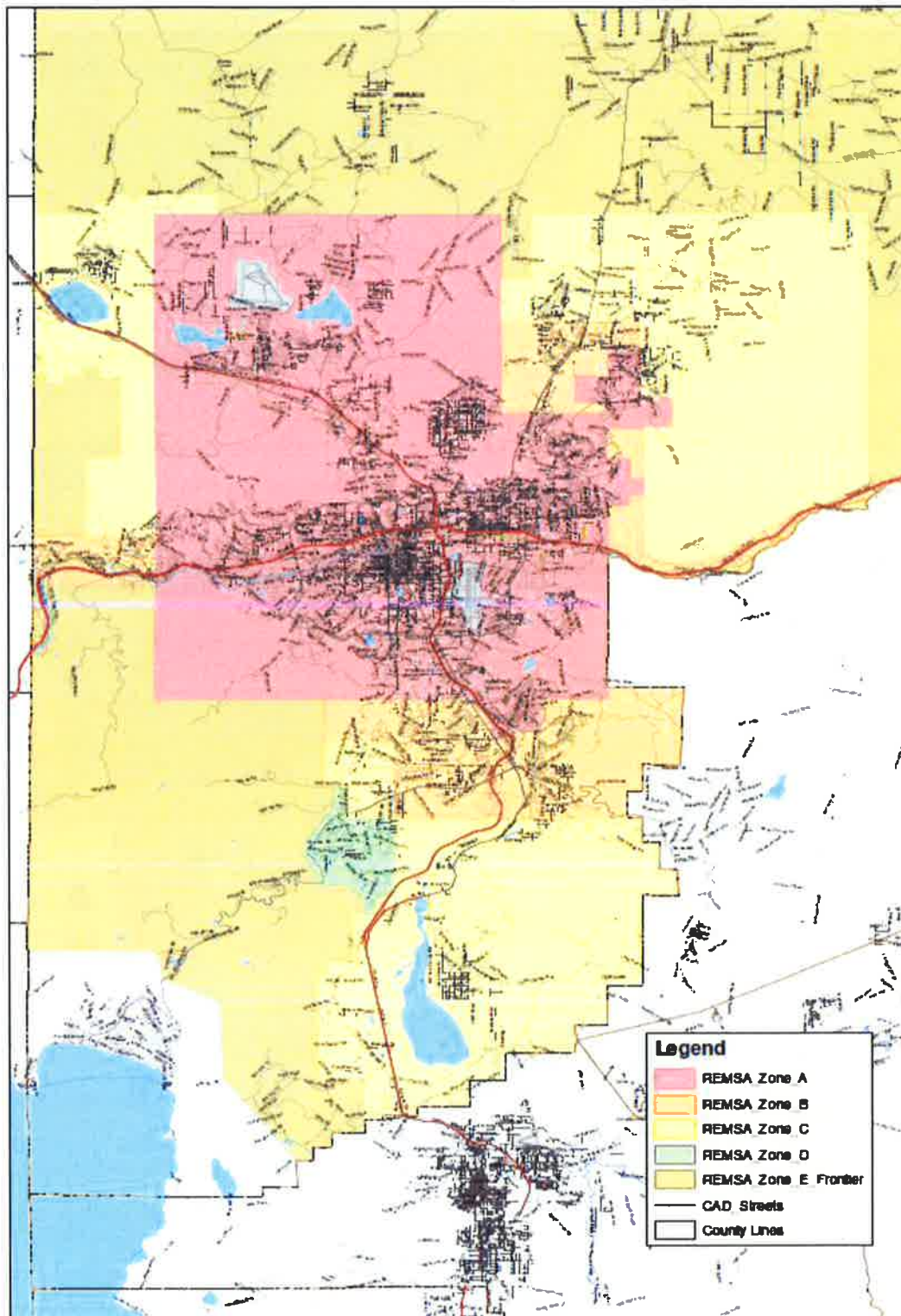




Figure 3: REMSA Franchise Response Map through June 30, 2016





## Section 4: Regional EMS Performance Analyses

EMS related calls are reported by three fire agencies in Washoe County: City of Sparks, City of Reno, and the Truckee Meadows Fire Protection District (unincorporated Washoe County), all of which are signatories of the Interlocal Agreement, as well as REMSA. The reported EMS related fire calls are matched to REMSA calls for service to allow for an evaluation of system performance on EMS incident response, from the initial 9-1-1 call through each agency arriving on scene. The purpose of matching fire call data with REMSA call data is to better understand how the EMS system is functioning in our region and determine if implemented protocols are impacting response times and patient outcomes. Additionally it allows the region to review if there are opportunities for improvement.

The analyses presented in this section are representative of the EMS calls for service during July 1, 2015-June 30, 2016. The calls utilized in these analyses are those which matched between fire partners and REMSA.

**Table 1 Total number of Fire calls which matched to REMSA calls by REMSA priority.** The number used in each analysis is dependent on the time stamp validity for time stamps used in each table.

Priority	#	%
1	21,498	47.5%
2	17,149	37.9%
3	5,954	13.2%
9	693	1.5%
Total	45,294	100.0%

**Table 2 The proportion of calls when PSAP received notification of an EMS call prior to REMSA.** SFD was able to provide PSAP data starting October 26, 2015. Calls which occurred prior to October 26 from SFD do not have PSAP data.

Agency	#	%
REMSA First	5,237	12.4%
PSAP First	36,880	87.6%
<i>Total Matched N =45,294, Used N = 42,117</i>		



**Table 3 The median time intervals from the initial call (IC) to responding agency's dispatch and arrival on scene.**

The initial call (IC) time was calculated using either REMSA call pick up time or PSAP Created Time, depending on which was first. Those calls excluded from the analysis were missing PSAP Created Time or did not have an arrival on scene time stamp for either a fire partner or REMSA.

REMSA Priority	Median Time from Initial Call (IC) to Dispatch and Arrival On Scene		
	IC to REMSA Dispatch	IC to Fire Arrival	IC to REMSA Arrival
<b>1</b>	0:01:12	0:06:46	0:06:56
<b>2</b>	0:01:16	0:07:05	0:07:27
<b>3</b>	0:01:14	0:07:00	0:09:04
<b>9</b>	0:01:17	0:07:15	0:10:03
<b>All</b>	0:01:14	0:06:55	0:07:19
<i>Total matched N = 45,294, Used N = 30,481</i>			

The median time from the initial call to REMSA dispatch (clock start) is 01:14 minutes, to Fire arrival is 06:55 minutes, and REMSA arrives 07:19 minutes after the initial call.

**Table 4 The median travel time (time from when fire agency goes en route to fire agency arrival on scene). Median, Mean (average), and 90<sup>th</sup> percentile.**

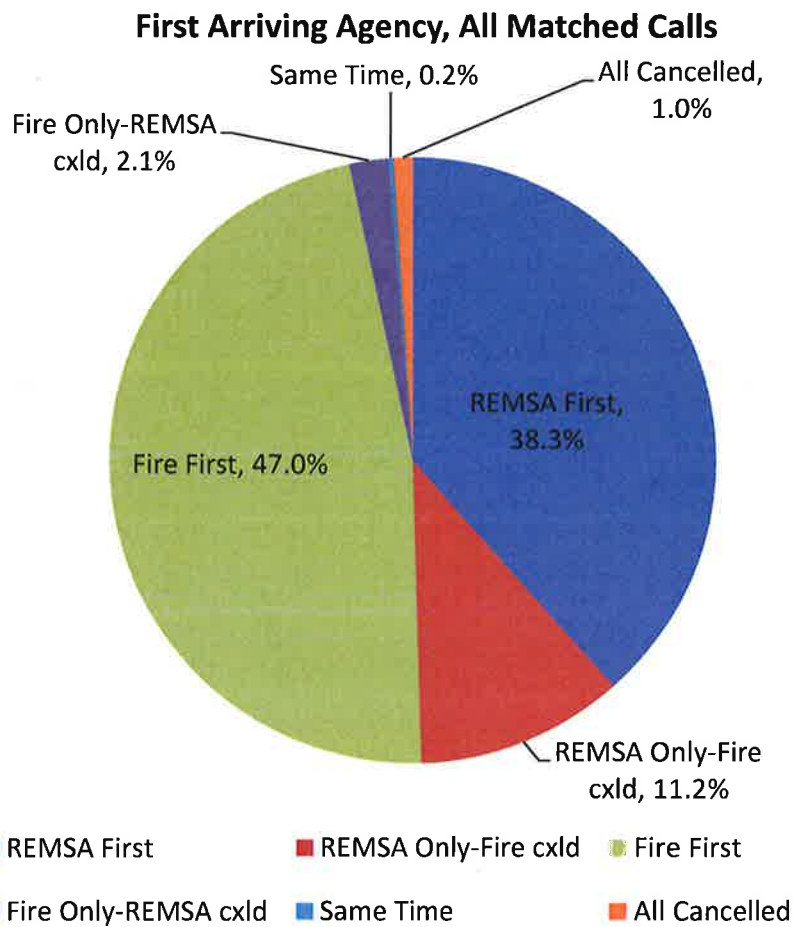
Fire Travel Time: En route to Arrival		
Median	Mean	90th Percentile
0:03:57	0:04:27	0:07:22
<i>Used N= 38,980</i>		

Of the 38,980 fire calls with an en route and arrival time stamp, the median travel time was 03:57 minutes, the mean or average travel time was 04:27 minutes and the 90<sup>th</sup> percentile, meaning 90% of the calls, were 07:22 minutes or less.

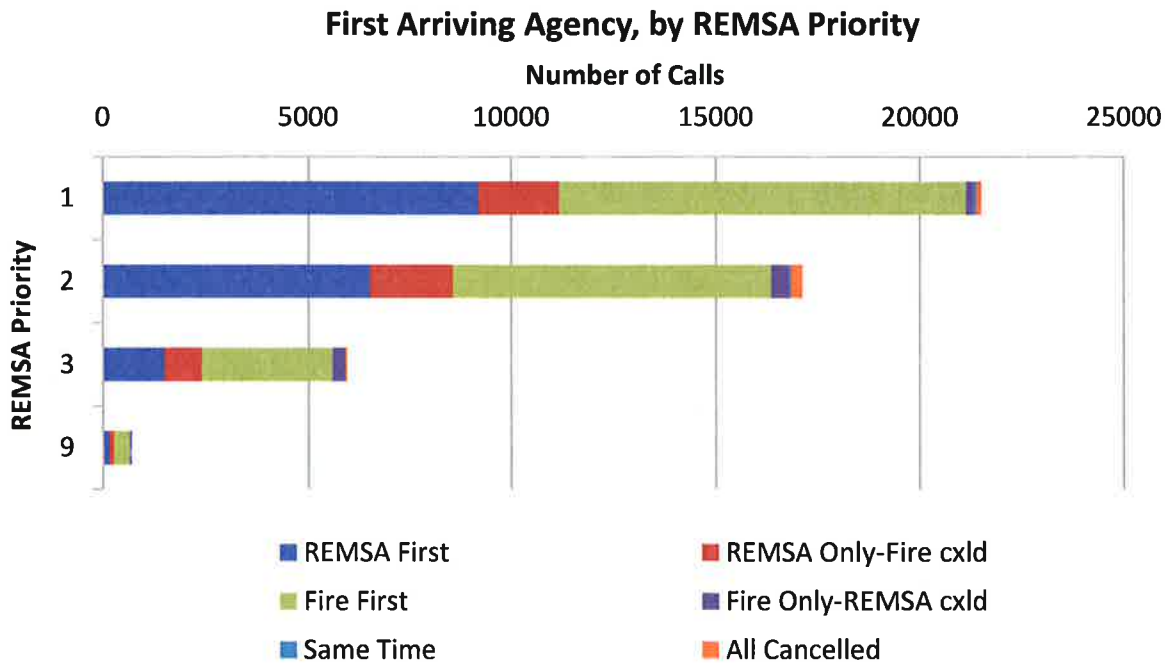


**Table 5 Regional information that indicates the first responding unit on scene, by priority.**

First on Scene	Priority REMSA									
	1		2		3		9		Total	
	#	%	#	%	#	%	#	%	#	%
REMSA First	9,211	42.8%	6,518	38.0%	1,485	24.9%	152	21.9%	17,366	38.3%
REMSA Only-Fire cxld	1,951	9.1%	2,083	12.1%	906	15.2%	125	18.0%	5,065	11.2%
Fire First	9,959	46.3%	7,780	45.4%	3,195	53.7%	374	54.0%	21,308	47.0%
Fire Only-REMSA cxld	185	0.9%	443	2.6%	313	5.3%	29	4.2%	970	2.1%
Same Time	57	0.3%	40	0.2%	12	0.2%	4	0.6%	113	0.2%
All Cancelled	135	0.6%	285	1.7%	43	0.7%	9	1.3%	472	1.0%
<b>Total</b>	<b>21,498</b>	<b>100.0%</b>	<b>17,149</b>	<b>100.0%</b>	<b>5,954</b>	<b>100.0%</b>	<b>693</b>	<b>100.0%</b>	<b>45,294</b>	<b>100.0%</b>









## **Section 5: EMS Oversight Program Accomplishments FY 15-16**

### **Regional Omega Protocol**

An Omega call is a type of 9-1-1 call which when evaluated through the Emergency Medical Dispatch (EMD) process, is deemed as low-acuity non-emergent and an ambulance response is not the most appropriate level of care. In 2011, the International Academy of Emergency Dispatch (IAED) approved 200 Omega EMD determinant codes, these are calls with a chief complaint such as a spider bite, headache, hiccups, cannot sleep, splinter, or nosebleed without any other life-threatening symptoms present. About 150 of the 9-1-1 calls in this region are categorized as Omega each month. The region recognized this was not best-practice or an appropriate utilization of EMS resources. In June of 2015 the region's EMS agencies met to discuss the response protocol for Omega calls. After additional research, including discussions with other jurisdictions that adopted alternative responses for Omega calls, and multiple revisions to draft policy, the region's Omega protocol was accepted by the EMS Advisory Board on April 7, 2016 and approved by the District Board of Health on April 28, 2016 with an implementation date of July 1, 2016.

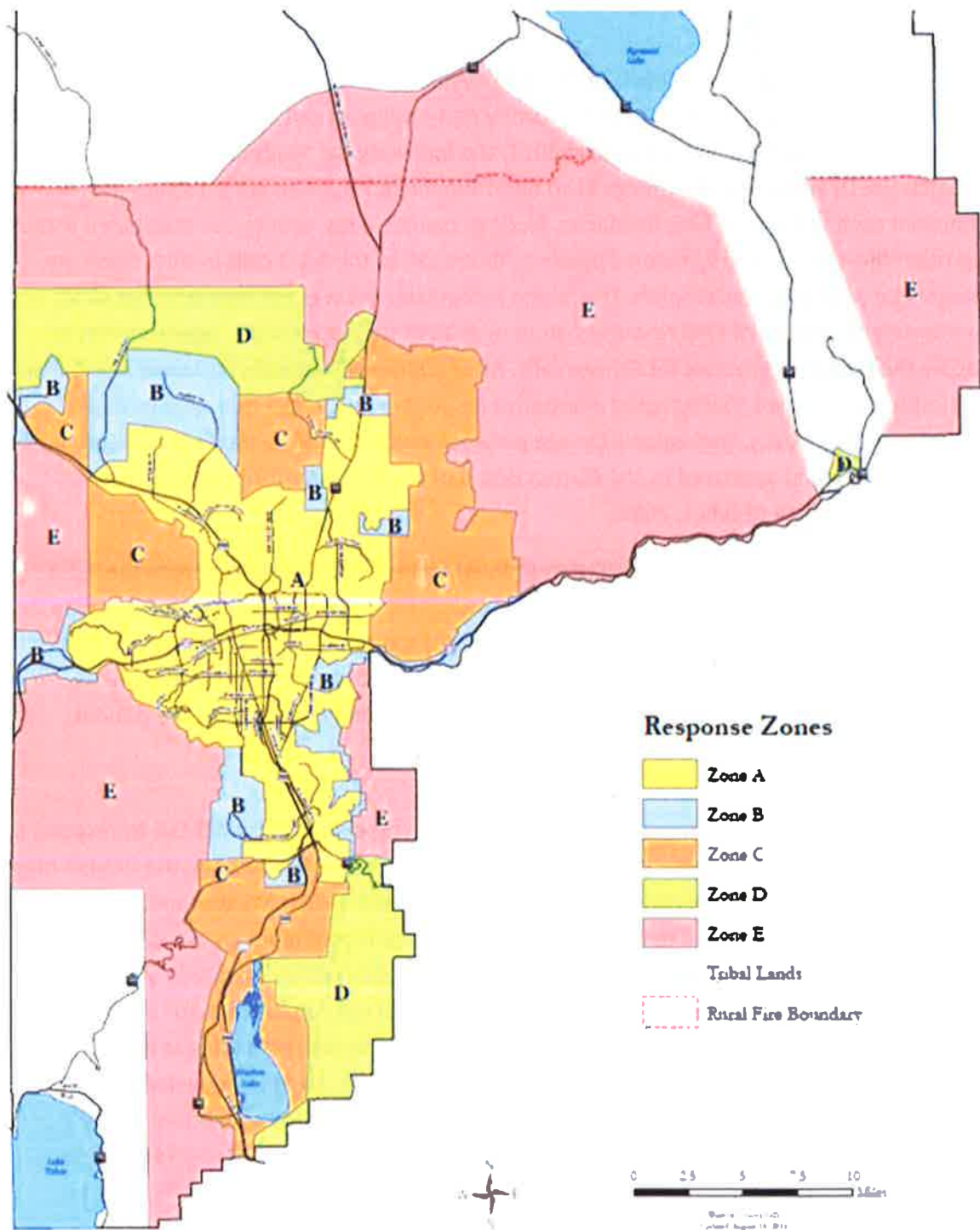
The protocol approves 52 Omega EMD determinant codes to be transferred from the 9-1-1 system to the Nurse Health Line (NHL) for further assessment and evaluation to determine the appropriate level of care for the patient. This increases the availability of the region's EMS resources allowing them to respond to higher acuity calls and reduces the burden on emergency rooms, while still providing assessment and recommendations to the patient.

### **Revised REMSA Franchise Response Map**

The REMSA Franchise response map delineates the time expectations for REMSA to respond to 9-1-1 calls in the Franchise service area. The process of reviewing and revising the REMSA map began in February 2015, with regional meetings starting April 2015. EMS staff utilized a contractor to assist the region in the development of a sound methodology and process for developing a new REMSA Franchise response map. The methodology adopted by the region was based on population density models with an overlay of call volume data for a 12 month period of time. After incorporating quantitative data elements and evaluating several map revisions, the regional EMS partner agencies met consensus on the newly developed REMSA response map (Figure 4). The new map was approved by the EMS Advisory Board January, 2016, followed by approval from the District Board of Health February, 2016 effective July 1, 2016.

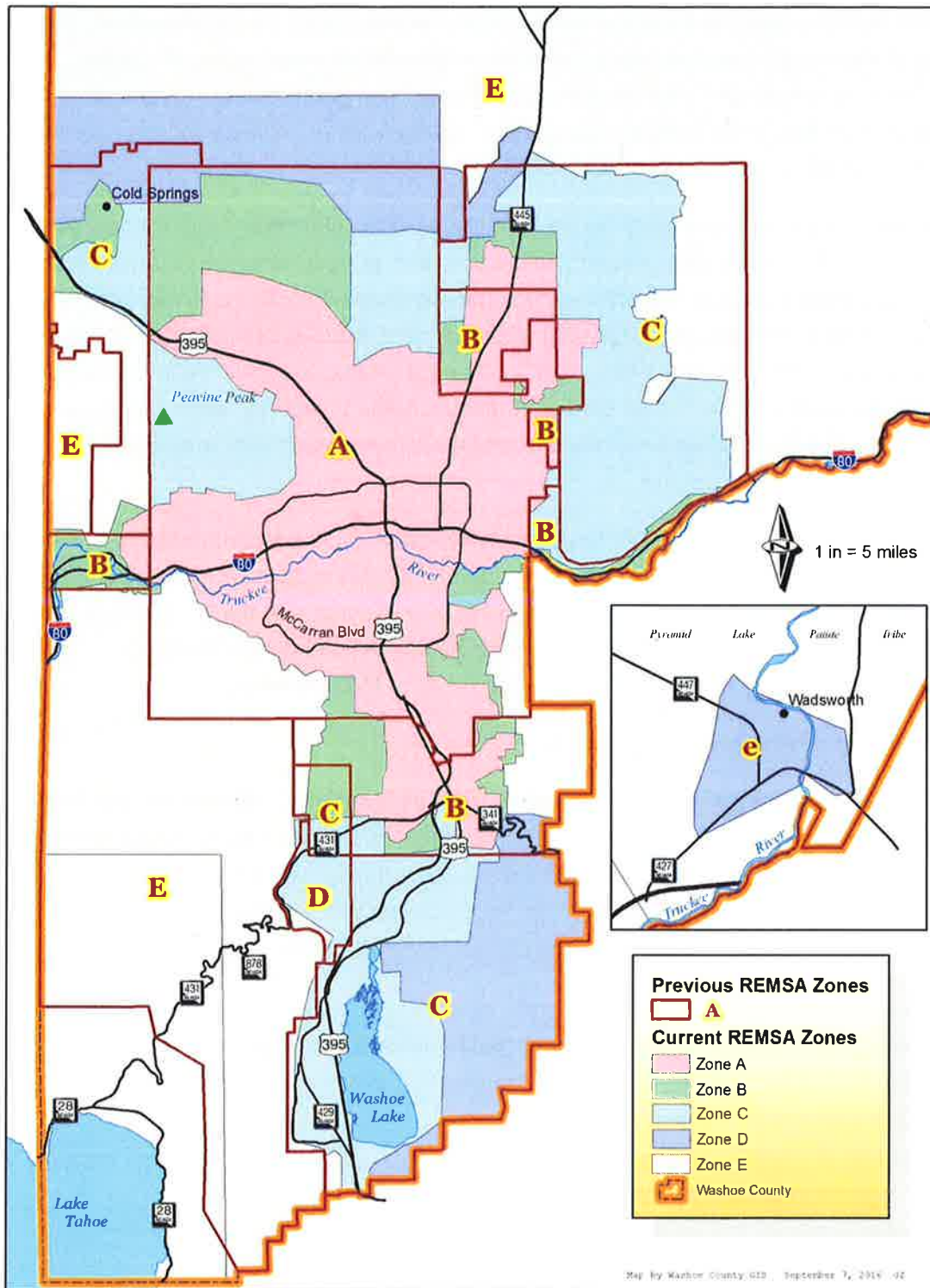


Figure 4: REMSA Franchise Response Map Effective July 1, 2016





**Figure 5: Map of REMSA's Previous and Current Franchise Response Zones**





## **HeartSafe Community Designation**

In 1991 the American Heart Association brought forth the concept of “Chain of Survival”, the intention of which was to increase the survival rate of persons who are victims of sudden cardiac arrest. Nevada Project Heartbeat developed a HeartSafe Community Program to recognize the collaborative efforts of organizations and agencies to enhance and improve their pre-hospital system’s response to cardiac events.

The Washoe County EMS Oversight Program has been working with several partner agencies, since November 2015, to develop a HeartSafe program and apply for Washoe County to be a HeartSafe Community. Agencies involved include Renown, Reno-Tahoe Airport Authority Fire Department, Reno Fire Department, Sparks Fire Department, Truckee Meadows Fire Protection District, Washoe County Sheriff’s Office, REMSA, American Red Cross, Reno Police Department, and North Lake Tahoe Fire Protection District. Although Incline Village had previously been recognized as a HeartSafe Community, the partners thought it was prudent to submit an application on behalf of the County.

The process of developing a HeartSafe Program involved assessing the number of and access to automated external defibrillators (AED) and the number of residents who are trained and certified in CPR. The HeartSafe Program works to improve all aspects of the 9-1-1 system, so that pre-hospital care for a sudden cardiac arrest, including the initiation of CPR and defibrillation by bystanders, can begin prior to the arrival of EMS providers.

## **Multi-Casualty Incident Plan (MCIP) Update**

The MCIP was first created in 1986 in response to the Galaxy Airlines crash in Reno. The MCIP is designed to provide the community with the District Board of Health’s policies and guidelines for response to an MCI. Since its inception, the MCIP has gone through seven revision cycles to enhance the plan; the most recent occurred during fiscal year 2015-2016. For several months EMS staff worked with regional agencies to update plan elements. The larger revisions included:

- The development of a section on EMS Coverage for Mass Gatherings as mitigation planning
- The addition of American Burn Association information as an appendix (general location of burn beds and burn bed criteria)
- The creation of a Family Service Center (FSC) Annex
- The development of a pre-built communications plan (ICS 205)
- The enhancement of the section on mental health and stress management
- The creation of an executive level training on the MCIP



The District Board of Health heard a presentation on the revisions and approved the updates on April 28, 2016 with an effective date of July 1, 2016.

### **MCIP Executive Training**

As part of the MCIP revision process, regional agencies identified a gap in regional training on the MCIP: most executive level personnel are familiar with the MCIP, but could benefit from a brief training that covers the operational details of the plan. Program staff began development of the MCIP executive level training to be offered during Fiscal Year 16-17. This training is intended to be offered on an annual basis.

### **Nevada Statewide Medical Surge Plan**

The Nevada Statewide Medical Surge plan was first written in 2008 and is an all-hazards response plan that applies to all planned and unexpected events that may necessitate a surge of hospital and other healthcare resources within Nevada. During Fiscal Year 2015-2016 stakeholders deemed it necessary to update the plan content as well as add regional/multi-county response annexes. The West region plans include three annexes: medical surge, MCIs and healthcare evacuation.

The West region annexes were developed with the intention of having additional organization when a response requires multiple counties and jurisdictions. The framework of the annexes was based off Washoe County plans, but the content was modified for regional response and coordination. The annex development culminated with a tabletop exercise to test capabilities, strengths and possible improvements.



## **Section 6: Partner Agency EMS Highlights & Accomplishments FY 15-16**

Partner agencies provided their EMS related highlights for FY 15-16, which include accomplishments such as increased capacity in terms of scope of work, increased staffing levels, newly hired personnel, updates to protocol and equipment upgrades. These are instrumental in assuring the best level of care is provided to the citizens and visitors of Washoe County.



### **City of Reno Fire Department Highlights for FY 15-16**

The Reno Fire Department responds to about 36,000 calls annually. Of those calls about 75% are EMS.

In January 2016 Reno Fire Department hired EMS Chief Dennis Nolan to handle the EMS Division, and was able to establish a standing EMS committee with a Department EMS training center located at Station 11.

On January 8, 2016 Reno Fire Department began delivering ALS service for the first time in the 128 year history of the Department.

The Reno Fire Department hired 32 new recruits spread over two recruit academies. The first academy started on January 4, 2016 and the second academy started April 18, 2016. All recruit graduates are now line firefighters working for the Reno Fire Department.

The Department participated in the National Reading Month in March, reading to over 1,500 school children in the classroom.

The Reno Fire Department continued its participation with local charitable organizations including Muscular Dystrophy Association (the Fill-the-Boot program), Northern Nevada Children's Cancer Foundation with the charitable fundraising dinner we call Natalia's night and Mom's on the Run, a local charitable organization that supports families and individuals impacted by breast cancer.



The Department raised money for Breast Cancer awareness during October through the sale of pink RFD duty shirts. The shirts were approved uniform shirts to be worn on-duty during October.

At Christmas the Department again delivered the Sam Saibini Food Basket program which provides food, free of charge, to underprivileged families in the region and also held the Children's Christmas Party for homeless children in Reno.

In early 2016, the Reno Fire Department began delivering EMS service utilizing a Medical Response Unit (MRU) which provides an additional resource for the Department and allows for flexible staffing.

The Department put two new fire engines in service during March 2016, with a third scheduled to go into service.

The Department chaplain continued to deliver trauma intervention, resources and spiritual care to employees and the public.

Along with the region, the Reno Fire Department completed the application to become a HeartSafe Community.





### **City of Sparks Fire Department Highlights for FY 15-16**

**REMSA Response Map:** the entire City of Sparks is now within the 8-minute response zone after the Response Map revisions.

**Implemented the Omega Response Protocols:** In conjunction with regional partners, developed the Omega response protocols allowing Ambulance and Fire Resources to discontinue response to low acuity priority 3 medical complaints.

**Developed a Refusal of Medical Assistance (RMA):** Developed, delivered required training, and implemented a Refusal of Medical Assistance procedure. This provides for better resource management and proper patient refusal in minor vehicle accidents and falls resulting in lift assists.

**Completed Protocol Update:** Updated protocols to reflect the recent changes in American Heart Association guidelines, scope of practice changes that came with the transition to Advanced EMT and other changes per medical direction.

**Acquired and Renewed POD Endorsement for Numerous Personnel:** The majority of SFD personnel attended vaccination administration training in conjunction with the Washoe County Health District. This cooperative effort allows SFD personnel to gain an additional endorsement on their EMS license that permits them to assist the County in delivering needed vaccines during public health emergencies. SFD personnel, in addition to other first responders, exponentially expand the resource availability to the Health District during a time of need.

**Implemented the NEV CORD Radio Frequency:** Programed department radios to include the NEV CORD frequency to be used to communicate with Air Ambulance resources.

**Participated in NAC 45OB Workshops and Hearings**

**Completed Comprehensive Study on the Need for Paramedic First-Tier Resources Within the City of Sparks**





## **Truckee Meadows Fire Protection District Highlights for FY 15-16**

**Acquired Chest Compression Devices:** Thanks to Commissioner Hartung, a chest compression device was purchased with County funds and placed on the engine in Spanish Springs to enhance cardiac arrest survival rates in that District. The District subsequently budgeted for additional units to be placed on all 11 TMFPD engines in FY 16/17.

**Staffed Gerlach and developed EMS transport procedures:** Due to the resignation of several volunteers in Gerlach, TMFPD assumed operations of that area on an interim basis until a long-term plan could be developed and implemented. With approximately 2 weeks' notice, TMFPD was able to equip and staff a rescue and ambulance to service the region and provide ALS ambulance transport. The service was successfully transferred to new County staff on 7/1/16.

**Approved Division Chief of EMS for FY 16/17 Budget:** With a growing demand for EMS services and program support needs, the District created and funded a new Division Chief of EMS & Training, approved May 2016. The District will recruit for the position in mid FY 16/17.

**Acquired fiber optic intubation scopes:** To enhance success rates during critical, advanced airway placements, the District acquired fiber-optic video laryngoscopes. These tools allow for Paramedics to more easily visualize the placement of advanced airways, leading to better patient outcomes when successful.

**Acquired intubation manikins for all stations:** To further enhance advanced airway placement success rates, every TMFPD station was provided with an advanced airway training manikin. This allows crews to practice these critical skills on a daily basis.

**Trained numerous personnel in vaccination administration:** The majority of TMFPD personnel attended vaccination administration training in conjunction with the Washoe County Health District. This cooperative effort allows TMFPD personnel to gain an additional endorsement on their EMS license that allows them to assist the County in delivering needed vaccines during public health emergencies. TMFPD personnel, in addition to other first responders, exponentially expand the resource availability to the Health District during a time of need.



**65 Certified Paramedics now on staff:** Over the course of the last several years, TMFPD has continued to hire ALS personnel while existing ALS personnel have promoted to higher rank positions. During March 2016 TMFPD hired six additional firefighter paramedics, bringing the total to over 65 certified Paramedics on staff in various ranks which helps the District in all levels of its ALS EMS service.

**Developed a mutual aid agreement with REMSA for TMFPD's ambulance:** REMSA and TMFPD have developed a mutual aid agreement that will utilize the TMFPD ambulance stationed in Washoe Valley during MCI's and/or when REMSA needs assistance in providing transport in the South Valley's.





### **REMSA's Agency Highlights for FY 15-16**

**Hours Added:** Analysis of demand and implementation of the new response zone map led to the addition of 240 Advanced Life Support unit hours per week. These additional hours have been added to the system to increase the number of shift lines and staff available to the system throughout the week.

**Inter-facility System Growth:** Growing demand and a dedication to utilizing appropriate resources based on patient condition led to REMSA adding 144 Intermediate Life Support unit hours. This increase ensured BLS and ILS transfers can be completed by an ILS transport staff, increasing the availability of ALS units in the 911 system.

**New Dedicated Posts:** Two dedicated posts have been added to outlying areas in an effort to provide services to growing and expanding population centers in the region. A 16-hour dedicated post at Wedge Parkway and a 16-hour dedicated post in Spanish Springs were implemented to better serve the expanding geographical population base of the Truckee Meadows

**Community Health:** Began transitioning CHP programs from grant-based to sustainable models with new Healthcare Partners and strategic relationships.

**Omega Protocols:** Implemented Omega Protocols with approval from all three jurisdictions as well as the EMS Advisory Board and the District Board of Health. This agreement is part of REMSA's Community Health initiatives to get the right care to the right patients.

**Communication Staff:** Communication staff added to support the increase of requests specific to handling Inter-facility transfers and to help ensure efficiency of the ILS transport systems.

**Communication Center Accreditation:** Successful reaccreditation of the REMSA Communication Center by the International Academy of Emergency Dispatch Center of Excellence. This is REMSA's 15<sup>th</sup> year being an accredited Center of Excellence.



**Mutual Aid:** Initiated a new Mutual Aid Review Policy to ensure agreements are reviewed more frequently. A Mutual Aid Agreement with Truckee Meadows Fire Protection District was also completed and signed on June 28, 2016. Additionally, work began on establishing agreements with Reno Fire Department and Pyramid Volunteer Fire and Rescue.

**National Visitors:** Hosted multiple tours of key external decision makers; Dean Heller, Reid's staff, State Legislators, and representatives from the Center for Medicare Innovation.

**New Technology:** Implemented Mobile Data Terminals in ambulances and supervisor vehicles for improved routing, information sharing and digital communications. This new technology allows crews access to more information about calls and increased communications with the Communications Center.

**Mission Life Line Silver Award:** Awarded the Silver Mission Life Line Recognition in 2016 for successfully managing and caring for STEMI patients in collaboration with all local hospitals based on national criteria, see below.

Core Measures	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Overall
Percentage of pts with non-traumatic chest pain $\geq 35$ treated and transported who received a pre-hospital 12 lead:	95%	95%	95%	92%	94.7%
Percentage of STEMI pts treated/transported to PCI facility with first medical contact to device $\leq 90$ minutes:	100%	90%	80%	95.7%	92.2%





### **Gerlach Volunteer Fire Department Highlights for FY 15-16**

**Gerlach Fire and EMS:** The small department remained active in FFY-2016, thanks to assistance from the Truckee Meadows Fire Protection District (TMFPD). Due to a variety of factors, the department was in transition. The first half of the year the station was staffed by volunteers and the second half of the year the station was staffed by TMFPD.

However, it emerged stronger and more sustainable as a Combination Fire Department with two full-time employees and two Intermittent Employees to form the nucleus of the revitalized Department.

Volunteers are being recruited, and regular service calls are being conducted by the two ambulances stationed at the Gerlach Department. The coverage area remains almost 5,000 square miles and the department averages about 50 calls per year, with call spikes during the annual Burning Man festival.

**Calls for service:** During FFY-2016 the Gerlach Volunteer Fire Department or TMFPD, responded to 71 calls for service within the Gerlach response area, of which 48% (34) were EMS.



## **Section 7: Goals for Next Fiscal Year**

The following goals are areas which the EMS Oversight Program has been working towards for a several months, however, they are expected to be in effect within the next fiscal year. The Five-year Strategic Plan is a duty assigned by the ILA and was developed over much of FY 15-16 in collaboration with partner EMS agencies. The Program will also be working with EMS partner agencies and regional hospitals to develop best practice methodology to evaluate patient outcome data for future data reports.

### **Five-Year Strategic Plan**

The Washoe County EMS Five-Year Strategic Plan began in August 2015 to guide the future direction of the Washoe County EMS System. The strategic plan began with a collaborative assessment to examine strengths, weaknesses, opportunities and threats facing the EMS System from national, regional and local influences. The information obtained through the analysis helped formulate goals to optimize the structure, processes, and outcomes of the EMS Five-Year Strategic Plan, focusing on: 1) maintaining or improving clinical care and patient satisfaction; and 2) improving operational efficiency and collaboration across the region.

The strategic plan provides Washoe County's EMS System's mission, vision, values, goals and objectives to be accomplished by 2021. The following six goals are outlined in the plan and are as follows:

**Goal 1:** Enhance utilization of EMS resources by matching the appropriate services, as defined by the call for service, through alternative protocols, service options and transportation options by October 7, 2021.

**Goal 2:** Improve pre-hospital EMS performance by reducing system response times through the use of technology and the development of regional response policies by December 31, 2022.

**Goal 3:** Improve communications between EMS partners through enhanced usage of technology and the development of regional guidelines by June 30, 2021.

**Goal 4:** Improve continuity of care through regional processes that ensure patient information transfers from the scene to the hospital by December 31, 2018.

**Goal 5:** Design an enhanced EMS response system through effective regional protocols and quality assurance by December 31, 2018.

**Goal 6:** Continue collaborative models with regional EMS agencies, health organizations and public safety stakeholders.



## Patient Outcome Data

As identified in the Program's FY 14-15 Annual Report, focusing on the relationship between the two-tiered response system is an isolated review of the EMS system performance and patient outcome data should be included for evaluating performance of prehospital care. Promoting a high-quality level of patient care is a priority of all EMS partner agencies. Currently our region's EMS providers are not formally informed of patient outcomes after the responders are cleared from the scene or complete the patient transport to the emergency room.

While all 9-1-1 calls are deemed important, there are a few select conditions which national guidelines recommend a rapid response time from emergency responders; these include the following types of calls:

**Cardiac arrest:** An electrical malfunction of the heart, resulting in an ineffective heartbeat, or complete lack of heart beat. Often occurs without an early onset of warning symptoms. When the heart's electrical pulse is disrupted, the blood flow to the rest of the body stops, this causes the victim to become unconscious, resulting in death within minutes.

**ST-elevation myocardial infarction (STEMI):** Specific type of heart attack in which the blood flow to a portion of the heart is blocked. The heart is a muscle and if an artery providing oxygen-rich blood is blocked for prolonged periods of time that section of the heart will begin to die. Heart attack symptoms may occur suddenly, however many heart attacks occur slowly over a period of days or even weeks.

**Stroke:** Occurs when a blood vessel carrying blood to the brain is blocked or ruptures, resulting in lack of blood to that area of the brain which in turn causes brain tissue and cells to die. Strokes impact people differently depending on which area of the brain the blockage or rupture occurred and the extent of tissue death.

Obtaining patient outcomes from regional hospitals allows EMS providers, including dispatchers, to effectively evaluate dispatch pre-arrival instructions as well as patient care provided on scene and en route to the hospital. This will help to ensure an accurate patient assessment is occurring and the prehospital treatment is appropriate. Measuring patient outcomes is instrumental to evaluate the effectiveness of prehospital protocol and procedures. The Program's goal is to work with the EMS partner agencies and hospitals to further identify patient conditions to analyze and ensure the appropriate data are gathered to effectively assess pre-hospital patient care.





# TRUCKEE MEADOWS FIRE PROTECTION DISTRICT

## STAFF REPORT

Board Meeting Date: December 13, 2016

Fire Chief *AM*  
Finance *AM*  
Legal *AM*  
Risk Mgt *AM*  
HR *AM*

**DATE:** December 1, 2016  
**TO:** Truckee Meadows Fire Protection District Board of Fire Commissioners  
**FROM:** Mary C. Walker, CPA District Financial Consultant  
**THROUGH:** Charles A. Moore, Fire Chief  
**SUBJECT:** Review and acceptance of the Sierra Fire Protection District's Audited Financial Statements for the Fiscal Year ended June 30, 2016. (All Commission Districts)

### SUMMARY

Please find attached the Sierra Fire Protection District's financial statements for the fiscal year ended June 30, 2016 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 and each major fund of the District as of June 30, 2016.

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 one significant deficiency regarding the financial statement preparation. Due to limited staffing in the administration of the District and the added staff time to prepare both the SFPD and TMFPD financial statements, 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, with the consolidation of the SFPD and the TMFPD, only one set of financial statements will be required to be prepared. This will provide more staff time for staff to prepare the financial statements and related disclosures. In addition, with the hiring of a new Fiscal Officer, this will provide the District the opportunity to hire the staff necessary to prepare the financial statements internally.

It is recommended the Sierra Fire Protection District Board of Fire Commissioners accept the District's Audited Financial Statements for FY15-16.

**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, 2016 are as follows:



**General Fund:**

The General Fund's fund balance as of June 30, 2016 was \$2,096,972, an increase of \$273,923 or 15% from the prior year. The increase was caused by revenues exceeding expenditures due to one-time budgeted capital projects that were not yet completed. The total fund balance of \$2,096,972 equates to 30.6% or nearly four months' worth of expenditures.

In FY 15-16, the total General Fund expenditures were \$6,849,553 of which \$6,681,780 was payment to the TMFPD for fire administration and operations. The total expenditures were under budget by \$699,337 or by 10.2% primarily due to not expending the capital budget.

In FY 15-16, the General Fund revenues and other sources exceeded budget by \$61,141 or by .9%.

**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, 2016, the fund balance was \$640,386. This fund balance was carried forward to the Truckee Meadows Fire Protection District in FY 16-17 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, 2016. The consolidated operations of the District with the Truckee Meadows Fire Protection District have 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, 2016.

**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, 2016."*





November 11, 2016

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

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, 2016. 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 engagement letter to you dated February 26, 2016. 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. The District adopted Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*. Accordingly, Note 3 to the financial statements has been updated to categorize the District's investments using the fair value measurements based on the hierarchy established by generally accepted accounting principles and the related valuation methods have been disclosed. No other new accounting policies were adopted and the application of existing policies was not changed during 2016. 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 5 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 disclosure of the District's consolidation with Truckee Meadows Fire Protection District, effective July 1, 2016, as described in Note 8 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. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

**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 11, 2016.

**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.

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 "Eric Bailly LLP".

Reno, Nevada





**Sierra Fire Protection District**

**June 30, 2016**





Financial Statements  
June 30, 2016

## Sierra Fire Protection District



# Sierra Fire Protection District

## Table of Contents

June 30, 2016

Independent Auditor's Report.....	1	
Management's Discussion and Analysis .....	3	
Financial Statements		
Government-Wide Financial Statements		
Statement of Net Position .....	9	
Statement of Activities.....	10	
Fund Financial Statements		
Balance Sheet – Governmental Funds .....	11	
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position .....	12	
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds .....	13	
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	14	
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund...	15	
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Wildland Fire		
Emergency Reserve Fund .....	16	
Notes to Financial Statements.....	17	
Required Supplementary Information		
Schedule of Funding Progress – Other Postemployment Benefits .....	29	
Notes to Required Supplementary Information .....	30	
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 <i>Government Auditing Standards</i> .....		31
Compliance Section		
Schedule of Findings and Responses .....	33	
Auditor's Comments .....	34	





## **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, 2016, 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 and each major fund of the District as of June 30, 2016, 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 3-8 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 11, 2016, 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 11, 2016



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, 2016.

### FINANCIAL HIGHLIGHTS

- The assets of the District's governmental activities exceeded its liabilities at the close of the most recent fiscal year by \$4,088,643 which includes \$4,151,815 net investment in capital assets, \$640,386 which is restricted for wildland fire emergencies and (\$703,558) which is the unrestricted net position. Governmental activities includes all funds of the District.
- For fiscal year 2016, the District's Government Wide revenues were \$7,114,596 while the total expenses were \$7,553,367 for a net decrease in Net Position of \$438,771 primarily caused by an increase in the OPEB liability.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$2,737,358, an increase of \$158,923 or 6.2% in comparison with the prior year. This increase was caused by an increase in revenues caused by the economic recovery.
- 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 \$6,681,780 for this service in fiscal year 2016.

### 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, 2016 were \$6,937,852 with capital assets, net of accumulated depreciation, accounting for \$4,151,815 of that total. Of the total liabilities of \$2,849,209 approximately 99.7% represent liabilities related to long-term liabilities of the District. Total net position decreased by \$438,771 primarily due to the increase in OPEB liability.



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, 2016 were \$7,114,596 consisting primarily of property taxes and intergovernmental revenues while total expenses were \$7,553,367. This resulted in a decrease in net position of \$438,771.

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 9 and 10 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.

**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 11-16 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 17-28 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

	<b>Governmental Activities</b>	
	<b>2016</b>	<b>2015</b>
Current and other assets	\$2,786,037	\$2,626,855
Capital assets	<u>4,151,815</u>	<u>4,375,046</u>
Total Assets	<u>\$6,937,852</u>	<u>\$7,001,901</u>
Other liabilities	9,427	288
Long-term liabilities	<u>2,839,782</u>	<u>2,474,199</u>
Total Liabilities	<u>2,849,209</u>	<u>2,474,487</u>
Net Position:		
Investment in capital assets	4,151,815	4,375,046
Restricted	640,386	755,386
Unrestricted	<u>(703,558)</u>	<u>(603,018)</u>
Total Net Position	<u>\$4,088,643</u>	<u>\$4,527,414</u>

The assets of the District's governmental activities exceeded its liabilities at the close of the most recent fiscal year by \$4,088,643. 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, 2016. The net investment in capital assets as of June 30, 2016, was \$4,151,815 a decrease of \$223,231 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 (15.7%) 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 (\$703,558).

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>2016</u>	<u>2015</u>
Revenues:		
General revenues:		
Property taxes	\$5,287,487	\$5,053,035
Consolidated taxes	1,439,971	1,305,581
Other taxes	300,136	273,556
Reimbursements	-	383,620
Unrestricted investment earnings	64,676	24,574
Other	22,326	16,159
Total revenues	7,114,596	7,056,525
Expenses:		
Public safety	7,553,367	7,256,206
Change in net position	(438,771)	(199,681)
Net position, July 1	4,527,414	4,727,095
Net position, July 30	\$4,088,643	\$4,527,414

**Total Revenues.** The District's total revenues increased by \$58,071, or 1%, in essence relatively flat from the prior year.

**Total Expenses.** The District's total expenses increased by \$297,161, or by 4%, which reflected an inflationary expenditure increase.

**Net Position.** The District's total net position decreased by \$438,771 during the fiscal year ended June 30, 2016. This decrease was primarily caused by the increase in the OPEB liability.

**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 \$2,737,358, an increase of \$158,923 or 6% in comparison with the prior year. This increase was primarily caused by an increase in general revenue. The District's combined governmental fund balances consist of the fund balances of the General Fund and the Wildland Fire Emergency Reserve Fund.

The General Fund is the chief operating fund of the District. For the fiscal year ended June 30, 2016, the fund balance for the General Fund was \$2,096,972, an increase of \$273,923, or 15% from the prior year. The increase was caused primarily by an increase in general revenues. The total fund balance was an assigned fund balance.

As a measure of the General Fund's liquidity, it may be useful to compare the June 30, 2016 fund balance of \$2,096,972 to fund expenditures. This fund balance represents 31% of total General Fund expenditures. This represents nearly 4 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, 2016, the fund balance of the Wildland Fire Emergency Reserve Fund was \$640,386.

#### **CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital assets.** The District's net investment in capital assets as of June 30, 2016, amounts to \$4,151,815 (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 2016 as demonstrated below.

### Percentage Increase (Decrease) in Taxable Sales Over Prior Year

Entity	Fiscal Year			
	2013	2014	2015	2016
Statewide	5.2%	4.9%	7.1%	4.8%
Clark County	4.8%	7.6%	6.3%	4.7%
Washoe County	5.5%	9.4%	12.2%	10.7%

- Washoe County's taxable gaming revenues showed some growth with a 4.7% increase in fiscal year 2016 over the prior year which demonstrates the Northern Nevada economic recovery. Clark County saw a 1% increase over the prior year and the State of Nevada saw a 1.14% increase. The taxable gaming revenue trend reflects the modest national and statewide economic recovery.
- The June 2016 unemployment rate in Washoe County was 5.9% which compares favorably to the June 2015 unemployment rate of 6.4%. Washoe County's June 2016 unemployment rate of 5.9% is more favorable than the Clark County unemployment rate of 6.9%. The statewide unemployment rate was 6.8% at June 30, 2016 which compares slightly more favorably to the 6.9% statewide unemployment rate at June 30, 2015.
- The SFPD increase in assessed valuation over the past two years demonstrates the District's recovery from the Great Recession. Due to the recession, in FY 12, the District experienced an 8.26% decrease in assessed valuation followed by a 3.28% decrease FY 13 and a .6% decrease in FY 14. However, with the economic recovery, the District's assessed value increased by 9.14% in FY 15 and experienced another strong increase of 9.95% in FY 16.

These factors were considered in preparing the District's budget for the 2017 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, 2016

	<u>Governmental Activities</u>
<b>Assets</b>	
Cash and investments	\$ 2,383,608
Taxes receivable	49,099
Due from other governments	346,933
Interest receivable	6,397
Capital assets, not being depreciated	172,114
Capital assets, net of accumulated depreciation	<u>3,979,701</u>
Total assets	<u>6,937,852</u>
<b>Liabilities</b>	
Accounts payable	9,427
Noncurrent liabilities	
Other postemployment benefits	<u>2,839,782</u>
Total liabilities	<u>2,849,209</u>
<b>Net Position</b>	
Investment in capital assets	4,151,815
Restricted for	
Wildland fire emergencies	640,386
Unrestricted	<u>(703,558)</u>
Total net position	<u>\$ 4,088,643</u>



Sierra Fire Protection District  
Statement of Activities  
Year Ended June 30, 2016

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Capital Grants and Contributions	Operating Grants and Contributions	Governmental Activities
Governmental activities					
Public safety	<u>\$ 7,553,367</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	\$ (7,553,367)
General Revenues					
Ad valorem taxes					5,287,487
Consolidated taxes					1,439,971
SCCRT-AB 104					300,136
Real property transfer tax-AB 104					14,246
Licenses and permits					8,080
Unrestricted investment earnings					<u>64,676</u>
Total general revenues					<u>7,114,596</u>
Change in Net Position					(438,771)
Net Position, Beginning of Year					<u>4,527,414</u>
Net Position, End of Year					<u>\$ 4,088,643</u>



Sierra Fire Protection District  
Balance Sheet – Governmental Funds  
June 30, 2016

	General Fund	Wildland Fire Emergency Reserve Fund	Total Governmental Funds
<b>Assets</b>			
Cash and investments	\$ 1,743,222	\$ 640,386	\$ 2,383,608
Taxes receivable	49,099	-	49,099
Due from other governments	346,933	-	346,933
Interest receivable	6,397	-	6,397
Total assets	<u>\$ 2,145,651</u>	<u>\$ 640,386</u>	<u>\$ 2,786,037</u>
<b>Liabilities</b>			
Accounts payable	<u>\$ 9,427</u>	<u>\$ -</u>	<u>\$ 9,427</u>
<b>Deferred Inflows of Resources</b>			
Unavailable revenue - property taxes	<u>39,252</u>	<u>-</u>	<u>39,252</u>
<b>Fund Balances</b>			
Restricted	-	640,386	640,386
Assigned	<u>2,096,972</u>	<u>-</u>	<u>2,096,972</u>
	<u>2,096,972</u>	<u>640,386</u>	<u>2,737,358</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 2,145,651</u>	<u>\$ 640,386</u>	<u>\$ 2,786,037</u>



Sierra Fire Protection District  
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position  
June 30, 2016

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

Total fund balances - total government funds		\$ 2,737,358
Capital assets used in governmental activities are not financial resources and, therefore are not reported in the funds.		
Governmental capital assets	6,404,735	
Less accumulated depreciation	<u>(2,252,920)</u>	
		4,151,815
Deferred inflows of resources are not available to fund current-period expenditures and, therefore, are not reported as revenue in the funds.		
		39,252
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Other postemployment benefits		<u>(2,839,782)</u>
Net position of governmental activities		<u>\$ 4,088,643</u>



Sierra Fire Protection District  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds  
Year Ended June 30, 2016

	General Fund	Wildland Fire Emergency Reserve Fund	Total Governmental Funds
Revenues			
Taxes	\$ 5,296,367	\$ -	\$ 5,296,367
Licenses and permits	8,080	-	8,080
Intergovernmental	1,754,353	-	1,754,353
Miscellaneous	64,676	-	64,676
Total revenues	<u>7,123,476</u>	<u>-</u>	<u>7,123,476</u>
Expenditures			
Public safety	6,806,140	115,000	6,921,140
Capital outlay	43,413	-	43,413
Total expenditures	<u>6,849,553</u>	<u>115,000</u>	<u>6,964,553</u>
Net Change in Fund Balances	273,923	(115,000)	158,923
Fund Balances, Beginning of Year	<u>1,823,049</u>	<u>155,386</u>	<u>2,078,435</u>
Fund Balances, End of Year	<u>\$ 2,096,972</u>	<u>\$ 640,386</u>	<u>\$ 2,737,358</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, 2016

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

Net change in fund balances - total governmental funds	\$ 158,923
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.	(223,231)
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	(8,880)
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>(365,583)</u>
Change in net position of governmental activities	<u>\$ (438,771)</u>



Sierra Fire Protection District  
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual –  
General Fund  
Year Ended June 30, 2016

	2016 Budgeted Amounts		2016	
	Original	Final	Actual	Variance with Final Budget
Revenues				
Taxes				
Ad valorem, general	\$ 5,209,250	\$ 5,209,250	\$ 5,234,658	\$ 25,408
Ad valorem, AB 104	60,050	60,050	61,709	1,659
Licenses and permits				
Gaming, AB 104	2,500	2,500	8,080	5,580
Intergovernmental				
Consolidated taxes	1,331,415	1,331,415	1,439,971	108,556
Real property transfer tax, AB 104	9,500	9,500	14,246	4,746
Supplemental city/county relief tax, AB 104	257,472	257,472	300,136	42,664
Interlocal agreement, fire suppression	153,148	153,148	-	(153,148)
Miscellaneous				
Investment earnings	24,000	24,000	36,434	12,434
Net increase in the fair value of investments	-	-	28,242	28,242
Reimbursements	15,000	15,000	-	(15,000)
Total revenues	<u>7,062,335</u>	<u>7,062,335</u>	<u>7,123,476</u>	<u>61,141</u>
Expenditures				
Public safety function				
Fire				
Services and supplies	7,048,890	7,048,890	6,806,140	242,750
Capital outlay	500,000	500,000	43,413	456,587
Total expenditures	<u>7,548,890</u>	<u>7,548,890</u>	<u>6,849,553</u>	<u>699,337</u>
Net Change in Fund Balance	(486,555)	(486,555)	273,923	760,478
Fund Balance, Beginning of Year	<u>1,685,296</u>	<u>1,685,296</u>	<u>1,823,049</u>	<u>100,598</u>
Fund Balance, End of Year	<u>\$ 1,198,741</u>	<u>\$ 1,198,741</u>	<u>\$ 2,096,972</u>	<u>\$ 861,076</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, 2016

	2016 Budgeted Amounts		2016	
	Original	Final	Actual	Variance with Final Budget
Expenditures				
Public safety function				
Fire				
Services and supplies	\$ 645,000	\$ 645,000	\$ 115,000	\$ 530,000
Net Change in Fund Balances	(645,000)	(645,000)	(115,000)	530,000
Fund Balance, Beginning of Year	755,386	755,386	755,386	-
Fund Balance, End of Year	\$ 110,386	\$ 110,386	\$ 640,386	\$ 530,000



## **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 \$4.50 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.

**Implementation of GASB Statement No. 72**

As of July 1, 2015, the Sierra Fire Protection District adopted GASB Statement No. 72, *Fair Value Measurement and Application*. The implementation of this standard requires governments to measure investments at fair value. The additional disclosures required by this standard are included in Note 3.

**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 \$223,230 difference are as follows:

Capital outlay	\$ 43,413
Less amounts not capitalized	(33,884)
Less depreciation expense	<u>(232,760)</u>
Net adjustment to decrease net change in fund balances - governmental funds to arrive at change in net position - governmental activities	<u>\$ (223,231)</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**

**Fair Value Measurements**

Investments are measured at fair value in the financial statements. Fair value measurements are those that Governmental Accounting Standards Board (GASB) Statements require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.



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 related fair value is determined as follows:

	June 30, 2016	
	Fair Value	Level 2
Washoe County Investment Pool	\$ 2,383,608	\$ 2,383,608

#### **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, 2016 was as follows:

Governmental Activities	Balance July 1, 2015	Increases	Decreases	Balance June 30, 2016
Capital assets, not being depreciated				
Land	\$ 121,000	\$ -	\$ -	\$ 121,000
Construction in progress	41,585	9,529	-	51,114
Total capital assets, not being depreciated	162,585	9,529	-	172,114
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	(8,881)	(1,269)		(10,150)
Buildings and building improvements	(312,095)	(79,946)		(392,041)
Vehicles and equipment	(1,699,184)	(151,545)		(1,850,729)
Total accumulated depreciation	(2,020,160)	(232,760)	-	(2,252,920)
Total capital assets, being depreciated, net	4,212,461	(232,760)	-	3,979,701
Governmental activities capital assets, net	\$ 4,375,046	\$ (223,231)	\$ -	\$ 4,151,815

The increase in accumulated depreciation includes depreciation expense of \$232,760 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, 2016, 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.



Sierra Fire Protection District  
Notes to Financial Statements  
June 30, 2016

The annual OPEB cost, percentage of OPEB cost contributed to the Trust, and the Net OPEB obligation at June 30, 2016 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
2014	\$ 1,516,804	\$ 544,869	35.92%	\$ 2,141,475
2015	332,724	-	0.00%	2,474,199
2016	365,583	-	0.00%	2,839,782

The net OPEB obligation as of June 30, 2016 was calculated as follows:

Determination of Annual Required Contribution:

Normal cost	\$ 148,879
Amortization of Unfunded Actuarial Accrued Liability (UAAL)	288,289
Annual Required Contribution (ARC)	<u>\$ 437,168</u>

Determination of Net OPEB Obligation:

Annual Required Contribution	\$ 437,168
Interest on prior year net OPEB obligation	173,194
Adjustment to ARC	<u>(244,779)</u>
Annual OPEB Cost	365,583
Retiree benefit plan costs paid by district	-
District contributions made to OPEB Trust	<u>-</u>
Change in Net OPEB Obligation	365,583
Net OPEB Obligation, Beginning of Year	<u>2,474,199</u>
Net OPEB Obligation, End of Year	<u>\$ 2,839,782</u>



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

Actuarial valuation date	July 1, 2014
Accrued actuarial liability (a)	\$ 3,662,758
Actuarial value of plan assets (b)	<u>1,234,898</u>
Unfunded actuarial accrued liability (a-b)	<u>\$ 2,427,860</u>
Funded ratio (b/a)	33.71%
Covered payroll* (active plan members) (c)	\$ 3,227,080
Unfunded actuarial accrued liability as a percentage of covered payroll [(a - b)/c]	75.23%

\*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 \$6,681,780 during the year ended June 30, 2016 in accordance with the terms of the interlocal agreement.

**Note 8 - Subsequent Events**

Effective July 1, 2016, the District merged with Truckee Meadows Fire Protection District in accordance with Washoe County Ordinance 1577. All of the District's fire services, powers, functions, responsibilities and obligations conferred upon and exercised by the District were assumed by Truckee Meadows Fire Protection District.





Required Supplementary Information  
**Sierra Fire Protection District**



Sierra Fire Protection District  
Schedule of Funding Progress – Other Postemployment Benefits  
June 30, 2016

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, 2016, 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 11, 2016.

**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 a certain deficiency in internal control, described in the accompanying schedule of findings and responses as finding 2016-A, that we consider to be a significant deficiency.



**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 Finding**

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

**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 11, 2016



**2016-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:</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>	Management concurs with the Auditor's Findings. With the consolidation of the Sierra Fire Protection District into the Truckee Meadows Fire Protection District in FY 16-17, the audit work load in the future will be significantly reduced giving staff more time to prepare the financial statements and related financial statement disclosures. In addition, the District is currently in the process of hiring a new Fiscal Officer which will give the District the opportunity to hire the staff necessary to prepare the financial statements.





### **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, 2016, 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**

There were no potential statute or Administrative Code violations noted in the June 30, 2015 audit.

#### **Prior Year Recommendations**

The prior year finding 2015-A is repeated as finding 2016-A in the current year. The prior year finding 2015-B was corrected.

#### **Current Year Recommendations**

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

*Eide Bailly LLP*

Reno, Nevada  
November 11, 2016





# TRUCKEE MEADOWS FIRE PROTECTION DISTRICT

## STAFF REPORT

Board Meeting Date: December 13, 2016

Fire Chief *[Signature]*  
Finance *[Signature]*  
Legal *[Signature]*  
Risk Mgt *[Signature]*  
HR *[Signature]*

**DATE:** December 1, 2016  
**TO:** Truckee Meadows Fire Protection District Board of Fire Commissioners  
**FROM:** Mary C. Walker, CPA District Financial Consultant  
**THROUGH:** Charles A. Moore, Fire Chief  
**SUBJECT:** Review and acceptance of the Truckee Meadows Fire Protection District's Audited Financial Statements for the Fiscal Year ended June 30, 2016. (All Commission Districts)

### SUMMARY

Please find attached the Truckee Meadows Fire Protection District's financial statements for the fiscal year ended June 30, 2016 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, each major fund and the aggregate remaining fund information of the District as of June 30, 2016.

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 one significant deficiency regarding the financial statement preparation. Due to limited staffing in the administration of the District and the added staff time to prepare both the SFPD and TMFPD financial statements, 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, with the consolidation of the SFPD and the TMFPD, only one set of financial statements will be required to be prepared. This will provide more time for staff to prepare the financial statements and related disclosures. In addition, with the hiring of a new Fiscal Officer, this will provide the District the opportunity to hire the staff necessary to prepare the financial statements internally.

It is recommended the Truckee Meadows Fire Protection District Board of Fire Commissioners accept the District's Audited Financial Statements for FY15-16.

**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, 2016 are as follows:



**General Fund:**

The Truckee Meadows Fire Protection District's finances are stable in the short-term and long-term. The General Fund's fund balance as of June 30, 2016 was \$10,619,291, an increase of \$203,891 or 2% from the prior year. The increase was primarily caused by revenues exceeding expenditures and other financial uses. The total fund balance of \$10,619,291 equates to 48.8% or nearly six months' worth of expenditures.

In FY 15-16, the total General Fund expenditures were \$21,766,383 which was \$2,010,436 under budget. The General Fund revenues and other sources exceeded budget by \$1,037,990 and generally reflects an improving economy.

**Emergency Fund:**

The Wildland Fire Emergency Fund was established to fund the District's emergency and wildland fire liability. NRS 474 allows Fire Districts to set aside up to \$1 million per year for emergency operations, primarily wildland fire operations. As of June 30, 2016, the fund balance was \$658,264. This fund balance was carried forward to FY 16-17 to allow for District funding for the cost of future wildland fires and other emergencies.

**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, 2016, the Capital Projects Fund Balance was \$7,022,011 due to the time delay in the purchase of capital assets and construction projects. This is a one-time accumulation of funds for the District's Capital Improvement Program. This fund balance allows the District to pay for the capital projects and purchase of capital assets without acquiring debt, thus saving taxpayers interest expenses. The fund balance has been carried over to FY 16-17 for the District's Capital Improvement Program.

**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 year of the 5 year buy-out. As of June 30, 2016, the District had restricted net position of \$3,291,881 which is set aside to fund the District's workers' compensation liability.

**Other Funds:**

As of June 30, 2016, the District's Stabilization Fund had a fund balance of \$590,932 which is consistent with prior years. The fund is available to be utilized for decreases in revenues and for emergencies. As of June 30, 2016, the Sick and Annual Comp Benefits Fund had a fund balance of \$335,125 which is a decrease of \$126,294 from the prior year. 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, 2016. The consolidated operations of the District with the Truckee Meadows Fire Protection District have 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, 2016.

**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, 2016."*





November 11, 2016

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

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, 2016. 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 engagement letter to you dated February 26, 2016. 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. The District adopted Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*. Accordingly, Note 3 to the financial statements has been updated to categorize the District's investments using the fair value measurements based on the hierarchy established by generally accepted accounting principles and the related valuation methods have been disclosed. No other new accounting policies were adopted and the application of existing policies was not changed during 2016. 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.



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 disclosure of the District's consolidation with Sierra Fire Protection District, effective July 1, 2016, as described in Note 11 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. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

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.

- |   |          |
|---|----------|
| • Prior year understatement of salaries payable in the General Fund   | \$34,722 |
| • Current year understatement of salaries payable in the General Fund | \$29,968 |

The effect of these uncorrected misstatements, including the effect of the reversal of prior year uncorrected misstatements, is an understatement of change in fund balance of \$4,754, and an overstatement of fund balance of \$29,968, as of and for the year ended June 30, 2016 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 11, 2016.



**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.

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 "Eide Bailly LLP".

Reno, Nevada



A photograph of a red fire truck at night. The side of the truck features the Truckee Meadows Fire Protection District logo. The logo consists of the words "TRUCKEE MEADOWS" in large, bold, white capital letters with a red outline. Below this, "FIRE PROTECTION DIST" is written in smaller white capital letters, and "WASHOE COUNTY, NV" is at the bottom in even smaller white capital letters. The truck is illuminated by its own lights, creating a bright glow on the red paint. A small "Amel" logo is visible on the side of the truck's body.

**TRUCKEE  
MEADOWS**  
FIRE PROTECTION DIST  
WASHOE COUNTY, NV

**Truckee Meadows Fire Protection District**

**June 30, 2016**





Financial Statements  
June 30, 2016

# Truckee Meadows Fire Protection District



# Truckee Meadows Fire Protection District

## Table of Contents

June 30, 2016

Independent Auditor's Report.....	1
Management's Discussion and Analysis.....	4
Financial Section	
Government-Wide Financial Statements	
Statement of Net Position .....	12
Statement of Activities.....	13
Fund Financial Statements	
Balance Sheet – Governmental Funds .....	14
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position .....	15
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds .....	16
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	17
Statement of Net Position – Proprietary Fund .....	18
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Fund .....	19
Statement of Cash Flows – Proprietary Fund .....	20
Notes to Financial Statements.....	21
Required Supplementary Information	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund (Budgetary Basis).....	39
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Major Special Revenue Fund – Emergency Fund.....	40
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) .....	41
Schedule of Funding Progress – Other Postemployment Benefits .....	42
Schedule of District's Share of Net Pension Liability .....	43
Schedule of District's Contributions.....	44
Notes to Required Supplementary Information .....	45
Supplementary Information	
Combining and Individual Fund Statements and Schedules	
Reconciliation of the General Fund Balance Sheet (Budgetary Basis) to the General Fund Balance Sheet (GAAP Basis) – Governmental Funds.....	46
Combining Balance Sheet – Internally Reported (Budgetary Basis) Funds Reported as Part of the General Fund for External Reporting Purposes .....	47
Combining 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 .....	48
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Sick Annual Comp Benefits Fund .....	49
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Stabilization Fund .....	50
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Capital Projects Fund .....	51



Proprietary Funds	
Combining Statement of Net Position – Internal Service Funds .....	52
Combining Statement of Revenues, Expenses, and Changes in Net Position – Internal Service Funds .....	53
Combining Statement of Cash Flows – Internal Service Funds .....	54
Schedule of Revenues, Expenses, and Changes in Net Position – Budget and Actual – Workers’ Compensation Fund .....	55
Schedule of Cash Flows – Budget and Actual – Workers’ Compensation Fund.....	56
Schedule of Revenues, Expenses, and Changes in Net Position – Budget and Actual – Health Benefits Fund .....	57
Schedule of Cash Flows – Budget and Actual – Health Benefits Fund .....	58
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 <i>Government Auditing Standards</i> .....	59
Compliance Section	
Schedule of Findings and Responses.....	61
Auditor’s Comments .....	62





## **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, 2016, 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, 2016, 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.

**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, 39-41, 42 and 43-44, 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 11, 2016, 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 11, 2016



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, 2016.

### **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 \$16,538,504 of which includes \$17,671,594 net investment in capital assets, \$659,745 restricted for wildland fire emergencies, \$7,022,011 restricted for capital projects, \$3,908,425 restricted for claims, and (\$12,723,271) 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 \$6,681,780 for this service in fiscal year 2016.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$19,225,623, an increase of \$2,183,840 or 12.8% in comparison with the prior year. This increase was primarily caused by a transfer of one-time savings to the capital projects fund in anticipation of funding capital project needs with cash instead of acquiring debt. Approximately 43.4% 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, 2016, were \$43,410,891 with capital assets, net of accumulated depreciation, accounting for \$17,671,594 of that total. Of the total liabilities of \$29,340,483, approximately 95% represent liabilities related to long-term liabilities of the District. This is an increase of \$3,282,085 in liabilities in comparison with the prior year which was primarily caused by the increase in the Net Pension Liability.



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, 2016 were \$26,630,645 consisting primarily of taxes and intergovernmental revenues, while total expenses were \$24,435,890. This resulted in an increase in net position of \$2,194,755, an indication that the financial condition of the District improved during the year which was primarily caused by an increase in general revenues of the 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 types of 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 governmental rather than business-type functions, it has 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 21-38 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 immediately following the notes to the financial statements. These reconciliations can be found on pages 41 and 46 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. As of June 30, 2016, the District's total net position was \$16,538,504, which is a \$2,194,755 increase from the prior year. The primary reason for the increase was the increase in general revenues.



**Truckee Meadows Fire Protection District's Net Position**

	<b>Governmental Activities</b>	
	<b>2016</b>	<b>2015</b>
Current and other assets	\$25,739,297	\$25,100,374
Capital assets	17,671,594	17,170,326
Total assets	<u>43,410,891</u>	<u>42,270,700</u>
Deferred outflows of resources	5,749,113	3,663,602
Other liabilities	1,461,457	2,052,868
Long-term liabilities	27,879,026	24,005,530
Total liabilities	<u>29,340,483</u>	<u>26,058,398</u>
Deferred inflows of resources	3,281,017	5,532,155
Net position:		
Investment in capital assets	17,671,594	17,170,326
Restricted	11,590,181	9,670,103
Unrestricted	<u>(12,723,271)</u>	<u>(12,496,680)</u>
Total net position	<u>\$16,538,504</u>	<u>\$14,343,749</u>

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 \$16,538,504. 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, 2016 was \$17,671,594. 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 \$11,590,181 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 (\$12,723,271).

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 balance sheet.



**Truckee Meadows Fire Protection District's Changes in Net Position**

	Governmental Activities	
	2016	2015
Revenues:		
Program revenues:		
Charges for services	\$ 7,230,944	\$ 6,917,724
Operating grants and contributions	82,699	128,966
General revenues:		
Property taxes	11,099,590	10,664,958
Consolidated taxes	5,874,270	5,630,395
Other taxes	818,165	740,766
Unrestricted investment earnings	509,202	219,725
Reimbursements	414,085	341,683
Other	601,690	49,136
Total revenues	<u>26,630,645</u>	<u>24,693,353</u>
Expenses:		
Public safety	<u>24,435,890</u>	<u>22,340,917</u>
Increase in net position	2,194,755	2,352,436
Net position, July 1	<u>14,343,749</u>	<u>11,991,313</u>
Net position, June 30	<u>\$16,538,504</u>	<u>\$14,343,749</u>

**Total Revenues.** The District's total revenues increased by \$1,937,292, or 7.8%. The primary increase was caused by an increase of property tax, consolidated tax revenue and other revenues which reflects a recovering economy.

**Total Expenses.** The District's total expenses increased by \$2,094,973 or by 9.3% which was primarily due to an increase in operating costs.

**Net Position.** The District's total net position increased by \$2,194,755 during the fiscal year ended June 30, 2016, and \$2,352,436 during the fiscal year ended June 30, 2015. The increase in total net position in the fiscal year ended June 30, 2016 was primarily caused by increased revenue due to the economic recovery.



## 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 \$19,225,623, an increase of \$2,183,840 or 12.8% in comparison with the prior year. This increase was primarily caused by a transfer of one-time savings to the capital projects fund in anticipation of funding capital project needs with cash instead of acquiring debt. Approximately 43.4% 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, 2016, the total fund balance for the General Fund was \$11,545,348. The total fund balance included \$3,189,040 assigned for encumbrances and appropriated fund balance and \$6,432 in nonspendable fund balance. The remaining fund balance of \$8,349,876 is unassigned and consists of the General Fund unassigned fund balance of \$7,423,819, the Stabilization Fund unassigned fund balance of \$590,932 and the Sick Annual Comp Benefits Fund unassigned fund balance of \$125,125.

The total fund balance for the General Fund in the amount of \$11,545,348 is an increase of \$89,979 from the prior year. This increase was generally attributable to the improving economy.

As a measure of the General Fund's liquidity, it may be useful to compare the June 30, 2016, total fund balance not attributable to the Stabilization Fund or the Sick Annual Comp Benefits Fund of \$10,619,291 to fund expenditures. The fund balance represents 48.8% 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 2016, 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 \$464,994. The Emergency Fund balance as of June 30, 2016 was \$658,264. The Capital Projects Fund activity in fiscal year 2016 included, among other things, the purchase of radios, land, 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, 2016, was \$3,291,881. The net position of the Health Benefits Fund was \$616,544. In fiscal year 2016, the District fully funded its workers' compensation and health benefits liabilities. In fiscal year 2017, 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, 2016, amounts to \$17,671,594 (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 2016 as demonstrated below.

##### **Percentage Increase (Decrease) in Taxable Sales Over Prior Year**

<b>Entity</b>	<b>Fiscal Year</b>			
	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Statewide	5.2%	4.9%	7.1%	4.8%
Clark County	4.8%	7.6%	6.3%	4.7%
Washoe County	5.5%	9.4%	12.2%	10.7%

- Washoe County's taxable gaming revenues showed some growth with a 4.7% increase in fiscal year 2016 over the prior year which demonstrates the Northern Nevada economic recovery. Clark County saw a 1% increase over the prior year and the State of Nevada saw a 1.14% increase. The taxable gaming revenue trend reflects the modest national and statewide economic recovery.
- The June 2016 unemployment rate in Washoe County was 5.9% which compares favorably to the June 2015 unemployment rate of 6.4%. Washoe County's June 2016 unemployment rate of 5.9% is more favorable than the Clark County unemployment rate of 6.9%. The statewide unemployment rate was 6.8% at June 30, 2016 which compares slightly more favorably to the 6.9% statewide unemployment rate at June 30, 2015.



- The TMFPD increase in assessed valuation over the past three years demonstrates the District's recovery from the Great Recession. Due to the recession, the District experienced a 9.89% decline in assessed value in FY 13. However, with the economic recovery, the District's assessed value increased by 2.58% in FY 14, increased by 7.14% in FY 15 and experienced a strong increase of 11.13% in FY 16.

These factors were considered in preparing the District's budget for the 2017 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, 2016

	Governmental Activities
<b>Assets</b>	
Cash and investments	\$ 23,449,768
Accounts receivable	141,966
Taxes receivable	102,242
Due from other governments	1,451,072
Interest receivable	59,048
Deposits	6,432
Net OPEB asset	528,769
Capital assets, not being depreciated	2,279,729
Capital assets, net of accumulated depreciation	<u>15,391,865</u>
Total assets	<u>43,410,891</u>
<b>Deferred Outflows of Resources</b>	
Pension related amounts	<u>5,749,113</u>
<b>Liabilities</b>	
Accounts payable and accrued liabilities	1,314,967
Due to other governments	133,368
Unearned revenue	13,122
Noncurrent liabilities	
Due within one year	
Claims and judgments	533,000
Compensated absences	1,145,260
Due in more than one year	
Compensated absences	842,004
Net pension liability	<u>25,358,762</u>
Total liabilities	<u>29,340,483</u>
<b>Deferred Inflows of Resources</b>	
Pension related amounts	<u>3,281,017</u>
<b>Net Position</b>	
Investment in capital assets	17,671,594
Restricted for	
Wildland fire emergencies	659,745
Capital projects	7,022,011
Claims	3,908,425
Unrestricted	<u>(12,723,271)</u>
Total net position	<u>\$ 16,538,504</u>



Truckee Meadows Fire Protection District  
Statement of Activities  
Year Ended June 30, 2016

					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	\$ 24,435,890	\$ 7,230,944	\$ -	\$ 82,699	\$ (17,122,247)
General Revenues					
Ad valorem taxes					11,099,590
Intergovernmental Revenues					
Consolidated taxes					5,874,270
SCCRT-AB104					781,089
Real property transfer tax					37,076
Licenses and permits					22,453
Reimbursements					414,085
Unrestricted investment earnings					509,202
Other					579,237
Total general revenues					19,317,002
Change in Net Position					2,194,755
Net Position, Beginning of Year					14,343,749
Net Position, End of Year					\$ 16,538,504



Truckee Meadows Fire Protection District  
Balance Sheet – Governmental Funds  
June 30, 2016

	General Fund (GAAP Basis)	Emergency Fund	Capital Projects Fund	Total Governmental Funds
<b>Assets</b>				
Cash and investments	\$ 11,207,763	\$ 653,549	\$ 7,092,976	\$ 18,954,288
Accounts receivable	141,966	-	-	141,966
Taxes receivable	102,242	-	-	102,242
Due from other governments	1,432,150	18,922	-	1,451,072
Interest receivable	31,126	-	17,188	48,314
Deposits	6,432	-	-	6,432
<b>Total assets</b>	<b>\$ 12,921,679</b>	<b>\$ 672,471</b>	<b>\$ 7,110,164</b>	<b>\$ 20,704,314</b>
<b>Liabilities</b>				
Accounts payable and accrued liabilities	\$ 1,227,210	\$ 12,726	\$ 75,031	\$ 1,314,967
Due to other governments	68,579	-	-	68,579
Unearned revenue	-	-	13,122	13,122
<b>Total liabilities</b>	<b>1,295,789</b>	<b>12,726</b>	<b>88,153</b>	<b>1,396,668</b>
<b>Deferred Inflows of Resources</b>				
Unavailable revenues				
Property taxes	80,542	-	-	80,542
Reimbursements	-	1,481	-	1,481
<b>Total deferred inflows of resources</b>	<b>80,542</b>	<b>1,481</b>	<b>-</b>	<b>82,023</b>
<b>Fund Balances</b>				
Nonspendable	6,432	-	-	6,432
Restricted	-	658,264	7,022,011	7,680,275
Assigned	3,189,040	-	-	3,189,040
Unassigned	8,349,876	-	-	8,349,876
<b>Total fund balances</b>	<b>11,545,348</b>	<b>658,264</b>	<b>7,022,011</b>	<b>19,225,623</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 12,921,679</b>	<b>\$ 672,471</b>	<b>\$ 7,110,164</b>	<b>\$ 20,704,314</b>



Truckee Meadows Fire Protection District  
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position  
June 30, 2016

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

Total fund balances - total governmental funds		\$ 19,225,623
Capital assets used in governmental activities are not financial resources, and, therefore are not reported in the funds.		
Governmental capital assets	28,949,252	
Less accumulated depreciation	<u>(11,277,658)</u>	
		17,671,594
Deferred inflows of resources are not available to pay for current period expenditures, and, therefore, are deferred in the funds.		
		82,023
The net OPEB asset cannot be used as a current financial resource to finance general operations, and, therefore, is not reported in the funds.		
		528,769
Long-term liabilities are not due and payable in the current period, and, therefore, are not reported in the funds.		
Compensated absences	(1,987,204)	
Net pension liability	<u>(25,358,762)</u>	
		(27,346,026)
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	5,749,113	
Deferred inflows of resources related to pensions	<u>(3,281,017)</u>	
		2,468,096
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>3,908,425</u>
Net position of governmental activities		<u>\$ 16,538,504</u>



Truckee Meadows Fire Protection District  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds  
Year Ended June 30, 2016

	General Fund (GAAP Basis)	Emergency Fund	Capital Projects Fund	Total Governmental Funds
Revenues				
Taxes	\$ 11,114,153	\$ -	\$ -	\$ 11,114,153
Licenses and permits	22,453	-	-	22,453
Intergovernmental	13,994,976	-	-	13,994,976
Charges for services	11,102	-	-	11,102
Miscellaneous	818,369	478,944	151,702	1,449,015
Total revenues	<u>25,961,053</u>	<u>478,944</u>	<u>151,702</u>	<u>26,591,699</u>
Expenditures				
Current				
Public safety	21,864,623	464,994	526,455	22,856,072
Capital outlay	28,508	-	1,545,336	1,573,844
Total expenditures	<u>21,893,131</u>	<u>464,994</u>	<u>2,071,791</u>	<u>24,429,916</u>
Excess (Deficiency) of Revenues over Expenditures	<u>4,067,922</u>	<u>13,950</u>	<u>(1,920,089)</u>	<u>2,161,783</u>
Other Financing Sources (Uses)				
Proceeds from asset disposition	22,057	-	-	22,057
Transfers in	-	-	4,000,000	4,000,000
Transfers out	(4,000,000)	-	-	(4,000,000)
Total other financing sources (uses)	<u>(3,977,943)</u>	<u>-</u>	<u>4,000,000</u>	<u>22,057</u>
Net Change in Fund Balances	89,979	13,950	2,079,911	2,183,840
Fund Balances, Beginning of Year	<u>11,455,369</u>	<u>644,314</u>	<u>4,942,100</u>	<u>17,041,783</u>
Fund Balances, End of Year	<u>\$ 11,545,348</u>	<u>\$ 658,264</u>	<u>\$ 7,022,011</u>	<u>\$ 19,225,623</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, 2016

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

Net change in fund balances - total governmental funds		\$ 2,183,840
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.		501,268
Some revenues reported in the governmental funds were reported on the statement of activities in the prior year.		(264,904)
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 compensated absences	(287,805)	
Change in postemployment benefits	<u>(257,678)</u>	
		(545,483)
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	2,085,511	
Pension expense	<u>(1,656,553)</u>	
		428,958
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>(108,924)</u>
Change in net position of governmental activities		<u><u>\$ 2,194,755</u></u>



Truckee Meadows Fire Protection District  
Statement of Net Position – Proprietary Fund  
June 30, 2016

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	Governmental Activities Internal Service Funds
<b>Assets</b>	
Current assets	
Cash and investments	\$ 4,495,480
Interest receivable	10,734
	<hr/>
Total assets	4,506,214
	<hr/>
<b>Liabilities</b>	
Current liabilities	
Due to other governments	64,789
Claims and judgments	533,000
	<hr/>
Total liabilities	597,789
	<hr/>
<b>Net Position</b>	
Restricted	\$ 3,908,425
	<hr/>



Truckee Meadows Fire Protection District  
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Fund  
Year Ended June 30, 2016

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	Governmental Activities Internal Service Funds
Operating Expenses	
Services and supplies	
Claims	<u>\$ 166,623</u>
Nonoperating Revenues (Expenses)	
Investment earnings	54,913
Net increase in the fair value of investments	41,398
Interest expense	<u>(38,612)</u>
Total nonoperating revenues (expenses)	<u>57,699</u>
Change in Net Position	(108,924)
Net Position, Beginning of Year	<u>4,017,349</u>
Net Position, End of Year	<u><u>\$ 3,908,425</u></u>



Truckee Meadows Fire Protection District  
Statement of Cash Flows – Proprietary Fund  
Year Ended June 30, 2016

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	Governmental Activities Internal Service Funds
Operating Activities	
Cash payments for services and supplies	\$ (423,834)
Noncapital Financing Activities	
Interest paid	(38,612)
Investing Activities	
Investment earnings	98,874
Net Change in Cash and Cash Equivalents	(363,572)
Cash and Cash Equivalents, Beginning of Year	4,859,052
Cash and Cash Equivalents, End of Year	\$ 4,495,480
Reconciliation of operating income (loss) to net cash from (used for) operating activities	
Operating income (loss)	\$ (166,623)
Adjustments to reconcile operating income (loss) to net cash from (used for) operating activities:	
Change in	
Due to other governments	64,789
Pending claims	(322,000)
Total adjustments	(257,211)
Net Cash used for Operating Activities	\$ (423,834)



## **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.

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 \$4.50 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. 72

As of July 1, 2015, the Truckee Meadows Fire Protection District adopted GASB Statement No. 72, *Fair Value Measurement and Application*. The implementation of this standard requires governments to measure investments at fair value. The additional disclosures required by this standard are included in Note 3.

## 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 \$501,268 difference are as follows:

Capital outlay	\$ 1,573,844
Additional amounts capitalized	51,347
Less depreciation expense	<u>(1,123,923)</u>
Net adjustment to increase net change in fund balances - governmental funds to arrive at change in net position - governmental activities	<u><u>\$ 501,268</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

### Fair Value Measurements

Investments are measured at fair value in the financial statements. Fair value measurements are those that Governmental Accounting Standards Board (GASB) Statements require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.



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 related fair value is determined as follows:

	June 30, 2016	
	Fair Value	Level 2
Washoe County Investment Pool	\$ 23,449,768	\$ 23,449,768

#### **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, 2016 was as follows:

##### Governmental Activities

	Balance July 1, 2015	Increases	Decreases	Balance June 30, 2016
Capital assets, not being depreciated				
Land	\$ 721,545	\$ 1,351,629	\$ -	\$ 2,073,174
Construction in progress	154,131	52,424	-	206,555
Total capital assets, not being depreciated	875,676	1,404,053	-	2,279,729
Capital assets, being depreciated				
Land improvements	263,322	80,810	-	344,132
Buildings and building improvements	11,868,454	73,936	-	11,942,390
Vehicles and equipment	14,352,144	66,392	(35,535)	14,383,001
Total capital assets, being depreciated	26,483,920	221,138	(35,535)	26,669,523
Less accumulated depreciation for				
Land improvements	(183,777)	(14,599)	-	(198,376)
Buildings and building improvements	(3,979,382)	(361,703)	-	(4,341,085)
Vehicles and equipment	(6,026,111)	(747,621)	35,535	(6,738,197)
Total accumulated depreciation	(10,189,270)	(1,123,923)	35,535	(11,277,658)
Total capital assets, being depreciated, net	16,294,650	(902,785)	-	15,391,865
Governmental activities capital assets, net	\$ 17,170,326	\$ 501,268	\$ -	\$ 17,671,594

The increase in accumulated depreciation includes depreciation expense of \$1,123,923 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, 2016. Long-term liability activity for the year ended June 30, 2016, was as follows:

	Amount Outstanding July 1, 2015	Additions	Reductions	Amount Outstanding June 30, 2016	Due Within One Year
Compensated absences	\$ 1,699,459	\$ 1,310,732	\$ 1,022,927	\$ 1,987,264	\$ 1,145,260
Claims and judgments	855,000	166,623	488,623	533,000	533,000
	<u>\$ 2,554,459</u>	<u>\$ 1,477,355</u>	<u>\$ 1,511,550</u>	<u>\$ 2,520,264</u>	<u>\$ 1,678,260</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, 2016 consisted of the following:

	<u>Transfer in</u> <u>Capital Projects</u> <u>Fund</u>
Transfers out	
General Fund	<u>\$ 4,000,000</u>

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.

#### **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, 2016 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>
2014	\$ 223,415	\$ -	0.00%	\$ (1,001,338)
2015	214,891	-	0.00%	(786,447)
2016	257,678	-	0.00%	(528,769)

The net OPEB obligation (asset) as of June 30, 2016, was calculated as follows:

Determination of Annual Required Contribution:	
Normal cost	\$ 277,767
Amortization of Unfunded Actuarial Accrued Liability (UAAL)	(42,843)
Annual Required Contribution (ARC)	<u>\$ 234,924</u>
Determination of Net OPEB Obligation (Asset):	
Annual Required Contribution	\$ 234,924
Interest on prior year net OPEB obligation (asset)	(55,051)
Adjustment to ARC	<u>77,805</u>
Annual OPEB Cost	257,678
Retiree benefit plan costs paid by district	-
District contributions made to OPEB Trust	<u>-</u>
Change in net OPEB obligation (asset)	257,678
Net OPEB Obligation (Asset), Beginning of Year	<u>(786,447)</u>
Net OPEB Obligation (Asset), End of Year	<u>\$ (528,769)</u>



Truckee Meadows Fire Protection District  
Notes to Financial Statements  
June 30, 2016

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 (asset) (a-b)	<u>\$ (687,942)</u>
Funded ratio (b/a)	120.9%
Covered payroll* (active plan members) (c)	\$ 5,155,973
Unfunded actuarial accrued liability (asset) as a percentage of covered payroll [(a - b)/c]	-13.34%

\*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, 2016 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, 2015 the Statutory Employer/employee matching rates were 13.25% for Regular and 20.75% for Police/Fire. The Employer-pay contribution (EPC) rate for fiscal year ending June 30, 2015 was 25.75% for Regular and 40.50% for Police/Fire.

For the fiscal year ended June 30, 2016 the Statutory Employer/employee matching rates were 14.50% for Regular and 20.75% for Police/Fire. The Employer-pay contribution (EPC) rate for fiscal year ending June 30, 2015 was 28.00% for Regular and 40.50% for Police/Fire.

The District's contributions were \$3,671,552 for the year ended June 30, 2016.

## 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, 2016, the District reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, 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 allocation percentage of the net pension liability was based on the District's total contributions due on wages paid during the measurement period. The District's proportion of the net pension liability is based on its combined employer and member contributions relative to the total combined employer and member contributions for all employers for the period ended June 30, 2015. At June 30, 2015, the District's proportion was 0.22129 percent, which is an increase of .01546 from the portion measured as of June 30, 2014.

### Pension Liability Discount Rate Sensitivity

The following presents the net pension liability of the District as of June 30, 2015, 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	\$ 38,641,675	\$ 25,358,762	\$ 14,313,092

### 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, 2015, 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, 2015 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, 2015 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, 2015. 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, 2015, 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, 2015.

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

For the year ended June 30, 2016, the District recognized pension expense of \$3,242,594. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 1,907,418
Changes in assumptions or other inputs	-	-
Net difference between projected and actual earnings on pension plan investments	-	1,373,599
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions	2,077,561	-
District contributions subsequent to the measurement date	3,671,552	-
	<u>5,749,113</u>	<u>3,281,017</u>
Total	\$ 5,749,113	\$ 3,281,017

Deferred outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date in the amount of \$3,671,552 will be recognized as a reduction of the net pension liability in the year ending June 30, 2017.

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, 2014 (the beginning of the measurement period ended June 30, 2015) 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>	
2017	\$ (639,975)
2018	(639,975)
2019	(639,975)
2020	571,066
2021	54,120
Thereafter	<u>91,283</u>
Total	<u>\$ (1,203,456)</u>

#### **Additional Information**

The PERS Comprehensive Annual Financial Report (CAFR) is available on the PERS website at [www.nvpers.org](http://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, 2016, the District paid the City of Reno the amount of \$304,133 for the purpose of buying out its workers' compensation liability for fiscal year 2010.

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 past two years were as follows:

Claims liability, July 1, 2014	\$ 1,170,000
Claims and changes in estimates	104,862
Claims paid	<u>(419,862)</u>
Claims liability, June 30, 2015	855,000
Claims and changes in estimates	166,623
Claims paid	<u>(488,623)</u>
Claims liability, June 30, 2016	<u><u>\$ 533,000</u></u>

#### **Note 10 - 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 occurred on July 1, 2016. Sierra Fire Protection District paid the District \$6,681,780 during the year ended June 30, 2016 in accordance with the terms of the interlocal agreement.

#### **Note 11 - Subsequent Events**

Effective July 1, 2016, the District merged with Sierra Fire Protection District in accordance with Washoe County Ordinance 1577. All of the Sierra Fire Protection District's fire services, powers, functions, responsibilities and obligations conferred upon and exercised by the Sierra Fire Protection District were assumed by the District.



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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, 2016**

	2016 Budgeted Amounts		2016	
	Original	Final	Actual	Variance with Final Budget
<b>Revenues</b>				
Taxes				
Ad valorem, general	\$ 10,911,909	\$ 10,911,909	\$ 10,953,556	\$ 41,647
Ad valorem, AB 104	155,066	155,066	160,597	5,531
Licenses and permits				
Gaming, AB 104	1,000	1,000	21,028	20,028
Other	1,000	1,000	1,425	425
Intergovernmental				
Federal grants	108,837	108,837	82,699	(26,138)
Consolidated taxes	5,641,952	5,641,952	5,874,270	232,318
Real property transfer tax, AB 104	31,454	31,454	37,076	5,622
Supplemental city/county relief tax, AB 104	667,137	667,137	781,089	113,952
Interlocal cooperative agreement fire suppression	7,266,780	7,266,780	7,219,842	(46,938)
Charges for services				
Services to other agencies	10,700	10,700	10,000	(700)
Other	-	-	1,102	1,102
Miscellaneous				
Investment earnings	100,000	100,000	155,314	55,314
Net increase in the fair value of investments	-	-	93,039	93,039
Reimbursements	500	500	-	(500)
Other	13,892	13,892	557,180	543,288
<b>Total revenues</b>	<b>24,910,227</b>	<b>24,910,227</b>	<b>25,948,217</b>	<b>1,037,990</b>
<b>Expenditures</b>				
Public safety function				
Fire				
Salaries and wages	12,074,396	12,424,396	11,889,177	535,219
Employee benefits	6,674,069	6,674,069	6,215,611	458,458
Services and supplies	4,678,354	4,678,354	3,633,087	1,045,267
Capital outlay	-	-	28,508	(28,508)
<b>Total expenditures</b>	<b>23,426,819</b>	<b>23,776,819</b>	<b>21,766,383</b>	<b>2,010,436</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>1,483,408</b>	<b>1,133,408</b>	<b>4,181,834</b>	<b>3,048,426</b>
<b>Other Financing Sources (Uses)</b>				
Proceeds from asset disposition	-	-	22,057	22,057
Transfers out				
Capital Projects Fund	(4,000,000)	(4,000,000)	(4,000,000)	-
Contingency	(350,000)	-	-	-
<b>Total other financing sources (uses)</b>	<b>(4,350,000)</b>	<b>(4,000,000)</b>	<b>(3,977,943)</b>	<b>22,057</b>
<b>Net Change in Fund Balances</b>	<b>(2,866,592)</b>	<b>(2,866,592)</b>	<b>203,891</b>	<b>3,070,483</b>
<b>Fund Balances, Beginning of Year</b>	<b>8,832,310</b>	<b>8,832,310</b>	<b>10,415,400</b>	<b>1,583,090</b>
<b>Fund Balances, End of Year</b>	<b>\$ 5,965,718</b>	<b>\$ 5,965,718</b>	<b>\$ 10,619,291</b>	<b>\$ 4,653,573</b>

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, 2016

	2016 Budgeted Amounts		2016	
	Original	Final	Actual	Variance with Final Budget
Revenues				
Miscellaneous				
Other	\$ -	\$ -	\$ 478,944	\$ 478,944
Expenditures				
Public safety function				
Fire				
Salaries and wages	250,000	250,000	320,625	(70,625)
Employee benefits	25,000	25,000	8,506	16,494
Services and supplies	245,000	245,000	135,863	109,137
Total expenditures	520,000	520,000	464,994	55,006
Net Change in Fund Balances	(520,000)	(520,000)	13,950	533,950
Fund Balances, Beginning of Year	641,851	641,851	644,314	2,463
Fund Balances, End of Year	\$ 121,851	\$ 121,851	\$ 658,264	\$ 536,413



**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, 2016

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	General Fund (Budgetary Basis)	Internally Reported Funds	General Fund (GAAP Basis)
Revenues			
Taxes	\$ 11,114,153	\$ -	\$ 11,114,153
Licenses and permits	22,453	-	22,453
Intergovernmental	13,994,976	-	13,994,976
Charges for services	11,102	-	11,102
Miscellaneous	805,533	12,836	818,369
	<u>25,948,217</u>	<u>12,836</u>	<u>25,961,053</u>
Total revenues			
Expenditures			
Current			
Public safety	21,737,875	126,748	21,864,623
Capital Outlay	28,508	-	28,508
	<u>21,766,383</u>	<u>126,748</u>	<u>21,893,131</u>
Total expenditures			
Excess (Deficiency) of Revenues over Expenditures	<u>4,181,834</u>	<u>(113,912)</u>	<u>4,067,922</u>
Other Financing Sources (Uses)			
Proceeds from asset disposition	22,057	-	22,057
Transfers out	(4,000,000)	-	(4,000,000)
	<u>(3,977,943)</u>	<u>-</u>	<u>(3,977,943)</u>
Total other financing sources (uses)			
Net Change in Fund Balances	203,891	(113,912)	89,979
Fund Balances, Beginning of Year	<u>10,415,400</u>	<u>1,039,969</u>	<u>11,455,369</u>
Fund Balances, End of Year	<u>\$ 10,619,291</u>	<u>\$ 926,057</u>	<u>\$ 11,545,348</u>



Truckee Meadows Fire Protection District  
Schedule of Funding Progress – Other Postemployment Benefits  
June 30, 2016

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

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	2015	2014
District's portion of net the pension liability	0.22129%	0.20583%
District's proportionate share of the net pension liability	\$ 25,358,762	\$ 21,451,071
District's covered-employee payroll	\$ 8,435,593	\$ 7,783,987
District's proportional share of the net pension liability as a percentage of its covered-employee payroll	300.62%	275.58%
Plan fiduciary net position as a percentage of the total pension liability	75.13%	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 years 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

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	2016	2015
Statutorily required contribution	\$ 3,671,552	\$ 3,415,736
Contributions in relation to the statutorily required contribution	\$ 3,671,552	\$ 3,415,736
Contribution (deficiency) excess	\$ -	\$ -
Employer's covered-employee payroll	\$ 9,271,513	\$ 8,435,593
Contributions as a percentage of covered-employee payroll	39.60%	40.49%

\* 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 years 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. Covered payroll increased by \$4,236,598 since the last valuation due to temporarily opening the plan to allow enrollment of active employees hired prior to July 1, 2014.





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, 2016

	General Fund (Budgetary Basis)	Internally Reported Funds	General Fund (GAAP Basis)
<b>Assets</b>			
Cash and investments	\$ 10,283,130	\$ 924,633	\$ 11,207,763
Accounts receivable	141,966	-	141,966
Taxes receivable	102,242	-	102,242
Due from other governments	1,432,150	-	1,432,150
Interest receivable	29,702	1,424	31,126
Deposits	6,432	-	6,432
	<u>\$ 11,995,622</u>	<u>\$ 926,057</u>	<u>\$ 12,921,679</u>
<b>Liabilities</b>			
Accounts payable and accrued liabilities	\$ 1,227,210	\$ -	\$ 1,227,210
Due to other governments	68,579	-	68,579
	<u>1,295,789</u>	<u>-</u>	<u>1,295,789</u>
<b>Deferred Inflows of Resources</b>			
Unavailable revenue			
Property taxes	80,542	-	80,542
<b>Fund Balances</b>			
Nonspendable	6,432	-	6,432
Assigned	2,979,040	210,000	3,189,040
Unassigned	7,633,819	716,057	8,349,876
	<u>10,619,291</u>	<u>926,057</u>	<u>11,545,348</u>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<u>\$ 11,995,622</u>	<u>\$ 926,057</u>	<u>\$ 12,921,679</u>



**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, 2016**

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	Sick Annual Comp Benefits Fund	Stabilization Fund	Internally Reported Total
<b>Assets</b>			
Cash and investments	\$ 335,125	\$ 589,508	\$ 924,633
Interest receivable	-	1,424	1,424
<b>Total assets</b>	<b>\$ 335,125</b>	<b>\$ 590,932</b>	<b>\$ 926,057</b>
<b>Fund Balances</b>			
Assigned	\$ 210,000	\$ -	\$ 210,000
Unassigned	125,125	590,932	716,057
<b>Total fund balances</b>	<b>\$ 335,125</b>	<b>\$ 590,932</b>	<b>\$ 926,057</b>



Truckee Meadows Fire Protection District

Combining 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, 2016

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	Sick Annual Comp Benefits Fund	Stabilization Fund	Internally Reported Total
Revenues			
Miscellaneous	\$ -	\$ 12,836	\$ 12,836
Expenditures			
Current			
Public safety	126,294	454	126,748
Excess (Deficiency) of Revenues over Expenditures	(126,294)	12,382	(113,912)
Fund Balances, Beginning of Year	461,419	578,550	1,039,969
Fund Balances, End of Year	\$ 335,125	\$ 590,932	\$ 926,057



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, 2016

	2016 Budgeted Amounts		2016	
	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	300,000	300,000	104,525	195,475
Employee benefits	8,000	8,000	21,769	(13,769)
Total expenditures	308,000	308,000	126,294	181,706
Excess (Deficiency) of Revenues over Expenditures	(298,000)	(298,000)	(126,294)	171,706
Fund Balance, Beginning of Year	466,419	466,419	461,419	(5,000)
Fund Balance, End of Year	\$ 168,419	\$ 168,419	\$ 335,125	\$ 166,706



Truckee Meadows Fire Protection District

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

Year Ended June 30, 2016

	2016 Budgeted Amounts		2016	
	Original	Final	Actual	Variance with Final Budget
Revenues				
Miscellaneous				
Investment earnings	\$ 8,000	\$ 8,000	\$ 7,381	\$ (619)
Net increase in the fair value of investments	-	-	5,455	5,455
Total revenues	8,000	8,000	12,836	4,836
Expenditures				
Public safety function				
Fire				
Services and supplies	500,000	500,000	454	499,546
Excess (Deficiency) of Revenues over Expenditures	(492,000)	(492,000)	12,382	504,382
Fund Balance, Beginning of Year	580,698	580,698	578,550	(2,148)
Fund Balance, End of Year	<u>\$ 88,698</u>	<u>\$ 88,698</u>	<u>\$ 590,932</u>	<u>\$ 502,234</u>



Truckee Meadows Fire Protection District

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Capital Projects Fund  
Year Ended June 30, 2016

	2016 Budgeted Amounts		2016	
	Original	Final	Actual	Variance with Final Budget
<b>Revenues</b>				
Miscellaneous				
Investment earnings	\$ 50,000	\$ 50,000	\$ 76,294	\$ 26,294
Net increase in the fair value of investments	-	-	75,408	75,408
Total revenues	50,000	50,000	151,702	101,702
<b>Expenditures</b>				
Public safety function				
Fire				
Services and supplies	624,546	630,756	526,455	104,301
Capital outlay	6,881,163	6,874,953	1,545,336	5,329,617
Total expenditures	7,505,709	7,505,709	2,071,791	5,433,918
Excess (Deficiency) of Revenues over Expenditures	(7,455,709)	(7,455,709)	(1,920,089)	5,535,620
<b>Other Financing Sources (Uses)</b>				
Transfers in				
General Fund	4,000,000	4,000,000	4,000,000	-
Net Change in Fund Balance	(3,455,709)	(3,455,709)	2,079,911	5,535,620
Fund Balance, Beginning of Year	4,033,674	4,033,674	4,942,100	908,426
Fund Balance, End of Year	\$ 577,965	\$ 577,965	\$ 7,022,011	\$ 6,444,046



Truckee Meadows Fire Protection District  
Combining Statement of Net Position – Internal Service Funds  
June 30, 2016

	Governmental Activities		
	Workers' Compensation Internal Service Fund	Health Benefits Internal Service Fund	Total
<b>Assets</b>			
Current assets			
Cash and investments	\$ 3,880,203	\$ 615,277	\$ 4,495,480
Interest receivable	9,467	1,267	10,734
Total assets	<u>3,889,670</u>	<u>616,544</u>	<u>4,506,214</u>
<b>Liabilities</b>			
Current liabilities			
Due to other governments	64,789	-	64,789
Claims and judgments	533,000	-	533,000
Total liabilities	<u>597,789</u>	<u>-</u>	<u>597,789</u>
<b>Net Position</b>			
Restricted	<u>\$ 3,291,881</u>	<u>\$ 616,544</u>	<u>\$ 3,908,425</u>



Truckee Meadows Fire Protection District  
Combining Statement of Revenues, Expenses, and Changes in Net Position – Internal Service Funds  
Year Ended June 30, 2016

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	Governmental Activities		
	Workers' Compensation Internal Service Fund	Health Benefits Internal Service Fund	Total
Operating Expenses			
Services and supplies			
Claims	\$ 166,623	\$ -	\$ 166,623
Nonoperating Revenues (Expenses)			
Investment earnings	48,754	6,159	54,913
Net increase in the fair value of investments	36,548	4,850	41,398
Interest expense	(38,612)	-	(38,612)
Total nonoperating revenues (expenses)	46,690	11,009	57,699
Change in Net Position	(119,933)	11,009	(108,924)
Net Position, Beginning of Year	3,411,814	605,535	4,017,349
Net Position, End of Year	\$ 3,291,881	\$ 616,544	\$ 3,908,425



Truckee Meadows Fire Protection District  
Combining Statement of Cash Flows – Internal Service Funds  
Year Ended June 30, 2016

	Governmental Activities		
	Workers' Compensation Internal Service Fund	Health Benefits Internal Service Fund	Total
Operating Activities			
Cash payments for services and supplies	\$ (423,834)	\$ -	\$ (423,834)
Noncapital Financing Activities			
Interest paid	(38,612)	-	(38,612)
Investing Activities			
Investment earnings	87,489	11,385	98,874
Net Change in Cash and Cash Equivalents	(374,957)	11,385	(363,572)
Cash and Cash Equivalents, Beginning of Year	4,255,160	603,892	4,859,052
Cash and Cash Equivalents, End of Year	<u>\$ 3,880,203</u>	<u>\$ 615,277</u>	<u>\$ 4,495,480</u>
Reconciliation of operating income (loss) to net cash from (used for) operating activities			
Operating income (loss)	\$ (166,623)	\$ -	\$ (166,623)
Adjustments to reconcile operating loss to net cash used for operating activities			
Change in			
Due to other governments	64,789	-	64,789
Pending claims	(322,000)	-	(322,000)
Total adjustments	(257,211)	-	(257,211)
Net Cash used for Operating Activities	<u>\$ (423,834)</u>	<u>\$ -</u>	<u>\$ (423,834)</u>



Truckee Meadows Fire Protection District  
Schedule of Revenues, Expenses, and Changes in Net Position – Budget and Actual – Workers' Compensation  
Fund  
Year Ended June 30, 2016

	2016 Budgeted Amounts		2016	
	Original	Final	Actual	Variance with Final Budget
Operating Expenses				
Services and supplies				
Claims	\$ 1,000,000	\$ 1,000,000	\$ 166,623	\$ 833,377
Nonoperating Revenues (Expenses)				
Investment earnings	50,000	50,000	48,754	(1,246)
Net increase in the fair value of investments	-	-	36,548	36,548
Interest expense	-	-	(38,612)	(38,612)
Total nonoperating revenues (expenses)	50,000	50,000	46,690	(3,310)
Change in Net Position	\$ (950,000)	\$ (950,000)	(119,933)	\$ 830,067
Net Position, Beginning of Year			3,411,814	
Net Position, End of Year			\$ 3,291,881	



Truckee Meadows Fire Protection District  
Schedule of Cash Flows – Budget and Actual – Workers’ Compensation Fund  
Year Ended June 30, 2016

	2016 Budgeted Amounts		2016	
	Original	Final	Actual	Variance with Final Budget
Operating Activities				
Cash payments for services and supplies	\$ (1,000,000)	\$ (1,000,000)	\$ (423,834)	\$ 576,166
Noncapital Financing Activities				
Interest paid	-	-	(38,612)	(38,612)
Investing Activities				
Investment earnings	50,000	50,000	87,489	37,489
Net Change in Cash and Cash Equivalents	(950,000)	(950,000)	(374,957)	575,043
Cash and Cash Equivalents, Beginning of Year	4,441,940	4,441,940	4,255,160	(186,780)
Cash and Cash Equivalents, End of Year	\$ 3,491,940	\$ 3,491,940	\$ 3,880,203	\$ 388,263
Reconciliation of operating income (loss) to net cash from (used for) operating activities				
Operating income (loss)			\$ (166,623)	
Adjustments to reconcile operating loss to net cash used for operating activities				
Change in				
Due to other governments			64,789	
Pending claims			(322,000)	
Total adjustments			(257,211)	
Net Cash Provided used for Operating Activities			\$ (423,834)	



Truckee Meadows Fire Protection District  
Schedule of Revenues, Expenses, and Changes in Net Position – Budget and Actual – Health Benefits Fund  
Year Ended June 30, 2016

	2016 Budgeted Amounts		2016	
	Original	Final	Actual	Variance with Final Budget
Operating Expenses				
Services and supplies	\$ 611,030	\$ 611,030	\$ -	\$ 611,030
Nonoperating Revenues (Expenses)				
Investment earnings	-	-	6,159	6,159
Net increase in the fair value of investments	-	-	4,850	4,850
Total nonoperating revenues (expenses)	-	-	11,009	11,009
Change in Net Position	<u>\$ (611,030)</u>	<u>\$ (611,030)</u>	11,009	<u>\$ 622,039</u>
Net Position, Beginning of Year			<u>605,535</u>	
Net Position, End of Year			<u>\$ 616,544</u>	



Truckee Meadows Fire Protection District  
Schedule of Cash Flows – Budget and Actual – Health Benefits Fund  
Year Ended June 30, 2016

	2016 Budgeted Amounts		2016	
	Original	Final	Actual	Variance with Final Budget
Operating Activities				
Cash payments for services and supplies	\$ (611,030)	\$ (611,030)	\$ -	\$ 611,030
Investing Activities				
Investment earnings (loss)	-	-	11,385	11,385
Net Change in Cash and Cash Equivalents	(611,030)	(611,030)	11,385	622,415
Cash and Cash Equivalents, Beginning of Year	611,030	611,030	603,892	(7,138)
Cash and Cash Equivalents, End of Year	\$ -	\$ -	\$ 615,277	\$ 615,277





**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, 2016, 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 11, 2016.

**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 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. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses as finding 2016-A, that we consider to be a significant deficiency.



**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 Finding**

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

**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.

Handwritten signature of Erik Bailly LLP in cursive script.

Reno, Nevada  
November 11, 2016



**2016-A Financial Statement Preparation  
Significant Deficiency**

*Criteria:* 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.

*Condition:* 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.

*Effect:* 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.

*Cause:* 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.

*Recommendation:* 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.

*Management's Response:* Management concurs with the Auditor's Findings. With the consolidation of the Sierra Fire Protection District into the Truckee Meadows Fire Protection District in FY 16-17, the audit work load in the future will be significantly reduced giving staff more time to prepare the financial statements and related financial statement disclosures. In addition, the District is currently in the process of hiring a new Fiscal Officer which will give the District the opportunity to hire the staff necessary to prepare the financial statements.



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### **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, 2016, 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 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**

Transfers were monitored during the current year to avoid potential violations with NRS.

#### **Prior Year Recommendations**

The prior year finding 2015-A was corrected. The prior year finding 2015-B is repeated as finding 2016-A in the current year.

#### **Current Year Recommendations**

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

*Eide Bailly LLP*

Reno, Nevada  
November 11, 2016