

Truckee Meadows Fire Protection District

A firefighter in a yellow helmet and jacket is seen from behind, holding a yellow fire hose. The background is a large fire with bright orange and yellow flames against a dark sky. The scene is illuminated by the fire, creating a dramatic, high-contrast environment.

AUDITED FINANCIAL REPORT

June 30, 2024

Washoe County, Nevada

Financial Statements
Fiscal Year Ended June 30, 2024

Truckee Meadows Fire Protection District

Truckee Meadows Fire Protection District

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Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type 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, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Correction of Error

As discussed in Note 12 to the financial statements, an error was discovered by management during the current year related to revenue, which resulted in an overstatement in revenue previously reported for the Governmental Activities and Emergency Fund. Accordingly, a restatement has been made to the Governmental Activities net position and Emergency fund balance as of July 1, 2023, to correct the error. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5-11, budgetary comparison information and reconciliation on pages 45-48, schedule of changes in net other postemployment benefit liability and related ratios on pages 49-50, schedule of District's contributions – other postemployment benefits on page 51, schedule of District's share of net pension liability – PERS on page 52, schedule of District's contributions – PERS on page 53, and the notes to the required supplementary information on pages 54-56 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 management's discussion and analysis, schedule of changes in net other postemployment benefit liability and related ratios, schedule of District's contributions – other postemployment benefits, schedule of District's share of net pension liability – PERS, schedule of District's contributions – PERS, and the notes to the required supplementary information in accordance with GAAS, 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.

The budgetary comparison information and reconciliation is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The budgetary comparison information and reconciliation 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 GAAS. In our opinion, the budgetary comparison information and reconciliation is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Supplementary 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 GAAS. In our opinion, the combining and individual fund statements and schedules, including budgetary comparisons and reconciliations are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 26, 2024, 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 solely 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 effectiveness of the District's 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.

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

Reno, Nevada
November 26, 2024

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, 2024.

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 \$364,112 which includes \$27,657,791 net investment in capital assets, \$1,211,162 restricted for wildland fire emergencies, \$1,423,950 restricted for claims, \$571,950 restricted for debt payments and (\$30,500,741) which is the unrestricted net position. Governmental activities include all governmental funds of the District combined with the internal service fund of the District.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$15,101,495 a decrease of \$1,019,250 or 6.32% in comparison with the restated beginning fund balance. This decrease was primarily caused by delayed collections for charges for services and reimbursements. The expenditures are included in the governmental funds however, the charges for services and reimbursements did not occur within the collection period of 60 days after year end and are therefore not current economic resources and not included in revenues. Approximately 33.5% of the combined ending fund balance is available for spending at the government's discretion (unassigned fund balance).
- Ad Valorem taxes, the primary revenue of the District, increased \$1,647,793 or 6.7% over prior year and was \$481,448 over the current year budget. This is a result of growth within the District.
- Consolidated taxes, the second primary revenue of the District increased slightly by \$282,468 or 2.5% of prior year. A larger increase was anticipated therefore consolidated taxes were \$1,043,039 under the current year budget. This is a result of the slowing economy as it relates to inflation.

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, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Increases or decreases in net position over time may serve as a useful indicator of whether the District's financial position is improving or deteriorating.

The Statement of Activities presents information showing how the District's net position changed during the current 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 expenditures are reported for some items that will not result in cash flows until future fiscal periods, such as uncollected taxes and earned but unused vacation leave.

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the District all relate to public safety. The business-type activity of the District is Emergency Medical Services and includes ambulance transfers.

The government-wide financial statements can be found in the basic financial statements section 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. Each of the District's funds can be classified as either governmental, proprietary, or fiduciary.

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 four 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 Debt Service Fund is the District's only non-major governmental fund. 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 as part of the Fund Financial Statements of this report.

Proprietary funds. The District maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The District has one enterprise fund, the Emergency Medical Services Enterprise Fund, a major fund, to account for emergency medical services activities. Internal service funds are an accounting device used to accumulate and allocate costs internally among the District's functions. The District's internal service fund is used to account for its workers' compensation 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 fund is reported in the proprietary fund financial statements and can be found as part of the Fund Financial Statements 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 in this report following the basic financial statements.

Truckee Meadows Fire Protection District
Management's Discussion and Analysis
Year Ended June 30, 2024

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.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

- The District's assets and deferred outflows of resources exceeded liabilities and deferred inflows by \$3,463,202 at June 30, 2024, a decrease of 36.2% from the prior year (as restated). This resulted primarily from the increases in net pension. This item is discussed in more detail in the notes to the financial statements.

Truckee Meadows Fire Protection District's Net Position

| | Governmental Activities | | Business-type Activities | | Total | |
|----------------------------------|----------------------------|-----------------------|-----------------------------|--------------------|---------------------|-----------------------|
| | 2024 | 2023 (as restated) | 2024 | 2023 | 2024 | 2023 (as restated) |
| Current and other assets | \$24,992,713 | \$22,487,980 | \$4,120,648 | \$1,477,266 | \$29,113,361 | \$23,965,246 |
| Capital assets | 38,829,686 | 38,655,526 | 1,294,991 | 1,055,581 | 40,124,677 | 39,711,107 |
| Total assets | <u>63,822,399</u> | <u>61,143,506</u> | <u>5,415,639</u> | <u>2,532,847</u> | <u>69,238,038</u> | <u>63,676,353</u> |
| Deferred outflows of resources | 28,526,813 | 28,560,425 | 1,878,903 | 1,626,685 | 30,405,716 | 30,187,110 |
| Other liabilities | 3,711,687 | 3,010,276 | 359,462 | 323,362 | 4,071,149 | 3,333,638 |
| Noncurrent liabilities | 86,451,143 | 81,564,901 | 3,713,106 | 2,311,064 | 90,164,249 | 83,875,965 |
| Total liabilities | <u>90,162,830</u> | <u>84,575,177</u> | <u>4,072,568</u> | <u>2,634,426</u> | <u>94,235,398</u> | <u>87,209,603</u> |
| Deferred inflows of resources | 1,822,270 | 1,280,564 | 122,884 | 15,452 | 1,945,154 | 1,296,016 |
| Net position: | | | | | | |
| Net investment in capital assets | 27,657,791 | 26,760,592 | 1,162,540 | 1,055,581 | 28,820,331 | 27,816,173 |
| Restricted | 3,207,062 | 3,675,231 | - | - | 3,207,062 | 3,675,231 |
| Unrestricted | <u>(30,500,741)</u> | <u>(26,587,633)</u> | <u>1,936,550</u> | <u>454,073</u> | <u>(28,564,191)</u> | <u>(26,133,560)</u> |
| Total net position | <u>\$ 364,112</u> | <u>\$ 3,848,190</u> | <u>\$3,099,090</u> | <u>\$1,509,654</u> | <u>\$ 3,463,202</u> | <u>\$ 5,357,844</u> |

The largest portion of the District's net position \$28,820,331, remains its investment in capital assets (e.g., land, buildings, equipment, and construction in progress), less any outstanding debt used to acquire them. Capital assets are used to provide services to citizens and therefore are not regarded as being available to fund future spending. Similarly, though they are reported net of related debt, the capital assets themselves will not be used to liquidate these obligations. The 2023 balances have been restated for the correction of an error as more fully described in Note 12 to the financial statements.

Truckee Meadows Fire Protection District
Management's Discussion and Analysis
Year Ended June 30, 2024

An additional portion of the District's net position \$3,207,062 represents resources that are subject to external restrictions on how they may be used, such as the workers' compensation claims and emergencies. The remaining balance of unrestricted net position was (\$28,564,191).

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. It is not uncommon for governments to report negative unrestricted net position, particularly in the governmental activities column. Unrestricted net position deficits commonly arise because governments have long-term liabilities that they fund on a pay-as-you-go basis, appropriating resources annually as payments come due rather than accumulating assets in advance. The District's deficit in unrestricted net position for governmental activities is (\$30,500,741) in the current year as a result of the continuing impact of Governmental Accounting Standards Statement (GASB) 68 and GASB 75. The unrestricted net position of the District's business-type activities of \$1,936,550 may not be used to fund governmental activities.

Truckee Meadows Fire Protection District's Changes in Net Position

| | Governmental | | Business-type | | Total | |
|-------------------------------------|-------------------|-----------------------|---------------------|---------------------|---------------------|-----------------------|
| | Activities | | Activities | | | |
| | 2024 | 2023 (as restated) | 2024 | 2023 | 2024 | 2023 (as restated) |
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 4,540,233 | \$ 3,043,810 | \$ 6,509,329 | \$ 2,941,810 | \$ 11,049,562 | \$ 5,985,620 |
| Capital grants and contributions | 193,253 | 1,134,667 | 156,946 | - | 350,199 | 1,134,667 |
| Operating grants and contributions | 637,489 | 481,878 | 122,709 | 26,076 | 760,198 | 507,954 |
| General revenues: | | | | | - | - |
| Property taxes | 26,156,041 | 24,508,248 | - | - | 26,156,041 | 24,508,248 |
| Consolidated taxes | 11,392,312 | 11,109,844 | - | - | 11,392,312 | 11,109,844 |
| Other taxes | 1,923,546 | 1,952,345 | - | - | 1,923,546 | 1,952,345 |
| Unrestricted investment earnings | 627,002 | 365,408 | 122,056 | 33,720 | 749,058 | 399,128 |
| Reimbursements | 4,771,315 | 2,456,280 | - | - | 4,771,315 | 2,456,280 |
| Other | 374,991 | 338,728 | - | - | 374,991 | 338,728 |
| Total revenues | <u>50,616,182</u> | <u>45,391,208</u> | <u>6,911,040</u> | <u>3,001,606</u> | <u>57,527,222</u> | <u>48,392,814</u> |
| Expenses: | | | | | | |
| Public safety | 53,623,615 | 48,113,288 | 5,571,604 | 3,357,709 | 59,195,219 | 51,470,997 |
| Debt service | 226,645 | 242,023 | - | - | 226,645 | 242,023 |
| Total expenses | <u>53,850,260</u> | <u>48,355,311</u> | <u>5,571,604</u> | <u>3,357,709</u> | <u>59,421,864</u> | <u>51,713,020</u> |
| Transfers: | <u>(250,000)</u> | <u>(2,497,579)</u> | <u>250,000</u> | <u>2,497,579</u> | <u>-</u> | <u>-</u> |
| Increase (Decrease) in net position | (3,484,078) | (5,461,682) | 1,589,436 | 2,141,476 | (1,894,642) | (3,320,206) |
| Net position, July 1 | <u>3,848,190</u> | <u>9,309,872</u> | <u>1,509,654</u> | <u>-</u> | <u>5,357,844</u> | <u>9,309,872</u> |
| Net position, June 30 | <u>\$ 364,112</u> | <u>\$ 3,848,190</u> | <u>\$ 3,099,090</u> | <u>\$ 1,509,654</u> | <u>\$ 3,463,202</u> | <u>\$ 5,357,844</u> |

Governmental Activities. Governmental activities decreased the District's net position at June 30, 2024 by \$3,484,078. This decrease was largely driven due to the increase in the pension related costs for fiscal year 2024. The 2023 balances have been restated for the correction of an error as more fully described in Note 12 to the financial statements.

Revenues. The District's governmental activities revenues increased by \$5,224,974, or 11.5%. The increases were primarily related to the increase in reimbursements by \$2,315,035 mostly due to reimbursements for wildland fire assistance to other local governments due to a more active fire season during fiscal year 2024 compared to 2023, property taxes of \$1,647,793 mostly due to construction growth within the District, and changes for services of \$1,496,423 mostly due to increased activities for fire fuels reductions services. Other increases include an increase in consolidated taxes of \$282,468, an increase in investment earnings in the amount of \$261,594, increase in operating grants in the amount of \$155,611 and increase in other revenues in the amount of \$36,263. These increases were offset by a decrease in capital grants and contributions in the amount of \$941,414 primarily related to a contribution from 911 Emergency Response Advisory Committee for costs associated with a fire station alerting system that was mostly complete in the prior fiscal year with a smaller portion remaining during the fiscal year ended June 30, 2024 and a decrease in other taxes in the amount of \$28,799.

Expenses. The District's governmental activities expenses increased by \$5,494,949 or by 11.4% which was primarily due to salary and benefit increases, including additional costs related to pension and OPEB.

Net Position. The District's governmental activities net position decreased by \$3,552,807 during the fiscal year ended June 30, 2024 due to activities of the District and a prior period adjustment of \$68,729. The current year's decrease was primarily caused by net increases in pension costs which are based on actuarial assumptions. The District's governmental activities net position (net pension liability and pension related deferred inflows offset by pension related deferred outflows) increased by \$4,915,582 during the fiscal year ended June 30, 2024. This was partially offset by a decrease of \$778,798 in bonds payable due to current year principal payments. The prior period adjustment of \$68,729 is due to the correction of an error related to an overbilling.

Business-type Activities. Fiscal Year 2024 is the second year of activity for the District's singular enterprise fund, the Emergency Medical Services Enterprise (EMS) Fund. The EMS Fund accounts for activities related mostly to ambulance services. Net position for the year ended June 30, 2024 for the District's Business-type activities is \$3,099,090. This is an increase of \$1,589,436 or 105.3% over the prior year.

Total revenues for the business-type activities are \$6,911,040 this is an increase of \$3,909,434 or 130.2% over prior year. The majority of these revenues are charges for services of \$6,509,329, or 94.2% of total revenues, are a result of patient and insurance charges of \$1,578,900 and \$4,930,429 from the Ground Emergency Medical Transportation Program (GEMT) which offers reimbursement from Medicaid to public agencies. Most of the increase relates to the payments from GEMT which increased by \$3,210,327 for the year ended June 30, 2024.

Total expenses for the business-type activities are \$5,571,604 this is an increase of \$2,213,895. The majority of these expenses are employee related for salaries and benefits of \$4,824,689 or 86.6% of total operating expenses. The EMS fund has four permanent employees and also records employee expenses related to any paramedic assigned daily to ambulances. Other expenses include services and supplies, including medical supplies of \$636,927 and \$109,988 of depreciation for ambulances and equipment used by the EMS Fund. The increase is due to growth of the program.

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 \$15,101,495 a decrease of \$1,019,250 or 6.3% in comparison with the restated prior year. This decrease was primarily caused by delayed collections for charges for services and reimbursements. The expenditures are included in the governmental funds however, the charges for services and reimbursements did not occur within the collection period of 60 days after year end and are therefore not current economic resources and not included in revenues. Approximately 33.5% 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, 2024, the total fund balance for the General Fund was \$10,128,692. The total fund balance includes an assigned fund balance of \$5,071,066 which consists of \$4,945,117 appropriated to the fiscal year 24/25 budget and \$125,949 assigned to pay out accrued sick and annual compensation balances. The remaining fund balance consists of \$5,057,626 unassigned.

The total fund balance for the General Fund in the amount of \$10,128,692 is a decrease of \$3,061,588 from the prior year. This decrease is primarily caused by delayed collections for charges for services and reimbursements.

As a measure of the General Fund's liquidity, it may be useful to compare the June 30, 2024 total fund balance not attributable to the Stabilization Fund or the Sick Annual Comp Benefits Fund of \$9,348,338 to fund expenditures. The fund balance represents 22.1% of total General Fund expenditures. This represents approximately 2.7 months' worth of expenditures. The fund balance will give the District's General Fund adequate cash flow to meet its operational obligations.

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 2024, the District experienced an increase in large wildland fire activities. Total expenditures were \$2,831,939, an increase of \$619,078 from the prior year. The Emergency Fund's revenue for fiscal year 2024 was \$2,640,903, an increase of \$290,076 over the prior year. This increase is primarily related to the increase in wildland fire activities during the fiscal year.

The Capital Projects Fund activity in fiscal year 2024 included revenues of \$617,015, of this amount, \$383,312 was reimbursement mostly from the 911 Emergency Response Advisory Committee for costs associated with a fire station alerting system and Apple, Inc for costs associated with the construction of a fire station. An additional \$128,949 was related to investment earnings and \$104,754 was related to charges for services for use of equipment in projections for other agencies. Purchases from the Fund, included among other things, the construction planning for two new fire stations, the remodel of two current fire stations, development of a new fire station alerting system, and the purchase of radios for a District refresh.

The Debt Service Fund was established in fiscal year 2022, expenditures from the Fund, included principal and interest payments on the three outstanding general obligation bonds.

Proprietary funds. Proprietary fund statements provide the same type of information found in the government-wide financial statements, but in greater detail and at the individual fund level. They are accounted for using the full accrual basis of accounting; therefore, no reconciliation is required to the government-wide statements.

The EMS Fund, a major fund, was established during the prior fiscal year to account for emergency medical services provided by the District, mostly in the form of ambulance transfers. The change in net position of the fund was \$1,589,436 for the fiscal year ended June 30, 2024. Revenues resulted in charges for service of \$6,509,329 for

patient and insurance billings and GEMT reimbursements. Total operating expenses were \$5,571,604 mostly related to employee costs to provide these services.

The District's Workers Compensation Internal Service fund provides information on the workers' compensation program of the District. The net position of the Workers' Compensation Internal Service Fund as of June 30, 2024, was \$1,423,950, a decrease of \$139,338 from the prior year. The primary reason for the decrease is a change in the estimated liability related to claims and judgements that more accurately represent the liabilities of the District.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. The District's capital assets as of June 30, 2024, amount to \$40,124,677 (net of accumulated depreciation and amortization). This net investment in capital assets includes land, construction in progress, buildings and building improvements, leased buildings, vehicles, software, equipment, right-to-use leased assets, and subscription assets. Refer to Note 4 for further detail.

Long-term debt. The District's long-term bonded debt consists of \$7,000,000 issued during fiscal year 2022 for the acquisition and construction of major capital facilities, \$2,100,000, issued during fiscal year 2021 for the acquisition and construction of major capital facilities and equipment and \$4,415,000 issued during fiscal year 2020, for the purchase and buildup of vehicles and apparatus. Scheduled principal payments of \$761,000 were made during the year. Other long-term obligations of the District included leases payable, compensated absences, such as accrued vacation and sick leave, and estimated workers compensation' claims. Refer to the notes to the financial statements for further detail.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

- The District relies primarily on two types of tax revenues. The first of these is ad valorem or property taxes and is directly affected by the assessed property tax values in Washoe County, Nevada. Property tax revenues are projected to increase for 2024-2025. Assessed values increased by 7.7% for the coming fiscal year.
- The second significant tax revenue for the District, the consolidated tax, consists primarily of sales taxes. For the year ended June 30, 2024, taxable sales in Washoe County decreased by 2.2% over the previous fiscal year. For the fiscal year ending June 30, 2025, the District budgeted sales tax revenue consistent with projections obtained from the State of Nevada Department of Taxation.

These factors were considered in preparing the District's budget for the 2025 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 Fire Protection District, 3663 Barron Way, Reno, Nevada 89511.

Truckee Meadows Fire Protection District

Statement of Net Position

June 30, 2024

| | Governmental Activities | Business-type Activities | Total |
|----------------------------------------------------------------------|----------------------------|-----------------------------|---------------------|
| Assets | | | |
| Cash and investments | \$ 15,854,540 | \$ 3,779,066 | \$ 19,633,606 |
| Restricted cash and investments | 600,000 | - | 600,000 |
| Accounts receivable, net of allowance for doubtful accounts | 3,109,470 | 330,593 | 3,440,063 |
| Taxes receivable | 164,908 | - | 164,908 |
| Due from other governments | 5,090,725 | - | 5,090,725 |
| Interest receivable | 48,910 | 10,989 | 59,899 |
| Prepays | 124,160 | - | 124,160 |
| Capital assets, not being depreciated | 7,899,006 | 132,451 | 8,031,457 |
| Capital assets being depreciated, net of accumulated depreciation | 30,859,343 | 1,162,540 | 32,021,883 |
| IT Subscription asset, net of accumulated amortization | 71,337 | - | 71,337 |
| Total assets | <u>63,822,399</u> | <u>5,415,639</u> | <u>69,238,038</u> |
| Deferred Outflows of Resources | | | |
| Pension related amounts | 25,633,703 | 1,834,606 | 27,468,309 |
| Other postemployment benefits related amounts | 2,893,110 | 44,297 | 2,937,407 |
| Total deferred outflows of resources | <u>28,526,813</u> | <u>1,878,903</u> | <u>30,405,716</u> |
| Liabilities | | | |
| Accounts payable and accrued liabilities | 2,957,183 | 359,462 | 3,316,645 |
| Due to other governments | 125,107 | - | 125,107 |
| Unearned revenue | 577,824 | - | 577,824 |
| Deposits | 23,523 | - | 23,523 |
| Accrued interest | 28,050 | - | 28,050 |
| Noncurrent liabilities | | | |
| Due within one year | | | |
| Bonds payable | 780,000 | - | 780,000 |
| IT Subscriptions | 31,528 | - | 31,528 |
| Claims and judgments | 62,843 | - | 62,843 |
| Compensated absences | 3,498,569 | 48,106 | 3,546,675 |
| Due in more than one year | | | |
| Bonds payable | 10,323,071 | - | 10,323,071 |
| IT Subscriptions | 37,296 | - | 37,296 |
| Claims and judgments | 880,010 | - | 880,010 |
| Compensated absences | 5,628,797 | 237,780 | 5,866,577 |
| Net other postemployment benefits liability | 5,918,904 | 79,086 | 5,997,990 |
| Net pension liability | 59,290,125 | 3,348,134 | 62,638,259 |
| Total liabilities | <u>90,162,830</u> | <u>4,072,568</u> | <u>94,235,398</u> |
| Deferred Inflows of Resources | | | |
| Other postemployment benefits related amounts | 1,338,778 | 20,081 | 1,358,859 |
| Pension related amounts | 483,492 | 102,803 | 586,295 |
| Total deferred inflows of resources | <u>1,822,270</u> | <u>122,884</u> | <u>1,945,154</u> |
| Net Position | | | |
| Net investment in capital assets | 27,657,791 | 1,162,540 | 28,820,331 |
| Restricted for | | | |
| Emergencies | 1,211,162 | - | 1,211,162 |
| Debt Service | 571,950 | - | 571,950 |
| Claims | 1,423,950 | - | 1,423,950 |
| Unrestricted (deficit) | <u>(30,500,741)</u> | <u>1,936,550</u> | <u>(28,564,191)</u> |
| Total net position | <u>\$ 364,112</u> | <u>\$ 3,099,090</u> | <u>\$ 3,463,202</u> |

Truckee Meadows Fire Protection District
Statement of Activities
Year Ended June 30, 2024

| Functions/Programs | Program Revenue | | | Net (Expense) Revenue and Changes in Net Position | | | |
|----------------------------------------------------------------|----------------------|----------------------|----------------------------------|---------------------------------------------------|-------------------------|--------------------------|---------------------|
| | Expenses | Charges for Services | Capital Grants and Contributions | Operating Grants and Contributions | Governmental Activities | Business-type Activities | Total |
| Governmental activities | | | | | | | |
| Public safety | \$ 53,623,615 | \$ 4,540,233 | \$ 193,253 | \$ 637,489 | \$ (48,252,640) | \$ - | \$ (48,252,640) |
| Debt service | 226,645 | - | - | - | (226,645) | - | (226,645) |
| Total governmental activities | 53,850,260 | 4,540,233 | 193,253 | 637,489 | (48,479,285) | - | (48,479,285) |
| Business-type Activities | | | | | | | |
| Ambulance service | 5,571,604 | 6,509,329 | 156,946 | 122,709 | - | 1,217,380 | 1,217,380 |
| Total government | \$ 59,421,864 | \$ 11,049,562 | \$ 350,199 | \$ 760,198 | (48,479,285) | 1,217,380 | (47,261,905) |
| General Revenues | | | | | | | |
| Ad valorem taxes | | | | | 26,156,041 | - | 26,156,041 |
| Intergovernmental Revenues | | | | | | | |
| Consolidated taxes | | | | | 11,392,312 | - | 11,392,312 |
| SCCRT-AB104 | | | | | 1,844,790 | - | 1,844,790 |
| Real property transfer tax | | | | | 78,756 | - | 78,756 |
| Licenses and permits | | | | | 333,613 | - | 333,613 |
| Reimbursements | | | | | 4,771,315 | - | 4,771,315 |
| Unrestricted investment earnings | | | | | 627,002 | 122,056 | 749,058 |
| Transfers | | | | | (250,000) | 250,000 | - |
| Other | | | | | 41,378 | - | 41,378 |
| Total general revenues | | | | | 44,995,207 | 372,056 | 45,367,263 |
| Change in Net Position | | | | | (3,484,078) | 1,589,436 | (1,894,642) |
| Net Position, Beginning of Year, as originally reported | | | | | 3,916,919 | 1,509,654 | 5,426,573 |
| Prior Period Adjustment (Note 12) | | | | | (68,729) | - | (68,729) |
| Net Position, Beginning of Year, as restated | | | | | 3,848,190 | 1,509,654 | 5,357,844 |
| Net Position, End of Year | | | | | \$ 364,112 | \$ 3,099,090 | \$ 3,463,202 |

See Notes to Financial Statements

Truckee Meadows Fire Protection District

Balance Sheet - Governmental Funds

June 30, 2024

| | General Fund (GAAP Basis) | Emergency Fund | Capital Projects Fund | Non-Major Debt Service Fund | Total Governmental Funds |
|--------------------------------------------------------------------------------|---------------------------------|---------------------|-----------------------------|--------------------------------------|--------------------------------|
| Assets | | | | | |
| Cash and investments | \$ 9,137,248 | \$ 179,631 | \$ 4,176,103 | \$ - | \$ 13,492,982 |
| Restricted cash and investments | - | - | - | 600,000 | 600,000 |
| Accounts receivable, net of allowance for doubtful accounts | 1,928,608 | - | 1,180,862 | - | 3,109,470 |
| Taxes receivable | 164,908 | - | - | - | 164,908 |
| Due from other governments | 3,592,821 | 1,347,934 | 149,970 | - | 5,090,725 |
| Due from other funds | 200,000 | - | - | - | 200,000 |
| Interest receivable | 30,443 | - | 11,868 | - | 42,311 |
| Prepaid | - | - | 124,160 | - | 124,160 |
| Total assets | \$ 15,054,028 | \$ 1,527,565 | \$ 5,642,963 | \$ 600,000 | \$ 22,824,556 |
| Liabilities | | | | | |
| Accounts payable and accrued liabilities | \$ 2,564,693 | \$ 1,848 | \$ 390,642 | \$ - | \$ 2,957,183 |
| Due to other governments | 9,198 | 114,555 | - | - | 123,753 |
| Due to other funds | - | 200,000 | - | - | 200,000 |
| Unearned revenue | 19,824 | - | 558,000 | - | 577,824 |
| Deposits | - | - | 23,523 | - | 23,523 |
| Total liabilities | 2,593,715 | 316,403 | 972,165 | - | 3,882,283 |
| Deferred Inflows of Resources | | | | | |
| Unavailable revenues | | | | | |
| Property taxes | 134,007 | - | - | - | 134,007 |
| Intergovernmental | 234,304 | - | - | - | 234,304 |
| Charges for services | 1,769,540 | - | 22,260 | - | 1,791,800 |
| Reimbursements | 193,770 | 293,264 | 1,193,633 | - | 1,680,667 |
| Total deferred inflows of resources | 2,331,621 | 293,264 | 1,215,893 | - | 3,840,778 |
| Fund Balances | | | | | |
| Nonspendable | - | - | 124,160 | - | 124,160 |
| Restricted | - | 917,898 | - | 600,000 | 1,517,898 |
| Committed | - | - | 3,330,745 | - | 3,330,745 |
| Assigned | | | | | |
| For budget shortfall | 4,945,117 | - | - | - | 4,945,117 |
| For compensated absences buyout | 125,949 | - | - | - | 125,949 |
| Unassigned | 5,057,626 | - | - | - | 5,057,626 |
| Total fund balances | 10,128,692 | 917,898 | 3,454,905 | 600,000 | 15,101,495 |
| Total liabilities, deferred inflows of resources, and fund balances | \$ 15,054,028 | \$ 1,527,565 | \$ 5,642,963 | \$ 600,000 | \$ 22,824,556 |

Truckee Meadows Fire Protection District
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2024

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

| | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|--------------------------|
| Total fund balances - total governmental funds | \$ 15,101,495 | |
| Capital assets, including right-to-use leased assets, used in governmental activities are not financial resources, and, therefore are not reported in the funds. | | |
| Governmental capital assets | \$ 60,837,404 | |
| Less accumulated depreciation/amortization | <u>(22,007,718)</u> | 38,829,686 |
| Deferred inflows of resources related to unavailable revenues are not available to pay for current period expenditures, and, therefore, are deferred in the funds. | | 3,840,778 |
| Long-term liabilities are not due and payable in the current period, and, therefore, are not reported in the funds. | | |
| Accrued interest | (28,050) | |
| Bonds payable | (11,103,071) | |
| IT Subscriptions | (68,824) | |
| Compensated absences | (9,127,366) | |
| Net other postemployment benefits liability | (5,918,904) | |
| Net pension liability | <u>(59,290,125)</u> | (85,536,340) |
| Deferred outflows and inflows of resources related to other post-employment benefits (OPEB) are applicable to future periods and, therefore, are not reported in the funds. | | |
| Deferred outflows of resources related to OPEB | 2,893,110 | |
| Deferred inflows of resources related to OPEB | <u>(1,338,778)</u> | 1,554,332 |
| 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 | 25,633,703 | |
| Deferred inflows of resources related to pensions | <u>(483,492)</u> | 25,150,211 |
| 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>1,423,950</u> |
| Net position of governmental activities | | <u><u>\$ 364,112</u></u> |

Truckee Meadows Fire Protection District
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds
Year Ended June 30, 2024

| | General Fund (GAAP Basis) | Emergency Fund | Capital Projects Fund | Non-Major Debt Service Fund | Total Governmental Funds |
|-------------------------------------------------------------------|---------------------------------|-------------------|-----------------------------|--------------------------------------|--------------------------------|
| Revenues | | | | | |
| Taxes | \$ 26,115,991 | \$ - | \$ - | \$ - | \$ 26,115,991 |
| Licenses and permits | 333,613 | - | - | - | 333,613 |
| Intergovernmental | 14,502,210 | - | - | - | 14,502,210 |
| Charges for services | 2,424,718 | - | 104,754 | - | 2,529,472 |
| Miscellaneous | 1,122,163 | 2,640,903 | 512,261 | - | 4,275,327 |
| Total revenues | 44,498,695 | 2,640,903 | 617,015 | - | 47,756,613 |
| Expenditures | | | | | |
| Current | | | | | |
| Public safety | 42,033,784 | 2,831,939 | 489,322 | - | 45,355,045 |
| Capital outlay | 759,960 | - | 1,549,646 | - | 2,309,606 |
| Debt Service | | | | | |
| Principal | 12,701 | - | - | 761,000 | 773,701 |
| Interest | 200 | - | - | 246,141 | 246,341 |
| Total expenditures | 42,806,645 | 2,831,939 | 2,038,968 | 1,007,141 | 48,684,693 |
| Excess (Deficiency) of | | | | | |
| Revenues over Expenditures | 1,692,050 | (191,036) | (1,421,953) | (1,007,141) | (928,080) |
| Other Financing Sources (Uses) | | | | | |
| Issuance of software subscription | 80,525 | - | - | - | 80,525 |
| Transfers in | - | - | 3,610,000 | 1,007,141 | 4,617,141 |
| Transfers out | (4,867,141) | - | - | - | (4,867,141) |
| Sale of capital assets | 32,978 | - | 45,327 | - | 78,305 |
| Total other financing sources (uses) | (4,753,638) | - | 3,655,327 | 1,007,141 | (91,170) |
| Net Change in Fund Balances | (3,061,588) | (191,036) | 2,233,374 | - | (1,019,250) |
| Fund Balances, Beginning of the Year, as originally stated | 13,190,280 | 1,177,663 | 1,221,531 | 600,000 | 16,189,474 |
| Prior Period Adjustment (Note 12) | - | (68,729) | - | - | (68,729) |
| Fund Balances, Beginning of the Year, as Restated | 13,190,280 | 1,108,934 | 1,221,531 | 600,000 | 16,120,745 |
| Fund Balances, End of Year | \$ 10,128,692 | \$ 917,898 | \$ 3,454,905 | \$ 600,000 | \$ 15,101,495 |

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, 2024

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

| | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|-----------------------|
| Net change in fund balances - total governmental funds | | \$ (1,019,250) |
| <p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over the estimated useful lives and reported as depreciation expense.</p> | | |
| Expenditures for capital assets | \$ 2,312,653 | |
| Less current year depreciation/amortization | <u>(2,030,924)</u> | 281,729 |
| <p>Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in governmental funds.</p> | | |
| Change in unavailable revenue | | 2,771,124 |
| <p>Bond and other debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities and/or deferred outflows of resources in the Statement of Net Position. Repayment of bond and other debt principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This is the amount by which bonds issued exceeded repayments:</p> | | |
| Issuance of software subscription | (80,525) | |
| Principal paid on bonds | 761,000 | |
| Principal paid on leases | 1,000 | |
| Principal paid on IT subscriptions | <u>11,701</u> | 693,176 |
| <p>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:</p> | | |
| Change in compensated absences | (716,767) | |
| Change in accrued interest and bond premiums | <u>19,696</u> | (697,071) |
| <p>In the statement of activities, the gain or loss on the disposal of capital assets is reported. In the governmental funds, the gain or loss is not reported. Thus, the change in net position differs from the change in fund balances by the cost of the assets sold less the balance in accumulated depreciation.</p> | | |
| | | (107,568) |
| <p>In the statement of activities, the gain or loss on the early termination of a lease is reported. In the governmental funds, the gain or loss is not reported. Thus, the change in net position differs from the change in fund balances by the cost of the outstanding balance of the liability terminated.</p> | | |
| | | 12,065 |
| <p>Governmental funds report pension and other postemployment benefits (OPEB) contributions as expenditures. However, in the Statement of Activities, the cost of pension and OPEB benefits earned is reported as pension expense.</p> | | |
| OPEB contributions | 1,300,000 | |
| OPEB expense | (1,663,363) | |
| Pension contributions | 3,756,880 | |
| Pension expense | <u>(8,672,462)</u> | (5,278,945) |
| <p>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.</p> | | |
| | | <u>(139,338)</u> |
| Change in net position of governmental activities | | <u>\$ (3,484,078)</u> |

Truckee Meadows Fire Protection District
Statement of Net Position - Proprietary Funds
June 30, 2024

| | Business-type Activities Emergency Medical Services Enterprise Fund | Governmental Activities Workers' Compensation Internal Service Fund |
|----------------------------------------------------------------------|---------------------------------------------------------------------------------|---------------------------------------------------------------------------------|
| Assets | | |
| Cash and investments | \$ 3,779,066 | \$ 2,361,558 |
| Accounts receivable | 330,593 | - |
| Interest receivable | 10,989 | 6,599 |
| Capital assets, not being depreciated | 132,451 | |
| Capital assets being depreciated, net of accumulated depreciation | <u>1,162,540</u> | <u>-</u> |
| Total assets | <u>5,415,639</u> | <u>2,368,157</u> |
| Deferred Outflows of Resources | | |
| Pension related amounts | 1,834,606 | - |
| Other postemployment benefits related amounts | <u>44,297</u> | <u>-</u> |
| Total deferred outflows of resources | <u>1,878,903</u> | <u>-</u> |
| Liabilities | | |
| Current liabilities | | |
| Accounts payable | 156,733 | - |
| Accrued salaries and benefits | 202,729 | - |
| Compensated absences | 48,106 | - |
| Due to other governments | - | 1,354 |
| Claims and judgments | - | 62,843 |
| Noncurrent liabilities | | |
| Compensated absences | 237,780 | - |
| Claims and judgments | - | 880,010 |
| Net other postemployment benefits liability | 79,086 | - |
| Net pension liability | <u>3,348,134</u> | <u>-</u> |
| Total liabilities | <u>4,072,568</u> | <u>944,207</u> |
| Deferred Inflows of Resources | | |
| Other postemployment benefits related amounts | 20,081 | - |
| Pension related amounts | <u>102,803</u> | <u>-</u> |
| Total deferred inflows of resources | <u>122,884</u> | <u>-</u> |
| Net Position | | |
| Investment in capital assets | 1,162,540 | - |
| Restricted for claims | - | 1,423,950 |
| Unrestricted | <u>1,936,550</u> | <u>-</u> |
| Total Net Postion | <u>\$ 3,099,090</u> | <u>\$ 1,423,950</u> |

Truckee Meadows Fire Protection District
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds
Year Ended June 30, 2024

| | Business-type Activities Emergency Medical Services Enterprise Fund | Governmental Activities Workers' Compensation Internal Service Fund |
|----------------------------------------------------------|---------------------------------------------------------------------------------|---------------------------------------------------------------------------------|
| Operating Revenue | | |
| Charges for services | \$ 6,509,329 | \$ - |
| Operating Expenses | | |
| Salaries and wages | 2,432,764 | - |
| Employee benefits | 2,391,925 | - |
| Services and supplies | 636,927 | - |
| Depreciation/amortization | 109,988 | - |
| Changes in estimated claims | - | 215,062 |
| Miscellaneous | - | 656 |
| Total operating expenses | 5,571,604 | 215,718 |
| Operating Income (Loss) | 937,725 | (215,718) |
| Nonoperating Revenues (Expenses) | | |
| State grant | 20,201 | - |
| Donations | 102,508 | - |
| Investment earnings | 57,024 | 48,067 |
| Net increase (decrease) in the fair value of investments | 65,032 | 28,313 |
| Total nonoperating revenues (expenses) | 244,765 | 76,380 |
| Income (loss) before capital contributions and transfers | 1,182,490 | (139,338) |
| Capital Contributions | 156,946 | - |
| Transfers in | 250,000 | - |
| Change in Net Position | 1,589,436 | (139,338) |
| Net Position, Beginning of Year | 1,509,654 | 1,563,288 |
| Net Position, End of Year | \$ 3,099,090 | \$ 1,423,950 |

Truckee Meadows Fire Protection District
Statement of Cash Flows - Proprietary Fund
Year Ended June 30, 2024

| | Business-type Activities Emergency Medical Services Enterprise Fund | Governmental Activities Workers' Compensation Internal Service Fund |
|---------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------|---------------------------------------------------------------------------------|
| Operating Activities | | |
| Cash received from customers | \$ 1,506,992 | \$ - |
| Cash received from others | 4,930,429 | - |
| Cash payments for services and supplies | (570,982) | (38,461) |
| Cash payments for salaries and benefits | (3,622,884) | - |
| Net Cash from (used for) Operating Activities | 2,243,555 | (38,461) |
| Noncapital Financing Activities | | |
| State grants | 20,201 | - |
| Transfers in | 250,000 | - |
| Net Cash from (used for) Noncapital Financing Activities | 270,201 | - |
| Capital and related financing activities | | |
| Cash payments for capital assets | (64,336) | - |
| Investing Activities | | |
| Investment earnings | 112,139 | 74,892 |
| Net Change in Cash and Cash Equivalents | 2,561,559 | 36,431 |
| Cash and Cash Equivalents, Beginning of Year | 1,217,507 | 2,325,127 |
| Cash and Cash Equivalents, End of Year | <u>\$ 3,779,066</u> | <u>\$ 2,361,558</u> |
| Reconciliation of operating income (loss) to net cash from (used for) operating activities | | |
| Operating income (loss) | 937,725 | \$ (215,718) |
| Adjustments | | |
| Depreciation expense | 109,988 | - |
| Net pension expense | 1,156,568 | - |
| Net other postemployment benefits expense | (932) | - |
| Change in assets and liabilities | | |
| Accounts receivable | (71,907) | - |
| Accounts payable | 65,945 | - |
| Accrued salaries and benefits | (55,452) | - |
| Compensated absences | 101,620 | - |
| Due to other governments | - | (11,630) |
| Pending claims | - | 188,887 |
| Total adjustments | 1,305,830 | 177,257 |
| Net Cash from (used for) Operating Activities | \$ 2,243,555 | \$ (38,461) |
| Noncash investing, capital and financing activities | | |
| Capital Contribution | \$ 156,946 | \$ - |
| Capital Payable | \$ 128,115 | \$ - |

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 (County). 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 County has no financial benefit or burden relationship with the District and the District is a legally separate organization from the County. However, the Board of County Commissioners acts as the Board of Fire Commissioners of the District and as such, as defined in governmental accounting standards generally accepted in the United States of America, the District has been classified as a discretely presented component unit of the County.

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 report liabilities 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, including lease and IT subscription liabilities, as well as expenditures related to compensated absences, postemployment benefits, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions, including entering into agreements giving the District the right to use leased assets and IT subscriptions, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases and IT subscriptions are reported as other financing sources.

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 Workers' Compensation Internal Service Fund is the only internal service fund. The financial statements of the Workers' Compensation Internal Service Fund are consolidated into the governmental activities 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 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.

The government reports the following major proprietary fund:

The Emergency Medical Services Enterprise Fund accounts for the activities of the ambulance and other emergency medical services provided within the District.

Additionally, the District reports the following fund types:

The Debt Service Fund is used to account for the accumulation of resources that are restricted, committed, or assigned for the payment of principal and interest on long-term obligations of governmental funds.

The Workers' Compensation Fund Internal Service Fund accounts for the workers' compensation activity.

Cash Deposited and Invested with Washoe County Treasurer

A majority of 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. The District's cash and investments pooled with Washoe County funds and the District's payroll cash account are available upon demand, therefore 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. 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

The allowance method is used to provide for estimated uncollectible amounts. At June 30, 2024, the allowance for uncollectible accounts receivable was \$1,499,005 in the Emergency Medical Services Enterprise Fund.

Deposits and prepaid items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as deposits and prepaid items in both the government-wide and fund financial statements. The amounts of deposits and prepaid items are recorded as expenditures/expenses when consumed rather than when purchased.

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 (except for intangible right-to-use lease assets, the measurement of which is discussed in more detail below). Donated capital assets are recorded at estimated fair market value at the date of donation.

Right-to-use leased assets are recognized at the lease commencement date and represent the District's right to use an underlying asset for the lease term. Right-to-use leased assets are measured at the initial value of the lease liability plus any payments made to the lessor before commencement of the leased term, less any lease incentives received from the lessor at or before the commencement of the lease term, plus any initial direct costs necessary to place the lease asset into service. Right-to-use leased assets are amortized over the shorter of the lease term or useful life of the underlying asset using the straight-line method.

IT subscription assets are recognized at the subscription commencement date and represent the District's right to use the underlying IT asset for the subscription term. IT subscription assets are measured at the initial value of the subscription liability plus any payments made to the vendor at the commencement of the subscription term, less any subscription incentives received from the vendor at or before the commencement of the subscription term, plus any capitalizable initial implementation costs necessary to place the subscription asset into service. IT subscription assets are amortized over the shorter of the subscription term or useful life of the underlying asset using the straight-line method.

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.

Land and construction in progress are not depreciated. The other tangible and intangible property, plant, equipment, and the right to use leased buildings and equipment are depreciated/amortized using the straight-line method over the following estimated useful lives, or lease term, whichever is shorter:

| | |
|------------------------|---------------|
| Land improvements | 20 -40 years |
| Buildings | 40 years |
| Right-to-use buildings | 15 years |
| Building improvements | 10 - 20 years |
| Vehicles and equipment | 5-20 years |
| Intangibles | 3-20 years |
| IT Subscriptions | 3-4 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.

Other Postemployment Benefits

The District provides other postemployment benefits (OPEB) for eligible employees through a single-employer defined benefit OPEB plan. The plan is administered through the Washoe County, Nevada OPEB Trust (Trust), an irrevocable trust established on May 11, 2010 by the Board of County Commissioners. The Trust is a multiple employer trust and was created to fund and account for the participating employers' costs of retiree healthcare benefits pursuant to NRS 287.017. The District's net OPEB liability is measured as of June 30, 2023, and the total OPEB liabilities used to calculate the net OPEB liability are determined by actuarial valuations as of July 1, 2022.

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 assets 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 and other postemployment benefits.

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 an acquisition of net assets 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 and net other postemployment liability on the Statement of Net Position. In addition, the District recognizes deferred inflows of resources as they relate to property taxes, intergovernmental, charges for services, and reimbursements in the governmental fund financial statements.

Long-Term Liabilities

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts and any prepaid bond insurance, if applicable, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Prepaid bond insurance costs are reported as deferred charges and amortized over the term of the related debt. Debt issuance costs are expensed during the current period.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance cost, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Leases

At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made.

Key estimates and judgments related to leases include how the District determines the discount rate it uses to discount the expected lease payments to present value, the lease term, and the lease payments are:

The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancellable period of the lease plus any renewals expected to be exercised. Lease payments included in the measurement of the lease liability are composed of fixed payments.

The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the Statement of Net Position.

IT Subscription Liabilities

At the commencement of an IT subscription, the District initially measures the IT subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the IT subscription liability is reduced by the principal portion of IT subscription payments made.

Key estimates and judgments related to IT subscription include how the District determines the discount rate it uses to discount the expected IT subscription payments to present value, the IT subscription term, and the IT subscription payments are:

The District uses the interest rate charged by the IT subscription provider as the discount rate. When the interest rate charged by the IT subscription provider is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for IT subscription.

The IT subscription term includes the noncancellable period of the IT subscription plus any renewals expected to be exercised. IT subscription payments included in the measurement of the IT subscription liability are composed of fixed payments.

The District monitors changes in circumstances that would require a remeasurement of its IT subscription and will remeasure the IT subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the IT subscription liability.

IT subscription assets are reported with other capital assets and IT subscription liabilities are reported with long-term debt on 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 and accrued comp time upon death, retirement, termination or permanent disability. Employees upon death, retirement or permanent disability after twenty years of enrollment with the Public Employees' Retirement System of the State of Nevada (PERS) shall be compensated for total accrued sick leave at the rate of 75% for every hour earned increasing by 5% per year up to a maximum of 100% at 25 years of PERS enrollment.

Fund Equity

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

Net Investment in Capital Assets – Consists of capital assets, including right-to-use assets, net of accumulated depreciation/amortization 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.

When an expenditure is incurred for purposes for which both restricted and unrestricted amounts are available, the District considers restricted funds to have been spent first.

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:

Nonspendable Fund Balance - Includes amounts that cannot be spent because they are not in spendable form. For the District this includes deposits and prepaids.

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 debt service, emergency resources, and workers' compensation claims.

Committed Fund Balance - Represents amounts that can be used only for the specific purposes determined by of the adoption of an ordinance committing fund balance for a specified purpose by the District's Board of Fire Commissioners prior to the end of the fiscal year. Once adopted, the limitation imposed by the Board of Fire Commissioners remains in place until the resources have been spent for the specified purpose or the Board of Fire Commissioners removes or revises the limitation. For the District, the committed fund balance consists of committed assets for capital projects.

Assigned Fund Balance - Represents 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 and amounts internally reported for sick and annual compensation benefits.

Unassigned Fund Balance - Represents the residual amount for the general fund that is not contained in the other classifications. The general fund is the only fund that reports a positive unassigned fund balance.

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.

Use of Estimates

The preparation of these financial statements includes estimates and assumptions made by management that affect the reported amounts. Actual results could differ from those estimates. Significant estimates include the valuation of the net pension liability, OPEB liability, valuation of compensated absences, valuation of workers' compensation claims liabilities, estimated useful lives of depreciable capital assets and the allowance for uncollectible accounts.

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.

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.

Charges for Services

The District presents charges for service net of discounts and write-offs. The total amount of discounts and write-offs included in the Emergency Medical Services Enterprise Fund were \$2,508,271 as of June 30, 2024.

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

Actual expenses of the District’s General Fund Debt Service Function exceeded the statutory limit by \$11,701 which appears to be a violation of NRS354.626. However, this an allowed exception under NRS 354.626.

Actual expenses of the District’s Emergency Medical Services exceeded the statutory limit by \$870,993 which appears to be a violation of NRS354.626. However, this an allowed exception under NAC 354.481.

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

Note 3 - Cash and Investments

The District is a voluntary participant 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 \$20,175,356 as of June 30, 2024. The District’s total cash and investments is as follows at June 30, 2024:

| | |
|----------------------------|----------------------|
| Cash | \$ 58,250 |
| WCIP | <u>20,175,356</u> |
| Total cash and investments | <u>\$ 20,233,606</u> |

Restricted cash and investments of \$600,000 in the debt service fund is restricted for the payment of principal and interest on bond issuances.

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. Balances in the WCIP and the District’s Payroll account are covered

Truckee Meadows Fire Protection District

Notes to Financial Statements

June 30, 2024

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, 2024 was as follows:

| | Balance July 1, 2023 | Increases | Decreases | Balance June 30, 2024 |
|------------------------------------------------------------------------------------|-------------------------|---------------------|-----------------------|--------------------------|
| Capital Assets - Governmental Activities | | | | |
| Capital assets, not being depreciated | | | | |
| Land | \$ 5,526,257 | \$ - | \$ - | \$ 5,526,257 |
| Construction in progress | 1,553,929 | 1,864,263 | (1,045,443) | 2,372,749 |
| Total capital assets, not being depreciated | <u>7,080,186</u> | <u>1,864,263</u> | <u>(1,045,443)</u> | <u>7,899,006</u> |
| Capital assets, being depreciated | | | | |
| Land improvements | 381,376 | - | - | 381,376 |
| Buildings and building improvements | 27,394,454 | - | - | 27,394,454 |
| Vehicles and equipment | 24,150,546 | 486,762 | (749,661) | 23,887,647 |
| Intangibles | 172,155 | 922,031 | - | 1,094,186 |
| Total capital assets, being depreciated | <u>52,098,531</u> | <u>1,408,793</u> | <u>(749,661)</u> | <u>52,757,663</u> |
| Less accumulated depreciation for | | | | |
| Land improvements | (294,685) | (7,242) | - | (301,927) |
| Buildings and building improvements | (8,584,479) | (730,421) | - | (9,314,900) |
| Vehicles and equipment | (11,513,414) | (1,236,416) | 655,709 | (12,094,121) |
| Intangibles | (162,176) | (25,196) | - | (187,372) |
| Total accumulated depreciation | <u>(20,554,754)</u> | <u>(1,999,275)</u> | <u>655,709</u> | <u>(21,898,320)</u> |
| Total capital assets, being depreciated, net | <u>31,543,777</u> | <u>(590,482)</u> | <u>(93,952)</u> | <u>30,859,343</u> |
| Right-to-use leased assets being amortized | | | | |
| Buildings and building improvements | 15,020 | - | (15,020) | - |
| Right-to-use accumulated amortization | | | | |
| Buildings and building improvements | (2,146) | (1,073) | 3,219 | - |
| Net right-to-use leased assets | <u>12,874</u> | <u>(1,073)</u> | <u>(11,801)</u> | <u>-</u> |
| IT Subscription assets being amortized | | | | |
| IT Subscription Assets | 97,510 | 83,225 | - | 180,735 |
| IT Subscription Assets Accumulated Amortization | (78,822) | (30,576) | - | (109,398) |
| Net IT subscription assets | <u>18,688</u> | <u>52,649</u> | <u>-</u> | <u>71,337</u> |
| Governmental activities, capital, right-to-use, and IT subscription assets, net | <u>\$ 38,655,525</u> | <u>\$ 1,325,357</u> | <u>\$ (1,151,196)</u> | <u>\$ 38,829,686</u> |

Truckee Meadows Fire Protection District
Notes to Financial Statements
June 30, 2024

| Capital Assets - Business-type Activities | Balance July 01, 2023 | Increases | Decreases | Balance June 30, 2024 |
|-------------------------------------------------------------|--------------------------|-------------------|-------------|--------------------------|
| Capital assets, not being depreciated | | | | |
| Construction in progress | - | 132,451 | - | 132,451 |
| Total capital assets, not being depreciated | - | 132,451 | - | 132,451 |
| Capital assets, being depreciated | | | | |
| Vehicles and equipment | \$ 1,382,258 | \$ 216,947 | \$ - | \$ 1,599,205 |
| Less accumulated depreciation for Vehicles and equipment | (326,677) | (109,988) | - | (436,665) |
| Net depreciable capital assets | \$ 1,055,581 | \$ 106,959 | \$ - | \$ 1,162,540 |
| Business-type activities, capital assets, net | <u>\$ 1,055,581</u> | <u>\$ 239,410</u> | <u>\$ -</u> | <u>\$ 1,294,991</u> |

Depreciation/amortization expense of \$2,030,924 was charged to the public safety function of the governmental activities and \$109,988 was charged to ambulance services of the business-type activities.

Note 5 - Long-Term Liabilities

General obligation bonds

The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities and equipment. The Capital Improvement Bonds Series 2020 and the Capital Improvement Bonds Series 2021 are direct obligations and pledge the full faith and credit of the District and are additionally secured by a pledge of 15% of certain proceeds of liquor taxes, tobacco taxes, real property transfer taxes, basic governmental services tax and basic and supplemental sales taxes. During the fiscal year 2024, principal and interest paid on these bonds totaled \$1,007,141 and pledged revenues totaled \$1,708,847.

General obligation bonds outstanding at June 30, 2024, are as follows:

| | Issue Date | Final Payment Date | Interest Rate | Original Amount | Principal Outstanding |
|-----------------------------------------|---------------|--------------------------|------------------|---------------------|--------------------------|
| Direct Placement: General Obligations: | | | | | |
| Medium-term Equipment Bonds Series 2020 | 3/10/2020 | 3/1/2030 | 1.50% | \$ 4,415,000 | \$ 2,737,000 |
| Capital Improvement Bonds Series 2020 | 10/21/2020 | 6/1/2035 | 1.53% | 2,100,000 | 1,576,000 |
| Publicly Offered: General Obligations: | | | | | |
| Capital Improvement Bonds Series 2021 | 7/28/2021 | 6/1/2046 | 2.0% - 4.0% | 7,000,000 | 6,400,000 |
| | | | | <u>\$13,515,000</u> | <u>\$10,713,000</u> |

The District's outstanding medium-term equipment bonds related to governmental activities of \$2,737,000 contain a provision that in an event of default, the bond owner may institute legal proceedings against the District and the interest rate may be increased to 1.92% annually.

Interest expense of \$225,425 for the year was recorded by the District.

Truckee Meadows Fire Protection District

Notes to Financial Statements

June 30, 2024

Long-term liability activity for the year ended June 30, 2024 was as follows:

| | Amount Outstanding July 1, 2023 | Additions | Reductions | Amount Outstanding June 30, 2024 | Due Within One Year |
|---------------------------------|---------------------------------------|---------------------|---------------------|----------------------------------------|------------------------|
| Governmental Activities: | | | | | |
| Bonds payable | | | | | |
| General Obligation Bonds | \$ 11,474,000 | \$ - | \$ 761,000 | \$ 10,713,000 | \$ 780,000 |
| Premium | 407,869 | - | 17,798 | 390,071 | - |
| Total Bonds Payable | <u>\$ 11,881,869</u> | <u>\$ -</u> | <u>\$ 778,798</u> | <u>\$ 11,103,071</u> | <u>\$ 780,000</u> |
| Leases | 13,065 | - | 13,065 | - | - |
| IT Subscription Liabilities | - | 80,525 | 11,701 | 68,824 | 31,528 |
| Compensated absences | 8,410,599 | 3,685,717 | 2,968,950 | 9,127,366 | 3,498,569 |
| Claims and judgments | 753,966 | 215,062 | 26,175 | 942,853 | 62,843 |
| | <u>\$ 21,059,499</u> | <u>\$ 3,981,304</u> | <u>\$ 3,798,689</u> | <u>\$ 21,242,114</u> | <u>\$ 4,372,940</u> |

Compensated absences are generally liquidated from the General Fund and claims and judgments are liquidated from the Workers' Compensation Internal Service Fund. General Obligation Bonds will be liquidated through transfers to the Debt Service fund from the General fund.

| | Amount Outstanding July 1, 2023 | Additions | Reductions | Amount Outstanding June 30, 2024 | Due Within One Year |
|----------------------------------|---------------------------------------|-------------------|------------------|----------------------------------------|------------------------|
| Business-type Activities: | | | | | |
| Compensated absences | <u>\$ 184,266</u> | <u>\$ 143,575</u> | <u>\$ 41,955</u> | <u>\$ 285,886</u> | <u>\$ 48,106</u> |

The debt service requirements for the District's bonds are as follows:

| Year Ended June 30, | Principal | Interest |
|---------------------------|----------------------|---------------------|
| 2025 | \$ 780,000 | \$ 229,687 |
| 2026 | 794,000 | 212,697 |
| 2027 | 814,000 | 195,371 |
| 2028 | 834,000 | 177,495 |
| 2029 | 854,000 | 159,068 |
| 2030-2034 | 2,573,000 | 560,495 |
| 2035-2039 | 1,669,000 | 351,650 |
| 2040-2044 | 1,675,000 | 190,231 |
| 2045-2046 | 720,000 | 24,413 |
| | <u>\$ 10,713,000</u> | <u>\$ 2,101,107</u> |

Note 6 - Leases

As of June 30, 2024, the District has terminated an agreement to lease a fire station with an initial right to use asset of \$15,020 and a lease liability of \$15,020 related to this agreement at commencement. During the fiscal year, the District recorded \$1,073 in amortization expense and \$200 in interest expense for the right to use fire station. The District used a discount rate of 1.53%, based on the District’s construction borrowing rate at lease agreement date. The lease agreement was terminated during the fiscal year ended June 30, 2024 and the District recognized a gain of \$12,065 on the lease liability termination and a loss of \$11,801 on the disposal of the right to use asset.

Note 7 – IT Subscriptions

As of June 30, 2024, the District has two subscription-based information technology arrangements as follows.

During the current fiscal year, the District entered into an agreement to extend the agreement for human resources software for an additional three years. The District recognized an increase of \$83,225 to the existing IT subscription asset and an increase of \$80,525 to the existing IT subscription liability. The District was required to make principal and interest payments of \$11,701 for the year ended June 30, 2024. The District used a discount rate of 4.27%, based on the terms in the agreement. The IT subscription agreement commenced on February 25, 2024, and ends on June 30, 2026.

Future minimum lease obligations and the net present value of the minimum lease as of June 30, 2024, were as follows:

| Year Ending June 30, | Principal Payments | Interest Payments |
|-------------------------|--------------------|-------------------|
| 2025 | \$ 31,528 | \$ 1,265 |
| 2026 | 37,296 | 1,632 |
| Total | <u>\$ 68,824</u> | <u>\$ 2,897</u> |

Note 8 - Interfund Activity

Interfund transfers for the year ended June 30, 2024, consisted of the following:

| | Capital Projects Fund | Emergency Medical Service Fund | Transfers in Debt Service Fund | Total Transfers out |
|--------------|--------------------------|-----------------------------------|--------------------------------------|------------------------|
| | Transfers out: | | | |
| General Fund | <u>\$ 3,610,000</u> | <u>\$ 250,000</u> | <u>\$ 1,007,141</u> | <u>\$ 4,867,141</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. The Transfer from the General Fund to the Capital Projects Fund were to make scheduled debt payments. The transfer to the Emergency Medical Service Fund was used to cover overhead costs until the fund is fully self-sufficient.

Interfund balances as of June 30, 2024, consisted of the following:

| | |
|--------------|-------------------|
| | <u>Due From:</u> |
| | <u>Emergency</u> |
| | <u>Fund</u> |
| Due to: | |
| General Fund | <u>\$ 200,000</u> |

The balance due from the Emergency Fund to the General Fund was for cash flow purposes due to delayed reimbursements from other governments. The balance due is short-term.

Note 9 - Postemployment Benefits Other than Pensions (OPEB)

Defined Benefit Plan

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.

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.

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, 1001 E. 9th Street Ste D200, Reno, Nevada, 89512.

Employees covered by benefit terms. As of the measurement date of June 30, 2023, the following employees were covered by the benefit terms:

| | |
|---------------------------------------------------------------------------|-----|
| Inactive employees or beneficiaries currently receiving benefit payments: | 53 |
| Active employees: | 203 |

Actuarial assumptions and other inputs

The District’s total OPEB liability of \$17,628,956 as of June 30, 2023 was based on the valuation date of July 1, 2022. Projections of the sharing of benefit-related costs are based on established pattern of practice. Actuary valuations include projections of the sharing of benefit-related costs that are based on an established pattern of practice. The total OPEB liability in the actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

| | |
|-------------------------------------------------------|------------------------------------------------------------------------|
| Actuarial funding method | Entry Age Normal Level Percent of Pay Cost Method |
| Amortization method | Level dollar amount over 20 years on a closed basis from June 30, 2011 |
| Inflation | 2.35% |
| Salary increases | |
| 0-4 years of service | 12% for two years, 9.30% after two years |
| 5 + years of service | 4.5% for two years, 2.35% after two years |
| Discount rate | 5.75% |
| Long Term Expected Rate of Return | 5.75% |
| Healthcare cost trend rates | |
| Retirees | Range between 3.7% to 6.5% annually |
| Retirees’ share of benefit-related costs | |
| Retirees before June 30, 2012 under City of Reno Plan | |
| (Pre-65) | 40% retiree and dependent |
| (Post-65) | 50% retiree and 100% dependent |
| TMFPD Retirees | 50% retiree and 100% dependent |

The investment rate of return of 5.75%, net of investment expenses, was selected by the District. This is based on the investment policy of State of Nevada’s Retiree Benefit Investment Fund (RBIF) where the District invests its assets to fund its OPEB liabilities. This rate is derived based on the RBIF’s investment policy (shown in the following table) and includes a 2.4% long-term inflation assumption.

| <u>Asset Class</u> | <u>Asset allocation</u> |
|--------------------------|-------------------------|
| Foreign Developed Equity | 21.50% |
| U.S. Fixed Income | 28.00% |
| U.S. Large Cap Equity | 50.50% |

The discount rate was based on the long term rate of return on OPEB plan investments that are expected to be used to finance the payment of benefits to the extent that plan assets are projected to cover benefit payments and administrative expenses. To the extent that OPEB plan assets are insufficient to finance all OPEB benefits, the discount rate should be based on 20-year tax-exempt AA or higher Municipal Bonds as of the Measurement Date. Based on the District's current funding policy of funding the Trust annually to maintain a funded percentage of at least 80%, the Fiduciary Net Position and future expected contributions and earnings are projected to be sufficient

such that the Trust remains solvent. Therefore, a discount rate of 5.75% is used in calculating the total OPEB liability.

Nevada Public Employees Retirement System (PERS) completed an experience study for employees and retirees in 2019. Based on the results of this study, Nevada PERS developed new assumed rates of retirement, withdrawal and disability. This experience study was used to update assumptions for retirement, withdrawal, mortality and disability. Mortality rates are based on the Pub-2010 mortality tables published by the Society of Actuaries adjusted to match Nevada PERS experience.

Changes in the OPEB Liability

| | Total OPEB Liability | Increase/ (Decrease) in Plan Fiduciary Net Position | Net OPEB Liability |
|---------------------------------------------------------------------------------------------------------|-------------------------|--------------------------------------------------------------|-----------------------|
| Balance at June 30, 2023 <i>(Measurement Date June 30, 2022)</i> | <u>\$ 15,845,799</u> | <u>\$ 9,250,644</u> | <u>\$ 6,595,155</u> |
| Charges for the year: | | | |
| Service Cost | 972,851 | - | 972,851 |
| Interest on the total OPEB liability | 962,750 | - | 962,750 |
| Changes of benefit terms | - | - | - |
| Differences between actual and expected experience with regard to economic or demographic factors | - | - | - |
| Changes of assumptions | - | - | - |
| Benefit payments | (152,444) | (152,444) | - |
| Contributions from employer | - | 1,300,000 | (1,300,000) |
| Net investment income | - | 1,285,317 | (1,285,317) |
| Administrative expense | - | (52,551) | 52,551 |
| Total Changes | <u>1,783,157</u> | <u>2,380,322</u> | <u>(597,165)</u> |
| Balance at June 30, 2024 <i>(Measurement Date June 30, 2023)</i> | <u>\$ 17,628,956</u> | <u>\$ 11,630,966</u> | <u>\$ 5,997,990</u> |

Sensitivity of the total OPEB liability to changes in the discount rate

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.75 percent) or 1-percentage-point higher (6.75 percent) than the current discount rate:

| | 1% Decrease in Discount Rate (4.75%) | Discount Rate (5.75%) | 1% Increase in Discount Rate (6.75%) |
|--------------------|--------------------------------------------|--------------------------|--------------------------------------------|
| Net OPEB liability | <u>\$ 8,248,725</u> | <u>\$ 5,997,990</u> | <u>\$ 4,098,203</u> |

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates

The following presents the net OPEB liability of the District, as well as what the District’s net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

| | 1% Decrease in Healthcare Cost Trend | Healthcare Cost Trend | 1% Increase in Healthcare Cost Trend |
|--------------------|--------------------------------------------|--------------------------|--------------------------------------------|
| Net OPEB liability | \$ 3,837,289 | \$ 5,997,990 | \$ 8,633,731 |

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2024, the District recognized OPEB expense of \$1,682,831. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | <u>Deferred Inflows of Resources</u> | <u>Deferred Outflow: of Resources</u> |
|-------------------------------------------------------------------------|------------------------------------------|-------------------------------------------|
| Differences between expected and actual experience | \$ 624,636 | \$ 958,071 |
| Changes in assumptions or other inputs | 444,528 | 658,936 |
| Actuarial gain or loss difference between projected and actual earnings | 289,695 | - |
| Employer contributions subsequent to the measurement date | N/A | 1,320,400 |
| Total | <u>\$ 1,358,859</u> | <u>\$ 2,937,407</u> |

Deferred outflows of resources related to OPEB resulting from employer contributions subsequent to the measurement date in the amount of \$1,320,400 will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2025.

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

| <u>Year ended June 30,</u> | <u>Recognized Deferred (Inflows)/Outflows of Resources</u> |
|----------------------------|--------------------------------------------------------------------|
| 2025 | \$ 90,692 |
| 2026 | (64,027) |
| 2027 | 248,670 |
| 2028 | (58,128) |
| 2029 | 86,344 |
| Thereafter | <u>(45,403)</u> |
| Total | <u>\$ 258,148</u> |

Note 10 - 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 and July 1, 2015. 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 factor is 2.67% of average compensation. For members entering PERS on or after January 1, 2010, there is a 2.5% service time factor and for regular members entering PERS on or after July 1, 2015, there is a 2.25% factor. 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 entering PERS prior to January 1, 2010, are eligible for retirement at age 65 with 5 years of service, at age 60 with 10 years of service, or at any age with 30 years of service. Regular members entering PERS on or after January 1, 2010, are eligible for retirement at age 65 with 5 years of service, or age 62 with 10 years of service, or any age with 30 years of service. Regular members who entered PERS on or after July 1, 2015, are eligible for retirement at age 65 with 5 years of service, or at age 62 with 10 years of service or at age 55 with 30 years of service or any age with 33 1/3 years of service.

Police/Fire members entering PERS prior to January 1, 2010, are eligible for retirement at age 65 with 5 years of service, at age 55 with 10 years of service, at age 50 with 20 years of service, or at any age with 25 years of service. Police/Fire members entering PERS on or after January 1, 2010, are eligible for retirement at 65 with 5 years of service, or age 60 with 10 years of service, or age 50 with 20 years of service, or at any age with 30 years of service. Only service performed in a position as a police officer or firefighter may be counted towards 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. One plan, provides for matching employee and employer contributions, while the other plan provides for employer-pay contributions only. Under the matching Employee/Employer Contribution plan, a member may, upon termination of service for which contribution is required, withdraw employee contributions which have been credited to their account. All membership rights and active service credit in the System are canceled upon withdrawal of contributions from the member's account. If EPC was elected, the member cannot convert to the Employee/Employer Contribution plan and cannot withdraw these contributions.

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 Actuarial 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, 2023, the Statutory Employer/employee matching rates were 15.50% for Regular and 22.75% for Police/Fire. The Employer-pay contribution (EPC) rate, for fiscal year ending June 30, 2023, was 29.75% for Regular and 44.00% for Police/Fire. For the fiscal year ended June 30, 2024, the Statutory Employer/employee matching rates increased to 17.50% for Regular and 25.75% for Police/Fire. The Employer-pay contribution (EPC) rate, for fiscal year ending June 30, 2024 increased to 33.5% for Regular and 50.00% for Police/Fire.

The District’s contributions were \$4,706,766 for the year ended June 30, 2024.

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 PERS.

The following was the PERS Board adopted policy target asset allocation as of June 30, 2023:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-term Geometric Expected Real Rate of Return</u> |
|----------------------|--------------------------|---------------------------------------------------------|
| Domestic Stocks | 42% | 5.50% |
| International Stocks | 18% | 5.50% |
| U.S. Bonds | 28% | 0.75% |
| Private Markets | 12% | 6.65% |

As of June 30, 2023, PERS’ long-term inflation assumption was 2.50%.

Net Pension Liability

At June 30, 2024, the District reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, 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 employer contributions relative to the total employer contributions for all employers for the period ended June 30, 2023. At June 30, 2023, the District’s proportion was .34317%, which is an increase of .0328% from the proportion measured as of June 30, 2022.

Pension Liability Discount Rate Sensitivity

The following presents the net pension liability of the District as of June 30, 2024, calculated using the discount rate of 7.25%, 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 (6.25%) or 1-percentage-point higher (8.25%) than the current discount rate:

| | 1% Decrease in Discount Rate (6.25%) | Discount Rate (7.25%) | 1% Increase in Discount Rate (8.25%) |
|-----------------------|--------------------------------------------|--------------------------|--------------------------------------------|
| Net Pension Liability | <u>\$ 97,474,328</u> | <u>\$ 62,638,259</u> | <u>\$ 33,888,274</u> |

Pension Plan Fiduciary Net Position

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

Actuarial Assumptions

The District’s net pension liability was measured as of June 30, 2023, 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 | 2.50% |
| Productivity Pay Increase | 0.50% |
| Projected Salary Increases | Regular: 4.20% to 9.10%, depending on service Police/Fire: 4.60% to 14.5%, depending on service Rates include inflation and productivity increases |
| Investment Rate of Return/Discount Rate | 7.25% |
| Consumer Price Index | 2.50% |
| Payroll Growth | 3.50% |
| Other Assumptions | Same as those used in the June 30, 2023 funding actuarial valuation |

Mortality rates for regular and police/fire members are based on the following table:

Healthy:

Regular Members:

Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates increased by 30% for males and 15% for females, projected generationally with the two-dimensional monthly improvement scale MP-2020.

The above listed mortality tables only provide rates for ages 50 and older. To develop mortality rates for ages 40 through 50, we have smoothed the difference between the rates at age 40 from the Pub-2010 General Employee Amount-Weighted Above-Median Mortality Tables and the rates at age 50 from the Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Tables. To develop the mortality rates before age 40, we have used the Pub-2010 General Employee Amount-Weighted Above-Median Mortality Tables rates. This methodology for developing an extended annuitant mortality table is similar to the method used by the IRS to develop the base mortality table for determining minimum funding standards for single-employer defined benefit pension plans under Internal Revenue Code Section 430. While Section 430 is not applicable to the System, we believe this is a reasonable method for developing annuitant mortality rates at earlier ages.

Police/Fire Members:

Pub-2010 Safety Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates increased by 30% for males and 5% for females, projected generationally with the two-dimensional mortality improvement scale MP-2020.

The above listed mortality tables only provide rates for ages 45 and older. To develop mortality rates for ages 35 through 45, we have smoothed the difference between the rates at age 35 from the Pub-2010 Safety Employee Amount-Weighted Above-Median Mortality Tables and the rates at age 45 from the Pub-2010 Safety Employee Amount-Weighted Above-Median Mortality Tables rates. This methodology for developing an extended annuitant mortality table is similar to the method used by the IRS to develop the base mortality table for determining minimum funding standards for single employer defined benefit pension plans under Internal Revenue Code Section 430. While Section 430 is not applicable to the System, we believe this is a reasonable method for developing annuitant mortality rates at earlier ages.

Disabled:

Regular Members:

Pub-2010 Non-Safety Disabled Retiree Amount-Weighted Mortality Table (separate tables for males and females) with rates increased by 20% for males and 15% for females, projected generationally with the two-dimensional mortality improvement scale MP-2020.

Police/Fire Members:

Pub-2010 Safety Disabled Retiree Amount-Weighted Mortality Table (separate tables for males and females) with rates increased by 30% for males and 10% for females, projected generationally with the two-dimensional mortality improvement scale MP-2020.

Pre-Retirement: Pub-2010 General Employee Amount-Weighted Above-Median Mortality Table (separate tables for males and females), projected generationally with the two-dimensional mortality improvement scale MP-2020.

Actuarial assumptions used in the June 30, 2023 valuation were based on the results of the experience study for the period July 1, 2016 through June 30, 2020.

The discount rate used to measure the total pension liability was 7.25% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed plan contributions will be made in amounts consistent with statutory provisions and recognizing the plan’s current funding policy and cost-sharing mechanism between employers and members. For this purpose, all contributions that are intended to fund benefits for all plan members and their beneficiaries are included, except that projected contributions that are intended to fund the service costs for future plan members and their beneficiaries are not included.

Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments for current plan members. 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, 2023.

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

For the year ended June 30, 2023, the District recognized pension expense of \$10,778,916. At June 30, 2024, 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 Inflow: of Resources</u> |
|------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|------------------------------------------|
| Differences between expected and actual experience | \$ 8,164,515 | \$ - |
| Changes in assumptions or other inputs | 5,870,397 | |
| Net difference between projected and actual earnings on pension plan investments | - | 586,295 |
| Changes in the employer’s proportion and differences between the employer’s contributions and the employer’s proportionate contributions | 8,726,631 | - |
| District contributions subsequent to the measurement date | <u>4,706,766</u> | <u>-</u> |
| Total | <u><u>\$ 27,468,309</u></u> | <u><u>\$ 586,295</u></u> |

Deferred outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date in the amount of \$4,706,766 will be recognized as a reduction of the net pension liability in the year ending June 30, 2025.

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, 2022 (the beginning of the measurement period ended June 30, 2023) is 5.63 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> | |
|----------------------------|-----------------------------|
| 2025 | \$ 4,726,855 |
| 2026 | 4,263,102 |
| 2027 | 10,227,186 |
| 2028 | 2,177,481 |
| 2029 | <u>780,624</u> |
| Total | <u>\$ 22,175,248</u> |

Additional Information

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

Note 11 - 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 is fully insured for property and auto loss and liability with a \$1,000 to \$2,500 deductible. The District is covered up to a policy limit per occurrence of \$10,000,000 and \$20,000,000 annual aggregate in excess liability coverage. The District's policy contains various sub-limits established for earthquake, flood, equipment breakdown, errors and omissions and other items.

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). The District established the Workers' Compensation Fund to account for this program. The District bought out all workers' compensation liability for all claims incurred prior to July 1, 2012. Claims incurred prior to fiscal year 2012 remain the liability of the City of Reno under the buyout agreement. TMFPD will remain responsible for future Heart and Lung related workers' compensation claims on a "pay as you go" system.

Claims' liability and activity for the past two years were as follows:

| | |
|---------------------------------|-------------------|
| Claims liability, July 1, 2022 | \$ 994,615 |
| Claims and changes in estimates | (214,424) |
| Claims paid | <u>(26,225)</u> |
| Claims liability, June 30, 2023 | 753,966 |
| Claims and changes in estimates | 215,062 |
| Claims paid | <u>(26,175)</u> |
| Claims liability, June 30, 2024 | <u>\$ 942,853</u> |

Note 12 – Correction of an Error in Previously Issued Financial Statements

During fiscal year 2024, the District identified an overbilling of \$68,729 that occurred in the District's Emergency Fund, and was paid, during the prior fiscal year. Therefore, prior year revenues and current year beginning fund balance/net position were overstated.

The impact to beginning net position/fund balance for the year ended June 30, 2024 was as follows:

| | Net Postion/Fund Balance, Beginning of Year, <u>as originally reported</u> | Error <u>Correction</u> | Net Postion/Fund Balance, Beginning of Year, <u>as restated</u> |
|----------------------------|----------------------------------------------------------------------------------|----------------------------|-----------------------------------------------------------------------|
| Government-Wide | | | |
| Governmental Activities | <u>\$ 3,916,919</u> | <u>\$ (68,729)</u> | <u>\$ 3,848,190</u> |
| Governmental Funds | | | |
| Major Fund: Emergency Fund | <u>\$ 1,177,663</u> | <u>\$ (68,729)</u> | <u>\$ 1,108,934</u> |

Note 13- Tax Abatement

The District's tax revenues were reduced by \$65,340 under agreements entered into by the State Nevada. The state agreements include a partial abatement of one or more of personal property and local sales and use taxes imposed on aircraft, components of aircraft and other personal property used for certain purposes related to aircraft, a partial abatement of one or more of property and local sales and use taxes imposed on a new or expanded data center and on renewable energy facilities, and use taxes imposed on eligible machinery or equipment used by certain new or expanded businesses.

Note 14 – Commitments

On June 23, 2020, the District entered into an Interlocal Agreement to provide for financing, development, operation, and management of the Washoe County Regional Communications P25 System. Under the terms of the agreement, the District has committed to paying for an allocated portion of Washoe County's debt obligation to upgrade the existing radio communication system to address new technology requirement and aging/availability issues, radio coverage, and mutual aid interconnection. The District paid Washoe County \$68,774 during the fiscal

year ending June 30, 2024. The District's remaining payments to Washoe County for their portion of the debt is \$583,380 in principal, \$105,892 in interest and \$37,794 in reserve with average annual payments of \$66,097 over the remaining term of 11 years.

On May 22, 2023, the District entered into two Memorandums of Understanding (MOU) with Apple Inc for the design and pre-construction of a fire station. Under the terms of the MOUs, the District is required to build a new fire station. The District and Apple Inc will mutually agree upon design professionals and associated costs. Apple Inc will provide reimbursement to the District for costs to design and build the fire station except for the portion related to an expanded scope to include three additional bedrooms and one additional apparatus bay. MOU Phase #1 provides for a limit of \$192,000 for project design and pre-construction and \$20,000 for other fees for reimbursement. MOU Phase #2, including amendments, provides for a limit of \$2,084,300 for architecture, design and project management and \$80,000 for applications and permits. Amounts in excess of these costs may not be reimbursed.

Note 15 – Subsequent Events

On November 12, 2024, the District approved a resolution authorizing the issuance of the Truckee Meadows Fire Protection District's Capital Improvement Revenue Bond, Series 2024 in the maximum principal amount of \$5,252,000 to finance the acquisition of properties for stations and administration authorized by NRS 474.511, including fixtures, structures, stations, other buildings and sites therefore and appurtenances and incidentals necessary, useful or desirable for any such facilities, including all types of property therefor; and providing the effective date hereof and delegate to the Fire Chief authority to finalize the terms of the Bond upon approval of the loan by the Board of the State Infrastructure Bank in November. The loan is expected to have a 25-year term with estimated interest rate of 3.11%.

On November 12, 2024, the District approved a construction agreement in the amount of \$5,025,938 to complete a new apparatus bay for the District's station #37 in Hidden Valley.

Required Supplementary Information

Truckee Meadows Fire Protection District

June 30, 2024

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, 2024

(Page 1 of 2)

| | 2024 Budgeted Amounts | | 2024 | |
|----------------------------------------------------------|-----------------------|-------------------|-------------------|----------------------------|
| | Original | Final | Actual | Variance with Final Budget |
| Revenues | | | | |
| Taxes | | | | |
| Ad valorem, general | \$ 25,299,640 | \$ 25,299,640 | \$ 25,757,604 | \$ 457,964 |
| Ad valorem, AB 104 | 334,903 | 334,903 | 358,387 | 23,484 |
| Licenses and permits | | | | |
| Gaming, AB 104 | 75,000 | 75,000 | 105,258 | 30,258 |
| Other | 165,000 | 165,000 | 228,355 | 63,355 |
| Intergovernmental | | | | |
| Federal grants | 1,091,707 | 1,099,307 | 540,545 | (558,762) |
| Consolidated taxes | 12,435,351 | 12,435,351 | 11,392,312 | (1,043,039) |
| Real property transfer tax, AB 104 | 77,000 | 77,000 | 78,756 | 1,756 |
| Supplemental city/county relief tax, AB 104 | 1,579,487 | 1,579,487 | 1,844,790 | 265,303 |
| Interlocal cooperative agreement fire suppression | 530,000 | 530,000 | 645,807 | 115,807 |
| Charges for services | | | | |
| Services to other agencies | 3,993,000 | 4,553,000 | 2,310,250 | (2,242,750) |
| Other | 95,000 | 95,000 | 114,468 | 19,468 |
| Miscellaneous | | | | |
| Donations and other grants | - | 15,000 | 15,045 | 45 |
| Investment earnings | 175,000 | 175,000 | 249,195 | 74,195 |
| Net increase (decrease) in the fair value of investments | - | - | 151,329 | 151,329 |
| Reimbursements | 1,454,963 | 1,454,963 | 656,132 | (798,831) |
| Other | 197,637 | 197,637 | 29,313 | (168,324) |
| Total revenues | <u>47,503,688</u> | <u>48,086,288</u> | <u>44,477,546</u> | <u>(3,608,742)</u> |
| Expenditures | | | | |
| Current | | | | |
| Public safety function | | | | |
| Fire | | | | |
| Salaries and wages | 23,075,419 | 23,386,619 | 21,749,818 | 1,636,801 |
| Employee benefits | 15,503,244 | 15,612,044 | 13,964,424 | 1,647,620 |
| Services and supplies | 6,779,913 | 6,802,513 | 5,930,486 | 872,027 |
| Capital outlay | 1,189,131 | 1,404,131 | 759,960 | 644,171 |
| Total current | <u>46,547,707</u> | <u>47,205,307</u> | <u>42,404,688</u> | <u>4,800,619</u> |
| Debt Service | | | | |
| Principal | 1,000 | 1,000 | 12,701 | (11,701) |
| Interest | 200 | 200 | 200 | - |
| Total debt service | <u>1,200</u> | <u>1,200</u> | <u>12,901</u> | <u>(11,701)</u> |
| Total expenditures | <u>46,548,907</u> | <u>47,206,507</u> | <u>42,417,589</u> | <u>4,788,918</u> |

Truckee Meadows Fire Protection District
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund
(Budgetary Basis)
Year Ended
(Page 2 of 2)

| | 2024 Budgeted Amounts | | 2024 | |
|------------------------------------------------------|-----------------------|---------------------|---------------------|-------------------------------|
| | Original | Final | Actual | Variance with Final Budget |
| Excess (Deficiency) of Revenues over Expenditures | \$ 954,781 | \$ 879,781 | \$ 2,059,957 | \$ 1,180,176 |
| Other Financing Sources (Uses) | | | | |
| Sale of capital assets | - | - | 32,978 | 32,978 |
| Issuance of software subscription | - | - | 80,525 | 80,525 |
| Transfers out | | | | |
| Capital Projects Fund | (1,200,000) | (3,610,000) | (3,610,000) | - |
| Debt Service Fund | (1,007,141) | (1,007,141) | (1,007,141) | - |
| Sick Annual Comp Benefits | (250,000) | (250,000) | (250,000) | - |
| Emergency Medical Services | (1,900,000) | (1,825,000) | (250,000) | 1,575,000 |
| Contingency | (400,000) | (400,000) | - | 400,000 |
| Total other financing sources (uses) | (4,757,141) | (7,092,141) | (5,003,638) | 2,088,503 |
| Net Change in Fund Balances | (3,802,360) | (6,212,360) | (2,943,681) | 3,268,679 |
| Fund Balances, Beginning of Year | 8,087,680 | 10,497,680 | 12,292,019 | 1,794,339 |
| Fund Balances, End of Year | <u>\$ 4,285,320</u> | <u>\$ 4,285,320</u> | <u>\$ 9,348,338</u> | <u>\$ 5,063,018</u> |

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, 2024

| | 2024 Budgeted Amounts | | 2024 | |
|---------------------------------------------------------------|-----------------------|--------------|--------------|----------------------------|
| | Original | Final | Actual | Variance with Final Budget |
| Revenues | | | | |
| Miscellaneous | | | | |
| Reimbursements | \$ 2,653,200 | \$ 2,653,200 | \$ 2,640,903 | \$ (12,297) |
| Expenditures | | | | |
| Current | | | | |
| Public safety function | | | | |
| Fire | | | | |
| Salaries and wages | 1,975,000 | 1,975,000 | 2,116,496 | (141,496) |
| Employee benefits | 401,200 | 401,200 | 300,470 | 100,730 |
| Services and supplies | 502,000 | 502,000 | 414,973 | 87,027 |
| Total expenditures | 2,878,200 | 2,878,200 | 2,831,939 | 46,261 |
| Net Change in Fund Balances | (225,000) | (225,000) | (191,036) | 33,964 |
| Fund Balances, Beginning of the Year, as originally stated | 1,598,933 | 1,598,933 | 1,177,663 | (421,270) |
| Prior Period Adjustment (Note 12) | - | - | (68,729) | (68,729) |
| Fund Balances, Beginning of the Year, as restated | 1,598,933 | 1,598,933 | 1,108,934 | (489,999) |
| Fund Balances, End of Year | \$ 1,373,933 | \$ 1,373,933 | \$ 917,898 | \$ (456,035) |

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, 2024

| | General Fund (Budgetary Basis) | Internally Reported Funds | Eliminations | General Fund (GAAP Basis) |
|--------------------------------------------------------------|--------------------------------------|---------------------------------|--------------|---------------------------------|
| Revenues | | | | |
| Taxes | \$ 26,115,991 | \$ - | \$ - | \$ 26,115,991 |
| Licenses and permits | 333,613 | - | - | 333,613 |
| Intergovernmental | 14,502,210 | - | - | 14,502,210 |
| Charges for services | 2,424,718 | - | - | 2,424,718 |
| Miscellaneous | 1,101,014 | 21,149 | - | 1,122,163 |
| Total revenues | 44,477,546 | 21,149 | - | 44,498,695 |
| Expenditures | | | | |
| Current | | | | |
| Public safety | 41,644,728 | 389,056 | - | 42,033,784 |
| Capital Outlay | 759,960 | - | - | 759,960 |
| Debt Service | | | | |
| Principal | 12,701 | - | - | 12,701 |
| Interest | 200 | - | - | 200 |
| Total expenditures | 42,417,589 | 389,056 | - | 42,806,645 |
| Excess (Deficiency) of Revenues over Expenditures | 2,059,957 | (367,907) | - | 1,692,050 |
| Other Financing Sources (Uses) | | | | |
| Sale of capital assets | 32,978 | - | - | 32,978 |
| Issuance of software subscription | 80,525 | - | - | 80,525 |
| Transfers in | - | 250,000 | (250,000) | - |
| Transfers out | (5,117,141) | - | 250,000 | (4,867,141) |
| Total other financing sources (uses) | (5,003,638) | 250,000 | - | (4,753,638) |
| Net Change in Fund Balances | (2,943,681) | (117,907) | - | (3,061,588) |
| Fund Balances, Beginning of Year | 12,292,019 | 898,261 | - | 13,190,280 |
| Fund Balances, End of Year | \$ 9,348,338 | \$ 780,354 | \$ - | \$ 10,128,692 |

Truckee Meadows Fire Protection District
Schedule of Changes in Net Other Postemployment Benefit Liability and Related Ratios
Last Ten Fiscal Years*
(Page 1 of 2)

| | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> |
|---------------------------------------------------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|
| Total OPEB liability | | | | |
| Service cost | \$ 972,851 | \$ 619,298 | \$ 604,193 | \$ 538,625 |
| Interest on the total OPEB liability | 962,750 | 822,087 | 802,893 | 671,333 |
| Changes of benefit terms | - | 756,058 | - | - |
| Differences between actual and expected experience with regard to economic or demographic factors | - | 600,538 | (914,105) | 817,675 |
| Changes of assumptions | - | (547,072) | - | 861,777 |
| Benefit payments | <u>(152,444)</u> | <u>(163,648)</u> | <u>(184,624)</u> | <u>(176,377)</u> |
| Net change in total OPEB liability | 1,783,157 | 2,087,261 | 308,357 | 2,713,033 |
| Total OPEB liability-beginning | <u>15,845,799</u> | <u>13,758,538</u> | <u>13,450,181</u> | <u>10,737,148</u> |
| Total OPEB liability-ending (a) | <u>\$17,628,956</u> | <u>\$15,845,799</u> | <u>\$13,758,538</u> | <u>\$13,450,181</u> |
| Plan fiduciary net position | | | | |
| Benefit payments | \$ (152,444) | \$ (163,648) | \$ (184,624) | \$ (176,377) |
| Contributions from employer | 1,300,000 | 850,000 | 750,000 | 651,000 |
| Net investment income | 1,285,317 | (965,903) | 1,983,264 | 418,050 |
| Administrative expense | <u>(52,551)</u> | <u>(22,396)</u> | <u>(35,106)</u> | <u>(39,115)</u> |
| Net change in plan fiduciary net position | 2,380,322 | (301,947) | 2,513,534 | 853,558 |
| Plan fiduciary net position-beginning | <u>9,250,644</u> | <u>9,552,591</u> | <u>7,039,057</u> | <u>6,185,499</u> |
| Plan fiduciary net position-ending (b) | <u>\$11,630,966</u> | <u>\$9,250,644</u> | <u>\$9,552,591</u> | <u>\$7,039,057</u> |
| District's net OPEB liability-ending (a) - (b) | <u>\$5,997,990</u> | <u>\$6,595,155</u> | <u>\$4,205,947</u> | <u>\$6,411,124</u> |
| Plan fiduciary net position as a percentage of the total OPEB liability | 66.0% | 58.4% | 69.4% | 52.3% |
| Covered-employee payroll | \$23,665,044 | \$22,776,688 | \$19,759,972 | \$16,408,769 |
| District's net OPEB liability as a percentage of covered-employee payroll | 25.3% | 29.0% | 21.3% | 39.1% |

Truckee Meadows Fire Protection District
Schedule of Changes in Net Other Postemployment Benefit Liability and Related Ratios
Last Ten Fiscal Years*
(Page 2 of 2)

| | <u>2019</u> | <u>2018</u> | <u>2017</u> |
|---------------------------------------------------------------------------------------------------|----------------------|---------------------|---------------------|
| Total OPEB liability | | | |
| Service cost | \$ 520,411 | \$ 417,213 | \$ 405,061 |
| Interest on the total OPEB liability | 613,936 | 501,045 | 455,572 |
| Changes of benefit terms | - | - | - |
| Differences between actual and expected experience with regard to economic or demographic factors | - | (27,487) | - |
| Changes of assumptions | - | 2,295,853 | - |
| Benefit payments | (214,991) | (215,174) | (230,891) |
| Net change in total OPEB liability | 919,356 | 2,971,450 | 629,742 |
| Total OPEB liability-beginning | <u>9,817,792</u> | <u>6,846,342</u> | <u>6,216,600</u> |
| Total OPEB liability-ending (a) | <u>\$ 10,737,148</u> | <u>\$ 9,817,792</u> | <u>\$ 6,846,342</u> |
| Plan fiduciary net position | | | |
| Benefit payments | \$ (214,991) | \$ (215,174) | \$ (230,891) |
| Contributions from employer | 463,000 | - | - |
| Net investment income | 450,939 | 435,094 | 591,731 |
| Administrative expense | (34,450) | (15,693) | (16,744) |
| Net change in plan fiduciary net position | 664,498 | 204,227 | 344,096 |
| Plan fiduciary net position-beginning | <u>5,521,001</u> | <u>5,316,774</u> | <u>4,972,678</u> |
| Plan fiduciary net position-ending (b) | <u>\$ 6,185,499</u> | <u>\$ 5,521,001</u> | <u>\$ 5,316,774</u> |
| District's net OPEB liability-ending (a) - (b) | <u>\$ 4,551,649</u> | <u>\$ 4,296,791</u> | <u>\$ 1,529,568</u> |
| Plan fiduciary net position as a percentage of the total OPEB liability | 57.6% | 56.2% | 77.7% |
| Covered-employee payroll | \$ 16,004,299 | \$ 15,660,842 | \$ 13,199,783 |
| District's net OPEB liability as a percentage of covered-employee payroll | 28.4% | 27.4% | 11.6% |

* GASB Statement No. 75 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

Other Postemployment Benefits

Last Ten Fiscal Years*

| | Actuarially determined contribution | Contributions in relation to the actuarially determined contribution | Contribution (deficiency) excess | Covered- employee payroll | Contributions as a percentage of covered payroll |
|------|-------------------------------------------|----------------------------------------------------------------------------------|----------------------------------------|------------------------------|--------------------------------------------------------|
| 2024 | \$ 2,031,446 | \$ 1,320,400 | \$ (711,046) | \$ 26,249,767 | 5.03% |
| 2023 | 1,987,902 | 1,300,000 | (687,902) | 23,665,044 | 5.49% |
| 2022 | 1,219,612 | 850,000 | (369,612) | 22,776,688 | 3.73% |
| 2021 | 1,441,454 | 750,000 | (691,454) | 19,759,972 | 3.80% |
| 2020 | 1,113,849 | 651,000 | (462,849) | 16,408,769 | 3.97% |
| 2019 | 1,037,001 | 463,000 | (574,001) | 16,004,299 | 2.89% |
| 2018 | 650,895 | - | (650,895) | 15,660,842 | 0.00% |

* GASB Statement No. 75 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 Share of Net Pension Liability
Public Employee's Retirement System of Nevada (PERS)
Last Ten Plan Years

| | <u>District's portion of the net pension liability</u> | <u>District's proportionate share of the net pension liability</u> | <u>District's covered payroll</u> | <u>District's proportionate share of the net pension liability as a percentage of its covered payroll</u> | <u>Plan fiduciary net position as a percentage of the total pension liability</u> |
|------|--------------------------------------------------------------------|--------------------------------------------------------------------------------|---------------------------------------|---------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|
| 2023 | 0.34317% | \$ 62,638,259 | \$ 19,320,634 | 324.20% | 76.16% |
| 2022 | 0.31037% | \$ 56,037,045 | \$ 16,497,784 | 339.66% | 75.12% |
| 2021 | 0.28293% | \$ 25,801,019 | \$ 14,612,697 | 176.57% | 86.51% |
| 2020 | 0.25331% | \$ 35,281,344 | \$ 12,985,484 | 271.70% | 77.04% |
| 2019 | 0.24089% | \$ 32,847,974 | \$ 11,759,724 | 279.33% | 76.46% |
| 2018 | 0.23531% | \$ 32,090,988 | \$ 11,003,348 | 291.65% | 75.24% |
| 2017 | 0.21270% | \$ 28,288,166 | \$ 9,712,107 | 291.27% | 74.42% |
| 2016 | 0.21696% | \$ 29,197,203 | \$ 9,271,513 | 314.91% | 72.23% |
| 2015 | 0.22129% | \$ 25,358,762 | \$ 8,435,593 | 300.62% | 75.13% |
| 2014 | 0.20583% | \$ 21,451,071 | \$ 7,783,987 | 275.58% | 76.31% |

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

| | Statutorily required contribution | Contributions in relation to the statutorily required contribution | Contribution (deficiency) excess | Employer's covered payroll | Contributions as a percentage of covered payroll |
|------|-----------------------------------------|-----------------------------------------------------------------------------|----------------------------------------|-------------------------------|--------------------------------------------------------|
| 2024 | \$ 4,706,766 | \$ 4,706,766 | \$ - | \$ 20,555,984 | 22.90% |
| 2023 | 3,972,705 | 3,972,705 | - | 19,320,634 | 20.56% |
| 2022 | 3,414,171 | 3,414,171 | - | 16,497,784 | 20.69% |
| 2021 | 2,961,304 | 2,961,304 | - | 14,612,697 | 20.27% |
| 2020 | 2,639,769 | 2,639,769 | - | 12,985,484 | 20.33% |
| 2019 | 2,293,573 | 2,293,573 | - | 11,759,724 | 19.50% |
| 2018 | 2,156,034 | 2,156,034 | - | 11,003,348 | 19.59% |
| 2017 | 1,896,920 | 1,896,920 | - | 9,712,107 | 19.53% |
| 2016 | 1,835,776 | 1,835,776 | - | 9,271,513 | 19.80% |
| 2015 | 1,707,868 | 1,707,868 | - | 8,435,593 | 20.25% |

Note 1 - 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 Fund generally may not exceed budgeted amounts.

Note 2 - 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 3 - Schedule of District's Contributions, OPEB

Actuarially determined contribution rates are calculated as of July 1, 2022, two years prior to the end of the fiscal year in which contributions are reported and projected forward to June 30, 2024.

Methods and assumptions used to determine contribution rates:

| | |
|-------------------------------------------------------|------------------------------------------------------------------------|
| Actuarial funding method | Entry Age Normal Level Percent of Pay Cost Method |
| Amortization method | Level dollar amount over 20 years on a closed basis from June 30, 2011 |
| Inflation | 2.35% |
| Salary increases | |
| 0-4 years of service | 12% for two years, 9.30% after two years |
| 5 + years of service | 4.5% for two years, 2.35% after two years |
| Discount rate | 5.75% |
| Long Term Expected Rate of Return | 5.75% |
| Healthcare cost trend rates | |
| Retirees | Range between 3.7% to 6.5% annually |
| Retirees' share of benefit-related costs | |
| Retirees before June 30, 2012 under City of Reno Plan | |
| (Pre-65) | 40% retiree and dependent |
| (Post-65) | 50% retiree and 100% dependent |
| TMFPD Retirees | 50% retiree and 100% dependent |

Changes of assumptions and other inputs reflect a change in the discount rate from 6.0 percent as of the measurement date of June 30, 2018 to 5.75 percent as of the measurement date of June 30, 2020 and a change in the long-term inflation assumption from 2.5 percent as of the measurement date of June 30, 2020 to 2.35 percent as of the measurement date of June 30, 2022. Other changes include a change in assumption in salary increases from 8.00 for two years declining to 7.5 percent for the remaining years percent for 0-4 years of service as of the measurement date of June 30, 2020 to 12.0 percent for two years declining to 9.3 percent for the remaining years and from 3.0 percent for two years declining to 2.5 percent for the remaining years for 5 plus years of service to 4.0 percent for two years declining to 2.35 percent for the remaining years.— The investment rate of return of 5.75%, net of investment expenses, was selected by the District. This is based on the investment policy of State of Nevada's

Retiree Benefit Investment Fund (RBIF) where the District invests its assets to fund its OPEB liabilities. This rate is derived based on the RBIF's investment policy and includes a 2.4% long-term inflation assumption.

Note 4 - Schedule of District's Share of Net Pension Liability

The following table presents significant changes in assumptions:

| | 2021 - 2023 | 2017 - 2020 | 2014 - 2016 |
|-----------------------------------------|---------------------------------------------------------------------------|--------------------------------------------|------------------------------------------------|
| Inflation rate | 2.50% | 2.75% | 3.50% |
| Payroll growth | 3.50% | 5.00% | 5.00% |
| Investment rate of return/Discount Rate | 7.25% | 7.50% | 8.00% |
| Productivity pay increases | 0.50% | 0.50% | 0.75% |
| Projected salary increases | | | |
| Regular* | 4.20% to 9.10% | 4.25% to 9.15% | 4.60% to 9.75% |
| Police/Fire* | 4.60% to 14.5% | 4.55% to 13.9% | 5.25% to 14.5% |
| Consumer price index | 2.50% | 2.75% | 3.50% |
| Mortality rates | | | |
| Healthy** | Pub-2010 General and Safety Healthy Retiree and Employee | Headcount- Weighted RP-2014 Healthy | RP-2000 Combined Healthy Mortality Table |
| Disabled | Pub-2010 Non-Safety and Safety Disabled Retiree Amount- Weighted | Headcount- Weighted RP-2014 Disabled | RP-2000 Disabled Retiree Mortality Table |
| Current beneficiaries** | Pub-2010 Contingent Survivor and General Employee | Headcount- Weighted RP-2014 Healthy | N/A |
| Pre-Retirement** | Pub-2010 General and Safety Employee | Headcount- Weighted RP-2014 Employee | N/A |
| Future mortality improvement | Generational Projection Scale MP-2020 | 6 years | N/A |

* Depending on service. Rates include inflation and productivity increases.

** Amount-Weighted Above-Median.

Supplementary Information

Truckee Meadows Fire Protection District

June 30, 2024

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, 2024

| | General Fund (Budgetary Basis) | Internally Reported Funds | General Fund (GAAP Basis) |
|--------------------------------------------------------------------------------|--------------------------------------|---------------------------------|---------------------------------|
| Assets | | | |
| Cash and investments | \$ 8,358,717 | \$ 778,531 | \$ 9,137,248 |
| Accounts receivable, net of allowance for doubtful accounts | 1,928,608 | - | 1,928,608 |
| Taxes receivable | 164,908 | - | 164,908 |
| Due from other governments | 3,592,821 | - | 3,592,821 |
| Due from other funds | 200,000 | - | 200,000 |
| Interest receivable | 28,620 | 1,823 | 30,443 |
| Total assets | \$ 14,273,674 | \$ 780,354 | \$ 15,054,028 |
| Liabilities | | | |
| Accounts payable and accrued liabilities | 2,564,693 | \$ - | \$ 2,564,693 |
| Due to other governments | 9,198 | - | 9,198 |
| Unearned revenue | 19,824 | - | 19,824 |
| Total liabilities | 2,593,715 | - | 2,593,715 |
| Deferred Inflows of Resources | | | |
| Unavailable revenue | | | |
| Property taxes | 134,007 | - | 134,007 |
| Intergovernmental | 234,304 | - | 234,304 |
| Charges for services | 1,769,540 | - | 1,769,540 |
| Reimbursements | 193,770 | - | 193,770 |
| Total deferred inflows of resources | 2,331,621 | - | 2,331,621 |
| Fund Balances | | | |
| Assigned: | | | |
| For budget shortfall | 4,945,117 | - | 4,945,117 |
| For compensated absences buyout | - | 125,949 | 125,949 |
| Unassigned | 4,403,221 | 654,405 | 5,057,626 |
| Total fund balances | 9,348,338 | 780,354 | 10,128,692 |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | \$ 14,273,674 | \$ 780,354 | \$ 15,054,028 |

Truckee Meadows Fire Protection District
 Combining Balance Sheet - Internally Reported (Budgetary Basis) Funds
 Reported as Part of the General Fund for External Reporting Purposes
 (GAAP Basis) - Governmental Funds
 June 30, 2024

| | Sick Annual Comp Benefits Fund | Stabilization Fund | Internally Reported Total |
|--------------------------------------------|--------------------------------------|--------------------------|---------------------------------|
| Assets | | | |
| Cash and investments | \$ 125,949 | \$ 652,582 | \$ 778,531 |
| Interest receivable | - | 1,823 | 1,823 |
| Total assets | <u>\$ 125,949</u> | <u>\$ 654,405</u> | <u>\$ 780,354</u> |
| Fund Balances | | | |
| Assigned for compensated absences buyout | \$ 125,949 | \$ - | \$ 125,949 |
| Unassigned | - | 654,405 | 654,405 |
| Total fund balances | <u>125,949</u> | <u>654,405</u> | <u>780,354</u> |
| Total Liabilities and Fund Balances | <u><u>\$ 125,949</u></u> | <u><u>\$ 654,405</u></u> | <u><u>\$ 780,354</u></u> |

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, 2024

| | Sick Annual Comp Benefits Fund | Stabilization Fund | Internally Reported Total |
|------------------------------------------------------|--------------------------------------|-----------------------|---------------------------------|
| Revenues | | | |
| Miscellaneous | \$ - | \$ 21,149 | \$ 21,149 |
| Expenditures | | | |
| Current | | | |
| Public safety | 388,875 | 181 | 389,056 |
| Excess (Deficiency) of Revenues over Expenditures | (388,875) | 20,968 | (367,907) |
| Other Financing Sources (Uses) | | | |
| Transfers in | 250,000 | - | 250,000 |
| Net Change in Fund Balances | (138,875) | 20,968 | (117,907) |
| Fund Balances, Beginning of Year | 264,824 | 633,437 | 898,261 |
| Fund Balances, End of Year | <u>\$ 125,949</u> | <u>\$ 654,405</u> | <u>\$ 780,354</u> |

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, 2024

| | 2024 Budgeted Amounts | | 2024 | |
|---------------------------------|-----------------------|-----------------|-------------------|-------------------------------|
| | Original | Final | Actual | Variance with Final Budget |
| Expenditures | | | | |
| Public safety function | | | | |
| Salaries and wages | \$ 400,000 | \$ 400,000 | \$ 388,875 | \$ 11,125 |
| Other Financing Sources (Uses) | | | | |
| Transfers in | | | | |
| General Fund | 250,000 | 250,000 | 250,000 | - |
| Net Change in Fund Balance | (150,000) | (150,000) | (138,875) | 11,125 |
| Fund Balance, Beginning of Year | 153,826 | 153,826 | 264,824 | 110,998 |
| Fund Balance, End of Year | <u>\$ 3,826</u> | <u>\$ 3,826</u> | <u>\$ 125,949</u> | <u>\$ 122,123</u> |

Truckee Meadows Fire Protection District

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Stabilization Fund
Year Ended June 30, 2024

| | 2024 Budgeted Amounts | | 2024 | |
|----------------------------------------------------------|-------------------------|-------------------------|--------------------------|----------------------------|
| | Original | Final | Actual | Variance with Final Budget |
| Revenues | | | | |
| Miscellaneous | | | | |
| Investment earnings | \$ 5,000 | \$ 5,000 | \$ 13,229 | \$ 8,229 |
| Net increase (decrease) in the fair value of investments | - | - | 7,920 | 7,920 |
| Total revenues | <u>5,000</u> | <u>5,000</u> | <u>21,149</u> | <u>16,149</u> |
| Expenditures | | | | |
| Current: | | | | |
| Public safety function | | | | |
| Services and supplies | <u>550,000</u> | <u>550,000</u> | <u>181</u> | <u>549,819</u> |
| Excess (Deficiency) of Revenues over Expenditures | (545,000) | (545,000) | 20,968 | 565,968 |
| Fund Balance, Beginning of Year | <u>625,647</u> | <u>625,647</u> | <u>633,437</u> | <u>7,790</u> |
| Fund Balance, End of Year | <u><u>\$ 80,647</u></u> | <u><u>\$ 80,647</u></u> | <u><u>\$ 654,405</u></u> | <u><u>\$ 573,758</u></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, 2024

| | 2024 Budgeted Amounts | | 2024 | |
|---------------------------------------------------|-----------------------|-------------|--------------|----------------------------|
| | Original | Final | Actual | Variance with Final Budget |
| Revenues | | | | |
| Charges for services | | | | |
| Services to other agencies | \$ - | \$ - | \$ 104,754 | \$ 104,754 |
| Miscellaneous | | | | |
| Investment earnings | - | - | 68,802 | 68,802 |
| Net decrease in the fair value of investments | - | - | 60,147 | 60,147 |
| Donations | - | 558,000 | - | (558,000) |
| Reimbursements | - | 2,084,500 | 383,312 | (1,701,188) |
| Total revenues | - | 2,642,500 | 617,015 | (2,025,485) |
| Expenditures | | | | |
| Current: | | | | |
| Public safety function | | | | |
| Salaries and wages | - | - | 150 | (150) |
| Employee benefits | - | - | - | - |
| Services and supplies | 482,048 | 629,477 | 489,172 | 140,305 |
| Capital outlay | 1,750,724 | 6,655,795 | 1,549,646 | 5,106,149 |
| Total expenditures | 2,232,772 | 7,285,272 | 2,038,968 | 5,246,304 |
| Excess (Deficiency) of Revenues over Expenditures | (2,232,772) | (4,642,772) | (1,421,953) | 3,220,819 |
| Other Financing Sources (Uses) | | | | |
| Sale of capital assets | - | - | 45,327 | 45,327 |
| Transfers in | | | | |
| General Fund | 1,200,000 | 3,610,000 | 3,610,000 | - |
| Total other financing sources (uses) | 1,200,000 | 3,610,000 | 3,655,327 | 45,327 |
| Net Change in Fund Balance | (1,032,772) | (1,032,772) | 2,233,374 | 3,266,146 |
| Fund Balance, Beginning of Year | 1,080,893 | 1,080,893 | 1,221,531 | 140,638 |
| Fund Balance, End of Year | \$ 48,121 | \$ 48,121 | \$ 3,454,905 | \$ 3,406,784 |

Truckee Meadows Fire Protection District
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Debt Service Fund
Year Ended June 30, 2024

| | 2024 Budgeted Amounts | | 2024 | |
|---------------------------------|-----------------------|------------|------------|----------------------------|
| | Original | Final | Actual | Variance with Final Budget |
| Expenditures | | | | |
| Current: | | | | |
| Debt Service: | | | | |
| Principal | \$ 761,000 | \$ 761,000 | \$ 761,000 | \$ - |
| Interest | 246,141 | 246,141 | 246,141 | - |
| Total expenditures | 1,007,141 | 1,007,141 | 1,007,141 | - |
| Other Financing Sources (Uses) | | | | |
| Transfers in | | | | |
| General Fund | 1,007,141 | 1,007,141 | 1,007,141 | - |
| Net Change in Fund Balance | - | - | - | - |
| Fund Balance, Beginning of Year | 600,000 | 600,000 | 600,000 | - |
| Fund Balance, End of Year | \$ 600,000 | \$ 600,000 | \$ 600,000 | \$ - |

Truckee Meadows Fire Protection District
Schedule of Revenue, Expenses, and Changes in Net Position - Budget and Actual
Emergency Medical Services Fund
Year Ended June 30, 2024

| | 2024 Budgeted Amounts | | 2024 | |
|-----------------------------------------------------------|-----------------------|---------------------|---------------------|----------------------------|
| | Original | Final | Actual | Variance with Final Budget |
| Operating Revenues | | | | |
| Charges for services | <u>\$ 2,642,102</u> | <u>\$ 3,024,543</u> | <u>\$ 6,509,329</u> | <u>\$ 3,484,786</u> |
| Operating Expenses | | | | |
| Salaries and wages | 2,463,000 | 2,611,785 | 2,432,764 | 179,021 |
| Employee benefits | 1,345,247 | 1,336,462 | 2,391,925 | (1,055,463) |
| Services and supplies | 530,100 | 642,364 | 636,927 | 5,437 |
| Depreciation/amortization | <u>110,000</u> | <u>110,000</u> | <u>109,988</u> | <u>12</u> |
| Total operating expenses | <u>4,448,347</u> | <u>4,700,611</u> | <u>5,571,604</u> | <u>(870,993)</u> |
| Operating income (Loss) | <u>(1,806,245)</u> | <u>(1,676,068)</u> | <u>937,725</u> | <u>2,613,793</u> |
| Nonoperating Revenues (Expenses) | | | | |
| State grant | - | 20,237 | 20,201 | (36) |
| Federal grant | - | 500,000 | - | (500,000) |
| Donations | - | 92,026 | 102,508 | 10,482 |
| Investment earnings | - | - | 57,024 | 57,024 |
| Net increase (decrease) in the fair value of investments | <u>-</u> | <u>-</u> | <u>65,032</u> | <u>65,032</u> |
| Total nonoperating revenues (expenses) | <u>-</u> | <u>612,263</u> | <u>244,765</u> | <u>(367,498)</u> |
| Income (loss) before capital contributions, and transfers | <u>(1,806,245)</u> | <u>(1,063,805)</u> | <u>1,182,490</u> | <u>2,246,295</u> |
| Capital Contributions | - | 164,491 | 156,946 | (7,545) |
| Transfers in | <u>1,900,000</u> | <u>1,825,000</u> | <u>250,000</u> | <u>(1,575,000)</u> |
| Change in Net Position | <u>\$ 93,755</u> | <u>\$ 925,686</u> | <u>1,589,436</u> | <u>\$ 663,750</u> |
| Net Position, Beginning of Year | | | <u>1,509,654</u> | |
| Net Position, End of Year | | | <u>\$ 3,099,090</u> | |

Truckee Meadows Fire Protection District
Schedule of Cash Flows - Budget and Actual - Emergency Medical Services Fund
Year Ended June 30, 2024

| | 2024 Budgeted Amounts | | 2024 | |
|---------------------------------------------------------------------------------------------------|-----------------------|--------------------|---------------------|----------------------------|
| | Original | Final | Actual | Variance with Final Budget |
| Operating Activities | | | | |
| Cash received from customers | \$ 922,000 | \$1,304,441 | \$ 1,506,992 | \$ 202,551 |
| Cash received from others | 1,720,102 | 1,720,102 | 4,930,429 | 3,210,327 |
| Cash payments for services and supplies | (530,100) | (550,338) | (570,982) | (20,644) |
| Cash payments for salaries and benefits | (3,756,162) | (3,896,162) | (3,622,884) | 273,278 |
| Total Cash Provided by (Used for) Operating Activities | <u>(1,644,160)</u> | <u>(1,421,957)</u> | <u>2,243,555</u> | <u>3,665,512</u> |
| Noncapital Financing Activities | | | | |
| State grants | - | 20,238 | 20,201 | (37) |
| Federal grants | - | 500,000 | - | (500,000) |
| Transfers In | 1,900,000 | 1,825,000 | 250,000 | (1,575,000) |
| Total Cash Provided (used) by Noncapital Financing activities | <u>1,900,000</u> | <u>2,345,238</u> | <u>270,201</u> | <u>(2,075,037)</u> |
| Capital and related financing activities | | | | |
| Cash payments for capital assets | - | (667,441) | (64,336) | 603,105 |
| Investing Activities | | | | |
| Investment earnings | - | - | 112,139 | 112,139 |
| Net Change in Cash and Cash Equivalents | <u>255,840</u> | <u>255,840</u> | <u>2,561,559</u> | <u>2,305,719</u> |
| Cash and Cash Equivalents, Beginning of Year | <u>311,983</u> | <u>311,983</u> | <u>1,217,507</u> | <u>905,524</u> |
| Cash and Cash Equivalents, End of Year | <u>\$ 567,823</u> | <u>\$ 567,823</u> | <u>\$ 3,779,066</u> | <u>\$ 3,211,243</u> |
| Reconciliation of operating income (loss) to net cash from (used for) operating activities | | | | |
| Operating income (loss) | | | <u>\$ 937,725</u> | |
| Adjustments | | | | |
| Depreciation expense | | | 109,988 | |
| Net pension expense | | | 1,156,568 | |
| Net other postemployment benefits expense | | | (932) | |
| Change in assets and liabilities | | | | |
| Accounts receivable | | | (71,907) | |
| Accounts payable | | | 65,945 | |
| Accrued salaries and benefits | | | (55,452) | |
| Compensated absences | | | 101,620 | |
| Total adjustments | | | <u>1,305,830</u> | |
| Net Cash from Operating Activities | | | <u>\$ 2,243,555</u> | |
| Noncash investing, capital and financing activities | | | | |
| Capital Contribution | | | <u>\$ 156,946</u> | |
| Capital Payable | | | <u>\$ 128,115</u> | |

Truckee Meadows Fire Protection District
Schedule of Revenue, Expenses, and Changes in Net Position - Budget and Actual
Workers' Compensation Fund
Year Ended June 30, 2024

| | 2024 Budgeted Amounts | | 2024 | |
|-------------------------------------------------------------|-----------------------|--------------|--------------|-------------------------------|
| | Original | Final | Actual | Variance with Final Budget |
| Operating Expenses | | | | |
| Services and supplies | | | | |
| Changes in estimated claims | \$ 500,000 | \$ 500,000 | \$ 215,062 | \$ 284,938 |
| Miscellaneous | 7,500 | 7,500 | 656 | 6,844 |
| Total operating expenses | 507,500 | 507,500 | 215,718 | 291,782 |
| Nonoperating Revenues (Expenses) | | | | |
| Investment earnings | - | - | 48,067 | 48,067 |
| Net increase (decrease) in the fair value of investments | - | - | 28,313 | 28,313 |
| Total nonoperating revenues (expenses) | - | - | 76,380 | 76,380 |
| Change in Net Position | \$ (507,500) | \$ (507,500) | (139,338) | \$ 368,162 |
| Net Position, Beginning of Year | | | 1,563,288 | |
| Net Position, End of Year | | | \$ 1,423,950 | |

Truckee Meadows Fire Protection District
Schedule of Cash Flows - Budget and Actual - Worker's Compensation Fund
Year Ended June 30, 2024

| | 2024 Budgeted Amounts | | 2024 | |
|-----------------------------------------------------------------------------------------------|-----------------------|---------------------|---------------------|-------------------------------|
| | Original | Final | Actual | Variance with Final Budget |
| Operating Activities | | | | |
| Cash payments for services and supplies | \$ (507,500) | \$ (507,500) | \$ (38,461) | \$ 469,039 |
| Investing Activities | | | | |
| Investment earnings | - | - | 74,892 | 74,892 |
| Net Change in Cash and Cash Equivalents | (507,500) | (507,500) | 36,431 | 543,931 |
| Cash and Cash Equivalents, Beginning of Year | <u>1,810,199</u> | <u>1,810,199</u> | <u>2,325,127</u> | <u>514,928</u> |
| Cash and Cash Equivalents, End of Year | <u>\$ 1,302,699</u> | <u>\$ 1,302,699</u> | <u>\$ 2,361,558</u> | <u>\$ 1,058,859</u> |
| Reconciliation of operating income (loss) to net cash from (used for) operating activities | | | | |
| Operating income (loss) | | | <u>\$ (215,718)</u> | |
| Adjustments to reconcile operating loss to net cash used for operating activities | | | | |
| Change in | | | | |
| Due to other governments | | | (11,630) | |
| Pending claims | | | <u>188,887</u> | |
| Total adjustments | | | <u>177,257</u> | |
| Net Cash Provided (Used for) Operating Activities | | | <u>\$ (38,461)</u> | |

Compliance Section

**Truckee Meadows Fire Protection
District**



**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 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 (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type 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, 2024, 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

Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District’s internal control. Accordingly, we do not express an opinion on the effectiveness of the District’s internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying Schedule of Findings and Responses, we identified certain deficiencies in internal control that we consider to be a material weakness and a significant deficiency.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings and Responses as item 2024-001 to be a material weakness.

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. We consider the deficiency described in the accompanying Schedule of Findings and Responses as item 2024-002 to be a significant deficiency.

Report on 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 financial statements. 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*.

The District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the findings identified in our audit and described in the accompanying Schedule of Findings and Responses. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

The image shows a handwritten signature in black ink that reads "Eric Sully LLP". The signature is written in a cursive, flowing style.

Reno, Nevada
November 26, 2024



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, business-type 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, 2024, and the related notes to the financial statements, nothing came to our attention that caused us to believe that the 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, insofar as they related to accounting matters.

Current Year Statute Compliance

The required disclosure on compliance with Nevada Revised Statutes and the Nevada Administrative Code is contained in Note 2 of the financial statements.

Progress on Prior Year Statute Compliance

The District monitored expenditures in the Emergency Fund during the current year and the prior year over-expenditure was corrected.

Prior Year Recommendations

Finding 2023-001 reported for the year ended June 30, 2023 was resolved during the year ended June 30, 2024.

Current Year Recommendations

The current year recommendations are reported in the Schedule of Findings and Responses.

A handwritten signature in black ink that reads "Eide Bailly LLP".

Reno, Nevada
November 26, 2024

**2024-001: Reimbursement Revenue
Material Weakness**

Criteria: Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. Appropriate review and reconciliation of mutual aid and other billed services is a key component of an effective system of internal control over financial reporting.

Condition: Three instances were noted where, mutual aid or other services billed to other entities were inappropriately duplicated or recognized in the improper period.

Cause: The District did not have adequate internal controls to ensure mutual aid or other services were unduplicated and recognized in the appropriate period.

Effect: Prior to the adjustment, beginning net position in the Emergency Fund was overstated by \$68,729 for amounts overbilled in the prior year.

In addition, beginning net position in the General fund was understated by \$95,803 for amounts that should have been recognized as revenue in the prior year.

Lastly, revenue in the Emergency fund was overstated by \$17,898 in the current year for a duplicate billing from the prior year.

Recommendation: We recommend the District enhance internal controls to ensure mutual aid or other services are unduplicated and recognized in the appropriate period.

Views of Responsible Officials: The District had significant turnover during the time these invoices were issued. The District had also changed review procedures. The District detected these errors and brought them to the attention of our auditors. The District has since changed the review processes so that a more detailed review occurs prior to any invoices being issued.

**2024-002: Other Financing Sources – SBITA Recognition
Significant Deficiency**

Criteria: Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. Appropriate fund accounting for certain agreements in accordance with Governmental Accounting Standards Board (GASB) Statement No. 96 *Subscription-Based Information Technology Arrangements* is a key component of an effective system of internal control over financial reporting.

Condition: The District entered into an agreement with a vendor that qualified for accounting treatment as specified under GASB 96 and the transaction was not recorded within the related governmental fund as required.

Cause: The District did not have adequate internal controls to ensure the SBITA was recorded in the governmental fund.

Effect: Prior to the adjustment, other financing sources and related capital expenditures were understated by \$80,525 in the General fund.

Recommendation: We recommend the District enhance internal controls to ensure SBITA transactions are recorded in the governmental funds, as applicable.

Views of Responsible Officials: The District has a very small staff responsible for implementation of new accounting standards. Although GASB No. 96 *Subscription-Based Information Technology Arrangements* was implemented during the prior fiscal year, however this was the first new issuance of a SBITA agreement under the new standard. The District recorded the debt and asset within the Government-Wide statements, but as stated above, did not record the transaction accurately in accordance with the standard in the General Fund. In the future, the District will consult with outside agencies or firms for additional review of new agreements under new standards.