



March 20, 2025

To the Board of Trustees
Tahoe Douglas Fire Protection District
Zephyr Cove, Nevada

We have audited the financial statements of Tahoe Douglas Fire Protection District (the District) as of and for the year ended June 30, 2024, and have issued our report thereon dated March 20, 2025. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit under Generally Accepted Auditing Standards and *Government Auditing Standards* and our Compliance Audit under the Uniform Guidance

As communicated in our letter dated October 28, 2024, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America and to express an opinion on whether the District complied with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Districts major federal programs. Our audit of the financial statements and major program compliance does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the District's solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

Our responsibility, as prescribed by professional standards as it relates to the audit of the Districts major federal program compliance, is to express an opinion on the compliance for each of the Districts major federal programs based on our audit of the types of compliance requirements referred to above. An audit of major program compliance includes consideration of internal control over compliance with the types of compliance requirements referred to above as a basis for designing audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, as a part of our major program compliance audit, we considered internal control over compliance for these purposes and not to provide any assurance on the effectiveness of the District's internal control over compliance.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our comments regarding internal controls during our audit in our 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* dated March 20, 2025. We have also provided our comments regarding compliance with the types of compliance requirements referred to above and internal controls over compliance during our audit in our Independent Auditor's Report on Compliance with Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance dated March 20, 2025.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope we previously communicated to you. The timing of the audit was delayed due to delays in the completion of schedules and reconciliations prepared by management. This delayed the receipt of information related to our audit requests into calendar year 2025 and required extensions with the Nevada Department of Taxation.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and other firms utilized in the engagement, if applicable, have complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the District is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during the year ended June 30, 2024. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are:

- Management's estimate of other post-employment benefit liability is based on a third-party actuarial valuation. We evaluated the key factors and assumptions used to develop the other post-employment benefit liability in determining that it is reasonable in relation to the financial statements taken as a whole.
- Management's estimate of the net pension liability is based on a third-party actuarial valuation. The actuarial valuation is based on the employee information submitted by the District to the Public Employees' Retirement System of the State of Nevada (PERS). We evaluated the key factors and assumptions used to develop the pension liability in determining that it is reasonable in relation to the financial statements taken as a whole.
- Management's estimate of the allowance for doubtful accounts in the Ambulance Fund, is based on prior years' experience with collections. We evaluated the key factors and assumptions used to develop the allowance for doubtful accounts and in determining that it is reasonable in relation to the financial statements taken as a whole.
- Management's estimate of the incurred but not received (IBNR) health claim liability is based on claim lag triangle provided by the service organization processing health insurance claims. We evaluated the key factors and assumptions used to develop the IBNR liability in determining that it is reasonable in relation to the financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the District's financial statements relate to: compliance with Nevada Revised Statutes and Nevada Administrative Code in Note 2, Cash and Investments in Note 3 and Other Post-employment Benefits in Note 9.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even though the uncorrected misstatements are immaterial to the financial statements currently under audit.

The following misstatements that we identified as a result of our audit procedures were brought to the attention of, and corrected by, management:

General Fund

Understatement of claims payable/expenses	\$66,349
Understatement of grant revenue/expense	\$84,820

<u>Ambulance Fund/Business-Type Activities</u>	
Understatement of ambulance receivables/fees	\$30,666
<u>TDFPD OPEB Trust</u>	
Understatement of benefits payable/expenses	\$253,231
<u>Governmental Activities</u>	
Understatement of claims payable/expenses	\$66,349
Understatement of grant revenue/expense	\$84,820
Understatement of capital contributions/assets	\$279,586

The following summarizes uncorrected financial statement misstatements whose effects in the current and prior periods, as determined by management, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

<u>General Fund</u>	
Understatement of interest receivable/revenue	\$21,027
Understatement of accrued payroll/expense	\$19,936
Understatement of property taxes receivable/unavailable revenue	\$36,639
Understatement of capital outlay related to leases/other financing sources	\$53,333
<u>Fire Safe Community Service Fund</u>	
Understatement of interest receivable/revenue	\$4,061
Understatement of accrued payroll/expense	\$20,589
Understatement of strike team income/overstatement beginning fund balance	\$6,985
<u>Fire Flow Fund</u>	
Understatement of interest receivable/revenue	\$2,267
<u>Capital Projects Fund</u>	
Understatement of interest receivable/revenue	\$4,457
<u>Sick Leave Reserve Fund</u>	
Understatement of interest receivable/revenue	\$1,511
<u>TDFPD OPEB Trust</u>	
Understatement of accounts payable/expense	\$15,058
<u>Ambulance Fund/Business-Type Activities</u>	
Understatement of interest receivable/revenue	\$6,798
Understatement of accrued payroll/expense	\$6,579
Overstatement of revenue for prior year billings/ Understatement beginning net position	\$28,561
<u>Governmental Activities</u>	
Overstatement of compensated absence expenses	\$114,743
Overstatement compensated absence liability	\$42,024
Overstatement beginning net position	\$72,719
Understatement of interest receivable/revenue	\$33,323
Understatement of accrued payroll/expense	\$40,526

Understatement of property taxes receivable/revenue	\$36,639
Understatement of right to use assets	\$52,912
Understatement of lease liability	\$54,810
Understatement of expenses	\$1,190
Overstatement of beginning net position	\$708
Overstatement of revenue for prior year passed adjustments	
Understatement of beginning net position	\$30,172

The effect of these uncorrected misstatements as of and for the year ended June 30, 2024, are shown below:

General Fund

Understatement of Change in Fund Balance	\$1,091
Understatement of Ending Fund Balance	\$1,091

Fire Safe Community Service Fund

Overstatement of Change in Fund Balance	\$13,604
Overstatement of Ending Fund Balance	\$20,589

Fire Flow Fund

Understatement of Change in Fund Balance	\$2,267
Understatement of Ending Fund Balance	\$2,267

Capital Projects Fund

Understatement of Change in Fund Balance	\$4,457
Understatement of Ending Fund Balance	\$4,457

Sick Leave Reserve Fund

Understatement of Change in Fund Balance	\$1,511
Understatement of Ending Fund Balance	\$1,511

TDFPD OPEB Trust

Overstatement of Change in Net Position	\$15,058
Overstatement of Ending Net Position	\$15,058

Ambulance Fund & Business-Type Activities

Overstatement of Change in Net Position	\$28,342
Understatement of Ending Net Position	\$219

Governmental Activities

Understatement of Change in Net Position	\$119,802
Understatement of Ending Net Position	\$69,562

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the District's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Circumstances that Affect the Form and Content of the Auditor's Report

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report. We did identify the following circumstances that affected the form and content of the Auditor's Report:

- We issued a qualified opinion on the District's compliance with Reporting as described by item 2024-010 over the Southern Nevada Public Land Management grant program.

Representations Requested from Management

We have requested certain written representations from management which are included in the management representation letter dated March 20, 2025.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the District, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating conditions affecting the entity, and operating plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the District's auditors.

Noncompliance with Laws and Regulations

We have identified the following matters involving noncompliance with laws and regulations that came to our attention during the course of the audit and are described in Note 2 to the financial statements.

- Various budget violations for the Ambulance Fund as prescribed by NRS 354.598, 354.626, and NAC 354.481.
- Self-insurance requirements as prescribed by NRS 287.010 and detailed further in 2024-001 in the Schedule of Findings and Questioned Costs.

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



Reno, Nevada



2024 Financial Statements
For the Year Ended June 30, 2024

Tahoe Douglas Fire Protection District

Tahoe Douglas Fire Protection District

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Independent Auditor's Report

To the Board of Trustees
Tahoe Douglas Fire Protection District
Zephyr Cove, 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 Tahoe Douglas Fire Protection District (the District) 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.

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 through 14, the budgetary comparison information and reconciliation for the General Fund and major special revenue funds on pages 54 through 60, the schedule of changes in net other post-employment benefits liabilities and related ratios on pages 61 through 62, the schedule of District contributions - other post-employment benefits on page 63, the schedule of proportionate share of the net pension liability on page 64, the schedule of District contributions – PERS

on page 65, and the notes to the required supplementary information on pages 66 through 68, 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, the schedule of changes in net other post-employment benefits liabilities and related ratios, the schedule of District contributions – other post-employment benefits, the schedule of proportionate share of the net pension liability, the schedule of District 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 for the General Fund and major special revenue funds 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 for the General Fund and major special revenue funds 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 for the General Fund and major special revenue funds 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 individual fund statements and schedules, including budgetary comparisons and reconciliations, and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 individual fund statements and schedules, including budgetary comparisons and reconciliations, and the schedule of expenditures of federal awards 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 March 20, 2025 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.

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

Reno, Nevada
March 20, 2025

Management for the Tahoe Douglas Fire Protection District (TDFPD or District) offers readers of TDFPD's financial statements this narrative overview and analysis of the financial activities of TDFPD for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with our comprehensive annual budget and audited financial statements.

Financial Highlights

The assets and deferred outflows of resources of TDFPD exceeded its liabilities and deferred inflows of resources at June 30, 2024, by \$5,315,433 (positive net position). As of June 30, 2024, the unrestricted deficit was (\$2,651,631).

At June 30, 2024, TDFPD's governmental funds reported combined ending fund balances of \$11,599,190, an increase of \$1,215,184 in comparison with prior year ending fund balances.

At June 30, 2024, the unassigned fund balance of the General Fund was \$1,438,861 or 12% of total general fund expenditures (including transfers out of \$1,344,528).

TDFPD'S total debt on June 30, 2024, remained at zero.

Overview of the Financial Statements

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

Government-wide Financial Statements

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

The statement of net position presents information on all the District's assets and deferred outflows and liabilities and deferred inflows with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the TDFPD is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenue and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes, earned but unused vacation leave, and pension related deferred inflow/outflows of resources and liability).

The government-wide financial statements report distinct functions of TDFPD: 1) those functions principally supported by taxes and intergovernmental revenue (governmental activities), and 2) 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 TDFPD are primarily public safety. The business-type activities of TDFPD include the operation of the ambulance service.

The government-wide financial statements can be found on pages 15-16 of this report.

Financial Fund 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. TDFPD, like other state and local governments, uses fund accounting to ensure and demonstrate legal compliance, and to aid fiscal management by segregating transactions related to certain government functions or activities. All the funds of TDFPD can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District'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 government's near-term financing decisions. Both the governmental fund balance sheets and the governmental fund statements of revenue, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

TDFPD maintains seven individual governmental funds. Information is presented separately in governmental fund balance sheets and in the governmental fund statements of revenue, expenditures, and changes in fund balances – budget and actual for the General Fund, Capital Projects Fund, and all Special Revenue Funds (Sick Leave Reserve, Special Services, Fire Safe Community Service Fund, Fire Flow Initiative Fund, and Aviation Fund). All these funds are considered to be major funds. Individual fund data for each of these governmental funds is provided in this report.

The District's Health Insurance Reserve Fund, although a separate fund for management and budgeting purposes is combined with the District's General Fund for reporting within the annual audited financial statements. Page 55 of this report presents the General Fund and Health Insurance Reserve Fund "Reconciliation of the General Fund Schedule of Revenues, Expenditures and Changes in Fund Balances" for the year ended June 30, 2024.

Fiduciary Fund - GASB standards now require the inclusion in the District's financial statements of all fiduciary components of the District. The Tahoe Douglas Fire Protection District Post-Retirement Plan & Trust is a fiduciary component of the District. The Trust's financial reporting period ends on December 31. The amounts reported for the Trust in the Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position are as of and for the year ended December 31, 2023. The Trust's December 31, 2023, net position restricted for postemployment benefits other than pensions is \$14,268,670.

The basic governmental fund financial statements can be found on pages 17-20 of this report. The basic fiduciary fund financial statements can be found on pages 24-25 of this report.

Proprietary Fund – TDFPD maintains one proprietary fund. *Proprietary funds* are used to report on the same functions presented as *business-type activities* in the government-wide financial statements. TDFPD uses the proprietary fund to account for its ambulance operation.

The basic proprietary fund financial statements can be found on pages 21-23 of this report.

TDFPD adopts an annual appropriated budget. Budgetary comparison statements have been provided for the funds of the District to demonstrate compliance with this budget.

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 governmental fund financial statements. The notes to the financial statements can be found on pages 26-53 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. TDFPD's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$5,315,443 on June 30, 2024.

The largest portion of TDFPD's net position reflects its investment in capital assets (e.g., buildings, machinery, and equipment). TDFPD uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. TDFPD's investment in its capital assets is reported net of related debt. It should be noted that the District does not currently, nor does it intend to incur debt to finance the acquisition of the District assets.

Tahoe Douglas Fire Protection District
Management's Discussion and Analysis (Unaudited)
Year Ended June 30, 2024

Government-wide Financial Analysis – continued

	<u>Net Position</u>					
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>June 30</u>		<u>June 30</u>		<u>June 30</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Assets						
Current and other assets	\$ 14,029,353	\$ 13,369,797	\$ 1,421,954	\$ 1,101,676	\$ 15,451,307	\$ 14,471,473
Capital assets	7,627,913	7,009,070	103,445	158,063	7,731,358	7,167,133
Net OPEB Asset	1,888,370	-	-	-	1,888,370	-
Total assets	23,545,636	20,378,867	1,525,399	1,259,739	25,071,035	21,638,606
Deferred outflows of resources	<u>7,573,385</u>	<u>8,120,324</u>	<u>4,764,312</u>	<u>3,793,824</u>	<u>12,337,697</u>	<u>11,914,148</u>
Total assets and deferred outflows of resources	<u>31,119,021</u>	<u>28,499,191</u>	<u>6,289,711</u>	<u>5,053,563</u>	<u>37,408,732</u>	<u>33,552,754</u>
Liabilities						
Noncurrent liabilities outstanding	18,602,511	17,049,503	9,707,908	7,828,610	28,310,419	24,878,113
Other liabilities	1,409,943	1,634,178	216,896	30,544	1,626,839	1,664,722
Total liabilities	20,012,454	18,683,681	9,924,804	7,859,154	29,937,258	26,542,835
Deferred inflows of resources	<u>1,969,849</u>	<u>541,103</u>	<u>186,182</u>	<u>128,614</u>	<u>2,156,031</u>	<u>669,717</u>
Total liabilities and deferred inflows of resources	<u>21,982,303</u>	<u>19,224,784</u>	<u>10,110,986</u>	<u>7,987,768</u>	<u>32,093,289</u>	<u>27,212,552</u>
Net Position						
Net investment in capital assets	7,627,913	7,009,070	103,445	158,063	7,731,358	7,167,133
Restricted	235,716	216,640	-	-	235,716	216,640
Unrestricted (deficit)	1,273,089	2,048,697	(3,924,720)	(3,092,268)	(2,651,631)	(1,043,571)
Total net position	<u>\$ 9,136,718</u>	<u>\$ 9,274,407</u>	<u>\$ (3,821,275)</u>	<u>\$ (2,934,205)</u>	<u>\$ 5,315,443</u>	<u>\$ 6,340,202</u>

At June 30, 2024, TDFPD is able to report a positive net position for the governmental activities and deficits for the business-type activities. However, the overall net position is positive for the District. The deficit is the result of the portion of the Public Employees' Retirement System (PERS) pension liability that is required to be reported by the District.

There was a decrease of \$887,070 in net position reported in connection with TDFPD's business-type activities. Total business-type activity operating expenses were \$4,367,446 and total revenue including net transfers was \$3,480,376.

Tahoe Douglas Fire Protection District
Management's Discussion and Analysis (Unaudited)
Year Ended June 30, 2024

The most significant impact on the net position for both governmental activities and business-type activities is with respect to pensions and other post-employment benefits. Declining market performance and increased wages led to significant increases in the related liabilities, which can be seen by a change from \$24,878,113 to \$28,310,419 in total noncurrent liabilities. Of the \$28,310,419 in total noncurrent liabilities, the pension and other post-employment benefit liabilities constitute \$23,653,716 of that balance versus \$22,322,376 on June 30, 2023.

Governmental Activities

Governmental activities decreased TDFPD's net position by \$137,689 thereby accounting for a 13% decrease in the total net position. Key elements of this increase are as follows:

	<u>Changes in Net Position</u>					
	Governmental Activities		Business-type Activities		Total	
	June 30		June 30		June 30	
	2024	2023	2024	2023	2024	2023
Revenues						
<u>Program revenues</u>						
Charges for services	\$ 5,193,792	\$ 6,471,143	\$ 672,741	\$ 527,565	\$ 5,866,533	\$ 6,998,708
Operating grants and contributions	611,688	1,145,917	-	-	611,688	1,145,917
Capital grants and contributions	298,745	66,794	-	-	298,745	66,794
<u>General revenues</u>						
Ad valorem taxes	5,240,614	4,891,679	2,392,090	2,232,815	7,632,704	7,124,494
Consolidated tax	5,963,774	5,596,484	-	-	5,963,774	5,596,484
Interest income	144,108	33,936	7,878	-	151,986	33,936
Miscellaneous revenue	446,463	401,690	407,667	429,062	854,130	830,752
Total revenues	17,899,184	18,607,643	3,480,376	3,189,442	21,379,560	21,797,085
Expenses						
Public safety	18,036,873	17,291,349	-	-	18,036,873	17,291,349
Ambulance	-	-	4,367,446	4,036,562	4,367,446	4,036,562
Total expenses	18,036,873	17,291,349	4,367,446	4,036,562	22,404,319	21,327,911
Transfers	-	(698,965)	-	698,965	-	-
Increase (decrease) in net position	(137,689)	617,329	(887,070)	(148,155)	(1,024,759)	469,174
Net position - July 1	9,274,407	8,657,078	(2,934,205)	(2,786,050)	6,340,202	5,871,028
Net position - June 30	\$ 9,136,718	\$ 9,274,407	\$ (3,821,275)	\$ (2,934,205)	\$ 5,315,443	\$ 6,340,202

Revenue by Source

The two major revenue sources for the governmental activities are ad valorem taxes of \$5,240,614 and consolidated taxes (CTX) of \$5,963,774. We can expect ad valorem growth to remain steady moving forward. CTX tax is dependent on various sales and use taxes within the County and dependent on economic conditions. The actual CTX amounts received in the last two (2) years have been less than state projections utilized for budgeting. This will need to be considered for future budgets.

What remains a significant concern are the long-term effects of Nevada State Assembly Bill 489 (3% ad valorem revenue cap limitations) and the unintended consequences on the District's ability to meet future obligations. Additionally, a new Redevelopment plan was approved and adopted in 2016 for a portion of the Stateline, NV area. The District will be faced with providing increased fire and ambulance services to the designated redevelopment area but will not be receiving any additional ad valorem revenue. The ad valorem revenue is designated for the redevelopment area for 30 years.

Expenditures

Increases in expenses closely parallel with inflation and the growth in the demand for services. The increase in expenses is primarily related to salaries and benefits as well as the effect of the pension and other post-employment benefit accounting.

Business-type Activities

The Ambulance Enterprise Fund is a proprietary fund that is used to account for the operations of the Ambulance services department. Enterprise funds are used to account for activities similar to those found in the private sector, where the Board has decided that the determination of revenue earned, costs incurred, and net income is necessary for management accountability. Goods and/or services from such activities are provided to outside parties and there is a charge for those goods and/or services. The Ambulance Enterprise Fund was created in the fiscal year ended June 30, 1986, with a voter approved 6-cent ad valorem tax override.

The District allocates twenty-two Firefighter/Paramedics to the ambulance fund, which requires an ad valorem tax rate of 20 cents for fiscal year 2023/2024.

The 2023/2024 Ambulance Enterprise Fund budget reported budgeted user fees of \$600,000. Actual user fees for the fiscal year ended June 30, 2024, were \$672,741. \$2,392,090 of ad valorem tax revenue from the 6-cent tax override plus 0.14 cent rate applied at the discretion of the Board was received for the fiscal year ended June 30, 2024. The Fund also received miscellaneous revenue of \$407,667 and transfers in from the governmental funds of \$300,000.

Revenue – Ambulance Fund

	Fiscal Years Ended June 30,		
	2024	2023	Difference
Ad valorem taxes	\$ 2,392,090	\$ 2,232,815	\$ 159,275
Fee income (net of discount, allowances and bad debt)	672,741	527,565	145,176
Investment income	7,878		
Other income	407,667	429,062	(21,395)
Transfer in from General Fund	300,000	1,200,000	(900,000)
Total revenue and transfers in	<u>\$ 3,780,376</u>	<u>\$ 4,389,442</u>	<u>\$ (616,944)</u>

Charges for business-type activities increase by 27%. Total Fund Revenue decreased by \$616,944, due to a smaller transfer from the General Fund than in previous years.

Expenses – Ambulance Fund

Total expenses and transfers were \$4,667,446 for the fiscal year ended June 30, 2024. Operating transfers of \$300,000 to the General Fund (Health Insurance Reserve Special Revenue Fund included with the General Fund) are included in the total expenditure amount. Salaries, wages, and benefits account for the largest percentage of expenses. Total salary, wage, and benefit expenses for the fiscal year ending June 30, 2024, were \$4,086,318. This is the result of allocating the total salaries, wages, and benefits of twenty-two Firefighters/Paramedics to this fund. Service and supplies expenses were \$226,510 and depreciation expense was \$54,618.

Depreciation is calculated on all the capital assets that are purchased for the Enterprise Fund. These include ambulances, defibrillators, laptop computers, and some miscellaneous smaller items. These items are depreciated on the straight-line basis (equally) over each asset's estimated life from their date of purchase.

	Actual Fiscal Year 2024	Actual Fiscal Year 2023	Difference
Salaries and wages, benefits	\$ 4,086,318	\$ 3,672,608	\$ 413,710
Transfer to Health Insurance Fund	300,000	501,035	(201,035)
Services and supplies	226,510	263,591	(37,081)
Depreciation	54,618	100,363	(45,745)
Total expenses and transfers out	<u>\$ 4,667,446</u>	<u>\$ 4,537,597</u>	<u>\$ 129,849</u>

Business-type activities had a decrease in net position of \$887,070.

Financial Analysis of the Government's Funds

Governmental Funds – The purpose TDFPD's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spend-able* resources. Such information is useful in assessing TDFPD's financing requirements. Unreserved *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 end of the current fiscal year, TDFPD's governmental funds reported combined ending fund balances of \$11,599,190 an increase of \$1,215,184 over the prior year.

Of the total fund balance, approximately 87% percent is assigned to non-spendable and specific expenses, and the remaining 13% or \$1,438,861 is unassigned and is available for spending at the Board's discretion.

The TDFPD's General Fund ending fund balance increased by \$318,993 during the current fiscal year, which is approximately 9% of the beginning fund balance.

Proprietary Funds

TDFPD's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Net position (deficit) of the Ambulance Enterprise Fund at the end of the year amounted to \$(3,821,275). The total net decrease in net position (deficit) was \$887,070.

General Fund Budgetary Highlights

The District experienced a decrease in state projections for CTX of \$271,263. Projecting revenue and future year budgeting must consider the last two years of decreased CTX revenue.

The General Fund (budgetary basis) was under budget on total expenditures by \$2,043,097. Overall, the change in fund balance exceeded the budgeted change in fund balance by \$2,678,400. The District's budget to actual of the General Fund (budgetary basis) is located on page 54 of this report.

Capital Asset and Debt Administration

Capital Assets – TDPFD's investment in capital assets for its governmental fund and business type activities as of June 30, 2024 amounts to \$7,731,358 (net of accumulated depreciation). This investment in capital assets includes building and improvements, fire fighting vehicles, motor vehicles, equipment, and furniture and fixtures.

Capital assets consisted of the following on June 30, 2024, and June 30, 2023:

	2024	2023
Ambulance motor vehicle equipment	\$ 31,609	\$ 62,709
Ambulance machinery and equipment	71,836	95,354
Fire Safe motor vehicle equipment	445,220	660,152
Fire Safe machinery and equipment in progress	166,734	220,126
Fire Safe land	82,822	82,822
Fire Safe facility building and building improvements	1,055,897	571,404
Land	90,395	90,395
Buildings and building improvement	1,324,407	1,360,401
Firefighting vehicles	1,004,081	963,123
Motor vehicle equipment	2,588,542	2,466,831
Fire boat, lift launch, and related construction in progress	772,062	509,569
Furniture and fixtures	97,753	84,247
	<u>97,753</u>	<u>84,247</u>
Total capital assets	<u>\$ 7,731,358</u>	<u>\$ 7,167,133</u>

Capital Asset and Debt Administration – continued

Capital asset purchases during the current fiscal year included the following:

E0123 Fire vehicle	\$ 322
B0624 Fire vehicle	906
Various vehicle accessories	22,097
Station #21 paving	5,750
Station #23 paving	22,055
Fire rescue boat	135,761
Water tender	145,359
Cozad trailer TR0924	137,058
Station #22 construction remodel	500,471
1984 Seagrave	3,000
S0119 Fire vehicle	5,358
S0123 Fire vehicle	163,513
Station 21 fitness equip	7,774
Peloton	3,873
Station 24 fitness equip	8,000
3 Honda snowblowers	10,797
WT0223 Radio	3,425
S0123 Radio	3,425
Equip ventilation fan	6,460
SCBA Packs	279,586
	<hr/>
	\$ 1,464,990

Additional information on TDFPD's capital assets can be found on Note 4 on pages 37-38 of this report.

Long-Term Debt

At the end of the current fiscal year, the TDFPD had no bonded debt outstanding.

Economic Factors and Next Year's Budgets and Rates

- Due to the current economic environment, the State has reduced their projections in CTX revenue compared to last year's projections.
- The District is required to meet the long-term liability associated with retiree health insurance cost projections. The District has implemented a plan to address the long-term liability of retiree health insurance. The 2023-2024 liability will be paid by distributions taken from the Post Retirement Trust investment account maintained with the State of Nevada RBIF. The TDFPD Post Retirement Trust Liability as of December 31, 2023, was \$85,501.
- The aviation fund dedicated to developing an aviation program for fighting wildland fires in the Tahoe basin as well as being another asset for utilization in numerous types of emergencies will certainly impact the District's planning, employee relations and other District matters.

Many of these factors were in effect and considered in preparing TDFPD's 2024 budget. All these factors will be considered in preparing TDFPD's budget for the 2025 fiscal year.

Requests for Information

This financial report is designed to provide a general overview of TDFPD's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Tahoe Douglas Fire Protection District, P.O. Box 919, Zephyr Cove, NV, 89448.

Tahoe Douglas Fire Protection District

Statement of Net Position

June 30, 2024

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and investments	\$ 10,775,890	\$ 1,091,653	\$ 11,867,543
Accounts receivable (net of allowance for uncollectible amounts of \$253,177)	-	326,486	326,486
Taxes receivable	1,105,806	3,815	1,109,621
Grant receivables	292,861	-	292,861
Other receivables	1,853,391	-	1,853,391
Prepays	1,405	-	1,405
Capital assets, not being depreciated	767,215	-	767,215
Capital assets, being depreciated	6,860,698	103,445	6,964,143
Net OPEB asset - District Plan	1,888,370	-	1,888,370
Total assets	23,545,636	1,525,399	25,071,035
Deferred Outflows of Resources			
Net pension - related amounts	6,442,462	4,764,312	11,206,774
OPEB - related amounts	1,130,923	-	1,130,923
Total deferred outflows of resources	7,573,385	4,764,312	12,337,697
Total Assets and Deferred Outflows of Resources	31,119,021	6,289,711	37,408,732
Liabilities			
Accounts payable	662,615	87,012	749,627
Accrued payroll and benefits	676,584	129,884	806,468
Deposits	4,395	-	4,395
Claims payable	66,349	-	66,349
Noncurrent liabilities:			
Net pension liability	15,748,677	9,707,908	25,456,585
Net OPEB liability - PEBP	85,501	-	85,501
Compensated absences			
Due within one year	957,034	-	957,034
Due in more than one year	1,811,299	-	1,811,299
Total liabilities	20,012,454	9,924,804	29,937,258
Deferred Inflows of Resources			
Net pension - related amounts	251,761	186,182	437,943
OPEB - related amounts	1,718,088	-	1,718,088
Total deferred inflows of resources	1,969,849	186,182	2,156,031
Total Liabilities and Deferred Inflows of Resources	21,982,303	10,110,986	32,093,289
Net Position			
Net investment in capital assets	7,627,913	103,445	7,731,358
Restricted	235,716	-	235,716
Unrestricted (deficit)	1,273,089	(3,924,720)	(2,651,631)
Total net position	\$ 9,136,718	\$ (3,821,275)	\$ 5,315,443

Tahoe Douglas Fire Protection District
Statement of Activities
Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenue			Net (Expense) Revenues and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities							
Public safety	\$ 18,036,873	\$ 5,193,792	\$ 611,688	\$ 298,745	\$(11,932,648)	\$ -	\$ (11,932,648)
Business-type Activities							
Ambulance	4,367,446	672,741	-	-	-	(3,694,705)	(3,694,705)
Total primary government	<u>\$ 22,404,319</u>	<u>\$ 5,866,533</u>	<u>\$ 611,688</u>	<u>\$ 298,745</u>	<u>(11,932,648)</u>	<u>(3,694,705)</u>	<u>(15,627,353)</u>
General Revenues							
Ad valorem taxes					5,240,614	2,392,090	7,632,704
Unrestricted intergovernmental revenues - consolidated taxes					5,963,774	-	5,963,774
Unrestricted investment income					144,108	7,878	151,986
Miscellaneous revenue					446,463	407,667	854,130
Total general revenues					<u>11,794,959</u>	<u>2,807,635</u>	<u>14,602,594</u>
Change in Net Position					(137,689)	(887,070)	(1,024,759)
Net Position (Deficit), Beginning of Year					<u>9,274,407</u>	<u>(2,934,205)</u>	<u>6,340,202</u>
Net Position (Deficit), End of Year					<u>\$ 9,136,718</u>	<u>\$ (3,821,275)</u>	<u>\$ 5,315,443</u>

Tahoe Douglas Fire Protection District
Balance Sheet – Governmental Funds
June 30, 2024

	General (GAAP Basis)	Capital Projects	Sick Leave Reserve	Special Services	Fire Safe Community Service	Fire Flow Initiative	Aviation Fund	Total Governmental Funds
Assets								
Cash and investments	\$ 7,575,007	\$ 1,259,614	\$ 314,168	\$ 137,634	\$ 1,013,196	\$ 240,555	\$ 235,716	\$ 10,775,890
Receivables								
Taxes receivable	1,104,285	376	191	-	954	-	-	1,105,806
Grant receivables	-	-	-	-	292,861	-	-	292,861
Other receivables	210,330	-	-	111,990	1,531,071	-	-	1,853,391
Prepaid expenses	745	-	-	-	660	-	-	1,405
Total assets	\$ 8,890,367	\$ 1,259,990	\$ 314,359	\$ 249,624	\$ 2,838,742	\$ 240,555	\$ 235,716	\$ 14,029,353
Liabilities								
Accounts payable	\$ 562,163	\$ 2,713	\$ -	\$ 3,793	\$ 93,946	\$ -	\$ -	\$ 662,615
Deposits	4,395	-	-	-	-	-	-	4,395
Accrued payroll and benefits	370,287	-	-	-	306,297	-	-	676,584
Claims payable	66,349	-	-	-	-	-	-	66,349
Total liabilities	1,003,194	2,713	-	3,793	400,243	-	-	1,409,943
Deferred Inflows of Resources								
Unavailable revenue	134,457	-	-	109,990	775,773	-	-	1,020,220
Fund Balances								
Nonspendable	745	-	-	-	660	-	-	1,405
Restricted	-	-	-	-	-	-	235,716	235,716
Committed	-	-	314,359	135,841	1,662,066	240,555	-	2,352,821
Assigned	6,313,110	1,257,277	-	-	-	-	-	7,570,387
Unassigned	1,438,861	-	-	-	-	-	-	1,438,861
Total fund balances	7,752,716	1,257,277	314,359	135,841	1,662,726	240,555	235,716	11,599,190
Total liabilities, deferred inflows of resources, and fund balances	\$ 8,890,367	\$ 1,259,990	\$ 314,359	\$ 249,624	\$ 2,838,742	\$ 240,555	\$ 235,716	\$ 14,029,353

Tahoe Douglas 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	\$ 11,599,190
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Capital assets used in governmental activities are not financial resources, and, therefore, are not reported in the funds.

Governmental capital assets	\$ 16,879,922	
Less accumulated depreciation	<u>(9,252,009)</u>	
		7,627,913

Long-term liabilities are not due and payable in the current period, and, therefore, are not reported in the funds.

Net OPEB asset - District Plan	1,888,370	
Net OPEB liability - PEBP	(85,501)	
Compensated absences payable	(2,768,333)	
Net pension liability	<u>(15,748,677)</u>	
		(16,714,141)

Deferred outflows and inflows of resources related to pensions and other post-employment benefits are applicable to future periods and, therefore, are not reported in the governmental funds.

Deferred outflows of resources related to pensions	6,442,462	
Deferred outflows of resources related to OPEB	1,130,923	
Deferred inflows of resources related to pensions	(251,761)	
Deferred inflows of resources related to OPEB	<u>(1,718,088)</u>	
		5,603,536

Deferred inflows of resources represent amounts that are not available to fund current expenditures, and therefore, are not reported as revenues in the governmental funds.

Deferred inflows related to unavailable revenue	<u>1,020,220</u>
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Net position of governmental activities	<u><u>\$ 9,136,718</u></u>
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Tahoe Douglas Fire Protection District
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds
Year Ended June 30, 2024

	General (GAAP Basis)	Capital Projects	Sick Leave Reserve	Special Services	Fire Safe Community Service	Fire Flow Initiative	Aviation Fund	Total Governmental Funds
Revenues								
Taxes								
Ad valorem	\$ 4,283,475	\$ 238,902	\$ 119,833	\$ -	\$ 598,404	\$ -	\$ -	\$ 5,240,614
Intergovernmental								
Consolidated tax	5,963,774	-	-	-	-	-	-	5,963,774
Plan check fee	487,079	-	-	-	-	-	-	487,079
Grants	87,055	-	-	7,378	388,380	-	-	482,813
Contracts and strike team	414,429	-	-	29,000	4,594,677	-	-	5,038,106
Local contributions	-	-	-	128,875	-	-	19,159	148,034
Investment income	119,408	10,638	1,750	-	9,687	2,625	-	144,108
Other income	196,619	-	-	18,160	231,684	-	-	446,463
Total revenues	<u>11,551,839</u>	<u>249,540</u>	<u>121,583</u>	<u>183,413</u>	<u>5,822,832</u>	<u>2,625</u>	<u>19,159</u>	<u>17,950,991</u>
Expenditures								
Current - public safety								
Salaries and wages	5,447,091	-	106,189	50,000	2,779,943	-	-	8,383,223
Employee benefits	3,780,173	-	-	-	867,528	-	-	4,647,701
Services and supplies	1,791,592	-	-	231,803	495,376	648	83	2,519,502
Capital outlay	64,709	680,420	-	-	159,132	281,120	-	1,185,381
Total expenditures	<u>11,083,565</u>	<u>680,420</u>	<u>106,189</u>	<u>281,803</u>	<u>4,301,979</u>	<u>281,768</u>	<u>83</u>	<u>16,735,807</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>468,274</u>	<u>(430,880)</u>	<u>15,394</u>	<u>(98,390)</u>	<u>1,520,853</u>	<u>(279,143)</u>	<u>19,076</u>	<u>1,215,184</u>
Other Financing Sources (Uses)								
Transfers in	728,976	280,010	-	50,000	298	-	-	1,059,284
Transfers out	(600,000)	-	-	(30,308)	(428,976)	-	-	(1,059,284)
Total other financing sources (uses)	<u>128,976</u>	<u>280,010</u>	<u>-</u>	<u>19,692</u>	<u>(428,678)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>597,250</u>	<u>(150,870)</u>	<u>15,394</u>	<u>(78,698)</u>	<u>1,092,175</u>	<u>(279,143)</u>	<u>19,076</u>	<u>1,215,184</u>
Fund Balance, Beginning of Year	<u>7,155,466</u>	<u>1,408,147</u>	<u>298,965</u>	<u>214,539</u>	<u>570,551</u>	<u>519,698</u>	<u>216,640</u>	<u>10,384,006</u>
Fund Balance, End of Year	<u>\$ 7,752,716</u>	<u>\$ 1,257,277</u>	<u>\$ 314,359</u>	<u>\$ 135,841</u>	<u>\$ 1,662,726</u>	<u>\$ 240,555</u>	<u>\$ 235,716</u>	<u>\$ 11,599,190</u>

Tahoe Douglas 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 balance - total governmental funds		\$ 1,215,184
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives and only the gain or loss is recorded when the assets are sold.		
Expenditures for capital assets	\$ 1,185,404	
Current year depreciation	<u>(846,147)</u>	
		339,257
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		
Capital contributions	279,586	
Change in unavailable revenue	<u>(331,393)</u>	
		(51,807)
Expenses reported in the statement of activities that do not require the use of current financial resources are not reported as expenditures in governmental funds.		
Change in compensated absences payable		(212,596)
Governmental funds report the District pension and other post-employment benefit contributions as expenditures. However, in the statement of activities, the cost of pension and other post-employment benefits earned is reported as pension or other post-employment expense.		
District pension contributions	1,005,019	
District pension income (expense)	(2,311,788)	
Change in net OPEB asset and liability	2,334,466	
Change in deferred outflows of resources - OPEB related	(1,071,937)	
Change in deferred inflows of resources - OPEB related	<u>(1,383,487)</u>	
		<u>(1,427,727)</u>
Change in net position of governmental activities		<u>\$ (137,689)</u>

Tahoe Douglas Fire Protection District

Statement of Net Position – Ambulance Fund

June 30, 2024

Assets	
Current assets	
Cash and investments	\$ 1,091,653
Accounts receivable (net of allowance for uncollectible amounts of \$216,594)	326,486
Taxes receivable	3,815
	<u> </u>
Total current assets	1,421,954
	<u> </u>
Equipment	
Motor vehicles	1,028,762
Other equipment	679,596
	<u> </u>
	1,708,358
Less accumulated depreciation	(1,604,913)
	<u> </u>
Equipment, net	103,445
	<u> </u>
Total assets	1,525,399
	<u> </u>
Deferred Outflows of Resources	
Net pension - related amounts	4,764,312
	<u> </u>
Liabilities	
Current liabilities	
Accounts payable	87,012
Accrued payroll	129,884
	<u> </u>
Total current liabilities	216,896
	<u> </u>
Noncurrent liabilities	
Net pension liability	9,707,908
	<u> </u>
Total liabilities	9,924,804
	<u> </u>
Deferred Inflows of Resources	
Net pension - related amounts	186,182
	<u> </u>
Net Position	
Net investment in capital assets	103,445
Unrestricted (deficit)	(3,924,720)
	<u> </u>
Total net position (deficit)	\$ (3,821,275)
	<u> </u>

Tahoe Douglas Fire Protection District
Statement of Revenues, Expenses, and Changes in Net Position – Ambulance Fund
Year Ended June 30, 2024

Operating Revenues	
Charges for services (net of discounts and bad debt)	<u>\$ 672,741</u>
Operating Expenses	
Salaries and wages	2,011,305
Employee benefits	2,075,013
Services and supplies	226,510
Depreciation	<u>54,618</u>
Total operating expenses	<u>4,367,446</u>
Operating Loss	<u>(3,694,705)</u>
Non-operating Revenues	
Ad valorem taxes	2,392,090
Investment income	7,878
Other income	<u>407,667</u>
Total non-operating revenues	<u>2,807,635</u>
Income Before Transfers	(887,070)
Transfers in (out)	
Operating transfers in	300,000
Operating transfers out	<u>(300,000)</u>
Total transfers	<u>-</u>
Change in Net Position	(887,070)
Net Position (Deficit), Beginning of Year	<u>(2,934,205)</u>
Net Position (Deficit), End of Year	<u><u>\$ (3,821,275)</u></u>

Tahoe Douglas Fire Protection District
Statement of Cash Flows – Ambulance Fund
Year Ended June 30, 2024

Operating Activities	
Cash received from customers	\$ 613,376
Cash received from others	407,667
Cash paid to suppliers for goods and services	(170,042)
Cash paid to employees for salaries and benefits	<u>(2,990,056)</u>
Net Cash used for Operating Activities	<u>(2,139,055)</u>
Noncapital Financing Activities	
Cash from ad valorem taxes	2,394,612
Transfers from other funds	300,000
Transfers to other funds	<u>(300,000)</u>
Net Cash from Noncapital Financing Activities	<u>2,394,612</u>
Investing Activities	
Investment income	<u>7,878</u>
Net Change in Cash	263,435
Cash, Beginning of Year	<u>828,218</u>
Cash, End of Year	<u><u>\$ 1,091,653</u></u>
Reconciliation of Operating Income (Loss) to Net Cash from (used for) Operating Activities	
Operating Loss	<u>\$ (3,694,705)</u>
Adjustments to reconcile operating loss to net cash from (used for) operating activities	
Depreciation	54,618
Other income	407,667
Changes in assets and liabilities	
Accounts receivable	(59,365)
Accounts payable	56,468
Accrued payroll	129,884
Pension related amounts	<u>966,378</u>
Total Adjustments	<u>1,555,650</u>
Net Cash used for Operating Activities	<u><u>\$ (2,139,055)</u></u>

Tahoe Douglas Fire Protection District
Statement of Fiduciary Net Position
June 30, 2024

	Post-Retirement Plan & Trust
Assets	
Cash and investments	<u>\$ 14,580,907</u>
Liabilities	
Benefits payable	<u>312,237</u>
Net position restricted for postemployment benefits other than pensions	<u><u>\$ 14,268,670</u></u>

Tahoe Douglas Fire Protection District
Statement of Changes in Fiduciary Net Position
Year Ended June 30, 2024

	<u>Post-Retirement Plan & Trust</u>
Additions	
Investment income	
Net increase (decrease) in fair value of investments	\$ 1,934,639
Interest and dividends	320,551
Less investment expense	<u>(3,515)</u>
Total additions	<u>2,251,675</u>
Deductions	
Benefit payments	661,676
Administrative expenses	<u>74,634</u>
Total deductions	<u>736,310</u>
Change in Net Position	1,515,365
Net Position, Beginning of Year	<u>12,753,305</u>
Net Position, End of Year	<u><u>\$ 14,268,670</u></u>

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

Tahoe Douglas Fire Protection District (the "District") provides fire protection and ambulance services. The District is located in Douglas County, Nevada.

The District is governed by an elected Board of Trustees. The financial statements of the District consist of the funds of the District for which the District is considered to be financially accountable.

The Governmental Accounting Standards Board (GASB) has set forth criteria to be considered in Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities* and in GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. These standards require the inclusion in the District's financial statements of fiduciary component units if the District has control of the assets and if the following criteria are met:

1. If the District appoints a voting majority and either has financial burden (legally or assumed) to make contributions or has imposition of will.
2. If the District does not appoint a voting majority and has both a financial burden (legally or assumed) to make contributions and there is fiscal dependency on the District.

Therefore, due to the above criteria, the Tahoe Douglas Fire Protection District Post Retirement Plan & Trust (the "Trust") is considered to be a fiduciary component unit of the District.

The Trust was created under the general laws of Nevada and established as a voluntary employee benefit association (VEBA) pursuant to the Internal Revenue Service (IRS) Code 501(c)(9). Tax exempt status was granted by the IRS on December 20, 2011. The Trust was created for the sole purpose of receiving irrevocable contributions to provide post-retirement health insurance benefits to retirees of the District in accordance with the terms of the Trust. Trust assets are legally protected from creditors of the District.

The Trust is administered by a five-member board to provide healthcare benefits to retired District employees and their beneficiaries. The members of the five-member board consist of two administrative trustees (Fire Chief and another designated member), two union representatives, and one independent accountant.

The Trust's financial reporting period ends on December 31. Therefore, the amounts reported in the Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position are as of and for the year ended December 31, 2023.

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. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Eliminations have been made to minimize the double counting of internal activities.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or business-type activity are offset by program revenues. Direct expenses are those that are specifically associated with a specific function or business-type activity. *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 or business-type activity and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or business-type activity. Taxes and other items properly not included among program revenues are reported instead as *general revenues*.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from an exchange transaction such as providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Nonoperating revenues and nonoperating expenses result from nonexchange transactions or ancillary services.

The fund financial statements provide information about the funds of the District. Separate financial statements are provided for each fund category – *governmental funds, proprietary funds, and fiduciary funds*, even though the latter is excluded from the government-wide financial statements. Major individual governmental funds, and the major individual enterprise fund, are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of 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 *measurable* when the amount of the transaction can be determined and *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. When revenues are due but will not be collected within this 60-day period, the receivable is recorded, and an offsetting deferred inflow of resources account is established. Thus, in subsequent periods, when both revenue recognition criteria are met, the deferred inflow of resources is removed, and revenue is recognized. Expenditures generally are recorded when liabilities are incurred, as under the accrual basis of accounting. However, expenditures related to compensated absences, post-employment benefits, and claims and judgments, are recorded only when payment is due.

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's ambulance function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

The District reports the following major governmental funds:

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

The *Capital Projects Fund* is used to account for resources to be used for the acquisition of general capital assets.

The *Sick Leave Reserve* fund is a special revenue fund dedicated specifically and exclusively to fund the District's sick leave obligation. Expenses are funded primarily through dedicated ad valorem taxes.

The *Special Services Fund* is a special revenue fund used to account for the operations of all non-fire related activities of the District. Funding is primarily derived from grants, contracts, and local contributions obtained during the year.

The *Fire Safe Community Service Fund* is a special revenue fund used for all aspects of the fuels management program. Funding is primarily derived from the voter-approved tax override, passed in November of 2008, contracts, strike team, and federal grants obtained during the year.

The *Fire Flow Initiative* fund is a special revenue fund for the acquisition, operations and maintenance of water supply apparatus, including fireboat(s), water tender(s), a public safety pier, and other infrastructure, capital improvements, or equipment necessary to meet the Fire Flow Initiative Business Plan. Funding is primarily derived through donations and fees by homeowners who have opted to participate in the program.

The *Aviation fund* is a special revenue fund used to account for contributions designated for the helicopter program.

The District reports the following major enterprise fund:

The *Ambulance Enterprise Fund* is used to account for the operations of the ambulance department. Enterprise funds are used to account for activities similar to those found in the private sector, where the Board has decided that the determination of revenues earned, costs incurred, and net income is necessary for management accountability. Goods or services from such activities are provided to outside parties.

The District reports the following fiduciary fund:

The District's fiduciary fund is for the Tahoe Douglas Fire Protection Post Retirement Plan & Trust and is accounted for on the accrual basis of accounting. The Trust does not present the results of operations of the District or have a measurement focus and is thus, excluded from government-wide financial statements of the District.

Cash and Investments

Cash and investment resources of the individual funds are primarily combined to form a pool of cash and investments, which is managed by the Finance Manager of the District. Investments consist primarily of negotiable certificates of deposits, municipal bonds, exchange traded funds, and the State of Nevada Local Government Investment Pool (LGIP). District investments are reported at fair value determined by quoted market prices, and changes in fair value are included in investment income. Investment income earned is distributed to the appropriate funds based on each fund's proportional share in the investment.

The Trust participates in the State of Nevada Retirement Benefits Investment Fund (RBIF), an external investment pool. The Trust's net earnings from the external investment pool are based on the Trust's original investment plus a monthly allocation of investment income, including realized and unrealized gains and losses, which is the same as the value of the pool shares.

Cash Equivalents

For the purposes of the Statement of cash flows, cash and cash equivalents, if applicable, consist of highly liquid investments with an original maturity of three months or less.

Inventories and Prepaids

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds in the fund financial statements are considered consumable supplies and as such are recorded as expenditures at the time of purchase.

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

Receivables

The District makes no provision for estimated uncollectible ad valorem taxes receivable. Adequate legal remedies are presently available to enforce the collection of such taxes and any taxes which may prove uncollectible should not be material in amount. In addition, the District makes no provisions for grant or contract receivables as historical experience has shown little to no collection problems with these receivables. Therefore, management does not anticipate any material collection losses in respect to the receivable balances.

Accounts receivable in the proprietary fund are due for ambulance services. Accounts receivable is net of an allowance for uncollectible accounts.

Capital Assets

Capital assets, which include buildings, improvements, equipment and vehicles, are capitalized and reported in the applicable governmental or business-type activities columns in the government-wide financial statements. For governmental fund types, outlays for capital assets are expensed during the current period. The District defines capital assets as assets with an initial, individual cost of more than \$3,000 and an estimated useful life in excess of two years.

Capital assets are recorded at cost for purchased or constructed assets. Donated capital assets are recorded at acquisition value at the date of donation.

Depreciation and amortization is computed using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Ambulances	5
Vehicles, equipment, fire boat, furniture, and fixtures	3-20
Building and improvements	50

The District reviews the carrying value of property and equipment for impairment whenever events and circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. In cases where undiscounted expected future cash flows are less than the carrying value, an impairment loss is recognized equal to an amount by which the carrying value exceeds the fair value of assets. The factors considered by management in performing this assessment include current operating results, trends and prospects, the manner in which the property is used, and the effects of obsolescence, demand, competition, and other economic factors. Based on this assessment there was no impairment at June 30, 2024.

Long-Term Obligations

In the government-wide and proprietary fund financial statements, long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

Compensated Absences

It is the District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. The liability for compensated absences is calculated under the provisions of GASB Statement No. 16, *Accounting for Compensated Absences*. All vacation and sick pay is accrued when incurred in the government-wide and proprietary fund 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.

Upon death or separation of employment, employees are compensated in accordance with either their collective bargaining agreement or individual employment contract.

Pensions

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

Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net Position, Governmental Funds Balance Sheet, and Proprietary Fund Statement of Net Position may report a separate section for deferred outflows of resources. This separate financial statement element represents the 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 relates to the net pension liability and other post-employment benefits (OPEB) liability/asset.

In addition to liabilities, the Statement of Net Position, Governmental Funds Balance Sheet, and Proprietary Fund Statement of Net Position 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 the OPEB liability/asset on the Statement of Net Position. In addition, the District recognizes deferred inflows of resources as they relate to unavailable revenue, primarily related to charges for services and grants.

Equity Classifications

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, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets, if applicable.
- Restricted Net Position – Consists of net position with constraints placed on its use either by (1) external groups such as creditors, contributors, or laws or regulations; (2) law through constitutional provisions or enabling legislation.
- Unrestricted Net Position – All other net position that does not meet the definition of restricted or net investment in capital assets.

In the fund financial statements, governmental fund equity is reported as fund balances and is classified into a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in fund financial statements are as follows:

- Nonspendable fund balance – This classification includes amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact.
- Restricted fund balance – This classification includes amounts that are restricted to specific purposes externally imposed by creditors, contributors, or imposed by law.
- Committed fund balance – Amounts that can only be used for specific purposes imposed by majority vote of quorum of the District’s governing body (highest level of decision-making authority). Any changes or removal of specific purposes requires majority action by the governing body.
- Assigned fund balance – The portion of fund balance that the District intends to use for specific purposes imposed by majority vote of quorum of the District’s governing body (highest level of decision-making authority). Any changes or removal of assignments requires majority action by the governing body. The assigned fund balance may also include amounts necessary to fund budgetary shortfalls in the next fiscal year from unassigned resources as approved by the governing body as part of the annual budget submitted to the State.
- Unassigned fund balance – The portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds.

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. When an expenditure is incurred for which committed, assigned, or unassigned amounts are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally, unassigned funds, as needed, unless the Board of Trustees has provided otherwise in its commitment or assignment actions.

Property Taxes

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

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 Douglas 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 Douglas County, taxes on motor vehicles are collected by a State agency and remitted to the District as part of Consolidated Tax revenue.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 2 - Compliance with Nevada Revised Statutes and Administrative Code

The District conformed to all significant statutory constraints in its financial administration during the year with the following exceptions for apparent violations:

- NRS 354.598, 354.626, and NAC 354.481 – Actual expenditures exceeded those budgeted for the year in the Ambulance Fund by \$291,199. The Ambulance Fund has a deficit net position of \$3,821,275 at June 30, 2024. In addition, a change in net position was budgeted at a loss of \$755,015 while the Ambulance Fund had a deficit beginning net position.
- NRS 287.010 – The District moved to provide group health coverage through a self-insured plan and did not follow the provisions prescribed in NRS 287.010.

Note 3 - Cash and Investments

A summary schedule of cash and investments for the District at June 30, 2024 is as follows:

Governmental funds	\$ 10,775,890
Proprietary fund	1,091,653
Fiduciary fund	14,580,907
	<u>\$ 26,448,450</u>

Pursuant to Nevada Revised Statutes 355.167, 355.170, and 355.171, the District may invest in the following types of securities:

- United States bonds and debentures maturing within ten (10) years from the date of purchase.
- Certain farm loan bonds.
- Securities of the United States Treasury, United States Postal Service, or the Federal National Mortgage Association maturing within ten (10) years from the date of purchase.
- Certificates of deposit from commercial banks and insured savings and loan associations.
- Other securities expressly provided by other statutes, including repurchase agreements.
- Certain securities issued by local governments of the State of Nevada.
- Certain bankers' acceptances, commercial paper issued by a corporation organized and operating in the United States, and money market mutual funds.
- State of Nevada Local Government Investment Pool

The District has adopted a formal investment policy to comply with the requirements of Nevada Revised Statutes 355.170. Therefore, the policy does not further limit the District's investment choices nor further limit its exposure to certain risks.

The Trust has an established investment policy. Under the policy, the Trust's assets are limited to investments in the State of Nevada's Retirement Benefits Investment Fund (RBIF) and other investments authorized by Nevada Revised Statutes.

The Trust invests its assets in the RBIF. The RBIF was established pursuant to NRS 355.220 and is administered by the Retirement Benefits Investment Board (RBIB) as an unrated external investment pool. The RBIF is not registered with the Securities and Exchange Commission (SEC) as an investment company. Each participant acts as fiduciary for its share of the RBIF and is allocated earnings and expenses according to their proportional share in RBIF. Bank of New York, Mellon determines the fair value of the RBIF monthly. RBIF is valued at fair value. The Trust's investment in RBIF is reported in an amount equal to the original investment, less liabilities, plus monthly allocations of interest and dividend income, and realized and unrealized gains and losses. Investments can be withdrawn once per month, with five business days written notice, in an amount equal to the original investment plus the monthly allocation of earnings. Complete financial information on RBIF as of June 30, 2024 can be obtained by contacting Public Employees Retirement System (PERS) at 693 W. Nye Lane, Carson City, NV 89703.

The RBIF asset class is generally comprised of a combination of fixed income, marketable equity and international securities. The annual money-weighted rate of return on investments, net of investment expenses, was 12.9%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

The District is a voluntary participant in the State of Nevada Local Government Investment Pool (LGIP), which has regulatory oversight from the Board of Finance of the State of Nevada. LGIP is valued at fair value. The District's investment in LGIP is reported in an amount equal to its original investment plus monthly allocations of interest income, and realized and unrealized gains and losses, which is the same as the value of the pool of shares. The District is able to withdraw funds on a daily basis.

As of June 30, 2024, the Tahoe Douglas Fire Protection District had the following cash and investments:

Cash	\$ 1,938,766
Investments	
Negotiable Certificates of Deposit	671,195
Municipal Bonds	350,844
U.S. Treasury Bonds	66,103
Exchange Traded Funds	228,018
Local Government Investment Pool (LGIP)	8,878,400
Retirement Benefits Investment Fund (RBIF)	14,315,124
Total investments	24,509,684
Total cash and investments	\$ 26,448,450

Tahoe Douglas Fire Protection District

Notes to Financial Statements

June 30, 2024

Interest Rate Risk – the risk of possible reduction in the value of a security, especially a bond, resulting from a rise in interest rates. As noted above, the District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates beyond those specified in the Statute

At June 30, 2024, the District’s investments had the following maturities:

	Fair Value	Investment Maturities in Years			
		Less than 1	1-5	6-10	10 +
Investments					
Negotiable Certificates of Deposit	\$ 671,195	\$ 448,380	\$ 222,815	\$ -	\$ -
Municipal Bonds	350,844	-	-	99,891	250,953
U.S. Treasury Bonds	66,103	-	-	-	66,103
	1,088,142	\$ 448,380	\$ 222,815	\$ 99,891	\$ 317,056
Exchange Traded Funds	228,018				
LGIP*	8,878,400				
RBIF	14,315,124				
Total Investments	\$ 24,509,684				

*Represents an average weighted maturity of 82 days.

Custodial Credit Risk – the risk that in the event of a bank failure, the District’s deposits may not be returned to it. The District’s bank deposits are covered by FDIC insurance and collateralized by the office of the State of Nevada Collateral Pool. The District has amounts on deposit with a brokerage that is covered by Securities Investor Protection Corporation (SIPC) insurance of up to \$250,000 for deposits awaiting investment. All of the Trust’s bank deposits were covered by the FDIC.

Credit Risk – the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the District. Credit ratings can be either long-term or short-term. Short-term ratings are generally assigned to securities that originally mature within 365 days. A short-term rating of A-1 is rated in the highest category by Standard and Poor with a plus sign (+) indicating that the obligor’s capacity to meet its financial commitment is extremely strong. In general, an A-1+ rating is equivalent to AA – AAA long-term ratings, whereas an A-1 rating is generally equivalent to an A long-term rating. The District’s negotiable certificate of deposits are insured up to \$250,000 per Bank by the FDIC and thus have little to no credit risk. In addition, as stated above, RBIF is an unrated investment pool. The District’s other investments subject to credit risk as of June 30, 2024 were rated by Standard and Poor’s and the ratings for the portfolio are as follows:

	Fair Value	Credit Quality Ratings				
		Long-term Rating				
		AAA	AA+	AA	AA-	A
Municipal Bonds	\$ 350,844	\$ -	\$ 33,112	\$ 195,804	\$ 86,205	\$ 35,723

Fair Value Measurements – the District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District does not have any investments that are measured using Level 3 inputs.

As of June 30, 2024, the District had the following recurring fair value measurements:

	June 30, 2023	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Instruments by Fair Value Level				
Negotiable Certificates of Deposit	\$ 671,195	\$ -	\$ 671,195	\$ -
Municipal Bonds	350,844	-	350,844	-
U.S. Treasury Bonds	66,103	-	66,103	-
Exchange Traded Funds	228,018	228,018	-	-
Total investment measured fair value	1,316,160	\$ 228,018	\$ 1,088,142	\$ -
LGIP	8,878,400			
RBIF	14,315,124			
	<u>\$ 24,509,684</u>			

Investments in an investment pool (RBIF and LGIP) are not categorized.

The following is a description of the valuation methodologies used by the District for its Level 2 assets:

Negotiable Certificates of Deposit – valued using pricing models based on credit quality, time to maturity, stated interest rates and market-rate assumptions.

Municipal and U.S. Treasury Bonds – valued using quoted prices for similar assets or valuations based on models where the significant inputs are observable.

Note 4 - Capital Assets

Capital asset activity for governmental activities for the year ended June 30, 2024, was as follows:

	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024
Governmental activities				
Nondepreciable assets				
Land	\$ 173,217	\$ -	\$ -	\$ 173,217
Construction in progress	1,057,658	23,323	(486,983)	593,998
Total nondepreciable assets	1,230,875	23,323	(486,983)	767,215
Depreciable assets				
Building and improvements	3,927,382	528,277	-	4,455,659
Firefighting vehicles	3,330,714	171,872	-	3,502,586
Motor vehicles and equipment	6,231,511	606,107	(6,977)	6,830,641
Furniture and fixtures	720,146	19,647	(19,871)	719,922
Fire boat and lift launch	1,152	602,747	-	603,899
Total depreciable assets	14,210,905	1,928,650	(26,848)	16,112,707
Less accumulated depreciation				
Building and improvements	(2,248,602)	(75,798)	-	(2,324,400)
Firefighting vehicles	(2,367,591)	(154,235)	-	(2,521,826)
Motor vehicles and equipment	(3,180,003)	(583,991)	6,977	(3,757,017)
Furniture and fixtures	(635,899)	(16,939)	19,871	(632,967)
Fire boat and lift launch	(615)	(15,184)	-	(15,799)
	(8,432,710)	(846,147)	26,848	(9,252,009)
Capital assets being depreciated, net	5,778,195	1,082,503	-	6,860,698
Governmental activities capital assets, net	\$ 7,009,070	\$ 1,105,826	\$ (486,983)	\$ 7,627,913

Tahoe Douglas Fire Protection District

Notes to Financial Statements

June 30, 2024

The increase in accumulated depreciation for governmental activities includes depreciation expense of \$846,147 charged to the public safety function. During the year ended June 30, 2024, the firefighting vehicles, equipment, and furniture and fixtures with no net book value were disposed of.

Capital asset activity for business-type activities for the year ended June 30, 2024, was as follows:

	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024
Business-type activities				
Depreciable assets				
Motor vehicles	\$ 1,028,763	\$ -	\$ -	\$ 1,028,763
Other equipment	679,594	-	-	679,594
	<u>1,708,357</u>	<u>-</u>	<u>-</u>	<u>1,708,357</u>
Less accumulated depreciation				
Motor vehicles	(966,053)	(31,101)	-	(997,154)
Other equipment	(584,241)	(23,517)	-	(607,758)
	<u>(1,550,294)</u>	<u>(54,618)</u>	<u>-</u>	<u>(1,604,912)</u>
Business-type activities capital assets, net	<u>\$ 158,063</u>	<u>\$ (54,618)</u>	<u>\$ -</u>	<u>\$ 103,445</u>

The increase in accumulated depreciation for business-type activities includes depreciation expense of \$54,618 charged to the ambulance function.

Note 5 - Long-Term Liabilities

The District does not have any general obligation bonds outstanding as of June 30, 2024. Long-term liability activity for the year ended June 30, 2024, was as follows:

	July 1, 2023	Additions	Deletions	June 30, 2024	Due in One Year
Compensated absences	<u>\$ 2,555,737</u>	<u>\$ 1,096,133</u>	<u>\$ (883,537)</u>	<u>\$ 2,768,333</u>	<u>\$ 957,034</u>

Compensated absences are generally liquidated from the General Fund or Sick Leave Reserve Fund.

Tahoe Douglas Fire Protection District

Notes to Financial Statements

June 30, 2024

Note 6 - Interfund Activity

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

Transfers Out	Transfers In					Total
	General Fund	Capital Projects Fund	Special Services Fund	Fire Safe Community Fund	Proprietary (Ambulance Fund)	
General Fund	\$ -	\$ 250,000	\$ 50,000	\$ -	\$ 300,000	\$ 600,000
Fire Safe Community Service Fund	428,976	-	-	-	-	428,976
Special Services Fund	-	30,010	-	298	-	30,308
Proprietary (Ambulance Fund)	300,000	-	-	-	-	300,000
	<u>\$ 728,976</u>	<u>\$ 280,010</u>	<u>\$ 50,000</u>	<u>\$ 298</u>	<u>\$ 300,000</u>	<u>\$ 1,359,284</u>

Transfers are used primarily to move funds to the General Fund to ensure appropriate funds are accumulated for future needs and to move unrestricted general fund revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations. The transfer from the General Fund to the Special Services fund was used for certain payroll costs. The transfer from the General Fund to the Proprietary Fund was used for operational expenditures. The transfer from the General Fund to the Capital Projects Fund was for various capital expenditures. The transfers to the General Fund were used to pay health insurance costs.

Note 7 - Governmental Fund Balances

Governmental fund balances are composed of the following as of June 30, 2024:

	General	Capital Projects	Sick Leave Reserve	Special Services	Fire Safe Community Service	Fire Flow Initiative	Aviation Fund	Total
Fund Balances								
Nonspendable:								
Prepaid items	\$ 745	\$ -	\$ -	\$ -	\$ 660	\$ -	\$ -	\$ 1,405
Restricted for:								
Helicopter program	-	-	-	-	-	-	235,716	235,716
Committed for:								
Employee benefits	-	-	314,359	-	-	-	-	314,359
Non-fire services	-	-	-	135,841	-	-	-	135,841
Fuels management	-	-	-	-	1,662,066	-	-	1,662,066
Fire flow initiative	-	-	-	-	-	240,555	-	240,555
Total committed	-	-	314,359	135,841	1,662,066	240,555	-	2,352,821
Assigned for:								
Subsequent budget's shortfall	2,194,694	-	-	-	-	-	-	2,194,694
Capital projects	-	1,257,277	-	-	-	-	-	1,257,277
Employee benefits	4,118,416	-	-	-	-	-	-	4,118,416
Total assigned	6,313,110	1,257,277	-	-	-	-	-	7,570,387
Unassigned	1,438,861	-	-	-	-	-	-	1,438,861
Total fund balances	<u>\$ 7,752,716</u>	<u>\$ 1,257,277</u>	<u>\$ 314,359</u>	<u>\$ 135,841</u>	<u>\$ 1,662,726</u>	<u>\$ 240,555</u>	<u>\$ 235,716</u>	<u>\$ 11,599,190</u>

Note 8 - Defined Benefit Pension Plan*Plan Description*

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

Benefits Provided

Benefits, as required by the Nevada Revised Statutes (NRS or statute), are determined by the number of years of accredited service at time of retirement and the member's highest average compensation in any 36 consecutive months with special provisions for members entering PERS on or after January 1, 2010 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 multiplier is 2.67% of average compensation. For members entering PERS on or after January 1, 2010, there is a 2.5% multiplier, and for members entering 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 five years of service, at age 60 with 10 years of service, or at any age with thirty years of service. Regular members entering PERS on or after January 1, 2010, are eligible for retirement at age 65 with five years of service, or age 62 with 10 years of service, or any age with thirty years of service. Regular members entering PERS on or after July 1, 2015 are eligible for retirement at age 65 with five years of service, or at age 62 with ten years of service, or at age 55 with thirty years of service, or at 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 five years of service, at age 55 with ten years of service, at age 50 with twenty years of service, or at any age with twenty-five years of service. Police/Fire members entering PERS on or after January 1, 2010, are eligible for retirement at 65 with five years of service, or age 60 with ten years of service, or age 50 with twenty years of service, or at any age with thirty years of service. Only service performed in a position as a police officer or firefighter may be counted towards to eligibility for retirement as Police/Fire accredited service.

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

Contributions

The authority for establishing and amending the obligation to make contributions and member contribution rates, is set by statute. New hires, in agencies which did not elect the Employer-Pay Contribution (EPC) plan prior to July 1, 1983, have the option of selecting one of two contribution plans. One plan provides for matching employee and employer contributions, while the other plan provides for employer-pay contributions only. The District contributes under the employer-pay contribution (EPC) option.

Under the employer-pay provisions, the contributions made by employers on behalf of employees are not credited to the member's PERS account and are not refunded upon termination. For employees covered by the employer-pay provisions, average compensation is increased by half the total contributions made by the District and may not be less than it would have been if contributions had been made by the member and the employer separately.

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.

The Employer-Pay Contribution (EPC) rate was 33.50% for Regular members for the fiscal year ended June 30, 2024; the rate was 50.00% for Police/Fire. The Employer-Pay Contribution (EPC) rate was 29.75% for Regular members for the fiscal year ended June 30, 2023; the rate was 44.00% for Police/Fire.

The District's contributions were \$1,748,248 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 the System.

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

Asset Class	Target Allocation	Long-term Geometric Expected Real Rate of Return
U.S. 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 proportionate share of the net pension liability was based on the District's share of contributions in the PERS pension plan relative to the contributions of all participating PERS employers. At June 30, 2023 the District's proportion was 0.13947%, which is an increase of .01877% 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 (6.25%)	Discount Rate (7.25%)	1% Increase (8.25%)
Net pension liability	\$ 39,614,184	\$ 25,456,585	\$ 13,772,409

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	2.50%
Payroll growth	3.50%
Investment rate of return/discount rate	7.25%
Productivity pay increases	0.50%
Projected salary increases	Regular: 4.20% to 9.10%, depending on service Police/Fire: 4.60% to 14.50%, depending on service Rates include inflation and productivity increases
Consumer Price Index	2.50%
Other assumptions	Same as those used in the June 30, 2023 funding actuarial valuation

Mortality rates for healthy regular members and contingent beneficiaries were based on Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table with rates increased by 30% for males and 15% for females. For ages before age 40, mortality rates are based on Pub-2010 General Employee Amount-Weighted Above-Median Mortality Tables. For ages 40 through 50, the rates were smoothed between the above tables. Mortality rates for healthy police/fire members were based on Pub-2010 Safety Healthy Retiree Amount-Weighted Above-Median Mortality Table with rates increased by 30% for males and 5% for females. For ages before age 35, mortality rates are based on Pub-2010 Safety Employee Amount-Weighted Above-Median Mortality Table. For ages 35 through 45, the rates were smoothed between the above tables.

Mortality rates for disabled regular members were based on Pub-2010 Non-Safety Disabled Retiree Amount-Weighted Mortality Table with rates increased by 20% for males and 15% for females. Mortality rates for disabled police/fire members were based on Pub-2010 Safety Disabled Retiree Amount-Weighted Mortality Table with rates increased by 30% for males and 10% for females.

Mortality rates for current beneficiaries were based on Pub-2010 Contingent Survivor Amount-Weighted Above-Median Mortality Table with rates increased by 15% for males and 30% for females. For ages before age 35, mortality rates are based on Pub-2010 General Employee Amount-Weighted Above-Median Mortality Table. For ages 35 through 45, the rates were smoothed between the above tables.

Mortality rates for pre-retirement regular members were based on Pub-2010 General Employee Amount-Weighted Above-Median Mortality Table. Mortality rates for pre-retirement police/fire members were based on Pub-2010 Safety Employee Amount-Weighted Above-Median Mortality Table.

The mortality tables were 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 an experience study for the period from July 1, 2016 to 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 that 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 the 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 of 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, 2024, the District recognized pension expense of \$2,273,147. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experiences	\$ 3,318,110	\$ -
Changes of assumptions	2,385,767	-
Net difference between projected and actual earnings on investments	-	238,274
Changes in proportion and difference between actual contributions and proportionate share of contributions	3,754,649	199,669
Contributions subsequent to the measurement date	1,748,248	-
	<u>\$ 11,206,774</u>	<u>\$ 437,943</u>

Deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date in the amount of \$1,748,248 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) 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>Fiscal Year Ending June 30,</u>	
2025	\$ 1,689,052
2026	1,630,423
2027	4,224,513
2028	1,078,981
2029	397,614

Additional Information – Additional information supporting the Schedule of Employer Allocations and the Schedule of Pension Amounts by Employer is located in the PERS Annual Comprehensive Financial Report (ACFR) available on the PERS website at www.nvpers.org under Quick Links – Publications.

Note 9 - Other Post-Employment Benefits

Plan Descriptions

The District provides other postemployment benefits (OPEB) for eligible employees through the Tahoe Douglas Fire Protection District Post-Retirement Plan (District Plan), a single-employer defined benefit plan. The District's plan is administered through the Tahoe Douglas Fire Protection District Post-Retirement Plan & Trust (Trust). The measurement focus of this plan is its net OPEB liability. Complete financial statements of the Trust are included in the Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position.

The District also provides OPEB for certain former employees through the Nevada Public Employees' Benefits Plan (PEBP), which is treated as a single-employer defined benefit OPEB plan for reporting purposes. PEBP is administered by the State of Nevada, and as such, no assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB No. 75. The measurement focus of PEBP is the total OPEB liability associated with participating former District employees. No separate financial reports are issued.

Benefit Provisions and Contributions

District Plan

The District's plan was established pursuant to NRS 287.017 and can be amended through negotiations between the District and the collective bargaining groups. The plan offers medical, dental, and vision coverage.

The District's Board established the Trust in 2011. The Trust was created for the sole purpose of making irrevocable contributions to the Trust in order to provide post-retirement health insurance benefits to current and future eligible retirees of the District in accordance with the terms of the District's Plan.

The employer contribution or funding of the District's OPEB is at the discretion of management and the District's Board of Trustees. During the year ended June 30, 2012, the Trust began depositing funds into the Retirement Benefits Investment Fund (RBIF) sponsored through the State of Nevada. The RBIF portfolio is designed to generate an 8% annual return over long-term time frames.

The contribution requirements of plan members and the District are established and may be amended by the Board of Trustees. For the year ended June 30, 2024, the required contributions are based on projected prefunded financing requirements. Retirees who elect to continue their medical coverage under the District Plan may be eligible for a District-paid benefit depending on their years of service up to 100% of the claims for the retiree and their spouse.

Retirees and their spouses under age 65 may elect to continue their medical, dental, vision coverage under the programs made available to the District's active employees. The District currently contributes toward the cost of retiree healthcare coverage as follows:

Employees hired prior to June 1, 2003 retiring from the District after June 30, 1999 at age 50 or older with at least 15 years of service who elect to remain in the District's plans receive a percentage of the employee and spouse premium paid by the District for their lifetimes. The percentage is based on the following service schedule:

<u>Years of District Service</u>	<u>% of Employee Cost Paid</u>	<u>% of Spouse Cost Paid</u>
Less than 15	0%	0%
15	50%	50%
16	60%	60%
17	70%	70%
18	80%	80%
19	90%	90%
20 or more	100%	100%

Employees hired on or after June 1, 2003 and retiring from the District at age 55 or older with at least 20 years of service who elect to remain in the District's plans receive a percentage of the employee and spouse claim costs paid by the District until they become eligible for Medicare benefits after which the District contribution ceases. The percentage is based on the following service schedule:

<u>Years of District Service</u>	<u>% of Employee Cost Paid</u>	<u>% of Spouse Cost Paid</u>
Less than 20	0%	0%
20	100%	0%
21	100%	20%
22	100%	40%
23	100%	60%
24	100%	80%
25 or more	100%	100%

If an employee completes the minimum service requirement (as determined based on his or her employment date) but terminates employment with the District prior to reaching the minimum required age, the employee may still remain qualified for future post-employment healthcare benefits from the District. If, after leaving District employment, the employee retains District coverage and pays the entire claim cost; once the employee reaches the minimum required benefit age, the District will provide the post-employment healthcare benefits to which the employee would have been entitled had he or she terminated employment after meeting the minimum age requirement.

Retirees are not permitted to remain on the District's plans after age 65.

- Upon eligibility for Medicare, the District's monthly allowance toward health insurance for a retired employee is equal to \$299 multiplied by his or her vested percentage. Similarly, eligible spouses receive a monthly health insurance allowance equal to \$299 multiplied by their applicable vested percentage.
- The District will also pay the same vested percentage of Medicare Part A premiums for retired employees and their spouses who are not Part A Medicare premium qualified. The premium is \$499 in 2024.

In addition to the applicable percent of costs paid, the District also makes contributions to a Health Savings Account (HSA) for pre-65 retirees who elect a high deductible PPO. The amount of the District's subsidy to the HSA is the applicable vested percent of \$185 (retiree only) or \$370 (retiree and spouse).

PEBP

PEBP is healthcare plan that is self-insured for medical, dental, vision, mental health and substance abuse benefits and also fully insured HMO products. Accidental death and dismemberment, travel accident, long-term disability and life insurance benefits are fully insured by outside carriers. For the self-insured benefits, rate setting policies have been established after consultation with an actuary. The participating public employers, with the exception of the State, are not subject to supplemental assessment in the event of deficiencies. PEBP was closed to new retirees September 1, 2008.

Those retirees who were eligible and elected PEBP coverage are entitled to a subsidy toward their premium cost based on their years of covered employment under Nevada PERS. The subsidy is borne on a pro-rata basis by the employers for which the retiree has worked and earned PERS service credit. Thus, the District is obligated to subsidize health care premiums for former employees as well as those who retired directly from the District. The subsidy ranges from a minimum of \$30 to a maximum of \$260 per month.

As of the December 31, 2023 measurement date, the following employees were covered by the benefit terms:

	<u>District Plan</u>	<u>PEBP Plan</u>
Active employees	65	-
Retirees enrolled in the District Plan	51	-
Retirees enrolled in PEBP	-	4
	<u>116</u>	<u>4</u>

OPEB Liability or Asset

The District's Plan net OPEB asset was measured as of December 31, 2023, and the total OPEB liability used to calculate the net asset was determined by an actuarial valuation as of December 31, 2023. PEBP's total OPEB liability was measured as of December 31, 2023, and was determined by an actuarial valuation as of December 31, 2023.

Actuarial Assumptions

The OPEB liability/asset in actuarial valuation was determined using the following actuarial assumptions and other inputs:

	PEBP	District Plan
Inflation	2.50%	2.50%
Projected salary increases	N/A	3.00%
Investment rate of return	N/A	6.50%
Healthcare cost trend rate	Pre-Medicare: 6.0%, declining to 3.9%	5.8%, declining to 3.9%
	Post-Medicare: 4.50%	

The mortality rates noted below were described in the September 2021 Experience Study report of the Nevada PERS program as being reasonably representative of mortality experience as of that measurement date.

Non-disabled life rates for Regular employees and future survivors:

- Males: Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table with rates increased by 30%
- Females: Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table with rates increased by 15%

Non-disabled life rates for Safety employees and future survivors:

- Males: Pub-2010 Safety Healthy Retiree Amount-Weighted Above-Median Mortality Table with rates increased by 30%
- Females: Pub-2010 Safety Healthy Retiree Amount-Weighted Above-Median Mortality Table with rates increased by 5%

Life rates for current surviving spouses:

- Males: Pub-2010 Contingent Survivor Amount-Weighted Above-Median Mortality Table with rates increased by 15%
- Females: Pub-2010 Contingent Survivor Amount-Weighted Above-Median Mortality Table with rates increased by 30%

Pre-retirement life rates for Regular employees:

- Males and Females: Pub-2010 General Employee Amount-Weighted Above-Median Mortality Table

Pre-retirement life rates for Safety employees:

- Males and Females: Pub-2010 Safety Employee Amount-Weighted Above-Median Mortality Table

The mortality rates were adjusted to anticipate future mortality improvement by applying MacLeod Watts Scale 2022 on a generational basis from 2010 forward.

The long-term expected rate of return of 6.50%, net of investment expenses, was based on the investment policy of the State of Nevada's Retiree Benefits Investment Fund (RBIF), where the District's Plan invests its assets to fund the OPEB liability. The rate is derived from RBIF's investment policy (shown in the table below) and includes long-term inflation.

<u>Asset Class</u>	<u>Asset Allocation</u>
U.S. stocks	42.00%
International stocks	18.00%
U.S. bonds	28.00%
Private markets	12.00%

The discount rate used to measure the total OPEB liability was 6.50% for the District's plan. The projection of cash flows used to determine the discount rate assumed that District contributions will be made at rates equal or exceeding the actuarially determined contribution rates.

Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liabilities.

The discount rate used to measure the total OPEB liability was 3.77% for the PEBP Plan. As PEBP is pay-as-you-go and not prefunded through the Trust, the discount rate used was based on the S&P General Obligation Municipal Bond 20 Year High Grade Index.

Significant Changes in Assumptions

District Plan: Significant changes in assumptions from the previous valuation for the District's Plan was as follows:

- Healthcare cost trend changed from 5.8% initial to an ultimate rate of 3.9% to 6.5% initial to an ultimate rate of 3.9%.

Tahoe Douglas Fire Protection District

Notes to Financial Statements

June 30, 2024

PEBP Plan: Significant changes in assumptions from the previous valuation for the PEBP Plan was as follows:

- Healthcare cost trend changed from 6.0% initial to an ultimate rate of 3.9% to 6.5% initial to an ultimate rate of 3.9%
- Discount rate changed from 4.05% to 3.77%.

Changes in OPEB Liabilities (Asset)

	District Plan Total OPEB Liability	District Plan Plan Fiduciary Net Position	District Plan Net OPEB Liability (Asset)	PEBP Total OPEB Liability
Balance at June 30, 2023				
<i>Measurement Date December 31, 2022</i>	<u>\$ 13,200,713</u>	<u>\$ 12,753,305</u>	<u>\$ 447,408</u>	<u>\$ 84,189</u>
Changes for the year:				
Service costs	415,154	-	415,154	-
Interest	860,568	-	860,568	3,253
Benefit payments	(752,728)	(752,728)	-	(7,620)
Employer contributions	-	74,187	(74,187)	-
Retiree contributions in	-	29,149	(29,149)	-
Retiree contributions out	-	(29,149)	29,149	-
Expected investment income	-	804,463	(804,463)	-
Investment experience	-	1,464,812	(1,464,812)	-
Plan experience	(1,475,971)	-	(1,475,971)	3,786
Changes in assumptions or other inputs	132,564	-	132,564	1,893
Administrative expense	-	(75,369)	75,369	-
Net changes	<u>(820,413)</u>	<u>1,515,365</u>	<u>(2,335,778)</u>	<u>1,312</u>
Balance at June 30, 2024				
<i>Measurement Date December 31, 2023</i>	<u>\$ 12,380,300</u>	<u>\$ 14,268,670</u>	<u>\$ (1,888,370)</u>	<u>\$ 85,501</u>

For governmental activities, the net OPEB obligation, if any, is liquidated by those funds with salaries and related benefits, resulting in the majority of the obligation being liquidated by the General Fund.

Tahoe Douglas Fire Protection District

Notes to Financial Statements

June 30, 2024

Sensitivity of the Net/Total OPEB Liability/Asset to Changes in the Discount Rate

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

	<u>1% Decrease in Discount Rate</u>	<u>Discount Rate</u>	<u>1% Increase in Discount Rate</u>
District Plan Net OPEB Liability (Asset)	<u>\$ (181,164)</u>	<u>\$ (1,888,370)</u>	<u>\$ (3,288,415)</u>
PEBP Total OPEB Liability	<u>\$ 93,034</u>	<u>\$ 85,501</u>	<u>\$ 78,996</u>

Sensitivity of the Net/Total OPEB Liability/Asset to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the District, as well as what the District's total 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:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
District Plan Net OPEB Liability (Asset)	<u>\$ (3,439,699)</u>	<u>\$ (1,888,370)</u>	<u>\$ 57,921</u>
PEBP Total OPEB Liability	<u>\$ 79,365</u>	<u>\$ 85,501</u>	<u>\$ 92,455</u>

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 for the District Plan of \$119,649 and for the PEBP Plan of \$8,932, which was a total expense of \$128,581. 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 Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
District Plan		
Changes of assumptions	\$ 862,293	\$ -
Differences between expected and actual experience	264,819	1,619,382
Net difference between projected and actual earnings on investments	-	98,706
PEBP		
Contributions subsequent to the measurement date	<u>3,811</u>	<u>-</u>
Total	<u>\$ 1,130,923</u>	<u>\$ 1,718,088</u>

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

Year Ending June 30	District Plan
2025	\$ 127,444
2026	(66,877)
2027	(339,692)
2028	297,267
2029	41,060
Thereafter	531,774

Note 10 - 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; illness and injuries to employees; and natural disasters. The District is fully insured for property and auto loss and liability with a \$5,000 deductible. The District is covered up to a policy limit per occurrence of \$10,000,000 per occurrence in general liability. The District's policy contains various sub-limits established for earthquake, flood, equipment breakdown, errors and omissions and other items.

Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

The District has joined together with similar public agencies, under the Nevada Interlocal Cooperation Act to create an intergovernmental self-insured association for workers' compensation insurance (PACT). The District pays premiums based on payroll costs to the PACT. The PACT is considered a self-sustaining pool that will provide coverage based on established statutory limits.

The District reports liabilities associated with other post-employment benefits in the Trust and group health insurance in the General Fund in accordance with GASB statements No. 10 *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues (Amended by GASB Statement 30)*. The Trust accounts for medical insurance programs for retired participants and the General Fund accounts for medical insurance programs for active District employees.

Claims expenses and liabilities are reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. Because actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines, and damage awards, the process used in computing claims liability does not necessarily result in an exact amount. Claims liabilities are reevaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic and social factors.

The District elected a self-insured medical, dental, and vision plan during the year ended June 30, 2024. The changes in balances of claims liabilities are as follows:

	<u>Balance July 1, 2023</u>	<u>Claims and Estimates</u>	<u>Payments</u>	<u>Balance June 30, 2024</u>
Claims Payable - Group Insurance	\$ -	\$ 449,900	\$ (383,551)	\$ 66,349

Tahoe Douglas Fire Protection District
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual –
General Fund (Budgetary Basis)
Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Taxes				
Ad valorem	\$ 4,143,403	\$ 4,143,403	\$ 4,283,475	\$ 140,072
Intergovernmental				
Consolidated tax	6,235,037	6,235,037	5,963,774	(271,263)
Plan check fee	80,000	80,000	487,079	407,079
Grants	-	-	87,055	87,055
Contracts and strike team	500,000	500,000	414,429	(85,571)
Investment income	500	500	71,812	71,312
Other income	60,000	60,000	196,619	136,619
Total revenues	<u>11,018,940</u>	<u>11,018,940</u>	<u>11,504,243</u>	<u>485,303</u>
Expenditures				
Current - public safety				
Salaries and wages	5,698,652	6,098,652	5,447,091	651,561
Employee benefits	3,236,567	3,636,567	2,921,836	714,731
Services and supplies	1,563,600	1,963,600	1,407,086	556,514
Capital outlay	85,000	185,000	64,709	120,291
Total expenditures	<u>10,583,819</u>	<u>11,883,819</u>	<u>9,840,722</u>	<u>2,043,097</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>435,121</u>	<u>(864,879)</u>	<u>1,663,521</u>	<u>2,528,400</u>
Other Financing Sources (Uses)				
Contingency	(150,000)	(150,000)	-	150,000
Transfers out	<u>(1,344,528)</u>	<u>(1,344,528)</u>	<u>(1,344,528)</u>	<u>-</u>
Total other financing sources (uses)	<u>(1,494,528)</u>	<u>(1,494,528)</u>	<u>(1,344,528)</u>	<u>150,000</u>
Net Change in Fund Balance	(1,059,407)	(2,359,407)	318,993	2,678,400
Fund Balance, Beginning of Year	<u>1,513,600</u>	<u>3,315,307</u>	<u>3,315,307</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 454,193</u>	<u>\$ 955,900</u>	<u>\$ 3,634,300</u>	<u>\$ 2,678,400</u>

Tahoe Douglas 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)	Health Insurance Reserve Fund (Internally Reported)	Eliminations	General Fund (GAAP Basis)
Revenues				
Taxes				
Ad valorem	\$ 4,283,475	\$ -	\$ -	\$ 4,283,475
Intergovernmental				
Consolidated tax	5,963,774	-	-	5,963,774
Plan check fee	487,079	-	-	487,079
Grants	87,055	-	-	87,055
Contracts and strike team	414,429	-	-	414,429
Investment income	71,812	47,596	-	119,408
Other income	196,619	-	-	196,619
Total revenues	<u>11,504,243</u>	<u>47,596</u>	<u>-</u>	<u>11,551,839</u>
Expenditures				
Current - public safety				
Salaries and wages	5,447,091	-	-	5,447,091
Employee benefits	2,921,836	858,337	-	3,780,173
Services and supplies	1,407,086	384,506	-	1,791,592
Capital outlay	64,709	-	-	64,709
Total expenditures	<u>9,840,722</u>	<u>1,242,843</u>	<u>-</u>	<u>11,083,565</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,663,521</u>	<u>(1,195,247)</u>	<u>-</u>	<u>468,274</u>
Other Financing Sources (Uses)				
Transfers in	-	1,473,504	(744,528)	728,976
Transfers out	<u>(1,344,528)</u>	<u>-</u>	<u>744,528</u>	<u>(600,000)</u>
Total other financing sources (uses)	<u>(1,344,528)</u>	<u>1,473,504</u>	<u>-</u>	<u>128,976</u>
Net Change in Fund Balance	318,993	278,257	-	597,250
Fund Balance, Beginning of Year	<u>3,315,307</u>	<u>3,840,159</u>	<u>-</u>	<u>7,155,466</u>
Fund Balance, End of Year	<u>\$ 3,634,300</u>	<u>\$ 4,118,416</u>	<u>\$ -</u>	<u>\$ 7,752,716</u>

Tahoe Douglas Fire Protection District
Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual – Special Revenue Fund
Sick Leave Reserve Fund
Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Taxes				
Ad valorem	\$ 115,705	\$ 115,705	\$ 119,833	\$ 4,128
Investment income	-	-	1,750	1,750
Total revenues	115,705	115,705	121,583	5,878
Expenditures				
Current - public safety				
Salaries and wages	233,655	233,655	106,189	127,466
Excess (Deficiency) of Revenues Over Expenditures	(117,950)	(117,950)	15,394	133,344
Fund Balance, Beginning of Year	251,830	251,830	298,965	47,135
Fund Balance, End of Year	<u>\$ 133,880</u>	<u>\$ 133,880</u>	<u>\$ 314,359</u>	<u>\$ 180,479</u>

Tahoe Douglas Fire Protection District
Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual – Special Revenue Fund
Special Services Fund
Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Contracts	\$ 29,000	\$ 29,000	\$ 29,000	\$ -
Grants	120,000	120,000	7,378	(112,622)
Local contributions	5,000	5,000	128,875	123,875
Other income	3,000	3,000	18,160	15,160
Total revenues	157,000	157,000	183,413	26,413
Expenditures				
Current - public safety				
Salaries and wages	50,000	50,000	50,000	-
Services and supplies	217,050	217,050	231,803	(14,753)
Capital outlay	120,000	120,000	-	120,000
Total expenditures	387,050	387,050	281,803	105,247
Excess (Deficiency) of Revenues Over Expenditures	(230,050)	(230,050)	(98,390)	131,660
Other Financing Sources (Uses)				
Transfers in	50,000	50,000	50,000	-
Transfers out	-	-	(30,308)	(30,308)
Total other financing sources (uses)	50,000	50,000	19,692	(30,308)
Net Change in Fund Balance	(180,050)	(180,050)	(78,698)	131,660
Fund Balance, Beginning of Year	273,645	273,645	214,539	(59,106)
Fund Balance, End of Year	\$ 93,595	\$ 93,595	\$ 135,841	\$ 72,554

Tahoe Douglas Fire Protection District
Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual – Special Revenue Fund
Fire Safe Community Service Fund
Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Taxes				
Ad valorem	\$ 578,526	\$ 578,526	\$ 598,404	\$ 19,878
Grants	490,000	490,000	388,380	(101,620)
Contracts and strike team	6,067,387	6,067,387	4,594,677	(1,472,710)
Fuels Management	335,000	335,000	193,813	(141,187)
Investment income	1	1	9,687	9,686
Other income	15,000	15,000	37,871	22,871
Total revenues	<u>7,485,914</u>	<u>7,485,914</u>	<u>5,822,832</u>	<u>(1,663,082)</u>
Expenditures				
Current - public safety				
Salaries and wages	4,523,839	4,273,839	2,779,943	1,493,896
Employee benefits	1,962,280	1,712,280	867,528	844,752
Services and supplies	494,750	887,640	495,376	392,264
Capital outlay	-	350,000	159,132	190,868
Total expenditures	<u>6,980,869</u>	<u>7,223,759</u>	<u>4,301,979</u>	<u>2,921,780</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>505,045</u>	<u>262,155</u>	<u>1,520,853</u>	<u>1,258,698</u>
Other Financing Sources (Uses)				
Transfers In	-	-	298	298
Transfers out	<u>(428,976)</u>	<u>(428,976)</u>	<u>(428,976)</u>	<u>-</u>
Total other financing sources (uses)	<u>(428,976)</u>	<u>(428,976)</u>	<u>(428,678)</u>	<u>298</u>
Net Change in Fund Balance	76,069	(166,821)	1,092,175	1,258,996
Fund Balance, Beginning of Year	<u>327,661</u>	<u>570,551</u>	<u>570,551</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 403,730</u>	<u>\$ 403,730</u>	<u>\$ 1,662,726</u>	<u>\$ 1,258,996</u>

Tahoe Douglas Fire Protection District
Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual – Special Revenue Fund
Fire Flow Initiative Fund
Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Fees and donations	\$ 75,000	\$ 75,000	\$ -	\$ (75,000)
Investment income	-	-	2,625	2,625
Total revenues	75,000	75,000	2,625	(72,375)
Expenditures				
Current - public safety				
Services and supplies	11,200	11,200	648	10,552
Capital outlay	330,000	330,000	281,120	48,880
Total expenditures	341,200	341,200	281,768	59,432
Net Change in Fund Balance	(266,200)	(266,200)	(279,143)	(12,943)
Fund Balance, Beginning of Year	272,378	272,378	519,698	247,320
Fund Balance, End of Year	\$ 6,178	\$ 6,178	\$ 240,555	\$ 234,377

Tahoe Douglas Fire Protection District
Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual – Special Revenue Fund
Aviation Fund
Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Contracts	\$ 250,000	\$ 250,000	\$ -	\$ (250,000)
Other income	250,000	250,000	-	(250,000)
Investment income	100	100	-	(100)
Local contributions	7,000,000	7,000,000	19,159	(6,980,841)
Total revenues	7,500,100	7,500,100	19,159	(7,480,941)
Expenditures				
Current - public safety				
Salaries and wages	150,000	150,000	-	150,000
Employee benefits	102,000	102,000	-	102,000
Services and supplies	479,600	479,600	83	479,517
Capital outlay	7,600,000	7,600,000	-	7,600,000
Total expenditures	8,331,600	8,331,600	83	8,331,517
Excess (Deficiency) of Revenues Over Expenditures	(831,500)	(831,500)	19,076	850,576
Net Change in Fund Balance	(831,500)	(831,500)	19,076	850,576
Fund Balance, Beginning of Year	1,198,846	1,198,846	216,640	(982,206)
Fund Balance, End of Year	<u>\$ 367,346</u>	<u>\$ 367,346</u>	<u>\$ 235,716</u>	<u>\$ (131,630)</u>

Tahoe Douglas Fire Protection District
Schedule of Changes in Net Other Post-Employment Benefit Liabilities and Related Ratios
Last Ten Fiscal Years*

	2023	2022	2021	2020	2019	2018	2017
District Plan:							
Total OPEB Liability							
Service cost	\$ 415,154	\$ 403,060	\$ 305,865	\$ 296,956	\$ 277,767	\$ 267,084	\$ 256,812
Interest	860,568	828,383	776,199	751,173	772,148	753,894	736,660
Differences between expected and actual experience	(1,475,971)	-	369,351	-	(630,053)	-	-
Change in assumptions or other inputs	132,564	-	327,380	-	1,221,602	-	-
Benefit payments	(752,728)	(556,518)	(547,079)	(524,863)	(602,084)	(582,821)	(577,988)
Benefit payments - implicit subsidy	-	(187,532)	(142,253)	(152,825)	(209,097)	(182,539)	(204,577)
Net change in total OPEB liability	(820,413)	487,393	1,089,463	370,441	830,283	255,618	210,907
Total OPEB liability-beginning	13,200,713	12,713,320	11,623,857	11,253,416	10,423,133	10,167,515	9,956,608
Total OPEB liability-ending (a)	<u>\$ 12,380,300</u>	<u>\$ 13,200,713</u>	<u>\$ 12,713,320</u>	<u>\$ 11,623,857</u>	<u>\$ 11,253,416</u>	<u>\$ 10,423,133</u>	<u>\$ 10,167,515</u>
Plan fiduciary net position							
Benefit payments	\$ (752,728)	\$ (556,518)	\$ (547,079)	\$ (524,863)	\$ (602,084)	\$ (582,821)	\$ (577,988)
Employer contributions	74,187	-	-	-	642,651	643,306	1,100,206
Implicit subsidy - benefit payments	-	(187,532)	(142,253)	(152,825)	(209,097)	(182,539)	(204,577)
Implicit subsidy - contributions	-	187,532	142,253	152,825	209,097	182,539	204,577
Retiree contributions in	29,149	28,117	30,896	26,683	23,500	23,811	-
Retiree contributions out	(29,149)	(28,117)	(30,896)	(26,683)	(23,500)	(23,811)	-
Expected investment income	804,463	980,706	898,531	817,379	766,267	803,995	643,113
Investment experience	1,464,812	(3,021,829)	1,364,084	971,596	1,497,688	(1,318,657)	1,344,194
Administrative and other professional expense	(75,369)	(30,195)	(37,699)	(45,821)	(32,246)	(26,859)	(16,445)
Net change in plan fiduciary net position	1,515,365	(2,627,836)	1,677,837	1,218,291	2,272,276	(481,036)	2,493,080
Plan fiduciary net position-beginning	12,753,305	15,381,141	13,703,304	12,485,013	10,212,737	10,693,773	8,200,693
Plan fiduciary net position-ending (b)	<u>\$ 14,268,670</u>	<u>\$ 12,753,305</u>	<u>\$ 15,381,141</u>	<u>\$ 13,703,304</u>	<u>\$ 12,485,013</u>	<u>\$ 10,212,737</u>	<u>\$ 10,693,773</u>
Net OPEB liability (asset) -ending (a) - (b)	<u>\$ (1,888,370)</u>	<u>\$ 447,408</u>	<u>\$ (2,667,821)</u>	<u>\$ (2,079,447)</u>	<u>\$ (1,231,597)</u>	<u>\$ 210,396</u>	<u>\$ (526,258)</u>
Plan fiduciary net position as a percentage of the total OPEB liability	115.3%	96.6%	121.0%	117.9%	110.9%	98.0%	105.2%
Covered-employee payroll	\$ 6,140,768	\$ 5,272,486	\$ 5,118,918	\$ 4,669,347	\$ 4,235,995	\$ 3,867,910	\$ 4,118,877
Net OPEB liability (asset) as a percentage of covered-employee payroll	-30.8%	8.5%	-52.1%	-44.5%	-29.1%	5.4%	-12.8%

See Notes to Required Supplementary Information

Tahoe Douglas Fire Protection District
Schedule of Changes in Net Other Post-Employment Benefit Liabilities and Related Ratios
Last Ten Fiscal Years*

	2023	2022	2021	2020	2019	2018	2017
PEBP Plan:							
Total OPEB Liability							
Interest	\$ 3,253	\$ 1,901	\$ 2,853	\$ 3,913	\$ 4,109	\$ 4,120	\$ 4,829
Differences between expected and actual experience	3,786	-	(17,827)	-	7,604	-	-
Change in assumptions or other inputs	1,893	(17,499)	(14,560)	10,380	34,243	(4,024)	5,407
Benefit payments	<u>(7,620)</u>	<u>(7,079)</u>	<u>(13,083)</u>	<u>(14,231)</u>	<u>(14,552)</u>	<u>(13,089)</u>	<u>(11,920)</u>
Net change in total OPEB liability	1,312	(22,677)	(42,617)	62	31,404	(12,993)	(1,684)
Total OPEB liability-beginning	<u>84,189</u>	<u>106,866</u>	<u>149,483</u>	<u>149,421</u>	<u>118,017</u>	<u>131,010</u>	<u>132,694</u>
Total OPEB liability-ending (a)	<u>\$ 85,501</u>	<u>\$ 84,189</u>	<u>\$ 106,866</u>	<u>\$ 149,483</u>	<u>\$ 149,421</u>	<u>\$ 118,017</u>	<u>\$ 131,010</u>

*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.

The schedule reports information by the year of the measurement date as that is when information is available.

For the PEBP Plan, no assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

Tahoe Douglas Fire Protection District
Schedule of District Contributions – Other Post-Employment Benefits
Last Ten Fiscal Years*

	2024	2023	2022	2021	2020	2019	2018
District Plan:							
Actuarily determined contribution	\$ 177,910	\$ 205,152	\$ 272,446	\$ 243,043	\$ 239,197	\$ 450,350	\$ 432,127
Contributions in relation to the actuarily determined contribution	-	185,964	146,881	147,539	502,211	950,635	775,697
Contribution (deficiency) excess	<u>\$ (177,910)</u>	<u>\$ (19,188)</u>	<u>\$ (125,565)</u>	<u>\$ (95,504)</u>	<u>\$ 263,014</u>	<u>\$ 500,285</u>	<u>\$ 343,570</u>
Covered-employee payroll	\$ 9,002,227	\$ 6,140,768	\$ 5,272,486	\$ 5,118,918	\$ 4,669,347	\$ 4,235,995	\$ 3,867,910
Contributions as a percentage of covered payroll	0.00%	3.03%	2.79%	2.88%	10.76%	22.44%	20.05%

*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.

Tahoe Douglas Fire Protection District
Schedule of Proportionate Share of the Net Pension Liability
Public Employees' Retirement System of Nevada
Last Ten Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's portion of net the pension liability	0.13947%	12.06900%	0.10375%	0.09903%	0.10179%	0.10453%	0.10435%	0.10335%	0.08504%	0.10453%
District's proportionate share of the net pension liability	\$ 25,456,585	\$ 23,670,077	\$ 9,460,849	\$ 13,793,860	\$ 13,879,754	\$ 14,256,070	\$ 13,878,884	\$ 13,907,324	\$ 9,744,843	\$ 11,140,127
District's covered payroll	\$ 7,855,811	\$ 6,398,897	\$ 5,389,035	\$ 5,111,801	\$ 5,071,791	\$ 5,027,636	\$ 4,229,349	\$ 4,189,290	\$ 4,105,972	\$ 4,288,744
District's proportional share of the net pension liability as a percentage of its covered payroll	324.05%	369.91%	175.56%	269.84%	273.67%	283.55%	328.16%	331.97%	237.33%	259.75%
Plan fiduciary net position as a percentage of the total pension liability	76.16%	75.12%	86.51%	77.04%	76.46%	75.24%	74.42%	72.23%	75.13%	76.30%

Tahoe Douglas Fire Protection District
Schedule of District Contributions - PERS
Public Employees' Retirement System of Nevada
Last Ten Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution*	\$ 1,748,248	\$ 1,614,527	\$ 1,329,222	\$ 1,086,110	\$ 1,032,892	\$ 979,877	\$ 969,761	\$ 876,216	\$ 811,228	\$ 795,142
Contributions in relation to the statutorily required contribution	<u>\$ (1,748,248)</u>	<u>\$ (1,614,527)</u>	<u>\$ (1,329,222)</u>	<u>\$ (1,086,110)</u>	<u>\$ (1,032,892)</u>	<u>\$ (979,877)</u>	<u>\$ (969,761)</u>	<u>\$ (876,216)</u>	<u>\$ (811,228)</u>	<u>\$ (795,142)</u>
Contribution (deficiency) excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Employer's covered payroll	\$ 7,625,537	\$ 7,855,811	\$ 6,398,897	\$ 5,389,035	\$ 5,111,801	\$ 5,071,791	\$ 5,027,636	\$ 4,229,349	\$ 4,189,290	\$ 4,105,972
Contributions as a percentage of covered payroll	22.93%	20.55%	20.77%	20.15%	20.21%	19.32%	19.29%	20.72%	19.36%	19.37%

*All contributions shown reflect employer-paid contributions only. Member contributions are excluded.

Note 1 - Budgetary Information

The 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 Trustees files a tentative budget with the Nevada Department of Taxation for all funds.
2. Public hearings on the tentative budget are held and 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.
3. 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.
4. Budgets for all externally reported funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America.
5. 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 Trustees, 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. The sum of operating and non-operating expenses in Proprietary Funds also may not exceed total appropriations if the excess creates a deficit in the equity balance of the fund.

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 the internally reported fund of the District does not meet the definition of a special revenue fund and does not qualify to be separately presented for external reporting purposes.

The internally reported special revenue fund of the District (Health Insurance Reserve Fund) is combined with the General Fund for external reporting purposes.

Note 3 - Schedule of Changes in Net Other Post-Employment Benefit Liabilities and Related Ratios and Schedule of District Contributions – Other Post-Employment Benefit Liabilities

Actuarial Assumptions for the District Plan in the Schedule of District Contributions - OPEB were as follows:

Actuarial cost method	Entry age normal cost
Amortization method	Level percent of pay open
Amortization period	30 years
Asset valuation method	Market value
Inflation	2.50 percent per year
Healthcare cost trend rate	6.5 percent initial, fluctuating down to ultimate rate of 3.9 percent
Salary increases	3.00 percent per year
Investment rate of return	6.50 percent
Retirement age	From 45 to 75 (regular) and from 40 to 70 (safety)
Mortality	2021 Nevada PERS experience study
Mortality improvement	MacLeod Watts Scale 2022

For the PEBP Plan, no assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

Significant Changes in Assumptions for both the Schedule of Changes in Net OPEB and Related Ratios and the Schedule of District Contributions – OPEB were as follow (using the plan measurement dates):

	2023	2022	2021	2020	2019	2017 - 2018
District Plan:						
Investment rate of return	6.50%	6.50%	6.50%	6.70%	6.70%	7.50%
Discount rate	6.50%	6.50%	6.50%	6.70%	6.70%	7.50%
Mortality	2021 NV PERS	2021 NV PERS	2021 NV PERS	2019 NV PERS	2019 NV PERS	2016 NV PERS
Mortality improvement	MW Scale 2022	MW Scale 2022	MW Scale 2022	MW Scale 2020	MW Scale 2020	MW Scale 2017
Salary increase rate	3.00%	3.00%	3.00%	3.00%	3.00%	4.00%
Healthcare cost trends	6.5% - 3.9%	5.8% - 3.9%	5.8% - 3.9%	5.4% - 4.0%	5.4% - 4.0%	6.25% - 5.0%
General inflation	2.50%	2.50%	2.50%	2.50%	2.50%	2.75%
Amortization method	Level % of Pay 30 yr open	Level % of Pay 30 yr open	Level % of Pay 30 yr open	Level % of Pay 30 yr open	Level % of Pay 30 yr open	Level % of Pay 30 yr closed
PEBP:						
Discount rate	3.77%	4.05%	1.84%	2.00%	2.75%	3.71%
Demographic assumptions	MW Scale 2022	MW Scale 2022	MW Scale 2022	MW Scale 2020	MW Scale 2020	MW Scale 2017
Healthcare cost trends	6.5% - 3.9%	6.0% - 3.9%	6.0% - 3.9%	5.4% - 4.0%	5.4% - 4.0%	6.5% - 5.0%
General inflation	2.50%	2.50%	2.50%	2.50%	2.50%	2.75%

Note 4 - Schedule of Proportionate Share of the Net Pension Liability

The following table presents significant changes in assumptions as of the plan measurement dates:

	<u>2021-2023</u>	<u>2017-2020</u>	<u>2014-2016</u>
Inflation rate	2.50%	2.75%	3.50%
Payroll growth	3.50%	5.00%	5.00%
Investment rate of return and 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%	4.5% 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 Project Scale MP-2020	6 years	N/A

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

**Amount-Weighted Above-Median.



Supplementary Information
For the Year Ended June 30, 2024

Tahoe Douglas Fire Protection District

Tahoe Douglas 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)	Health Insurance Reserve Fund (Internally Reported)	Eliminations	General Fund (GAAP Basis)
Assets				
Cash and investments	\$ 3,298,207	\$ 4,276,800	\$ -	\$ 7,575,007
Receivables				
Taxes receivable	1,104,285	-	-	1,104,285
Other receivables	210,330	-	-	210,330
Prepaid expenses	745	-	-	745
Total assets	\$ 4,613,567	\$ 4,276,800	\$ -	\$ 8,890,367
Liabilities				
Accounts payable	\$ 474,523	\$ 87,640	\$ -	\$ 562,163
Deposits	-	4,395	-	4,395
Accrued payroll and benefits	370,287	-	-	370,287
Claims payable	-	66,349	-	66,349
Total liabilities	844,810	158,384	-	1,003,194
Deferred Inflows of Resources				
Unavailable revenue	134,457	-	-	134,457
Fund Balances				
Nonspendable	745	-	-	745
Assigned	2,194,694	4,118,416	-	6,313,110
Unassigned	1,438,861	-	-	1,438,861
Total fund balances	3,634,300	4,118,416	-	7,752,716
Total Liabilities, deferred inflows of resources, and Fund Balances	\$ 4,613,567	\$ 4,276,800	\$ -	\$ 8,890,367

Tahoe Douglas Fire Protection District
Balance Sheet – Internally Reported (Budgetary Basis) – Health Insurance Reserve Fund
June 30, 2024

Assets	
Cash and investments	<u>\$ 4,276,800</u>
Liabilities	
Accounts payable	\$ 87,640
Deposits	4,395
Claims payable	<u> 66,349</u>
Total liabilities	<u> 158,384</u>
Fund Balances	
Assigned	<u> 4,118,416</u>
Total Liabilities and Fund Balances	<u><u> \$ 4,276,800</u></u>

Tahoe Douglas Fire Protection District

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Internally Reported
(Budgetary Basis) – Health Insurance Reserve Fund
Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Investment income	\$ 1,000	\$ 1,000	\$ 47,596	\$ 46,596
Expenditures				
Current - public safety				
Employee benefits	1,473,504	1,874,849	858,337	1,016,512
Services and supplies	45,000	445,000	384,506	60,494
Total expenditures	1,518,504	2,319,849	1,242,843	1,077,006
Excess (Deficiency) of Revenues Over Expenditures	(1,517,504)	(2,318,849)	(1,195,247)	1,123,602
Other Financing Sources				
Transfers in	1,473,504	1,473,504	1,473,504	-
Net Change in Fund Balance	(44,000)	(845,345)	278,257	1,123,602
Fund Balance, Beginning of Year	3,038,814	3,840,159	3,840,159	-
Fund Balance, End of Year	<u>\$ 2,994,814</u>	<u>\$ 2,994,814</u>	<u>\$ 4,118,416</u>	<u>\$ 1,123,602</u>

Tahoe Douglas Fire Protection District

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Capital Projects Fund Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Taxes				
Ad valorem	\$ 231,410	\$ 231,410	\$ 238,902	\$ 7,492
Investment income	1	1	10,638	10,637
Total revenues	231,411	231,411	249,540	18,129
Expenditures				
Capital outlay	1,040,000	1,067,561	680,420	387,141
Excess (Deficiency) of Revenues Over Expenditures	(808,589)	(836,150)	(430,880)	405,270
Other Financing Sources				
Transfers In	250,000	250,000	280,010	30,010
Net Change in Fund Balance	(558,589)	(586,150)	(150,870)	435,280
Fund Balance, Beginning of Year	1,380,586	1,408,147	1,408,147	-
Fund Balance, End of Year	\$ 821,997	\$ 821,997	\$ 1,257,277	\$ 435,280

Tahoe Douglas Fire Protection District

Schedule of Revenues, Expenses, and Changes in Net Position – Budget and Actual – Ambulance Fund

Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Operating Revenues				
Charges for services (net of discounts and bad debt)	\$ 640,000	\$ 640,000	\$ 672,741	\$ 32,741
Operating Expenses				
Salaries and wages	2,215,271	2,215,271	2,011,305	203,966
Employee benefits	1,425,326	1,425,326	2,075,013	(649,687)
Services and supplies	315,650	315,650	226,510	89,140
Depreciation	120,000	120,000	54,618	65,382
Total operating expenses	4,076,247	4,076,247	4,367,446	(291,199)
Operating Loss	(3,436,247)	(3,436,247)	(3,694,705)	(258,458)
Non-operating Revenues				
Ad valorem taxes	2,314,104	2,314,104	2,392,090	77,986
Other income	300,000	300,000	407,667	107,667
Investment income	-	-	7,878	7,878
Total non-operating revenues	2,614,104	2,614,104	2,807,635	193,531
Income (Loss) Before Transfers	(822,143)	(822,143)	(887,070)	(64,927)
Transfers In (Out)				
Transfers in	300,000	300,000	300,000	-
Transfers out	(232,872)	(232,872)	(300,000)	67,128
Total transfers	67,128	67,128	-	67,128
Change in Net Position	\$ (755,015)	\$ (755,015)	(887,070)	\$ 2,201
Net Position (Deficit), Beginning of Year			(2,934,205)	
Net Position (Deficit), End of Year			\$ (3,821,275)	

Tahoe Douglas Fire Protection District
Schedule of Cash Flows – Budget and Actual – Ambulance Fund
Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Operating Activities				
Cash received from customers	\$ 600,000	\$ 600,000	\$ 613,376	\$ 13,376
Cash received from others	40,000	40,000	407,667	367,667
Cash paid to suppliers for goods and services	(315,650)	(315,650)	(170,042)	145,608
Cash paid to employees for salaries and benefits	(3,640,597)	(3,640,597)	(2,990,056)	650,541
Net Cash used for Operating Activities	(3,316,247)	(3,316,247)	(2,139,055)	1,177,192
Noncapital Financing Activities				
Cash from ad valorem taxes	2,314,104	2,314,104	2,394,612	80,508
Other income	300,000	300,000	-	(300,000)
Transfers from other funds	300,000	300,000	300,000	-
Transfers to other funds	(232,872)	(232,872)	(300,000)	(67,128)
Net Cash from Noncapital Financing Activities	2,681,232	2,681,232	2,394,612	(286,620)
Capital and Related Financing Activities				
Purchases of equipment	(155,000)	(155,000)	-	155,000
Investing Activities				
Investment income	-	-	7,878	7,878
Net Change in Cash	(790,015)	(790,015)	263,435	1,053,450
Cash, Beginning of Year	790,585	790,585	828,218	37,633
Cash, End of Year	\$ 570	\$ 570	\$ 1,091,653	\$ 1,091,083



Compliance Section

For the Year Ended June 30, 2024

Tahoe Douglas 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 Board of Trustees
Tahoe Douglas Fire Protection District
Zephyr Cove, 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 Tahoe Douglas Fire Protection District (the District), 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 March 20, 2025.

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 Questioned Costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items 2024-001, 2024-002, 2024-003, 2024-004, and 2024-006 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as item 2024-005 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 an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2024-001.

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 Questioned Costs. 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 result 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.

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

Reno, Nevada
March 20, 2025



**Independent Auditor's Report on Compliance for Each Major Federal Program;
Report on Internal Control Over Compliance Required by the Uniform Guidance**

To the Board of Trustees
Tahoe Douglas Fire Protection District
Zephyr Cove, Nevada

Report on Compliance for Each Major Federal Program

Qualified and Unmodified Opinions

We have audited Tahoe Douglas Fire Protection District's (the District) compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2024. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Qualified Opinion on Southern Nevada Public Land Management

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Southern Nevada Public Land Management program for the year ended June 30, 2024.

Unmodified Opinion on the Other Major Federal Program

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the other major federal program identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2024.

Basis for Qualified and Unmodified Opinions

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Matter Giving Rise to Qualified Opinion on Southern Nevada Public Land Management

As described in the accompanying schedule of findings and questioned costs, the District did not comply with requirements regarding Assistance Listing No. 15.235, Southern Nevada Public Land Management, as described in finding number 2024-010 for Reporting.

Compliance with such requirements is necessary, in our opinion, for the District to comply with the requirements applicable to that program.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. 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, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the noncompliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2024-008 and 2024-010 to be material weaknesses.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2024-007 and 2024-009 to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Eide Bailly LLP

Reno, Nevada
March 20, 2025



Auditor's Comments

To the Board of Trustees
Tahoe Douglas Fire Protection District
Zephyr Cove, Nevada

In connection with our audit of the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Tahoe Douglas 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 other than the violations reported in Note 2 to the financial statements. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the District's noncompliance with the requirements of Nevada Revised Statutes cited below, insofar as they relate to accounting matters.

Statute Compliance

The required disclosure on compliance with Nevada Revised Statutes and the Nevada Administrative Code is contained in Note 2 to the financial statements. In addition, one matter regarding compliance with Nevada Revised Statutes was further described as item 2024-001 in the Schedule of Findings and Questioned Costs.

Progress on Prior Year Statute Compliance

The prior year statute compliance violation is reported again as a statute violation.

Prior Year Recommendations

The prior year item 2023-001 is reported again as item 2024-002 in the Schedule of Findings and Questioned Costs.

Current Year Recommendations

The current year recommendations are included in the accompanying Schedule of Findings and Questioned Costs.

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

Reno, Nevada
March 20, 2025

Tahoe Douglas Fire Protection District
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal Financial Assistance Listing	Agency or Pass-Through Identifying Number	Federal Expenditures
<u>U.S. Department of Agriculture</u>			
Direct Award			
Watershed Restoration & Enhancement Agreement Authority (Wyden Amendment)	10.693	20-PA-11051900-005	\$ 238,000
<u>U.S. Department of the Interior</u>			
Direct Award			
Southern Nevada Public Land Management	15.235	L23AC00024	278,870
Pass through from Tahoe Resource Conservation District			
Southern Nevada Public Land Management	15.235	L23AC00025	173,419
Total U.S. Department of the Interior			452,289
<u>U.S. Department of Homeland Security</u>			
Pass through from North Lake Tahoe Fire Protection District			
Assistance to Firefighters Grant	97.044	EMW-2021-FG-06838	364,388
Pass through from NV Division of Emergency Management			
Homeland Security Grant Program	97.067	EMW-2021-SS-00046	109,990
Homeland Security Grant Program	97.067	EMW-2020-SS-00056	7,378
Total Homeland Security Grant Program			117,368
Total U.S. Department of Homeland Security			481,756
TOTAL FEDERAL FINANCIAL ASSISTANCE			\$ 1,172,045

Note 1 - Basis of Presentation

This schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Tahoe Douglas Fire Protection District (the District) under programs of the federal government for the year ended June 30, 2024. The information is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position or fund balance, or cash flows of the District.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported in the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. No federal financial assistance has been provided to a subrecipient.

Note 3 - Indirect Cost Rate

The District has elected to use the 10% de minimus cost rate.

Note 4 - Nonmonetary Assistance

Nonmonetary assistance is reported on the Schedule at fair market value of the times received. The District received equipment and supplies total \$364,388 under the Assistance to Firefighters Grant program during the year ended June 30, 2024.

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	Yes
Significant deficiency(ies) not considered to be material weaknesses?	Yes
Noncompliance material to financial statements noted?	Yes

Federal Awards

Internal control over major program:	
Material weakness(es) identified?	Yes
Significant deficiency(ies) not considered to be material weaknesses?	Yes
Type of auditor's report issued on compliance for major programs:	Unmodified for the Assistance to Firefighters Grant and Qualified for Southern Nevada Public Land Management
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516?	Yes

Identification of major programs:

<u>Name of Federal Program or Cluster</u>	<u>Federal Financial Assistance Listing</u>
Southern Nevada Public Land Management	15.235
Assistance to Firefighters Grant	97.044
Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
Auditee qualified as a low-risk auditee?	No

Section II – Financial Statement Findings:

**2024-001: Self-Insurance Requirements
Material Weakness and Material Noncompliance**

<i>Criteria:</i>	<p>Management is responsible for complying with applicable laws and regulations in the State of Nevada. Some requirements for self-insurance programs operated by local governments are contained within Nevada Revised Statutes.</p> <p>NRS 287.010 (1)(c) states the following:</p> <p>“The governing body of any county, school district, municipal corporation, political subdivision, public corporation or other local governmental agency of the State of Nevada may:</p> <ul style="list-style-type: none">• Provide group life, accident or health coverage through a self-insurance reserve fund and, where necessary, deduct contributions to the maintenance of the fund from the compensation of officers and employees and pay the deductions into the fund. The money accumulated for this purpose through deductions from the compensation of officers and employees and contributions of the governing body must be maintained as an internal service fund as defined by NRS 354.543. The money must be deposited in a state or national bank or credit union authorized to transact business in the State of Nevada. Any independent administrator of a fund created under this section is subject to the licensing requirements of chapter 683A of NRS, and must be a resident of this State. Any contract with an independent administrator must be approved by the Commissioner of Insurance as to the reasonableness of administrative charges in relation to contributions collected and benefits provided.”
<i>Condition:</i>	<p>The District did not establish the self-insurance internal service fund nor ensure appropriate approval of administrators through the Nevada Division of Insurance as required by NRS 287.</p>
<i>Cause:</i>	<p>The District did not have knowledge of the self-insurance requirements prescribed by NRS 287.</p>
<i>Effect:</i>	<p>The District did not comply with Nevada Revised Statutes which may affect the contract the District has in place with administrators for self-insurance.</p>
<i>Recommendation:</i>	<p>We recommend the District follow corrective action as dictated by the Nevada Division of Insurance, establish a self-insurance internal service fund in accordance with NRS 287, and enhance internal controls to ensure compliance with statutes.</p>

*Views of Responsible
Officials:*

Tahoe Douglas Fire Protection District agrees with this finding.

**2024-002: Financial Close and Reporting
Material Weakness**

<i>Criteria:</i>	Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. One of the key components of an effective system of internal control over financial reporting is having the capability to prepare full disclosure financial statements in accordance with generally accepted accounting principles (GAAP).
<i>Condition:</i>	The District does not have an internal control system designed to provide for the preparation of the financial statements and related financial statement disclosures in accordance with U.S. GAAP. In conjunction with the completion of our audit, we were requested to draft the financial statements, assist with the conversion of the fund financial statements to government-wide financial statements, and prepare the accompanying notes to those financial statements. The absence of controls over the preparation of the financial statements and related financial statement disclosures increases the possibility that a misstatement of the financial statements could occur and not be prevented or detected and corrected in a timely manner. It is the responsibility of those charged with governance to determine whether to accept the risk associated with this condition because of cost or other considerations.
<i>Cause:</i>	Due to a shortage of personnel with the ability to prepare full disclosure financial statements, the District has chosen to contract with Eide Bailly LLP to prepare its financial statements and related financial statement disclosures.
<i>Effect:</i>	Internally prepared financial information may not be accurate and full disclosure financial statements may not be available as timely as they would be if prepared by District personnel.
<i>Recommendation:</i>	We recommend District staff continue to obtain training in the preparation of financial statements and related financial statement disclosures in order to gain the knowledge needed to prepare the financial statements and related financial statement disclosures in all material respects.
<i>Views of Responsible Officials:</i>	Tahoe Douglas Fire Protection District agrees with this finding.

2024-003: Receivable and Revenue Accruals
Material Weakness

Criteria: Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. Ensuring accounts receivable and revenue are recorded in the appropriate time period is a key component of effective internal control over financial reporting.

Condition: Certain receivables and revenues were not recorded to the appropriate period.

- Ambulance fee receivables, revenue, and allowance were not recorded in the proper period.
- Interest receivable and interest income earned in the period was not recorded.
- Strike team income was not recorded in the proper period.

Cause: The District did not have adequate internal controls to ensure revenues were recorded on a modified accrual or accrual basis as appropriate.

Effect: Prior to adjustment, the Ambulance Fund was understated by \$67,250 in charges for services and \$36,583 in the allowance for doubtful accounts related to amounts billed subsequent to June 30, 2024 for which transports occurred prior to June 30, 2024. Moreover, \$28,561 was recognized in the fiscal year ended 2024 that should have been recognized during the year ended 2023.

In addition, interest earned for June 2024 from the Local Government Investment Pool and distributed on July 1, 2024 was not accrued in the aggregate amount of \$27,825, which is allocated across all funds.

Lastly, strike team income of \$6,985 was recognized in the current year and should have been recognized in the prior year in the Fire Safe Community Service Fund.

Recommendation: We recommend the District enhance internal controls to ensure revenues are recorded on a modified accrual or accrual basis as appropriate.

Views of Responsible
Officials:

Tahoe Douglas Fire Protection District agrees with this finding.

**2024-004: Capital Contributions
Material Weakness**

<i>Criteria:</i>	Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. Ensuring capital contributions are properly recorded is a key component of effective internal control over financial reporting.
<i>Condition:</i>	Capital assets received through capital contributions were not included in the governmental activity capital asset schedules. Grant revenues associated with equipment received in connection with a grant award were not recognized appropriately.
<i>Cause:</i>	The District did not have adequate internal controls in place to ensure contributed assets were recorded in the capital asset roll-forward.
<i>Effect:</i>	Prior to adjustment, governmental activity capital assets and contributions were understated by \$279,586 and grant revenue and related expenses were understated by \$84,820 in the General Fund.
<i>Recommendation:</i>	We recommend the District enhance internal controls to ensure contributed assets are recorded in the capital asset roll-forward.
<i>Views of Responsible Officials:</i>	Tahoe Douglas Fire Protection District agrees with this finding.

Views of Responsible Officials: Tahoe Douglas Fire Protection District agrees with this finding.

**2024-006: Other Post-Employment Benefits, Self-Insurance Liabilities and Accounts Payable
Material Weakness**

<i>Criteria:</i>	Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. Ensuring liabilities are appropriately stated is a key component of effective control over financial reporting.
<i>Condition:</i>	Certain liabilities were not recorded in the proper period and the Other Post-Employment Benefits (OPEB) actuarial valuation had certain census and plan provision errors which required correction.
<i>Cause:</i>	The District did not have adequate internal controls over the census information provided to the actuary, for the review of the actuary report, or for ensuring liabilities were recorded in the appropriate period.
<i>Effect:</i>	<p>Accounts payable was understated by \$15,058 in the District's OPEB Trust for amounts paid after year-end and not recorded within the calendar year. In addition, prior to adjustment, benefits payable was understated by \$253,231 in the District's OPEB Trust and \$66,349 in the General Fund for claims incurred and paid after year end.</p> <p>The actuarial valuation did not accurately reflect the change from a fully insured to self-insured group insurance plan and the census data was missing 5 employees who should have been reported to the actuary. These items required a revised actuarial valuation to be obtained.</p>
<i>Recommendation:</i>	We recommend District enhance internal controls over the census provided to the actuary, review of the actuary report, and for ensuring liabilities are recorded in the appropriate period.
<i>Views of Responsible Officials:</i>	Tahoe Douglas Fire Protection District agrees with this finding.

Section III – Federal Award Findings and Questioned Costs

**2024-007: U.S. Department of Homeland Security
Pass-through North Lake Tahoe Fire Protection District
Assistance to Firefighters Grant, 97.044**

**Equipment and Real Property Management
Significant Deficiency in Internal Control over Compliance**

<i>Grant Award Number:</i>	Affects all grant awards under assistance listing 97.044 on the Schedule of Expenditures of Federal Awards
<i>Criteria:</i>	Title 2 U.S. <i>Code of Federal Regulations</i> (CFR) Part 200 <i>Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards</i> (Uniform Guidance) section 200.313 requires that property records be maintained that include a description of the property, a serial number or other identification number, the source of funding for the property (including federal award identification number), who holds title, acquisition date, cost of the property, percentage of federal participation in the project costs for the federal award under which the property was acquired, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sales price of the property.
<i>Condition:</i>	Property records did not originally include the title, acquisition date, percentage of federal participation, and condition of the equipment.
<i>Cause:</i>	Tahoe Douglas Fire Protection District (the District) did not have adequate internal controls to ensure property records track all applicable information on equipment purchased with federal funds.
<i>Effect:</i>	Incomplete information was maintained for federal equipment.
<i>Questioned Costs:</i>	None
<i>Context/Sampling:</i>	A nonstatistical sample of 9 out of 57 equipment was selected for testing. None of the equipment tested included all required information.
<i>Repeat Finding from Prior Year:</i>	No

Recommendation:

We recommend the District enhance internal controls to ensure property records are appropriately maintained.

*Views of Responsible
Officials:*

Tahoe Douglas Fire Protection District agrees with this finding.

2024-008: U.S. Department of Interior
Direct award and Pass-through Tahoe Resource Conservation District
Southern Nevada Public Land Management, 15.235

Allowable Costs/Cost Principles
Material Weakness in Internal Control over Compliance

Grant Award Number: Affects all awards under assistance listing 15.235 on the Schedule of Expenditures of Federal Awards.

Criteria: Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) states that charges for salaries and wages must be based on records that accurately reflect the work performed. In part, the records must be supported by a system of internal control that provides reasonable assurance that the charges are accurate, allowable, and properly allocated.

Budget estimates alone do not qualify as support for charges to federal awards, but may be used for interim accounting purposes, provided that, in part, that the system of internal controls includes processes to perform periodic after-the-fact reviews of interim charges made to a federal award based on budget estimates. All necessary adjustments must be made so that the final amount charged to the federal award is accurate, allowable, and properly allocated.

Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) section 200.303 provides that non-federal entities must establish and maintain effective internal control that provides reasonable assurance that the non-federal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Condition: Labor rates charged to the federal award did not agree to underlying support of payroll costs. In addition, labor rates were not reviewed prior to being charged to the federal award.

Cause: Tahoe Douglas Fire Protection District (the District) did not have adequate internal controls to ensure payroll costs charged to the federal award were accurate.

Effect: Inaccurate payroll costs were charged to the federal award, which resulted in an underbilling of actual payroll costs.

Questioned Costs: None

<i>Context/Sampling:</i>	A nonstatistical sample of 60 (\$50,798) out of a population of 433 (\$420,962) payroll expenditures at the District was selected for testing. We noted 24 payroll transactions did not agree to underlying support for the employees payroll and fringe rate. These 24 payroll transactions totaled \$20,798 and were underbilled to the federal award by \$422. In addition, the labor rates charged to the federal award were not reviewed on any of the 60 transactions.
<i>Repeat Finding from Prior Year:</i>	No
<i>Recommendation:</i>	We recommend the District enhance internal controls to ensure payroll costs charged to the federal award are accurate.
<i>Views of Responsible Officials:</i>	Tahoe Douglas Fire Protection District agrees with this finding.

2024-009: U.S. Department of The Interior
Direct award and Pass-through Tahoe Resource Conservation District
Southern Nevada Public Land Management, 15.235

Cash Management
Significant Deficiency in Internal Control over Compliance

<i>Grant Award Number:</i>	Potentially affects all grant awards included under assistance listing 15.235 on the Schedule of Expenditures of Federal Awards.
<i>Criteria:</i>	Title 2 U.S. <i>Code of Federal Regulations</i> (CFR) Part 200 <i>Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards</i> (Uniform Guidance) section 200.303 provides that non-federal entities must establish and maintain effective internal control that provides reasonable assurance that the non-federal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.
<i>Condition:</i>	There was no evidence of review and approval (segregation of duties) between the preparer and reviewer.
<i>Cause:</i>	Tahoe Douglas Fire Protection District (the District) did not have adequate internal controls to provide for the documented review and approval of <i>Requests for Reimbursement</i> .
<i>Effect:</i>	Inaccurate information may be reported and funds may not be drawn on a reimbursement basis.
<i>Questioned Costs:</i>	None
<i>Context/Sampling:</i>	A nonstatistical sample of 2 <i>Requests for Reimbursement</i> out of a population of 4 was selected for testing. We noted that there was no evidence of review on one of the <i>Requests for Reimbursement</i> .
<i>Repeat Finding from Prior Year:</i>	No
<i>Recommendation:</i>	We recommend the District enhance internal controls to provide for the documented review and approval of <i>Requests for Reimbursement</i> .
<i>Views of Responsible Officials:</i>	Tahoe Douglas Fire Protection District agrees with this finding.

2024-010: U.S. Department of Interior
Direct award and Pass-through Tahoe Resource Conservation District
Southern Nevada Public Land Management, 15.235

Reporting
Material Weakness in Internal Control over Compliance and Material Noncompliance

Grant Award Number: Affects all grant awards included under assistance listing 15.235 on the Schedule of Expenditures of Federal Awards.

Criteria: Title 2 U.S. Code of Federal Regulations (CFR) Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) section 200.303 provides that non-federal entities must establish and maintain effective internal control that provides reasonable assurance that the non-federal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

The grant awards require the submission of Federal Financial Reports (SF-425) and Performance Reports.

Condition: There was no evidence of review and approval (segregation of duties) between the preparer and reviewer.

Information reported did not agree to underlying supporting records.

Cause: Tahoe Douglas Fire Protection District (the District) did not have adequate internal controls to provide for the documented review and approval of SF-425 reports or Performance Reports.

Effect: Inaccurate information was reported to the federal agency on the SF-425 and inaccurate information was reported to the pass-through entity on the Performance Reports.

Questioned Costs: None

Context/Sampling: A non-statistical sample of two SF-425 reports out of a population of four was selected for testing. A non-statistical sample of two Performance Reports out of a population of four was selected for testing. We noted that there was no evidence of review on all four reports tested.

Tahoe Douglas Fire Protection District
Schedule of Findings and Questioned Costs
Year Ended June 30, 2024

Amounts reported on all four reports tested did not agree to underlying support. Errors are noted as follows:

SF-425 for Quarter Ended 9/30/2023:

Key Line Item	Amount Reported	Amount Supported
Cash Disbursements	\$0	\$57,569
Recipient Share Required	\$0	\$100,000

SF-425 for Quarter Ended 3/31/2024:

Key Line Item	Amount Reported	Amount Supported
Cash Receipts	\$32,487	\$49,738

Performance Report to TRCD for Quarter End 9/30/2023:

Key Line Item	Amount Reported	Amount Supported
Compliant Defensible Space Inspections	58	0
Chipping Requests Received	68	73

Performance Report to TRCD for Quarter End 12/31/2023:

Key Line Item	Amount Reported	Amount Supported
Defensible Space Inspections	25	26
Compliant Defensible Space Inspections	11	10
Community Workdays Completed	11	12

Repeat Finding from Prior Year:

No

Recommendation:

We recommend the District enhance internal controls to provide for the documented review and approval of SF-425 reports and Performance Reports.

Views of Responsible Officials:

Tahoe Douglas Fire Protection District agrees with this finding.



Tahoe Douglas Fire Protection District

Scott Lindgren, Fire Chief

Bryce Cranch, Assistant Chief/Fire Marshal | Kevin Lawson, Assistant Chief/Special Operations

Ben Johnson, Chair | Stacy Noyes, Vice Chair

John Breaux, Trustee | Dan Kruger, Trustee | Ben Ward, Trustee

Summary Schedule of Prior Year Audit Findings

Financial Statement Findings

Finding 2023-001

Initial Fiscal Year Finding Occurred: 2016

Finding Summary

Eide Bailly LLP prepared the districts draft financial statements and accompanying notes to the financial statements.

Status

Ongoing

Due to limited staffing in the administration of the District, it was determined that contracting with Eide Bailly LLP for the preparation of the financial statements and the related statement disclosures provided the best cost benefit to the District. For the future, staffing will continue to be evaluated to determine the needs and best benefits of the District in the preparation of the financial statements.



Corrective Action Plan

Finding 2024-001

Finding Summary:

Non-compliance with NRS 287 regarding creating a self-insurance internal service fund.

Responsible Individuals:

Scott Lindgren, Fire Chief, Tahoe Douglas Fire Protection District
Kathryn Warner, Administrative Division Officer, Tahoe Douglas Fire Protection District
Carrie Nolting, Finance Manager, Tahoe Douglas Fire Protection District
Jason Jakobsen, LBG Advisors
Blair Panzer, LBG Advisors
Bill Johnson, CPA, David, Johnson & Larsen, LTD

Corrective Action Plan:

With the help of Eide Bailly and David, Johnson & Larsen, LTD, the district will be creating a self-insurance internal service fund to be adopted by the board.

Anticipated Completion Date:

May 28, 2025

Finding 2024-002

Finding Summary:

Eide Bailly LLP prepared the districts draft financial statements and accompanying notes to the financial statements.

Responsible Individuals:

Scott Lindgren, Fire Chief, Tahoe Douglas Fire Protection District
Carrie Nolting, Finance Manager, Tahoe Douglas Fire Protection District
Bill Johnson, CPA, David, Johnson & Larsen, LTD

Corrective Action Plan:

Due to limited staffing in the administration of the District, it was determined that contracting with Eide Bailly LLP for the preparation of the financial statements and the related statement disclosures provided the best cost benefit to the District. For the future, staffing will continue to be evaluated to determine the needs and best benefits of the District in the preparation of the financial statements.

Anticipated Completion Date:

Ongoing

Finding 2024-003

Finding Summary:

1. Ambulance fee receivables were not recorded in the proper period. Invoices sent by third party vendor in July 2024 for transports prior to June 2024 were not recognized in fiscal year 2024.
2. Interest from Local Government Pool (LGIP) was recorded in the incorrect period. Interest accrued monthly in LGIP account is credited the first day of the next month, district recognized the interest in the month the interest posted.
3. Strike team income recorded in incorrect period.

Responsible Individuals:

Scott Lindgren, Fire Chief, Tahoe Douglas Fire Protection District
Carrie Nolting, Finance Manager, Tahoe Douglas Fire Protection District
Chris Lucas, EMS Battalion Chief, Tahoe Douglas Fire Protection District
Barry Christian, Sharp Billing
Bill Johnson, CPA, David, Johnson & Larsen, LTD

Corrective Action Plan:

1. Chief Lucas will monitor Health EMS to make sure ambulance transports are being forwarded promptly to Sharp Billing. Sharp Billing to bill in a timelier manner, reaching out to Chief Lucas for information on files that need more information.
2. Bill Johnson, CPA will record monthly interest posted the 1st of each month to the month prior.
3. Strike team income carried forward to deferred revenue will be reviewed by FM Nolting and Bill Johnson prior to being recorded to make sure all invoices prior to year end and for which funds have not been received are accounted for in deferred revenue entry.

Anticipated Completion Date:

Ongoing

Finding 2024-004

Finding Summary:

SCBA capital assets received as a sub-recipient through North Lake Tahoe Fire Protection District were not added to the district's capital asset schedule.

Responsible Individuals:

Scott Lindgren, Fire Chief, Tahoe Douglas Fire Protection District
Kevin Lawson, Asst. Fire Chief/Special Operations, Tahoe Douglas Fire Protection District
Bryce Cranch, Asst. Fire Chief/Fire Marshal, Tahoe Douglas Fire Protection District
Carrie Nolting, Finance Manager, Tahoe Douglas Fire Protection District
Bill Johnson, CPA, David, Johnson & Larsen, LTD

Corrective Action Plan:

Bill Johnson has recorded capital assets to the capital asset schedule.

In future, FM Nolting, to be included in all capital asset contributions transaction in order to advise Bill Johnson that contributions have been received, inventoried and need to be added to capital asset schedule.

Anticipated Completion Date:

The current asset schedule has been updated.
Ongoing for future contributions

Finding 2024-005

Finding Summary:

Compensated absences liability reflected incorrectly due to beginning balance errors caused by manual tracking input errors.

Responsible Individuals:

Scott Lindgren, Fire Chief, Tahoe Douglas Fire Protection District
Carrie Nolting, Finance Manager, Tahoe Douglas Fire Protection District

Corrective Action Plan:

Payroll and leave accruals are now being tracked by UKG Software which should lead to cleaner compensated absence reporting. In addition, the district will be looking at hiring an actuary to calculate compensated absences in the future.

Anticipated Completion Date:

September 30, 2025

Finding 2024-006

Finding Summary:

Other Post-Employment Benefits (OPEB) actuarial valuation was incorrect due to:

1. Incorrect census information
2. Liabilities related to medical claims prior to year end but billed after year end were not accurately accounted for.
3. Accounts payable for the Post Retirement Trust prior to Dec. 2023 were not recognized in the correct period.
4. Review of information provided to actuary and actuary report upon completion needs to be more comprehensive.

Responsible Individuals:

Scott Lindgren, Fire Chief, Tahoe Douglas Fire Protection District

Kathryn Warner, Administrative Division Officer, Tahoe Douglas Fire Protection District

Carrie Nolting, Finance Manager, Tahoe Douglas Fire Protection District

Kelsey Nalder, HR Specialist, Tahoe Douglas Fire Protection District

Corrective Action Plan:

1. Census information will be prepared by HR Specialist Nalder and reviewed by ADO Warner or FM Nolting prior to submittal.
2. In future actuarials the district will have insurance TPA provide information on medical claims and lagging billing
3. An Account Specialist I is in the process of being hired and the Post Retirement Trust account payable will be assigned to this position to ensure timely turn-round and recording of PRT expenses.
4. FM Nolting being trained as back up to ADO Warner in OPEB actuary and all components included/affected by actuary.

Anticipated Completion Date:

Ongoing

Finding 2024-007

**U.S. Department of Homeland Security
Pass-through North Lake Tahoe Fire Protection District
Assistance to Firefighters Grant, 97.044**

Finding Summary:

SCBA packs received as a sub-recipient of North Lake Tahoe Fire Protection Districts AFG grant did not have necessary information documented on inventory schedule.

Responsible Individuals:

Scott Lindgren, Fire Chief, Tahoe Douglas Fire Protection District
Kevin Lawson, Asst. Fire Chief, Tahoe Douglas Fire Protection District
Bryce Cranch, Asst. Fire Chief, Tahoe Douglas Fire Protection District
Carrie Nolting, Finance Manager, Tahoe Douglas Fire Protection District

Corrective Action Plan:

The inventory schedule for these items will be updated with all required fields of information. Inventory for the district will be assigned to a Chief officer who will be responsible for making sure property received from federal funding will be tracked appropriately in compliance with CFR 200.

Anticipated Completion Date:

April 30, 2025

Finding 2024-008

**U.S. Department of Interior
Direct award and pass-through Tahoe Resource Conservation District
Southern Nevada Public Land Management, 15.235**

Finding Summary:

The personnel costs charged to grant awards were underbilled due to using an average rate for a quarter of reporting. In addition, an annual burdened crew rate spreadsheet was used that was not updated when individuals received salary increases.

Responsible Individuals:

Scott Lindgren, Fire Chief, Tahoe Douglas Fire Protection District
Keegan Schafer, Wildland Fire & Fuels Division Chief, Tahoe Douglas Fire Protection District
Carrie Nolting, Finance Manager, Tahoe Douglas Fire Protection District

Corrective Action Plan:

The district is planning to find a solution utilizing the UKG payroll software to pull up to date salary information to be utilized in conjunction with the burdened crew rate schedule to make sure the appropriate rates are being billed to the grant.

Anticipated Completion Date:

Ongoing

Finding 2024-009**U.S. Department of the Interior****Direct award and pass-through Tahoe Resource Conservation District****Southern Nevada Public Land Management, 15.235****Finding Summary:**

Requests for reimbursements appeared to have not been reviewed by a second individual in the district.

Responsible Individuals:

Scott Lindgren, Fire Chief, Tahoe Douglas Fire Protection District

Keegan Schafer, Wildland Fire & Fuels Division Chief, Tahoe Douglas Fire Protection District

Carrie Nolting, Finance Manager, Tahoe Douglas Fire Protection District

Corrective Action Plan:

Chief Schafer, who reviews the personnel cost charged to grants for fuels reduction, will not only review informally as he currently does but the district will implement a sign off for this review.

Anticipated Completion Date:

Ongoing

Finding 2024-010**U.S. Department of the Interior****Direct award and Pass-through Tahoe Resource Conservation District****Southern Nevada Public Land Management, 15.235****Finding Summary:**

Performance reports and SF-425's does not have segregation of duties between preparer and reviewer. The information reported was not supported by back up documentation.

Responsible Individuals:

Scott Lindgren, Fire Chief, Tahoe Douglas Fire Protection District

Keegan Schafer, Wildland Fire & Fuels Division Chief, Tahoe Douglas Fire Protection District

Carrie Nolting, Finance Manager, Tahoe Douglas Fire Protection District

Corrective Action Plan:

Performance reports and back up documentation prepared by Chief Schafer will be reviewed by either Chief Lindgren or FM Nolting and the review will be documented.

SF-425's that are completed electronically in GrantSolutions does not allow for a preparer and review.

FM Nolting will prepare amounts and provide backup documentation to be reported in SF-425 for review by either Chief Schafer or Chief Lindgren and the review will be documented prior to input into GrantSolutions.

Anticipated Completion Date:

Ongoing