

Financial Statements  
For the Year Ended June 30, 2025  
**Tahoe Douglas Fire Protection District**

# Tahoe Douglas Fire Protection District

## Table of Contents

June 30, 2025

---

Independent Auditor’s Report.....	1
Management's Discussion and Analysis .....	5
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position .....	15
Statement of Activities.....	16
Fund Financial Statements	
Balance Sheet – Governmental Funds .....	17
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position.....	18
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds .....	19
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	20
Statement of Net Position – Ambulance Fund .....	21
Statement of Revenues, Expenses, and Changes in Net Position – Ambulance Fund.....	22
Statement of Cash Flows – Ambulance Fund .....	23
Statement of Fiduciary Net Position .....	24
Statement of Changes in Fiduciary Net Position .....	25
Notes to Financial Statements .....	26
Required Supplementary Information	
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund (Budgetary Basis) .....	55
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) .....	56
Special Revenue Funds	
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual –	
Sick Leave Reserve Fund .....	57
Special Services Fund .....	58
Fire Safe Community Service Fund .....	59
Fire Flow Initiative Fund.....	60
Aviation Fund .....	61
Schedule of Changes in Net Other Post-Employment Benefit Liabilities and Related Ratios .....	62
Schedule of District Contributions – Other Post-Employment Benefits.....	64
Schedule of Proportionate Share of the Net Pension Liability .....	65
Schedule of District Contributions - PERS.....	66
Notes to Required Supplementary Information .....	67
Supplementary Information	
Reconciliation of the General Fund Balance Sheet (Budgetary Basis) to the General Fund Balance Sheet (GAAP Basis) – Governmental Funds .....	70
Balance Sheet – Internally Reported (Budgetary Basis) – Health Insurance Reserve Fund .....	71

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Internally Reported (Budgetary Basis) – Health Insurance Reserve Fund .....	72
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Capital Projects Fund .....	73
Schedule of Revenues, Expenses, and Changes in Net Position – Budget and Actual – Ambulance Fund .....	74
Schedule of Cash Flows – Budget and Actual – Ambulance Fund .....	75
Compliance Section	
Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	76
Auditr’s Comments .....	78
Schedule of Findings and Responses .....	79



## 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 (the District) as of and for the year ended June 30, 2025, 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, 2025, 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.

#### *Emphasis of Matter*

As discussed in Notes 1 and 11 to the financial statements, the District has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, Compensated Absences, for the year ended June 30, 2025. Accordingly, a restatement has been made to the governmental activities, business-type activities, and Ambulance Fund net position as of July 1, 2024 to restate beginning net position. Our opinions are not modified with respect to this matter.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information and reconciliation for the General Fund and major special revenue funds, 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, 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, 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 24, 2026, 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 Sully LLP".

Reno, Nevada  
March 24, 2026

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, 2025. 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, 2025, by \$5,406,214 (positive net position). As of June 30, 2025, the unrestricted deficit was (\$2,667,882).

At June 30, 2025, TDFPD's governmental funds reported combined ending fund balances of \$11,963,670, an increase of \$364,480 in comparison with prior year ending fund balances.

At June 30, 2025, the unassigned fund balance of the General Fund was \$740,643 or 5% of total general fund expenditures (including transfers out of \$1,208,333).

TDFPD'S total debt on June 30, 2025, 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 59 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, 2025.

Fiduciary Fund - GASB standards 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, 2024. The Trust's December 31, 2024, net position restricted for postemployment benefits other than pensions is \$15,696,277.

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 26-54 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 \$5,406,214 on June 30, 2025.

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, 2025

	Net Position					
	Governmental Activities		Business-type Activities		Total	
	June 30		June 30		June 30	
	2025	2024*	2025	2024*	2025	2024
<b>Assets</b>						
Current and other assets	\$ 14,940,384	\$ 14,029,353	\$ 1,944,872	\$ 1,421,954	\$ 16,885,256	\$ 15,451,307
Capital assets	7,774,631	7,627,913	57,849	103,445	7,832,480	7,731,358
Net OPEB Asset	2,096,286	1,888,370	-	-	2,096,286	1,888,370
Total assets	24,811,301	23,545,636	2,002,721	1,525,399	26,814,022	25,071,035
<b>Deferred outflows of resources</b>	8,871,409	7,573,385	3,348,687	4,764,312	12,220,096	12,337,697
Total assets and deferred outflows of resources	33,682,710	31,119,021	5,351,408	6,289,711	39,034,118	37,408,732
<b>Liabilities</b>						
Noncurrent liabilities outstanding	17,144,086	18,602,511	7,967,215	9,707,908	25,111,301	28,310,419
Other liabilities	1,859,956	1,409,943	241,112	216,896	2,101,068	1,626,839
Total liabilities	19,004,042	20,012,454	8,208,327	9,924,804	27,212,369	29,937,258
<b>Deferred inflows of resources</b>	5,080,935	1,969,849	1,334,600	186,182	6,415,535	2,156,031
Total liabilities and deferred inflows of resources	24,084,977	21,982,303	9,542,927	10,110,986	33,627,904	32,093,289
<b>Net Position</b>						
Net investment in capital assets	7,774,631	7,627,913	57,849	103,445	7,832,480	7,731,358
Restricted	241,616	235,716	-	-	241,616	235,716
Unrestricted (deficit)	1,581,486	1,273,089	(4,249,368)	(3,924,720)	(2,667,882)	(2,651,631)
Total net position	\$ 9,597,733	\$ 9,136,718	\$ (4,191,519)	\$ (3,821,275)	\$ 5,406,214	\$ 5,315,443

\* Effective July 1, 2024, the District adopted the provisions of GASB Statement No. 101, *Compensated Absences*. As a result of this change in accounting principle, it was not appropriate for the District to restate prior-period information for earlier periods than those presented in the basic financial statements. Therefore, information for the year ended June 30, 2024 was not restated. See Note 11 to the financial statements for further information.

At June 30, 2025, TDFPD can 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.

There was an increase of \$169,581 in net position reported in connection with TDFPD's business-type activities. Total business-type activity operating expenses were \$4,081,992 and total revenue including net transfers was \$4,251,573.

Tahoe Douglas Fire Protection District  
Management's Discussion and Analysis (Unaudited)  
Year Ended June 30, 2025

The most significant impact on the net position for both governmental activities and business-type activities is with respect to compensated absence valuation, pensions, and other post-employment benefits. Improving market performance and decreased wages has led to a decrease in the related liabilities, which can be seen by a change from \$28,310,419 to \$25,111,301 in total noncurrent liabilities. Of the \$25,111,301 in total noncurrent liabilities, the pension and other post-employment benefit liabilities constitute \$22,065,928 of that balance versus \$25,542,086 on June 30, 2024.

**Governmental Activities**

Governmental activities decreased TDFPD's net position by \$78,810, offset by an increase of \$169,581 in business-type activities (after transfers). Key elements of this increase are as follows:

	Changes in Net Position					
	Governmental Activities		Business-type Activities		Total	
	June 30		June 30		June 30	
	2025	2024	2025	2024	2025	2024
<b>Revenues</b>						
<u>Program revenues</u>						
Charges for services	\$ 7,558,243	\$ 5,193,792	\$ 603,379	\$ 672,741	\$ 8,161,622	\$ 5,866,533
Operating grants and contributions	441,140	611,688	-	-	441,140	611,688
Capital grants and contributions	2,350	298,745	-	-	2,350	298,745
<u>General revenues</u>						
Ad valorem taxes	5,640,692	5,240,614	2,574,707	2,392,090	8,215,399	7,632,704
Consolidated tax	6,174,338	5,963,774	-	-	6,174,338	5,963,774
Interest income	415,490	144,108	49,619	7,878	465,109	151,986
Gain on sale of assets	40,224	-	-	-	40,224	-
Miscellaneous revenue	867,213	446,463	373,868	407,667	1,241,081	854,130
Total revenues	<u>21,139,690</u>	<u>17,899,184</u>	<u>3,601,573</u>	<u>3,480,376</u>	<u>24,741,263</u>	<u>21,379,560</u>
<b>Expenses</b>						
Public safety	20,568,500	18,036,873	-	-	20,568,500	18,036,873
Ambulance	-	-	4,081,992	4,367,446	4,081,992	4,367,446
Total expenses	<u>20,568,500</u>	<u>18,036,873</u>	<u>4,081,992</u>	<u>4,367,446</u>	<u>24,650,492</u>	<u>22,404,319</u>
<b>Transfers</b>	<u>(650,000)</u>	<u>-</u>	<u>650,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	<u>(78,810)</u>	<u>(137,689)</u>	<u>169,581</u>	<u>(887,070)</u>	<u>90,771</u>	<u>(1,024,759)</u>
Net position - July 1, As Originally Reported	9,136,718	9,274,407	(3,821,275)	(2,934,205)	5,315,443	6,340,202
Adjustments (Note 11)	<u>539,825</u>	<u>-</u>	<u>(539,825)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net position - July 1, As Restated	<u>9,676,543</u>	<u>-</u>	<u>(4,361,100)</u>	<u>-</u>	<u>5,315,443</u>	<u>-</u>
Net position - June 30	<u>\$ 9,597,733</u>	<u>\$ 9,136,718</u>	<u>\$ (4,191,519)</u>	<u>\$ (3,821,275)</u>	<u>\$ 5,406,214</u>	<u>\$ 5,315,443</u>

**Revenue by Source**

The two major revenue sources for the governmental activities are ad valorem taxes of \$5,640,692 and consolidated taxes (CTX) of \$6,174,338. We can expect ad valorem growth to remain steady moving forward. CTX is dependent on various sales and use taxes within the County and dependent on economic conditions. The actual CTX amounts received in the last three (3) 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 budgeted twenty-two Firefighter/Paramedics to the ambulance fund, which requires an ad valorem tax rate of 20 cents for fiscal year 2024/2025.

The 2024/2025 Ambulance Enterprise Fund budget reported budgeted user fees of \$600,000. Actual user fees for the fiscal year ended June 30, 2025, were \$603,379. \$2,574,707 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, 2025. The Fund also received miscellaneous revenue of \$373,868 and transfers in from the governmental funds of \$850,000.

**Revenue – Ambulance Fund**

	Fiscal Years Ended June 30,		Difference
	2025	2024	
Ad valorem taxes	\$ 2,574,707	\$ 2,392,090	\$ 182,617
Fee income (net of discount, allowances and bad debt)	603,379	672,741	(69,362)
Investment income	49,619	7,878	41,741
Other income	373,868	407,667	(33,799)
Transfer in from General Fund	850,000	300,000	550,000
<b>Total revenue and transfers in</b>	<b>\$ 4,451,573</b>	<b>\$ 3,780,376</b>	<b>\$ 671,197</b>

Fee income for business-type activities decreased by 10%. Total Fund Revenue increased by \$671,197, due to a larger transfer from the General Fund than in previous years and an increase in ad valorem taxes.

**Expenses – Ambulance Fund**

Total expenses and transfers were \$4,281,992 for the fiscal year ended June 30, 2025. Operating transfers of \$200,000 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, 2025, were \$3,734,146. 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 \$293,226 and depreciation expense was \$54,620.

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 2025	Actual Fiscal Year 2024	Difference
	Salaries and wages, benefits	\$ 3,734,146	
Transfer to Health Insurance Fund	200,000	300,000	(100,000)
Services and supplies	293,226	226,510	66,716
Depreciation	54,620	54,618	2
<b>Total expenses and transfers out</b>	<b>\$ 4,281,992</b>	<b>\$ 4,667,446</b>	<b>\$ (385,454)</b>

Business-type activities had an increase in net position of \$169,581.

**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 \$11,963,670, an increase of \$364,480 over the prior year.

Of the total fund balance, approximately 94% percent is assigned to non-spendable and specific expenses, and the remaining 6% or \$740,643 is unassigned and is available for spending at the Board's discretion.

The TDFPD's General Fund ending fund balance increased by \$169,733 during the current fiscal year, which is approximately 2% 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 \$(4,191,519). The total net increase in net position (deficit) was \$169,581.

**General Fund Budgetary Highlights**

The District experienced a decrease in state projections for CTX of \$1,205. Projecting revenue and future year budgeting must consider the last three years of decreased CTX revenue.

The General Fund (budgetary basis) was under budget on total expenditures by \$1,135,805. Overall, the change in fund balance exceeded the budgeted change in fund balance by \$3,270,893. The District's budget to actual of the General Fund (budgetary basis) is located on page 58 of this report.

**Capital Asset and Debt Administration**

Capital Assets – TDFPD's investment in capital assets for its governmental fund and business type activities as of June 30, 2025 amounts to \$7,832,480 (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, 2025 and June 30, 2024:

	2025	2024
Ambulance motor vehicle equipment	\$ 508	\$ 31,609
Ambulance machinery and equipment in progress	57,341	71,836
Fire Safe motor vehicle equipment	977,352	445,220
Fire Safe machinery and equipment in progress	536,416	166,734
Fire Safe land	82,822	82,822
Fire Safe facility building and building improvements	1,032,297	1,055,897
Land	90,395	90,395
Buildings and building improvement	1,323,132	1,324,407
Firefighting vehicles	1,431,995	1,004,081
Motor vehicle equipment	1,512,181	2,588,542
Fire boat, lift launch, and related construction in progress	696,117	772,062
Furniture and fixtures	91,924	97,753
Total capital assets	\$ 7,832,480	\$ 7,731,358

**Capital Asset and Debt Administration – continued**

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

M1125 Build out	\$	9,024
STATION 23 GENERATOR SWITCH		11,257
STATION 21 EXTERIOR PAINTING		14,548
STATION 22 WATER LINE		14,725
STATIONS 24 & 25 SEAL COATING		11,400
STATION 23 EPOXY FLOOR CVRG		16,455
WT0224 WATER TENDER		21,349
MAR0522 REP LOWER DRIVE		6,481
TR1124 DUMP TRLR & ACCESS		12,147
STATION 22 TREADMILL		4,870
EXTRACTION EQUIP		6,299
L0104 PUMP REPLACEMENT		66,405
E0706 REFURBISHED		268,961
EOD 0309		13,340
B0624 Fire vehicle BUILDOUT		574,899
VR		12,370
Station 21 pellaton		3,706
High pressure pump		6,304
		6,304
		\$ 1,074,540

Additional information on TDFPD's capital assets can be found on Note 4 on pages 39-40 of this report.

**Long-Term Debt**

At the end of the current fiscal year, the TDFPD had no bonded debt outstanding. Information about long-term liabilities for compensated absences can be found in Note 5 to the financial statements.

**Economic Factors and Future Budgets**

- Due to the current economic environment, the State has increased their projections in CTX revenue compared to last year's projections, however, based on three years of CTX underperforming the District needs to monitor.
- The increase in NVPERS contributions beginning July 1, 2025, of 8.75% to 58.75% for firefighters and 3.25% to 36.75% for regular members will have a significant impact on salaries, wages, and benefits in the General, Sick Leave, Fire Safe Community, and Ambulance funds.
- Negotiations for a new Collective Bargaining Agreement will need to be considered for future budgets.
- 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 liability will be paid by distributions taken from the Post Retirement Trust investment account maintained by the State of Nevada RBIF.
- 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.

- The development of a Health Insurance Benefit Fund will require additional budgeting and financial record keeping for the District in fiscal year 2026.

Many of these factors were in effect and considered in preparing TDFPD's 2025 budget. All these factors will be considered in preparing TDFPD's budget for the 2026 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, 2025

	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
Cash and investments	\$ 8,864,686	\$ 1,772,752	\$ 10,637,438
Accounts receivable (net of allowance for uncollectible amounts of \$645,645)	-	159,948	159,948
Taxes receivable	1,369,823	12,172	1,381,995
Grant receivables	39,467	-	39,467
Other receivables	4,665,003	-	4,665,003
Prepays	1,405	-	1,405
Capital assets, not being depreciated	293,301	9,024	302,325
Capital assets, being depreciated	7,481,330	48,825	7,530,155
Net OPEB asset - District Plan	2,096,286	-	2,096,286
Total assets	<u>24,811,301</u>	<u>2,002,721</u>	<u>26,814,022</u>
<b>Deferred Outflows of Resources</b>			
Net pension - related amounts	7,545,770	3,348,687	10,894,457
OPEB - related amounts	1,325,639	-	1,325,639
Total deferred outflows of resources	<u>8,871,409</u>	<u>3,348,687</u>	<u>12,220,096</u>
<b>Total Assets and Deferred Outflows of Resources</b>	<u>33,682,710</u>	<u>5,351,408</u>	<u>39,034,118</u>
<b>Liabilities</b>			
Accounts payable	851,680	70,573	922,253
Accrued payroll and benefits	939,058	170,539	1,109,597
Deposits	490	-	490
Claims payable	68,728	-	68,728
<b>Noncurrent liabilities</b>			
Net pension liability	14,613,573	7,373,367	21,986,940
Net OPEB liability - PEBP	78,988	-	78,988
<b>Compensated absences</b>			
Due within one year	903,009	218,741	1,121,750
Due in more than one year	1,548,516	375,107	1,923,623
Total liabilities	<u>19,004,042</u>	<u>8,208,327</u>	<u>27,212,369</u>
<b>Deferred Inflows of Resources</b>			
Net pension - related amounts	3,007,323	1,334,600	4,341,923
OPEB - related amounts	2,073,612	-	2,073,612
Total deferred inflows of resources	<u>5,080,935</u>	<u>1,334,600</u>	<u>6,415,535</u>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<u>24,084,977</u>	<u>9,542,927</u>	<u>33,627,904</u>
<b>Net Position</b>			
Net investment in capital assets	7,774,631	57,849	7,832,480
Restricted	241,616	-	241,616
Unrestricted (deficit)	1,581,486	(4,249,368)	(2,667,882)
Total net position	<u>\$ 9,597,733</u>	<u>\$ (4,191,519)</u>	<u>\$ 5,406,214</u>

Tahoe Douglas Fire Protection District  
Statement of Activities  
Year Ended June 30, 2025

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	\$ 20,568,500	\$ 7,558,243	\$ 441,140	\$ 2,350	\$ (12,566,767)	\$ -	\$ (12,566,767)
Business-type Activities							
Ambulance	4,081,992	603,379	-	-	-	(3,478,613)	(3,478,613)
Total primary government	<u>\$ 24,650,492</u>	<u>\$ 8,161,622</u>	<u>\$ 441,140</u>	<u>\$ 2,350</u>	<u>(12,566,767)</u>	<u>(3,478,613)</u>	<u>(16,045,380)</u>
General Revenues							
Ad valorem taxes					5,640,692	2,574,707	8,215,399
Unrestricted intergovernmental revenues - consolidated taxes					6,174,338	-	6,174,338
Unrestricted investment income					415,490	49,619	465,109
Gain on sale of assets					40,224	-	40,224
Miscellaneous revenue					867,213	373,868	1,241,081
Transfers					(650,000)	650,000	-
Total general revenues					<u>12,487,957</u>	<u>3,648,194</u>	<u>16,136,151</u>
Change in Net Position					<u>(78,810)</u>	<u>169,581</u>	<u>90,771</u>
Net Position (Deficit), Beginning of Year, as Originally Reported					9,136,718	(3,821,275)	5,315,443
Adjustments (Note 11)					<u>539,825</u>	<u>(539,825)</u>	<u>-</u>
Net Position (Deficit), Beginning of Year, as Restated					<u>9,676,543</u>	<u>(4,361,100)</u>	<u>5,315,443</u>
Net Position (Deficit), End of Year					<u>\$ 9,597,733</u>	<u>\$ (4,191,519)</u>	<u>\$ 5,406,214</u>

Tahoe Douglas Fire Protection District  
Balance Sheet – Governmental Funds  
June 30, 2025

	General (GAAP Basis)	Capital Projects	Sick Leave Reserve	Special Services	Fire Safe Community Service	Fire Flow Initiative	Aviation Fund	Total Governmental Funds
<b>Assets</b>								
Cash and investments	\$ 6,362,124	\$ 984,283	\$ 414,189	\$ 246,110	\$ 387,087	\$ 229,277	241,616	\$ 8,864,686
Receivables								
Taxes receivable	1,364,953	1,216	609	-	3,045	-	-	1,369,823
Grant receivables	-	-	-	-	39,467	-	-	39,467
Other receivables	1,610,202	-	-	17,590	3,037,211	-	-	4,665,003
Prepaid items	745	-	-	-	660	-	-	1,405
<b>Total assets</b>	<b><u>\$ 9,338,024</u></b>	<b><u>\$ 985,499</u></b>	<b><u>\$ 414,798</u></b>	<b><u>\$ 263,700</u></b>	<b><u>\$ 3,467,470</u></b>	<b><u>\$ 229,277</u></b>	<b><u>\$ 241,616</u></b>	<b><u>\$ 14,940,384</u></b>
<b>Liabilities</b>								
Accounts payable	\$ 663,589	\$ 12,446	\$ -	\$ 6,049	\$ 169,572	\$ 24	\$ -	\$ 851,680
Deposits	490	-	-	-	-	-	-	490
Accrued payroll and benefits	488,489	-	-	-	450,569	-	-	939,058
Claims payable	68,728	-	-	-	-	-	-	68,728
<b>Total liabilities</b>	<b><u>1,221,296</u></b>	<b><u>12,446</u></b>	<b><u>-</u></b>	<b><u>6,049</u></b>	<b><u>620,141</u></b>	<b><u>24</u></b>	<b><u>-</u></b>	<b><u>1,859,956</u></b>
<b>Deferred Inflows of Resources</b>								
Unavailable revenue	194,279	-	-	11,590	910,889	-	-	1,116,758
<b>Fund Balances</b>								
Nonspendable	745	-	-	-	660	-	-	1,405
Restricted	-	-	-	-	-	-	241,616	241,616
Committed	-	-	414,798	246,061	1,935,780	229,253	-	2,825,892
Assigned	7,181,061	973,053	-	-	-	-	-	8,154,114
Unassigned	740,643	-	-	-	-	-	-	740,643
<b>Total fund balances</b>	<b><u>7,922,449</u></b>	<b><u>973,053</u></b>	<b><u>414,798</u></b>	<b><u>246,061</u></b>	<b><u>1,936,440</u></b>	<b><u>229,253</u></b>	<b><u>241,616</u></b>	<b><u>11,963,670</u></b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b><u>\$ 9,338,024</u></b>	<b><u>\$ 985,499</u></b>	<b><u>\$ 414,798</u></b>	<b><u>\$ 263,700</u></b>	<b><u>\$ 3,467,470</u></b>	<b><u>\$ 229,277</u></b>	<b><u>\$ 241,616</u></b>	<b><u>\$ 14,940,384</u></b>

Tahoe Douglas Fire Protection District  
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position  
June 30, 2025

---

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

Total fund balances - total governmental funds		\$ 11,963,670
Capital assets used in governmental activities are not financial resources, and, therefore, are not reported in the funds.		
Governmental capital assets	\$ 17,792,910	
Less accumulated depreciation	<u>(10,018,279)</u>	7,774,631
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	2,096,286	
Net OPEB liability - PEBP	(78,988)	
Compensated absences payable	(2,451,525)	
Net pension liability	<u>(14,613,573)</u>	(15,047,800)
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	7,545,770	
Deferred outflows of resources related to OPEB	1,325,639	
Deferred inflows of resources related to pensions	(3,007,323)	
Deferred inflows of resources related to OPEB	<u>(2,073,612)</u>	3,790,474
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>1,116,758</u>
Net position of governmental activities		<u>\$ 9,597,733</u>

Tahoe Douglas Fire Protection District  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds  
Year Ended June 30, 2025

	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	\$ 4,610,483	\$ 257,140	\$ 128,982	\$ -	\$ 644,087	\$ -	\$ -	\$ 5,640,692
Intergovernmental								
Consolidated tax	6,174,338	-	-	-	-	-	-	6,174,338
Plan check fee	612,290	-	-	-	-	-	-	612,290
Grants	-	-	-	109,990	316,547	-	-	426,537
Contracts and strike team	1,959,075	-	-	29,500	4,860,840	-	-	6,849,415
Local contributions	-	-	-	14,603	-	-	2,350	16,953
Investment income	295,533	51,038	11,026	-	37,749	16,540	3,604	415,490
Other income	214,092	-	-	3,460	649,661	-	-	867,213
Total revenues	<u>13,865,811</u>	<u>308,178</u>	<u>140,008</u>	<u>157,553</u>	<u>6,508,884</u>	<u>16,540</u>	<u>5,954</u>	<u>21,002,928</u>
Expenditures								
Current - public safety								
Salaries and wages	6,330,578	-	39,569	-	4,039,539	-	-	10,409,686
Employee benefits	4,787,854	-	-	-	1,068,446	-	-	5,856,300
Services and supplies	1,971,087	-	-	55,666	682,258	12	54	2,709,077
Capital outlay	26,136	999,402	-	-	17,017	27,830	-	1,070,385
Total expenditures	<u>13,115,655</u>	<u>999,402</u>	<u>39,569</u>	<u>55,666</u>	<u>5,807,260</u>	<u>27,842</u>	<u>54</u>	<u>20,045,448</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>750,156</u>	<u>(691,224)</u>	<u>100,439</u>	<u>101,887</u>	<u>701,624</u>	<u>(11,302)</u>	<u>5,900</u>	<u>957,480</u>
Other Financing Sources (Uses)								
Proceeds from sale of equipment	-	57,000	-	-	-	-	-	57,000
Transfers in	627,910	350,000	-	8,333	-	-	-	986,243
Transfers out	(1,208,333)	-	-	-	(427,910)	-	-	(1,636,243)
Total other financing sources (uses)	<u>(580,423)</u>	<u>407,000</u>	<u>-</u>	<u>8,333</u>	<u>(427,910)</u>	<u>-</u>	<u>-</u>	<u>(593,000)</u>
Net Change in Fund Balance	169,733	(284,224)	100,439	110,220	273,714	(11,302)	5,900	364,480
Fund Balance, Beginning 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>
Fund Balance, End of Year	<u>\$ 7,922,449</u>	<u>\$ 973,053</u>	<u>\$ 414,798</u>	<u>\$ 246,061</u>	<u>\$ 1,936,440</u>	<u>\$ 229,253</u>	<u>\$ 241,616</u>	<u>\$ 11,963,670</u>

See Notes to Financial Statements

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, 2025

---

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

Net change in fund balance - total governmental funds	\$	364,480
<p>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.</p>		
Expenditures for capital assets	\$ 1,065,516	
Loss on disposition of capital assets	(16,776)	
Current year depreciation	<u>(902,022)</u>	
		146,718
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.</p>		
Change in unavailable revenue		96,538
<p>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.</p>		
Change in compensated absences payable		(223,017)
<p>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.</p>		
District pension contributions	1,369,654	
District pension income (expense)	(1,886,804)	
Change in net OPEB asset and liability	214,429	
Change in deferred outflows of resources - OPEB related	194,716	
Change in deferred inflows of resources - OPEB related	<u>(355,524)</u>	
		<u>(463,529)</u>
Change in net position of governmental activities	\$	<u><u>(78,810)</u></u>

Tahoe Douglas Fire Protection District  
Statement of Net Position – Ambulance Fund  
June 30, 2025

Assets	
Current assets	
Cash and investments	\$ 1,772,752
Accounts receivable (net of allowance for uncollectible amounts of \$645,645)	159,948
Taxes receivable	<u>12,172</u>
Total current assets	<u>1,944,872</u>
Equipment	
Construction in progress	9,024
Motor vehicles	1,028,762
Other equipment	<u>679,596</u>
	1,717,382
Less accumulated depreciation	<u>(1,659,533)</u>
Equipment, net	<u>57,849</u>
Total assets	<u>2,002,721</u>
Deferred Outflows of Resources	
Net pension - related amounts	<u>3,348,687</u>
Liabilities	
Current liabilities	
Accounts payable	70,573
Accrued payroll	170,539
Compensated absences	<u>218,741</u>
Total current liabilities	<u>459,853</u>
Noncurrent liabilities	
Compensated absences	375,107
Net pension liability	<u>7,373,367</u>
Total liabilities	<u>8,208,327</u>
Deferred Inflows of Resources	
Net pension - related amounts	<u>1,334,600</u>
Net Position	
Net investment in capital assets	57,849
Unrestricted (deficit)	<u>(4,249,368)</u>
Total net position (deficit)	<u><u>\$ (4,191,519)</u></u>

Tahoe Douglas Fire Protection District  
Statement of Revenues, Expenses, and Changes in Net Position – Ambulance Fund  
Year Ended June 30, 2025

---

Operating Revenues	
Charges for services (net of discounts and bad debt)	<u>\$ 603,379</u>
Operating Expenses	
Salaries and wages	2,607,456
Employee benefits	1,126,690
Services and supplies	293,226
Depreciation	<u>54,620</u>
Total operating expenses	<u>4,081,992</u>
Operating Loss	<u>(3,478,613)</u>
Non-operating Revenues	
Ad valorem taxes	2,574,707
Investment income	49,619
Other income	<u>373,868</u>
Total non-operating revenues	<u>2,998,194</u>
Income Before Transfers	<u>(480,419)</u>
Transfers In (Out)	
Operating transfers in	850,000
Operating transfers out	<u>(200,000)</u>
Total transfers	<u>650,000</u>
Change in Net Position	<u>169,581</u>
Net Position (Deficit), Beginning of Year, as Originally Reported	(3,821,275)
Adjustments (Note 11)	<u>(539,825)</u>
Net Position (Deficit), Beginning of Year, as Restated	<u>(4,361,100)</u>
Net Position (Deficit), End of Year	<u><u>\$ (4,191,519)</u></u>

Tahoe Douglas Fire Protection District  
Statement of Cash Flows – Ambulance Fund  
Year Ended June 30, 2025

Operating Activities	
Cash received from customers	\$ 769,917
Cash received from others	373,868
Cash paid to suppliers for goods and services	(309,665)
Cash paid to employees for salaries and benefits	<u>(3,409,966)</u>
Net Cash used for Operating Activities	<u>(2,575,846)</u>
Noncapital Financing Activities	
Cash from ad valorem taxes	2,566,350
Transfers from other funds	850,000
Transfers to other funds	<u>(200,000)</u>
Net Cash from Noncapital Financing Activities	<u>3,216,350</u>
Capital and Related Financing Activities	
Purchases of equipment	<u>(9,024)</u>
Investing Activities	
Investment income	<u>49,619</u>
Net Change in Cash	681,099
Cash, Beginning of Year	<u>1,091,653</u>
Cash, End of Year	<u><u>\$ 1,772,752</u></u>
Reconciliation of Operating Income (Loss) to Net Cash from (used for) Operating Activities	
Operating loss	<u>\$ (3,478,613)</u>
Adjustments to reconcile operating loss to net cash from (used for) operating activities	
Depreciation	54,620
Other income	373,868
Changes in assets and liabilities	
Accounts receivable	166,538
Accounts payable	(16,439)
Accrued payroll	40,655
Compensated absences	54,023
Pension related amounts	<u>229,502</u>
Total Adjustments	<u>902,767</u>
Net Cash used for Operating Activities	<u><u>\$ (2,575,846)</u></u>

Tahoe Douglas Fire Protection District  
Statement of Fiduciary Net Position  
June 30, 2025

---

	<u>Post-Retirement Plan &amp; Trust</u>
Assets	
Cash and investments	\$ 15,759,714
Receivables	<u>11,691</u>
Total assets	<u>\$ 15,771,405</u>
Liabilities	
Benefits payable	<u>\$ 75,128</u>
Net position restricted for postemployment benefits other than pensions	<u>\$ 15,696,277</u>

Tahoe Douglas Fire Protection District  
Statement of Changes in Fiduciary Net Position  
Year Ended June 30, 2025

---

	Post-Retirement Plan & Trust
Additions	
Insurance reimbursements	\$ 84,366
Investment income	
Net increase in fair value of investments	1,407,035
Interest and dividends	390,755
Less investment expense	(4,163)
Total investment income	1,793,627
Total additions	1,877,993
Deductions	
Benefit payments	392,902
Administrative expenses	57,484
Total deductions	450,386
Change in Net Position	1,427,607
Net Position, Beginning of Year	14,268,670
Net Position, End of Year	\$ 15,696,277

**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, 2024.

**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	10 - 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, 2025.

## 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, sick pay and compensated time benefits. In accordance with GASB Statement No. 101, the District recognizes liabilities for the compensated absences that are attributable to services already rendered and that accumulate and vest or are expected to vest.

District employees earn vacation and other leave benefits that may either be taken as time off or paid upon request or separation from employment in accordance with District personnel policies and applicable collective bargaining agreements. The District recognizes a liability for leave benefits that meet the criteria for accrual under GASB Statement No. 101.

The liability for compensated absences is calculated based on the pay rates in effect at the financial statement date and includes salary-related payments that are directly and incrementally associated with payments for leave, such as the employer's share of payroll taxes.

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.

### Adoption of New Standard

As of July 1, 2024, the District adopted GASB Statement No. 101, *Compensated Absences*. The provisions of this standard modernize the types of leave that are considered a compensated absence and provides guidance for a consistent recognition and measurement of the compensated absence liability. The effect of the implementation of this standard on beginning net position is disclosed in Note 11.

### 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 – The Ambulance Fund has a deficit net position of \$4,191,519 at June 30, 2025. In addition, a change in net position was budgeted at a loss of \$679,371 while the Ambulance Fund had a deficit beginning net position.

### Note 3 - Cash and Investments

A summary schedule of cash and investments for the District at June 30, 2025 is as follows:

Governmental funds	\$ 8,864,686
Proprietary fund	1,772,752
Fiduciary fund	15,759,714
	<hr/>
	\$ 26,397,152
	<hr/> <hr/>

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, 2025 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 11.9%. 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.

# Tahoe Douglas Fire Protection District

Notes to Financial Statements

June 30, 2025

As of June 30, 2025, the Tahoe Douglas Fire Protection District had the following cash and investments:

Cash	\$	<u>989,052</u>
Investments		
Negotiable Certificates of Deposit		920,313
Municipal Bonds		380,175
U.S Treasury Bonds		69,804
Exchange Traded Funds		242,537
Local Government Investment Pool (LGIP)		8,226,520
Retirement Benefits Investment Fund (RBIF)		<u>15,568,751</u>
Total investments		<u>25,408,100</u>
Total cash and investments	\$	<u><u>26,397,152</u></u>

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, 2025, the District’s investments had the following maturities:

	<u>Fair Value</u>	Investment Maturities in Years			
		<u>Less than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>10 +</u>
Investments					
Negotiable Certificates of Deposit	\$ 920,313	\$ 225,099	\$ 695,214	\$ -	\$ -
Municipal Bonds	380,175	-	-	101,003	279,172
U.S. Treasury Bonds	<u>69,804</u>	<u>-</u>	<u>-</u>	<u>69,804</u>	<u>-</u>
	1,370,292	<u>\$ 225,099</u>	<u>\$ 695,214</u>	<u>\$ 170,807</u>	<u>\$ 279,172</u>
Exchange Traded Funds	242,537				
LGIP*	8,226,520				
RBIF	<u>15,568,751</u>				
Total Investments	<u>\$ 25,408,100</u>				

\*Represents an average weighted maturity of 49.5 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, 2025 were rated by Standard and Poor’s and the ratings for the portfolio are as follows:

	Credit Quality Ratings					
	Fair Value	Long-term Rating				
		AAA	AA+	AA	AA-	A
Municipal Bonds	\$ 380,175	\$ 47,792	\$ 30,278	\$ 189,837	\$ 79,197	\$ 33,071

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, 2025, the District had the following recurring fair value measurements:

Instruments by Fair Value Level	Fair Value	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Negotiable Certificates of Deposit	\$ 920,313	\$ -	\$ 920,313	\$ -
Municipal Bonds	380,175	-	380,175	-
U.S. Treasury Bonds	69,804	-	69,804	-
Exchange Traded Funds	242,537	242,537	-	-
Total investment measured fair value	1,612,829	\$ 242,537	\$ 1,370,292	\$ -
LGIP	8,226,520			
RBIF	15,568,751			
	\$ 25,408,100			

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, 2025, was as follows:

	Balance July 1, 2024	Increases	Decreases	Balance June 30, 2025
Governmental activities				
Nondepreciable assets				
Land	\$ 173,217	\$ -	\$ -	\$ 173,217
Construction in progress	593,998	49,413	(523,327)	120,084
Total nondepreciable assets	<u>767,215</u>	<u>49,413</u>	<u>(523,327)</u>	<u>293,301</u>
Depreciable assets				
Building and improvements	4,455,659	231,758	-	4,687,417
Firefighting vehicles	3,502,586	610,271	(152,528)	3,960,329
Motor vehicles and equipment	6,830,641	687,392	-	7,518,033
Furniture and fixtures	719,922	10,009	-	729,931
Fire boat and lift launch	603,899	-	-	603,899
Total depreciable assets	<u>16,112,707</u>	<u>1,539,430</u>	<u>(152,528)</u>	<u>17,499,609</u>
Less accumulated depreciation				
Building and improvements	(2,324,400)	(95,512)	-	(2,419,912)
Firefighting vehicles	(2,521,826)	(142,580)	135,752	(2,528,654)
Motor vehicles and equipment	(3,757,017)	(588,784)	-	(4,345,801)
Furniture and fixtures	(632,967)	(14,756)	-	(647,723)
Fire boat and lift launch	(15,799)	(60,390)	-	(76,189)
	<u>(9,252,009)</u>	<u>(902,022)</u>	<u>135,752</u>	<u>(10,018,279)</u>
Capital assets being depreciated, net	<u>6,860,698</u>	<u>637,408</u>	<u>(16,776)</u>	<u>7,481,330</u>
Governmental activities capital assets, net	<u>\$ 7,627,913</u>	<u>\$ 686,821</u>	<u>\$ (540,103)</u>	<u>\$ 7,774,631</u>

The increase in accumulated depreciation for governmental activities includes depreciation expense of \$902,022 charged to the public safety function.

Tahoe Douglas Fire Protection District

Notes to Financial Statements

June 30, 2025

Capital asset activity for business-type activities for the year ended June 30, 2025, was as follows:

	Balance July 1, 2024	Increases	Decreases	Balance June 30, 2025
Business-type activities				
Nondepreciable assets				
Construction in progress	\$ -	\$ 9,024	\$ -	\$ 9,024
Depreciable assets				
Motor vehicles	1,028,763	-	-	1,028,763
Other equipment	679,594	-	-	679,594
	1,708,357	-	-	1,708,357
Less accumulated depreciation				
Motor vehicles	(997,154)	(31,101)	-	(1,028,255)
Other equipment	(607,758)	(23,519)	-	(631,277)
	(1,604,912)	(54,620)	-	(1,659,532)
Capital assets being depreciated, net	103,445	(54,620)	-	48,825
Business-type activities capital assets, net	\$ 103,445	\$ (45,596)	\$ -	\$ 57,849

The increase in accumulated depreciation for business-type activities includes depreciation expense of \$54,620 charged to the ambulance function.

**Note 5 - Long-Term Liabilities**

The District does not have any general obligation bonds outstanding as of June 30, 2025. Long-term liability activity for the year ended June 30, 2025, was as follows for governmental activities and business-type activities:

	July 1, 2024 As Restated	Net Change	June 30, 2025	Due in One Year
Governmental				
Compensated absences	\$ 2,228,508	\$ 223,017	\$ 2,451,525	\$ 903,009
Business-Type				
Compensated absences	539,825	54,023	593,848	218,741
Total	\$ 2,768,333	\$ 277,040	\$ 3,045,373	\$ 1,121,750

Compensated absences were restated as more fully described in Note 11 to the financial statements for the adoption of GASB 101. The net effect of the change was for the business-type activities to recognize \$539,825 in beginning compensated absences with the governmental activities showing an equal decrease of \$539,825.

**Note 6 - Interfund Activity**

Interfund transfers for the year ended June 30, 2025, consisted of the following:

Transfers Out	Transfers In				Total
	General Fund	Capital Projects Fund	Special Services Fund	Proprietary (Ambulance Fund)	
General Fund	\$ -	\$ 350,000	\$ 8,333	\$ 850,000	\$ 1,208,333
Fire Safe Community Service Fund	427,910	-	-	-	427,910
Proprietary (Ambulance Fund)	200,000	-	-	-	200,000
	<u>\$ 627,910</u>	<u>\$ 350,000</u>	<u>\$ 8,333</u>	<u>\$ 850,000</u>	<u>\$ 1,836,243</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, 2025:

	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	-	-	-	-	-	-	241,616	241,616
Committed for								
Employee benefits	-	-	414,798	-	-	-	-	414,798
Non-fire services	-	-	-	246,061	-	-	-	246,061
Fuels management	-	-	-	-	1,935,780	-	-	1,935,780
Fire flow initiative	-	-	-	-	-	229,253	-	229,253
Total committed	-	-	414,798	246,061	1,935,780	229,253	-	2,825,892
Assigned for								
Subsequent budget's shortfall	3,255,701	-	-	-	-	-	-	3,255,701
Capital projects	-	973,053	-	-	-	-	-	973,053
Employee benefits	3,925,360	-	-	-	-	-	-	3,925,360
Total assigned	7,181,061	973,053	-	-	-	-	-	8,154,114
Unassigned	740,643	-	-	-	-	-	-	740,643
Total fund balances	<u>\$ 7,922,449</u>	<u>\$ 973,053</u>	<u>\$ 414,798</u>	<u>\$ 246,061</u>	<u>\$ 1,936,440</u>	<u>\$ 229,253</u>	<u>\$ 241,616</u>	<u>\$ 11,963,670</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 years ended June 30, 2025 and 2024; the rate was 50.00% for Police/Fire.

The District's contributions were \$1,977,484 for the year ended June 30, 2025.

#### *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, 2024:

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%	2.25%
Private Markets	12%	7.15%

As of June 30, 2024, PERS' long-term inflation assumption was 2.50%.

#### *Net Pension Liability*

At June 30, 2025, the District reported a liability for its proportionate share of the net pension liability of \$21,986,940. The net pension liability was measured as of , 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, 2024 the District's proportion was 0.12169%, which is a decrease of .01778% from the proportion measured as of June 30, 2023.

#### *Pension Liability Discount Rate Sensitivity*

The following presents the net pension liability of the District as of June 30, 2025, 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	\$ 35,357,665	\$ 21,986,940	\$ 10,955,950

#### *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 , 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, 2024 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 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, 2024. 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, 2024.

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

For the year ended June 30, 2025, the District recognized pension expense of \$2,725,841. At June 30, 2025, 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	\$ 4,664,451	\$ -
Changes of assumptions	1,418,735	-
Net difference between projected and actual earnings on investments	-	2,165,997
Changes in proportion and difference between actual contributions and proportionate share of contributions	2,833,787	2,175,926
Contributions subsequent to the measurement date	1,977,484	-
	<u>\$ 10,894,457</u>	<u>\$ 4,341,923</u>

Deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date in the amount of \$1,977,484 will be recognized as a reduction of the net pension liability in the year ending June 30, 2026.

The average of the expected remaining service lives of all employees that are provided with pensions through PERS (active and inactive employees) is 5.64 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>	
2026	\$ 970,745
2027	3,242,352
2028	472,817
2029	(177,728)
2030	66,864

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](http://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, 2025, 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:

Years of District Service	% of Employee Cost Paid	% of Spouse Cost Paid
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:

Years of District Service	% of Employee Cost Paid	% of Spouse Cost Paid
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 was \$499.

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, 2024 measurement date, the following employees were covered by the benefit terms:

	<u>District Plan</u>	<u>PEBP Plan</u>
Active employees	81	-
Retirees enrolled in the District Plan	52	-
Retirees enrolled in PEBP	-	5
	<u>133</u>	<u>5</u>

*OPEB Liability or Asset*

The District’s Plan net OPEB asset was measured as of December 31, 2024, 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, 2024, 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	4.08%	6.35%
Healthcare cost trend rate	Pre-Medicare: 6.5%, declining to 3.9%	6.5%, 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 morality 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	44.50%
International stocks	18.50%
U.S. bonds	34.00%
Private markets	3.00%

The discount rate used to measure the total OPEB liability was 6.35% 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 4.08% 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 Bond Buyer General Obligation 20-Bond Municipal Bond Index.

*Significant Changes in Assumptions*

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

- The Discount Rate was changed from 6.5% as of December 31, 2023, to 6.35% as of December 31, 2024, reflecting the updated blended discount rate which uses the published change in return for the applicable municipal bond index and the Actuarially Determined Contribution percentage averaged over the most recent 5-year period.

Tahoe Douglas Fire Protection District

Notes to Financial Statements

June 30, 2025

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

- The Municipal Bond Index was updated from the Fidelity 20 Year AA General Obligation Municipal Bond Index to the Bond Buyer General Obligation 20-Bond Municipal Bond Index.
- The Discount Rate changed from 3.77% as of December 31, 2023, to 4.08% as of December 31, 2024, based on the published change in return for the applicable municipal bond index.

*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, 2024				
<i>Measurement Date December 31, 2023</i>	\$ 12,380,300	\$ 14,268,670	\$ (1,888,370)	\$ 85,501
Changes for the year:				
Service costs	515,872	-	515,872	-
Interest	826,072	-	826,072	-
Benefit payments	(374,747)	(374,747)	-	(7,640)
Employer contributions	-	17,034	(17,034)	-
Retiree contributions in	-	2,246	(2,246)	-
Retiree contributions out	-	(2,246)	2,246	-
Expected investment income	-	915,568	(915,568)	-
Investment experience	-	878,059	(878,059)	-
Plan experience	-	-	-	3,079
Changes in assumptions or other inputs	252,494	-	252,494	(1,952)
Administrative expense	-	(8,307)	8,307	-
Net changes	1,219,691	1,427,607	(207,916)	(6,513)
Balance at June 30, 2025				
<i>Measurement Date December 31, 2024</i>	\$ 13,599,991	\$ 15,696,277	\$ (2,096,286)	\$ 78,988

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, 2025

*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>\$ (201,732)</u>	<u>\$ (2,096,286)</u>	<u>\$ (3,645,257)</u>
PEBP Total OPEB Liability	<u>\$ 85,611</u>	<u>\$ 78,988</u>	<u>\$ 73,250</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>\$ (3,800,450)</u>	<u>\$ (2,096,286)</u>	<u>\$ 41,751</u>
PEBP Total OPEB Liability	<u>\$ 73,319</u>	<u>\$ 78,988</u>	<u>\$ 85,412</u>

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

For the year ended June 30, 2025, the District recognized OPEB expense for the District Plan of \$151,698 and for the PEBP Plan of \$1,127, which was a total expense of \$152,825. At June 30, 2025, 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	\$ 910,081	\$ -
Differences between expected and actual experience	229,975	1,428,192
Net difference between projected and actual earnings on investments	-	645,420
Contributions subsequent to the measurement date	181,756	-
PEBP		
Contributions subsequent to the measurement date	<u>3,827</u>	<u>-</u>
Total	<u>\$ 1,325,639</u>	<u>\$ 2,073,612</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
2026	\$ 88,664
2027	(184,151)
2028	452,808
2029	196,600
2030	20,989
Thereafter	358,646

**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.

Tahoe Douglas Fire Protection District

Notes to Financial Statements

June 30, 2025

The District elected a self-insured medical, dental, and vision plan during the year ended June 30, 2025. The changes in balances of claims liabilities are as follows for the General Fund:

	Balance July 1, 2023	Claims and Estimates	Payments	Balance June 30, 2024
Claims Payable - Group Insurance	\$ -	\$ 449,900	\$ (383,551)	\$ 66,349
	Balance July 1, 2024	Claims and Estimates	Payments	Balance June 30, 2025
Claims Payable - Group Insurance	\$ 66,349	\$ 334,128	\$ (331,749)	\$ 68,728

The claims payable is recorded in the General Fund as they are all due within one year and expected to be liquidated from current economic resources.

The Trust also recognizes benefits payable, which includes self-insured medical, dental, and vision, similar to the District, as well as other payables for health savings account/health reimbursement arrangement fees. The changes in balances of benefits liabilities are as follows for the Trust:

	Balance July 1, 2023	Claims and Estimates	Payments	Balance June 30, 2024
Benefits Payable	\$ -	\$ 352,155	\$ (39,918)	\$ 312,237
	Balance July 1, 2024	Claims and Estimates	Payments	Balance June 30, 2025
Benefits Payable	\$ 312,237	\$ 226,001	\$ (463,110)	\$ 75,128

The benefits payable included \$24,982 and \$31,153 as of June 30, 2025, respectively for health savings account/health reimbursement arrangement fees.

**Note 11 - Restatement**

The District implemented GASB Statement No. 101, Compensated Absences. The provisions of this standard modernize the types of leave that are considered a compensated absence and provide guidance for a consistent recognition and measurement of the compensated absence liability.

Tahoe Douglas Fire Protection District

Notes to Financial Statements

June 30, 2025

The impact to beginning net position for the year ended June 30, 2025, was as follows:

	Net Position Beginning of Year, as originally reported	Implementation of New Standard	Net Position Beginning of Year as originally reported
Government-Wide			
Governmental Activities	\$ 9,136,718	\$ 539,825	\$ 9,676,543
Business-type Activities	<u>(3,821,275)</u>	<u>(539,825)</u>	<u>(4,361,100)</u>
Total Primary Government	<u>\$ 5,315,443</u>	<u>\$ -</u>	<u>\$ 5,315,443</u>
Proprietary Funds			
Major Fund: Ambulance Fund	<u>\$ (3,821,275)</u>	<u>\$ (539,825)</u>	<u>\$ (4,361,100)</u>

**Note 12 - Subsequent Events**

On November 19, 2025, the District entered into a new Collective Bargaining Agreement with the Local 2441 International Association of Firefighters. Expected impact is an increase in expenditures of approximately \$1.2 million per year.

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, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Taxes				
Ad valorem	\$ 4,422,660	\$ 4,422,660	\$ 4,610,483	\$ 187,823
Intergovernmental				
Consolidated tax	6,175,543	6,175,543	6,174,338	(1,205)
Plan check fee	100,000	400,000	612,290	212,290
Contracts and strike team	250,000	636,590	1,959,075	1,322,485
Investment income	10,000	10,000	117,936	107,936
Other income	100,000	100,000	214,092	114,092
<b>Total revenues</b>	<b>11,058,203</b>	<b>11,744,793</b>	<b>13,688,214</b>	<b>1,943,421</b>
<b>Expenditures</b>				
Current - public safety				
Salaries and wages	6,210,144	6,960,144	6,330,578	629,566
Employee benefits	3,424,753	3,774,753	3,649,491	125,262
Services and supplies	1,553,000	1,853,000	1,610,887	242,113
Capital outlay	165,000	165,000	26,136	138,864
<b>Total expenditures</b>	<b>11,352,897</b>	<b>12,752,897</b>	<b>11,617,092</b>	<b>1,135,805</b>
Excess (Deficiency) of Revenues Over Expenditures	(294,694)	(1,008,104)	2,071,122	3,079,226
<b>Other Financing Sources (Uses)</b>				
Contingency	(150,000)	(150,000)	-	150,000
Transfers out	(1,750,000)	(1,750,000)	(1,708,333)	41,667
<b>Total other financing     sources (uses)</b>	<b>(1,900,000)</b>	<b>(1,900,000)</b>	<b>(1,708,333)</b>	<b>191,667</b>
Net Change in Fund Balance	(2,194,694)	(2,908,104)	362,789	3,270,893
Fund Balance, Beginning of Year	2,920,890	3,634,300	3,634,300	-
Fund Balance, End of Year	<u>\$ 726,196</u>	<u>\$ 726,196</u>	<u>\$ 3,997,089</u>	<u>\$ 3,270,893</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, 2025

	General Fund (Budgetary Basis)	Health Insurance Reserve Fund (Internally Reported)	Eliminations	General Fund (GAAP Basis)
<b>Revenues</b>				
Taxes				
Ad valorem	\$ 4,610,483	\$ -	\$ -	\$ 4,610,483
Intergovernmental				
Consolidated tax	6,174,338	-	-	6,174,338
Plan check fee	612,290	-	-	612,290
Contracts and strike team	1,959,075	-	-	1,959,075
Investment income	117,936	177,597	-	295,533
Other income	214,092	-	-	214,092
<b>Total revenues</b>	<b>13,688,214</b>	<b>177,597</b>	<b>-</b>	<b>13,865,811</b>
<b>Expenditures</b>				
Current - public safety				
Salaries and wages	6,330,578	-	-	6,330,578
Employee benefits	3,649,491	1,138,363	-	4,787,854
Services and supplies	1,610,887	360,200	-	1,971,087
Capital outlay	26,136	-	-	26,136
<b>Total expenditures</b>	<b>11,617,092</b>	<b>1,498,563</b>	<b>-</b>	<b>13,115,655</b>
Excess (Deficiency) of Revenues Over Expenditures	2,071,122	(1,320,966)	-	750,156
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	1,127,910	(500,000)	627,910
Transfers out	(1,708,333)	-	500,000	(1,208,333)
<b>Total other financing     sources (uses)</b>	<b>(1,708,333)</b>	<b>1,127,910</b>	<b>-</b>	<b>(580,423)</b>
Net Change in Fund Balance	362,789	(193,056)	-	169,733
Fund Balance, Beginning of Year	3,634,300	4,118,416	-	7,752,716
Fund Balance, End of Year	<u>\$ 3,997,089</u>	<u>\$ 3,925,360</u>	<u>\$ -</u>	<u>\$ 7,922,449</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, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes				
Ad valorem	\$ 123,503	\$ 123,503	\$ 128,982	\$ 5,479
Investment income	-	-	11,026	11,026
Total revenues	<u>123,503</u>	<u>123,503</u>	<u>140,008</u>	<u>16,505</u>
Expenditures				
Current - public safety				
Salaries and wages	<u>175,000</u>	<u>249,689</u>	<u>39,569</u>	<u>210,120</u>
Excess (Deficiency) of Revenues Over Expenditures	(51,497)	(126,186)	100,439	226,625
Fund Balance, Beginning of Year	<u>239,670</u>	<u>314,359</u>	<u>314,359</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 188,173</u></u>	<u><u>\$ 188,173</u></u>	<u><u>\$ 414,798</u></u>	<u><u>\$ 226,625</u></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, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Contracts	\$ 29,000	\$ 29,000	\$ 29,500	\$ 500
Grants	45,000	45,000	109,990	64,990
Local contributions	5,000	5,000	14,603	9,603
Other income	3,000	3,000	3,460	460
Total revenues	<u>82,000</u>	<u>82,000</u>	<u>157,553</u>	<u>75,553</u>
Expenditures				
Current - public safety				
Services and supplies	100,000	100,000	55,666	44,334
Capital outlay	95,000	95,000	-	95,000
Total expenditures	<u>195,000</u>	<u>195,000</u>	<u>55,666</u>	<u>139,334</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(113,000)</u>	<u>(113,000)</u>	<u>101,887</u>	<u>214,887</u>
Other Financing Sources (Uses)				
Transfers in	50,000	50,000	8,333	(41,667)
Net Change in Fund Balance	(63,000)	(63,000)	110,220	173,220
Fund Balance, Beginning of Year	<u>137,913</u>	<u>137,913</u>	<u>135,841</u>	<u>(2,072)</u>
Fund Balance, End of Year	<u>\$ 74,913</u>	<u>\$ 74,913</u>	<u>\$ 246,061</u>	<u>\$ 171,148</u>

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, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Taxes				
Ad valorem	\$ 617,517	\$ 617,517	\$ 644,087	\$ 26,570
Grants	225,000	225,000	316,547	91,547
Contracts and strike team	4,500,000	5,869,391	4,860,840	(1,008,551)
Fuels Management	400,000	400,000	631,380	231,380
Investment income	-	-	37,749	37,749
Other income	25,000	25,000	18,281	(6,719)
<b>Total revenues</b>	<b>5,767,517</b>	<b>7,136,908</b>	<b>6,508,884</b>	<b>(628,024)</b>
<b>Expenditures</b>				
Current - public safety				
Salaries and wages	3,434,428	5,034,428	4,039,539	994,889
Employee benefits	1,637,182	2,337,182	1,068,446	1,268,736
Services and supplies	444,600	744,600	682,258	62,342
Capital outlay	40,000	140,000	17,017	122,983
<b>Total expenditures</b>	<b>5,556,210</b>	<b>8,256,210</b>	<b>5,807,260</b>	<b>2,448,950</b>
Excess (Deficiency) of Revenues Over Expenditures	211,307	(1,119,302)	701,624	1,820,926
<b>Other Financing Sources (Uses)</b>				
Transfers out	(250,000)	(250,000)	(427,910)	177,910
Net Change in Fund Balance	(38,693)	(1,369,302)	273,714	1,998,836
Fund Balance, Beginning of Year	332,117	1,662,726	1,662,726	-
Fund Balance, End of Year	<u>\$ 293,424</u>	<u>\$ 293,424</u>	<u>\$ 1,936,440</u>	<u>\$ 1,998,836</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, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Fees and donations	\$ 75,000	\$ 75,000	\$ -	\$ (75,000)
Investment income	-	-	16,540	16,540
Total revenues	<u>75,000</u>	<u>75,000</u>	<u>16,540</u>	<u>(58,460)</u>
Expenditures				
Current - public safety				
Services and supplies	10,200	10,200	12	10,188
Capital outlay	<u>320,000</u>	<u>320,000</u>	<u>27,830</u>	<u>292,170</u>
Total expenditures	<u>330,200</u>	<u>330,200</u>	<u>27,842</u>	<u>302,358</u>
Net Change in Fund Balance	(255,200)	(255,200)	(11,302)	243,898
Fund Balance, Beginning of Year	<u>262,848</u>	<u>262,848</u>	<u>240,555</u>	<u>(22,293)</u>
Fund Balance, End of Year	<u>\$ 7,648</u>	<u>\$ 7,648</u>	<u>\$ 229,253</u>	<u>\$ 221,605</u>

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, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Contracts	\$ 250,000	\$ 250,000	\$ -	\$ (250,000)
Other income	250,000	250,000	-	(250,000)
Investment income	100	100	3,604	3,504
Local contributions	7,000,000	7,000,000	2,350	(6,997,650)
Total revenues	<u>7,500,100</u>	<u>7,500,100</u>	<u>5,954</u>	<u>(7,494,146)</u>
<b>Expenditures</b>				
Current - public safety				
Salaries and wages	150,000	150,000	-	150,000
Employee benefits	102,000	102,000	-	102,000
Services and supplies	451,600	451,600	54	451,546
Capital outlay	<u>3,500,000</u>	<u>3,500,000</u>	<u>-</u>	<u>3,500,000</u>
Total expenditures	<u>4,203,600</u>	<u>4,203,600</u>	<u>54</u>	<u>4,203,546</u>
Net Change in Fund Balance	3,296,500	3,296,500	5,900	(3,290,600)
Fund Balance, Beginning of Year	<u>231,006</u>	<u>231,006</u>	<u>235,716</u>	<u>4,710</u>
Fund Balance, End of Year	<u>\$ 3,527,506</u>	<u>\$ 3,527,506</u>	<u>\$ 241,616</u>	<u>\$ (3,285,890)</u>

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

	2024	2023	2022	2021	2020	2019	2018	2017
District Plan:								
Total OPEB Liability								
Service cost	\$ 515,872	\$ 415,154	\$ 403,060	\$ 305,865	\$ 296,956	\$ 277,767	\$ 267,084	\$ 256,812
Interest	826,072	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	252,494	132,564	-	327,380	-	1,221,602	-	-
Benefit payments	(374,747)	(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	1,219,691	(820,413)	487,393	1,089,463	370,441	830,283	255,618	210,907
Total OPEB liability-beginning	12,380,300	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>\$ 13,599,991</u>	<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	\$ (374,747)	\$ (752,728)	\$ (556,518)	\$ (547,079)	\$ (524,863)	\$ (602,084)	\$ (582,821)	\$ (577,988)
Employer contributions	17,034	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	2,246	29,149	28,117	30,896	26,683	23,500	23,811	-
Retiree contributions out	(2,246)	(29,149)	(28,117)	(30,896)	(26,683)	(23,500)	(23,811)	-
Expected investment income	915,568	804,463	980,706	898,531	817,379	766,267	803,995	643,113
Investment experience	878,059	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	(8,307)	(75,369)	(30,195)	(37,699)	(45,821)	(32,246)	(26,859)	(16,445)
Net change in plan fiduciary net position	1,427,607	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	14,268,670	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>\$ 15,696,277</u>	<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>\$ (2,096,286)</u>	<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	115.4%	115.3%	96.6%	121.0%	117.9%	110.9%	98.0%	105.2%
Covered-employee payroll	\$ 9,002,227	\$ 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	-23.3%	-30.8%	8.5%	-52.1%	-44.5%	-29.1%	5.4%	-12.8%

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
PEBP Plan:								
Total OPEB Liability								
Interest	\$ 3,079	\$ 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	(1,952)	1,893	(17,499)	(14,560)	10,380	34,243	(4,024)	5,407
Benefit payments	(7,640)	(7,620)	(7,079)	(13,083)	(14,231)	(14,552)	(13,089)	(11,920)
Net change in total OPEB liability	(6,513)	1,312	(22,677)	(42,617)	62	31,404	(12,993)	(1,684)
Total OPEB liability-beginning	85,501	84,189	106,866	149,483	149,421	118,017	131,010	132,694
Total OPEB liability-ending (a)	<u>\$ 78,988</u>	<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\*

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
District Plan:								
Actuarially determined contribution	\$ 450,866	\$ 177,910	\$ 205,152	\$ 272,446	\$ 243,043	\$ 239,197	\$ 450,350	\$ 432,127
Contributions in relation to the actuarially determined contribution	<u>181,756</u>	<u>-</u>	<u>185,964</u>	<u>146,881</u>	<u>147,539</u>	<u>502,211</u>	<u>950,635</u>	<u>775,697</u>
Contribution (deficiency) excess	<u><u>\$ (269,110)</u></u>	<u><u>\$ (177,910)</u></u>	<u><u>\$ (19,188)</u></u>	<u><u>\$ (125,565)</u></u>	<u><u>\$ (95,504)</u></u>	<u><u>\$ 263,014</u></u>	<u><u>\$ 500,285</u></u>	<u><u>\$ 343,570</u></u>
Covered-employee payroll	\$ 11,130,889	\$ 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	1.63%	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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's portion of net the pension liability	0.12169%	0.13947%	12.06900%	0.10375%	0.09903%	0.10179%	0.10453%	0.10435%	0.10335%	0.08504%
District's proportionate share of the net pension liability	\$ 21,986,940	\$ 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
District'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	\$ 8,286,196
District's proportional share of the net pension liability as a percentage of its covered payroll	288.33%	324.05%	369.91%	175.56%	269.84%	273.67%	283.55%	328.16%	331.97%	117.60%
Plan fiduciary net position as a percentage of the total pension liability	78.11%	76.16%	75.12%	86.51%	77.04%	76.46%	75.24%	74.42%	72.23%	75.13%

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily required contribution*	\$ 1,977,484	\$ 1,748,248	\$ 1,614,527	\$ 1,329,222	\$ 1,086,110	\$ 1,032,892	\$ 979,877	\$ 969,761	\$ 876,216	\$ 811,228
Contributions in relation to the statutorily required contribution	<u>\$ (1,977,484)</u>	<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>
Contribution (deficiency) excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>					
Employer's covered payroll	\$ 8,286,196	\$ 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
Contributions as a percentage of covered payroll	23.86%	22.93%	20.55%	20.77%	20.15%	20.21%	19.32%	19.29%	20.72%	19.36%

\*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	N/A; the plan is not being funded through a trust
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	6.35 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):

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
District Plan:						
Investment rate of return	6.50%	6.50%	6.50%	6.50%	6.70%	6.70%
Discount rate	6.35%	6.50%	6.50%	6.50%	6.70%	6.70%
Mortality	2021 NV PERS	2021 NV PERS	2021 NV PERS	2021 NV PERS	2019 NV PERS	2019 NV PERS
Mortality improvement	MW Scale 2022	MW Scale 2022	MW Scale 2022	MW Scale 2022	MW Scale 2020	MW Scale 2020
Salary increase rate	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Healthcare cost trends	6.5% - 3.9%	6.5% - 3.9%	5.8% - 3.9%	5.8% - 3.9%	5.4% - 4.0%	5.4% - 4.0%
General inflation	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Amortization method	Level % of Pay 30 yr open					
PEBP:						
Discount rate	4.08%	3.77%	4.05%	1.84%	2.00%	2.75%
Demographic assumptions	MW Scale 2022	MW Scale 2022	MW Scale 2022	MW Scale 2022	MW Scale 2020	MW Scale 2020
Healthcare cost trends	6.5% - 3.9%	6.5% - 3.9%	6.0% - 3.9%	6.0% - 3.9%	5.4% - 4.0%	5.4% - 4.0%
General inflation	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%

**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>2021-2024</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, 2025

# 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, 2025

	General Fund (Budgetary Basis)	Health Insurance Reserve Fund (Internally Reported)	Eliminations	General Fund (GAAP Basis)
<b>Assets</b>				
Cash and investments	\$ 2,364,214	\$ 3,997,910	\$ -	\$ 6,362,124
Receivables				
Taxes receivable	1,364,953	-	-	1,364,953
Other receivables	1,610,202	-	-	1,610,202
Prepaid expenses	745	-	-	745
<b>Total assets</b>	<b>\$ 5,340,114</b>	<b>\$ 3,997,910</b>	<b>\$ -</b>	<b>\$ 9,338,024</b>
<b>Liabilities</b>				
Accounts payable	\$ 663,589	\$ -	\$ -	\$ 663,589
Deposits	-	490	-	490
Accrued payroll and benefits	485,157	3,332	-	488,489
Claims payable	-	68,728	-	68,728
<b>Total liabilities</b>	<b>1,148,746</b>	<b>72,550</b>	<b>-</b>	<b>1,221,296</b>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue	194,279	-	-	194,279
<b>Fund Balances</b>				
Nonspendable	745	-	-	745
Assigned	3,255,701	3,925,360	-	7,181,061
Unassigned	740,643	-	-	740,643
<b>Total fund balances</b>	<b>3,997,089</b>	<b>3,925,360</b>	<b>-</b>	<b>7,922,449</b>
<b>Total Liabilities, deferred inflows of resources, and Fund Balances</b>	<b>\$ 5,340,114</b>	<b>\$ 3,997,910</b>	<b>\$ -</b>	<b>\$ 9,338,024</b>

Tahoe Douglas Fire Protection District  
 Balance Sheet – Internally Reported (Budgetary Basis) – Health Insurance Reserve Fund  
 June 30, 2025

---

Assets	
Cash and investments	<u>\$ 3,997,910</u>
Liabilities	
Deposits	\$ 490
Accrued payroll and benefits	3,332
Claims payable	<u>68,728</u>
Total liabilities	<u>72,550</u>
Fund Balances	
Assigned	<u>3,925,360</u>
Total Liabilities and Fund Balances	<u>\$ 3,997,910</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, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Investment income	\$ 10,000	\$ 10,000	\$ 177,597	\$ 167,597
Expenditures				
Current - public safety				
Employee benefits	1,375,000	1,513,257	1,138,363	374,894
Services and supplies	175,000	350,000	360,200	(10,200)
Total expenditures	1,550,000	1,863,257	1,498,563	364,694
Excess (Deficiency) of Revenues Over Expenditures	(1,540,000)	(1,853,257)	(1,320,966)	532,291
Other Financing Sources				
Transfers in	950,000	950,000	1,127,910	177,910
Net Change in Fund Balance	(590,000)	(903,257)	(193,056)	710,201
Fund Balance, Beginning of Year	3,805,159	4,118,416	4,118,416	-
Fund Balance, End of Year	\$ 3,215,159	\$ 3,215,159	\$ 3,925,360	\$ 710,201

Tahoe Douglas Fire Protection District

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Capital Projects Fund  
Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes				
Ad valorem	\$ 247,007	\$ 247,007	\$ 257,140	\$ 10,133
Investment income	-	-	51,038	51,038
Total revenues	<u>247,007</u>	<u>247,007</u>	<u>308,178</u>	<u>61,171</u>
Expenditures				
Capital outlay	<u>1,465,000</u>	<u>1,465,000</u>	<u>999,402</u>	<u>465,598</u>
Excess (Deficiency) of Revenues Over Expenditures	(1,217,993)	(1,217,993)	(691,224)	526,769
Other Financing Sources				
Proceeds from sale of equipment	40,000	40,000	57,000	17,000
Transfers In	<u>350,000</u>	<u>350,000</u>	<u>350,000</u>	<u>-</u>
Net Change in Fund Balance	(827,993)	(827,993)	(284,224)	543,769
Fund Balance, Beginning of Year	<u>1,004,534</u>	<u>1,004,534</u>	<u>1,257,277</u>	<u>252,743</u>
Fund Balance, End of Year	<u>\$ 176,541</u>	<u>\$ 176,541</u>	<u>\$ 973,053</u>	<u>\$ 796,512</u>

Tahoe Douglas Fire Protection District

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

Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Operating Revenues				
Charges for services (net of discounts and bad debt)	\$ 600,000	\$ 600,000	\$ 603,379	\$ 3,379
Operating Expenses				
Salaries and wages	2,540,339	2,540,339	2,607,456	(67,117)
Employee benefits	1,670,502	1,670,502	1,126,690	543,812
Services and supplies	316,100	316,100	293,226	22,874
Depreciation	120,000	120,000	54,620	65,380
Total operating expenses	4,646,941	4,646,941	4,081,992	564,949
Operating Loss	(4,046,941)	(4,046,941)	(3,478,613)	568,328
Non-operating Revenues				
Ad valorem taxes	2,470,070	2,470,070	2,574,707	104,637
Other income	247,500	247,500	373,868	126,368
Investment income	-	-	49,619	49,619
Total non-operating revenues	2,717,570	2,717,570	2,998,194	280,624
Income (Loss) Before Transfers	(1,329,371)	(1,329,371)	(480,419)	848,952
Transfers In (Out)				
Transfers in	850,000	850,000	850,000	-
Transfers out	(200,000)	(200,000)	(200,000)	-
Total transfers	650,000	650,000	650,000	-
Change in Net Position	\$ (679,371)	\$ (679,371)	169,581	\$ 848,952
Net Position (Deficit), Beginning of Year			(3,821,275)	
Adjustment (Note 11)			(539,825)	
Net Position, Beginning of Year, as Restated			(4,361,100)	
Net Position (Deficit), End of Year			\$ (4,191,519)	

Tahoe Douglas Fire Protection District  
Schedule of Cash Flows – Budget and Actual – Ambulance Fund  
Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Operating Activities				
Cash received from customers	\$ 600,000	\$ 600,000	\$ 769,917	\$ 169,917
Cash received from others	-	-	373,868	373,868
Cash paid to suppliers for goods and services	(316,100)	(316,100)	(309,665)	6,435
Cash paid to employees for salaries and benefits	(4,210,841)	(4,210,841)	(3,409,966)	800,875
Net Cash used for Operating Activities	<u>(3,926,941)</u>	<u>(3,926,941)</u>	<u>(2,575,846)</u>	<u>1,351,095</u>
Noncapital Financing Activities				
Cash from ad valorem taxes	2,470,070	2,470,070	2,566,350	96,280
Other income	247,500	247,500	-	(247,500)
Transfers from other funds	850,000	850,000	850,000	-
Transfers to other funds	(200,000)	(200,000)	(200,000)	-
Net Cash from Noncapital Financing Activities	<u>3,367,570</u>	<u>3,367,570</u>	<u>3,216,350</u>	<u>(151,220)</u>
Capital and Related Financing Activities				
Purchases of equipment	(160,000)	(160,000)	(9,024)	150,976
Investing Activities				
Investment income	-	-	49,619	49,619
Net Change in Cash	(719,371)	(719,371)	681,099	1,400,470
Cash, Beginning of Year	781,710	781,710	1,091,653	309,943
Cash, End of Year	<u>\$ 62,339</u>	<u>\$ 62,339</u>	<u>\$ 1,772,752</u>	<u>\$ 1,710,413</u>

Compliance Section

For the Year Ended June 30, 2025

# 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, 2025, 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 24, 2026.

**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.

*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 District’s financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified certain deficiencies in internal control, described in the accompanying Schedule of Findings and Responses as items 2025-001, 2025-002, and 2025-003 that we consider to be material weaknesses.

## **Report on Compliance and Other Matters**

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

## **The District's Response to Findings**

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

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the 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.

Handwritten signature of Eric Sully LLP in cursive script.

Reno, Nevada  
March 24, 2026



## 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, 2025, 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.

### **Progress on Prior Year Statute Compliance**

The prior year statute compliance violation for the Ambulance Fund is reported again as a statute violation. However, progress was made on the self-insurance statute violation, and a new fund was created, effective for the year ended June 30, 2026.

### **Prior Year Recommendations**

Prior year financial statement items 2024-002, 2024-003, and 2024-006 were repeated in the current year as 2025-001, 2025-002, and 2025-003.

### **Current Year Recommendations**

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

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

Reno, Nevada  
March 24, 2026

**Section II – Financial Statement Findings:**

**2025-001: Financial Close and Reporting  
Material Weakness**

*Criteria:* Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. One of the key components of an effective system of internal control over financial reporting is having the capability to prepare full disclosure financial statements in accordance with generally accepted accounting principles (GAAP).

*Condition:* The District does not have an internal control system designed to provide for the preparation of the financial statements and related financial statement disclosures 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.

*Cause:* Due to a shortage of personnel with the ability to prepare full disclosure financial statements, the District has chosen to contract with Eide Bailly LLP to prepare its financial statements and related financial statement disclosures.

*Effect:* Internally prepared financial information may not be accurate and full disclosure financial statements may not be available as timely as they would be if prepared by District personnel.

*Recommendation:* 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.

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

**2025-002: 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 accurately and 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 or not recorded accurately.

- Grant income was not recorded in the proper period
- Strike team income was not recorded in the proper period.
- Strike team income and receivables were overstated.

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

*Effect:* Prior to adjustment, the Special Services Fund recognized strike team income of 11,590 in the current year and should have been deferred to a future period.

Prior to adjustment, the Fire Safety Community Fund strike team income and related receivables were overstated by \$150,523 for a duplicate billing.

Prior to adjustment, the Fire Safety Community Fund deferred strike team income of \$140,604 to a future period that should have been recognized in the current period.

General fund strike team income of \$29,564 is deferred to a future period and should have been recognized in the current fiscal year.

Fire Safety Community Fund grant revenue of \$39,438 is recognized in the current period and should be deferred to a future period.

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

*Views of Responsible  
Officials:*

Tahoe Douglas Fire Protection District agrees with this finding.

**2025-003: Self-Insurance Liabilities  
Material Weakness**

*Criteria:* Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. Ensuring self-insurance liabilities are appropriately stated is a key component of effective control over financial reporting.

*Condition:* Claims for self-insured benefits that are paid subsequent to year end are not recorded on the modified accrual or accrual basis of accounting. In addition, the prior year audit adjustment for claims was not recorded by the District to the prior year general ledger.

*Cause:* The District did not have adequate internal controls for ensuring payments after year end for claims incurred were recorded or estimated. In addition, opening balances were not reconciled to prior year ending balances.

*Effect:* Prior to adjustment, beginning net position of the OPEB trust fund was overstated by \$253,231; benefits payable was understated by \$30,167 in the District's OPEB Trust and \$2,379 in the General Fund for claims incurred and paid after year end.

*Recommendation:* We recommend District enhance internal controls to ensure payments after year end for claims incurred are recorded or estimated. In addition, we recommend the District enhance internal controls to ensure opening balances are reconciled to prior year ending balances.

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