Financial Statements
For the Year Ended June 30, 2025

North Lake Tahoe Fire Protection District

NORTH LAKE TAHOE FIRE PROTECTION DISTRICT, NEVADA
JUNE 30, 2025
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Independent Auditor's Report

To the Board of Directors
North Lake Tahoe Fire Protection District
Incline Village, 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 North Lake Tahoe 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 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 Note 12 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.

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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, schedule of revenues, expenditures, and changes in fund balances – budget and actual for the general fund, schedule of changes in the District's OPEB liability and related ratios, schedule of the District's contributions – OPEB, schedule of the District's proportionate share of net pension liability, schedule of the District's contributions – pension, 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, schedule of changes in the District's OPEB liability and related ratios, schedule of the District's contributions – OPEB, schedule of the District's proportionate share of net pension liability, schedule of the District's contributions – pension, 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 schedule of revenues, expenditures, and changes in fund balances – budget and actual for the general fund 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 schedule of revenues, expenditures, and changes in fund balances – budget and actual for the general fund 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 schedule of revenues, expenditures, and changes in fund balances – budget and actual for the general fund is fairly stated, in all material respects, in relation to the basic financial statements as a whole. The schedule of revenues, expenditures, and changes in fund balances for the general fund for the year ended June 30, 2024, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the 2024 financial statements. The information was subjected to the auditing procedures applied in the audit of the 2024 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedule of revenues, expenditures, and changes in fund balances for the general fund is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2024.

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 – budget and actual schedules and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the individual fund – budget and actual schedules and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the District as of and for the year ended June 30, 2024 (not presented herein), and have issued our report thereon dated March 27, 2025 which contained unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information. The individual fund schedules for the year ended June 30, 2024 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 related directly to the underlying accounting and other records used to prepare the 2024 financial statements. The information was subjected to the audit procedures applied in the audit of the 2024 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the individual fund schedules are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2024.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 16, 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.

Eide Bailly LLP

Reno, Nevada
March 16, 2026

NORTH LAKE TAHOE FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025

As management of the North Lake Tahoe Fire Protection District's (the District) finances, we offer readers of the District's financial statements this narrative overview and analysis of the District's financial activities for the year ended June 30, 2025.

FINANCIAL HIGHLIGHTS

The financial information presented in this report is essential as a financial scorecard for the activities of the District, but the numbers don't describe the community impact of the District. The underlying services provided by the District are as unique as the people, geography, and environment of the Incline Village and Crystal Bay communities we serve. The following are some financial and service highlights for the past year.

- Over the past five years, the District has shown consistent improvement in the Net Position; from a Net Deficit of $10,791,648 at the end of fiscal year 2021 to a Net Deficit of $4,531,324 at the end of fiscal year 2025. This is an improvement of $6,260,324, or 58%. Government entities often show net deficits due to the requirement to record future net pension liabilities. The improvement from fiscal year 2024 to fiscal year 2025 was $581,373, or 11%. The improvement was primarily driven by a decrease in public safety expenses, primarily related to FEMA grant expenses incurred in fiscal year 2024, and an increase in charges for services to other agencies. The charges for services to agencies can fluctuate due to the timing of receipts, if not received within 60 days of June 30 each year. We also experienced an increase in the net position due to a change in estimate related to the fiscal year 2021 settlement by the Washoe County Board of Commissioners to pay tax refunds to Incline Village/Crystal Bay residential property owners. Taxpayers' claims were required to be refunded by June 21, 2024. The estimate was $8,700,000, and total claims paid were $6,901,344, inclusive of interest. The change in estimate resulted in an increase to the net position in fiscal year 2024 of $1,798,656.

- The District maintains three fire stations dedicated to public safety and ambulance services. For the fiscal year 2025, the District responded to almost 2,000 calls, including 62 for fire, 1,108 for ambulance service, 95 hazardous conditions, and 716 calls for other various reasons. The revitalization of the Cal-Neva lodge in Crystal Bay, the Hyatt in Incline Village, and potential reconstruction of the Tahoe-Biltmore in Crystal Bay, will place increased demands, both actual and potential, on the District in future years. The District has also seen increases in fire inspection needs due to changing local government requirements and the increase in short-term rentals. Our Fire Prevention department had a total of 966 Fire Inspection Permits and other incident responses.

- An important activity of the District is our Fuels Management Division. This division is responsible for wildfire fighting efforts, combustible fuels mitigation, and wildfire defensible space initiatives in the community. Fiscal year 2025 saw some significant achievements from this Division.

- Our "Worm" wildfire mitigation program began this year in collaboration with BurnBot. BurnBot has a remote-controlled ground cover mastication machine used to create fire breaks. In phase 1, we utilized the BurnBot machine alongside our hand crews to create 63 acres of defensible space in the community. We also hosted a demonstration day with representatives from different insurance companies in attendance. Not only are we reducing the local wildfire risk but also potentially creating a positive impact on home insurance rates and/or availability.

- During Fiscal Year 2025, the NLTFPD proudly responded to approximately 136 wildland fire assignments, both local and out-of-area, reflecting the strength and dedication of our wildland program during an exceptionally active year. Our personnel mobilized to 32 engine assignments, 37 hand crew deployments, and 67 single-resource assignments, providing critical support across the region and western United States, when it mattered most. Notable incidents included the local Davis Creek and Callahan Ranch Fires, as well as the Palisades Fire in the Los Angeles area. All our wildfire mobilizations resulted in $4,826,929 in fire support reimbursements recognized in fiscal year 2025 to the District. This represented an increase of $2,205,185 or 84% over fiscal year 2024.

- Our ambulance service provides a vital lifeline to both residents and visitors within the community. Services range from responding to life-saving emergencies and providing interfacility medical transport to supporting community safety through standby emergency medical services at local events, including Incline High School athletic events and community celebrations such as the Fourth of July or the Polar Plunge.

  Despite its critical role, the service continues to face financial pressure due to limited revenue sources and rising operating costs. During fiscal year 2025, gross ambulance billings totaled $1,456,172. After Medicare and contractual insurance adjustments of $514,250 and uncollectible accounts of $191,374, net patient service revenue totaled $666,023.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components:

1. Government-wide financial statements.
2. Fund specific financial statements.
3. Notes to the financial statements.

This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with an overview of the District's finances in a manner similar to private sector business. The Statement of Net Position presents information on all of the District's assets and liabilities and deferred inflows and outflows of resources (as applicable), with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator as to whether the financial position of the District is improving or deteriorating.

The Statement of Activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (uncollected taxes, earned but unused vacation leave and other compensated absences, other post-employment benefits, and net pension-related items).

The government-wide financial statements show the public safety function of the District, which is principally supported by taxes and intergovernmental revenue (governmental activities) and can be found on pages 6 and 7. All governmental activities of the District are included in the public safety function and all business-type activities are included in Ambulance activities, a component of public safety (business-type activities) since the District is a single-purpose entity.

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

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

Because the focus of government funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the Governmental Funds Balance Sheet and the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

For the fiscal year ending June 30, 2025, the District maintained three individual governmental funds. Information is presented separately in the Governmental Funds Balance Sheet and the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, Debt Service Fund, and Capital Projects Fund. The basic governmental fund financial statements can be found on pages 8-11 of this report.

Proprietary Funds. The District maintains one proprietary fund (also an Enterprise Fund) to account for its ambulance operations. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide information for the Ambulance Fund, which is considered to be a major fund of the District. The enterprise fund data is shown elsewhere in the report. The basic proprietary fund financial statements can be found on pages 12-14 of this report.

Fiduciary Fund. The fiduciary fund is used to account for resources held for the benefit of retired employees of the District. The fiduciary fund is not included in the government-wide financial statements because the resources of the fund are not available to support the District's own programs. The fiduciary fund maintained by the District is a fiduciary component unit. The North Lake Tahoe Fire Protection District Post-Retirement Plan & Trust is required to be included in the District's basic financial statements because the District has a financial burden to make contributions to the Plan and the Plan is fiscally dependent on the District. The basic fiduciary fund financial statements can be found on pages 15-16 of this report.

The District adopts an annual budget for each of its funds, except the fiduciary fund. A budgetary comparison schedule has been provided for each fund to demonstrate compliance with the budget and can be found on pages 54-56.

Notes to the financial statements. These notes provide additional important details to help in understanding the information contained in the government-wide and fund financial statements. The notes can be found on pages 17-45 of this report.

***Other information*.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning budgetary comparison information, the District's progress in funding its obligation to provide post-employment benefits, and information on the District's share of the net pension liability for PERS, along with the information for the District's contributions to PERS. Required supplementary information can be found on pages 46-53 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Condensed versions of the Statement of Net Position as of June 30, 2025 and 2024 are presented below.

North Lake Tahoe Fire Protection District's Net Position

	Governmental Activities		Business-Type Activities		Total	
	2025	2024*	2025	2024*	2025	2024*
Current and other assets	$14,178,886	$11,836,541	$859,808	$926,533	$15,038,694	$12,763,074
Capital assets	5,302,780	5,991,773	1,164,653	931,211	6,467,433	6,922,984
Total assets	19,481,666	17,828,314	2,024,461	1,857,744	21,506,127	19,686,058
Deferred outflows of Resources	10,640,696	10,224,787	1,163,874	1,052,611	11,277,398	11,262,939
Noncurrent liabilities	28,697,958	30,035,513	3,675,643	3,731,091	32,045,087	33,766,604
Other liabilities	1,750,028	1,252,306	229,696	139,614	1,979,723	1,391,920
Total liabilities	30,447,986	31,287,819	3,905,339	3,870,705	34,353,325	35,158,524
Deferred inflows of Resources	3,134,928	889,399	353,768	28,230	3,488,696	917,629
Net assets:						
Net investment in capital assets	4,291,995	4,797,804	1,164,653	931,211	5,456,648	5,729,015
Restricted for:						
Debt service	163,247	77	-	-	163,247	77
Unrestricted (deficit)	(7,915,794)	(8,921,998)	(2,235,425)	(1,919,791)	(10,151,219)	(10,841,789)
Total Net Position (deficit)	($ 3,460,552)	($ 4,124,117)	($ 1,070,772)	($ 988,580)	($ 4,531,324)	($ 5,112,697)

*Effective July 1, 2024, the District adopted 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 12 to the financial statements for further information.

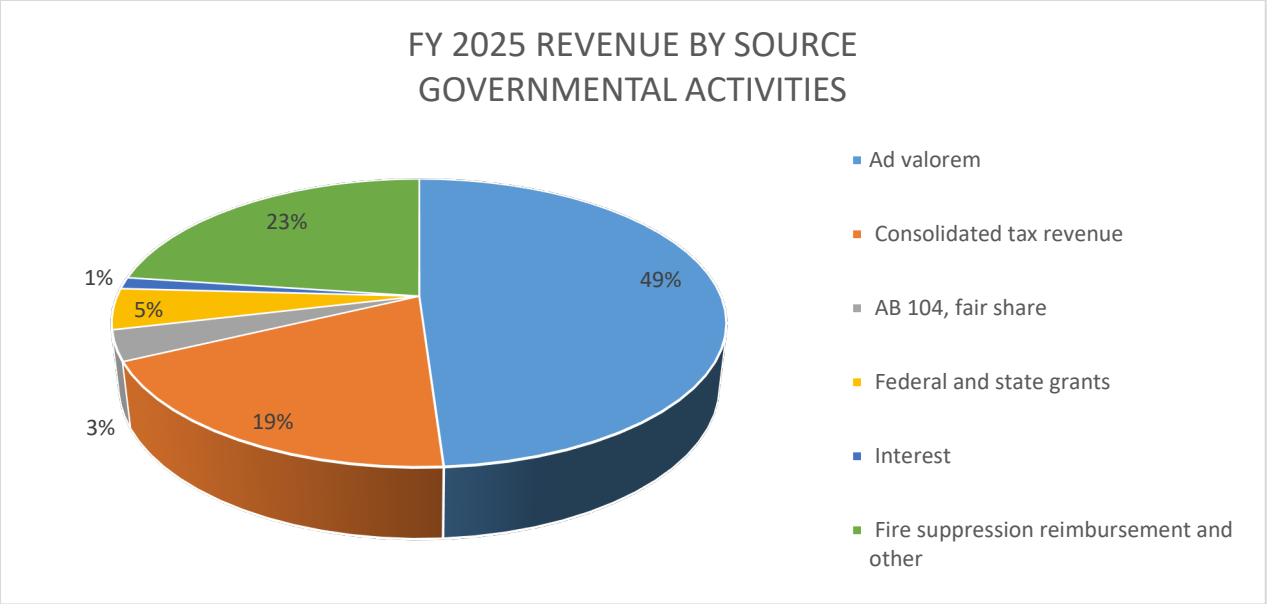
The Statement of Net Position presents information on all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. Although recognizing net pension liability-related amounts indicates a deterioration of the District's financial position, the reader should be aware that the liability relating to PERS is currently paid by the District as a portion of employees' salaries and benefits throughout each year. The District will not be required to pay this entire amount at one time unless unforeseen circumstances arise.

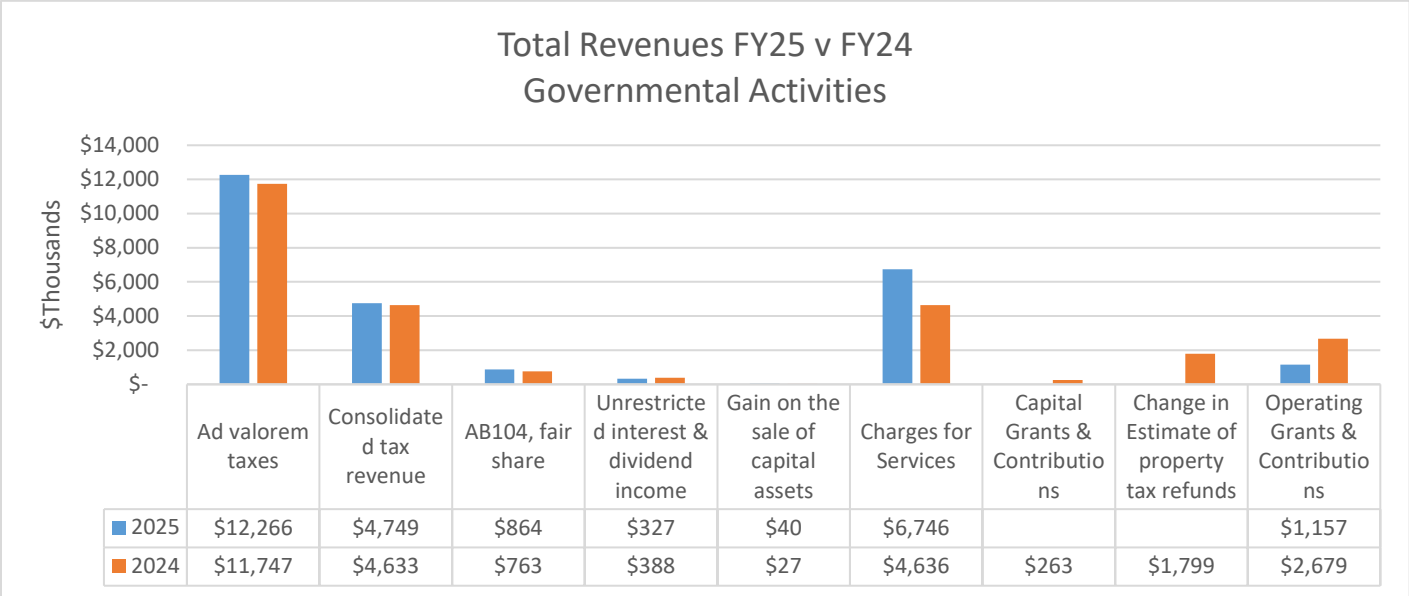
Current assets saw a significant increase of $2,275,620 due to an increase of $543,954 of cash held in the Ambulance Fund, as a combination of the GEMT settlement and the new Investment Sweep account. The General Fund had an increase of $1,135,966 in the Local Government Investment Pool. This increase was due to timing of revenue receipts from prior year fire reimbursements, as well as a delay in expected expenses and capital outlay.

Total liabilities decreased by ($805,199) or (2%). The decrease was driven by a reduction in Pension and Other Post-Employment obligations of ($1,816,960) or (6%). This reduction was countered by an increase in accounts payable & accrued liabilities of $334,429 or 273% and $263,457 or 21%, respectively. See Note 7 of the Notes to the Financial Statements for additional information.

North Lake Tahoe Fire Protection District's Change in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program revenues:						
Charges for services	$6,745,763	$4,635,935	$1,007,849	$849,649	$7,753,612	$5,485,584
Operating grants/contributions	1,156,987	2,678,867	-	-	1,156,987	2,678,867
Capital grants/contributions	-	263,262	-	139,679	-	402,941
General revenues:						
Property taxes	12,265,982	11,746,511	-	-	12,265,982	11,746,511
Consolidated taxes	4,748,770	4,633,314	-	-	4,748,770	4,633,314
Other taxes	864,260	763,433	-	-	864,260	763,433
Unrestricted interest & dividend income	326,557	387,655	43,440	8,495	369,997	396,150
Gain on sale of capital assets	39,509	26,550	-	40,000	39,509	66,550
Change in estimate of property tax refunds	-	1,798,655	-	-	-	1,798,655
Total Revenues	26,147,828	26,934,182	1,051,289	1,037,823	27,199,117	27,972,005
Expenses:						
Public Safety	23,186,333	24,339,401	-	-	23,186,333	24,339,401
Interest on long- term debt	30,066	42,499	-	-	30,066	42,499
Bond issuance costs	-	-	-	-	-	-
Ambulance services	-	-	3,057,352	2,880,389	3,057,352	2,880,389
Total expenses	23,216,399	24,441,900	3,057,352	2,880,389	26,273,751	27,322,289
Change in net position before transfers	2,931,429	2,492,282	(2,006,063)	(1,842,566)	925,366	649,716
Transfers	(1,938,068)	(1,628,127)	1,938,068	1,628,127	-	-
Change in net position	993,361	864,155	(67,995)	(214,439)	925,336	649,716
Net Position (deficit), Beginning of Year As Originally Reported	(4,124,117)	(4,988,272)	(988,580)	(774,141)	(5,112,697)	(5,762,413)
Adjustments (Note 12)	(329,796)		(14,197)		(343,993)	
Net Position (deficit), Beginning of Year, as Restated	(4,453,913)		(1,002,777)		(5,456,690)	
Net Position (deficit), End of Year	($3,460,552)	($4,124,117)	($1,070,772)	($988,580)	($4,531,324)	($5,112,697)





	Ad valorem taxes	Consolidated tax revenue	AB104, fair share	Unrestricted interest & dividend income	Gain on the sale of capital assets	Charges for Services	Capital Grants & Contributions	Change in Estimate of property tax refunds	Operating Grants & Contributions
2025	$12,266	$4,749	$864	$327	$40	$6,746			$1,157
2024	$11,747	$4,633	$763	$388	$27	$4,636	$263	$1,799	$2,679

The Statement of Activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

As such, revenues and expenses are reported in this Statement for some items that will only result in cash flows in future periods (e.g., uncollected taxes, earned but unused vacation leave and net pension related amounts). Total revenues decreased by ($772,888), or 3%. Gains in tax revenue of $735,754 or 4% and Charges for Services for governmental activities of $2,109,828 or 46% were offset by reductions in Grant Revenue ($1,521,880) or (57%) as we did not have any firefighter equipment grants in fiscal year 2025. As Grant revenue is tied to specific expenditures, reductions (or increases) have corresponding changes in expenses. Public Safety expenses were less by ($1,153,068) or (5%) due to reductions in overtime due to full staffing and reductions in out-of-area fire assignments for Operations employees.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

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

At the close of fiscal year 2025, the District's governmental funds had combined ending fund balances of $11,195,213, an increase of $805,665, or almost 8%, compared to the close of fiscal year 2024. $9,274,671 or 83% of the balance is unassigned. The improvement came from slight increases in revenues plus significant decreases in public safety and debt service expenditures. There was some offset due to the reduction of expenditures due to timing for capital outlay.

The General Fund saw an increase in the fund balance of $2,994,440 before the transfer of funds to other governmental funds of ($2,943,381) for a net increase of $51,059. The transfer of funds to the ambulance fund was $1,938,068.

The General Fund is the chief operating fund of the District, and as of June 30, 2025, the fund balance was $9,569,966. General Fund revenues were higher than the budget by 14.5%. This variance is due to an increase in property tax revenue, interest income, federal grant revenue for combustible fuels mitigation, as well as by the timing of receipts of Fire Suppression reimbursements. Salaries and wages and benefits were under budget by $2,883,952 due to budgeting conservatively for new or replacement positions, as well as overtime expenses for wildland fire responses, as well as associated compensated leave buyouts for employees or severances assumptions for retirees. Service and supplies expenditures were under budget by $592,100, primarily consisting of a savings of $60,556 for dispatch expenses, $95,739 in equipment supplies and $60,257 in training expenses due to timing of purchases and delays on product receipts, $63,466 in operational expenses, $116,371 in professional services as some services were brought in house, and $123,992 in vehicle repairs and maintenance.

Proprietary Funds. The accounting records for the Proprietary Funds are maintained on the accrual basis of accounting. Under this method, revenues are recognized at the time they are earned and expenses are recognized when the related liabilities are incurred. The measurement focus of these funds is economic resources, where the revenues derived from current operations are generally intended to provide those resources necessary to maintain continued delivery of such services in future periods.

The proprietary fund for the District is the Ambulance Fund, which accounts for the emergency medical services operations of the District. The Ambulance Fund Net Deficit increased slightly, by ($67,995), 7%, with the total income loss of ($2,006,063) offset by the subsidy from the General Fund of $1,938,068. The continued income loss which was $141,624 higher than fiscal year 2024 due to operating expenses exceeding revenues, specifically related to increases in salaries and wages and depreciation.

Additional revenue of $571,053 was received through the Ground Emergency Medical Transport (GEMT) program, $302,322 of which directly relates to the Ambulance Fund for fiscal year 2024 transports. We estimate the fiscal year 2025 cost settlement to be $418,882, of which $198,418 is allocated to the Ambulance Fund. This program provides supplemental funding to help public providers offset the gap between Medicaid reimbursement rates and the actual cost of providing ambulance services.

Operating expenses increased by $176,963, or 6.1%, compared to the prior fiscal year, primarily driven by increases in salaries and employee benefits. As a result of these financial pressures, the District provided a subsidy of $1,938,068 to support ambulance operations, resulting in a net deficit in the Ambulance Fund of ($1,070,772).

Fiduciary Fund. The activities of the Plan are reported in the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position. The net position of the fund at June 30, 2025 was $4,530,981. These amounts are restricted for post-employment health benefits. The increase of $1,134,761 over fiscal year 2024 was due to contributions by the current employees and the District to the plan in excess of benefits in the amount of $57,070 and $634,632, respectively. The plan also saw an increase in investment income of $443,059.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets: The District's capital assets at June 30, 2025 were $6,467,433 (net of accumulated depreciation/amortization). This investment in capital assets includes land, land improvements, buildings and improvements, and vehicles, equipment, and leased right-to-use assets. Capital assets decreased by $455,551, meaning the capital asset purchases were less than the capital asset disposals and depreciation expense. The more significant additions during the year ended June 30, 2025, related to the Ambulance Fund for $202,471 in equipment and $226,750 for a remounted Ambulance. The District also purchased an unmanned drone for $14,000 partially offset with grant funds, and two additional vehicles for $98,725, all accounted for in the governmental activities. The additions were offset by disposals and depreciation of ($964,049).

The Capital Projects Fund saw an increase in fund balance of $591,436 or 68%. Total capital outlay decreased by 71% over 2024 but also saw a reduction compared to the budget by ($1,456,609) due to timing issues of capital items not yet received. The majority of the reduction ($1,183,166) was the expected delivery of two Brush Trucks – Type 3 Engines, which will not be received until fiscal year 2027 due to supplier production demands. Information regarding capital assets can be found in Note 4 to the financial statements.

Long-term liabilities: At the end of the fiscal year, the District had total outstanding long-term liabilities of $32,373,601, including a net pension liability of $23,483,541, and the actuarially determined unfunded liability of other post-employment benefits of $5,452,548. Additional detailed information regarding long-term liabilities can be found in Note 5, Note 7 and Note 10.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

- The District relies primarily on two types of tax revenues. The first of these is ad valorem or property taxes and is directly affected by the assessed property tax values in Incline Village and Crystal Bay, Nevada. Property tax revenues are projected to rise for 2025-2026 as property values increased by 6.25% for the coming fiscal year. The District's property tax rate is .6480 for fiscal year 2024-2025, which is the same as last year's tax rate. We increased our tax rate to 0.6748 for fiscal year 2025-2026 for an estimated increase of $828,389.

- The second significant tax revenue for the District, the consolidated tax, consists primarily of sales taxes. For the year ended June 30, 2025, taxable sales in Washoe County increased by 2.5% over the previous fiscal year. The District continues to budget consolidated tax conservatively.

REQUESTS FOR INFORMATION

The financial report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Chief Financial Officer, 866 Oriole Way, Incline Village, Nevada 89451.

NORTH LAKE TAHOE FIRE PROTECTION DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2025

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	$ 10,756,411	$ 379,508	$ 11,135,919
Accounts receivable, net of allowance for bad debts	104,218	399,560	503,778
Property taxes receivable	59,796	-	59,796
Due from other governments	2,963,166	-	2,963,166
Inventory	4,373	-	4,373
Prepaid expense	290,922	80,740	371,662
Capital assets:			
Capital assets, not being depreciated	1,019,283	30,588	1,049,871
Capital assets, being depreciated	4,229,577	1,134,065	5,363,642
Right-to-use asset, being amortized	53,920	-	53,920
Total Assets	19,481,666	2,024,461	21,506,127
DEFERRED OUTFLOWS OF RESOURCES			
Net pension - related amounts	8,120,728	1,163,874	9,284,602
OPEB - related amounts	2,519,968	-	2,519,968
Total Deferred Outflows of Resources	10,640,696	1,163,874	11,804,570
LIABILITIES			
Accounts payable	407,043	49,853	456,896
Accrued liabilities	1,338,666	179,843	1,518,509
Accrued interest	4,319	-	4,319
Noncurrent liabilities:			
Due within one year	871,007	88,069	959,076
Due in more than one year	2,396,741	81,695	2,478,436
Net pension liability	19,977,662	3,505,879	23,483,541
Other postemployment benefits	5,452,548	-	5,452,548
Total Liabilities	30,447,986	3,905,339	34,353,325
DEFERRED INFLOWS OF RESOURCES			
Net pension - related amounts	2,468,353	353,768	2,822,121
OPEB - related amounts	666,575	-	666,575
Total Deferred Inflows of Resources	3,134,928	353,768	3,488,696
NET POSITION			
Net investment in capital assets	4,291,995	1,164,653	5,456,648
Restricted for debt service	163,247	-	163,247
Unrestricted (deficit)	(7,915,794)	(2,235,425)	(10,151,219)
Total Net Position (Deficit)	$ (3,460,552)	$ (1,070,772)	$ (4,531,324)

See accompanying notes.

NORTH LAKE TAHOE FIRE PROTECTION DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

FUNCTIONS/PROGRAMS	Expenses	PROGRAM REVENUES: Charges for Services	PROGRAM REVENUES: Operating Grants and Contributions	NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION: Governmental Activities	Business-Type Activities	Total
Governmental Activities:						
Public safety	$ 23,186,333	$ 6,745,763	$ 1,156,987	$ (15,283,583)	$ -	$ (15,283,583)
Debt service						
Interest on long-term debt	30,066	-	-	(30,066)	-	(30,066)
Total Governmental Activities	23,216,399	6,745,763	1,156,987	(15,313,649)	-	(15,313,649)
Business-Type Activities:						
Ambulance	3,057,352	1,007,849	-	-	(2,049,503)	(2,049,503)
Total	$ 26,273,751	$ 7,753,612	$ 1,156,987	(15,313,649)	(2,049,503)	(17,363,152)
General Revenues:						
Ad valorem taxes				12,265,982	-	12,265,982
Consolidated tax revenue				4,748,770	-	4,748,770
AB104, fair share				864,260	-	864,260
Unrestricted interest & dividend income				326,557	43,440	369,997
Gain on the sale of capital assets				39,509	-	39,509
Transfer of capital asset				-	-	-
Change in Estimate of property tax refunds				-	-	-
Transfers				(1,938,068)	1,938,068	-
Total General Revenues and Transfers				16,307,010	1,981,508	18,288,518
Change in Net Position				993,361	(67,995)	925,366
NET POSITION (DEFICIT), BEGINNING OF YEAR, AS ORIGINALLY REPORTED				(4,124,117)	(988,580)	(5,112,697)
ADJUSTMENTS (NOTE 12)				(329,796)	(14,197)	(343,993)
NET POSITION (DEFICIT), BEGINNING OF YEAR, AS RESTATED				(4,453,913)	(1,002,777)	(5,456,690)
NET POSITION (DEFICIT), END OF YEAR				$ (3,460,552)	$ (1,070,772)	$ (4,531,324)

See accompanying notes.

NORTH LAKE TAHOE FIRE PROTECTION DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2025

	General Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
ASSETS				
Cash and investments	$ 9,131,164	$ 163,247	$ 1,462,000	$ 10,756,411
Accounts receivable	104,218	-	-	104,218
Property taxes receivable	59,796	-	-	59,796
Due from other governments	2,963,166	-	-	2,963,166
Inventory	4,373			4,373
Prepaid	290,922	-	-	290,922
Total Assets	$ 12,553,639	$ 163,247	$ 1,462,000	$ 14,178,886
LIABILITIES				
Accounts payable	$ 407,043	$ -	$ -	$ 407,043
Accrued liabilities	1,338,666	-	-	1,338,666
Total Liabilities	1,745,709	-	-	1,745,709
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - delinquent property taxes	59,796	-	-	59,796
Unavailable revenue - project reimbursements	1,073,181	-	-	1,073,181
Unavailable revenue - miscellaneous	16,812	-	-	16,812
Unavailable revenue - mutual aid reimbursements	88,175	-	-	88,175
Total Deferred Inflows of Resources	1,237,964	-	-	1,237,964
FUND BALANCES				
Nonspendable	295,295	-	-	295,295
Restricted	-	163,247	-	163,247
Committed	-	-	1,462,000	1,462,000
Unassigned	9,274,671	-	-	9,274,671
Total Fund Balances	9,569,966	163,247	1,462,000	11,195,213
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 12,553,639	$ 163,247	$ 1,462,000	$ 14,178,886

See accompanying notes.

NORTH LAKE TAHOE FIRE PROTECTION DISTRICT
RECONCILIATION OF THE BALANCE SHEET TO THE
TO THE STATEMENT OF NET POSITION - GOVERNMENTAL FUNDS
JUNE 30, 2025

Fund Balances - Governmental Funds		$ 11,195,213
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets and right-to-use leased assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		
Governmental capital assets	$ 21,286,706	
Less: Accumulated depreciation/amortization	(15,983,926)	
		5,302,780
Long-term liabilities, are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Medium-term bonds payable	(951,000)	
Accrued interest	(4,319)	
Net pension liability	(19,977,662)	
Lease liability	(59,785)	
Other postemployment benefits obligation	(5,452,548)	
Compensated absences	(2,256,963)	
		(28,702,277)
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 funds.		
Deferred outflows of resources related to OPEB	2,519,968	
Deferred inflows of resources related to OPEB	(666,575)	
Deferred outflows of resources related to pensions	8,120,728	
Deferred inflows of resources related to pensions	(2,468,353)	
		7,505,768
Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources until that time by governmental funds.		
Deferred inflows related to unavailable revenue		1,237,964
Net Position (Deficit) - Governmental Activities		$ (3,460,552)

See accompanying notes.

NORTH LAKE TAHOE FIRE PROTECTION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	General Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
REVENUES				
Taxes	$ 12,257,298	$ -	$ -	$ 12,257,298
Intergovernmental	6,770,017	-	-	6,770,017
Miscellaneous	6,042,736	-	-	6,042,736
Total Revenues	25,070,051	-	-	25,070,051
EXPENDITURES				
Current:				
Public safety	22,029,567	-	-	22,029,567
Capital outlay	-	-	122,320	122,320
Debt service:				
Principal	42,915	152,000	-	194,915
Interest	3,129	15,896	-	19,025
Total Expenditures	22,075,611	167,896	122,320	22,365,827
Excess (Deficiency) of Revenues over (under) Expenditures	2,994,440	(167,896)	(122,320)	2,704,224
OTHER FINANCING SOURCES (USES)				
Sale of assets	-	-	39,509	39,509
Transfers:				
Transfers in	-	331,066	674,247	1,005,313
Transfers out	(2,943,381)	-	-	(2,943,381)
Total Other Financing Sources (Uses)	(2,943,381)	331,066	713,756	(1,898,559)
Net Change in Fund Balances	51,059	163,170	591,436	805,665
FUND BALANCES, BEGINNING OF YEAR	9,518,907	77	870,564	10,389,548
FUND BALANCES, END OF YEAR	$ 9,569,966	$ 163,247	$ 1,462,000	$ 11,195,213

See accompanying notes.

NORTH LAKE TAHOE FIRE PROTECTION DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

Net Change in Fund Balances - Governmental Funds		$ 805,665
Amounts reported for Governmental Activities in the Statement of Activities are different because:		
Governmental Funds report capital outlays as expenditures and the proceeds from the sale of assets as other financing sources. 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 assets are sold.		
Additions to capital assets	$ 122,320	
Less: Current year depreciation/amortization	(811,314)	
		(688,994)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in Governmental Funds.		
Change in deferred inflows of resources		1,038,268
The issuance of long-term debt provides current financial resources to Governmental Funds, while the repayment of the principal of long-term debt consumes the current financial resources of Governmental Funds. Neither transaction, however, has any effect on Net Position:		
Principal payments on debt	152,000	
Principal payments on lease liability	42,915	
		194,915
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Change in accrued interest	690	
Change in long-term compensated absences	(234,929)	
Amortization of deferred charge on refunding	(11,731)	
		(245,970)
Governmental Funds report the District PERS and OPEB contributions as expenditures. However, in the Statement of Activities, the cost of pension and other post-employment benefits earned is reported as pension or OPEB expense.		
Change in net OPEB liability	789,114	
Change in deferred outflows of resources - OPEB related	(190,882)	
Change in deferred inflows of resources - OPEB related	21,626	
District PERS contributions	1,709,670	
District pension expense	(2,440,051)	
		(110,523)
Change in Net Position of Governmental Activities		$ 993,361

See accompanying notes.

NORTH LAKE TAHOE FIRE PROTECTION DISTRICT
AMBULANCE FUND
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2025

	Business-Type Activities Enterprise Fund
ASSETS	
Current Assets:	
Cash and investments	$ 379,508
Accounts receivable, net of allowance for bad debts	399,560
Prepaid expense	80,740
Total Current Assets	859,808
Noncurrent Assets:	
Capital assets, not being depreciated	30,588
Capital assets, being depreciated, net	1,134,065
Total Noncurrent Assets	1,164,653
Total Assets	2,024,461
Deferred Outflows of Resources:	
Net pension - related amounts	1,163,874
Total Assets and Deferred Outflows of Resources	3,188,335
LIABILITIES	
Current Liabilities:	
Accounts payable	49,853
Accrued salaries and benefits	179,843
Compensated absences	88,069
Total Current Liabilities	317,765
Noncurrent Liabilities:	
Compensated absences	81,695
Net pension liability	3,505,879
Total Noncurrent Liabilities	3,587,574
Total Liabilities	3,905,339
Deferred Inflows of Resources:	
Net pension - related amounts	353,768
Total Liabilities and Deferred Inflows of Resources	4,259,107
NET POSITION	
Net investment in capital assets	1,164,653
Unrestricted (deficit)	(2,235,425)
Total Net Position (Deficit)	$ (1,070,772)

See accompanying notes.

NORTH LAKE TAHOE FIRE PROTECTION DISTRICT
AMBULANCE FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Business-Type Activities Enterprise Fund
OPERATING REVENUES	
Ambulance fees, net of bad debts	$ 666,023
GEMT Cost Settlement	302,322
Other	39,504
Total Operating Revenues	1,007,849
OPERATING EXPENSES	
Salaries and wages	1,251,250
Employee benefits	940,444
Services and supplies	669,879
Depreciation	195,779
Total Operating Expenses	3,057,352
Operating Income (Loss)	(2,049,503)
NONOPERATING REVENUES	
Interest revenue	4,191
Dividend income	39,249
Total Nonoperating Revenues	43,440
Income (Loss) before Transfers	(2,006,063)
TRANSFERS	
Transfers in	1,938,068
Changes in Net Position	(67,995)
NET POSITION (DEFICIT), BEGINNING OF YEAR, AS ORIGINALLY REPORTED	(988,580)
ADJUSTMENTS (NOTE 12)	(14,197)
NET POSITION (DEFICIT), BEGINNING OF YEAR, AS RESTATED	(1,002,777)
NET POSITION (DEFICIT), END OF YEAR	$ (1,070,772)

See accompanying notes.

NORTH LAKE TAHOE FIRE PROTECTION DISTRICT
AMBULANCE FUND
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Business-Type Activities Enterprise Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from patients	$ 724,215
Cash received from others	341,826
Cash payments for salaries and benefits	(2,006,835)
Cash payments for services and supplies	(643,037)
Net Cash Provided (Used) by Operating Activities	(1,583,831)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers from other funds	1,938,068
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of capital assets	(429,221)
Net Cash Provided (Used) by Capital and Related Financing Activities	(429,221)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on investments	4,191
Dividends on investments	39,249
Net Cash Provided (Used) by Investing Activities	43,440
Net Increase (Decrease) in Cash and Cash Equivalents	(31,544)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	411,052
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 379,508
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating income (loss)	$ (2,049,503)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation expense	195,779
(Increase) decrease in accounts receivable, net	58,192
(Increase) decrease in prepaid expense	(23,011)
Increase (decrease) in accounts payable	49,853
Increase (decrease) in accrued salaries and benefits	40,229
Increase (decrease) in pension related items	104,680
Increase (decrease) in compensated absences	39,950
Total Adjustments	465,672
Net Cash Provided (Used) by Operating Activities	$ (1,583,831)

See accompanying notes.

NORTH LAKE TAHOE FIRE PROTECTION DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2025

	Post-Retirement Plan & Trust
ASSETS	
Contributions receivable	$ 44,680
Investments	4,486,301
Total assets	4,530,981
NET POSITION RESTRICTED FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS	$ 4,530,981

See accompanying notes.

NORTH LAKE TAHOE FIRE PROTECTION DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2025

	Post-Retirement Plan & Trust
ADDITIONS	
CONTRIBUTIONS	
Active	$ 57,070
Employer	1,129,751
	1,186,821
INVESTMENT INCOME	
Net increase (decrease) in fair value of investments	342,017
Interest and dividends	102,080
Less investment expense	(1,038)
	443,059
Total additions	1,629,880
DEDUCTIONS	
Benefit payments	495,119
Change in net position	1,134,761
NET POSITION, BEGINNING OF YEAR	3,396,220
NET POSITION, END OF YEAR	$ 4,530,981

See accompanying notes.

NOTE 1 – Summary of Significant Accounting Policies:

Reporting Entity:

North Lake Tahoe Fire Protection District (the District) is a municipality of the State of Nevada located in Washoe County, Nevada. The District is under the direct jurisdiction of the Board of Directors of North Lake Tahoe Fire Protection District. 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 GASB Statement No. 84, *Fiduciary Activities,* GASB Statement No. 97, *Certain Component Unit Criteria and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans, and in* GASB Statement No. 101*, Compensated Absences*. 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 a financial burden (legally or assumed) to make contributions or has the 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 North Lake Tahoe Fire Protection District Post-Retirement Plan & Trust (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 February 18, 2015. 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 four-member board to provide healthcare benefits to retired District employees and their beneficiaries. The four-member board consists of two administrative trustees (The Assistant Fire Chief and another designated member) and two Local Union #2139 representatives.

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. For the most part, the effect of interfund activity has been removed from these statements. 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.

The Statement of Activities demonstrates the degree to which the direct expenses are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function/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/activity and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function/activity. Taxes and other items not properly 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 is the proprietary fund. Revenues are recorded when earned, and expenses are recorded when liabilities are incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The District's net position is reported in three parts – net investment in capital assets, restricted net position, and unrestricted net position. The District first utilizes restricted resources to finance qualifying activities, then unrestricted resources as they are needed.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. 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 is established. Expenditures generally are recorded when the related liabilities are incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims, and judgments, are recorded only when payment is due.

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

The District reports the following major governmental funds:

- The General Fund is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.
- The Debt Service Fund accounts for the accumulation of funds for the payment of principal and interest on long-term debt.
- The Capital Projects Fund accounts for the financial resources to be used for the acquisition and construction of major capital assets.

The District has one proprietary fund, which is considered to be a major enterprise fund:

- The Ambulance Fund accounts for the operations of the District's ambulance service.

The District reports the following fiduciary fund:

- The District's fiduciary fund is for the North Lake Tahoe Fire Protection District 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 the government-wide financial statements of the District.

Assets, Liabilities, and Net Position or Equity:

Cash Deposited and Invested

Cash balances from all funds are combined and, to the extent practicable, invested as permitted by law. Investments are carried at fair value.

Pursuant to Nevada Revised Statutes (NRS) 355.167, NRS 355.170, and NRS 355.171, the District may only 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.
- Certain securities issued by local governments of the State of Nevada.
- Certain obligations of state and local governments.
- Certain bankers' acceptances, commercial paper issued by a corporation organized and operating in the United States, and money market mutual funds.

- Certain notes and bonds that are issued by corporations organized and operating in the United States.
- Other securities expressly provided by other statutes, including repurchase agreements.
- State of Nevada Local Government Investment Pool.

For purposes of the Statement of Cash Flows, cash equivalents are defined as short-term, highly liquid investments, generally with original maturities of three months or less.

District investments are reported at fair value determined by quoted market prices, and changes in fair value are included in investment income. The Trust participates in the State of Nevada Retirement Benefit 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.

Property Taxes Receivable

Real property taxes receivable reflect only those taxes receivable from the delinquent roll years. Delinquent taxes from all roll years prior to 2023-24 have been written off. No provision for uncollectible accounts has been established since management does not anticipate any material collection loss in respect to the remaining balances.

Personal property taxes receivable reflect only those taxes management believes to be collectible. Delinquent taxes from prior years have been written off.

Amounts not collected within 60 days after year-end have been recorded as unavailable revenue at the governmental fund level.

Accounts Receivable

The allowance method is used to provide for estimated uncollectible amounts in the Ambulance Fund. As of June 30, 2025, the allowance for uncollectible accounts was $550,922.

The District has not established an allowance for uncollectible receivables for Governmental Funds since prior experience has shown that uncollectible receivables are not significant.

Inventory/Prepaid Expense

For all funds, the District charges consumable supplies against appropriations at the time of purchase.

The District maintains a limited inventory of firefighter uniforms and uniform components for purchase by uniformed employees. Inventory is recorded at cost and is reduced when items are purchased by employees. The inventory is maintained solely for operational convenience and is not intended to generate profit.

When payments to vendors reflect costs applicable to future accounting periods, they are recorded as prepaid items in both the government-wide and fund financial statements.

Capital Assets

Capital assets, which include land, land improvements, buildings and improvements, and vehicles and equipment, are reported in the government-wide financial statements and the enterprise fund financial statements. Capital assets are defined by the District as assets with an initial individual cost of more than $10,000 for office equipment, tools, operations equipment, buildings, land improvements, and for construction and remodel projects with a normal useful life of more than three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized. Capital assets of the District are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Land improvements	25
Buildings and improvements	15-25
Vehicles and equipment	3-10

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 as of June 30, 2025.

Right to use leased assets are recognized at the lease commencement date and represent the District’s right to use an underlying asset for the lease term. Right to use leased assets are measured at the initial value of the lease liability plus any payments made to the lessor before commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, plus any initial direct costs necessary to place the leased asset into service. Right to use leased assets are amortized over the shorter of the lease term or useful life of the underlying asset using the straight-line method. The amortization period for the District’s leased asset is 6 years.

Deferred Outflows/Inflows of Resources

In addition to assets, the District also reports deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. Certain deferred costs related to pensions and OPEB qualify for reporting in this category, as well as the unamortized deferred charge on refunding (the difference between the reacquisition price and the net carrying amount of the refunded debt).

In addition to liabilities, the District also reports deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. Certain deferred amounts related to pensions and OPEB qualify for reporting in this category, as do certain revenues that are unavailable to satisfy current obligations.

Pensions

For purposes of measuring the net pension liability and pension expense, information about the fiduciary net position of the Public Employees' Retirement System of the State of Nevada (PERS), and additions to/deductions from PERS's 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.

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the North Lake Tahoe Fire Protection District Health Insurance Benefit Plan (the District's Plan) and additions to/deductions from the District's Plan fiduciary net position have been determined on the same basis as they are reported by the District's Plan. For this purpose, the District's Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

Long-Term Liabilities

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Bond premiums and discounts and prepaid bond insurance, if applicable, are amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed during the current period.

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

Lease liabilities represent the District's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the lease commencement date based on the present value of future lease payments expected to be made during the lease term. The present value of lease payments are discounted based on a borrowing rate determined by the District.

Compensated Absences

In accordance with GASB Statement No. 101, the District recognizes liabilities for 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 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, permanent disability, or termination of an employee after two years of full-time service, all personnel, whether union or non-union, shall be compensated for 50% (75% upon retirement; 100% in the event of death) of accrued sick leave in accordance with the employment contract in effect and District policy.

Implementation of New Accounting Standard

During the fiscal year ended June 30, 2025, the District implemented GASB Statement No. 101, *Compensated Absences*, which revises the recognition and measurement guidance for compensated absences.

As required by the standard, the District evaluated compensated absence balances as of July 1, 2024. The implementation resulted in a restatement of beginning net position to recognize additional liabilities for compensated absences that had not previously been recorded under prior guidance. The effect of implementation of this standard on beginning net position is disclosed in Note 12.

Equity Classifications

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

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

In the governmental fund financial statements, fund equity is classified as fund balance. Fund balance is further classified into the following components:

- Nonspendable – Amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.
- Restricted – Amounts that can be spent only for specific purposes because of constitutional provisions, enabling legislation, or because of constraints that are externally imposed by creditors, grantors, contributors, or the law or regulations of other governments.
- Committed – Amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to actions passed by the Board of Directors, which is the District's highest level of decision-making authority. A similar action is required to rescind or modify a commitment.
- Assigned – Amounts that the District intends to use for a specific purpose, that do not meet the definition of restricted or committed fund balance. Under the District's policy, amounts may be assigned by the Business Manager under the authorization of the Board of Directors.
- Unassigned – all other spendable amounts in the General Fund

Proprietary fund equity is classified the same as in the government-wide statements.

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 Directors 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 Washoe County. Penalties are assessed if a taxpayer fails to pay an installment within ten days of the installment due date. After a two-year waiting period, if taxes remain unpaid, a tax deed is issued conveying the property to the County with a lien for back taxes and accumulated charges. Redemption may be made by the owner and such persons as described by statute by paying all back taxes and accumulated penalties, interest, and costs before sale.

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

The major classifications of personal property are commercial and mobile homes. In Washoe County, taxes on motor vehicles are collected by a State agency and remitted to the District as part of Consolidated tax revenue.

Estimates

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

NOTE 2 – Compliance with Nevada Revised Statutes (NRS) and the Nevada Administrative Code (NAC):

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

- NRS 354.626 and NAC 354.481 – The Ambulance Fund has a deficit net position of $1,070,772 at June 30, 2025. In addition, a change in net position was budgeted at a loss of $238,180 while the Ambulance Fund had a deficit beginning net position.
- NAC 354.750 – The district did not complete a physical inventory observation biannually. The last physical inventory observation was performed June 30, 2023.

NOTE 3 – Cash and Investments:

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

Governmental Funds:	$10,756,411
Proprietary Fund	379,508
Fiduciary Fund	4,486,301
	$15,622,220

As previously noted, Nevada Revised Statutes (NRS 355.167, NRS 355.170 and NRS 355.171) set forth acceptable investments for Nevada local governments. The District has not adopted a formal investment policy that would further limit its investment choices or 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 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 a 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 the 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 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 the 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 shares. The District is able to withdraw funds on a daily basis.

During the fiscal year ended June 30, 2025, the District's Proprietary Fund began utilizing an overnight sweep arrangement through Wells Fargo Bank, N.A., whereby excess operating cash is automatically invested in the Allspring Government Money Market Fund (AGMMF) – Institutional Class (Ticker: GVIXX). The fund maintains a stable net asset value (NAV) of $1.00 per share and invests exclusively in high-quality, short-term U.S. Government obligations and repurchase agreements collateralized by the U.S. Government obligations. Money market mutual funds are not bank deposits and are not insured by the FDIC, although the underlying sweep cash held at the bank is eligible for FDIC insurance, subject to applicable limits. These funds are not held primarily for the purpose of income or profit and have remaining maturities at time of purchase of one year or less. Therefore, the District's investment in the Allspring Government Money Market Fund is measured at amortized cost, which approximates fair value.

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

Investments:	
State of Nevada Local Government Investment Pool (LGIP)*	$8,268,085
Allspring Government Money Market Fund	1,654,654
Retirement Benefits Investment Fund	4,486,301
	14,409,040
Total Cash	1,213,180
Total Cash and Investments	$15,622,220

* Represents average weighted maturity of 49.5 days

Interest Rate Risk. Interest rate risk is the risk of possible reduction in the value of a security, especially a bond, resulting from a rise in interest rates. Due to the short-term maturity structure of the AGMMF, exposure to interest rate risk is considered minimal. 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.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation and is a function of the credit quality rating of investments. The LGIP and RBIF are unrated external investment pools. The AGMMF is rated at AAM by Standard & Poor's and Aaa-mf with Moody's. As noted above, the District does not have a formal investment policy that specifies minimum acceptable credit ratings.

Custodial Credit Risk on Deposits. Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be returned. The District's bank deposits are covered by Federal Deposit Insurance Corporation (FDIC) insurance and collateralized by the Office of the State Treasurer/Nevada Collateral Pool.

NOTE 4 – Capital Assets:

Capital asset activity for the year ended June 30, 2025 was as follows:

	Balance July 1, 2024	Increases	Decreases	Balance June 30, 2025
Governmental Activities:				
Capital assets, not being depreciated:				
Land	$ 1,019,283	$ -	$ -	$ 1,019,283
Capital assets, being depreciated				
Land improvements	99,428	-	-	99,428
Buildings and improvements	10,410,056	-	-	10,410,056
Vehicles and equipment	9,456,292	122,320	(51,576)	9,527,036
Total capital assets, being depreciated	19,965,776	122,320	(51,576)	20,036,520
Less accumulated depreciation for:				
Land improvements	(99,428)	-	-	(99,428)
Buildings and improvements	(8,021,616)	(312,027)	-	(8,333,643)
Vehicles and equipment	(6,969,205)	(456,243)	51,576	(7,373,872)
Total accumulated depreciation	(15,090,249)	(768,270)	51,576	(15,806,943)
Total capital assets, being depreciated, net	4,875,527	(645,950)	-	4,229,577
Right-to-use leased assets being amortized				
Buildings	230,903	-	-	230,903
Accumulated amortization				
Buildings	(133,939)	(43,044)	-	(176,983)
Total right-to-use leased assets, being amortized	96,964	(43,044)	-	53,920
Governmental Activities capital assets, net	$ 5,991,774	$(688,994)	$ -	$ 5,302,780

	Balance July 1, 2024	Increases	Decreases	Balance June 30, 2025
Business-Type Activities:				
Capital assets, not being depreciated:				
Land	$ 30,588	$ -	$ -	$ 30,588
Capital assets, being depreciated				
Buildings	338,550	-	-	338,550
Vehicles and equipment	2,038,303	429,221	-	2,467,524
Total capital assets, being depreciated	2,376,853	429,221	-	2,806,074
Less accumulated depreciation for:				
Buildings	(338,550)	-	-	(338,550)
Vehicles and equipment	(1,137,680)	(195,779)	-	(1,333,459)
Total accumulated depreciation	(1,476,230)	(195,779)	-	(1,672,009)
Total capital assets, being depreciated, net	900,623	233,442	-	1,134,065
Business-Type activities capital assets, net	$ 931,211	$233,442	$ -	$ 1,164,653

Depreciation/amortization expense of $811,314 was charged to the public safety function, and $195,779 was charged to Ambulance Fund operations.

NOTE 5 – 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 the 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 2.50% 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 2.50% service time factor. Regular members entering PERS on or after July 1, 2015, have a 2.25% multiplier for all years of service. 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 the authority of NRS 286.575 - 286.579.

Vesting

Regular members entering PERS prior to January 1, 2010, are eligible for retirement at age 65 with 5 years of service, at age 60 with 10 years of service, or at any age with 30 years of service. Regular members entering PERS on or after January 1, 2010, are eligible for retirement at age 65 with 5 years of service, or age 62 with 10 years of service, or any age with 30 years of service. Regular members entering PERS on or after July 1, 2015, are eligible for retirement at age 65 with 5 years of service, or at age 62 with 10 years of service, or at age 55 with 30 years of service, or 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 5 years of service, at age 55 with 10 years of service, at age 50 with 20 years of service, or at any age with 25 years of service. Police/Fire members entering PERS on or after January 1, 2010, are eligible for retirement at 65 with 5 years of service, or age 60 with 10 years of service, or age 50 with 20 years of service, or at any age with 30 years of service. Only service performed in a position as a police officer or firefighter may be counted towards eligibility for retirement as Police/Fire accredited service.

The normal ceiling limitation on monthly benefits allowances is 75% of average compensation. However, a member who has an effective date of membership before July 1, 1985, is entitled to a benefit of up to 90% of average compensation. Both Regular and Police/Fire members become fully vested in 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 that 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 to accumulate sufficient assets to pay benefits when due.

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

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

For the fiscal year ended June 30, 2025, and June 30, 2024, the Employer-Pay Contribution (EPC) rate was 33.50% for Regular members and 50.00% Police/Fire members, respectively.

The District's contributions were $1,954,702 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	6%	6.65%
Short-term Investments	6%	0.50%

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 $23,483,541. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions in the PERS pension plan relative to the total contributions of all participating PERS employers. At June 30, 2024, the District's proportion was 0.12997%, which was a decrease of .00432% from its proportion measured at June 30, 2024.

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 in Discount Rate (6.25%)	Discount Rate (7.25%)	1% Increase in Discount Rate (8.25%)
District's proportionate share of the Net Pension Liability	$37,764,374	$23,483,541	$11,701,695

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 (www.nvpers.org).

Actuarial Assumptions

The District's net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation Rate	2.50%
Payroll Growth	3.50%
Investment Rate of Return/Discount Rate	7.25%
Productivity Pay Increase	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 and contingent 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. Morality rates for pre-retirement police/fire members were based on Pub-2010 Safety Employee Amount-Weighted Above-Median Mortality Table.

The mortality tables were projected generationally with the two-dimensional mortality improvement scale MP-2020.

Actuarial assumptions used in the June 30, 2025, valuation were based on the results of the experience study for the period of July 1, 2016, through June 30, 2020.

The discount rate used to measure the total pension liability was 7.25% as of June 30, 2025. The projection of cash flows used to determine the discount rate assumes that plan contributions will be made in amounts consistent with statutory provisions, 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, 2025.

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 $2,788,251. 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 experience	$ 4,981,949	$ -
Changes in assumptions or other inputs	1,515,305	-
Net difference between projected and actual earnings on pension plan investments	-	2,313,431
Changes in the District's proportionate share	832,646	508,690
District contributions subsequent to the measurement date	1,954,702	-
Total	$ 9,284,602	$ 2,822,121

The $1,954,702 reported as deferred outflows of resources related to pensions, resulting from District contributions subsequent to the measurement date, 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, excluding contributions subsequent to the measurement date, will be recognized in pension expense as follows:

Year ending June 30:	
2026	$ 846,768
2027	3,175,060
2028	236,184
2029	(60,284)
2030	310,051

Additional Information

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

NOTE 6 – Fund Balances – Governmental Funds:

Under GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions,* fund balances are composed of the following as of June 30, 2025:

	General Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
Nonspendable:				
Inventory	$ 4,373	$ -	$ -	$ 4,373
Prepaids	290,922			290,922
Restricted:				
Debt Service	-	163,247	-	163,247
Committed:				
Capital Projects	-	-	1,462,000	1,462,000
Unassigned	9,279,044	-	-	9,279,044
Total fund balances	$ 9,569,966	$ 163,247	$1,462,000	$ 11,195,213

NOTE 7 – Long-Term Liabilities:

Changes in long-term obligations for the year ended June 30, 2025 are as follows:

	Date of Issue	Original Issue	Interest Rate	Amount Outstanding July 1, 2024 As originally stated	Adjustment (note 12)	Amount Outstanding July 1, 2024, as Restated	Additions	Reductions	Principal Outstanding June 30, 2025	Due Within One Year
Governmental Activities:										
Long-Term Debt:										
Medium-Term Financing Series, 2020	8/4/20	$3,495,000	1.09%	$ 1,103,000	$ -	$ 1,103,000	$ -	$ 152,000	$ 951,000	$ 154,000
Other Long-Term Liabilities:										
Compensated Absences	N/A	N/A	N/A	1,692,238	329,796	2,022,034	234,929	-	2,256,963	672,450
Lease	N/A	N/A	N/A	102,700	-	102,700	-	42,915	59,785	44,557
Total Governmental Activities				2,897,938	329,796	3,227,734	234,929	194,915	3,267,748	871,007
Business-Type Activities:										
Other Long-Term Liabilities:										
Compensated Absences	N/A	N/A	N/A	115,617	14,197	129,814	39,950	-	169,764	88,069
Total Long-Term Liabilities				$ 3,013,555	343,993	$ 3,357,548	$274,879	$194,915	$ 3,437,512	$959,076

During the year ended June 30, 2025, interest expense was recorded in the financial statements in the Debt Service Fund and General Fund for the Medium-Term Financing and Lease Liability, respectively. The net change in compensated absences in presented in accordance with GASB Statement No. 101.

Debt service requirements on long-term liabilities, excluding compensated absences and property tax refunds, at June 30, 2025, are as follows:

	Direct Placement Medium-Term Financing	
Year Ending June 30:	Principal	Interest
2026	$ 154,000	$ 9,946
2027	156,000	8,262
2028	157,000	6,562
2029	159,000	4,845
2030	161,000	3,107
2031	164,000	894
	$951,000	$ 33,616

	Leases	
Year Ending June 30:	Principal	Interest
2026	$ 44,557	$ 1,487
2027	15,228	120
	$ 59,785	$ 1,607

Bonds and Leases:

On August 4, 2020, the District issued $3,495,000 in Medium-Term Financing, Series 2020. These bonds were sold to finance the purchase of fire equipment for $1,500,315 and to refund $1,486,000 in maturities of the 2012 General Obligation (Limited Tax) Refunding Bonds, Series 2012, and $430,000 in maturities of the Medium-Term Financing, Series 2013. The balance of the funds was issued for closing and related costs in the amount of $78,685.

The District has outstanding Medium-Term Financing, Series 2020, from direct placements related to Governmental Activities totaling $951,000. Upon the occurrence and during the continuation of an event of default for nonpayment of principal or interest, then and in every case the registered owners of the Bonds, including, without limitation, a trustee or trustees may proceed against the District and its agents, officers and employees to protect and to enforce the rights of the registered owners of the Bonds by mandamus or by other suit, in any court of competent jurisdiction.

The District entered into a lease agreement for a building. The District exercised the option to extend the lease term through October 2026. The District is required to make monthly principal and interest payments of $3,952 through October 2025. The new monthly lease payment that began November 2025 is $4,071. The lease liability was originally valued using a discount rate of 0.9% based on the District's incremental borrowing rate at the inception of the lease, and remeasured using a discount rate of 3.76% when exercising the renewal option.

The lease agreement calls for payments that are partially or completely variable and, therefore, were not included in lease assets or lease liabilities. These variable payments are a result of the underlying lease, measured not on a fixed rate, but rather variable due to the underlying payments derived from the assessed value for property taxes. A total of $9,863 was recognized as expenses from these variable payments for the year ended June 30, 2025.

The Medium-Term Financing will be liquidated from the Debt Service Fund, after transfers from the general income of the General Fund. Leases will be liquidated from the General Fund.

NOTE 8 – Interfund Transfers:

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

	Transfers To:			
	Debt Service Fund	Capital Projects Fund	Ambulance Fund	Total
Transfers From:				
General Fund	$ 331,066	$ 674,247	$ 1,938,068	$ 2,943,381

Transfers are used to move revenues from the General Fund to the funds that will expend them in accordance with the budget and to use unrestricted revenues collected or resources in the General Fund and Capital Projects Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. The transfer to the Debt Service Fund was to fund required debt payments. The transfer to the Ambulance Fund was to stabilize operations.

NOTE 9 – Risk Management:

The District is exposed, as are all entities, to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; illness and injuries to employees; and natural disasters.

The District carries commercial insurance for risks of loss related to property and casualty liabilities. The District also carries health insurance for all eligible employees.

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, the Public Agency Compensation Trust (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.

NOTE 10 – Other Post-Employment Benefits Plan (OPEB):

Plan Descriptions

The District contributes to a single-employer defined benefit healthcare plan, the North Lake Tahoe Fire Protection District Health Insurance Benefit Plan (the District's Plan). The District's Plan is administered through the North Lake Tahoe Fire Protection District OPEB 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), a single-employer defined benefit plan. 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)

Benefit provisions for the District's Plan are established pursuant to NRS 287.010 and can be amended by the District's Board of Directors. Benefit provisions for PEBP are established pursuant to NRS 287.023 and subject to amendment through legislation by the State of Nevada, each biennium. The District's Plan provides medical, dental, vision, and life insurance benefits to eligible retired District employees and beneficiaries.

Employees must have at least fifteen years of full-time service to be eligible for benefits and must be at least 50 years of age. Employees who separate from the District with at least fifteen years of service may activate this benefit upon attainment of age 50. The District pays the entire cost of retiree health benefits for retirees, their spouses, and their dependent children for employees retired prior to March 1, 2012. The coverage is provided until the employee and/or their spouse attains Medicare eligibility, and/or the children are no longer dependents as defined by the health insurance plan. For employees hired or retired on or after March 1, 2012, the District will pay the entire cost of retiree health benefits (premiums) for retirees. For employees who retired on or before June 30, 2024, the District pays 85% of the spouse or dependent children coverage premium until Medicare eligibility age or the status of the spouse or dependent child ends, after which no further benefits are payable by the District. As of July 1, 2024, the District pays 100% of the spouse or dependent coverage.

Under State law, retiree loss experience is pooled with active loss experience for the purpose of setting rates. The difference between the true premium cost and the blended premium is an implicit rate subsidy that creates an OPEB cost for the District. The District's contribution requirements for retirees relate to the implicit subsidy that results from using the blended rates, as well as the percentage of pay-as-you-go premiums, and are determined in actuarial studies contracted by the District.

Contribution requirements of the District's Plan may be amended through negotiations between the District and the employee association. The contribution to the OPEB Trust is determined by the collective bargaining agreement and requires a minimum amount of $25,200 to be contributed. The District may contribute additional amounts based on projected pay-as-you-go financing requirements and actuarial studies contracted for by the District. For the year ended June 30, 2025, the District contributed $1,129,751 to the OPEB trust and paid $191,173 in an implicit subsidy to benefit the District's Plan.

Benefit Provisions and Contributions (PEBP)

PEBP provides medical, prescription, vision, life and accident insurance, and dental for retirees. Retirees can choose between a self-funded preferred provider organization (PPO) and a health maintenance organization (HMO) plan. Retirees are responsible for payment of unsubsidized premiums. The District is required to provide a subsidy for its retirees who have elected to join PEBP. Contribution requirements for plan members and the participating employers are assessed by the PEBP Board annually. The contributions required for PEBP subsidies depend on the date of retirement and the years of PERS service former employees earned in total and while working for the District. The subsidy ranges from a minimum of $7 to a maximum of $286 per month. Subsidies for retiree premiums participating in PEBP are paid directly to the State when due. The District's obligation for subsidies is limited to payment of the statutorily required contribution. The statutes were revised with an effective date of November 30, 2008, to create a new participation limitation so that only active members of PEBP can elect coverage after retirement. Based on the statute revision, former District employees and retirees must have retired and joined PEBP by September 1, 2008, to elect PEBP membership. Consequently, no employees retiring from the District on or after September 1, 2008, will be eligible to participate in the PEBP plan as a retiree at the District's expense.

Employees Covered by Benefit Terms

At June 30, 2024, the following employees were covered by the benefit terms:

	District Plan	PEBP	Total
Inactive employees or beneficiaries currently receiving benefit payments	24	4	28
Inactive employees entitled to but not yet receiving benefit payments	-	-	-
Active employees	77	-	77
	102	4	106

OPEB Liability

The District's Plan net OPEB liability was measured as of June 30, 2025, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2023. PEBP's total liability was measured as of June 30, 2025, and was determined by an actuarial valuation as of July 1, 2023.

Actuarial Assumptions

The total OPEB liability in the July 1, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

	District Plan	PEBP
Salary increases	Ranges from 14.86% with less than one year of service to 4.66% with 20 or more years of service	N/A
Investment rate of return	6.25%, net of OPEB plan investment expense	N/A
Healthcare cost trend	17.28% initial, 15.25% year two, 5.75% year three and 5.25% year four; 4.00% ultimate in 2096. Based on the Getzen Model. Dental and vision cost assumed at 3.0% per year	0.00% initial; 7.50% year two and 4.00% ultimate in 2096. Based on the Getzen Model. Dental and vision cost assumed at 3.0% per year
Inflation	3.00%	3.00%
Actuarial cost method	Entry Age Normal	Entry Age Normal

Mortality rates were based on the Pub-2010 Headcount-Weighted Safety Mortality Tables adjusted to reflect Mortality Improvement Scale MP-2021 and projected forward on a generational basis.

The actuarial assumptions used in the July 1, 2023, valuation were based on expectations of the District regarding its workforce, demographic pattern for similar safety groups, and actuarial judgment. The District and the actuary monitor assumptions and experience with every valuation and make adjustments to assumptions as needed, as experience emerges.

The long-term expected rate of return of 6.25%, 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 a 3.00% long-term inflation assumption.

Asset Class	Asset Allocation
International Stocks	17.50%
U.S. Bonds	28.00%
U.S. Stocks	42.50%
Short-term Investments	12.00%

The discount rate used to measure the OPEB liability for the District's Plan was 6.25%. 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 fidicuiary 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 OPEB liability for PEBP was 3.93%.

A change in the discount rate for PEBP from 3.65% to 3.93% was reflected in the June 30, 2025 measurement period due to the change in municipal bond yield. In addition, the healthcare cost trend remained unchanged for both the District's plan and for PEBP for a range of 17.28% - 4.00% and 7.50% - 0.00%, respectively, for the June 30, 2025 measurement period.

Changes in OPEB Liabilities

	District Plan Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance as of June 30, 2023 *Measurement Date, June 30, 2024*	$ 8,395,044	$ 2,218,751	$ 6,176,293
Changes for the year:			
Service cost	484,431	-	484,431
Interest on the total OPEB liability	535,612	-	535,612
Changes of benefit terms	-	-	-
Differences between actual and expected experience with regard to economic or demographic factors	-	-	-
Changes of assumptions	-	-	-
Benefit payments – implicit subsidy	(191,973)	(191,973)	-
Benefit payments	(436,911)	(436,911)	-
Employer contributions	-	1,213,283	(1,213,283)
Employer contributions – implicit subsidy	-	191,973	(191,973)
Net investment income	-	415,557	(415,557)
Administrative expense	-	(14,460)	14,460
Net changes	391,159	1,177,469	(786,310)
Balance as of June 30, 2024 *Measurement Date, June 30, 2025*	$ 8,786,203	$ 3,396,220	$ 5,389,983

	PEBP Increase (Decrease) Total OPEB Liability
Balance as of June 30, 2023 *Measurement Date, June 30, 2024*	$ 65,369
Changes for the year:	
Service cost	-
Interest on the total OPEB liability	2,330
Changes of benefit terms	-
Differences between actual and expected experience with regard to economic or demographic factors	-
Changes of assumptions	(2,063)
Benefit payments	(3,071)
Net changes	(2,804)
Balance as of June 30, 2024 *Measurement Date, June 30, 2025*	$ 62,565

The OPEB liability of both plans as of June 30, 2025, is $5,452,548.

Sensitivity Analysis

The following presents the OPEB liabilities of the plans, as well as what each plan's 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:

	1% Decrease	Discount Rate	1% Increase
District's Plan - Net OPEB Liability	$ 6,116,760	$ 5,389,983	$ 4,731,979
PEBP - Total OPEB Liability	70,436	62,565	55,968
OPEB Liability	$ 6,187,196	$ 5,452,548	$ 4,787,947

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

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
District's Plan - Net OPEB Liability	$ 4,493,102	$ 5,389,983	$ 6,438,048
PEBP - Total OPEB Liability	55,687	62,565	70,627
OPEB Liability	$ 4,548,789	$ 5,452,548	$ 6,508,675

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 (income) of $755,023:

District Plan	$ 754,756
PEBP	267
	$ 755,023

At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	District Plan		PEBP	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on OPEB plan investments	$ -	$ -	$ -	$ -
Differences between expected and actual experience	971,429	(184,173)	-	-
Change of assumptions	224,544	(292,013)	-	-
Net difference between projected and actual earnings	-	(190,389)	-	-
Contributions made subsequent to the measurement date	1,323,995	-	3,071	-
Total	$ 2,516,897	$ (666,575)	$ 3,071	$ -

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB, excluding contributions subsequent to the measurement date, will be recognized in OPEB expense as follows:

Year Ending June 30:	District Plan	PEBP	Total
2026	$ (119,873)	$ -	$ (119,873)
2027	13,304	-	13,304
2028	(12,433)	-	(12,433)
2029	86,532	-	86,532
2030	156,203	-	156,203
Thereafter	405,822	-	405,822

NOTE 11 – Tax Abatements:

Consolidated sales taxes collected in Nevada are partially allocated to local governments in accordance with the distribution formulas established by Nevada Revised Statutes (NRS). The State of Nevada has entered into various tax abatement agreements which have reduced fiscal year 2025 intergovernmental revenue of the District by $15,450.

State of Nevada Tax Abatements

Aviation Tax Abatement (NRS 360.753)	$ 3,461
Data Centers Abatement (NRS 360.754	11,987
Renewable Energy Abatement (NRS 701A.370)	2

NOTE 12 – 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 provides guidance for a consistent recognition and measurement of the compensated absence liability.

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 restated
Government-Wide			
Governmental Activities	$ (4,124,117)	$ (329,796)	$ (4,453,913)
Business-type Activities	(988,580)	(14,197)	(1,002,777)
Total Primary Government	$ (5,112,697)	$ (343,993)	$ (5,456,690)
Proprietary Funds			
Major Fund: Ambulance Fund	$ (988,580)	$ (14,197)	$ (1,002,777)

NORTH LAKE TAHOE FIRE PROTECTION DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2024)
(1 of 2)

	2025				2024
	Budget Amounts			Variance to	
	Original	Final	Actual	Final Budget	Actual
REVENUES					
Taxes:					
Ad valorem					
Real and personal property	$ 11,554,609	$ 11,554,609	$ 12,257,298	$ 702,689	$ 11,735,560
Intergovernmental:					
State shared revenues					
Consolidated tax revenue	4,538,916	4,538,916	4,748,770	209,854	4,633,314
AB 104, fair share	837,088	837,088	864,260	27,172	763,433
Federal and state grants	-	-	1,156,987	1,156,987	2,678,867
	5,376,003	5,376,003	6,770,017	1,394,013	8,075,614
Miscellaneous:					
Interest	30,000	30,000	326,557	296,557	387,655
Fire suppression reimbursement and other	4,933,862	4,933,862	5,716,179	782,317	4,499,231
	4,963,862	4,963,862	6,042,736	1,078,874	4,886,886
Total Revenues	21,894,475	21,894,475	25,070,051	3,175,576	24,698,060
EXPENDITURES					
Public safety:					
Fire:					
Salaries and wages	14,635,156	14,635,156	11,742,318	2,892,838	11,051,591
Employee benefits:					
Retirement	3,717,507	3,717,507	3,431,669	285,838	3,308,356
Group medical insurance	1,750,128	1,750,128	1,676,711	73,417	1,463,310
Retiree medical	812,704	812,704	1,102,377	(289,673)	1,169,074
Industrial insurance	1,152,133	1,152,133	1,131,336	20,797	1,160,223
Clothing allowance	111,300	111,300	122,300	(11,000)	52,000
Medicare portion of Social Security	172,112	172,112	169,230	2,882	158,583
Unemployment insurance	39,483	39,483	143,344	(103,861)	86,745
Social Security	128,162	128,162	115,448	12,714	106,218
	7,883,529	7,883,529	7,892,415	(8,886)	7,504,509
Services and supplies:					
Building repairs and maintenance	246,236	246,236	132,647	113,589	115,498
Casualty Loss	-	-	44,125	(44,125)	2,268
Computer Hardware & Software	112,728	112,728	202,905	(90,177)	146,075
CPR/FACTS	24,000	24,000	35,053	(11,053)	24,038
Dispatch	231,000	231,000	170,444	60,556	214,420
District insurance	90,844	90,844	81,847	8,997	91,365
Employee recognition	16,760	16,760	8,164	8,596	11,392

See notes to required supplementary information.

NORTH LAKE TAHOE FIRE PROTECTION DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2024)
(2 of 2)

	2025				2024
	Budget Amounts			Variance to	
	Original	Final	Actual	Final Budget	Actual
Services and supplies (continued):					
Equipment supplies	191,500	191,500	95,761	95,739	164,904
FEMA Grant Expenses	-	-	-	-	1,445,732
Membership and meetings	12,581	12,581	11,060	1,521	9,474
Office supplies	7,500	7,500	4,705	2,795	6,092
Operational expense	78,641	78,641	15,175	63,466	19,597
Physical fitness	60,215	60,215	56,997	3,218	40,461
Postage	5,400	5,400	4,459	941	5,048
Professional services	499,405	499,405	383,034	116,371	380,202
Public education supplies	10,931	10,931	9,571	1,360	15,466
Publications and subscriptions	1,500	1,500	742	758	1,247
Radio and alarm	153,527	153,527	115,430	38,097	111,190
Reimbursable expenditures	345,104	345,104	383,308	(38,204)	186,426
Special clothing and gear	123,287	123,287	78,605	44,682	380,455
Station supplies	11,685	11,685	9,550	2,135	8,531
Telephone	67,840	67,840	45,297	22,543	54,671
Training	141,567	141,567	81,310	60,257	50,669
Utilities	169,593	169,593	163,547	6,046	166,779
Vehicle repairs and maintenance	385,090	385,090	261,098	123,992	315,947
	2,986,934	2,986,934	2,394,834	592,100	3,967,947
Capital Outlay	127,653	127,653	-	127,653	-
Debt service					
Principal	100,000	100,000	42,915	57,085	136,797
Interest	100,000	100,000	3,129	96,871	4,718
	200,000	200,000	46,044	153,956	141,515
Total Expenditures	25,833,272	25,833,272	22,075,611	3,630,008	22,665,562
Excess (Deficiency) of Revenues over Expenditures	(3,938,797)	(3,938,797)	2,994,440	6,805,584	2,032,498
OTHER FINANCING SOURCES (USES)					
Contingency	(200,000)	(200,000)	-	200,000	-
Leases	(127,653)	(127,653)	-	127,653	-
Transfers out	(2,679,226)	(2,679,226)	(2,943,381)	(264,155)	(2,458,232)
Total Other Financing Sources (Uses)	(3,006,879)	(3,006,879)	(2,943,381)	63,498	(2,458,232)
Net Change in Fund Balances	(6,945,676)	(6,945,676)	51,059	6,869,082	(425,734)
FUND BALANCES, BEGINNING OF YEAR	7,365,173	7,365,173	9,518,907	2,153,734	9,944,641
FUND BALANCES, END OF YEAR	$ 419,497	$ 419,497	$ 9,569,966	$ 9,022,816	$ 9,518,907

See notes to required supplementary information.

NORTH LAKE TAHOE FIRE PROTECTION DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S OPEB LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS*
(1 of 2)

North Lake Tahoe Fire Protection District Health Benefits Plan (District Plan):

	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB liability								
Service cost	$ 484,431	$ 311,842	$ 271,301	$ 240,148	$ 331,321	$ 309,646	$ 268,192	$ 250,647
Interest	535,612	457,668	459,210	461,440	512,090	503,706	559,832	548,689
Changes of benefit terms	-	344,042	-	-	-	-	(7,557)	-
Differences between actual and expected experience with economic or demographic factors	-	1,226,063	(13,306)	-	(165,279)	-	(659,324)	-
Changes of assumptions	-	232,850	58,342	-	(613,104)	-	(313,711)	-
Benefit payments - implicit subsidy	(191,973)	(289,067)	(305,916)	(215,814)	(214,700)	(213,600)	(224,572)	(138,208)
Benefit payments	(436,911)	(518,289)	(548,500)	(493,128)	(482,534)	(477,016)	(466,166)	(491,500)
Net change in total OPEB liability	391,159	1,765,109	(78,869)	(7,354)	(632,206)	122,736	(843,306)	169,628
Total OPEB liability - beginning	8,395,044	6,629,935	6,708,804	6,716,158	7,348,364	7,225,628	8,068,934	7,899,306
Total OPEB liability - ending (a)	$ 8,786,203	$ 8,395,044	$ 6,629,935	$ 6,708,804	$ 6,716,158	$ 7,348,364	$ 7,225,628	$ 8,068,934
Plan fiduciary net position								
Employer contributions	$ 1,213,283	$ 826,630	$ 783,164	$ 741,942	$ 356,815	$ 676,891	$ 691,366	$ 716,900
Employer contributions - implicit subsidy	191,973	289,067	305,916	215,814	214,700	213,600	224,572	138,208
Net investment income	415,557	242,979	(239,345)	440,617	88,804	81,497	48,306	82,937
Benefit payments - implicit subsidy	(191,973)	(289,067)	(305,916)	(215,814)	(214,700)	(213,600)	(224,572)	(138,208)
Benefit payments	(436,911)	(518,289)	(548,500)	(493,128)	(482,534)	(477,016)	(466,166)	(491,500)
Administrative expense	(14,460)	(14,750)	(10,500)	(27,739)	(43,522)	(133)	-	-
Net change in plan fiduciary net position	1,177,469	536,570	(15,181)	661,692	(80,437)	281,239	273,506	308,337
Plan fiduciary net position - beginning	2,218,751	1,682,181	1,697,362	1,035,670	1,116,107	834,868	561,362	253,025
Plan fiduciary net position - ending (b)	$ 3,396,220	$ 2,218,751	$ 1,682,181	$ 1,697,362	$ 1,035,670	$ 1,116,107	$ 834,868	$ 561,362
District Plan net OPEB liability - ending (a) - (b)	$ 5,389,983	$ 6,176,293	$ 4,947,754	$ 5,011,442	$ 5,680,488	$ 6,232,257	$ 6,390,760	$ 7,507,572
Plan fiduciary net position as a percentage of the total OPEB liability	38.65%	26.43%	25.37%	25.30%	15.42%	15.19%	11.55%	6.96%
Covered-employee payroll	$ 10,273,636	$ 9,256,006	$ 9,279,591	$ 8,512,983	$ 6,470,119	$ 6,626,246	$ 6,530,390	$ 6,402,732
District's Plan net OPEB liability as a percentage of covered-employee payroll	52.46%	66.73%	53.32%	58.87%	87.80%	94.05%	97.86%	117.26%

NORTH LAKE TAHOE FIRE PROTECTION DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S OPEB LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS*
(2 of 2)

Nevada Public Employees' Benefits Plan (PEBP):

	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB liability								
Interest	$ 2,330	$ 2,408	$ 1,747	$ 1,824	$ 2,239	$ 2,490	$ 8,906	$ 8,881
Differences between actual and expected experience with economic or demographic factors	-	697	2,189	-	15,787	-	(78,776)	-
Changes of assumptions	(2,063)	(4,222)	(13,710)	569	5,906	3,075	13,589	-
Benefit payments	(3,071)	(3,071)	(3,073)	(5,049)	(5,622)	(6,265)	(6,875)	(6,178)
Net change in total OPEB liability	(2,804)	(4,188)	(12,847)	(2,656)	18,310	(700)	(63,156)	2,703
Total OPEB liability - beginning	65,369	69,557	82,404	85,060	66,750	67,450	130,606	127,903
Total OPEB liability - ending	$ 62,565	$ 65,369	$ 69,557	$ 82,404	$ 85,060	$ 66,750	$ 67,450	$ 130,606

Notes to Schedule:

Amounts are recorded as of the fiscal year of the measurement date.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75 for PEBP.

PEBP is a closed plan and has no covered-employee payroll.

*The District adopted Statement No. GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions,* for the year ended June 30, 2018. Information is not available prior to that time.

The following table presents significant assumption changes:

		2024	2023	2022	2021	2020	2019	2018	2017
Inflation		3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	2.75%
Mortality rates (tables)		PUB-2010	PUB-2010	PUB-2010	RP-2014	RP-2014	RP-2014	RP-2014	RP-2014
Mortality improvement scale		MP-2021	MP-2021	MP-2021	MP-2020	MP-2020	MP-2018	MP-2018	MP-2017
District Plan:	Salary increases	4.66% to 14.86%	4.66% to 14.86%	4.66% to 14.86%	4.60% to 14.30%	4.60% to 14.30%	4.60% to 14.30%	4.60% to 14.30%	4.60% to 14.30%
	Investment rate of return	6.25%	6.25%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%
	Healthcare cost trend	17.28% to 4.00%	17.28% to 4.00%	6.50% to 2.20%	6.25% to 4.25%	5.50% to 4.25%	5.50 to 4.50%	5.50 to 4.50%	8.00% to 4.50%
PEBP:	Discount rate	3.93%	3.65%	3.54%	2.16%	2.21%	3.50%	3.87%	7.00%
	Healthcare cost trend	7.50% to 0.00%	7.50% to 0.00%	6.50% to 0.00%	5.25% to 4.00%	5.25% to 4.00%	5.50 to 4.50%	5.50 to 4.50%	8.00% to 4.50%

District Plan: Changes of benefits provided reflect the change from 65% retiree premium subsidy being covered by the District to 100% retiree and 85% of spousal and dependent premiums being covered by the District during the year ended June 30, 2019 (2018).

District Plan: Changes of benefits provided reflect the change from 85% of spousal and dependent premium subsidy covered by the District to 100% of premium subsidy being covered by the District during the year ended June 30, 2024.

NORTH LAKE TAHOE FIRE PROTECTION DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S CONTRIBUTIONS - OPEB
LAST 10 FISCAL YEARS*

North Lake Tahoe Fire Protection District Health Benefits Plan (District Plan):

	2025	2024**	2023	2022	2021	2020	2019	2018
Actuarially determined contribution	$ 932,258	$ 817,798	$ 746,231	$ 727,501	$ 833,697	$ 856,751	$ 826,237	$ 882,177
Contributions in relation to the actuarially determined contribution	1,323,995	1,354,213	1,037,750	1,003,084	945,306	570,225	862,351	915,938
Contribution deficiency (excess)	$ (391,737)	$ (536,415)	$ (291,519)	$ (275,583)	$ (111,609)	$ 286,526	$ (36,114)	$ (33,761)
Covered-employee payroll	$ 11,058,271	$ 10,273,636	$ 9,256,006	$ 9,279,591	$ 8,512,983	$ 6,470,119	$ 6,626,246	$ 6,530,390
Contributions as a percentage of covered-employee payroll	11.97%	13.18%	11.21%	10.81%	11.10%	8.81%	13.01%	14.03%

Notes to Schedule:

Methods and assumptions used to determine contribution amount:

Valuation Date	July 1, 2024	July 1, 2023	July 1, 2022	July 1, 2020	July 1, 2018	July 1, 2017
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization method	Level Dollar, Open	Level Dollar, Open	Level Dollar, Open	Level Dollar, Open	Level Dollar, Open	Level Dollar, Open
Remaining amortization period	30 years	30 years	30 years	30 years	30 years	30 years
Asset valuation method	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value
Inflation	3.00%	3.00%	3.00%	3.00%	3.00%	2.75%
Healthcare cost trend	17.28% to 4.00%	17.28% to 4.00%	6.50% to 2.20%	5.50% to 4.25%	5.50 to 4.50%	8.00% to 4.50%
Salary increases	4.66% to 14.86%	4.66% to 14.86%	4.66% to 14.86%	4.60% to 14.30%	4.60% to 14.30%	4.60% to 14.30%
Investment rate of return	6.25%	6.25%	7.00%	7.00%	7.00%	7.00%
Mortality rates (tables)	PUB-2010	PUB-2010	PUB-2010	RP-2014	RP-2014	RP-2014
Mortality improvement scale	MP-2021	MP-2021	MP-2021	MP-2020	MP-2018	MP-2017

No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75 for PEBP.

*The District adopted Statement No. GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions,* for the year ended June 30, 2018. Information is not available prior to that time.

**2024 Contributions in relation to the actuarially determined contribution have been restated from $399,620 to $1,354,213 to reflect contributions recognized by the Trust in accordance with U.S. GAAP rather than contributions to the Trust's investments on a cash basis. The contribution excess and contribution as a percentage of covered-employee payroll have also been restated to reflect this change. The other years presented are consistent with this presentation approach.

NORTH LAKE TAHOE FIRE PROTECTION DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEVADA (PERS)
LAST 10 FISCAL YEARS

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's portion of net the pension liability	0.12997%	0.13429%	0.13072%	0.13003%	0.12068%	0.11925%	0.11872%	0.11717%	0.10941%	0.11230%
District's proportionate share of the net pension liability	$ 23,483,541	$ 24,511,387	$ 23,601,621	$ 11,857,818	$ 16,808,621	$ 16,260,674	$ 16,190,817	$ 15,583,104	$ 14,722,931	$ 12,868,725
District's covered payroll	$ 8,924,491	$ 8,447,939	$ 7,847,549	$ 7,438,890	$ 6,805,104	$ 6,367,082	$ 6,019,370	$ 5,772,945	$ 4,827,941	$ 4,740,506
District's proportional share of the net pension liability as a percentage of its covered payroll	263.14%	290.15%	300.75%	159.40%	247.00%	255.39%	268.98%	269.93%	304.95%	271.46%
Plan fiduciary net position as a percentage of the total pension liability	78.10%	76.16%	75.12%	86.51%	77.04%	76.46%	75.24%	74.42%	72.23%	75.13%

Notes to Schedule:

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Inflation rate	2.50%	2.50%	2.50%	2.50%	2.75%	2.75%	2.75%	2.75%	3.50%	3.50%
Payroll growth	3.50%	3.50%	3.50%	3.50%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Investment rate of return	7.25%	7.25%	7.25%	7.25%	7.50%	7.50%	7.50%	7.50%	8.00%	8.00%
Productivity pay increases	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.75%	0.75%
Projected salary increases:										
Regular**	4.20%-9.10%	4.20%-9.10%	4.20%-9.10%	4.20%-9.10%	4.25%-9.15%	4.25%-9.15%	4.25%-9.15%	4.25%-9.15%	4.60%-9.75%	4.60%-9.75%
Police/Fire**	4.60%-14.50%	4.60%-14.50%	4.60%-14.50%	4.60%-14.50%	4.55%-13.90%	4.55%-13.90%	4.55%-13.90%	4.55%-13.90%	5.25%-14.50%	5.25%-14.50%
Consumer price index	2.50%	2.50%	2.50%	2.50%	2.75%	2.75%	2.75%	2.75%	3.50%	3.50%
Mortality rate	Pub-2010	Pub-2010	Pub-2010	Pub-2010	RP-2014	RP-2014	RP-2014	RP-2014	RP-2000	RP-2000
Future mortality improvement	MP-2020	MP-2020	MP-2020	MP-2020	6 years	6 years	6 years	6 years	N/A	N/A

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

NORTH LAKE TAHOE FIRE PROTECTION DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS - PENSION
PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEVADA (PERS)
LAST 10 FISCAL YEARS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily required contribution**	$ 1,954,702	$ 1,870,582	$ 1,558,149	$ 1,445,323	$ 1,365,917	$ 1,257,650	$ 1,148,166	$ 1,103,370	$ 1,051,687	$ 927,603
Contributions in relation to the statutorily required contribution**	$ 1,954,702	$ 1,870,582	$ 1,558,149	$ 1,445,323	$ 1,365,917	$ 1,257,650	$ 1,148,166	$ 1,103,370	$ 1,051,687	$ 927,603
Contribution (deficiency) excess	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employer's covered payroll	$ 9,123,588	$ 8,924,491	$ 8,447,939	$ 7,847,549	$ 7,438,890	$ 6,805,104	$ 6,367,082	$ 6,019,370	$ 5,772,945	$ 4,827,941
Contributions as a percentage of covered payroll	21.42%	20.96%	18.44%	18.42%	18.36%	18.48%	18.03%	18.33%	18.22%	19.21%

**All contributions shown reflect employer-paid contributions only. Member contributions are excluded. Prior values are restated due to GASB Statement No. 82, which classifies contributions as member contributions for the purposes of GASB Statement No. 68 if they are made by an employer to satisfy what are actually deemed to be member contribution requirements.

NOTE 1 - Budgets and Budgetary Accounting:

Budget Policies

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

1. On or before April 15, the Board of Directors files a tentative budget with the Nevada Department of Taxation for all funds other than the fiduciary fund, which is not required to be budgeted.
2. Public hearings on the tentative budget are held in the third week in May.
3. Prior to June 1, at a public hearing, the Board indicates changes, if any, to be made to the tentative budget and adopts a final budget by the favorable vote of a majority of the members of the Board. The final budget must then be forwarded to the Nevada Tax Commission for approval. 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 before August 15 of the budget year.
4. Formal budgetary integration in the financial records of all funds is employed to enhance management control during the year.
5. Budgets for all funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America.
6. Budget amounts within funds, and between funds, may be transferred if amounts do not exceed the original budget. Such transfers are to be approved by the Board of Directors.
7. Budget augmentations in excess of original budgetary amounts may not be made without prior approval of the Board of Directors, following a scheduled and noticed public hearing, as necessary. Such augmentations become effective upon receipt of a resolution by the Nevada Department of Taxation.
8. In accordance with state statute, actual expenditures generally may not exceed budgetary appropriations of the public safety function of the General Fund. State statutes do not require that debt service payments (Debt Service Fund) be limited by the budget. Also, state statutes generally do not require that capital payments (Capital Projects Fund) be limited by the budget. 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.

Supplementary Information

North Lake Tahoe Fire Protection District

NORTH LAKE TAHOE FIRE PROTECTION DISTRICT
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2024)

	2025				2024
	Budget Amounts			Variance to	
	Original	Final	Actual	Final Budget	Actual
EXPENDITURES					
Debt service:					
Principal	$ 152,000	$ 152,000	$ 152,000	$ -	$ 641,000
Interest	11,609	11,609	15,896	(4,287)	17,232
Total Expenditures	163,609	163,609	167,896	(4,287)	658,232
Excess (Deficiency) of Revenues over Expenditures	(163,609)	(163,609)	(167,896)	(4,287)	(658,232)
OTHER FINANCING SOURCES (USES)					
Transfers in	163,609	163,609	331,066	(167,457)	658,232
Net Change in Fund Balances	-	-	163,170	163,170	-
FUND BALANCES, BEGINNING OF YEAR	-	-	77	77	77
FUND BALANCES, END OF YEAR	$ -	$ -	$ 163,247	$ 163,247	$ 77

NORTH LAKE TAHOE FIRE PROTECTION DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2024)

	2025				2024
	Budget Amounts			Variance to	
	Original	Final	Actual	Final Budget	Actual
REVENUES					
Intergovernmental:					
Federal grants	$ -	$ -	$ -	$ -	$ 263,262
Miscellaneous:					
Other	-	-	-	-	40,000
Total Revenues	-	-	-	-	303,262
EXPENDITURES					
Capital outlay	1,578,929	1,578,929	122,320	1,456,609	417,103
Excess (Deficiency) of Revenues over Expenditures	(1,578,929)	(1,578,929)	(122,320)	1,456,609	(113,841)
OTHER FINANCING SOURCES (USES)					
Transfers in	577,549	577,549	674,247	96,698	150,000
Sale of assets	-	-	39,509	39,509	26,550
Total Other Financing Sources (Uses)	577,549	577,549	713,756	136,207	176,550
Net Change in Fund Balances	(1,001,380)	(1,001,380)	591,436	1,592,816	62,709
FUND BALANCES, BEGINNING OF YEAR	1,368,380	1,368,380	870,564	(497,816)	807,855
FUND BALANCES, END OF YEAR	$ 367,000	$ 367,000	$ 1,462,000	$ 1,095,000	$ 870,564

NORTH LAKE TAHOE FIRE PROTECTION DISTRICT
ENTERPRISE FUND - AMBULANCE FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2024)

	2025				2024
	Budget Amounts			Variance to	
	Original	Final	Actual	Final Budget	Actual*
OPERATING REVENUES					
Charges for services:					
Public safety:					
Ambulance fees, net of bad debts	$ 768,867	$ 768,867	$ 666,023	$ (102,844)	$ 724,326
GEMT Cost Settlement	308,158	308,158	302,322	(5,836)	81,296
Other	70,725	70,725	39,504	(31,221)	44,027
Total Operating Revenues	1,147,750	1,147,750	1,007,849	(139,901)	849,649
OPERATING EXPENSES					
Public safety:					
Ambulance:					
Salaries and wages	1,380,136	1,380,136	1,251,250	128,886	1,126,424
Employee benefits	968,003	968,003	940,444	27,559	946,183
Services and supplies	793,912	793,912	669,879	124,033	682,842
Depreciation	185,915	185,915	195,779	(9,864)	124,940
Total Operating Expenses	3,327,966	3,327,966	3,057,352	270,614	2,880,389
Operating Income (Loss)	(2,180,216)	(2,180,216)	(2,049,503)	130,713	(2,030,740)
NONOPERATING REVENUES (EXPENSES)					
Federal and state grants	-	-	-	-	139,679
Gain on disposal of assets	-	-	-	-	18,127
Interest revenue	3,968	3,968	4,191	223	8,495
Dividend income	-	-	39,249	-	-
Total Nonoperating Revenues	3,968	3,968	43,440	223	166,301
Income (Loss) before Transfers	(2,176,248)	(2,176,248)	(2,006,063)	130,936	(1,864,439)
TRANSFERS					
Transfers in	1,938,068	1,938,068	1,938,068	-	1,650,000
Changes in Net Position	$ (238,180)	$ (238,180)	(67,995)	$ 130,936	(214,439)
NET POSITION (DEFICIT), BEGINNING OF YEAR, AS ORIGINALLY REPORTED			(988,580)		(774,141)
ADJUSTMENTS (NOTE 12)			(14,197)		
NET POSITION (DEFICIT), BEGINNING OF YEAR, AS RESTATED			(1,002,777)		
NET POSITION (DEFICIT), END OF YEAR			$ (1,070,772)		$ (988,580)

*2024 has not been restated for the effects of GASB Statement 101

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 Directors
North Lake Tahoe Fire Protection District
Incline Village, 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 North Lake Tahoe 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 16, 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.

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as item 2025-001 to be a material weakness.

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A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as item 2025-002 to be a significant deficiency.

Report on Compliance and Other Matters

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

District's Response to Findings

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

Purpose of this Report

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

Eide Bailly LLP

Reno, Nevada
March 16, 2026

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

To the Board of Directors
North Lake Tahoe Fire Protection District
Incline Village, Nevada

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited North Lake Tahoe Fire Protection District's (the District) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the District's major federal program for the year ended June 30, 2025. The District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2025.

Basis for Opinion on the Major Federal Program

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

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

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Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over*

compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2025-004 to be a material weakness.

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2025-003 to be a significant deficiency.

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

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

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



Reno, Nevada
March 16, 2026

Auditor's Comments

To the Board of Directors
North Lake Tahoe Fire Protection District
Incline Village, 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 North Lake Tahoe 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 except as noted below. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the District's noncompliance with the requirements of Nevada Revised Statutes, insofar as they relate to accounting matters.

Current Year Statute Compliance

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

Progress on Prior Year Statute Compliance

In the prior year the District reported they did not comply with NRS 354.598, 354.626, and NAC 354.481 for deficit net position in a proprietary fund and budgeting a loss while in a deficit position. This item is repeated in the current year.

Prior Year Recommendations

See the Summary Schedule of Prior Year Audit Findings.

Current Year Recommendations

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

Eide Bailly LLP

Reno, Nevada
March 16, 2026

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NORTH LAKE TAHOE FIRE PROTECTION DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2025

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal Financial Assistance Listing	Agency or Pass-Through Identifying Number	Federal Expenditures
U.S. Department of the Interior			
Direct Award			
Southern Nevada Public Land Management	15.235	L23AC00022	$ 530,357
Pass-through Tahoe Resource Conservation District			
Southern Nevada Public Land Management	15.235	L23AC00025	270,286
Total U.S. Department of the Interior			800,643
TOTAL FEDERAL FINANCIAL ASSISTANCE			**$ 800,643**

See notes to Schedule of Expenditures of Federal Awards.

NORTH LAKE TAHOE FIRE PROTECTION DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2025

Note 1 – Basis of Presentation

This schedule of expenditures of federal awards (the Schedule) includes the federal award activity of North Lake Tahoe Fire Protection District (the District) under programs of the federal government for the year ended June 30, 2025. The information is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position or fund balance, or cash flows of the District.

Note 2 – Summary of Significant Accounting Policies

Expenditures reported in the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Payments to subrecipients, if applicable, are reported on a cash basis of accounting.

The District had no payments to subrecipients for the year ended June 30, 2025.

Note 3 – Indirect Cost Rate

The District has not elected to use the de minimis indirect cost rate.

NORTH LAKE TAHOE FIRE PROTECTION DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2025

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	Yes
Significant deficiency(ies) not considered to be material weaknesses?	Yes
Noncompliance material to financial statements noted?	No

Federal Awards

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

Identification of major programs:

Name of Federal Program or Cluster	Federal Financial Assistance Listing
Southern Nevada Public Land Management	15.235

Dollar threshold used to distinguish between Type A and Type B programs:	$750,000
Auditee qualified as a low-risk auditee?	No

NORTH LAKE TAHOE FIRE PROTECTION DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2025

Section II – Financial Statement Findings:

2025-001: **Beginning Balances and Allocations**
Material Weakness in Internal Control

Criteria: Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. As part of the financial close and reporting process, management is responsible for ensuring fund balances carry-forward and ensuring expenditures are appropriately allocated to their respective funds. Appropriate reconciliation of these items is a key component of ensuring the financial statements are prepared in accordance with U.S. GAAP.

Condition: Beginning fund balances did not agree to the prior year ending fund balance in the Capital Projects Fund and accrued payroll was not allocated to the Ambulance Fund.

Cause: North Lake Tahoe Fire Protection District (the District) did not have adequate internal controls to ensure beginning fund balance rolled forward appropriately and that accrued payroll was allocated to all appropriate Funds.

Effect: Prior to adjustment, the following errors were noted:

- Overstatement of beginning fund balance and capital outlay by $417,103 in the Capital Projects Fund
- Understatement of accrued payroll in the Ambulance Fund and overstatement of accrued payroll in the General Fund by $66,438.

Recommendation: We recommend the District enhance internal controls to ensure beginning fund balance rolls forward appropriate and that accrued payroll is allocated to all appropriate funds.

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

NORTH LAKE TAHOE FIRE PROTECTION DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2025

2025-002: **Allowance for Doubtful Accounts**
Significant Deficiency in Internal Control

Criteria: Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. Management is responsible for considering currently known facts and circumstances in determining accounting estimates. Appropriate consideration of known items is a key component of developing an accounting estimate in accordance with U.S. GAAP.

Condition: The allowance for doubtful accounts was prepared using a method which has not changed in several years. The allowance has historically been estimated at 50% of outstanding receivables, using historical aggregate collections as a basis. In addition, the aging of those receivables had stayed reasonably consistent from year to year, such that historical collections was an appropriate indicator for the current year estimate.

In the current year, receivables aged greater than a year in the Ambulance Fund had increased from $198,500 at June 30, 2024 to $352,502 at June 30, 2025. However, the development of the allowance did not adequately consider this change and whether a change in the collectability assumption was necessary due to the change in demographics of aged receivables.

Cause: North Lake Tahoe Fire Protection District (the District) did not have adequate internal controls to ensure currently known facts and circumstances were considered in the development of the allowance for doubtful accounts estimate.

Effect: Management re-evaluated the estimate upon our request, to add considerations on the age of the receivable. After this re-evaluation, an additional allowance of $75,989 was recorded.

Recommendation: We recommend the District enhance internal controls to ensure the allowance for doubtful accounts considers collectability by the age of receivable, rather than an aggregate overall assumption. This would allow for changes in circumstances, such as significant changes in the age of receivables to be appropriately considered when determining the estimate.

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

Section III – Federal Award Findings and Questioned Costs

2025-003: U.S. Department of the Interior
Direct and Pass-through Tahoe Resource Conservation District
Southern Nevada Public Land Management, 15.235

Allowable Costs/Cost Principles
Significant Deficiency in Internal Control over Compliance

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

Criteria: Title 2 of U.S. *Code of Federal Regulation* (CFR) Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) provides that a non-federal entity may charge only allowable costs that are adequately documented and are necessary and reasonable for performance of the federal award under the principles of 2 CFR Part 200, Subpart E.

Uniform Guidance section 200.303 provides that non-federal entities must establish and maintain effective internal control that provides reasonable assurance that the non-federal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Condition: Expenditures for equipment usage were charged to the grant using an incorrect billing rate and billing rates for burn mix were not originally documented and supported.

Cause: North Lake Tahoe Fire Protection District (the District) did not have adequate internal controls to ensure accurate billing rates for equipment charges were used and to ensure that internally generated fees, such as burn mix, were documented to support the amount billed to the grant.

Effect: Unallowable costs were charged to the program.

Questioned Costs: None reported as known and projected questioned costs were less than $25,000.

Context/Sampling: A nonstatistical sample of 60 ($15,434) out of a population of 708 ($112,987) equipment usage expenditures was selected for testing. Two transactions were for burn mix, which was billed at an internally generated rate. The documentation for developing the rate was not originally maintained. However, it was generated during the audit to assist in determining the reasonableness of what was charged. In addition, 11 transactions were for a Chipper Trailer, which were charged to the program at $72.38 per hour of usage rather than the published rate of $72.28 per hour.

NORTH LAKE TAHOE FIRE PROTECTION DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2025

Repeat Finding from Prior Year:	No
Recommendation:	We recommend the District enhance internal controls to ensure accurate billing rates for equipment charges are used and that charges for internally generated fees, such as burn mix, are documented prior to charging the fees to the program.
Views of Responsible Officials:	North Lake Tahoe Fire Protection District agrees with this finding.

NORTH LAKE TAHOE FIRE PROTECTION DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2025

2025-004: **U.S. Department of the Interior**
Direct and Pass-through Tahoe Resource Conservation District
Southern Nevada Public Land Management, 15.235

Procurement, Suspension, and Debarment
Material Weakness in Internal Control over Compliance

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

Criteria: Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) requires that a recipient use its own documented procurement procedures which reflect applicable state and local laws and regulations, provided that the policies conform to applicable federal law. In addition, recipients are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred.

Condition: Procurement policies were consistent with state laws under Nevada Revised Statutes but did not consider or conform to all applicable federal procurement laws. In addition, procedures were not followed to verify if an entity was suspended or debarred before entering into a covered transaction.

Cause: North Lake Tahoe Fire Protection District (the District) did not have adequate internal controls to ensure procurement policies complied with applicable federal laws or to ensure procedures were followed to verify an entity was not suspended or debarred prior to entering into a covered transaction.

Effect: An inappropriate procurement method may be used. A covered transaction may be entered into with an entity that is suspended or debarred.

Questioned Costs: None

Context/Sampling: All procurements were tested as a population of one was noted. Suspension and debarment verification procedures were not performed for the vendor. Lastly, as noted the procurement policies were reviewed and were absent consideration of federal criteria regarding:

- Avoidance of acquisition of duplicative items
- Awarding to responsible parties and contract oversight
- Federal solicitation provisions
- Disadvantaged Business Enterprise programs
- Contract price and types
- Bonding requirements
- Contract provisions and recovered materials

NORTH LAKE TAHOE FIRE PROTECTION DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2025

Repeat Finding from Prior Year:	No
Recommendation:	We recommend the District update its written procurement policy to include federal laws and implement internal controls to ensure procedures are followed to verify an entity is not suspended or debarred prior to entering into a covered transaction.
Views of Responsible Officials:	North Lake Tahoe Fire Protection District agrees with this finding.