

## **COMMUNICATIONS AND REPORTS**

**February 11, 2020**

The following communications and reports were received, duly noted, and ordered placed on file with the Clerk:

### **COMMUNICATIONS**

- A. Copy of Tahoe Regional Planning Agency Ordinance 2019-07, an amendment to Ordinance No. 87-9, to (1) incorporate references to area plans; (2) clarify provisions related to achievable housing; (3) provide additional revisions for clarity and consistency; and (4) correct errors in wording and numbering.
- B. Copy of Tahoe Regional Planning Agency Ordinance 2019-08, an amendment to ordinance No. 87-9, to establish provisions for recognition of existing buoys within an existing buoy field.

### **MONTHLY STATEMENTS/REPORTS**

- A. Office of the Washoe County Treasurer, Monthly Statement for month ending December 31, 2019.

### **QUARTERLY STATEMENTS/REPORTS**

- A. Office of the Washoe County Clerk, Quarterly Financial Statement for 2<sup>nd</sup> Quarter FY 2019-2020 ending December 31, 2019.
- B. Office of the Washoe County Clerk of the Court, Quarterly Financial Statement ending December 2019.

### **ANNUAL STATEMENTS/REPORTS**

- A. Carson-Truckee Water Conservancy District, Financial Statements, June 30, 2019.
- B. North Lake Tahoe Fire Protection District, Financial Statements, June 30, 2019.
- C. Washoe County Water Conservation District, Financial Statements, Required Supplementary Information and Other Supplemental Information, June 30, 2019 and 2018.

TAHOE REGIONAL PLANNING AGENCY  
ORDINANCE 2019-07

AN AMENDMENT TO ORDINANCE NO. 87-9, AS PREVIOUSLY AMENDED, TO AMEND THE TRPA CODE OF ORDINANCES, CHAPTERS 2, 21, 30, 37, 50, 51, 53, AND 84 TO (1) INCORPORATE REFERENCES TO AREA PLANS; (2) CLARIFY PROVISIONS RELATED TO ACHIEVABLE HOUSING; (3) PROVIDE ADDITIONAL REVISIONS FOR CLARITY AND CONSISTENCY; AND (4) CORRECT ERRORS IN WORDING AND NUMBERING; AND OTHER MATTERS PROPERLY RELATED THERETO

The Governing Board of the Tahoe Regional Planning Agency does ordain as follows:

Section 1.00 Findings

- 1.10 It is desirable to amend TRPA Ordinance 87-9 by amending the TRPA Code of Ordinances to further implement the Regional Plan pursuant to Article VI (a) and other applicable provisions of the Tahoe Regional Planning Compact.
- 1.20 The TRPA Code of Ordinances amendments were the subject of an Initial Environmental Checklist (IEC), which was processed in accordance with Chapter 3: *Environmental Documentation* of the TRPA Code of Ordinances and Article VI of the Rules of Procedure. The TRPA Code of Ordinances amendments have been determined not to have a significant effect on the environment, and are therefore exempt from the requirement of an Environmental Impact Statement (EIS) pursuant to Article VII of the Compact.
- 1.30 The Advisory Planning Commission (APC) and the Governing Board have each conducted a noticed public hearing on the proposed TRPA Code of Ordinances amendments. The APC has recommended Governing Board adoption of the necessary findings and adopting ordinance. At these hearings, oral testimony and documentary evidence were received and considered.
- 1.40 The Governing Board finds that the TRPA Code of Ordinances amendments adopted hereby will continue to implement the Regional Plan, as amended, in a manner that achieves and maintains the adopted environmental threshold carrying capacities as required by Article V(c) of the Compact.
- 1.50 Prior to the adoption of this ordinance, the Governing Board made the findings required by Section 4.5 of the TRPA Code of Ordinances, and Article V(g) of the Compact.
- 1.60 Each of the foregoing findings is supported by substantial evidence in the record.

Section 2.00 TRPA Code of Ordinances Amendments

Ordinance 87-9, as previously amended, is hereby amended by amending the TRPA Code of Ordinances, as set forth in Exhibit 1.

Section 3.00    Interpretation and Severability

The provisions of this ordinance amending the TRPA Code of Ordinances adopted hereby shall be liberally construed to affect their purposes. If any section, clause, provision or portion thereof is declared unconstitutional or invalid by a court of competent jurisdiction, the remainder of this ordinance and the amendments to the Regional Plan Package shall not be affected thereby. For this purpose, the provisions of this ordinance and the amendments to the Regional Plan Package are hereby declared respectively severable.

Section 4.00    Effective Date

The provisions of this ordinance amending the TRPA Code of Ordinances shall become effective on February 16, 2020

PASSED AND ADOPTED by the Governing Board of the Tahoe Regional Planning Agency at a regular meeting held on December 18, 2019, by the following vote:

Ayes: Ms. Aldean, Ms. Berkgigler, Mr. Bruce, Mr. Shute, Mr. Cashman, Ms. Novasel, Mr. Wlaschin for Mrs. Cegavske, Ms. Gustafson for Mr. Sevison, Mr. Lawrence, Mr. Yeates, Mr. Rice, Ms. Laine

Absent: Mr. Beyer, Ms. Faustinos

A handwritten signature in black ink, appearing to read "Bred Yeates", written over a horizontal line.

William Yeates, Chair  
Tahoe Regional Planning Agency  
Governing Board

TAHOE REGIONAL PLANNING AGENCY  
ORDINANCE 2019-08

AN AMENDMENT TO ORDINANCE NO. 87-9, AS PREVIOUSLY AMENDED, TO AMEND THE TRPA CODE OF ORDINANCES, CHAPTER 84 TO ESTABLISH PROVISIONS FOR RECOGNITION OF EXISTING BUOYS WITHIN AN EXISTING BUOY FIELD, AND OTHER MATTERS PROPERLY RELATED THERETO

The Governing Board of the Tahoe Regional Planning Agency does ordain as follows:

Section 1.00    Findings

- 1.10            It is desirable to amend TRPA Ordinance 87-9 by amending the TRPA Code of Ordinances to further implement the Regional Plan pursuant to Article VI (a) and other applicable provisions of the Tahoe Regional Planning Compact.
- 1.20            The TRPA Code of Ordinances amendments were the subject of an Initial Environmental Checklist (IEC), which was processed in accordance with Chapter 3: *Environmental Documentation* of the TRPA Code of Ordinances and Article VI of the Rules of Procedure. The TRPA Code of Ordinances amendments have been determined not to have a significant effect on the environment and are therefore exempt from the requirement of an Environmental Impact Statement (EIS) pursuant to Article VII of the Compact.
- 1.30            The Advisory Planning Commission (APC) and the Governing Board have each conducted a noticed public hearing on the proposed TRPA Code of Ordinances amendments. The APC has recommended Governing Board adoption of the necessary findings and adopting ordinance. At these hearings, oral testimony and documentary evidence were received and considered.
- 1.40            The Governing Board finds that the TRPA Code of Ordinances amendments adopted hereby will continue to implement the Regional Plan, as amended, in a manner that achieves and maintains the adopted environmental threshold carrying capacities as required by Article V(c) of the Compact.
- 1.50            Prior to the adoption of this ordinance, the Governing Board made the findings required by Section 4.5 of the TRPA Code of Ordinances, and Article V(g) of the Compact.
- 1.60            Each of the foregoing findings is supported by substantial evidence in the record.

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Absent: Mr. Beyer, Ms. Faustinos

A handwritten signature in black ink, appearing to read "Bill Yeates", written over a horizontal line.

William Yeates, Chair  
Tahoe Regional Planning Agency  
Governing Board

**OFFICE OF THE WASHOE COUNTY TREASURER**

**Tammi Davis, Treasurer**

1001 E 9<sup>TH</sup> St - D140  
P O Box 30039  
Reno NV 89520-3039

MONTHLY STATEMENT OF WASHOE COUNTY TREASURER FOR  
MONTH ENDING DECEMBER 31, 2019

BOARD OF COUNTY COMMISSIONERS  
WASHOE COUNTY  
RENO, NEVADA

RE: NRS 354.280

Honorable Commissioners:

I hereby submit this summary record of the source and amount of all receipts, apportionments to, payments from and balances in all funds and separate accounts as required by referenced statute. Detail information for these funds is available in my office.

CASH ON DEPOSIT	OUTSTANDING CHECKS	BOOK BALANCE
\$21,995,753.69	\$391,567.20	\$21,604,186.49

INVESTMENTS (Reported at Market - All Groups)
\$600,941,335.40

Unapportioned Funds (Secured & Unsecured)	Washoe County	Other Agencies	Restricted Funds	Total
	\$17,220,576.00	\$33,926,086.50	\$5,531,283.12	\$56,677,945.62



Brenda Mathers, Chief Deputy Treasurer

**COUNTY CLERK'S QUARTERLY FINANCIAL STATEMENT  
STATE OF NEVADA, COUNTY OF WASHOE**

**2ND QUARTER FY 2019/2020  
OCTOBER 1<sup>ST</sup> – DECEMBER 31<sup>ST</sup>**

Nancy Parent, County Clerk, in compliance with NRS 19.090, and being first duly sworn, and under penalty of perjury, deposes and says that the following is a full and correct statement of all fees, percentages or compensation received in my official capacity during the preceding three months:

<b>COUNTY FEES COLLECTED</b>	
<b>Fee Type</b>	<b>Quarterly Total</b>
<b>COUNTY GENERAL FUND FEES</b>	
Clerk Marriage Fees	\$ 29,988.00
Clerk Solemnization Fees	\$ 8,610.00
Fictitious Firm Name Fees	\$ 17,980.00
Notary Fees	\$ 3,150.00
Power of Attorney Fees	\$ -
Affidavit of Correction Fees	\$ -
Certificate of Search	\$ 66.00
Copy and Certification Fees	\$ 10,487.50
Recorder Marriage Fees	\$ 14,280.00
Officiant Fees	\$ 1,875.00
CLERK TECHNOLOGY FUND	\$ 5,920.00
OVER/SHORT ADJUSTMENTS*	\$ -
<b>TOTAL COUNTY FEES COLLECTED</b>	<b>\$ 92,356.50</b>

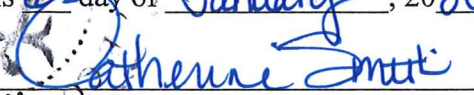
\*OVER/SHORT ADJUSTMENTS NOT PART OF TOTAL COUNTY FEES COLLECTED

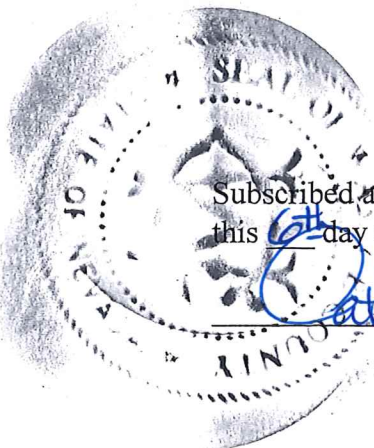
<b>STATE FEES COLLECTED</b>	
<b>Fee Type</b>	<b>Quarterly Total</b>
Domestic Violence Fees - Marriage	\$ 35,700.00
Domestic Violence Fees - Ceremony	\$ 615.00
State Marriage Fees	\$ 5,712.00
<b>TOTAL STATE FEES COLLECTED</b>	<b>\$ 42,027.00</b>

<b>TOTAL OF ALL FEES COLLECTED</b>	<b>\$ 134,383.50</b>
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\_\_\_\_\_  
NANCY PARENT  
Washoe County Clerk

Subscribed and sworn to before me  
this 6th day of January, 2020

  
\_\_\_\_\_  
Deputy Clerk



CLERK OF THE COURT  
QUARTERLY FINANCIAL STATEMENT  
STATE OF NEVADA, COUNTY OF WASHOE  
Quarter Ending DECEMBER 2019

Jacqueline Bryant, Clerk of the Court, in compliance with NRS 19.090, and being first duly sworn, and under penalty of perjury, deposes and says that the following is a full and correct statement of all fees, percentages or compensation received in my official capacity during the preceding three months:

Clerk of the Court	Law Library Fund	\$	15,394.00
	Additional Divorce Filing Fee	\$	380.00
	*County General Fund	\$	374,188.50
	State Civil Fee	\$	48,509.00
	Legal Aid Filing Fee	\$	61,848.00
	TOTAL		<u>\$500,319.50</u>

  
\_\_\_\_\_  
Jacqueline Bryant  
District Court Administrator/Clerk of Court

\* Included in County General Fund are the following fees: balance of civil action, certified copies of all miscellaneous.

CASH REGISTER  
READOUT

T.R. Rec.No.  
( Doc. No)

UNIT ID. CLERK - JUDICIAL  
Date: January 02, 2020

FOR AUDIT AND CONTROL PURPOSES PLEASE INDICATE THE REASON FOR THIS COLLECTION.  
(Attach any additional document if this would help to clarify the collection.)

DISTRICT COURT FEES COLLECTED FOR 2ND QTR 19/20

ACCOUNTS TO BE CREDITED					AMOUNT			
CR/GF/OP	ACCOUNT DESCRIPTION	ACCOUNTING CODE NUMBERS						
		ORDER	COST CENTER	ACCOUNT				
OP	Legal Aid (Washoe Legal Services) (01)		990023	441007	32,312.00	legalaidd	\$	61,848.00
OP	Legal Aid (Elderly Indigent) Sr. Center (02)		250411	460720	11,081.00			
OP	State Civil (03)		990019	441022	31,904.00	state civil	\$	48,509.00
GF	Law Library (04)		123100	460222	15,390.00	law library	\$	15,394.00
GF	Clerk Fees (05,6,7)		120101	460210	80,778.50	general	\$	374,188.50
CR	DC Technology SB106 (06)	20038	120105	460210	1,336.00			
OP	Legal Aid (Washoe Legal Services) (08)		990023	441078	18,455.00			
GF	Additional Divorce Answer Fee (09)		120231	460220	380.00	add'l div	\$	380.00
GF	Mediation (10)		120331	471205	6,875.00			
OP	Neighborhood Justice Center (10J)		270710	460225	6,875.00			
GF	Arbitration (11)		120111	471215	6,875.00			
OP	Displaced Homemakers (12)		990019	441021	10,050.00			
GF	Divorce Training (13)		120231	460223	1,995.00			
GF	Family Mediation Fee (14)		120331	471210	8,750.00			
GF	CD Recording/Record on CD (15,17)		120311	485300	3,750.00			
OP	Vital Statistics (State of NV) (18)		990019	441004	3,450.00			
OP	State of NV (OAC / Tech) (19)		990019	441020	1,670.00			
OP	State of NV (OAC / Judges) (20)		990019	441019	835.00			
CR	Court Expansion Fees AB65 (21)	20326		460211	159,867.00			
CR	Court Security Fees AB65 (22)	20335		460213	27,500.00			
CR	Mtn to Modify Div SB388	20408		460214	3,234.00			
CR	Opp Mtn to Mod Div SB388	20409		460215	574.00			
GF	eFile Subscription		120106	460212	63,300.00			
GF	Attorney ID Badge Fee		120101	485320	75.00			
GF	Attorney ID Badge Fee PW		160100	485100	-			
GF	Law Library Fine/Fee		123100	485100	4.00			
OP	Foreclosure Mediation State (34)		990019	460121	600.00			
GF	Foreclosure Mediator (35)	20444		460220	2,400.00			
GF	Over/Short (Filing Office)		120231	711300	4.00			
Credit Card WM:						TOTAL \$ 500,319.50		
Fee Bank Total:								
Currency:								
TOTAL: \$ -								

Prepared By: H. Potts

ACCEPTED BY: TAMMI DAVIS  
Washoe County Treasurer

		Quarterly
		Total
Legal Aid (WLS)	01	\$32,312.00
Legal Aid Sr. Center	02	\$11,081.00
State Civil	03	\$31,904.00
Law Library	04	\$15,390.00
Clerk Fees	05,6,7	\$80,778.50
DC Technology SB106	06	\$1,336.00
Legal Aid (WLS)	08	\$18,455.00
Add'l Divorce Answer	09	\$380.00
Mediation	10	\$6,875.00
Neighborhood Justice	10J	\$6,875.00
Arbitration	11	\$6,875.00
Displaced Homemakers	12	\$10,050.00
Divorce Training	13	\$1,995.00
Family Mediation Fee	14	\$8,750.00
Video Tapes	15,17	\$3,750.00
Vital Statistics	18	\$3,450.00
State of NV AOC/Tech	19	\$1,670.00
State of NV AOC/Judge	20	\$835.00
Court Expansion Fees AB65	21	\$159,867.00
Court Security Fee AB65	22	\$27,500.00
Mtn to Mod Div SB388	22JP	\$3,234.00
Opp Mtn to Mod Div SB388	22OP	\$574.00
eFile Subscription	30	\$63,300.00
Attorney ID Badge Fee	31	\$75.00
Attorney ID Badge Fee PW	32	\$0.00
Law Library Fine	33	\$4.00
Foreclosure State	34	\$600.00
Foreclosure Mediator	35	\$2,400.00
Over/Short Filing Office		\$ 4.00
		\$500,319.50



**CARSON-TRUCKEE  
WATER CONSERVANCY DISTRICT**

295 Holcomb Ave. Suite A  
Reno, NV 89502

PHONE 322-8041  
FAX 322-7266

December 13, 2019

Nancy Parent  
Washoe County Clerk  
P.O. Box 11130  
Reno, NV 89520-3083

RE: Financial Statements – 2018-2019

You will find enclosed herewith Carson-Truckee Water Conservancy District's Financial Statements and Supplemental Information Report ending June 30<sup>th</sup>, 2019.

If you need anything further, please give me a call, 775-322-9139.

Sincerely yours,

Mary Pat Eymann  
Secretary/Treasurer

Enclosure



CARSON-TRUCKEE WATER CONSERVANCY DISTRICT

FINANCIAL STATEMENTS

JUNE 30, 2019



CARSON-TRUCKEE WATER CONSERVANCY DISTRICT  
JUNE 30, 2019

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TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITORS' REPORT	1-2
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)	3-6
FINANCIAL STATEMENTS	
Statement of Net Position	7
Statement of Activities	8
Balance Sheet – General Fund	9
Statement of Revenues, Expenditures, and Changes in Fund Balance – General Fund	10
Budgetary Comparison Schedule – General Fund	11
Notes to Financial Statements	12-19
REPORT ON INTERNAL CONTROL AND COMPLIANCE	20
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	21-22
REPORTING REQUIREMENTS	
Schedule of Findings and Responses	23
Schedule of Prior Audit Findings	24



**BARNARD VOGLER & CO.**

Certified Public Accountants

100 West Liberty St.  
Suite 1100  
Reno, NV 89501

775.786.6141  
775.323.6211  
bvccpas.com

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Carson-Truckee Water Conservancy District

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the General Fund of Carson-Truckee Water Conservancy District (the District) as of and for the year ended June 30, 2019, and the related notes to the financial statements which collectively comprise the District's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Carson-Truckee Water Conservancy District's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the General Fund of the Carson-Truckee Water Conservancy District as of June 30, 2019, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 6 be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Reporting Required by Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 12, 2019 on our consideration of Carson-Truckee Water Conservancy 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 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 Carson-Truckee Water Conservancy District's internal control over financial reporting and compliance.

*Barnard Vogler + Co*

Reno, Nevada  
November 12, 2019



CARSON-TRUCKEE WATER CONSERVANCY DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2019

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Our discussion and analysis of the Carson-Truckee Water Conservancy District (the District), a water conservancy district established under the State of Nevada Revised Statute (NRS) 541, financial performance provides an overview of the District's financial activity for the fiscal year ended June 30, 2019. It should be read in conjunction with the financial statements which begin on page 7.

## FINANCIAL HIGHLIGHTS

The District funded \$71,881 in grants to various entities to cover work on the Truckee and Carson Rivers. The District is continuing the grant program for noxious weed abatement work within the Carson River. The work being done with Dayton Valley Conservation District and Storey County is seeing progress on eradicating the noxious weeds from our water ways.

Channel maintenance	\$ 42,250
Weed abatement	22,000
Nevada stream gauging program	<u>7,631</u>
	<u>\$ 71,881</u>

## OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required and other supplementary information in addition to the basic financial statements themselves.

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

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

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.

Both of the government-wide financial statements show the general government function of the District, which is principally supported by taxes. All governmental activities of the District are included in the general government function since the District is a single-purpose entity.

The government-wide financial statements can be found on pages 7 and 8 of this report.

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

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

CARSON-TRUCKEE WATER CONSERVANCY DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2019

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental fund and governmental activities.

The District adopts an annual appropriated budget for its fund. Budgetary comparison information has been provided for that fund to demonstrate compliance with the budget. The governmental fund financial statements and the reconciliations to the government-wide financial statements can be found on pages 9 and 10 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 12-19 of this report.

### Condensed Statement of Net Position

The Statement of Net Position shows all of the assets and liabilities of the District and is presented on the accrual basis. The total net position is \$1,391,348. Total net position increased by \$202,495 this fiscal year.

#### SUMMARY STATEMENT OF NET POSITION

	<u>2019</u>	<u>2018</u>	<u>Change</u>	<u>Percentage</u>
Current assets	\$ 1,401,069	\$ 1,188,964	\$ 212,105	17.84%
Current liabilities	9,721	111	9,610	8,657.66%
Net Position Unrestricted	<u>1,391,348</u>	<u>1,188,853</u>	<u>202,495</u>	17.03%
Total liabilities net position	\$ <u>1,391,348</u>	\$ <u>1,188,853</u>	\$ <u>202,495</u>	17.04%

### Condensed Statement of Activities

The Statement of Activities shows all of the expenses and revenues of the District and is also presented on the accrual basis. During the current year, the distributions to our grant benefactors were down from last year by \$18,591. The main increase in revenues for the general fund during the current year was related to an increase in consolidated taxes received by the District.

	<u>2019</u>	<u>2018</u>	<u>Change</u>	<u>Percentage</u>
Revenue				
General revenue	\$ 343,852	\$ 334,674	\$ 9,178	2.74%
Federal grants	52,163	21,439	30,724	143.31%
Investment revenue	14,202	1,814	12,388	682.91%
Other income	<u>400</u>	<u>800</u>	( <u>400</u> )	( 50.00 )%
Total revenues	410,617	358,727	51,890	14.47%
Expenses				
General Expenses	<u>208,122</u>	<u>248,196</u>	( <u>40,074</u> )	( 16.15 )%
Change in Net Position	\$ <u>202,495</u>	\$ <u>110,531</u>	\$ <u>91,964</u>	83.20%

CARSON-TRUCKEE WATER CONSERVANCY DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2019

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### Balance Sheet – General Fund

This statement on page 9 shows the assets, liabilities and fund balance for the District's primary fund – The General Fund.

### Statement of Revenue, Expenditures and Changes in Fund Balance – General Fund

This statement on page 10 shows the revenue and expenditures for the District operating accounts – The General Fund.

### Capital Assets

The District's capital assets amounted to \$15,693 with accumulated depreciation of \$15,693, leaving no net book value. Capital assets include equipment and a website. See Note 3 to the financial statements for further information

### Description of Current and Expected Conditions

Presently, the Board of Directors of the District is not aware of any significant changes in conditions that would have a significant effect on the financial position or results of activities of the District in the near future.

### Significant Budget Variations

The District's significant General Fund budget variations for fiscal year 2019 were as follows:

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Percentage</u>
Revenue				
AB 104, fair share	\$ 6,251	\$ 37,981	\$ 31,730	83.54%
Consolidated tax	304,895	305,871	976	0.32%
Federal grants	--	52,163	52,163	100.00%
Expenditures				
Consulting	10,000	6,175	3,825	61.94%
Director fees and expenses	12,170	7,606	4,564	60.00%
Engineering	60,000	49,451	10,549	21.33%
Grant expenses	151,626	71,881	79,745	110.94%

AB 104, Fair Share – This revenue is always budgeted for conservatively.

Consolidated Tax – This revenue varies from year to year as it is based on five taxes collected locally.

Federal Grants – Grant revenue was received from FEMA for reimbursement of debris removal during the significant flooding in 2017.

Consulting services – This expenditure was budgeted for using the estimated amount of hours that it would require for the consultant. In the current year, not as many hours were needed as estimated.

Director fees and expenses – The District budgeted for more expenses related to directors than what was actually necessary for the current year.



CARSON-TRUCKEE WATER CONSERVANCY DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2019

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**Significant Budget Variations (continued)**

Engineering services – This account is subject to change as the amount of Engineering for projects fluctuates from year to year depending on what projects are in progress.

Grant expense – The main reason for the variance is because the grants are not paid until the work is done, and also it is unknown how many grants will be needed during the year.

**REQUEST FOR INFORMATION**

This financial report is designed to provide a general overview of the District's finances for all those who have an interest in this District's finances. Questions concerning any of the information presented in this report or requests for additional financial information should be addressed to 1005 Terminal Way., Suite 150, Reno, NV 89502.

CARSON-TRUCKEE WATER CONSERVANCY DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2019

7

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	<u>Governmental Activities</u>
ASSETS	
Cash	\$ 501,046
Investments	838,897
Due from other governments	
Fair share receivable	5,663
Consolidated tax	54,713
Deposit	<u>750</u>
Total assets	1,401,069
LIABILITIES	
Accounts payable	<u>9,721</u>
NET POSITION	
Unrestricted	<u>1,391,348</u>
Total net position	<u>\$ 1,391,348</u>

See accompanying notes



CARSON-TRUCKEE WATER CONSERVANCY DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2019

8

Functions/Programs	Expenses	Program Revenues Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
			Governmental Activities
<b>GOVERNMENTAL ACTIVITIES</b>			
General government	\$ 208,122	\$ 52,163	\$ (155,959)
Total governmental activities	<u>\$ 208,122</u>	<u>\$ 52,163</u>	<u>(155,959)</u>
General revenues:			
Consolidated tax			305,871
Fair share			37,981
Investment income (loss)			14,202
Miscellaneous			400
Total general revenues			<u>358,454</u>
Change in net position			202,495
NET POSITION, beginning of year			<u>1,188,853</u>
NET POSITION, end of year			<u>\$ 1,391,348</u>

See accompanying notes

CARSON-TRUCKEE WATER CONSERVANCY DISTRICT  
BALANCE SHEET - GENERAL FUND  
JUNE 30, 2019

9

ASSETS

Cash	\$ 501,046
Investments	838,897
Due from other governments	
Fair share receivable	5,663
Consolidated tax	54,713
Deposit	<u>750</u>

Total assets \$ 1,401,069

LIABILITIES

Accounts payable	\$ 9,721
------------------	----------

FUND BALANCES

Unassigned	<u>1,391,348</u>
Total fund balance	<u>1,391,348</u>

Total liabilities and fund balance \$ 1,401,069

RECONCILIATION TO THE STATEMENT OF NET POSITION:

Total fund balances - general fund \$ 1,391,348

Capital assets used in governmental activities are not financial resources, and, therefore, are not reported in the general fund.

These assets consist of:

Equipment	4,559
Website	11,134
Less accumulated depreciation	<u>(15,693)</u>

Net position of governmental activities \$ 1,391,348

See accompanying notes

10

CARSON-TRUCKEE WATER CONSERVANCY DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2019

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REVENUES

Intergovernmental	\$ 343,852
Federal grant	52,163
Interest	14,202
Miscellaneous	400
Total revenues	<u>410,617</u>

EXPENDITURES

General government	<u>208,122</u>
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Net change in fund balance	202,495
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FUND BALANCE, beginning of year	<u>1,188,853</u>
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FUND BALANCE, end of year	<u><u>\$1,391,348</u></u>
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RECONCILIATION TO THE STATEMENT OF ACTIVITIES

Net change in fund balance - general fund	\$ 202,495
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The general fund reports capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over the estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.

Current year depreciation	<u>-</u>	<u>-</u>
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Change in net position for governmental activities	<u><u>\$ 202,495</u></u>
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See accompanying notes

CARSON-TRUCKEE WATER CONSERVANCY DISTRICT  
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2019

11

	Original and Final Budget	Actual	Variance- Positive (Negative)
<b>REVENUES</b>			
Intergovernmental			
Consolidated tax	\$ 304,895	\$ 305,871	\$ 976
AB104, fair share revenue	6,251	37,981	31,730
Federal grant	-	52,163	52,163
Total intergovernmental	<u>311,146</u>	<u>396,015</u>	<u>84,869</u>
Miscellaneous			
Interest	1,000	14,202	13,202
Other	1,000	400	(600)
Total miscellaneous	<u>2,000</u>	<u>14,602</u>	<u>12,602</u>
Total revenue	313,146	410,617	97,471
<b>EXPENDITURES</b>			
Employee benefits and payroll taxes	2,400	1,473	927
Services and supplies			
Accounting and audit	10,000	9,300	700
Advertising	750	308	442
Bank fees	100	8	92
Consulting	10,000	6,175	3,825
Contract services	41,100	41,000	100
Directors' fees and expense	12,170	7,606	4,564
Engineering services	60,000	49,451	10,549
Grant expense	151,626	71,881	79,745
Insurance	4,500	2,857	1,643
Legal services	6,000	7,000	(1,000)
Miscellaneous	1,000	601	399
Office expense	2,000	1,787	213
Rent	10,000	7,862	2,138
Telephone	1,500	813	687
Total expenditures	<u>313,146</u>	<u>208,122</u>	<u>105,024</u>
Net change in fund balance	-	202,495	202,495
FUND BALANCE, beginning of year	<u>1,188,618</u>	<u>1,188,853</u>	<u>235</u>
FUND BALANCE, end of year	<u>\$ 1,188,618</u>	<u>\$ 1,391,348</u>	<u>\$ 202,730</u>

See accompanying notes

## NOTES TO FINANCIAL STATEMENTS

CARSON-TRUCKEE WATER CONSERVANCY DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Carson-Truckee Water Conservancy District (the District) was formed in 1958 for the purpose of contracting with the United States Department of the Interior and distributing water to users within its boundaries. The District is geographically located in six Nevada counties: Washoe, Storey, Carson City, Churchill, Douglas and Lyon.

The financial statements have been prepared in accordance with generally accepted accounting principles as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies.

Reporting Entity

The financial statements present the financial position, results of operations, changes in fund balance, and change in net position of the fund under the direct jurisdiction of the Board of Directors of the District. The District is not considered a component unit of any other governmental entity nor are there any other governmental units, which could be considered component units of the District.

Basis of Presentation and Accounting

GASB Statement Number 34 mandates government-wide financial statements of net position and activities, which are presented on the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred. It also requires that certain capital assets be recorded at cost less accumulated depreciation. GASB Statement Number 54 establishes criteria for classifying governmental fund balances into specifically defined classifications.

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's one major fund, the General Fund). The District's General Fund is classified as governmental activities.

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenue, and expenditures. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The District reports one major governmental fund, the General Fund, which is the District's general operating fund and is used to account for all financial resources.

The District maintains its accounting records for the governmental fund using the current financial resources measurement focus and the modified accrual basis of accounting. This method provides for recognizing expenditures at the time liabilities are incurred, while revenue is recorded when "measurable and available" to finance expenditures of the fiscal period. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers all revenue available if it is collected within 60 days after year-end.

CARSON-TRUCKEE WATER CONSERVANCY DISTRICT  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Most major sources of revenue reported in governmental funds are susceptible to accrual under the modified accrual basis of accounting. Below is a summary of revenue recognition policies for all major revenue sources:

Type of Revenue	Accrued When Measurable and Available	Recognized When Received	Accrued When Earned
Consolidated tax	X		
Fair share revenue	X		
Interest			X
Miscellaneous		X	

Cash and Investments

Cash balances from the General Fund are invested as permitted by law. Pursuant to NRS 541.140, the District may invest in Treasury notes or bonds of the United States or any state, county or municipal corporation. The District may also invest in the Local Government Investment Pool (LGIP). The District's investment in the LGIP is equal to its original investment plus monthly allocations of interest income and realized/unrealized gains and losses, which is the same as the value of the pool shares.

Concentrations of Credit Risk

The District maintains its cash accounts in various deposit accounts, the balances of which are periodically in excess of federally insured limits.

Inventory of Consumable Supplies

Management of the District has elected to consider expenditures for supplies held for consumption as charges against appropriations at the time of purchase. Any inventory of such supplies at year end is immaterial and, accordingly, is not recognized as an asset in these financial statements.

Capital Assets

Capital assets purchased or acquired with an original cost of \$800 or more are reported at historical cost. Donated assets are recorded at their estimated fair market value on the date donated. The cost of maintenance and repairs is charged to income as incurred. When capital assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is recognized in income for the period. Depreciation on all capital assets is provided on the straight-line basis over the estimated useful lives of 5-10 years for office equipment and three years for the website.

Use of Estimates

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Position Classification

There are three types of net position in the statements of net position:

- *Net investment in capital assets* - consists of capital asset balances less accumulated depreciation and reduced by outstanding balances of debt used to acquire, construct, or improve those assets. There was no investment in capital assets at June 30, 2019.
- *Restricted net position* - net position is considered restricted if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws. There was no restricted net position at June 30, 2019.
- *Unrestricted net position* - consists of all other net positions that do not meet the definition of the above two components and are available for the District's general use.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as needed.

GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions (GASB 54), establishes criteria for classifying governmental fund balances into specifically defined classification. Classifications are hierarchical and are based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the funds may be spent. GASB 54 requires the District to classify and report amounts in the appropriate fund balance classification. The District's accounting policies are used to interpret the nature and/or requirements of the funds and their corresponding assignment of restricted, committed, assigned, or unassigned.

Under GASB 54, fund balances are required to be reported according to the following classifications:

**Non-spendable Fund Balance.** Non-spendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form such as inventory or prepaid insurance or (b) legally or contractually required to be maintained intact such as a trust that must be retained in perpetuity.

**Restricted Fund Balance.** This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. There was no restricted fund balance at June 30, 2019.

**Committed Fund Balance.** These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the state legislature – the government's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the state legislature removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. There was no committed fund balance at June 30, 2019.



NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Position Classification (continued)

Assigned Fund Balance. This classification reflects the amounts constrained by the District's "intent" to be used for specific purposes, but are neither restricted nor committed. The Board has the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds that are not classified as non-spendable and are neither restricted nor committed. There was no assigned fund balance at June 30, 2019.

Unassigned Fund Balance. This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

The District's policy is to first apply expenditures against assigned fund balances and then to unassigned balances. On an annual basis assigned fund balances are determined based upon available resources. There were no assigned fund balances at June 30, 2019.

The District's Board of Directors has adopted, via resolution passed by the Board of Directors, a policy regarding the fund balance in the General Fund. This policy calls for a minimum unassigned General fund balance equivalent to \$350,000 for use in emergency situations or when required spending exceeds current year funding.

Budget and Budgetary Accounting

The District adheres to the Local Government Budget Act Incorporated within the statutes of the State of Nevada, which includes the following major procedures to establish the budgetary data that is reflected in these financial statements:

- On or before April 15, the Board of Directors files a tentative budget with the Nevada Department of Taxation for all funds.
- Public hearings on the tentative budget are held on the third Thursday in May.
- Prior to June 1, at a public hearing the Board of Directors 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 of Directors. The final budget must then be forwarded to the Nevada Tax Commission for the final hearings and approval.
- Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles. Appropriations lapse at year-end.

The budget reflected in the financial statement has not been amended from the original final amounts in accordance with State statutes.

In accordance with State statute, actual expenditures generally may not exceed appropriations of the general governmental function of the General Fund.

CARSON-TRUCKEE WATER CONSERVANCY DISTRICT  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2019

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NOTE 2 - CASH AND INVESTMENTS

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

The District's cash and investments, including the recurring fair value measurement of investments, are as follows at June 30, 2019:

	<u>Carrying Amount</u>
Total Investments	
State of Nevada LGIP	\$ 838,897
Total cash	<u>501,046</u>
Total cash and investments	<u>\$ 1,339,943</u>

The District is a voluntary participant in the State of Nevada LGIP, which has regulatory oversight from the Board of Finance of the State of Nevada. The District's investment in the LGIP is equal to its original investments plus monthly allocation of interest income, and realized and unrealized gains and losses, which is the same as the value of the pool shares. The District's investment in the LGIP is reported at fair value. Fair value is determined on a daily basis. NRS 355.170 sets forth acceptable investments for Nevada local governments. The District has not adopted a formal investment policy that would further limit its investment choices nor further limit its exposure to certain risks as set forth below.

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

Credit Risk – the risk that an issuer or other counterparty to an investment will not fulfill its obligation and is a function of the credit quality ratings of its investments. The LGIP is an unrated external investment pool and as noted above, the District does not have a formal investment policy that specifies minimum acceptable credit ratings beyond those specified in the statute.

Custodial Credit Risk – Deposits – the risk that in the event of a bank failure, the District's deposits may not be returned. Of bank balances totaling \$502,618, \$253,904 was covered by the FDIC at June 30, 2019.

CARSON-TRUCKEE WATER CONSERVANCY DISTRICT  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2019

NOTE 3 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2019 was as follows:

	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019
Governmental activities				
Capital assets being depreciated	\$ 15,693	\$ --	\$ --	\$ 15,693
Less accumulated depreciation	<u>15,693</u>	<u>--</u>	<u>--</u>	<u>15,693</u>
Total capital assets being depreciated, net	\$ <u>--</u>	\$ <u>--</u>	\$ <u>--</u>	\$ <u>--</u>

Depreciation expense of \$0 was charged to the general government function for the year ended June 30, 2019.

NOTE 4 - RISK MANAGEMENT

The District, like all governmental entities, is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters.

The District has joined together with similar public agencies (cities, counties and special districts) throughout the State of Nevada to create a pool under the Nevada Interlocal Cooperation Act. The Nevada Public Agency Pool (the Pool) is a public entity risk pool currently operating as a common risk management and insurance program for its members.

The District pays an annual premium and specific deductibles, as necessary, to the Pool for its general insurance coverage. The Pool is considered a self-sustaining risk pool that will provide coverage for its members for up to \$10,000,000 per insured event with the \$10,000,000 annual aggregate per member. Property, crime and equipment breakdown coverage is provided to its members up to \$300,000,000 per loss with various sublimits established for earthquake, flood, equipment breakdown, and money and securities.

The District continues to carry commercial insurance for other risks of loss, including specific risks of loss not covered by the Pool (bonding). Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 5 - OPERATING LEASE

The District, jointly with another District, entered into an office lease at 1005 Terminal Way commencing April 1, 2019 and running through March 31, 2023. Rental expense under this lease was \$7,862 for the year ended June 30, 2019.

The following schedule shows future obligations under this lease:

2020	\$ 8,377
2021	8,635
2022	8,893
2023	<u>6,814</u>
Total	\$ <u>32,719</u>

CARSON-TRUCKEE WATER CONSERVANCY DISTRICT  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2019

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NOTE 6 - TAX ABATEMENT

The District's Consolidated Tax revenues were reduced by \$12,725 under agreements entered into by the State of Nevada.

NOTE 7 - COMPLIANCE WITH NEVADA REVISED STATUTES AND NEVADA ADMINISTRATIVE CODE

The District conformed to all significant statutory constraints on its financial administration during the fiscal year.

## REPORT ON INTERNAL CONTROL AND COMPLIANCE



**BARNARD VOGLER & CO.**

Certified Public Accountants

100 West Liberty St.  
Suite 1100  
Reno, NV 89501

21

775.786.6141  
775.323.6211  
bvcocpas.com

INDEPENDENT AUDITORS' 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  
Carson-Truckee Water Conservancy District  
Reno, Nevada

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the General Fund of Carson-Truckee Water Conservancy District as of and for the year ended June 30, 2019, and the related notes to the financial statements which collectively comprise Carson-Truckee Water Conservancy District's basic financial statements, and have issued our report thereon dated November 12, 2019.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Carson-Truckee Water Conservancy District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Carson-Truckee Water Conservancy District's internal control. Accordingly, we do not express an opinion on the effectiveness of Carson-Truckee Water Conservancy District's internal control.

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and responses, as finding 2019-001, to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness yet important enough to merit attention by those charged with governance.

## Compliance and Other Matters

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

## Carson-Truckee Water Conservancy District's Response to Findings

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

## Purpose of this Report

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

*Barnard Vegler & Co*

Reno, Nevada  
November 12, 2019





CARSON-TRUCKEE WATER CONSERVANCY DISTRICT  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED JUNE 30, 2019

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SCHEDULE OF FINDINGS AND RESPONSES

Finding 2019-001

**Material Weakness in Internal Control over Financial Reporting - Preparation of Financial Statements in Accordance with Generally Accepted Accounting Principles (GAAP)**

*Criteria:* Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. One of the key components of an effective system of internal control over financial reporting is having the capability to prepare full disclosure financial statements. Additionally, during the course of our engagement, we proposed material adjustments to recorded account balances.

*Condition:* The District does not have an internal control system designed to provide for the preparation of the financial statements and related financial statement disclosures being audited or to adjust account balances at year end for accruals and receivables. In conjunction with the completion of our audit, we were requested to draft the financial statements and accompanying notes to those financial statements. Although this circumstance is not unusual for a government the size of the District, the preparation of financial statements as part of the audit engagement may result in financial statements and related information included in financial statement disclosures not being available for management purposes as timely as it would be if prepared by District personnel. In addition, the absence of controls over the preparation of the financial statements and related financial statement disclosures increases the possibility that a misstatement of the financial statements could occur and not be prevented, or detected and corrected, in a timely manner by the District's internal control. It is the responsibility of management and those charged with governance to determine whether to accept the risk associated with this condition because of cost or other considerations.

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

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

*Recommendation:* It is not recommended that the District engage the services of a second accounting firm to assist in preparing its governmental financial statements and related financial statement disclosures solely to avoid having a significant deficiency or material weakness as it is not assured that the benefit of engaging a second firm would outweigh the costs. The District's staff should monitor year end accruals and receivables to ensure that there are no material adjustments at year end.

*View of Responsible Officials:* Due to limited staff, the District has chosen to contract with Barnard, Vogler and Co. to prepare its financial statements and related financial statement disclosures. The District is satisfied the most cost efficient approach is to outsource the financial statement preparation function. Therefore, the District will continue to contract with the external auditor to prepare the District's financial statements.



CARSON-TRUCKEE WATER CONSERVANCY DISTRICT  
SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES  
FOR THE YEAR ENDED JUNE 30, 2019

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SCHEDULE OF FINDINGS AND RESPONSES

Finding 2018-001

**Material Weakness in Internal Control over Financial Reporting - Preparation of Financial Statements in Accordance with Generally Accepted Accounting Principles (GAAP)**

*Condition:* The District does not have an internal control system designed to provide for the preparation of the financial statements and related financial statement disclosures being audited or to adjust account balances at year end for accruals and receivables. In conjunction with the completion of our audit, we were requested to draft the financial statements and accompanying notes to those financial statements. Although this circumstance is not unusual for a government the size of the District, the preparation of financial statements as part of the audit engagement may result in financial statements and related information included in financial statement disclosures not being available for management purposes as timely as it would be if prepared by District personnel. In addition, the absence of controls over the preparation of the financial statements and related financial statement disclosures increases the possibility that a misstatement of the financial statements could occur and not be prevented, or detected and corrected, in a timely manner by the District's internal control. It is the responsibility of management and those charged with governance to determine whether to accept the risk associated with this condition because of cost or other considerations.

*Current Status:* This is a continued finding for the 2019 year. See Finding 2019-001.

Financial Statements

June 30, 2019

# North Lake Tahoe Fire Protection District

**NORTH LAKE TAHOE FIRE PROTECTION DISTRICT, NEVADA**  
**JUNE 30, 2019**

**TABLE OF CONTENTS**

	<u><b>Page No.</b></u>
<b>FINANCIAL SECTION</b>	
Independent Auditor's Report	1-3
Management's Discussion and Analysis (required supplementary information)	4A-4G
<u><b>Basic Financial Statements:</b></u>	
<b>Government-Wide Financial Statements:</b>	
Statement of Net Position	5
Statement of Activities	6
<b>Fund Financial Statements:</b>	
Balance Sheet – Governmental Funds	7
Reconciliation of the Balance Sheet to the Statement of Net Position – Governmental Funds	8
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	9
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities – Governmental Funds	10
Statement of Net Position – Proprietary Fund	11
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Fund	12
Statement of Cash Flows – Proprietary Fund	13
<b>Notes to Financial Statements</b>	14-41
<u><b>Required Supplementary Information:</b></u>	
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual for the General Fund	42-43
Schedule of Changes in the District's OPEB Liability and Related Ratios	44
Schedule of the District's Contributions - OPEB	45
Schedule of the District's Proportionate Share of Net Pension Liability	46
Schedule of the District's Contributions - Pension	47
<u><b>Supplementary Information:</b></u>	
<b>Governmental Funds:</b>	
Debt Service Fund:	
Major Debt Service Fund:	
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	48
Capital Projects Fund:	
Major Capital Projects Fund:	
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	49
<b>Proprietary Funds:</b>	
Enterprise Fund – Ambulance Fund:	
Schedule of Revenues, Expenses and Changes in Net Position – Budget and Actual	50
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	51-52
Auditor's Comments	53
Schedule of Findings and Responses	54



## Independent Auditor's Report

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the North Lake Tahoe Fire Protection District (the District) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of North Lake Tahoe Fire Protection District as of June 30, 2019, 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.

### **Correction of Errors**

As discussed in Note 13 to the financial statements, certain errors occurred in the recognition of deferred outflows of resources and net OPEB liability, resulting in an overstatement of amounts previously reported for deferred outflows of resources and an understatement of amounts previously reported for net OPEB liability for the year ended June 30, 2018, and were discovered by management during the current year. Accordingly, amounts for deferred outflows of resources and net OPEB liability have resulted in a restatement of net position as of July 1, 2018. Our opinions are not modified with respect to this matter.

### **Other Matters**

#### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4A-4G, the General Fund budgetary comparison on pages 42-43, the Schedule of Changes in the District's OPEB Liability and Related Ratios on page 44, the Schedule of District's Contributions - OPEB on page 45, the Schedule of the District's Proportionate Share of the Net Pension Liability on page 46, and the Schedule of the District's Contributions - Pension on page 47, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the management's discussion and analysis, the Schedule of Changes in the District's OPEB Liability and Related Ratios, the Schedule of District's Contributions - OPEB, the Schedule of the District's Proportionate Share of the Net Pension Liability, and the Schedule of the District's Contributions - Pension in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The General Fund budgetary comparison information is the responsibility of management and was derived from and relates directly to underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare

the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the General Fund budgetary comparison information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

#### **Other Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The individual fund budget and actual schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual fund budget and actual schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, individual budget and actual schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

#### **Prior Year Partial Comparative Information**

The individual fund financial statements and schedules related to the 2018 financial statements are presented for purposes of additional analysis and were derived from and relate directly to the underlying accounting and other records used to prepare the 2018 financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2018 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 auditing standards generally accepted in the United States of America. The statements and schedules referred to above are consistent in relation to the basic financial statements from which they have been derived.

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 21, 2020, 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.

Handwritten signature of Eric Bailly in cursive script, followed by the letters "LLP".

Reno, Nevada  
January 21, 2020

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2019.

### FINANCIAL HIGHLIGHTS

- The liabilities and deferred inflows of resources of the District's governmental activities exceeded its assets and deferred outflows of resources at the close of the most recent fiscal year by \$3,507,289, resulting in a negative net position.
- The liabilities and deferred inflows of resources of the District's business-type activities exceeded its assets and deferred outflows of resources at the close of the most recent fiscal year by \$887,307, resulting in a negative net position.
- The assessed valuation of the District's property tax base increased by 2.67% over last year's assessed value. The District's consolidated tax revenues increased by 1.78% this fiscal year.

### 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 financial statements, and 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 a broad 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/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 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 postemployment benefits and net pension related items).

Both of the government-wide financial statements show the public safety function of the District, which is principally supported by taxes and intergovernmental revenue (governmental activities). 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.

The government-wide financial statements can be found on pages 5 and 6 of the report.

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

***Governmental funds.*** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike 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 2018-2019 fiscal year, the District maintained three individual governmental funds. Information is presented separately in the Governmental Funds Balance Sheet and in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, Debt Service Fund and the Capital Projects Fund. The basic governmental fund financial statements can be found on pages 7-10 of this report.

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

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 11-13 of this report.

The District adopts an annual budget for each of its funds. A budgetary comparison schedule has been provided for each fund to demonstrate compliance with the budget.



**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 14-41 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 postemployment 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 42-47 of this report.

***Accounting Changes.***

As of July 1, 2018, the District adopted GASB Statement No. 83, "*Certain Asset Retirement Obligations.*" The implementation of this standard is to address accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government has a legal obligation to perform future asset retirement activities related to its tangible capital assets should the asset be recognized as a liability. The District did not recognize any AROs during the year.

As of July 1, 2018, the District adopted GASB Statement No. 88, "*Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements.*" The implementation of this standard improves the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The new disclosures are in Note 7.

## 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 at June 30, 2019 and 2018 are presented below.

**North Lake Tahoe Fire Protection District's Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$12,884,834	\$12,083,902	\$562,669	\$ 464,924	13,447,503	\$ 12,548,826
Capital assets	5,605,671	6,019,598	981,451	900,752	6,587,122	6,920,350
Total assets	18,490,505	18,103,500	1,544,120	1,365,676	20,034,625	19,469,176
Deferred outflows of Resources	4,114,592	4,271,789	487,380	430,599	4,601,972	4,702,388
Noncurrent liabilities	23,732,126	24,638,373	2,706,252	2,604,401	26,438,378	27,242,774
Other liabilities	608,848	722,543	73,126	104,913	681,974	827,456
Total liabilities	24,340,974	25,360,916	2,779,378	2,709,314	27,120,352	28,070,230
Deferred inflows of Resources	1,771,412	1,150,906	139,429	162,272	1,910,841	1,313,178
Net assets:						
Net investment in capital assets	3,363,566	3,222,598	981,451	900,752	4,345,017	\$4,123,350
Restricted for:						
Debt service	500,988	-	-	-	500,988	-
Unrestricted	(7,371,843)	(7,359,131)	(1,868,758)	(1,976,063)	(9,240,601)	(9,335,194)
Total Net Position	(\$3,507,289)	(\$4,136,533)	(\$887,307)	(\$1,075,311)	(\$4,394,596)	(\$5,211,844)

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 the PERS is currently paid by the District as a portion of employees' salaries throughout each year. The District will not be required to pay this entire amount at one time unless unforeseen circumstances arise. Total assets and deferred outflows of the District at June 30, 2019 were \$24,636,597, an increase of \$465,033 from fiscal year 2018, with capital assets, net of accumulated depreciation accounting for \$6,587,122 of the 2019 fiscal year total and \$6,920,350 of the 2018 fiscal year total. Deferred outflows of resources for 2019 are \$4,601,972 a decrease of \$100,416 from fiscal year 2018 of \$4,702,388. The decrease is directly related to the net pension and OPEB related amounts recognized in 2019.

Total liabilities at the end of fiscal year 2019 were \$27,120,352 and \$28,070,230 at the end of fiscal year 2018, a decrease of \$949,878 again related to reporting the net pension liability and OPEB related amounts as of June 30, 2019. At June 30, 2019, the District's net position was (\$4,394,596). This is an increase in net position of \$817,248 from fiscal year 2018 balance of (\$5,211,844) prior to the restatement of net position (see page 4E). As was explained above, the negative net position is related to the recognition of the long-term liability for the District's obligation in the Public Employees' Retirement System and Other Post-Employment Benefits.

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

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues:						
Charges for services	2,593,519	\$ 3,076,596	737,464	\$ 841,088	\$3,330,983	\$ 3,917,684
Operating grants, interest and contributions	448,693	458,629	-	-	448,693	458,629
Capital grants/contributions	-	-	-	49,180	-	49,180
General revenues:						
Property taxes	9,100,431	8,712,031	-	-	9,100,431	8,712,031
Consolidated taxes	3,897,059	3,828,914	-	-	3,897,059	3,828,914
Other taxes	684,130	681,530	-	-	684,130	681,530
Unrestricted interest income	197,469	82,568	1,095	610	198,564	83,178
Other	40,000	40,000	-	-	40,000	40,000
Gain on sale of capital assets	-	-	-	3,871	-	3,871
Total Revenues	16,961,301	16,880,268	738,559	894,749	17,699,860	17,775,017
Expenses:						
Public Safety	14,162,303	13,774,396	-	-	14,162,303	13,774,396
Interest on long- term debt	78,814	105,626	-	-	78,814	105,626
Ambulance services	-	-	2,150,555	2,235,129	2,150,555	2,235,129
Total expenses	14,241,117	13,880,022	2,150,555	2,235,129	16,391,672	16,115,151
Change in net position before transfers	2,720,184	3,000,246	(1,411,996)	(1,340,380)	1,308,188	1,659,866
Transfers	(1,600,000)	(1,567,993)	1,600,000	1,567,993	-	-
Change in net position	1,120,184	1,432,253	188,004	227,613	1,303,188	1,659,866
Net Position, Beginning of Year	(4,136,533)	(1,192,559)	(1,075,311)	(1,104,944)	(5,211,844)	(2,297,503)
Prior Period Adjustment	(490,940)	(4,376,227)	-	(197,980)	(490,940)	(4,574,207)
Net Position, Beginning of Year, as Restated	(4,627,473)	(5,568,786)	(1,075,311)	(1,302,924)	(5,702,784)	(6,871,710)
Net Position, End of Year	(\$3,507,289)	(\$4,136,533)	(\$887,307)	(\$1,075,311)	(\$4,394,596)	(\$5,211,844)

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 for the year ended June 30, 2019 were \$17,699,860 and consisted primarily of taxes and intergovernmental revenues. This represents a \$75,157 decrease over fiscal year 2018 total revenues of \$17,775,017. The decrease is mainly related to a decrease in the ambulance charges and ambulance fund grants of \$152,804. Total expenses for fiscal year 2019 were \$16,391,672, an increase of \$276,521 over fiscal year 2018 expenses of \$16,115,151. The increase relates to an increase of salaries and wages and compensated absences of \$507,536. In the past two years the District has promoted personnel and hired Firefighters/Paramedics, thus increasing wages and benefits.

## 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, 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 the fiscal year 2019 the District's governmental funds reported combined ending fund balances of \$11,984,585 an increase of \$1,073,147 when compared to the close of fiscal year 2018. Of the \$11,984,585 combined ending fund balance, \$9,998,836 is unassigned.

The increase from the prior fiscal year in the District's combined governmental fund balances of \$1,073,147 as noted above is due to an increase in the General Fund ending fund balance of \$126,522; an increase in the Debt Service Fund ending fund balance of \$500,988 and an increase in the Capital Projects Fund ending fund balance of \$445,637.

The \$126,522 increase in the General Fund is due to an increase in property tax and consolidated taxes. The increase in the Debt Service Fund of \$500,988 was transfers from the General Fund to create a reserve for debt payments. The \$445,637 increase in the Capital Projects Fund was due to unexpended funds for a new Type 1 engine. The engine purchase was carried over to the 2019-2020 Fiscal Year Budget. The General Fund is the chief operating fund of the District and at June 30, 2019, the fund balance was \$10,855,844. General Fund revenues exceeded the budget by 0.68%. Salaries, wages and benefits were under budget by \$730,065 due to paying retiree health premiums from the North Lake Tahoe Fire Protection District Post-Retirement Plan & Trust. Service and supplies expenditures were under budget by \$3,407,285 mainly because the District budgeted to repay the taxpayers of Incline Village and Crystal Bay \$3,050,000 for property tax refunds and interest. The court case has not been resolved; therefore, the payments were not made.

**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 net position for this fund increased \$188,004 in the 2018-2019 fiscal year, due to an additional transfer of \$200,000 from the General Fund from the originally budgeted transfer of \$1,400,000.

## **CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets:** The District's capital assets at June 30, 2019 were \$6,587,122 (net of accumulated depreciation). This investment in capital assets includes land, buildings, vehicles, and equipment. The decrease in capital assets is related to depreciation. Detailed 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 \$26,438,378. The District's outstanding liabilities included accrued compensated absences for \$1,376,523, unfunded liability of Other Post-employment Benefits of \$6,458,210, a net pension liability of \$16,190,817 and \$2,361,000 in general obligation bonds, and medium term financing debt. In addition, the District owes a sales tax refund of \$51,828 at June 30, 2019. 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 increase for 2019-2020 as property values increased by 3.05% for the coming fiscal year. The District's property tax rate is .6291 for fiscal year 2019-2020, the same as the previous seven years.
- The second significant tax revenue for the District, the consolidated tax, consists primarily of sales taxes. For the year ended June 30, 2019, taxable sales in Washoe County increased by 3.5% over the previous fiscal year. The District continues to budget sales tax revenue conservatively. The District's 2019-2020 budget is based on actual sales tax revenue collected for 2017-2018.

## **REQUESTS FOR INFORMATION**

The financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Business Manager, 866 Oriole Way, Incline Village, Nevada 89451.

**NORTH LAKE TAHOE FIRE PROTECTION DISTRICT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2019**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and investments	\$ 10,973,633	\$ 270,028	\$ 11,243,661
Accounts receivable, net	359,518	248,050	607,568
Property taxes receivable	40,104	-	40,104
Due from other governments	1,429,604	-	1,429,604
Prepaid expense	81,975	44,591	126,566
Capital assets:			
Land	1,019,283	30,588	1,049,871
Other capital assets, net of depreciation	4,586,388	950,863	5,537,251
Total Assets	<u>18,490,505</u>	<u>1,544,120</u>	<u>20,034,625</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Net pension - related amounts	3,111,687	487,380	3,599,067
OPEB - related amounts	884,010	-	884,010
Deferred charge on refunding	118,895	-	118,895
Total Deferred Outflows of Resources	<u>4,114,592</u>	<u>487,380</u>	<u>4,601,972</u>
<b>LIABILITIES</b>			
Accounts payable	77,038	17,744	94,782
Accrued liabilities	527,032	55,382	582,414
Accrued interest	4,778	-	4,778
Noncurrent liabilities:			
Due within one year	892,655	57,663	950,318
Due in more than one year	2,819,639	19,394	2,839,033
Net pension liability	13,561,622	2,629,195	16,190,817
Other postemployment benefits	6,458,210	-	6,458,210
Total Liabilities	<u>24,340,974</u>	<u>2,779,378</u>	<u>27,120,352</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
OPEB - related amounts	881,225	-	881,225
Net pension - related amounts	890,187	139,429	1,029,616
Total Deferred Inflows of Resources	<u>1,771,412</u>	<u>139,429</u>	<u>1,910,841</u>
<b>NET POSITION</b>			
Net investment in capital assets	3,363,566	981,451	4,345,017
Restricted for debt service	500,988	-	500,988
Unrestricted	(7,371,843)	(1,868,758)	(9,240,601)
Total Net Position	<u>\$ (3,507,289)</u>	<u>\$ (887,307)</u>	<u>\$ (4,394,596)</u>

See accompanying notes.

**NORTH LAKE TAHOE FIRE PROTECTION DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2019**

FUNCTIONS/PROGRAMS	<u>Expenses</u>	<u>PROGRAM REVENUES</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental Activities:				
Public safety	\$ 14,162,303	\$ 2,593,519	\$ 448,693	\$ -
Debt service				
Interest on long-term debt	78,814	-	-	-
Total Governmental Activities	14,241,117	2,593,519	448,693	-
Business-Type Activities:				
Ambulance	2,150,555	737,464	-	-
Total	\$ 16,391,672	\$ 3,330,983	\$ 448,693	\$ -

General Revenues:

Ad valorem taxes

Consolidated tax

SCCR taxes- AB104

Unrestricted interest income

Miscellaneous

Transfers

Total General Revenues and Transfers

Change in Net Position

NET POSITION, BEGINNING OF YEAR, AS ORIGINALLY STATED

RESTATEMENTS

NET POSITION, BEGINNING OF YEAR, AS RESTATED

NET POSITION, END OF YEAR

**NET (EXPENSE) REVENUE AND  
CHANGES IN NET POSITION**

<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
\$ (11,120,091)	\$ -	\$ (11,120,091)
(78,814)	-	(78,814)
(11,198,905)	-	(11,198,905)
-	(1,413,091)	(1,413,091)
(11,198,905)	(1,413,091)	(12,611,996)
9,100,431	-	9,100,431
3,897,059	-	3,897,059
684,130	-	684,130
197,469	1,095	198,564
40,000	-	40,000
(1,600,000)	1,600,000	-
12,319,089	1,601,095	13,920,184
1,120,184	188,004	1,308,188
(4,136,533)	(1,075,311)	(5,211,844)
(490,940)	-	(490,940)
(4,627,473)	(1,075,311)	(5,702,784)
<u>\$ (3,507,289)</u>	<u>\$ (887,307)</u>	<u>\$ (4,394,596)</u>

See accompanying notes.



**NORTH LAKE TAHOE FIRE PROTECTION DISTRICT**  
**GOVERNMENTAL FUNDS**  
**BALANCE SHEET**  
**JUNE 30, 2019**

	<b>General Fund</b>	<b>Debt Service Fund</b>	<b>Capital Projects Fund</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>				
Cash and investments	\$ 9,839,549	\$ 500,988	\$ 633,096	\$ 10,973,633
Accounts receivable	359,518	-	-	359,518
Property taxes receivable	40,104	-	-	40,104
Due from other governments	1,429,604	-	-	1,429,604
Prepaid expense	81,975	-	-	81,975
<b>Total Assets</b>	<b>\$ 11,750,750</b>	<b>\$ 500,988</b>	<b>\$ 633,096</b>	<b>\$ 12,884,834</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 71,695	\$ -	\$ 5,343	\$ 77,038
Accrued liabilities	527,032	-	-	527,032
<b>Total Liabilities</b>	<b>598,727</b>	<b>-</b>	<b>5,343</b>	<b>604,070</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - delinquent property taxes	40,104	-	-	40,104
Unavailable revenue - project reimbursements	196,986	-	-	196,986
Unavailable revenue - miscellaneous	39,029	-	-	39,029
Unavailable revenue - mutual aid reimbursements	20,060	-	-	20,060
<b>Total Deferred Inflows of Resources</b>	<b>296,179</b>	<b>-</b>	<b>-</b>	<b>296,179</b>
<b>FUND BALANCES</b>				
Nonspendable	81,975	-	-	81,975
Restricted	-	500,988	-	500,988
Committed	-	-	627,753	627,753
Assigned	775,033	-	-	775,033
Unassigned	9,998,836	-	-	9,998,836
<b>Total Fund Balances</b>	<b>10,855,844</b>	<b>500,988</b>	<b>627,753</b>	<b>11,984,585</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 11,750,750</b>	<b>\$ 500,988</b>	<b>\$ 633,096</b>	<b>\$ 12,884,834</b>

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, 2019**

Fund Balances - Governmental Funds	\$	11,984,585
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.

Governmental capital assets	\$ 18,692,206	
Less: Accumulated depreciation	<u>(13,086,535)</u>	
		5,605,671

Deferred outflows of resources is the consumption of net position that applies to a future period and so is not recognized as an outflow of resources until then.

Deferred outflow on funding escrow	118,895
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Long-term liabilities, are not due and payable in the current period and, therefore, are not reported in the governmental funds.

Medium term financing payable	(530,000)	
Bonds payable	(1,831,000)	
Accrued interest	(4,778)	
Net pension liability	(13,561,622)	
Sales tax refund	(51,828)	
Compensated absences	(1,299,466)	
Other postemployment benefits obligation	<u>(6,458,210)</u>	
		(23,736,904)

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	884,010	
Deferred inflows of resources related to OPEB	(881,225)	
Deferred outflows of resources related to pensions	3,111,687	
Deferred inflows of resources related to pensions	<u>(890,187)</u>	
		2,224,285

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 property taxes and reimbursements	<u>296,179</u>
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Net Position - Governmental Activities	\$	<u><u>(3,507,289)</u></u>
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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, 2019**

	<b>General Fund</b>	<b>Debt Service Fund</b>	<b>Capital Projects Fund</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>				
Taxes	\$ 9,121,615	\$ -	\$ -	\$ 9,121,615
Intergovernmental	5,029,882	-	-	5,029,882
Miscellaneous	2,937,712	-	40,000	2,977,712
Total Revenues	<u>17,089,209</u>	<u>-</u>	<u>40,000</u>	<u>17,129,209</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	13,793,790	-	-	13,793,790
Capital outlay	-	-	160,575	160,575
Debt service:				
Principal	-	436,000	-	436,000
Interest	<u>-</u>	<u>66,585</u>	<u>-</u>	<u>66,585</u>
Total Expenditures	<u>13,793,790</u>	<u>502,585</u>	<u>160,575</u>	<u>14,456,950</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>3,295,419</u>	<u>(502,585)</u>	<u>(120,575)</u>	<u>2,672,259</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of assets	-	-	888	888
Transfers:				
Transfers in	-	1,003,573	565,324	1,568,897
Transfers out	<u>(3,168,897)</u>	<u>-</u>	<u>-</u>	<u>(3,168,897)</u>
Total Other Financing Sources (Uses)	<u>(3,168,897)</u>	<u>1,003,573</u>	<u>566,212</u>	<u>(1,599,112)</u>
Net Change in Fund Balances	126,522	500,988	445,637	1,073,147
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>10,729,322</u>	<u>-</u>	<u>182,116</u>	<u>10,911,438</u>
<b>FUND BALANCES, END OF YEAR</b>	<u><u>\$ 10,855,844</u></u>	<u><u>\$ 500,988</u></u>	<u><u>\$ 627,753</u></u>	<u><u>\$ 11,984,585</u></u>

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, 2019**

Net Change in Fund Balances - Governmental Funds		\$ 1,073,147
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	\$ 160,575	
Less: Current year depreciation	<u>(573,077)</u>	
		(412,502)
In the Statement of Activities, the gain or loss on the disposal of capital assets is reported. In the governmental funds, the gain or loss is not reported. Thus, the change in net position differs from the change in fund balances by the cost of the assets sold less the balance in accumulated depreciation.		
		(1,425)
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		(167,908)
Bond proceeds provide current financial resources to governmental funds. Repayments of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. This is the amount by which debt issued exceeded repayments.		
Change in accrued interest	9,388	
Principal payments	<u>436,000</u>	
		445,388
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 long-term compensated absences	(54,352)	
Change in sales tax refund	103,656	
Change in deferred outflows	<u>(21,617)</u>	
		27,687
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	(39,053)	
Change in deferred outflows of resources - OPEB related	1,179,968	
Change in deferred inflows of resources - OPEB related	(849,372)	
District PERS contributions	992,683	
District pension expense	<u>(1,128,429)</u>	
		<u>155,797</u>
Change in Net Position of Governmental Activities		<u><u>\$ 1,120,184</u></u>

See accompanying notes.

**NORTH LAKE TAHOE FIRE PROTECTION DISTRICT  
AMBULANCE FUND  
STATEMENT OF NET POSITION  
PROPRIETARY FUND  
JUNE 30, 2019**

	<b>Business-Type Activities Enterprise Fund</b>
<b>ASSETS</b>	
Current Assets:	
Cash and investments	\$ 270,028
Accounts receivable, net	248,050
Prepaid expense	44,591
Total Current Assets	<u>562,669</u>
Noncurrent Assets:	
Capital assets, not being depreciated	30,588
Capital assets, being depreciated, net	950,863
Total Noncurrent Assets	<u>981,451</u>
Deferred Outflows of Resources	
Net pension - related amounts	<u>487,380</u>
<b>LIABILITIES</b>	
Current Liabilities:	
Accounts payable	17,744
Accrued salaries and benefits	55,382
Compensated absences	57,663
Total Current Liabilities	<u>130,789</u>
Noncurrent Liabilities:	
Net pension liability	2,629,195
Compensated absences	19,394
Total Non-Current Liabilities	<u>2,648,589</u>
Deferred Inflows of Resources	
Net pension - related amounts	<u>139,429</u>
Total Liabilities and Deferred Inflows of Resources	<u>2,918,807</u>
<b>NET POSITION</b>	
Net investment in capital assets	981,451
Unrestricted	<u>(1,868,758)</u>
Total Net Position	<u><u>\$ (887,307)</u></u>

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, 2019**

	<b>Business-Type Activities Enterprise Fund</b>
<b>OPERATING REVENUES</b>	
Ambulance fees, net of bad debt	\$ 605,457
Paramedic education	61,523
Ground emergency medical transport	70,484
Total Operating Revenues	<u>737,464</u>
<b>OPERATING EXPENSES</b>	
Salaries and wages	868,507
Employee benefits	578,917
Services and supplies	516,083
Depreciation	187,048
Total Operating Expenses	<u>2,150,555</u>
Operating Income (Loss)	<u>(1,413,091)</u>
<b>NONOPERATING REVENUES</b>	
Interest revenue	<u>1,095</u>
Income (Loss) before Transfers	(1,411,996)
<b>TRANSFERS</b>	
Transfers in	<u>1,600,000</u>
Changes in Net Position	<u>188,004</u>
NET POSITION, BEGINNING OF YEAR	(1,075,311)
NET POSITION, END OF YEAR	<u><u>\$ (887,307)</u></u>

See accompanying notes.

**NORTH LAKE TAHOE FIRE PROTECTION DISTRICT  
AMBULANCE FUND  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
FOR THE YEAR ENDED JUNE 30, 2019**

	<b>Business-Type Activities Enterprise Fund</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from patients	\$ 599,813
Cash received from others	132,007
Cash payments for salaries and benefits	(1,443,024)
Cash payments for services and supplies	(516,993)
	<hr/>
Net Cash Provided (Used) by Operating Activities	(1,228,197)
	<hr/>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Transfers from other funds	1,600,000
	<hr/>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Acquisition of capital assets	(267,747)
	<hr/>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest on investments	1,095
	<hr/>
Net Increase (Decrease) in Cash and Cash Equivalents	105,151
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	164,877
	<hr/>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u><u>\$ 270,028</u></u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	
Operating income (loss)	\$ (1,413,091)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation expense	187,048
(Increase) decrease in accounts receivable	(5,644)
(Increase) decrease in prepaid expense	13,050
Increase (decrease) in accounts payable	(13,960)
Increase (decrease) in accrued salaries and benefits	(17,827)
Increase (decrease) in pension related items	21,261
Increase (decrease) in compensated absences	966
	<hr/>
Total Adjustments	184,894
	<hr/>
Net Cash Provided (Used) by Operating Activities	<u><u>\$ (1,228,197)</u></u>

See accompanying notes.

**NORTH LAKE TAHOE FIRE PROTECTION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 1 – Summary of Significant Accounting Policies:**

Reporting Entity:

North Lake Tahoe Fire Protection District (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.

Accounting Changes

As of July 1, 2018, the District adopted GASB Statement No. 83, "*Certain Asset Retirement Obligations*." The implementation of this standard is to address accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government has a legal obligation to perform future asset retirement activities related to its tangible capital assets should the asset be recognized as a liability. The District did not recognize any AROs during the year.

As of July 1, 2018, the District adopted GASB Statement No. 88, "*Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*." The implementation of this standard improves the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The new disclosures are in Note 7.

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.



**NORTH LAKE TAHOE FIRE PROTECTION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and the enterprise fund (also, a major 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. Agency funds have no measurement focus, but are reported on the accrual basis of accounting. 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. Deferred inflows of resources also arise when the government receives resources before it has legal claim to them, and thus in subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the deferred inflow of resources is removed and revenue is recognized. 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 so have been recognized as revenues of the current fiscal period. Other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following major governmental funds:

- The General Fund is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.
- The 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.

**NORTH LAKE TAHOE FIRE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

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.

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.
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. 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. Actual expenses of the Proprietary Funds may not exceed the sum of budgeted operating and nonoperating expenses.

**NORTH LAKE TAHOE FIRE PROTECTION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

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 NRS 355.170, the District may only invest in the following types of securities:

- Certain "A" rated notes and bonds purchased by a registered broker-dealer that are issued by corporations organized and operating in the United States and that mature within five (5) years from the date of purchase; asset-backed securities and collateralized mortgage obligations rated "AAA" or higher by a nationally recognized rating service. These investments must not, in the aggregate, exceed 20 percent of the total portfolio at the time of purchase, nor include notes and bonds issued by any one corporation in excess of 25 percent of such investments.
- United States bonds and debentures maturing within ten (10) years from the date of purchase.
- Certain farm loan bonds.
- Bills and notes of the United States Treasury, maturing within ten (10) years from the date of purchase.
- Obligations of an agency of the United States or a corporation sponsored by the government, maturing within ten (10) years from the date of purchase.
- Obligations of state and local governments if, (1) the interest is exempt for federal income tax purposes, and (2) the obligation has been rated "A" or higher by a nationally recognized bond credit rating agency.
- Negotiable and nonnegotiable certificates of deposit from commercial banks and insured savings and loan associations.
- State of Nevada Local Government Investment Pool.
- Certain securities issued by local governments of the State of Nevada.
- Certain bankers' acceptances.
- Certain short-term paper issued by a corporation organized and operating in the United States.
- Other securities expressly provided by other statutes, including repurchase agreements.
- Certain "AAA" rated mutual funds that invest in (1) securities issued by the Federal Government or agencies of the Federal Government, (2) Master, bank notes or other short-term commercial paper rated as "A-1" or "P-1" issued by a corporation or depository institution organized, licensed and operating in the United States and/or (3) Repurchase agreements that are fully collateralized by (1) and (2) above.

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. All cash and investments are considered to be cash equivalents.

**NORTH LAKE TAHOE FIRE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

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 2017-18 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 all other 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.

Receivables:

The allowance method is used to provide for estimated uncollectible amounts in the Ambulance Fund. At June 30, 2019, the allowance for uncollectible accounts was \$243,917.

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. Any inventories of such supplies at June 30 are not material to the individual funds and are not recognized in these financial statements.

When payments to vendors reflect costs applicable to future accounting periods, they are recorded as prepaid items in both 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 fair market value at the date of donation.

**NORTH LAKE TAHOE FIRE PROTECTION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

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

<u>Assets</u>	<u>Years</u>
Land improvements	25
Buildings and improvements	15-25
Vehicles and equipment	3-10

Deferred Outflows/Inflows of Resources:

In addition to assets, the Statement of Net Position/Governmental Funds Balance Sheet may report a separate section for deferred outflows of resources. The separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has the following items that fall under this category:

- The deferred charge on refunding reported in the government-wide statement of net position results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- The OPEB related amounts reported in the government-wide statement of net position results from the District's contributions subsequent to the measurement date of the OPEB liability. This item is deferred and recognized as a reduction of the OPEB liability in the subsequent year.
- The Net pension related amounts reported in the government-wide statement of net position results from the differences between projected and actual earnings on pension plan investments, changes in the District's proportionate share, changes of assumptions or other inputs, and the District's contributions subsequent to the measurement date of the net pension liability. These items are deferred and recognized as a reduction of the net pension liability in the subsequent year.

In addition to liabilities, the Statement of Net Position/Balance Sheet Governmental Funds may report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

- The OPEB related amounts reported in the government-wide statement of net position results from differences between projected and actual earnings. This item is deferred and recognized as an increase to the OPEB liability in subsequent periods.
- The Net pension related amounts reported in the government-wide statement of net position results from differences between expected and actual experience and changes in the District's proportionate share. These items are deferred and recognized as an increase in the net pension liability in subsequent periods.
- Unavailable revenue is reported in the Governmental Funds Balance Sheet. The governmental funds report unavailable revenues from property taxes and other revenue items. These items are deferred and recognized as an inflow of resources in the period that the amounts become available.

**NORTH LAKE TAHOE FIRE PROTECTION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

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) Base Plan (Base Plan) and additions to/deductions from Base Plan's fiduciary net position have been determined on the same basis as they are reported by the Base Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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.

Compensated Absences:

The costs involved in vacation time and sick leave benefits are accrued when incurred in the government-wide and enterprise fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured as a result of employee resignations and retirements; costs are recorded as payroll costs only when the accumulated benefits are paid or accrued as a result of a termination of service.

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) of accrued sick leave in accordance with the employment contract in effect and District policy.

Equity Classifications:

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

- Net Investment in Capital Assets – Consists of capital assets, net of accumulated depreciation and reduced by outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

**NORTH LAKE TAHOE FIRE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

- 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 in 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 Director’s 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

**NORTH LAKE TAHOE FIRE PROTECTION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

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 requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

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

The District conformed to all significant statutory and Nevada Administrative Code constraints on its financial administration during the year.



**NORTH LAKE TAHOE FIRE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 3 – Cash and Investments:**

As of June 30, 2019, the North Lake Tahoe Fire Protection District had the following investments and maturities:

	<u><b>June 30, 2019</b></u>
Investments:	
State of Nevada Local Government Investment Pool (LGIP)	\$ 7,530,320*
Total Cash	<u>3,713,341</u>
Total Cash and Investments	<u><b>\$ 11,243,661</b></u>

\* Represents average weighted maturity of 116 days

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. The District's investment in the LGIP is reported at fair value. The District's investment in the LGIP is 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.

As noted, Nevada Revised Statutes (NRS 355.170) set forth acceptable investments for Nevada local governments. The District has not adopted a formal investment policy that would further limit its investment choices nor further limit its exposure to certain risks as set forth below.

*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. 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 is an unrated external investment pool and 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 to it. The District's bank deposits are covered by FDIC insurance and collateralized by the office of the State Treasurer/Nevada Collateral Pool.

Investment income has been allocated to funds pursuant to the provisions of NRS 355.170 – 175, which allow income from investments associated with one fund to be assigned to another fund.

**NORTH LAKE TAHOE FIRE PROTECTION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 4 – Capital Assets:**

Capital asset activity for the year ended June 30, 2019 was as follows:

	<u>Balance July 1, 2018</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2019</u>
Governmental Activities:				
Capital assets, not being depreciated:				
Land	<u>\$ 1,019,283</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,019,283</u>
Capital assets, being depreciated:				
Land improvements	99,428	-	-	99,428
Buildings and building improvements	9,938,424	-	-	9,938,424
Vehicles and equipment	<u>7,516,907</u>	<u>160,575</u>	<u>( 42,411)</u>	<u>7,635,071</u>
Total capital assets being depreciated	<u>17,554,759</u>	<u>160,575</u>	<u>( 42,411)</u>	<u>17,672,923</u>
Less accumulated depreciation for:				
Land improvements	(99,428)	-	-	(99,428)
Buildings and building improvements	(6,146,674)	(332,275)	-	(6,478,949)
Vehicles and equipment	<u>(6,308,342)</u>	<u>(240,802)</u>	<u>40,986</u>	<u>(6,508,158)</u>
Total accumulated depreciation	<u>(12,554,444)</u>	<u>(573,077)</u>	<u>40,986</u>	<u>(13,086,535)</u>
Total capital assets, being depreciated, net	<u>5,000,315</u>	<u>(412,502)</u>	<u>(1,425)</u>	<u>4,586,388</u>
Governmental activities capital assets net	<u>\$ 6,019,598</u>	<u>\$ (412,502)</u>	<u>\$ (1,425)</u>	<u>\$ 5,605,671</u>

**NORTH LAKE TAHOE FIRE PROTECTION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

	Balance July 1, 2018	Increases	Decreases	Balance June 30, 2019
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	1,390,418	267,747	-	1,658,165
Total capital assets being depreciated	1,728,968	267,747	-	1,996,715
Less accumulated depreciation for:				
Buildings	(304,695)	(13,542)	-	(318,237)
Vehicles and equipment	(554,109)	(173,506)	-	(727,615)
Total accumulated depreciation	(858,804)	(187,048)	-	(1,045,852)
Total capital assets, being depreciated, net	870,164	80,699	-	950,863
Business-type activities capital assets, net	\$ 900,752	\$ 80,699	\$ -	\$ 981,451

Depreciation expense of \$573,077 was charged to the public safety function and \$187,048 was charged to Ambulance 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 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.

**NORTH LAKE TAHOE FIRE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

Monthly benefit allowances for members are computed as 2.5% of average compensation for each accredited year of service prior to July 1, 2001. For service earned on and after July 1, 2001, this multiplier is 2.67% of average compensation. For members entering PERS on or after January 1, 2010, there is a 2.5% multiplier and for regular members entering PERS on or after July 1, 2015, there is a 2.25% factor. PERS offers several alternatives to the unmodified service retirement allowance which, in general, allow the retired employee to accept a reduced service retirement allowance payable monthly during his or her lifetime and various optional monthly payments to a named beneficiary after his or her death.

Post-retirement increases are provided by authority of NRS 286.575 - .579.

*Vesting*

Regular members entering PERS prior to January 1, 2010 are eligible for retirement at age 65 with five years of service, at age 60 with 10 years of service, or at any age with thirty years of service. Regular members entering PERS on or after January 1, 2010, are eligible for retirement at age 65 with five years of service, or age 62 with 10 years of service, or any age with thirty years of service. Regular members entering PERS on or after July 1, 2015 are eligible for retirement at age 65 with five years of service, or at age 62 with ten years of service, or at age 55 with thirty years of service, or at any age with 33 1/3 years of service.

Police/Fire members entering PERS prior to January 1, 2010 are eligible for retirement at age 65 with five years of service, at age 55 with ten years of service, at age 50 with twenty years of service, or at any age with twenty-five years of service. Police/Fire members entering PERS on or after January 1, 2010, are eligible for retirement at 65 with five years of service, or age 60 with ten years of service, or age 50 with twenty years of service, or at any age with thirty years of service. Police/Fire members entering PERS on or after July 1, 2015, are eligible for retirement at age 65 with five years of service, at age 60 with ten years of service, or at any age with 33 1/3 years of service. Only service performed in a position as a police officer or firefighter may be counted towards eligible for retirement as Police/Fire accredited service.

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

*Contributions*

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

**NORTH LAKE TAHOE FIRE PROTECTION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

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

PERS' basic funding policy provides for periodic contributions at a level pattern of cost as a percentage of salary throughout an employee's working lifetime in order to accumulate sufficient assets to pay benefits when due.

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

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

For the fiscal years ended June 30, 2019 and 2018, the statutory employer/employee matching rates were 14.50% for Regular and 20.75% for Police/Fire. The employer-pay contribution (EPC) rates were 28.00% for Regular and 40.50% for Police/Fire.

The District's contributions were \$1,148,166 for the year ended June 30, 2019.

*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, 2018:

Asset Class	Target Allocation	Long-Term Geometric Expected Real Rate of Return
Domestic Equity	42%	5.50%
International Equity	18%	5.75%
Domestic Fixed Income	30%	0.25%
Private Markets	10%	6.80%

As of June 30, 2018, PERS' long-term inflation assumption was 2.75%.

**NORTH LAKE TAHOE FIRE PROTECTION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

*Net Pension Liability*

At June 30, 2019, the District reported a liability for its proportionate share of the net pension liability of \$16,190,817. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportionate share of the net pension liability was based on the District's share of contributions in the PERS pension plan relative to the contributions of all participating PERS employers. At June 30, 2018, the District's proportion was 0.11872%, which was an increase of .00155 from its proportion measured at June 30, 2018.

*Pension Liability Discount Rate Sensitivity*

The following presents the net pension liability of the District as of June 30, 2019, calculated using the discount rate of 7.50%, 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 (6.50%) or 1-percentage-point higher (8.50%) than the current discount rate:

	1% Decrease in Discount Rate (6.50%)	Discount Rate (7.50%)	1% Increase in Discount Rate (8.50%)
Net Pension Liability	\$24,690,341	\$16,190,817	\$9,128,208

*Pension Plan Fiduciary Net Position*

Detailed information about the pension plan's fiduciary net position is available in the PERS Comprehensive Annual Financial Report, available on the PERS website ([www.nvpers.org](http://www.nvpers.org)).

*Actuarial Assumptions*

The District's net pension liability was measured as of June 30, 2018, 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	2.75%
Payroll Growth	5.00% including inflation
Investment Rate of Return	7.50%
Productivity Pay Increase	0.50%
Projected Salary Increases	Regular: 4.25% to 9.15%, depending on service
	Police/Fire: 4.55% to 13.9%, depending on service
	Rates include inflation and productivity increases
Consumer Price Index	2.75%
Other Assumptions	Same as those used in the June 30, 2018 funding actuarial valuation

**NORTH LAKE TAHOE FIRE PROTECTION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

Mortality rates for healthy were based on the Headcount-Weighted RP-2014 Healthy Annuitant Table projected to 2020 with Scale MP-2016, set forward one year for spouses and beneficiaries. For ages less than 50, mortality rates are based on the Headcount-Weighted RP-2014 Employee Mortality Tables. Those mortality rates are adjusted by the ratio of the mortality rate for healthy annuitants at age 50 to the mortality rate for employees at age 50. The mortality rates are then projected to 2020 with Scale MP-2016. Mortality rates for disabled were based on the Headcount-Weighted RP-2014 Disabled Retiree Table, set forward four years. Mortality rates for pre-retirement were based on Headcount-Weighted RP-2014 Employee Table, projected to 2020 with Scale MP-2016. The additional projection of six years is a provision made for future mortality improvement.

Actuarial assumptions used in the June 30, 2018 valuation were based on the results of the experience review completed in 2017.

The discount rate used to measure the total pension liability was 7.50% as of June 30, 2018. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, the pension plan's fiduciary net position at June 30, 2018, was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2018.

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

For the year ended June 30, 2019, the District recognized pension expense of \$1,305,173. At June 30, 2019 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	\$ 507,213	\$ 751,532
Changes in assumptions or other inputs	853,154	-
Net difference between projected and actual earnings on pension plan investments	-	77,084
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions	1,090,534	201,000
District contributions subsequent to the measurement date	1,148,166	-
Total	<u>\$ 3,599,067</u>	<u>\$ 1,029,616</u>

Of the amount reported as deferred outflows of resources, \$1,148,166 related to pensions resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2020.

**NORTH LAKE TAHOE FIRE PROTECTION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

The average of the expected remaining service lives of all employees that are provided with pensions through PERS (active and inactive employees) determined at July 1, 2017 (the beginning of the measurement period ended June 30, 2018) is 6.22 years.

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

<u>Year ending June 30:</u>	
2020	\$ 563,638
2021	322,984
2022	(43,066)
2023	299,550
2024	249,264
Thereafter	28,915

*Additional Information*

Additional information supporting the Schedule of Employer Allocations and the Schedule of Pension Amounts by Employer is located in the PERS Comprehensive Annual Financial Report (CAFR) available on the PERS website at [www.nvpers.org](http://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, 2019:

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
Nonspendable:	\$ 81,975	\$ -	\$ -	\$ 81,975
Restricted:				
Debt Service	-	500,988	-	500,988
Committed:				
Capital Projects	-	-	627,753	627,753
Assigned:				
Subsequent Year's Budget Shortfall	775,033	-	-	930,703
Unassigned	9,998,836	-	-	9,998,836
	<hr/>	<hr/>	<hr/>	<hr/>
Total fund balances	<u>\$10,855,844</u>	<u>\$ 500,988</u>	<u>\$ 627,753</u>	<u>\$11,984,585</u>



**NORTH LAKE TAHOE FIRE PROTECTION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 7 – Long-Term Debt:**

Changes in long-term obligations for the year ended June 30, 2019 are as follows:

	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Principal Outstanding July 1, 2018</u>	<u>Additions</u>	<u>Reductions</u>	<u>Principal Outstanding June 30, 2019</u>	<u>Due Within One Year</u>
Governmental Activities:								
2012 General Obligation (Limited Tax)								
Refunding Bonds, Series 2012	12/04/12	3,429,000	2.35%	\$ 2,167,000	\$ -	\$ 336,000	\$ 1,831,000	\$ 345,000
Medium Term Financing, Series 2013	12/11/13	1,000,000	2.70%	630,000	-	100,000	530,000	100,000
Sales tax refund	N/A	N/A	N/A	155,484	-	103,656	51,828	51,828
Compensated absences	N/A	N/A	N/A	1,245,114	347,646	293,294	1,299,466	395,827
				<u>4,197,598</u>	<u>347,646</u>	<u>832,950</u>	<u>3,712,294</u>	<u>892,655</u>
Total Governmental Activities								
Business-Type Activities:								
Compensated absences	N/A	N/A	N/A	<u>76,091</u>	<u>35,594</u>	<u>34,628</u>	<u>77,057</u>	<u>57,663</u>
				<u>\$ 4,273,689</u>	<u>\$ 383,240</u>	<u>\$ 867,578</u>	<u>\$ 3,789,351</u>	<u>\$ 950,318</u>
Total Long-Term Debt								

**NORTH LAKE TAHOE FIRE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

Debt service requirements on long-term debt excluding compensated absences and other post-employment benefits, at June 30, 2019 are as follows:

Year Ending June 30,	General Obligation		Medium Term Financing	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2020	\$ 345,000	\$ 43,029	\$ 100,000	\$ 12,960
2021	355,000	34,921	105,000	10,192
2022	366,000	26,578	105,000	7,358
2023	379,000	17,978	110,000	4,455
2024	<u>386,000</u>	<u>9,071</u>	<u>110,000</u>	<u>1,485</u>
	<u>\$1,831,000</u>	<u>\$131,577</u>	<u>\$ 530,000</u>	<u>\$ 36,450</u>

The District has outstanding general obligation bonds and medium term obligations from direct placements related to governmental activities totaling \$1,831,000 and \$530,000 respectively. The District has pledged 15% of the Consolidated Tax revenue receipts for the repayment of the General Obligation (Limited Tax) Refunding Bonds, Series 2012. Upon the happening and continuance of any events of default, such as non-payment of principal and interest or nonperformance by the District for 60 days after notice of failure to perform, a court of competent jurisdiction will appoint a Receiver to protect and to enforce any proper legal equitable remedy. The medium term obligations repayment is from the general income of the District. Upon the occurrence and during the continuation of an event of default for nonpayment of principal or interest, the interest rate will increase to 4.00% per annum until such time the default is cured. Interest expense of \$66,585 was incurred during the 2018-2019 year for long term liabilities. Compensated absences will be liquidated from the General Fund for Governmental Activities and from the Ambulance Fund for Business-Type Activities. The General Obligation Revenue Bonds and the Medium-Term Financing will be liquidated from the Debt Service Fund, after transfers from the General Fund.

The total principal and interest remaining to be paid on the 2012 General Obligation Refunding bonds is \$1,962,577 through fiscal year 2024. The current year principal and interest on the 2012 Medium Term Financing, Series 13 was \$386,925 and the pledged revenue was \$584,556.

**NORTH LAKE TAHOE FIRE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 8 – Interfund Transfers:**

Interfund transfers for the year ended June 30, 2019 consisted of the following:

	Transfers To:			Total
	Debt Service Fund	Capital Projects Fund	Ambulance Fund	
Transfers From:				
General Fund	\$ 1,003,573	\$ 565,324	\$ 1,600,000	\$ 3,168,897

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.

**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 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.

**NORTH LAKE TAHOE FIRE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**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. The District's Plan will issue a publicly available financial report, when available. More information can be obtained by contacting the North Lake Tahoe Fire Protection District business office.

The District also provides OPEB for certain former employees through the Nevada Public Employees' Benefits Plan (PEBP), an agent multiple 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 287.023 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 hired prior to March 1, 2012. The coverage is provided until the employee and/or their spouse attain Medicare eligibility, and/or the children are no longer dependents as defined by the health insurance plan. For employees hired on or after March 1, 2012, the District will pay the entire cost of retiree health benefits (premiums) for retirees. In addition, the District pays 85% of the spouse or dependent children coverage premium until Medicare eligible age or status of the spouse or dependent child ends, after which no further benefits are payable by the District. This is a significant change from the prior actuarial valuation where only 65% was paid for by the District and for retirees only (no spousal or dependent subsidy).

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 is determined in actuarial studies contracted by the District.

**NORTH LAKE TAHOE FIRE PROTECTION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

Contribution requirements of the District's Plan may be amended through negotiations between the District and the employee associations. The contribution to the OPEB Trust is determined by the collective bargaining agreement and requires a minimum amount of \$25,200 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, 2018, the District contributed \$648,751 to the OPEB trust and paid \$213,600 in 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 their 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 depends on the date of retirement and years of PERS service former employees earned in total and while working for the District. The subsidy ranges from a minimum of \$6 to a maximum of \$274 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 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, 2018, the following employees were covered by the benefit terms:

	District Plan	PEBP	Total
Inactive employees or beneficiaries currently receiving benefit payments	27	4	31
Inactive employees entitled to but not yet receiving benefit payments	-	-	-
Active employees	66	-	66
	<u>93</u>	<u>4</u>	<u>97</u>

*OPEB Liability*

The District's Plan net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2018. PEBP's total liability was measured as of June 30, 2017 and was determined by an actuarial valuation as of July 1, 2018.

**NORTH LAKE TAHOE FIRE PROTECTION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

*Actuarial Assumptions*

The total OPEB liability in the July 1, 2018 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 14.3% with less than one year of service to 4.6% with 13 or more years of service	N/A
Investment rate of return	7.00%, net of OPEB plan investment expense	N/A
Healthcare cost trend	5.5% initial; 4.50% ultimate after 2072. Based on the Getzen Model. Dental and vision cost assumed at 3.0% per year	5.5% initial; 4.50% ultimate after 2072. 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 RP-2014 Mortality Tables adjusted to reflect Mortality Improvement Scale MP-2018 from the 2006 base year, and projected forward on a generational basis.

The actuarial assumptions used in the July 1, 2018 valuation were based on expectations of NLTFPD regarding its workforce, demographic pattern for similar safety groups, and actuarial judgment. NLTFPD 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 7.00%, 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
Foreign Developed Equity	21.00%
U.S. Fixed Income	30.00%
U.S. Large Cap Equity	49.00%

The discount rate used to measure the OPEB liability for the District's Plan was 7.00%. The projection of cash flows used to determine the discount rate assumed that District contributions will be made at rates equal or exceeding the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liabilities. The discount rate used to measure the OPEB liability for PEBP was 3.87%

Changes of assumptions and other inputs reflect a change in the healthcare cost trend rate from initial 8.00 percent to an initial 5.50 percent. In addition, a change in the discount rate for PEBP from 7.00 percent to 3.87 percent.

**NORTH LAKE TAHOE FIRE PROTECTION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

*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, 2018, as restated <i>Measurement Date, June 30, 2017</i>	\$ 8,068,934	\$ 561,362	\$ 7,507,572
Changes for the year:			
Service cost	268,192	-	268,192
Interest on the total OPEB liability	559,832	-	559,832
Changes of benefit terms	(7,557)	-	(7,557)
Differences between actual and expected experience with regard to economic or demographic factors	(659,324)	-	(659,324)
Changes of assumptions	(313,711)	-	(313,711)
Benefit payments	(690,738)	(690,738)	-
Contributions from employer	-	915,938	(915,938)
Net investment income	-	48,306	(48,306)
Administrative expense	-	-	-
Net changes	(843,306)	273,506	(1,116,812)
Balance as of June 30, 2019 <i>Measurement Date, June 30, 2018</i>	\$ 7,225,628	\$ 834,868	\$ 6,390,760

**NORTH LAKE TAHOE FIRE PROTECTION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

	PEBP Increase (Decrease) Total OPEB Liability
Balance as of June 30, 2018 <i>Measurement Date, June 30, 2017</i>	\$ 130,606
Changes for the year:	
Service cost	-
Interest on the total OPEB liability	8,906
Changes of benefit terms	-
Differences between actual and Expected experience with regard to economic or demographic factors	(78,776)
Changes of assumptions	13,589
Benefit payments	(6,875)
Other changes	-
Net changes	(63,156)
Balance as of June 30, 2019 <i>Measurement Date, June 30, 2018</i>	\$ 67,450

The OPEB liability of both plans as of June 30, 2019 is \$6,458,210.

*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	\$ 6,937,748	\$ 6,390,760	\$ 5,895,009
PEBP - Total OPEB Liability	76,742	67,450	59,967
OPEB Liability	\$ 7,014,490	\$ 6,458,210	\$ 5,954,976



**NORTH LAKE TAHOE FIRE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

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	\$ 5,793,093	\$ 6,390,760	\$ 7,076,504
PEBP - Total OPEB Liability	<u>60,248</u>	<u>67,450</u>	<u>76,186</u>
OPEB Liability	<u>\$ 5,853,341</u>	<u>\$ 6,458,210</u>	<u>\$ 7,152,690</u>

*OPEB Plan Fiduciary Net Position:*

Detailed information about the OPEB plan fiduciary net position will be available in a separately issued North Lake Tahoe Fire Protection District OPEB Trust financial report. The audit of the OPEB Trust is currently in progress.

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

For the year ended June 30, 2018, the District recognized OPEB expense (income) of \$579,674:

District Plan	\$ 635,955
PEBP	<u>(56,281)</u>
	<u>\$ 579,674</u>

**NORTH LAKE TAHOE FIRE PROTECTION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

At June 30, 2019, 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	\$ 15,394	\$ 23,890	\$ -	\$ -
Differences between expected And actual experience	-	580,926	-	-
Change of assumptions	-	276,409	-	-
Contributions made subsequent to measurement date	862,351	-	6,265	-
Total	<u>\$ 877,745</u>	<u>\$ 881,225</u>	<u>\$ 6,265</u>	<u>\$ -</u>

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

<u>Year Ending June 30,</u>	<u>District Plan</u>	<u>PEBP</u>	<u>Total</u>
2020	\$ (119,814)	\$ -	\$ (119,814)
2021	(119,814)	-	(119,814)
2022	(119,815)	-	(119,815)
2023	(111,853)	-	(111,853)
2024	(115,700)	-	(115,700)
Thereafter	(278,835)	-	(278,835)

**NORTH LAKE TAHOE FIRE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**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 2019 intergovernmental revenues of the District by \$57,868.

State of Nevada Tax Abatements

Aviation Tax Abatement (NRS 360.753)	\$ 2,152
Data Centers Abatement (NRS 360.754)	312
Local Sales and Use Tax Abatement*	53,605
Renewable Energy Abatement (NRS 701A.370)	1,799

\*Local Sales and Use Tax is a component of the State's Standard Tax Abatement (NRS 360.750).

**NOTE 12 – Commitments and Contingencies**

There are various lawsuits with property owners disputing the Assessor's valuation methods used for property within the Lake Tahoe Basin, which may ultimately impact the District. The outcome of the disputes is not presently determinable.

**NOTE 13 – Restatements**

Correction of Errors

During 2019, the District identified misstatements in the June 30, 2018 financial statements related to the calculation of deferred outflows of resources related to OPEB and the net OPEB liability. Based on these misstatements, beginning net position was restated as of June 30, 2018 to report the previous overstatement in deferred outflows of resources and understatement in net OPEB liability at June 30, 2018.

The following summarizes the effect of the restatements:

	<u>Governmental Activities</u>
Net position, June 30, 2018, as previously reported	\$ (4,136,533)
Restatement of deferred outflows of resources	(238,743)
Restatement of net OPEB liability	(252,197)
Net position, June 30, 2018, as restated	<u>\$ (4,627,473)</u>

**NORTH LAKE TAHOE FIRE PROTECTION DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL FOR THE GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2019  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018)  
(1 of 2)**

	Budget Amounts		2019		2018
	Original	Final	Actual Amounts	Variance with Final Budget	Actual Amounts
<b>REVENUES</b>					
Taxes:					
Ad valorem					
Real and personal property	\$ 9,088,337	\$ 9,088,337	\$ 9,121,615	\$ 33,278	\$ 8,709,331
Intergovernmental:					
State shared revenues					
Consolidated tax revenue	3,619,224	3,619,224	3,897,059	277,835	3,828,914
AB 104, fair share	638,005	638,005	684,130	46,125	681,530
Federal and state grants	-	-	448,693	448,693	458,629
	4,257,229	4,257,229	5,029,882	772,653	4,969,073
Miscellaneous:					
Interest	20,000	20,000	197,469	177,469	82,568
Fire suppression reimbursement and other	3,607,573	3,607,573	2,740,243	(867,330)	3,003,947
	3,627,573	3,627,573	2,937,712	(689,861)	3,086,515
Total Revenues	16,973,139	16,973,139	17,089,209	116,070	16,764,919
<b>EXPENDITURES</b>					
Public safety:					
Fire:					
Salaries and wages	7,464,768	7,464,768	7,553,435	(88,667)	7,045,899
Employee benefits:					
Retirement	2,130,963	2,130,963	2,022,079	108,884	1,912,353
Group medical insurance	998,712	998,712	1,107,939	(109,227)	1,090,464
Retiree medical	1,277,944	1,277,944	655,016	622,928	698,491
Industrial insurance	639,252	639,252	484,324	154,928	509,283
Clothing allowance	31,200	31,200	44,696	(13,496)	30,148
Medicare portion of Social Security	105,074	105,074	106,969	(1,895)	100,829
Unemployment insurance	125,000	125,000	66,925	58,075	64,284
Social Security	44,257	44,257	45,722	(1,465)	26,024
	5,352,402	5,352,402	4,533,670	818,732	4,431,876
Services and supplies:					
Utilities	117,197	117,197	90,138	27,059	98,863
Telephone	50,981	50,981	50,334	647	46,239
Professional services	342,380	342,380	275,826	66,554	241,176
Membership and meetings	4,722	4,722	4,708	14	4,110

**NORTH LAKE TAHOE FIRE PROTECTION DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL FOR THE GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2019  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018)  
(2 of 2)**

	Budget Amounts		2019		2018
	Original	Final	Actual Amounts	Variance with Final Budget	Actual Amounts
Services and supplies (continued):					
Training	\$ 109,201	\$ 109,201	\$ 69,653	\$ 39,548	\$ 68,175
Public education supplies	10,500	10,500	7,259	3,241	11,127
Dispatch	231,000	231,000	231,000	-	231,000
District insurance	138,935	138,935	117,245	21,690	127,433
Vehicle repairs and maintenance	248,740	248,740	199,150	49,590	204,279
Equipment supplies	77,210	77,210	78,206	(996)	66,778
Radio and alarm	50,000	50,000	27,062	22,938	43,854
Operational expense	23,674	23,674	10,011	13,663	11,912
Station supplies	10,175	10,175	9,102	1,073	12,255
Publications and subscriptions	2,816	2,816	-	2,816	275
Physical fitness	44,250	44,250	28,504	15,746	27,537
Postage	5,400	5,400	4,693	707	4,070
Reimbursable expenditures	274,551	274,551	131,903	142,648	71,278
CPR/FACTS	24,000	24,000	43,626	(19,626)	30,176
Employee recognition	12,269	12,269	9,321	2,948	6,922
Office supplies	12,040	12,040	5,691	6,349	8,548
Special clothing and gear	72,575	72,575	57,699	14,876	51,990
Building repairs and maintenance	201,354	201,354	255,554	(54,200)	139,859
Interest expense	1,250,000	1,250,000	-	1,250,000	-
Real property tax refunds	1,800,000	1,800,000	-	1,800,000	-
	<u>5,113,970</u>	<u>5,113,970</u>	<u>1,706,685</u>	<u>3,407,285</u>	<u>1,507,856</u>
Total Expenditures	<u>17,931,140</u>	<u>17,931,140</u>	<u>13,793,790</u>	<u>4,137,350</u>	<u>12,985,631</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(958,001)</u>	<u>(958,001)</u>	<u>3,295,419</u>	<u>4,253,420</u>	<u>3,779,288</u>
OTHER FINANCING SOURCES (USES)					
Contingency	(100,000)	(100,000)	-	100,000	-
Transfers out	(2,968,897)	(2,968,897)	(3,168,897)	(200,000)	(1,400,000)
Total Other Financing Sources (Uses)	<u>(3,068,897)</u>	<u>(3,068,897)</u>	<u>(3,168,897)</u>	<u>(100,000)</u>	<u>(1,400,000)</u>
Net Change in Fund Balances	<u>(4,026,898)</u>	<u>(4,026,898)</u>	<u>126,522</u>	<u>4,153,420</u>	<u>2,379,288</u>
FUND BALANCES, BEGINNING OF YEAR	<u>6,165,272</u>	<u>6,165,272</u>	<u>10,729,322</u>	<u>4,564,050</u>	<u>8,350,034</u>
FUND BALANCES, END OF YEAR	<u>\$ 2,138,374</u>	<u>\$ 2,138,374</u>	<u>\$ 10,855,844</u>	<u>\$ 8,717,470</u>	<u>\$ 10,729,322</u>

**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\***

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

	2018	2017
<b>Total OPEB liability</b>		
Service cost	\$ 268,192	\$ 250,647
Interest	559,832	548,689
Changes of benefit terms	(7,557)	-
Differences between actual and expected experience with economic or demographic factors	(659,324)	-
Changes of assumptions	(313,711)	-
Benefit payments	(690,738)	(629,708)
<b>Net change in total OPEB liability</b>	<b>(843,306)</b>	<b>169,628</b>
<b>Total OPEB liability - beginning</b>	<b>8,068,934</b>	<b>7,899,306</b>
<b>Total OPEB liability - ending (a)</b>	<b>\$ 7,225,628</b>	<b>\$ 8,068,934</b>
<b>Plan fiduciary net position</b>		
Employer contributions	\$ 915,938	\$ 855,108
Net investment income	48,306	82,937
Benefit payments	(690,738)	(629,708)
<b>Net change in plan fiduciary net position</b>	<b>273,506</b>	<b>308,337</b>
<b>Plan fiduciary net position - beginning</b>	<b>561,362</b>	<b>253,025</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 834,868</b>	<b>\$ 561,362</b>
<b>District Plan net OPEB liability -ending (a) - (b)</b>	<b>\$ 6,390,760</b>	<b>\$ 7,507,572</b>
<b>Plan fiduciary net position as a percentage of the total OPEB liability</b>	<b>11.55%</b>	<b>6.96%</b>
<b>Covered-employee payroll</b>	<b>6,530,390</b>	<b>6,402,732</b>
<b>District's Plan net OPEB liability as a percentage of covered-employee payroll</b>	<b>97.86%</b>	<b>117.26%</b>

**Nevada Public Employees' Benefits Plan (PEBP):**

	2018	2017
<b>Total OPEB liability</b>		
Interest	\$ 8,906	\$ 8,881
Differences between actual and expected experience with economic or demographic factors	(78,776)	-
Changes of assumptions	13,589	-
Benefit payments	(6,875)	(6,178)
<b>Net change in total OPEB liability</b>	<b>(63,156)</b>	<b>2,703</b>
<b>Total OPEB liability - beginning</b>	<b>130,606</b>	<b>127,903</b>
<b>Total OPEB liability - ending</b>	<b>\$ 67,450</b>	<b>\$ 130,606</b>

**Notes to Schedule:**

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

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.

Amounts are recorded as of the fiscal year of the measurement date as that is when the information is available. Changes of assumptions and other inputs reflect a change in the healthcare cost trend rate from 8.0 initial percent to 5.5 initial percent. In addition, the Mortality Scale was changed from MP-2017 to MP-2018.

The PEBP discount rate changed from 7.00% to 3.87%.

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.

**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):**

	2019	2018
Actuarially determined contribution	\$ 826,237	\$ 882,177
Contributions in relation to the actuarially determined contribution	862,351	915,938
Contribution deficiency (excess)	\$ (36,114)	\$ (33,761)
Covered-employee payroll	\$ 6,626,246	\$ 6,530,390
Contributions as a percentage of covered-employee payroll	13.01%	14.03%

**Notes to Schedule:**

Valuation date: July 1, 2018, rolled backward to June 30, 2018

Methods and assumptions used to determine contribution amount:

Actuarial cost method	Entry Age Normal
Amortization method	Level dollar, open
Remaining amortization period	30 years
Asset valuation method	Market value
Inflation	3.00%
Healthcare cost trend	5.5% initial; 4.50% ultimate after 2072. Based on the Getzen Model. Dental and vision cost assumed at 3.0% per year
Salary increases	Ranges from 14.3% with less than one year of service to 4.6% with 13 or more years of service
Investment rate of return	7.00%, net of OPEB plan investment expense
Mortality	RP-2014 Mortality Tables adjusted to reflect Mortality Improvement Scale MP-2018 from the 2006 base year, and projected forward on a generational basis

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

\*The District adopted GASB Statement No. 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.

**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\***

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's portion of net the pension liability	0.11872%	0.11717%	0.10941%	0.11230%	0.10800%
District's proportionate share of the net pension liability	\$ 16,190,817	\$ 15,583,104	\$ 14,722,931	\$ 12,868,725	\$ 11,255,393
District's covered payroll	\$ 6,019,370	\$ 5,772,945	\$ 4,827,941	\$ 4,740,506	\$ 4,405,244
District's proportional share of the net pension liability as a percentage of its covered payroll	268.98%	269.93%	304.95%	271.46%	255.50%
Plan fiduciary net position as a percentage of the total pension liability	75.24%	74.42%	72.23%	75.13%	76.31%

\*GASB Statement No. 68 requires ten years of information to be presented in this table. However, until ten years of data is available, the District will present information for only those years for which information is available.



**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\***

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutorily required contribution**	\$ 1,148,166	\$ 1,103,370	\$ 1,051,687	\$ 927,603	\$ 866,686
Contributions in relation to the statutorily required contribution**	\$ 1,148,166	\$ 1,103,370	\$ 1,051,687	\$ 927,603	\$ 866,686
Contribution (deficiency) excess	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 6,367,082	\$ 6,019,370	\$ 5,772,945	\$ 4,827,941	\$ 4,740,506
Contributions as a percentage of covered payroll	18.03%	18.33%	18.22%	19.21%	18.28%

\*GASB Statement No. 68 requires ten years of information to be presented in this table. However, until ten years of data is available, the District will present information for only those years for which information is available.

\*\*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.

**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, 2019  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018)**

	2019				2018
	Budget Amount		Actual	Variance	Actual
	Original	Final			
EXPENDITURES					
Debt service:					
Principal	\$ 436,000	\$ 436,000	\$ 436,000	\$ -	\$ 426,000
Interest	66,585	66,585	66,585	-	76,993
Total Expenditures	502,585	502,585	502,585	-	502,993
Excess (Deficiency) of Revenues over Expenditures	(502,585)	(502,585)	(502,585)	-	(502,993)
OTHER FINANCING SOURCES (USES)					
Transfers in	1,003,573	1,003,573	1,003,573	-	-
Net Change in Fund Balances	500,988	500,988	500,988	-	(502,993)
FUND BALANCES, BEGINNING OF YEAR	-	-	-	-	502,993
FUND BALANCES, END OF YEAR	\$ 500,988	\$ 500,988	\$ 500,988	\$ -	\$ -

**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, 2019  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018)**

	2019				2018
	Budget Amount		Actual	Variance	Actual
	Original	Final			
REVENUES					
Miscellaneous:					
Other	\$ 40,000	\$ 40,000	\$ 40,000	\$ -	\$ 40,000
EXPENDITURES					
Capital outlay	1,605,324	1,605,324	160,575	1,444,749	149,506
Excess (Deficiency) of Revenues over Expenditures	(1,565,324)	(1,565,324)	(120,575)	1,444,749	(109,506)
OTHER FINANCING SOURCES (USES)					
Transfers in	565,324	565,324	565,324	-	-
Transfers out	-	-	-	-	(167,993)
Debt issuance	1,000,000	1,000,000	-	(1,000,000)	-
Sale of capital assets	-	-	888	888	-
Total Other Financing Sources (Uses)	1,565,324	1,565,324	566,212	999,112	(167,993)
Net Change in Fund Balances	-	-	445,637	445,637	(277,499)
FUND BALANCES, BEGINNING OF YEAR	290,966	290,966	182,116	(108,850)	459,615
FUND BALANCES, END OF YEAR	\$ 290,966	\$ 290,966	\$ 627,753	\$ 336,787	\$ 182,116

**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, 2019**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018)**

	2019				2018
	Budget Amount		Actual	Variance	Actual
	Original	Final			
OPERATING REVENUES					
Charges for services:					
Public safety:					
Ambulance	\$ 587,394	\$ 587,394	\$ 605,457	\$ 18,063	\$ 582,744
GEMT Cost Settlement	496,961	496,961	70,484	(426,477)	180,788
Other	70,725	70,725	61,523	(9,202)	77,556
Total Operating Revenues	1,155,080	1,155,080	737,464	(417,616)	841,088
OPERATING EXPENSES					
Public safety:					
Ambulance:					
Salaries and wages	959,952	959,952	868,507	91,445	941,552
Employee benefits	566,290	566,290	578,917	(12,627)	622,848
Services and supplies	698,573	698,573	516,083	182,490	507,269
Depreciation	153,390	153,390	187,048	(33,658)	163,460
Total Operating Expenses	2,378,205	2,378,205	2,150,555	227,650	2,235,129
Operating Income (Loss)	(1,223,125)	(1,223,125)	(1,413,091)	(189,966)	(1,394,041)
NONOPERATING REVENUES					
Interest revenue	807	807	1,095	288	610
Gain on sale of capital assets	-	-	-	-	3,871
Grant revenue	-	-	-	-	49,180
Total Nonoperating Revenues	807	807	1,095	288	53,661
Income (Loss) before Transfers	(1,222,318)	(1,222,318)	(1,411,996)	(189,678)	(1,340,380)
TRANSFERS					
Transfers in	1,400,000	1,400,000	1,600,000	200,000	1,567,993
Changes in Net Position	\$ 177,682	\$ 177,682	188,004	\$ 10,322	227,613
NET POSITION, BEGINNING OF YEAR			(1,075,311)		(1,302,924)
NET POSITION, END OF YEAR			\$ (887,307)		\$ (1,075,311)



**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, the financial statements of the governmental activities, the business-type activities, and each major fund of North Lake Tahoe Fire Protection District (the District) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 21, 2020.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Responses as Finding 2019-001 that we consider to be a material weakness.

**Compliance and Other Matters**

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

**North Lake Tahoe Fire Protection District's Response to Finding**

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

**Purpose of this Report**

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



Reno, Nevada  
January 21, 2020



### 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, and each major fund of the North Lake Tahoe Fire Protection District (the District) as of and for the year ended June 30, 2019, and the related notes to the financial statements, nothing came to our attention that caused us to believe that the District failed to comply with the specific requirements of Nevada Revised Statutes cited below. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the District's noncompliance with the requirements of Nevada Revised Statutes cited below, insofar as they relate to accounting matters.

#### Current Year Statute Compliance

The District conformed to all significant statutory constraints on its financial administration during the year as noted in Note 2 of the accompanying financial statements.

#### Progress on Prior Year Statute Compliance

The District conformed to all significant statutory constraints on its financial administration during the year ended June 30, 2018.

#### Prior Year Recommendations

The prior year finding 2018-A was corrected.

#### Current Year Recommendations

The current year finding is included in the accompanying Schedule of Findings and Responses.

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

Reno, Nevada  
January 21, 2020





WASHOE COUNTY WATER CONSERVATION DISTRICT

FINANCIAL STATEMENTS,  
REQUIRED SUPPLEMENTARY INFORMATION  
AND  
OTHER SUPPLEMENTARY INFORMATION

JUNE 30, 2019 AND 2018

WASHOE COUNTY WATER CONSERVATION DISTRICT  
JUNE 30, 2019 AND 2018

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TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITORS' REPORT	1-2
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)	3-5
BASIC FINANCIAL STATEMENTS	
Statements of Net Position	6
Statements of Revenue, Expenses, and Changes in Net Position	7
Statements of Cash Flows	8
Notes to Financial Statements	9-21
REQUIRED SUPPLEMENTARY INFORMATION	22
Schedule of District's Proportionate Share of the Net Pension Liability	23
Schedule of District's Pension Contributions	24
Schedule of Changes in the District's Net OPEB Liability and Related Ratios	25
Schedule of the District's OPEB Contributions	26
OTHER SUPPLEMENTARY INFORMATION	27
Schedules of Receivables	28
Schedules of Administrative Expenses	29
Schedules of Operating Expenses	30
Schedules of Maintenance Expenses	31



**BARNARD VOGLER & CO.**  
Certified Public Accountants

100 West Liberty St.  
Suite 1100  
Reno, NV 89501

775.786.6141  
775.323.6211  
bvccpas.com

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Washoe County Water Conservation District

### Report on the Financial Statements

We have audited the accompanying financial statements of the business type activities of Washoe County Water Conservation District as of and for the years ended June 30, 2019 and 2018, and the related notes to the financial statements which collectively comprise the District's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Washoe County Water Conservation District's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business type activities of Washoe County Water Conservation District as of June 30, 2019 and 2018, and the respective changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension information, and OPEB information on pages 3 through 5, 23 through 24, and 25 through 26, respectively, be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Washoe County Water Conservation District's basic financial statements. The supplemental information on pages 28 through 31 is presented for purposes of additional analysis, and is not a required part of the basic financial statements.

The supplementary schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the other supplemental information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Bernard Vogler & Co*

Reno, Nevada  
November 5, 2019



WASHOE COUNTY WATER CONSERVATION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2019 AND 2018

This section of the District's basic financial statements presents management's overview and analysis of the District's financial performance for the fiscal years ended June 30, 2019 and 2018. This section should be read in conjunction with the financial statements which follow this section.

This District's management's discussion and analysis provides an overview of the District's financial activities for the fiscal years ended June 30, 2019 and 2018. All discussion of the net position and changes in net position will contain prior year data and comparisons of the current year to the prior year.

## FINANCIAL HIGHLIGHTS

The District remained free of long-term debt during this period (not including the net pension liability which the District is required to report under Governmental Accounting Standards Board (GASB) No. 68).

## OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The notes to the financial statements also contain more detail on some of the information presented in the financial statements. The financial statements of the District report information about the District using accounting methods similar to those used by private sector companies. The Statement of Net Position presents information on all the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. The Statement of Revenues, Expenses and Changes in Net Position presents information showing how the District's net position changed during this fiscal year. All changes in net position are reported as soon as the underlying event gives rise as the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are recorded in this statement for some items that will only result in cash flows in future fiscal periods (for example, earned but unused vacation leave and pension liabilities and deferrals).

The financial statements can be found following this discussion.

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided within financial statements. The notes to the financial statements can be found following the basic financial statements.

## FINANCIAL ANALYSIS

For the year ended June 30, 2019, assets exceeded liabilities by \$1,978,477.

### SUMMARY STATEMENT OF NET POSITION

	2019	2018	Change	Percentage
Current assets	\$ 1,788,771	\$ 1,562,998	\$ 225,773	14.44%
Capital assets, net	<u>532,067</u>	<u>555,111</u>	( 23,044)	( 4.15%)
Total assets	2,320,838	2,118,109	202,729	9.57%
Deferred outflows of resources	<u>45,065</u>	<u>49,092</u>	( 4,027)	( 8.21%)
Current liabilities	84,338	6,754	77,584	1198.71%
Net pension liability	154,400	152,025	2,375	1.56%
Net OPEB liability	<u>72,963</u>	<u>64,891</u>	<u>8,072</u>	12.44%
Total liabilities	311,701	223,670	88,031	39.36%
Deferred inflows of resources	<u>75,725</u>	<u>95,733</u>	( 20,008)	( 20.90%)
Net Position				
Net investment in capital assets	531,317	554,361	( 23,044)	( 4.16%)
Unrestricted	<u>1,447,160</u>	<u>1,293,437</u>	<u>153,723</u>	11.88%
Total net position	\$ <u>1,978,477</u>	\$ <u>1,847,798</u>	\$ <u>130,679</u>	7.07%

WASHOE COUNTY WATER CONSERVATION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)  
JUNE 30, 2019 AND 2018

### FINANCIAL ANALYSIS (Continued)

The District's net position increased by \$130,679 in 2019. The following is a summary Statement of Revenue, Expenses and Changes in Net Position which shows how the increase in net position from operations occurred.

#### SUMMARY STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION

	<u>2019</u>	<u>2018</u>	<u>Change</u>	<u>Percentage</u>
Operating Revenue	\$ 376,951	\$ 373,482	\$ 3,469	.93%
Operating Expenses	<u>258,185</u>	<u>249,215</u>	<u>8,970</u>	3.60%
Operating income (loss)	118,766	124,267	(5,501)	( 4.43%)
Non-operating revenue	<u>11,913</u>	<u>6,978</u>	<u>4,935</u>	70.72%
Change in net position	\$ <u>130,679</u>	\$ <u>131,245</u>	\$ ( <u>566</u> )	( .43%)

### REVENUES

Operating revenues were almost unchanged while non-operating revenue increased due to increased interest income on certificates of deposit.

### OPERATING AND MAINTENANCE EXPENSES

Operating expenses are most directly affected by the operation and maintenance that has to be performed at Boca Reservoir. Operating expenses were relatively flat compared to the prior year with an increase in maintenance expenses for the spillway repair compensated by a decrease in herbicide removal and legal fees.

The department described the major functional areas of the District and includes:

Operations – Responsible for the operation of Boca Reservoir, including dam tender and all expenses regarding his job and operations.

Maintenance – Responsible for any and all maintenance at Boca Reservoir, including spillway, valve house and dam tenders house.

Administration – All functions of the office staff, maintaining accurate assessment, financial information and director information.

### CAPITAL ASSETS

The District's investment in capital assets as of June 30, 2019 amounted to \$531,317 including accumulated depreciation of \$565,053. Capital assets consist of improvements to Boca Dam, caretaker house improvements, office equipment and field equipment. See Notes 1 and 3 for additional capital assets information.

### ECONOMIC FACTORS AND FUTURE OUTLOOK

The District will watch our operations and maintenance expenses. The District has ongoing maintenance at Boca Dam; therefore, our expenses may increase next year. The Bureau of Reclamation has a Cost Analysis Study for a Safety of Dams Project which will occur in the next couple of years, thereby making our maintenance expenses increase sufficiently.

WASHOE COUNTY WATER CONSERVATION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)  
JUNE 30, 2019 AND 2018

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**REQUEST FOR INFORMATION**

This financial report is designed to provide a general overview of the District's finances for all those who have an interest in this District's finances. Questions concerning any of the information presented in this report or requests for additional financial information should be addressed to 1005 Terminal Way, Suite 150, Reno, NV 89502.



WASHOE COUNTY WATER CONSERVATION DISTRICT  
STATEMENTS OF NET POSITION  
JUNE 30, 2019 AND 2018

6

	2019	2018
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 241,000	\$ 351,486
Time certificates of deposit	1,522,678	1,160,915
Special assessments receivable	1,190	942
Other receivables	14,571	16,089
Prepaid expenses	9,332	33,566
Total current assets	<u>1,788,771</u>	<u>1,562,998</u>
Noncurrent assets		
Capital assets		
Improvements and equipment, being depreciated	1,096,370	1,096,370
Less accumulated depreciation	<u>(565,053)</u>	<u>(542,009)</u>
Total capital assets	531,317	554,361
Deposit	<u>750</u>	<u>750</u>
Total noncurrent assets	<u>532,067</u>	<u>555,111</u>
Total assets	<u>2,320,838</u>	<u>2,118,109</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Contributions to pension plan in current fiscal year	11,637	10,503
Pension deferrals	<u>33,428</u>	<u>38,589</u>
Total deferred outflows of resources	<u>45,065</u>	<u>49,092</u>
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable	77,756	2,298
Accrued payroll taxes	1,869	1,759
Accrued vacation benefits	<u>4,713</u>	<u>2,697</u>
Total current liabilities	84,338	6,754
Noncurrent liabilities		
Net pension liability	154,400	152,025
Net OPEB liability	<u>72,963</u>	<u>64,891</u>
Total noncurrent liabilities	<u>227,363</u>	<u>216,916</u>
Total liabilities	<u>311,701</u>	<u>223,670</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pension deferrals	<u>75,725</u>	<u>95,733</u>
<b>NET POSITION</b>		
Net investment in capital assets	531,317	554,361
Unrestricted	<u>1,447,160</u>	<u>1,293,437</u>
Total net position	<u>\$ 1,978,477</u>	<u>\$ 1,847,798</u>

See accompanying notes



WASHOE COUNTY WATER CONSERVATION DISTRICT  
STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET POSITION  
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

7

	2019	2018
OPERATING REVENUE		
Special assessments	\$ 315,738	\$ 312,269
Water storage fees	20,213	20,213
Administration fees	41,000	41,000
	<u>376,951</u>	<u>373,482</u>
OPERATING EXPENSES		
Administrative	139,458	133,187
Operating (net of reimbursement from Truckee Meadows Water Authority of \$47,619 and \$45,037 for 2019 and 2018, respectively)	49,364	78,123
Maintenance (net of reimbursement from Truckee Meadows Water Authority of \$925 and \$433 for 2019 and 2018, respectively)	46,319	15,058
Depreciation	23,044	22,847
	<u>258,185</u>	<u>249,215</u>
Operating income	118,766	124,267
NONOPERATING REVENUE		
Interest income	11,913	5,953
Grants	-	325
Other	-	700
Total nonoperating revenue	<u>11,913</u>	<u>6,978</u>
Increase in net position	<u>130,679</u>	<u>131,245</u>
NET POSITION, beginning of year, as previously reported	1,847,798	1,778,068
OPEB Restatement	<u>-</u>	<u>(61,515)</u>
NET POSITION, beginning of year, as restated	<u>1,847,798</u>	<u>1,716,553</u>
NET POSITION, end of year	<u><u>\$ 1,978,477</u></u>	<u><u>\$ 1,847,798</u></u>

See accompanying notes

WASHOE COUNTY WATER CONSERVATION DISTRICT  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received for services	\$ 378,221	\$ 385,183
Cash payments for salaries and benefits	(127,828)	(120,573)
Cash payments for goods and services	(11,029)	(117,497)
Net cash flows provided by operating activities	<u>239,364</u>	<u>147,113</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Grants	-	325
Net cash flows provided by noncapital financing activities	-	325
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Proceeds from sale of asset	-	700
Acquisition of capital assets	-	(6,645)
Net cash flows used by capital and related financing activities	-	(5,945)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest earned on investments	11,913	5,953
Purchases of short-term investments in time certificates of deposit	(361,763)	(5,814)
Net cash flows provided (used) by investing activities	<u>(349,850)</u>	<u>139</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(110,486)	141,632
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	<u>351,486</u>	<u>209,854</u>
<b>CASH AND CASH EQUIVALENTS, end of year</b>	<u><u>\$ 241,000</u></u>	<u><u>\$ 351,486</u></u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Operating income	\$ 118,766	\$ 124,267
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	23,044	22,847
Net pension income	(13,606)	(11,262)
Changes in certain assets and liabilities		
(Increase) decrease in:		
Special assessments receivable	(248)	488
Other receivables	1,518	11,213
Prepaid insurance	24,234	384
Deposits	-	(750)
Increase (decrease) in:		
Accounts payable	75,458	(4,051)
Accrued payroll taxes	110	43
Accrued vacation benefits	2,016	558
OPEB liability	8,072	3,376
Net cash provided by operating activities	<u><u>\$ 239,364</u></u>	<u><u>\$ 147,113</u></u>

See accompanying notes

## NOTES TO FINANCIAL STATEMENTS

WASHOE COUNTY WATER CONSERVATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Washoe County Water Conservation District (District) was created and is regulated by the Nevada Revised Statutes, which also specify the authorized activities of the District. The District operates and maintains Boca Dam. In accordance with an agreement established in 1937, Truckee Meadows Water Authority reimburses the District for a portion of the costs of operating and maintaining Boca Dam in exchange for storage of up to 800 acre feet of water. Substantially all revenue received by the District is derived from sources located in Nevada.

The financial statements have been prepared in accordance with generally accepted accounting principles as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies.

Reporting Entity

The District's financial statements are not included in the financial statements of Washoe County because the County does not exercise financial or administrative control over the District.

Basis of Presentation and Accounting

GASB Statement Number 34 mandates government-wide financial statements of net position, statements of revenue, expenses and changes in net position, and statements of cash flows.

The District is a single-enterprise proprietary fund and uses the accrual basis of accounting. Proprietary funds are used to account for operations that are financed in a manner similar to private business enterprise and that a periodic determination of revenue earned, expenses incurred and/or change in net position is appropriate for capital maintenance, public policy, management control, accountability or other purposes. Under this method, revenue is recorded when earned and expenses are recognized as soon as they result in liabilities for the benefits provided.

Proprietary funds distinguish operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the District is special assessments charged to residents in Washoe County. Operating expenses are for operating and maintenance expenses to maintain Boca Dam and administrative expenses to operate the District. Nonoperating revenue consists of interest income and grants. There were no nonoperating expenses.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the District considers time certificates of deposit with an original maturity of three months or less to be cash equivalents.

Investments

Nonnegotiable time certificates of deposits with an original maturity of three months or more are classified as investments. These investments are reported at amortized cost in accordance with GASB Statement Number 72 and therefore are exempt from fair value disclosures.

WASHOE COUNTY WATER CONSERVATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2019 AND 2018

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

Capital assets purchased or acquired with an original cost of \$1,000 or more are reported at historical cost. Donated assets are recorded at their estimated fair market value on the date donated. The cost of maintenance and repairs is charged to income as incurred. When capital assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is recognized in income for the period. Depreciation on all capital assets is provided on the straight-line basis over the estimated useful life as follows:

Improvements to Boca Dam	5 to 50 years
Caretaker house improvements	20 years
Office equipment	5 to 10 years
Field equipment	5 to 10 years
Snowmobile equipment	5 to 10 years

Special Assessments Receivable/Fees

Special assessments receivable are deemed fully collectible by management. Special assessment fees collected are used for the operation and maintenance of Boca Dam and for administration.

Other Receivables

Other receivables are deemed fully collectible by management and include amounts due from other government agencies.

Compensated Absences

It is the District's policy to permit employees to accumulate earned and unused vacation benefits up to 160 hours. All vacation pay is accrued when earned.

Use of Estimates

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

Net Position Classification

There are three types of net position in the statements of net position:

- *Net investment in capital assets* - consists of capital asset balances less accumulated depreciation and reduced by outstanding balances of debt used to acquire, construct, or improve those assets.
- *Restricted net position* - net position is considered restricted if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws.
- *Unrestricted net position* - consists of all other net positions that do not meet the definition of the above two components and are available for the District's general use.

WASHOE COUNTY WATER CONSERVATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2019 AND 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Position Classification (continued)

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as needed.

The District did not have a restricted net position as of June 30, 2019 and 2018.

Pensions

For purposes of measuring the net pension liability, deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the State of Nevada's Public Employees' Retirement System (PERS) and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. In the proprietary fund financial statements pension expense is recognized based on the district's share of the change in its proportionate share of the PERS net pension liability. A net pension liability is recorded based on the District's proportionate share of the PERS net pension liability. Deferred inflows and outflows of resources are recorded based on the District's proportionate share of the difference between projected and actual investment earnings on pension plan investments, changes in the proportion and difference between the District's contributions and proportionate share of contributions, and the difference between expected and actual experience. For the years ended June 30, 2019 and 2018, the effect of this reporting amounts to a decrease of \$185,060 and \$198,666, respectively, in unrestricted net position.

NOTE 2 - CASH AND INVESTMENTS

Cash is maintained in interest-bearing checking accounts. Time certificates of deposit are recorded at cost, which approximates market value.

Each depository is insured by the Federal Deposit Insurance Corporation up to \$250,000. Balances at June 30, classified by depository, are as follows:

	<u>Carrying Amount</u>	
	<u>2019</u>	<u>2018</u>
Cash		
Nevada State Bank		
Interest-bearing checking	\$ 241,000	\$ 351,486
Time certificates of deposit		
Western Alliance Bank	994,580	635,075
Umpqua Bank	259,106	257,251
Nevada State Bank	<u>268,992</u>	<u>268,589</u>
	<u>1,522,678</u>	<u>1,160,915</u>
Total cash and investments	\$ <u>1,763,678</u>	\$ <u>1,512,401</u>

WASHOE COUNTY WATER CONSERVATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2019 AND 2018

NOTE 2 - CASH AND INVESTMENTS (Continued)

Following is a listing of cash and investments at June 30, indicating insurance on those deposits:

	Bank Balance	
	2019	2018
Cash	\$ 286,625	\$ 359,225
Time certificates of deposit	<u>1,522,678</u>	<u>1,160,915</u>
	1,809,303	1,520,140
Insured (FDIC)	<u>( 750,000)</u>	<u>( 750,000)</u>
Total uninsured cash and investments	\$ <u>1,059,303</u>	\$ <u>770,140</u>

By provisions of state statutes, the District is authorized to deposit all money in banks or savings and loan associations located in the State of Nevada and must be subject to withdrawal on demand at any time.

NOTE 3 - CAPITAL ASSETS

Capital asset activity for the year ending June 30, 2019 was as follows:

	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019
Capital assets being depreciated:				
Improvements to Boca Dam	\$ 1,043,673	\$ --	\$ --	\$ 1,043,673
Caretaker house improvements	46,591	--	--	46,591
Office equipment	3,697	--	--	3,697
Field equipment	<u>2,409</u>	<u>--</u>	<u>--</u>	<u>2,409</u>
Total capital assets being depreciated	\$ <u>1,096,370</u>	\$ <u>--</u>	\$ <u>--</u>	\$ <u>1,096,370</u>
Accumulated depreciation:				
Improvements to Boca Dam	\$ 507,692	\$ 21,426	\$ --	\$ 529,118
Caretaker house improvements	29,330	1,146	--	30,476
Office equipment	3,328	222	--	3,550
Field equipment	<u>1,659</u>	<u>250</u>	<u>--</u>	<u>1,909</u>
Total accumulated depreciation	<u>542,009</u>	<u>23,044</u>	<u>--</u>	<u>565,053</u>
	\$ <u>554,361</u>	\$ <u>(23,044)</u>	\$ <u>--</u>	\$ <u>531,317</u>

WASHOE COUNTY WATER CONSERVATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2019 AND 2018

NOTE 3 - CAPITAL ASSETS (Continued)

Capital asset activity for the year ending June 30, 2018 was as follows:

	Balance June 30, 2017	Additions	Deletions	Balance June 30, 2018
Capital assets not being depreciated:				
Construction in progress	\$ 2,145	\$ --	\$ 2,145	\$ --
Capital assets being depreciated:				
Improvements to Boca Dam	\$ 1,043,673	\$ --	\$ --	\$ 1,043,673
Caretaker house improvements	37,801	8,790	--	46,591
Office equipment	3,697	--	--	3,697
Field equipment	<u>2,409</u>	<u>--</u>	<u>--</u>	<u>2,409</u>
Total capital assets being depreciated	\$ <u>1,087,580</u>	\$ <u>8,790</u>	\$ <u>2,145</u>	\$ <u>1,096,370</u>
Accumulated depreciation:				
Improvements to Boca Dam	\$ 486,265	\$ 21,427	\$ --	\$ 507,692
Caretaker house improvements	28,381	949	--	29,330
Office equipment	3,107	221	--	3,328
Field equipment	<u>1,409</u>	<u>250</u>	<u>--</u>	<u>1,659</u>
Total accumulated depreciation	<u>519,162</u>	<u>22,847</u>	<u>--</u>	<u>542,009</u>
	\$ <u>570,563</u>	\$( <u>14,057</u> )	\$ <u>2,145</u>	\$ <u>554,361</u>

NOTE 4 - DEFINED BENEFIT PENSION PLAN

*Plan Description.* The District is a public employer participating in the Public Employees Retirement System of the State of Nevada (PERS), a defined benefit cost-sharing multiple-employer program, and all full-time employees are covered under the system. The District has no liability for unfunded obligations of the system as provided by Nevada Revised Statute (NRS) 286.110 but is required to report its share of the net pension liability under GASB 68.

*Benefits Provided.* Benefits, as required by the NRS, are determined by the number of years of accredited service at time of retirement and the member's highest average compensation in any 36 consecutive months with special provisions for members entering the System 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 at 2.5% of average compensation for each accredited year of service prior to July 1, 2001. For service earned on and after July 1, 2001, this multiplier is 2.67% of average compensation. For members entering the System on or after January 1, 2010, there is a 2.5% service time factor and for regular members entering the System on or after July 1, 2015, there is a 2.25% factor. The System 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/her life and various optional monthly payments to a named beneficiary after his or her death.



WASHOE COUNTY WATER CONSERVATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2019 AND 2018

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NOTE 4 - DEFINED BENEFIT PENSION PLAN (Continued)

Post-retirement increases are provided by authority of NRS 286.575-.579.

*Vesting.* Regular members are eligible for retirement at age 65 with 5 years of service, age 60 with 10 years of service or any age with 30 years of service. Regular members entering the System on or after January 1, 2010, are eligible for retirement at age 65 with 5 years of service, age 62 with 10 years of service, or any age with 30 years of service. Regular members who entered the System on or after July 1, 2015, are eligible for retirement at age 65 with 5 years of service, age 62 with 10 years of service, age 55 with 30 years of service or any age with 33 1/3 years of 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.

*Contributions.* Member contribution rates, which are actuarially determined, are established by NRS 286.421 for public employees enrolled in the contribution plan. The District is enrolled in the employer-pay plan for PERS and is, therefore, required to contribute all amounts due under the plan. The District's contractually required contribution rate for the years ended June 30, 2019 and June 30, 2018 was 28% of annual payroll for employer-pay plans, actuarially determined as an amount that is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. However, under GASB 82, payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contributions are to be classified as employee contributions. Total contributions to the pension plan from the District were \$23,158 and \$21,005 for the years ended June 30, 2019 and 2018, respectively. Of those required contribution amounts, the District received reimbursement from Truckee Meadows Water Authority amounting to \$4,447 and \$4,037 for the years ended June 30, 2019 and 2018, respectively.

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

At June 30, 2019, the District reported a liability of \$154,400 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

At June 30, 2018, the District reported a liability of \$152,025 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, 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 a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2018, the District's proportion was .00113 percent, which was a decrease from its proportion measured as of June 30, 2017 of .00114 percent.

For the year ended June 30, 2019, the District recognized pension income of \$1,967. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

WASHOE COUNTY WATER CONSERVATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2019 AND 2018

NOTE 4 - DEFINED BENEFIT PENSION PLAN (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,837	\$ 7,167
Changes of assumptions	8,136	-
Net difference between projected and actual earnings on pension plan investments	-	735
Changes in proportion and differences between the District contributions and proportionate share of contributions	20,455	67,823
District contributions subsequent to the measurement date	11,637	-
Total	<u>\$ 45,065</u>	<u>\$ 75,725</u>

The amount of \$11,637 was reported as deferred outflows of resources related to pensions resulting from the District's contributions subsequent to the measurement date that are attributable to the 2019 fiscal year that will be recognized as a reduction of the net pension liability for the measurement date ended June 30, 2020. Other amounts reported as deferred outflows (inflows) of resources related to pensions will be recognized in pension expense as follows:

2020	\$ 3,527
2021	939
2022	(2,418)
2023	1,309
2024	1,501
2025	203
Thereafter	-

For the year ended June 30, 2018, the District recognized pension income of \$714. At June 30, 2018, 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	\$ -	\$ 9,976
Changes of assumptions	10,085	-
Net difference between projected and actual earnings on pension plan investments	987	-
Changes in proportion and differences between the District contributions and proportionate share of contributions	27,517	85,757
District contributions subsequent to the measurement date	10,503	-
Total	<u>\$ 49,092</u>	<u>\$ 95,733</u>

WASHOE COUNTY WATER CONSERVATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2019 AND 2018

17

NOTE 4 - DEFINED BENEFIT PENSION PLAN (Continued)

The amount of \$10,503 was reported as deferred outflows of resources related to pensions resulting from the District's contributions subsequent to the measurement date that are attributable to the 2018 fiscal year that will be recognized as a reduction of the net pension liability for the measurement date ended June 30, 2019

The following is the reconciliation of the pension liability as of June 30:

	2019	2018
Net pension liability, beginning of year	\$ 152,025	\$ 145,118
Difference between expected and actual experience	7,646	(259)
Difference between projected and actual investment earnings on pension plan investments	(1,722)	(12,504)
Changes of assumptions or other inputs	(1,949)	10,085
Employer contributions	(10,503)	(10,260)
Pension expense (income)	(1,967)	(714)
Changes in proportion	10,870	20,559
Net pension liability, end of year	<u>\$ 154,400</u>	<u>\$ 152,025</u>

*Actuarial assumptions.* The total pension liability in the June 30, 2018 and 2017 actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation Rate	2.75%
Payroll growth	5.00%, including inflation
Investment rate of return	7.50%
Productivity pay increase	0.50%
Salary increases	Regular: 4.25% to 9.15% depending on service Police/Fire: 4.55% to 13.9%, depending on service Rates include inflation and productivity increases
Consumer Price Index	2.75%

The actuarial assumptions used in the June 30, 2018 and 2017 valuation were based on the results of an actuarial experience review completed in 2017.

The average of the expected remaining service lives of all employees that are provided with pensions through PERS (active and inactive employees) for the years ending June 30, 2019 and 2018 was 6.22 and 6.39 years, respectively.

The System's 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's adopted policy target allocation as of June 30, 2018 and 2017:

WASHOE COUNTY WATER CONSERVATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2019 AND 2018

NOTE 4 - DEFINED BENEFIT PENSION PLAN (Continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	42%	5.50%
International Equity	18%	5.75%
Domestic Fixed Income	30%	0.25%
Private Markets	10%	6.80%
Total	100%	

*Discount Rate.* The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at contractually required rates, actuarially determined. 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 active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate.* The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.50 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
District's proportionate share of the net pension liability June 30, 2019	\$ 235,454	\$ 154,400	\$ 87,049
	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
District's proportionate share of the net pension liability June 30, 2018	\$ 229,819	\$ 152,025	\$ 87,416

*Pension plan fiduciary net position.* Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial report. That report may be obtained by calling 775-687-4200 or via the website at [www.nvpers.org](http://www.nvpers.org).

WASHOE COUNTY WATER CONSERVATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2019 AND 2018

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19

NOTE 5 - OTHER POST-EMPLOYMENT BENEFITS (OPEB)

*Plan Description.* The District is a public employer participating in the Nevada Public Employees' Benefits Program (PEBP), an agent multiple-employer post-employment health care plan administered by the Public Employees' Benefit Program. PEBP provides health care coverage for certain persons who retired under the Public Employees Retirement System. Benefit provisions for PEBP are established pursuant to NRS 287.023 and are subject to amendment through legislation by the State of Nevada. The PEBP Master Plan Document may be obtained by writing to the Nevada Public Employees Medical Program of the State of Nevada, 901 South Stewart Street, Suite 1001, Carson City, Nevada 89701.

*Benefits Provided.* Retirees and former employees who accumulate fifteen years of service under PERS, entered PERS prior to September 1, 2008 and who retire while receiving health coverage under PEBP are eligible for PEBP coverage based on their years of covered employment under Nevada PERS. These retirees and former employees receive a subsidy that is shared on a pro-rata basis by the employers for which the retiree has worked and earned PERS service credit. Thus, the District may be obligated to subsidize health care premiums for former employees as well as those who retire directly from the District. The monthly subsidy is based on years of credited service under Nevada PERS, though the level differs for pre-Medicare and Medicare eligible retirees. The subsidy ends at the earlier of the retiree's death or the date he or she discontinues coverage.

*Contributions.* Member contributions rates, or subsidy, is established by the Nevada Legislature. For the years ending June 30, 2019 and 2018, \$2,880 was contributed to the OPEB plan.

*Actuarial assumptions.* The total OPEB liability is based on an actuarial valuation as of June 30, 2018 and a measurement date of June 30, 2019 and 2018 using the following actuarial assumptions:

Funding Method:	Entry Age Normal Cost, closed group, level of percent of pay.
Discount Rate:	3.13% as of June 30, 2019, 3.62% as of June 30, 2018 and 3.56% as of June 30, 2017, which are based on the Fidelity Municipal General Obligation AA 20 Year Bond Index for the year ended June 30, 2019.
Participants Valued:	Only current active employees and retired participants currently receiving or expected to qualify for benefit are valued. No future entrants are considered.
Salary Increase :	4.0% per year.
Assumed Wage Inflation:	3.0% per year.
General Inflation Rate:	2.75% per year.
Mortality:	Non-disabled life rates for retirees: Males and Females - headcount-weighted RP-2014 Health Annuitant Table set forward one year. Pre-retirement life rates for employees: Males and Females - headcount-weighted RP-2014 employee table.
Medicare Eligibility:	Absent contrary data, all individuals are assumed to be eligible for Medicare Parts A and B at 65. Retirees over age 65 who are not eligible for Medicare are assumed to remain ineligible.
Healthcare Trend:	The District's subsidy toward the cost of PEBP retiree coverage is assumed to increase from 2019-2023 between 5.00% to 6.00% for pre-Medicare and 4.5% for Medicare.

WASHOE COUNTY WATER CONSERVATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2019 AND 2018

20

NOTE 5 - OTHER POST-EMPLOYMENT BENEFITS (Continued)

There are no OPEB plan investments and therefore there is no asset allocation or expected real rate of return on the plan investments.

*Sensitivity of the District's OPEB Liability.* The following presents the District's OPEB liability calculated using the discount rate of 3.13 percent, as well as what the District's OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.13 percent) or 1-percentage-point higher (4.13 percent) than the current rate:

	1% Decrease (2.13%)	Discount Rate (3.13%)	1% Increase (4.13%)
June 30, 2019 Net OPEB Liability	\$ 82,192	\$ 72,963	\$ 65,214

The following presents the District's OPEB liability calculated using the discount rate of 3.62 percent, as well as what the District's OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.62 percent) or 1-percentage-point higher (4.62 percent) than the current rate:

	1% Decrease (2.62%)	Discount Rate (3.62%)	1% Increase (4.62%)
June 30, 2018 Net OPEB Liability	\$ 72,888	\$ 64,891	\$ 58,155

NOTE 6- OPERATING LEASE

The District, jointly with another District, entered into an office lease at 1005 Terminal Way commencing April 1, 2018 and running through March 31, 2023. From July 1, 2017 through March 31, 2018 the District was under a month to month lease at a different location. Rental expense under these leases was \$7,539 and \$7,955 for the years ended June 30, 2019 and 2018, respectively.

The following schedule shows future obligations under this lease as of June 30, 2019:

2020	\$ 8,377
2021	8,635
2022	8,893
2023	<u>6,814</u>
Total	\$ <u>32,719</u>

NOTE 7 - CONTINGENCIES

On May 17, 2018 the District entered into a contract with the Bureau of Reclamation (BOR) to complete modification work for the Boca Dam. The estimated cost to the District is \$3,800,000 with total costs and interest not to exceed \$6,000,000 which will be repaid over 50 years. Construction work is estimated to start in the spring of 2019 with an estimated completion date of November 2020. The first annual payment for the reimbursable costs shall become due on October 1 of the year following the year in which the modification work is declared substantially complete. No liability has been accrued as construction work has not been completed. In response to these additional costs the District received approval to levy a special assessment of \$4 per acre, commencing with the 2020 fiscal year billings.

WASHOE COUNTY WATER CONSERVATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2019 AND 2018

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NOTE 8 - COMPLIANCE WITH NEVADA REVISED STATUTES AND NEVADA ADMINISTRATIVE CODE

Per the Nevada Revised Statutes Chapter 539.485 and 539.487, the District must post or publish in the newspaper its monthly claims and annual financial statements. The District's board passed a motion not to comply with this requirement.

The District conformed to all other significant statutory constraints on the financial administration during the fiscal year.

## REQUIRED SUPPLEMENTARY INFORMATION



WASHOE COUNTY WATER CONSERVATION DISTRICT  
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
 FOR THE YEAR ENDED JUNE 30, 2019

	2018	2017	2016	2015	2014	2013
District's proportion of the net pension liability (asset)	0.00113%	0.00114%	0.00108%	0.00204%	0.00175%	0.00175%
District's proportionate share of the net pension liability (asset)	\$ 154,400	\$ 152,025	\$ 145,118	\$ 233,406	\$ 182,401	\$ 230,143
District's covered-employee payroll	\$ 75,018	\$ 73,280	\$ 65,309	\$ 122,094	\$ 102,386	\$ 92,660
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	206%	207%	222%	191%	178%	248%
Plan fiduciary net position as a percentage of the total pension liability	75.20%	74.42%	72.20%	75.13%	76.31%	68.68%

See accompanying notes

WASHOE COUNTY WATER CONSERVATION DISTRICT  
SCHEDULE OF THE DISTRICT'S PENSION CONTRIBUTIONS  
FOR THE YEAR ENDED JUNE 30, 2019

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 11,579	\$ 10,503	\$ 10,211	\$ 9,143	\$ 15,718	\$ 13,182
Contributions in relation to the contractually required contribution	11,579	10,503	10,211	9,143	15,718	13,182
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	82,709	75,018	73,280	65,309	122,094	102,386
Contributions as a percentage of covered-employee payroll	14.00%	14.00%	14.00%	14.00%	12.87%	12.87%

See accompanying notes

25

WASHOE COUNTY WATER CONSERVATION DISTRICT  
SCHEDULE OF CHANGES IN THE DISTRICT'S NET OPEB LIABILITY AND RELATED RATIOS  
FOR THE YEAR ENDED JUNE 30, 2019

	2019	2018
<b>TOTAL OPEB LIABILITY</b>		
Service Cost	\$ 4,529	\$ 4,402
Interest	2,461	2,295
Changes of benefit terms	-	-
Differences between expected and actual experience	-	-
Changes of assumptions	3,962	(441)
Benefit payments	<u>(2,880)</u>	<u>(2,880)</u>
Net change in total OPEB liability	8,072	3,376
Total OPEB liability, beginning of year	<u>64,891</u>	<u>61,515</u>
Total OPEB liability, end of year	<u><u>\$ 72,963</u></u>	<u><u>\$ 64,891</u></u>
<b>PLAN FIDUCIARY NET POSITION</b>		
Contributions - employer	\$ 2,880	\$ 2,880
Net investment income	-	-
Benefit payments	<u>(2,880)</u>	<u>(2,880)</u>
Net change in plan fiduciary net position	-	-
Plan fiduciary net position, beginning of year	<u>-</u>	<u>-</u>
Plan fiduciary net position, end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Net OPEB liability	\$ 72,963	\$ 64,891
District's covered-employee payroll	\$ 50,787	\$ 46,125
District's OPEB liability as a percentage of covered-employee payroll	143.66%	140.69%

See accompanying notes

WASHOE COUNTY WATER CONSERVATION DISTRICT  
SCHEDULE OF THE DISTRICT'S OPEB CONTRIBUTIONS  
FOR THE YEAR ENDED JUNE 30, 2019

26

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	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 2,880	\$ 2,880
Contributions in relation to the contractually required contribution	2,880	2,880
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 50,787	\$ 46,125
Contributions as a percentage of covered-employee payroll	5.67%	6.24%

See accompanying notes

## OTHER SUPPLEMENTARY INFORMATION

WASHOE COUNTY WATER CONSERVATION DISTRICT  
SCHEDULES OF RECEIVABLES  
AS OF JUNE 30, 2019 AND 2018

Special Assessments Receivable

Special assessments consist of balances due on the following:

	<u>2019</u>	<u>2018</u>
2009-2010 roll	\$ 40	\$ 40
2010-2011 roll	40	40
2011-2012 roll	40	40
2012-2013 roll	40	40
2013-2014 roll	40	40
2014-2015 roll	40	40
2015-2016 roll	40	60
2016-2017 roll	60	119
2017-2018 roll	165	523
2018-2019 roll	685	-
	<u>\$ 1,190</u>	<u>\$ 942</u>

Other Receivables

Other receivables consist of the following:

	<u>2019</u>	<u>2018</u>
Truckee Meadows Water Authority		
Share of operation and maintenance at Boca Dam		
- for the 4th quarter of the fiscal year	\$ 14,571	\$ 13,089
Bureau of Reclamation	-	3,000
	<u>\$ 14,571</u>	<u>\$ 16,089</u>

See accompanying notes

WASHOE COUNTY WATER CONSERVATION DISTRICT  
SCHEDULES OF ADMINISTRATIVE EXPENSES  
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	2019	2018
Office salaries	\$ 52,129	\$ 46,426
Medicare and social security	2,914	2,868
Employee retirement	16,806	12,225
Group and industrial insurance	10,027	11,235
Fees		
Legal	7,211	6,007
Directors	3,366	3,920
Accounting	13,000	10,000
Engineer	18,334	22,778
Internet	3,885	3,000
Miscellaneous	435	306
Office insurance	2,054	1,984
Rent	7,539	7,955
Supplies	845	3,153
Telephone	913	1,330
	<u>\$ 139,458</u>	<u>\$ 133,187</u>

See accompanying notes

WASHOE COUNTY WATER CONSERVATION DISTRICT  
SCHEDULES OF OPERATING EXPENSES  
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	2019	2018
Caretaker wages	\$ 32,596	\$ 29,151
Employee retirement	3,698	3,775
Group insurance	9,972	10,138
Workman's compensation	3,156	2,837
Fire and liability insurance	6,559	6,988
Gasoline	3,600	3,600
Garbage disposal	431	392
Electricity	8,214	6,949
Heating oil	1,619	1,532
Miscellaneous	239	186
Snowmobile	-	10
Snowplowing	3,000	3,000
Stream gauge monitoring program	8,831	8,646
Telephone	2,227	1,808
Alarm system	1,374	1,320
Temporary help	2,850	3,150
Legal - TROA	244	-
Legal - USBR Dam Mod	1,375	36,711
Legal - Walker River Suit	3,792	-
Water rights fee	3,206	2,967
	<u>96,983</u>	<u>123,160</u>
Expenses reimbursed by Truckee Meadows Water Authority	<u>(47,619)</u>	<u>(45,037)</u>
	<u>\$ 49,364</u>	<u>\$ 78,123</u>

See accompanying notes



WASHOE COUNTY WATER CONSERVATION DISTRICT  
SCHEDULES OF MAINTENANCE EXPENSES  
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	2019	2018
House repairs	\$ -	\$ 6,843
Building repairs	-	100
Miscellaneous maintenance	2,419	193
Alarm system maintenance	450	-
Spillway repairs	42,040	-
Herbicide/brush removal	2,335	15,000
	<u>47,244</u>	<u>22,136</u>
House remodel capitalized	-	(6,645)
Expenses reimbursed by Truckee Meadows Water Authority	<u>(925)</u>	<u>(433)</u>
Total maintenance expenses	<u>\$ 46,319</u>	<u>\$ 15,058</u>

See accompanying notes