



November 25, 2025

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

We have audited the financial statements of Truckee Meadows Fire Protection District (the District) as of and for the year ended June 30, 2025, and have issued our report thereon dated November 25, 2025. Professional standards require that we advise you of the following matters relating to our audit.

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

As communicated in our letter dated September 19, 2025, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of its respective responsibilities.

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

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

We have provided our comments on internal controls in our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* dated November 25, 2025.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

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

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the District is included in Note 1 to the financial statements. As discussed in Notes 1 and 12 to the financial statements, the District has changed accounting policies related to accounting for compensated absences to adopt the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. Accordingly, the accounting change has been retrospectively applied to the financial statements beginning July 1, 2024. In addition, as discussed in Note 1, the District has adopted GASB Statement No. 102, *Certain Risk Disclosures*, which requires financial statement disclosure about risks related to a government's vulnerabilities due to certain concentrations or constraints for the year ended June 30, 2025. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Accounting Estimates and Related Disclosures

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

The most sensitive accounting estimates affecting the financial statements are:

- Management's estimate of the actuarial accrued liability for other postemployment benefits is based on a third-party actuarial valuation. We evaluated the key factors and assumptions used to develop the actuarial accrued liability for postemployment benefits and determined that it is reasonable in relation to the basic financial statements taken as a whole.
- Management's estimate of the pension liability is based on actuarial valuation. The actuarial valuation is calculated based on the employee information submitted by the District to the Public Employees' Retirement System of the State of Nevada (PERS). We evaluated the key factors and assumptions used to develop the estimate of the pension liability and determined that it is reasonable in relation to the basic financial statements taken as a whole.
- Management's estimate of the workers compensation pending claim liability is based on a third-party actuarial valuation for the City of Reno and modified using historical claim amounts paid by the District. We evaluated the key factors and assumptions used to develop the workers compensation pending claim liability and determined that it is reasonable in relation to the basic financial statements taken as a whole.

- Management's estimate of the allowance on ambulance billings is based on historical collection rates. We evaluated the key factors and assumptions used to develop the estimate of the allowance on ambulance billings and determined that it is reasonable in relation to the basic financial statements taken as a whole.
- Management's estimate of the compensated absences – sick payout is based on actuarial valuation. The actuarial valuation is calculated based on the collectively bargained vesting rates, demographics of the population, years of service in PERS, and historical experience. We evaluated the key factors and assumptions used to develop the estimate of the compensated absences – sick payout and determined that it is reasonable in relation to the basic financial statements taken as a whole. Additionally, management estimates sick leave earned that will be paid through usage of leave based on historical usage rates; we evaluated historical usage and determination of the related liability and not it is reasonable in relation to the basic financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting District's financial statements relate to: long-term debt, pensions, and other post-employment benefits.

Significant Difficulties Encountered during the Audit

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

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even though the uncorrected misstatements are immaterial to the financial statements currently under audit. There were no corrected misstatements as a result of our audit procedures.

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

Emergency Fund

Reversal of prior year's uncorrected misstatements

Understatement of revenue	\$17,898
Overstatement of beginning fund balance	\$17,898

Capital Projects Fund

Understatement of prepaid items	\$18,107
Overstatement of expenditures	\$18,107

Governmental Activities*Reversal of prior year's uncorrected misstatements*

Understatement of revenue	\$17,898
Overstatement of beginning net position	\$17,898

Understatement of prepaid items	\$18,107
Overstatement of expenses	\$18,107

Emergency Medical Services Fund/Business-Type Activities

Understatement of accounts receivable	\$14,610
Understatement of revenue	\$14,610

The effect of these uncorrected misstatements, including the effect of the reversal of prior year uncorrected misstatements as of and for the year ended June 30, 2025, is as follows:

Emergency Fund

Understatement of change in fund balance	\$17,898
No effect on ending fund balance.	

Capital Projects Fund

Understatement of change in fund balance	\$18,107
Understatement of ending fund balance	\$18,107

Governmental Activities

Understatement of change in net position	\$36,005
Understatement of ending net position	\$18,107

Emergency Medical Services Fund/Business-Type Activities

Understatement of change in net position	\$14,610
Understatement of ending net position	\$14,610

Disagreements with Management

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

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

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report. An emphasis of a matter paragraph was added as follows:

Emphasis of Matter

As discussed in Notes 1, 5, and 12 to the financial statements, the District has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, for the year ended June 30, 2025. Accordingly, a restatement has been made to the governmental activities, business-type activities, and Emergency Medical Services Fund net position as of July 1, 2024, to restate beginning net position. Our opinions are not modified with respect to this matter.

Representations Requested from Management

We have requested certain written representations from management which are included in the management representation letter dated November 25, 2025.

Management's Consultations with Other Accountants

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

Other Significant Matters, Findings, or Issues

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

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

A handwritten signature in black ink that reads "Eide Sallie LLP". The signature is written in a cursive, flowing style.

Reno, Nevada