



November 26, 2024

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, 2024, and have issued our report thereon dated November 26, 2024. 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 October 7, 2024, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. 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 regarding a material weakness and a significant deficiency identified during our audit in our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* dated November 26, 2024.

**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. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2024. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

### *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.

*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, other post-employment benefits, and correction of an error.

**Significant Difficulties Encountered during the Audit**

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

**Uncorrected and Corrected Misstatements**

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

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

General Fund

|   |          |
|---|----------|
| Understatement of capital outlay          | \$83,225 |
| Overstatement of services and supplies    | \$2,700  |
| Understatement of other financing sources | \$80,525 |

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.

General Fund

|  |          |
|--|----------|
| Overstatement of revenue                 | \$95,803 |
| Understatement of beginning fund balance | \$95,803 |

Emergency Fund

|                                    |          |
|------------------------------------|----------|
| Overstatement of revenue           | \$17,898 |
| Understatement of unearned revenue | \$17,898 |

Governmental Activities

|  |          |
|--|----------|
| Overstatement of revenue                 | \$95,803 |
| Understatement of beginning net position | \$95,803 |

|                                    |          |
|------------------------------------|----------|
| Overstatement of revenue           | \$17,898 |
| Understatement of unearned revenue | \$17,898 |

Emergency Medical Services Fund/Business-Type Activities

*Reversal of prior year uncorrected misstatements*

|  |          |
|--|----------|
| Understatement of Expenses               | \$17,055 |
| Understatement of Beginning Net Position | \$17,055 |

|   |          |
|---|----------|
| Overstatement of Expenses               | \$27,901 |
| Overstatement of Beginning Net Position | \$27,901 |

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, 2024, are shown below:

General Fund

|   |          |
|---|----------|
| Overstatement of change in fund balance | \$95,803 |
| No effect on ending fund balance.       |          |

Emergency Fund

|   |          |
|---|----------|
| Overstatement of change in fund balance | \$17,898 |
| Overstatement of ending fund balance    | \$17,898 |

Governmental Activities

|   |           |
|---|-----------|
| Overstatement of change in net position | \$113,701 |
| Overstatement of ending net position    | \$17,898  |

Emergency Medical Services Fund/Business-Type Activities

|  |          |
|--|----------|
| Understatement of change in net position | \$10,846 |
| No effect on ending net position.        |          |

**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. As discussed in Note 12 to the financial statements, a certain error resulting in an overstatement of amounts previously reported for revenue of the Governmental Activities and Emergency Fund was discovered by management of the District during the current year. Accordingly, a restatement has been made to the Governmental Activities net position and Emergency fund balance as of July 1, 2023, to correct the error. 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 26, 2024.

### **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.

The image shows a handwritten signature in black ink that reads "Eide Sully LLP". The signature is written in a cursive, flowing style.

Reno, Nevada