



## **TRUCKEE MEADOWS FIRE PROTECTION DISTRICT STAFF REPORT**

**Board Meeting Date: December 16, 2025**

**DATE:** December 2, 2025

**TO:** Truckee Meadows Fire Protection District Board of Fire Commissioners

**FROM:** Cindy Vance, Chief Fiscal Officer  
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**THROUGH:** Richard J. Edwards, Fire Chief  
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**SUBJECT:** Recommendation to accept Truckee Meadows Fire Protection District's Audited Financial Statements for the fiscal year ended June 30, 2025, as presented; approve the re-appropriation of \$28,112 in the General Fund, \$2,747,497 in the Capital Projects Fund and \$8,632 in the EMS Fund for purchase order encumbrances committed in fiscal year 2024-2025 and authorize the District to proceed with distribution of the financial statements for public record, as required by law (All Commission Districts). FOR POSSIBLE ACTION

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### **SUMMARY**

Recommendation to accept Truckee Meadows Fire Protection District's (TMFPD) Audited Financial Statements for the fiscal year ended June 30, 2025, as presented; approve the re-appropriation of \$28,112 in the General Fund, \$2,747,497 in the Capital Projects Fund and \$8,632 in the EMS Fund for purchase order encumbrances committed in fiscal year 2024-2025 (FY24/25) and authorize the District to proceed with distribution of the financial statements for public record, as required by law.

Please find attached the TMFPD's financial statements for the fiscal year ended June 30, 2025 which were audited by Eide Bailly LLP. The auditor's opinion of the financial statements is an "unqualified" opinion, which means the financial statements present fairly, in all material respects, the respective financial position of the District's governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2025.

It is recommended the TMFPD Board of Fire Commissioners accept the District's Audited Financial Statements for FY24/25.

### **PREVIOUS ACTION**

None

## **BACKGROUND**

NRS 354.624 requires the District to issue an annual report on its financial position and operations for the fiscal year. The Financial Report must be audited in accordance with generally accepted auditing standards in the United States, including findings on compliance with statutes and regulations, and an expression of opinion on the financial statements. The audit must be conducted by a certified public accountant.

The auditor's reports, opinions, and findings contained in the Financial Report must be presented at a meeting of the Board of Fire Commissioners held not more than 30 days after the report is dated and filed as public record with the County Clerk and the Department of Taxation.

The highlights of the TMFPD's Audited Financial Statements for the fiscal year ended June 30, 2025, are as follows:

### **General Fund**

The General Fund's (Budgetary Basis pages 46-47 of the report) fund balance as of June 30, 2025, was \$7,086,710, a decrease of \$2,261,628, or 24.2% from the prior year. The total fund balance of \$7,086,710 equates to 13.7% or approximately 1.7 months' worth of expenditures (excluding transfers out to fund Capital Projects and Sick and Annual Comp Benefits costs) compared to the prior year's ending fund balance of \$9,348,338, which equated to 22.0%, or approximately 2.6 months' worth of expenditures. Much of the decrease in fund balance is due to costs increasing faster than general revenues have increased.

It is important to note that the General Fund is also the sole revenue source, via transfers out, for other funds including the Capital Projects Fund, Debt Service Fund, and the Sick Annual Comp Benefits Fund. These three funds have negligible or no revenues, and are funded through an excess of revenues over expenditures in the General Fund.

### **Emergency Fund**

The Wildland Fire Emergency Fund (page 48) was established to fund the District's emergency and wildland fire liability. NRS Chapter 474 allows fire districts to set aside up to \$1.5 million in deposits per year for emergency operations, primarily wildland fire operations. As of June 30, 2025, the fund balance was \$1,906,898. This fund includes \$2,244,936 in receivables as of June 30, 2025, and \$237 in cash and investments available to cover costs of wildfire and other emergencies until reimbursements are received. The District received 88.8% of the receivable amount within the first two months after year-end.

### **Capital Projects Fund**

The TMFPD Capital Projects Fund (page 63) is used to fund the purchase of equipment, building improvements, and construction projects for the District. Total revenues and sources for FY24/25 were \$12,104,388. The fund's major revenues and financing sources include reimbursements of \$5,529,437; debt issuance proceeds of \$5,252,000 and transfers from the General Fund of \$500,000.

Total expenditures for Fiscal Year 24/25 were \$6,123,293, which included, among other things, the construction of two fire stations.

As of June 30, 2025, the Capital Projects Fund Balance was \$7,697,000 and will be utilized for capital purchases in FY25/26.

**Emergency Medical Services (EMS) Proprietary Fund**

The EMS fund (pages 18-20 & 65-66) is the District's only business-type fund. This fund was created to match the cost of providing ambulance services with the revenues generated by this activity. This fund also includes the overhead costs of the EMS division previously included in the General Fund. The EMS Fund is a full-accrual accounting fund, which means that it will include all liabilities, including pension, OPEB and compensated absences and all receivables, even if collectability is more than 60 days after year end.

Operating revenues in the EMS fund were \$5,981,846 for FY24/25, which consisted of \$2,983,068 in patient-direct charges for ambulance services, and \$2,978,499 in supplemental payments from the Ground Emergency Medical Transportation program. Operating expenses in the EMS fund were \$5,719,095, which includes salaries and benefits for the EMS overhead division and the salaries and benefits for the staff scheduled or backfilled on the ambulances, plus operating supplies and depreciation.

Ending net position of the EMS fund as of June 30, 2025, was \$4,091,679, of which \$1,838,516 or 44.9% is the investment of capital assets. This amount is non-spendable and is the net value of capital assets used in the EMS function.

**Workers' Compensation Fund**

In fiscal year 2004, the District established the Workers' Compensation Internal Service Fund (pages 18-20 and 67-68) to account for the District's liability for workers' compensation claims. Per the Reno/TMFPD Interlocal Agreement, TMFPD shall pay a pro-rata share of the Reno Fire Department workers' compensation claims based upon the number of positions attributable to the TMFPD vs. the total Reno Fire Department staff. With the termination of the TMFPD/Reno Interlocal Agreement, TMFPD bought out all claims presented prior to July 1, 2012. The District remains liable for heart and lung claims presented after July 1, 2012. The fund had an ending net position of \$1,506,611, and recognized an increase in net position of \$82,661, which represents investment earnings that were greater than the change in claims estimates. The change in estimate is based off management's assumptions and third-party actuarial report obtained from the City of Reno. The net position of the fund is expected to be adequate to pay for current and future claims for FY25/26.

**Other Funds**

As of June 30, 2025, the District's Stabilization Fund (page 62) had a fund balance of \$691,095 which is consistent with prior years. The fund is available to be utilized for decreases in revenues and for emergencies.

As of June 30, 2025, the Sick and Annual Comp Benefits Fund (page 60) had a fund balance of \$53,918, which is a decrease of \$72,031 from the prior year. The fund balance of 53,913 represents .5% of the \$10,351,029 governmental activities compensated absences balance liability as of June 30, 2025 (page 31), as compared to the FY23/24 fund balance of \$125,949,

which represented 1.3% of the restated \$10,006,324 governmental activities compensated absences balance liability as of June 30, 2024. This fund was originally established to build a fund balance to be used for significant termination payouts related to sick and compensated time benefits. The fiscal year 2019 changes to collective bargaining agreements significantly increased the value of compensated balance payouts upon retirement. Therefore, this fund has seen a rapid decline in fund balance and is currently funded only to the extent of the estimated payouts during the annual budget process.

The Debt Service Fund (page 64) is used to account for annual debt payments. The District transferred \$1,009,687 to the fund from the General Fund and the Capital Projects fund. This transfer, along with the beginning fund balance of \$600,000, was used to pay \$853,000 in principal and \$310,447 in interest payments during FY24/25.

### **Long-Term Debt**

The District has four outstanding bonds (pages 30-32). The District issued capital improvement bonds of \$5,252,000 during FY24/25 for the construction of Station #37 apparatus bay. The District has \$15,112,000 in total bonds outstanding as of June 30, 2025. Annual principal and interest payments are approximately \$1,320,000 per year for all three outstanding issues.

Facility leases, IT subscriptions, compensated balances, and claims and judgments are also presented as long-term liabilities in accordance with governmental accounting standards. These liabilities include the leases for Quilici Ranch, NeoGov IT subscription, estimated compensated absences liabilities for employees, and claims liability related to workers compensation payments to the City of Reno.

### **Additional Information**

In addition, for the year ended June 30, 2025, Under the Code of Federal Regulations, Title 2 Subtitle A, Chapter II, § 200.501 *Audit requirements*, the District was subject to an audit of federal awards, often referred to as the “Single Audit”. However, the Federal Government did not issue the updated compliance supplement, the guide from the US Office of Management and Budget that provides guidance on the audit of federal awards, which has delayed the issuance of the Single Audit Report. Therefore, the audit of federal awards will be presented at a later date and will result in a dual dated audit.

### **FISCAL IMPACT**

None.

### **RECOMMENDATION**

Staff Recommends the Board accept TMFPD’s Audited Financial Statements for the fiscal year ended June 30, 2025, as presented; approve the re-appropriation of \$28,112 in the General Fund, \$2,747,497 in the Capital Projects Fund and \$8,632 in the EMS Fund for purchase order encumbrances committed in FY24/25 and authorize the District to proceed with distribution of the financial statements for public record, as required by law.

**POSSIBLE MOTION**

Should the Board agree with the staff's recommendation, a possible motion would be:

*"I move to accept Truckee Meadows Fire Protection District's Audited Financial Statements for the fiscal year ended June 30, 2025, as presented; approve the re-appropriation of \$28,112 in the General Fund, \$2,747,497 in the Capital Projects Fund and \$8,632 in the EMS Fund for purchase order encumbrances committed in FY24/25 and authorize the District to proceed with distribution of the financial statements for public record, as required by law."*