

EAST FORK FIRE
PROTECTION DISTRICT, NEVADA
FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2021

**FINANCIAL REPORT
EAST FORK FIRE PROTECTION DISTRICT, NEVADA
FOR THE YEAR ENDED JUNE 30, 2021**

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FOR THE SIX MONTHS ENDED JUNE 30, 2021**

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EAST FORK FIRE PROTECTION DISTRICT, NEVADA

BOARD MEMBERS

John Bellona – District 1

Barbara Griffin – District 2

Bernard Curtis– District 3 (Secretary)

Jacques Etchegoyhen – District 4 (President)

Mike Sommers– District 5

MANAGEMENT

Tod Carlini – District Fire Chief

Larry Goss – Deputy Chief - Training

Amy Ray – Deputy Chief – Fire Marshal

Vacant - Deputy Chief – Operations

Kathy Lewis – Director of Finance

Lisa Owen – Director of Administrative Services



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
East Fork Fire Protection District, Nevada

We have audited the accompanying financial statements of the governmental activities, and each major fund of the East Fork Fire Protection District, Nevada, as of and for the year ending June 30, 2021, and the related notes to the financial statements, which collectively comprise the East Fork Fire Protection 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, and each major fund of the East Fork Fire Protection District, Nevada, as of June 30, 2021, and the respective changes in financial position 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 4-13, and the Statements and Schedules listed as Required Supplementary Information in the table of contents 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 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.

Prior-Year Comparative Information

We have previously audited the East Fork Fire Protection District's 2020 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities, the business-type activities, and each major fund in our report dated December 10, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived, restated for the changes in accounting principles described above.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the East Fork Fire Protection District, Nevada's basic financial statements. The budgetary basis financial schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The budgetary basis financial schedules and the schedule of expenditures of federal awards 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 budgetary basis financial schedules and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 23, 2021, on our consideration of the East Fork Fire Protection District, Nevada'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 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 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 East Fork Fire Protection District, Nevada's internal control over financial reporting and compliance.



Yerington, Nevada
November 23, 2021

**EAST FORK FIRE PROTECTION DISTRICT, NEVADA
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2021**

Nevada Revised Statutes (NRS) 354.624 requires the East Fork Fire Protection District (District) to submit a “complete set” of financial statements presented in accordance with accounting principles generally accepted in the United States and audited by a firm of independent certified public accountants in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

As financial management of the East Fork Fire Protection District (the “District”), we offer the readers of these financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ending June 30, 2021. This discussion and analysis is designed to assist the reader in focusing on the significant financial issues, provide an overview of the District’s financial activities, identify any significant changes in financial position, and to identify individual issues and concerns. We encourage readers to consider the information presented herein in conjunction with the financial statements and notes to gain a more complete picture of the information presented.

District Profile

The East Fork Fire Protection District was established on April 16, 1981 by the Douglas County Board of Commissioners under NRS 474.460. The Douglas County Board of Commissioners served as the *ex officio* Board of Fire Commissioners from inception through December 31, 2016 and therefore, the District’s financial position and results of operations were included within the County’s financial statements. On July 6, 2016, the Douglas County Board of Commissioners approved a resolution authoring the District’s administration to commence with a reorganization process in response to a desire to have a governing board focused on the District’s needs. Consequently, effective January 1, 2017, the Douglas County Board of Commissioners reorganized the East Fork Fire Protection District as a district created by election to operate in accordance with NRS 474.010 to 474.450. The East Fork Fire Protection District is now governed by a five-member board of directors, initially appointed by the Douglas County Board of Commissioners, thus creating a separate reporting entity.

The East Fork Fire Protection District provides all hazard services to approximately 96% of Douglas County. The balance of Douglas County, 4% or 17.7 square miles, is served by the Tahoe Douglas Fire Protection District. The East Fork Fire Protection District, covering 695.4 square miles, also includes areas inside the Lake Tahoe Basin, and is one of the region’s largest fire protection agencies. A resident population of 45,000 people is served by 14 fire stations, 5 of which are staffed with career personnel 365 days of the year. The remaining stations are reserve stations or active stations staffed by a limited number of volunteer personnel. The District supports 8 volunteer departments. During both the winter and summer months, tourism and special events in the areas can see the population increase to over 65,000 people on some days. In years past the district was served by an almost all volunteer program which over time has been transitioned to one

where primary services are provided by career employees with volunteer staff specializing in task specific functions, including some who do maintain all hazard responder status. The District currently enjoys and maintains an ISO Grading of 3-10 which has a very positive impact on the costs of fire insurance within the area. Over 85% of the District falls into this category. Other areas are classified as a Protection Class 8 or in some cases a 10.

Services are provided by a career staff of up to 68 personnel, 64 volunteer personnel, and 80 pieces of apparatus. The district maintains 12 positions in clerical support, medical billing, human resources, finance, fire prevention, maintenance, and other administrative functions. The district's administration is divided into three divisions, each administered by the District Fire Chief or a Deputy District Fire Chief. Single point authority has been promoted where by each Chief Officer is allowed to manage his or her division as necessary, with ultimate accountability falling upward to the District Fire Chief. The three divisions include:

- ✓ Administration/Budget
- ✓ Operations /Training and Safety
- ✓ Fire Prevention and Support Services

Services provided by these divisions include: responding to and managing requests for emergency services, fire investigations, building inspection, plan reviews, code enforcement, training, safety, public education, budget and finance, medical billing, contract negotiation, resource management, grant administration, vehicle maintenance, communications, volunteer recruitment and retention, support services, general administration, and internal and external customer services.

Through an inter-local contract, the East Fork Fire Protection District provides the mandated Emergency Management services to Douglas County and has done so for the past 13 years.

The district receives funding from several different sources, with property tax assessments being the largest contributor. The basic direction from the District Board is to work towards a balanced budget with no impacts on existing services and to do so using existing tax rates and user fees, where applicable.

Eligible employees are represented by the East Fork Professional Firefighters Association, (IAFF Local 3726). Personnel up to the rank of Battalion Chief are covered by Collective Bargaining Agreements (CBA) as are some support level positions with safety sensitive support roles.

The district continues to be challenged geographically and demographically by the populations that it services. From the geographical standpoint, the district has developed a unique deployment model which is supported by an aggressive "*Standard of Cover.*" Many of our responses, in particular our medical responses, can and do extend patient transport times to appropriate medical facilities. Additionally, inter-facility transports of patients can at times tax resource availability and staffing. East Fork has attempted to address this cause and effect with the introduction of paramedic engine companies, where by each of four staffed fire engines also are staffed with a Firefighter Paramedic and the necessary equipment. Over the years, East Fork's call volume has increased from less

than 1000 calls per year since its creation in 1981 to 6,500 calls today annually. The ten year average annual increase is 3.5 percent.

Factors Affecting Financial Condition

With its proximity to the State of California, and its favorable tax laws, the District experienced significant growth in residential housing and commercial development prior to the economic downturn, which stagnated in the years after the Great Recession. Current data from the County Assessor's offices indicates that residential property sales and prices have stabilized and are continuing to trend upward. Residential building permits have also been trending higher over the last few years. The County's unemployment rate, which increased from 4.1% in September 2004 to 14.0% by September 2010 during the economic downturn, has dropped to around 4%. With the full implementation of the Affordable Health Care Act in 2014, the District did see some significant reductions in revenue associated with its provision of Emergency Medical Services. Major industries in the County include tourism, research and manufacturing, government and services. The District offers the facilities and amenities of a metropolitan area, yet remains pleasantly rural with easy access to services, and has one of the best school districts in the State with scores well above the national standard. Major County employers include leaders in the fields of technology, manufacturing and research. Several dozen technology entrepreneurs and advanced manufacturers are located within the District. This sector includes Bentley Nevada, a world leader in its field, and a product line of General Electric. Other major employers include a Starbucks Roasting Facility, North Sails (maker of America's Cup sails), Douglas County School District, Walmart, the Carson Valley Medical Center and the Carson Valley Inn. The Bentley Family Heritage Distillery Project and the Starbuck' Expansion Project are two most recent examples of commercial and industrial growth within the District.

Financial Highlights

- Net position increase by \$88,895 to a deficit position of (\$4,535,661) compared to (\$4,624,556) in year 2020. The District's investment in capital assets exceeds related debt by \$8,940,682.
- The District's primary revenue source is ad valorem taxes of \$9,502,575 and charges for services of \$5,181,557 which comprise of 75.0% of all revenues.
- The District received operating grants and contributions of \$2,627,921 during the year.
- The District's total expenses were \$19,496,383 in year 2021 compared to \$17,706,372 in year 2020 and increase of \$1,790,011.
- The District received a \$1,182,915 in Ground Emergency Medical Transport revenue compared to \$729,816 in year 2020.
- The District received CARES Act grant revenue of \$510,158 compared to \$507,021 year 2020 to assist in offsetting COVID-19 pandemic expenses.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's financial statements, which are comprised of the basic financial statements and the notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

Government-wide Financial Statements

Government-wide financial statements are designed to provide an overview of the District's financial position by governmental activities, as well as the government as a whole. The Statement of Net Position combines and consolidates all of the District's current financial resources with capital assets and long term obligations, distinguishing between governmental and business-type activities. The end result is net position which is segregated into three components: net investment in capital assets, net of related debt; restricted and unrestricted position.

The Statement of Activities is focused on both the gross and net cost of governmental and business-type activities. Program revenue which directly offset costs of specific functions is allocated to those functions, resulting in net expenses for governmental activities. The District's general revenues offset remaining costs resulting in the annual increase or decrease in net position. This statement is intended to summarize the user's analysis of the net cost of various governmental services that is supported by general revenues.

Governmental activities reflect the District's basic services on a functional basis. Ad valorem taxes support the majority of these services.

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 objects. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District are governmental funds. Fund financial statements provide detailed information about the District's major funds. Based on restrictions placed on the use of monies, the District has established two funds that account for the services provided to our residents. The District's major governmental funds are the General Fund and Debt Service Fund.

Governmental Funds – Governmental funds are used to account for essentially the same functions reported as governmental activities on the government-wide financial statements. All of the District's basic services are reported in these funds that focus on how money flows into and out of the funds and the year-end balances available for spending. These funds are reported on the modified accrual basis of accounting that measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services being provided, along with the financial resources available.

Because the focus of the 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 on the government-wide financial statements. By doing so, readers may better understand the long-term effect of the government's short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The District maintains two individual major governmental funds. Information for each is presented separately on the governmental fund balance sheet and on the governmental fund statement of revenues, expenditures, and changes in fund balance.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding as of the date provided on the government-wide and fund financial statements.

Other Information – In addition to the basic financial statements and accompanying notes, this financial report also presents combining and individual fund statements and schedules.

The District adopts an annual budget for all of its funds. Budgetary comparison schedules have been provided for all funds to demonstrate compliance with the budget and are presented as required supplementary information.

Financial Analysis of the District

One of the most important questions asked about the District's finances is, "Is the District as a whole better off or worse off as a result of this year's activities?" The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position report information about the District's activities in a way that will help answer this question. These two statements report the net position of the District and the changes in them. One can think of the District's net position – the difference between assets and liabilities – as one way to measure financial health or financial position. Over time, increases and decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. However, one will need to consider other non-financial factors such as changes in economic conditions, population growth, and new or changed government legislation.

Net Position

To begin our analysis, a summary of the District's Statement of Net Position is presented in Table 1.

	FY 2021	FY 2020	Dollar Change	Total Percent Change
Current assets	\$ 6,697,918	\$ 5,571,629	\$ 1,126,289	20.2%
Capital assets	<u>10,533,558</u>	<u>10,705,434</u>	<u>(171,876)</u>	-1.6%
Total Assets	<u>17,231,476</u>	<u>16,277,063</u>	<u>954,413</u>	5.9%
Deferred Outflows	<u>4,550,921</u>	<u>4,113,325</u>	<u>437,596</u>	10.6%
Current Liabilities	2,074,349	1,476,388	597,961	40.5%
Long-term Liabilities	<u>22,638,185</u>	<u>21,232,108</u>	<u>1,406,077</u>	6.6%
Total Liabilities	<u>24,712,534</u>	<u>22,708,496</u>	<u>2,004,038</u>	8.8%
Deferred inflows	<u>1,605,524</u>	<u>2,306,448</u>	<u>(700,924)</u>	-30.4%
Invested in Capital Assets	8,940,682	8,768,728	171,954	2.0%
Restricted Net Position	168,414	415,829	(247,415)	-59.5%
Unrestricted Net Position	<u>(13,644,757)</u>	<u>(13,809,113)</u>	<u>164,356</u>	-1.2%
Total Net Position	<u>\$ (4,535,661)</u>	<u>\$ (4,624,556)</u>	<u>\$ 88,895</u>	-1.9%

Net position increased by \$88,895 to (\$4,535,661) in 2021 from (\$4,624,556) in 2020.

A significant portion in the increase in net position was related to the District's general fund's ending fund balance increasing by \$685,322 which was offset by long-term liabilities increasing by \$1,406,077 from the net pension liability and other post-employment benefit liabilities.

The following Table 2 reflects fiscal year 2021 operations detailing the financial activity of the District.

Table 2
Condensed Statements of Activities

	FY 2021	FY 2020	Dollar Change	Total Percent Change
Program Revenues:				
Charges for services	\$ 5,181,557	\$ 3,554,267	\$ 1,627,290	45.8%
Operating grants	2,627,921	2,008,600	619,321	30.8%
Capital grants	-	-	-	0.0%
General revenues:				
Property taxes	9,502,575	8,976,163	526,412	5.9%
Consolidated tax distribution	2,165,511	1,934,392	231,119	11.9%
Investment earnings	33,662	67,905	(34,243)	-50.4%
Donations	6,850	5,250	1,600	
Miscellaneous income	30,266	48,872	(18,606)	-38.1%
Gain (loss) sale of assets	36,936	(356)	37,292	
Total Revenues	19,585,278	16,595,093	2,990,185	18.0%
Expenses				
Public safety expenses	19,496,383	17,706,372	1,790,011	10.1%
Total Expenses	19,496,383	17,706,372	1,790,011	10.1%
Change in Net Position	88,895	(1,111,279)	1,200,174	-108.0%
Net Position, beginning	(4,624,556)	(3,513,277)	(1,111,279)	31.6%
Net Position, ending	\$ (4,535,661)	\$ (4,624,556)	\$ 88,895	-1.9%

While the Statement of Net Position shows both the composition of and change in net position, the Statement of Activities provides answers as to the nature and scope of these changes. As can be seen in Table 2 above, the net position reflected an increase of \$88,895 from (\$4,624,556) in 2020 to (\$4,535,661) in year 2021.

- Property tax revenue was \$9,502,575 and consolidated tax revenue was \$2,165,511 an increase of \$757,531 over the prior year.
- Charges of services revenue was \$5,181,557 compared to \$3,554,267 in year 2020 which is an increase of \$1,627,290.
- The District received operating grants of \$2,627,921 compared to \$2,008,600 in year 2020 an increase of \$619,321.

- Total expenses for the year were \$19,496,383 compared to \$17,706,372 in year 2020 an increase of \$1,790,011.

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 the near-term inflow, outflow, and balances of spendable resources. Such information is useful in assessing the District's financial requirements. In particular, unreserved fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$4,623,655 compared to \$4,075,748 in 2020. This resulted in an increase of \$547,907 in ending fund balance.

The General Fund is the operating fund of the District. At the end of the current fiscal year, the fund balance of the General Fund was \$3,769,919. The key factors for the fund balance increase are as follows:

- The District's General Fund's ending fund balance is \$4,455,241 compared to a beginning fund balance of \$3,769,919 which represents an increase of \$685,322.
- The District's General Fund details actual revenues of \$19,628,629 compared to total expenditures of \$18,955,243.
- The District ad valorem tax increased by \$533,851 to \$9,494,842 compared to \$8,960,991 in year 2020 an increase of 6.0% over the prior year.
- The District applied for G.E.M.T. reimbursement program revenues through the State of Nevada Division of Health Care Financing and Policy and received \$1,182,915 in revenues for medical services provided to Medicaid recipients compared to \$729,816 in year 2020.
- The District outside mutual aid increased from \$263,126 in year 2020 to \$934,255 in year 2021. The District executed a fuels management program agreement with Nevada Energy which generated \$738,459 in revenues compared to program expenditures totaling \$654,103 in year 2021.
- The District received CARES Act grant revenue of \$510,158 to assist in offsetting additional costs associated with the COVID-19 pandemic. Total federal grant assistance received by the District was \$1,080,410 in year 2021 compared to \$900,128 in year 2020.
- The District total expenses of \$18,955,243 increased 6.8% or by \$1,205,845 compared to total expenses of \$17,749,398 in year 2020.

- The District salaries of \$9,777,750 increased 13.6% or by \$1,167,578 compared to salaries of \$8,610,172 in year 2020. Employee benefits of \$5,614,743 increased by 9.9% or by \$506,562 compared to \$5,108,181 in year 2020.

General Fund Budgetary Highlights

The District's General Fund budget is prepared according to Nevada law and is based on generally accepted accounting principles. The District adopts an annual budget following budget workshops and a public hearing. The budget provides proposed expenditures and the means of financing them. The most significant budgeted fund is the General Fund. There were two budget augmentations during the year which increased total budgeted appropriations by \$1,086,618. To provide meaningful comparisons, the following financial highlights are presented.

- The District's General Fund details actual revenues of \$19,628,629 for the year which was \$560,558 over budgeted resources of \$19,068,071.
- The District's General Fund details \$19,852,864 of budgeted appropriations compared to actual expenditures of \$18,955,243 which resulted in expenditures being under budget by \$897,619.
- The budget was augmented twice which increased budgeted appropriations over the original adopted budget. The main budget revisions include additional resources from intergovernmental revenues and charges of services which reflected budget increases of \$2,511,374. Budgeted appropriations reflected an increase of \$3,098,353 to various budget categories.

Capital Assets

Capital Assets: The District's net investment in capital assets for its governmental activities as of June 30, 2021 is \$8,940,682 (net of accumulated depreciation and related debt). This investment in capital assets includes leasehold improvements, equipment and vehicles. In the notes to the financial statements, Note 4 (Capital Assets) provides capital asset activity during 2021. The net capital asset additions for the period totaled \$1,170,708 including the release of \$511,242 in construction-in-progress. Year-end construction in progress was \$90,688 while asset deletions for the year totaled \$511,242. Depreciation expense for the year was \$831,342.

Debt Administration

Long-Term Debt: The District has one long-term debt obligations totaling \$1,909,000 consisting solely of Series 2019 – General Obligation Bonds issued on November 5, 2019 used to refinance the Series Bonds 2018 issued in the prior year on November 1, 2018. Scheduled principal payments totaling \$265,000 consisted and interest of \$34,280 were made during the year. The District accrued compensated absences representing accrued vacation, accrued sick leave and compensatory time was \$1,223,650 at June 30, 2021. In the notes to the financial statements, Note 5 (Long-Term Debt Obligations) provides debt activity during the period.

Economic Factors and Next Year's Budget

The Board of Directors and management of the District considered many factors when setting the fiscal year 2022 budget, tax rates and other charges. Some of those factors are the local economy and the impact that taxes, charges and rates have on the customers.

All of these factors were considered in the preparation of the District's 2021 budget. The District has maintained a standard of limiting appropriations to those anticipated revenues for the period. This approach has allowed the District to maintain an unreserved fund balance carrying sufficient resources deemed necessary to provide services and programs with the goal of minimizing additional burdens to its citizens.

Requests for Information

This financial report is designed to provide our customers and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. Questions concerning any of the information provided in this report or request for additional financial information should be directed to District Chief Tod Carlini at the East Fork Fire Protection District, 1694 County Road, Minden, Nevada, 89423.

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EAST FORK FIRE PROTECTION DISTRICT, NEVADA
STATEMENT OF NET POSITION
JUNE 30, 2021

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2020)

	<u>2021</u>	<u>2020</u>
Assets		
Current Assets:		
Cash and investments - Note 3	\$ 5,195,742	\$ 3,222,753
Accounts receivable, net of allowance	726,186	457,358
Due from other governments	661,733	1,784,994
Taxes receivable, secured roll	<u>114,257</u>	<u>106,524</u>
<i>Total Current Assets</i>	<u>6,697,918</u>	<u>5,571,629</u>
Noncurrent Assets:		
Capital Assets - Note 4		
Land	732,889	1,187,565
Equipment	25,588,289	25,025,867
Less: Accumulated depreciation	<u>(15,787,620)</u>	<u>(15,507,998)</u>
<i>Total Noncurrent Assets</i>	<u>10,533,558</u>	<u>10,705,434</u>
Total Assets	<u>17,231,476</u>	<u>16,277,063</u>
Deferred Outflows of Resources		
Prepaid items	-	39,613
Deferred pension outflows - Note 7	2,878,418	2,554,434
Post measurement date		
pension contributions - Note 7	1,402,657	1,325,652
Deferred OPEB outflows - Note 8	<u>269,846</u>	<u>193,626</u>
Total Deferred Outflows		
of Resources	<u>4,550,921</u>	<u>4,113,325</u>

	<u>2021</u>	<u>2020</u>
Liabilities		
Current Liabilities:		
Accounts payable	\$ 324,449	\$ 580,641
Accrued salaries and wages	1,470,255	594,164
Accrued interest	7,645	8,877
Current portion of long-term debt - Note 5	<u>272,000</u>	<u>292,706</u>
<i>Total Current Liabilities</i>	<u>2,074,349</u>	<u>1,476,388</u>
Long-term Liabilities:		
Stryker gurney purchase agreement	-	27,706
Fire equipment bonds - Series 2019 - Note 5	1,644,000	1,909,000
Accrued compensated absences - Note 5	1,223,650	1,223,720
Net pension liability - Note 7	17,717,756	16,308,466
OPEB liabilities payable - Note 8	2,324,779	2,055,922
Less: current portion long-term debt	<u>(272,000)</u>	<u>(292,706)</u>
<i>Total Long-term Liabilities</i>	<u>22,638,185</u>	<u>21,232,108</u>
Total Liabilities	<u>24,712,534</u>	<u>22,708,496</u>
Deferred Inflow of Resources		
Deferred pension inflows - Note 7	1,432,811	2,115,124
Deferred OPEB inflows - Note 8	<u>172,713</u>	<u>191,324</u>
Total Deferred Inflow of Resources	<u>1,605,524</u>	<u>2,306,448</u>
Net Position		
Investment in capital assets, net of related debt	8,889,558	8,768,728
Restricted - Note 11	168,414	415,829
Unrestricted	<u>(13,593,633)</u>	<u>(13,809,113)</u>
Total Net Position	<u>\$ (4,535,661)</u>	<u>\$ (4,624,556)</u>

The accompanying notes are an integral part of these financial statements.

EAST FORK FIRE PROTECTION DISTRICT, NEVADA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2020)

	PROGRAM REVENUE			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
	EXPENSES	CHARGES FOR	OPERATING	CAPITAL	TOTALS	
		SERVICES	GRANTS AND CONTRIBUTIONS	GRANTS AND CONTRIBUTIONS	GRANTS AND CONTRIBUTIONS	2021
Governmental Activities:						
Public safety	<u>\$ 19,496,383</u>	<u>\$ 5,181,557</u>	<u>\$ 2,627,921</u>	<u>\$ -</u>	<u>\$ (11,686,905)</u>	<u>\$ (12,143,505)</u>
General Revenues:						
					9,502,575	8,976,163
					2,165,511	1,934,392
					33,662	67,905
					6,850	5,250
					30,266	43,897
					-	4,975
					<u>36,936</u>	<u>(356)</u>
					<u>11,775,800</u>	<u>11,032,226</u>
					88,895	(1,111,279)
					<u>(4,624,556)</u>	<u>(3,513,277)</u>
					<u>\$ (4,535,661)</u>	<u>\$ (4,624,556)</u>

The accompanying notes are an integral part of these financial statements.

EAST FORK FIRE PROTECTION DISTRICT, NEVADA**BALANCE SHEET****GOVERNMENTAL FUNDS****JUNE 30, 2021***(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2020)*

	<u>2021</u>	<u>2020</u>
Assets		
Cash - Note 3	\$ 5,195,742	\$ 3,222,753
Accounts receivable	726,186	457,358
Due from other governments	661,733	1,784,994
Taxes receivable, secured roll	114,257	106,524
Prepaid items	<u>-</u>	<u>39,613</u>
<i>Total Assets</i>	<u>\$ 6,697,918</u>	<u>\$ 5,611,242</u>
Liabilities		
Accounts payable	\$ 324,449	\$ 580,641
Accrued wages and benefits	<u>1,470,255</u>	<u>594,164</u>
<i>Total Liabilities</i>	<u>1,794,704</u>	<u>1,174,805</u>
Deferred Inflow of Resources		
Unavailable property tax revenue	114,257	106,524
Unavailable ambulance fee revenue	<u>165,302</u>	<u>254,165</u>
<i>Total Deferred Inflow of Resources</i>	<u>279,559</u>	<u>360,689</u>
Fund Balance - Note 11		
Nonspendable	-	39,613
Restricted	168,414	415,829
Assigned	923,547	507,246
Unassigned	<u>3,531,694</u>	<u>3,113,060</u>
<i>Total Fund Balance</i>	<u>4,623,655</u>	<u>4,075,748</u>
<i>Total Liabilities, Deferred Inflow of Resources and Fund Balance</i>	<u>\$ 6,697,918</u>	<u>\$ 5,611,242</u>

The accompanying notes are an integral part of these financial statements.

EAST FORK FIRE PROTECTION DISTRICT, NEVADA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2021

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2020)

	2021	2020
Total Fund Balance - Governmental Funds	\$ 4,623,655	\$ 4,075,748
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental funds are not current financial resources and therefore not reported in the governmental fund financial statements.	26,321,178	26,213,432
Accumulated depreciation has not been included in the governmental fund financial statements.	(15,787,620)	(15,507,998)
That portion of taxes and other receivables, not current financial resources, are reported as a deferred inflows of resources in the governmental fund financial statements.	279,559	360,689
The liability for compensated absences is not reflected in the governmental fund financial statements since not payable from current resources.	(1,223,650)	(1,223,720)
Proceeds from long-term debt, reported as other financing sources in fund financial statements, are not considered revenue in the statement of activities.	(1,644,000)	(1,909,000)
Long-term debt obligations are not included in the governmental fund financial statements.	-	(27,706)
The post-employment health insurance liability is not due and payable in the current period and therefore is not reported in the governmental fund.	(2,324,779)	(2,055,922)
Deferred inflows of resources for other post-employment benefits does not effect current financial resources and is therefore not reported in the governmental funds.	269,846	193,626
The net pension liability is not due and payable in the current period and therefore is not reported in the governmental fund.	(17,717,756)	(16,308,466)
Deferred pension inflows and outflows of resources represent changes in the net pension liability that are to be amortized over future periods. They will not require current financial resources and are therefore not reported in the governmental funds.	2,675,551	1,573,638
Interest is accrued on outstanding debt in the statement of net position, whereas in the governmental fund financial statements an interest expenditure is reported when due.	(7,645)	(8,877)
Net Position of Governmental Activities	<u>\$ (4,535,661)</u>	<u>\$ (4,624,556)</u>

The accompanying notes are an integral part of these financial statements.

EAST FORK FIRE PROTECTION DISTRICT, NEVADA
GOVERNMENTAL FUNDS - BUDGET BASIS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2020)

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2020</u>
	<u>ORIGINAL</u>	<u>FINAL</u>			
Revenues					
Taxes	\$ 9,466,128	\$ 9,466,128	\$ 9,494,842	\$ 28,714	\$ 8,960,991
Intergovernmental revenues	3,502,653	4,615,855	4,793,432	177,577	3,942,992
Charges for services	3,523,716	4,939,388	5,270,420	331,032	3,516,474
Other revenues	<u>64,200</u>	<u>46,700</u>	<u>70,778</u>	<u>24,078</u>	<u>117,052</u>
<i>Total Revenues</i>	<u>16,556,697</u>	<u>19,068,071</u>	<u>19,629,472</u>	<u>561,401</u>	<u>16,537,509</u>
Expenditure					
Public Safety, Fire					
Salaries and wages	8,764,500	10,311,192	9,777,750	533,442	8,610,172
Employee benefits	5,386,024	5,707,024	5,614,743	92,281	5,108,181
Services and supplies	2,433,671	2,972,232	2,736,470	235,762	2,715,881
Capital outlay	260,985	865,985	662,279	203,706	987,096
Debt Service					
Principal	278,470	292,979	292,979	-	288,000
Interest	<u>34,800</u>	<u>34,280</u>	<u>34,280</u>	<u>-</u>	<u>40,068</u>
<i>Total Expenditures</i>	<u>17,158,450</u>	<u>20,183,692</u>	<u>19,118,501</u>	<u>1,065,191</u>	<u>17,749,398</u>
Excess (Deficiency) of					
Revenues over Expenditures	<u>(601,753)</u>	<u>(1,115,621)</u>	<u>510,971</u>	<u>1,626,592</u>	<u>(1,211,889)</u>
Other Financing Sources (Uses)					
Contingency	(248,704)	(349,432)	-	349,432	-
Sale of capital assets	40,000	40,000	36,936	(3,064)	47,558
Insurance recoveries	-	-	-	-	4,975
Proceeds from financing agreement	-	-	-	-	1,993,706
Bond refunding escrow deposit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(942,000)</u>
<i>Total Other Financing (Uses)</i>	<u>(208,704)</u>	<u>(309,432)</u>	<u>36,936</u>	<u>346,368</u>	<u>1,104,239</u>
Excess (Deficiency) of Revenues					
and Other Sources over					
Expenditures and Other Uses	(810,457)	(1,425,053)	547,907	1,972,960	(107,650)
Fund Balance, July 1	<u>3,147,692</u>	<u>4,075,748</u>	<u>4,075,748</u>	<u>-</u>	<u>4,183,398</u>
Fund Balance, June 30	<u>\$ 2,337,235</u>	<u>\$ 2,650,695</u>	<u>\$ 4,623,655</u>	<u>\$ 1,972,960</u>	<u>\$ 4,075,748</u>

The accompanying notes are an integral part of these financial statements

EAST FORK FIRE PROTECTION DISTRICT, NEVADA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2020)

	2021	2020
Change in Fund balances - Total Governmental Funds	\$ 547,907	\$ (107,650)
Amounts reported for governmental activities in the statement of activities are different because:		
Current period capital outlays are expenditures in the governmental fund financial statements, but increase capital assets in the government-wide financial statements.	659,466	985,269
Depreciation is not recognized as an expense in governmental funds, since it does not require the use of current financial resources. The effect on the current year's depreciation is to decrease net assets.	(831,342)	(710,300)
Capital assets sales and retirements are reported as expenses in the statement of activities but do not require the use of current financial resources and therefore not reported as expenditures in the governmental funds.	-	(47,914)
Property taxes and other revenues not received within sixty days of year end are not recognized in the fund financial statements as not available to finance current expenditures but are recognized when assessed or due in the government-wide financial statements.	(81,130)	52,965
Compensated absences are not due and payable in the current period and therefore are not reported in the governmental fund financial statements.	70	23,097
Future health insurance post-employment benefits are reported in the statement of activities but do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.	(174,026)	(160,767)
Current year long-term debt principal payments are reported as expenditures in the governmental fund financial statements, but are shown as a reduction in long-term debt in the government-wide financial statements.	292,706	(763,706)
Changes in net pension liability resulting from differences in actual and projected earnings, experience and changes in proportionate share do not affect current financial resources and not reported in governmental funds.	(325,988)	(385,143)
Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the governmental fund financial statements an interest expenditure is reported when due.	1,232	2,870
Change in Net Position of Governmental Activities	<u>\$ 88,895</u>	<u>\$ (1,111,279)</u>

The accompanying notes are an integral part of these financial statements.

EAST FORK FIRE PROTECTION DISTRICT, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 1 - Summary of Significant Account Policies:

The East Fork Fire Protection District (the “District”) is a public fire protection district operated under the applicable laws and regulations of the State of Nevada. It is governed by a five member Board of Directors. The financial statements of the East Fork Fire Protection District have been prepared in accordance with generally accepted accounting principles in the United States of America (“GAAP”) as applied to governmental units. The Governmental Accounting Standards Board (“GASB”) is the standard-setting body for governmental accounting and financial reporting. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards, which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units in addition to other authoritative sources issued by the American Institute of Certified Public Accountants.

GASB Statement No. 34 established a new financial reporting model for state and local governments that includes in addition to management’s discussion and analysis, government-wide financial statements, required supplementary information and the elimination of the effects of internal service activities and the use of account groups to the already required fund financial statements and notes.

The GASB determined that fund accounting has been and will continue to be essential in helping governments achieve fiscal accountability and should, therefore, be retained. The GASB also determined that government-wide financial statements are needed to allow the users of the financial reports to assess a government’s operational accountability. The new GASB model integrates fund-based financial reporting and government-wide financial reporting as complementary components of a single comprehensive financial reporting model.

Reporting Entity

The East Fork Fire Protection District, Nevada, for financial purposes, includes all of the funds relevant to the operations of the District. The District was formed to provide fire protection and ambulance services for the citizens of Douglas County excluding the Lake Tahoe area. The financial statements of the East Fork Fire Protection District, Nevada include those organizations that are controlled by or dependent on the District and fall under the direct jurisdiction of the Board of Directors. Control or dependency is determined on the basis of budget adoption, taxing authority, funding and appointment of respective governing boards. The East Fork Fire Protection District was established on April 16, 1981 by the Douglas County Board of Commissioners who served as the *ex officio* Board of Fire Commissioners until January 1, 2017, when governance was transferred to an appointed five member board of directors.

Basic Financial Statements – GASB Statement No. 34:

The basic financial statements include both government-wide (based on the District as a whole) and fund financial statements. While the previous model emphasized fund types (the total of all funds of a particular type), the GASB 34 model focuses on either the District as a

EAST FORK FIRE PROTECTION DISTRICT, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

whole or major individual funds (within the fund financial statements). Both the government-wide and fund financial statements categorize activities as either governmental activities or business-type activities. In the government-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) are reflected, on a full accrual, economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations.

The government-wide Statement of Activities reflects both the gross and net cost per functional category (public safety) which are otherwise being supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. The program revenues must be directly associated with the function or a business-type activity. Program revenues include revenues largely from charges for services. The operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs by function are normally covered by general revenue (property, sales or gas taxes, intergovernmental revenues, interest income, etc.). Historically, the previous model did not summarize or present net cost by function or activity.

This government-wide focus is more on the substantiality of the District as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. For the most part, the effect of interfund activity has been removed from the government-wide statements. Interfund activities relating to services provided and used between functions are not eliminated.

The fund financial statements are, in substance, very similar to the financial statements presented in the previous model. The report emphasis is on the major funds in either the governmental or business-type categories. Non-major funds (by category) or fund types are summarized into a single column.

The governmental funds major fund statements in the fund financial statements are presented on a current financial resource and modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. This presentation is deemed most appropriate to (a) demonstrate legal and covenant compliance, (b) demonstrate the source and use of liquid resources, and (c) demonstrate how the District's actual experience conforms to the budget or fiscal plan. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements as shown in the governmental column, a reconciliation is presented on the page following each statement which briefly explains the adjustments necessary to transform the fund based financial statements into the governmental column of the government-wide presentation.

Each presentation provides valuable information that can be analyzed and compared (between years and between governments) to enhance the usefulness of the information.

EAST FORK FIRE PROTECTION DISTRICT, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Basis of Presentation:

The accounts of East Fork Fire 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, net assets, revenues and expenditures (or expenses, as appropriate). 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 various funds are reported by generic classification within the financial statements.

The model as defined in Statement No. 34 establishes criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. Management may also elect to designate a fund, which does not meet the criteria, as a major fund. The nonmajor funds are combined in a single column in the fund financial statements (when applicable). The District considers the following funds as major funds.

Major Funds:

Governmental Major Funds

- (1) The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in other funds.

Basis of Accounting:

Governmental Fund Types:

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements.

The East Fork Fire Protection District maintains its accounting records for governmental funds on the modified accrual method of accounting. This method provides for recognizing expenditures, other than accrued interest on general long-term obligations at the time liabilities are incurred, while revenues are recorded when measurable and available to finance expenditures of the fiscal period. Available is defined as being due and collected within the current period or 60 days after year-end. When revenues are due but will not be collected within 60 days, a receivable is recorded and an offsetting deferred revenue account is established. Most major sources of revenue reported in governmental funds are susceptible to accrual under the modified accrual basis of accounting.

EAST FORK FIRE PROTECTION DISTRICT, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Budgets and Budgetary Accounting:

Budget Policies:

The East Fork Fire Protection District adheres to the Local Government Budget Act, incorporated within state statutes, which includes the following major procedures to establish the budgetary data, which is reflected in these financial statements.

1. On or before April 15 of each year, the budget officer shall prepare, or the governing body shall cause to be prepared, on appropriate forms prescribed by the Department of Taxation for the use of local governments, a tentative budget for the ensuing fiscal year. The tentative budget must be filed for public record and inspection.
2. Public hearings on the tentative budget are held not sooner than the third Monday in May and not later than the last day 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 Board Directors. The final budget must then be forwarded to the Nevada Tax Commission to approve the requested ad valorem tax rate.
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 generally accepted accounting principles (GAAP). The District does not use the encumbrance method of accounting. Appropriations lapse at year-end.
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 budget officer and/or the District, depending on established criteria. Budget augmentations in excess of original budgetary amounts may not be made without prior approval of the Board, following a scheduled and noticed public hearing. The General Fund's original budget was amended three times by board action.
7. The above dates may be modified as necessary during years when the Nevada Legislature is in session.

For budgetary purposes, the District established the Emergency Reserve Fund. This fund is reported within the District's General Fund in accordance with GASB 54 requirements.

In accordance with state statutes, actual expenditures may not exceed budget appropriations of the various governmental functions of the General Fund, or total appropriations of the individual Emergency Reserve Fund.

EAST FORK FIRE PROTECTION DISTRICT, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Taxes Receivable, delinquent

Secured roll property taxes receivable reflect only those taxes receivable from the delinquent roll years. No provision for uncollectible accounts has been established since management does not anticipate any material collection loss in respect to the remaining balances. Amounts not collected within 60 days after year-end has been recorded as deferred revenue in the governmental funds.

Inventory of Consumable Supplies

All funds account for materials and supplies inventories as expenditures using the “purchase method”, whereby inventories are recorded as expenditures when they are purchased.

Capital Assets

Governmental Activities:

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of \$5,000 or more and on estimated useful life in excess of one year. 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 the donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset life are not capitalized.

Depreciation is provided in amounts sufficient to relate the cost of the depreciable assets to operations over their estimated service lives on the straight-line basis. The service lives by type of asset are as follows:

Buildings and other improvements	15-80 years
Vehicles	7-20 years
Equipment	5-10 years

Property Taxes

All real property in the District is assigned a parcel number by the Douglas County Assessor in accordance with state laws, 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 property and its improvements are assessed at 35% of “taxable value”, as defined by statute. The amount of tax levied is developed by multiplying the assessed value by the District's tax rate. The maximum tax rate was established in the State Constitution at \$5.00 per hundred dollars of assessed valuation; however, as a result of the 1979 legislature session, the tax rate was further limited to \$3.64 per hundred dollars of assessed valuation unless an additional rate is approved by the electorate. Taxes on real property are a lien on the property and attached on July 1 of the year for which taxes are levied.

EAST FORK FIRE PROTECTION DISTRICT, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Taxes may be paid in four installments payable on the third Monday in August, and the first Monday in October, January, and March to the Treasurer of Douglas County in which the District is located. 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 the 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 by the County 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, mobile homes, aircraft, and agricultural.

Cash and Investments

Cash balances from all funds are combined and, to the extent practicable, invested as permitted by NRS 355.170. Investments are stated at cost, which approximates market value.

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

- United States bonds and debentures maturing within ten (10) years from the date of purchase
- Certain farm loan bonds
- Securities of the United States Treasury, United States Postal Service or the Federal National Mortgage Association maturing within the (10) years from the date of purchase.
- Negotiable certificates of deposit from commercial banks and insured savings and loan associations within the State of Nevada.
- Certain securities issued by local governments of the State of Nevada.
- Other securities expressly provided by other statutes, including repurchase agreements.
- Certain short-term commercial paper issued by U. S. Corporations.
- Certain "AAA" rated mutual funds that invest in Federal securities.

Investment Income

Investment income is recognized in the District's General Fund.

EAST FORK FIRE PROTECTION DISTRICT, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Long-Term Debt

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities' column in the statement of net position.

In the 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 the debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance cost, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Vacation Time and Sick Leave Benefits

Governmental Funds:

The estimated cost of vacation time and sick leave benefits are accrued as earned and recorded in the government-wide financial statements against applicable programs. In governmental fund financial statements, the cost of vacation and sick leave benefits are accrued and recorded to the extent the benefit is paid after year end under one of the District's leave benefit policies. Any excess accrual is not recorded but is recorded as a payroll cost when the time is actually used.

Allowance for Doubtful Accounts

Accounts receivable balances are reviewed, and accounts believed to be uncollectible are identified. The allowance for doubtful accounts is then adjusted to equal the anticipated loss and bad debt expense is charged for estimated losses arising from the current year's operation. Subsequently, the governing board reviews and approves this list of uncollectible accounts to be written off.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Nevada Public Employees Retirement System (PERS) and additions to/deductions from PERS's fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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.

EAST FORK FIRE PROTECTION DISTRICT, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Comparative Data

Comparative data shown for the prior year (2020) has been extracted from the 2019-2020 financial statements. It has been provided to add comparability, but is not considered full disclosure of transactions for 2019-2020. Such information can only be obtained by referring to that audit report.

Deferred Inflows and Outflows of Resources

Transactions that result in the consumption or acquisition of net assets in one period that are applicable to future periods are reported as either a deferred inflow of resources or deferred outflow of resources in the statement of net position.

Net Position

Net position represents the difference between assets and deferred outflow of resources, and liabilities and deferred inflow of resources. Net position comprise of various net earnings from operating and non-operating revenues, expenses and contributions of capital. Net position are classified in the following three components: investment in capital assets, net of related liabilities; restricted for capital activity and debt service; and unrestricted net position. Investment in capital assets, net of related debt, consist of all capital assets, net of accumulated depreciation and reduced by outstanding debt that is attributable to the acquisition, construction and improvement of those assets; debt related to unspent proceeds or other restricted cash and investments is excluded from that determination. Restricted for capital activity and debt service consists of net position assets for which constraints are placed thereon by external parties, such as lenders, grantors, contributors, regulations and enabling legislation, including self-imposed legal mandates, less any related liabilities. Unrestricted consists of all other net position not included in the above categories. The District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Fund Balance

In the governmental fund financial statements, governmental funds report up to five components of fund balance, as applicable. These five classifications are: nonspendable, restricted, committed, assigned, and unassigned. Nonspendable fund balance is reserved for portions of net resources that cannot be spent because of their form, such as inventories or prepaid items, or that cannot be spent because they must be kept intact. Restricted fund balance is reserved for the portion of net resources that have externally enforceable limitation on use, such as those imposed by creditors, grantors, contributors, or laws enacted by external entities. Committed fund balance is reserved for the portion of net resources that have had self-imposed limitations set in place by formal action of the governing board. Assigned fund balance is reserved for the portion of net resources that have an intended use established by the governing board or a designated official. Unassigned fund balance is for that portion of net resources that does not meet the criteria to be placed in any of the other four components of fund balance. Restricted amounts are considered to be spent prior to unrestricted amounts when an expenditure is incurred. Unrestricted amounts are considered to be spent in the following order: committed, assigned, and then, unassigned.

EAST FORK FIRE PROTECTION DISTRICT, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 2 - Compliance with Nevada Revised Statutes and the Nevada Administrative Code:

The District conformed to all significant statutory constraints on its financial administration during the year as detailed on page 60.

Note 3 - Cash and Investments:

Cash includes not only currency on hand but demand deposits with banks or other financial institutions. Cash also includes other kinds of accounts that have the general characteristics of demand deposits in that the customer may deposit additional funds at any time and also effectively may withdraw funds at any time without prior notice or penalty.

The District's bank accounts are covered by FDIC insurance and collateral pledged to the accounts. The collateral pledged consists of obligations insured or guaranteed by the U.S. Government and its agencies. The following schedule summarizes cash and investments for the East Fork Fire Protection District at June 30, 2021.

Cash and Investment Balances Held By:

General Fund	\$ 5,027,328
Emergency Reserve Fund	<u>168,414</u>
Total Cash and Investments	<u>\$ 5,195,742</u>
Balance Classified by Depository:	
Petty cash	\$ 100
Bank of America, checking	<u>767,277</u>
	767,377
Investments:	
Nevada State Investment Pool	<u>4,428,365</u>
Total Cash and Investments	<u>\$ 5,195,742</u>

EAST FORK FIRE PROTECTION DISTRICT, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 3 - Cash and Investments: *(Continued)*

The following is a list of cash and deposits indicating collateral or insurance on these deposits:

	<u>Carrying Amount</u>	<u>Bank Balance</u>
Insured (FDIC)	\$ 250,000	\$ 250,000
Uninsured but collateralized by securities held in the name of East Fork Fire Protection District by the bank's agent or trust department	<u>517,277</u>	<u>653,343</u>
	<u>\$ 767,277</u>	<u>\$ 903,343</u>

Investment

At June 30, 2021, the average weighted maturity of the Nevada Local Government Investment Pool was 143 days. The fair value of \$4,428,365 is determined according to the following hierarchy determined by availability of market pricing used to determine the fair value.

Level I – Based on quoted prices in active market for identical assets	\$ 1,447,190
Level II – Based on significant other observable inputs	\$ 2,981,175

To provide an understanding of the East Fork Fire Protection District's investment types and the District's exposure to certain risks, the following provides information on the District's external investment composition.

Interest Rate Risk: 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.

Credit Risk: State law limits types of allowable investments under Nevada Revised Statutes 355.170 as listed in the accompanying Note 1.

Concentration of Credit Risk: The District does not have a formal investment policy that limits East Fork Fire District as to the amount that may be invested in any one issuer.

EAST FORK FIRE PROTECTION DISTRICT, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 4 – Capital Assets:

The following tables summarize the changes in capital assets.

	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021
Not subject to depreciation:				
Land	\$ 642,201	\$ -	\$ -	\$ 642,201
Fire engines in process	<u>545,364</u>	<u>56,566</u>	<u>511,242</u>	<u>90,688</u>
	<u>1,187,565</u>	<u>56,566</u>	<u>511,242</u>	<u>732,889</u>
Subject to depreciation:				
Ambulance	1,365,064	181,225	115,485	1,430,804
Apparatus	7,652,019	800,674	436,235	8,016,458
Computer equipment	20,904	-	-	20,904
Equipment	1,617,161	69,491	-	1,686,652
Vehicles	1,053,529	62,752	-	1,116,281
Buildings and improvements	12,409,310	-	-	12,409,310
Infrastructure	<u>907,880</u>	<u>-</u>	<u>-</u>	<u>907,880</u>
	<u>25,025,867</u>	<u>1,114,142</u>	<u>551,720</u>	<u>25,588,289</u>
Less accumulated depreciation:				
Ambulances	606,296	126,690	115,485	617,501
Apparatus	6,397,588	210,822	436,235	6,172,175
Computer equipment	20,904	-	-	20,904
Equipment	1,249,583	102,780	-	1,352,364
Vehicles	925,554	42,878	-	968,432
Buildings and improvements	5,696,819	320,009	-	6,016,828
Infrastructure	<u>611,254</u>	<u>28,163</u>	<u>-</u>	<u>639,416</u>
	<u>15,507,998</u>	<u>831,342</u>	<u>551,720</u>	<u>15,787,620</u>
Depreciable assets, net	<u>9,517,869</u>	<u>282,800</u>	<u>-</u>	<u>9,800,669</u>
Capital assets, net	<u>\$10,705,434</u>	<u>\$ 339,366</u>	<u>\$ 511,242</u>	<u>\$10,533,558</u>

Depreciation expense of \$831,342 was charged to the public safety function.

EAST FORK FIRE PROTECTION DISTRICT, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 5 - Long-Term Debt Obligations:

Changes in General Long-term Debt:

	<u>Balance</u> <u>June 30, 2020</u>	<u>Obligations</u> <u>Issued</u>	<u>Obligations</u> <u>Retired</u>	<u>Balance</u> <u>June 30, 2021</u>
Stryker loan agreement	\$ 27,706	\$ -	\$ 27,706	\$ -
Series 2019 - General obligation bond	1,909,000	-	265,000	1,644,000
Compensated absences	1,223,720	-	70	1,223,650
Net Pension Liability	16,308,466	1,409,290	-	17,717,756
Other Post-Employment Benefits	<u>2,055,922</u>	<u>268,857</u>	<u>-</u>	<u>2,324,779</u>
Total Long-Term Obligations Payable	<u>\$21,524,814</u>	<u>\$1,678,147</u>	<u>\$ 292,776</u>	<u>\$22,910,185</u>

General Obligation Medium-Term Bonds, Series 2019:

The District issued \$1,966,000 in general obligation medium-term bond, Series 2019 on November 1, 2019. The general obligations bonds are payable over eight years with semi-annual payments of principal and interest. The Bonds require semi-annual payments of interest and principal ranging from \$151,845 to \$71,830 with an annual interest rate of 1.860%. The bonds mature on April 1, 2027.

The following schedule details the future debt service requirements on the general obligation Series 2019 medium-term bonds:

<u>Year ending June 30,</u>	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
2022	\$ 29,314	\$ 272,000	\$ 301,314
2023	24,236	277,000	301,236
2024	19,056	284,000	303,056
2025	13,745	290,000	303,745
2026	8,323	295,000	303,323
2027	<u>2,808</u>	<u>226,000</u>	<u>228,808</u>
	<u>\$ 97,482</u>	<u>\$ 1,644,000</u>	<u>\$ 1,741,482</u>

EAST FORK FIRE PROTECTION DISTRICT, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 5 - Long-Term Debt Obligations: (continued)

Compensated Absences:

The amount of accrued compensated absences liability for the governmental activities at June 30, 2021 was \$1,223,650. This balance reflects the governmental activities annual leave being earned at a rate based upon an employee's longevity with the District. An employee may carry over unused annual leave to the next year, not exceeding 30 days as of the employee's anniversary date.

Note 6 – Interfund Transfers:

A summary of interfund transfers is as follows:

	<u>Transfers – In</u>	<u>Transfers – Out</u>
Governmental Activities:		
General Fund	\$ -	\$ 25,000
Emergency Reserve Fund	<u>25,000</u>	<u>-</u>
	<u>\$ 25,000</u>	<u>\$ 25,000</u>

Note 7 - Defined Benefit Pension Plan:

General Information about the Pension Plan

Plan description: All permanent full time employees are provided pensions through the Public Employees Retirement Plan (PERS). The plan is a cost-sharing multiple-employer defined benefit pension plans administered by the Public Employees Retirement System of Nevada. Chapter 286 of the Nevada Revised Statutes (NRS) establishes a governing board, appointed by the Governor that is responsible for managing the System, including arranging for a biennial actuarial valuation and adoption of actuarial tables and formulas prepared and recommended by the actuary.

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 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 2.25% factor. The System offers several alternatives to the unmodified service retirement allowance which, in general, allow the retired employee to

EAST FORK FIRE PROTECTION DISTRICT, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 7 – Defined Benefits Pension Plan (continued):

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.

Regular members entering the System prior to January 1, 2010, 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 thirty years of service. Regular members entering the System on or after January 1, 2010, are eligible for retirement at age 65 with five years of service, or age 62 with ten years of service, or any age with thirty 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, or at age 62 with 10 years of service or at age 55 with 30 years of service or any age with 33 1/3 years of service.

Police/Fire members entering the System 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 the System on or after January 1, 2010, are eligible for retirement at age 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. Only service performed in a position as a police officer or firefighter may be counted towards eligibility for retirement as Police/Fire accredited service.

The normal ceiling limitation on monthly benefit 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. The contribution rates are based on biennial actuarial valuations and expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. 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 (EEC), while the other plan provides for employer-pay contributions only. Under the matching Employee/Employer Contribution plan a member may, upon termination of service for which contribution is required, withdraw employee contributions which have been credited to their account. All membership rights and active service credit in the System are canceled upon withdrawal of contributions from the member's account. If EPC was elected, the member cannot convert to the Employee/Employer Contribution plan.

EAST FORK FIRE PROTECTION DISTRICT, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 7 – Defined Benefits Pension Plan (continued):

East Fork Fire Protection District allows its regular employees to elect either the EPC or EEC plan. Currently, all of the District’s regular employees have elected to participate in the EPC plan, whereas, all firefighters are required by PERS to participate under the EPC plan. The District’s total contributions to the plans totaled \$2,805,315 for the year ending June 30, 2021, of which \$1,402,657 is considered as post measurement date contributions for year 2021. The respective rates on which contributions for the EPC were 29.25% and 42.5% in year 2021 of covered compensation for police/fire members.

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

At June 30, 2021, the District reported net pension liabilities of \$17,717,756 representing its proportionate share of the Plan’s net pension liability. The net pension liability was measured as of June 30, 2020, 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 plan’s net pension liability was based on the District’s share of contributions to the pension plan relative to the contributions of all participating entities for the year ended June 30, 2020. At June 30, 2020, the District’s proportion of the plan was .12721% which is a .00761% increase from the prior year’s .11960%.

For the period ending June 30, 2021, the District recognized pension expense of \$1,728,645 in the government-wide financial statements. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual Experience	\$ 550,478	\$ 228,779
Changes of assumptions	497,673	-
Net difference between projected and actual earnings on pension plan investments	-	669,302
Changes in proportion and differences between District contributions and proportionate share of contributions	<u>1,830,267</u>	<u>534,730</u>
	<u>\$ 2,878,418</u>	<u>\$ 1,432,811</u>

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

EAST FORK FIRE PROTECTION DISTRICT, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 7 – Defined Benefits Pension Plan (continued):

Year Ended June 30:	
2022	\$ (129,305)
2023	364,129
2024	555,540
2025	425,129
2026	206,698
Thereafter	<u>23,416</u>
	<u>\$ 1,445,607</u>

In addition, \$1,402,657 is reported as deferred outflows of resources related to pensions in the governmental activities and represents the District contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ended June 30, 2021.

Actuarial assumptions: The actuarial assumptions were based on the results of an experience study for the period from July 1, 2012, through June 30, 2016. When measuring the total pension liability, GASB uses the same actuarial cost method, all actuarial assumptions, and the same type of discount rate as PERS uses for funding.

The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement:

Inflation rate	2.75%
Investment rate of return	7.50%
Productivity pay increases:	0.50%
Projected salary increases	Regular: 4.25% to 9.15%, depending on service Police/Fire 4.55% to 13.90%, depending on service Rates include inflation and productivity increases
Other assumptions	Same as those used in the June 30, 2020 funding actuarial valuation

Investments: The Board evaluates and establishes expected real rates of return (expected returns, net of investment expenses and inflation) for each asset class. The Board reviews these capital market expectations annually. The PERS's current long-term geometric expected real rates of return for each asset class included in the plan's investment portfolio as of June 30, 2020 are included in the following table:

EAST FORK FIRE PROTECTION DISTRICT, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 7 – Defined Benefits Pension Plan (continued):

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Geometric Expected Real Rate of Return*</u>
U.S. stocks	42%	5.50%
International stocks	18%	5.50%
U.S. bonds	28%	0.75%
Private markets	12%	6.65%

*As of June 30, 2020, PERS' long-term inflation assumption was 2.75%.

Discount Rate: The discount rate used to measure the total pension liability was 7.5% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed plan contributions will be made in amounts consistent with statutory provisions and recognizing the plan's current funding policy and cost-sharing mechanism between employers and members. For this purpose, all contributions that are intended to fund benefits for all plan members and their beneficiaries are included, except that projected contributions that are intended to fund the service costs for future plan members and their beneficiaries are not included.

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%) or 1-percentage-point higher (8.50%) than the current rate:

<u>1% Decrease (6.50%)</u>	<u>Current Discount Rate (7.50%)</u>	<u>1% Increase (8.50%)</u>
\$27,633,604	\$17,717,756	\$9,474,346

Note 8 – Post-Employment Benefits Other Than Pensions:

The District offers post-employment health benefits to its retirees under two plans on the pay-as-you-go basis. Accordingly, the District has implemented GASB No. 75 prospectively, beginning with the year ended June 30, 2019. Actuarial studies are done periodically to determine the OPEB liability. The most recent valuation was performed for June 30, 2020.

EAST FORK FIRE PROTECTION DISTRICT, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 8 – Post-Employment Benefits Other Than Pensions: *(continued)*

Plan Information

Nevada Public Employees' Benefits Program:

The District contributes to an agent multiple-employer defined healthcare plan, Nevada Public Employees' Benefits Program (PEBP). PEBP is administered by the State of Nevada pursuant to NRS 287. District retirees previously had the option to join the PEBP offered by the State of Nevada. Local Governments are required to pay the same portion of cost of coverage for their retirees joining PEBP that the State of Nevada pays for those persons retired from state service. As of June 30, 2020, three District retirees were covered by this benefit plan. The PEBP issues a publicly available report that includes financial statements and required supplementary information. That report may be obtained by writing to Public Employees' Benefit Program, 901 South Stewart Street, Suite 1001, Carson City, Nevada 89701. The information is also available on their website at www.pebp.state.nv.us or by calling (800)326-5496.

East Fork Fire Protection District Health Care Plan:

The District administers a single-employer defined benefit healthcare plan for eligible employees, retirees and their dependents. The program provides health, vision, dental and life insurance benefits. Any retiree eligible to receive benefits from the Nevada Public Employees Retirement System is eligible to participate. No assets are accumulated in trust that meets the criteria in paragraph 4 of Statement 75.

Funding Policy:

Nevada Public Employees' Benefits Program:

The contributions to Nevada Public Employees' Benefits Program are established and may be amended by the Board of the Public Employee's Benefits Program. The amount of subsidy for which the District is liable for its retirees is billed monthly and based on their years of covered employment under Nevada PERS. As of June 30, 2021, three District retirees were covered by this benefit plan. The subsidy ends at the earlier of the retiree's death or the date he or she discontinues coverage. The explicit subsidy paid directly to PEPB by the District for the year ended June 30, 2021 was \$5,127. Amounts contributed by retirees are paid directly to the State of Nevada and, as such, are not available. The required contribution is based on projected pay-as-you-go financing requirements. The District has not elected the option to pay additional amounts into a qualified trust to prefund benefits.

EAST FORK FIRE PROTECTION DISTRICT, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 8 – Post-Employment Benefits Other Than Pensions: *(continued)*

East Fork Fire Protection District Health Care Plan:

The District pays the full cost of active employee coverage and dependent coverage. The District allows current retirees to remain on the District’s group health plan but the District does not provide any premium coverage for the retiree. There were 80 active employees and three retirees enrolled in the plan at June 30, 2021. A separate report is not issued for the plan.

Total OPEB Liability:

Following is the District’s total OPEB liability that was measured as of June 30, 2021, and was determined by an actuarial valuation date as of June 30, 2020.

PEBP	\$ 91,074
District Plan	<u>2,223,705</u>
	<u>\$ 2,314,779</u>

Actuarial Methods and Assumptions

Projections of benefits are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the District and the plan members to that point. Projections of benefits for financial reported purposes do not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculation.

Significant methods and assumptions used to value both plans are as follows:

Valuation date	June 30, 2020
Funding method	Entry Age Normal Cost, closed group, level percent of pay
Asset valuation method	N/A - No OPEB trust established
Discount rate (S & P General Obligation Municipal Bond 20 Year High Grade Index)	2.18% as of June 30, 2021 2.66% as of June 30, 2020

EAST FORK FIRE PROTECTION DISTRICT, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 8 – Post-Employment Benefits Other Than Pensions: *(continued)*

Participants valued	
– PEBP	Only current PEBP retirees are valued
– District Plan	Only current active employees and retired participants and covered dependents are valued. No future entrants are considered in this valuation
Actuarial assumptions:	
Projected salary increases	3.0% (N/A for PEBP)
Assumed wage inflation	3.0% (N/A for PEBP)
General inflation rate	2.5%
Healthcare cost trend rates	4.9% in 2021 to 5.% in 2022 and thereafter

Mortality: The mortality rates were described in the June 30, 2019 actuarial valuation of the Nevada PERS program as being reasonably representative of mortality experience as of that measurement date. Non-disabled life rates for Regular employees:

Males: Headcount-Weighted RP 2014 Healthy Annuitant Table
Females: Headcount-Weighted RP 2014 Healthy Annuitant Table

Pre-retirement life rates for Regular & Safety employees:
Males & Females: Headcount-Weighted RP-2014 Employee Table

Mortality Improvement: The mortality rates described above were then adjusted to anticipate future mortality improvement by applying MacLeod Watts Scale 2020 on a generational basis from 2018 forward.

Changes in Total OPEB Liability

	<u>PEBP</u>	<u>District</u>	<u>Total</u>
Balance at June 30, 2020	\$ 89,130	\$1,966,792	\$2,055,922
Changes for the year:			
Service cost	-	183,794	183,794
Interest	2,303	56,156	58,459
Changes of assumptions	4,768	105,884	110,652
Benefit payments	<u>(5,127)</u>	<u>(78,921)</u>	<u>(84,048)</u>
Net Change	<u>1,944</u>	<u>266,913</u>	<u>268,857</u>
Balance at June 30, 2021	\$ <u>91,074</u>	\$ <u>2,233,705</u>	\$ <u>2,324,779</u>

EAST FORK FIRE PROTECTION DISTRICT, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 8 – Postemployment Benefits Other Than Pensions (OPEB) (continued):

Sensitivity of the total OPEB liability to changes in the discount rate:

The following presents the District’s total OPEB liability calculated using the discount rate of 2.18%, 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 (1.18%) or 1-percentage-point higher (3.18%) than the current rate:

1% Decrease (1.18%)	Current Discount Rate (2.18%)	1% Increase (3.18%)
\$2,577,358	\$2,324,779	\$2,101,314

Sensitivity of the total OPEB liability to changes in the healthcare cost trend:

The following presents the District’s total OPEB liability of the District as well as what the District’s OPEB liability would be if it were calculated using a healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current rates:

1% Decrease (3.9%)	Current Trend Rate (4.9%)	1% Increase (5.9%)
\$2,043,712	\$2,324,779	\$2,663,682

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

For the year ended June 30, 2021, the District recognized OPEB expense of \$258,074. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to the District Plan was \$172,713. The District will recognize these deferred resources as follows.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual Experience	\$ -	\$ 172,713
Changes of assumptions	269,846	-
	\$ 269,846	\$ 172,713

EAST FORK FIRE PROTECTION DISTRICT, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 8 – Postemployment Benefits Other Than Pensions (OPEB) (continued):

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

2022	\$ 11,053
2023	11,053
2024	11,053
2025	11,053
2026	11,053
Thereafter	<u>41,868</u>
	<u>\$ 97,133</u>

Note 9 – Contingencies:

Federal and State Grants

In the normal course of operations, the District receives grant funds both from federal and state agencies. These grants may be subject to compliance audits by the grantor agencies and ultimate retention of these monies is contingent upon satisfying the grantors that proper procedures were followed and that the resources were spent in accordance with grant requirements. Management does not anticipate any adjustments to these financial statements if compliance audits were conducted by these agencies.

Note 10 – Subsequent Events:

Management has evaluated subsequent events through November 23, 2021, which is the date the financial statements were available to be issued.

Note 11 - Fund Equity:

Net position includes the following restricted amounts at June 30, 2021.

The balance in the Emergency Reserve Fund, established
 In accordance with NRS 354.6115, may only be used
 if the General Fund’s actual revenues fall short of total
 anticipated revenues or to mitigate the effects of a
 natural disaster. \$ 168,414

At June 30, 2021, the governmental funds had the following
 fund balance assignments:

Part of the General Fund’s year-end balance has
 been assigned as a financial resource for the
 subsequent year’s appropriations \$ 923,547

EAST FORK FIRE PROTECTION DISTRICT, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 12 – Reclassification of Prior Year Financial Statements

At the end of fiscal year 2020, the District’s management eliminated the need for future use of a Debt Service Fund by budgeting to have the debt service payments paid directly out of the General Fund.

For comparative purposes, the fiscal year 2021 General Fund was restated to include the 2020 Debt Service Fund transactions as shown below:

<u>General Fund:</u>	<u>Original Presentation</u>	<u>Reclassified Presentation</u>
Debt Service		
Principal	\$ -	\$ 288,000
Interest	-	40,068
Total Debt Service	-	328,068
Total Expenditures	17,421,330	17,749,398
Excess (Deficiency) of Revenues over Expenditures	(886,439)	(1,214,507)
Other Financing Sources		
Sale of Assets	47,558	47,558
Insurance recoveries	4,975	4,975
Proceeds from financing agreement	1,048,690	1,993,706
Bond refunding escrow deposit	-	(942,000)
Transfer to - Debt Service Fund	(322,262)	-
Total Other Financing Sources (Uses)	778,961	1,104,239
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	(107,478)	(110,268)
Beginning Fund Balance	3,877,397	3,880,187
Ending Fund Balance	<u>\$ 3,769,919</u>	<u>\$ 3,769,919</u>

EAST FORK PROTECTION DISTRICT, NEVADA
RECONCILIATION OF BUDGETARY BASIS FUNDS TO GAAP BASIS GENERAL FUND
COMBINING BALANCE SHEET
JNUE 30, 2021

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2020)

	GENERAL FUND	EMERGENCY RESERVE FUND	TOTALS	
			2021	2020
Assets				
Cash	\$ 5,027,328	\$ 168,414	\$ 5,195,742	\$ 3,222,753
Accounts receivable, net	726,186	-	726,186	457,358
Due from other governments	661,733	-	661,733	1,784,994
Taxes receivable	114,257	-	114,257	106,524
Prepaid items	-	-	-	39,613
<i>Total Assets</i>	<u>\$ 6,529,504</u>	<u>\$ 168,414</u>	<u>\$ 6,697,918</u>	<u>\$ 5,611,242</u>
Liabilities				
Accounts payable	\$ 324,449	\$ -	324,449	\$ 580,641
Accrued wages and benefits	1,470,255	-	1,470,255	594,164
<i>Total Liabilities</i>	<u>1,794,704</u>	<u>-</u>	<u>1,794,704</u>	<u>1,174,805</u>
Deferred Inflow of Resources				
Unavailable tax revenue	114,257	-	114,257	106,524
Unavailable ambulance fee revenue	165,302	-	165,302	254,165
	<u>279,559</u>	<u>-</u>	<u>279,559</u>	<u>360,689</u>
Fund Balance				
Nonspendable - Prepaid expenses	-	-	-	39,613
Restricted	-	168,414	168,414	415,829
Assigned	923,547	-	923,547	507,246
Unassigned	3,531,694	-	3,531,694	3,113,060
<i>Total Fund Balance</i>	<u>4,455,241</u>	<u>168,414</u>	<u>4,623,655</u>	<u>4,075,748</u>
Total Liabilities and Fund Balance	<u>\$ 6,529,504</u>	<u>\$ 168,414</u>	<u>\$ 6,697,918</u>	<u>\$ 5,611,242</u>

EAST FORK FIRE PROTECTION DISTRICT, NEVADA
RECONCILIATION OF BUDGETARY BASIS FUNDS TO GAAP BASIS GENERAL FUND
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2021

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2020)

	GENERAL	EMERGENCY	TOTALS	
	FUND	RESERVE FUND	2021	2020
Revenues				
Ad valorem taxes	\$ 9,494,842	\$ -	\$ 9,494,842	\$ 8,960,991
Intergovernmental revenues	4,793,432	-	4,793,432	3,942,992
Charges for services	5,270,420	-	5,270,420	3,516,474
Other revenues	69,935	843	70,778	117,052
<i>Total Revenues</i>	<u>19,628,629</u>	<u>843</u>	<u>19,629,472</u>	<u>16,537,509</u>
Expenditures				
Current:				
Public safety				
Salaries	9,777,750	-	9,777,750	8,610,172
Employee benefits	5,614,743	-	5,614,743	5,108,181
Services and supplies	2,573,212	163,258	2,736,470	2,715,881
Capital outlay	662,279	-	662,279	987,096
Debt Service				
Principal	292,979	-	292,979	288,000
Interest	34,280	-	34,280	40,068
<i>Total Expenditures</i>	<u>18,955,243</u>	<u>163,258</u>	<u>19,118,501</u>	<u>17,749,398</u>
Excess (Deficiency) of Revenues over Expenditures	<u>673,386</u>	<u>(162,415)</u>	<u>510,971</u>	<u>(1,211,889)</u>
Other Financing Sources (Uses)				
Sale of assets	36,936	-	36,936	47,558
Insurance recoveries	-	-	-	4,975
Proceeds from financing agreement	-	-	-	1,993,706
Bond refunding escrow deposit	-	-	-	(942,000)
Transfer to Emergency Reserve Fund	(25,000)	25,000	-	-
<i>Total Other Financing Sources (Uses)</i>	<u>11,936</u>	<u>25,000</u>	<u>36,936</u>	<u>1,104,239</u>
<i>Excess (Deficiency) of Revenues, Other Sources and over Expenditures and Other Uses</i>	<u>685,322</u>	<u>(137,415)</u>	<u>547,907</u>	<u>(107,650)</u>
Fund Balance, July 1	<u>3,769,919</u>	<u>305,829</u>	<u>4,075,748</u>	<u>4,183,398</u>
Fund Balance, June 30	<u>\$ 4,455,241</u>	<u>\$ 168,414</u>	<u>\$ 4,623,655</u>	<u>\$ 4,075,748</u>

EAST FORK FIRE PROTECTION DISTRICT, NEVADA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN TOTAL OPEB
LIABILITY AND RELATED RATIOS

	2018	2019	2020	2021
<u>Public Employees Benefit Plan (PEBP)</u>				
Total OPEB Liability				
Service cost	\$ -	\$ -	\$ -	\$ -
Interest	6,241	5,764	2,223	2,303
Change in assumptions	5,023	1,129	11,169	4,768
Plan experience	-	(118,805)	(1,383)	-
Benefit payments	<u>(20,043)</u>	<u>(6,483)</u>	<u>(5,112)</u>	<u>(5,127)</u>
Net Change in total OPEB Liability	(8,779)	(118,395)	6,897	1,944
Total Liability, July 1	<u>209,407</u>	<u>200,628</u>	<u>82,233</u>	<u>89,130</u>
Total Liability, June 30	<u>\$ 200,628</u>	<u>\$ 82,233</u>	<u>\$ 89,130</u>	<u>\$ 91,074</u>
Covered employee payroll	n/a	n/a	n/a	n/a
<u>East Fork Fire Health Benefits Plan</u>				
Total OPEB Liability				
Service cost	\$ 130,871	\$ 142,410	\$ 152,343	\$ 183,794
Interest	50,759	52,983	55,807	56,156
Change in assumptions	44,101	32,372	148,626	105,884
Plan experience	-	-	(209,935)	-
Benefit payments	<u>(41,060)</u>	<u>(47,892)</u>	<u>(55,946)</u>	<u>(78,921)</u>
Net Change in total OPEB Liability	184,671	179,873	90,895	266,913
Total Liability, July 1	<u>1,511,353</u>	<u>1,696,024</u>	<u>1,875,897</u>	<u>1,966,792</u>
Total Liability, June 30	<u>\$ 1,696,024</u>	<u>\$ 1,875,897</u>	<u>\$ 1,966,792</u>	<u>\$ 2,233,705</u>
Covered employee payroll	\$ 7,975,831	\$ 7,877,740	\$ 8,593,487	\$ 8,252,499
Total liability as a percentage of covered-employee payroll	21.3%	23.8%	22.9%	27.1%

Notes to Schedule:

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period.

Applicable discount rates	2.92%	2.79%	2.66%	2.18%
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EAST FORK FIRE PROTECTION DISTRICT, NEVADA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF NET PENSION LIABILITY
NEVADA PUBLIC EMPLOYEES RETIREMENT SYSTEM

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<u>Schedule of District's Proportionate Share</u>					
<u>of the Net Pension Liability</u>					
District's proportion of the net pension liability	0.11247%	0.10750%	0.11471%	0.11960%	0.12721%
District's proportionate share of the net pension liability	\$ 15,134,794	\$ 14,297,827	\$ 15,643,910	\$16,308,466	\$17,717,756
District's covered-employee payroll	\$ 4,897,997	\$ 4,944,310	\$ 5,427,028	\$ 5,914,348	\$ 6,502,151
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	309.0%	289.2%	288.3%	275.7%	272.5%
Plan fiduciary net position as a percentage of the total pension liability	72.2%	74.4%	75.1%	76.5%	77.0%

* The above amounts presented for each fiscal year have a measurement date of June 30 of the preceding year.

Schedule of District Contributions

Statutorily required employer contribution	\$ 962,564	\$ 1,064,168	\$ 1,152,082	\$ 1,325,652	\$ 1,402,657
Contributions in relation to the statutorily required contribution	<u>962,564</u>	<u>1,064,168</u>	<u>1,152,082</u>	<u>1,325,652</u>	<u>1,402,657</u>
Contribution deficiency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 4,944,310	\$ 5,427,028	\$ 5,914,348	\$ 6,502,151	\$ 6,882,836
Contributions as a percentage of covered payroll	19.5%	19.6%	19.5%	20.4%	20.4%

See notes to required supplementary information.

EAST FORK FIRE PROTECTION DISTRICT, NEVADA
GENERAL FUND - BUDGETARY BASIS
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2020)

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2020</u>
	<u>ORIGINAL</u>	<u>FINAL</u>			
Revenues					
Taxes					
Real property taxes, current	\$ 9,046,641	\$ 9,046,641	\$ 8,954,305	\$ (92,336)	8,451,155
Real property taxes, delinquent	-	-	44,380	44,380	29,680
Centrally assessed taxes	137,531	137,531	118,093	(19,438)	124,309
Deferred ag taxes	-	-	-	-	7,121
Personal property taxes, current	281,956	281,956	372,757	90,801	344,240
Personal property, delinquent	-	-	5,307	5,307	4,486
<i>Total Taxes</i>	<u>9,466,128</u>	<u>9,466,128</u>	<u>9,494,842</u>	<u>28,714</u>	<u>8,960,991</u>
Intergovernmental revenues					
Federal Grants					
EMPG Grant	56,000	56,000	62,607	6,607	57,239
FEMA Grant	-	69,230	69,229	(1)	-
AFG Grant	-	67,370	62,750	(4,620)	-
Safer grant	345,000	345,000	354,432	9,432	227,195
HMEP Grant	-	-	250	250	3,371
HMPU Grant	-	-	-	-	9,421
ASPR Grant	-	-	-	-	8,955
HHS Stimulus Grant	-	-	-	-	86,926
Other grants in aid	-	20,000	20,984	984	-
CARES Act Grant	-	510,159	510,158	(1)	507,021
State Grants					
SERC Grant	29,000	29,000	26,700	(2,300)	26,300
CERT - SHSP Grant	21,000	21,000	13,552	(7,448)	18,054
MOST Grant	-	-	-	-	9,176
United We Stand Grant	25,000	25,000	29,612	4,612	24,890
Ag - FRPEP Grant	-	-	-	-	18,973
State Revenues					
Consolidated tax distribution	1,906,353	2,131,353	2,165,511	34,158	1,934,392
G.E.M.T. reimbursement	835,000	1,047,019	1,182,915	135,896	729,816
Local Revenues					
Alpine Contract	90,300	90,300	90,300	-	85,200
Emergency Mgmt Contract	195,000	195,000	195,008	8	196,063
Local governmental revenue	-	9,424	9,424	-	-
<i>Total Intergovernmental Revenues</i>	<u>3,502,653</u>	<u>4,615,855</u>	<u>4,793,432</u>	<u>177,577</u>	<u>3,942,992</u>

EAST FORK FIRE PROTECTION DISTRICT, NEVADA
GENERAL FUND - BUDGETARY BASIS
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2020)

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2020</u>
	<u>ORIGINAL</u>	<u>FINAL</u>			
Charges for services					
Fire Plan Check/Inspections	\$ 260,000	\$ 310,000	\$ 411,193	\$ 101,193	\$ 335,029
Ambulance charges	3,193,716	2,893,716	3,110,255	216,539	2,861,422
Technology / Expedite Fees	-	-	26,598	26,598	-
Standby Charges	20,000	-	-	-	8,232
Subscription Service Plans	50,000	50,000	49,660	(340)	48,665
Outside District Mutual Aid	-	874,941	934,255	59,314	263,126
Nevada Energy Fuels Management	-	810,731	738,459	(72,272)	-
<i>Total Charges for Services</i>	<u>3,523,716</u>	<u>4,939,388</u>	<u>5,270,420</u>	<u>331,032</u>	<u>3,516,474</u>
Other revenues					
Investment Income	42,000	22,000	12,051	(9,949)	65,287
Rent / Lease Income	20,000	20,000	20,768	768	12,847
Donations	2,000	4,500	6,850	2,350	5,250
Miscellaneous	200	200	30,266	30,066	31,050
<i>Total Other Revenues</i>	<u>64,200</u>	<u>46,700</u>	<u>69,935</u>	<u>23,235</u>	<u>114,434</u>
<i>Total Revenues</i>	<u>16,556,697</u>	<u>19,068,071</u>	<u>19,628,629</u>	<u>560,558</u>	<u>16,534,891</u>
Expenditures					
Administration					
Salaries and wages	8,764,500	10,139,942	9,617,410	522,532	8,610,172
Employee benefits	5,386,024	5,556,024	5,554,364	1,660	5,108,181
Services and supplies	235,005	411,826	320,242	91,584	256,286
<i>Total Administration</i>	<u>14,385,529</u>	<u>16,107,792</u>	<u>15,492,016</u>	<u>615,776</u>	<u>13,974,639</u>
Fire Prevention					
Services and supplies	13,000	33,108	22,932	10,176	4,663
Fire Training					
Services and supplies	100,000	126,000	96,297	29,703	101,015
Capital outlay	-	-	-	-	34,122
<i>Total Fire Training</i>	<u>100,000</u>	<u>126,000</u>	<u>96,297</u>	<u>29,703</u>	<u>135,137</u>
Fire Suppression					
Services and supplies	1,782,455	2,017,069	2,029,051	(11,982)	2,353,917
Capital outlay	260,985	520,985	333,585	187,400	952,974
<i>Total Fire Suppression</i>	<u>2,043,440</u>	<u>2,538,054</u>	<u>2,362,636</u>	<u>175,418</u>	<u>3,306,891</u>

EAST FORK FIRE PROTECTION DISTRICT, NEVADA
GENERAL FUND - BUDGETARY BASIS
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2020)

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2020</u>
	<u>ORIGINAL</u>	<u>FINAL</u>			
Fuels Management					
Salaries	\$ -	\$ 171,250	\$ 160,340	\$ 10,910	\$ -
Employee benefits	-	151,000	60,379	90,621	-
Services and supplies	-	53,400	104,690	(51,290)	-
Capital outlay	-	345,000	328,694	16,306	-
		-			
<i>Total Fuel Management</i>	-	720,650	654,103	66,547	-
<i>Total Fire Expenditures</i>	16,541,969	19,525,604	18,627,984	897,620	17,421,330
Debt Service					
Principal	278,470	292,460	292,979	519	288,000
Interest	34,800	34,800	34,280	(520)	40,068
<i>Total Debt Service</i>	313,270	327,260	327,259	(1)	328,068
<i>Total Expenditures</i>	16,855,239	19,852,864	18,955,243	897,619	17,749,398
Excess (Deficiency) of Revenues over Expenditures	(298,542)	(784,793)	673,386	(337,061)	(1,214,507)
Other Financing Sources (Uses)					
Contingency	(248,704)	(349,432)	-	349,432	-
Sale of assets	40,000	40,000	36,936	(3,064)	47,558
Insurance recoveries	-	-	-	-	4,975
Proceeds from financing agreement	-	-	-	-	1,993,706
Bond refunding escrow deposit	-	-	-	-	(942,000)
Transfer to Emergency Fund	-	(25,000)	(25,000)	-	-
<i>Total Other Financing Sources (Uses)</i>	(208,704)	(334,432)	11,936	346,368	1,104,239
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	(507,246)	(1,119,225)	685,322	1,804,547	(110,268)
Fund Balance, July 1	2,844,481	3,769,919	3,769,919	-	3,880,187
Fund Balance, June 30	<u>\$ 2,337,235</u>	<u>\$ 2,650,694</u>	<u>\$ 4,455,241</u>	<u>\$ 1,804,547</u>	<u>\$ 3,769,919</u>

EAST FORK FIRE PROTECTION DISTRICT, NEVADA
EMERGENCY RESERVE FUND - BUDGETARY BASIS
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021
(WITH COMPARATIVE TOTALS OFR THE YEAR ENDED JUNE 30, 2020)

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2020</u>
	<u>ORIGINAL</u>	<u>FINAL</u>			
Revenues					
Other Revenues					
Investment earnings	\$ -	\$ -	\$ 843	\$ 843	\$ 2,618
Expenditures					
Emergency reserve					
Services and supplies	303,211	330,829	163,258	167,571.0	-
<i>Total Expenditures</i>	303,211	330,829	163,258	-	-
Excess (Deficiency) of Revenues over Expenditures	(303,211)	(330,829)	(162,415)	843	2,618
Other Financing Sources					
Transfer from General Fund	-	25,000	25,000	-	-
Excess (Deficiency) of Revenues and Other Sources over Expenditures	(303,211)	(305,829)	(137,415)	843	2,618
Fund Balance, July 1	303,211	305,829	305,829	-	303,211
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 168,414</u>	<u>\$ 168,414</u>	<u>\$ 305,829</u>

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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
East Fork Fire Protection District, 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 each major fund of the East Fork Fire Protection District, Nevada, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the East Fork Fire Protection District's basic financial statements and have issued our report thereon dated November 23, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered East Fork Fire Protection District, Nevada's internal control over financial reporting (internal control) to determine the audit procedures that are appropriated 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 East Fork Fire Protection District, Nevada's internal control. Accordingly, we do not express an opinion on the effectiveness of the East Fork Fire Protection District, Nevada'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.

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 that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be significant deficiencies or material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the East Fork Fire Protection District, Nevada's financial statements are free of 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*.

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.

Sciarani & Co.

Yerington, Nevada
November 23, 2021



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE

To the Board of Directors
East Fork Fire Protection District, Nevada

Report on Compliance of Each Major Federal Program

We have audited East Fork Fire Protection District, Nevada's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of East Fork Fire Protection District, Nevada's major federal programs for the year ended June 30, 2021. East Fork Fire Protection District, Nevada's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of East Fork Fire Protection District, Nevada's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about East Fork Fire Protection District, Nevada's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of East Fork Fire Protection District, Nevada's compliance.

Opinion on Each Major Federal Program

In our opinion, East Fork Fire Protection District, Nevada, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of East Fork Fire Protection District, Nevada, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered East Fork Fire Protection District, Nevada's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of East Fork Fire Protection District, Nevada's internal control over compliance.

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

Our consideration of internal control over compliance 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 compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Sciarani & Co.

Yerington, Nevada
November 23, 2021

EAST FORK FORE PROTECTION DISTRICT, NEVADA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

Federal Grantor/Pass-through Grantor/ Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
<u>U.S. Department of Transportation:</u>				
Pass-through program from State of Nevada Department of Public Safety Division of Emergency Management HMEP Grant	20.703	20-HMEP-04-01		\$ 250
Total U.S. Department of Transportation				<u>250</u>
<u>U.S. Department of Treasury:</u>				
Pass-through program from State of Nevada Governor's Finance Office Coronavirus Relief Fund	21.019	N/A		510,158
Total U.S. Department of Treasury				<u>510,158</u>
<u>U.S. Department Homeland Security</u>				
Direct Award				
Assistance to Firefighters Grant	97.083	EMW-2018-FH-00162		354,432
Assistance to Firefighters Grant, COVID-19 Supplemental	97.044	EMW-2020-FG-00768		62,750
Pass-through program from State of Nevada Department of Public Safety Division of Emergency Management				
EMPG	97.042	EMP FY2020 Emergency Staff Salary		57,239
EMPG-S COVID Special	97.042	FFY 2020 EMPG COVID Special		5,368
FEMA Public Assistance, Disaster 4523, COVID-19	97.036	PA-09-NV-4523-PW-0007(1)		69,229
CERT Grant	97.067	97067-19-3000	3,599	
CERT Grant	97.067	2020 CERT Grant	<u>9,953</u>	
Total U.S. Department of Homeland Security				<u>13,552</u>
Total U.S. Department of Homeland Security				<u>562,570</u>
Total Expenditures of Federal Awards				<u>\$ 1,072,978</u>

EAST FORK FIRE PROTECTION DISTRICT, NEVADA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

Note A- Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of East Fork Fire Protection District under programs of the federal government for the year ending June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule present only a selected portion of the operations of East Fork Fire Protection District, it is not intended to and does not present the financial position, changes in net position, or cash flows of East Fork Fire Protection District.

Note B- Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, Cost Principles for Audits of State, Local, and Indian Tribal Governments, or the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowed or are limited as reimbursement. When applicable, negative amount shown on the Schedule represent adjustments or credits made in the normal course of business as expenditures in prior years.

Indirect Costs

The District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note C – Commodity Food Distributions Received

The District does not receive any commodity food distributions.

Note D – Subrecipients

East Fork Fire Protection District did not pass any federal awards received to any other government or not-for profit agencies.

Note E – Matching Requirements

Certain Federal programs require the East Fork Fire Protection District to contribute non-Federal funds (matching funds) to support the Federally Funded programs. East Fork Fire Protection District has met its matching requirements. The Schedule does not include the expenditure for non-Federal matching funds.

EAST FORK FIRE PROTECTION DISTRICT, NEVADA
SCHEDULE OF FINDINGS AND QUESTIONS COSTS
FOR THE YEAR ENDED JUNE 30, 2021

A. Summary of Auditor’s Results:

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	No
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major federal programs:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	No
Type of auditor’s report issued on compliance for major federal programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
Identification of major federal programs:	
<u>CFDA#</u> <u>Name of Federal Program or Cluster</u>	
21.019 Coronavirus Relief Fund	
Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
Auditee qualified as low-risk auditee?	No

EAST FORK FIRE PROTECITON DISTRICT, NEVADA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021

B. Findings – Financial Statement Audit

No audit findings were reported.

C. Findings and Questioned Costs – Major Federal Award Program Audit

No audit findings were reported.

EAST FORK FIRE PROTECTION DISTRICT, NEVADA
STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021

B. Findings – Financial Statement Audit

No prior year audit findings were reported.

C. Findings and Questioned Costs – Major Federal Award Program Audit

No audit findings were reported.

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A Professional Corporation

INDEPENDENT ACCOUNTANT'S REPORT ON
NEVADA REVISED STATUTES 354.6241

To the Board of Directors
East Fork Fire Protection District, Nevada

We have reviewed management's assertion made in accordance with Nevada Revised Statute 354.624(5)(a) with respect to the funds of the East Fork Fire Protection District as of and for the year ended June 30, 2021 that:

- The identified funds are being used expressly for the purposes for which that were created.
- The Funds are administered in accordance with accounting principles generally accepted in the United States of America.
- The restricted fund balance/net position in the funds were reasonable and necessary to carry out the purposes of the funds at June 30, 2021 (based on the interpretation of reasonable and necessary provided by the Legislative Counsel Bureau).
- The sources of revenues, including transfers, available for the funds are as noted in the financial statements.
- The funds conform to significant statutory and regulatory constraints on their financial statements administration during the year ending June 30, 2021 as detailed in Note 2 to the financial statements.

This assertion is the responsibility of the management of the East Fork Fire Protection District.

Our review was conducted in accordance with attestation standard established by the American Institute of Certified Public Accountants. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on management's assertion. Accordingly, we do not express such an opinion.

Based on our review, nothing came to our attention that caused us to believe that management's assertion referred to above is not fairly stated in all material respects.

Sciarani & Co.

Yerington, Nevada
November 23, 2021

EAST FORK FIRE PROTECTION DISTRICT
INDEPENDENT AUDITOR'S COMMENTS
JUNE 30, 2021

Statute Compliance

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

Prior Year Audit Recommendation

There were no specific recommendations made in the audit report for the year ending June 30, 2020.

Current Year Audit Recommendations

The Schedule of Findings and Responses included in this audit report would provide a listing of our current year recommendations.