

NORTH LYON COUNTY
FIRE PROTECTION DISTRICT,
LYON COUNTY, NEVADA
JUNE 30, 2017



NORTH LYON COUNTY FIRE PROTECTION DISTRICT
JUNE 30, 2017

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Independent Auditor's Report

To the Board of the North Lyon County Fire
Protection District, Lyon County, Nevada

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities and each major fund of the North Lyon County Fire Protection District, Lyon County, Nevada as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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, business-type activities and each major fund of the North Lyon County Fire Protection District, Lyon County, Nevada as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedule of Funding Progress-Other Postemployment Benefits, Schedule of the District's Proportionate Share of the Net Pension Liability and Schedule of the District's Contributions on pages 3-A through 3-G and pages 27 through 29, respectively, 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 the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated January 26, 2018, on our consideration of the District's internal control over financial reporting and 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 the 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 North Lyon County Fire Protection District, Lyon County, Nevada's internal control over financial reporting and compliance.

Yerington, Nevada
January 26, 2018

Arrighi, Blake - Associates, LLC

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the North Lyon County Fire Protection District, we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the North Lyon County Fire Protection District's fiscal year ended June 30, 2017.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the North Lyon County Fire Protection District exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$1,890,852 (net position). The District has a negative unrestricted net position of \$792,849.
- The District's total net position increased by \$222,240.
- As of the close of the current fiscal year, the District's General Fund reported an ending fund balance of \$532,074, an increase of \$224,670 in comparison with the prior year. Fund balance for the General Fund was approximately 27% of total General Fund expenditures.
- The District's Acquisition Fund reported an ending fund balance of \$145,880, an increase of \$60,156 in comparison with the prior year. Of this amount, \$42,000 is reserved for debt service.
- The Ambulance Fund's net position increased during the year by \$51,377 from \$460,667 to \$512,044.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the North Lyon County Fire Protection District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements.

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the North Lyon County Fire Protection District's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all of the District's assets and deferred outflows of resources less liabilities and deferred inflows of resources, with the difference being reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this Statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements detail the governmental activity of the Public Safety function of the North Lyon County Fire Protection District that is principally supported by ad valorem taxes.

The government-wide financial statements can be found on pages 4-5 of this report.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources. The North Lyon County Fire Protection District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District uses two governmental funds and one proprietary fund.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the Governmental Fund Balance Sheet and the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The basic governmental fund financial statements can be found on pages 6-10 of this report.

Proprietary Funds. The District maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities on the government-wide financial statements. The District uses an enterprise fund to account for ambulance operations provided to the citizens within the District. The District's major proprietary fund is the Ambulance Enterprise Fund.

The North Lyon County Fire Protection District adopts an annual appropriated budget for its funds. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

The proprietary fund financial statements can be found on pages 11-13 of this report.

Notes to Financial Statements. The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 14-26 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the North Lyon County Fire Protection District, net position was \$1,890,852 at the close of the most recent fiscal year.

The largest portion of the North Lyon County Fire Protection District's net position reflects its net investment in capital assets, which exceeds total net position by a significant amount. \$42,000 of net position is restricted for debt service. The difference is a deficit of unrestricted net position of \$792,849. The North Lyon County Fire Protection District uses these capital assets to provide services to members; consequently, these assets are not available for future spending.

Current and other assets	\$	1,262,309	\$	1,316,701	\$	2,579,010
Capital assets		2,851,198		294,457		3,145,655
Total assets		<u>4,113,507</u>		<u>1,611,158</u>		<u>5,724,665</u>
Deferred inflows of resources		<u>138,143</u>		<u>169,180</u>		<u>307,323</u>
Other liabilities		714,311		208,903		923,214
Long-term liabilities		1,863,887		903,395		2,767,282
Total liabilities		<u>2,578,198</u>		<u>1,112,298</u>		<u>3,690,496</u>
Deferred outflows of resources		<u>294,644</u>		<u>145,996</u>		<u>440,640</u>
Net position (restated):						
Net investment in capital assets		2,347,244		294,457		2,641,701
Restricted for debt service		42,000		-		42,000
Unrestricted		<u>(1,010,436)</u>		<u>217,587</u>		<u>(792,849)</u>
Total net position	\$	<u>1,378,808</u>	\$	<u>512,044</u>	\$	<u>1,890,852</u>

At the end of the current fiscal year, the District had negative balances in unrestricted net position for the governmental fund.

North Lyon County Fire Protection District's Change in Net Position

	Governmental	Business-type	Total
Revenues			
Program revenues:			
Charges for services	\$ 383,163	\$ 2,257,758	\$ 2,640,921
Operating grants	514,472	-	514,472
Capital grants and contributions	-	-	-
General revenues:			
Property taxes	1,251,165	-	1,251,165
Other taxes	160,354	-	160,354
Other	33,488	18,072	51,560
Total revenues	<u>2,342,642</u>	<u>2,275,830</u>	<u>4,618,472</u>
Expenses:			
Public safety	2,015,816	-	2,015,816
Debt service	42,000	-	42,000
Ambulance	-	2,224,453	2,224,453
Total expenses	<u>2,057,816</u>	<u>2,224,453</u>	<u>4,282,269</u>
Excess of revenues over expenses	284,826	51,377	336,203
Transfers:	-	-	-
Change in net position	284,826	51,377	336,203
Net position, beginning	393,128	460,667	853,795
Net position, ending	<u>\$ 677,954</u>	<u>\$ 512,044</u>	<u>\$ 1,189,998</u>

Governmental activities. Governmental activities increased the North Lyon County Fire Protection District's net position by \$284,826.

Business-type activities. Proprietary activities increased the North Lyon County Fire Protection District's net position by \$51,377.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S GENERAL FUND

As noted earlier, the North Lyon County Fire Protection District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the North Lyon County Fire Protection District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Board's financing requirements. In particular, 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 North Lyon County Fire Protection District's General Fund reported an ending fund balance of \$532,074, an increase of \$224,670 in comparison with the prior year. The increase was mainly due to an increase in revenues.

As a measure of the General Fund's liquidity, it may be useful to compare ending fund balance to total fund expenditures. Ending fund balance represents approximately 27% of total General Fund expenditures.

GENERAL FUND BUDGETARY HIGHLIGHTS

The District augmented the General Fund budget by \$286,587 to account for mutual aid received. An automatic grant augmentation of \$514,472 also occurred during the year.

CAPITAL ASSET ADMINISTRATION

Capital Assets. The North Lyon County Fire Protection District's investment in capital assets (net of accumulated depreciation) for its governmental activities of \$2,851,198 and for its business-type activities of \$294,457 at June 30, 2017. This investment included buildings and improvements and equipment. The total decrease in the North Lyon County Fire Protection District's investment in capital assets for the current fiscal year was 1.4%.

Major capital asset events during the current fiscal year included the following:

- Ambulance equipment for \$74,387.
-

North Lyon County Fire Protection District's Capital Assets Governmental Activities (net of depreciation)

	<u>2017</u>	<u>2016</u>
Land	\$ 273,293	\$ 273,293
Buildings and improvements	1,726,048	1,776,978
Equipment	851,857	874,198
Total capital assets	\$ 2,851,198	\$ 2,924,469

North Lyon County Fire Protection District's Capital Assets Business-Type Activities (net of depreciation)

	<u>2017</u>	<u>2016</u>
Land	\$ -	\$ -
Buildings and improvements	-	-
Equipment	294,457	124,038
Total capital assets	\$ 294,457	\$ 124,038

Additional information on the North Lyon County Fire Protection District's capital assets can be found in Note 4 on page 19 of this report.

DEBT ADMINISTRATION

As of June 30, 2017, the District had \$503,227 in outstanding debt for the Consolidated Tax Revenue Bond Series 2004. There was a principal reduction of \$19,529 on this debt during the fiscal year.

The District did not issue any new debt in fiscal year 2016-2017. Additional information on the North Lyon County Fire Protection District's debt can be found in Note 7 on page 21 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

- The ad valorem taxes are projected to be approximately \$16,300 higher for the next fiscal year.

This factor was considered in preparing the North Lyon County Fire Protection District's budget for the 2018 fiscal year.

REQUESTS FOR INFORMATION

The financial report is designed to provide a general overview of the North Lyon County Fire Protection District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the North Lyon County Fire Protection District, 195 E. Main Street, Fernley, Nevada 89408.

NORTH LYON COUNTY FIRE PROTECTION DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2017

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 1,199,435	\$ 461,262	1,660,697
Cash restricted for debt service	42,000	-	42,000
Due from other funds	-	424,224	424,224
Taxes receivable	14,412	-	14,412
Accounts receivable	454	431,215	431,669
Bond issuance costs, net	6,008	-	6,008
Capital assets not being depreciated	273,293	-	273,293
Capital assets (net of accumulated depreciation)	2,577,905	294,457	2,872,362
TOTAL ASSETS	4,113,507	1,611,158	5,724,665
DEFERRED OUTFLOWS OF RESOURCES			
Deferred pension outflows	138,143	169,180	307,323
LIABILITIES			
Accounts payable	112,880	130,763	243,643
Accrued liabilities	28,075	20,358	48,433
Due to other funds	424,224	-	424,224
Interest payable	727	-	727
Other post employment benefits	6,363	-	6,363
Compensated absences	142,042	67,782	209,824
Noncurrent liabilities			
Due within one year	20,401	-	20,401
Due in more than one year	482,826	-	482,826
Net pension liability	1,360,660	903,395	2,264,055
TOTAL LIABILITIES	2,578,198	1,122,298	3,700,496
DEFERRED INFLOWS OF RESOURCES			
Deferred pension inflows	294,644	145,996	440,640
NET POSITION			
Net investment in capital assets	2,347,244	294,457	2,641,701
Restricted for debt service	42,000	-	42,000
Unrestricted	(1,010,436)	217,587	(792,849)
TOTAL NET POSITION	\$ 1,378,808	\$ 512,044	\$ 1,890,852

See accompanying notes.

NORTH LYON COUNTY FIRE PROTECTION DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

FUNCTION/PROGRAM	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
Public safety	\$ 2,073,412	\$ 383,163	\$ 514,472	\$ -	\$ (1,175,777)	\$ -	\$ (1,175,777)
Debt service:							
Public Safety	\$ 78,092				(78,092)		\$ (78,092)
Interest and fiscal charges	22,471	-	-	-	(22,471)	-	(22,471)
Total Governmental Activities	2,173,975	383,163	514,472	-	(1,276,340)	-	(1,276,340)
Business-type activities:							
Ambulance	2,224,453	2,223,555	-	-	-	(898)	(898)
Total	<u>\$ 4,398,428</u>	<u>\$ 2,606,718</u>	<u>\$ 514,472</u>	<u>\$ -</u>	<u>(1,276,340)</u>	<u>(898)</u>	<u>(1,277,238)</u>
GENERAL REVENUES							
Taxes:							
Property taxes					1,252,409	-	1,252,409
Consolidated taxes					160,354	-	160,354
Interest income					1,380	352	1,732
Miscellaneous					33,240	51,923	85,163
Transfers					-	-	-
TOTAL GENERAL REVENUES					<u>1,447,383</u>	<u>52,275</u>	<u>1,499,658</u>
CHANGE IN NET POSITION					171,043	51,377	222,420
NET POSITION, BEGINNING OF YEAR					<u>1,207,765</u>	<u>460,667</u>	<u>1,668,432</u>
NET POSITION, END OF YEAR					<u>\$ 1,378,808</u>	<u>\$ 512,044</u>	<u>\$ 1,890,852</u>

See accompanying notes.

**NORTH LYON COUNTY FIRE PROTECTION DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2017**

	GENERAL FUND	ACQUISITION FUND	TOTAL
ASSETS & DEFERRED OUTFLOWS OF RESOURCES			
Assets:			
Cash and investments	\$ 1,095,555	\$ 103,880	\$ 1,199,435
Cash restricted for debt service	-	42,000	42,000
Taxes receivable	14,412	-	14,412
Accounts receivable	454	-	454
	1,110,421	145,880	1,256,301
 Total Assets	 <u>1,110,421</u>	 <u>145,880</u>	 <u>1,256,301</u>
 Deferred outflows of resources	 <u>-</u>	 <u>-</u>	 <u>-</u>
 Total Assets & Deferred Outflows of Resources	 <u>\$ 1,110,421</u>	 <u>\$ 145,880</u>	 <u>\$ 1,256,301</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES & FUND BALANCE			
Liabilities:			
Accounts payable	\$ 112,880	\$ -	\$ 112,880
Due to other funds	424,224	-	424,224
Accrued liabilities	28,075	-	28,075
	565,179	-	565,179
 Total Liabilities	 <u>565,179</u>	 <u>-</u>	 <u>565,179</u>
 Deferred inflows of resources:			
Deferred for property taxes	13,168	-	13,168
	<u>13,168</u>	<u>-</u>	<u>13,168</u>
 FUND BALANCE			
Restricted	-	42,000	42,000
Assigned	180,959	103,880	284,839
Unassigned	351,115	-	351,115
	532,074	145,880	677,954
 Total Fund Balance	 <u>532,074</u>	 <u>145,880</u>	 <u>677,954</u>
 Total Liabilities, Deferred Inflows of Resources and Fund Balance	 <u>\$ 1,110,421</u>	 <u>\$ 145,880</u>	 <u>\$ 1,256,301</u>

See accompanying notes.

**NORTH LYON COUNTY FIRE PROTECTION DISTRICT
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2017**

Fund Balances - Governmental Funds		\$ 677,954
<p>Capital assets used in Governmental Activities are not financial resources and, therefore, are not reported in the Governmental Funds.</p>		
Governmental capital assets	5,000,485	
Less: Accumulated depreciation	<u>(2,149,287)</u>	2,851,198
<p>Other assets used in Governmental Activities are not financial resources, and therefore, are not reported in the Governmental Funds.</p>		
Bond and note issuance costs	17,894	
Less: Accumulated amortization	<u>(11,886)</u>	6,008
<p>Long-term liabilities are not due and payable in the current period, and therefore, are not reported in the Governmental Funds.</p>		
Other postemployment benefits liability	(6,363)	
Bond payable	(503,227)	
Accrued interest	(727)	
Compensated absences	(142,042)	
Net pension liability	<u>(1,360,660)</u>	(2,013,019)
Deferred outflows of resources reported in the Statement of Net Position		138,143
Deferred inflows of resources reported in the Statement of Net Position		(294,644)
<p>Deferred revenue represents amounts that were not available to fund current expenditures and, therefore, are not reported in Governmental Funds.</p>		<u>13,168</u>
Total Net Position of Governmental Activities		<u>\$ 1,378,808</u>

See accompanying notes.

NORTH LYON COUNTY FIRE PROTECTION DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2017

	<u>GENERAL FUND</u>	<u>ACQUISITION FUND</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
REVENUES			
Taxes	\$ 1,251,165	\$ -	\$ 1,251,165
Intergovernmental	674,826	-	674,826
Charges for services	383,163	-	383,163
Miscellaneous	33,240	248	33,488
	<u>2,342,394</u>	<u>248</u>	<u>2,342,642</u>
EXPENDITURES			
Current:			
Public safety	1,937,724	78,092	2,015,816
Debt service:			
Principal	-	19,529	19,529
Interest	-	22,471	22,471
	<u>1,937,724</u>	<u>120,092</u>	<u>2,057,816</u>
Excess (Deficiency) of Revenues over Expenditures	<u>404,670</u>	<u>(119,844)</u>	<u>284,826</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	180,000	180,000
Transfers out	(180,000)	-	(180,000)
	<u>(180,000)</u>	<u>180,000</u>	<u>-</u>
Net Change in Fund Balances	224,670	60,156	284,826
Fund Balance, July 1	<u>307,404</u>	<u>85,724</u>	<u>393,128</u>
Fund Balance, June 30	<u>\$ 532,074</u>	<u>\$ 145,880</u>	<u>\$ 677,954</u>

See accompanying notes.

**NORTH LYON COUNTY FIRE PROTECTION DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017**

Net Change in Fund Balance - Governmental Funds \$ 284,826

Governmental Funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense:

Expenditures for capital assets	78,092	
Less: Current year depreciation	<u>(151,363)</u>	(73,271)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in Governmental Funds.

Change in deferred revenue		(758)
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The issuance of long-term debt provides current financial resources to Governmental Funds, but issuing debt increases long-term liabilities in the Statements of Net Position. Repayment of the bond principal is an expenditure in the Governmental Funds, but the payment reduces long-term liabilities on the Statement of Net Position.

Principal payments		19,529
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The liability for other postemployment benefits is not recorded in the Governmental Funds, but is reported in the statement of net position. This is a current year charge in the liability, reported as an expense in the Statement of Activities.

Change in other postemployment benefit liability		(2,695)
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in Governmental Funds.

Amortization of current year bond premium, discount costs	(344)	
Change in compensated absences	<u>(56,244)</u>	<u>(56,588)</u>

Change in Net Position of Governmental Activities		<u>\$ 171,043</u>
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**NORTH LYON COUNTY FIRE PROTECTION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND**

FOR THE YEAR ENDED JUNE 30, 2017

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016)

	BUDGET		ACTUAL	VARIANCE TO FINAL BUDGET	2016
	ORIGINAL	FINAL			
REVENUES					
Taxes:					
Ad valorem	\$ 1,208,162	\$ 1,208,162	\$ 1,251,165	\$ 43,003	\$ 1,162,909
Intergovernmental:					
Federal grants:					
Staffing for Adequate Fire & Emergency Response Grants	-	501,012	501,012	-	270,831
Homeland Security Grant	-	11,174	11,174	-	15,758
OTS Grant	-	2,286	2,286	-	17,420
State shared revenues:					
Consolidated tax distribution	156,926	156,926	160,354	3,428	127,585
	<u>156,926</u>	<u>671,398</u>	<u>674,826</u>	<u>3,428</u>	<u>431,594</u>
Charges for services:					
Mutual aid	-	286,587	319,040	32,453	258,015
Cost recovery	10,000	10,000	-	(10,000)	8,492
Inspection fees and permits	11,800	11,800	7,738	(4,062)	8,910
Fire and safety reviews	40,000	40,000	56,385	16,385	55,355
	<u>61,800</u>	<u>348,387</u>	<u>383,163</u>	<u>34,776</u>	<u>330,772</u>
Miscellaneous:					
Investment income	1,350	1,350	1,132	(218)	1,087
Other	1,000	1,000	32,108	31,108	59,147
	<u>2,350</u>	<u>2,350</u>	<u>33,240</u>	<u>30,890</u>	<u>60,234</u>
Total Revenues	<u>1,429,238</u>	<u>2,230,297</u>	<u>2,342,394</u>	<u>112,097</u>	<u>1,985,509</u>
EXPENDITURES					
Public Safety:					
Salaries and wages	558,508	811,500	909,624	(98,124)	607,746
Employee benefits	327,687	478,800	402,068	76,732	338,791
Services and supplies	234,794	591,512	626,032	(34,520)	143,567
Capital outlay	-	40,236	-	40,236	318,419
Total Expenditures	<u>1,120,989</u>	<u>1,922,048</u>	<u>1,937,724</u>	<u>(15,676)</u>	<u>1,408,523</u>
Excess (Deficiency) of Revenues over Expenditures	<u>308,249</u>	<u>308,249</u>	<u>404,670</u>	<u>96,421</u>	<u>576,986</u>
OTHER FINANCING SOURCES (USES)					
Contingency	(33,630)	(33,630)	-	33,630	-
Transfer out:					
Ambulance Fund	(267,300)	(267,300)	-	267,300	(350,000)
Acquisition Fund	(180,000)	(180,000)	(180,000)	-	(252,000)
Total Other Financing Sources (Uses)	<u>(480,930)</u>	<u>(480,930)</u>	<u>(180,000)</u>	<u>300,930</u>	<u>(602,000)</u>
Net Changes in Fund Balance	<u>(172,681)</u>	<u>(172,681)</u>	<u>224,670</u>	<u>397,351</u>	<u>(25,014)</u>
Fund Balance, July 1	<u>444,945</u>	<u>444,945</u>	<u>307,404</u>	<u>(137,541)</u>	<u>332,418</u>
Fund Balance, June 30	<u>\$ 272,264</u>	<u>\$ 272,264</u>	<u>\$ 532,074</u>	<u>\$ 259,810</u>	<u>\$ 307,404</u>

See accompanying notes.

NORTH LYON COUNTY FIRE PROTECTION DISTRICT
 PROPRIETARY FUND
 STATEMENT OF NET POSITION
 JUNE 30, 2017

	<u>AMBULANCE FUND</u>
ASSETS	
Current Assets:	
Cash and cash equivalents	\$ 461,262
Due to other funds	424,224
Accounts receivable	<u>431,215</u>
Total Current Assets	<u>1,316,701</u>
Noncurrent Assets:	
Equipment	420,763
Less: Accumulated depreciation	<u>(126,306)</u>
Total Noncurrent Assets	<u>294,457</u>
Total Assets	<u>1,611,158</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred pension outflows	<u>169,180</u>
LIABILITIES	
Accounts payable	130,763
Accrued salaries	20,358
Compensated absences	67,782
Net pension liability	<u>903,395</u>
Total Liabilities	<u>1,122,298</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred pension inflows	<u>145,996</u>
NET POSITION	
Net investment in capital assets	294,457
Unrestricted	<u>217,587</u>
Total Net Position	<u><u>\$ 512,044</u></u>

See accompanying notes.

NORTH LYON COUNTY FIRE PROTECTION DISTRICT
PROPRIETARY FUND
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2017

	AMBULANCE FUND
OPERATING REVENUES	
Charges for services	\$ 2,257,758
OPERATING EXPENSES	
Salaries and wages	532,360
Employee benefits	196,828
Services and supplies	94,538
Depreciation	46,219
Bad debts	1,354,508
Total Operating Expenses	2,224,453
Operating Income (Loss)	33,305
NONOPERATING REVENUE	
Investment income	352
Miscellaneous revenue	17,720
Income Before Capital Contributions and Transfers	51,377
CAPITAL CONTRIBUTIONS	-
TRANSFERS	
General Fund	-
Change in Net Position	51,377
Net Position, July 1	460,667
Net Position, June 30	\$ 512,044

See accompanying notes.

**NORTH LYON COUNTY FIRE PROTECTION DISTRICT
 PROPRIETARY FUND
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2017**

	<u>AMBULANCE FUND</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from ambulance fees	\$ 928,706
Cash payments for employee services	(745,664)
Cash payments for goods and services	<u>(338,227)</u>
Net Cash Provided (Used) by Operating Activities	<u>(155,185)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Purchase of equipment	<u>(74,387)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Income from investments	<u>352</u>
Net Increase in Cash and Cash Equivalents	(229,220)
CASH AND CASH EQUIVALENTS, July 1	<u>690,482</u>
CASH AND CASH EQUIVALENTS, June 30	<u><u>\$ 461,262</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:	
Operating revenue	\$ 33,305
Adjustments to reconcile operating revenue to net cash used by operating activities:	
Depreciation	46,219
(Increase) decrease in:	
Accounts receivable	58,607
Due to other funds	(424,224)
Increase (decrease) in:	
Accounts payable	86,026
Accrued salaries	16,476
Compensated absences	<u>28,406</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$ (155,185)</u></u>

See accompanying notes.

NORTH LYON COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 – Summary of Significant Accounting Policies:

The accompanying financial statements of North Lyon County Fire Protection District, Nevada (the District) have been prepared in accordance with accounting principles generally accepted 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 existing Governmental and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units.

Reporting Entity:

The District was established pursuant to NRS 474 in the 1950s. The District under the jurisdiction of an elected board has the authority to levy taxes within certain boundaries of Lyon County and to use the revenues for the purpose of paying such specific costs as the District may find necessary for fire protection in the Fernley, Nevada area.

Government-Wide and Fund Financial Statements:

Government-Wide and Fund Financial Statements:

The basic financial statements include both government-wide and fund financial statements. The reporting focus is on either the District as a whole or major individual funds (within the fund financial statement).

Government-wide financial statements: The government-wide financial statements (i.e. the statement of net assets and the statement of activities) report information on all of the activities of the District. Governmental activities are supported primarily by taxes and business-type activities are supported primarily by charges for services. The effect of interfund activity has been removed from these statements, except for short-term borrowings between the District's general fund and proprietary fund. Any amounts outstanding at year-end have been reported as internal balances.

The statement of activities demonstrates the degree to which the direct expenses of a given function or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund financial statements: The financial transactions of the District are reported in individual funds in the financial statements. Each fund is accounted for by providing a set of self balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures/expenses. Separate financial statements are provided for the governmental and proprietary funds. The emphasis in the fund financial statements is on the major funds. GASB Statement No. 34 sets forth the criteria for determining which funds should be reported as major; however, District management may electively add funds as major funds when it is determined that the funds have specific community or management focus. Major individual funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation:

Government-Wide Financial Statements:

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

NORTH LYON COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 – Summary of Significant Accounting Policies (Continued):

Governmental Fund Financial Statements:

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the District considers revenues to be available if they are collected within sixty days after the end of the current fiscal year. When revenues are due but will not be collected within 60 days after year-end, the receivable is recorded and an offsetting deferred revenue account is established. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, compensated absences and post employment benefits are recorded only when payment is due.

Property taxes, consolidated taxes, miscellaneous revenue and interest associated with the current fiscal year are considered to be susceptible to accrual and have been recognized as revenues in the current year.

The District reports the following major governmental funds:

- **General Fund** – The General Fund is the District’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- **Acquisition Fund** – The Acquisition Fund is primarily used for the purchase of capital assets. These capital assets include land, construction in progress, buildings and improvements and equipment.

The District reports the following major proprietary fund:

- **Ambulance Fund** – The Ambulance Fund is primarily used to provide ambulance services in North Lyon County Fire Protection District.

Property Taxes:

All real property in the District is assigned a parcel number in accordance with state law, with each parcel being subject to physical reappraisal every five years. A factoring system is used to adjust the appraised value during the years between physical appraisals. The valuation of the property and its improvements is computed at 35% of “taxable value” as defined by statute. The amount of tax levied is developed by multiplying the assessed value by the tax rate applicable to the area in which the property is located.

Taxes on real property are a lien on the property and attach on July 1 (the levy date) of the year for which the taxes are levied.

Taxes may be paid in four installments payable on the third Monday in August, and the first Monday in October, January, and March. 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 and the tax is computed using percentages of taxable values established by the Department of Taxation and tax rates described above.

The major classifications of personal property are commercial and mobile homes.

**NORTH LYON COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 1 – Summary of Significant Accounting Policies (Continued):

Cash and Investments:

The majority of cash collections of the District are made through the Lyon County Treasurer's office. Cash balances from all funds are combined and, to the extent practicable, invested as permitted by law in combination with Lyon County. Cash equivalents are considered to be cash on hand, demand deposits and short-term investments with three months or less from the date of acquisition. Cash in the proprietary fund is pooled and available on demand.

Investments are carried at fair value. All interest on these investments is collected by the Lyon County Treasurer's office. The District receives its portion of interest based on average monthly cash balances, net of accrued interest as provided by the pool sponsors.

Budgets and Budgetary Accounting:

Budget Policies:

North Lyon County Fire Protection District adheres to the Local Government Budget and Finance Act incorporated within the statutes of the State of Nevada, which includes the following major procedures to establish the budgetary data reflected in these financial statements.

1. On or before April 15, the North Lyon County Fire Protection District files a tentative budget with the Nevada Department of Taxation, for the next fiscal year, commencing on July 1. The budget as submitted contains the proposed expenditures and means to finance them.
2. The Nevada State Department of Taxation notifies the District of its acceptance of the budget.
3. Public hearings on the tentative budget are held on the third Thursday in May or the Friday following the third Thursday.
4. After all the changes have been noted and hearings closed, the District adopts the budget on or before June 1 and files it with the Nevada Department of Taxation.
5. Formal budgetary integration in the financial records of all funds is employed to enhance management control during the year.
6. Budgets for all funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Appropriations lapse at year end.
7. Budget amounts within funds and between funds may be transferred if amounts do not exceed the original budget. Such transfers must be approved by the Board, depending on established criteria. Budget augmentations in excess of original budgetary amounts may not be made without prior approval from the North Lyon Fire Protection District's Board following a public hearing.
8. In accordance with state statute, actual expenditures may not exceed appropriations in the various governmental functions in the General and Capital Projects Funds, except as specifically permitted by NRS 354.626. The sum of operating and nonoperating expenses in the proprietary fund may not exceed total appropriations.

Due from Other Governments/Taxes Receivable:

Secured roll property taxes receivable reflect only those taxes receivable from the last two delinquent roll years. Delinquent taxes from all roll years prior to fiscal year 2015-2016 have been written off.

Taxes receivable on personal property and net proceeds of mines reflect only those taxes that are known to be collectible, which generally are those collected within 60 days of year-end.

**NORTH LYON COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 1 – Summary of Significant Accounting Policies (Continued):

Accounts Receivable:

Accounts receivable are reflected net of an allowance for doubtful accounts of \$431,215.

Deferred Outflows and Inflows of Resources:

Pursuant to GASB Statement Number 63 and GASB Statement Number 65, the District recognizes deferred outflows and inflows of resources. A deferred outflow of resources is defined as a consumption of net position by the government that is applicable to a future reporting period. A deferred inflow of resources is defined as an acquisition of net position by the government that is applicable to a future reporting period.

Capital Assets:

Capital assets, which include land, construction in progress, buildings and improvements and equipment, are reported in the governmental activities in the government-wide financial statements. Assets are recorded at historical cost or estimated historical cost. Donated assets are recorded at their estimated fair market value on the date of donation. The District’s capitalization level is \$10,000. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

All capital assets are depreciated using the straight-line method over the following estimated useful lives:

	YEARS
Buildings and improvements	20-50
Equipment	5-10

Compensated Absences:

In the government-wide financial statements and the proprietary fund, compensated absences are reported as liabilities in the applicable government activities, business-type activities, or proprietary fund type statement of net assets.

Fund Equity:

In the fund financial statement, governmental funds report up to five components of fund balance, as applicable. These 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 limitations on use, such as those imposed by creditors, grantors, contributors, or laws of 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 designated official. Unassigned fund balance is for the portion of net resources that does not meet the criteria to be placed in any of the other components of fund balance.

Assigned fund balance is a total of \$180,959 which is a portion of the amount of beginning fund balance and the ending fund balance for the 2017-2018 fiscal year budget and future capital outlay expenditures.

Net Position:

Net position represents the difference between assets and liabilities. Net position invested in capital asset, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitation on their use either through enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, laws, or regulations of other governments. The District applied restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

At June 30, 2017, the Governmental Activities had \$42,000 in net position restricted by state statute or donors for specific purposes. The restricted net asset is for the USDA bond covenant to restrict 1/10th of the annual USDA payment for ten years. There were no Business Activities restricted net assets.

NORTH LYON COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 – Summary of Significant Accounting Policies (Continued):

Operating Revenues and Expenses:

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the District, ambulance fees are charges for services. Operating expenses are necessary costs incurred to provide the good or service which is the primary activity of the fund. Revenues and expenses which do not meet these criteria are considered non-operating and are reported as such.

Subsequent Events:

Management has evaluated events through January 26, 2018, which is the date of these financial statements were available to be issued and these financial statements have not been updated for subsequent events occurring after that date.

NOTE 2 – Compliance with Nevada Revised Statutes and the Nevada Administrative Code:

North Lyon County Fire Protection District conformed to all significant statutory constraints on its financial administration during the year with the following exceptions: Total expenditures in the General Fund exceeded appropriations by \$15,676 and the Ambulance Fund exceeded appropriations by \$132,248 which are apparent violations of NRS 354.626.

NOTE 3 – Cash and Investments:

Cash held in Wells Fargo Bank	\$ 1,702,697
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Nevada Revised Statutes (NRS 355.170) set forth acceptable investments for Nevada local governments. The District has not adopted a formal investment policy that would further limit its investment choices nor further limit its exposure to certain risks as set forth below.

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

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

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned. All of the bank balance was covered by Federal Deposit Insurance Corporation (FDIC) insurance.

NORTH LYON COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 4 – Capital Assets:

A summary of changes in capital assets for the year ended June 30, 2017 follows:

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 273,293	\$ -	\$ -	\$ 273,293
Capital assets, being depreciated:				
Buildings and improvements	2,268,270	-	-	2,268,270
Equipment	2,380,830	78,092	-	2,458,922
Total capital assets, being depreciated	4,649,100	78,092	-	4,727,192
Less accumulated depreciation for:				
Buildings and improvements	(491,292)	(50,930)	-	(542,222)
Equipment	(1,506,632)	(100,433)	-	(1,607,065)
Total accumulated depreciation	(1,997,924)	(151,363)	-	(2,149,287)
Total capital assets, being depreciated, net	2,651,176	(73,271)	-	2,577,905
Total capital assets, net	<u>\$ 2,924,469</u>	<u>\$ (73,271)</u>	<u>\$ -</u>	<u>\$ 2,851,198</u>
	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017
Business-Type Activities:				
Capital assets, being depreciated:				
Equipment	\$ 346,376	\$ 74,387	\$ -	\$ 420,763
Less accumulated depreciation for:				
Equipment	(80,087)	(46,219)	-	(126,306)
Total capital assets, net	<u>\$ 266,289</u>	<u>\$ 28,168</u>	<u>\$ -</u>	<u>\$ 294,457</u>

Depreciation expense was charged to the District is as follows:

Governmental Activities:	
Public safety	<u>\$ 151,363</u>
Business-Type Activities:	
Ambulance	<u>\$ 46,219</u>

**NORTH LYON COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 5 – Risk Management:

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. This District maintains commercial insurance coverage covering each of these risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

NOTE 6 – Interfund Activities:

Interfund transfers are shown as other financing sources or uses, as appropriate. Activity for the year ended June 30, 2017 is as follows:

Transfer out:	Transfer in:	Amount
General Fund	Acquisition Fund	\$ 180,000

The General fund transferred funds to the Acquisition fund for debt service and the Ambulance fund for operations.

NORTH LYON FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 8 - Long-Term Obligations

<u>Governmental Activities:</u>	Date of Issue	Original Note/Issue	Interest Rate	Interest Maturing During Period
<u>Consolidated Tax Revenue Bond, Series 2004</u>				
United States Department of Agriculture Rural Development-Community Facility Loan and Grant Program	08/04	\$ 700,000	4.38%	\$ 22,471
<u>Other Long-Term Obligations</u>				
Net pension liability	N/A	N/A	N/A	-
OPEB liability	N/A	N/A	N/A	-
Compensated absences	N/A	N/A	N/A	-
				<u>\$ 22,471</u>
<u>Business-Type Activities:</u>				
Net pension liability	N/A	N/A	N/A	-
Compensated absences	N/A	N/A	N/A	-
				<u>\$ -</u>

The annual requirements to amortize all outstanding long-term obligations as of June 30, 2016 is as follows:

<u>Revenue Bond:</u>	Principal	Interest	Total Annual Payments
Year Ending June 30			
2018	20,401	21,599	42,000
2019	21,312	20,688	42,000
2020	22,097	19,903	42,000
2021	22,392	19,608	42,000
2022-2026	149,232	60,768	210,000
2027-2031	178,462	31,538	210,000
2032-2035	89,331	4,332	93,663
	<u>\$ 503,227</u>	<u>\$ 178,436</u>	<u>\$ 681,663</u>

Principal Outstanding July 1	Issued or Ratified During Period	Maturing/ Defeased During Period	Principal Outstanding June 30	Payment Due in 2016-2017		Date of Final Payment
				Principal	Interest	
\$ 522,756	\$ -	\$ 19,529	\$ 503,227	\$ 20,401	\$ 21,599	06/34
1,360,660	-	-	1,360,660	-	-	N/A
3,668	2,695	-	6,363	-	-	N/A
85,798	142,042	85,798	142,042	-	-	N/A
<u>\$ 1,972,882</u>	<u>\$ 144,737</u>	<u>\$ 105,327</u>	<u>\$ 2,012,292</u>	<u>\$ 20,401</u>	<u>\$ 21,599</u>	
903,395	-	-	903,395	-	-	N/A
39,376	67,782	39,376	67,782	-	-	N/A
<u>\$ 942,771</u>	<u>\$ 67,782</u>	<u>\$ 39,376</u>	<u>\$ 971,177</u>	<u>\$ -</u>	<u>\$ -</u>	

**NORTH LYON COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 8 – Postemployment Health Care Plan:

Plan Descriptions: North Lyon County Fire Protection District contributes to an agent multiple-employer defined benefit postemployment healthcare plan, Public Employees’ Benefits Plan (PEBP). The plan provides medical, vision, dental, and life insurance benefits to eligible retired North Lyon County Fire Protection District’s employees and beneficiaries.

Benefit provisions for the PEBP are administered by the State of Nevada. NRS 287.043 assigns the authority to establish and amend benefit provisions to the PEBP nine-member board of trustees. North Lyon County Fire Protection District’s employees who met the eligibility requirements effective September 1, 2008 for retirement with the Nevada Public Employee Retirement System had the option upon retirement to enroll in coverage under the PEBP. NRS 287.023 sunsetted the option to join PEBP for North Lyon County Fire Protection District’s employees who retired after November 29, 2008. 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 state retirees participating in the plan. As of June 30, 2017, one North Lyon County Fire Protection District retiree was utilizing this benefit.

Funding Policy: NRS 287.046 establishes the subsidies to be contributed toward the premium costs of the eligible retired North Lyon County Fire Protection District’s employees. The contribution requirements of plan members and the North Lyon County Fire Protection District may be amended by the PEBP board. Premium rates determined by PEBP are the same for all participating members. The unsubsidized nonstate retiree plan premiums in effect for fiscal year 2013 ranged from \$352 to \$1,396, depending on the type of plan chosen. Plan members receiving benefits have their monthly contribution deducted from their pension checks based on the health plan chosen by the retiree, as reduced by the amount of the subsidy; therefore, their contributions are not available. For the plan year ended June 30, 2013, retirees qualified for a subsidy of \$114 at five years of service and \$628 at twenty years of service, with incremental increases for years of service in between. As a participating employer, North Lyon County Fire Protection District is billed for the subsidy on a monthly basis and is legally required to provide for it. For fiscal year 2017, the North Lyon County Fire Protection District contributed \$3,282 to the plan, equal to the required contributions. North Lyon County Fire Protection District did not prefund any future benefits.

Annual OPEB Cost and Net OPEB Obligation. North Lyon County Fire Protection District’s annual other postemployment benefit (OPEB) cost (expense) for the plan is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

North Lyon County Fire Protection District’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal years 2016-15, 2015-14 and 2014-13 were as follows:

Fiscal Year End	Annual OPEB Cost (Entry Age Normal Cost Method)	Employer Contributions	Percentage of Annual OPEB Contributed	Net OPEB Obligation
June 30, 2017	\$ 6,263	\$ 3,282	100%	\$ -
June 30, 2016	\$ 3,581	\$ 2,930	100%	\$ -
June 30, 2015	\$ 3,501	\$ 2,785	100%	\$ -

Note that fiscal year 2010, is the first year of prospective implementation of GASB 45, Accounting and Financial Reporting by Employers for Postemployment Benefit Plans Other Than Pension Plans; therefore, prior year information is unavailable.

**NORTH LYON COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 8 – Postemployment Health Care Plan (Continued):

The net OPEB obligation (NOPEBO) as of June 30, 2016, was calculated as follows:

Annual Required Contribution (ARC)	\$	6,263
Interest on net OPEB obligation		174
Adjustment to annual required contribution		(460)
		5,977
Annual Required Contribution		5,977
Less: Contributions made		3,282
		2,695
Increase in net OPEB obligation		2,695
Net OPEB obligation – beginning of the year		3,668
		6,363
Net OPEB obligation – end of year	\$	6,363

Funded Status and Funding Progress: The funded status of the plan as of June 30, 2017, was as follows:

Accrued actuarial liability (a)	\$	50,599
Actuarial value of plan assets (b)		-
		-
Unfunded Actuarial Accrued Liability (a) – (b)	\$	50,599
Funded Ratio (b) / (a)		0%
Covered payroll (c)		N/A
Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll ((a) – (b)) / (c)		N/A

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. Multiyear information will be provided as it becomes available.

Actuarial Methods and Assumptions: Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the District and plan members to that point. Actuarial calculations reflect long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and actuarial value of assets.

**NORTH LYON COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 8 – Postemployment Health Care Plan (Continued):

Significant methods and assumptions used in the June 30, 2014 actuarial valuation were as follows:

Actuarial valuation date	June 30, 2013
Actuarial cost method	Entry Age Normal Cost
Amortization method	Level Percentage of Payroll
Amortization period (open)	20 years
Asset valuation method	Market Value
Actuarial Assumptions:	
Investment rate of return	4%
Projected overall salary increase	N/A
Medical Healthcare inflation rate*	7.51%

* Decreasing by .01% in fiscal year 11, decreasing by .5% in fiscal year 2012, and then decreasing by 1% in subsequent years until ultimate trend rate of 5% is reached in 2014.

North Lyon Fire Protection District Plan Description:

The District offers the same medical, vision, dental and life insurance coverage to its eligible retirees and dependants as is available to its active employees. The District makes no contribution toward the premiums and historically and currently there are no retirees participating in this plan. Based on historical and projected participation rates, any other postemployment benefit cost and related liability for this plan have been determined to be immaterial and are not reflected in these financial statements. This assumption will be reviewed annually.

NOTE 9 – Defined Benefit Pension Plan:

Plan Description. North Lyon Fire Protection District participates in a cost sharing multiple employer defined benefit pension plan administered by the Public Employees Retirement System of the State of Nevada (PERS). All full-time and certain part-time employees of the District are covered by PERS. The Public Employees Retirement System of the State of Nevada issues a publicly available financial report that includes financial statements and required supplementary information for PERS. That report may be obtained on the PERS website at www.nvpers.org under Quick Links-Publications.

Benefits Provided. PERS provides retirement benefits, disability benefits, and survivor benefits, including annual cost of living adjustments, to plan members and their beneficiaries. Benefits, as required by Nevada Revised Statute 286, 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.

Monthly benefit allowances for members are computed as 2.5% of average compensation for each accredited year of service prior to July 1, 2001. For service earned on and after July 1, 2001, this multiplier is 2.67% of average compensation. For members entering the System on or after January 1, 2010, there is a 2.5% multiplier. The system offers several alternatives to the unmodified service requirement allowance which, in general, allow the retired employee to accept a reduced service retirement allowance payable monthly during his or her lifetime and various optional monthly payments to a named beneficiary after his or her death. Post-retirement increases are provided by authority of NRS 286.575-.579.

**NORTH LYON COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

Regular members 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.

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. Regular members become fully vested as to benefits upon completion of five years of service.

Contributions. Benefits for plan members are funded under the employer pay contribution plan. The District is required to contribute all amounts due under this plan. The contribution requirements of the District are established by Chapter 286 of the Nevada Revised Statutes. The funding mechanism may only be amended through legislation.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2017, the District reported a liability of \$2,264,055 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension relative to the projected contributions of all participating employers. The District's proportion was .002013%.

For the year ended June 30, 2017, the District recognized pension expense of \$41,391. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 69,902
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	(318,000)
Changes in proportion and differences between actual and proportionate share of contributions	-	131,127
District contributions subsequent to the measurement date	307,323	-
Total	<u>\$ 307,323</u>	<u>\$ (116,971)</u>

\$307,323 reported as deferred outflows related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Amount
2018	(118,640)
2019	(118,640)
2020	(118,640)
2021	(8,481)
2022	(54,283)
Thereafter	(21,956)
	<u>\$ (440,640)</u>

**NORTH LYON COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

Actuarial Assumption. The total pension liability in the June 30, 2016 actuarial valuation was determined using the following assumptions, applied to all periods including the measurement:

Inflation	3.5%
Salary increases	4.6% to 9.75%, depending on service
Investment rate of return	8.0%, net of pension plan investment Expense, including inflation

Mortality rates for non-disabled male regular members were based on the RP-2000 Combined Healthy Mortality Table projected to 2013 with Scale AA. Rates for non-disabled female regular members were based on the RP-2000 Combined Healthy Mortality Table, projected to 2013 with Scale AA, set back one year.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of the experience review completed in 2016.

The System's policies which determine the investment portfolio target asset allocation are established by the Board. The asset allocation is reviewed annually and is designed to meet the future risk and return needs of the System.

Asset Class	Target Allocation	Long-Term Geometric Expected Real Rate of Return*
Domestic equity	42%	5.50%
International equity	18%	5.75%
Domestic fixed income	30%	0.25%
Private markets	10%	6.80%

*As of June 30, 2014, PERS' long-term inflation assumption was 3.5%.

Discount rate. The discount rate used to measure the total pension liability was 8.00% as of June 30, 2016 and June 30, 2015. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in the statute. Based on that assumption, the pension plan's fiduciary net position at June 30, 2016, was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2016 and June 30, 2015.

Pension liability sensitivity. The following represents the District's proportionate share of the net pension liability calculated using the discount rate of 8% as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate 1 percentage point lower (7.00%) or 1 percentage point higher (9.00%) than the current discount rate:

	1% Decrease 7.00%	Current Rate 8.00%	1% Increase 9.00%
District's net pension liability	\$3,361,071	\$2,264,055	\$1,244,959

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in a separately issued PERS financial report that includes financial statements and required supplementary information. That report may be obtained on the PERS website at www.nvpers.org under Quick Links – Publications.

NORTH LYON COUNTY FIRE PROTECTION DISTRICT
 REQUIRED SUPPLEMENTARY INFORMATION
 JUNE 30, 2017

SCHEDULE OF FUNDING PROGRESS - OTHER POSTEMPLOYMENT BENEFIT PLANS

ACTUARIAL VALUATION DATE	ACTUARIAL VALUE OF PLAN ASSETS (a)	ACTUARIAL ACCRUED LIABILITY (AAL) - ENTRY AGE NORMAL COST (b)	UNFUNDED AAL (UAAL) (b - a)	FUNDED RATIO (a/b)	COVERED PAYROLL (c)	UAAL AS A PERCENTAGE OF COVERED PAYROLL ((b - a)/c)
June 30, 2017	\$ -	\$ 50,599	\$ 50,599	0%	N/A	N/A
June 30, 2016	\$ -	\$ 40,479	\$ 40,479	0%	N/A	N/A
June 30, 2015	\$ -	\$ 40,479	\$ 40,479	0%	N/A	N/A

**NORTH LYON FIRE PROTECTION DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2017**

**Schedule of the District's Proportionate Share of the Net Pension Liability
Last 10 Fiscal Years**

Last 10 Fiscal Years*

	<u>FY 2016</u>	<u>FY 2015</u>	<u>FY 2014</u>
District's proportion of the net pension liability (asset)	0.00200%	0.00200%	0.00200%
District's proportionate share of the net pension liability (asset)	2,264,056	2,264,056	2,097,860
District's covered-employee payroll	809,425	727,746	702,734
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	321.43%	321.43%	298.53%
Plan fiduciary net position as a percentage of the total pension liability	76.31%	76.31%	76.31%

*Amounts presented above were determined as of 6/30. Additional years will be presented as they become available.

**NORTH LYON FIRE PROTECTION DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2017**

Schedule of the District's Contributions

Last 10 Fiscal Years*

	<u>FY 2016</u>	<u>FY 2015</u>	<u>FY 2014</u>
Actuarially determined contribution	\$ 307,323	\$ 307,323	\$ 273,258
Contributions in relation to the actuarially determined contribution	307,323	307,323	273,258
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered employee payroll	\$ 809,425	\$ 727,746	\$ 702,734
Contributions as a percentage of covered-employee payroll	37.97%	38.86%	38.86%

*Amounts presented above were determined as of 6/30. Additional years will be presented as they become available.

NORTH LYON COUNTY FIRE PROTECTION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
MAJOR FUND
ACQUISITION FUND CAPITAL PROJECT FUND
FOR THE YEAR ENDED JUNE 30, 2017
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016)

	BUDGET		ACTUAL	VARIANCE TO FINAL BUDGET	2016
	ORIGINAL	FINAL			
REVENUES					
Miscellaneous:					
Investment income	\$ 300	\$ 300	\$ 248	\$ (52)	\$ 398
EXPENDITURES					
Current:					
Public Safety					
Capital outlay	443,477	443,477	78,092	365,385	289,551
Debt Service:					
Principal	19,529	19,529	19,529	-	18,623
Interest	22,471	22,471	22,471	-	23,377
Total Debt Service	42,000	42,000	42,000	-	42,000
Total Expenditures	485,477	485,477	120,092	365,385	331,551
Excess (Deficiency) of Revenues over Expenditures	(485,177)	(485,177)	(119,844)	365,333	(331,153)
OTHER FINANCING SOURCES (USES)					
Transfer in:					
General Fund	180,000	180,000	180,000	-	252,000
Net Change in Fund Balance	(305,177)	(305,177)	60,156	365,333	(79,153)
Fund Balance, July 1	347,177	347,177	85,724	(261,453)	164,877
Fund Balance, June 30	\$ 42,000	\$ 42,000	\$ 145,880	\$ 103,880	\$ 85,724

NORTH LYON COUNTY FIRE PROTECTION DISTRICT
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS - BUDGET AND ACTUAL
MAJOR FUND
AMBULANCE ENTERPRISE FUND
FOR THE YEAR ENDED JUNE 30, 2017
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016)

	BUDGET		ACTUAL	VARIANCE TO FINAL BUDGET	2016
	ORIGINAL	FINAL			
OPERATING REVENUES					
Charges for services:					
Ambulance Fees	\$ 1,840,050	1,840,050	\$ 2,257,758	\$ 417,708	\$ 2,286,439
OPERATING EXPENSES					
Salaries and wages	498,034	498,034	532,360	(34,326)	535,000
Employee benefits	294,351	294,351	196,828	97,523	280,525
Services and supplies	170,820	170,820	94,538	76,282	173,923
Depreciation	45,000	45,000	46,219	(1,219)	34,739
Bad debts	1,084,000	1,084,000	1,354,508	(270,508)	1,184,159
Total Operating Expenses	2,092,205	2,092,205	2,224,453	(132,248)	2,208,346
Operating Income (Loss)	(252,155)	(252,155)	33,305	285,460	78,093
NONOPERATING REVENUES					
Investment income	500	500	352	(148)	742
Miscellaneous revenue	-	-	17,720	17,720	3,181
Total Nonoperating Revenues	500	500	18,072	17,572	3,923
Income (Loss) Before Capital Contributions and Transfers	(251,655)	(251,655)	51,377	303,032	82,016
CAPITAL CONTRIBUTIONS	-	-	-	-	5,000
TRANSFERS IN					
General Fund	267,300	267,300	-	(267,300)	350,000
Change in Net Assets	\$ 15,645	\$ 15,645	51,377	\$ 35,732	437,016
Net Assets, July 1			460,667		23,651
Net Assets, June 30			\$ 512,044		\$ 460,667



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 the North Lyon County
Fire Protection District, Lyon County, 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, business-type activities and each major fund of the North Lyon County Fire Protection District, Lyon County, Nevada as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated January 26, 2018.

Internal Control over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District'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 the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

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.

Yerington, Nevada
January 26, 2018

Arrighi, Blake & Associates, LLC



Independent Accountant's Report

To the Board of North Lyon County
Fire Protection District
Lyon County, Nevada

We have reviewed the assertion provided by management in accordance with Nevada Revised Statute 354.624 (5) (a):

- The identified fund is being used expressly for the purpose for which it was created,
- The fund is administered in accordance with accounting principles generally accepted in the United States of America,
- The restricted net assets in the fund was reasonable and necessary to carry out the purposes of the fund at June 30, 2017 (based on the interpretation of reasonable and necessary provided by the Legislative Counsel Bureau),
- The source of revenue, including any transfers, available for the fund is as noted in the financial statements,
- The fund conformed to significant statutory and regulatory constraints on its financial administration during the year ended June 30, 2017,
- The balance of the fund is as noted in the financial statements.

This assertion is the responsibility of the management of the North Lyon County Fire Protection District.

Our review was conducted in accordance with attestation standards 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 the assertion. Accordingly, we do not express such an opinion.

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

Yerington, Nevada
January 26, 2018

Arrighi, Blake & Associates, LLC

NORTH LYON COUNTY FIRE PROTECTION DISTRICT
LYON COUNTY, NEVADA

JUNE 30, 2017

AUDITOR'S COMMENTS

STATUTE COMPLIANCE

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

PROGRESS ON PRIOR YEAR STATUTE COMPLIANCE

There were no specific recommendations made in the audit report for the year ended June 30, 2016.

CURRENT YEAR RECOMMENDATIONS

There were no specific recommendations made in the audit report for the current year.