



March 17, 2026

Central Lyon County Fire Protection District
Management and Board of Directors
246 Dayton Valley Rd. Suite 106
Dayton, Nevada 89403

Client ID:1000863.001

Statement of Work - Audit & Assurance

Dear Management and Board of Directors,

We are pleased to confirm our acceptance and our understanding of this engagement by means of this Statement of Work ("SOW") and the related Master Services Agreement ("MSA") between REDW LLC and Central Lyon County Fire Protection District (the District).

You have requested that we audit the financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and budgetary comparisons for the General Fund and major special revenue funds of the District, as of June 30, 2026, and for the year then ended, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS) and *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Accounting principles generally accepted in the United States of America, (U.S. GAAP,) as promulgated by the Governmental Accounting Standards Board (GASB) require that certain required supplementary information such as management's discussion and analysis (MD&A) and budgetary

comparison information 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. As part of our engagement, we will apply certain limited procedures to the required supplementary information (RSI) in accordance with auditing standards generally accepted in the United States of America, (US GAAS). These limited procedures will consist primarily of inquiries of management regarding their methods of measurement and presentation, and comparing the information for consistency with management's responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI. The following RSI is required by accounting principles generally accepted in the United States of America. This RSI will be subjected to certain limited procedures, but will not be audited:

- Management's Discussion and Analysis
- Schedules of OPEB Funding and Net Pension Liability

Supplementary information other than RSI will accompany the District's basic financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the basic financial statements and perform certain additional procedures, including comparing and reconciling the supplementary information to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and additional procedures in accordance with auditing standards generally accepted in the United States of America. We intend to provide an opinion on the following supplementary information in relation to the financial statements as a whole:

- Budgetary basis financial statements
- Combining fund financial statements
- Other Supplementary Information

Auditor Responsibilities

We will conduct our audit in accordance with GAAS and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. As part of an audit of financial statements in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 District's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements or noncompliance may not be detected exists, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards* of the Comptroller General of the United States of America. Please note that the determination of abuse is subjective and *Government Auditing Standards* does not require auditors to detect abuse.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any other periods.

We will issue a written report upon completion of our audit of the District's basic financial statements. Our report will be addressed to the District's board of directors. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph(s) to our auditor's report, or if necessary, withdraw from the engagement. If our opinions on the basic financial statements are other than unmodified, we

will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

In accordance with the requirements of *Government Auditing Standards*, we will also issue a written report describing the scope of our testing over internal control over financial reporting and over compliance with laws, regulations, and provisions of grants and contracts, including the results of that testing. However, providing an opinion on internal control and compliance over financial reporting will not be an objective of the audit and, therefore, no such opinion will be expressed.

Compliance with Laws and Regulations

As previously discussed, as part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, we will perform tests of the District's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

Management Responsibilities

Our audit will be conducted on the basis that management acknowledges and understands that they have responsibility:

1. For the preparation and fair presentation of the basic financial statements in accordance with accounting principles generally accepted in the United States of America;
2. For the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of basic financial statements that are free from material misstatement, whether due to error, fraudulent financial reporting, misappropriation of assets, or violations of laws, governmental regulations, grant agreements, or contractual agreements;
3. To provide us with:
 - a. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the basic financial statements such as records, documentation, and other matters;
 - b. Additional information that we may request from management for the purpose of the audit; and

- c. Unrestricted access to persons within the District and others from whom we determine it necessary to obtain audit evidence.
4. For including the auditor's report in any document containing basic financial statements that indicates that such basic financial statements have been audited by us;
 5. For identifying and ensuring that the District complies with the laws and regulations applicable to its activities;
 6. For acceptance of nonattest services, including identifying the proper party to oversee nonattest work;
 7. For adjusting the basic financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the current year period(s) under audit are immaterial, both individually and in the aggregate, to the basic financial statements as a whole;
 8. For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets;
 9. For informing us of any known or suspected fraud affecting the entity involving management, employees with significant role in internal control and others where fraud could have a material effect on the financials;
 10. For the accuracy and completeness of all information provided;
 11. For taking reasonable measures to safeguard protected personally identifiable and other sensitive information; and
 12. For confirming your understanding of your responsibilities as defined in this SOW to us in your management representation letter.

With regard to the supplementary information referred to above, you acknowledge and understand your responsibility: (a) for the preparation of the supplementary information in accordance with the applicable criteria; (b) to provide us with the appropriate written representations regarding supplementary information; (c) to include our report on the supplementary information in any document that contains the supplementary information and that indicates that we have reported on such supplementary information; and (d) to present the supplementary information with the audited basic financial statements, or if the supplementary information will not be presented with the audited

basic financial statements, to make the audited basic financial statements readily available to the intended users of the supplementary information no later than the date of issuance by you of the supplementary information and our report thereon.

As part of our audit process, we will request from management written confirmation concerning representations made to us in connection with the audit.

We understand that your employees will prepare all confirmations we request and will locate any documents or invoices selected by us for testing.

If you intend to publish or otherwise reproduce the financial statements and make reference to our firm, you agree to provide us with printers' proofs or masters for our review and approval before printing. You also agree to provide us with a copy of the final reproduced material for our approval before it is distributed.

Nonattest Services

We will also assist in preparing the financial statements and related notes of the District in conformity with U.S. generally accepted accounting principles and the Uniform Guidance based on information provided by you. We will not assume management responsibilities on behalf of the District. However, we will provide advice and recommendations to assist management of the District in performing its responsibilities.

The District's management is responsible for: (a) making all management decisions and performing all management functions; (b) assigning a competent individual to oversee the services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) establishing and maintaining internal controls, including monitoring ongoing activities.

Our responsibilities and limitations of the nonattest services are as follows:

- We will perform the services in accordance with applicable professional standards.
- The nonattest services are limited to the financial statements and related notes services previously outlined. Our firm, in its sole professional judgment, reserves the right to refuse to do any procedure or take any action that could be construed as making management decisions or assuming management responsibilities, including determining account coding and approving journal entries.

Engagement Administration, Fees, and Other

Stephen Montoya is the engagement principal for the audit services specified in this SOW. His responsibilities include supervising REDW's services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the audit report. Michael A. Dierlam will be the assigned concurring principal, performing a secondary review of the audit report and any selected areas by the audit team.

Our fee for the services described in this SOW will be \$73,000. The fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

We plan to conduct significant portions of the audit remotely. Our described fee assumes approximately two days of onsite fieldwork by one or two auditors. These onsite procedures are intended for certain procedures auditors may deem more appropriate for in-person work. If additional onsite work is determined to be necessary, or requested by your team, we will discuss those costs with you before incurred.

We will schedule the engagement based in part on deadlines, working conditions, and the availability of your key personnel. We will plan the engagement based on the assumption that your personnel will cooperate and provide assistance by performing tasks such as preparing requested schedules, retrieving supporting documents, and preparing confirmations. If for whatever reason your personnel are unavailable to provide the necessary assistance in a timely manner, it may substantially increase the work we have to do to complete the engagement within the established deadlines, resulting in an increase in fees over our original fee estimate.

If any extended audit services are requested by the District, if such services are required to complete the audit (for example, if accounting records are not reconciled or otherwise not ready for audit), they would be billed additionally at our standard hourly rates, depending upon the degree of responsibility involved and the experience level of the personnel assigned. In that case, we will discuss the situation with you before proceeding. Examples of situations that may cause the fee to increase include, but are not limited to, the following:

- **Urgency:** Rush delivery to meet deadline (if The District provides requested information after agreed dates)
- **Rescheduling:** Fieldwork schedule changes with less than two-weeks notice
- **Extra Revisions:** Revised trial balances provided after fieldwork begins or numerous adjusting journal entries

- **Single Audit:** If it is determined that the District is subject to the Single Audit act and required to conduct a single audit in accordance with the Uniform Grant Guidance. This is triggered by federal grant expenditures exceeding \$1,000,000 for the fiscal period.

Our invoices for these fees will be due as work progresses as follows:

Installment	Invoice Due Date	Fees
Installment #1	September 30, 2026	\$ 25,000
Installment #2	October 31, 2026	25,000
Installment #4	November 30, 2026	23,000
Total		\$ 73,000

Outstanding account balances may be charged a late fee at the rate of 1 ½ % per month.

During the course of the engagement, we may communicate with you or your personnel via fax or e-mail, and you should be aware that communication in those mediums contains a risk of misdirected or intercepted communications.

Regarding the electronic dissemination of audited financial statements, including financial statements published electronically on your Internet website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Professional standards prohibit us from being the sole host and/or the sole storage for your financial and non-financial data. As such, it is your responsibility to maintain your original data and records and we cannot be responsible to maintain such original information. By signing this SOW, you affirm that you have all the data and records required to make your books and records complete.

The audit documentation for this engagement is the property of REDW and constitutes confidential information. However, we may be requested to make certain audit documentation available to state agencies, federal agencies, and the U.S. Government Accountability Office pursuant to authority given to it by law or regulation, or to peer reviewers. If requested, access to such audit documentation will be provided under the supervision of REDW's personnel. Furthermore, upon request, we may provide copies of selected audit documentation to these agencies and regulators.

The regulators and agencies may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies. We agree to retain our audit documentation or work papers for a period of at least seven years from the date of our report.

Further, we will be available during the year to consult with you on financial management and accounting matters of a routine nature.

During the course of the audit, we may observe opportunities for economy in, or improved controls over, your operations. We will bring such matters to the attention of the appropriate level of management, either orally or in writing.

We agree to retain our audit documentation or work papers for a period of at least seven years from the date of our report.

You agree to inform us of facts that may affect the financial statements of which you may become aware during the period from the date of the auditor's report to the date the financial statements are issued.

At the conclusion of our audit engagement, we will communicate to the Board of Directors the following significant findings from the audit:

1. Our view about the qualitative aspects of The District's significant accounting practices;
2. Significant difficulties, if any, encountered during the audit;
3. Uncorrected misstatements, other than those we believe are trivial, if any;
4. Disagreements with management, if any;
5. Other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process;
6. Material, corrected misstatements that were brought to the attention of management as a result of our audit procedures;
7. Representations we requested from management;
8. Management's consultations with other accountants, if any; and

9. Significant issues, if any, arising from the audit that were discussed, or the subject of correspondence, with management.

In accordance with the requirements of *Government Auditing Standards*, we have attached a copy of our latest external peer review report of our firm for your consideration and files.

Special Terms & Conditions

By signing this agreement, you are committing and confirming that you are authorized by your company to execute this Statement of Work (“SOW”) to purchase the services listed. Your commitment to purchase becomes binding upon acceptance by REDW LLC (“REDW”) and is not subject to the issuance of any further confirmations or to other events.

REDW Standard Terms and Conditions apply and are governed by our Master Services Agreement (“MSA”) and by signing this SOW you are also agreeing to the Terms and Conditions contained in the MSA. Our MSA may be viewed at: Master Service Agreement - Online (redw.com)

https://web.redw.com/hubfs/MSA%20Documents/REDW_Master_Services_Agreement_GENERAL.pdf

The REDW LLC MSA and this SOW represent the entire Agreement between the parties and cannot be overridden by terms contained in any later received document unless the additional terms are accepted in writing by both parties.

Thank you for this opportunity to serve as your trusted advisor and to provide those services described in this SOW.

IN WITNESS WHEREOF, REDW and Client have executed this SOW through their duly authorized representatives as of the dates stated below.

REDW:

Client: Central Lyon County Fire District

Signature

Date

Name and title

Peer Review Report



Report on the Firm's System of Quality Control

June 21, 2023

To the Members of REDW, LLC and the Peer Review Committee of the Colorado Society of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of REDW, LLC (the firm) in effect for the year ended December 31, 2022. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a system review as described in the Standards may be found at www.aicpa.org/orsummary. The summary also includes an explanation of how engagements identified as not performed or reported on in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing and complying with a system of quality control to provide the firm with reasonable assurance of performing and reporting in conformity with the requirements of applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported on in conformity with the requirements of applicable professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of and compliance with the firm's system of quality control based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act and audits of employee benefit plans.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of REDW, LLC in effect for the year ended December 31, 2022, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)*, or *fail*. REDW, LLC has received a peer review rating of *pass*.

Weaver and Tidwell, L.L.P.

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