

Cathy Hill, Chair  
Christine Vuletich, Vice Chair  
Cindy Vance  
Lori Cooke  
Tammi Davis

Trenton Ross, Legal Counsel  
Brandon Price, Legal Counsel

## AGENDA

### WASHOE COUNTY, NEVADA OPEB TRUST FUND BOARD OF TRUSTEES

April 25, 2024 at 9:00 a.m.

Join Zoom Meeting

<https://washoecounty-gov.zoom.us/j/94970372098?pwd=SVlmQWIMQnlhWIRIUzVPb2NiZ2pkUT09>

Meeting ID: 949 7037 2098

Passcode: 699406

The meeting may also be attended by calling 719-359-4580 and entering the Phone Conference ID 949 7037 2098.

**NOTE:** Items on the agenda may be taken out of order, combined with other items, removed from the agenda, or moved to the agenda of another later meeting. Items with a specific time designation will not be heard prior to the stated time, but may be heard later.

**Public Comment.** Public comments are welcomed during the Public Comment periods for all matters, whether listed on the agenda or not, and are limited to two minutes per person. Additionally, public comment of two minutes per person will be heard during individually numbered items designated as “for possible action” on the agenda. Persons are invited to submit comments in writing on the agenda items and/or attend and make comment on that item at the Trustees’ meeting. Persons may not allocate unused time to other speakers.

Members of the public may submit comment by either attending the meeting in person, attending the meeting via teleconference, or attending by telephone only. To provide public comment via Teams, log into the Teams Meeting at the above link and utilize the “Raise Hand” feature during any public comment period. To provide public comment via telephone only, press \*5. Press \*6 to mute/unmute.

**Forum Restrictions and Orderly Conduct of Business.** The Washoe County OPEB Trust Board of Trustees conducts the business of the OPEB Trust Fund during its meetings. The presiding officer may order the removal of any person whose statement or other conduct disrupts the orderly, efficient or safe conduct of the meeting. Warnings against disruptive comments or behavior may or may not be given prior to removal. The viewpoint of a speaker will not be restricted, but reasonable restrictions may be imposed upon the time, place and manner of speech. Irrelevant and unduly repetitious statements and personal attacks which antagonize or incite others are examples of speech that may be reasonably limited.

**Responses to Public Comments.** The Board of Trustees can deliberate or take action only if a matter has been listed on an agenda properly posted prior to the meeting. During the public comment period, speakers may address matters listed or not listed on the published agenda. The Open Meeting Law does not expressly prohibit responses to public comments by the Board. However, responses from Trustees to unlisted public comment topics could become deliberation on a matter without notice to the public. On the advice of legal counsel and to ensure the public has notice of all matters the Board of Trustees will consider, Trustees may choose not to respond to public comments, except to correct factual inaccuracies, ask for staff action or to ask that a matter be listed on a future agenda. The

Board may do this either during the public comment item or during the following item: “Trustees’/Staff announcements, requests for information, topics for future agendas and statements relating to items not on the agenda”.

**Posting of Agenda.** Pursuant to NRS 241.020 (4)(b), the Agenda for the Washoe County OPEB Trust Board of Trustees Meeting has been posted at the following locations: Washoe County Administration Building (1001 E. 9<sup>th</sup> Street, Bldg. A; the Washoe County website ([www.washoecounty.gov/comptroller/board\\_committees/OPEB](http://www.washoecounty.gov/comptroller/board_committees/OPEB)); and the Nevada Public Notice Website (<https://notice.nv.gov>).

**How to Get Copies of the Agenda and Supporting Materials.** Copies of this Agenda and supporting materials for the items on the agenda provided to the Washoe County OPEB Trust Board of Trustees are available to members of the public by contacting Victoria Stebbins at the Comptroller’s Office (1001 E. 9<sup>th</sup> Street, Bldg. D, 2<sup>nd</sup> Floor, Room 200, Reno, Nevada), phone 775-328-2553, or email at [vstebbins@washoecounty.gov](mailto:vstebbins@washoecounty.gov) and are also posted on the County’s website at: [www.washoecounty.gov/comptroller/board\\_committees/OPEB](http://www.washoecounty.gov/comptroller/board_committees/OPEB).

**Special Accommodations.** Persons with disabilities who require special assistance (e.g. sign language, interpreters or assisted listening devices) to participate in the meeting should please contact Victoria Stebbins at the Comptroller’s Office by emailing [vstebbins@washoecounty.gov](mailto:vstebbins@washoecounty.gov) or by leaving a message at 775-328-2553 in advance at least 48 hours before the meeting so that arrangements can be made.

**Possible Changes to the Agenda and Timing.** Items on the agenda may be taken out of order, combined with other items; removed from the agenda; moved to the agenda of another meeting; or may be voted on in a block. NRS 241.020(2)(D)(6) AND (7).

1. Roll call.
2. Public Comments. Comments heard under this item will be limited to two minutes per person and may pertain to matters both on and off the Board of Trustees’ agenda. The Board will also hear public comment during individual action items, with comment limited to two minutes per person. Comments are to be made to the Board as a whole.
3. Approval of minutes from the January 25, 2024 meeting. [FOR POSSIBLE ACTION]
4. Review and possible approval of year-to-date administrative expenditures and requested reimbursements to employers through March 31, 2024 in the amount of \$4,474,183. [FOR POSSIBLE ACTION]
5. Acknowledge receipt of interim financial statements for the period ending March 31, 2024. [FOR POSSIBLE ACTION]
6. Review and discussion of Cash Flow Projections and Planned Transfers to/from the Nevada Retirement Benefits Investment Fund for the fiscal year ended June 30, 2024. [DISCUSSION ONLY]
7. Informational review and discussion of the Nevada Retirement Benefits Investment Fund – investment process, returns, assets, changes in investment strategy, outlook, and related topics. [DISCUSSION ONLY]
8. Informational review and discussion of the Fiscal Year Ended June 30, 2023 Audited Financial Statements. [DISCUSSION ONLY]
9. Review and discussion of external auditors’ required communication with the Board of Trustees in connection with their audit. [DISCUSSION ONLY]

10. Discussion of anticipated agreement with Eide Bailly, LLC for audit services for the fiscal year ended June 30, 2024. [FOR POSSIBLE ACTION]
11. Trustees'/Staff announcements, requests for information, and topics for future agendas. Meeting dates for the remainder of calendar year 2024 are July 25, and October 24 (fourth Thursday of first month of each calendar quarter). The meetings will begin at 10:00 am. [NO DISCUSSION]
12. Public Comments. Comments heard under this item will be limited to two minutes per person and may pertain to matters both on and off the Board of Trustees' agenda. The Board will also hear public comment during individual action items, with comment limited to two minutes per person. Comments are to be made to the Board as a whole.
13. Adjourn.

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**Cathy Hill, Chair**

**Trenton Ross, Legal Counsel**

**Christine Vuletich, Vice-chair**

**Brandon Price, Legal Counsel**

**Cindy Vance**

**Lori Cooke**

**Tammi Davis**

**DRAFT of Minutes**

**WASHOE COUNTY, NEVADA OPEB TRUST FUND BOARD OF TRUSTEES**

**January 25, 2024 at 10:00 am**

**held via Microsoft Teams**

1. ROLL CALL [Non-action item]

Chair Hill called the meeting to order at 10:00am. A quorum was established.

PRESENT: Cathy Hill, Lori Cooke, Christine Vuletich, Cindy Vance, Tammi Davis.

ABSENT: none.

OTHERS PRESENT: Trenton Ross, Legal Counsel; Russell Morgan, Accounting Manager; Rebecca Mosher, Senior Accountant.

2. Welcome and introduction of new Trustee Tammi Davis. [FOR POSSIBLE ACTION]

Cathy Hill introduced new Trustee Tammi Davis to the board and invited her to introduce herself further.

Tammi said she is a retired Washoe County Treasurer and she is excited to join the board and learn more about a side of investments that she has not dealt with.

The Trustees greeted her and welcomed her.

3. PUBLIC COMMENT – [Non-action item]

There was no public comment.

4. Review and discussion of Fiduciary Duties of Trustees and associated Nevada Revised Statutes. [DISCUSSION ONLY]

Russell Morgan said, in connection with the new member, there is some information to review. He explained that the packet provided shows the basics of what is needed to function in the role of a Trustee.

He explained that the Fiduciary Duties documents were put together by Mary Solorzano who had been the liaison to the Washoe County OPEB Trust fund for a number of years. Russell pointed out a few key portions: Duty of Loyalty, Duty of Care and Prudence, and Duty to Diversify. He also pointed out the NRS sections which allow an OPEB Trust to be created. NRS 287.788 allows the Trust to contract with an account manager at PERS, which is Steve Edmundson.

Cathy Hill said even for members who have worked with this Trust for some time, it is worth reading this document to update understanding and responsibilities.

Christine Vuletich agreed and said it is always good to refresh.

5. Review and discussion of Trustee meeting attendance requirements. [FOR POSSIBLE ACTION]

Cathy Hill explained that with a new member, it was decided that it was a good idea to review the attendance requirements of the Trust.

Russell Morgan said he did not include the bylaws for this section.

Cathy shared the bylaw, saying that the Trust can remove a member if they do not attend two consecutive meetings or three meetings in a calendar year. Cathy confirmed with Cindy Vance the commitment of TMFPD in attending meetings.

Cindy Vance apologized for missing the October meeting.

Cathy asked if any other Trust board members had questions on this item.

Christine and Tammi said they have no questions.

There was no public comment.

6. Approval of minutes from the October 26, 2023 meeting. [FOR POSSIBLE ACTION]

Tammi Davis asked if she should abstain from voting because she was not yet part of the Trust and therefore not in attendance.

Trenton Ross explained that she can vote based on the testimony of other Trust members in attendance.

*It was moved by Cathy Hill, seconded by Lori Cooke, to approve the October 26, 2023 meeting minutes as presented.*

There was no public comment.

*The motion passed unanimously.*

7. Review and possible approval of year-to-date administrative expenditures and requested reimbursements to employers through December 31, 2023, in the amount of \$6,847,322. [FOR POSSIBLE ACTION]

Russell Morgan explained that page 20 of the packet lists the administrative expenses, the actual expenses, and variances at the bottom.

He explained that the majority of expenses will be incurred in this third quarter that we are in. The annual financial statement audit will be completed this quarter, and billed. He added that the actuarial valuations were completed late last calendar year, and we will pay those bills during this quarter also.

The accounting and administrative expenses is the time spent by Rebecca and Russell documenting Trust activity, preparing the quarterly and annual reports, and providing supporting documents to the auditors.

The other operating expenses includes the RDS Attestation which will be billed later in the year.

He explained that \$10,000 is budgeted for the quarterly claims for reimbursement from Medicare. We have a contract with Part D Advisors to do all the billing for us.

Lori Cooke asked if these are for year to date, meaning through December 31st.

Russell clarified that this is for the fiscal year which ends June 30th, 2024.

Lori Cooke asked if this includes the actuals.

Russell said the actuals are through June 30th, 2024 as well.

Russell explained that the Budget numbers are representing the fiscal year which will end June 30th, 2024, however the Actuals given are year-to-date, i.e. through December.

Russell moved on to discuss the requested reimbursements to Washoe County. There are two plans - one is the Washoe County Retiree Health Benefit Plan. He said every quarter we take the year-to-date numbers to show what we have reimbursed so far and what is due currently. The Washoe County Plan Benefit Expense is \$14 million year-to-date. This fluctuates significantly due to claims activity.

The PEBP Plan is for former employees who get their coverage through the state's Public Employees' Benefit Program. This is more consistent because it is a flat premium subsidy that the County has to pay and the OPEB Trust reimburses that. The balance due to Washoe County for activity in the second quarter of the fiscal year is \$6,744,912. For the PEBP Plan it is \$56,662.

Christine Vuletich commented on the fluctuations due to claims. She said the number this quarter seems higher than usual.

Russell Morgan said it is not the highest it has ever been.

Cathy said that may be because of the TPA provider processing claims more quickly.

Russell said large claims can really swing that number. He said we pay the claims and there is usually a lag before we see the reimbursements which appear in miscellaneous revenues. This number is light. The threshold is \$325,000 on those large claims.

Cathy said this is an increase of about \$75,000 from what it was previously.

Russell said the Health Benefits Group makes that determination. Over the last few years, the premium rate has increased. To keep the cash cost down, they increased the threshold, so our exposure increases.

Russell moved on to the Truckee Meadows plan. This fluctuates based on the timing of the underlying transactions. He explained that in the first quarter there were two remittances from PERS, and the second quarter had three. The Premium Expenses had four monthly premium payments go out in the first quarter, and the second quarter only three went out, as well as a payment to the City of Reno for one quarter. The \$15,000 swing is just based on the timing of those components.

Rebecca Mosher added that she looked at the binder from last year. She explained that for FY 23 in quarter 2, the reimbursement amount for the Washoe County plan was \$6.3 million. She said this number really goes up and down depending on the quarter we are in.

*It was moved by Cindy Vance, seconded by Christine Vuletich, to approve the year-to-date administrative expenditures and requested reimbursements to employers through December 31, 2023, in the amount of \$6,847,322.*

There was no public comment.

*The motion passed unanimously.*

8. Acknowledge receipt of interim financial statements for the period ending December 31, 2023. [FOR POSSIBLE ACTION]

Russell Morgan started with the Plan Assets. He explained that net assets are up to \$4.2 million. The investment income is at \$6.1 million which was boosted with \$9 million of realized gains in RBIF from investment rebalancing in July. Unrealized losses through October were \$30.2 million. November alone had \$23.6 million of unrealized gains. We are still down, but have recovered much of the losses from earlier in the fiscal year.

He added that annual realized yields through November are at 12.9%. Excluding the realized gains, we are down to a 6.18% overall investment yield.

Russell said the prefunding contributions halfway through the year were right on target. The investment income is up considerably which is the \$9 million in realized gains mentioned previously. He said they budget conservatively for realized gains. The other portion of income is the dividends and interest that gets paid and reinvested.

Cindy Vance asked if that includes any unrealized gains.

Russell explained that this is both realized and unrealized gains.

The plan member and other income numbers were light. This includes reinsurance reimbursements. He explained that there is a lag in this process. Prescription drug rebate money also has about a quarter lag. The RDS Medicare Part-D reimbursements so far are \$219,000 out of \$265,000 budgeted for the year. The \$219,000 was from just one payment.

Deductions paid are \$14.5 million out of \$32 million budgeted. He said this is variable from week to week.

Administrative expenses are light with more expenses expected in the third quarter.

Tammi Davis added that this is a very different investment picture from what she left, and she is glad to see things are looking up.

On the Interim Statements of Plan Net Assets, Russell explained that the County plan has the bulk of the assets in the Trust. The \$950 accounts payable item relates to payroll accruals. The reimbursements to employers will be settled on February 1st with funds from RBIF.

The combined Trust budget was \$1.01 million for the net increase and decrease in the fair value of investments. The Trust as a whole is at \$2.9 million year-to-date, which is ahead of budget.

*It was moved by Christine Vuletich, seconded by Tammi Davis, to acknowledge receipt of interim financial statements for the period ending December 31, 2023.*

There was no public comment.

*The motion passed unanimously.*

9. Review and discussion of Cash Flow Projections and Planned Transfers to/from the Nevada Retirement Benefits Investment Fund for the fiscal year ended June 30, 2024. [DISCUSSION ONLY]

Russell Morgan said this budget is generated at the first meeting of the fiscal year and is updated each meeting after that. Net direct expenses, reimbursements to employers, and cash are projected and adjusted. These all feed into what is transferred to and from RBIF.

He said the first three quarters are tied to original projections, and the fourth quarter connected to actual numbers.

For February, we will draw a net \$1.875 million out of RBIF to cover reimbursements to the employers.

The July 24 Trustee Meeting row and the Cash in the Washoe County Investment Pool shows we will be negative about \$3 million. He explained that technically we won't be negative because we will have pre-funding contributions in July and August that will help cover this number.



The Washoe County Plan will draw \$2.15 million to cover the reimbursement on February 1st. Wherever we are light in earlier quarters of the budget, we assume we will catch up later. Russell said the PEBP plan is pretty straightforward. TMFPD for February has a transfer to RBIF for \$275,000. He added that they make their contributions quarterly rather than monthly.

He explained that yesterday we requested a net \$1.875 million to come from RBIF to the County's bank account on the 1st.

Tammi Davis said these projections are familiar and she expects to get used to them relatively quickly.

10. Informational review and discussion of the Nevada Retirement Benefits Investment Fund – investment process, returns, assets, changes in investment strategy, outlook, and related topics. [DISCUSSION ONLY]

Russell said this is a schedule from the PERS website. There are three main categories of investment, which include International stocks, U.S. stocks and bonds, and cash. He said the markets have gone up since September. The allocations for the U.S. and international stocks are within a half of a percentage point of their targets. Russell said that since the numbers are up since these projections, he was curious to see where we would land currently. He said he reached out to Steve Edmundson at PERS.

Russell explained that he had noticed a discrepancy between the target allocations in the annual report for RBIF from the numbers here. Steve explained that at the July meeting they did adjust the target allocations and added the cash allocation of 3%. With interest rates above 5%, and a long-term horizon assumption of 2.75%, the shift of stocks to cash reduced the risk profile of the PERS portfolio. With the new target allocations, they have adjusted their rebalance triggers.

Christine Vuletich thanked Russell for gathering this information. She said it gives a good illustration of their methodology. They are very disciplined, which is what is expected.

The other Trustees agreed.

11. Review and discussion of the Nevada Retirement Benefits Investment Fund's Annual Financial Report for the period Ended June 30, 2023. [DISCUSSION ONLY]

Russell Morgan noted that RBIF is a component unit of the State of Nevada, so it falls under the auspices of the State. He read that the report from June 30th says RBIF presented fairly its financial statements for the year ended June 30, 2023 in accordance with accounting principles accepted in the USA.

He shared that the investments at fair value have gone up about \$83 million which is to be expected.

The condensed statement of changes in net assets shows that net investment income, which includes realized and unrealized gains and losses, went up nearly \$90 million in 2023. In 2022, there was a \$72 million loss.

There were also \$7 million of increased contributions from participating employers. Distributions to participating trusts increased by \$9.5 million so there was a \$3.5 million swing. Russell explained that we are in the drawdown phase now.

The fund generated a return of 12.9% in Fiscal '23.

Cathy Hill added that a return like that should not be expected for every year.

Russell pointed out the \$108,754 in investment fees. He explained that this is .014% of assets at the end of the year.

Russell explained that we are still the number one holder in RBIF with close to \$353 million at the end of June. Second highest is Clark County; third is Washoe County School District; fourth is the Las Vegas Metropolitan Police Department; and Las Vegas Valley Water District is fifth. Our share is 44.7%. The top five holders hold about \$702 million of the \$789 million or 89% of fair value.

Tammi asked if we are the number one holder because we are so well funded for these benefits. Looking at the size of Clark County, you would assume they would have a larger retirement obligation.

Russell said he thinks it does because we have had the foresight to put money aside for future obligations. He added that there are two sources of funds to cover benefits - employer contributions and earnings on the assets. If earnings go up, then employers can reduce contributions and the inverse is also true. The County had the foresight to put money away, so the Trust remains well funded.

Lori Cooke asked if this is also a product of having a hybrid of funding and not relying on just one input.

Cathy Hill added that she believes these other entities may have different funding sources as well. She suggested that they may not be as confident in the funding or cash flow. Washoe County has a system that saves money and it cannot be touched by the County or creditors. Other entities may not have that confidence level.

Cindy Vance added that Truckee Meadows is a hybrid and is earning back that trust. The funding ratio went down based on actuarial reports, so now we are trying to catch up.

Russell added that the OPEB Trust has all our investable assets in RBIF; other entities don't necessarily do this, and we only see this portion of their investments.

## 12. Update on the status of the Fiscal Year Ended June 30, 2023 Financial Statements Audit. [DISCUSSION ONLY]

Russell explained that the field work had been completed for the audit. We have provided them with a draft of the Trust's financial report in mid-December. We are

waiting for Eide Bailly to get their comments to us on that report. Russell said he doesn't expect adjustments to what has been provided.

We expect to get their feedback and be able to assemble a final version of the Trust annual financial report in February. It will be shared at the April meeting.

Russell thanked Rebecca for doing the majority of the work preparing the audit.

13. Review and discussion of external auditors' required communication with the Board of Trustees in connection with their audit. [DISCUSSION ONLY]

Russell Morgan said this is a required communication from the auditors to the Trust board. He said it explains their engagement and their planned scope.

They list all situations or findings in which they will communicate their findings along the process.

They also got into areas of significant risk - including management overriding controls. He also listed improper reporting of income, and accounting estimates affecting the financial statements or liability. Russell explained that the liability is not included in OPEB's statements because it belongs to the employers and not the Trust itself. OPEB is an investment vehicle for investment.

They also explained that they will begin the audit by December 23rd and issue a report by February 15th.

14. Review and discussion of July 1, 2023 OPEB plan valuations prepared by Milliman, Inc. [DISCUSSION ONLY]

Russell Morgan explained that the actuarial valuations are the basis for the financial statement disclosures for the Trust and the employers. The valuations use employee and demographic data, benefit plan information, additions from actuary data based on assumptions from medical trends etc. All of this is used to calculate the total OPEB liability. We provide to the Trust net assets and find the net OPEB liability.

Russell explained that the Washoe County plan is doing a full valuation, so it is starting with new demographic data as of July 1, 2023. They measure the total OPEB liability and the net OPEB assets as of June 30th.

For the PEBP plan and the Truckee Meadows plan, they are doing roll-forward valuations. These take demographic data as of July 1, 2022; they age these numbers every year, and then recalculate the net OPEB liability.

We are required by accounting standards to have a full valuation at least every other year.

Cindy Vance asked how they got off cycle with Washoe County doing a full valuation.

Russell explained that the HR department asked that we get a full valuation so we will be off kilter again for some time. He added that this has happened in the past when TMFPD opted to do a full valuation a second year in a row just to get the benefits of reporting.

He looked at Milliman's report, comparing the total OPEB liability with the current value. The total OPEB liability dropped by about \$3 million. The fiduciary net position went up about \$26 million so the net OPEB liability went down by about \$30 million. This is used to calculate the actuarially determined contributions. The County uses this to budget for the subsequent fiscal year. This fluctuates over time.

The Fiduciary net position is divided by the total OPEB liability. This is the funded ratio. The funded ratio for the County plan at the end of June was 68.2%. Today, that funded ratio would be even higher.

Cindy Vance asked if, because Washoe County is having a full valuation, when we pay for the valuation, will the amount be higher than expected because a roll-forward was budgeted for.

Russell said a roll-forward was budgeted for, but because HR requested a full valuation, he didn't feel it was right that the Trust pay for that as it was not technically needed. The Trust therefore paid the cost of a roll-forward valuation, and the remaining cost will be paid for by the County's HR department.

Cindy added that it still benefits the Trust.

15. Trustees'/Staff announcements, requests for information, and topics for future agendas. Meeting dates for the remainder of calendar year 2024 are April 25, July 25, and October 24 (fourth Thursday of first month of each calendar quarter). The meetings will begin at 10:00 am. [NO DISCUSSION]

There was no comment.

16. PUBLIC COMMENT – [Non-action item]

There was no public comment.

17. Meeting adjourned at 11:09am.

**WASHOE COUNTY, NEVADA OPEB TRUST**  
**Administrative Expense Detail - YTD Actual vs. Annual Budget**  
**For the Year Ended June 30, 2024 - Unaudited**

	<b>Washoe Co Retiree Health Benefit Program</b>	<b>State of Nevada Public Employee Benefit Plan</b>	<b>Truckee Meadows FPD Retiree Group Medical Plan</b>	<b>2024 Total</b>
<b><u>BUDGET</u></b>				
Administrative Expenses				
Actuarial valuations	\$ 9,000	\$ 9,000	\$ 10,000	\$ 28,000
Accounting and administrative services	7,000	7,000	7,000	21,000
Audit fees	8,000	8,000	8,000	24,000
Trustee fees	267	266	267	800
Minutes fees	200	200	200	600
Other Operating Expenses	17,600	-	-	17,600
	<u>\$ 42,067</u>	<u>\$ 24,466</u>	<u>\$ 25,467</u>	<u>\$ 92,000</u>
<b><u>ACTUAL</u></b>				
Administrative Expenses				
Actuarial valuations	\$ 9,000	\$ 9,000	\$ 10,000	\$ 28,000
Accounting and administrative services	4,606	4,606	4,608	13,820
Audit fees	3,333	3,333	3,334	10,000
Trustee fees	107	107	106	320
Minutes fees	131	131	129	391
Other Operating Expenses	15,000	-	-	15,000
	<u>\$ 32,177</u>	<u>\$ 17,177</u>	<u>\$ 18,177</u>	<u>\$ 67,531</u>
<b><u>VARIANCE</u></b>				
Administrative Expenses				
Actuarial valuations	\$ -	\$ -	\$ -	\$ -
Accounting and administrative services	2,394	2,394	2,392	7,180
Audit fees	4,667	4,667	4,666	14,000
Trustee fees	160	159	161	480
Minutes fees	69	69	71	209
Other Operating Expenses	2,600	-	-	2,600
	<u>\$ 9,890</u>	<u>\$ 7,289</u>	<u>\$ 7,290</u>	<u>\$ 24,469</u>

**WASHOE COUNTY, NEVADA OPEB TRUST**  
**Summary of Requested Reimbursement to Washoe County**  
**For the Nine Months Ended March 31, 2024**

	<b>YTD</b>	<b>Avg / Mo</b>
<b><u>WCRHBP</u></b>		
Plan member premium payments	3,261,779	362,420
Other miscellaneous revenues	1,574,850	174,983
	4,836,629	537,403
Less:		
Benefits expense	20,718,221	2,302,025
	15,881,592	1,764,622
Net OPEB expense		1,764,622
Reimbursements to date:		
For Q1	(4,760,859)	
For Q2	(6,744,912)	
For Q3	-	
For Q4	-	
Balance due to Washoe County	4,375,821	
<b><u>PEBP</u></b>		
PEBP premium subsidies	171,244	19,027
Reimbursements to date:		
For Q1	(57,631)	
For Q2	(56,662)	
For Q3	-	
For Q4	-	
Balance due to Washoe County	56,951	
Total due to Washoe County	\$ 4,432,772	

**Plan member premium payments:** Payments received from retirees for their share of OPEB plan premiums.

**Other miscellaneous revenues:** Payments received from third parties for reinsurance reimbursements, prescription drug rebates, and Medicare Part D reimbursements.

**Benefits expense:** Benefits expense includes medical and prescription drug claims and claims administration expense for PPO participants, HMO participant premiums, and dental and vision claims for all electing participants.

**Net OPEB expense:** Total benefits expense, less plan member premium payments and other miscellaneous revenues. This the County's cost of providing OPEB benefits to participants.

**WASHOE COUNTY, NEVADA OPEB TRUST**  
**Summary of Requested Reimbursement to Truckee Meadows Fire Protection District**  
**For the Nine Months Ended March 31, 2024**

	<b>YTD</b>	<b>Avg / Mo</b>
<b><u>TMFPD RGMP</u></b>		
Plan member premium payments	144,155	16,017
Less:		
Benefits expense	291,782	32,420
Net OPEB expense	147,627	16,403
Reimbursements to date:		
For Q1	(60,468)	
For Q2	(45,748)	
For Q3	-	
For Q4	-	
Balance due to employer	41,411	

**Plan member premium payments:** Payments received from retirees for their share of OPEB plan premiums.

**Benefits expense:** Benefits expense includes premiums for medical, prescription drugs, dental, vision, and life insurance coverages.

**Net OPEB expense:** Total benefits expense, less plan member premium payments. This is TMFPD's cost of providing OPEB benefits to participants.

**Washoe County, Nevada OPEB Trust Fund**  
**Financial Highlights for the Nine Months Ended March 31, 2024 (Unaudited)**

Amounts in thousands:				
	<u>WC-RHBP</u>	<u>WC-PEBP</u>	<u>TMFPD</u>	<u>TOTAL</u>
WC-Pool	\$ 1,701	\$ 168	\$ 33	\$ 1,902
State RBIF	368,383	2,723	13,692	384,798
Other-Net	(4,373)	(56)	(42)	(4,471)
Net Assets	<u>\$ 365,711</u>	<u>\$ 2,835</u>	<u>\$ 13,683</u>	<u>\$ 382,229</u>

- Net assets of \$382.2 million are up \$33.0 million year-to-date; contributions of \$19.7 million and net investment income of \$34.5 million were offset by \$21.2 million in benefits expense.

Amounts in thousands	<u>WC-RHBP</u>	<u>WC-PEBP</u>	<u>TMFPD</u>	<u>TOTAL</u>
<b>Additions:</b>				
Prefunding	\$ 13,687	\$ 32	\$ 995	\$ 14,714
Investment income, net of expense	33,072	229	1,223	34,524
Plan members, other	4,837	-	144	4,981
	<u>51,596</u>	<u>261</u>	<u>2,362</u>	<u>54,219</u>
<b>Deductions:</b>				
Benefits Paid	20,718	171	292	21,181
Administrative	32	17	18	67
	<u>20,750</u>	<u>188</u>	<u>310</u>	<u>21,248</u>
Net change in Plan Net Assets	<u>\$ 30,846</u>	<u>\$ 73</u>	<u>\$ 2,052</u>	<u>\$ 32,971</u>

- Investment income includes realized gains of \$9.6 million and net unrealized gains of \$19.8 million in the RBIF through February 29, 2024. Annualized investment returns through February in the RBIF were 21.63% with these gains included. Annualized realized (cash) yields were at 9.21%.

Amounts in thousands	<u>Budget</u>	<u>YTD</u>	<u>Act % Bud</u>	<u>Variance</u>
<b>Additions:</b>				
Prefunding	\$ 19,592	\$ 14,714	75%	\$ (4,878)
Investment income, net of expense	7,939	34,524	435%	26,585
Plan members, other	6,447	4,981	77%	(1,466)
	<u>33,978</u>	<u>54,219</u>	<u>160%</u>	<u>20,241</u>
<b>Deductions:</b>				
Benefits Paid	31,863	21,181	66%	10,682
Administrative	92	67	73%	25
	<u>31,955</u>	<u>21,248</u>	<u>66%</u>	<u>10,707</u>
Net change in Plan Net Assets	<u>\$ 2,023</u>	<u>\$ 32,971</u>	<u>1630%</u>	<u>\$ 30,948</u>

- Prefunding contributions reflect transfers primarily from the employers' General Fund.
- Unrealized gains and losses in the RBIF are not budgeted; realized gains and losses are conservatively budgeted.
- Plan member and other contributions reflect retirees' share of health insurance premiums, plus miscellaneous revenues, such as reinsurance proceeds, drug rebates, and Retiree Drug Subsidy payments from Medicare.
- The County has a reinsurance policy in place to limit the County's cost to \$325,000 for each claim for the year.
- Washoe County's adopted policy is to collect the County's full OPEB cost from the Trust.



**WASHOE COUNTY, NEVADA OPEB TRUST FUND  
INTERIM STATEMENTS OF PLAN NET ASSETS  
AS OF MARCH 31, 2024 - UNAUDITED**

	<b>Washoe Co. Retiree Health Benefit Plan</b>	<b>State of Nevada Public Employee Benefit Plan</b>	<b>TMFPD Retiree Group Medical Plan</b>	<b>Total</b>
<b>Assets</b>				
Cash and investments:				
Washoe County Investment Pool	\$ 1,700,910	\$ 168,299	\$ 32,583	\$ 1,901,792
State of NV RBIF	368,382,931	2,723,253	13,691,967	384,798,151
Interest receivable	2,869	333	65	3,267
<b>Total Assets</b>	<b>370,086,710</b>	<b>2,891,885</b>	<b>13,724,615</b>	<b>386,703,210</b>
<b>Liabilities</b>				
Accounts payable	155	-	-	155
Due to employers	4,375,821	56,951	41,411	4,474,183
<b>Total Liabilities</b>	<b>4,375,976</b>	<b>56,951</b>	<b>41,411</b>	<b>4,474,338</b>
<b>Net assets held in trust for other postemployment benefits</b>	<b>\$ 365,710,734</b>	<b>\$ 2,834,934</b>	<b>\$ 13,683,204</b>	<b>\$ 382,228,872</b>

**WASHOE COUNTY, NEVADA OPEB TRUST FUND**  
**INTERIM STATEMENT OF CHANGES IN PLAN NET ASSETS**  
**FOR THE NINE MONTHS ENDED MARCH 31, 2024 - UNAUDITED**  
**(WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED JUNE 30, 2023)**

	<b>Combined Trust</b>				<b>6/30/2023</b>
	<b>Budget</b>	<b>Actual</b>	<b>Act %</b>	<b>Variance</b>	
<b>Additions</b>					
Contributions					
Employer:					
Prefunding	\$ 19,591,929	\$ 14,714,347	75.10%	\$ (4,877,582)	\$ 8,134,111
Plan member	4,700,000	3,405,934	72.47%	(1,294,066)	4,211,978
Other	1,747,000	1,574,850	90.15%	(172,150)	4,688,485
Total Contributions	26,038,929	19,695,131	75.64%	(6,343,798)	17,034,574
Investment Income					
Interest and dividends	7,035,100	5,204,900	73.98%	(1,830,200)	7,877,748
Net increase (decrease) in fair value of investments	1,010,923	29,396,953	2907.93%	28,386,030	33,132,459
	8,046,023	34,601,853	430.05%	26,555,830	41,010,207
Less investment expense	107,251	77,451	72.21%	29,800	100,713
Net Investment Income	7,938,772	34,524,402	434.88%	26,585,630	40,909,494
Total Additions	33,977,701	54,219,533	159.57%	20,241,832	57,944,068
<b>Deductions</b>					
Benefits	31,862,600	21,181,247	66.48%	10,681,353	29,227,978
Administrative expense	92,000	67,531	73.40%	24,469	187,842
Total Deductions	31,954,600	21,248,778	66.50%	10,705,822	29,415,820
Net Change in Plan Net Assets	2,023,101	32,970,755	1629.71%	30,947,654	28,528,248
<b>Net Assets Held in Trust for Other Postemployment Benefits</b>					
Beginning of year	349,258,117	349,258,117		-	320,729,869
End of Period	\$ 351,281,218	\$ 382,228,872		\$ 30,947,654	\$ 349,258,117

**WASHOE COUNTY, NEVADA OPEB TRUST FUND**  
**INTERIM STATEMENT OF CHANGES IN PLAN NET ASSETS**  
**FOR THE NINE MONTHS ENDED MARCH 31, 2024 - UNAUDITED**  
**(WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED JUNE 30, 2023)**

	<b>Washoe County - Retiree Health Benefit Plan</b>				<b>6/30/2023</b>
	<b>Budget</b>	<b>Actual</b>	<b>Act %</b>	<b>Variance</b>	
<b>Additions</b>					
Contributions					
Employer:					
Prefunding	\$ 18,249,364	\$ 13,687,023	75.00%	\$ (4,562,341)	\$ 6,810,652
Plan member	4,550,000	3,261,779	71.69%	(1,288,221)	4,006,484
Other	1,747,000	1,574,850	90.15%	(172,150)	4,688,485
Total Contributions	24,546,364	18,523,652	75.46%	(6,022,712)	15,505,621
Investment Income					
Interest and dividends	6,754,800	4,984,594	73.79%	(1,770,206)	7,570,127
Net increase (decrease) in fair value of investments	970,400	28,162,007	2902.10%	27,191,607	31,823,984
	7,725,200	33,146,601	429.07%	25,421,401	39,394,111
Less investment expense	102,842	74,178	72.13%	28,664	96,779
Net Investment Income	7,622,358	33,072,423	433.89%	25,450,065	39,297,332
Total Additions	32,168,722	51,596,075	160.39%	19,427,353	54,802,953
<b>Deductions</b>					
Benefits	31,215,000	20,718,221	66.37%	10,496,779	28,623,774
Administrative expense	42,067	32,177	76.49%	9,890	101,503
Total Deductions	31,257,067	20,750,398	66.39%	10,506,669	28,725,277
Net Change in Plan Net Assets	911,655	30,845,677	3383.48%	29,934,022	26,077,676
<b>Net Assets Held in Trust for Other Postemployment Benefits</b>					
Beginning of year	334,865,057	334,865,057		-	308,787,381
End of Period	\$ 335,776,712	\$ 365,710,734		\$ 29,934,022	\$ 334,865,057

**WASHOE COUNTY, NEVADA OPEB TRUST FUND**  
**INTERIM STATEMENT OF CHANGES IN PLAN NET ASSETS**  
**FOR THE NINE MONTHS ENDED MARCH 31, 2024 - UNAUDITED**  
**(WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED JUNE 30, 2023)**

	<b>Washoe County - NV PEBP Plan</b>				<b>6/30/2023</b>
	<b>Budget</b>	<b>Actual</b>	<b>Act %</b>	<b>Variance</b>	
<b>Additions</b>					
Contributions					
Employer:					
Prefunding	\$ 42,565	\$ 31,924	75.00%	\$ (10,641)	\$ 23,459
Total Contributions	42,565	31,924	75.00%	(10,641)	23,459
Investment Income					
Interest and dividends	54,900	40,749	74.22%	(14,151)	63,458
Net increase (decrease) in fair value of investments	7,923	189,188	2387.83%	181,265	264,204
	62,823	229,937	366.01%	167,114	327,662
Less investment expense	909	600	66.01%	309	817
Net Investment Income	61,914	229,337	370.41%	167,423	326,845
Total Additions	104,479	261,261	250.06%	156,782	350,304
<b>Deductions</b>					
Benefits	250,000	171,244	68.50%	78,756	246,266
Administrative expense	24,466	17,177	70.21%	7,289	33,788
Total Deductions	274,466	188,421	68.65%	86,045	280,054
Net Change in Plan Net Assets	(169,987)	72,840		242,827	70,250
<b>Net Assets Held in Trust for Other Postemployment Benefits</b>					
Beginning of year	2,762,094	2,762,094		-	2,691,844
End of Period	\$ 2,592,107	\$ 2,834,934		\$ 242,827	\$ 2,762,094

**WASHOE COUNTY, NEVADA OPEB TRUST FUND**  
**INTERIM STATEMENT OF CHANGES IN PLAN NET ASSETS**  
**FOR THE NINE MONTHS ENDED MARCH 31, 2024 - UNAUDITED**  
**(WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED JUNE 30, 2023)**

	<b>Truckee Meadows FPD - Retiree Group Medical Plan</b>				
	<b>Budget</b>	<b>Actual</b>	<b>Act %</b>	<b>Variance</b>	<b>6/30/2023</b>
<b>Additions</b>					
Contributions					
Employer:					
Prefunding	\$ 1,300,000	\$ 995,400	76.57%	\$ (304,600)	\$ 1,300,000
Plan member	150,000	144,155	96.10%	(5,845)	205,494
Total Contributions	1,450,000	1,139,555	78.59%	(310,445)	1,505,494
Investment Income					
Interest and dividends	225,400	179,557	79.66%	(45,843)	244,163
Net increase (decrease) in fair value of investments	32,600	1,045,758	3207.85%	1,013,158	1,044,271
	258,000	1,225,315	474.93%	967,315	1,288,434
Less investment expense	3,500	2,673	76.37%	827	3,117
Net Investment Income	254,500	1,222,642	480.41%	968,142	1,285,317
Total Additions	1,704,500	2,362,197	138.59%	657,697	2,790,811
<b>Deductions</b>					
Benefits	397,600	291,782	73.39%	105,818	357,938
Administrative expense	25,467	18,177	71.37%	7,290	52,551
Total Deductions	423,067	309,959	73.26%	113,108	410,489
Net Change in Plan Net Assets	1,281,433	2,052,238	160.15%	770,805	2,380,322
<b>Net Assets Held in Trust for Other Postemployment Benefits</b>					
Beginning of year	11,630,966	11,630,966		-	9,250,644
End of Period	\$ 12,912,399	\$ 13,683,204		\$ 770,805	11,630,966

**Washoe County, Nevada OPEB Trust Fund**  
**Cash Flow Projections and Planned Transfers to (from) the Retirees' Benefits Investment Fund (RBIF) for FY 23-24**  
**As Updated through 3/31/2024**

		<b>Prefunding Contributions</b>	<b>Net Direct Expenses</b>	<b>Reimburse Employers</b>	<b>Pooled Cash Change</b>	<b>Trsfrs to/ (from) RBIF</b>	<b>Cash in WC Pool</b>	<b>Cash in RBIF</b>	<b>Total Cash &amp; Investmts</b>
Beginning balance							\$ 812,685	\$ 352,828,361	\$ 353,641,046
Jul-23	Trustee Meeting	1,849,327	(210)	-	1,849,117	-	-	2,661,802	355,490,163
	Aug	1,524,327	-	(5,027,223)	(3,502,896)	(925,000)	-	83,906	351,987,267
	Sep	1,524,327	(2,532)	-	1,521,795	-	-	1,573,774	355,587,855
Oct	Trustee Meeting	1,849,327	(130)	-	1,849,197	275,000	-	3,147,971	357,437,052
	Nov	1,524,327	(2,500)	(4,230,865)	(2,709,038)	-	-	438,933	354,728,014
	Dec	1,524,327	(5,583)	-	1,518,744	-	-	1,990,532	360,288,280
Jan	Trustee Meeting	1,869,727	(38,130)	-	1,831,597	-	-	3,822,129	362,119,877
	Feb	1,524,327	(10,240)	(6,847,322)	(5,333,235)	(1,875,000)	-	363,894	356,786,642
	Mar	1,524,327	(8,206)	-	1,516,121	-	-	1,901,792	386,699,943
Apr	Trustee Meeting	1,849,327	(16,719)	-	1,832,608	-	-	3,734,400	388,532,551
	May	1,524,327	(2,500)	(4,474,183)	(2,952,356)	500,000	-	282,044	385,580,195
	Jun	1,524,332	(5,250)	-	1,519,082	-	-	1,801,126	387,099,277
Jul-24	Trustee Meeting	-	-	(9,215,137)	(9,215,137)	(4,500,000)	-	(2,914,011)	377,884,140
Cash flow total		<u>19,612,329</u>	<u>(92,000)</u>	<u>(29,794,730)</u>	<u>(10,274,401)</u>	<u>(6,525,000)</u>			
Less: Pmts related to FY23			-	4,379,130					
FY24 Budget			<u>(92,000)</u>	<u>(25,415,600)</u>					

Key Assumptions:

Only key changes in cash flow are shown.

TMFPD - Quarterly payments to City of Reno.

Transfers to/from RBIF will be reviewed quarterly for possible adjustment.

	<u>WCRHBP</u>	<u>PEBP</u>	<u>Total</u>	ADC's per Actuarial valuations.	
WC Contributions	18,249,364	42,565	18,291,929	Paid in monthly increments.	Recommended
TMFPD Contributions			1,320,400	Per TMFPD FY 24 Budget. Paid quarterly.	\$ 1,987,902
Total Prefunding Contributions			<u>19,612,329</u>		Per Milliman

**Washoe County, Nevada OPEB Trust Fund**  
**Cash Flow Projections and Planned Transfers to (from) the Retirees' Benefits Investment Fund (RBIF) for FY 23-24**  
**As Updated through 3/31/2024**

<b>WCRHBP</b>		<b>Prefunding Contributions</b>	<b>Net Direct Expenses</b>	<b>Reimburse Employers</b>	<b>Pooled Cash Change</b>	<b>Trsfrs to/ (from) RBIF</b>	<b>Cash Realloc *</b>	<b>Cash in WC Pool</b>	<b>Cash in RBIF</b>	<b>Total Cash &amp; Invest.</b>
Beginning balance								\$ 684,803	\$ 338,484,813	339,169,616
Jul-23	Trustee Meeting	1,520,780	(70)		1,520,710	-	-	2,205,513	338,484,813	340,690,326
Aug		1,520,780	-	(4,948,526)	(3,427,746)	(1,250,000)	-	27,767	337,234,813	337,262,580
Sep		1,520,780	(844)	-	1,519,936	-	-	1,519,465	339,258,993	340,778,458
Oct	Trustee Meeting	1,520,780	(43)		1,520,737	250,000	-	2,790,202	339,508,993	342,299,195
Nov		1,520,780	(2,500)	(4,112,766)	(2,594,486)	-	-	195,716	339,508,993	339,704,709
Dec		1,520,780	(1,861)	-	1,518,919	-	-	1,741,477	343,349,295	345,090,772
Jan	Trustee Meeting	1,520,780	(19,043)		1,501,737	-	-	3,243,214	343,349,295	346,592,509
Feb		1,520,780	(3,413)	(6,744,912)	(5,227,545)	(2,150,000)	-	165,668	341,199,295	341,364,963
Mar		1,520,780	(4,402)	-	1,516,378	-	-	1,700,910	368,382,931	370,083,841
Apr	Trustee Meeting	1,520,780	(5,640)		1,515,140	-	-	3,216,050	368,382,931	371,598,981
May		1,520,780	(2,500)	(4,375,822)	(2,857,542)	250,000	-	108,508	368,632,931	368,741,439
Jun		1,520,784	(1,750)	-	1,519,034	-	-	1,627,542	368,632,931	370,260,473
Jul-24	Trustee Meeting	-	-	(9,036,407)	(9,036,407)	(4,500,000)	-	(2,908,865)	364,132,931	361,224,066
Cash flow total		<u>18,249,364</u>	<u>(42,067)</u>	<u>(29,218,433)</u>	<u>(11,011,136)</u>	<u>(7,400,000)</u>	<u>-</u>			
Less: Pmts related to FY23			-	4,300,433						
FY24 Budget			<u>(42,067)</u>	<u>(24,918,000)</u>						

  

<b>PEBP</b>		<b>Prefunding Contributions</b>	<b>Net Direct Expenses</b>	<b>Reimburse Employers</b>	<b>Pooled Cash Change</b>	<b>Trsfrs to/ (from) RBIF</b>	<b>Cash Realloc *</b>	<b>Cash in WC Pool</b>	<b>Cash in RBIF</b>	<b>Total Cash &amp; Invest.</b>
Beginning balance								70,149	2,749,764	2,819,913
Jul-23	Trustee Meeting	3,547	(70)	-	3,477	-	-	73,626	2,749,764	2,823,390
Aug		3,547	-	(57,986)	(54,439)	-	-	19,187	2,749,764	2,768,951
Sep		3,547	(844)	-	2,703	-	-	21,376	2,766,650	2,788,026
Oct	Trustee Meeting	3,547	(43)		3,504	(250,000)	-	274,880	2,516,650	2,791,530
Nov		3,547	-	(57,631)	(54,084)	-	-	220,796	2,516,650	2,737,446
Dec		3,547	(1,861)	-	1,686	-	-	227,335	2,524,625	2,751,960
Jan	Trustee Meeting	3,547	(9,043)		(5,496)	-	-	221,839	2,524,625	2,746,464
Feb		3,547	(3,413)	(56,662)	(56,528)	-	-	165,310	2,524,625	2,689,935
Mar		3,547	(1,902)	-	1,645	-	-	168,299	2,723,253	2,891,552
Apr	Trustee Meeting	3,547	(5,539)		(1,992)	-	-	166,307	2,723,253	2,889,560
May		3,547	-	(56,950)	(53,403)	-	-	112,904	2,723,253	2,836,157
Jun		3,548	(1,750)	-	1,798	-	-	114,702	2,723,253	2,837,955
Jul-24	Trustee Meeting	-	-	(78,757)	(78,757)	-	-	35,945	2,723,253	2,759,198
Cash flow total		<u>42,565</u>	<u>(24,466)</u>	<u>(307,986)</u>	<u>(289,887)</u>	<u>(250,000)</u>	<u>-</u>			
Less: Pmts related to FY23			-	57,986						
FY24 Budget			<u>(24,466)</u>	<u>(250,000)</u>						

**Washoe County, Nevada OPEB Trust Fund**  
**Cash Flow Projections and Planned Transfers to (from) the Retirees' Benefits Investment Fund (RBIF) for FY 23-24**  
**As Updated through 3/31/2024**

TMFPD	Prefunding Contributions	Net Direct Expenses	Reimburse Employers	Pooled Cash Change	Trsfrs to/ (from) RBIF	Cash Realloc *	Cash in WC Pool	Cash in RBIF	Total Cash & Invest.
Beginning balance							57,733	11,593,784	11,651,517
Jul-23 Trustee Meeting	325,000	(70)	-	324,930	-	-	382,663	11,593,784	11,976,447
Aug	-	-	(20,711)	(20,711)	325,000	-	36,952	11,918,784	11,955,736
Sep	-	(844)	-	(844)	-	-	32,933	11,988,438	12,021,371
Oct Trustee Meeting	325,000	(43)	-	324,957	275,000	-	82,890	12,263,438	12,346,328
Nov	-	-	(60,468)	(60,468)	-	-	22,422	12,263,438	12,285,860
Dec	-	(1,861)	-	(1,861)	-	-	21,720	12,423,828	12,445,548
Jan Trustee Meeting	345,400	(10,043)	-	335,357	-	-	357,077	12,423,828	12,780,905
Feb	-	(3,413)	(45,748)	(49,161)	275,000	-	32,915	12,698,828	12,731,743
Mar	-	(1,902)	-	(1,902)	-	-	32,583	13,691,967	13,724,550
Apr Trustee Meeting	325,000	(5,541)	-	319,459	-	-	352,042	13,691,967	14,044,009
May	-	-	(41,411)	(41,411)	250,000	-	60,631	13,941,967	14,002,598
Jun	-	(1,750)	-	(1,750)	-	-	58,881	13,941,967	14,000,848
Jul-24 Trustee Meeting	-	-	(99,973)	(99,973)	-	-	(41,092)	13,941,967	13,900,875
Cash flow total	<u>1,320,400</u>	<u>(25,467)</u>	<u>(268,311)</u>	<u>1,026,622</u>	<u>1,125,000</u>	<u>-</u>			
Less: Pmts related to FY23		-	20,711						
FY24 Budget		<u>(25,467)</u>	<u>(247,600)</u>						

\* Rebalancing between Pool and RBIF to ensure sufficient cash flow to meet plan expenses.



## Retirement Benefits Investment Fund

December 31, 2023

Performance Gross of Fees

Asset Class	Market Value	Target Allocation	Actual Allocation	FYTD Return	One Year	3 Years	5 Years	10 Years	Since Inception (2008)
U.S. Stocks- S&P 500 Index	\$ 418,414,893	49.5%	49.9%	8.0%	26.2%	10.0%	15.7%	12.0%	10.3%
<b>Market Return</b>				<b>8.0%</b>	<b>26.3%</b>	<b>10.0%</b>	<b>15.7%</b>	<b>12.0%</b>	<b>10.3%</b>
Int'l Stocks- MSCI World x US Index	\$ 160,517,016	19.5%	19.2%	6.0%	18.2%	4.7%	8.7%	4.7%	3.7%
<b>Market Return</b>				<b>6.0%</b>	<b>17.9%</b>	<b>4.4%</b>	<b>8.5%</b>	<b>4.4%</b>	<b>3.5%</b>
U.S. Bonds- U.S. Bond Index	\$ 229,591,524	28.0%	27.4%	2.4%	4.0%	-0.9%	2.5%	2.3%	2.9%
<b>Market Return</b>				<b>2.4%</b>	<b>4.1%</b>	<b>-1.1%</b>	<b>2.3%</b>	<b>2.2%</b>	<b>2.7%</b>
	\$ 29,228,591	3.0%	3.5%						
<b>Total RBIF Fund</b>	<b>\$ 837,752,024</b>	<b>100.0%</b>	<b>100.0%</b>	<b>6.0%</b>	<b>18.3%</b>	<b>6.1%</b>	<b>11.0%</b>	<b>8.0%</b>	<b>7.2%</b>
<b>Market Return</b>				<b>6.0%</b>	<b>18.0%</b>	<b>5.8%</b>	<b>10.7%</b>	<b>7.8%</b>	<b>7.2%</b>

**Washoe County, Nevada**  
**OPEB Trust Fund**  
**Financial Statements**  
**For the Fiscal Year ended June 30, 2023**

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**WASHOE COUNTY, NEVADA OPEB TRUST FUND  
 FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**TABLE OF CONTENTS**

	<b>PAGE</b>
Independent Auditor's Report.....	1
Management's Discussion and Analysis.....	4
Basic Financial Statements:	
Statements of Fiduciary Net Position as of June 30, 2023 .....	7
Statements of Changes in Fiduciary Net Position for the Fiscal Year ended June 30, 2023 .....	8
Notes to the Financial Statements:	
Note 1 – Summary of Significant Accounting Policies.....	9
Note 2 – Plan Descriptions, Contributions, and Benefits.....	10
Note 3 – Cash and Investments.....	12
Note 4 – Net OPEB Liabilities .....	13
Required Supplementary Information:	
Schedules of Changes in the Plans' Net OPEB Liability and Related Ratios.....	16
Schedules of Employer Contributions .....	20
Schedule of Investment Returns .....	22





## Independent Auditor's Report

To the Honorable Board of Trustees  
Washoe County, Nevada OPEB Trust Fund  
Reno, Nevada

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the financial statements of the Washoe County OPEB Trust Fund (the Fund), a fiduciary component unit of Washoe County, Nevada, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Fund's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the Washoe County OPEB Trust Fund, as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Fund and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fund's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives 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 opinions. 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 GAAS will always detect a material misstatement when it exists. 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. Misstatements 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.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- 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 Fund's internal control. Accordingly, no such opinion is expressed.
- 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.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fund's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedules of changes in the Plans' net OPEB liability and related ratios, schedules of employer contributions, and schedule of investment returns be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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.

*Eide Bailly LLP*

Reno, Nevada  
March 8, 2024



## WASHOE COUNTY, NEVADA OPEB TRUST FUND

### Management's Discussion and Analysis For the Year Ended June 30, 2023

This section presents management's discussion and analysis of the Washoe County, Nevada Other Postemployment Benefits (OPEB) Trust Fund's (the Trust) financial position and performance as of and for the fiscal year ended June 30, 2023. Additional information from prior years' financial statements is included herein for comparative purposes. This section is intended to supplement the Trust's financial statements and should be read in conjunction with the remainder of the Trust's financial statements.

#### Financial Highlights

The following financial highlights occurred during the fiscal year:

- Fiduciary net position of the Trust increased by \$28,528,248 to a total of \$349,258,117.
- The Trust had net additions during the year of \$53,732,090 and deductions for benefits and administrative expenses of \$25,203,842. Additions consisted of \$12,822,595 from employer and other contributions, and \$40,909,495 of net investment gain. Of the net investment gain, \$33,132,460 came from changes in the fair value of the investments.
- The actuarial valuations for the participating employers' plans showed that the employers' actuarially determined contributions (ADC) were \$20,279,831 (combined). This amount consists of the accrual for benefits earned by employees during the current year and amortization of the previously accumulated actuarial liability over periods ranging from 20 to 30 years, beginning in 2011. Employer contributions in fiscal year 2023 were \$8,134,111.

More details on these highlights and other information are in the remainder of this discussion and analysis.

#### The Washoe County, Nevada OPEB Trust Fund

The Trust is intended to provide the means to fund the postemployment benefits provided by the benefit plans of the participating employers, who are Washoe County and the Truckee Meadows Fire Protection District (TMFPD). The Sierra Fire Protection District was consolidated into the Truckee Meadows Fire Protection District as of July 1, 2016.

The Trust itself has no obligation to provide funding for the benefits to the retirees of the participating employers, nor does it independently have the capacity to raise funds. Responsibility for determining the benefits and funding them rests with the participating employers and their respective governing bodies.

Assets of the Trust are held for the exclusive benefit of former employees of the participating employers. Plan liabilities do not include liabilities for benefits, as those are obligations of the participating employers.

#### Overview of the Financial Statements and Accompanying Information

The basic financial statements consist of:

*Statements of Fiduciary Net Position.* These statements present information on the assets, liabilities, and net position of the Trust at a point in time (the end of the fiscal year). Over time the changes in net position may serve as a useful indicator of the status of funding other postemployment benefits that have been promised to the employees of the participating employers. Net position is classified as "net position restricted for other postemployment benefits".

*Statements of Changes in Fiduciary Net Position.* These statements present information on the additions to and deductions from the Trust during the year being reported. Additions include employer contributions to the Trust, net investment income or loss, and any other additions that are available to support benefits and expenses. Deductions include the costs of benefits provided during the year and administrative expenses associated with the benefits and Trust administration.

*Notes to the Financial Statements.* The Notes to the Financial Statements are an integral part of the financial statements and provide additional detailed information and schedules. Information in the notes provides disclosures concerning the Trust's organization, contributions from participating employers, investments, and other information.

WASHOE COUNTY, NEVADA OPEB TRUST FUND

Management’s Discussion and Analysis  
For the Year Ended June 30, 2023

*Required Supplementary Information.* This section contains three supplementary schedules. The Schedules of Changes in Plans’ Net OPEB Liability and Related Ratios show information about the Total OPEB Liability and Plan Net Position for each plan separately and permits a determination of the trend of the various factors affecting the Total OPEB Liability, Plan Net Position, and Net OPEB Liability. The Schedules of Employer Contributions show information on the extent to which the participating employers are providing funding relative to their actuarially determined contributions and the key methods and assumptions used to determine the contribution amounts. The Schedule of Investment Returns shows the annual money-weighted rate of return on the plans’ cash and investments. GASB Statement No. 74 requires that each of these schedules is to include data from the 10 most recent fiscal years. Because the data is not available for all 10 previous fiscal years, the schedules show information only for those years for which information is available.

**Financial Analysis and Discussion**

*Statements of Fiduciary Net Position:*

The following summary amounts are as of June 30:

	2023	2022
Total assets	\$ 353,642,632	\$ 326,093,256
Total liabilities	4,384,515	5,363,387
Net position restricted for other postemployment benefits	\$ 349,258,117	\$ 320,729,869

Assets at June 30, 2023 include cash and investments of \$353,641,046; most of this was held in the State of Nevada Retirement Benefits Investment Fund (RBIF). In addition to interest and dividend income, the investments experienced a net increase in fair value (market value) during the year. There were small amounts receivable for interest income.

Liabilities consist principally of amounts owed to the participating employers for health insurance benefits provided to the participating employers’ retirees and payable as of the reporting date. All liabilities were subsequently settled. Plan liabilities do *not* include liabilities for future benefits, as those are obligations of the participating employers.

Net position restricted for other postemployment benefits is the net difference between assets and liabilities, and is the amount of the assets available to pay future benefits for the participating employers’ retirees and the administrative expenses of the Trust. Based on current year amounts, the net position would cover the actual benefits and administrative expenses for approximately 13.9 years.

## WASHOE COUNTY, NEVADA OPEB TRUST FUND

### Management's Discussion and Analysis For the Year Ended June 30, 2023

*Statements of Changes in Fiduciary Net Position:*

The Trust experienced the following changes in net position during the years ended June 30 (summary amounts):

	2023	2022
<b>Additions</b>		
Employer prefunding contributions	\$ 8,134,111	\$ 11,872,666
Other contributions	4,688,484	2,673,820
Investment income:		
Interest and dividends	7,877,748	6,038,503
Net increase (decrease) in fair value of investments	33,132,460	(39,590,558)
Less investment expenses	(100,713)	(111,651)
Total additions	53,732,090	(19,117,220)
<b>Deductions</b>		
Benefit payments (net)	25,016,000	22,124,899
Administrative expenses	187,842	66,835
Total deductions	25,203,842	22,191,734
Change in plan net position	\$ 28,528,248	\$ (41,308,954)

Washoe County budgets for, and contributes to the Trust, amounts based on the ADCs of the Washoe County Retiree Health Benefit Plan (WCRHBP) and the PEBP Plan. Due to the timing of the ADC calculations and the County's budget process, the contributions are typically made in the year subsequent to the year for which the ADC amounts are calculated. TMFPD contributed \$1,300,000 in fiscal year 2023. Amounts funded are at the discretion of the individual participating employers.

Employer contributions decreased from fiscal year 2022 to fiscal year 2023 due to a \$4.1 million decrease in the amount funded to the WCRHBP, offset by a \$450,000 increase in the amount funded by TMFPD.

Benefits include medical claims (including prescription drug benefits), dental claims, vision claims, medical and drug insurance premiums, life insurance premiums, and insurance premiums for supplemental coverage to Medicare. Administrative expenses include actuarial valuations and certain other administrative costs.

Net benefit payments increased \$2.9 million, or 13.1%, from fiscal year 2022 to fiscal year 2023. The total paid for benefits is driven largely by participants of the WCRHBP. Plan participation increased by 3.2% to an average of 1,896 monthly participants. The increase in net benefit payments is attributable primarily to medical claims expenses.

#### **Investments**

The Trust has invested nearly all its assets in the RBIF, as authorized by Nevada Revised Statutes. The State of Nevada Public Employees Retirement System is the investment manager of the RBIF. Investment returns during fiscal year 2023 were 12.9%, which includes interest and dividend income, realized gains and losses, and unrealized gains and losses.

#### **Requests for Information**

This financial report is designed to provide an overview of the Washoe County, Nevada OPEB Trust. Questions concerning any of the information provided or requests for additional information should be addressed to: Comptroller, Washoe County, 1001 E. Ninth Street, Bldg. D Room 200, Reno, NV 89512.

**WASHOE COUNTY, NEVADA OPEB TRUST FUND**  
**STATEMENTS OF FIDUCIARY NET POSITION**  
**AS OF JUNE 30, 2023**

	<b>Washoe County Retiree Health Benefits Program</b>	<b>State of Nevada Public Employees' Benefits Plan</b>	<b>TMFPD Retiree Group Medical Plan</b>	<b>Total</b>
<b>Assets</b>				
Cash and investments	\$ 339,169,615	\$ 2,819,913	\$ 11,651,518	\$ 353,641,046
Interest receivable	1,260	167	159	1,586
Total Assets	<u>339,170,875</u>	<u>2,820,080</u>	<u>11,651,677</u>	<u>353,642,632</u>
<b>Liabilities</b>				
Accounts payable - benefit reimbursements to employers	4,300,433	57,986	20,711	4,379,130
Accounts payable - others	5,385	-	-	5,385
Total Liabilities	<u>4,305,818</u>	<u>57,986</u>	<u>20,711</u>	<u>4,384,515</u>
<b>Net Position Restricted for Other Postemployment Benefits</b>				
	<u>\$ 334,865,057</u>	<u>\$ 2,762,094</u>	<u>\$ 11,630,966</u>	<u>\$ 349,258,117</u>

The notes to the financial statements are an integral part of these statements.

**WASHOE COUNTY, NEVADA OPEB TRUST FUND  
STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<b>Washoe County Retiree Health Benefit Plan</b>	<b>State of Nevada Public Employees' Benefits Plan</b>	<b>TMFPD Retiree Group Medical Plan</b>	<b>Total</b>
<b>Additions</b>				
Contributions:				
Employer prefunding	\$ 6,810,652	\$ 23,459	\$ 1,300,000	\$ 8,134,111
Other	4,688,484	-	-	4,688,484
Total Contributions	11,499,136	23,459	1,300,000	12,822,595
Investment Income:				
Interest and dividends	7,570,127	63,458	244,163	7,877,748
Net (increase in fair value of investments)	31,823,985	264,204	1,044,271	33,132,460
Total Investment Income	39,394,112	327,662	1,288,434	41,010,208
Less investment expenses	96,779	817	3,117	100,713
Net Investment Income	39,297,333	326,845	1,285,317	40,909,495
Total Additions	50,796,469	350,304	2,585,317	53,732,090
<b>Deductions</b>				
Benefit payments, net	24,617,290	246,266	152,444	25,016,000
Administrative expenses	101,503	33,788	52,551	187,842
Total Deductions	24,718,793	280,054	204,995	25,203,842
Change in Plan Net Position	26,077,676	70,250	2,380,322	28,528,248
<b>Net Position Restricted for Other Postemployment Benefits</b>				
Beginning of year	308,787,381	2,691,844	9,250,644	320,729,869
End of year	\$ 334,865,057	\$ 2,762,094	\$ 11,630,966	\$ 349,258,117

The notes to the financial statements are an integral part of these statements.

**WASHOE COUNTY, NEVADA OPEB TRUST FUND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity**

The Washoe County, Nevada OPEB Trust Fund (Trust) was established by the Washoe County Board of County Commissioners (BCC) on May 11, 2010. The Trust, a multiple-employer trust, was created to fund and account for the participating employers' costs of retiree healthcare benefits pursuant to Nevada Revised Statutes (NRS) 287.017 and is intended to qualify under Internal Revenue Code Section 115. It is governed by a five-member Board of Trustees appointed by the BCC. As of June 30, 2023, there are two participating employers in the Trust: Washoe County, Nevada (County) and the Truckee Meadows Fire Protection District (TMFPD). The Sierra Fire Protection District was consolidated into TMFPD as of July 1, 2016.

The County provides other postemployment benefits (OPEB) for eligible employees through the Washoe County Retiree Health Benefit Plan (RHBP), a single-employer defined benefit OPEB plan. Some former County employees obtain their retiree health insurance through an arrangement with the State of Nevada's Public Employees' Benefits Plan (PEBP), a multiple-employer defined benefit OPEB plan.

TMFPD provides other postemployment benefits for eligible employees through the Truckee Meadows Fire Protection District Retiree Group Medical Plan (TMFPD RGMP), a single-employer defined benefit OPEB plan. The TMFPD plan includes former employees of the Sierra Fire Protection District.

Although assets of the plans are commingled for investment purposes, each plan's assets may be used only for the payment of benefits on behalf of the members of that plan, in accordance with the terms of the plan.

**Basis of Accounting**

The Trust's financial statements are prepared using the accrual basis of accounting in accordance with the accounting principles generally accepted in the United States of America. These statements have also been prepared in accordance with the reporting standards as promulgated by the Governmental Accounting Standards Board (GASB), which designates accounting principles and financial reporting standards applicable to the plans. As there are no legally required contributions, Employer contributions are recognized when received. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. Administrative expenses are recorded in the period to which they relate.

**Use of Estimates in Preparing Financial Statements**

The preparation of financial statements may require management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**Cash and Investments**

The Trust is authorized to participate in the Washoe County Investment Pool (WCIP) for short-term cash flow purposes and the State of Nevada Retirement Benefits Investment Fund (RBIF) for long-term investments.

The BCC administers and is responsible for the WCIP in accordance with NRS 355.175. The investment pool is not registered with the SEC as an investment company. FHN Financial Main Street Advisors determines the fair value of the investment pool monthly. Washoe County has not provided or obtained any legally binding guarantees during the year to support these values. Each participant's share is equal to their investment plus or minus their pro-rata share of monthly interest income and realized and unrealized gains and losses.

The Nevada Legislature established the RBIF with an effective date of July 17, 2007. The purpose of the RBIF is to invest contributions made by participating public entities, as defined in NRS 355.220, to enable such entities to support financing of OPEB. Monies received by the RBIF are held for investment purposes only and not in any fiduciary capacity. Each participating entity acts as fiduciary for its share of the RBIF. Bank of New York Mellon determines the fair value of the investment pool monthly. The RBIF allocates earnings (which include realized and unrealized gain or loss, interest, and other income) and expenses (both administrative and investment) to each participant according to their proportional share in the RBIF. This investment pool is not registered with the SEC as an investment company.

Investment earnings and investment fees for both the WCIP and the RBIF not directly allocable to a participating plan are allocated based on the monthly average cash and investment balances in each plan.

**WASHOE COUNTY, NEVADA OPEB TRUST FUND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2023**  
**(CONTINUED)**

**Contributions**

Employer prefunding contributions are determined by the participating employers and recognized when received. Other contributions include items such as reinsurance reimbursements, prescription drug rebates, and Retiree Drug Subsidy money received from the Centers for Medicare Services, all of which are received by the employers and passed through to the Trust as an offset against the benefits amounts that the Trust pays.

**Payment of Benefits**

Benefits, net of plan member contributions, are recognized when due and payable in accordance with the terms of the Plans.

**Administrative Expenses**

Certain costs incurred by the County in administering the Trust are paid by the Trust. Indirect costs, except for investment fees, incurred for the benefit of all participating plans in the Trust are allocated equally to each plan. Investment fees not directly allocable to a participating benefit plan are allocated based on the monthly average cash and investment balances of each plan. Administrative expenses are financed through investment earnings, and are recorded when incurred and payable by the Trust.

**Net Position Classification**

Net Position Restricted for Other Postemployment Benefits consists of net position with constraints placed on its use principally by NRS section 287 and Internal Revenue Code section 115.

**Termination**

Although the employers have not expressed any intent to do so, each employer has the right under the Trust Agreement to terminate their participation in the Trust in whole or in part at any time.

**NOTE 2 – PLAN DESCRIPTIONS, CONTRIBUTIONS, AND BENEFITS**

Membership of each plan consisted of the following as of June 30, 2022 for the PEBP Plan and the TMFPD RGMP and as of June 30, 2023 for the RHBP, the dates of the most recent full actuarial valuations of the plans:

	<u>RHBP</u>	<u>PEBP</u>	<u>TMFPD RGMP</u>	<u>Total</u>
Retirees and beneficiaries receiving benefits	1,900	278	59	2,237
Active plan members	2,656	-	192	2,848
Total	<u>4,556</u>	<u>278</u>	<u>251</u>	<u>5,085</u>

**Washoe County Retiree Health Benefit Plan (RHBP)**

Plan Description and Eligibility

In accordance with NRS 287.010, the BCC adopted the Washoe County Retiree Health Benefit Plan, a single-employer defined benefit OPEB plan, to provide OPEB to eligible employees upon retirement. Retirees are offered medical, prescription, vision, life, and dental insurance for themselves and their eligible dependents. Retirees can choose between two self-funded group health plans (PPO and HDHP), an HMO Plan, and a Medicare Advantage Plan. The authority to establish and amend benefit provisions is set by mutual agreement between the BCC and the various employee associations.

All employees hired before July 1, 2010 who retire from County employment and receive monthly payments under the Public Employees Retirement System of Nevada (PERS) are eligible to participate in the RHBP. In addition, employees hired before this date who have terminated employment prior to retirement may enroll in the RHBP upon commencing retirement if the County is that individual's last public employer.

All employees hired on or after July 1, 2010 who retire from County employment with at least five years of service and receive monthly payments under PERS will be eligible to participate in the RHBP, but must pay 100% of the premium for their coverage, including dependent coverage.

**WASHOE COUNTY, NEVADA OPEB TRUST FUND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2023**  
**(CONTINUED)**

Contributions

For eligible retirees, the County pays a portion of the retiree’s premium based on years of County service. Benefits are provided under two contribution “tiers”: Tier 1 includes employees hired prior to various exclusion dates between 1997 and 1999, as stipulated in employee association contracts, and Tier 2 includes all employees hired after the Tier 1 exclusion dates but before July 1, 2010. Retired plan members and beneficiaries currently receiving benefits are required to contribute specified amounts monthly toward the cost of health insurance premiums depending on the Tier. Retirees pay 100% of the premium for dependent coverage. Retiree premiums reflect an implicit subsidy as a result of NRS 287.023, which requires comingling of the claims experience of both active and retired employees and covered dependents in determining the premiums.

For Tier 1 retirees, the retiree’s contribution is determined as follows, except for the cost of dental benefits which is 100% paid for by the retiree, regardless of years of service.

Years of Service	Tier 1 Retiree Contribution
Less than 10	100%
10 but less than 15	50%
15 but less than 20	25%
20 or more	0%

For Tier 2 retirees, the retiree’s contribution is the monthly premium amount less a County-paid premium subsidy. The County’s monthly subsidy for retirees age 64 and under depends on years of full-time service and in fiscal year 2023 ranged from a minimum of \$128 for five years to a maximum of \$698 for 20 or more years. The County’s subsidy for retirees age 65 and over ranged from \$71 to \$284 per month in fiscal year 2023, depending upon years of service. Subsidy amounts are established through a negotiation process between the County and its employee associations. Tier 2 retirees must enroll in Medicare upon reaching age 65 or retiring, whichever is later.

Retirees whose employment commenced on or after July 1, 2010 and are eligible to participate in the RHBP will contribute 100% of the premium.

The County is required by association agreements to contribute, at a minimum, the amount necessary to fund current retiree health plan premium costs plus the actuarially determined “normal cost”. These agreements can only be amended through a negotiation process between the County and the employee associations. The BCC approves the retiree health benefit contribution amount annually. During the current fiscal year, the County contributed \$6,810,652 based on the actuarially determined contribution. It also made other contributions of \$4,688,484.

Benefits

Benefit payments for the year ended June 30, 2023 were as follows:

Benefit payments	\$ 28,623,774
Less: plan member premium contributions	<u>4,006,484</u>
Net RHBP benefit payments	<u><u>\$ 24,617,290</u></u>

**State of Nevada’s Public Employees’ Benefits Plan (PEBP)**

Plan Description and Eligibility

NRS 287.023 allowed County retirees to join the State’s PEBP through September 1, 2008, at the County’s expense. It is closed to existing County employees. Eligibility and subsidy requirements are governed by statutes of the State and can only be amended through legislation. PEBP is administered by a nine-member governing board and provides medical, dental, prescription, vision, life, and accident insurance for retirees. PEBP is a multiple employer defined benefit plan.

Contribution requirements in the form of a premium subsidy are assessed by the PEBP Board annually. The County is required to provide a subsidy for its eligible retirees who have elected to join PEBP. The County’s required subsidy is based on each retiree’s years of service with the County as a proportionate share of the retiree’s total years of PERS service, and in fiscal year 2023 the County’s monthly subsidy for individual retirees ranged from a minimum of \$1 to a maximum of \$993.

Additionally, the BCC approves an annual contribution amount based on the actuarially determined contribution for the year. In fiscal year 2023, the County budgeted and contributed \$23,459.



**WASHOE COUNTY, NEVADA OPEB TRUST FUND  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023  
(CONTINUED)**

Benefit payments for the year ended June 30, 2023 were \$246,266.

**TMFPD Retiree Group Medical Plan (TMFPD RGMP)**

Plan Description and Eligibility

TMFPD's operations were combined with the City of Reno's fire operations from July 1, 2000 through June 30, 2012, pursuant to an interlocal agreement for fire services and consolidation. For employees who retired prior to July 1, 2000, TMFPD has no responsibility for the cost of benefits; the City of Reno has assumed this liability. Employees who retired between July 1, 2000 and June 30, 2012 are eligible for retiree health benefits provided through the City of Reno's self-insured plan. Employees hired between July 1, 2012 and July 1, 2014, as well as those who transferred to TMFPD from the City of Reno in 2012 in connection with the termination of the interlocal agreement with the City of Reno, are eligible for retiree health benefits through the District's own fully insured plan.

Effective in 2014, the employer portion of the benefit costs for retirees who retired between July 1, 2000 and June 30, 2012 are apportioned between TMFPD and the City of Reno based upon service with each entity, with service earned prior to July 1, 2000 considered to have been service with TMFPD. Benefits under the City's plan include medical, dental, prescription, vision, and life insurance.

The Sierra Fire Protection District (SFPD) was consolidated into the TMFPD as of July 1, 2016, at which time TMFPD became responsible for the OPEB obligations of SFPD.

The TMFPD's fully insured plan is a single-employer defined benefit plan which includes health, dental, vision and prescription coverage. Eligibility requirements, benefit levels, employee contributions, and employer contributions may be amended by the mutual agreement of the Truckee Meadows Fire Protection District and the TMFPD Fire Fighters Association.

Contributions

Contributions for retirees eligible for coverage under the City of Reno's plan depend on the retirees' union membership. International Association of Fire Fighters Local #731 members retiring prior to age 65 or eligibility for Medicare are required to pay for 40% of their benefits as well as 40% of the benefits of their spouse. Thereafter, retirees are required to pay for 50% of their coverage and 100% of their spouse's coverage. Operating Engineers Local #39 members retiring prior to age 65 or eligibility for Medicare are required to pay for 25% of their coverage if they have at least 15 but less than 30 years of service and 0% if they have over 30 years of service. There is no coverage after age 65 and spouses are not covered. Eligible retirees who retire from TMFPD will be required to pay for 50% of the retiree's health insurance premium, and 100% of the cost of coverage for their spouses.

Additionally, the Board of Fire Commissioners approves an annual contribution based on the District's funding policy, which is intended to fund its total OPEB liability at an 80% ratio. In fiscal year 2023, the District budgeted and contributed \$1,300,000.

Benefits

Benefit payments for the year ended June 30, 2023 were as follows:

Benefit payments	\$	357,938
Less: plan member premium contributions		205,494
Net TMFPD RGMP benefit payments	\$	152,444

The retiree portion of the cost of coverage for former TMFPD employees who participate in the City of Reno's plan are paid directly to the City of Reno by TMFPD and are not included in these financial statements.

**NOTE 3 – CASH AND INVESTMENTS**

The Trust is authorized to participate in the Washoe County Investment Pool (WCIP) for short-term cash flow purposes and the State of Nevada Retirement Benefits Investment Fund (RBIF) for long-term investments.

At year end, the Trust's cash and investments invested with the WCIP and the RBIF were as follows:

**WASHOE COUNTY, NEVADA OPEB TRUST FUND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2023**  
**(CONTINUED)**

	<u>RHBP</u>	<u>PEBP</u>	<u>TMFPD RGMP</u>	<u>Total</u>
Washoe County Investment Pool	\$ 684,803	\$ 70,149	\$ 57,733	\$ 812,685
Retirement Benefits Investment Fund	<u>338,484,812</u>	<u>2,749,764</u>	<u>11,593,784</u>	<u>352,828,361</u>
Total cash and investments	<u>\$ 339,169,616</u>	<u>\$ 2,819,913</u>	<u>\$ 11,651,518</u>	<u>\$ 353,641,046</u>

The WCIP is an unrated external investment pool. The Trust's investment in the WCIP is reported at its net proportional share of the WCIP's underlying portfolio at June 30, 2023. FHN Financial Main Street Advisors determines the fair value of the investment pool monthly. Pooled investments principally include U.S. Agency securities, U. S. Treasury securities, corporate notes and commercial paper, certificates of deposit, and asset-backed securities; all are physically collateralized and held by Wells Fargo Bank. The pooled investments also include money deposited with the State of Nevada's Local Government Investment Pool. Investments in the WCIP are classified as cash and investments in the Statements of Fiduciary Net Position because they can be withdrawn on demand without notice in an amount equal to the original investment plus or minus the monthly allocation of interest income and realized and unrealized gains and losses. All money deposited into the WCIP is at the Trust's discretion. Complete financial information on the WCIP as of June 30, 2023 can be obtained by contacting the Washoe County Comptroller's Office, 1001 East 9<sup>th</sup> Street, Bldg. D, Room 200, Reno, Nevada, 89512.

The RBIF is also an unrated external investment pool. The Trust's investment in the RBIF is reported at its net proportional share of RBIF's underlying portfolio (U.S. stocks, international stocks, and U.S. bonds) at June 30, 2023. Bank of New York Mellon determines the fair value of the investment pool monthly. Investments in the RBIF are classified as cash and investments in the Statements of Fiduciary Net Position; they can be withdrawn once per month, with five business days written notice, in an amount equal to the original investment plus or minus the monthly allocation of interest and dividend income and realized and unrealized gains and losses. The RBIF allocates earnings (which include realized and unrealized gain or loss, interest, dividends, and other income) and expenses (both administrative and investment) to each participant according to their proportional share in the RBIF. All money deposited into the RBIF is at the Trust's discretion. Complete financial information on the RBIF as of June 30, 2023 can be obtained by contacting the Retirement Benefits Investment Board, 693 W. Nye Lane, Carson City, Nevada, 89703.

For the year ended June 30, 2023 the annual money-weighted rate of return on investments, net of investment expense, was as follows:

Washoe County RHBP	12.84%
Washoe County PEBP	12.47%
TMFPD RGMP	12.85%

The money-weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested.

**NOTE 4 – NET OPEB LIABILITIES**

The components of the net OPEB liability of each of the plans at June 30, 2023 were as follows:

	<u>RHBP</u>	<u>PEBP</u>	<u>TMFPD RGMP</u>
Total OPEB Liability	\$ 491,239,799	\$ 3,105,607	\$ 17,628,956
Plan fiduciary net position	<u>(334,865,057)</u>	<u>(2,762,094)</u>	<u>(11,630,966)</u>
Net OPEB Liability	<u>\$ 156,374,742</u>	<u>\$ 343,513</u>	<u>\$ 5,997,990</u>
Plan fiduciary net position as a percentage of the total OPEB Liability	68.17%	88.94%	65.98%

*Actuarial assumptions.* The total OPEB liability for each plan was determined by actuarial valuations dated July 1, 2022 for the PEBP Plan and the TMFPD RGMP, and dated July 1, 2023 for the RHBP, using the following actuarial assumptions to all periods included in the measurement, unless otherwise specified:

**WASHOE COUNTY, NEVADA OPEB TRUST FUND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2023**  
**(CONTINUED)**

	<u>RHBP</u>	<u>PEBP</u>	<u>TMFPD RGMP</u>
Inflation	2.50%	2.35%	2.35%
Salary increases	7.50% first 4 years, 2.50% thereafter	N/A	12% first 4 years, 4.5% thereafter * 9.3% first 4 years, 2.35% thereafter **
Investment rate of return	5.75%	5.75%	5.75%
Healthcare cost trend rates	4.7% initial 3.9% ultimate	5.5% initial 3.8% ultimate	5.5% initial 3.70% ultimate

\* first two years after valuation  
\*\* years 3 + after valuation

Mortality rates for the RHBP, the PEBP Plan and the TMFPD RGMP were based on the Pub-2010 mortality tables published by the Society of Actuaries adjusted to match Nevada PERS experience. Rates were increased by 20% to 30% for male retirees and by 5% to 15% for female retirees, depending on health status and if the employee retired from a public safety position.

The actuarial valuations for the TMFPD RGMP used the Nevada Public Employees Retirement System (PERS) demographic assumptions from PERS' 2021 experience study. The RHBP used an experience study of the plan to determine demographic assumptions for retirement and withdrawal rate assumptions.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of the occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend.

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 employer and plan members to that point.

The long-term expected rate of return on OPEB plan investments, net of investment expenses and utilizing the long-term geometric real rate of return, was based on RBIF's adopted investment policy target asset allocation as of June 30, 2023, as follows:

<u>Asset Class</u>	<u>Target Allocation</u>
U. S. Stocks	50.5%
International stocks	21.5%
U. S. Bonds	28.0%

Healthcare cost trends change from year to year due to changes in general and healthcare-specific inflation, among other factors. The trends noted in the above table for the July 1, 2023 actuarial valuations changed from the following trends used in the July 1, 2022 roll-forward valuations:

RHBP: 3.90% to 4.70%  
PEBP: 3.80% to 5.50%  
RGMP: 3.70% to 5.50%

**Discount rate.** The discount rate should be the single rate that reflects the long-term rate of return on OPEB plan investments that are expected to be used to finance the payment of benefits, to the extent that plan assets are projected to cover the benefit payments. The discount rate used to measure the total OPEB liability as of June 30, 2023 was 5.75% for all plans, the same as was used in the previous valuations as of July 1, 2022.

For the RHBP and PEBP, the projection of cash flows used to determine the discount rate assumed that County contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the RHBP's and PEBP's net positions are projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability for each plan.

For the TMFPD RGMP, the projection of cash flows used to determine the discount rate reflects the District's decision to implement in fiscal year 2019 a funding policy which will maintain a funded percentage for the RGMP of at least 80%. When implemented, the Net Position of the RGMP and future expected contributions and earnings are always projected to be sufficient to cover benefit payments.

**WASHOE COUNTY, NEVADA OPEB TRUST FUND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2023**  
**(CONTINUED)**

*Sensitivity of the net OPEB liability to changes in the discount rate.* The following presents the net OPEB liabilities of the plans, as well as what each plan's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.75 percent) or 1-percentage-point higher (6.75 percent) than the current discount rate:

	<b>1% Decrease in Discount Rate 4.75%</b>	<b>Current Discount Rate 5.75%</b>	<b>1% Increase in Discount Rate 6.75%</b>
RHBP Net OPEB Liability	\$ 220,247,119	\$ 156,374,742	\$ 103,639,092
PEBP Net OPEB Liability	\$ 645,636	\$ 343,513	\$ 84,947
TMFPD RGMP Net OPEB Liability	\$ 8,248,725	\$ 5,997,990	\$ 4,098,203

*Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates.* The following presents the net OPEB liabilities of the plans, as well as what each plan's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

<b>RHBP</b>			
	<b>1% Decrease in Healthcare Costs Trend Rate (3.7% decreasing to 2.9%)</b>	<b>Current Healthcare Costs Trend Rate (4.7% decreasing to 3.9%)</b>	<b>1% Increase in Healthcare Costs Trend Rate (5.7% decreasing to 4.9%)</b>
Net OPEB Liability	\$ 103,354,718	\$ 156,374,742	\$ 220,131,257
<b>PEBP</b>			
	<b>1% Decrease in Healthcare Costs Trend Rate (4.5% decreasing to 2.8%)</b>	<b>Current Healthcare Costs Trend Rate (5.5% decreasing to 3.8%)</b>	<b>1% Increase in Healthcare Costs Trend Rate (6.5% decreasing to 4.8%)</b>
Net OPEB Liability	\$ 94,313	\$ 343,513	\$ 629,133
<b>TMFPD RGMP</b>			
	<b>1% Decrease in Healthcare Costs Trend Rate (4.50% decreasing to 2.70%)</b>	<b>Current Healthcare Costs Trend Rate (5.50% decreasing to 3.70%)</b>	<b>1% Increase in Healthcare Costs Trend Rate (6.50% decreasing to 4.70%)</b>
Net OPEB Liability	\$ 3,837,289	\$ 5,997,990	\$ 8,633,731

**WASHOE COUNTY, NEVADA OPEB TRUST FUND  
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULES OF CHANGES IN THE PLANS' NET OPEB LIABILITY AND RELATED RATIOS**

**LAST TEN FISCAL YEARS\***

Washoe County Retirees Health Benefits Plan:

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Total OPEB liability</b>							
Service cost	\$ 4,854,356	3,877,260	3,764,330	\$ 5,646,136	\$ 5,455,204	\$ 6,700,000	\$ 6,473,000
Interest	28,127,424	22,076,351	21,660,363	29,103,076	28,019,923	31,567,000	30,059,000
Changes of benefit terms	-	7,528,783	-	-	-	-	-
Differences between expected and actual experience	(28,998,830)	86,894,125	-	(896,459)	-	1,484,000	-
Changes of assumptions	13,307,829	3,852,748	-	(123,584,517)	-	(6,570,000)	-
Benefit payments	(20,452,605)	(19,501,311)	(17,137,807)	(16,335,205)	(14,912,577)	(16,825,000)	(13,601,066)
Other changes	-	-	-	-	-	(172,517)	-
<b>Net Change in total OPEB liability</b>	<u>(3,161,826)</u>	<u>104,727,956</u>	<u>8,286,886</u>	<u>(106,066,969)</u>	<u>18,562,550</u>	<u>16,183,483</u>	<u>22,930,934</u>
<b>Total OPEB liability - beginning</b>	<u>494,401,625</u>	<u>389,673,669</u>	<u>381,386,783</u>	<u>487,453,752</u>	<u>468,891,202</u>	<u>452,707,719</u>	<u>429,776,785</u>
<b>Total OPEB liability - ending (a)</b>	<u>\$ 491,239,799</u>	<u>494,401,625</u>	<u>389,673,669</u>	<u>\$ 381,386,783</u>	<u>\$ 487,453,752</u>	<u>\$ 468,891,202</u>	<u>\$ 452,707,719</u>
<b>Fiduciary net position</b>							
Employer contributions	\$ 6,810,652	10,952,060	16,898,159	\$ 20,188,000	\$ 22,956,281	\$ 22,988,364	\$ 25,306,206
Other contributions	523,799	473,658	917,267	458,977	1,704,664	3,144,797	1,877,007
Net investment income	39,297,333	(32,415,407)	75,006,695	17,131,267	18,504,570	16,871,288	21,244,206
Benefit payments	(20,452,605)	(19,501,311)	(17,137,807)	(16,335,205)	(16,303,362)	(16,825,000)	(13,601,066)
Administrative expenses	(101,503)	(23,043)	(40,141)	(54,574)	(79,845)	(15,690)	(27,416)
<b>Net change in plan net position</b>	<u>26,077,676</u>	<u>(40,514,043)</u>	<u>75,644,173</u>	<u>21,388,465</u>	<u>26,782,308</u>	<u>26,163,759</u>	<u>34,798,937</u>
<b>Fiduciary net position - beginning</b>	<u>308,787,381</u>	<u>349,301,424</u>	<u>273,657,251</u>	<u>252,268,786</u>	<u>225,486,478</u>	<u>199,322,719</u>	<u>164,523,782</u>
<b>Fiduciary net position - ending (b)</b>	<u>\$ 334,865,057</u>	<u>308,787,381</u>	<u>349,301,424</u>	<u>\$ 273,657,251</u>	<u>\$ 252,268,786</u>	<u>\$ 225,486,478</u>	<u>\$ 199,322,719</u>
<b>RHBP net OPEB liability - ending (a) - (b)</b>	156,374,742	185,614,244	40,372,245	107,729,532	235,184,966	243,404,724	253,385,000
<b>Plan fiduciary net position as a percentage of the total OPEB liability</b>	68.17%	62.46%	89.64%	71.75%	51.75%	48.09%	44.03%

Notes to Schedule:

Certain amounts are presented in accordance with Actuarial Standards of Practice, which differs from the presentation on the Statements of Changes in Fiduciary Net Position. There is no effect on the Change in Plan Net Position.

The following actuarial assumptions for computing the Total OPEB liability were changed from FY17 to FY18:

- The healthcare costs trend rate changed from a range of 4.75% to 7.50% in FY17 to a range of 4.80% to 5.40% in FY18.
- The projected investment rate of return decreased from 7% in FY17 to 6% in FY18.
- The RP-2014 Mortality table was used in both years; for FY17 it was projected forward using the MP-2016 scale, and for FY18 it was projected forward using the MP-2018 scale.

The following actuarial assumptions for computing the Total OPEB liability were changed from FY19 to FY20:

- The healthcare costs trend rate changed from a range of 4.80% to 5.40% in FY19 to a range of 4.00% to 6.20% in FY20.
- The projected investment rate of return decreased from 6% in FY19 to 5.75% in FY20.
- The RP-2014 Mortality table was used in both years; for FY19 it was projected forward using the MP-2018 scale, and for FY20 it was projected forward using the MP-2019 scale.

The following actuarial assumptions for computing the Total OPEB liability were changed from FY21 to FY22:

- The healthcare costs trend rate changed from a range of 4.00% to 6.20% in FY21 to a range of 3.80% to 5.50% in FY22.
- In FY22 mortality assumptions were changed to the Pub-2010 mortality tables published by the Society of Actuaries, projected generationally using the MP-2020 projection scale, and adjusted to match the Nevada PERS experience.

The following actuarial assumptions for computing the Total OPEB liability were changed from FY22 to FY23:

- The healthcare costs trend rate changed from a range of 3.80% to 5.50% in FY22 to a range of 3.90% to 4.70% in FY23.
- The retirement and withdrawal rate assumptions were changed as a result of an experience study of the plan's participants.

\*GASB Statement No. 74 requires ten years of information to be presented in these tables. However, until ten years of data is compiled, the Trust Fund will present information only for those years for which information is available.

**WASHOE COUNTY, NEVADA OPEB TRUST FUND  
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULES OF CHANGES IN THE PLANS' NET OPEB LIABILITY AND RELATED RATIOS**

**LAST TEN FISCAL YEARS\***

Washoe County Retirees – State's Public Employees Benefits Plan:

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Total OPEB liability</b>							
Service cost	\$ -	-	-	\$ -	\$ -	\$ -	\$ -
Interest	175,652	191,553	195,487	228,043	231,538	255,702	256,838
Changes of benefit terms	-	-	-	-	-	-	-
Differences between expected and actual experience	-	(65,856)	-	123,541	-	(9,159)	-
Changes of assumptions	-	(149,120)	-	(468,540)	-	240,944	-
Benefit payments	(246,266)	(259,778)	(267,940)	(299,400)	(280,454)	(281,687)	(264,731)
<b>Net Change in total OPEB liability</b>	<u>(70,614)</u>	<u>(283,201)</u>	<u>(72,453)</u>	<u>(416,356)</u>	<u>(48,916)</u>	<u>205,800</u>	<u>(7,893)</u>
<b>Total OPEB liability - beginning</b>	<u>3,176,221</u>	<u>3,459,422</u>	<u>3,531,875</u>	<u>3,948,231</u>	<u>3,997,147</u>	<u>3,791,347</u>	<u>3,799,240</u>
<b>Total OPEB liability - ending (a)</b>	<u>\$ 3,105,607</u>	<u>\$ 3,176,221</u>	<u>\$ 3,459,422</u>	<u>\$ 3,531,875</u>	<u>\$ 3,948,231</u>	<u>\$ 3,997,147</u>	<u>\$ 3,791,347</u>
<b>Fiduciary net position</b>							
Employer contributions	\$ 23,459	70,606	101,841	\$ 102,159	\$ 94,719	\$ 99,636	\$ 43,000
Net investment income	326,845	(282,396)	691,084	180,349	189,515	224,958	309,861
Benefit payments	(246,266)	(259,778)	(267,940)	(299,400)	(280,454)	(281,687)	(264,731)
Administrative expenses	(33,788)	(21,396)	(23,678)	(21,510)	(22,122)	(14,221)	(14,702)
<b>Net change in plan net position</b>	<u>70,250</u>	<u>(492,964)</u>	<u>501,307</u>	<u>(38,402)</u>	<u>(18,342)</u>	<u>28,686</u>	<u>73,428</u>
<b>Fiduciary net position - beginning</b>	<u>2,691,844</u>	<u>3,184,808</u>	<u>2,683,501</u>	<u>2,721,903</u>	<u>2,740,245</u>	<u>2,711,559</u>	<u>2,638,131</u>
<b>Fiduciary net position - ending (b)</b>	<u>\$ 2,762,094</u>	<u>\$ 2,691,844</u>	<u>\$ 3,184,808</u>	<u>\$ 2,683,501</u>	<u>\$ 2,721,903</u>	<u>\$ 2,740,245</u>	<u>\$ 2,711,559</u>
<b>PEBP net OPEB liability - ending (a) - (b)</b>	343,513	484,377	274,614	848,374	1,226,328	1,256,902	1,079,788
<b>Plan fiduciary net position as a percentage of the total OPEB liability</b>	88.94%	84.75%	92.06%	75.98%	68.94%	68.56%	71.52%

Notes to Schedule:

The following actuarial assumptions for computing the Total OPEB liability were changed from FY17 to FY18:

- The healthcare costs trend rate changed from a range of 4.75% to 8.25% in FY17 to a range of 4.70% to 6.10% in FY18.
- The projected investment rate of return decreased from 7% in FY17 to 6% in FY18.
- The RP-2014 Mortality table was used in both years; for FY17 it was projected forward using the MP-2016 scale, and for FY18 it was projected forward using the MP-2018 scale.

The following actuarial assumptions for computing the Total OPEB liability were changed from FY19 to FY20:

- The healthcare costs trend rate changed from a range of 4.70% to 6.10% in FY19 to a range of 4.00% to 6.30% in FY20.
- The projected investment rate of return decreased from 6% in FY19 to 5.75% in FY20.
- The RP-2014 Mortality table was used in both years; for FY19 it was projected forward using the MP-2018 scale, and for FY20 it was projected forward using the MP-2019 scale.

The following actuarial assumptions for computing the Total OPEB liability were changed from FY21 to FY22:

- The healthcare costs trend rate changed from a range of 4.00% to 6.30% in FY21 to a range of 3.80% to 5.50% in FY22.
- In FY22 mortality assumptions were changed to the Pub-2010 mortality tables published by the Society of Actuaries, projected generationally using the MP-2020 projection scale, and adjusted to match the Nevada PERS experience.

\*GASB Statement No. 74 requires ten years of information to be presented in these tables. However, until ten years of data is compiled, the Trust Fund will present information only for those years for which information is available.

**WASHOE COUNTY, NEVADA OPEB TRUST FUND  
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULES OF CHANGES IN THE PLANS' NET OPEB LIABILITY AND RELATED RATIOS**

**LAST TEN FISCAL YEARS\***

Truckee Meadows Fire Protection District Retiree Group Medical Plan:

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Total OPEB liability</b>							
Service cost	\$ 972,851	619,298	604,193	\$ 538,625	\$ 520,411	\$ 417,213	\$ 405,061
Interest	962,750	822,087	802,893	671,333	613,936	501,045	455,572
Changes of benefit terms	-	756,058	-	-	-	-	-
Differences between expected and actual experience	-	600,538	(914,105)	817,675	-	(27,487)	-
Changes of assumptions	-	(547,072)	-	861,777	-	2,295,853	-
Benefit payments	(152,444)	(163,648)	(184,624)	(176,377)	(214,991)	(215,174)	(230,891)
<b>Net Change in total OPEB liability</b>	<u>1,783,157</u>	<u>2,087,261</u>	<u>308,357</u>	<u>2,713,033</u>	<u>919,356</u>	<u>2,971,450</u>	<u>629,742</u>
<b>Total OPEB liability - beginning</b>	<u>15,845,799</u>	<u>13,758,538</u>	<u>13,450,181</u>	<u>10,737,148</u>	<u>9,817,792</u>	<u>6,846,342</u>	<u>6,216,600</u>
<b>Total OPEB liability - ending (a)</b>	<u>\$ 17,628,956</u>	<u>15,845,799</u>	<u>13,758,538</u>	<u>\$ 13,450,181</u>	<u>\$ 10,737,148</u>	<u>\$ 9,817,792</u>	<u>\$ 6,846,342</u>
<b>Fiduciary net position</b>							
Employer contributions	\$ 1,300,000	850,000	750,000	\$ 651,000	\$ 463,000	\$ -	\$ -
Net investment income	1,285,317	(965,903)	1,983,264	418,050	450,938	435,094	591,731
Benefit payments	(152,444)	(163,648)	(184,624)	(176,377)	(214,991)	(215,174)	(230,891)
Administrative expenses	(52,551)	(22,396)	(35,106)	(39,115)	(34,449)	(15,693)	(16,744)
<b>Net change in plan net position</b>	<u>2,380,322</u>	<u>(301,947)</u>	<u>2,513,534</u>	<u>853,558</u>	<u>664,498</u>	<u>204,227</u>	<u>344,096</u>
<b>Fiduciary net position - beginning</b>	<u>9,250,644</u>	<u>9,552,591</u>	<u>7,039,057</u>	<u>6,185,499</u>	<u>5,521,001</u>	<u>5,316,774</u>	<u>4,972,678</u>
<b>Fiduciary net position - ending (b)</b>	<u>\$ 11,630,966</u>	<u>9,250,644</u>	<u>9,552,591</u>	<u>\$ 7,039,057</u>	<u>\$ 6,185,499</u>	<u>\$ 5,521,001</u>	<u>\$ 5,316,774</u>
<b>TMFPD RGMP net OPEB liability - ending (a) - (b)</b>	5,997,990	6,595,155	4,205,947	6,411,124	4,551,649	4,296,791	1,529,568
<b>Plan fiduciary net position as a percentage of the total OPEB liability</b>	65.98%	58.38%	69.43%	52.33%	57.61%	56.23%	77.66%

Notes to Schedule:

The following actuarial assumptions for computing the Total OPEB liability were changed from FY17 to FY18:

- The healthcare costs trend rate changed from a range of 4.75% to 9.84% in FY17 to a range of 4.60% to 6.20% in FY18.
- The projected investment rate of return decreased from 7% in FY17 to 6% in FY18.
- The RP-2000 Combined Mortality table, projected to 2025 with Scale AA, was used in FY17. The RP-2014 Mortality table, adjusted to reflect mortality improvement scale MP-2015 from the 2006 base year, and projected forward using projection scale MP-2018 on a generational basis was used for FY18.

The following actuarial assumptions for computing the Total OPEB liability were changed from FY19 to FY20:

- The healthcare costs trend rate changed from a range of 4.60% to 6.20% in FY19 to a range of 4.00% to 8.20% in FY20.
- The projected investment rate of return decreased from 6% in FY19 to 5.75% in FY20.
- The RP-2014 Mortality table, adjusted to reflect mortality improvement scale MP-2015 from the 2006 base year, and projected forward using projection scale MP-2018 on a generational basis was used for FY19. For FY20, the RP-2014 Mortality table was used, and was adjusted to reflect mortality improvement Scale MP-2019 from the 2006 base year and was projected forward using projection scale MP-2019 on a generational basis.

The following actuarial assumptions for computing the Total OPEB liability were changed from FY20 to FY21:

- Some of the retirees on the City of Reno's healthcare plan have changed to a lower-cost plan.

\*GASB Statement No. 74 requires ten years of information to be presented in these tables. However, until ten years of data is compiled, the Trust Fund will present information only for those years for which information is available.

**WASHOE COUNTY, NEVADA OPEB TRUST FUND  
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULES OF CHANGES IN THE PLANS' NET OPEB LIABILITY AND RELATED RATIOS  
LAST TEN FISCAL YEARS\***

Notes to Schedule, Continued:

The following actuarial assumptions for computing the Total OPEB liability were changed from FY21 to FY22:

- The healthcare costs trend rate changed from a range of 4.00% to 8.20% in FY21 to a range of 3.70% to 5.50% in FY22.
- In FY22 mortality assumptions were changed to the Pub-2010 mortality tables published by the Society of Actuaries, projected generationally using the MP-2020 projection scale, and adjusted to match the Nevada PERS experience.

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**WASHOE COUNTY, NEVADA OPEB TRUST FUND  
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULES OF EMPLOYER CONTRIBUTIONS**

**LAST TEN FISCAL YEARS\***

Washoe County Retirees Health Benefits Plan:

	2023	2022	2021	2020	2019	2018	2017
Actuarially determined contribution	\$ 18,249,364	6,810,652	10,952,060	\$ 20,378,275	\$ 20,188,000	\$ 23,147,000	\$ 23,088,000
Contributions in relation to the actuarially determined contribution	6,810,652	10,952,060	16,898,159	20,188,000	22,956,281	22,988,364	25,306,206
Contribution excess (deficiency)	<u>\$ (11,438,712)</u>	<u>4,141,408</u>	<u>5,946,099</u>	<u>\$ (190,275)</u>	<u>\$ 2,768,281</u>	<u>\$ (158,636)</u>	<u>\$ 2,218,206</u>

**Notes to Schedule**

Valuation date	July 1, 2023
Methods and assumptions used to determine contribution amount:	
Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	18 years
Asset valuation method	Market value
Inflation	2.50%
Healthcare costs trend rate	4.7% initial, 3.9% ultimate
Salary increases	7.50% each of first 4 years, and 2.50% thereafter
Investment rate of return	5.75%, net of OPEB plan investment expense
Mortality	PUB-2010, Amount Weighted, Above Median, General and Safety Mortality tables split by Male/Female, Employee/Retiree, and Health/Disabled. Projected generationally from the 2010 base year using the MP-2020 projection scale. Male healthy retiree rates increased by 30% (30% for Deputies), and female healthy retiree rates increased by 15% (5% for Deputies). Male disabled retiree rates increased by 20% (30% for Deputies), and female disabled retiree rates increased by 15% (10% for Deputies).

Other Information:

The 2017 Contributions include \$4,403,205 of non-legally required employer prefunding contributions for fiscal year 2016 received in fiscal year 2017. GASB Statement No. 74 requires such contributions to be reported in the year received.

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**WASHOE COUNTY, NEVADA OPEB TRUST FUND  
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULES OF EMPLOYER CONTRIBUTIONS**

**LAST TEN FISCAL YEARS\***

Washoe County Retirees - State's Public Employees Benefits Plan:

	2023	2022	2021	2020	2019	2018	2017
Actuarially determined contribution	\$ 42,565	23,459	70,606	\$ 101,841	\$ 102,159	\$ 93,834	\$ 99,636
Contributions in relation to the actuarially determined contribution	23,459	70,606	101,841	102,159	94,719	99,636	43,000
Contribution excess (deficiency)	\$ (19,106)	47,147	31,235	\$ 318	\$ (7,440)	\$ 5,802	\$ (56,636)

**Notes to Schedule**

Valuation date	July 1, 2022
Methods and assumptions used to determine contribution amount:	
Actuarial cost method	Entry Age Normal
Amortization method	Level dollar, closed
Remaining amortization period	18 years
Asset valuation method	Market value
Inflation	2.35%
Healthcare costs trend rate	5.5% initial, 3.8% ultimate
Salary increases	N/A
Investment rate of return	5.75%, net of OPEB plan investment expense
Mortality	Pub-2010, Amount Weighted, Above Median, General Mortality tables split by Male/Female, Employee/Retiree, and Healthy/Disabled. Projected generationally from the 2010 base year using the MP-2020 projection scale. Male retiree rates increased by 30%, and female retirees rates increased by 15%.

\*GASB Statement No. 74 requires ten years of information to be presented in these tables. However, until ten years of data is compiled, the Trust Fund will present information only for those years for which information is available.

**WASHOE COUNTY, NEVADA OPEB TRUST FUND  
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULES OF EMPLOYER CONTRIBUTIONS**

**LAST TEN FISCAL YEARS\***

Truckee Meadows Fire Protection District Retiree Group Medical Plan:

	2023	2022	2021	2020	2019	2018	2017
Actuarially determined contribution	\$ 1,987,902	1,219,612	1,441,454	\$ 1,113,849	\$ 1,037,004	\$ 650,895	\$ 405,061
Contributions in relation to the actuarially determined contribution	1,300,000	850,000	750,000	651,000	463,000	-	-
Contribution excess (deficiency)	\$ <u>(687,902)</u>	<u>(369,612)</u>	<u>(691,454)</u>	\$ <u>(462,849)</u>	\$ <u>(574,004)</u>	\$ <u>(650,895)</u>	\$ <u>(405,061)</u>

**Notes to Schedule**

Valuation date	July 1, 2022
Methods and assumptions used to determine contribution amount:	
Actuarial cost method	Entry Age Normal
Amortization method	Level dollar, closed
Remaining amortization period	8 years
Asset valuation method	Market value
Inflation	2.35%
Healthcare costs trend rate	5.5% initial, 3.7% ultimate
Salary increases	First two years after valuation: 12.0% each of first 4 years, and 4.50% thereafter Years 3+ after valuation: 9.3% each of first 4 years, and 2.35% thereafter
Investment rate of return	5.75%, net of OPEB plan investment expense
Mortality	PUB-2010, Amount Weighted, Above Median, Safety Mortality tables split by Male/Female, Employee/Retiree, and Health/Disabled. Projected generationally from the 2010 base year using the MP-2020 projection scale. Male healthy retiree rates increased by 30%, and female healthy retiree rates increased by 5%. Male disabled retiree rates increased by 30%, and female disabled retiree rates increased by 10%.

**SCHEDULE OF INVESTMENT RETURNS**

**LAST TEN FISCAL YEARS\***

	2023	2022	2021	2020	2019	2018	2017
Annual money-weighted rate of return, net of investment expense:							
Washoe County RHBP	12.84%	-9.27%	27.09%	6.66%	7.95%	8.13%	12.05%
Washoe County PEBP	12.47%	-9.00%	26.31%	6.79%	7.08%	8.41%	12.08%
TMFPD RGMP	12.85%	-9.32%	26.34%	6.30%	7.72%	8.27%	11.95%

\*GASB Statement No. 74 requires ten years of information to be presented in these tables. However, until ten years of data is compiled, the Trust Fund will present information only for those years for which information is available.



March 8, 2024

To the Honorable Board of Trustees  
Washoe County, Nevada OPEB Trust Fund  
Reno, Nevada

We have audited the financial statements of Washoe County, Nevada OPEB Trust Fund (the Fund), a fiduciary component unit of Washoe County, Nevada, as of and for the year ended June 30, 2023, and have issued our report thereon dated March 8, 2024. Professional standards require that we advise you of the following matters relating to our audit.

**Our Responsibility in Relation to the Financial Statement Audit under Generally Accepted Auditing Standards**

As communicated in our engagement letter dated December 9, 2023, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Fund solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

**Planned Scope and Timing of the Audit**

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

## **Compliance with All Ethics Requirements Regarding Independence**

The engagement team, others in our firm, as appropriate, our firm, and other firms utilized in the engagement, if applicable, have complied with all relevant ethical requirements regarding independence.

## **Qualitative Aspects of the Entity's Significant Accounting Practices**

### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Fund is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2023. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

### *Significant Accounting Estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimate affecting the financial statements are management's estimate of the OPEB liability in Note 4 to the basic financial statements which is based on valuation performed by a third-party actuary utilizing various assumptions for the calculation. We evaluated the key factors and assumptions used to develop the valuation and resulting OPEB liability of the Fund and determined that it is reasonable in relation to the basic financial statements taken as a whole.

### *Financial Statement Disclosures*

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the Fund's financial statement disclosures relate to the net OPEB liability.

## **Significant Difficulties Encountered during the Audit**

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

## **Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant

classes of transactions, account balances or disclosures, and the financial statements as a whole. Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even though the uncorrected misstatements are immaterial to the financial statements currently under audit. There were no uncorrected or corrected misstatements identified as a result of our audit procedures.

### **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Fund's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

### **Circumstances that Affect the Form and Content of the Auditor's Report**

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report. We did not identify any circumstances that affect the form and content of the auditor's report.

### **Representations Requested from Management**

We have requested certain written representations from management which are included in the management representation letter dated March 8, 2024.

### **Management's Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

### **Other Significant Matters, Findings, or Issues**

In the normal course of our professional association with the Fund, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Fund's auditors.

This report is intended solely for the information and use of the Board of Trustees, and management of the Fund and is not intended to be, and should not be, used by anyone other than these specified parties.



Reno, Nevada