**AGENDA**

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

**April 24, 2025 at 10:00 a.m.**

## Join Zoom Meeting:

<https://washoecounty-gov.zoom.us/j/93372131346> Meeting ID: 933 7213 1346

## The meeting may also be attended by calling 719-359-4580 and entering the Phone Conference ID

933 7213 1346.

**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 Zoom, log into the Zoom Meeting at the above link and utilize the “Raise Hand” feature during any public comment period. To provide public comment via telephone only, press \*9.

**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. 9th Street, Bldg. A; the Washoe County website ([www.washoecounty.gov/comptroller/board\_committees/OPEB);](http://www.washoecounty.gov/comptroller/board_committees/OPEB%29%3B) and the Nevada Public Notice Website ([https://notice.nv.gov](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. 9th Street, Bldg. D, 2nd Floor, Room 200, Reno, Nevada), phone 775-328-2553, or email at 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 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 23, 2025 meeting. [FOR POSSIBLE ACTION]
4. Review and possible approval of year-to-date administrative expenditures and requested reimbursements to employers through March 31, 2025 in the amount of $6,160,740. [FOR POSSIBLE ACTION]
5. Acknowledge receipt of interim financial statements for the period ending March 31, 2025. [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, 2025. [DISCUSSION ONLY]
7. Discussion of anticipated agreement with Eide Bailly, LLC for audit services for the fiscal year ended June 30, 2025. [FOR POSSIBLE ACTION]
8. Trustees’/Staff announcements, requests for information, and topics for future agendas. Meeting dates for calendar year 2025 are July 24, and October 23 (fourth Thursday of first month of each calendar quarter). The meetings will begin at 10:00 am. [NO DISCUSSION]
9. 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. Comments are to be made to the Board as a whole.
10. Adjourn.

**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 23, 2025 at 10:00 am held via Zoom**

* 1. ROLL CALL [Non-action item]

Chair Hill called the meeting to order at 10:30am. A quorum was established.

PRESENT: Cathy Hill, Cindy Vance, Lori Cooke, and Christine Vuletich;

ABSENT: Tammi Davis;

OTHERS PRESENT: Lindsay Liddell, Legal Counsel; and Russell Morgan, Accounting Manager, Rebecca Mosher, Senior Accountant

* 1. PUBLIC COMMENT – [Non-action item]

Lindsay Liddell explained that, pursuant to recent changes in Nevada’s Open Meeting Law, members of the public wishing to provide comment via telephone may do so by using the phone number and phone conference ID listed on the meeting agenda.

Participants should use the “raise hand” feature to indicate their desire to speak. She noted that this procedure is believed to be in compliance with the new requirements.

* 1. Approval of minutes from the October 24, 2024 meeting. [FOR POSSIBLE ACTION]

*It was moved by Cindy Vance, seconded by Christine Vuletich, to approve the October 24, 2024 meeting minutes as presented.*

There was no public comment.

*The motion passed unanimously.*

* 1. Review and possible approval of year-to-date administrative expenditures and requested reimbursements to employers through December 31, 2024 in the amount of $6,636,539. [FOR POSSIBLE ACTION]

Russell Morgan, Accounting Manager for Washoe County, began his presentation by referencing pages 12 through 14 of the meeting packet. He began with page 12, which contained the administrative expenses detail. He reported that actuarial valuation bills had been received and paid, with the associated expense accrued in December. He confirmed that actuarial valuations for the year were complete.

He explained that the accounting and administrative expenses line represented time spent by Rebecca Mosher in preparing the monthly and quarterly accounting, compiling all supporting documentation, assembling the meeting packet, drafting the Trust’s annual financial report, and providing necessary information to the auditors. Russell noted that his own time was primarily dedicated to reviewing Rebecca’s work and preparing for board meetings. The audit fees had not yet been paid but were expected to be billed and paid within the current quarter of calendar year 2025.

He also noted that the “Other Operating Expenses” category included two quarterly payments totaling $5,000 to Part D Advisors, the vendor responsible for services related to the Retiree Drug Subsidy (RDS) program. Russell stated that overall, administrative expenses were on track, with no irregularities or unexpected issues.

Russell then transitioned to page 13 of the packet, reviewing reimbursements to Washoe County for the two plans it sponsors. He began with the Washoe County Retiree Health Benefit Plan, explaining that plan member premiums were largely collected through a process with PERS, which deducts premiums from pension checks and forwards the funds to the County. These monthly contributions were averaging approximately

$375,000, aligning with expectations.

Miscellaneous revenues included a mix of reinsurance reimbursements and prescription drug rebates. Russell reported that reinsurance recoveries were relatively low year-to- date, totaling only $53,000, noting this was a “double-edged sword” as low reimbursements typically indicate fewer high-cost claims.

Russell reported that prescription drug rebates, included in the miscellaneous revenues, had already reached 102% of the annual budget. Specifically, $1.2 million in rebate revenue had been received year-to-date, with $476,000 posted in September and

$725,000 in December. He noted that the December amount appeared to include approximately $156,000 attributable to calendar year 2023. Russell asked Rebecca Mosher to elaborate.

Rebecca Mosher explained that the recent rebate deposit exceeded $1 million, making it the largest rebate the Trust had received to date. However, she noted that the data provided by the rebate administrator lacked transparency and was composed of hundreds of lines listing drug names, rebate amounts, and related figures without specific explanations. She added that the Trust participates in the SHARx program, which provides access to high-cost prescriptions, and surmised that the large rebate may have stemmed from one or more high-cost drugs. She emphasized that the documentation offered little clarity on how or why specific rebate amounts were issued.

Russell resumed, stating that drug rebates historically fluctuate significantly from quarter to quarter, regardless of vendor. He explained that the variability stems from multiple factors, including manufacturer-driven changes in rebate eligibility and plan member utilization patterns. He likened the unpredictability to a retailer arbitrarily putting certain drugs “on sale.” Despite the uncertainty, Russell expressed satisfaction that rebate revenues had already exceeded the full-year projection midway through the fiscal year.

He then addressed retiree drug subsidy (RDS) revenue, reporting $214,000 in receipts from Medicare, which represents approximately half of the annual budget. He stated that this category of revenue was also performing as expected.

Regarding benefits expenses, Russell reported year-to-date expenditures of $16.6 million, approximately 45% of the annual budget. He stated that medical claims, the largest and most volatile component of the benefits line, totaled just under $8 million, representing 39% of the budget. He noted that volatility was anticipated and consistent with historical trends.

Prescription drug claims, the second-largest benefits component, totaled $4.1 million year-to-date, or 63% of the budget. Russell suggested that this may indicate increased utilization or rising unit costs, though some of these costs could be offset by the higher- than-expected rebates. He noted that the relationship between claims and rebates remains opaque and difficult to track with precision.

He then reviewed quarterly reimbursements, reporting that the total reimbursement to Washoe County for the second quarter was $6,563,196—slightly higher than the first quarter figure, but within expectations given normal fluctuations in claim activity.

Cindy Vance asked whether the benefits expenses reported through December reflected services provided only through November, citing typical delays in provider billing and claims processing. Russell replied that the lag time between when a medical service is provided and when it is billed and paid varies. He explained that turnaround times differ based on provider efficiency and the type of service. Medical claims can take several weeks to process, while dental and vision claims are typically processed more quickly.

He noted that the actuary tracks these lags, and at year-end the Trust accrues an “incurred but not reported” expense to account for services rendered but not yet paid as of June 30.

Russell continued by reviewing the PEBP plan. He noted a minor error on the report under the “Average Per Month” column, where the value of $38,000 should have been

$19,462 due to a formula issue. He reported that expenses were at 50% of the budget and noted minimal volatility for the PEBP plan. He added that the current reimbursement

was only $810 more than the previous quarter, indicating consistency. There were no questions from the Board regarding the PEBP plan.

Turning to page 14 of the packet, Russell reviewed the Truckee Meadows Fire Protection District plan. He reported that plan member premiums collected through PERS pension withholdings totaled $136,000, or 63% of the annual budget. He explained that, due to the cash basis of accounting, December collections included January premiums, resulting in seven months of revenue recorded in the first half of the year. He clarified that the final quarter would only include two months of premium revenue, which would balance the timing discrepancy.

Benefits expenses for the Truckee Meadows plan totaled $180,000, approximately 44% of the annual budget. Russell noted this was slightly lower than expected due to only one quarter of premium expenses being billed for retirees enrolled in the City of Reno’s plan, totaling $19,500. As a result, the reimbursement for the second quarter was a relatively low $14,552, reflecting the timing of expenses.

*It was moved by Cindy Vance, seconded by Lori Cooke, to approve year-to-date administrative expenditures and requested reimbursements to employers through December 31, 2024 in the amount of $6,636,539.*

There was no public comment.

*The motion passed unanimously.*

* 1. Acknowledge receipt of interim financial statements for the period ending December 31, 2024. [FOR POSSIBLE ACTION]

Russell Morgan directed the Board’s attention to pages 15 through 20 of the meeting packet, beginning with page 15, which outlined financial highlights. He noted that total Trust assets had risen above $400 million, driven primarily by increased asset values within the Nevada Retiree Benefits Investment Fund (RBIF).

Prefunding contributions were reported at 50% of the annual budget, consistent with expectations for the halfway point of the fiscal year. Russell explained that investment income figures, which reflect activity through November due to the one-month reporting lag from RBIF, included $12.25 million in realized gains, primarily from August, and $8.4 million in unrealized gains reflecting market value increases. He noted that November alone yielded $11 million in unrealized gains, offsetting losses from earlier in the fiscal year. However, he cautioned that some of those gains were reversed in December due to a dip in the stock market, though partial recovery was underway in January.

Russell emphasized that this volatility—alternating gains and losses on a monthly basis—was expected to persist throughout the year. He reminded the Board that the August realized gains had been triggered by a large redemption from another RBIF participant, which required the fund to liquidate assets at a gain. These realized gains were then distributed among remaining participants, including the Trust. He reiterated that such events were unpredictable and outside the Trust’s control.

Turning to page 16, Russell reviewed the Statement of Plan Net Assets in greater detail. He addressed specific asset and liability categories across each plan. He highlighted the

interest receivable figure from the Washoe County Investment Pool and noted a negative interest receivable for the Truckee Meadows plan. He explained that this anomaly resulted from mechanical aspects of the interest allocation process, which is based on average daily cash balances. In particular, contributions totaling $415,000 each were made by Truckee Meadows in July and September. However, $825,000 was subsequently transferred out of the pool and into RBIF on September 26.

As a result, the average daily balance for Truckee Meadows dropped significantly in the second quarter. For example, in September, the average daily balance was approximately $533,000, whereas in October, it fell to $41,500 out of a total of nearly

$1.1 billion in the investment pool. Russell acknowledged that while the mechanical calculation made sense, the resulting negative receivable still appeared unusual.

Cindy Vance commented that while she would expect a smaller amount due to lower balances, the negative value was unexpected. She requested more documentation on the number presented.

Russell agreed and offered to provide backup documentation for the calculation, including journal entries and accrual details. He also noted that Cindy, having access to Fund 7503, could view the interest receivable account and related transactions directly.

Russell then reviewed liabilities, noting approximately $40,000 in total accounts payable. This included $37,500 for actuarial valuation services completed during the quarter, which would be paid in January. The remaining balance represented accrued payroll, primarily for Rebecca Mosher and, to a lesser extent, for himself. He concluded this section by stating that the “Due to Employers” line—representing the recently approved reimbursement amount—would be settled on February 1.

Russell transitioned to pages 17 through 20, which presented the Statements of Changes in Plan Net Assets. Page 17 displayed the combined Trust-wide figures. Russell highlighted the $20.7 million increase in the fair value of investments, consisting of both realized and unrealized gains. He noted that this increase accounted for all but approximately $600,000 of the total net change in plan assets year-to-date.

He then referenced pages 18 through 20, which broke out the same information by individual plan: page 18 for the Washoe County plan, page 19 for the PEBP plan, and page 20 for the Truckee Meadows Fire Protection District plan.

Russell observed that interest and dividend income stood at 50% of budget, despite including only five months of data from RBIF. He explained that dividend distributions are typically made by investment companies on a quarterly basis, and the timing of these distributions may result in volatility from month to month. For instance, higher dividend income is often recorded in the first month of a quarter, depending on the payment schedules of the underlying investments.

*It was moved by Lori Cooke, seconded by Cathy Hill, to acknowledge receipt of interim financial statements for the period ending December 31, 2024.*

There was no public comment.

*The motion passed unanimously.*

* 1. 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, 2025. [DISCUSSION ONLY]

Russell Morgan, Accounting Manager for Washoe County, referred the Board to pages 21 through 23 of the meeting packet, which contained the updated cash flow projection schedule for the fiscal year. He explained that the schedule is revised quarterly and reflects the most current data available through December 2024.

Russell directed attention to the “Reimburse Employers” column, noting that actual reimbursement amounts had been updated for the first two quarters. He explained that despite some reimbursements appearing light early in the year, the Trust continues to target alignment with the original budget projections. If reimbursements trend below projections in earlier quarters, the model assumes those differences will be offset by increased reimbursements later in the fiscal year. As such, any shortfalls are currently backloaded into the fourth quarter, specifically within the July 2025 Trustee meeting line.

Russell pointed to the February row under the “Transfers to/from RBIF” column, noting that a $2,075,000 drawdown from RBIF is scheduled for February 1st. This transfer, combined with the prefunding contributions from employers due the same day and the existing accumulated cash balances, will fund the second quarter reimbursements to employers that had just been approved under agenda item #4.

Moving to page 22, Russell explained that the top half of the page detailed the Washoe County Retiree Health Benefit Plan, while the lower half covered the PEBP plan. He noted a planned transfer from RBIF into the PEBP plan to ensure sufficient liquidity to cover ongoing expenses. He stated that this transfer, approximately $175,000, is consistent with the amount used in prior years and is typically performed once annually. He emphasized that the timing was appropriate, as the PEBP plan was approaching a cash shortfall and this infusion would carry it through the remainder of the fiscal year.

On page 23, Russell reviewed the Truckee Meadows Fire Protection District plan. He expressed appreciation to Cindy Vance for collaborating with the accounting team to revise the timing of prefunding contributions. Originally, contributions were made every other month, which created challenges in managing cash flow within narrow investment windows for RBIF transactions. Russell explained that the contribution schedule had since been adjusted to improve the predictability and efficiency of both deposits into and withdrawals from RBIF.

He confirmed that total annual prefunding contributions for the Truckee Meadows plan remained at approximately $2.5 million. He then noted a minor issue that would be addressed in the next quarterly update: the projected transfer to RBIF in May was currently listed as $750,000. However, based on current projections, this amount would result in a shortfall of approximately $150,000 in the Washoe County Investment Pool. He stated that this would be corrected in the next revision.

Russell concluded by stating that the entire schedule would continue to be reviewed and updated as part of the normal quarterly process. He asked if there were any questions regarding the cash flow projections or RBIF transfers.

* 1. 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 Morgan, Accounting Manager for Washoe County, directed the Board to page 24 of the meeting packet and provided an update on the performance of the Nevada Retirement Benefits Investment Fund (RBIF).

He began by reviewing the bottom section of the report, which compared RBIF’s performance to broader market returns. Russell noted that RBIF had begun to lag behind the market return, primarily due to its current investment allocation. He clarified that the market benchmark did not include short-term investments, whereas RBIF’s portfolio had increased its short-term investment target to 12%, up from a previous target of 3%. This reallocation, implemented a few quarters prior, had reduced the fund’s exposure to U.S. and international equities.

Russell emphasized that while equities had recently delivered strong returns, short-term investments had significantly lower yields. As a result, increasing RBIF’s allocation to these lower-performing assets had a dampening effect on the portfolio’s overall return. Nevertheless, he acknowledged that a 5.3% return over a single quarter remained a strong outcome. If annualized, such performance would equate to over 21% annually— though he cautioned against expecting this level of return on a regular basis.

He further highlighted RBIF’s one-year return of 24.5%, describing it as impressive yet exceptional, and again advised against planning for this as a consistent result. Over time, he explained, such high returns would revert to the mean.

Russell shared that, based on prior conversations with Steve Edmundson, RBIF’s investment manager, the 12% allocation to short-term investments was intended to be temporary. He stated that he had not received any updates on when RBIF might revert to the previous allocation strategy, though he believed a reduction back to the earlier 3% target would eventually occur. Russell noted that any such adjustment would require approval by the RBIF board.

He added that RBIF had reportedly faced challenges in identifying investment opportunities that met its risk and valuation criteria. With some assets appearing to be at peak valuation levels, the fund’s managers were hesitant to invest too aggressively, preferring to avoid overpaying in a potentially overheated market.

Russell concluded by stating that there had been no reported changes to RBIF’s investment process, strategy, or long-term outlook. He reiterated that the strong realized gains earlier in the year had been addressed in prior discussions and that RBIF was continuing to operate within its established framework.

* 1. Review and discussion of the Nevada Retirement Benefits Investment Fund’s Annual Financial Report for the period Ended June 30, 2024. [DISCUSSION ONLY]

Russell Morgan, Accounting Manager for Washoe County, directed the Board to pages 25 through 42 of the meeting packet, which contained the Retirement Benefits

Investment Fund’s (RBIF) audited financial statements. He noted that RBIF is a component unit of the State of Nevada and issues its own standalone financial report, which is audited annually by an independent auditor.

While indicating that he would not read through the entire report in detail, Russell highlighted several key points for the Board’s attention. He first referred to page 5 of the RBIF report (page 29 of the packet), which contains the independent auditor’s report. He quoted the second paragraph, noting that the auditors issued an unmodified opinion, stating that the financial statements "present fairly, in all material respects," the financial position of RBIF as of June 30, 2024, in accordance with U.S. Generally Accepted Accounting Principles. Russell emphasized that this was a clean audit opinion, which reinforces confidence in RBIF’s accounting and financial reporting practices.

Turning to page 8 of the RBIF report (page 32 of the packet), which contains the Management’s Discussion and Analysis, Russell summarized two financial highlights from the first section. He stated that cash and cash equivalents increased by $101 million during the fiscal year, primarily due to RBIF’s decision to increase the target allocation for short-term investments to 12%. He noted that this shift contributed to the overall liquidity of the fund.

Russell then cited that total investments at fair value as of June 30 were reported at

$787 million, reflecting a modest increase of 1.2% over the prior year. The report also confirmed that the fund had reduced its target allocation to U.S. stocks by 7 percentage points and international stocks by 2 percentage points to accommodate the increased allocation to short-term investments.

Referring to page 9 of the RBIF report (page 33 of the packet), he reviewed the condensed statements of net position and changes in net position, stating that total assets under management stood at approximately $907 million as of June 30, 2024. He highlighted that the fund generated a gross return of 14.7% for the fiscal year, which he characterized as a solid performance.

Russell noted that the remaining pages of the RBIF report consisted of standard financial statements, footnotes, and supporting schedules. He concluded this section of the review by referencing page 18 of the RBIF report (page 42 of the packet), which he described as his "favorite schedule" because it details the list of RBIF participants and their respective investment balances.

According to the schedule, Washoe County held the largest stake in RBIF, with $402 million in assets, representing 44.38% of the total fund as of June 30. The second- largest participant was Clark County’s OPEB Trust, with $238 million, accounting for 26.2% of the total. Russell speculated that it was likely Clark County that executed the significant redemption in August, which triggered the large realized gains previously discussed. He reasoned that if Washoe County received $12 million in realized gains and holds approximately half the fund’s assets, then total realized gains would have been around $24 million—suggesting a redemption well in excess of that amount.

Cathy Hill commented that she had anticipated this clarification and questioned whether Clark County’s comparatively lower balance implied that they were either investing assets elsewhere or underfunded.

Russell agreed that both were possibilities and suggested that additional information might be found by reviewing Clark County’s financial statements.

* 1. Review and discussion of external auditors’ engagement communication for the audit of the Trust’s fiscal year ended June 30, 2024 financial statements. [DISCUSSION ONLY]

Russell Morgan, Accounting Manager for Washoe County, referred the Board to pages 43 and 44 of the meeting packet, which contained the required communication letter from the auditors, Eide Bailly, issued prior to the commencement of their audit engagement. He noted that the letter, dated November 9, 2024, had been released following the Board’s previous meeting and was therefore being presented at the current session.

Russell explained that the letter outlined the auditors’ responsibilities, the planned scope of the audit, and other standard engagement disclosures. He indicated that, while he would not read the letter in full, Board members were encouraged to review it at their convenience. He confirmed that this communication is a standard requirement under auditing standards.

Cindy Vance asked whether the auditors had met their expected report delivery date, referencing language in the letter that indicated the report would be issued by January 10, 2025.

Russell confirmed that the report had indeed been delivered on January 9, one day ahead of schedule.

Russell acknowledged this, stating that the auditors’ early completion had been a professional courtesy to him personally, allowing the audit to be finalized prior to his retirement. He noted that the next agenda item would address that transition and deferred to Chair Hill.

Cathy Hill commended the auditors at Eide Bailly for their performance on both the County’s financial audit and the OPEB Trust audit. She emphasized that the timeliness and success of the OPEB audit were the result of strong collaboration between the County’s finance staff and the Eide Bailly team. She noted that the continuity of having the same audit personnel for both engagements provided valuable crossover familiarity with the County’s financial systems and processes, enabling the OPEB audit to begin from a strong starting point. She concluded by acknowledging the effective and focused efforts from both parties in completing the audit on time.

* 1. Informational review and discussion of the Fiscal Year Ended June 30, 2024 Audited Financial Statements. [DISCUSSION ONLY]

Russell Morgan, Accounting Manager for Washoe County, continued his presentation by referencing pages 46 through 71 of the meeting packet. He stated that the audited financial statements had been compiled by Rebecca Mosher, who gathered data from numerous sources and assembled the complete report. The auditors then conducted their required testing and subsequently issued their opinion.

He directed the Board to page 49 of the packet, which contained the independent auditor’s opinion. Referring to the second paragraph, he noted that the auditors issued an unmodified or “clean” audit opinion, confirming that the accompanying financial statements present fairly, in all material respects, the financial position and results of operations of the Trust in accordance with U.S. generally accepted accounting principles. Russell acknowledged that receiving a clean opinion continued to be a point of pride for him and commended Rebecca for upholding the high standards the Trust has maintained.

Cathy Hill thanked both Russell and Rebecca for their efforts and noted their continued excellence in preparing the annual report.

Russell then turned to page 5 of the report (packet page 53), the Management’s Discussion and Analysis (MD&A). He highlighted the final sentence of the section, which stated that the Trust’s net position would cover actual benefits and administrative expenses for approximately 15.1 years, assuming no additional contributions and stable benefit usage. He explained that this metric offered a meaningful perspective on the Trust’s financial sustainability. While it did not account for future volatility or contributions, it signaled the current strength of the Trust’s position. He remarked that if the number had been two years, it would warrant concern, but a 15-year horizon reflected prudent financial management and the accumulation of sufficient reserves.

He continued by reviewing the financial statements on pages 7 and 8 of the report (packet pages 55 and 56), noting that these figures had previously been presented as preliminary at the July meeting and updated in September with final accounting adjustments. The statements of fiduciary net position and statements of changes in fiduciary net position were now final and unchanged from the September meeting.

Pages 9 through 15 of the report contained the notes to the financial statements. Russell stated that these notes provide essential context regarding the Trust’s structure, plan descriptions, actuarial assumptions, and financial elements. He drew attention to a key metric located at the bottom of page 13 of the report (packet page 61), which presented the fiduciary net position as a percentage of total OPEB liability for each plan. The Washoe County plan was funded at 74.7%, the PEBP plan at 93.95%, and the Truckee Meadows Fire Protection District plan at 78.29%. Russell emphasized that these funding levels are exceptional and well above what is typically seen in local government OPEB plans.

He credited this strong position to the County’s decision in 2011 to begin prefunding long-term OPEB liabilities. Russell reiterated that there are two sources of money to meet future obligations—employer contributions and investment returns—and the earlier funds are set aside, the more time they have to grow. This proactive approach significantly reduces the long-term burden on the employer.

Russell explained that as the PEBP plan nears full funding, its actuarially determined contribution (ADC) will naturally begin to decline. He described this as a self-balancing mechanism, where continued strong investment performance or changes in actuarial assumptions could eliminate the need for further contributions. He noted that it would be unusual for the plan to exceed 100% funded status unless there were another year like the most recent one, which saw a 24.5% return.

Russell then referred to page 15 of the notes (packet page 63), which presents a GASB- required disclosure on the sensitivity of the net OPEB liability to changes in key assumptions. He stated that the current discount rate used in the actuarial valuation is 5.75%. If that rate were to increase by one percentage point to 6.75%, the net OPEB liability for the Washoe County plan would drop from approximately $129 million to $76 million. Conversely, if the rate decreased to 4.75%, the liability would increase to roughly

$193 million. Russell emphasized the $64 million swing in liability illustrates the significant role that investment performance plays in funding long-term obligations.

He added that the healthcare cost trend rate has a similar impact. If healthcare costs increased one percentage point above current assumptions, the liability would increase by over $60 million. Russell noted this data helps the Board and stakeholders understand the sensitivity and risk factors that affect the Trust’s long-term outlook.

Turning to pages 16 through 23 of the report (packet pages 64–71), Russell reviewed the Required Supplementary Information (RSI), which includes trend data and historical comparisons for each plan. He noted that these tables will eventually include 10 years of data, although he humorously acknowledged the challenge of keeping the font legible as more columns are added.

He indicated that page 16 focused on the Washoe County plan, page 17 on the PEBP plan, and page 18 on the Truckee Meadows plan. Page 19 included actuarial assumption information, while pages 20 through 22 provided a comparison of the actuarially determined contributions to the actual contributions made.

On page 20, Russell highlighted the timing lag for Washoe County’s ADC. He explained that the ADC for fiscal year 2024 was approximately $16 million but was not received until December 2024, after the County’s budget process had concluded. As a result, the contribution would be made in fiscal year 2026. He clarified that the County remains committed to funding the full ADC each year, but due to budget timelines, there will always be a delay between calculation and contribution.

Cindy Vance confirmed that the ADC determined for fiscal year 2023 aligned with the actual contribution made in fiscal year 2024, demonstrating the pattern of timing lag Russell described.

Russell then addressed the Truckee Meadows plan, which targets an 80% funded ratio and is currently meeting that benchmark. He noted that this plan is not as tightly linked to the ADC as the Washoe County plan but is nonetheless monitored to ensure adequate funding.

Cindy Vance added that for fiscal year 2025, the Fire District had committed to fully funding the ADC and ensured that it was budgeted and protected from reallocation.

Russell concluded by reiterating that fiscal year 2024 was a successful year for the Trust. He expressed gratitude for the efforts made by Rebecca Mosher in preparing the report and acknowledged the importance of continuing to meet the Trust’s high standards. He noted that the clean audit opinion affirmed the integrity of the financial statements and reflected the ongoing commitment to financial excellence.

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

Russell Morgan, Accounting Manager for Washoe County, directed the Board’s attention to pages 72 through 74 of the meeting packet, which contained the post-audit communication letter from Eide Bailly LLP, dated January 9, 2025—the same date as the audit report issuance. He explained that this communication is required under professional standards and serves as a formal summary of the auditors’ observations following the completion of their procedures.

Russell outlined that the letter reiterated the auditors’ responsibilities and confirmed their compliance with all applicable ethical and independence requirements. He pointed specifically to the first paragraph on page 73, which states that no matters came to the auditors’ attention regarding unusual transactions, controversial accounting policies, or areas lacking authoritative guidance. This affirmed that the Trust’s accounting practices are consistent, well-understood, and appropriately applied.

He continued by noting that the auditors did not encounter any significant difficulties during the course of the audit and that, per professional standards, they are obligated to disclose any such issues. None were identified. Additionally, the letter addressed uncorrected and corrected misstatements, indicating that there were no such findings— further evidence of the quality of the financial preparation.

Russell credited Rebecca Mosher for the accuracy and completeness of the financial documentation and affirmed that her efforts were instrumental in achieving another clean audit outcome.

Christine Vuletich commented that this level of quality and accuracy reflects the strength of the entire team. She praised both Russell and Rebecca for their professionalism and thoroughness, adding that not all organizations receive such favorable audit reports and that the performance of the accounting staff instills confidence in retirees relying on the Trust.

Cathy Hill echoed this sentiment and offered her appreciation.

Russell expressed gratitude for the comments, emphasizing that the team takes great pride in doing the work correctly the first time. He added that, as he prepares for retirement, it is personally important to him to leave behind a Trust that is in strong financial shape.

Turning to page 74 of the packet, Russell reviewed the remainder of the post-audit communication. He stated that the auditors confirmed there were no disagreements with management, no instances of consulting with other accountants for differing opinions, and no conditions imposed by the auditors that would have impacted the form or content of the final report. He explained that such provisions, often described as “opinion shopping,” are prohibited, and no such conduct occurred. He reiterated that there were no findings that would have conditioned the auditors’ retention or issuance of their report.

Russell concluded this portion by stating that the post-audit communication represented a clean and successful conclusion to the fiscal year 2024 audit. There were no questions from the Board.

* 1. Review and discussion of July 1, 2024 OPEB plan valuations prepared by Foster & Foster, Inc. [DISCUSSION ONLY]

Russell Morgan then turned to agenda item #12 and referred the Board to pages 75 through 182 of the meeting packet. He explained that this section included the OPEB actuarial valuations prepared by Foster & Foster, Inc. These valuations provide detailed information on plan assumptions, projected liabilities, service longevity, mortality assumptions, and a variety of other inputs used to calculate total OPEB liabilities.

He emphasized that while the document provides valuable insights for those seeking a deeper understanding of the liability calculation process, it also serves as the underlying data source for the Trust’s financial statements, accompanying notes, and required supplementary information (RSI). He added that the data would also inform the County’s financial statements for fiscal year 2025 and noted, with humor, that the extensive detail might serve as an effective cure for insomnia.

Russell highlighted the executive summary section, which outlines the total OPEB liability, plan fiduciary net position, net OPEB liability, and the actuarially determined contribution (ADC). Numerous tables and schedules throughout the report provide the foundation for financial disclosures across the Trust, the County, and the Truckee Meadows Fire Protection District.

He drew attention to a specific item included near the end of each plan section titled “Asset Depletion Date Projection.” This analysis assesses whether each plan is projected to have sufficient assets—when combined with future expected contributions— to meet all projected future benefit obligations. He stated that for all three plans, Foster & Foster concluded that the employer contributions and current net assets were sufficient to meet the long-term obligations. This finding supports the use of a consistent discount rate rather than a blended rate.

Russell explained that if a plan were determined to be underfunded, actuarial standards would require the use of a blended discount rate, incorporating a lower assumed rate to reflect the possibility of borrowing to pay benefits. He remarked that such a scenario would be both fiscally and logically unsound, as it would compound future obligations with debt servicing costs.

He reiterated that both Washoe County and the Truckee Meadows Fire Protection District have demonstrated long-standing commitments to prefunding their obligations and managing OPEB responsibilities through sustained investment. As such, the Trust avoids the need to consider borrowing scenarios and continues to operate under sound financial practices.

* 1. Discussion regarding expiration of Trustee Vance’s term on July 24, 2025. [DISCUSSION ONLY]

Cathy Hill explained that Trustee Cindy Vance’s current term on the OPEB Trust Fund Board is set to expire on July 24, 2025.

Cindy Vance expressed her interest in continuing service on the Board and confirmed that she would like to renew her appointment if that option is available.

Russell responded positively and affirmed that the next step in the process would be for a staff report to be prepared and submitted to the Washoe County Board of County Commissioners, requesting Cindy’s reappointment to the Trust Board. He noted that terms for Trustees are established by the Board of County Commissioners and may range from a minimum of two years to a maximum of four years per term.

Cathy Hill confirmed that she would prepare the necessary staff report and submit it for inclusion on an upcoming Board of County Commissioners agenda.

* 1. Trustees’/Staff announcements, requests for information, and topics for future agendas. Meeting dates for calendar year 2025 are January 23, April 24, July 24, and October 23 (fourth Thursday of first month of each calendar quarter). The meetings will begin at 10:00 am. [NO DISCUSSION]

Chair Cathy Hill clarified a correction from the minutes of the prior meeting. Although she had previously indicated she would not be present for the April 24, 2025 meeting, she now confirmed that she would, in fact, be in attendance. Vice Chair Christine Vuletich will not be present for that meeting. Chair Hill emphasized the importance of ensuring a quorum and stated that arrangements would be made to confirm quorum for the April meeting.

Cathy Hill then took a moment to acknowledge and formally honor the upcoming retirement of Russell Morgan. She expressed deep appreciation for his years of dedication, integrity, and commitment to excellence in managing and presenting the financial data of the OPEB Trust. She commended Russell for the thoroughness, timeliness, and accuracy of his reports, and especially for his efforts in educating Board members and stakeholders on the complexities and long-term importance of OPEB financial management. Chair Hill extended heartfelt thanks to Russell and to Rebecca Mosher for their outstanding work on behalf of the Trust, noting Russell’s many years of service and leadership.

Several members of the Trust agreed.

Russell expressed appreciation for the kind words and affirmed that making a positive difference had been important to him throughout his tenure.

* 1. PUBLIC COMMENT – [Non-action item]

There was no public comment.

* 1. Meeting adjourned at 11:44am.

|  |
| --- |
| **WASHOE COUNTY, NEVADA OPEB TRUST** |
| **Administrative Expense Detail - YTD Actual vs. Annual Budget** |
| **For the Year Ended June 30, 2025 - Unaudited** |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | **Washoe Co** |  | **State of Nevada** | **Truckee Meadows** |  |  |
|  |  | **Retiree Health** |  | **Public Employee** |  | **FPD Retiree** |  |  |
|  |  | **Benefit** |  | **Benefit** |  | **Group Medical** |  | **2025** |
|  |  |  **Program**  |  |  **Plan**  |  |  **Plan**  |  |  **Total**  |
| **BUDGET** |  |  |  |  |  |  |  |  |
| Administrative Expenses |  |  |  |  |  |  |  |  |
| Actuarial valuations | $ | 20,000 | $ | 7,500 | $ | 7,500 | $ | 35,000 |
| Accounting and |  |  |  |  |  |  |  |  |
| administrative services |  | 7,000 |  | 7,000 |  | 7,000 |  | 21,000 |
| Audit fees |  | 8,050 |  | 8,050 |  | 8,050 |  | 24,150 |
| Trustee fees |  | 267 |  | 266 |  | 267 |  | 800 |
| Minutes fees |  | 200 |  | 200 |  | 200 |  | 600 |
| Other Operating Expenses |  |  15,000  |  |  -  |  |  -  |  |  15,000  |
|  | $ | 50,517 | $ | 23,016 | $ | 23,017 | $ | 96,550 |
| **ACTUAL** |  |  |  |  |  |  |  |  |
| Administrative Expenses |  |  |  |  |  |  |  |  |
| Actuarial valuations | $ | 20,000 | $ | 7,500 | $ | 7,500 | $ | 35,000 |
| Accounting and |  |  |  |  |  |  |  |  |
| administrative services |  | 4,348 |  | 4,348 |  | 4,348 |  | 13,044 |
| Audit fees |  | - |  | - |  | - |  | - |
| Trustee fees |  | 133 |  | 133 |  | 133 |  | 399 |
| Minutes fees |  | 44 |  | 44 |  | 44 |  | 132 |
| Other Operating Expenses |  |  7,500  |  |  -  |  |  -  |  |  7,500  |
|  | $ | 32,025 | $ | 12,025 | $ | 12,025 | $ | 56,075 |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **VARIANCE** |  |  |  |  |  |  |  |  |
| Administrative Expenses |  |  |  |  |  |  |  |  |
| Actuarial valuations | $ | - | $ | - | $ | - | $ | - |
| Accounting and |  |  |  |  |  |  |  |  |
| administrative services |  | 2,652 |  | 2,652 |  | 2,652 |  | 7,956 |
| Audit fees |  | 8,050 |  | 8,050 |  | 8,050 |  | 24,150 |
| Trustee fees |  | 134 |  | 133 |  | 134 |  | 401 |
| Minutes fees |  | 156 |  | 156 |  | 156 |  | 468 |
| Other Operating Expenses |  |  7,500  |  |  -  |  |  -  |  |  7,500  |
|  | $ | 18,492 | $ | 10,991 | $ | 10,992 | $ | 40,475 |

**WASHOE COUNTY, NEVADA OPEB TRUST**

**Summary of Requested Reimbursement to Washoe County For the Nine Months Ended March 31, 2025**

 **YTD Avg / Mo**

**WCRHBP**

Plan member premium payments 3,546,014 394,002 Other miscellaneous revenues 2,205,156 245,017

|  |  |
| --- | --- |
| 5,751,170 | 639,019 |
| Less: |  |
| Benefits expense |  24,556,185 2,728,465  |
| Net OPEB expense | 18,805,015 2,089,446  |
| Reimbursements to date: |  |
| For Q424 Over Reimbursement |  |
| For Q1 | (6,213,280) |
| For Q2 | (6,563,196) |
| For Q3 |  |
| For Q4 |  |
| Balance due to Washoe County |  6,028,539  |
| **PEBP**PEBP premium subsidies | 175,475 19,497  |
| Reimbursements to date: |  |
| For Q1 | (57,981) |
| For Q2 | (58,791) |
| For Q3 |  |
| For Q4 |  |
| Balance due to Washoe County |  58,703  |
| Total due to Washoe County | $ 6,087,242 |

**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, 2025**

 **YTD Avg / Mo**

**TMFPD RGMP**

Plan member premium payments 177,063 19,674 Less:

|  |  |
| --- | --- |
| Benefits expense |  294,647 32,739  |
| Net OPEB expense | 117,584 13,065  |
| Reimbursements to date: |  |
| For Q1 | (29,534) |
| For Q2 For Q3 For Q4 | (14,552) |
| Balance due to employer |  73,498  |

**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, 2025 (Unaudited)**

|  |  |  |  |
| --- | --- | --- | --- |
| Amounts in thousands: |  |  |  |
| WC-RHBP | WC-PEBP | TMFPD | TOTAL |
| WC-Pool $ 1,469 | $ 135 | $ 1 | $ 1,605 |
| State RBIF 403,964 | 2,861 | 17,405 | 424,230 |
| Other-Net (6,099) | (61) | (49) | (6,209) |
| Net Assets $ 399,334 | $ 2,935 | $ 17,357 | $ 419,626 |

* Net assets of $419.6 million are up $22.5 million year-to-date; contributions of $20 million and net investment income of $27.6 million were offset by $25 million in benefits expense.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Amounts in thousands Additions:PrefundingInvestment income, net of expense Plan members, other | WC-RHBP$ 12,15326,3455,751 |  | WC-PEBP$ 23196- | TMFPD$ 1,8661,028177 | TOTAL$ 14,04227,5695,928 |
|  | 44,249 |  | 219 | 3,071 | 47,539 |
| Deductions: |  |  |  |  |
| Benefits Paid | 24,556 | 175 | 295 | 25,026 |
| Administrative | 32 | 12 | 12 | 56 |
|  | 24,588 | 187 | 307 | 25,082 |
| Net change in Plan Net Assets | $ 19,661 | $ 32 | $ 2,764 | $ 22,457 |

* Investment income includes realized gains of $12.7 million and net unrealized gains of $8.3 million in the RBIF through February 28, 2025. Annualized investment returns through February in the RBIF were 14.80% with these gains included. Annualized realized (cash) yields were at 10.34%.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Amounts in thousands | Budget | YTD | Act % Bud | Variance |
| Additions:Prefunding | $ 18,724 |  | $ 14,042 | 75% | $ (4,682) |
| Investment income, net of expense | 9,426 |  | 27,569 | 292% | 18,143 |
| Plan members, other | 6,978 |  | 5,928 | 85% | (1,050) |
|  | 35,128 |  | 47,539 | 135% | 12,411 |
| Deductions:Benefits Paid | 36,263 |  | 25,026 | 69% | 11,237 |
| Administrative | 97 |  | 56 | 58% | 41 |
|  | 36,360 |  | 25,082 | 69% | 11,278 |
| Net change in Plan Net Assets $ (1,232) | $ 22,457 | -1823% | $ 23,689 |

* 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 $375,000 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, 2025 - UNAUDITED**

**Washoe Co. Retiree Health**

 **Benefit Plan**

**State of Nevada Public Employee**

 **Benefit Plan**

**TMFPD**

**Retiree Group**

 **Medical Plan Total**

|  |  |
| --- | --- |
| **Assets** |  |
| Cash and investments:Washoe County Investment Pool | $ 1,469,656 $ | 134,657 $ | 796 $ 1,605,109 |
| State of NV RBIF | 403,963,758 |  | 2,860,737 |  | 17,405,476 |  | 424,229,971 |
| Interest receivable |  (68,441) |  |  (1,408) |  |  24,339  |  |  (45,510) |
| Total Assets | 405,364,973 |  | 2,993,986 |  | 17,430,611 |  | 425,789,570 |
| **Liabilities**Accounts payable | 2,500 |  | - |  | - |  | 2,500 |
| Due to employers |  6,028,540  |  |  58,703  |  |  73,499  |  |  6,160,742  |
| Total Liabilities | 6,031,040 |  | 58,703 |  | 73,499 |  | 6,163,242 |

**Net assets held in trust for other**

**postemployment benefits** $ 399,333,933 $ 2,935,283 $ 17,357,112 $ 419,626,328

|  |
| --- |
| **WASHOE COUNTY, NEVADA OPEB TRUST FUND** |
| **INTERIM STATEMENT OF CHANGES IN PLAN NET ASSETS** |
| **FOR THE NINE MONTHS ENDED MARCH 31, 2025 - UNAUDITED** |
| **(WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED JUNE 30, 2024)** |

|  |  |  |
| --- | --- | --- |
| **Combined Trust** |  |  |
| **Budget Actual Act % Variance** |  | **6/30/2024** |

|  |  |  |  |
| --- | --- | --- | --- |
| $ | 18,724,372 | $ | 14,043,278 |
|  | 4,615,000 |  | 3,723,075 |
|  |  2,363,000  |  |  2,205,156  |
|  | 25,702,372 |  | 19,971,509 |

8,528,100 6,670,169

|  |
| --- |
| **Additions** |
| Contributions |
| Employer: |
| Prefunding |
| Plan member |
| Other |
| Total Contributions |
| Investment Income |
| Interest and dividends |
| Net increase (decrease) in fair value |
| of investments |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| 75.00% | $ | (4,681,094) | $ | 19,612,329 |
| 80.67% |  | (891,925) |  | 4,578,587 |
| 93.32% |  |  (157,844) |  |  3,091,667  |
| 77.70% |  | (5,730,863) |  | 27,282,583 |
| 78.21% |  | (1,857,931) |  | 9,156,908 |
| 2078.79% |  |  19,967,984  |  |  42,503,264  |
| 289.89% |  | 18,110,053 |  | 51,660,172 |
| 70.66% |  |  32,764  |  |  111,481  |
| 292.49% |  | 18,142,817 |  | 51,548,691 |
| 135.33% |  | 12,411,954 |  | 78,831,274 |
| 69.01% |  | 11,236,693 |  | 30,827,725 |
| 58.08% |  |  40,475  |  |  92,807  |
| 68.98% |  | 11,277,168 |  | 30,920,532 |
| (1823.36%) |  | 23,689,122 |  | 47,910,742 |

|  |  |  |
| --- | --- | --- |
|  1,009,100  |  |  20,977,084  |
| 9,537,200 |  | 27,647,253 |
|  111,675  |  |  78,911  |
| 9,425,525 |  | 27,568,342 |
| 35,127,897 |  | 47,539,851 |

|  |  |  |
| --- | --- | --- |
| 36,263,000 |  | 25,026,307 |
|  96,550  |  |  56,075  |
| 36,359,550 |  | 25,082,382 |
| (1,231,653) |  | 22,457,469 |

$ $

|  |
| --- |
| Less investment expense |
| Net Investment Income |
| Total Additions |
| **Deductions** |
| Benefits |
| Administrative expense |
| Total Deductions |
| Net Change in Plan Net Assets |
| **Net Assets Held in Trust for Other** |
| **Postemployment Benefits** |
| Beginning of year |
| End of Period |

|  |  |  |
| --- | --- | --- |
| 397,168,859 |  | 397,168,859 |
| 395,937,206 | $ | 419,626,328 |

|  |  |  |
| --- | --- | --- |
| - |  | 349,258,117 |
| 23,689,122 | $ | 397,168,859 |

|  |
| --- |
| **Additions** |
| Contributions |
| Employer: |
| Prefunding |
| Plan member |
| Other |
| Total Contributions |
| Investment Income |
| Interest and dividends |
| Net increase (decrease) in fair value |
| of investments |

|  |  |  |  |
| --- | --- | --- | --- |
| $ | 16,204,623 | $ | 12,153,467 |
|  | 4,400,200 |  | 3,546,013 |
|  |  2,363,000  |  |  2,205,156  |
|  | 22,967,823 |  | 17,904,636 |

|  |  |
| --- | --- |
| 8,159,500 | 6,369,072 |
|  965,000  |  20,051,001  |
| 9,124,500 | 26,420,073 |
|  106,770  |  75,301  |
|  9,017,730  |  26,344,772  |
| 31,985,553 | 44,249,408 |

|  |
| --- |
| **WASHOE COUNTY, NEVADA OPEB TRUST FUND** |
| **INTERIM STATEMENT OF CHANGES IN PLAN NET ASSETS** |
| **FOR THE NINE MONTHS ENDED MARCH 31, 2025 - UNAUDITED** |
| **(WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED JUNE 30, 2024)** |

|  |  |
| --- | --- |
| **Washoe County - Retiree Health Benefit Plan** |  |
| **Budget Actual Act % Variance** | **6/30/2024** |

$ $

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| 75.00% | $ | (4,051,156) | $ | 18,249,364 |
| 80.59% |  | (854,187) |  | 4,374,830 |
| 93.32% |  |  (157,844) |  |  3,091,667  |
| 77.96% |  | (5,063,187) |  | 25,715,861 |
| 78.06% |  | (1,790,428) |  | 8,765,096 |
| 2077.82% |  |  19,086,001  |  |  40,696,495  |
| 289.55% |  | 17,295,573 |  | 49,461,591 |
| 70.53% |  |  31,469  |  |  106,723  |
| 292.14% |  |  17,327,042  |  |  49,354,868  |
| 138.34% |  | 12,263,855 |  | 75,070,729 |
| 68.94% |  | 11,062,515 |  | 30,219,115 |
| 63.39% |  |  18,492  |  |  43,936  |
| 68.93% |  | 11,081,007 |  | 30,263,051 |
| (533.74%) |  | 23,344,862 |  | 44,807,678 |

|  |
| --- |
| Less investment expense |
| Net Investment Income |
| Total Additions |
| **Deductions** |
| Benefits |
| Administrative expense |
| Total Deductions |
| Net Change in Plan Net Assets |
| **Net Assets Held in Trust for Other** |
| **Postemployment Benefits** |
| Beginning of year |
| End of Period |

|  |  |  |
| --- | --- | --- |
| 35,618,700 |  | 24,556,185 |
|  50,517  |  |  32,025  |
| 35,669,217 |  | 24,588,210 |
| (3,683,664) |  | 19,661,198 |

|  |  |  |
| --- | --- | --- |
| 379,672,735 |  | 379,672,735 |
| 375,989,071 | $ | 399,333,933 |

|  |  |  |
| --- | --- | --- |
| - |  | 334,865,057 |
| 23,344,862 | $ | 379,672,735 |

|  |
| --- |
| **Additions** |
| Contributions |
| Employer: |
| Prefunding |
| Total Contributions |
| Investment Income |
| Interest and dividends |
| Net increase (decrease) in fair value |
| of investments |

|  |  |  |  |
| --- | --- | --- | --- |
| $ |  31,133  | $ |  23,349  |
|  | 31,133 |  | 23,349 |

|  |  |
| --- | --- |
| 60,500 | 47,990 |
|  7,300  |  148,602  |
| 67,800 | 196,592 |
|  820  |  570  |
|  66,980  |  196,022  |
| 98,113 | 219,371 |

|  |
| --- |
| **WASHOE COUNTY, NEVADA OPEB TRUST FUND** |
| **INTERIM STATEMENT OF CHANGES IN PLAN NET ASSETS** |
| **FOR THE NINE MONTHS ENDED MARCH 31, 2025 - UNAUDITED** |
| **(WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED JUNE 30, 2024)** |

|  |  |  |
| --- | --- | --- |
| **Washoe County - NV PEBP Plan** |  |  |
| **Budget Actual Act % Variance** |  | **6/30/2024** |

$ $

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| 75.00% | $ |  (7,784) | $ |  42,565  |
| 75.00% |  | (7,784) |  | 42,565 |
| 79.32% |  | (12,510) |  | 69,451 |
| 2035.64% |  |  141,302  |  |  281,678  |
| 289.96% |  | 128,792 |  | 351,129 |
| 69.51% |  |  250  |  |  851  |
| 292.66% |  |  129,042  |  |  350,278  |
| 223.59% |  | 121,258 |  | 392,843 |
| 75.64% |  | 56,525 |  | 227,589 |
| 52.25% |  |  10,991  |  |  23,936  |
| 73.52% |  | 67,516 |  | 251,525 |
|  |  | 188,774 |  | 141,318 |

|  |
| --- |
| Less investment expense |
| Net Investment Income |
| Total Additions |
| **Deductions** |
| Benefits |
| Administrative expense |
| Total Deductions |
| Net Change in Plan Net Assets |
| **Net Assets Held in Trust for Other** |
| **Postemployment Benefits** |
| Beginning of year |
| End of Period |

|  |  |  |
| --- | --- | --- |
| 232,000 |  | 175,475 |
|  23,016  |  |  12,025  |
| 255,016 |  | 187,500 |
| (156,903) |  | 31,871 |

|  |  |  |
| --- | --- | --- |
| 2,903,412 |  | 2,903,412 |
| 2,746,509 | $ | 2,935,283 |

|  |  |  |
| --- | --- | --- |
| - |  | 2,762,094 |
| 188,774 | $ | 2,903,412 |

|  |
| --- |
| **Additions** |
| Contributions |
| Employer: |
| Prefunding |
| Plan member |
| Total Contributions |
| Investment Income |
| Interest and dividends |
| Net increase (decrease) in fair value |
| of investments |

|  |  |  |  |
| --- | --- | --- | --- |
| $ | 2,488,616 | $ | 1,866,462 |
|  |  214,800  |  |  177,062  |
|  | 2,703,416 |  | 2,043,524 |

|  |  |
| --- | --- |
| 308,100 | 253,107 |
|  36,800  |  777,481  |
| 344,900 | 1,030,588 |
|  4,085  |  3,040  |
|  340,815  |  1,027,548  |
| 3,044,231 | 3,071,072 |

|  |
| --- |
| **WASHOE COUNTY, NEVADA OPEB TRUST FUND** |
| **INTERIM STATEMENT OF CHANGES IN PLAN NET ASSETS** |
| **FOR THE NINE MONTHS ENDED MARCH 31, 2025 - UNAUDITED** |
| **(WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED JUNE 30, 2024)** |

|  |  |
| --- | --- |
| **Truckee Meadows FPD - Retiree Group Medical Plan** |  |
| **Budget Actual Act % Variance** | **6/30/2024** |

$ $

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| 75.00% | $ | (622,154) | $ | 1,320,400 |
| 82.43% |  |  (37,738) |  |  203,757  |
| 75.59% |  | (659,892) |  | 1,524,157 |
| 82.15% |  | (54,993) |  | 322,361 |
| 2112.72% |  |  740,681  |  |  1,525,091  |
| 298.81% |  | 685,688 |  | 1,847,452 |
| 74.42% |  |  1,045  |  |  3,907  |
| 301.50% |  |  686,733  |  |  1,843,545  |
| 100.88% |  | 26,841 |  | 3,367,702 |
| 71.46% |  | 117,653 |  | 381,021 |
| 52.24% |  |  10,992  |  |  24,935  |
| 70.45% |  | 128,645 |  | 405,956 |
| 105.96% |  | 155,486 |  | 2,961,746 |

|  |
| --- |
| Less investment expense |
| Net Investment Income |
| Total Additions |
| **Deductions** |
| Benefits |
| Administrative expense |
| Total Deductions |
| Net Change in Plan Net Assets |
| **Net Assets Held in Trust for Other** |
| **Postemployment Benefits** |
| Beginning of year |
| End of Period |

|  |  |  |
| --- | --- | --- |
| 412,300 |  | 294,647 |
|  23,017  |  |  12,025  |
| 435,317 |  | 306,672 |
| 2,608,914 |  | 2,764,400 |

|  |  |  |
| --- | --- | --- |
| 14,592,712 |  | 14,592,712 |
| 17,201,626 | $ | 17,357,112 |

|  |  |  |
| --- | --- | --- |
| - |  | 11,630,966 |
| 155,486 |  | 14,592,712 |

|  |
| --- |
| **Washoe County, Nevada OPEB Trust Fund** |
| **Cash Flow Projections and Planned Transfers to (from) the Retirees' Benefits Investment Fund (RBIF) for FY 24-25** |
|  **As updated through 3/31/2025**  |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Prefunding** **Contributions**  | **Net Direct****Expenses**  | **Reimburse****Employers**  | **Pooled Cash****Change**  |  |  **Trsfrs to/ Cash in WC Cash in RBIF Total Cash &** **(from) RBIF Pool Investmts**  |

|  |
| --- |
| Beginning balance |
| Jul-24 | Trustee Meeting |
| Aug |  |
| Sep |  |
| Oct | Trustee Meeting |
| Nov |  |
| Dec |  |
| Jan | Trustee Meeting |
| Feb |  |
| Mar |  |
| Apr | Trustee Meeting |
| May |  |
| Jun |  |
| Jul-25 | Trustee Meeting |
|  | Cash flow total |
| Less: Pmts related to FY24 |
|  | FY25 Budget |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| 1,767,749 | - | - | 1,767,749 | - |
| 1,352,979 | - | (7,372,910) | (6,019,931) | (3,000,000) |
| 1,767,749 | (5,704) | - | 1,762,045 | 825,000 |
| 1,352,979 | (131) | - | 1,352,848 | - |
| 1,767,748 | (322) | (5,884,893) | (4,117,467) | (1,350,000) |
| 1,352,979 | (47,977) | - | 1,305,002 | - |
| 1,352,979 | (78) | - | 1,352,901 | - |
| 1,975,133 | - | (6,636,539) | (4,661,406) | (2,075,000) |
| 1,352,979 | (1,861) | - | 1,351,118 | - |
| 1,352,979 | (1,951) | - | 1,351,028 | - |
| 1,975,132 | (150) | (6,160,740) | (4,185,758) | (2,700,000) |
| 1,352,987 | (35,080) | - | 1,317,907 | - |
| - | (3,296) | (10,602,826) | (10,606,122) | (5,400,000) |
| 18,724,372 | (96,550) | (36,657,908) | (18,030,086) | (13,700,000) |
|  | - | 7,372,910 |  |  |
|  |  (96,550)  | (29,284,998) |  |  |

|  |  |  |  |
| --- | --- | --- | --- |
|  | 1,807,347 | 402,320,295 | 404,127,642 |
| - | 3,575,096 | 402,320,295 | 405,895,391 |
| - | 555,165 | 399,320,295 | 399,875,460 |
| - | 1,539,610 | 415,110,479 | 416,650,089 |
| - | 2,892,458 | 415,110,479 | 418,002,937 |
| - | 124,991 | 413,760,479 | 413,885,470 |
| - | 1,449,079 | 423,687,671 | 425,136,750 |
| - | 2,801,980 | 423,687,671 | 426,489,651 |
| - | 215,574 | 421,612,671 | 421,828,245 |
| - | 1,605,109 | 424,229,971 | 425,835,080 |
| - | 2,956,137 | 424,229,971 | 427,186,108 |
| - | 1,470,379 | 421,529,971 | 423,000,350 |
| - | 2,788,286 | 421,529,971 | 424,318,257 |
| - | (2,417,836) | 416,129,971 | 413,712,135 |

|  |
| --- |
| Key Assumptions: |
| Only key changes in cash flow are shown. |
| TMFPD - Quarterly payments to City of Reno, based on FY24 actuals. |
| Transfers to/from RBIF will be reviewed quarterly for possible adjustment. |

Recommended

|  |
| --- |
| ADC's per Actuarial valuations. |
| Paid in monthly increments. |
| Per TMFPD FY 25 Budget. Paid bi-monthly. |

|  |
| --- |
| WC Contributions |
| TMFPD Contributions |
| Total Prefunding Contributions |

|  |  |  |
| --- | --- | --- |
|  WCRHBP  |  PEBP  |  Total  |
| 16,204,623 | 31,133 | 16,235,756 |
|  |  |  2,488,616  |
|  |  | 18,724,372 |

 2,031,446

Per Milliman

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **WCRHBP Prefunding** | **Net Direct Expenses** | **Reimburse Employers** | **Pooled Cash Change** |  | **Trsfrs to/ (from) RBIF** | **Cash Realloc \*** | **Cash in WC Pool** | **Cash in RBIF** | **Total Cash & Invest.** |
| g balance |  |  |  |  | $ 1,631,759 | $ 384,914,259 | 386,546,018 |

|  |
| --- |
| - |
| (3,000,000) |
| - |
| - |
| (1,750,000) |

|  |
| --- |
| 1,335,513 - |
| (10,468,136) | (5,400,000) | - |
|  (19,988,322) (15,850,000) -  |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **PEBP Prefunding** | **Net Direct Expenses** | **Reimburse Employers** | **Pooled Cash Change** |  | **Trsfrs to/ (from) RBIF** | **Cash Realloc \*** | **Cash in WC Pool** | **Cash in RBIF** | **Total Cash & Invest.** |
| g balance |  |  |  |  | 116,257 | 2,843,169 | 2,959,426 |

|  |
| --- |
| **Washoe County, Nevada OPEB Trust Fund** |
| **Cash Flow Projections and Planned Transfers to (from) the Retirees' Benefits Investment Fund (RBIF) for FY 24-25** |
|  **As updated through 3/31/2025**  |

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| BeginninJul-24 | Trustee Meeting |  | 1,350,385 | - |  | 1,350,385 |  | - | 2,982,144 | 384,914,259 | 387,896,403 |
| Aug |  |  | 1,350,385 | - | (7,286,929) | (5,936,544) |  | - | 45,600 | 381,914,259 | 381,959,859 |
| Sep |  |  | 1,350,385 | (3,568) |  | 1,346,817 |  | - | 1,429,213 | 396,235,941 | 397,665,154 |
| Oct | Trustee Meeting |  | 1,350,385 | (44) |  | 1,350,341 |  | - | 2,779,554 | 396,235,941 | 399,015,495 |
| Nov |  |  | 1,350,385 | (107) | (5,797,378) | (4,447,100) |  | - | 82,454 | 394,485,941 | 394,568,395 |
| Dec |  |  | 1,350,385 | (25,993) | - | 1,324,392 |  | - | 1,406,513 | 403,966,854 | 405,373,367 |
| Jan | Trustee Meeting |  | 1,350,385 | (26) |  | 1,350,359 |  | - | 2,756,872 | 403,966,854 | 406,723,726 |
| Feb |  |  | 1,350,385 | - | (6,563,196) | (5,212,811) | (2,500,000) | - | 44,061 | 401,466,854 | 401,510,915 |
| Mar |  |  | 1,350,385 | (2,287) | - | 1,348,098 |  | - | 1,469,656 | 403,963,758 | 405,433,414 |
| Apr | Trustee Meeting |  | 1,350,385 | (1,817) |  | 1,348,568 |  | - | 2,818,224 | 403,963,758 | 406,781,982 |
| May |  |  | 1,350,385 | (50) | (6,028,539) | (4,678,204) | (3,200,000) | - | 1,340,020 | 400,763,758 | 402,103,778 |
| Jun |  |  | 1,350,388 | (14,875) | - |  |  |  | 2,675,533 | 400,763,758 | 403,439,291 |
| Jul-25 | Trustee Meeting |  | - | (1,750) | (10,466,386) |  |  |  | (2,392,603) | 395,363,758 | 392,971,155 |
|  | Cash flow total |  |  16,204,623  | (50,517) | (36,142,428) |  |  |  |  |  |  |
| Less: Pmts related to FY24 |  | - | 7,286,929 |  |  |
| FY25 Budget |  | (50,517) | (28,855,499) |  |  |

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| BeginninJul-24 | Trustee Meeting |  | 2,594 | - | - | 2,594 | - | - | 118,851 | 2,843,169 | 2,962,020 |
| Aug |  |  | 2,594 | - | (56,344) | (53,750) | - | - | 65,101 | 2,843,169 | 2,908,270 |
| Sep |  |  | 2,594 | (1,068) | - | 1,526 | - | - | 68,892 | 2,947,925 | 3,016,817 |
| Oct | Trustee Meeting |  | 2,594 | (44) |  | 2,550 | - | - | 71,442 | 2,947,925 | 3,019,367 |
| Nov |  |  | 2,594 | (107) | (57,981) | (55,494) | - | - | 15,948 | 2,947,925 | 2,963,873 |
| Dec |  |  | 2,594 | (10,993) | - | (8,399) | - | - | 14,842 | 3,017,416 | 3,032,258 |
| Jan | Trustee Meeting |  | 2,594 | (26) |  | 2,568 | - | - | 17,410 | 3,017,416 | 3,034,826 |
| Feb |  |  | 2,594 | - | (58,791) | (56,197) | (175,000) | - | 136,213 | 2,842,416 | 2,978,629 |
| Mar |  |  | 2,594 | 213 | - | 2,807 | - | - | 134,657 | 2,860,737 | 2,995,394 |
| Apr | Trustee Meeting |  | 2,594 | (67) |  | 2,527 | - | - | 137,184 | 2,860,737 | 2,997,921 |
| May |  |  | 2,594 | (50) | (58,703) | (56,159) | - | - | 81,025 | 2,860,737 | 2,941,762 |
| Jun |  |  | 2,599 | (10,102) | - | (7,503) | - | - | 73,522 | 2,860,737 | 2,934,259 |
| Jul-25 | Trustee Meeting |  | - | (772) | (56,525) | (57,297) | - | - | 16,225 | 2,860,737 | 2,876,962 |
|  | Cash flow total |  |  31,133  | (23,016) | (288,344) |  (280,227) | (175,000) |  -  |  |  |  |

- 56,344

|  |
| --- |
| Less: Pmts related to FY24 |
| FY25 Budget |

(23,016) (232,000)

|  |
| --- |
| **Washoe County, Nevada OPEB Trust Fund** |
| **Cash Flow Projections and Planned Transfers to (from) the Retirees' Benefits Investment Fund (RBIF) for FY 24-25** |
|  **As updated through 3/31/2025**  |

Beginnin

Jul-24 Trustee Meeting 414,770 - - 414,770 - 474,101 14,562,867 15,036,968

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **TMFPD Prefunding** | **Net Direct Expenses** | **Reimburse Employers** | **Pooled Cash Change** |  | **Trsfrs to/ (from) RBIF** | **Cash Realloc \*** | **Cash in WC Pool** | **Cash in RBIF** | **Total Cash & Invest.** |
| g balance |  |  |  |  | 59,331 | 14,562,867 | 14,622,198 |

|  |
| --- |
| - |
|  825,000  |
| - |
|  400,000  |

Aug - - (29,637) (29,637)

Sep 414,770 (1,068) - 413,702

Oct Trustee Meeting - (43) (43)

Nov 414,769 (108) (29,534) 385,127

- 444,464 14,562,867 15,007,331

- 41,505 15,926,613 15,968,118

- 41,462 15,926,613 15,968,075

- 26,589 16,326,613 16,353,202

Dec - (10,991) - (10,991) - 27,724 16,703,401 16,731,125

Jan Trustee Meeting - (26) (26) - 27,698 16,703,401 16,731,099

Feb 622,154 - (14,552) 607,602 600,000 - 35,300 17,303,401 17,338,701

Mar - 213 - 213 - 796 17,405,476 17,406,272

Apr Trustee Meeting - (67) (67) - 729 17,405,476 17,406,205

May 622,153 (50) (73,498) 548,605 500,000 - 49,334 17,905,476 17,954,810

Jun - (10,103) - (10,103) - 39,231 17,905,476 17,944,707

Jul-25 Trustee Meeting - (774) (79,915) (80,689) Cash flow total 2,488,616 (23,017) (227,136) 2,238,463

|  |  |  |  |
| --- | --- | --- | --- |
|  | - |  | - |
|  |  2,325,000  |  |  -  |

 - 29,637

|  |
| --- |
| Less: Pmts related to FY24 |
| FY25 Budget |

 (23,017) (197,499)

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

(41,458) 17,905,476 17,864,018

**WASHOE COUNTY, NEVADA OPEB TRUST FUND FEE PROPOSAL**

# Submitted By:

Eide Bailly LLP

# ESTIMATED HOURS AND FEES

Our hours are developed based on our history with the Washoe County, Nevada OPEB Trust and expectations of the time and effort needed to complete the audit. Below are our estimated hours and fees for our audit services for the year ended June 30, 2025:



|  |  |
| --- | --- |
| Professional Services – Financial Audit | June 30, 2025 |
| Hours | 130-131 hours |
| Rate | $180\* |
| Base Fee | $23,500 |
| Technology Fee (5%) | $1,175 |
| Total Fee – Financial Audit (Rounded) | $24,675 |

\*This is our current proposed blended rate for the June 30, 2025 year ended audit. This is a $10 increase from the prior year blended rate. Our rates could increase in subsequent years, generally consistent with inflation and market demands in our area.

# Technology Fee

## Starting with all our 2024 engagements, the firm elected to start explicitly charging a 5% technology fee. Overhead has always been inclusive within our rates prior to this year and a technology fee was part of that overhead. However, with the rapid pace of change in technology and data security (including costs in that space), the firm has elected to explicitly show this as a separate line item.

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