

Cathy Hill, Chair  
Christine Vuletich, Vice Chair  
Duane Meyer  
Cindy Vance  
Lori Cooke

Trenton Ross, Legal Counsel  
Brandon Price, Legal Counsel

## AGENDA

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

April 27, 2023 at 10:00 a.m.

The meeting may be attended by calling into the meeting at the following phone number:  
**1-775-325-0620**

And by using meeting ID      **235 772 396 258**  
And passcode                      **PSSQYd**

**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.

**Time Limits.** 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.

**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”.

Pursuant to NRS 241.020, the Agenda for the Washoe County, Nevada OPEB Trust Fund Board of Trustees has been posted at the following locations: Washoe County Administration Building (1001 E. 9th Street, Bldg. A), Washoe County Courthouse-Second Judicial District Court (75 Court Street), Washoe County Downtown Reno Library (301

S. Center Street), Sparks Justice Court (1675 East Prater Way), and the Washoe County Website at [www.washoecounty.gov/finance/OPEB.htm](http://www.washoecounty.gov/finance/OPEB.htm), and the Nevada Public Notice Website (<https://notice.nv.gov>).

Support documentation for items on the agenda that is provided to the Washoe County, Nevada OPEB Trust Board of Trustees is available to members of the public at the Washoe County Comptroller's Office (1001 E. 9<sup>th</sup> Street, Room D-200 Reno, Nevada) Victoria Stebbins, Administrative Secretary (775) 328-2552.

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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 26, 2023 meeting. [FOR POSSIBLE ACTION]
4. Review and possible approval of year-to-date administrative expenditures and requested reimbursements to employers through March 31, 2023, in the amount of \$4,352,188. [FOR POSSIBLE ACTION]
5. Acknowledge receipt of interim financial statements for the period ending March 31, 2023. [FOR POSSIBLE ACTION]
6. Review and possible approval of proposed Cash Flow Projections and Planned Transfers to/from the Nevada Retirement Benefits Investment Fund for the remainder of the fiscal year. [FOR POSSIBLE ACTION]
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, 2022 Audited Financial Statements. [DISCUSSION ONLY]
9. Informational review and discussion of required communications to Board from auditors. [DISCUSSION ONLY]
10. Review and possible approval of agreement with Eide Bailly, LLC for audit services for the fiscal year ended June 30, 2023. [FOR POSSIBLE ACTION]
11. Recognition of Trustee Duane Meyer for his years of service on the Washoe County, Nevada OPEB Trust Board of Trustees. [DISCUSSION ONLY]
12. Review of applications to be a Trustee of the Washoe County, Nevada OPEB Trust Board of Trustees, and possible action to recommend one of the applicants to the Washoe County Board of County Commissioners for appointment to the Washoe County, Nevada OPEB Trust Board of Trustees effective as of July 25, 2023. [FOR POSSIBLE ACTION]
13. Trustees'/Staff announcements, requests for information, and topics for future agendas. Remaining calendar year 2023 meeting dates are July 27, and October 26 (fourth Thursday of first month of each calendar quarter). The meetings will begin at 10:00 am. [NO DISCUSSION]
14. 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.

15. Adjourn.

Cathy Hill, Chair  
Christine Vuletich, Vice-chair  
Duane Meyer  
Cindy Vance  
Lori Cooke

Chaz Lehman , Legal Counsel

**DRAFT of Minutes**  
**WASHOE COUNTY, NEVADA OPEB TRUST FUND BOARD OF TRUSTEES**  
**January 26, 2023 at 10:00 am**  
**held via Microsoft Teams**

1. ROLL CALL [Non-action item]

Chair Hill called the meeting to order at 10:01am. A quorum was established.

PRESENT: Cathy Hill, Lori Cooke, Christine Vuletich, Cindy Vance, Duane Meyer.

ABSENT:

OTHERS PRESENT: Russell Morgan, Accounting Manager; Robert Andrews, Accounting Manager; Rebecca Mosher, Senior Accountant.

2. PUBLIC COMMENT – [Non-action item]

There was no public comment.

3. Approval of minutes from the October 27, 2022 meeting. [FOR POSSIBLE ACTION]

*Christine Vuletich made a motion, seconded by Duane Meyer, to approve the minutes of the October 27, 2022 meeting as presented.*

Cindy Vance abstained from voting as she missed the first half of the meeting.

There was no public to give comment.

*The motion passed unanimously.*

4. Review and possible approval of year-to-date administrative expenditures and requested reimbursements to employers through December 31, 2022, in the amount of \$6,408,351. [FOR POSSIBLE ACTION]

Russell Morgan explained that the actuarial valuations were just completed and should be billed and paid in February. There were some preliminary expenses for the actuarial

valuations which created some extra work. This mostly dealt with integrating the new benefit for the deputies into the system. There was also some census information to contend with. The HRA benefit increases to employees and retirees were effective January 1<sup>st</sup>, 2023. The regular bill usually comes in later, however there were some things they had to do upfront that were different and have already been billed.

The audit is wrapping up soon and fees for that will likely be paid in February or March. The RDS fees of \$9,600 in actual is comprised of the \$7,100 fee paid to Milliman for the annual attestation as well as the \$2,500 to Part D Advisors, the vendor that submits applications on the County's behalf. He said the Trust is on target there. Another \$2,500 will be paid in the second quarter.

With respect to the reimbursement to Washoe County for net plan expenses, plan member premiums collected are running light so far, likely due to budgeted premium rate increases that won't kick in until the third quarter. The other miscellaneous revenues are over budget due to reinsurance reimbursements. That is a double-edged sword because the Trust must incur expenses upfront. These are the claim costs in-excess-of \$275,000 on individual claims. There were three claims that fell into that category; one was for over \$1 million.

The benefits expense is just under \$15 million year-to-date, which is 58% of budget. This is running high because of the three large claims which comprise \$825,000 of the benefits expense. Also, the healthcare utilization changes from month to month as well as the TPAs processing speed. The Trust also has a new third-party administrator as of January 1<sup>st</sup>.

The second quarter reimbursement to the Washoe County plan for \$6,325,592 is larger than the first quarter reimbursement.

For the PEBP plan, the second quarter reimbursement is less than the first quarter. The PEBP plan stays relatively steady throughout the year.

With respect to the reimbursement to the TMFPD for net plan expenses, plan member premiums collected are running ahead of projections. There was a bump in the retiree enrollments in September. There are more people than budgeted for.

Benefits expense is running light compared to budget. This expense only includes one quarter of the premiums paid to the City of Reno at \$23,000.

The reimbursement due to the Fire District is \$21,000, which is about half of what it was last time. The City of Reno premiums and the expense only include two months' worth of retiree insurance premium expense payments. The first quarter had four because it usually gets paid a month in advance. The January premiums that usually get paid in December, got paid in January. That runs \$15-18 thousand per month.

The amount due to the Fire District is \$20,739.

*Cathy Hill made a motion, seconded by Cindy Vance, to approve year-to-date administrative expenditures and requested reimbursements to employers through December 31, 2022, in the amount of \$6,408,351.*

There was no public to give comment.

*The motion passed unanimously.*

5. Acknowledge receipt of interim financial statements for the period ending December 31, 2022. [FOR POSSIBLE ACTION]

Russell Morgan explained that assets are up \$7.1 million year to date. He added that contributions are at \$7.8 million, net investment income at \$14.5 million, and the Trust paid \$15.2 million in benefits expense. Investment income, principally from RBIF, had realized losses of \$660 thousand as well as unrealized gains of \$12.2 million through November. He said there is always a month lag in getting data from RBIF. The return to date is just under 15% including unrealized gains. Excluding this number, the annualized, realized yields were 2.36%. Prefunding is at 50% and money that comes from employers is on target. Russell said the Fire District makes contributions quarterly and the County makes contributions monthly. The Trust is on target in this area.

The investment income is at 234% of budget. The Trust budgets very conservatively for realized gains and does not budget for unrealized gains. The Trust is doing well because of the unrealized gains. The plan member contributions, reinsurance reimbursements, RDS, and drug rebates are running ahead of schedule.

Cathy Hill added that members should look at the realized versus unrealized gains. The real number to look at is the 2.36% which is money in our pocket versus the whipsaw of the market.

Cindy Vance asked if the offset is due to dividends and interest which turn into a realized gain.

Russell responded saying, for dividends and interest, the Trust budgets roughly \$5 million so that ties into realized yields. There is also \$1 million in budget for realized gains, which is conservative. Russell added that year to date unrealized gains are \$12.25 million. This number has been all over the place. July was up, August down, September down again, October up and November up.

Christine Vuletich added that when looking at unrealized gains at any point in time, it is the value of the entire Trust if we were to sell all of the securities on that date. But this changes from one month to another. The realized gains are a more accurate number to track.

Russell said for the budget to date, the benefits are running at 58% which is a little high. This is mostly due to the three large claims and the outgoing TPA which may have pressed to get things processed.

In the Washoe County plan, there is a \$681 accounts payable item which is for Rebecca and Russell. They bill their time to the OPEB Trust when they work on OPEB Trust activities. This settles in January.

The statement of changes in plan net assets shows a net increase/decrease in fair value of investments. The budget is a little over \$1 million. The Trust is at \$11.5 million. This is the realized and unrealized gains.

*Cindy Vance made a motion, seconded by Christine Vuletich, to acknowledge receipt of interim financial statements for the period ending December 31, 2022.*

There was no public to give comment.

*The motion passed unanimously.*

6. Review and possible approval of proposed Cash Flow Projections and Planned Transfers to/from the Nevada Retirement Benefits Investment Fund for the remainder of the fiscal year. [FOR POSSIBLE ACTION]

Russell Morgan explained that the Trust is still tying to the budget amounts for net direct expenses. This includes administrative expenses and reimbursements to employers.

In order to pay the reimbursements that were just approved in the previous agenda item, the Trust will draw down \$4.63 million net out of RBIF. That is up from \$3.05 million when the budget was originally completed. The increase is consistent with the increase in reimbursements to the employers.

For May and July, reimbursements to employers have been reduced. The assumption is that there was a blip in the second quarter, which the Trust expects to unwind in the third and fourth quarter. This is an assumption because there is no data to say if reimbursements won't exceed the \$19.962 million budget. Russell said they adjust this every quarter. As more data becomes available later in the year, that number will be adjusted.

The net direct expenses tie into the Fiscal '23 budget. Russell explained that some things have been moved because expenses were moved around a little, but the Trust is still expected to hit budget.

*Cindy Vance made a motion, seconded by Duane Meyer, to approve the Proposed Cash Flow Projections and Planned Transfers to/from the Nevada Retirement Benefits Investment Fund for the remainder of the fiscal year.*

There was no public to give comment.

*The motion passed unanimously.*

Cathy Hill said she will be leaving the meeting as she previewed and handed the meeting over to Christine Vuletich.

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]

Russell Morgan explained that they will be looking at the September report from RBIF. The market value of all the participants in RBIF are about \$6.06 million. The fiscal year to date return is down 5.8%, the market return is 6.5% and the one-year return is at -14.9%. This is from whipsawing in RBIF. This is just representative of a bad moment in the market, and not an overall marker for the fund.

The positive returns are a little ahead of the market return since inception. There have not been any portfolio adjustments or rebalancing events.

8. Informational review and discussion of the Nevada Retirement Benefits Investments Fund Annual Financial Report for the fiscal year ended June 30, 2022. [DISCUSSION ONLY]

Russell Morgan explained that RBIF sent out their audited financial reports. RBIF is a component unit of the State of Nevada. He read that the auditors reported finding RBIF presented fairly its financial position and changes in financial position for the fiscal year - a "clean" opinion,

He added that in the discussion and analysis section of the report, they show the condensed discussion of changes. This includes the differences between Fiscal Year '21 and '22. The fund generated a negative return of 9.36% gross of fees for Fiscal Year '22, compared to 27.47% return for Fiscal Year '21. There is a significant amount of volatility.

RBIF is designed to invest in equities which is not available to local governments. With equity investments, things can go up and down more than with a fixed-income investment.

Christine Vuletich added that since inception, the annualized return has been 6.65% which is a pretty good return over 14 years.

Russell explained that the Washoe County OPEB Trust is still the largest participant in RBIF. The Trust's share is just over 46%. The top five participants are Washoe County School District, Washoe County, City of Las Vegas, Clark County OPEB Trust and Las Vegas Metro Police Department. These make up \$629 million of the market value or 89.7%.

Christine added that this schedule illustrates the value of investing. The net contributions since inception versus the market value has more than doubled. Russ explained that RBIF was approved in 2007 and the Trust entered in 2011. Money was transferred that the County had accumulated for the Trust. The first year, there were four participating employers, and now it is up to twelve.

9. Update and discussion on the status of the Fiscal Year Ended June 30, 2022 Financial Statements Audit. [DISCUSSION ONLY]

Russell Morgan explained that the final OPEB plan valuation was delayed because the City of Reno did not finalize their calendar year '23 health insurance plan rates until mid-December. That impacted 37 of 59 retirees so the actuary needed to wait.

The report has now been provided to the auditors – all three reports for all three plans. Their process is to submit those reports to a national practice group to review. The review time is unknown at the moment. Last time there were not any significant questions. Rebecca has updated the draft financial statements, the notes, and the required supplementary information. Russell said they are just checking all the cross-references and supporting documents. Once that is complete, it will be uploaded to the auditors' website. They did field work detail testing in early January. There is just the report itself left to do. The audit should get wrapped up in February and their report should be included in the next meeting.

10. Trustees'/Staff announcements, requests for information, and topics for future agendas. Calendar year 2023 meeting dates are April 27, July 27, and October 26 (fourth Thursday of first month of each calendar quarter). The meetings will begin at 10:00 am. [NO DISCUSSION]

Cathy Hill moved to item number ten after completing agenda item number three in order to make an announcement. She said she will only be attending the meeting until 10:30am and handing the meeting over to the Vice Chair Christine Vuletich at that time.

Cathy explained that at the April meeting, Duane Meyer's assignment will be expiring and that will need to be an agenda item for the meeting. Cathy said she wanted to give Duane fair warning before the following meeting. Duane said it was news to him.

Christine Vuletich added, when this item was returned to, that meeting dates are set to April 27<sup>th</sup>, July 27<sup>th</sup>, and October 26<sup>th</sup> at 10am.

Cindy Vance said she will be out on July 27<sup>th</sup>.

11. PUBLIC COMMENT – [Non-action item]

There was no public to give comment.

12. Meeting adjourned at 10:42am.

**WASHOE COUNTY, NEVADA OPEB TRUST**  
**Administrative Expense Detail - YTD Actual vs. Annual Budget**  
**For the Year Ended June 30, 2023 - Unaudited**

|   | <b>Washoe Co<br/>Retiree Health<br/>Benefit<br/>Program</b> | <b>State of Nevada<br/>Public Employee<br/>Benefit<br/>Plan</b> | <b>Truckee Meadows<br/>FPD Retiree<br/>Group Medical<br/>Plan</b> | <b>2022<br/>Total</b> |
|---|---|---|---|-----------------------|
| <b><u>BUDGET</u></b>                      |   |   |   |                       |
| Administrative Expenses                   |   |   |   |                       |
| Actuarial valuations                      | \$ 47,000   | \$ 13,000   | \$ 20,000   | \$ 80,000             |
| Accounting and<br>administrative services | 7,000   | 7,000   | 7,000   | 21,000                |
| Audit fees                                | 8,500   | 8,500   | 8,500   | 25,500                |
| Trustee fees                              | 267   | 266   | 267   | 800                   |
| Minutes fees                              | 200   | 200   | 200   | 600                   |
| Other Operating Expenses                  | 17,100  | -   | -   | 17,100                |
|   | <u>\$ 80,067</u>  | <u>\$ 28,966</u>  | <u>\$ 35,967</u>  | <u>\$ 145,000</u>     |
| <b><u>ACTUAL</u></b>                      |   |   |   |                       |
| Administrative Expenses                   |   |   |   |                       |
| Actuarial valuations                      | \$ 69,072   | \$ 13,457   | \$ -  | \$ 82,529             |
| Accounting and<br>administrative services | 5,193   | 5,193   | 5,193   | 15,579                |
| Audit fees                                | -   | -   | -   | -                     |
| Trustee fees                              | 160   | 160   | 160   | 480                   |
| Legal fees                                | -   | -   | -   | -                     |
| Minutes fees                              | 86  | 87  | 87  | 260                   |
| RDS fees                                  | 12,100  | -   | -   | 12,100                |
| Other Operating Expenses                  | -   | -   | -   | -                     |
|   | <u>\$ 86,611</u>  | <u>\$ 18,897</u>  | <u>\$ 5,440</u>   | <u>\$ 110,948</u>     |
| <b><u>VARIANCE</u></b>                    |   |   |   |                       |
| Administrative Expenses                   |   |   |   |                       |
| Actuarial valuations                      | \$ (22,072)   | \$ (457)  | \$ 20,000   | \$ (2,529)            |
| Accounting and<br>administrative services | 1,807   | 1,807   | 1,807   | 5,421                 |
| Audit fees                                | 8,500   | 8,500   | 8,500   | 25,500                |
| Trustee fees                              | 107   | 106   | 107   | 320                   |
| Minutes fees                              | 114   | 113   | 113   | 340                   |
| Legal fees                                | -   | -   | -   | -                     |
| Other Operating Expenses                  | 5,000   | -   | -   | 5,000                 |
|   | <u>\$ (6,544)</u>   | <u>\$ 10,069</u>  | <u>\$ 30,527</u>  | <u>\$ 34,052</u>      |

**WASHOE COUNTY, NEVADA OPEB TRUST**  
**Summary of Requested Reimbursement to Washoe County**  
**For the Nine Months Ended March 31, 2023**

|                                   | <u>YTD</u>                        | <u>Avg / Mo</u>  |
|-----------------------------------|-----------------------------------|------------------|
| <b><u>WCRHBP</u></b>              |                                   |                  |
| Plan member premium payments      | 3,066,502                         | 340,722          |
| Other miscellaneous revenues      | <u>2,734,224</u>                  | <u>303,803</u>   |
|                                   | 5,800,726                         | 644,525          |
| Less:                             |                                   |                  |
| Benefits expense                  | <u>21,429,098</u>                 | <u>2,381,011</u> |
| Net OPEB expense                  | 15,628,372                        | <u>1,736,486</u> |
| 4Q FY22 add'l misc revenues rec'd | (30,427)                          |                  |
| Reimbursements to date:           |                                   |                  |
| For Q1                            | (5,051,436)                       |                  |
| For Q2                            | (6,325,592)                       |                  |
| For Q3                            | -                                 |                  |
| For Q4                            | -                                 |                  |
| Balance due to Washoe County      | <u><u>4,220,917</u></u>           |                  |
| <b><u>PEBP</u></b>                |                                   |                  |
| PEBP premium subsidies            | 188,280                           | <u>20,920</u>    |
| Reimbursements to date:           |                                   |                  |
| For Q1                            | (65,178)                          |                  |
| For Q2                            | (62,020)                          |                  |
| For Q3                            | -                                 |                  |
| For Q4                            | -                                 |                  |
| Balance due to Washoe County      | <u><u>61,082</u></u>              |                  |
| Total due to Washoe County        | <u><u><b>\$ 4,281,999</b></u></u> |                  |

**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, 2023**

|                              | <u>YTD</u>           | <u>Avg / Mo</u>      |
|------------------------------|----------------------|----------------------|
| <b><u>TMFPD RGMP</u></b>     |                      |                      |
| Plan member premium payments | 136,754              | 15,195               |
| Less:                        |                      |                      |
| Benefits expense             | <u>268,487</u>       | <u>29,832</u>        |
| Net OPEB expense             | 131,733              | <u><u>14,637</u></u> |
| Reimbursements to date:      |                      |                      |
| For Q1                       | (40,805)             |                      |
| For Q2                       | (20,739)             |                      |
| For Q3                       | -                    |                      |
| For Q4                       | -                    |                      |
| Balance due to employer      | <u><u>70,189</u></u> |                      |

**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, 2023 (Unaudited)**

|                       |                   |                 |                  |                   |
|-----------------------|-------------------|-----------------|------------------|-------------------|
| Amounts in thousands: |                   |                 |                  |                   |
|                       | <u>WC-RHBP</u>    | <u>WC-PEBP</u>  | <u>TMFPD</u>     | <u>TOTAL</u>      |
| WC-Pool               | \$ 703            | \$ 139          | \$ 99            | \$ 941            |
| State RBIF            | 315,467           | 2,540           | 10,480           | 328,487           |
| Other-Net             | <u>(4,220)</u>    | <u>(60)</u>     | <u>(71)</u>      | <u>(4,351)</u>    |
| Net Assets            | <u>\$ 311,950</u> | <u>\$ 2,619</u> | <u>\$ 10,508</u> | <u>\$ 325,077</u> |

- Net assets of \$325.1 million are up \$4.3 million year-to-date; contributions of \$11.0 million and net investment income of \$14.3 million were offset by \$21.9 million in benefits expense.

|                                   |                 |                |                 |                 |
|-----------------------------------|-----------------|----------------|-----------------|-----------------|
| Amounts in thousands              | <u>WC-RHBP</u>  | <u>WC-PEBP</u> | <u>TMFPD</u>    | <u>TOTAL</u>    |
| Additions:                        |                 |                |                 |                 |
| Prefunding                        | \$ 5,108        | \$ 18          | \$ 975          | \$ 6,101        |
| Investment income, net of expense | 13,770          | 116            | 420             | 14,306          |
| Plan members, other               | <u>5,801</u>    | <u>-</u>       | <u>137</u>      | <u>5,938</u>    |
|                                   | <u>24,679</u>   | <u>134</u>     | <u>1,532</u>    | <u>26,345</u>   |
| Deductions:                       |                 |                |                 |                 |
| Benefits Paid                     | 21,429          | 188            | 269             | 21,886          |
| Administrative                    | <u>87</u>       | <u>19</u>      | <u>5</u>        | <u>111</u>      |
|                                   | <u>21,516</u>   | <u>207</u>     | <u>274</u>      | <u>21,997</u>   |
| Net change in Plan Net Assets     | <u>\$ 3,163</u> | <u>\$ (73)</u> | <u>\$ 1,258</u> | <u>\$ 4,348</u> |

- Investment income includes realized losses of -\$707,000 and unrealized gains of \$10.4 million in the RBIF through February 28, 2023. Annualized investment yields through February in the RBIF were 9.17% with these gains included. Annualized realized yields were at 2.49%.

|                                   |                   |                 |                  |                  |
|-----------------------------------|-------------------|-----------------|------------------|------------------|
| Amounts in thousands              | <u>Budget</u>     | <u>YTD</u>      | <u>Act % Bud</u> | <u>Variance</u>  |
| Additions:                        |                   |                 |                  |                  |
| Prefunding                        | \$ 8,134          | \$ 6,101        | 75%              | \$ (2,033)       |
| Investment income, net of expense | 6,224             | 14,306          | 230%             | 8,082            |
| Plan members, other               | <u>6,427</u>      | <u>5,938</u>    | <u>92%</u>       | <u>(489)</u>     |
|                                   | <u>20,785</u>     | <u>26,345</u>   | <u>127%</u>      | <u>5,560</u>     |
| Deductions:                       |                   |                 |                  |                  |
| Benefits Paid                     | 26,389            | 21,886          | 83%              | 4,503            |
| Administrative                    | <u>145</u>        | <u>111</u>      | <u>77%</u>       | <u>34</u>        |
|                                   | <u>26,534</u>     | <u>21,997</u>   | <u>83%</u>       | <u>4,537</u>     |
| Net change in Plan Net Assets     | <u>\$ (5,749)</u> | <u>\$ 4,348</u> | <u>-76%</u>      | <u>\$ 10,097</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 \$250,000 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, 2023 - UNAUDITED**

|   | <b>Washoe Co.<br/>Retiree Health<br/>Benefit Plan</b> | <b>State of Nevada<br/>Public Employee<br/>Benefit Plan</b> | <b>TMFPD<br/>Retiree Group<br/>Medical Plan</b> | <b>Total</b>          |
|---|---|---|---|-----------------------|
| <b>Assets</b>   |   |   |   |                       |
| Cash and investments:   |   |   |   |                       |
| Washoe County Investment Pool   | \$ 702,960  | \$ 139,227  | \$ 98,320                                       | \$ 940,507            |
| State of NV RBIF  | 315,466,894   | 2,540,469   | 10,480,048                                      | 328,487,411           |
| Interest receivable   | 1,233   | 280   | 226   | 1,739                 |
| Total Assets  | 316,171,087   | 2,679,976   | 10,578,594                                      | 329,429,657           |
| <b>Liabilities</b>  |   |   |   |                       |
| Accounts payable  | 17  | -   | -   | 17                    |
| Due to employers  | 4,220,917   | 61,082  | 70,189  | 4,352,188             |
| Total Liabilities   | 4,220,934   | 61,082  | 70,189  | 4,352,205             |
| <b>Net assets held in trust for other<br/>postemployment benefits</b> | <b>\$ 311,950,153</b>                                 | <b>\$ 2,618,894</b>   | <b>\$ 10,508,405</b>                            | <b>\$ 325,077,452</b> |

**WASHOE COUNTY, NEVADA OPEB TRUST FUND**  
**INTERIM STATEMENT OF CHANGES IN PLAN NET ASSETS**  
**FOR THE NINE MONTHS ENDED MARCH 31, 2023 - UNAUDITED**  
**(WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022)**

|   | <b>Combined Trust</b> |                |              |                 |                  |
|---|-----------------------|----------------|--------------|-----------------|------------------|
|   | <b>Budget</b>         | <b>Actual</b>  | <b>Act %</b> | <b>Variance</b> | <b>6/30/2022</b> |
| <b>Additions</b>  |                       |                |              |                 |                  |
| Contributions   |                       |                |              |                 |                  |
| Employer:   |                       |                |              |                 |                  |
| Prefunding  | \$ 8,134,111          | \$ 6,100,583   | 75.00%       | \$ (2,033,528)  | \$ 11,872,666    |
| Plan member   | 4,700,000             | 3,203,256      | 68.15%       | (1,496,744)     | 4,115,148        |
| Other   | 1,727,000             | 2,734,224      | 158.32%      | 1,007,224       | 2,673,820        |
| Total Contributions   | 14,561,111            | 12,038,063     | 82.67%       | (2,523,048)     | 18,661,634       |
| Investment Income   |                       |                |              |                 |                  |
| Interest and dividends  | 5,318,600             | 4,666,559      | 87.74%       | (652,041)       | 6,038,503        |
| Net increase (decrease) in fair value of investments              | 1,017,775             | 9,709,803      | 954.02%      | 8,692,028       | (39,590,558)     |
|   | 6,336,375             | 14,376,362     | 226.89%      | 8,039,987       | (33,552,055)     |
| Less investment expense   | 112,750               | 70,029         | 62.11%       | 42,721          | 111,651          |
| Net Investment Income   | 6,223,625             | 14,306,333     | 229.87%      | 8,082,708       | (33,663,706)     |
| Total Additions   | 20,784,736            | 26,344,396     | 126.75%      | 5,559,660       | (15,002,072)     |
| <b>Deductions</b>   |                       |                |              |                 |                  |
| Benefits  | 26,389,350            | 21,885,865     | 82.93%       | 4,503,485       | 26,240,046       |
| Administrative expense  | 145,000               | 110,948        | 76.52%       | 34,052          | 66,836           |
| Total Deductions  | 26,534,350            | 21,996,813     | 82.90%       | 4,537,537       | 26,306,882       |
| Net Change in Plan Net Assets                                     | (5,749,614)           | 4,347,583      | (75.62%)     | 10,097,197      | (41,308,954)     |
| <b>Net Assets Held in Trust for Other Postemployment Benefits</b> |                       |                |              |                 |                  |
| Beginning of year   | 320,729,869           | 320,729,869    |              | -               | 362,038,823      |
| End of Period   | \$ 314,980,255        | \$ 325,077,452 |              | \$ 10,097,197   | \$ 320,729,869   |

**WASHOE COUNTY, NEVADA OPEB TRUST FUND**  
**INTERIM STATEMENT OF CHANGES IN PLAN NET ASSETS**  
**FOR THE NINE MONTHS ENDED MARCH 31, 2023 - UNAUDITED**  
**(WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022)**

|   | <b>Washoe County - Retiree Health Benefit Plan</b> |                |              |                 |                  |
|---|--|----------------|--------------|-----------------|------------------|
|   | <b>Budget</b>                                      | <b>Actual</b>  | <b>Act %</b> | <b>Variance</b> | <b>6/30/2022</b> |
| <b>Additions</b>  |  |                |              |                 |                  |
| Contributions   |  |                |              |                 |                  |
| Employer:   |  |                |              |                 |                  |
| Prefunding  | \$ 6,810,652                                       | \$ 5,107,989   | 75.00%       | \$ (1,702,663)  | \$ 10,952,060    |
| Plan member   | 4,550,000  | 3,066,502      | 67.40%       | (1,483,498)     | 3,957,615        |
| Other   | 1,727,000  | 2,734,224      | 158.32%      | 1,007,224       | 2,673,820        |
| Total Contributions   | 13,087,652   | 10,908,715     | 83.35%       | (2,178,937)     | 17,583,495       |
| Investment Income   |  |                |              |                 |                  |
| Interest and dividends  | 5,119,850  | 4,488,012      | 87.66%       | (631,838)       | 5,816,003        |
| Net increase (decrease) in fair value of investments              | 979,900  | 9,349,090      | 954.09%      | 8,369,190       | (38,124,005)     |
|   | 6,099,750  | 13,837,102     | 226.85%      | 7,737,352       | (32,308,002)     |
| Less investment expense   | 108,475  | 67,336         | 62.08%       | 41,139          | 107,405          |
| Net Investment Income   | 5,991,275  | 13,769,766     | 229.83%      | 7,778,491       | (32,415,407)     |
| Total Additions   | 19,078,927   | 24,678,481     | 129.35%      | 5,599,554       | (14,831,912)     |
| <b>Deductions</b>   |  |                |              |                 |                  |
| Benefits  | 25,731,750   | 21,429,098     | 83.28%       | 4,302,652       | 25,659,088       |
| Administrative expense  | 80,067   | 86,611         | 108.17%      | (6,544)         | 23,043           |
| Total Deductions  | 25,811,817   | 21,515,709     | 83.36%       | 4,296,108       | 25,682,131       |
| Net Change in Plan Net Assets                                     | (6,732,890)  | 3,162,772      | (46.97%)     | 9,895,662       | (40,514,043)     |
| <b>Net Assets Held in Trust for Other Postemployment Benefits</b> |  |                |              |                 |                  |
| Beginning of year   | 308,787,381  | 308,787,381    |              | -               | 349,301,424      |
| End of Period   | \$ 302,054,491                                     | \$ 311,950,153 |              | \$ 9,895,662    | \$ 308,787,381   |

**WASHOE COUNTY, NEVADA OPEB TRUST FUND**  
**INTERIM STATEMENT OF CHANGES IN PLAN NET ASSETS**  
**FOR THE NINE MONTHS ENDED MARCH 31, 2023 - UNAUDITED**  
**(WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022)**

|   | <b>Washoe County - NV PEBP Plan</b> |               |              |                 |                  |
|---|-------------------------------------|---------------|--------------|-----------------|------------------|
|   | <b>Budget</b>                       | <b>Actual</b> | <b>Act %</b> | <b>Variance</b> | <b>6/30/2022</b> |
| <b>Additions</b>  |                                     |               |              |                 |                  |
| Contributions   |                                     |               |              |                 |                  |
| Employer:   |                                     |               |              |                 |                  |
| Prefunding  | \$ 23,459                           | \$ 17,594     | 75.00%       | \$ (5,865)      | \$ 70,606        |
| Total Contributions   | 23,459                              | 17,594        | 75.00%       | (5,865)         | 70,606           |
| Investment Income   |                                     |               |              |                 |                  |
| Interest and dividends  | 45,925                              | 38,017        | 82.78%       | (7,908)         | 52,805           |
| Net increase (decrease) in fair value of investments              | 8,875                               | 79,188        | 892.26%      | 70,313          | (334,191)        |
|   | 54,800                              | 117,205       | 213.88%      | 62,405          | (281,386)        |
| Less investment expense   | 1,000                               | 572           | 57.20%       | 428             | 1,010            |
| Net Investment Income   | 53,800                              | 116,633       | 216.79%      | 62,833          | (282,396)        |
| Total Additions   | 77,259                              | 134,227       | 173.74%      | 56,968          | (211,790)        |
| <b>Deductions</b>   |                                     |               |              |                 |                  |
| Benefits  | 260,000                             | 188,280       | 72.42%       | 71,720          | 259,778          |
| Administrative expense  | 28,966                              | 18,897        | 65.24%       | 10,069          | 21,396           |
| Total Deductions  | 288,966                             | 207,177       | 71.70%       | 81,789          | 281,174          |
| Net Change in Plan Net Assets                                     | (211,707)                           | (72,950)      |              | 138,757         | (492,964)        |
| <b>Net Assets Held in Trust for Other Postemployment Benefits</b> |                                     |               |              |                 |                  |
| Beginning of year   | 2,691,844                           | 2,691,844     |              | -               | 3,184,808        |
| End of Period   | \$ 2,480,137                        | \$ 2,618,894  |              | \$ 138,757      | \$ 2,691,844     |

**WASHOE COUNTY, NEVADA OPEB TRUST FUND**  
**INTERIM STATEMENT OF CHANGES IN PLAN NET ASSETS**  
**FOR THE NINE MONTHS ENDED MARCH 31, 2023 - UNAUDITED**  
**(WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022)**

|   | <b>Truckee Meadows FPD - Retiree Group Medical Plan</b> |               |              |                 |                  |
|---|---|---------------|--------------|-----------------|------------------|
|   | <b>Budget</b>   | <b>Actual</b> | <b>Act %</b> | <b>Variance</b> | <b>6/30/2022</b> |
| <b>Additions</b>  |   |               |              |                 |                  |
| Contributions   |   |               |              |                 |                  |
| Employer:   |   |               |              |                 |                  |
| Prefunding  | \$ 1,300,000  | \$ 975,000    | 75.00%       | \$ (325,000)    | \$ 850,000       |
| Plan member   | 150,000   | 136,754       | 91.17%       | (13,246)        | 157,533          |
| Total Contributions   | 1,450,000   | 1,111,754     | 76.67%       | (338,246)       | 1,007,533        |
| Investment Income   |   |               |              |                 |                  |
| Interest and dividends  | 152,825   | 140,530       | 91.95%       | (12,295)        | 169,695          |
| Net increase (decrease) in fair value of investments              | 29,000  | 281,525       | 970.78%      | 252,525         | (1,132,362)      |
|   | 181,825   | 422,055       | 232.12%      | 240,230         | (962,667)        |
| Less investment expense   | 3,275   | 2,121         | 64.76%       | 1,154           | 3,236            |
| Net Investment Income   | 178,550   | 419,934       | 235.19%      | 241,384         | (965,903)        |
| Total Additions   | 1,628,550   | 1,531,688     | 94.05%       | (96,862)        | 41,630           |
| <b>Deductions</b>   |   |               |              |                 |                  |
| Benefits  | 397,600   | 268,487       | 67.53%       | 129,113         | 321,181          |
| Administrative expense  | 35,967  | 5,440         | 15.12%       | 30,527          | 22,396           |
| Total Deductions  | 433,567   | 273,927       | 63.18%       | 159,640         | 343,577          |
| Net Change in Plan Net Assets                                     | 1,194,983   | 1,257,761     | 105.25%      | 62,778          | (301,947)        |
| <b>Net Assets Held in Trust for Other Postemployment Benefits</b> |   |               |              |                 |                  |
| Beginning of year   | 9,250,644   | 9,250,644     |              | -               | 9,552,591        |
| End of Period   | \$ 10,445,627   | \$ 10,508,405 |              | \$ 62,778       | 9,250,644        |

**Washoe County, Nevada OPEB Trust Fund**  
**Cash Flow Projections and Planned Transfers to (from) the Retirees' Benefits Investment Fund (RBIF) for FY 22-23**  
**As Approved by Trustees 7/28/22**

|                            | <b>Prefunding<br/>Contributions</b> | <b>Net Direct<br/>Expenses</b> | <b>Reimburse<br/>Employers</b> | <b>Pooled Cash<br/>Change</b> | <b>Trsfrs to/<br/>(from) RBIF</b> | <b>Cash in WC<br/>Pool</b> | <b>Cash in RBIF</b> | <b>Total Cash &amp;<br/>Investmts</b> |
|----------------------------|-------------------------------------|--------------------------------|--------------------------------|-------------------------------|-----------------------------------|----------------------------|---------------------|---------------------------------------|
| Beginning balance          |                                     |                                |                                |                               |                                   | \$ 1,130,467               | \$ 324,961,494      | \$ 326,091,961                        |
| Jul-22 Trustee Meeting     | 894,509                             | (160)                          | -                              | 894,349                       | -                                 | - 2,024,816                | 324,961,494         | 326,986,310                           |
| Aug                        | 569,509                             | -                              | (5,393,814)                    | (4,824,305)                   | (2,900,000)                       | - 100,511                  | 322,061,494         | 322,162,005                           |
| Sep                        | 569,508                             | (4,828)                        | -                              | 564,680                       | -                                 | - 676,626                  | 328,696,571         | 329,373,197                           |
| Oct Trustee Meeting        | 894,509                             | (130)                          | -                              | 894,379                       | -                                 | - 1,571,005                | 328,696,571         | 330,267,576                           |
| Nov                        | 569,509                             | (2,660)                        | (5,157,418)                    | (4,590,569)                   | (3,225,000)                       | - 205,436                  | 325,471,571         | 325,677,007                           |
| Dec                        | 569,508                             | (17,622)                       | -                              | 551,886                       | -                                 | - 832,253                  | 333,369,921         | 334,202,174                           |
| Jan Trustee Meeting        | 894,509                             | (290)                          | -                              | 894,219                       | -                                 | - 1,726,472                | 333,369,921         | 335,096,393                           |
| Feb                        | 569,509                             | (77,958)                       | (6,408,351)                    | (5,916,800)                   | (4,630,000)                       | - 439,672                  | 328,739,921         | 329,179,593                           |
| Mar                        | 569,508                             | (7,300)                        | -                              | 562,208                       | -                                 | - 940,507                  | 328,487,411         | 329,427,918                           |
| Apr Trustee Meeting        | 894,509                             | (2,839)                        | -                              | 891,670                       | -                                 | - 1,832,177                | 328,487,411         | 330,319,588                           |
| May                        | 569,510                             | (45,000)                       | (4,352,188)                    | (3,827,678)                   | (2,250,000)                       | - 254,500                  | 326,237,411         | 326,491,911                           |
| Jun                        | 569,514                             | (8,235)                        | -                              | 561,279                       | -                                 | - 815,779                  | 326,237,411         | 327,053,190                           |
| Jul-23 Trustee Meeting     | -                                   | 22,022                         | (4,013,966)                    | (3,991,944)                   | (2,050,000)                       | - (1,126,165)              | 324,187,411         | 323,061,247                           |
| Cash flow total            | <u>8,134,111</u>                    | <u>(145,000)</u>               | <u>(25,325,737)</u>            | <u>(17,336,626)</u>           | <u>(15,055,000)</u>               |                            |                     |                                       |
| Less: Pmts related to FY22 |                                     | -                              | 5,363,387                      |                               |                                   |                            |                     |                                       |
| FY23 Budget                |                                     | <u>(145,000)</u>               | <u>(19,962,350)</u>            |                               |                                   |                            |                     |                                       |

**Key Assumptions:**

Only key changes in cash flow are shown.

TMFPD - Quarterly payments to City of Reno, based on FY22 actuals.

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

|                                | <u>WCRHBP</u> | <u>PEBP</u> | <u>Total</u>     |                                       |
|--------------------------------|---------------|-------------|------------------|---------------------------------------|
| WC Contributions               | 6,810,652     | 23,459      | 6,834,111        | ADC's per Actuarial valuations.       |
| TMFPD Contributions            |               |             | 1,300,000        | Paid in monthly increments.           |
| Total Prefunding Contributions |               |             | <u>8,134,111</u> | Per TMFPD FY 23 Buget. Paid quarterly |

**Washoe County, Nevada OPEB Trust Fund**  
**Cash Flow Projections and Planned Transfers to (from) the Retirees' Benefits Investment Fund (RBIF) for FY 22-23**  
**As Approved by Trustees 7/28/22**

| <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 |                 |                                 |                            |                            |                           |                               |                       | \$ 959,451             | \$ 313,085,130      | \$ 314,044,581                  |
| Jul-22            | Trustee Meeting | 567,554                         | (54)                       |                            | 567,500                   | -                             | -                     | 1,526,951              | 313,085,130         | 314,612,081                     |
| Aug               |                 | 567,554                         | -                          | (5,288,686)                | (4,721,132)               | (3,250,000)                   | -                     | 55,819                 | 309,835,130         | 309,890,949                     |
| Sep               |                 | 567,554                         | (1,610)                    | -                          | 565,944                   | -                             | -                     | 630,644                | 316,231,344         | 316,861,988                     |
| Oct               | Trustee Meeting | 567,554                         | (43)                       | -                          | 567,511                   | -                             | -                     | 1,198,155              | 316,231,344         | 317,429,499                     |
| Nov               |                 | 567,554                         | (2,553)                    | (5,051,436)                | (4,486,435)               | (3,370,000)                   | -                     | 81,720                 | 312,861,344         | 312,943,064                     |
| Dec               |                 | 567,554                         | (13,197)                   | -                          | 554,357                   | -                             | -                     | 710,875                | 320,459,556         | 321,170,431                     |
| Jan               | Trustee Meeting | 567,554                         | (96)                       | -                          | 567,458                   | -                             | -                     | 1,278,333              | 320,459,556         | 321,737,889                     |
| Feb               |                 | 567,554                         | (64,958)                   | (6,325,592)                | (5,822,996)               | (4,750,000)                   | -                     | 205,337                | 315,709,556         | 315,914,893                     |
| Mar               |                 | 567,554                         | (4,100)                    | -                          | 563,454                   | -                             | -                     | 702,960                | 315,466,894         | 316,169,854                     |
| Apr               | Trustee Meeting | 567,554                         | (2,617)                    | -                          | 564,937                   | -                             | -                     | 1,267,897              | 315,466,894         | 316,734,791                     |
| May               |                 | 567,554                         | (8,333)                    | (4,220,917)                | (3,661,696)               | (2,500,000)                   | -                     | 106,201                | 312,966,894         | 313,073,095                     |
| Jun               |                 | 567,558                         | (4,528)                    | -                          | 563,030                   | -                             | -                     | 669,231                | 312,966,894         | 313,636,125                     |
| Jul-23            | Trustee Meeting | -                               | 22,022                     | (3,826,378)                | (3,804,356)               | (2,050,000)                   | -                     | (1,085,124)            | 310,916,894         | 309,831,770                     |
| Cash flow total   |                 | <u>6,810,652</u>                | <u>(80,067)</u>            | <u>(24,713,009)</u>        | <u>(17,982,423)</u>       | <u>(15,920,000)</u>           | <u>-</u>              |                        |                     |                                 |

Less: Pmts related to FY22  
FY23 Budget

| <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 |                 |                                 |                            |                            |                           |                               |                       | \$ 68,890              | \$ 2,686,221        | \$ 2,755,111                    |
| Jul-22            | Trustee Meeting | 1,955                           | (53)                       | -                          | 1,902                     | -                             | -                     | 70,792                 | 2,686,221           | 2,757,013                       |
| Aug               |                 | 1,955                           | -                          | (63,364)                   | (61,409)                  | -                             | -                     | 9,383                  | 2,686,221           | 2,695,604                       |
| Sep               |                 | 1,954                           | (1,609)                    | -                          | 345                       | -                             | -                     | 10,122                 | 2,739,302           | 2,749,424                       |
| Oct               | Trustee Meeting | 1,955                           | (43)                       | -                          | 1,912                     | -                             | -                     | 12,034                 | 2,739,302           | 2,751,336                       |
| Nov               |                 | 1,955                           | (54)                       | (65,177)                   | (63,276)                  | (130,000)                     | -                     | 78,758                 | 2,609,302           | 2,688,060                       |
| Dec               |                 | 1,954                           | (2,441)                    | -                          | (487)                     | -                             | -                     | 78,825                 | 2,672,489           | 2,751,314                       |
| Jan               | Trustee Meeting | 1,955                           | (97)                       | -                          | 1,858                     | -                             | -                     | 80,683                 | 2,672,489           | 2,753,172                       |
| Feb               |                 | 1,955                           | (13,000)                   | (62,020)                   | (73,065)                  | (130,000)                     | -                     | 137,618                | 2,542,489           | 2,680,107                       |
| Mar               |                 | 1,954                           | (1,600)                    | -                          | 354                       | -                             | -                     | 139,227                | 2,540,469           | 2,679,696                       |
| Apr               | Trustee Meeting | 1,955                           | (115)                      | -                          | 1,840                     | -                             | -                     | 141,067                | 2,540,469           | 2,681,536                       |
| May               |                 | 1,956                           | (8,333)                    | (61,082)                   | (67,459)                  | -                             | -                     | 73,608                 | 2,540,469           | 2,614,077                       |
| Jun               |                 | 1,956                           | (1,621)                    | -                          | 335                       | -                             | -                     | 73,943                 | 2,540,469           | 2,614,412                       |
| Jul-23            | Trustee Meeting | -                               | -                          | (71,721)                   | (71,721)                  | -                             | -                     | 2,222                  | 2,540,469           | 2,542,691                       |
| Cash flow total   |                 | <u>23,459</u>                   | <u>(28,966)</u>            | <u>(323,364)</u>           | <u>(328,871)</u>          | <u>(260,000)</u>              | <u>-</u>              |                        |                     |                                 |

Less: Pmts related to FY22  
FY23 Budget

**Washoe County, Nevada OPEB Trust Fund**  
**Cash Flow Projections and Planned Transfers to (from) the Retirees' Benefits Investment Fund (RBIF) for FY 22-23**  
**As Approved by Trustees 7/28/22**

| 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          |                 |                          |                     |                     |                    |                        |                | \$ 102,126      | \$ 9,190,143 | \$ 9,292,269         |
| Jul-22                     | Trustee Meeting | 325,000                  | (53)                | -                   | 324,947            |                        | -              | 427,073         | 9,190,143    | 9,617,216            |
| Aug                        |                 | -                        | -                   | (41,764)            | (41,764)           | 350,000                | -              | 35,309          | 9,540,143    | 9,575,452            |
| Sep                        |                 | -                        | (1,609)             | -                   | (1,609)            | -                      | -              | 35,860          | 9,725,925    | 9,761,785            |
| Oct                        | Trustee Meeting | 325,000                  | (44)                | -                   | 324,956            | -                      | -              | 360,816         | 9,725,925    | 10,086,741           |
| Nov                        |                 | -                        | (53)                | (40,805)            | (40,858)           | 275,000                | -              | 44,958          | 10,000,925   | 10,045,883           |
| Dec                        |                 | -                        | (1,984)             | -                   | (1,984)            | -                      | -              | 42,553          | 10,237,876   | 10,280,429           |
| Jan                        | Trustee Meeting | 325,000                  | (97)                | -                   | 324,903            | -                      | -              | 367,456         | 10,237,876   | 10,605,332           |
| Feb                        |                 | -                        | -                   | (20,739)            | (20,739)           | 250,000                | -              | 96,717          | 10,487,876   | 10,584,593           |
| Mar                        |                 | -                        | (1,600)             | -                   | (1,600)            | -                      | -              | 98,320          | 10,480,048   | 10,578,368           |
| Apr                        | Trustee Meeting | 325,000                  | (108)               | -                   | 324,892            | -                      | -              | 423,212         | 10,480,048   | 10,903,260           |
| May                        |                 | -                        | (28,333)            | (70,189)            | (98,522)           | 250,000                | -              | 74,690          | 10,730,048   | 10,804,738           |
| Jun                        |                 | -                        | (2,086)             | -                   | (2,086)            | -                      | -              | 72,604          | 10,730,048   | 10,802,652           |
| Jul-23                     | Trustee Meeting | -                        | -                   | (115,867)           | (115,867)          | -                      | -              | (43,263)        | 10,730,048   | 10,686,785           |
| Cash flow total            |                 | <u>1,300,000</u>         | <u>(35,967)</u>     | <u>(289,364)</u>    | <u>974,669</u>     | <u>1,125,000</u>       | <u>-</u>       |                 |              |                      |
| Less: Pmts related to FY22 |                 |                          | -                   | 41,764              |                    |                        |                |                 |              |                      |
| FY23 Budget                |                 |                          | <u>(35,967)</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, 2022

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          | \$ 356,489,805        | 50.5%             | 50.4%             | 2.4%         | -18.0%        | 7.7%        | 9.4%        | 12.5%        | 9.3%                   |
| <b>Market Return</b>                |                       |                   |                   | <b>2.3%</b>  | <b>-18.1%</b> | <b>7.7%</b> | <b>9.4%</b> | <b>12.6%</b> | <b>9.3%</b>            |
| Int'l Stocks- MSCI World x US Index | \$ 162,417,991        | 21.5%             | 22.9%             | 5.6%         | -14.0%        | 1.6%        | 2.1%        | 5.0%         | 2.8%                   |
| <b>Market Return</b>                |                       |                   |                   | <b>5.5%</b>  | <b>-14.3%</b> | <b>1.3%</b> | <b>1.8%</b> | <b>4.8%</b>  | <b>2.6%</b>            |
| U.S. Bonds- U.S. Bond Index         | \$ 186,060,201        | 28.0%             | 26.3%             | -3.9%        | -5.9%         | 0.6%        | 1.9%        | 1.7%         | 2.8%                   |
| <b>Market Return</b>                |                       |                   |                   | <b>-3.7%</b> | <b>-6.6%</b>  | <b>0.3%</b> | <b>1.7%</b> | <b>1.5%</b>  | <b>2.6%</b>            |
|                                     | \$ 3,047,095          | 0.0%              | 0.4%              |              |               |             |             |              |                        |
| <b>Total RBIF Fund</b>              | <b>\$ 708,015,092</b> | <b>100.0%</b>     | <b>100.0%</b>     | <b>1.2%</b>  | <b>-13.8%</b> | <b>5.1%</b> | <b>6.2%</b> | <b>8.1%</b>  | <b>6.5%</b>            |
| <b>Market Return</b>                |                       |                   |                   | <b>1.5%</b>  | <b>-13.8%</b> | <b>4.7%</b> | <b>5.9%</b> | <b>7.9%</b>  | <b>6.5%</b>            |

**Washoe County, Nevada  
OPEB Trust Fund  
Financial Statements  
For the Fiscal Year ended June 30, 2022**

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**WASHOE COUNTY, NEVADA OPEB TRUST FUND  
FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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Reno, NV 89501

## **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 accompanying financial statements of the Washoe County, Nevada OPEB Trust Fund (the "Trust"), which comprise the statements of fiduciary net position and the statements of changes in fiduciary net position as of and for the year ended June 30, 2022, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the fiduciary net position of the Trust as of June 30, 2022, and the changes in the fiduciary net position for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Trust 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 opinions.

#### ***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 Trust'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.

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### ***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 and *Government Auditing Standards* 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 and *Government Auditing Standards*, 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 Trust'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 Trust'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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**BDO USA, LLP**

Reno, Nevada  
April 18, 2023

## WASHOE COUNTY, NEVADA OPEB TRUST FUND

### Management's Discussion and Analysis For the Year Ended June 30, 2022

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, 2022. 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 decreased by \$41,308,954 to a total of \$320,729,869.
- The Trust had net additions during the year of (\$19,117,220) and deductions for benefits and administrative expenses of \$22,191,734. Additions consisted of \$14,546,486 from employer and other contributions, and \$33,663,706 of net investment loss. Of the net investment loss, \$39,590,558 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 \$8,053,723 (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 2022 were \$11,872,666.

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, 2022

*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:

|   | 2022           | 2021           |
|---|----------------|----------------|
| Total assets  | \$ 326,093,256 | \$ 365,969,065 |
| Total liabilities   | 5,363,387      | 3,930,242      |
| Net position restricted for other postemployment benefits | \$ 320,729,869 | \$ 362,038,823 |

Assets at June 30, 2022 include cash and investments of \$326,091,962; 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 decrease 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 14.5 years.

## WASHOE COUNTY, NEVADA OPEB TRUST FUND

### Management's Discussion and Analysis For the Year Ended June 30, 2022

#### *Statements of Changes in Fiduciary Net Position:*

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

|  | 2022            | 2021          |
|--|-----------------|---------------|
| <b>Additions</b>                                     |                 |               |
| Employer prefunding contributions                    | \$ 11,872,666   | \$ 17,750,000 |
| Other contributions                                  | 2,673,820       | 2,600,406     |
| Investment income:                                   |                 |               |
| Interest and dividends                               | 6,038,503       | 5,705,595     |
| Net (decrease) increase in fair value of investments | (39,590,558)    | 72,071,151    |
| Less investment expenses                             | (111,651)       | (95,703)      |
| Total additions                                      | (19,117,220)    | 98,031,449    |
| <b>Deductions</b>                                    |                 |               |
| Benefit payments (net)                               | 22,124,899      | 19,273,510    |
| Administrative expenses                              | 66,835          | 98,925        |
| Total deductions                                     | 22,191,734      | 19,372,435    |
| Change in plan net position                          | \$ (41,308,954) | \$ 78,659,014 |

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 \$850,000 in 2022. Amounts funded are at the discretion of the individual participating employers.

Employer contributions decreased from fiscal year 2021 to fiscal year 2022 due to a \$5.9 million decrease in the amount funded to the WCRHBP, offset by a \$100,000 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 14.8%, from fiscal year 2021 to fiscal year 2022. The total paid for benefits is driven largely by participants of the WCRHBP. Plan participation increased by 3.2% to an average of 1,837 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 2022 were -9.4%, 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, 2022**

|  | <b>Washoe<br/>County Retiree<br/>Health Benefits<br/>Program</b> | <b>State of<br/>Nevada Public<br/>Employees'<br/>Benefits Plan</b> | <b>TMFPD<br/>Retiree Group<br/>Medical Plan</b> | <b>Total</b>          |
|--|--|--|---|-----------------------|
| <b>Assets</b>  |  |  |   |                       |
| Cash and investments   | \$ 314,044,582   | \$ 2,755,111   | \$ 9,292,269                                    | \$ 326,091,962        |
| Interest receivable  | 1,058  | 96   | 140   | 1,294                 |
| Total Assets   | <u>314,045,640</u>   | <u>2,755,207</u>   | <u>9,292,409</u>                                | <u>326,093,256</u>    |
| <b>Liabilities</b>   |  |  |   |                       |
| Accounts payable - benefit<br>reimbursements to employers            | <u>5,258,259</u>   | <u>63,363</u>  | <u>41,765</u>                                   | <u>5,363,387</u>      |
| Total Liabilities  | <u>5,258,259</u>   | <u>63,363</u>  | <u>41,765</u>                                   | <u>5,363,387</u>      |
| <b>Net Position Restricted for<br/>Other Postemployment Benefits</b> | <u>\$ 308,787,381</u>  | <u>\$ 2,691,844</u>  | <u>\$ 9,250,644</u>                             | <u>\$ 320,729,869</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, 2022**

|  | <b>Washoe County<br/>Retiree Health<br/>Benefit Plan</b> | <b>State of Nevada<br/>Public Employees'<br/>Benefits Plan</b> | <b>TMFPD<br/>Retiree Group<br/>Medical Plan</b> | <b>Total</b>   |
|--|--|--|---|----------------|
| <b>Additions</b>   |  |  |   |                |
| Contributions:   |  |  |   |                |
| Employer prefunding  | \$ 10,952,060  | \$ 70,606  | \$ 850,000                                      | \$ 11,872,666  |
| Other  | 2,673,820  | -  | -   | 2,673,820      |
| Total Contributions  | 13,625,880   | 70,606   | 850,000   | 14,546,486     |
| Investment Income:   |  |  |   |                |
| Interest and dividends   | 5,816,003  | 52,805   | 169,695   | 6,038,503      |
| Net (decrease) in fair value<br>of investments                       | (38,124,005)   | (334,191)  | (1,132,362)                                     | (39,590,558)   |
| Total Investment Income (Loss)                                       | (32,308,002)   | (281,386)  | (962,667)                                       | (33,552,055)   |
| Less investment expenses   | 107,405  | 1,010  | 3,236   | 111,651        |
| Net Investment Income (Loss)   | (32,415,407)   | (282,396)  | (965,903)                                       | (33,663,706)   |
| Total Additions (Reductions)   | (18,789,527)   | (211,790)  | (115,903)                                       | (19,117,220)   |
| <b>Deductions</b>  |  |  |   |                |
| Benefit payments, net  | 21,701,473   | 259,778  | 163,648   | 22,124,899     |
| Administrative expenses  | 23,043   | 21,396   | 22,396  | 66,835         |
| Total Deductions   | 21,724,516   | 281,174  | 186,044   | 22,191,734     |
| Change in Plan Net Position  | (40,514,043)   | (492,964)  | (301,947)                                       | (41,308,954)   |
| <b>Net Position Restricted for<br/>Other Postemployment Benefits</b> |  |  |   |                |
| Beginning of year  | 349,301,424  | 3,184,808  | 9,552,591                                       | 362,038,823    |
| End of year  | \$ 308,787,381   | \$ 2,691,844   | \$ 9,250,644                                    | \$ 320,729,869 |

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, 2022**

**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, 2022, 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. Employer contributions are recognized in the period in which the contributions are 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**  
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**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.

**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, the date of the most recent full actuarial valuations of the plans:

|   | <b>RHBP</b> | <b>PEBP</b> | <b>TMFPD<br/>RGMP</b> | <b>Total</b> |
|---|-------------|-------------|-----------------------|--------------|
| Retirees and beneficiaries receiving benefits | 1,875       | 278         | 59                    | 2,212        |
| Active plan members                           | 2,507       | -           | 192                   | 2,699        |
| Total   | 4,382       | 278         | 251                   | 4,911        |

**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.

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.

**WASHOE COUNTY, NEVADA OPEB TRUST FUND**  
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| <u>Years of Service</u> | <u>Tier 1 Retiree Contribution</u> |
|-------------------------|------------------------------------|
| 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 2022 ranged from a minimum of \$127 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 \$70 to \$284 per month in fiscal year 2022, 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 \$10,952,060 based on the actuarially determined contribution. It also made other contributions of \$2,673,820.

**Benefits**

Benefit payments for the year ended June 30, 2022 were as follows:

|   |                      |
|---|----------------------|
| Benefit payments                        | \$ 25,659,088        |
| Less: plan member premium contributions | <u>3,957,615</u>     |
| Net RHBP benefit payments               | <u>\$ 21,701,473</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 2022 the County's monthly subsidy for individual retirees ranged from a minimum of \$1 to a maximum of \$952.

Additionally, the BCC approves an annual contribution amount based on the actuarially determined contribution for the year. In fiscal year 2022, the County budgeted and contributed \$70,606.

Benefit payments for the year ended June 30, 2022 were \$259,778.

**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.

**WASHOE COUNTY, NEVADA OPEB TRUST FUND**  
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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 2021, the District budgeted and contributed \$850,000.

**Benefits**

Benefit payments for the year ended June 30, 2022 were as follows:

|   |    |                       |
|---|----|-----------------------|
| Benefit payments                        | \$ | 321,181               |
| Less: plan member premium contributions |    | <u>157,533</u>        |
| Net TMFPD RGMP benefit payments         | \$ | <u><u>163,648</u></u> |

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:

|                                     | <u>RHBP</u>                  | <u>PEBP</u>                | <u>TMFPD RGMP</u>          | <u>Total</u>                 |
|-------------------------------------|------------------------------|----------------------------|----------------------------|------------------------------|
| Washoe County Investment Pool       | \$ 959,452                   | \$ 68,890                  | \$ 102,126                 | \$ 1,130,468                 |
| Retirement Benefits Investment Fund | <u>313,085,130</u>           | <u>2,686,221</u>           | <u>9,190,143</u>           | <u>324,961,494</u>           |
| Total cash and investments          | <u><u>\$ 314,044,582</u></u> | <u><u>\$ 2,755,111</u></u> | <u><u>\$ 9,292,269</u></u> | <u><u>\$ 326,091,962</u></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, 2022. 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, 2022 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.

**WASHOE COUNTY, NEVADA OPEB TRUST FUND**  
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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, 2022. 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, 2022 can be obtained by contacting the Retirement Benefits Investment Board, 693 W. Nye Lane, Carson City, Nevada, 89703.

For the year ended June 30, 2022 the annual money-weighted rate of return on investments, net of investment expense, was as follows:

|                    |        |
|--------------------|--------|
| Washoe County RHBP | -9.27% |
| Washoe County PEBP | -9.00% |
| TMFPD RGMP         | -9.32% |

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, 2022 were as follows:

|   | <u>RHBP</u>           | <u>PEBP</u>        | <u>TMFPD RGMP</u>   |
|---|-----------------------|--------------------|---------------------|
| Total OPEB Liability  | \$ 494,401,625        | \$ 3,176,221       | \$ 15,845,799       |
| Plan fiduciary net position   | <u>(308,787,381)</u>  | <u>(2,691,844)</u> | <u>(9,250,644)</u>  |
| Net OPEB Liability  | <u>\$ 185,614,244</u> | <u>\$ 484,377</u>  | <u>\$ 6,595,155</u> |
| Plan fiduciary net position as a percentage of the total OPEB Liability | 62.46%                | 84.75%             | 58.38%              |

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

|                             | <u>RHBP</u>                           | <u>PEBP</u>                   | <u>TMFPD RGMP</u>                       |
|-----------------------------|---------------------------------------|-------------------------------|---|
| Inflation                   | 2.35%                                 | 2.35%                         | 2.35%                                   |
| Salary increases            | 7.35% first 4 years, 2.35% 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 | 5.5% initial<br>3.8% ultimate         | 5.5% initial<br>3.8% ultimate | 5.5% initial<br>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.

The actuarial valuations for all plans used the Nevada Public Employees Retirement System (PERS) demographic assumptions from PERS' 2021 experience study.

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.

**WASHOE COUNTY, NEVADA OPEB TRUST FUND**  
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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 was determined based on historical rates of return of RBIF's investments.

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, 2022 actuarial valuations changed from the following trends used in the July 1, 2021 roll-forward valuations:

RHBP: 3.80% to 5.50%  
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, 2022 was 5.75% for all plans, the same as was used in the previous valuation as of July 1, 2020.

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.

*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<br/>in Discount Rate<br/>4.75%</b> |             | <b>Current<br/>Discount Rate<br/>5.75%</b> |             | <b>1% Increase<br/>in Discount Rate<br/>6.75%</b> |             |
|-------------------------------|---|-------------|--|-------------|---|-------------|
| RHBP Net OPEB Liability       | \$  | 253,606,121 | \$   | 185,614,244 | \$  | 129,877,079 |
| PEBP Net OPEB Liability       | \$  | 793,370     | \$   | 484,377     | \$  | 219,932     |
| TMFPD RGMP Net OPEB Liability | \$  | 8,618,230   | \$   | 6,595,155   | \$  | 4,887,530   |

**WASHOE COUNTY, NEVADA OPEB TRUST FUND**  
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*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<br/>in Healthcare Costs<br/>Trend Rate<br/>(4.5% decreasing<br/>to 2.8%)</b> | <b>Current<br/>Healthcare Costs<br/>Trend Rate<br/>(5.5% decreasing<br/>to 3.8%)</b> | <b>1% Increase<br/>in Healthcare Costs<br/>Trend Rate<br/>(6.5% decreasing<br/>to 4.8%)</b> |
| Net OPEB Liability | \$ 128,936,299  | \$ 185,614,244   | \$ 254,441,175  |

| <b>PEBP</b>        |   |  |   |
|--------------------|---|--|---|
|                    | <b>1% Decrease<br/>in Healthcare Costs<br/>Trend Rate<br/>(4.5% decreasing<br/>to 2.8%)</b> | <b>Current<br/>Healthcare Costs<br/>Trend Rate<br/>(5.5% decreasing<br/>to 3.8%)</b> | <b>1% Increase<br/>in Healthcare Costs<br/>Trend Rate<br/>(6.5% decreasing<br/>to 4.8%)</b> |
| Net OPEB Liability | \$ 229,511  | \$ 484,377   | \$ 776,491  |

| <b>TMFPD RGMP</b>  |   |  |   |
|--------------------|---|--|---|
|                    | <b>1% Decrease<br/>in Healthcare Costs<br/>Trend Rate<br/>(4.50% decreasing<br/>to 2.70%)</b> | <b>Current<br/>Healthcare Costs<br/>Trend Rate<br/>(5.50% decreasing<br/>to 3.70%)</b> | <b>1% Increase<br/>in Healthcare Costs<br/>Trend Rate<br/>(6.50% decreasing<br/>to 4.70%)</b> |
| Net OPEB Liability | \$ 4,653,007  | \$ 6,595,155   | \$ 8,964,293  |

**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:

|  | 2022                  | 2021                  | 2020                  | 2019                  | 2018                  | 2017                  |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <b>Total OPEB liability</b>  |                       |                       |                       |                       |                       |                       |
| Service cost   | \$ 3,877,260          | 3,764,330             | \$ 5,646,136          | \$ 5,455,204          | \$ 6,700,000          | \$ 6,473,000          |
| Interest   | 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                             | 86,894,125            | -                     | (896,459)             | -                     | 1,484,000             | -                     |
| Changes of assumptions   | 3,852,748             | -                     | (123,584,517)         | -                     | (6,570,000)           | -                     |
| Benefit payments   | (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>                                      | <b>104,727,956</b>    | <b>8,286,886</b>      | <b>(106,066,969)</b>  | <b>18,562,550</b>     | <b>16,183,483</b>     | <b>22,930,934</b>     |
| <b>Total OPEB liability - beginning</b>  | <b>389,673,669</b>    | <b>381,386,783</b>    | <b>487,453,752</b>    | <b>468,891,202</b>    | <b>452,707,719</b>    | <b>429,776,785</b>    |
| <b>Total OPEB liability - ending (a)</b>                                       | <b>\$ 494,401,625</b> | <b>\$ 389,673,669</b> | <b>\$ 381,386,783</b> | <b>\$ 487,453,752</b> | <b>\$ 468,891,202</b> | <b>\$ 452,707,719</b> |
| <b>Fiduciary net position</b>  |                       |                       |                       |                       |                       |                       |
| Employer contributions   | \$ 10,952,060         | 16,898,159            | \$ 20,188,000         | \$ 22,956,281         | \$ 22,988,364         | \$ 25,306,206         |
| Other contributions  | 473,658               | 917,267               | 458,977               | 1,704,664             | 3,144,797             | 1,877,007             |
| Net investment income  | (32,415,407)          | 75,006,695            | 17,131,267            | 18,504,570            | 16,871,288            | 21,244,206            |
| Benefit payments   | (19,501,311)          | (17,137,807)          | (16,335,205)          | (16,303,362)          | (16,825,000)          | (13,601,066)          |
| Administrative expenses  | (23,043)              | (40,141)              | (54,574)              | (79,845)              | (15,690)              | (27,416)              |
| <b>Net change in plan net position</b>   | <b>(40,514,043)</b>   | <b>75,644,173</b>     | <b>21,388,465</b>     | <b>26,782,308</b>     | <b>26,163,759</b>     | <b>34,798,937</b>     |
| <b>Fiduciary net position - beginning</b>                                      | <b>349,301,424</b>    | <b>273,657,251</b>    | <b>252,268,786</b>    | <b>225,486,478</b>    | <b>199,322,719</b>    | <b>164,523,782</b>    |
| <b>Fiduciary net position - ending (b)</b>                                     | <b>\$ 308,787,381</b> | <b>\$ 349,301,424</b> | <b>\$ 273,657,251</b> | <b>\$ 252,268,786</b> | <b>\$ 225,486,478</b> | <b>\$ 199,322,719</b> |
| <b>RHBP net OPEB liability - ending (a) - (b)</b>                              | <b>185,614,243</b>    | <b>40,372,245</b>     | <b>107,729,532</b>    | <b>235,184,966</b>    | <b>243,404,724</b>    | <b>253,385,000</b>    |
| <b>Plan fiduciary net position as a percentage of the total OPEB liability</b> | <b>62.46%</b>         | <b>89.64%</b>         | <b>71.75%</b>         | <b>51.75%</b>         | <b>48.09%</b>         | <b>44.03%</b>         |

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.

\*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:

|  | 2022                | 2021                | 2020                | 2019                | 2018                | 2017                |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Total OPEB liability</b>  |                     |                     |                     |                     |                     |                     |
| Service cost   | \$ -                | -                   | \$ -                | \$ -                | \$ -                | \$ -                |
| Interest   | 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   | (259,778)           | (267,940)           | (299,400)           | (280,454)           | (281,687)           | (264,731)           |
| <b>Net Change in total OPEB liability</b>                                      | <b>(283,201)</b>    | <b>(72,453)</b>     | <b>(416,356)</b>    | <b>(48,916)</b>     | <b>205,800</b>      | <b>(7,893)</b>      |
| <b>Total OPEB liability - beginning</b>  | <b>3,459,422</b>    | <b>3,531,875</b>    | <b>3,948,231</b>    | <b>3,997,147</b>    | <b>3,791,347</b>    | <b>3,799,240</b>    |
| <b>Total OPEB liability - ending (a)</b>                                       | <b>\$ 3,176,221</b> | <b>\$ 3,459,422</b> | <b>\$ 3,531,875</b> | <b>\$ 3,948,231</b> | <b>\$ 3,997,147</b> | <b>\$ 3,791,347</b> |
| <b>Fiduciary net position</b>  |                     |                     |                     |                     |                     |                     |
| Employer contributions   | \$ 70,606           | 101,841             | \$ 102,159          | \$ 94,719           | \$ 99,636           | \$ 43,000           |
| Net investment income  | (282,396)           | 691,084             | 180,349             | 189,515             | 224,958             | 309,861             |
| Benefit payments   | (259,778)           | (267,940)           | (299,400)           | (280,454)           | (281,687)           | (264,731)           |
| Administrative expenses  | (21,396)            | (23,678)            | (21,510)            | (22,122)            | (14,221)            | (14,702)            |
| <b>Net change in plan net position</b>   | <b>(492,964)</b>    | <b>501,307</b>      | <b>(38,402)</b>     | <b>(18,342)</b>     | <b>28,686</b>       | <b>73,428</b>       |
| <b>Fiduciary net position - beginning</b>                                      | <b>3,184,808</b>    | <b>2,683,501</b>    | <b>2,721,903</b>    | <b>2,740,245</b>    | <b>2,711,559</b>    | <b>2,638,131</b>    |
| <b>Fiduciary net position - ending (b)</b>                                     | <b>\$ 2,691,844</b> | <b>\$ 3,184,808</b> | <b>\$ 2,683,501</b> | <b>\$ 2,721,903</b> | <b>\$ 2,740,245</b> | <b>\$ 2,711,559</b> |
| <b>PEBP net OPEB liability - ending (a) - (b)</b>                              | <b>484,377</b>      | <b>274,614</b>      | <b>848,374</b>      | <b>1,226,328</b>    | <b>1,256,902</b>    | <b>1,079,788</b>    |
| <b>Plan fiduciary net position as a percentage of the total OPEB liability</b> | <b>84.75%</b>       | <b>92.06%</b>       | <b>75.98%</b>       | <b>68.94%</b>       | <b>68.56%</b>       | <b>71.52%</b>       |

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:**

|  | 2022                 | 2021                 | 2020                 | 2019                 | 2018                | 2017                |
|--|----------------------|----------------------|----------------------|----------------------|---------------------|---------------------|
| <b>Total OPEB liability</b>  |                      |                      |                      |                      |                     |                     |
| Service cost   | \$ 619,298           | 604,193              | \$ 538,625           | \$ 520,411           | \$ 417,213          | \$ 405,061          |
| Interest   | 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   | (163,648)            | (184,624)            | (176,377)            | (214,991)            | (215,174)           | (230,891)           |
| <b>Net Change in total OPEB liability</b>                                      | <b>2,087,261</b>     | <b>308,357</b>       | <b>2,713,033</b>     | <b>919,356</b>       | <b>2,971,450</b>    | <b>629,742</b>      |
| <b>Total OPEB liability - beginning</b>  | <b>13,758,538</b>    | <b>13,450,181</b>    | <b>10,737,148</b>    | <b>9,817,792</b>     | <b>6,846,342</b>    | <b>6,216,600</b>    |
| <b>Total OPEB liability - ending (a)</b>                                       | <b>\$ 15,845,799</b> | <b>\$ 13,758,538</b> | <b>\$ 13,450,181</b> | <b>\$ 10,737,148</b> | <b>\$ 9,817,792</b> | <b>\$ 6,846,342</b> |
| <b>Fiduciary net position</b>  |                      |                      |                      |                      |                     |                     |
| Employer contributions   | \$ 850,000           | 750,000              | \$ 651,000           | \$ 463,000           | \$ -                | \$ -                |
| Net investment income  | (965,903)            | 1,983,264            | 418,050              | 450,938              | 435,094             | 591,731             |
| Benefit payments   | (163,648)            | (184,624)            | (176,377)            | (214,991)            | (215,174)           | (230,891)           |
| Administrative expenses  | (22,396)             | (35,106)             | (39,115)             | (34,449)             | (15,693)            | (16,744)            |
| <b>Net change in plan net position</b>   | <b>(301,947)</b>     | <b>2,513,534</b>     | <b>853,558</b>       | <b>664,498</b>       | <b>204,227</b>      | <b>344,096</b>      |
| <b>Fiduciary net position - beginning</b>                                      | <b>9,552,591</b>     | <b>7,039,057</b>     | <b>6,185,499</b>     | <b>5,521,001</b>     | <b>5,316,774</b>    | <b>4,972,678</b>    |
| <b>Fiduciary net position - ending (b)</b>                                     | <b>\$ 9,250,644</b>  | <b>\$ 9,552,591</b>  | <b>\$ 7,039,057</b>  | <b>\$ 6,185,499</b>  | <b>\$ 5,521,001</b> | <b>\$ 5,316,774</b> |
| <b>TMFPD RGMP net OPEB liability - ending (a) - (b)</b>                        | <b>6,595,155</b>     | <b>4,205,947</b>     | <b>6,411,124</b>     | <b>4,551,649</b>     | <b>4,296,791</b>    | <b>1,529,568</b>    |
| <b>Plan fiduciary net position as a percentage of the total OPEB liability</b> | <b>58.38%</b>        | <b>69.43%</b>        | <b>52.33%</b>        | <b>57.61%</b>        | <b>56.23%</b>       | <b>77.66%</b>       |

**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.

\*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\***

Washoe County Retirees Health Benefits Plan:

|  | 2022         | 2021       | 2020          | 2019          | 2018          | 2017          |
|--|--------------|------------|---------------|---------------|---------------|---------------|
| Actuarially determined contribution                                  | \$ 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 | 10,952,060   | 16,898,159 | 20,188,000    | 22,956,281    | 22,988,364    | 25,306,206    |
| Contribution excess (deficiency)                                     | \$ 4,141,408 | 5,946,099  | \$ (190,275)  | \$ 2,768,281  | \$ (158,636)  | \$ 2,218,206  |

**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 percentage of payroll, closed   |
| Remaining amortization period | 19 years  |
| Asset valuation method        | Market value  |
| Inflation                     | 2.35%   |
| Healthcare costs trend rate   | 5.5% initial, 3.8% ultimate   |
| Salary increases              | 7.35% 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, 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:

|  | 2022      | 2021    | 2020       | 2019       | 2018      | 2017        |
|--|-----------|---------|------------|------------|-----------|-------------|
| Actuarially determined contribution                                  | \$ 23,459 | 70,606  | \$ 101,841 | \$ 102,159 | \$ 93,834 | \$ 99,636   |
| Contributions in relation to the actuarially determined contribution | 70,606    | 101,841 | 102,159    | 94,719     | 99,636    | 43,000      |
| Contribution excess (deficiency)                                     | \$ 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                                  | 19 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%. |

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**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:**

|  | 2022           | 2021      | 2020         | 2019         | 2018       | 2017       |
|--|----------------|-----------|--------------|--------------|------------|------------|
| Actuarially determined contribution                                  | \$ 1,987,902   | 1,441,454 | \$ 1,113,849 | \$ 1,037,004 | \$ 650,895 | \$ 405,061 |
| Contributions in relation to the actuarially determined contribution | 850,000        | 750,000   | 651,000      | 463,000      | -          | -          |
| Contribution excess (deficiency)                                     | \$ (1,137,902) | (691,454) | (462,849)    | (574,004)    | (650,895)  | (405,061)  |

**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                                  | 9 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:<br>12.0% each of first 4 years, and 4.50% thereafter<br>Years 3+ after valuation:<br>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\***

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

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REPORT TO THE HONORABLE BOARD OF TRUSTEES

# WASHOE COUNTY, NEVADA OPEB TRUST FUND

AUDIT WRAP UP:  
YEAR ENDED JUNE 30, 2022

# Contents

QUICK ACCESS TO THE  
FULL REPORT

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The following communication was prepared as part of our audit, has consequential limitations, and is intended solely for the information and use of those charged with governance (e.g., Board of Directors and Audit Committee) and, if appropriate, management of the Company, and is not intended and should not be used by anyone other than these specified parties.

# Welcome

April 18, 2023

The Honorable Board of Trustees  
Washoe County, Nevada OPEB Trust Fund

Professional standards require us to communicate with you regarding matters related to the audit, that are, in our professional judgment, significant and relevant to your responsibilities in overseeing the financial reporting process. On February 3, 2023, we presented an overview of our plan for the audit of the financial statements of Washoe County, Nevada OPEB Trust Fund (the “Trust”) as of and for the year ended June 30, 2022, including a summary of our overall objectives for the audit, and the nature, scope, and timing of the planned audit work.

This communication is intended to elaborate on the significant findings from our audit, including our views on the qualitative aspects of the Trust’s accounting practices and policies, management’s judgments and estimates, financial statement disclosures, and other required matters.

We are pleased to be of service to the Trust and look forward to meeting with you on April 18, 2023 to discuss our audit findings, as well as other matters that may be of interest to you, and to answer any questions you might have.

Respectfully,

**BDO USA, LLP**

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# Executive Summary

# Status of Our Audit

We have substantially completed our audit of the financial statements as of and for the year ended June 30, 2022. Our audit was conducted in accordance with auditing standards generally accepted in the United States of America. This audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

- The objective of our audit was to obtain reasonable - not absolute - assurance about whether the financial statements are free from material misstatements.
- The scope of the work performed was substantially the same as that described to you in our earlier Audit Planning communications. We expect to issue an unmodified opinion(s) on the financial statements and release our report on April 18, 2023.
- Our responsibility for other information in documents containing the Trust's audited financial statements does not extend beyond the financial information identified in the audit report, and we are not required to perform procedures to corroborate such other information. However, in accordance with professional standards, we have read the information included by the Trust and considered whether such information, or the manner of its presentation, was materially inconsistent with its presentation in the financial statements. Our responsibility also includes calling to management's attention any information that we believe is a material misstatement of fact. We have not identified any material inconsistencies or concluded there are any material misstatements of facts in the other information that management has chosen not to correct.
- All records and information requested by BDO were freely available for our inspection.
- Management's cooperation was excellent. We received full access to all information that we requested while performing our audit, and we acknowledge the full cooperation extended to us by all levels of Trust personnel throughout the course of our work.



# Results of the Audit

## ACCOUNTING PRACTICES, POLICIES, AND ESTIMATES

The following summarizes the more significant required communications related to our audit concerning the Trust's accounting practices, policies, and estimates:

The Trust's significant accounting practices and policies are those included in the financial statements. These accounting practices and policies are appropriate, comply with generally accepted accounting principles and industry practice, were consistently applied, and are adequately described within notes to the financial statements.

- ▶ There were no changes in significant accounting policies and practices during 2022.

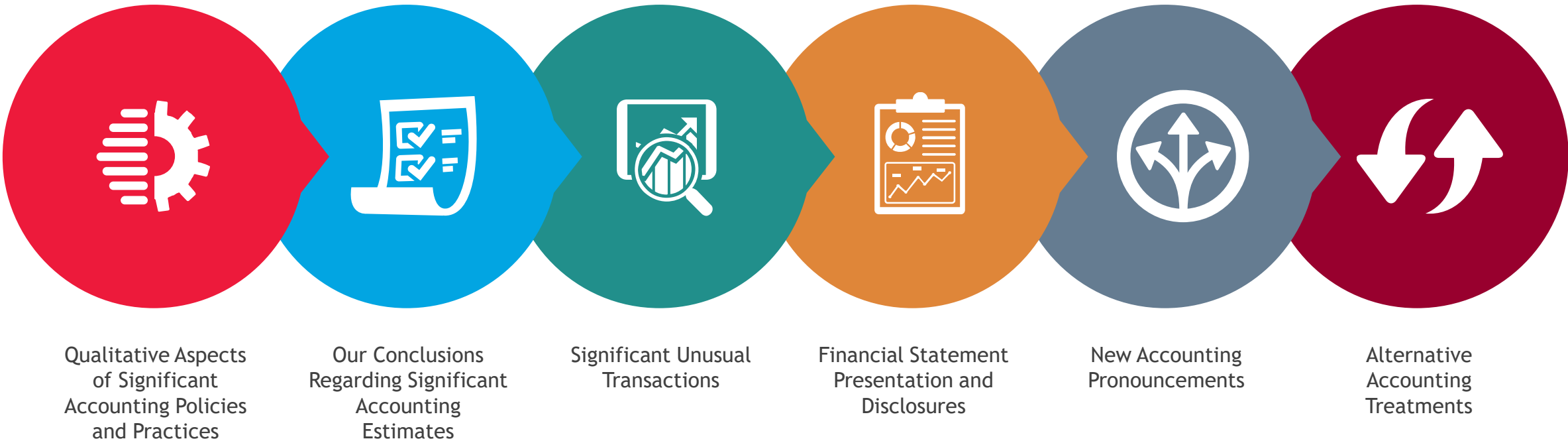
Significant estimates are those that require management's most difficult, subjective, or complex judgments, often as a result of the need to make estimates about the effects of matters that are inherently uncertain. The Trust's significant accounting estimates, including a description of management's processes and significant assumptions used in development of the estimates, are disclosed in Note 1 of the financial statements.

- ▶ Plan management did not make any significant changes to the processes or significant assumptions used to develop the critical accounting estimates in during the year ended June 30, 2022.

# Results of the Audit

## QUALITY OF THE TRUST’S FINANCIAL REPORTING

A discussion was held regarding the quality of the Trust’s financial reporting, which included:



# Results of the Audit

## CORRECTED AND UNCORRECTED MISSTATEMENTS

There were no corrected misstatements, other than those that were clearly trivial, related to accounts and/or disclosures that we brought to the attention of management.





# Internal Control Over Financial Reporting

# Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Trust’s internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion(s) on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Trust’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Trust’s internal control.

Our consideration of internal control was for the limited purpose described above and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses.

We are required to communicate, in writing, to those charged with governance all material weaknesses and significant deficiencies that have been identified in the Trust’s internal control over financial reporting. The definitions of control deficiency, significant deficiency and material weakness follow:

| Category               | Definition  |
|------------------------|---|
| Control Deficiency     | A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. |
| Significant Deficiency | A deficiency or combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.   |
| Material Weakness      | A deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the Trust’s financial statements will not be prevented or detected and corrected on a timely basis.          |

In conjunction with our audit of the financial statements, we noted no material weaknesses.



## Additional Required Communications

# Other Required Communications

Following is a summary of other required items, along with specific discussion points as they pertain to the Trust:

| Requirement   | Discussion Point   |
|---|--|
| Significant changes to planned audit strategy or significant risks initially identified                 | There were no significant changes to the planned audit strategy or significant risks initially identified and previously communicated to those charged with governance as part of our Audit Planning communications.   |
| Obtain information from those charged with governance relevant to the audit                             | There were no matters noted relevant to the audit, including, but not limited to: violations or possible violations of laws or regulations; risks of material misstatement, including fraud risks; or tips or complaints regarding the Trust's financial reporting that we were made aware of as a result of our inquiry of those charged with governance. |
| If applicable, nature and extent of specialized skills or knowledge needed related to significant risks | There were no specialized skills or knowledge needed, outside of the core engagement team, to perform the planned audit procedures or evaluate audit results related to significant risks.   |

# Other Required Communications

Following is a summary of other required items, along with specific discussion points as they pertain to the Trust:

| Requirement   | Discussion Point   |
|---|--|
| Consultations with other accountants  | We are not aware of any consultations about accounting or auditing matters between management and other independent public accountants. Nor are we aware of opinions obtained by management from other independent public accountants on the application of generally accepted accounting principles.  |
| If applicable, significant matters identified by component auditors   | During the component auditor's procedures, there were no significant matters identified that were deemed necessary to bring to group management's attention.   |
| Significant findings and issues arising during the audit in connection with the Trust's related parties                             | We have evaluated whether the identified related party relationships and transactions have been appropriately identified, accounted for, and disclosed and whether the effects of the related party relationships and transactions, based on the audit evidence obtained, prevent the financial statements from achieving fair presentation. |
| Significant findings or issues arising during the audit that were discussed, or were the subject of correspondence, with management | There were no significant findings or issues arising during the audit that were discussed, or were the subject of correspondence, with management  |

# Other Required Communications

Following is a summary of other required items, along with specific discussion points as they pertain to the Trust:

| Requirement   | Discussion Point   |
|---|--|
| Disagreements with management   | There were no disagreements with management about matters, whether or not satisfactorily resolved, that individually or in aggregate could be significant to the Trust’s financial statements or to our auditor’s report.                            |
| Significant difficulties encountered during the audit   | There were no significant difficulties encountered during the audit.   |
| Matters that are difficult or contentious for which the auditor consulted outside the engagement team | There were no difficult or contentious matters that we consulted with others outside the engagement team that we reasonably determined to be relevant to those charged with governance regarding their oversight of the financial reporting process. |

# Other Required Communications


Following is a summary of other required items, along with specific discussion points as they pertain to the Company:

| Requirement   | Discussion Point  |
|---|---|
| If applicable, other matters significant to the oversight of the Trust’s financial reporting process, including complaints or concerns regarding accounting or auditing matters | There are no other matters that we consider significant to the oversight of the Trust’s financial reporting process that have not been previously communicated. |
| Representations requested from management   | Please refer to the management representation letter.   |

# Independence

Our engagement letter to you dated June 8, 2022, describes our responsibilities in accordance with professional standards and certain regulatory authorities with regard to independence and the performance of our services. This letter also stipulates the responsibilities of the Trust with respect to independence as agreed to by the Trust. Please refer to that letter for further information.





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April 10, 2023

Cathy Hill, Washoe County Comptroller  
Washoe County, Nevada OPEB Trust Fund  
1001 E. Ninth Street St., Building D  
Reno, Nevada 89512

Dear Ms. Hill,

Thank you for giving Eide Bailly LLP the opportunity to propose on audit services for the Washoe County, Nevada OPEB Trust Fund (the Trust). Eide Bailly is the right firm for the Trust for the following reasons:

### **Government Industry Experience**

The government industry represents Eide Bailly's largest niche area — with more than 1,100 government clients firmwide. We provide audit services for a variety of cities, counties, school districts, colleges and universities, fire relief agencies, housing authorities, state agencies and tribal entities. Through serving these clients, our professionals have gained focused expertise in the government industry and will provide you with insightful advice that aids in managing the finances of the Trust.

Within our government service group, we serve local and statewide government defined benefit pension and healthcare plans, defined contribution plans, agent multiple retirement systems, single-employer government defined benefit plans, corporate defined benefit and contributions plans, finance authorities and investment pools, all of which provide for a unique skill set to help us serve the Trust.

The firm has more than 275 full-time professionals who participate in our Government Industry Group. These professionals share information, learn from others and stay up to date on industry developments. To gain the greatest benefit, the knowledge is shared with professionals across the firm. We'll proactively meet the needs of the Trust and can act as not only your auditors, but also as business advisors when new pronouncements, standards or laws become applicable. With the vast array of services we offer, our team has the experience and knowledge to address any of your concerns.

### **Audit Approach**

Our staff is passionate about their work and your success. We'll customize our approach to meet your needs. Prior to beginning the engagement, we'll meet with your management team to discuss:

- The engagement timeline, approach and process.
- Considerations that may affect scope, schedules and workpapers to be prepared by your personnel.

During the course of our audit services, we'll hold periodic meetings with your management. This continuous interchange of information will keep you fully informed and provide us with timely information so we can best serve your organization. We'll work with your staff to deliver a quality product and limit any disruptions in your day-to-day activities.

### **Your Service Team**

We understand personal service is important to our clients. You'll work with a team that has extensive knowledge and experience in your industry. **Teri Gage** will lead the team and serve as Engagement Partner/Client Relationship Audit Partner, with **Kurt Schlicker** serving as a Consulting Partner.

**Laura Nelson** will serve as the Audit Manager. These professionals bring strong credentials and a desire to work with the Trust. If awarded this engagement, these individuals will serve as your primary contacts. We'll complement the project team with additional resources as necessary.

What differentiates us is the personal and attentive service you'll receive from all members of our service team, including partners and senior-level staff. We'll get to know you and your staff and take the time to understand your specific challenges and opportunities. We pride ourselves on delivering honest and insightful advice beyond what is normally experienced in the public accounting industry.

## Timeliness

We will meet your deadlines. Our professionals are trained to anticipate, identify and respond to your needs in a timely manner. We'll work closely with your management team to customize our audit services to your needs. We believe in clear, up-front and open communication with no surprises.

## Value for Fees

You can expect quality service at reasonable fees. Eide Bailly has established a reputation of providing quality work at a fair price. Our fees are based on the complexity of the issue and the experience level of the personnel necessary to address it. In the event you request additional services, Eide Bailly will obtain your agreement on fees before such work would begin. In other words, there will be no hidden fees. We propose the following fee schedule based on our understanding of the scope of work and the level of involvement of the Trust's staff:

### Engagement Services and Fees

| Professional Services                          | Hours      | Rate**       | Total           |
|--|------------|--------------|-----------------|
| <b>Total Fees for Financial Audit Services</b> | <b>135</b> | <b>\$170</b> | <b>\$22,950</b> |

*\*\*This is our current proposed rate for the June 30, 2023 year ended audit. Our rates will increase in subsequent years, generally consistent with inflation and market demands in our area.*

Our hourly estimate was developed from our experiences working with the Trust in the past and in considering changes in accounting and auditing standards since that time.

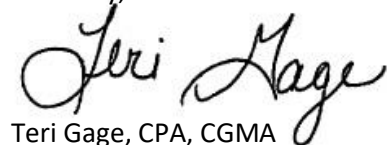
## Out-of-Pocket Expenses

The professional fees listed above are inclusive of all out-of-pocket expenses, and you will not be billed for expenses such as travel time, mileage and meals.

## We Want to Work with You

We believe the qualifications of our firm merit serious consideration. You'll be a highly valued client, and we'd be proud to work with the Washoe County, Nevada OPEB Trust Fund and build a trusting relationship with your team. Please contact me if you would like to discuss any aspect of this proposal.

Sincerely,



Teri Gage, CPA, CGMA

Partner

775.777.0062 | [tgage@eidebailly.com](mailto:tgage@eidebailly.com)

Application Form

Profile

Tim Ross  
First Name Middle Initial Last Name

2850 Trentwood Ct  
Home Address Suite or Apt

Reno NV 89509  
City State Postal Code

timross@yahoo.com  
Email Address

Retired  
Employer Job Title

Home: (775) 742-2804  
Primary Phone Alternate Phone

How long have you lived in Washoe County?

45 years

What district do you live in? \*

☒ District 1

Interests & Experiences

Which Boards would you like to apply for?

Washoe County, Nevada Other Postemployment Benefits (OPEB) Trust Fund: Submitted

Please tell us about yourself and why you want to serve.

Why are you interested in serving on this board/commission?

I have a working knowledge of the OPEB trust.

**How do you feel you are qualified to serve on this board? Include any past financial experience, as well as serving on other board/commissions.**

I recently retired from the Washoe County Sheriff's Office. During that time I was lucky enough to spend time at the Nevada Legislature. I have full knowledge of the trust since inception. In 2015 I was appointed by Governor Sandoval to the Retiree Benefit Investment fund. In addition I was appointed to the Nevada state PERS Board. I served as Board chair of both the RBIF and PERS Board for four years. I served on both boards for seven and one half years. Thanks for your consideration.

Upload a Resume

Please attach a letter of recommendation.

---

## **Nepotism**

**Do you currently serve on any boards/committees?**

☐ Yes ☒ No

**If yes, please list the boards/committees**

**Are you related to anyone employed by Washoe County by blood or marriage?**

☐ Yes ☒ No

**If yes, please list the names and relationship of all persons you are related to.**

Please note that after submitting your application, it becomes part of the public record and is available for public viewing.

## Application Form

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### Profile

Mike \_\_\_\_\_ Vogler \_\_\_\_\_  
First Name Middle Initial Last Name

1245 Del Webb Parkway W \_\_\_\_\_  
Home Address Suite or Apt

Reno \_\_\_\_\_ NV \_\_\_\_\_ 89523 \_\_\_\_\_  
City State Postal Code

awflyer@sbcglobal.net \_\_\_\_\_  
Email Address

\_\_\_\_\_  
Employer Job Title

Mobile: (775) 622-2465 \_\_\_\_\_  
Primary Phone Alternate Phone

### How long have you lived in Washoe County?

41 years

### What district do you live in? \*

☒ District 5

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### Interests & Experiences

#### Which Boards would you like to apply for?

Washoe County, Nevada Other Postemployment Benefits (OPEB) Trust Fund: Submitted

**Please tell us about yourself and why you want to serve.**

#### Why are you interested in serving on this board/commission?

I worked for the Washoe county sheriffs office for 30 years and have been serving the local community since I was 18 years old. I'm very interested in the oversight and benefits of our retirement in the PERS system and would like to serve on this board.

#### How do you feel you are qualified to serve on this board? Include any past financial experience, as well as serving on other board/commissions.

Aside from working in banking in a few years, I have not worked in the financial sector. Though I am a lifelong investor and stock trader I do have a familiarity with fiduciary responsibilities.

---

Upload a Resume

---

Please attach a letter of recommendation.

---

## Nepotism

**Do you currently serve on any boards/committees?**

☐ Yes ☒ No

**If yes, please list the boards/committees**

---

**Are you related to anyone employed by Washoe County by blood or marriage?**

☐ Yes ☒ No

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---

Please note that after submitting your application, it becomes part of the public record and is available for public viewing.