# NOTES TO THE FINANCIAL STATEMENTS /

# REQUIRED SUPPLEMENTARY INFORMATION

**NOTES TO THE FINANCIAL STATEMENTS**
**and**
**REQUIRED SUPPLEMENTARY INFORMATION**

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Washoe County (County) was incorporated in 1861 and is a municipality of the State of Nevada (State) governed by a five-member elected Board of County Commissioners (BCC). The major operations of Washoe County include various tax assessments and collections, judicial functions, law enforcement, certain public health and welfare functions, road maintenance, parks, libraries, and various administrative activities.

The accompanying financial statements of the County and its discretely presented component unit have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP), as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. The GASB periodically updates its codification of the existing Governmental and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units.

### A. Reporting Entity

These financial statements present the County and its component unit. Component units are legally separate organizations for which the County is financially accountable. The County currently has one discretely presented component unit, Truckee Meadows Fire Protection District (TMFPD).

Truckee Meadows Fire Protection District was formed pursuant to Chapter 474 of the Nevada Revised Statutes (NRS) and levies taxes to provide emergency medical services, structural and wildland fire suppression services, and watershed protection to the unincorporated areas of the County within TMFPD's boundaries.

Prior to July 1, 2012, Truckee Meadows Fire Protection District was considered a blended component unit of Washoe County. Although TMFPD is a legally separate organization, Washoe County is financially accountable, as defined in governmental accounting standards generally accepted in the United States of America, for Truckee Meadows Fire Protection District. Financial accountability was determined primarily by the Board of County Commissioners' participation as the governing body of TMFPD. As of July 1, 2012, Washoe County has no financial benefit or burden relationship with the TMFPD and, as such, TMFPD has been reclassified from blended component unit to discretely present component unit.

For the discretely presented component unit, the BCC is also the Board of Fire Commissioners and thus could impose their will on TMFPD. However, the County does not have a financial benefit or burden relationship with TMFPD and support activities between the County and TMFPD are reimbursed under the terms of an interlocal agreement.

Separate financial statements for TMFPD are filed at the Washoe County Clerk's Office, 1001 E. 9$^{th}$ Street Room A-150, Reno, Nevada 89512.

### B. Basic Financial Statements – Government-wide Statements

The basic financial statements include both government-wide and fund financial statements. The reporting focus is on either the County overall reporting government or major individual funds and nonmajor funds in the aggregate. Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type.

The County has one discretely presented component unit which is presented in a separate column in the government-wide statements.

The government-wide financial statements (Statement of Net Position and Statement of Activities) report information on all nonfiduciary activities of the County and its component unit. The County maintains an overhead cost allocation that is charged to operating funds based on an indirect cost analysis. This indirect cost allocation is eliminated through a separate column on the Statement of Activities to provide full-cost information for the various functions. Interfund activities relating to services provided and used between functions are not eliminated. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. Governmental activities, which normally are supported by taxes and intergovernmental revenue, are reported separately from business-type activities, which rely to a significant extent on user fees and service charges for support.

In the government-wide Statement of Net Position, both governmental and business-type activities are presented on a consolidated basis by column and are reflected on a full accrual, economic resources basis, which recognizes all long-term assets as well as long-term debt and obligations. The County's net position is reported in three parts – net investment in capital assets, restricted net position and unrestricted net position.

The government-wide Statement of Activities reports both the gross and net cost of each of the County's functions and business-type activities. Functions are also supported by general revenues (property and consolidated taxes, certain intergovernmental revenues, investment earnings not legally restricted for specific programs, etc.). The Statement of Activities reduces gross expenses (including depreciation and amortization) by related program revenues. Program revenues include charges to customers or applicants for goods, services, or privileges provided; operating grants, interest and contributions; and capital grants, interest and contributions, including special assessments and investment earnings legally restricted to support specific programs. Program revenue must be directly associated with the function or business-type activity. Operating grants include operating-specific and discretionary grants while capital grants reflect capital-specific grants. The net costs (by function or business-type activity) are normally covered by general revenue.

**C. Basic Financial Statements - Fund Financial Statements**

The financial transactions of the County are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts. Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

The emphasis in fund financial statements is on major funds in either governmental or business-type activity categories. Nonmajor funds by category are aggregated into a single column. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and business-type categories combined) for the determination of major funds. County management may electively add funds as major funds, when it is determined the funds have specific community or management focus. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The County's internal service funds are presented in the proprietary funds financial statements. Because principal users of internal services are the County's governmental activities, the financial statements of the internal service funds are consolidated into the governmental column when presented in the government-wide financial statements. To the extent possible, the costs of these services are reported in the appropriate functional activity.

The County's fiduciary funds are presented in the fiduciary funds financial statements by type. Since, by definition, these assets are held for the benefit of a third party and cannot be used to address activities or obligations of the County, these funds are not incorporated into the government-wide statements.

The County reports the following major governmental funds:

The **General Fund** is the County's primary operating fund. It accounts for all financial resources except those accounted for in another fund.

The **Child Protective Services Fund** accounts for ad valorem taxes, grants and other revenue sources specifically appropriated to protect against the neglect, abandonment and abuse of children.

The **Other Restricted Fund** accounts for various specific resources restricted for specified purposes consistent with legal and operating requirements. Resources include: ad valorem tax apportionments for Cooperative Extension support, car rental tax for the Reno baseball stadium, court administrative assessments for court projects, and grants and restricted resources for various County departments.

**Capital Improvements Fund** resources are derived from financing proceeds, grants, special assessments, transfers and investment earnings, which are appropriated for various major capital projects

The County reports the following major enterprise funds:

The **Utilities Fund** accounts for reclaimed water, recharge water, wastewater and flood control utilities.

The County reports the following additional fund types:

**Internal Service Funds** provide for property and liability claims against the County, unemployment claims, workers' compensation claims for disability, medical and rehabilitation expenses and related costs associated with on-the-job injuries, benefits and healthcare for active and retired employees, and vehicle purchases and maintenance services provided to County departments.

**Investment Trust Fund** accounts for commingled pooled assets held in trust for special districts, and agencies, which use the County treasury as their depository.

**Custodial Funds** are custodial in nature and use the economic resources measurement focus. The funds account for assets held by the County as an agent for various local governments, special districts and individuals. Included are funds for apportioned property and sales taxes, shared revenues and other financial resources for schools, special districts, boards, and other state and city agencies; funds held for wards of the Public Guardian; unclaimed assets of decedents; social security, insurance and support payments for children in the welfare system; bonds posted with the District Court; funds held for inmates housed at the County jail; unapportion taxes for other local governments; contributions from property owners for payment of no-commitment special assessment debt; water planning fees collected from regional water customers; and assets held on behalf of special districts, boards and other miscellaneous agencies.

**Other Postemployment Benefit Trust Funds** accounts for assets held in an irrevocable trust for the dedication of providing retirement health benefits to eligible retirees.

Interfund Activity

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination for government-wide financial statement consolidation. Services provided, deemed at or near market rates, are treated as revenues and expenditures/expenses. Indirect cost allocations for support services/overhead are recorded as revenue and expense in the fund financial statements and are eliminated through a separate column in the government-wide Statement of Activities. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

During the course of operations, the County has activity between the funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column. Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

### D. Measurement Focus and Basis of Accounting

The measurement focus indicates the type of resources being measured such as current financial resources or economic resources. Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized and reported in the financial statements. It relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue when eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. The focus is upon determination of financial position and changes in financial position (sources, uses and balances of financial resources) rather than upon net income. Revenues are recognized when they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. When revenues are due but will not be collected within 60 days after year-end, the receivable is recorded and an offsetting deferred inflow of resources is established. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in the government funds. Issuance of long-term debt is reported as other financing sources.

Governmental revenues susceptible to accrual include: ad valorem taxes, interest, grant revenues, contractual service charges and other revenues collected and distributed by the State. State distributions include consolidated taxes, government services taxes, and motor vehicle fuel taxes. Construction taxes, licenses and permits, fines, and other charges for services are recognized as revenue when they are received.

Proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The focus is upon determination of operating income, changes in net position, financial position, and cash flows, similar to businesses in the private sector. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The Investment Trust funds and custodial funds are reported using the economic resources measurement focus and the accrual basis of accounting.

**E. Financial Statement Amounts**

Cash and Investments

The County manages a commingled cash and investment pool for the County, Regional Transportation Commission, the Washoe County Nevada OPEB Trust, the Truckee River Flood Management Authority and other local entities. The investment pool operates in accordance with appropriate state laws and County policy. Each fund's share in the pool is displayed in the accompanying financial statements as cash and investments. Interest is allocated to the various funds based on each fund's average cash and investment balance where it is legally required to do so. Investment earnings for all other funds are credited to the General Fund, as provided by NRS 355.170–175. In addition to the cash and investment pool, certain cash deposits and investments are held separately by several County funds and reported accordingly. Investments are reported at fair value in accordance with GASB 72 and changes in fair value are included in investment income.

For purposes of the statement of cash flows presented for proprietary funds, cash equivalents are defined as short-term, highly liquid investments, generally with original maturities of three months or less. Since all cash in proprietary funds is pooled with the rest of the County's cash and is available upon demand, all cash and investments in those funds are considered cash equivalents.

Accounts Receivables

The County recognizes no allowances for doubtful accounts as management deems the accounts are collectable based on historical experience.

Restricted Assets

Restricted assets consist of cash and investments that are restricted in their use by bond covenants or other external agreements. They consist of remaining bond proceeds for specific capital projects, debt service obligations, a workers' compensation deposit required by State Statute and an operating reserve required under the terms of a federal grant.

Inventories

Inventories for proprietary funds are valued at the lower of cost or market on a first-in, first-out basis. For governmental funds, the County charges consumable supplies as expenditures against appropriations at the time of purchase. Any inventories of such supplies at June 30 are not material to the individual funds and are not recognized in these financial statements.

Capital Assets

Capital assets, which include land, land use rights, buildings, equipment, software and other intangibles, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Assets are recorded at historical cost or estimated historical cost. Donated capital assets, donated works of arts and similar items, and capital assets received in a service concession arrangement are reported at acquisition value. The County's capitalization level for infrastructure and intangible assets, including internally generated software, is $100,000 and $10,000 for all other classifications of capital assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Land and construction in progress are not depreciated. Other capital assets are generally depreciated/amortized using the straight-line method over the following estimated useful lives:

| | YEARS |
|---|---|
| Land Improvements | 3-40 |
| Building Improvements | 5-40 |
| Infrastructure | 10-75 |
| Equipment | 5-20 |
| Software and other intangibles | 3-75 |

However, in the proprietary funds, a per-unit of production method of depreciation may be used where it is deemed a more realistic reflection of the loss of economic value for the assets being used.

Intangible right-to-use assets are considered to be either leases according to GASB 87 - “Leases” or software subscriptions according to GASB 96 – “Subscription-Based Information Technology Arrangements (SBITAs)” and have a definite useful life. They are amortized over an estimated life (shorter of the term or the useful life) that follows the Washoe county capital asset policy. Intangible right-to-use assets are reported with other capital assets and subscription assets and lease liabilities are reported with long-term debt on the statement of net position.

As used in these statements, accumulated depreciation includes amortization of Intangible right-to-use assets.

Intangible Right-to-use Assets

The County has recorded Intangible right-to-use assets as a result of implementing GASB 87, “Leases” and GASB 96, “Subscription-Based Information Technology Arrangements (SBITAs)”. The Intangible right-to-use assets are initially measured at an amount equal to the initial measurement of the related lease liability at the present value of payments expected to be made during the lease term plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The Intangible right-to-use assets are amortized on a straight-line basis over the shorter of the lease term or the useful life of the related leases.

The County uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate for leases. The County monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. Intangible right-to-use assets are reported with other capital assets and subscription liabilities are reported with long-term debt on the statement of net position.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position and Balance Sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period(s). The County has three types of deferred outflows of resources: 1.) the deferred charge on refunding reported in the government-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt, 2.) the County reports an amount related to pensions on the government-wide financial statements and 3.) the County reports an amount related to other postemployment benefits on the government-wide financial statements.

In addition to liabilities, the Statement of Net Position and Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The County has four types of deferred inflows of resources: 1.) amounts which arise only under a modified accrual basis of accounting that qualify for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in governmental funds balance sheets. The governmental funds report unavailable revenues from several sources including: property taxes, special assessments, and grant reimbursements, 2.) amounts related to leases on the government wide financial statements, 3.) amounts related to pensions on the government wide financial statement. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available and 4.) amounts related to other postemployment benefits on the government wide financial statement.

Long-term Obligations, Bond Discounts and Issuance Costs

In government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type in the Statement of Net Position. Bond premiums and discounts and any prepaid bond insurance, if applicable, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Prepaid bond insurance costs are reported as deferred charges and amortized over the term of the related debt. Debt issuance costs are expensed during the current period.

In fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Pensions

For purposes of measuring the net pension liability and pension expense, information about the fiduciary net position of the Public Employees' Retirement System of the State of Nevada (PERS) Base Plan (Base Plan) and additions to/deductions from Base Plan's fiduciary net position have been determined on the same basis as they are reported by the Base Plan. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Postemployment Benefits

The County provides other postemployment benefits (OPEB) for eligible employees through the Washoe County Retiree Health Benefit Program (RHBP), a single-employer defined benefit OPEB plan, and participates in the State of Nevada's Public Employees Benefit Plan, which is treated as a single-employer defined benefit OPEB plan for financial reporting purposes. Both plans are administered through the Washoe County, Nevada OPEB Trust (Trust), an irrevocable trust established on May 11, 2010 by the BCC. The Trust is a multiple employer trust and was created to fund and account for the participating employers' costs of retiree healthcare benefits pursuant to NRS 287.017. The County's net OPEB liability is measured as of June 30, 2023, and the total OPEB liabilities used to calculate the net OPEB liability are determined by actuarial valuations as of July 1, 2023, with the amounts rolled back to June 30, 2023.

Equity Classifications

In government-wide statements and in proprietary fund statements, equity is classified as net position and displayed in three components:

- Net investment in capital assets – Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets net of unspent financing proceeds.

- Restricted net position – Consists of equity with constraints placed on the use either by (a) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (b) law through constitutional provisions or enabling legislation.

- Unrestricted net position – All other equity that does not meet the definition of "restricted" or "net investment in capital assets."

In governmental fund financial statements, fund balances are classified based primarily on the extent to which the County is bound to observe constraints imposed on the use of the resources in the funds as follows:

- Nonspendable fund balances – Consist of amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts. It also includes the long-term amount of loans and notes receivable, if any.

- Restricted fund balances – Consist of amounts with constraints placed on their use either by (a) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (b) law through constitutional provisions or enabling legislation.

- Committed fund balances – Consist of resource balances with constraints imposed by formal action of the BCC through ordinance, resolution or public meeting item approval that specifically state the revenue source and purpose of the commitment. The choice of action type taken by the BCC is frequently directed by State Statutes and procedures so that any of the three types of actions noted above are considered equally binding for the BCC. Commitments can only be modified or rescinded through the same type of BCC action used to impose the restraint. Commitments can also include resources to meet major contractual obligations required by their nature and/or size to be approved by the BCC. These generally include major construction contracts of $100,000 and over as well as other types of large contracts.

- Assigned fund balances – Consist of resource balances intended to be used for specific purposes by authorized County management that do not meet the criteria to be classified as restricted or committed. For governmental funds, excluding the General Fund, BCC approved resolutions authorizing the creation of the fund establish the specific purposes for which fund balances are assigned. In the General Fund, the assigned fund balance includes encumbrances approved by authorized County management that have been approved by the BCC for re-appropriation in the subsequent year. Authorized County management includes the County Manager, Assistant County Manager and elected or appointed department directors in accordance with County Ordinances and State Statutes. The assigned fund balance may also include amounts necessary to fund budgetary shortfalls in the next fiscal year from unassigned resources as approved by the BCC as part of the annual budget submitted to the State.

- Unassigned fund balances – Consist of all resource balances in the General Fund not contained in other classifications. For other governmental funds, the unassigned classification is used only to report a deficit balance resulting from specific purposes for which amounts had been restricted, committed or assigned.

Net Position and Fund Balance Flow Assumptions

When outlays for a particular purpose are funded from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources, a flow assumption must be made about the order in which the resources are considered to be applied. The County's Fund Balance Policy states that when both restricted and unrestricted resources are available for expenditure, restricted resources should be spent first unless legal requirements disallow it. When outlays are incurred for purposes for which amounts in any unrestricted fund balance classification could be used, committed funds are to be spent first, assigned funds second, and unassigned funds last.

Budgetary Stabilization

It is the County's policy to maintain a fund balance of $4 million, for the purpose of budgetary stabilization. NRS 354.6115 authorizes the creation of a fund to stabilize operation of local governments and mitigate effects of natural disaster. The intent of this policy is to include a portion of the General Fund budgeted ending fund balance that will be committed to stabilization pursuant to NRS 354.6115. Fund balance that is committed to stabilization can be used only after approval by the BCC when unanticipated declines in the major revenue sources (consolidated and property tax revenues) are sustained for at least six months and decline from budget by 2.5% or greater as well as when unbudgeted expenditures are incurred due to a declared emergency or natural disaster. In the case of a natural disaster, the BCC must declare the emergency and State Statutes further constrain the use of these stabilization funds to specific types of outlays. In fiscal year 2018, the BCC approved using the stabilization fund balance of $3 million to help rebuild infrastructure damages caused by the FEMA declared flooding of January and February 2017. Through the budget process for FY20, the County had replenished the General Fund stabilization reserve to the $3 million policy. The COVID-19 pandemic, that hit the county in March 2020, resulted in County management declaring an emergency on March 16, 2020, resulting in the authorization of use of the $3 million Stabilization Fund to pay for unexpected costs associated with the COVID-19 pandemic. On May 18, 2021, the BCC approved to replenish the General Fund stabilization reserve back to $3 million. In FY22, the stabilization amount was increased by $1 million for a total balance of $4 million.

Program Revenues

Amounts reported as program revenues include 1.) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2.) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All County taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Property Taxes

All real property in the County is subject to physical reappraisal every five years. Annual adjustments are made to the assessed valuation to reflect general changes in property values. The assessed valuation of the property and its improvements is computed at 35% of "taxable value" as defined by State Statute. Taxable value is defined as full cash value for land, replacement cost less straight-line depreciation for land improvements, and statutory depreciation for personal property. The maximum depreciation allowed is 75% of replacement cost.

Tax rates are levied by the BCC immediately after the Nevada Tax Commission has certified the combined tax rate and are then submitted to the County Treasurer for collection. The tax rate levied is for the current fiscal year, July 1 to June 30, and the taxes are considered a lien against real property attaching on July 1. The tax for fiscal year 2024 was due and payable on the third Monday in August 2023. Taxes may be paid in four installments on the third Monday in August and the first Mondays in October, January, and March. No provision for uncollectible amounts has been established since management does not anticipate any material collection loss in the year assessed, in respect to delinquent balances.

Taxes on personal property are collected currently. Personal property declarations are mailed out annually and the tax is computed using percentages of taxable values established by the State of Nevada Department of Taxation and the tax rates. The major classifications of personal property are commercial and mobile homes. In the County, taxes on motor vehicles are collected by a state agency and remitted to the County based on statutory formulas.

Compensated Absences

In proprietary funds, compensated absences are recorded when the liabilities are incurred. In governmental funds, the current portion is recorded as an expenditure. The long-term portion is accounted for in the governmental activities column of the government-wide Statement of Net Position.

The current portion of compensated absences is defined as benefits actually paid or accrued because of employees terminating employment by June 30. Agreements with various employee associations provide for payment of total accrued compensatory and vacation time in all cases. Accumulated sick leave benefits are payable to terminated employees who have accumulated a set number of hours up to a specified maximum, depending on the particular employee association.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Implementation of GASB Statement No. 100 and Implementation Guide No. 2023-1

As of July 1, 2023, the County adopted GASB Statement No. 100, "*Accounting Changes and Error Corrections*". The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice.

## NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

### Budgetary Information

Annual budgets are adopted on a basis consistent with GAAP for all funds except trust and custodial funds, which do not require budgets. All annual appropriations lapse at fiscal year-end.

The County adheres to the Local Government Budget Act (NRS 354.470-626) incorporated within State Statutes and the procedures set by the Nevada Department of Taxation (NDT) to establish the budgetary data reflected in these financial statements. The BCC adopts the budget on or before June 1 and files it with the NDT.

The legal level of budgetary control is at the function level for each of the governmental funds and by the combined operating and non-operating expenses in proprietary funds. Statutes do not require that capital outlay, debt service payments and certain other non-cash transactions normally reflected in the balance sheet of proprietary funds be limited by the budget.

All budget amounts presented in these financial statements and schedules reflect the budget as amended by legally authorized revisions during the year. Original budgets are provided for the General Fund and major special revenue funds in compliance with reporting requirements. The Comptroller or Budget Manager may approve budget adjustments within a function. Budget adjustments between functions or funds may be approved by the Comptroller or Budget Manager with BCC notification. Adjustments that affect fund balance, increase original budget or affect the contingency account require BCC approval.

Encumbrance accounting is employed in governmental and proprietary funds. In governmental funds, encumbrances, which include purchase orders and contracts awarded for which goods and services have not been received at year-end, are reappropriated in the subsequent year and are reported as restricted, committed or assigned fund balances, as appropriate. An augmentation of $42 million for encumbrances and restricted resources that have multiple year budgets was reappropriated in the new fiscal year.

Augmentations from beginning fund balance or previously unbudgeted resources for governmental funds in the current fiscal year were $6.9 million. There are no augmentations in the current year for enterprise funds.

**Compliance**

Management believes that the County conformed to all significant statutory and administrative code constraints on its financial administration during the fiscal year. A negative balance of ($294,193) appears on the General Fund under the Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual under the Judicial Expenditures and is allowed under NRS 354.626 section 2 (e) as the County had no operational control for cases that are “conflicted out” and for payments for “Court Appointed Attorneys”. A negative balance of ($823,206) appears on the General Fund under the Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual under the General Government Expenditures and is allowed under NRS 354.626 section J as the County had no operational control for long term obligation under a lease or contract due to the implementation of GASB 87 and 96. A negative balance of ($836,094) appears on the Truckee River Flood Management Infrastructure Fund under the Judicial Expenditures and this negative amount reported above is allowed under NRS 354.626 section 2 (k) – “The receipt by a local government of increased revenue that: (1) was not anticipated in the preparation of the final budget of the local government; and (2) is required by statute to be remitted to another governmental entity.” A negative variance of ($184,165) appears in the Debt Service fund and a negative variance of ($117,574) appears in the Special Assessment Debt Service Fund. These two negative amounts reported are allowed under the above listed NRS and NRS 354.626 section 1 “No governing body or member…in excess of the amounts appropriated for the function, other than bond repayments, medium-term obligation repayments and any other long-term contract expressly authorized by law.”

**Business-Type Activities**

A negative balance of ($95,603) appears on the Building and Safety Fund under the Schedule of Revenues, Expenditures and Changes in Net Position-Budget and Actual under the Operating Expenses and is allowed under NRS 354.626 section J as the County had no operational control for long term obligation under a lease or contract due to the increased OPEB/PERS costs under GASB 68.

**Truckee Meadows Fire Protection District (TMFPD)**

Actual expenses of TMFPD’s General Fund Debt Service Function exceeded the statutory limit by $11,701 which appears to be a violation of NRS 354.626 however this is an allowed exception under NRS 354.626.

Actual expenditures of the TMFPD’s Emergency Medical Services Fund exceeded the statutory limit by $870,993 which appears to be a violation of NRS 354.626, however this is an allowed exception under NAC 354.481.

TMFPD conformed to all other significant statutory and administrative code constraints on their financial administration during the year.

## NOTE 3 – CASH AND INVESTMENTS

In accordance with Nevada Revised Statutes (NRS), the County’s cash is deposited with insured banks and insured credit unions and those deposits that are not within the limits of insurance must be secured by collateral. At year end, the County’s carrying amount of deposits was $61,879,649 and the bank balance was $24,266,187. The difference between the carrying amount and bank balance results from outstanding checks and deposits not yet reflected in the banks’ records.

Custodial Credit Risk – Deposits

All deposits are subject to custodial credit risk, which is the risk that the County’s deposits may not be returned to it in the event of a bank failure. Bank balances were covered by the Federal Depository Insurance Corporation, the Securities Investor Protection Corporation, collateral held by the County’s agent in the County’s name or by collateral held by depositories in the name of the Nevada Collateral Pool and were not exposed to custodial credit risk. According to NRS 356.020, all monies deposited by a County Treasurer that are not within the limits of insurance provided by an instrumentality of the United States must be secured by collateral composed of the same types of securities allowed for investments which are identified below. The County participates in the State of Nevada Collateral Pool which requires depositories to maintain as collateral acceptable securities having a fair market value of at least 102 percent of the amount of the uninsured balances of the public money held by the depository. Under NRS 356.360, the State Treasurer manages and monitors all collateral for all public monies deposited by members of the pool.

**Investments**

The County has a formal investment policy (August 2023) that, in the opinion of management, is designed to ensure conformity with NRS and seeks to limit exposure to investment risks.

NRS 355.172 requires the County Treasurer or his agent to take physical possession of securities purchased as an investment by the County in the name of the County. If the securities purchased are subject to repurchase by the seller, the County may, in lieu of the requirement of possession, obtain a fully perfected, first-priority security interest having a fair market value equal to or greater than the repurchase price of the securities.

Investments are recorded at fair value. Earnings and/or losses on investments are allocated to certain funds based on average daily cash balances.

As of June 30, 2024, the County had the following investments and maturities:

| | INVESTMENT MATURITIES (IN YEARS) | | | | |
|---|---|---|---|---|---|
| | Fair Value | Less than 1 | 1 to 4 | 4 to 6 | 6 to 10 |
| **Investments:** | | | | | |
| Money Market Mutual Funds | $ 5,086,023 | $ 5,086,023 | $ - | $ - | $ - |
| U.S. Treasury Notes | 204,071,804 | 115,552,858 | 56,387,653 | 32,131,293 | - |
| NV Local Government Investment Pool-ARPA | 60,487,595 | 60,487,595 | - | - | - |
| NV Local Government Investment Pool | 59,546,472 | 59,546,472 | | | |
| NV Retirement Benefit Investment Fund (OPEB Trust) | 402,320,295 | 402,320,295 | - | - | - |
| U.S. Agency Bonds/Notes/MBS/CMO | 305,877,388 | 87,637,510 | 108,296,987 | 60,253,876 | 49,689,015 |
| Asset Backed Securities/Collateralized Mortgage Obligations | 65,044,221 | - | 61,017,501 | 4,026,720 | - |
| Corporate Notes/Commercial Paper | 216,372,716 | 106,626,040 | 109,746,676 | - | - |
| Total Investments | 1,318,806,514 | 837,256,793 | 335,448,817 | 96,411,889 | 49,689,015 |
| Total Cash (includes TMFPD) | 61,879,649 | 61,879,649 | - | - | - |
| Total Cash and Investments[1] | $ 1,380,686,163 | $ 899,136,442 | $ 335,448,817 | $ 96,411,889 | $ 49,689,015 |

[1]Total cash and investments include restricted cash, purchased interest, Truckee Meadows Fire Protection District, the NV Local Government Investment Pools and the Retirement Benefits Investment Fund.

The NV Local Government Investment Pools (LGIP) and LGIP (ARPA) are unrated external pools regulated by Nevada Revised Statute 355, administered by the State Treasurer with oversight by the State of Nevada Board of Finance. The County deposits monies with the State Treasurer to be pooled with monies of other local governments for investment in the local government pooled investment fund. The County's investment in the LGIP is equal to its original investment plus monthly allocation of interest income and realized/unrealized gains and losses, which is the same as the value of the pool shares. As of June 30, 2024, Washoe County's balance in LGIP was $120,034,067 and had a weighted maturity of 82 days.

The State of Nevada Retirement Benefits Investment Fund (RBIF) is also an unrated external investment pool. The OPEB 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, 2024. 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, 2024 can be obtained by contacting the Retirement Benefits Investment Board, 693 W. Nye Lane, Carson City, Nevada, 89703.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. This risk can be reduced by diversifying the durations of the fixed-income investments that are held at a given time. As a means of limiting its exposure to fair value losses arising from rising interest rates, the County's investment policy requires twelve to eighteen months of projected cash flow to be in investments maturing in one year or less. Investments maturing in less than one year at June 30, 2024 were 61% of the County's total cash and investments. The County's strategic investment plan seeks to obtain the desired average maturity of 2 to 4 years. The weighted average maturity at June 30, 2024, was 1.26 years.

The County invests in the following types of securities that are, considered to be highly sensitive to interest rate changes:

| Investment | | Fair Market Value | Investments |
|---|---|---|---|
| U.S. Agency Mortgage Backed Securities and Collateralized Mortgage Obligations<br>When interest rates fall, mortgages are refinanced and paid off early and the reduced stream of future interest payments diminish fair value. | $ | 64,957,035 | 4.9% |
| Callable U.S. Agency and Corporate Note Securities<br>On specified dates the issuer can call the security. Because they are subject to early repayment, the fair value of these securities is more sensitive in a period of declining interest rates. | | 207,065,342 | 15.7% |
| Total | $ | 272,022,377 | |

Credit Risk

NRS allows investments in obligations of the U.S. Treasury and U.S. agencies, municipal bonds issued by local governments of the State, corporate bonds rated “A” or better by a nationally recognized rating service, commercial paper rated “A-1,” “P-1” or better by a nationally recognized rating service, repurchase agreements, certificates of deposit, money market mutual funds rated “AAA” by a nationally recognized rating service or other securities in which banking institutions may legally invest.

As of June 30, 2024, the County’s investments are rated as follows:

| S&P Rating | Money Market Mutual Funds | U.S. Treasury Securities | U.S. Agencies | Corporate Notes/ Commercial Paper | Asset Backed Securities/ Collateralized Mortgage Obligations | NV Local Government Investment Pool | RBIF | Fair Value |
|---|---|---|---|---|---|---|---|---|
| AAAm | $ - | - | - | - | - | - | - | $ - |
| AAA | 5,086,023 | - | - | 4,604,877 | 42,294,843 | - | - | 51,985,743 |
| AA+ | - | 131,796,634 | 305,877,388 | 34,894,595 | - | - | - | 472,568,617 |
| AA | - | - | - | 10,552,511 | - | - | - | 10,552,511 |
| AA- | - | - | - | 19,870,758 | - | - | - | 19,870,758 |
| A+ | - | - | - | 12,561,027 | - | - | - | 12,561,027 |
| A | - | - | - | 74,527,898 | - | - | - | 74,527,898 |
| A- | - | - | - | 9,906,300 | - | - | - | 9,906,300 |
| A-1+ | - | 72,275,170 | - | - | - | - | - | 72,275,170 |
| A-1 | - | - | - | 49,454,750 | - | - | - | 49,454,750 |
| Unrated | - | - | - | - | 22,749,378 | 120,034,067 | 402,320,295 | 545,103,740 |
| | $ 5,086,023 | $ 204,071,804 | $ 305,877,388 | $ 216,372,716 | $ 65,044,221 | $ 120,034,067 | 402,320,295 | $ 1,318,806,514 |

Concentration of Credit Risk

The investment portfolio shall be diversified to eliminate the risk of loss resulting from an over concentration of assets in a specific maturity, a specific issuer or a specific class of securities. Maturities selected shall provide for stability of income and reasonable liquidity. Diversification strategies shall be determined and revised periodically by the Investment Committee.

Investment maturities for funds shall be scheduled to coincide with projected cash flow needs, taking into account large routine expenditures (payroll, bond payments) as well as considering sizable blocks of anticipated revenue (property tax apportionment, consolidated tax distributions). Any known, but non-routine, expenses and revenues will also be considered.

As of June 30, 2024, the following investments exceeded 5% of the County’s total:

| | |
|---|---|
| Fannie Mae | 8.3% |
| FFCB | 8.6% |
| U.S. Treasury Securities | 22.2% |
| FHLB | 12.4% |

**External Investment Pool**

Pooled investments are carried at fair value determined by quoted market prices, net of accrued interest. All pooled investments are physically collateralized and held by Wells Fargo Bank.

The County administers an external investment pool combining County money with voluntary investments from Truckee Meadows Fire Protection District, Regional Transportation Commission, Western Regional Water Commission, Washoe County, Nevada OPEB Trust, Truckee River Flood Management Authority, the Library Investment Fund, and the Deferred Compensation Fund. The BCC has overall responsibility for investment of County funds, including the Investment Trust Fund, in accordance with NRS 355.175. The Washoe County Chief Investment Official is the Washoe County Treasurer, under authority delegated by the BCC. The Investment Committee, created by Washoe County Code Section 15.220, has been delegated the investment decision making authority in the County and serves also in an advisory capacity to the Treasurer and BCC. The external investment pool is not registered with the SEC as an investment company FHN Financial Main Street Advisors, LLC determines the fair value of the County investments monthly. The County has not provided or obtained any legally binding guarantees during the period to support the value of shares.

The participants' share and redemption value are calculated using the same method. Each participant's share is equal to their investment plus or minus the monthly allocation of net income, realized and unrealized gains and losses. The determination of realized gains and losses is independent of the determination of the net change in the fair value of investments. Gains and losses of the current period include unrealized amounts from prior periods.

Investments held in the external investment pool on June 30, 2024, were:

| Investment Type | Fair Value | Principal Amount/ No. of Shares | Rate | Maturity Dates |
|---|---|---|---|---|
| U. S. Treasury Securities | $ 204,071,804 | $ 214,890,000 | 0.00-3.125% | 07/11/2024-05/15/2030 |
| NV Local Government Investment Pool | 120,034,067 | 120,034,067 | 0 | 7/1/2024 |
| Fed Agency Bonds/Notes | 305,877,388 | 326,205,000 | .375-6.25% | 08/28/24-9/10/32 |
| Money Market Funds | 5,086,023 | 2,732,971 | 5.15% | 7/1/2024 |
| Asset Backed Securities/Collateralized Mortgage | 65,044,221 | 65,826,000 | .90-5.54% | 11/16/2026-07/15/2029 |
| Corporate Notes/Commercial Paper | 216,372,716 | 221,522,000 | 0.00-5.30% | 07/08/2024-05/10/2028 |
| Total Investments in Pool | $ 916,486,219 | | | |

Note: Contains purchased interest

## External Investment Pool
## Statement of Net Position as of June 30, 2024

| **Assets:** | | **FY2024** |
|---|---|---|
| Cash | $ | 36,590,418 |
| Investments: | | |
| Money Market Mutual Funds | | 5,086,023 |
| U.S. Treasury Securities | | 204,071,804 |
| NV Local Government Investment Pool | | 59,546,472 |
| NV Local Government Investment Pool-ARPA | | 60,487,595 |
| U.S. Agency Securities | | 305,877,388 |
| Collateralized Mortgage Obligations/Asset Backed Securities | | 65,044,221 |
| Corporate Notes | | 216,372,716 |
| Interest Receivable | | 2,796,564 |
| Total Assets | $ | 955,873,201 |
| **Net Position:** | | |
| Internal participants | $ | 699,678,865 |
| Component Units: | | |
| Truckee Meadows Fire Protection District | | 20,235,090 |
| External participants | | 235,959,246 |
| Total Net Position Held in Trust for Pool Participants ($1.00/par) | $ | 955,873,201 |

## External Investment Pool
## Statement of Changes in Net Position for the Year Ended June 30, 2024

| **Additions:** | | **FY24** |
|---|---|---|
| Investment earnings | $ | 20,769,661 |
| Net realized gain (loss) on investments | | 5,877,083 |
| Net increase (decrease) in fair value of investments | | 6,966,460 |
| Decrease in net position resulting from operations | | 33,613,204 |
| Net capital share transactions | | 43,514,130 |
| Change in Net Position | | 9,900,926 |
| **Net Position, July 1** | | 945,972,275 |
| **Net Position, June 30** | $ | 955,873,201 |

Investments are recorded at fair value and the following table shows the Fair Value Measurements used:

Investments Measured at Fair Value
June 30, 2024

| | | | Fair Value Measurement Using: | | |
|---|---|---|---|---|---|
| | | Total | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| **Investments by fair value level** | | | | | |
| Debt securities | | | | | |
| Money Market Mutual Funds | $ | 5,086,023 | $ 5,086,023 | $ - | $ - |
| U.S. Treasury Securities | | 204,071,804 | 204,071,804 | - | - |
| U.S. Agency Securities | | 305,877,388 | | 305,877,388 | - |
| Collateralized Mortgage Obligations/Asset Backed Securities | | 65,044,221 | - | 65,044,221 | - |
| Corporate Notes/Commercial Paper | | 216,372,716 | - | 216,372,716 | - |
| Total debt securities | $ | 796,452,152 | $ 209,157,827 | $ 587,294,325 | $ - |
| Total investments by fair value level | $ | 796,452,152 | $ 209,157,827 | $ 587,294,325 | $ - |
| Investments not required to be measured at fair value: | | | | | |
| NV Local Government Investment Pool | | 59,546,472 | | | |
| NV Local Government Investment Pool-ARPA | | 60,487,595 | | | |
| NV Retirement Benefit Investment Fund | | 402,320,295 | | | |
| Total Investments | $ | 1,318,806,514 | | | |

Debt and equity securities classified in level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Investments categorized as Level 2 are valued at fair value based on the observable market prices on the underlying assets held by the pool or fund less liabilities. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets, liabilities, or a group of assets and liabilities.

### Truckee Meadows Fire Protection District (TMFPD)

Truckee Meadows Fire Protection District is a voluntary participant in the Washoe County Investment Pool (WCIP) and had cash of $58,250 and investments of $20,175,356 as of June 30, 2024.

## NOTE 4 – RESTRICTED CASH AND INVESTMENTS

Restricted cash and investments include amounts restricted for future debt service and reserves as required by bond covenants and ordinances; reserves restricted for projects for the HUD Neighborhood Stabilization Program; and reserves restricted for workers' compensation claims pursuant to NRS 616B.300. Restricted cash and investments at June 30, 2024, were as follows:

| | Debt Service and Reserves | Projects | Claims | Total |
|---|---|---|---|---|
| **Governmental Funds and Governmental Activities** | | | | |
| General Fund | $ 750,000 | $ - | $ - | $ 750,000 |
| Indigent Tax Levy Fund | - | 35,060 | - | 35,060 |
| Total Governmental Funds | 750,000 | 35,060 | - | 785,060 |
| Internal Service Funds: | | | | |
| Risk Management Fund | - | - | 2,554,000 | 2,554,000 |
| Total Governmental Activities | 750,000 | 35,060 | 2,554,000 | 3,339,060 |
| **Proprietary Funds and Business-type Activities** | | | | |
| Utilities Fund | 1,068,381 | - | - | 1,068,381 |
| Total Restricted Cash and Investments | $ 1,818,381 | $ 35,060 | $ 2,554,000 | $ 4,407,441 |

**Truckee Meadows Fire Protection District (TMFPD)**

Truckee Meadows Fire Protection District (TMFPD) had restricted cash and investments in the amount of $600,000 in the Debt Service fund for the payment of principal and interest on bond issues.

## NOTE 5 – LONG-TERM ASSETS, DEPOSITS AND OTHER ASSETS

### Governmental Activities

Long-term assets, deposits and other assets, in governmental funds total $35,600,537, which includes $32,058,273 in long term opioid settlements and $3,135,558 in opioid settlements as a short-term receivable and 251,156 in prepaid bond insurance and $40,000 in deposits were recorded as long-term assets. $115,549 is recorded as a deposit and other assets.
.

### Business-type Activities

Long-term assets in business-type activities includes $38,164 in long-term receivables in the Utilities Fund.

## NOTE 6 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2024, was as follows:

| | Beginning Balances | Increases | Decreases | Ending Balances |
|---|---|---|---|---|
| **Capital Assets - Governmental Activities** | | | | |
| Capital assets, not being depreciated: | | | | |
| Land and land use rights | $ 157,570,347 | $ 651,004 | $ - | $ 158,221,351 |
| Construction in progress | 52,928,781 | 59,840,845 | 29,313,492 | 83,456,134 |
| Total capital assets not being depreciated | 210,499,128 | 60,491,849 | 29,313,492 | 241,677,485 |
| Capital assets being depreciated: | | | | |
| Land improvements | 73,756,269 | 1,068,676 | - | 74,824,945 |
| Buildings/improvements | 334,292,073 | 13,819,170 | - | 348,111,243 |
| Infrastructure | 630,541,455 | 8,551,775 | - | 639,093,230 |
| Equipment | 113,352,481 | 14,033,915 | 4,612,347 | 122,774,049 |
| Software | 21,096,710 | 906,097 | - | 22,002,807 |
| Intangible right-to-use assets | 12,199,923 | 12,940,175 | - | 25,140,098 |
| Total capital assets being depreciated | 1,185,238,911 | 51,319,808 | 4,612,347 | 1,231,946,372 |
| Less accumulated depreciation for: | | | | |
| Land improvements | 57,606,592 | 1,883,241 | - | 59,489,833 |
| Buildings/improvements | 199,906,444 | 8,639,129 | - | 208,545,573 |
| Infrastructure | 558,577,832 | 9,778,479 | - | 568,356,311 |
| Equipment | 86,535,664 | 7,233,581 | 3,117,396 | 90,651,849 |
| Software | 20,410,709 | 439,923 | - | 20,850,632 |
| Intangible Right-to-use assets | 3,769,196 | 4,568,470 | - | 8,337,666 |
| Total accumulated depreciation | 926,806,437 | 32,542,823 | 3,117,396 | 956,231,864 |
| Net capital assets being depreciated | 258,432,474 | 18,776,985 | 1,494,951 | 275,714,508 |
| Governmental activities capital assets, net | $ 468,931,602 | $ 79,268,834 | $ 30,808,443 | $ 517,391,993 |

* Intangible right-to-use assets activity for the Governmental Funds for the year ended June 30, 2024 was as follows:

| | Balance July 1, 2023 | Increases | Decreases | Balance June 30, 2024 |
|---|---|---|---|---|
| Intangible right-to-use assets being amortized | | | | |
| Leased equipment | $ 2,744,310 | $ 273,232 | $ - | $ 3,017,542 |
| Leased office space | 4,947,004 | 6,980,529 | - | 11,927,533 |
| Leased land/other | 293,701 | 60,085 | - | 353,786 |
| Software Subscriptions | 3,663,141 | 5,626,329 | - | 9,289,470 |
| Total right-to-use leased assets | 11,648,156 | 12,940,175 | - | 24,588,331 |
| Less accumulated amortization for: | | | | |
| Leased equipment | 1,072,751 | 470,922 | - | 1,543,673 |
| Leased office space | 1,395,197 | 2,073,537 | - | 3,468,734 |
| Leased land/other | 161,162 | 21,808 | - | 182,970 |
| Software Subscriptions | 732,628 | 1,857,894 | - | 2,590,522 |
| Total accumulated amortization | $ 3,361,738 | $ 4,424,161 | $ - | $ 7,785,899 |

Intangible right-to-use assets activity for the Internal Service Fund for the year ended June 30, 2024 was as follows:

| | Balance July 1, 2023 | Increases | Decreases | Balance June 30, 2024 |
|---|---|---|---|---|
| Intangible right-to-use assets being amortized | | | | |
| Leased equipment | $ 551,767 | $ - | $ - | $ 551,767 |
| Total right-to-use assets | 551,767 | - | - | 551,767 |
| Less accumulated amortization for: | | | | |
| Leased equipment | 407,458 | 144,309 | - | 551,767 |
| Total accumulated amortization | $ 407,458 | $ 144,309 | $ - | $ 551,767 |

| | Balance July 1, 2023 | Increases | Decreases | Balance June 30, 2024 |
|---|---|---|---|---|
| Total of governmental activities intangible right-to-use assets: | | | | |
| Leased equipment | $ 3,296,077 | $ 273,232 | $ - | $ 3,569,309 |
| Leased office space | 4,947,004 | 6,980,529 | - | 11,927,533 |
| Leased land/other | 293,701 | 60,085 | - | 353,786 |
| Software Subscriptions | 3,663,141 | 5,626,329 | - | 9,289,470 |
| Total right-to-use leased assets | $ 12,199,923 | $ 12,940,175 | $ - | $ 25,140,098 |
| Less accumulated amortization for: | | | | |
| Leased equipment | $ 1,480,209 | $ 615,231 | $ - | $ 2,095,440 |
| Leased office space | 1,395,197 | 2,073,537 | - | 3,468,734 |
| Leased land/other | 161,162 | 21,808 | - | 182,970 |
| Software Subscriptions | 732,628 | 1,857,894 | - | 2,590,522 |
| Total accumulated amortization | $ 3,769,196 | $ 4,568,470 | $ - | $ 8,337,666 |

Depreciation/Amortization expense was charged to functions/programs for the governmental activities as follows:

| | |
|---|---|
| **Governmental Activities:** | |
| General government | $ 9,789,510 |
| Judicial | 1,913,364 |
| Public safety | 5,720,628 |
| Public works | 10,957,530 |
| Health and sanitation | 301,205 |
| Welfare | 1,130,188 |
| Culture and recreation | 2,730,398 |
| Total Depreciation/Amortization Expense - Governmental Activities | $ 32,542,823 |

| | Beginning Balances | Increases | Decreases | Ending Balances |
|---|---|---|---|---|
| **Capital Assets - Business-type Activities** | | | | |
| Capital assets not being depreciated: | | | | |
| Land and land use rights | $ 8,371,856 | $ - | $ - | $ 8,371,856 |
| Plant capacity | 825,150 | - | - | 825,150 |
| Construction in progress | 50,217,633 | 37,792,548 | 32,840,340 | 55,169,841 |
| Total capital assets not being depreciated | 59,414,639 | 37,792,548 | 32,840,340 | 64,366,847 |
| Capital assets being depreciated: | | | | |
| Land improvements | 6,368,178 | 684,912 | - | 7,053,090 |
| Buildings/improvements | 60,754,068 | 17,916 | - | 60,771,984 |
| Infrastructure | 160,001,064 | 32,971,526 | - | 192,972,590 |
| Equipment | 1,515,063 | 412,766 | 183,530 | 1,744,299 |
| Software | 1,076,630 | - | - | 1,076,630 |
| Plant, well capacity | 2,368,822 | - | - | 2,368,822 |
| Total capital assets being depreciated | 232,083,825 | 34,087,120 | 183,530 | 265,987,415 |
| Less accumulated depreciation for: | | | | |
| Land improvements | 4,788,090 | 133,840 | - | 4,921,930 |
| Buildings/improvements | 25,434,752 | 1,158,259 | - | 26,593,011 |
| Infrastructure | 52,373,698 | 3,939,337 | - | 56,313,035 |
| Equipment | 1,033,950 | 69,459 | 383 | 1,103,026 |
| Software | 1,011,440 | 20,258 | - | 1,031,698 |
| Plant, well capacity | 1,667,217 | 59,221 | - | 1,726,438 |
| Total accumulated depreciation | 86,309,147 | 5,380,374 | 383 | 91,689,138 |
| Net capital assets being depreciated | 145,774,678 | 28,706,746 | 183,147 | 174,298,277 |
| Business-type activities capital assets, net | $ 205,189,317 | $ 66,499,294 | $ 33,023,487 | $ 238,665,124 |

Depreciation expense was charged to functions/programs for business activities as follows:

| | |
|---|---|
| **Business-Type Activities:** | |
| Utilities | $ 5,325,651 |
| Building and safety | 20,258 |
| Golf courses | 34,465 |
| Total Depreciation Expense - Business-type Activities | $ 5,380,374 |

Net capital assets at June 30, 2024, for the discretely presented component unit (TMFPD) were:

| | Truckee Meadows Fire Protection District Governmental | Truckee Meadows Fire Protection District Business-Type |
|---|---|---|
| **Net Capital Assets** | | |
| Capital assets not being depreciated | $ 7,899,006 | $ 132,451 |
| Capital assets being depreciated, net | 30,859,343 | 1,162,540 |
| Net subscription assets | 71,337 | - |
| Capital assets, net | $ 38,829,686 | $ 1,294,991 |

Depreciation/amortization expense of $2,030,924 was charged to the public safety function of the governmental activities and $109,988 was charged to the public safety function of the business-type activities.

## NOTE 7 – COMMITMENTS, CONTINGENCIES, AND OTHER LIABILITIES

### Commitments

The County utilizes encumbrance accounting to identify fund commitments. Major commitments, generally contracts in excess of $100,000, are entered into for construction projects or longer-term service arrangements that can span several years.

Construction in progress and major commitments for governmental activities and business-type activities are:

| | CIP Balance June 30, 2024 | Major Commitments |
|---|---|---|
| **Governmental Funds and Governmental Activities** | | |
| **Major Governmental Funds:** | | |
| General Fund: | | |
| Service contracts | $ - | $ 2,581,285 |
| Child Protective Services | | |
| Case management and support services | - | 192,362 |
| Other Restricted | | |
| Service contracts | - | 3,338,674 |
| Total Major Governmental Funds | $ - | $ 6,112,321 |
| **Nonmajor Governmental Funds:** | | |
| Special Revenue Funds: | | |
| Service contracts | - | 5,239,816 |
| Case management and support services | - | 486,070 |
| Total Special Revenue Funds | $ - | $ 5,725,886 |
| Internal Service Funds: | | |
| Service contracts | - | 8,723,564 |
| Vehicles and equipment | 2,464,900 | 735,734 |
| Total Internal Service Funds | $ 2,464,900 | $ 9,459,298 |
| Capital Projects Funds: | | |
| Building infrastructure projects | 8,907,975 | 2,903,097 |
| Parks and open space projects | 8,791,452 | - |
| Public safety communications, technology | 38,819,559 | - |
| Community services projects | 22,294,347 | - |
| Technology improvements | 2,177,901 | - |
| Total Capital Projects Funds | $ 80,991,234 | $ 2,903,097 |
| Total Governmental Funds / Governmental Activities | $ 83,456,134 | $ 24,200,602 |
| **Business-Type Funds:** | | |
| Utility/Building and Safety | | |
| Service contracts | 55,169,841 | - |
| Building infrastructure projects | - | 7,934,394 |
| Total Business-Type Funds | $ 55,169,841 | $ 7,934,394 |

### Contingencies

The County is involved in various lawsuits. The outcome of these lawsuits is not presently determinable; however, management does not anticipate that they would materially impact the financial position of the County.

The County is contingently liable on the following Reno-Sparks Convention & Visitors Authority (RSCVA) bonds:

| | | |
|---|---|---|
| RSCVA Refunding Bonds, Series 2021A | $ | 55,610,000 |
| Total RSCVA Bonds | $ | 55,610,000 |

Although the County is contingently liable for the general obligation bonds of RSCVA in the event of a default, it is anticipated that RSCVA resources would be reallocated to retire the bonds. Therefore, management believes that the likelihood of the County assuming the debt is remote.

**Other Liabilities**

Governmental Activities

Other liabilities in governmental activities consist of deposits and amounts due to others of $6,148,289 in the General Fund for deposits and bail related to pending court cases or investigations, $111,821 in other governmental funds for other customer and security deposits. There is $16,985 in other governmental funds consisting of $3,264 in the Animal Services Fund, $157 in the Senior Services Fund, and $13,564 in the Special Assessment Debt Service Fund. There is $92,903 recorded for refund payables associated with income tax refunds in the General Fund. There is $381,907 recorded in the Health Benefits Fund and deposits of $429,942 in the Roads fund.

Business-type Activities

Other liabilities in business-type activities include $484,712 for customer deposits consisting of $480,712 in the Utilities Fund and $4,000 in the Building and Safety Fund.

**Truckee Meadows Fire Protection District (TMFPD)**

On June 23, 2020, TMFPD entered into an Interlocal Agreement to provide for financing, development, operation, and management of the Washoe County Regional Communications P25 Radio System. Under the terms of the agreement, TMFPD has committed to paying for an allocated portion of Washoe County's debt obligation to upgrade the existing radio communication system to address new technology requirement and aging/availability issues, radio coverage, and mutual aid interconnection. TMFPD paid Washoe County $68,774 during the fiscal year ending June 30, 2024. TMFPD's remaining payments to Washoe County for their portion of the debt is $583,380 in principal and $105,892 in interest and $37,794 in reserve with average annual payments of $66,097 over the remaining term of 11 years.

On May 22, 2023, TMFPD entered into a Memorandum of Understanding (MOU) with Apple Inc. for the design and pre-construction of a fire station. Under the terms of the MOU, TMFPD and Apple Inc. will mutually agree upon design professionals and associated costs. Apple Inc. will provide reimbursement to TMFPD for costs to design and build the fire station except for the portion related to an expanded scope to include three additional bedrooms and one additional apparatus bay. The MOU Phase #1 provides for a limit of $192,000 for project design and pre-construction and $20,000 for other fees for reimbursements. MOU Phase #2, including amendments, provides for a limit of $2,084,300 for architecture, design and project management and $80,000 for applications and permits. Amounts in excess of these costs may not be reimbursed.

**NOTE 8 – UNEARNED REVENUE AND DEFERRED INFLOWS OF RESOURCES**

Unearned revenue in connection with resources that have been received, but not yet earned is reported as a liability for governmental activities.

Deferred inflows of resources represent an acquisition of net position that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time. Governmental funds reported $39.5 million in deferred inflows of resources related to unavailable revenue.

At the end of the current fiscal year, major components of unavailable and unearned revenue reported for governmental funds were as follows:

| | General Fund | Child Protective Services Fund | Other Restricted Fund | Capital Improvements Fund | Nonmajor Governmental Funds | Total |
|---|---|---|---|---|---|---|
| **Liabilities** | | | | | | |
| **Unearned revenue:** | | | | | | |
| Grants revenue | $ - | $ - | $ 52,134,772 | $ - | $ 2,393,206 | $ 54,527,978 |
| Total Unearned Revenue | $ - | $ - | $ 52,134,772 | $ - | $ 2,393,206 | $ 54,527,978 |
| **Deferred Inflows of Resources** | | | | | | |
| **Unavailable revenue:** | | | | | | |
| Grants and other revenue | 43,926 | 125,834 | 35,441,584 | - | 2,232,680 | 37,844,024 |
| Ad valorem taxes | $ 1,428,204 | $ 45,794 | $ 11,451 | $ - | $ 216,142 | $ 1,701,591 |
| Total Unavailable Revenue | $ 1,472,130 | $ 171,628 | $ 35,453,035 | $ - | $ 2,448,822 | $ 39,545,615 |

Unearned revenue in business-type activities amounts to $1,197,160, which consists of $183,275 for water rights leases and unearned utility revenue in the Utilities Fund and of $1,013,885 for unearned permit fees and plan checks fee revenue in the Building and Safety fund.

## Discretely Presented Component Unit

At the end of the current fiscal year, Truckee Meadows Fire Protection District had unearned revenue in their General Fund of $19,824 and in the Capital Projects Fund of $558,000 for a total of $577,824 for FY24.

At the end of the current fiscal year, Truckee Meadows Fire Protection District had unavailable revenue in their General Fund of $2,331,621, Emergency Fund of $293,264 and Capital Projects Fund of $1,215,893 for a total of $3,840,778 for FY24.

## NOTE 9 – LONG-TERM OBLIGATIONS

### Current Refundings

Washoe County had no refundings for the current fiscal year ending June 30, 2024.

### Bond Redemptions

The County called $120,000 in special assessment bonds for early redemption as funds were made available from the early payoff of special assessments.

### Defeasance/Early Extinguishment of Debt

The County defeased certain general obligation debt by placing funds from unspent bond proceeds, existing resources and the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on certain previously issued bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the County's financial statements.

As of June 30, 2024, the County had no remaining balances for the defeased portion of past bond issues.

### Revenue Bonds

The County has pledged specific revenues to repay bonds in governmental and business-type activities.

Governmental Activities

The County has pledged 15% of the consolidated tax revenue receipts for the repayment of various General Obligation Revenue bonds consisting of the Refunding Bonds Series 2022B, issued between fiscal years 2004 and 2022; Medical Examiner Building Bonds Series 2015A; Safety Refunding 2016B, Nevada Shared Radio System Bonds 2020 and Building and Park Refunding 2020B. The total principal and interest remaining to be paid on the bonds is $40,923,461 payable through fiscal year 2036. For the current year, principal and interest paid from pledged revenues for the bonds totaled $6,623,868 and pledged revenues totaled $23,835,165.

The County has pledged future infrastructure sales tax revenues to repay $22.8 million in Flood Control Series 2021B and Sales Tax Revenue Refunding Series 2016A bonds. Proceeds from the bonds provided financing for expansion of, and improvements to, the flood control system. The bonds are intended to be paid solely from infrastructure tax revenues and are payable through fiscal year 2036. Annual principal and interest payments on the bonds are expected to require as much as 17% of the pledged revenues. The total principal and interest remaining to be paid on the bonds is $19,846,300. For the current year, principal and interest paid for the bonds totaled $2,489,850 and pledged revenues totaled $15,054,292.

The County has pledged future car rental fees to repay the direct placements of $18.5 million of Senior Lien Car Rental Revenue bonds and $10.0 million Subordinate Lien Car Rental Fee Capital Appreciation Revenue Bonds (Minor League Baseball Stadium Project) Series 2008. Proceeds from the bonds provided financing to acquire, improve, equip, operate, and maintain within the County a minor league baseball stadium project. The direct placement bonds are intended to be paid solely from car rental fee revenues and are payable through fiscal year 2052. Annual principal and interest payments on the bonds are expected to require 100% of the car rental fee revenue. The total principal and interest remaining to be paid on the Senior Lien Car Rental Fee Revenue Bonds is $7.8 million. For the current year, principal and interest paid for the Senior Lien bonds totaled $1,758,698 and pledged revenues totaled $2,220,620. Total principal and interest at June 30, 2024, on the Subordinate Lien Car Rental Fee Capital Appreciation Revenue Bonds is $26.5 million. For the current fiscal year, a principal payment of $387,488 was paid on the bonds on December 1, 2023.

Business-Type Activities

The County has pledged future utility customer revenues and connection fees and investment earnings, net of specified operating expenses, to repay $17.4 million in direct borrowing utility system revenue bonds issued in fiscal year 2015. Proceeds from the bonds provided financing for expansion of, and improvements to, the utility system. The direct borrowing bonds are intended to be paid solely from utility customer net revenues and are payable through fiscal year 2027.

On December 31, 2014, in connection with the divestment of the water operations, the County amended the bond ordinances authorizing the outstanding general obligation (limited tax) sewer bonds to pledge the net revenues of the Utilities Fund excluding water reserves.

The County authorized up to $50 million of bonds through the State of Nevada Revolving Fund Program (SRF). On May 27, 2020, the County issued $27 million of maximum principal bonds payable through fiscal year 2051. On January 13, 2022, the County issued $23 million of maximum principal bonds and made draws during FY22 of $83,408, FY23 of $12,198,287 and no draws for FY24.

Principal and interest on the Sewer Bonds are payable from the pledged revenues of the Utilities Fund. There is no impact on the ad valorem tax rate so long as net pledged revenues are sufficient to pay debt service. Annual principal and interest payments on the sewer bonds are expected to require as much as 18% of the utility's net revenues. The total principal and interest remaining to be paid on the sewer bonds is $61,423,663. For the current year, principal and interest paid for the sewer and water bonds totaled $2,501,981. Net pledged revenues totaled $16,620,830.

**Special Assessment Debt**

Special assessment bonds are issued to finance improvements that benefit taxpayers in the defined area. Bonds are repaid from assessments levied against these taxpayers and are secured by their real property. In case of deficiencies, the County's General Fund and taxing power further secure all bonds (NRS 271.495). There were no delinquent special assessments outstanding as of June 30, 2024.

The County has pledged future assessment revenues levied on special assessment districts throughout the County to repay $10.3 million in various local improvement bonds issued between fiscal years 2007 and 2011. Proceeds from the bonds provided financing for improvements in roads, water and sewer infrastructure in the various districts. The bonds are intended to be paid solely from assessment revenues and are payable through fiscal year 2032. Annual principal and interest payments on the bonds are expected to require as much as 89% of the assessment revenues. The total principal and interest remaining to be paid on the bonds is $1,505,671. For the current year, principal and interest paid for the bonds totaled $344,910 and pledged revenues totaled $415,448.

**Legal Debt Margin**

The statutory Washoe County debt limit is 10% of the assessed value of all taxable property in Washoe County, as set forth in Chapter 244A.059 of the Nevada Revised Statutes. For the fiscal year ended June 30, 2024, the Legal Debt Margin is $2.8 billion.

**Conduit Debt Obligations**

The County has issued several series of revenue bonds for public and private sector activity in the public interest. The public sector revenue bonds are for the cost of constructing and maintaining certain streets and highways in the County. The revenue bonds are paid solely from certain taxes on motor vehicle fuel collected in the County. Private sector revenue bonds have been used for water and gas facilities and hospital facilities. The revenue bonds are paid solely from the revenue derived from the projects for which they were issued. The public and private revenue bonds do not become liabilities of the County under any condition and are therefore excluded from the County's financial statements except for the Reno-Sparks Convention & Authority (RSCVA) debt. (See note 7)

Outstanding balances at June 30, 2024 follow:

| | Date of Issue | Original Issue | Principal Outstanding |
|---|---|---|---|
| **Public Sector** | | | |
| **Reno-Sparks Convention & Visitors Authority (RSCVA)** | | | |
| RSCVA Refunding bonds, Series 2021A | 4/6/2021 | $ 65,760,000 | $ 55,610,000 |
| | | | |
| **Regional Transportation Commission:** | | | |
| Highway Revenue Bonds Series 2010E | 12/16/2010 | $ 58,775,000 | $ 58,775,000 |
| Highway Revenue Bonds Series 2010F | 12/16/2010 | $ 5,385,000 | $ 5,385,000 |
| Sales Tax Improvement Bonds Series 2010H | 12/16/2010 | 20,000,000 | 20,000,000 |
| Highway Revenue Bonds Series 2018 | 12/20/2018 | 183,235,000 | 155,720,000 |
| Highway Revenue Bonds Series 2019 | 12/19/2019 | 56,235,000 | 48,585,000 |
| Subtotal Public Sector | | $ 389,390,000 | $ 344,075,000 |
| | | | |
| **Sierra Pacific Power Company d/b/a NV Energy:** | | | |
| Gas and Water Facilities Refunding Revenue Bonds | | | |
| Publicly Held: | | | |
| Series 2016B | 2/12/2024 | $ 60,230,000 | $ 60,230,000 |
| Series 2016C, 2016F & 2016G | 2/12/2024 | $ 125,000,000 | $ 125,000,000 |
| Subtotal Public Sector | | 185,230,000 | 185,230,000 |
| Privately Held: | | | |
| Nevada Gas Facilities Refunding Revenue Bonds, Series 2016A | 4/15/2022 | 58,700,000 | 58,700,000 |
| Nevada Water Facilities Refunding Revenue Bonds, Series 2016D & 2016E | 4/15/2022 | 50,000,000 | 50,000,000 |
| Subtotal Private Sector | | $ 108,700,000 | $ 108,700,000 |
| | | | |
| Total Conduit Debt | | $ 293,930,000 | $ 293,930,000 |

**Intangible Right-to-use Assets**

The related leases are discussed in the Leases subsection of this note. The intangible right-to-use assets are amortized over the terms (shorter of the lease term or the useful life) of the related leases.

**Leases**

The County has entered into multiple agreements to lease office space, land and equipment under various lease agreements. The lease agreements qualify as other than short-term leases under GASB 87 and therefore have been recorded at the present value of the future minimum lease payments as of the date of their inception. Washoe County used a discount rate of 3.10%, based on the Washoe County's construction borrowing rate at lease agreement date. The multiple lease agreements commenced on different dates, ranging in terms from three years to eleven years. Total lease payments in fiscal year 2024 were composed of principal payments of $794,748 and interest payments of $87,840 for a total of $882,588.

Future minimum lease obligations and the net present value of the minimum lease as of June 30, 2024, were as follows:

| Year Ending | Office Space, Land | | Equipment | | Total | |
|---|---|---|---|---|---|---|
| June 30, | Principal Payments | Interest Payments | Principal Payments | Interest Payments | Principal Payments | Interest Payments |
| 2025 | $ 2,030,180 | 138,298 | $ 536,087 | 12,771 | $ 2,566,267 | 151,069 |
| 2026 | 2,018,313 | 134,505 | 547,954 | 9,244 | 2,566,267 | 143,749 |
| 2027 | 1,403,914 | 126,891 | 130,246 | 5,599 | 1,534,160 | 132,490 |
| 2028 | 941,044 | 114,344 | 28,220 | 1,690 | 969,264 | 116,034 |
| 2029 | 411,254 | 74,648 | - | - | 411,254 | 74,648 |
| 2030 | 411,255 | 74,648 | - | - | 411,255 | 74,648 |
| 2031 | 411,254 | 74,648 | - | - | 411,254 | 74,648 |
| 2032 | 411,255 | 74,648 | - | - | 411,255 | 74,648 |
| 2033 | 411,254 | 74,648 | - | - | 411,254 | 74,648 |
| 2034 | 411,254 | 149,297 | - | - | 411,254 | 149,297 |
| Totals | $ 8,860,977 | 1,036,575 | $ 1,242,507 | 29,304 | $ 10,103,484 | 1,065,879 |

**Subscription-Based Information Technology Arrangements (SBITAs)**

The County has entered into subscription-based information technology arrangements (SBITAs) and is defined as a contract that conveys control of the right to use another party's information technology (IT) software. These SBITAs results in a right-to-use subscription asset (an intangible asset) under GASB 96 and therefore have been recorded at the present value of the future minimum payments as of the date of their inception. Washoe County used a discount rate for FY24 of 3.10%**,** based on Washoe County's construction borrowing rate at the subscription agreement date. The software subscription agreements commenced on different dates and have a term of three to five years. Total payments in fiscal year 2024 were composed of principal payments of $1,160,649 and interest payments of $91,060 for a total of $1,251,709.

Future minimum lease obligations and the net present value of the minimum lease as of June 30, 2024, were as follows:

| Year Ending | Subscription Liabilities | |
|---|---|---|
| June 30, | Principal Payments | Interest Payments |
| 2025 | $ 1,857,894 | $ 107,546 |
| 2026 | 1,857,894 | 92,296 |
| 2027 | 1,857,894 | 27,756 |
| 2028 | 1,125,266 | 4,709 |
| Totals | $ 6,698,948 | $ 232,307 |

**Compensated Absences**

The liability for compensated absences is included in noncurrent liabilities on the government-wide Statement of Net Position. The liability will be liquidated primarily by the General Fund for governmental activities and by the Utilities Fund for business-type activities. In fiscal year 2024, 76% of compensated absences for governmental activities were paid by the General Fund, and in business-type activities, 57% were paid by the Utilities Fund.

Outstanding balances at June 30, 2024 is as follows:

| | Governmental Activities | Business-type Activities | Total |
|---|---|---|---|
| **Washoe County:** | | | |
| Vacation | $ 17,957,964 | $ 324,707 | $ 18,282,671 |
| Sick Leave | 11,544,849 | 160,523 | 11,705,372 |
| Compensatory Leave | 7,617,456 | 169,555 | 7,787,011 |
| Benefits | 534,517 | 9,494 | 544,011 |
| Total Compensated Absences | $ 37,654,786 | $ 664,279 | $ 38,319,065 |

**Net Other Postemployment Benefits Obligation**

Prior to May 11, 2010, when the County established the Washoe County, Nevada OPEB Trust (Note 15), the County financed their net other postemployment benefits obligation on the pay-as-you-go basis with the funds accumulated in the Pre-Funded Retiree Health Benefits Fund. Currently, the OPEB Trust is funded primarily from the General Fund.

**Due to other Governments – Business Type Activities**

The Utilities Fund has a liability to an outside government agency in the amount of $15,222 which is not due within 12 months.

**Pollution Remediation Obligation**

The pollution remediation activities of the Central Truckee Meadows Remediation District (CTMRD) are paid for through an annual charge billed directly to residents and businesses within its boundaries. Accordingly, the CTMRD's pollution remediation obligation is limited to the net position accumulated by the fund for payment of future remediation related expenditures. All of the assets of CTMRD are held for remediation and are offset by a long-term liability for remediation. As of June 30, 2024, the remediation liability for net position held in CTMRD was $4,428,355.

**Claims and Judgments**

The claims and judgments liability of $26,466,000 consists of pending property and liability claims, workers' compensation claims, and unprocessed health benefits claims. These claims will be liquidated through the Risk Management and Health Benefits Internal Service Funds (Note 16). The Risk Management and Health Benefits Funds finance the payment of claims by charging other funds based on management's assessment of the relative insurance risk that should be assumed by individual funds or as needed, through transfers from the General Fund.

**Property Tax Refunds**

The County was the defendant in various lawsuits with property owners disputing the County Assessor's valuation methods used for property within the Lake Tahoe Basin. The County vigorously defends the Assessor's valuations; however, in August 2020 the Board of County Commissioners approved a settlement agreement that would dismiss the case resulting in a roll back of property values and subsequent refunds in the amount of $23,800,000. These property owner's claims started to be paid on July 1, 2021 by charging other funds based on management's assessment of the original property taxes paid that should be assumed by individual funds or, as needed, through transfers from the General Fund. The property owners had until December 31, 2023 to file a claim. The outstanding balance as of June 30, 2024 is $0.

**Discretely Presented Component Unit:**

**General obligation bonds**

Truckee Meadow Fire Protection District (TMFPD) issued general obligation bonds to provide funds for the acquisition and construction of major capital facilities and equipment. General obligation bonds are direct obligations and pledge the full faith and credit of TMFPD and are additional secured by a pledge of 15% of certain proceeds of liquor taxes, tobacco taxes, real property transfer taxes, basic governmental services tax and basic and supplemental sales taxes. During the fiscal year 2024, principal and interest paid on the bonds totaled $1,007,141 and pledged revenues totaled $1,708,847.

TMFPD General obligation bonds outstanding on June 30, 2024, are as follows:

| | Issue Date | Final Payment Date | Interest Rate | Original Amount | Principal Outstanding June 30, 2024 | Principal Due in 2023-2024 |
|---|---|---|---|---|---|---|
| Direct Placement: General Obligations: | | | | | | |
| TMFPD Medium-term Equipment Bonds Series 2020 | 03/2020 | 03/2030 | 1.50% | $ 4,415,000 | $ 2,737,000 | $ 437,000 |
| TMFPD Capital Improvement Bonds Series 2020 | 10/2020 | 06/2035 | 1.53% | 2,100,000 | 1,576,000 | 133,000 |
| Publically Offered: General Obligations: | | | | | | |
| TMFPD Capital Improvement Bonds Series 2021 | 07/2021 | 06/2046 | 2.0% - 4.0% | 7,000,000 | 6,400,000 | 210,000 |
| Total General Obligation Bonds | | | | $ 13,515,000 | 10,713,000 | $ 780,000 |
| Premiums | | | | | 390,071 | |
| Total Bonds Payable | | | | | $ 11,103,071 | |

TMFPD outstanding medium-term equipment bonds related to governmental activities of $2,737,000 contain a provision that in an event of default, the bond owner may institute legal proceedings against TMFPD and the interest rate may be increased to 1.92% annually.

TMFPD governmental activities liability of $9,127,366 for compensated absences is included in their noncurrent liabilities on the government-wide Statement of Net Position. TMFPD compensated absences are generally liquidated from the TMFPD General Fund. The amount of $3,498,569 is due within one year.

TMFPD Business-type activities liability of $285,886 for compensated absences is included in their noncurrent liabilities on the government-wide Statement of Net Position. These compensated absences are generally liquidated from the Emergency Medical Services Enterprise Fund. The amount $48,106 is due within one year.

TMFPD claims and judgments liability of $942,853 mainly consisted of workers' compensation claims. These claims will be liquidated through TMFPD Workers Compensation Fund (Note 16). The TMFPD Workers' Compensation Fund finances the payment of claims through transfers from the TMFPD General Fund. The amount of $62,843 is due within one year.

Interest expense of $225,425 was recorded by TMFPD for FY24.

**Leases**

As of June 30, 2024, TMFPD has terminated an agreement to lease a fire station and has recognized a right to use asset of $15,020 and a lease liability of $15,020 related to this agreement. During the fiscal year, TMFPD recorded $1,073 in amortization expense and $200 in interest expense for the right to use fire station. TMFPD used a discount rate of 1.53%, based on the TMFPD's construction borrowing rate at lease agreement date. The lease agreement was terminated during the fiscal year ended June 30, 2024 and TMFPD recognized a gain of $12,065 on the lease liability termination and a loss of $11,801 on the disposal of the right to use asset.

At June 30, 2017, the net other postemployment benefit liability for Sierra Fire Protection District (SFPD) was merged into the TMFPD's OPEB Trust. SFPD provides other postemployment benefits through the Sierra Fire Protection District Retiree Group Medical Plan, a single-employer defined benefit plan, which was administered through the Washoe County, Nevada OPEB Trust (Trust), an irrevocable trust (Note 15). Contributions to the Trust are now made from TMFPD General Fund and are established each year through the annual budget process by the District's Board of Fire Commissioners.

**IT Subscriptions**

As of June 30, 2024, TMFPD has subscription-based information technology arrangements as follows:

TMFPD has an agreement for human resources software that was extended for an additional 3 years. The increase in the subscription asset is $83,225 and an increase in the subscription liability of $80,525. TMFPD is required to make principal and interest payments of $11,701 for the year ended June 30, 2024. TMFPD used a discount rate of 4.27%, based on TMFPD's terms in the agreement. The subscription agreement commenced on February 25, 2024 and will end on June 30, 2026.

Future minimum lease obligations and net present value of the minimum lease as of June 30, 2024, were as follows:

| Year Ending June 30, | Principal Payments | Interest Payments |
|---|---|---|
| 2025 | $ 31,528 | $ 1,265 |
| 2026 | 37,296 | 1,632 |
| Totals | $ 68,824 | $ 2,897 |

| NOTE 10 – LONG-TERM OBLIGATIONS ACTIVITY | Date of Issue | Maturity Date | Interest Rate | | Original Note / Issue |
|---|---|---|---|---|---|
| **GOVERNMENTAL ACTIVITIES** | | | | | |
| **General Obligation Bonds** | | | | | |
| Ad Valorem: | | | | | |
| Various Purpose Refunding Series 2022A | 01/2022 | 03/2030 | 5.00 | $ | 14,130,000 |
| Total Ad Valorem Bonds | | | | | |
| Revenue: (Note 9) | | | | | |
| Refunding Bonds Series 2022B | 01/2022 | 03/2027 | 5.00 | | 10,735,000 |
| Medical Examiner Bldg 2015 | 08/2015 | 03/2035 | 2.0 - 5.0 | | 12,000,000 |
| Public Safety Refunding Series 2016B | 03/2016 | 03/2036 | 2.0 - 5.0 | | 9,800,000 |
| Notes from direct borrowings and direct placements: | | | | | |
| Building and Parks Bonds Refunding Series 2020B | 10/2020 | 11/2029 | 1.35 | | 9,695,000 |
| NSRS Series 2020 | 09/2020 | 08/2035 | 2.0 - 5.0 | | 9,135,000 |
| Flood Control Refunding Bonds 2021 | 07/2021 | 12/2035 | 2.0 - 5.0 | | 11,500,000 |
| Total General Obligation Revenue Bonds | | | | | |
| Total General Obligation Bonds | | | | | |
| **Revenue Bonds (Note 9)** | | | | | |
| Notes from direct borrowings and direct placements: | | | | | |
| Senior Lien Car Rental Fee Series 2008 ** | 02/2008 | 12/2027 | Variable | | 18,500,000 |
| Subordinate Lien Car Rental Fee Series 2008**** | 02/2008 | 12/2053 | 7.00 | | 9,999,845 |
| Revenue: | | | | | |
| Sales Tax Revenue Refunding Series 2016A | 03/2016 | 12/2028 | 3.0 - 5.0 | | 11,305,000 |
| Total Revenue Bonds | | | | | |
| **Special Assessment Bonds (with governmental commitment) (Note 9)** | | | | | |
| SAD 37: Spanish Spring Sewer Phase 1a | 05/2007 | 05/2027 | 4.35 | | 728,813 |
| SAD 39: Lightning W Water System | 06/2009 | 05/2029 | 7.18 | | 999,268 |
| SAD 32: Spanish Springs Valley Ranches Roads | 12/2011 | 11/2031 | 3.48 | | 8,592,787 |
| Total Special Assessment Debt | | | | | |
| Unamortized Bond Premium | N/A | N/A | N/A | | N/A |
| Total Unamortized Bond Premium and Discounts | | | | | |
| Total Bonds Payable | | | | | |
| **Other Liabilities - (Note 9)** | | | | | |
| Compensated Absences | N/A | N/A | N/A | | N/A |
| Remediation Obligation | N/A | N/A | N/A | | N/A |
| Claims and Judgments | N/A | N/A | N/A | | N/A |
| Property Tax Refunds | N/A | N/A | N/A | | N/A |
| Intangible Right To Use Assets | N/A | N/A | N/A | | N/A |
| Subscriptions***** | N/A | N/A | N/A | | N/A |
| Prepaid Insurance | N/A | N/A | N/A | | N/A |
| Accreted Interest | N/A | N/A | N/A | | N/A |
| Total Other Liabilities | | | | | |
| Total Governmental Activities | | | | | |

| Principal Outstanding June 30, 2023 | Additions/ Issued | Reduction/ Principal Matured / Called | Principal Outstanding June 30, 2024 | Principal Due in 2024-2025 |
|---|---|---|---|---|
| 12,070,000 | $ - | $ 2,215,000 | $ 9,855,000 | $ 2,340,000 |
| 12,070,000 | - | 2,215,000 | 9,855,000 | 2,340,000 |
| 8,255,000 | - | 2,650,000 | 5,605,000 | 2,795,000 |
| 8,410,000 | | 570,000 | 7,840,000 | 600,000 |
| 8,000,000 | - | 515,000 | 7,485,000 | 540,000 |
| 7,903,000 | - | 1,072,000 | 6,831,000 | 1,089,000 |
| 8,245,000 | - | 480,000 | 7,765,000 | 500,000 |
| 10,710,000 | - | 605,000 | 10,105,000 | 635,000 |
| 51,523,000 | - | 5,892,000 | 45,631,000 | 6,159,000 |
| 63,593,000 | - | 8,107,000 | 55,486,000 | 8,499,000 |
| 8,336,700 | - | 1,352,700 | 6,984,000 | 1,502,200 |
| 8,745,275 | - | 387,488 | 8,357,787 | 65,278 |
| 7,380,000 | - | 1,085,000 | 6,295,000 | 1,140,000 |
| 24,461,975 | - | 2,825,188 | 21,636,787 | 2,707,478 |
| 49,356 | - | 21,702 | 27,654 | 8,734 |
| 42,490 | - | 7,766 | 34,724 | 7,353 |
| 1,511,799 | - | 259,803 | 1,251,996 | 150,593 |
| 1,603,645 | - | 289,271 | 1,314,374 | 166,680 |
| 7,634,006 | - | 1,036,808 | 6,597,198 | - |
| 7,634,006 | - | 1,036,808 | 6,597,198 | - |
| 97,292,626 | - | 12,258,267 | 85,034,359 | 11,373,158 |
| 35,576,053 | 29,529,813 | 27,451,080 | 37,654,786 | 27,474,945 |
| 5,087,245 | 1,419,867 | 2,078,777 | 4,428,335 | - |
| 22,712,000 | 3,754,000 | - | 26,466,000 | 15,580,000 |
| 6,161,721 | - | 6,161,721 | - | - |
| 3,539,386 | 7,313,846 | 749,748 | 10,103,484 | 2,566,267 |
| 2,233,268 | 5,626,329 | 1,160,649 | 6,698,948 | 1,857,894 |
| - | 141,201 | - | 141,201 | 141,201 |
| 15,342,499 | 1,388,566 | - | 16,731,065 | - |
| 90,652,172 | 49,173,622 | 37,601,975 | 102,223,819 | 47,620,307 |
| 187,944,798 | $ 49,173,622 | $ 49,860,242 | $ 187,258,178 | $ 58,993,465 |

## NOTE 10 – LONG-TERM OBLIGATIONS ACTIVITY

| | Date of Issue | Maturity Date | Interest Rate | Original Note / Issue |
|---|---|---|---|---|
| **BUSINESS-TYPE ACTIVITIES *** ** | | | | |
| **General Obligation Bonds** | | | | |
| Revenue: (Note 9) | | | | |
| Utilities Fund: | | | | |
| Notes from direct borrowings: | | | | |
| Sewer Refunding 2015REF | 08/2015 | 07/2026 | 2.34 | $ 17,386,176 |
| SRF Loan 2020 | 05/2020 | 01/2050 | 1.69 | 27,000,000 |
| SRF Loan 2022 (CW2202) | 01/2022 | 01/2052 | 1.47 | 23,000,000 |
| Total General Obligation Bonds | | | | |
| **Other Liabilities (Note 9)** | | | | |
| Compensated Absences | N/A | N/A | N/A | N/A |
| Total Business-Type Activities | | | | |
| Total Washoe County Obligations | | | | |

* Bonds that were refunded during FY 2022

** Interest on the variable-rate senior lien car rental bonds is equal to the greater of: (1) the minimum rate of 3% per annum and (2) the sum of (a) 70% of the swap rate plus (b) 2.22% for each of the reset periods. The rate maximum is 6.5% for December 1, 2012 - November 30, 2017, 7.5% December 1, 2017 - November 30, 2022 and 8% for December 1, 2022- November 30, 2027. The current interest rate is 3.56% with a reset date of December 1, 2022.

*** Business-type debt is expected to be retired primarily through operations.

**** Interest is compounded thereon on June 1 and December 1 of each year commencing on December 1, 2012 at 7% until the final compounded amount is paid or payment has been provided therefor.

***** Washoe County implemented GASB Statement 96 - Subscription-Based Information Technology Arrangements, effective July 1, 2022. Beginning Long-term liability activity as of July 1, 2022 has been restated to recognize the beginning values of intangible right to use assets.

**DISCRETELY PRESENTED COMPONENT UNIT:**

| **Truckee Meadows Fire Protection District (Note 9)**<br>**General Obligation Bonds** | Date of Issue | Maturity Date | Interest Rate | Original Note / Issue |
|---|---|---|---|---|
| Revenue: (Note 9) | | | | |
| TMFPD Fund: | | | | |
| Notes from direct borrowings: | | | | |
| TMFPD Medium-term Equipment Bonds Series 2020 | 03/2020 | 03/2030 | 1.50 | 4,415,000 |
| TMFPD Capital Improvement Bonds Series 2020 | 10/2020 | 06/2035 | 1.53 | 2,100,000 |
| Publically Offered: General Obligations: | | | | |
| TMFPD Capital Improvement Bonds Series 2021 | 07/2021 | 06/2046 | 2.0% - 4.0% | 7,000,000 |
| Total General Obligation Bonds | | | | |
| Unamortized Bond Premium | N/A | N/A | N/A | N/A |
| Total Unamortized Bond Premium and Discounts | | | | |
| Total Bonds Payable | | | | |
| **Other Liabilities - (Note 9)** | | | | |
| Compensated Absences | N/A | N/A | N/A | N/A |
| Claims and Judgments | N/A | N/A | N/A | N/A |
| Subscription Liabilities | N/A | N/A | N/A | N/A |
| Intangible Right To Use Assets | N/A | N/A | N/A | N/A |
| Total Other Liabilities | | | | |
| Total Truckee Meadows Fire Protection District Activities | | | | |

| Principal Outstanding June 30, 2023 | Additions/ Issued | Reduction/ Principal Matured / Called | Principal Outstanding June 30, 2024 | Principal Due in 2024-2025 |
|---|---|---|---|---|
| 2,548,456 | $ - | $ 897,754 | $ 1,650,702 | $ 710,011 |
| 26,181,682 | - | 772,495 | 25,409,187 | 785,605 |
| 12,281,695 | - | - | 12,281,695 | 340,851 |
| 41,011,833 | - | 1,670,249 | 39,341,584 | 1,836,467 |
| 591,626 | 423,412 | 350,759 | 664,279 | 489,375 |
| 41,603,459 | 423,412 | 2,021,008 | 40,005,863 | 2,325,842 |
| 229,548,257 | $ 49,597,034 | $ 51,881,250 | $ 227,264,041 | $ 61,319,307 |

| Principal Outstanding June 30, 2023 | Additions/ Issued | Reduction/ Principal Matured / Called | Principal Outstanding June 30, 2024 | Principal Due in 2024-2025 |
|---|---|---|---|---|
| 3,167,000 | $ - | $ 430,000 | $ 2,737,000 | $ 437,000 |
| 1,707,000 | - | 131,000 | 1,576,000 | 133,000 |
| 6,600,000 | - | 200,000 | 6,400,000 | 210,000 |
| 11,474,000 | - | 761,000 | 10,713,000 | 780,000 |
| 407,869 | - | 17,798 | 390,071 | - |
| 407,869 | - | 17,798 | 390,071 | - |
| 11,881,869 | - | 778,798 | 11,103,071 | 780,000 |
| 8,594,865 | 3,829,292 | 3,010,905 | 9,413,252 | 3,546,675 |
| 753,966 | 215,062 | 26,175 | 942,853 | 62,843 |
| - | 80,525 | 11,701 | 68,824 | 31,528 |
| 13,065 | - | 13,065 | - | - |
| 9,361,896 | 4,124,879 | 3,061,846 | 10,424,929 | 3,641,046 |
| 21,243,765 | $ 4,124,879 | $ 3,840,644 | $ 21,528,000 | $ 4,421,046 |

## NOTE 11 – DEBT SERVICE REQUIREMENTS

The annual requirements to amortize outstanding debt are as follows:

**Governmental Activities - Primary Government**

| Year Ended June 30, | General Obligation Bonds | | Revenue Bonds | | Notes from Direct Borrowings and Direct Placements**** | | Special Assessment Debt | |
|---|---|---|---|---|---|---|---|---|
| | Principal* | Interest** | Principal* | Interest | Principal* | Interest*** | Principal* | Interest |
| 2025 | $ 6,275,000 | $ 1,252,814 | $ 1,140,000 | 286,250 | $ 3,791,478 | $ 1,237,654 | $ 166,680 | $ 45,836 |
| 2026 | 5,450,000 | 955,264 | 1,195,000 | 227,875 | 4,037,224 | 1,095,024 | 165,067 | 39,813 |
| 2027 | 3,375,000 | 711,864 | 1,255,000 | 166,625 | 5,288,911 | 948,133 | 174,478 | 33,738 |
| 2028 | 2,470,000 | 571,414 | 1,320,000 | 102,250 | 4,457,682 | 816,881 | 174,592 | 27,153 |
| 2029 | 2,575,000 | 472,713 | 1,385,000 | 34,625 | 2,987,810 | 1,936,360 | 178,800 | 20,775 |
| 2030-2034 | 8,365,000 | 1,145,751 | | | 10,598,880 | 9,835,612 | 454,757 | 23,982 |
| 2035-2039 | 2,275,000 | 101,575 | - | - | 5,466,967 | 10,997,597 | - | - |
| 2040-2044 | - | - | - | - | 1,566,274 | 13,395,973 | - | |
| 2045-2049 | - | - | - | - | 1,295,976 | 16,161,764 | - | - |
| 2050-2054 | - | - | - | - | 551,585 | 11,176,279 | - | - |
| 2055-2059 | - | - | - | - | - | - | - | - |
| Total | $ 30,785,000 | $ 5,211,395 | $ 6,295,000 | 817,625 | $ 40,042,787 | $ 67,601,277 | $ 1,314,374 | $ 191,297 |

**Business-type Activities - Primary Government *****

| Year Ended June 30, | Notes from Direct Borrowings | |
|---|---|---|
| | Principal* | Interest |
| 2025 | $ 1,836,467 | $ 641,148 |
| 2026 | 2,214,895 | 603,570 |
| 2027 | 1,725,873 | 564,559 |
| 2028 | 1,536,009 | 537,948 |
| 2029 | 1,560,505 | 513,453 |
| 2030-2034 | 8,183,898 | 2,185,887 |
| 2035-2039 | 8,857,897 | 1,511,888 |
| 2040-2044 | 6,539,811 | 847,857 |
| 2045-2049 | 5,689,703 | 368,873 |
| 2050-2054 | 1,196,526 | 15,187 |
| Total | $ 39,341,584 | $ 7,790,370 |

*Principal amounts shown exclude discounts and premiums.
**Interest on the variable–rate flood control bonds is calculated at the current rate of 0.8141%.
***Interest on the variable–rate senior lien car rental bonds is calculated at the current rate of 3.56%.
**** Includes the following bond issues:

- Flood Control Series 2021B ($11.5M)
- Building and Parks Bonds Refunding Series 2020-B ($9.7M)
- Senior Lien Rental Fee Series 2008 ($18.5M)
- Subordinate Lien Car Rental Fee Series ($9.9M)
- NSRS Series 2020 ($9.135M)

***** Sewer Bonds (SRF Loan) was authorized for $23 million. One draw of $83,408 was issued in FY22, and two draws totaling $12,198,287 were issued in FY23. No draws were issued during FY24.

Includes the following bond issues:

- GO Revenue Sewer Refunding Bond ($17.4M)
- Sewer Bonds (SRF Loan) ($27M)
- Go (Limited Tax) Sewer Bond ($23.0M)

**Governmental Activities-Component Unit (TMFPD)**

| Year Ended June 30, | Notes from Direct Borrowings Principal* | Interest |
|---|---|---|
| 2025 | $ 780,000 | 229,687 |
| 2026 | 794,000 | 212,697 |
| 2027 | 814,000 | 195,371 |
| 2028 | 834,000 | 177,495 |
| 2029 | 854,000 | 159,068 |
| 2030-2034 | 2,573,000 | 560,495 |
| 2035-2039 | 1,669,000 | 351,650 |
| 2040-2044 | 1,675,000 | 190,231 |
| 2045-2046 | 720,000 | 24,413 |
| Total | $ 10,713,000 | $ 2,101,107 |

## NOTE 12 – INTERFUND ACTIVITY

Interfund transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them or, (2) move receipts restricted to debt service from the funds collecting the receipts to the Debt Service Fund as debt service payments become due or, (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**Interfund transfers for the year ended June 30, 2024**

| Transfers from: | Transfers to: | Amount |
|---|---|---|
| General Fund | Nonmajor Governmental Funds | $ 66,566,356 |
| | Capital Improvement Fund | 27,500,000 |
| | Subtotal | 94,066,356 |
| Other Restricted Funds | General Fund | 532,588 |
| Other Restricted Funds | Capital Improvement Fund | 16,272,946 |
| Other Restricted Funds | Nonmajor Governmental Funds | 2,150,206 |
| | Subtotal | 18,955,740 |
| Nonmajor Governmental Funds | General Fund | 717,515 |
| | Capital Improvement Fund | 2,491,499 |
| | Child Protective Services | 10,845,943 |
| | Capital Improvement Fund | 11,982 |
| Nonmajor Governmental Funds | Nonmajor Governmental Funds | 18,572,002 |
| | Subtotal | 32,638,941 |
| Total Transfers In/Out | | $ 145,661,037 |

**Due From / Due to Other Funds**

| | Fund | Due from Other Funds | Due to Other Funds |
|---|---|---|---|
| General Fund | | | |
| General Fund | Animal Services | $ 200 | $ 50 |
| | Other Restricted | 1,222 | 66,333 |
| | Total General Fund | 1,422 | 66,383 |
| Special Revenue Funds Group | | | |
| Animal Services | General Fund | 50 | 200 |
| Other Restricted | General Fund | 66,558 | 1,447 |
| | Total Special Revenue Funds Group | 66,608 | 1,647 |
| | Total Due From/Due to Other Funds | $ 68,030 | $ 68,030 |

## NOTE 13 – FUND BALANCES / NET POSITION

### Government-wide Financial Statements

The government-wide Statement of Net Position utilizes a proprietary presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

Restricted resources have externally imposed (statutory, bond covenant, contract or grantor) limitations on their use. Restricted resources are classified either by function, debt service, capital projects, or claims. Resources restricted by function relate to net resources of governmental and enterprise funds whose use is legally limited by outside parties for a specific purpose. The restriction for debt service represents resources legally restricted by State Statute or bond covenants for future debt service requirements of both principal and interest. The amount restricted for capital projects consists of unspent grants, donations, and debt proceeds with third party restrictions for use on specific projects or programs. Net position restricted for claims represents the amount legally required to be held for payment of future claims in the self-insurance funds. The government-wide Statement of Net Position reports $294,135,842 of restricted net resources for Governmental Activities, all of which is externally imposed.

Unrestricted net position represents available financial resources of the County.

### Fund Financial Statements

Governmental Funds

Governmental fund balances are classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the County is bound to observe constraints imposed on the use of the resources of the funds.

| | Major Governmental Funds | | | | | |
|---|---|---|---|---|---|---|
| **Fund Balances** | **General Fund** | **Child Protective Services Fund** | **Other Restricted Fund** | **Capital Improvement Fund** | **Nonmajor Governmental Funds** | **Total** |
| Nonspendable: | | | | | | |
| Prepaid items | $ 28,109 | $ - | $ - | $ - | $ 95,439 | $ 123,548 |
| Restricted for: | | | | | | |
| Assessors, Clerk and Recorder technology | $ - | $ - | $ 7,082,784 | $ - | $ - | $ 7,082,784 |
| Administrative programs | - | - | 1,821,883 | - | - | 1,821,883 |
| Court programs and expansion | - | - | 13,540,085 | - | - | 13,540,085 |
| Regional flood control project | - | - | - | - | 2,708,006 | 2,708,006 |
| Regional public safety communications and training | - | - | - | - | 9,881,200 | 9,881,200 |
| Other public safety programs | - | - | 7,431,082 | - | 63,888 | 7,494,970 |
| Public works programs | - | - | 144,580 | 101,113,370 | - | 101,257,950 |
| Regional health services and programs | - | - | - | - | 16,020,680 | 16,020,680 |
| Groundwater remediation | - | - | - | - | 2,341,173 | 2,341,173 |
| Parks and recreation programs | - | - | 493,160 | - | 9,064,771 | 9,557,931 |
| Library expansion | - | - | - | - | 3,082,656 | 3,082,656 |
| Programs for seniors | - | - | - | - | 132,851 | 132,851 |
| Adult, indigent and children support services | - | 212,844 | - | - | 17,506,328 | 17,719,172 |
| Technology upgrades | - | - | - | - | 885,253 | 885,253 |
| County facility improvement projects | - | - | - | - | 4,367,827 | 4,367,827 |
| Parks and open space projects | - | - | - | - | 3,584,951 | 3,584,951 |
| Incline Village property tax settlement | - | - | - | - | - | - |
| Intergovernmental | 4,297,725 | - | 2,285 | - | - | 4,300,010 |
| Debt service | 750,000 | - | 2,128,831 | - | 6,604,833 | 9,483,664 |
| Total Restricted | 5,047,725 | 212,844 | 32,644,690 | 101,113,370 | 76,244,417 | 215,263,046 |
| Committed to: | | | | | | |
| Regional flood control project | - | - | - | - | - | - |
| Administrative programs | - | - | 3,664,298 | - | - | 3,664,298 |
| Technology upgrades | - | - | - | - | - | - |
| Animal control and services | - | - | - | - | 7,927,818 | 7,927,818 |
| Roadways | - | - | - | - | 704,721 | 704,721 |
| Groundwater remediation | - | - | - | - | 2,081,132 | 2,081,132 |
| Park maintenance and improvement | - | - | 1,034,350 | - | - | 1,034,350 |
| Library expansion | - | - | - | - | 853,613 | 853,613 |
| Marijuana Establishments | - | - | - | - | 1,090,894 | 1,090,894 |
| Adult, indigent and children support services | - | 16,442,313 | - | - | 18,841,437 | 35,283,750 |
| Programs for seniors | - | - | - | - | 6,822,930 | 6,822,930 |
| Total Committed | - | 16,442,313 | 4,698,648 | - | 38,322,545 | 59,463,506 |
| Assigned to: | | | | | | |
| Roadways | - | - | - | - | 5,241,710 | 5,241,710 |
| General Fund encumbrances reappropriated for various functional departments | 3,722,862 | - | - | - | - | 3,722,862 |
| Total Assigned | 3,722,862 | - | - | - | 5,241,710 | 8,964,572 |
| Unassigned | 145,354,042 | - | 7,913,747 | - | - | 153,267,789 |
| Total Fund Balances | $ 154,152,738 | $ 16,655,157 | $ 45,257,085 | $ 101,113,370 | $ 119,904,111 | $ 437,082,461 |

## Proprietary Funds

The net position of business-type funds and internal service funds are categorized as net investment in capital assets, restricted and unrestricted as described for the government-wide financial statements.

## Fiduciary Funds

Net position held in trust for pool participants in the Statement of Fiduciary Net Position represent cash and investments held in trust for other agencies participating in the County’s investment pool.

Discretely Presented Component Unit:

| Fund Balances | Major Governmental Funds General Fund | Major Governmental Funds Emergency Fund | Major Governmental Funds Capital Improvement Fund | Nonmajor Governmental Funds | Total |
|---|---|---|---|---|---|
| Nonspendable: | | | | | |
| Prepaid items | $ - | $ - | $ 124,160 | $ - | $ 124,160 |
| Restricted for: | | | | | |
| Public safety programs | - | 917,898 | - | - | 917,898 |
| Debt service | - | - | - | 600,000 | 600,000 |
| Total Restricted | - | 917,898 | - | 600,000 | 1,517,898 |
| Committed to: | | | | | |
| Public safety/works programs | - | - | 3,330,745 | - | 3,330,745 |
| Assigned to: | | | | | |
| Budget shortfall | 4,945,117 | - | - | - | 4,945,117 |
| Compensated absences buyout | 125,949 | - | - | - | 125,949 |
| Total Assigned | 5,071,066 | - | - | - | 5,071,066 |
| Unassigned | 5,057,626 | - | - | - | 5,057,626 |
| Total Fund Balances | $ 10,128,692 | $ 917,898 | $ 3,454,905 | $ 600,000 | $ 15,101,495 |

## NOTE 14 – DEFINED BENEFIT PENSION PROGRAM

### Plan Description

The County and one discretely presented component unit, Truckee Meadows Fire Protection District (TMFPD), contribute to the Public Employees' Retirement System of the State of Nevada (PERS), a cost-sharing multiple employer defined benefit public employees' retirement system which includes both Regular and Police/Fire members. PERS was established by the Nevada Legislature in 1947, effective July 1, 1948. PERS is administered to provide a reasonable base income to qualified employees who have been employed by a public employer and whose earning capacities have been removed or substantially impaired by age or disability.

### Benefits Provided

Benefits, as required by the Nevada Revised Statutes (NRS or statute), are determined by the number of years of accredited service at time of retirement and the member's highest average compensation in any 36 consecutive months with special provisions for members entering PERS on or after January 1, 2010 and July 1, 2015. Benefit payments to which participants or their beneficiaries may be entitled under the plan include pension benefits, disability benefits, and survivor benefits.

Monthly benefit allowances for members are computed as 2.50% of average compensation for each accredited year of service prior to July 1, 2001. For service earned on and after July 1, 2001, this service time factor is 2.67% of average compensation. For members entering PERS on or after January 1, 2010 through June 30, 2015, the factor is 2.50%. For members entering PERS on or after July 1, 2015, the factor is 2.25%. PERS offers several alternatives to the unmodified service retirement allowance which, in general, allow the retired employee to accept a reduced service retirement allowance payable monthly during his or her lifetime and various optional monthly payments to a named beneficiary after the retiree's death.

Post-retirement increases are provided by authority of NRS 286.575 - 579.

### Vesting

Regular members entering PERS prior to January 1, 2010 are eligible for retirement at age 65 with five years of service, at age 60 with ten years of service, or at any age with thirty years of service. Regular members entering PERS on or after January 1, 2010 through June 30, 2015 are eligible for retirement at age 65 with five years of service, at age 62 with ten years of service, or at any age with thirty years of service. Regular members entering PERS on or after July 1, 2015 are eligible for retirement at age 65 with five years of service, at age 62 with ten years of service, at age 55 with 30 years of service, or at any age with 33 1/3 years of service.

Police/Fire members entering PERS prior to January 1, 2010 are eligible for retirement at age 65 with five years of service, at age 55 with ten years of service, at age 50 with twenty years of service, or at any age with twenty-five years of service. Police/Fire members entering PERS on or after January 1, 2010 through June 30, 2015 are eligible for retirement at age 65 with five years of service, at age 60 with ten years of service, at age 50 with twenty years of service, or at any age with thirty years of service. Only service performed in a position as a police officer or firefighter may be counted towards eligibility for retirement as Police/Fire accredited service. Police/Fire members entering PERS on or after July 1, 2015 are eligible for retirement at age 65 with five years of service, at age 60 with ten years of service, at age 50 with twenty years of service, at age 55 with thirty years of service, or at any age with 33 1/3 years of service.

The normal ceiling limitation on monthly benefits allowances is 75% of average compensation. However, a member who has an effective date of membership before July 1, 1985 is entitled to a benefit of up to 90% of average compensation. Both Regular and Police/Fire members become fully vested as to benefits upon completion of five years of service.

**Contributions**

The authority for establishing and amending the obligation to make contributions, and member contribution rates, is set by statute. New hires, in agencies which did not elect the Employer-Pay Contribution (EPC) plan prior to July 1, 1983, have the option of selecting one of two contribution plans. One plan provides for matching employee and employer contributions, while the other plan provides for employer-pay contributions only.

Under the matching Employee/Employer Contribution plan, a member may, upon termination of service for which contribution is required, withdraw employee contributions which have been credited to their account. All membership and active service credit in PERS are canceled upon withdrawal of contributions from the member's account. If the EPC plan was elected, the member cannot convert to the Employee/Employer Contribution plan and cannot withdraw these contributions. PERS' basic funding policy provides for periodic contributions at a level pattern of cost as a percentage of salary throughout an employee's working lifetime in order to accumulate sufficient assets to pay benefits when due.

PERS receives an actuarial valuation on an annual basis indicating the contribution rates required to fund PERS on an actuarial reserve basis. Contributions made are in accordance with the required rates established by the Nevada Legislature. These statutory rates are increased/decreased pursuant to NRS 286.421 and 286.450. These contribution rates are applied to PERS-eligible compensation components and charged to the same Funds or programs where the compensation is incurred.

The actuarial funding method used is the Entry Age Normal Cost Method. It is intended to meet the funding objective and result in a relatively level long-term contribution requirement as a percentage of salary.

For the fiscal year ended June 30, 2024, the statutory employer/employee matching rate was 17.50% for Regular Members and 25.75% for Police/Fire. The Employer-Pay contribution (EPC) rate was 33.50% for Regular Members and 50.00% for Police/Fire.

The County's total pension contributions for the fiscal year ended June 30, 2024 were $96,704,957. Under Nevada Revised Statutes, one-half of the total employer-paid contributions are deemed to be from employers and one-half is deemed to be from employees (through salary schedule reductions).

**PERS Investment Policy**

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

The following was the PERS Board adopted policy target asset allocation as of June 30, 2023:

| Asset Class | Target Allocation | Long-Term Geometric Expected Real Rate of Return |
|---|---|---|
| Domestic Equity | 42% | 5.50% |
| International Equity | 18% | 5.50% |
| Domestic Fixed Income | 28% | 0.75% |
| Private Markets | 12% | 6.65% |

As of June 30, 2023, PERS' long-term inflation assumption was 2.50%.

**Net Pension Liability**

The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on the County's share of employer contributions to PERS relative to the total employer contributions of all participating PERS employers and members for the period ended June 30, 2023. The County's proportion was 3.34499%, which was an increase of 0.1805 from its proportion measured at June 30, 2022.

**Pension Liability Discount Rate Sensitivity**

The following presents the net pension liability of the County as of June 30, 2023, calculated using the discount rate of 7.25%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.25%) or 1-percentage point higher (8.25%) than the current discount rate:

| | 1% Decrease in Discount Rate (6.25%) | Discount Rate (7.25%) | 1% Increase in Discount Rate (8.25%) |
|---|---|---|---|
| Net Pension Liability | $ 950,117,880 | $ 610,557,986 | $ 330,321,390 |

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is available in the PERS' Annual Comprehensive Financial Report, available on the PERS website – www.nvpers.org.

**Actuarial Assumptions**

The County's net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by PERS' actuarial valuation as of that date. The total pension liability was determined using the following actuarial assumptions, as reported by PERS, applied to all periods included in the measurement:

| | |
|---|---|
| Inflation Rate | 2.50% |
| Productivity Pay Increases | 0.50% |
| Investment Rate of Return | 7.25% |
| Projected Salary Increases | Regular: 4.20% to 9.10%, depending on service<br>Police/Fire: 4.60% to 14.50%, depending on service<br>Rates include inflation and productivity increases |
| Mortality: | |
| Healthy | Regular: Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates increased by 30% for males and 15% for females, projected generationally with the two-dimensional monthly improvement scale MP-2020 (ages 50 and over).<br>Police/Fire: Pub-2010 Safety Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates increased by 30% for males and 5% for females, projected generationally with the two-dimensional monthly improvement scale MP-2020 (ages 50 and over). |
| Disabled | Regular: Pub-2010 Non-Safety Disabled Retiree Amount-Weighted Mortality Table (separate tables for males and females) with rates increased by 20% for males and 15% for females, projected generationally with the two-dimensional monthly improvement scale MP-2020.<br>Police/Fire: Pub-2010 Safety Disabled Retiree Amount-Weighted Mortality Table (separate tables for males and females) with rates increased by 30% for males and 10% for females, projected generationally with the two-dimensional monthly improvement scale MP-2020. |
| Beneficiaries | Pub-2010 Contingent Survivor Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates increased by 15% for males and 30% for females, projected generationally with the two-dimensional monthly improvement scale MP-2020 (ages 45 and over). |
| Pre-Retirement | Regular: Pub-2010 General Employee Amount-Weighted Above-Median Mortality Table (separate tables for males and females) projected generationally with the two-dimensional monthly improvement scale MP-2020.<br>Police/Fire: Pub-2010 Safety Employee Amount-Weighted Above-Median Mortality Table (separate tables for males and females) projected generationally with the two-dimensional monthly improvement scale MP-2020. |
| Other Assumptions | Same as those used in PERS' June 30, 2023 funding actuarial valuation. |

Actuarial assumptions used in the June 30, 2023, valuation were based on the results of the experience study covering the period from July 1, 2016 to June 30, 2020.

The discount rate used to measure the total pension liability was 7.25% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed plan contributions will be made at the rates specified in statute. Based on that assumption, the pension plan’s fiduciary net position at June 30, 2023 was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2023.

**Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

For the year ended June 30, 2024, the County recognized pension expense of $83,743,266 excluding employer-paid deemed member contributions. At June 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Difference between expected and actual experience | $ 79,582,507 | $ - |
| Changes of assumptions or other inputs | 57,220,904 | - |
| Net difference between projected and actual earnings on pension plan investments | - | 5,714,838 |
| Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions | 28,853,639 | 413,260 |
| County contributions subsequent to the measurement date | 48,351,019 | - |
| Total | $ 214,008,069 | $ 6,128,098 |

$48,351,019 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025.

The average of the expected remaining service lives of all employees that are provided with pensions through PERS (active and inactive employees) determined at July 1, 2022 (the beginning of the measurement period ended June 30, 2023) is 5.63 years.

Other estimated amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ended June 30, | |
|---|---|
| 2025 | $ 28,609,779 |
| 2026 | 26,686,903 |
| 2027 | 82,915,247 |
| 2028 | 14,938,562 |
| 2029 | 6,378,461 |
| Thereafter | - |
| Total | $ 159,528,952 |

The following is the reconciliation of the June 30, 2024, net pension liability:

| Washoe County Share | |
|---|---|
| Beginning Net Pension Liability | $ 571,345,671 |
| Pension Expense | 83,743,266 |
| Employer Contributions | (38,723,285) |
| New Net Deferred Inflows/Outflows | 20,361,938 |
| Recognition of Prior Deferred (Inflows)/Outflows | (26,169,604) |
| Ending Net Pension Liability | $ 610,557,986 |

**Additional Information**

The PERS Annual Comprehensive Financial Report (ACFR) is available on the PERS website at www.nvpers.org under Quick Links – Publications.

**Discretely Presented Component Units**

On March 27, 2012 the Board of Fire Commissioners approved an interlocal agreement transferring operations of the Sierra Fire Protection District (SFPD) to TMFPD. As of June 30, 2012, all SFPD employees were transferred to TMFPD and, therefore, SFPD no longer contributes to PERS. The employees remained participants of PERS and their accounts were transferred to TMFPD.

On July 1, 2012 all TMFPD employees were covered under the employer pay contribution plan method. Prior to July 1, 2012, the benefits for TMFPD plan members are funded under one of two methods. Under the employer pay contribution plan, TMFPD is required to contribute all amounts due under the plan. The second funding mechanism for providing benefits is the employer/employee paid contribution plan. Under this method, employees are required to contribute a percentage of their compensation to the plan, while TMFPD is required to match that contribution. The contribution requirements of plan members and the TMFPD are established by Chapter 286 of NRS and may only be amended through legislation.

TMFPD's contributions to PERS were $4,706,766 for the year ended June 30, 2024.

At June 30, 2024, TMFPD reported a liability for its proportionate share of PERS' net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. TMFPD's proportion of the net pension liability was based on TMFPD's share of contributions to PERS' pension plan relative to the total contributions of all participating PERS employers and members for the period ended June 30, 2023. TMFPD's proportion was 0.34317%, which is an increase of 0.0328 from its proportion measured at June 30, 2022.

The following presents the net pension liability of TMFPD as of June 30, 2024, calculated using the discount rate of 7.25%, as well as what TMFPD's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.25%) or 1-percentage point higher (8.25%) than the current discount rate:

| | 1% Decrease in Discount Rate (6.25%) | Discount Rate (7.25%) | 1% Increase in Discount Rate (8.25%) |
|---|---|---|---|
| Net Pension Liability | $ 97,474,328 | $ 62,638,259 | $ 33,888,274 |

For the year ended June 30, 2024, TMFPD recognized pension expense of $10,778,916.

At June 30, 2024, TMFPD reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Differences between expected and actual experience | $ 8,164,515 | $ - |
| Changes in assumptions or other inputs | 5,870,397 | - |
| Net difference between projected and actual earnings on pension plan investments | - | 586,295 |
| Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions | 8,726,631 | - |
| District's contributions subsequent to the measurement date | 4,706,766 | - |
| Total | $ 27,468,309 | $ 586,295 |

$4,706,766 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of TMFPD's net pension liability in the year ended June 30, 2025.

The average of the expected remaining service lives of all employees that are provided with pensions through PERS (active and inactive employees) determined at July 1, 2022 (the beginning of the measurement period ended June 30, 2023) is 5.63 years.

Other estimated amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense by TMFPD as follows:

| Year Ended June 30, | |
|---|---|
| 2025 | $ 4,726,855 |
| 2026 | 4,263,102 |
| 2027 | 10,227,186 |
| 2028 | 2,177,481 |
| 2029 | 780,624 |
| Thereafter | - |
| Total | $ 22,175,248 |

**NOTE 15 - OTHER POSTEMPLOYMENT BENEFITS**

**Plan Descriptions and Eligibility**

The County provides other postemployment benefits (OPEB) for eligible employees through the Retiree Health Benefit Program (RHBP), a single-employer defined benefit OPEB plan, and participates in the State of Nevada's Public Employees Benefit Plan, which is treated as a single-employer defined benefit plan for financial reporting purposes. Both plans are funded through the Washoe County, Nevada OPEB Trust (Trust), an irrevocable trust established on May 11, 2010 by the BCC. The Trust is a multiple employer trust and was created to fund and account for the participating employers' costs of retiree healthcare benefits pursuant to NRS 287.017. Complete financial statements of the Trust may be obtained by writing to: OPEB Trust, c/o Washoe County Comptroller's Office, 1001 E. Ninth Street, Bldg. D-200, Reno, Nevada, 89512. The measurement focus of these plans is their net OPEB liabilities.

The County contributes to its OPEB plans annually, generally based on the actuarially determined contribution amount for each plan. The contributions are ratably allocated to all County Funds and programs that have salary expense.

Additionally, Truckee Meadow Fire Protection District (TMFPD), a discretely presented component unit, provides OPEB for eligible employees through the Truckee Meadows Fire Protection District Retiree Group Medical Plan (RGMP), a single-employer defined benefit plan. As of July 1, 2016, the Sierra Fire Protection District (SFPD) Retiree Group Medical Plan was consolidated into the TMFPD RGMP, and SFPD's retirees are provided OPEB through the TMFPD RGMP. Since July 1, 2010 both of these plans have been administered through the Trust. The measurement focus of this plan is its net OPEB liability.

Washoe County Retiree Health Benefit Program (RHBP)

In accordance with NRS 287.010, the BCC adopted the RHBP to provide postemployment benefits to eligible employees upon retirement. Retirees are offered medical, prescription, vision, life, and dental insurance for themselves and their dependents. Retirees can choose between two self-funded group health plans (PPO and HDHP), and a fully insured PPO plan.

All employees hired before July 1, 2010 who retire from County employment and receive monthly payments under 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.

As of June 30, 2023, the measurement date of the RHBP's last actuarial valuation, the following persons were covered by the terms of the plan:

| | |
|---|---|
| Active employees | 2,656 |
| Retirees and surviving spouses | 1,900 |
| Total Participants | 4,556 |

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 their respective 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 commingling of the claims experience of both active and retired employee 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 County service:

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

For Tier 2 retirees, the retiree's contribution is the monthly premium amount less a County-paid premium subsidy stipulated in employee association contracts. For retirees of any age not enrolled in Medicare, the County's monthly subsidy during fiscal year 2024 depends on years of full-time service and ranged from a minimum of $135 for five years to a maximum of $722 for 20 or more years. For retirees aged 65 and over and enrolled in Medicare, the County's monthly subsidy ranged from $75 to $294 based on years of service.

The County is required by employee 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, which is based on the actuarially determined contribution amount for the year. In fiscal year 2024, the County budgeted and contributed $18,249,364.

State of Nevada's Public Employees' Benefits Plan (PEBP)

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.

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 their eligible retirees that have elected to join PEBP. The subsidy for this plan is based on years of service with the County as a proportionate share of the retiree's total years of PERS service, and in fiscal year 2024 ranged from a minimum of $1 monthly to a maximum of $993 monthly.

Additionally, the BCC approves an annual contribution amount based on the actuarially determined contribution amount for the year. In fiscal year 2024, the County budgeted and contributed $42,565.

As of June 30, 2023, the measurement date of the PEBP Plan's last actuarial valuation, there were 278 former County employees enrolled in the PEBP.

TMFPD Retiree Group Medical Plan (TMFPD RGMP)

Prior to July 1, 2000, TMFPD provided health insurance benefits to retired employees through a single-employer defined benefit plan. At June 30, 2000, ten retirees were participating in the TMFPD RGMP. On July 1, 2000, pursuant to an Interlocal Agreement for Fire Services and Consolidation, TMFPD operations were transferred to the City of Reno (City) and the City accepted liability for the ten retirees under this plan. In accordance with the Interlocal Agreement, for those employees who transferred employment to the City and retired prior to June 30, 2012 or during the term of the Interlocal Agreement, TMFPD pays a proportionate share of employees' retiree health benefit costs based on service earned prior to July 1, 2000. Health benefits under the City's plan include medical, prescription, vision, dental and life insurance.

The Interlocal Agreement was terminated on June 30, 2012, and TMFPD assumed responsibility for its own fire district operations as of July 1, 2012. As of June 30, 2012, in preparation of standing up the new fire operations, 11 former Reno firefighters transferred to TMFPD with the provision that TMFPD would provide retiree health benefits for those 11 employees. Any former TMFPD employees remaining employed by the City as of July 1, 2012 retained retiree health benefits with the City and the City retained the liability for those employees. Employees hired by TMFPD prior to July 1, 2014 are eligible for retiree health benefits through the TMFPD RGMP. Benefits under the new TMFPD RGMP, a single-employer defined benefit plan, include health, dental, vision and prescription coverage. Eligible retirees who retire from TMFPD will be required to pay for 50% of the retirees' health insurance premium and 100% of the cost of coverage for their families. Eligibility requirements, benefit levels, employee contributions, and employer contributions may be amended by the mutual agreement of the TMFPD and the TMFPD Fire Fighters' Association.

As of July 1, 2010, TMFPD became a participating employer in the Washoe County, Nevada OPEB Trust, and the TMFPD RGMP is administered through that Trust.

As of June 30, 2023, the measurement date of the plan's last actuarial valuation, participation in the TMFPD RGMP was as follows:

| | |
|---|---|
| Active employees | 203 |
| Retirees and surviving spouses | 53 |
| Total Participants | 256 |

The TMFPD RGMP also includes former employees of the Sierra Fire Protection District (SFPD). TMFPD and SFPD consolidated as of July 1, 2016; prior to that date, health insurance benefits for SFPD retirees were provided through the TMFPD RGMP, but the liability for the payment of SFPD's retiree health benefits was retained by SFPD. As a result of the consolidation, TMFPD assumed this liability.

In fiscal year 2024, TMFPD budgeted and contributed $1,320,400.

**Actuarial Methods and Assumptions**

Each plan's net OPEB liability was measured as of June 30, 2023, and the total OPEB liabilities used to calculate their respective net OPEB liability were determined by actuarial valuations for each plan as of July 1, 2023: a full valuation for the Washoe County RHBP and roll forward valuations for the PEBP Plan and the TMFPD RGMP.

Actuarial valuations include projections of the sharing of benefit-related costs that are based on labor association agreements and an established pattern of practice. The total OPEB liability in the actuarial valuation for each plan was determined using the following actuarial assumptions and other inputs applied to all periods included in the measurement, unless otherwise specified:

| | RHBP | PEBP Plan | TMFPD RGMP |
|---|---|---|---|
| Inflation | 2.50% | 2.35% | 2.35% |
| Salary increases: | | | |
| 0-4 years of service | 7.50% | n/a | 12% for 2 years, 9.30% after 2 years |
| 5+ years of service | 2.35% | n/a | 4.5% for 2 years, 2.35% after 2 years |
| Investment rate of return | 5.75% | 5.75% | 5.75% |
| Healthcare cost trend rates: | | | |
| Pre-65 retirees | 4.7% initial, 3.9% ultimate | 5.5% initial, 3.8% ultimate | 6.5% initial, 3.7% ultimate |
| Post-65 retirees | 1.9% initial, 3.9% ultimate | 5.2% initial, 3.8% ultimate | 6.5% initial, 3.7% ultimate |
| Medicare subsidy | n/a | Medicare subsidy level (once eligible) is approximately 40% of non-Medicare subsidy level | n/a |

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

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

*Investment rate of return*. The investment rate of return of 5.75%, net of investment expenses, was selected by the plans. This is based on the investment policy of the State of Nevada's Retiree Benefits Investment Fund (RBIF), where the plans invest their assets to fund their OPEB liabilities. This rate is derived from RBIF's investment policy (shown in the table below),and includes a 2.50% long-term inflation assumption.

| Asset Class | Asset Allocation |
|---|---|
| U. S. Equity | 50.5% |
| International Equity | 21.5% |
| U. S. Bonds | 28.0% |

*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 was 5.75% for all plans.

The projection of cash flows used to determine the discount rate for the RHBP and the PEBP Plan assumed that County contributions will be made at rates equal to the actuarially determined contribution rates, which has been the County's pattern of contributions over the past several years. Based on those assumptions, the RHBP's and the PEBP Plan's Fiduciary Net Positions are projected to be available to make all projected future benefit payments of current plan members and administrative expenses of the plans.

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 intended to maintain the funded percentage for the RGMP Total OPEB Liability of at least 80%. The RGMP's actuary determined that the detailed depletion date projections outlined in GASB 74 and 75 will show that the Fiduciary Net Position of the RGMP are always projected to be sufficient to cover benefit payments and administrative expenses.

## Changes in OPEB Liabilities

**RHBP**

| | Total OPEB Liability (a) | Increase (Decrease) Plan Fiduciary Net Position (b) | Net OPEB Liability (a) - (b) |
|---|---|---|---|
| Balances at June 30, 2023 *Measurement date of June 30, 2022* | $ 494,401,625 | $ 308,787,381 | $ 185,614,244 |
| Changes for the year: | | | |
| Service cost | 4,854,356 | - | 4,854,356 |
| Interest on the total OPEB liability | 28,127,424 | - | 28,127,424 |
| Changes of benefit terms | - | - | - |
| Differences between actual and expected experience | (28,998,830) | - | (28,998,830) |
| Changes of assumptions | 13,307,829 | - | 13,307,829 |
| Benefit payments | (20,452,605) | (20,452,605) | - |
| Contributions - employer | - | 6,810,652 | (6,810,652) |
| Contributions - other | - | 523,799 | (523,799) |
| Net investment income | - | 39,297,333 | (39,297,333) |
| Administrative expense | - | (101,503) | 101,503 |
| Net Changes | (3,161,826) | 26,077,676 | (29,239,502) |
| Balances at June 30, 2024 *Measurement date of June 30, 2023* | $ 491,239,799 | $ 334,865,057 | $ 156,374,742 |

**PEBP Plan**

| | Total OPEB Liability (a) | Increase (Decrease) Plan Fiduciary Net Position (b) | Net OPEB Liability (a) - (b) |
|---|---|---|---|
| Balances at June 30, 2023 *Measurement date of June 30, 2022* | $ 3,176,221 | $ 2,691,844 | $ 484,377 |
| Changes for the year: | | | |
| Interest on the total OPEB liability | 175,652 | - | 175,652 |
| Differences between actual and expected experience | - | - | - |
| Changes of assumptions | - | - | - |
| Benefit payments | (246,266) | (246,266) | - |
| Contributions - employer | - | 23,459 | (23,459) |
| Net investment income | - | 326,845 | (326,845) |
| Administrative expense | - | (33,788) | 33,788 |
| Net Changes | (70,614) | 70,250 | (140,864) |
| Balances at June 30, 2024 *Measurement date of June 30, 2023* | $ 3,105,607 | $ 2,762,094 | $ 343,513 |

| | TMFPD RGMP Increase (Decrease) | | |
|---|---|---|---|
| | Total OPEB Liability (a) | Plan Fiduciary Net Position (b) | Net OPEB Liability (a) - (b) |
| Balances at June 30, 2023 *Measurement date of June 30, 2022* | $ 15,845,799 | $ 9,250,644 | $ 6,595,155 |
| Changes for the year: | | | |
| Service cost | 972,851 | - | 972,851 |
| Interest on the total OPEB liability | 962,750 | - | 962,750 |
| Changes of benefit terms | - | - | - |
| Differences between actual and expected experience | - | - | - |
| Changes of assumptions | - | - | - |
| Benefit payments | (152,444) | (152,444) | - |
| Contributions - employer | - | 1,300,000 | (1,300,000) |
| Net investment income | - | 1,285,317 | (1,285,317) |
| Administrative expense | - | (52,551) | 52,551 |
| Net Changes | 1,783,157 | 2,380,322 | (597,165) |
| Balances at June 30, 2024 *Measurement date of June 30, 2023* | $ 17,628,956 | $ 11,630,966 | $ 5,997,990 |

*Sensitivity of the OPEB liabilities 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:

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

*Sensitivity of the OPEB liabilities 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:

| | | RHBP | |
|---|---|---|---|
| | 1% Decrease in Healthcare Costs Trend Rate (3.7% initial, 2.9% ultimate) | Current Healthcare Costs Trend Rate (4.7% initial, 3.9% ultimate) | 1% Increase in Healthcare Costs Trend Rate (5.7% initial, 4.9% ultimate) |
| Net OPEB Liability | $ 103,354,718 | $ 156,374,742 | $ 220,131,257 |

| | | PEBP Plan | |
|---|---|---|---|
| | 1% Decrease in Healthcare Costs Trend Rate (4.5% initial, 2.8% ultimate) | Current Healthcare Costs Trend Rate (5.5% initial, 3.8% ultimate) | 1% Increase in Healthcare Costs Trend Rate (6.5% initial, 4.8% ultimate) |
| Net OPEB Liability | $ 94,313 | $ 343,513 | $ 629,133 |

| | TMFPD RGMP | | |
|---|---|---|---|
| | **1% Decrease in Healthcare Costs Trend Rate** (4.5% initial, 2.7% ultimate) | **Current Healthcare Costs Trend Rate** (5.5% initial, 3.7% ultimate) | **1% Increase in Healthcare Costs Trend Rate** (6.5% initial, 4.7% ultimate) |
| Net OPEB Liability | $ 3,837,289 | $ 5,997,990 | $ 8,633,731 |

*OPEB plans fiduciary net position.* Detailed information about the OPEB plans' fiduciary net position is available in the separately issued Washoe County, Nevada OPEB Trust financial report.

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2024, the County recognized OPEB expense of ($468,176) for the RHBP and ($1,406) for the PEBP Plan. TMFPD recognized OPEB expense of $1,682,831. The net fiscal year 2024 OPEB expense for the reporting entity was $1,213,249. At June 30, 2024, the County and TMFPD reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | RHBP | |
|---|---|---|
| | **Deferred Outflows of Resources** | **Deferred Inflows of Resources** |
| Differences between expected and actual experience | $ 63,186,571 | $ 25,215,080 |
| Changes of assumptions | 14,191,372 | 52,814,785 |
| Net difference between projected and actual earnings on OPEB plan investments | - | 10,248,958 |
| Contributions made subsequent to the measurement date | 18,249,364 | - |
| Total | $ 95,627,307 | $ 88,278,823 |

| | PEBP Plan | |
|---|---|---|
| | **Deferred Outflows of Resources** | **Deferred Inflows of Resources** |
| Net difference between projected and actual earnings on OPEB plan investments | $ - | $ 89,305 |
| Contributions made subsequent to the measurement date | 42,565 | - |
| Total | $ 42,565 | $ 89,305 |

| | **Deferred Outflows of Resources** | **Deferred Inflows of Resources** |
|---|---|---|
| Totals - Washoe County OPEB plans | $ 95,669,872 | $ 88,368,128 |

| | TMFPD RGMP | |
|---|---|---|
| | **Deferred Outflows of Resources** | **Deferred Inflows of Resources** |
| Differences between expected and actual experience | $ 958,071 | $ 624,636 |
| Changes of assumptions | 658,936 | 444,528 |
| Net difference between projected and actual earnings on OPEB plan investments | - | 289,695 |
| Contributions made subsequent to the measurement date | 1,320,400 | - |
| Total - TMFPD OPEB plan | $ 2,937,407 | $ 1,358,859 |

For Washoe County, $18,291,929 reported as deferred outflows of resources related to both its OPEB plans resulting from employer contributions to the plans subsequent to the plans' measurement dates will be recognized as a reduction of the County's net OPEB liability in the year ended June 30, 2025.

For TMFPD, $1,320,400 reported as deferred outflows of resources related to its OPEB plan resulting from employer contributions subsequent to the measurement date of its plan will be recognized as a reduction of TMFPD's net OPEB liability in the year ended June 30, 2025.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| Year ended June 30: | RHBP | PEBP Plan | TMFPD RGMP |
|---|---|---|---|
| 2025 | $ (14,642,206) | $ (57,092) | $ 90,692 |
| 2026 | (13,589,465) | (52,388) | (64,027) |
| 2027 | 65,283 | 56,041 | 248,670 |
| 2028 | 5,847,792 | (35,866) | (58,128) |
| 2029 | 10,231,156 | - | 86,344 |
| Thereafter | 1,186,560 | - | (45,403) |
| Total | $ (10,900,880) | $ (89,305) | $ 258,148 |

## NOTE 16 - RISK MANAGEMENT

In 1981, the County started self-funding its workers' compensation obligations. Since then, the County has increased the number of programs where the self-funding is practiced and the proportion of the loss exposure which it self-funds. Currently, the County self-funds portions of its fiscal responsibility related to exposures of loss from torts; theft of, damage to, or destruction of assets; errors or omissions; and health insurance claims.

Two internal service funds have been established to account for these programs:

*The Risk Management Fund* accounts for costs related to general liability, auto liability, workers' compensation, property coverage and unemployment compensation. Except for unemployment compensation, these costs are covered through a combination of self-funding and insurance purchased from outside carriers.

*The Health Benefits Fund* accounts for life, medical, prescription, dental and vision insurance programs. The plans contained within the Health Benefits Fund are handled through contracts with an external claims administrator, a preferred provider organization for medical services and through the purchase of various insurance plans, including a fully-insured medical and prescription plan.

At any time, there are a number of lawsuits and unresolved disputes involving the County, which are administered by the Risk Management Division. These items are reviewed by the Risk Management Division with input from the District Attorney's Office and the appropriate third party administrator. They set the values to the extent a value is determinable. Claims liabilities are reevaluated periodically to take into consideration recently settled claims, including the effects of specific incremental claim adjustment expenses, salvage and subrogation. Allocated claim adjustment expenses are included. Annually, an aggregate value is placed on all claims through the performance of an actuarial study.

The values set by the actuary for both short and long-term liabilities are as follows:

| | Current | Long-Term | Total |
|---|---|---|---|
| **Pending Claims:** | | | |
| Property and liability claims | $ 1,015,000 | $ 2,632,000 | $ 3,647,000 |
| Workers' compensation claims | 5,997,000 | 8,254,000 | 14,251,000 |
| Unprocessed Health Benefits Fund claims | 8,568,000 | - | 8,568,000 |
| Total Pending Claims | $ 15,580,000 | $ 10,886,000 | $ 26,466,000 |

The level of insurance coverage purchased by the County for property-related claims ranges from $500,000 to a policy limit of $500 million, depending on the incident. Deductibles generally range from $2,500 to $50,000. Liability and workers' compensation claims are self-insured up to $1.5 million each; insurance policies are in place for losses greater than this amount. There were no settled claims in excess of insurance coverage in the current fiscal year or the three prior fiscal years.

Many items involving the Risk Management Fund do not specifically fall within the criteria used by the actuary for evaluation. Such items include contract disputes and noninsurance items. Currently, there is a net position of $23,193,828 in the Risk Management Fund for claims that fall into areas not recognized in the actuarial studies and possible catastrophic losses that exceed parameters of the actuarial studies, in addition to the claims that are evaluated by the actuary. The net position amount is restricted for the payment of claims per NRS 354.6215.

The County's exposure for the self-funded portion of health insurance claims is limited to $250,000 per claim each year. Stop-loss insurance is in place for claims above this amount. Currently, there is a net position of $19,024,734 in the Health Benefits Fund for claims in excess of amounts projected by the actuary. The net position amount is restricted for the payment of claims per NRS 354.6215.

Claims liability and activity for the Risk Management and the Health Benefits Funds for the fiscal years ending June 30 were as follows:

| | Risk Management Fund | Health Benefits Fund |
|---|---|---|
| **Claims Liability/Activity:** | | |
| Claims Liability, June 30, 2022 | $ 15,926,000 | $ 6,881,000 |
| Claims and changes in estimates | 5,686,056 | 44,560,334 |
| Claim payments | (4,633,056) | (45,708,334) |
| Claims Liability, June 30, 2023 | 16,979,000 | 5,733,000 |
| Claims and changes in estimates | 5,808,401 | 51,182,997 |
| Claim payments | (4,889,401) | (48,347,997) |
| Claims Liability, June 30, 2024 | $ 17,898,000 | $ 8,568,000 |

The non-discounted amount of unpaid claims in the Risk Management Fund at June 30 is $18,734,000. The interest rate used for discounting was 2.5%.

**Discretely Presented Component Units**

The Truckee Meadows Fire Protection District (TMFPD), discretely presented component unit, does not participate in the Washoe County Risk Management or Health Benefits Funds.

The Truckee Meadows Fire Protection District (TMFPD) is exposed, as are all entities, to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The Truckee Meadows Fire Protection District is fully insured for property and auto loss and liability with a $1,000 to $2,500 deductible. This Truckee Meadows Fire Protection District is covered up to a policy limit per occurrence of $10,000,000 and $20,000,000 annual aggregate in excess liability coverage. The Truckee Meadows Fire Protection District's policy contains various sub-limits established for earthquake, flood, equipment breakdown, errors and omissions and other items.

During the term of the Reno/Truckee Meadows Fire Protection Truckee Meadows Fire Protection District Interlocal Agreement, workers' compensation was fully insured with the City of Reno's self-funded workers' compensation plan. Due to the termination of the Agreement, as of July 1, 2012, the Truckee Meadows Fire Protection District is no longer self-funded with the City of Reno but has purchased a guaranteed workers compensation insurance plan. However, the Truckee Meadows Fire Protection District is still required to pay workers' compensation claims costs to the City of Reno for those years the Truckee Meadows Fire Protection District was self-funded through the City of Reno's workers' compensation plan.

During the fiscal year ended June 30, 2004, the Truckee Meadows Fire Protection District and the City of Reno instituted a "pay as you go" system for workers' compensation claims. The Truckee Meadows Fire Protection District shared the combined losses with the Reno Fire Department (RFD). The Truckee Meadows Fire Protection District established the Workers' Compensation Fund to account for this program. The Truckee Meadows Fire Protection District brought out all workers' compensation liability for all claims incurred prior to July 1, 2012. Claims incurred prior to fiscal year 2012 remain the liability of the City of Reno under the buyout agreement. TMFPD will remain responsible for future Heart and Lung related workers' compensation claims on a "pay as you go" system.

Claims liability and activity for the past two years ending June 30 were as follows:

| | | TMFPD Workers' Compensation Fund |
|---|---|---|
| **Claims Liability/Activity:** | | |
| Claims Liability, July 1, 2022 | $ | 994,615 |
| Claims and changes in estimates | | (214,424) |
| Claims payments | | (26,225) |
| Claims Liability, June 30, 2023 | | 753,966 |
| Claims and changes in estimates | | 215,062 |
| Claims payments | | (26,175) |
| Claims Liability, June 30, 2024 | $ | 942,853 |

## NOTE 17 – JOINT VENTURES

### Truckee Meadows Water Authority

The Truckee Meadows Water Authority (TMWA) is a joint powers authority formed in November 2000, pursuant to a Cooperative Agreement among the Cities of Reno and Sparks and Washoe County (Members). TMWA was formed in order to purchase water assets and undertake water utility operations of Sierra Pacific Power Company, a Nevada corporation, and to develop, manage and maintain supplies of water for the ongoing benefit of the Truckee Meadows community. TMWA has issued bonds that do not constitute an obligation of the Cities of Reno or Sparks, the County, or the State.

Under the terms of the Cooperative Agreement, TMWA's Board of Directors has the power to periodically assess the Members directly for budgets and for the satisfaction of any liabilities imposed against TMWA. Since TMWA's formation no such assessments have been made. The arrangement is considered a joint venture with no equity interest recorded in the County's financial statements because no explicit and measurable equity interest is deemed to exist. The County appoints two directors of a seven-member governing body.

Separate audited financial statements and information for the joint venture are available by contacting the Authority's Chief Financial Officer at P.O. Box 30013, Reno, NV 89520-3013.

### Truckee River Flood Management Authority

The Truckee River Flood Management Authority (TRFMA) is a joint powers authority formed in March 2011, pursuant to a Cooperative Agreement among the Cities of Reno and Sparks and Washoe County (Members). The governing body of each Member appoints two directors who must be elected officials of the Member's governing body. The TRFMA was formed in order to regulate and control waters of the Truckee River that flow through their territories to reduce or mitigate flooding for the ongoing benefit of the Truckee Meadows community.

The primary source of revenue for the TRFMA consists of the net revenues of the Infrastructure Tax pledged by the County to support the TRFMA. The Infrastructure Tax is collected by the State of Nevada Department of Taxation and remitted to the County pursuant to procedures established in NRS Chapter 377B that restricts spending of these proceeds to projects for the management of floodplains, the prevention of floods or facilities relating to public safety. Net revenues consist of the balance remaining after paying or reserving for County obligations for existing flood project related debt.

Under the terms of the Cooperative Agreement, the TRFMA Board of Directors has the power to periodically impose, assess, levy, collect and enforce fees, rates, and charges in an amount sufficient for services or facilities, or both services and facilities and to discharge any debt instruments or financing agreements. No such assessments have been made since the TRFMA's formation. The arrangement is considered a joint venture with no equity interest recorded in the County's financial statements because no explicit and measurable equity interest is deemed to exist.

## NOTE 18 – TAX ABATEMENTS

**State of Nevada Tax Abatements**
For the fiscal year ended June 30, 2024, Washoe County tax revenues were reduced by a total amount of $2,368,195 under agreements entered into by the State of Nevada.

- Aviation Tax Abatement (NRS 360.753) – Partial abatements from Personal Property and Sales & Use Taxes are available to companies that locate or expand their business in Nevada. The personal property tax abatement can be up to 50% for 20 years on the taxes due on tangible personal property, and the sales & use tax abatement reduces the applicable tax rate to 2% for a similar 20 year period, a near 75% reduction. For fiscal year ending June 30, 2024, the total amount abated for Washoe County was $180,415.
- Data Centers Abatement (NRS 360.754) – Partial abatements from personal property and sales & use taxes are available to companies that establish or expand data centers. The personal property tax abatement can be up to 20 years. For fiscal year ending June 30, 2024, the total amount abated for Washoe County was $999,280.
- Renewable Energy (NRS 701A.370) – Partial abatements from property and local sales and use taxes imposed on renewable energy facilities. For fiscal year ending June 30, 2024, the total amount abated for Washoe County was $30,796.
- Standard Abatement (NRS 360.750)
    - Local Sales and Use Tax Abatement – A partial abatement of sales and use taxes is available to qualified companies that locate or expand their business in Nevada. The tax abatement is on the gross receipts from the sale, and the storage, use of other consumption, of eligible capital equipment. The abatement reduces the sales and use tax rate to 2%. The approved business is eligible for tax abatements for a two-year period beginning the date the abatement becomes effective.
    - Modified Business Tax Abatement – A partial abatement of the Modified Business Tax is available to qualified companies that locate or expand their business in Nevada. The current tax imposed on each employer is at the rate of 1.475% on taxable wages over $50,000 in a quarter. A business may qualify for a partial abatement of up to 50% of the amount of the business tax due during the first four years of operations.
    - Personal Property Tax Abatement – A partial abatement from personal property tax is available to qualified companies that locate or expand their business in Nevada. This tax abatement can be up to 50% of the tax due for 10 years beginning from when the abatement becomes effective. The applicant must apply for abatement not more than one year before the business begins to develop for expansion of operations in Nevada.
    - Real Property Tax Abatement for Recycling – A partial abatement of real property (land and buildings) tax is available for businesses and facilities using recycled material that have as a primary purpose the conservation of energy or the substitution of fossil sources for other sources of energy. To qualify, the business must be in the primary trade of recycling at least 50% of raw material or an intermediate product onsite; or converting the energy derived from recycled material into electricity. Qualifying businesses can receive a partial abatement of up to 50% of the tax due on real property for not more 10 years beginning from when the abatement becomes effective.

For fiscal year ended June 30, 2024, the total standard abatement amount abated for Washoe County was $1,157,704.
Truckee Meadow Fire Protection District's tax revenues were reduced by $65,340 under agreements entered into by the State Nevada. The state agreements include a partial abatement of one or more of personal property and local sales and use taxes imposed on aircraft, components of aircraft and other personal property used for certain purposes related to aircraft, a partial abatement of one or more of property and local sales and use taxes imposed on a new or expanded data center and on renewable energy facilities, and use taxes imposed on eligible machinery or equipment used by certain new or expanded businesses.

Truckee Meadow Fire Protection District's tax revenues were reduced by $65,340 under agreements entered into by the State Nevada. The state agreements include a partial abatement of one or more of personal property and local sales and use taxes imposed on aircraft, components of aircraft and other personal property used for certain purposes related to aircraft, a partial abatement of one or more of property and local sales and use taxes imposed on a new or expanded data center and on renewable energy facilities, and use taxes imposed on eligible machinery or equipment used by certain new or expanded businesses.

## NOTE 19 – SUBSEQUENT EVENTS

### Washoe County

On July 21, 2024, Hidden Valley Regional Park, a Washoe County recreational property including trails, playgrounds, picnic areas and recreation courts incurred damage due to a flooding event caused by downpour of rain equating to the equivalent of a 200-year flood. 1.3 inches of rain fell in the span of 45 minutes. The costs and damages associated with this flooding event are still being assessed.

On September 7, 2024, a wildfire started at the Davis Creek Campground in Washoe County, resulting in over 5,000 acres burned. As of the preparation of this financial report, full costs and damages are unknown for actions taken to support Truckee Meadows Fire Protection District in combatting the fire and protecting the residents of this location as well as the destruction of any County property.

Washoe County, along with the State of Nevada is a member of the One Nevada Agreement participating in lawsuits that have been brought against the pharmaceutical industry for the dispensing of opioid prescriptions. The results of the individual pharmaceutical settlement agreements are appropriately reflected in the financial statements. However, through judicial review, changes can occur with the proposed settlements. On June 27, 2024, the United States Supreme Court made a decision that impacted the Purdue Bankruptcy Court's approval of the Confirmation of the Purdue Bankruptcy Plan. The Bankruptcy Court granted a motion to extend the preliminary injunction until September 9, 2024, which has been further extended to September 27, 2024. This possible change, as well as the identification of additional potential defendants, to the One Nevada Agreement on Allocation of Opioid Recoveries may be amended.

### Discretely Presented Component Unit

On November 12, 2024, the District approved a resolution authorizing the issuance of the Truckee Meadows Fire Protection District's Capital Improvement Revenue Bond, Series 2024 in the maximum principal amount of $5,252,000 to finance the acquisition of properties for stations and administration authorized by NRS 474.511, including fixtures, structures, stations, other buildings and sites therefore and appurtenances and incidentals necessary, useful or desirable for any such facilities, including all types of property; therefore, and providing the effective date hereof and delegate to the Fire Chief authority to finalize the terms of the Bond upon approval of the loan by the Board of the State Infrastructure Bank in November. The loan is expected to have a 25-year term with estimated interest rate of 3.11%.

On November 12, 2024, the District approved a construction agreement in the amount of $5,025,938 to complete a new apparatus bay for the District's station #37 in Hidden Valley.

## NOTE 20 – CHANGE IN ACCOUNTING ESTIMATE

During the fiscal year ended June 30, 2024, the County conducted a review of the basis for estimating the allocations of the Net Pension Liability and related deferrals and expenses, and the Net Other Post Employment Benefits Liability and related deferrals and expenses. Previously, the allocation estimates were derived from the changes in the related balances for the current fiscal year only. During the review, it was determined that a more appropriate estimate was to allocate the full balances using contributions as of the measurement date of the liability and related deferrals and expenses. The County determined that this was more representative of the proportionate share of the related balances for each applicable opinion unit with the current operating environment of the County.

### Discretely Presented Component Units

### Correction of an Error in Previously Issued Financial Statements

During fiscal year 2024, Truckee Meadows Fire Protection District (TMFPD) identified an overbilling of $68,729 that occurred in the District's Emergency Fund, and was paid, during the prior fiscal year. Therefore, prior year revenues and current year beginning fund balance/net position were overstated.

The impact to beginning net position/fund balance for the year ended June 30, 2023 was as follows:

| | Net Position/ Fund Balance Beginning of Year As Previously Reported | Correction of Error | Net Position/ Fund Balance Beginning of Year as restated |
|---|---|---|---|
| Government-Wide | | | |
| Governmental Activities | $ 3,916,919 | $ (68,729) | $ 3,848,190 |
| Governmental Funds | | | |
| Major Fund: Emergency Fund | $ 1,177,663 | $ (68,729) | $ 1,108,934 |

**SCHEDULE OF COUNTY'S SHARE OF NET PENSION LIABILITY – PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEVADA (PERS) – LAST TEN PLAN YEARS***

| Plan Year | County's portion of the net pension liability | County's proportionate share of the net pension liability | County's covered payroll | County's proportionate share of the net pension liability as a percentage of its covered payroll | Plan fiduciary net position as a percentage of the total pension liability |
|---|---|---|---|---|---|
| 2023 | 3.34499% | $ 610,557,986 | $ 234,110,877 | 260.80% | 76.16% |
| 2022 | 3.16449% | 571,345,671 | 209,466,988 | 272.76% | 75.12% |
| 2021 | 3.12501% | 284,979,162 | 201,250,710 | 141.60% | 86.51% |
| 2020 | 3.05590% | 425,636,603 | 189,036,361 | 225.16% | 77.04% |
| 2019 | 3.03172% | 413,343,294 | 187,433,424 | 220.53% | 76.46% |
| 2018 | 3.04017% | 414,611,133 | 180,876,924 | 229.22% | 75.24% |
| 2017 | 3.08066% | 409,723,194 | 171,171,726 | 239.36% | 74.42% |
| 2016 | 3.00375% | 404,218,415 | 170,699,917 | 236.80% | 72.20% |
| 2015 | 3.04481% | 348,917,793 | 159,308,921 | 219.02% | 75.10% |
| 2014 | 2.99104% | 311,725,984 | 154,067,907 | 202.33% | 76.30% |

**SCHEDULE OF COUNTY'S CONTRIBUTIONS – PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEVADA (PERS) – LAST TEN FISCAL YEARS***

| Fiscal Year | Statutorily required contribution | Contributions in relation to the statutorily required contribution | Contribution (deficiency) excess | Covered payroll | Contributions as a percentage of covered payroll |
|---|---|---|---|---|---|
| 2024 | $ 48,351,019 | $ 48,351,019 | | $ 259,585,176 | 18.63% |
| 2023 | 38,960,023 | 38,960,023 | $ - | 234,110,877 | 16.64% |
| 2022 | 34,906,809 | 34,906,809 | - | 209,466,988 | 16.66% |
| 2021 | 32,733,943 | 32,733,943 | - | 201,250,710 | 16.27% |
| 2020 | 31,979,801 | 31,979,801 | - | 189,036,361 | 16.92% |
| 2019 | 29,179,819 | 29,179,819 | - | 187,433,424 | 15.57% |
| 2018 | 28,199,821 | 28,199,821 | - | 180,876,924 | 15.59% |
| 2017 | 26,816,677 | 26,816,677 | - | 171,171,726 | 15.67% |
| 2016 | 25,638,494 | 25,638,494 | - | 170,699,917 | 15.02% |
| 2015 | 46,781,626 | 46,781,626 | - | 159,308,921 | 29.37% |

## SCHEDULES OF CHANGES IN THE OPEB LIABILITY AND RELATED RATIOS*

Washoe County Retirees Health Benefits Plan:

| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|---|---|---|
| **Total OPEB liability** | | | | | | | |
| Service cost | $ 4,854,356 | $ 3,877,260 | $ 3,764,330 | $ 5,646,136 | $ 5,455,204 | $ 6,700,000 | $ 6,473,000 |
| Interest | 28,127,424 | 22,076,351 | 21,660,363 | 29,103,076 | 28,019,923 | 31,567,000 | 30,059,000 |
| Changes of benefit terms | - | 7,528,783 | - | - | - | - | - |
| Differences between expected and actual experience | (28,998,830) | 86,894,125 | - | (896,459) | - | 1,484,000 | - |
| Changes of assumptions | 13,307,829 | 3,852,748 | - | (123,584,517) | - | (6,570,000) | - |
| Benefit payments | (20,452,605) | (19,501,311) | (17,137,807) | (16,335,205) | (14,912,577) | (16,825,000) | (13,601,066) |
| Other changes | - | - | - | - | - | (172,517) | - |
| **Net Change in total OPEB liability** | (3,161,826) | 104,727,956 | 8,286,886 | (106,066,969) | 18,562,550 | 16,183,483 | 22,930,934 |
| **Total OPEB liability - beginning** | 494,401,625 | 389,673,669 | 381,386,783 | 487,453,752 | 468,891,202 | 452,707,719 | 429,776,785 |
| **Total OPEB liability - ending (a)** | $ 491,239,799 | $ 494,401,625 | $ 389,673,669 | $ 381,386,783 | $ 487,453,752 | $ 468,891,202 | $ 452,707,719 |
| **Plan fiduciary net position** | | | | | | | |
| Employer contributions | $ 6,810,652 | $ 10,952,060 | $ 16,898,159 | $ 20,188,000 | $ 22,956,281 | $ 22,988,364 | $ 25,306,206 |
| Other contributions | 523,799 | 473,658 | 917,267 | 458,977 | 1,704,664 | 3,144,797 | 1,877,007 |
| Net investment income | 39,297,333 | (32,415,407) | 75,006,695 | 17,131,267 | 18,504,570 | 16,871,288 | 21,244,206 |
| Benefit payments | (20,452,605) | (19,501,311) | (17,137,807) | (16,335,205) | (16,303,362) | (16,825,000) | (13,601,066) |
| Administrative expenses | (101,503) | (23,043) | (40,141) | (54,574) | (79,845) | (15,690) | (27,416) |
| **Net change in plan fiduciary net position** | 26,077,676 | (40,514,043) | 75,644,173 | 21,388,465 | 26,782,308 | 26,163,759 | 34,798,937 |
| **Plan fiduciary net position - beginning** | 308,787,381 | 349,301,424 | 273,657,251 | 252,268,786 | 225,486,478 | 199,322,719 | 164,523,782 |
| **Plan fiduciary net position - ending (b)** | $ 334,865,057 | $ 308,787,381 | $ 349,301,424 | $ 273,657,251 | $ 252,268,786 | $ 225,486,478 | $ 199,322,719 |
| **RHBP net OPEB liability - ending (a) - (b)** | 156,374,742 | 185,614,244 | 40,372,245 | 107,729,532 | 235,184,966 | 243,404,724 | 253,385,000 |
| **Plan fiduciary net position as a percentage of the total OPEB liability** | 68.17% | 62.46% | 89.64% | 71.75% | 51.75% | 48.09% | 44.03% |
| **Covered-employee payroll** | $ 248,444,482 | $ 220,504,669 | $ 209,749,623 | $ 196,212,842 | $ 196,656,571 | $ 189,686,766 | $ 181,731,903 |
| **RHBP's net OPEB liability as a percentage of covered-employee payroll** | 62.94% | 84.18% | 19.25% | 54.90% | 119.59% | 128.32% | 139.43% |

PEBP Plan:

| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|---|---|---|
| **Total OPEB liability** | | | | | | | |
| Service cost | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Interest | 175,652 | 191,553 | 195,487 | 228,043 | 231,538 | 255,702 | 256,838 |
| Differences between expected and and actual experience | - | (65,856) | - | 123,541 | - | (9,159) | - |
| Changes of assumptions | - | (149,120) | - | (468,540) | - | 240,944 | - |
| Benefit payments | (246,266) | (259,778) | (267,940) | (299,400) | (280,454) | (281,687) | (264,731) |
| **Net Change in total OPEB liability** | (70,614) | (283,201) | (72,453) | (416,356) | (48,916) | 205,800 | (7,893) |
| **Total OPEB liability - beginning** | 3,176,221 | 3,459,422 | 3,531,875 | 3,948,231 | 3,997,147 | 3,791,347 | 3,799,240 |
| **Total OPEB liability - ending** | $ 3,105,607 | $ 3,176,221 | $ 3,459,422 | $ 3,531,875 | $ 3,948,231 | $ 3,997,147 | $ 3,791,347 |
| **Plan fiduciary net position** | | | | | | | |
| Employer contributions | $ 23,459 | $ 70,606 | $ 101,841 | $ 102,159 | $ 94,719 | $ 99,636 | $ 43,000 |
| Net investment income | 326,845 | (282,396) | 691,084 | 180,349 | 189,515 | 231,540 | 303,279 |
| Benefit payments | (246,266) | (259,778) | (267,940) | (299,400) | (280,454) | (281,687) | (264,731) |
| Administrative expenses | (33,788) | (21,396) | (23,678) | (21,510) | (22,122) | (14,221) | (14,702) |
| **Net change in plan fiduciary net position** | 70,250 | (492,964) | 501,307 | (38,402) | (18,342) | 35,268 | 66,846 |
| **Plan fiduciary net position - beginning** | 2,691,844 | 3,184,808 | 2,683,501 | 2,721,903 | 2,740,245 | 2,704,977 | 2,638,131 |
| **Plan fiduciary net position - ending (b)** | $ 2,762,094 | $ 2,691,844 | $ 3,184,808 | $ 2,683,501 | $ 2,721,903 | $ 2,740,245 | $ 2,704,977 |
| **PEBP net OPEB liability - ending (a) - (b)** | 343,513 | 484,377 | 274,614 | 848,374 | 1,226,328 | 1,256,902 | 1,086,370 |
| **Plan fiduciary net position as a percentage of the total OPEB liability** | 88.94% | 84.75% | 92.06% | 75.98% | 68.94% | 68.56% | 71.35% |

**Note:** The PEBP Plan is closed to existing County employees. Only retirees who meet certain criteria may participate. There is no payroll associated with the participants, so covered-employee payroll disclosures are not applicable.

*GASB Statement No. 75 requires ten years of information to be presented in these tables. However, until ten years of data is compiled, the County will present information only for those years for which information is available.

**WASHOE COUNTY, NEVADA**
**REQUIRED SUPPLEMENTARY INFORMATION**
**JUNE 30, 2024**

## SCHEDULE OF COUNTY CONTRIBUTIONS – OPEB*

Washoe County Retirees Health Benefits Plan:

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|---|---|---|---|
| Actuarially determined contribution | $ 16,204,623 | $ 18,249,364 | $ 6,810,652 | $ 10,952,060 | $ 20,378,275 | $ 20,188,000 | $ 23,147,000 | $ 23,088,000 |
| Contributions in relation to the acruarially determined contribution | 18,249,364 | 6,810,652 | 10,952,060 | 16,898,159 | 20,188,000 | 22,956,281 | 22,988,364 | 25,306,206 |
| Other contributions | 3,091,667 | 4,688,484 | 2,673,820 | 2,600,406 | 1,760,602 | 1,704,719 | 3,144,797 | 1,877,007 |
| Contribution deficiency (excess) | $ (5,136,408) | $ 6,750,228 | $ (6,815,228) | $ (8,546,505) | $ (1,570,327) | $ (4,473,000) | $ (2,986,161) | $ (4,095,213) |
| Covered-employee payroll | $ 272,775,273 | $ 247,958,991 | $ 220,504,669 | $ 209,749,623 | $ 196,212,842 | $ 196,656,571 | $ 189,686,766 | $ 181,731,903 |
| Contributions as a percentage of covered-employee payroll | 7.82% | 4.64% | 6.18% | 9.30% | 11.19% | 12.54% | 13.78% | 14.96% |

**Notes to Schedule**

| | |
|---|---|
| Valuation date | July 1, 2023 |
| Methods and assumptions used to determine contribution amount: | |
| Actuarial cost method | Entry Age Normal |
| Amortization method | Level percentage of payroll, closed |
| Remaining amortization period | 18 years |
| Asset valuation method | Market value |
| Inflation | 2.5% |
| Healthcare costs trend rate | 4.7% initial, 3.9% ultimate |
| Salary increases | 7.5% each of first 4 years, and 2.5% 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). |

PEBP Plan:

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|---|---|---|---|
| Actuarially determined contribution | $ 31,133 | $ 42,565 | $ 23,459 | $ 70,606 | $ 101,841 | $ 102,159 | $ 93,834 | $ 99,636 |
| Contributions in relation to the actuarially determined contribution | 42,565 | 23,459 | 70,606 | 101,841 | 102,159 | 94,719 | 99,636 | 43,000 |
| Contribution deficiency (excess) | $ (11,432) | $ 19,106 | $ (47,147) | $ (31,235) | $ (318) | $ 7,440 | $ (5,802) | $ 56,636 |

**Notes to Schedule**

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

*GASB Statement No. 75 requires ten years of information to be presented in this schedule. However, until 10 years of data is compiled, the County will present information only for those years for which information is available.

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

### NOTE 1 – COUNTY CONTRIBUTIONS TO PERS

In fiscal year 2018, the Nevada Public Employees' Retirement System (PERS) implemented Governmental Accounting Standards Board Statement No. 82, *Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73*. As a result of this implementation, and under Nevada Revised Statutes, one-half of the total employer-paid contributions are deemed to be from employers and one-half is deemed to be from employees (through salary schedule reductions). Accordingly, beginning with fiscal year 2016, the amount of the statutorily required contribution presented reflects only the employer portion of the employer-paid contributions, and excludes employer-paid member contributions.

### NOTE 2 – TMFPD COVERED PAYROLL AND NET OPEB LIABILITY

The covered payroll for active plan members for the TMFPD RGMP OPEB plan reported on the next page reflects changes in the current labor agreement to make all District employees hired between April 1, 2012 and July 1, 2014 eligible for retiree health benefits, and to require all retirees to enroll in Medicare at age 65. The total OPEB liability shown for TMFPD also includes the District's proportionate share of the liability, based on service earned prior to July 1, 2000 for the remaining 33 employees who transferred employment to the City and retired during the term of the Interlocal Agreement. All amounts include amounts previously presented separately for the Sierra Fire Protection District, which was consolidated into TMFPD as of July 1, 2016.

## Discretely Presented Component Unit

### SCHEDULE OF TRUCKEE MEADOWS FIRE PROTECTION DISTRICT'S NET PENSION LIABILITY – PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEVADA (PERS) – LAST TEN PLAN YEARS*

| Plan Year | TMFPD's portion of the net pension liability | TMFPD's proportionate share of the net pension liability | TMFPD's covered payroll | TMFPD's proportionate share of the net pension liability as a percentage of its covered payroll | Plan fiduciary net position as a percentage of the total net pension liability |
|---|---|---|---|---|---|
| 2023 | 0.34317% | $ 62,638,259 | $ 19,320,634 | 324.20% | 76.16% |
| 2022 | 0.31037% | $ 56,037,045 | $ 16,497,784 | 339.66% | 75.12% |
| 2021 | 0.28293% | $ 25,801,019 | $ 14,612,697 | 176.57% | 86.51% |
| 2020 | 0.25331% | $ 35,281,344 | $ 12,985,484 | 271.70% | 77.04% |
| 2019 | 0.24089% | $ 32,847,974 | $ 11,759,724 | 279.33% | 76.46% |
| 2018 | 0.23531% | $ 32,090,988 | $ 11,003,348 | 291.65% | 75.24% |
| 2017 | 0.21270% | $ 28,288,166 | $ 9,712,107 | 291.27% | 74.42% |
| 2016 | 0.21696% | $ 29,197,203 | $ 9,271,513 | 314.91% | 72.23% |
| 2015 | 0.22129% | $ 25,358,762 | $ 8,435,593 | 300.62% | 75.13% |
| 2014 | 0.20583% | $ 21,451,071 | $ 7,783,987 | 275.58% | 76.31% |

## SCHEDULE OF TRUCKEE MEADOWS FIRE PROTECTION DISTRICT'S CONTRIBUTIONS – PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEVADA (PERS) – LAST TEN FISCAL YEARS*

| Fiscal Year | Statutorily required contribution | Contributions in relation to the statutorily required contribution | Contribution (deficiency) excess | Covered payroll | Contributions as a percentage of covered payroll |
|---|---|---|---|---|---|
| 2024 | $ 4,706,766 | $ 4,706,766 | $ - | $ 20,555,984 | 22.90% |
| 2023 | 3,972,705 | 3,972,705 | - | 19,320,634 | 20.56% |
| 2022 | 3,414,171 | 3,414,171 | - | 16,497,784 | 20.69% |
| 2021 | 2,961,304 | 2,961,304 | - | 14,612,697 | 20.27% |
| 2020 | 2,639,769 | 2,639,769 | - | 12,985,484 | 20.33% |
| 2019 | 2,293,573 | 2,293,573 | - | 11,759,724 | 19.50% |
| 2018 | 2,156,034 | 2,156,034 | - | 11,003,348 | 19.59% |
| 2017 | 1,896,920 | 1,896,920 | - | 9,712,107 | 19.53% |
| 2016 | 1,835,776 | 1,835,776 | - | 9,271,513 | 19.80% |
| 2015 | 1,707,868 | 1,707,868 | - | 8,435,593 | 20.25% |

*GASB Statement No. 68 requires ten years of information to be presented in this table. However, until 10 years of data is compiled, the County will present information only for those years for which information is available.

## SCHEDULES OF CHANGES IN THE OPEB LIABILITY AND RELATED RATIOS*

| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|---|---|---|
| **Total OPEB liability** | | | | | | | |
| Service cost | $ 972,851 | $ 619,298 | $ 604,193 | $ 538,625 | $ 520,411 | $ 417,213 | $ 405,061 |
| Interest | 962,750 | 822,087 | 802,893 | 671,333 | 613,936 | 501,045 | 455,572 |
| Changes of benefit terms | - | 756,058 | - | - | - | - | - |
| Differences between expected and actual experience | - | 600,538 | (914,105) | 817,675 | - | (27,487) | - |
| Changes of assumptions | - | (547,072) | - | 861,777 | - | 2,295,853 | - |
| Benefit payments | (152,444) | (163,648) | (184,624) | (176,377) | (214,991) | (215,174) | (230,891) |
| **Net Change in total OPEB liability** | 1,783,157 | 2,087,261 | 308,357 | 2,713,033 | 919,356 | 2,971,450 | 629,742 |
| **Total OPEB liability - beginning** | 15,845,799 | 13,758,538 | 13,450,181 | 10,737,148 | 9,817,792 | 6,846,342 | 6,216,600 |
| **Total OPEB liability - ending (a)** | $ 17,628,956 | $ 15,845,799 | $ 13,758,538 | $ 13,450,181 | $ 10,737,148 | $ 9,817,792 | $ 6,846,342 |
| **Plan fiduciary net position** | | | | | | | |
| Employer contributions | $ 1,300,000 | $ 850,000 | $ 750,000 | $ 651,000 | $ 463,000 | $ - | $ - |
| Net investment income | 1,285,317 | (965,903) | 1,983,264 | 418,050 | 450,938 | 435,094 | 591,731 |
| Benefit payments | (152,444) | (163,648) | (184,624) | (176,377) | (214,991) | (215,174) | (230,891) |
| Administrative expenses | (52,551) | (22,396) | (35,106) | (39,115) | (34,449) | (15,693) | (16,744) |
| **Net change in plan fiduciary net position** | 2,380,322 | (301,947) | 2,513,534 | 853,558 | 664,498 | 204,227 | 344,096 |
| **Plan fiduciary net position - beginning** | 9,250,644 | 9,552,591 | 7,039,057 | 6,185,499 | 5,521,001 | 5,316,774 | 4,972,678 |
| **Plan fiduciary net position - ending (b)** | $ 11,630,966 | $ 9,250,644 | $ 9,552,591 | $ 7,039,057 | $ 6,185,499 | $ 5,521,001 | $ 5,316,774 |
| **TMFPD RGMP net OPEB liability - ending (a) - (b)** | 5,997,990 | 6,595,155 | 4,205,947 | 6,411,124 | 4,551,649 | 4,296,791 | 1,529,568 |
| **Plan fiduciary net position as a percentage of the total OPEB liability** | 65.98% | 58.38% | 69.43% | 52.33% | 57.61% | 56.23% | 77.66% |
| **Covered-employee payroll** | $ 23,665,044 | $ 22,776,688 | $ 19,759,972 | $ 16,408,769 | $ 16,004,299 | $ 15,660,842 | $ 13,199,783 |
| **TMFPD RGMP's net OPEB liability as a percentage of covered-employee payroll** | 25.35% | 28.96% | 21.29% | 39.07% | 28.44% | 27.44% | 11.59% |

## SCHEDULE OF TRUCKEE MEADOWS FIRE PROTECTION DISTRICT'S CONTRIBUTIONS – OPEB*

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|---|---|---|---|
| Actuarially determined contribution | $ 2,031,446 | $ 1,987,902 | $ 1,219,612 | $ 1,441,459 | $ 1,113,849 | $ 1,037,004 | $ 650,895 | $ 405,061 |
| Contributions in relation to the actuarially determined contribution | 1,320,400 | 1,300,000 | 850,000 | 750,000 | 651,000 | 463,000 | - | - |
| Contribution deficiency (excess) | 711,046 | 687,902 | 369,612 | 691,459 | 462,849 | 574,004 | 650,895 | 405,061 |
| Covered-employee payroll | $ 26,249,767 | $ 23,665,044 | $ 22,776,688 | $ 19,759,972 | $ 16,408,769 | $ 16,004,299 | $ 15,660,842 | $ 13,199,783 |
| Contributions as a percentage of covered-employee payroll | 5.03% | 5.49% | 3.73% | 3.80% | 3.97% | 2.89% | 0.00% | 0.00% |

**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 amount, closed |
| Remaining amortization period | 8 years |
| Asset valuation method | Market value |
| Inflation | 2.35% |
| Healthcare costs trend rate | 5.5% initial, 3.7% ultimate |
| Salary increases | First two years after valuation:<br>12.0% each of first 4 years of service, and 4.5% thereafter<br>Years 3+ after valuation:<br>9.3% each of first 4 years of service, 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%. |

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