



Financial Statements
June 30, 2015

Clark County, Nevada OPEB Trust Fund

Clark County, Nevada OPEB Trust Fund

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Independent Auditor's Report

To the Board of Trustees
Clark County, Nevada OPEB Trust Fund
Las Vegas, Nevada

Report on the Financial Statements

We have audited the accompanying financial statements of the Clark County, Nevada OPEB Trust Fund (the Trust), which comprise the statement of net position and the related statement of changes in net position, as of and for the year ended June 30, 2015, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Trust's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Clark County, Nevada OPEB Trust Fund, as of June 30, 2015, and the respective changes in financial position for the year ended June 30, 2015, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the Trust and do not purport to present, and do not present the financial status of the participating employer's post-employment benefit plans, nor do these financial statements contain other disclosures necessary for a fair presentation of the individual post-employment benefit plans in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters**Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statement in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



Reno, Nevada
July 27, 2016

Clark County, Nevada OPEB Trust Fund
Management's Discussion and Analysis
June 30, 2015

Management offers the following discussion and analysis as a narrative introduction to the basic financial statements and an analytical overview of the Trust's financial activities for the fiscal year ended June 30, 2015. This narrative is intended as a supplement and should be read in conjunction with the financial statements.

Overview of the Financial Statements

The Trust's financial statements include the following components:

- Statement of Net Position
- Statement of Changes in Net Position
- Notes to Financial Statements

The *Statement of Net Position* presents the Trust's assets and liabilities and the net position, which are held in trust for other post-employment benefits of Clark County, Nevada. This statement reflects a year-end snapshot of the Trust's investments, at fair value, along with cash, receivables and other liabilities.

The *Statement of Changes in Net Position* presents information showing how the Trust's net position changed during the year. This statement includes additions for contributions by Clark County and investment earnings and deductions for payments and administrative expenses.

The *Notes to Financial Statements* are an integral part of the financial statements and provide additional information that is necessary in order to gain a comprehensive understanding of data reported in the financial statements.

Financial Highlights

- Net position is restricted for future benefit payments for eligible retirees. Net position at June 30, 2015 totaled \$83,031,640.
- Outstanding accounts payable at year-end were \$1,589. This amount represents amounts payable to investment advisors and trustee fees.
- Employer contributions compromised \$82,939,578 of the increase in net position of \$83,031,640 for the year ended June 30, 2015.

Condensed Financial Information

Comparative summary financial statements of the Trust are presented as follows:

	Net Position June 30, 2015 and 2014	
	2015	2014
Assets		
Cash	\$ 99,565	\$ -
Receivables	94,970	-
Investments	82,838,694	-
Total Assets	<u>83,033,229</u>	<u>-</u>
Liabilities		
Accounts payable	<u>1,589</u>	<u>-</u>
Net Position, restricted	<u>\$ 83,031,640</u>	<u>\$ -</u>

	Changes in Net Position Years ended June 30, 2015 and 2014	
	2015	2014
Additions		
Net investment income	\$ 92,577	\$ -
Employer contributions	82,939,578	-
Total additions	<u>83,032,155</u>	<u>-</u>
Deductions		
Administrative expenses	<u>515</u>	<u>-</u>
Change in Net Position	83,031,640	-
Net Position		
Beginning of year, restricted	<u>-</u>	<u>-</u>
End of year, restricted	<u>\$ 83,031,640</u>	<u>\$ -</u>

Analysis of Financial Position and Results of Operations

The Trust's net position was \$83,031,640 at June 30, 2015. Clark County made contributions to the Trust for the first time during fiscal year 2015. Clark County's contributed \$82,939,578 during the fiscal year. The net appreciation of these contributions for fiscal year 2015 was \$95,645 with investment expenses of \$3,068 resulting in net investment income of \$92,577.

Requests for Information

Questions concerning the information provided in this report or requests for additional financial information should be addressed to Jessica L. Colvin, Comptroller, at 500 South Grand Central Parkway, Las Vegas, NV 89155.

Clark County, Nevada OPEB Trust Fund
Statement of Net Position
June 30, 2015

Assets

Cash \$ 99,565

Receivables
Interest 94,970

Investments, at fair value 82,838,694

Total assets 83,033,229

Liabilities

Accounts payable 1,589

Total net position, restricted for post-employment benefits \$ 83,031,640

Clark County, Nevada OPEB Trust Fund
Statement of Changes in Net Position
Year Ended June 30, 2015

Additions	
Investment Income	
Investment income	\$ 95,645
Less investment expense	<u>3,068</u>
Net investment income	<u>92,577</u>
Contributions	
Employer	<u>82,939,578</u>
Total additions	<u>83,032,155</u>
Deductions	
Administrative expenses	<u>515</u>
Change in Net Position	83,031,640
Net Position	
Beginning of year	<u>-</u>
End of year	<u><u>\$ 83,031,640</u></u>

Note 1 - Organization and Nature of Activities

Clark County, Nevada OPEB Trust Fund (the Trust) was established March 4, 2014, for the purpose of accumulating and investing assets to fund post-employment benefits other than pensions for the Clark County Self-Funded Group Medical and Dental Plan (the plan) of Clark County, Nevada (the County/Employer). The Trust is not a component unit of another governmental entity.

The Trust's Board of Trustees has fiduciary responsibility for the investment of monies and administration of the Trust pursuant to the Trust agreement. The Board of Trustees is currently composed of three members. The Trustees must include: a) at least one person who has a combination of education and experience of at least five years in finance or economics; b) a public office or employee of the Employer who manages the fiscal affairs of the Employer; and c) a current beneficiary of the benefit plan who has a combination of education and experience of at least five years in finance or economics. Each Trustee shall be appointed for a term of at least two years but not to exceed four years. The Trust Sponsor's governing body may renew the term of any Trustee.

The Trust does not purport to present the financial status of the participating employer's post-employment benefit plans, nor do these statements contain information or other disclosures necessary for a fair presentation of the individual plan in accordance with accounting principles generally accepted in the United States of America.

Note 2 - Summary of Significant Accounting Policies**Measurement Focus and Basis of Accounting**

The economic resources measurement focus and the accrual basis of accounting are used in the preparation of the financial statements. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Expenses are recorded when the corresponding liabilities are incurred, regardless of when payment is made.

Investments and Investment Income

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Investment income consists of realized and unrealized appreciation (depreciation) in the fair value of investments and interest income earned.

Taxes

The Trust is exempt from taxation under Section 115 of the Internal Revenue Code. Accordingly, the accompanying financial statements do not include a provision for federal income taxes.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. Such estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and assumptions.

Termination

Although it has not expressed any intent to do so, the Employer has the right under the Trust agreement to terminate this Trust in whole or in part at any time as permitted by law.

Note 3 - Investments and Risk

The Board of Trustees have established an investment policy for the Trust. Under the policy, the Trust's assets are limited to investments in the Retirement Benefits Investment Fund (RBIF); and any investment authorized pursuant to NRS 355.170. Such investments under NRS 355.170 include certain "A" rated notes and bonds, guaranteed investment contracts, obligations of the U.S. Treasury, obligations of other U.S. Government agencies, negotiable and non-negotiable certificates of deposit issued by commercial banks or insured savings and loan associations, bankers acceptances, repurchase agreements, "AAA" rated mutual funds that invest in securities of the Federal Government or agencies of the Federal Government, and the State of Nevada Local Government Investment Pool (LGIP).

RBIF:

The Trust invests its assets in State of Nevada's Retirement Benefit Investment Fund (RBIF) as allowed by the Nevada Revised Statute (NRS) 287.017 and the Nevada Administrative Code (NAC). The RBIF was established pursuant to NRS 355.220 and is administered by the Retirement Benefits Investment Board (RBIB) as an unrated external investment pool. The RBIF is not registered with the Securities and Exchange Commission (SEC) as an investment company. Each participant acts as fiduciary for its particular share of the RBIF and is allocated earnings and expenses according to their proportional share in RBIF. Bank of New York Mellon determines the fair value of the RBIF monthly. The Trust's investment in RBIF is \$26,792,229 at June 30, 2015, is reported at fair value, which is determined by the fair value per share of RBIF's underlying portfolio as of June 30, 2015. The RBIF primarily invests in a mix of domestic and foreign equity securities and fixed income investments. The RBIF engages only in foreign currency forward contracts to reduce foreign currency translation risk. No other derivatives are allowed. Fixed income securities are 28.6% of the RBIF portfolio. These securities have maturity dates ranging from July 2016 to May 2045. Complete financial information on RBIF as of June 30, 2015 can be obtained by contacting Public Employees Retirement System (PERS) at 693 W. Nye Lane, Carson City, NV, 89703.

Clark County Investment Pool:

The Trust invests its assets in the Clark County Investment Pool (County investment pool) as allowed by NRS 287.017. The County investment pool was established by the Clark County Board of Commissioners pursuant to NRS 355.168 and is administered by as an unrated external investment pool. Investments in the County investment pool include only those investments allowed under NRS 355.170. The Clark County Treasurer, under authority of the Clark County Board of Commissioners, is the primary investment official for the County. The County investment pool is not registered with the Securities and Exchange Commission (SEC) as an investment company. All investments within the County investment pool are stated at original investment, plus a monthly allocation of investment income, including realized and unrealized gains and losses, which is the same as the value of the pool shares. The average investment duration of the County investment pool is 2 years. The Trust's investment in the investment pool is \$56,046,465 at June 30, 2015.