Financial Statements
October 31, 2014 and June 30, 2014

Retiree Health Trust

Independent Auditor's Report

To the Board of Trustees
Teachers Health Trust
Las Vegas, Nevada

Report on the Financial Statements

We have audited the accompanying financial statements of the Retiree Health Trust (the "Trust"), which comprise the statements of net assets available for plan benefits and of benefit obligations as of October 31, 2014 and the related statements of changes in net assets available for plan benefits and of changes in benefit obligations for the four months then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Trust 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.

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Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial status of the Retiree Health Trust as of October 31, 2014 and the changes in its financial status for the four months then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplemental Information – October 31, 2014
Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Supplemental Schedule of Administrative Expenses and the Supplemental Schedule of Insurance Premiums, together referred to as "supplemental information," for the four months ended October 31, 2014, are presented for the purpose of additional analysis and are not a required part of the financial statements. Such information is the responsibility of the Trust's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Matter – June 30, 2014 Financial Statements and Supplemental Information
The financial statements of the Retiree Health Trust as of and for the year ended June 30, 2014, were audited by Kafoury, Armstrong & Co., who joined Eide Bailly LLP on December 15, 2014, and whose report dated November 19, 2014, expressed an unmodified opinion on those statements. In addition, their report expressed an opinion that the Supplemental Schedule of Administrative Expenses and Supplemental Schedule of Insurance Premiums, together referred to as "supplemental information", for the year ended June 30, 2014, was fairly stated in all material respects in relation to the financial statements as a whole.

Eide Bailly LLP

Reno, Nevada
September 10, 2015

	October 31, 2014	June 30, 2014
Assets		
Investments, at fair value	$ 47,835,763	$ 48,941,750
Receivables		
Contributions	100,000	17,432
Prescription drug rebate	25,906	16,688
Interest	63,563	92,409
	189,469	126,529
Cash and cash equivalents	350,312	280,585
Other assets	22,572	35,401
Prepaid expenses	54,158	41,343
Total assets	48,452,274	49,425,608
Liabilities		
Accounts payable for administrative expenses	27,200	430
Due to related parties	24,193	2,118
Deferred insurance contribution	166,183	7,319
Total liabilities	217,576	9,867
Total Net Assets Available for Plan Benefits	$ 48,234,698	$ 49,415,741

	October 31, 2014	June 30, 2014
Additions		
Investment income		
Net appreciation (depreciation) in fair value of investments	$ (687,518)	$ 4,048,088
Interest and dividends	345,512	1,659,396
	(342,006)	5,707,484
Less investment manager fees	40,218	112,448
	(382,224)	5,595,036
Contributions		
Clark County School District	135,755	179,329
Active employees	71,957	357,962
Retirees	602,885	1,752,246
CCEA governance	24	60
	810,621	2,289,597
Other income	19,390	66,754
Total additions	447,787	7,951,387
Deductions		
Insurance premiums	97,105	306,176
Benefits paid for participants		
Medical	938,613	1,922,401
Prescription drugs	328,331	851,208
Dental	48,836	134,222
Vision	12,483	31,419
	1,328,263	2,939,250
Administrative expenses	203,462	489,921
Total deductions	1,628,830	3,735,347
Net Increase (Decrease)	(1,181,043)	4,216,040
Net Assets Available for Benefits		
Beginning of year	49,415,741	45,199,701
End of year	$ 48,234,698	$ 49,415,741

	October 31, 2014	June 30, 2014
Amounts Currently Payable To or For		
Participants, Beneficiaries and Dependents:		
Vision claims	$ 3,069	$ 2,397
Benefit claims	-	132,520
Prescription drugs	48,486	34,458
Total currently payable	51,555	169,375
Other Current Benefit Coverage Obligations:		
Claims incurred but not reported, at present value of estimated amounts	200,000	265,480
Total obligations other than postretirement benefit obligations	251,555	434,855
Postretirement Benefit Obligations:		
Retirees	8,164,000	8,411,000
Other plan participants fully eligible for benefits	20,353,000	19,423,000
Plan participants not yet fully eligible for benefits	78,540,000	74,251,000
Administrative fixed cost (unallocated)	12,582,000	12,251,000
Total postretirement benefit obligations	119,639,000	114,336,000
Total Benefit Obligations	$ 119,890,555	$ 114,770,855

	October 31, 2014	June 30, 2014
Amounts Currently Payable To or For		
Participants, Beneficiaries and Dependents:		
Balance at beginning of year	$ 169,375	$ 182,990
Claims reported and approved for payment	1,307,548	3,231,811
Claims paid	(1,425,368)	(3,245,426)
Balance, end of year	51,555	169,375
Other Current Benefit Coverage Obligations,		
at estimated amounts		
Balance, beginning of year	265,480	67,442
Net change during year	(65,480)	198,038
Balance, end of year	200,000	265,480
Total obligations other than postretirement benefit obligations	251,555	434,855
Postretirement Benefit Obligations:		
Balance, beginning year	114,336,000	80,922,000
Interest	1,762,000	4,689,000
Benefits paid	(512,000)	(1,486,000)
Actuarial (gains)/losses	1,545,000	25,435,000
Normal cost	2,708,000	5,377,000
Administrative expenses	(200,000)	(601,000)
Balance, end of year	119,639,000	114,336,000
Total Benefit Obligations, End of Year	$ 119,890,555	$ 114,770,855

Note 1 - Description of the Trust

The following description of the Retiree Health Trust (the "Trust") provides only general information. Trust participants should refer to the Trust Agreement and plan document for a more complete description of the Trust provisions.

General

The Agreement and Declaration of Trust by the Clark County Education Association (CCEA) was made on August 11, 2008. CCEA entered into a Collective Bargaining Agreement (CBA) with the Clark County School District (CCSD) providing for the creation of a retiree health and welfare plan for the employees covered by the CBA. The Trust was established to provide health benefits to the retired employees and their dependents. The Trust has elected to follow, but is not subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended.

Eligibility

All employees who retire from active employment with CCSD on or after January 1, 2009, and have attained the age of 52 with five years of service as a licensed employee are eligible to participate. Employees must be eligible for Public Employees' Retirement System (PERS) pension benefits and have been enrolled in the Teachers Health Trust (THT) plan for a minimum of five consecutive years immediately prior to retirement from CCSD.

Retirees that have a date of retirement prior to January 1, 2009 are eligible to obtain health coverage through insurance contracts that have been negotiated by the Trust.

Benefits

For all employees who retire from active employment with CCSD on or after January 1, 2009, the Trust provides medical, prescription drug, dental, vision, wellness, and life insurance to eligible participants and their covered dependents. All benefits are self-insured by the Trust, other than life insurance which is covered through insurance contracts. For all employees who retired from active employment from CCSD prior to January 1, 2009, the Trust provides health coverage through insurance contracts. Participants become eligible for coverage on the first day of the month following their retirement date and resulting termination of their active plan coverage.

The Trust utilizes a Pharmacy Benefits Manager (PBM) which periodically makes refunds to the Trust based on the Trust's actual utilization pattern of specific drugs.

Contributions

<u>Clark County School District</u> – Effective July 1, 2008, CCSD contributed $12.76 per month for each licensed employee pursuant to the then current collective bargaining agreement and an annual contribution of $1,400,000. As a result of contract negotiations and arbitration opinion, CCSD's monthly and annual contributions for the 2012-2013 contract year were suspended. The 2013-2014 collective bargaining agreement re-instated CCSD's monthly contribution to a reduced rate of $1.00 per month for each licensed employee and re-instated CCSD's annual contribution to a reduced amount of $100,000, effective September 1, 2013.

The 2014-2015 CBA was approved with both CCSD's monthly and annual contributions again suspended, effective September 1, 2014.

Active Licensed Employee – Effective September 2008, each licensed employee was required to contribute, through payroll withholding, $15.00 per pay period. On February 4, 2013, an arbitration opinion suspended the licensed employee contribution for the 2012-2013 contract year. The 2013-2014 collective bargaining agreement re-instated each licensed employees' contribution, but to a reduced amount of $1.00 per pay period, effective September 1, 2013.

The 2014-2015 CBA was approved and the licensed employee contributions for the 2014-2015 contract year were again suspended, effective September 1, 2014.

Trust participants (retirees) – In addition to deductibles, copayments, and coinsurance, retirees share in the costs of the Trust through required monthly contributions that are based on the retirees' years of service and unused sick leave at retirement and their date of retirement. Retirees that have a date of retirement prior to January 1, 2009 are required to contribute the entire monthly premium approximating $1,500 for the four months ended October 31, 2014 and year ended June 30, 2014. Retirees that have a date of retirement on or after January 1, 2009 are required to contribute a percentage of the $1,169 monthly premium as follows:

	Unused Sick Leave				
Years of Service	Less than 150 days	150-199 days	200-249 days	250-299 days	300 days or more
Less than 10 years	100%	100%	100%	100%	100%
10-19 years	70%	69%	68%	67%	66%
20-25 years	55%	54%	53%	52%	51%
26-29 years	45%	44%	43%	42%	41%
30 years and over	32%	31%	30%	29%	28%

Absent the availability of a subsidy, the Trust would have received a total of approximately $1,290,000 and $3,700,000 for the four months ended October 31, 2014 and year ended June 30, 2014, respectively from retiree participants. As a result of the subsidy schedule above, the Trust received $602,885 and $1,752,246 from retiree participants for the four months ended October 31, 2014 and year ended June 30, 2014, respectively.

The retirees are responsible for 100% of the monthly premium for their dependents. Upon eligibility of Medicare, the Trust offers a supplemental benefit with a required monthly contribution of the entire premium ranging from $258 to $298 for the four months ended October 31, 2014 and year ended June 30, 2014.

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting

The Trust maintains its records on the accrual basis of accounting as applied to employee benefit plans. Revenue is recognized when earned, and administrative expenses are recognized when incurred. Insurance premiums and benefits paid for participants are recorded when paid.

Investment Valuation and Income Recognition

The Trust’s investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date. Purchases and sales of investments are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date and interest income on the accrual method. Net appreciation (depreciation) includes the Trust’s gains and losses on investments bought and sold, as well as held during the year. The Trust has contracted with an investment manager and investment custodian to manage the Trust's investment assets. The Board of Trustees determines the Trust’s valuation policies and procedures utilizing information provided by the investment manager and investment custodian. For further information regarding fair value measurements of the Trust’s investments, see Note 4.

Cash Equivalents

The Trust considers all highly liquid investments with maturity of three months or less at the date of purchase to be cash equivalents.

Use of Estimates

The preparation of the 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 at the date of the financial statements and the reported amounts of revenues and expenses during the period. Significant estimates used by the Trust include the total benefit obligation and changes therein, claims incurred but not reported, and claims payable. Actual results could differ from these estimates.

Priorities Upon Termination

Except as may be otherwise provided by law, in the event of termination, the Trust agreement provides that any monies remaining in the Trust will be used for the continuance of the purpose for which the Trust was established and for the administrative expense of the Trust, until such monies are exhausted.

Other Assets

Other assets consist primarily of deposits for an annual conference attended by the Board of Trustees as well as prepaid insurance premiums.

Other Income

Other income consists primarily of prescription drug rebates from the Trust’s PBM. Such other income is recorded when earned.

Claims Payable and Estimated Claims Incurred but Not Reported

Trust obligations for health claims payable and claims incurred by participants but not reported at that date, are estimated by the Trust's management at October 31, 2014 and June 30, 2014. Trust management used a method that the progression of claim payment follows runoff patterns that are assumed to remain stable over time, adjusted for other factors that could impact the reserve adequacy.

Postretirement Benefits

The amount reported as the postretirement benefit obligation represents the actuarial present value of those estimated future benefits that are attributable by the terms of the Trust to employees' service rendered to the date of the financial statements, reduced by the actuarial present value of contributions expected to be received in the future from current plan participants. Postretirement benefits include future benefits expected to be paid to or for (1) currently retired or terminated employees and their beneficiaries and dependents and (2) active employees and their beneficiaries and dependents after retirement from service with CCSD. The postretirement obligation represents the amount that is to be funded by contributions from CCSD, active employees of CCSD and from existing Trust assets. Prior to an active employee's full eligibility date, the postretirement benefit obligation is the portion of the expected postretirement benefit obligation that is attributable to the employee's service rendered to the valuation date.

The actuarial present value of the expected postretirement benefit obligation is determined by an actuary and is the amount that results from applying actuarial assumptions to the historical claims-cost data to estimate future annual incurred claims costs per participant and to adjust such estimates for the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as those for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment.

For measurement purposes, an annual rate of increase in the per capita costs of covered health care benefits at October 31, 2014 and June 30, 2014 was assumed at 5% dental, 3.5% vision and 3% administrative expenses; the rates were assumed to remain at those levels. The annual rate of increase in the per capita costs of covered medical benefits at October 31, 2014 and June 30, 2014 was assumed as 7.25% in 2014 decreasing to an ultimate rate of 5.1% per annum by 2092.

The following were other significant assumptions used in the October 31, 2014 and June 30, 2014 valuations, respectively:

	October 31, 2014	June 30, 2014
Discount Rate:	4.50% compounded annually	4.60% compounded annually
Participation Rate:	30% for future retirees	30% for future retirees
Mortality:	RP-2014 combined annuitant/ non-annuitant mortality table with MP-2014 mortality projection scale	RP-2014 combined annuitant/ non-annuitant mortality table with MP-2014 mortality projection scale
Actuarial Cost Method:	Projected unit credit	Projected unit credit
Retiree Contributions:	Same level as current Trust provisions for the next year and increased thereafter based on health care trend rates	Same level as current Trust provisions for the next year and increased thereafter based on health care trend rates
Administrative Expenses:	$484 per capita per year plus a fixed administrative expense of $495,000 per year	$484 per capita per year plus a fixed administrative expense of $495,000 per year

The foregoing assumptions are based on the presumption that the Trust's provisions will continue. Were the Trust provisions to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of the postretirement benefit obligation.

Income Taxes

Based on a determination received from the Internal Revenue Service ("IRS") the Trust is exempt from federal income tax based upon Section 501 (c)(9) of the Internal Revenue Code ("IRC"). Accordingly, the Trust's net investment income is exempt from income taxes. The Trust has obtained a favorable tax determination letter, dated July 30, 2009, from the IRS, and management of the Trust believes it continues to qualify and to operate in accordance with applicable provisions of the IRC.

Accounting principles generally accepted in the United States of America require trust management to evaluate tax positions taken by the Trust and recognize a tax liability (or asset) if the Trust has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Trust administrator has analyzed the tax positions taken by the Trust, and has concluded that as of October 31, 2014, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Trust is subject to routine audits by the IRS; however, there are currently no income tax audits for any tax periods in progress. Trust management believes it is no longer subject to income tax examinations for years prior to 2010.

Subsequent Events

Management has evaluated subsequent events through September 10, 2015, which is the date these financial statements were available to be issued (see Note 9).

Note 3 - Investments

The Trust retains an investment consultant and manager to manage the Trust's investments according to the investment policies established by the Trust's Board of Trustees. Investments consisted of the following:

	October 31, 2014	June 30, 2014
Mutual funds	$ 33,738,505	$ 34,727,194
Exchange traded fund	3,753,197	3,880,624
U.S. Treasury note	346,297	267,156
U.S. government agency bonds	692,855	696,551
Municipal bonds	3,236,166	3,230,539
Corporate bonds	2,782,449	2,844,328
Certificate of deposit	3,013,725	3,000,000
Money market fund	272,569	295,358
	$ 47,835,763	$ 48,941,750

The fair value of individual investments that represent 5% or more of the Trust's net assets as of October 31, 2014 and June 30, 2014 are as follows:

	October 31, 2014	June 30, 2014
Mutual Funds		
AQR Risk Parity	$ 3,519,593	$ 3,567,397
PIMCO All Asset All Authority Fund, Institutional	3,352,124	3,500,509
PIMCO Income Fund, Institutional	2,474,336	2,476,285
PIMCO Total Return, Institutional	2,760,471	2,933,513
Schwab Fdmtl US Lg Co Idx	3,210,821	3,224,895
DFA Emerging Markets Core Equity	*	2,475,265
DFA International Small Cap Value	2,771,054	3,108,400
Stone Ridge Reinsurance Risk Prem Interval	3,017,700	2,867,272
Exchange Traded Fund		
JPMorgan Alerian MLP Index	3,753,197	3,880,624
Certificate of Deposit		
Bank of Nevada	3,013,725	3,000,000

* Investment balance less than 5% of Trust's net assets for applicable year.

During the four months ended October 31, 2014 and year ended June 30, 2014, the Trust's investments (including investments bought, sold and held during the year) depreciated by $687,518 and appreciated by $4,048,088, respectively, as follows:

	October 31, 2014	June 30, 2014
Net appreciation (depreciation) in fair value of investments		
Mutual funds and exhange traded fund	$ (679,375)	$ 3,997,914
U.S. Treasury note	1,084	(240)
U.S. government agency bonds	(3,471)	3,782
Municipal bonds	3,522	45,497
Corporate bonds	(9,278)	1,135
	$ (687,518)	$ 4,048,088

Note 4 - Fair Value Measurements

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC Topic 820 are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 Inputs to the valuation methodology include:
- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at October 31, 2014 and June 30, 2014.

- Money market fund: Valued at amortized cost, in accordance with rules under the Investment Company Act of 1940. Amortized cost approximated fair value.
- U.S. Government agency bonds: Valued based on inputs including interest-rate yield curves, cross-currency-basis index spreads and country credit spreads similar to the bond in terms of issuer, maturity and seniority.
- Municipal bonds: Valued based on a rating scale that includes type of issuer, credit rating, coupon, maturity date and certain criteria assumptions.
- Corporate bonds: Valued based on cash flow models that include interest rate yield curves.
- Mutual funds and exchange traded fund: Valued at the quoted net asset value (NAV) of the shares held by the Trust at year end.
- U.S. Treasury note: Valued at the quoted market price of the note in an active market.
- Non-negotiable certificate of deposit: Valued at cost which approximates fair value.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Trust believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables set forth by level, within the fair value hierarchy, the Trust's assets at fair value as of October 31, 2014 and June 30, 2014.

	Assets at Fair Value as of October 31, 2014			
	Level 1	Level 2	Level 3	Total
Money market fund	$ -	$ 272,569	$ -	$ 272,569
U.S. government agency bonds	-	692,855	-	692,855
Municipal bonds				
AAA credit rating	-	571,853	-	571,853
AA+ credit rating	-	293,040	-	293,040
AA credit rating	-	1,138,968	-	1,138,968
AA- credit rating	-	688,282	-	688,282
A credit rating	-	161,391	-	161,391
A+ credit rating	-	382,632	-	382,632
Corporate bonds				
AA+ credit rating	-	190,332	-	190,332
AA credit rating	-	189,406	-	189,406
A+ credit rating	-	627,303	-	627,303
A credit rating	-	748,706	-	748,706
A- credit rating	-	341,949	-	341,949
AA- credit rating	-	684,753	-	684,753
U.S. Treasury note	346,297	-	-	346,297
Mutual funds				
U.S. large cap	6,481,101	-	-	6,481,101
U.S. small/mid cap	2,218,248	-	-	2,218,248
International	6,763,524	-	-	6,763,524
Multi strategy	11,530,154	-	-	11,530,154
Fixed income	6,745,478	-	-	6,745,478
Exchange traded fund - multi strategy	3,753,197	-	-	3,753,197
Certificate of deposit	-	3,013,725	-	3,013,725
	$ 37,837,999	$ 9,997,764	$ -	$ 47,835,763

	Assets at Fair Value as of June 30, 2014			
	Level 1	Level 2	Level 3	Total
Money market fund	$ -	$ 295,358	$ -	$ 295,358
U.S. government agency bonds	-	696,551	-	696,551
Municipal bonds				
AAA credit rating	-	566,462	-	566,462
AA+ credit rating	-	294,917	-	294,917
AA credit rating	-	1,138,875	-	1,138,875
AA- credit rating	-	967,334	-	967,334
A credit rating	-	163,832	-	163,832
A+ credit rating	-	99,119	-	99,119
Corporate bonds				
AA+ credit rating	-	188,408	-	188,408
AA credit rating	-	189,225	-	189,225
A+ credit rating	-	632,568	-	632,568
A credit rating	-	805,434	-	805,434
A- credit rating	-	341,582	-	341,582
AA- credit rating	-	687,111	-	687,111
U.S. Treasury note	267,156	-	-	267,156
Mutual funds				
U.S. large cap	6,524,294	-	-	6,524,294
U.S. small/mid cap	2,330,757	-	-	2,330,757
International	7,368,164	-	-	7,368,164
Multi strategy	11,505,372	-	-	11,505,372
Fixed income	6,998,607	-	-	6,998,607
Exchange traded fund - multi strategy	3,880,624	-	-	3,880,624
Certificate of deposit	-	3,000,000	-	3,000,000
	$ 38,874,974	$ 10,066,776	$ -	$ 48,941,750

Note 5 - Concentration of Credit Risk

The Trust maintains its cash balances and certificate of deposit with Bank of Nevada. At October 31, 2014 and June 30, 2014, the Trust's uninsured bank balances totaled $3,217,364 and $3,129,671, respectively. Trust management periodically evaluates financial soundness of the financial institution and believes such assets do not pose a financial risk to the Trust.

Note 6 - Related Parties

THT

On August 11, 2008, the Teachers Health Trust (THT) signed an Administrative Services Agreement with the Trust, with an effective date of July 1, 2008. Under this Agreement, THT will provide services to the Trust, including claim processing, maintenance of eligibility records and other similar services in the same manner as those provided to THT. Effective September 1, 2009 through October 31, 2011, the monthly fee per retiree was $44.81 plus a flat administration fee of $4,000 per month. The fees have not been renegotiated and remain the same through October 31, 2014. Amounts paid to THT totaled $53,188 and $153,938 for the four months ended October 31, 2014 and the year ended June 30, 2014, respectively. Subsequent to October 31, 2014, the Trust merged into the THT (see Note 9).

CCEA

The CCEA signed a Service Agreement with the Trust, with an effective date of April 1, 2010. Under this Agreement, the CCEA, as the exclusive bargaining agent representing licensed personnel employed by CCSD, will provide services to the Trust, including representation during union contract negotiations, education of rights and benefits to CCSD active employees in the retirement process and other administrative services. Amounts paid to the CCEA totaled $58,418 and $258,597 for the four months ended October 31, 2014 and the year ended June 30, 2014, respectively.

Note 7 - Benefit Obligations

The Trust's deficiency of its net assets over benefit obligations at October 31, 2014 and June 30, 2014 is the result of the infancy of the Trust relative to the postretirement benefit obligation. It is expected that the deficiency will decline over time, however due to contract negotiations there has been a decrease in the current funding levels by CCSD and active employee contributions.

The health care cost-trend rate assumptions (see Note 2) have a significant effect on the amounts reported in the accompanying financial statements. If the assumed rates increased by one percentage point each year, it would increase the postretirement benefit obligation by approximately 14-17%.

Note 8 - Risks and Uncertainties

The Trust invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the Statements of Net Assets Available for Plan Benefits.

The actuarial present value of benefit obligations is reported based on certain assumptions pertaining to interest rates, health care inflation rates and employee demographics, all of which are subject to changes. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

In March 2010, President Obama signed into law the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010, collectively referred to as the Health Care Reform Act (Act). The Act includes a large number of health-related provisions to take effect over the next several years, many of which will not apply to the Trust given it is a retiree only plan. The impact to the Trust with respect to the excise tax on high cost plans was addressed in the postretirement benefit obligation estimated by the Trust's actuary. Based on current information available, other Act provisions are not anticipated to impact the Trust.

The majority of the Trust's participants are retired CCSD licensed employees. The Trust receives contributions from CCSD pursuant to the collective bargaining agreement determined between the CCEA and CCSD. While the 2014-2015 collective bargaining agreement between the CCEA and CCSD was finalized in October 2014, negotiations continue between the entities regarding outcome of future agreements.

Note 9 - Subsequent Events:

Trust Merger

Effective November 1, 2014, the Trust and THT (see Note 6) merged into a single trust, and THT is the surviving entity. All of the assets and liabilities of the Trust were consolidated with THT as of that date. Assets valued at 115% of the Estimated Retiree Liability were placed in an account segregated from the remainder of THT's assets and held by a separate custodian. The Estimated Retiree Liability calculated at a minimum annually, is based on the present value of all future payments expected to be made for continuing the premium subsidies for present and future retirees, as determined by an actuary. The Estimated Retiree Liability as of November 1, 2014 was $38,000,000.

Plan Design Changes

On June 23, 2015, the Board of Trustees of Teachers Health Trust approved the decision to initiate plan design changes for both active and retired participants via a development agreement with Well Health. On July 2, 2015, the Board of Trustees and Well Health signed the development agreement. Such design changes remain under development with an anticipated effective date of January 1, 2016.

Supplementary Information
October 31, 2014 and June 30, 2014

Retiree Health Trust

	October 31, 2014	June 30, 2014
CCEA service agreement	$ 58,418	$ 232,947
THT administrative services	53,188	153,938
Actuarial and audit fees	41,100	38,000
Professional fees	20,992	24,220
Trustees conference and meeting expense	17,390	3,801
Fiduciary liability insurance	8,017	22,950
Telephone expense	2,385	7,157
Postage and delivery	1,090	3,573
Remittance advice and EOB	742	1,915
Publication, subscription, and dues	82	1,154
EDI claims processing	31	142
Miscellaneous	27	124
	$ 203,462	$ 489,921

	October 31, 2014	June 30, 2014
United Healthcare / Secure Horizons	$ 60,908	$ 201,494
Group Term Life Insurance - Lincoln National Life	26,964	78,327
Medical PPO Network - Teachers Health Trust	3,691	10,514
Utilization Management - Health Care Partners	2,722	7,754
Behavioral Health - Human Behavior Institute	1,144	3,260
Vision PPO Network - Vision Service Plan	914	2,635
Dental PPO Network - Teachers Health Trust	762	2,192
	$ 97,105	$ 306,176