



**Nevada Public Agency Insurance Pool
Public Agency Compensation Trust**
201 S. Roop Street, Suite 102
Carson City, NV 89701-4779
Toll Free Phone (877) 883-7665
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**Minutes of Meeting of the
Audit Committee of
Nevada Public Agency Insurance Pool and
Public Agency Compensation Trust
Date: October 30, 2018 Time: 10:00 A.M.
Place: 201 S. Roop St., Suite 102
Carson City, NV 89701 and
Conference Call: 1-800-593-9034; Passcode: 15042**

1. Roll

Members Present: Cash Minor, Josh Foli, Gerry Eick

Others Present: Alan Kalt, Mike Rebaleati, Wayne Carlson, Debra Connally, Melissa Mack, Michael Bertrand

2. Public comment

Chair Minor opened public comment and hearing none, closed the comment period.

3. Action Item: Approval of Minutes of Meeting of October 26, 2017

On motion and second to approve the minutes, the motion carried.

4. Action Item: Acceptance of Auditor's Report and Recommendations Regarding Public Agency Compensation Trust

Cash Minor opened this item and requested Alan Kalt present his report. Alan reviewed his presentation overview of the audit. He thanked staff involved in preparation of the audit documentation. He indicated that he wrote a revised Executive Director letter and MD & A, making the two documents separate. He noted the significant cash transfers to Public Risk Mutual, NPAIP's captive, for additional capital in the captive. These transfers are amortized over 10-year cycles, thus reducing net income. He noted the \$1,850,000 revenue reduction due to resolution of the Douglas County assessments refund. He noted that claims reserves were relatively steady from the prior year. He highlighted the unallocated program costs which has a negative impact on the income and net position. He noted the unrealized loss on a marked to market basis. Alan reviewed several key financial performance ratios.

Michael Bertrand reviewed his audit committee letter, first going over prior year's recommendations and commented about the staff improvements in implementing his recommendations about protecting cells in supporting worksheets and other improvements in the supporting documentation. He commented on his findings from review of claims file documentation with no exceptions noted. He noted some lack of documentation of management's review of bank reconciliations for 3 months. Alan commented that the reconciliations were done timely by accounting staff and management had documented most of them. Alan began doing the review in addition to Wayne and Mike beginning in January when he joined staff and they are being done timely. He noted that accounting staff does the bank reconciliations within five days of the end of the month and sends email notification to management that the financials are ready for review.

Michael Bertrand affirmed the importance of this documentation. He then completed his comments on findings and responded to further questions. Gerry complimented staff on the improvements over the prior year. He then reviewed his communication with the board letter and responded to questions about that letter. Gerry thought the Executive Director report and the MD&A were clear and helpful reports.

5. Action Item: Acceptance of Audit: Public Agency Compensation Trust

On motion and second to accept the audit and to accept the auditor's report and recommendations, the motion carried.

6. Action Item: Acceptance of Auditor's Report and Recommendations Regarding Nevada Public Agency Insurance Pool

Cash Minor opened this item and requested Alan Kalt present his report. Alan reviewed his presentation overview of the audit. He thanked staff involved in preparation of the audit documentation. He indicated that he wrote a revised Executive Director letter and MD & A, making the two documents separate. He noted the significant cash transfers to Public Risk Mutual, NPAIP's captive, for additional capital in the captive. These transfers are amortized over 10-year cycles, thus reducing net income. He reviewed the claims reserves increased as a result of the actuarial analysis of reserve increases from claims. Operating revenue increased 4% but loss payments increased significantly. He highlighted the unallocated program costs which has a negative impact on the income and net position. He noted the unrealized loss on a marked to market basis. Alan reviewed several key financial performance ratios. Michael Bertrand commented about the large claims reserves development that occurred from the prior year.

Michael Bertrand reviewed his audit committee letter, first going over prior year's recommendations and commented about the staff improvements in implementing his recommendations about protecting cells in supporting worksheets and other improvements in the supporting documentation. He commented on his findings from review of claims file documentation. He noted some lack of documentation of management's review of bank reconciliations for 3 months. Alan commented that the reconciliations were done timely by accounting staff and management had documented most of them. Alan began doing the review in addition to Wayne and Mike beginning in January when he joined staff and they are being done timely. He noted that accounting staff does the bank reconciliations within five days of the end of the month and sends email notification to management that the financials are ready for review. Michael Bertrand affirmed the importance of this documentation. He then completed his comments on findings and responded to further questions. He then reviewed his communication with the board letter. Josh complimented staff on the improvements in quality.

7. Action Item: Acceptance of Audit: Nevada Public Agency Insurance Pool

On motion and second to accept the audit and to accept the auditor's report and recommendations, the motion carried.

8. Public comment

Chair Minor opened public comment and hearing none, closed the comment period.

9. Action Item: Adjournment

On motion and second to adjourn, the meeting adjourned.



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This Agenda was posted at the following locations:

**N.P.A.I.P./ P.A.C.T.
201 S. Roop Street, Suite 102
Carson City, NV 89701**

**Carson City Courthouse
885 E. Musser Street
Carson City, NV 89701**

**Eureka County Courthouse
10 S. Main Street
Eureka, NV 89316**

**Churchill County Courthouse
155 North Taylor Street
Fallon, NV 89406**

NOTICE TO PERSONS WITH DISABILITIES

Members of the public who are disabled and require special accommodations or assistance at the meeting are requested to notify the Nevada Public Agency Insurance Pool or Public Agency Compensation Trust in writing at 201 S. Roop Street, Suite 102, Carson City, NV 89701, or by calling (775) 885-7475 at least three working days prior to the meeting.