



**Nevada Public Agency Insurance Pool
Public Agency Compensation Trust**
201 S. Roop Street, Suite 102
Carson City, NV 89701-4779
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**MINUTES OF Meeting and Agenda of the
Audit Committee of
Nevada Public Agency Insurance Pool and
Public Agency Compensation Trust
Date: October 29, 2019 Time: 8:00 A.M.
Place: 201 S. Roop St., Suite 102
Carson City, NV 89701 and
Conference Call: 1-800-593-9034; Passcode: 15042
WEBEX Meeting number: 299 130 103
Password: POOLPACT!**

<https://poolpact.my.webex.com/poolpact.my/j.php?MTID=m78b7068ae2f1b19cd65991a7f427ee2c>

- 1. Roll** Audit Committee Members Present: Gerry Eick and Josh Foli. Others present: Michael Bertrand, Wayne Carlson, Mike Rebaleati, Alan Kalt, Debbie Connally and Melissa Mack.
- 2. Public comment:** There were none.
- 3. Action Item: Approval of Minutes of Meeting of October 30, 2018**
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**
Independent Auditor Michael Bertrand from Bertrand & Associates, LLC reviewed the unmodified clean opinion, Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position and the note related to unpaid loss liabilities. A discussion about the financial operations and investment income was had. Mr. Bertrand reviewed the letter to Audit Committee and the required communications with those charged with governance. Gerry Eick noted that the letter indicated "There were no material weaknesses noted, however there were other *significant deficiencies* which are noted in this letter." (*emphasis added*) He wanted to know which of the letter items 2-5 he considered "significant deficiencies"? Bertrand stated that item 4 proposed adjustment for the \$250,000 startup cost of Nevada Risk Pooling could be considered significant. He reviewed the other items noting they are worth noting but not significant. Staff addressed the current year audit letter comments. Bertrand commended management and staff on the good job they did on the assessment's worksheets. Noting this was the first year where there were no corrections or recommendations made relating to the various worksheets that support the revenues on the PACT financial statement. At the conclusion of the discussions, on motion and second to accept the Auditor's Report and Recommendations regarding Public Agency Compensation Trust, the motion carried.
- 5. Action Item: Acceptance of Audit: Public Agency Compensation Trust**

Josh Foli noted for that the two years presented, there has been a reduction in the Net Position even if you eliminate the amortization of the contributions to the Public Compensation Mutual Captive. He is concerned about this ongoing negative trend noting that revenues need to increase and or reduction in expenses to return to having increases in Net Position in the future. At the conclusion of this discussion, a motion and second to accept the Audit for the Public Agency Compensation Trust for the fiscal year ending June 30, 2019 and recommend approval to the Executive Committee, the motion carried.

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

Independent Auditor Michael Bertrand from Bertrand & Associates, LLC reviewed the unmodified clean opinion, Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position and the note related to unpaid loss liabilities. He noted a reduction in the prior year loss reserves as a result of payment of claims during the year. A discussion about the financial operations and investment income was had. Mr. Bertrand reviewed the letter to Audit Committee and the required communications with those charged with governance. Gerry Eick noted that the letter indicated "There were no material weaknesses noted, however there were other *significant deficiencies* which are noted in this letter." (*emphasis added*) He wanted to know which of the letter items 2-7 he considered "significant deficiencies"? Bertrand stated that item 4 non reoccurring journal entry review was significant as well as #5 updating the procedures manual and #6 the specific recoverables reconciliation as significant. He reviewed the other items noting they are worth noting but not significant. Staff addressed the current year audit letter comments. Bertrand commended management and staff on the good job noting a high level of cooperation though out the audit, timeliness in preparing audit schedules and improving accounting records.

At the conclusion of the discussions, on motion and second to accept the Auditor's Report and Recommendations regarding Nevada Public Agency Insurance Pool for fiscal year ending June 30, 2019, the motion carried.

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

Foli and Eick complimented staff for their hard work and efforts in connection with the audit. They appreciated the transmittal letter and management discussion and analysis to help the reader understand the financial operations of the POOLS during the year.

At the conclusion of this discussion, on motion and second to accept the Audit for the Nevada Public Agency Insurance Pool for the fiscal year ending June 30, 2019 and recommend approval to the Executive Committee, the motion carried.

8. Public comment : There was none.

9. Action Item: Adjournment

Upon a motion and second the meeting adjourned at 8:42 am.