



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
Telephone (775) 885-7475
Facsimile (775) 883-7398

**Notice of Joint Meeting and Agenda of
Executive Committees of
Nevada Public Agency Insurance Pool and
Public Agency Compensation Trust**

Date: Tuesday, April 2, 2019

Time: 8:30 A.M.

Place: at 201 S. Roop Street, Carson City, NV 89701

Conference Call-In Phone No: 1-800-593-9034; Passcode: 150420

<https://poolpact.my.webex.com/poolpact.my/j.php?MTID=ma2eb72d5fa1799d08b3255e2abd0fa65>
Meeting number: 626 331 661 Password: PoolPact

AGENDA

Notices:

- 1. Items on the agenda may be taken out of order;**
- 2. Two or more items on the agenda may be combined for consideration**
- 3. Any item on the agenda may be removed or discussion may be delayed at any time**
- 4. The general Public Comment periods are limited to those items not listed on the agenda. Public Comment periods are devoted to comments by the general public, if any, and may include discussion of those comments; however, no action may be taken upon a matter raised under Public Comments until the matter itself has been included specifically on an agenda as an item upon which action may be taken. Public Comments are Limited to Three Minutes per Person.**
- 5. At the discretion of the Chair of the meeting, public comments on specific agenda items may be allowed, but must be limited to the specific agenda item.**

- 1. Roll**
- 2. Public Comment**
- 3. For Possible Action: Consent Agenda**
 - a. Approval of Minutes of Joint Meeting of February 19, 2019**
- 4. For Possible Action: Status update for the Formation of Nevada Risk Pooling, Inc. and Approval of Final Grant for Submission to Boards**
- 5. For Possible Action: Acceptance of Report of Public Risk Mutual and Public Compensation Mutual Annual Audit**

6. **For Possible Action: Review of NPAIP and PACT Program Renewal Status and Options**
 - a. Willis Pooling Report
 - b. Review of Reinsurance Coverage and Retention for NPAIP and PACT
 - c. Renewal Reinsurance Strategies

7. **For Possible Action: Review of Services and Approval of**
 - a. PACT Budget for 2019-2020
 - b. NPAIP Budget for 2019-2020

8. **For Possible Action: Approval of Prospective Members of NPAIP and/or PACT**
 - a. White Pine County TV District #1

9. **For Possible Action: Review and Revise Drafts of April 16-17,2019 Annual Meeting Agendas Including:**
 - a. Executive Committee and Officers Up for Election at the Annual Meeting, Candidates and Conduct of the Elections
 - b. Draft Joint Board Agenda, NPAIP Board Agenda, PACT Board Agenda

10. **Public Comment**

11. **For Possible Action: Adjournment**

This Agenda was posted at the following locations and linked to the Official State Website <https://notice.nv.gov>:

N.P.A.I.P.
 201 S. Roop
 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 in writing at 201 S. Roop Street, Suite 102, Carson City, NV 89701-4790, or by calling (775) 885-7475 at least three working days prior to the meeting.



**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
Telephone (775) 885-7475
Facsimile (775) 883-7398

**Minutes of Joint Meeting of
Executive Committees of
Nevada Public Agency Insurance Pool and
Public Agency Compensation Trust**

Date: Tuesday, February 19, 2019

Time: 8:30 A.M.

Place: at 201 S. Roop Street, Carson City, NV 89701

Conference Call-In Phone No: 1-800-593-9034; Passcode: 150420

Webex Meeting number: 629 407 862

Password: AyfMpMSM

<https://poolpact.my.webex.com/poolpact.my/j.php?MTID=m8393340469791cbff161a2ee0578f151>

1. Roll

Members Present: Josh Foli, Cindy Hixenbaugh, Mike Giles, Elizabeth Frances, Gerry Eick, Chris Mulkerns, Ann Cyr, Cash Minor, Dan Murphy

Members Absent: Bev Conley, Paul Johnson

A quorum being present Vice Chair Josh Foli called the meeting to order.

2. Public Comment

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

3. For Possible Action: Consent Agenda

a. Approval of Minutes of Joint Meeting of November 5, 2018

On motion and second to approve the consent agenda, the motion carried.

4. For Possible Action: NEAM and SAA Investment Update

Kelly Sullivan from NEAM provided a review of the investment portfolio for the pools and captives and responded to questions. Dan Smereck of SAA highlighted the investment strategies and introduced a possible additional investment instrument for bank loans for consideration as part of current investment policies. He responded to questions. As part of the discussion, Dan noted that the enterprise risk work being done by NEAM would help with analyzing whether to include bank loans as an option. Gerry Eick suggested that if it is included that some authorization range be considered in the strategy.

Upon motion and second to accept the updates, the motion carried.

5. **For Possible Action: Status update for the Formation of Nevada Risk Pooling, Inc and Approval of Grant to Nevada Risk Pooling, Inc.**

Alan Kalt reviewed the budget approved by the NRP board and explained various allocation options for funding the grant by the pools and captives. Wayne Carlson commented on the status of the formation documents noting that the Secretary of State filing remains pending final approval. He noted that the board approved the various documents and policy statements subject to legal counsel review. Mike Rebaleati requested an advance of \$5,000 to establish a banking account by May 2019 so it is in place in advance of the July 1, 2019 grant period. Discussion ensued regarding the nature of the initial \$500,000 funding of NRP and whether it should be considered a capital contribution or initial advance for cash flow.

On motion and second to approve advancing \$5,000 to establish a banking account, the motion carried.

On motion and second to approve the proposed allocation of the grant budget as 35% POOL, 45% PACT, 5% PRM, 15% PCM, the motion carried.

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

6. **For Possible Action: Status update regarding Public Risk Mutual and Public Compensation Mutual annual audit.**

Alan Kalt provided an update on the captives' audits indicating that they were proceeding with an anticipated completion by mid-March for both audits. No action was deemed necessary.

7. **For Possible Action: PRI Budget for 2019-2020 grant period**

Wayne Carlson explained that the PRI budget had been approved by the PRI board. He commented that this is the last year of the five-year grant. The slight budget deficit reflects several changes in staffing including an increase in the SEP contribution from 17% to 20% as planned. He noted that PRI maintains a net position equal to about one-year's operations so can absorb the shortfall.

On motion and second to accept the budget report, the motion carried.

8. **For Possible Action: Acceptance of Reports:**

- a. **Executive Director**
- b. **Chief Operations Officer**
- c. **Chief Financial Officer**
- d. **Risk Manager**
- e. **Human Resources Manager**
- f. **E-Learning/Web Master**
- g. **ASC – Claims Manager**

a. Wayne Carlson indicated that his report is considered a draft only due to many changes, particularly some legislation introduced recently that may substantially and adversely impact workers compensation costs. He highlighted some of the changes.

b. Mike Rebaleati reviewed his written report and highlighted the cyber assessments, POOL Building repairs and another legislative item for volunteer firefighter deemed wages. Wayne Carlson commented that a recent case required combining deemed wages with wages from other employment for the purpose of calculating disability costs even when the employee is not disabled from the other employment. This will increase the impact of the proposed legislation.

c. Alan Kalt provided an overview of his involvement with CRL on the investment and underwriting committees. He referred members to his written report. He emphasized a new initiative he termed a Risk Management Services Road Show concept whereby teams of staff scheduled regional orientation (similar to a health fair) with groups of members to review POOL/PACT services coupled with a training session on a specific topic of interest. He asked for feedback and received positive input. A pilot test program would be planned locally to refine the concept.

d. Wayne Carlson reviewed the risk management activities on behalf of Marshal Smith. He highlighted the jail audits program underway and planned for all jails. Other programs were moving ahead as planned.

e. Stacy Norbeck provided an update of the HR Strategic Plan, noting the popularity of some classes resulted in adding additional sessions. She noted the staff changes and activities. She mentioned the POOL/PACT 101 Webinar she and Marshall Smith presented.

f. Mike Van Houten reviewed progress with the E-learning system utilization, course development and new projects that will replace some of the current BLR courses and safe costs. He noted development of a ticketing system to track resolution of user issues.

g. Donna Squires and Margaret Malzahn highlighted recent changes in operations, staffing plans and claims activity. They commented on some large claims. Workers compensation claims costs are increasing with disability rating requirements. In addition, the proposed legislative changes will further impact costs.

On motion and second to accept the reports, the motion carried.

9. For Possible Action: Review of NPAIP and PACT Program Renewal Status and Options

a. Willis Pooling Report

b. Review of Reinsurance Coverage and Retention for NPAIP and PACT

c. Renewal Reinsurance Strategies

a. Mary Wray provided an overview of the market noting that catastrophe losses have impacted the market pricing and underwriting strategies overall. Lloyds has tightened up its business operations controls which resulted in some syndicates' capacity being reduced or withdrawn from certain lines of business.

b. Mary Wray then reviewed the POOL and PACT program design quilts which show the various layers of retention and risk transfer for all participants on the programs. In addition, it shows the allocated premium per layer. She also reviewed the renewal pricing indications spreadsheet which compares the prior years rates using current year exposure bases to the renewal year indications. She highlighted the specific changes by reinsurer both in percentages and costs.

c. Mary Wray discussed renewal reinsurance strategies for addressing potential increases, alternative retention and layering approaches and the effect on program costs.

10. For Possible Action: Review of Services and Approval of

a. PACT Budget for 2019-2020

b. NPAIP Budget for 2019-2020

Alan Kalt summarized the proposed budgets and explained the proposed allocation of program costs between the pools and captives. He noted that the loss fund estimates were from the actuarial reports and that pricing for PRM was not yet received. He noted the estimated additional costs for building repairs to the POOL building. Reinsurance costs were based on conservative estimates. Risk Management grant dollars were reduced by \$100,000 in order to fund jail audits as a special program. A change in approach was to have the captives pay to the pools a fixed dollar amount for certain risk management services rather than paying them

directly, thus the revenue item to the pools. Regarding the options, he explained that option 1 was based on current allocations; option 2 reflected the reallocation of services costs from direct payment by the captives to direct payment by the pools with the captives contributing to the revenue of the pools to encourage continuance of those services. He responded to questions. Some discussion ensued regarding how the payments from the captives to the pools should be characterized from an accounting and legal perspective and staff agreed to further evaluate this aspect. Under PACT option 2, allocated costs of the cardiac wellness program would be added into the rate for heart-lung increasing it by \$1.00 to reflect that. In addition, the expansive legislative changes if approved will strain holding rates down in the future depending upon what gets passed. It was noted that entities should budget a 10% to 15% increase in program cost plus any known exposure changes.

On motion and second to continue this item to the next Executive Committee meeting, the motion carried.

11. **For Possible Action: Approval of Prospective Members of NPAIP and/or PACT**
- a. **Nevada Risk Pooling, Inc.**
 - b. **Pooling Resources, Inc.**

Wayne Carlson commented that legal counsel indicated that due to the nature of the services provided by both organizations they would be eligible for membership in both programs. He referred to the underwriting sheets for detailed information.

On motion and second to approve both organizations for membership in NPAIP and PACT, the motion carried.

12. **For Possible Action: Review and Revise Drafts of April 19-20,2018 Annual Meeting Agendas Including:**

- a. **Executive Committee and Officers Up for Election at the Annual Meeting, Candidates and Conduct of the Elections**
- b. **Draft Joint Board Agenda, NPAIP Board Agenda, PACT Board Agenda**
- c. **Proposed Amendments to POOL and PACT Interlocal Cooperation Agreements and Bylaws**

a. Wayne Carlson commented about the Executive Committee members up for election. Most incumbents indicated interest in continuing but some seats for small city/county members may open.

b. Regarding the proposed agendas, they reflect a change to have everything take place within 24 hours. The first day be more than a training day in order to shorten the second day of the meeting to get done by noon. The training portion on the first day will focus on short, lively, fun activities to help members understand the services, not to be the formal reports. Formal reports would be written and approved under a consent agenda that day. The second day would begin with investment reports and a limited number of additional items before moving on to the NPAIP and PACT agendas with a goal of finishing by noon. It was noted that members need to attend both days Members expressed appreciation of the changes. Members were encouraged to advise if additional items should be added.

c. No proposed changes were discussed.

On motion and second to approve, the motion carried.

13. **For Possible Action: Approval of POOL/PACT branding approach.**

Larry DiVincenzi provided an overview of the historical and proposed branding approach for POOL/PACT including logo colors, design, services distinctive marks, fonts and standardizing email signatures and written communication templates. He responded to questions.

On motion and second to approve the approach and to consider legal protection of the color and content, the motion carried.

14. For Possible Action: Approval of the next Joint Executive Meeting.

No action taken, but a suggest date of April 8th or 9th was made.

15. Public Comment

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

16. For Possible Action: Adjournment

Chair Foli adjourned the meeting at about 1:15 p.m.

The Agenda was posted at the following locations and linked to the Official State Website

<https://notice.nv.gov>:

**N.P.A.I.P.
201 S. Roop
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**

**NPAIP and PACT Grant Provisions, Terms and Conditions for
Nevada Risk Pooling, Inc. Administration Services**

Exhibit A Scope of Services

NEVADA RISK POOLING, INC., a Nevada nonprofit corporation, hereinafter called "NRP," will manage all administrative and risk management duties for Nevada Public Agency Insurance Pool (NPAIP aka POOL), Public Agency Compensation Trust (PACT), Public Risk Mutual (PRM), Public Compensation Mutual (PCM), and any other agreements and obligations for the respective organizations, collectively known as POOL/PACT:

1. Execute all administrative and risk management functions of POOL, PACT, PCM, and PRM, et al in accordance with the terms of the Interlocal Cooperative Agreement that created the POOL/PACT.
2. Manage the day-to-day operations of POOL/PACT as required to affect the purposes of POOL/PACT and as directed by POOL/PACT's Board of Directors.
3. Conduct its functions for POOL/PACT from the POOL's building located on 201 S. Roop St., Carson City, NV 89701 and to report to and maintain the files and records of POOL/PACT during the term of this Agreement.
5. Consult with and advise the Board of Directors on matters affecting POOL/PACT operations.
6. Coordinate dealings with POOL/PACT operations service providers, including its service company and broker, its claims management firm, its attorneys, each member's local insurance agent, and POOL, PACT, PCM, and PRM, et al operations insurers and reinsurers.
7. Secure the statutory bond required by law to cover its functions as association administrator for PACT.

8. Assist POOL/PACT with compliance with applicable State of Nevada laws and regulations pertaining to POOL/PACT operations in the capacity as association administrator.
9. At no time during the term of this Agreement or for a period of one year immediately following the termination of this Agreement will NRP engage in the provision of any of the services set forth in this Agreement in a manner which competes with POOL/PACT and the services provided to POOL/PACT by its current service providers. NRP further agrees it will not directly or indirectly, solicit or attempt to solicit business or patronage of any public entity in Nevada that is a member of POOL/PACT for the purpose of selling pooling, association risk sharing of similar insurance products or providing similar services.
10. NRP agrees all records resulting from services under this Grant and held by NRP on behalf of POOL/PACT shall be maintained and preserved in accordance with the provision of NRS 239.005 et seq. and shall remain the property of POOL/PACT at all times and will be surrendered to POOL/PACT upon termination or expiration of this Grant. NRP shall be permitted to copy, at its own expense, such portions of the files as may be necessary.
11. Conflicts of Interest. NRP shall conform to Nevada laws regarding ethics and conflicts of interest and shall disclose any conflicts of interest.
12. NRP will indemnify, defend and hold harmless POOL/PACT with respect to any claims asserted as a result of any errors, omissions, torts, intentional torts or other negligence on the part of NRP and/or its employees unless the complained of actions of NRP were taken at the specific direction of POOL/PACT.

**POOL/PACT Grant Provisions, Terms and Conditions for
Nevada Risk Pooling, Inc. Administration Services**

Grant No.: P/P 2019 Administration Services

Effective Date: July 1, 2019

Grantor: Nevada Public Agency Insurance Pool and
Public Agency Compensation Trust
201 S. Roop St., Suite 102
Carson City, NV 89701

Grantee: Nevada Risk Pooling, Inc.
201 S. Roop St., Suite 102
Carson City, NV 89701

Total Grant Amount:

GRANT SCHEDULE

- 1. Purpose:** The purpose of this Grant is to provide administrating and professional services to manage the day-to-day operations and to carry out those duties required to manage the Nevada Public Agency Insurance Pool (NPAIP), Public Agency Compensation Trust (PACT), Public Compensation Mutual (PCM), Public Risk Mutual (PRM), collectively referred to as POOL/PACT, consistent with any Bylaws, and amendments thereto. The Nevada Public Agency Insurance Pool (NPAIP) hereinafter will be referred to as POOL. This effort shall be carried out generally as set forth in the Grantee's proposed services stated in Exhibit A "Services to be Provided" attached to this document.
- 2. Requirements:** This Grant is subject to the laws and regulations of the State of Nevada. If any statute expressly prescribes policies or specific requirements that differ from the requirements, standards, provisions, or terms and conditions of this Grant, the provisions of the statute shall govern.
- 3. Order of Precedence.** Any inconsistency or conflict in the terms and conditions specified in this Grant shall be resolved according to the following order of precedence:

 - The Grant Schedule
 - These Terms and Conditions
- 4. Term:** The term of this Grant commences on July 1, 2019 and continues through Sixty (60) months (June 30, 2024) thereafter unless extended by mutual agreement or terminated as provided in Section 30.
- 5. Terms and Conditions:** This Grant is subject to the terms and conditions set forth in this document and any terms stated in Exhibit "A" and any special terms and conditions in this Grant Schedule.
- 6.** The Granting authority will be the Nevada Public Agency Insurance Pool (aka POOL) and the Public Agency Compensation Trust (PACT)

- 7. Grants Officer's Representative:** The Grants Officer's Representatives (GOR) representing POOL/PACT under this Grant are the respective Chairs of POOL and PACT.
- 8. Administrative Grants Office (AGO):** The Administrative Grants Office for this Grant is the NRP administrative office, 201 S. Roop St., Suite 102, Carson City, NV 89701-4790, Phone: (775) 885-7475.
- 9. Grantor Responsibility:** The Grantor has responsibility to cooperate with NRP in the establishment and funding of POOL/PACT. Grantor has the responsibility to:
 - a.** To consult with and provide direction to NRP administrative staff to establish funds for payment of claims and other obligations of POOL/PACT and to authorize NRP to be manager of the funds and to expend those funds for legal and financial obligations of POOL/PACT.
 - b.** To establish Bylaws, policies and procedures to govern the operation of POOL/PACT.
 - c.** To appoint legal counsel to advise POOL/PACT and its Executive Director with respect to matters affecting the operation of the POOL/PACT.
 - d.** To establish POOL/PACT office location from which NRP will conduct POOL/PACT operations and to fund the expenses thereof.
 - e.** To indemnify, defend and hold harmless NRP with respect to any claims asserted as a result of any errors, omissions, torts, intentional torts or other negligence on the part of POOL/PACT and/or its employees unless the complained of actions of POOL/PACT were taken at the specific direction of NRP.
- 10. Grantee Responsibility:** The Grantee has full responsibility for the services and activity supported by this Grant, in accordance with the Grantee's proposal (Exhibit A), and the terms and conditions specified in this Grant. Grantees are encouraged to suggest or propose to discontinue or modify unpromising services or to explore alternatives which may appear during the grant. However, they must consult the Grants Officer's Representative (GOR) through the Administrative Grants Office (AGO) before significantly deviating from the objectives or overall program originally proposed. The Grantee shall immediately notify the Grants Officer of developments that have a significant impact on the award-supported activities. Also, notification shall be given in the case of problems, delays, or adverse conditions which materially impair the ability to meet the objectives of the award. This notification shall include a statement of the action taken or contemplated, and any assistance needed to resolve the situation.
- 11. Amendment of Grant:** The only method by which this Grant can be amended is by a formal, written amendment signed by either the Grants Officer or the AGO. No other communications, whether oral or in writing, are valid.
- 12. Grant Funding:** This Grant is funded equal monthly installments payable at the end of each month following completion of services. Grantor's obligation to make payments to the Grantee is limited to only those funds obligated by this Grant or by modification to this Grant. Subject to availability of funds and continued satisfactory progress on the Grant as determined by Grantor. Grantor agrees to provide funding according to the following estimated schedule:

FY 2019-2020: \$1,500,000
FY 2020-2021: \$1,553,000
FY 2021-2022: \$1,607,000
FY 2022-2023: \$1,663,000
FY 2023-2024: \$1,721,000

The Grantee shall notify the GOR in writing promptly whenever the total Grant amount is expected to exceed the needs of the Grantee for the project period by more than \$100,000 or 5%, whichever is greater.

13. Payments: Advance Payment Method. Upon acceptance of the terms and conditions of this Grant by the Grantee to the AGO, the Grantee shall receive \$500,000 as start-up capital. Subsequent monthly payments will be made automatically at the end of each month after services are performed based on the annual grant amount.

14. Standards for Financial Management Systems: The Grantee's financial management system shall comply with Generally Accepted Accounting Principles for non-profit organizations.

15. Administration and Cost Principles: Applicable to this Grant are the following requirements:

Prior Approvals:

All prior approvals are waived hereby except for the following:

- a. Extension of the expiration period of this Grant.
- b. The need for additional funding.

Pre-award Costs:

- a. Grantees may incur pre-award costs of up to thirty (30) days prior to the effective date of the Grant award.
- b. Pre-award costs as incurred by the Grantee must be necessary for the effective and economical conduct of the project and the costs must be otherwise allowable in accordance with the appropriate cost principles.
- c. Any pre-award costs are made at the Grantee's risk. The incurring of pre-award costs by the Grantee does not impose any obligation on the Grantor, in the absence of appropriations, if an award is not subsequently made or if an award is made for a lesser amount than the Grantee expected.

Audit and Access to Records: The Grantee and its sub recipients shall be subject to audit requirements for nonprofit organizations per Generally Accepted Accounting Principles. The GOR shall have direct access to records and information of the Grantee to ensure full accountability for grant funds.

16. Grant Oversight: The POOL/PACT Executive Committees will oversee compliance with the terms of the grant and will monitor services delivery, scope and quality and recommend any changes to POOL/PACT.

17. Audit Requirements: As a condition of this grant, all funds shall be audited annually by a qualified

independent certified public accountant who shall report financial results and management recommendations to Grantor.

- 18. Unexpended Grant Funds:** Any funds not expended for the purposes set forth in this Grant shall be subject to refund to Grantor, unless otherwise directed by Grantor. Grantor may allow retention of unexpended funds for carryover to future grants, expansion or redirection of services or service delivery methods or for any other purpose deemed appropriate by Grantor.
- 19. Relationship of Grantor and Grantee:** Nothing in this grant shall be construed to create an employee-employer relationship between Grantor and Grantee. Grantee shall always be considered an independent contractor. Grantee agrees to keep Grantor informed about the services it provides on a regular basis in the form of reports to Grantor. Considering Grantee's status as an independent contractor, Grantee acknowledges and agrees that Grantor is not responsible for obtaining and maintaining workers compensation insurance. In accordance with the provisions of Chapter 616A through 616D and 617 of the Nevada Revised Statutes and Chapters 616 and 617 of the Nevada Administrative Code, Grantee agrees to provide Grantor a proper certificate certifying that it has obtained workers compensation insurance covering Grantee during the term of this grant. Grantee agrees to pay all premiums necessary to keep said workers' compensation insurance effective through the term of this grant.

Grantor shall not be responsible for any of Grantee's payroll, employee benefits, taxes, licenses, attorney's fees or expense for Grantee's activities not related to the services performed pursuant to this grant.
- 20. Insurance Requirements:** Grantee has the option to acquire workers compensation, property and casualty insurance from the POOL/PACT or maintain general liability, auto liability and errors or omissions insurance in an amount of at least \$1,000,000 each claim or occurrence and workers compensation insurance as required by law from a different provider. Certificates evidencing such coverage shall be provided to the GOR for each grant year.
- 21. Mutual Indemnification and Hold Harmless:** Grantee agrees to indemnify, defend and hold harmless Grantor with respect to any claims asserted because of any errors, omissions, torts, intentional torts or other negligence unless the complained of actions were taken at the specific direction of Grantor. Grantor agrees to indemnify, defend and hold harmless Grantee with respect to any claims asserted because of any errors, omissions, torts, intentional torts or other negligence unless the complained of actions were taken at the specific direction of Grantee.
- 22. Cooperation with Legal Counsel:** Grantee agrees to cooperate with Grantor's legal counsel for Grantor's members in matters affecting such members.
- 23. Cooperation with Grantor's Executive Committees:** Grantee agrees to cooperate with the Grantor's Executive Committees regarding provision of the services required in the grant or any modifications made to the grant regarding such services. Grantor's Executive Committees agree to cooperate with Grantee.
- 24. Records:** Grantee agrees that all records resulting from services under this grant and held by Grantee on behalf of Grantor shall be maintained and preserved in accordance with the provisions of NRS 239.005 et seq. and shall always remain the property of Grantor and will be surrendered to Grantor upon termination or expiration of this grant. Grantee shall be permitted to copy, at its own expense, such portions of the records as may be necessary.
- 25. Conflicts of Interest:** Grantee shall conform to Nevada laws regarding ethics and conflicts of interest and shall disclose any conflicts of interest.

26. Restrictions on Grantee: Without prior concurrence by Grantor's Executive Committees and its Grants Officers, Grantee may not perform services to individual members of Grantor on a fee for service or grant basis.

27. Reports and Reports Distribution: Reports shall be furnished as specified below:

(1) Quarterly Status Report - This report, due 30 days after the reporting period, shall keep the Grantor informed of Grantee activity and progress toward accomplishment of Grant objectives.

(2) Quarterly Financial Report – This report, due 30 days after the reporting period, shall include exhibits showing the financial standing of the Grantee, budget to actual income statements and other income and expense reports as necessary.

(3) Annual Audit – this report due 150 days after completion of each fiscal year of the Grant, shall be submitted by the independent auditor who shall be a certified public accountant.

28. Custody and Disbursements. NRP shall oversee the custody of and disbursement of all assigned funds but may delegate that disbursing authority as may be authorized by the Board, subject to the requirements of below.

28.1. Maintenance and Safekeeping. NRP shall assure the following activities are carried out appropriately:

28.1.1. Receive and acknowledge receipt for all funds of POOL/PACT and deposit them in the proper treasury;

28.1.2. Be responsible for the safekeeping and disbursement of all POOL/PACT funds;

28.1.3. Pay any sums due from POOL/PACT as approved by the Board or by anybody or person to whom the Board has delegated approval authority;

28.1.4. Verify and report in writing to the Executive Committee or the Board of POOL/PACT, as of the first day of each quarter of the Fiscal Year, the amount of money held for POOL/PACT, the amount of receipts since the last such report, and the amount paid out since that report;

28.1.5. Invest monies in accordance with applicable laws and regulations governing non-profit investments.

29. Property. All personal property, which includes all technology related items, will remain the property the Nevada Public Agency Insurance Pool.

30. Risk Management Services. NRP will provide risk management and insurance consulting services to members. These services will include but not limited to loss prevention, review of loss data, promotion and evaluation of loss prevention programs, and reports to members. The details of these services, such as assistance to members in the development and implementation of risk management policies, identification and evaluation of risk and Loss potentials, recommendations as to affirmative steps in order to avoid or reduce risks and losses, development of a system of claims reporting and on the scene investigation by member's personnel; and development and production of risk prevention educational programs for member's personnel will be reviewed and approved by all POOL/PACT Boards of Directors annually.

31. Termination and Enforcement:

a. Termination. This Grant may be terminated, in whole or in part, by the Grantor upon 90-day notice if the Grantee materially fails to comply with these terms and conditions or with the consent of the Grantee. The Grantee may terminate the Grant upon sending 180 days written notification to the Grants Officer.

b. Enforcement. If the Grantee fails to materially comply with these terms and conditions, the Grants Officer may impose special or take the appropriate action to initiate termination proceedings by Grantor.

32. Disputes, Claims, and Appeals:

a. Disputes and Claims. The Grantee may submit a claim arising out of or relating to the Grant by submitting the claim in writing to the Grants Officer for decision. The written submission must specify the nature and basis for the relief requested and include all data that supports the claim. Within 60 calendar days, the Grants Officer shall either prepare a written decision or notify the Grantee of a specific date when a decision will be rendered. The decision of the Grants Officer shall be final unless the Grantee decides to appeal.

b. Appeals. The Grantee may appeal the Grants Officer decision by filing a written notice of appeal to the Grantor and the Grants Officer within 30 days of receiving the decision. The Grantor shall decide the appeal based solely on the written record unless the Grantor decides to conduct a fact-finding procedure or an oral hearing on the appeal.

33. Acknowledgment of Sponsorship: The Grantee agrees that in the release of information relating to this Grant, such release shall include a statement to the effect that the project or effort depicted was or is sponsored by the Grantor. For the purpose of this article, information includes news releases, articles, manuscripts, brochures, advertisements, still and motion pictures, symposia, etc.

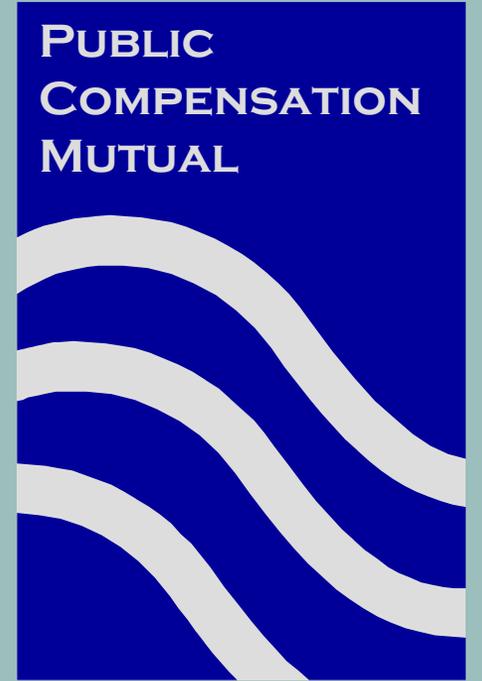
Grantor Acceptance of Grant

Grantee Acceptance of Grant

Cash Minor
Chair
Nevada Public Agency Insurance Pool

Wayne Carlson
Executive Director
Nevada Risk Pooling, Inc.

Paul Johnson
Chair
Public Agency Compensation Trust



PCM CAPTIVE AUDIT OVERVIEW

Year Ending December 31, 2018

KEY SECTIONS OF THE AUDIT REPORT

President's Letter

Management Discussion and Analysis

Independent Auditors Report

Financial Statements:

Balance Sheets

Statements of Income & Comprehensive Income

Statements of Changes in Surplus

Statements of Cash Flows

Compliance Section

Report on Internal Controls and NAC 694C.210



KEY PLAYERS

Wayne Carlson, Executive Director POOL/PACT

Mike Rebaleati, Captive President, COO

Alan Kalt, CFO

Deb Connally, Controller

Cash Minor, Chair PRM, Director PCM

Paul Johnson, Chair PCM, Director PRM

Josh Foli, Director, Audit Committee Member

Gerry Eick, Vice Chair PCM, , Audit Committee

Niki Neilon: Casey, Neilon & Associates: Audit Firm

Steve Balkenbush, General Counsel

Willis Towers Watson, Brokers

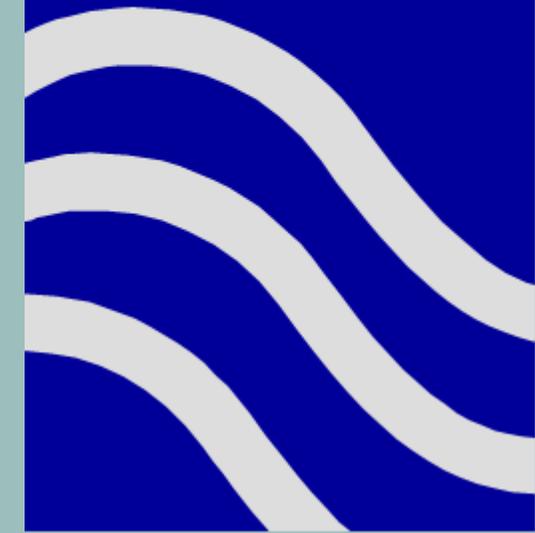
Derek Burkhalter, Actuary



**PUBLIC COMPENSATION MUTUAL
BALANCE SHEETS
DECEMBER 31, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
ASSETS		
Cash and cash equivalents	\$ 855,598	\$ 302,559
Investments	72,834,863	73,263,348
Investment income receivable	318,679	285,885
Prepaid expenses	74,250	-
	<hr/>	<hr/>
Total Assets	<u>\$ 74,083,390</u>	<u>\$ 73,851,792</u>
LIABILITIES AND SURPLUS		
Accounts payable	\$ 30,800	\$ 31,257
Reserve for loss and loss adjustment expenses	4,549,000	3,082,000
Unearned premiums	803,500	965,708
	<hr/>	<hr/>
Total Liabilities	<u>5,383,300</u>	<u>4,078,965</u>
Surplus	70,595,348	68,327,042
Accumulated other comprehensive income (loss)	(1,895,258)	1,445,785
	<hr/>	<hr/>
Total Surplus	<u>68,700,090</u>	<u>69,772,827</u>
	<hr/>	<hr/>
Total Liabilities and Surplus	<u>\$ 74,083,390</u>	<u>\$ 73,851,792</u>

**PUBLIC
COMPENSATION
MUTUAL**



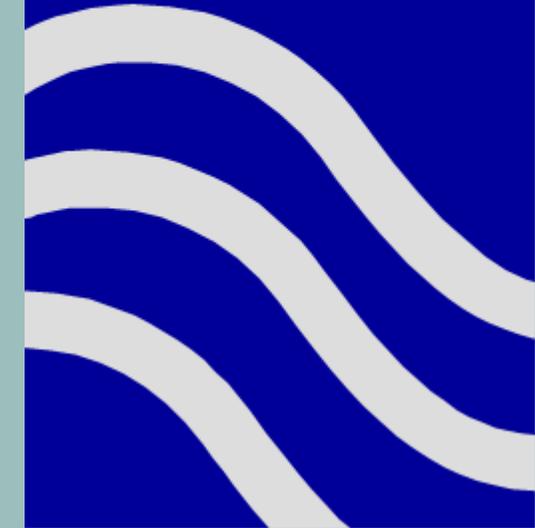
**PUBLIC
COMPENSATION
MUTUAL**



**PUBLIC COMPENSATION MUTUAL
STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

	2018	2017
INCOME		
Premiums	\$ 1,769,208	\$ 1,588,740
Net investment income	2,138,929	1,826,118
Total Income	3,908,137	3,414,858
EXPENSES		
Administrative fees	172,829	67,905
Loss and loss adjustment expenses	1,467,002	123,000
Total Expenses	1,639,831	190,905
Net Income Before Income Taxes	2,268,306	3,223,953
Provision for income taxes	-	-
Net Income	\$ 2,268,306	\$ 3,223,953
OTHER COMPREHENSIVE INCOME		
Unrealized gains (losses) on available for sale securities arising during the period	\$ (3,353,577)	\$ 2,237,124
Less: Reclassification adjustment for (gains) losses recognized in net income	12,534	(381,914)
Other Comprehensive Income (Loss)	(3,341,043)	1,855,210
Comprehensive Income (Loss)	\$ (1,072,737)	\$ 5,079,163

**PUBLIC
COMPENSATION
MUTUAL**

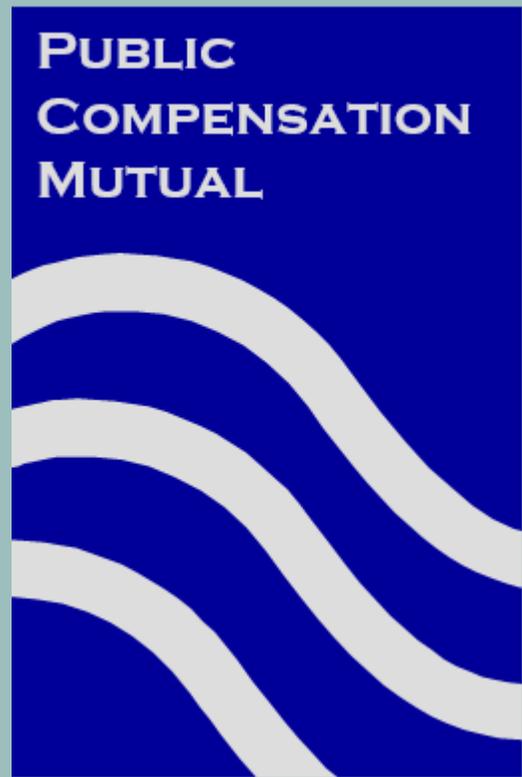


**PUBLIC
COMPENSATION
MUTUAL**



Total Capital Contributions From PCM	\$53,700,939
Investment Balance at 12-31-2018	\$72,834,863
Reserves for losses and loss adjustments	\$ 4,549,000
Net Investment Income for 2018	\$ 2,138,929
Unrealized Gains (losses) on investments	(\$ 3,353,577)
Surplus Balance at 12-31-2018	\$68,700,090

See detailed financial statements and notes for more details.

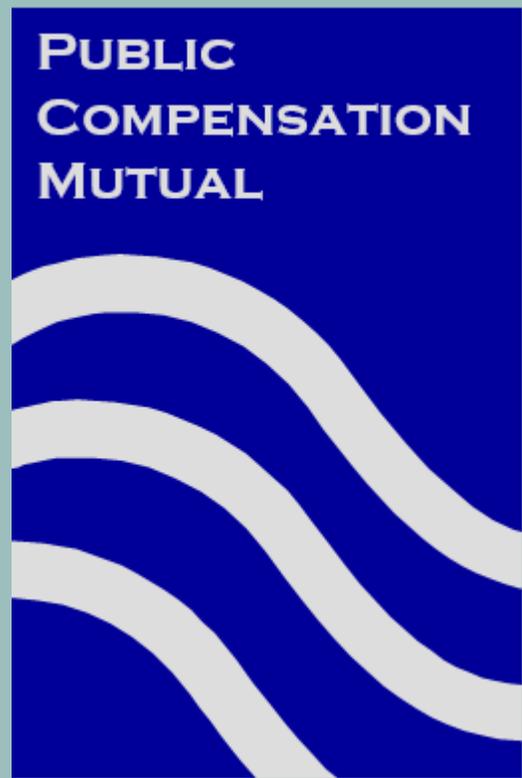


PUBLIC
COMPENSATION
MUTUAL



Five Year Benchmark Data 2014-2018

	2014	2015	2016	2017	2018
Total Assets/Total Liabilities					
Ratio	15.0	13.0	12.0	18.1	13.8
Change In Net Surplus					
Ratio	4.2%	3.3%	8.3%	75.8%	-1.5%
Reserve Leverage (Claims Reserves/Total Surplus)					
Ratio	5.5%	6.7%	7.5%	4.4%	6.6%
Loss Ratios (Losses/Premiums)					
Ratio	76.1%	42.7%	41.6%	7.7%	82.9%
Expense Ratio (Total Expenses/Premiums)					
Ratio	7.0%	5.6%	5.5%	4.3%	9.8%



PUBLIC
COMPENSATION
MUTUAL

KEY FINANCIAL
BENCHMARKS



QUESTIONS & ANSWERS

Thanks for your support!

Public Risk
Mutual



PRM CAPTIVE AUDIT OVERVIEW

Year Ending December 31, 2018

KEY SECTIONS OF THE AUDIT REPORT

President's Letter

Management Discussion and Analysis

Independent Auditors Report

Financial Statements:

Balance Sheets

Statements of Income & Comprehensive Income

Statements of Changes in Surplus

Statements of Cash Flows

Compliance Section

Report on Internal Controls and NAC 694C.210



KEY PLAYERS

Wayne Carlson, Executive Director POOL/PACT

Mike Rebaleati, Captive President, COO

Alan Kalt, CFO

Deb Connally, Controller

Cash Minor, Chair PRM, Director PCM

Paul Johnson, Chair PCM, Director PRM

Josh Foli, Director, Audit Committee Member

Gerry Eick, Vice Chair PCM, , Audit Committee

Niki Neilon: Casey, Neilon & Associates: Audit Firm

Steve Balkenbush, General Counsel

Willis Towers Watson, Brokers

Derek Burkhalter, Actuary



**PUBLIC RISK MUTUAL
BALANCE SHEETS
DECEMBER 31, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
ASSETS		
Cash and cash equivalents	\$ 309,851	\$ 147,455
Deposits	5,000	-
Investments	40,914,152	42,335,839
Investment income receivable	<u>176,272</u>	<u>166,274</u>
 Total Assets	 <u>\$ 41,405,275</u>	 <u>\$ 42,649,568</u>
 LIABILITIES AND SURPLUS		
Accrued expenses	\$ 18,532	\$ 72,134
Unearned premium	586,000	581,000
Reserve for loss and loss adjustment expenses	<u>3,591,000</u>	<u>2,495,000</u>
 Total Liabilities	 <u>4,195,532</u>	 <u>3,148,134</u>
 Surplus	 37,989,713	 38,148,484
Accumulated other comprehensive income (loss)	<u>(779,970)</u>	<u>1,352,950</u>
 Total Surplus	 <u>37,209,743</u>	 <u>39,501,434</u>
 Total Liabilities and Surplus	 <u>\$ 41,405,275</u>	 <u>\$ 42,649,568</u>

Public Risk Mutual



PUBLIC RISK
MUTUAL



PUBLIC RISK MUTUAL
STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
REVENUES		
Premiums earned	\$ 1,167,000	\$ 1,086,250
Net investment income	1,266,846	1,137,542
Total Revenues	<u>2,433,846</u>	<u>2,223,792</u>
EXPENSES		
Administrative expenses	129,321	76,231
Membership services expense	412,238	266,471
Loss and loss adjustment expenses	<u>2,051,058</u>	<u>1,861,698</u>
Total Expenses	<u>2,592,617</u>	<u>2,204,400</u>
Net Income (Loss) Before Income Taxes	(158,771)	19,392
Provision for income taxes	-	-
Net Income (Loss)	<u>\$ (158,771)</u>	<u>\$ 19,392</u>
OTHER COMPREHENSIVE INCOME		
Unrealized gains (losses) on available for sale securities arising during the period	\$ (2,165,741)	\$ 1,465,793
Less: Reclassification adjustment for (gains) losses recognized in net income	<u>32,821</u>	<u>(219,297)</u>
Other Comprehensive Income (Loss)	<u>(2,132,920)</u>	<u>1,246,496</u>
Comprehensive Income (Loss)	<u>\$ (2,291,691)</u>	<u>\$ 1,265,888</u>

Public Risk Mutual



PUBLIC RISK
MUTUAL



Total Capital Contributions From POOL	\$29,477,263
Investment Balance at 12-31-2018	\$40,914,152
Reserves for losses and loss adjustments	\$ 3,591,000
Net Investment Income for 2018	\$ 1,266,846
Unrealized Gains (losses) on investments	(\$ 2,165,741)
Membership Services Expense (Cyber)	\$ 412,238
Surplus Balance at 12-31-2018	\$37,209,743

See detailed financial statements and notes for more details.

Public Risk Mutual



PUBLIC RISK
MUTUAL

KEY FINANCIAL
FIGURES



Five Year Benchmark Data 2014-2018

	2014	2015	2016	2017	2018
Total Assets/Total Liabilities					
Ratio	15.1	13.3	12.6	13.6	9.9
Change In Net Surplus					
Ratio	11.7%	5.5%	9.0%	39.9%	-5.8%
Reserve Leverage (Claims Reserves/Total Surplus)					
Ratio	1.9%	1.8%	6.8%	6.3%	9.7%
Loss Ratios (Losses/Premiums)					
Ratio	-162.7%	48.8%	49.4%	171.4%	175.8%
Expense Ratio (Total Expenses/Premiums)					
Ratio	10.3%	8.0%	7.5%	31.5%	46.4%
Surplus to Retention Ratio (Surplus/Blended Retentions)					
			10.3	13.9	13.9

Public Risk Mutual



PUBLIC RISK
MUTUAL

KEY FINANCIAL
BENCHMARKS



QUESTIONS & ANSWERS

Thanks for your support!

PUBLIC COMPENSATION MUTUAL

DECEMBER 31, 2018 AND 2017

**PUBLIC COMPENSATION MUTUAL
DECEMBER 31, 2018 AND 2017**

TABLE OF CONTENTS

	<u>PAGE NO.</u>
PRESIDENT'S LETTER	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	2-8
INDEPENDENT AUDITOR'S REPORT	9-10
FINANCIAL STATEMENTS	
Balance Sheets	11
Statements of Income and Comprehensive Income	12
Statements of Changes in Surplus	13
Statements of Cash Flows	14
Notes to Financial Statements	15-26
COMPLIANCE SECTION	
Report on Internal Control and Compliance over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Nevada Administrative Code 694C.210	27

President's Letter

Public Compensation Mutual (PCM) had a significant year in 2018 that reflects its strength despite some major claims:

- ❖ PCM is a pure captive of the Public Agency Compensation Trust (PACT). There was no additional surplus contribution in 2018 so PACT's surplus contribution total of \$53,700,939 remains unchanged.
- ❖ PCM continued to provide \$700,000 excess of PACT's \$300,000 retention and 25% quota share of \$2,000,000 excess of the first \$1,000,000 for worker's compensation coverage. In the aggregate for all ceding entity losses, \$1,500,000 part of \$3,000,000 annually, to attach (a) once any other annual aggregate excess/reinsurance coverage obtained by the ceding entity has been exhausted or, (b) at an annual retention of \$10,000,000 in the aggregate, whichever is greater. This coverage helped PACT absorb the major claims that occurred in 2018 while maintaining financial stability.
- ❖ With the assistance of New England Asset management (Fixed Income Manager) and Strategic Asset Alliance (Investment Advisor), investment earnings grew to \$2,138,929 compared to \$1,826,118 in 2017. The investment base in 2018 was \$72,834,863 compared to \$73,263,384 in 2017. This investment income is key to the Risk Management and claim coverage for the PACT and PCM. PCM's investment portfolio includes U.S. government obligations, U.S. state and local bonds, U.S. corporate bonds, fixed income mutual funds, bond mutual funds and equity mutual funds.
- ❖ PCM's reserves for loss and loss adjustment expenses increased to \$4,549,000 in 2018 from \$3,082,000 in 2017. These reserves are based on a 75% confidence level. This increase in actual losses and loss adjustment expenses of \$123,000 in 2017 to \$1,467,002 in 2018. The actual losses and loss adjustment expenses increased by \$590,002 from \$123,000 in 2017 to \$1,467,002 in 2018. The increase was primarily due to the adverse development of current year losses related to losses related to workers compensation business in 2018. PCM incurred losses related to 2018, as determined by the independent actuary, were \$2,102,000 offset by a reduction in prior years losses of (\$635,000) as indicated in note 6 of the financial report. This type of volatility is expected when dealing with workers compensation claims.
- ❖ PCM's total surplus as of December 31, 2017 was \$69,772,827 compared to \$68,700,090 as of December 31, 2018.

One of PCM's goals is to continue to increase investment earnings while providing PACT added value to workers compensation coverage. This has been instrumental when PCM is seeking reinsurance and excess quotes from its reinsurance partners.

Building financial strength and security is a long-held value of PACT and PCM. Under the Board's direction and leadership, we continue to work toward achieving those goals.

I personally want to thank the board of trustees for PACT and the PCM Captive board of trustees for their commitment to the dynamic development of the coverages and risk management products that we support.

Best,

Michael Rebaleati

PCM President

PUBLIC COMPENSATION MUTUAL
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2018 AND 2017

Public Compensation Mutual's (PCM) discussion and analysis is designed to, (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the entity's financial activities, (c) identify changes in the Company's financial position (its ability to address next and subsequent years challenges), and (d) identify any material deviations from the financial plan.

We encourage readers to read this information in conjunction with the President's letter, financial statements and notes to gain a more complete understanding of the information presented.

Company Overview

Public Compensation Mutual ("the Company"), a Nevada nonprofit pure captive mutual insurer formed pursuant to Nevada Revised Statutes 694C, is engaged in the business of providing reinsurance for the Public Agency Compensation Trust (PACT). Effective July 18, 2013, the Company became a pure captive authorized by the State of Nevada Division of Insurance, prior to that date, the Company was an association captive. Currently, the Company issues a single reinsurance policy to PACT each year and the underlying PACT program in turn issues a single certificate of participation to the members with a copy of the PACT Coverage Form to each member.

Financial Highlights

The financial statements are prepared in accordance with accounting principles generally accepted in the United States of America, including the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

The auditor's report offers an unmodified opinion on the financial statements, the best opinion that can be attained.

Critical Accounting Estimates

The preparation of financial statements 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 amount of income and expenses during the accounting period. Actual results could differ from these estimates.

PCM has identified the estimates inherent in the valuation of investments and loss reserves (including reserves for incurred but not reported claims- IBNR) as critical in that they involve a higher degree of judgment and are subject to a significant degree of variability. In developing these estimates, management makes subjective and complex judgements that are inherently uncertain and subject to material change as facts and circumstances develop. Although variability is inherent in these estimates, management believes the amounts provided are appropriate and conservative based upon the facts available as of the date of the financial statements. PCM uses the assistance of an independent outside actuarial firm in relation to the IBNR and overall loss reserve adequacy.

Investments

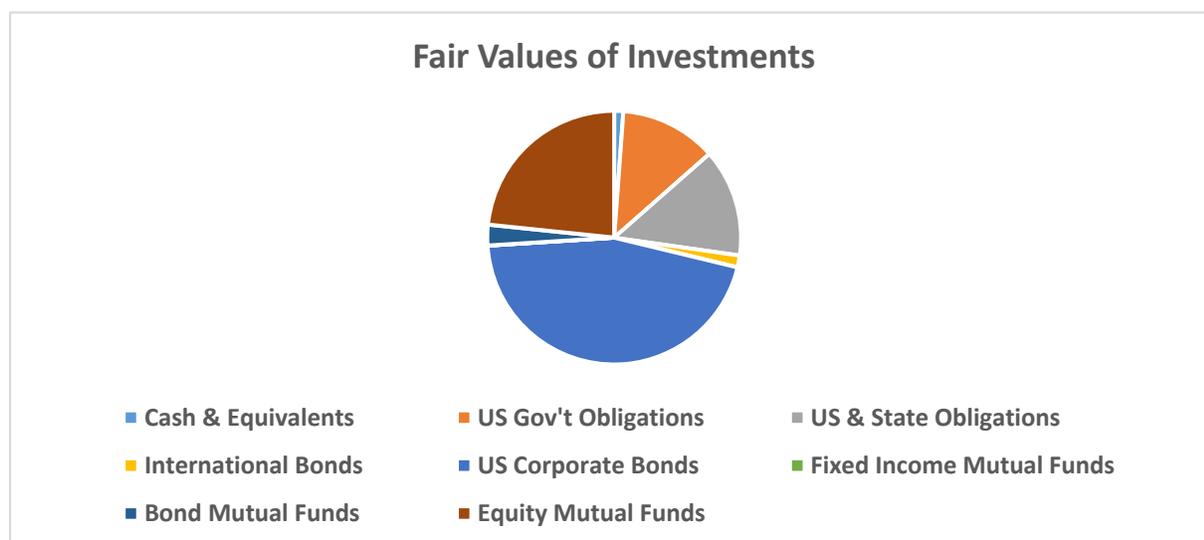
One significant estimate inherent in the valuation of investments is the evaluation of fair value and other than temporary impairment (OTTI). Fair value requires management judgement on the

appropriate classes of assets and liabilities for which disclosures about fair value measurement should be provided. Fair value for investments is primarily a quantitative assessment. For debt and equity securities, class is determined on the basis, nature and risk of the investments. A full disclosure of PCM's fair value methodology can be found in Note 3 Fair Value of Financial Instruments in the Notes to the Audited Financial Statements.

The determination of OTTI is a quantitative and qualitative process, which is subject to judgment in the determination of whether declines in the fair value of investments are other than temporary. The cost basis of fixed maturity investments is adjusted for impairments in value, deemed to be other than temporary, with the associated realized loss reported in net income. Factors considered in evaluating whether a decline in value is other than temporary include: 1) the magnitude of the decline in value; 2) current economic conditions and the financial condition and near-term prospects of the issuer; 3) the amount of time that the fair value has been less than cost; and 4) the estimated period over which the security is expected to recover and whether PCM's cash or working capital requirements and contractual or regulatory requirements may indicate a need to sell the security before its forecasted recovery.

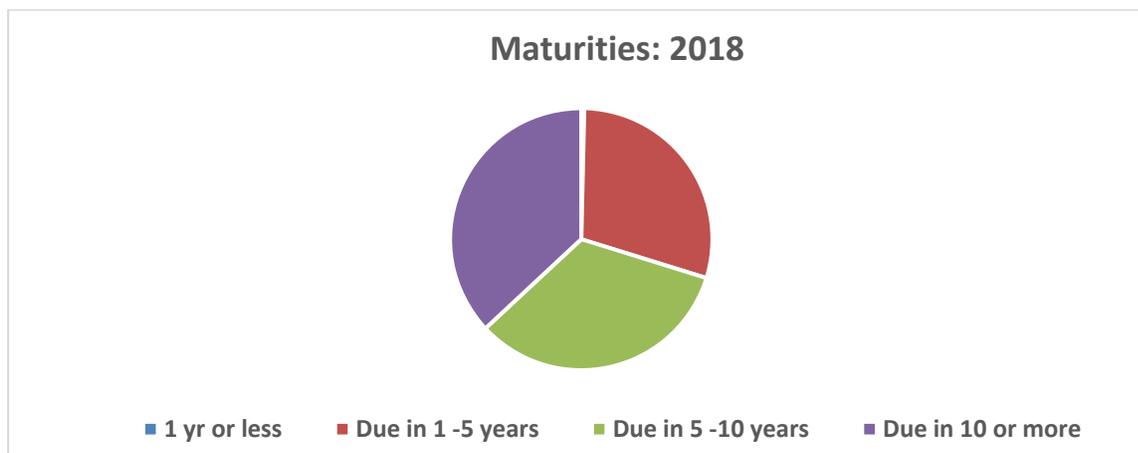
Cash and investments of \$73,690,461 are available to meet current liabilities, including reserves for loss and loss adjustment expenses of \$5,383,300. Total liabilities include accounts payable, reserves for loss and loss adjustment expenses and unearned assessments. This is a conservative measure of cash and investments available to pay current obligations. PCM's cash ratio is 13.7, meaning that the it has 13.7 times the unrestricted cash and investments on hand to meet its obligations. Last year's cash ratio was 18.0.

Investment balances as of December 31, 2018 were \$72,834,863 compared to the prior year amount of \$73,263,348. This represents a decrease of \$428,485 or 0.6%. The decrease is due primarily to the sale of investments during the year to pay claims. As noted in Note 3, Level 1 quoted price in active market for identical assets were valued at \$20,009,610 the Level 2 significant other observable inputs at \$53,680,851 and no Level 3 assets. The following is an overview of the fair value investments:



As noted in Note 5- Investments, the contractual maturities of available-for-sale debt securities at December 31st 2018 and 2017 are as follows:

	Estimated Fair Values	
	2018	2017
1 year or less	\$ 197,196	\$ -
Due in 1 – 5 years	15,797,000	13,328,183
Due in 5 -10 years	17,857,716	18,259,041
Due in 10 years or more	<u>19,828,939</u>	<u>21,214,935</u>
Total Investment in debt securities	<u>\$53,680,851</u>	<u>\$52,802,159</u>



Investment Income Receivable

The investment income receivable at December 31, 2018 is \$318,679 compared to \$285,885 in 2017. This is a change of \$32,794 or 11.5%. This is due primarily to the timing of the payment of accrued interest on the investments.

Loss Reserves

Loss reserves are estimates of losses and loss development and as such will differ from the ultimate results. Therefore, one of the critical accounting estimates is the proper amount of reserves to be set aside to meet net future liabilities of the current in-force business. Changes in or deviations from the assumptions used to develop the loss reserves can significantly affect PCM's reserve levels and related future operations. Assumptions include company methodology for underwriting and claims handling and current estimates of the legal, inflation rate, and social environments. Annually, PCM retains an outside independent actuary to provide a loss reserve opinion and establish a range for PCM's loss reserves. PCM's policy is to book reserves at the 75% confidence level as recommended by the actuary. Management has elected not to discount the reserves for anticipated investment income. See Note 6- Reserve for Loss and Loss Adjustment Expense note in the financial statements.

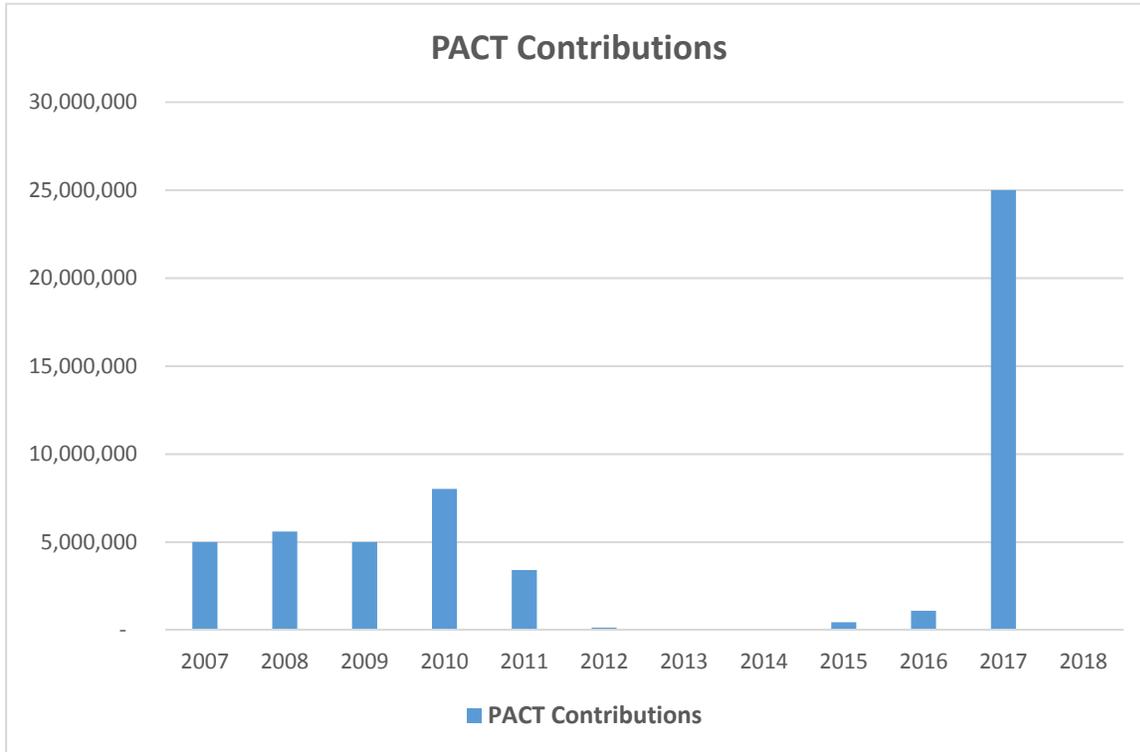
Reserves for loss and loss adjustment expenses increased from \$3,082,000 to \$4,549,000 at December 31, 2018 an increase of \$1,467,000 or 47.6% during the year due to case reserve increases on a couple of severe loss claims incurred during the year.

Unearned Premiums

PCM writes only 12-month insurance policies effective July 1st the year written, so all of the \$803,500 unearned premiums carried in 2018 will be fully earned in 2019.

Surplus Contributions

There were no surplus contributions from PACT during 2018. Surplus contributions during 2017 were \$25,000,000 as approved by the Board at their meeting held on March 22, 2017 meeting. This compares to the surplus contribution of \$1,093,260 approved on March 21, 2016. This brings the total surplus contribution into PCM at \$53,700,939. See Note 6 for more details. The following chart indicates PACT's surplus contributions to PCM



Surplus

PCM's total surplus at December 31, 2018 was \$68,700,090 a decrease of \$1,072,737 from the December 31, 2017 balance of \$69,772,827. The decrease results from net income of \$2,268,306 offset with accumulated other comprehensive loss of \$3,341,043 during the year.

The following is the comparative Balance Sheet of Public Compensation Mutual as of December 31, 2018 and 2017.

Public Compensation Mutual				
Balance Sheet				
	2018	2017	\$ Difference	% Difference
Assets				
Cash and cash equivalents	\$ 855,598	\$ 302,559	\$ 553,039	182.8%
Investments	72,834,863	73,263,348	(428,485)	-0.6%
Investment income receivable	318,679	285,885	32,794	11.5%
Prepaid expenses	74,250		74,250	
Total Assets	\$ 74,083,390	\$ 73,851,792	\$ 231,598	0.3%
Liabilities and Surplus				
Accounts payable	\$ 30,800	\$ 31,257	\$ (457)	-1.5%
Reserve for loss and loss adjustment expenses	4,549,000	3,082,000	1,467,000	47.6%
Unearned assessments	803,500	965,708	(162,208)	-16.8%
Total liabilities	\$ 5,383,300	\$ 4,078,965	\$ 1,304,335	29.3%
Surplus	70,595,348	68,327,042	2,268,306	3.3%
Accumulated other comprehensive income (loss)	(1,895,258)	1,445,785	(3,341,043)	-231.1%
Total Surplus	68,700,090	69,772,827	(1,072,737)	-1.5%
Total Liabilities and Surplus	\$ 74,083,390	\$ 73,851,792	\$ 231,598.00	0.3%

Net Income from Operations

PCM reported net income from operations for the year ended December 2018 of \$2,268,306 a decrease of \$955,647 from the prior year end income of \$3,223,953. The decrease is primarily driven by an increase in investment income of \$312,811 offset by underwriting gains (premiums less expenses) of \$129,377 compared to prior year underwriting gains of \$1,397,835. The significant reduction in the underwriting gains is due to the increase in the loss and loss adjustment expenses during the year. See further explanation below.

Net Earned Premiums

Net earned premiums of \$1,769,208 increased by \$180,468 or 11.4% from \$1,588,740 at December 31, 2017. This increase in 2018 due to higher coverage limits going to \$700,000 excess of \$300,000 in Fiscal Year 7-1-2017 to 6-30-2018 compared to \$500,000 excess of \$500,000 in Fiscal Year 7-1-2016 to 6-30-2017 as well as higher assessment based on claims experience.

Investment Income Including Realized Gains

Investment income of \$2,138,929, including realized gains and (losses) on investments of (\$12,534), at December 31, 2018 was \$312,811 or 17.1% more than the same period during 2017. The increase was primarily due to the higher investment balance, higher investment book yields and realized losses from the sale of securities during the year. See Note 5 Investments for greater details.

Loss and Loss Adjustment Expenses

Losses and loss adjustment expenses increased by \$1,344,002 from \$123,000 in 2017 to \$1,467,002 in

2018. The increase was primarily due to the occurrence of the adverse development of current year losses related to liability business which had been experienced in 2018. PCM incurred losses related to 2018, as determined by the actuary, were \$2,102,000 offset by a reduction in prior years losses of (\$635,000). See Note 6 Reserve for loss and loss adjustment expenses for more details.

Administrative Fees

Administrative fees were \$172,829 and \$67,905 respectively, for the years ended December 31, 2018 and 2017. The increase was attributed primarily to increases in the contract amounts for the PARMS management as two additional employees were hired during 2018 and a risk management contract with Target Solutions. The Target Solutions contact is a member service agreement to assist Police and Fire Employees reduce possible worker compensation claims.

Other Comprehensive Income

Other comprehensive income, which consist of unrealized gains (losses) on available for sale securities arising during the period less reclassification adjustment for (gains) losses recognized in net income. In 2018 the unrealized loss on available for sale securities during the period was (\$3,353,577) compared to unrealized gains of \$2,237,124 in 2017. The unrealized loss is due primarily to the increases in the interest rates imposed by the Federal Reserve during 2018. The reclassification adjustment for (gains) losses recognized in net income were \$12,534 in 2018 compared to (\$381,914) in 2017. This results in total Other Comprehensive loss of (\$3,341,043) in 2018 and compared to Other Comprehensive Income \$1,855,210 in 2017. As noted in board policy, investments are intended to be held for maturity, thus the unrealized gains (losses) are not likely to materialize.

The following is the Statement of Income and Comprehensive Income for the years ended December 31, 2018 and 2017.

Public Compensation Mutual				
Statement of Income and Comprehensive Income				
	2018	2017	\$ Difference	% Difference
INCOME				
Premiums	\$ 1,769,208	\$1,588,740	\$ 180,468	11.4%
Investment income	2,138,929	1,826,118	\$ 312,811	17.1%
Total Income	3,908,137	3,414,858	493,279	14.4%
EXPENSES				
Administrative expenses	172,829	67,905	104,924	154.5%
Loss and loss adjustment expenses	1,467,002	123,000	1,344,002	1092.7%
Total Expenses	1,639,831	190,905	1,448,926	759.0%
Net Income Before Income Taxes	2,268,306	3,223,953	(955,647)	-29.6%
Provision for Income Taxes	-	-	-	
Net Income	\$ 2,268,306	\$3,223,953	(955,647)	-29.6%
OTHER COMPREHENSIVE INCOME				
Unrealized gains (losses) on available for sale securities arising during the period	\$ (3,353,577)	\$2,237,124	\$ (5,590,701)	-249.9%
Less: Reclassified adjustment for (gains) losses recognized in net income	12,534	(381,914)	394,448	-103.3%
Other Comprehensive Income (Loss)	(3,341,043)	1,855,210	(5,196,253)	-280.1%
Comprehensive Income (Loss)	\$ (1,072,737)	\$5,079,163	\$ (6,151,900)	-121.1%

Request for Information

This financial report is designed to provide a general overview of the financial activities and conditions of Public Compensation Mutual. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to Public Compensation Mutual, 201 South Roop Street, Suite 102, Carson City, Nevada 89701 or email at akalt@poolpact.com.

Casey Neilson, Inc.
Accountants and Advisors

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Public Compensation Mutual

We have audited the accompanying financial statements of Public Compensation Mutual (a Nevada non-profit pure captive insurer) which comprise the balance sheets as of December 31, 2018 and 2017 and the related statements of income and comprehensive income, changes in surplus and cash flows for the years then ended, 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 audits. We conducted our audits 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 of 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 entity'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 entity'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 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 Public Compensation Mutual as of December 31, 2018 and 2017, and the results of its operations and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters – Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the expanded disclosures regarding short duration contracts contained in Note 6 to the financial statements be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements 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.

Report on Other Legal and Regulatory Requirements

In accordance with the Nevada Administrative Code, we have also issued our report dated March 5, 2019, on our consideration of the Company's internal control and compliance over financial reporting. That report is an integral part of an audit performed in accordance with this code and should be read in conjunction with this report in considering the results of our audits.

A handwritten signature in black ink that reads "Casey Nalor". The signature is written in a cursive, flowing style.

Carson City, Nevada
March 5, 2019

**PUBLIC COMPENSATION MUTUAL
BALANCE SHEETS
DECEMBER 31, 2018 AND 2017**

	2018	2017
ASSETS		
Cash and cash equivalents	\$ 855,598	\$ 302,559
Investments	72,834,863	73,263,348
Investment income receivable	318,679	285,885
Prepaid expenses	74,250	-
Total Assets	\$ 74,083,390	\$ 73,851,792
LIABILITIES AND SURPLUS		
Accounts payable	\$ 30,800	\$ 31,257
Reserve for loss and loss adjustment expenses	4,549,000	3,082,000
Unearned premiums	803,500	965,708
Total Liabilities	5,383,300	4,078,965
Surplus	70,595,348	68,327,042
Accumulated other comprehensive income (loss)	(1,895,258)	1,445,785
Total Surplus	68,700,090	69,772,827
Total Liabilities and Surplus	\$ 74,083,390	\$ 73,851,792

See accompanying notes

**PUBLIC COMPENSATION MUTUAL
STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
INCOME		
Premiums	\$ 1,769,208	\$ 1,588,740
Net investment income	<u>2,138,929</u>	<u>1,826,118</u>
Total Income	<u>3,908,137</u>	<u>3,414,858</u>
EXPENSES		
Administrative fees	172,829	67,905
Loss and loss adjustment expenses	<u>1,467,002</u>	<u>123,000</u>
Total Expenses	<u>1,639,831</u>	<u>190,905</u>
Net Income Before Income Taxes	2,268,306	3,223,953
Provision for income taxes	<u>-</u>	<u>-</u>
Net Income	<u>\$ 2,268,306</u>	<u>\$ 3,223,953</u>
OTHER COMPREHENSIVE INCOME		
Unrealized gains (losses) on available for sale securities arising during the period	\$ (3,353,577)	\$ 2,237,124
Less: Reclassification adjustment for (gains) losses recognized in net income	<u>12,534</u>	<u>(381,914)</u>
Other Comprehensive Income (Loss)	<u>(3,341,043)</u>	<u>1,855,210</u>
Comprehensive Income (Loss)	<u>\$ (1,072,737)</u>	<u>\$ 5,079,163</u>

See accompanying notes

**PUBLIC COMPENSATION MUTUAL
STATEMENTS OF CHANGES IN SURPLUS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

	<u>Surplus</u>	<u>Accumulated Other Comprehensive Income (Loss)</u>	<u>Total Surplus</u>
Balance, December 31, 2016	\$ 40,103,089	\$ (409,425)	\$ 39,693,664
Net income	3,223,953	-	3,223,953
Surplus contributions	25,000,000	-	25,000,000
Unrealized holding gains (losses) arising during the period	-	2,237,124	2,237,124
Less: Reclassification adjustment for gains realized in net income	<u>-</u>	<u>(381,914)</u>	<u>(381,914)</u>
Balance, December 31, 2017	<u>\$ 68,327,042</u>	<u>\$ 1,445,785</u>	<u>\$ 69,772,827</u>
Net income	2,268,306	-	2,268,306
Surplus contributions	-	-	-
Unrealized holding gains (losses) arising during the period	-	(3,353,577)	(3,353,577)
Less: Reclassification adjustment for losses realized in net income	<u>-</u>	<u>12,534</u>	<u>12,534</u>
Balance, December 31, 2018	<u><u>\$ 70,595,348</u></u>	<u><u>\$ (1,895,258)</u></u>	<u><u>\$ 68,700,090</u></u>

See accompanying notes

**PUBLIC COMPENSATION MUTUAL
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

	2018	2017
CASH FLOWS FROM OPERATING		
ACTIVITIES:		
Net income	\$ 2,268,306	\$ 3,223,953
Adjustments to reconcile net income to net cash provided by operating activities:		
(Gains) losses on sale of securities	12,534	(381,914)
Amortization of premium or discount	169,591	141,737
Changes in assets and liabilities:		
(Increase) decrease in:		
Investment income receivable	(32,794)	(157,691)
Prepaid expenses	(74,250)	
Increase (decrease) in:		
Reserve for loss and loss adjustment expenses	1,467,000	123,000
Accounts payable	(457)	10,383
Unearned premiums	(162,208)	342,675
Net Cash Provided by Operating Activities	3,647,722	3,302,143
CASH FLOWS FROM INVESTING		
ACTIVITIES:		
Purchase of securities	(6,027,204)	(34,723,158)
Sale of securities	2,932,521	6,116,021
Net Cash (Used) by Investing Activities	(3,094,683)	(28,607,137)
CASH FLOWS FROM FINANCING		
ACTIVITIES:		
Surplus contributions	-	25,000,000
Net Cash Provided by Financing Activities	-	25,000,000
Increase (Decrease) in Cash and Cash Equivalents	553,039	(304,994)
CASH AND CASH EQUIVALENTS, Beginning of Period	302,559	607,553
CASH AND CASH EQUIVALENTS, End of Period	\$ 855,598	\$ 302,559

See accompanying notes

**PUBLIC COMPENSATION MUTUAL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Nature of Operations:

Public Compensation Mutual (“the Company”), a Nevada nonprofit pure captive mutual insurer formed pursuant to Nevada Revised Statute 694C, is engaged in the business of providing reinsurance for the Public Agency Compensation Trust (PACT). Effective July 18, 2013, the Company became a pure captive authorized by State of Nevada Division of Insurance, prior to this date, the Company was an association captive. PACT is a quasi-governmental entity formed by local governments for the purpose of organizing an association for self-insured workers compensation. The Company’s formation was approved on June 26, 2007 by the State of Nevada Division of Insurance and began operations July 1, 2007.

Use of 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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Basis of Presentation:

The accompanying financial statements have been prepared in conformity with reporting practices prescribed or permitted by the State of Nevada, Division of Insurance. These financial statements are also presented in conformity with accounting principles generally accepted in the United States of America because the accounting practices prescribed or permitted under statutory authority, when applied to the Company do not vary materially from generally accepted accounting principles.

Cash Equivalents:

For the purpose of presentation in the Company’s financial statements, cash equivalents are short-term, highly liquid investments that are both (a) readily convertible to known amounts of cash and (b) so near to maturity that they present insignificant risk of changes in value due to changing interest rates.

Method of Accounting:

The Company prepares its financial statements on the accrual method of accounting, recognizing income when earned and expenses when incurred.

Securities Available for Sale:

Investments not classified as either trading or held-to-maturity are reported at fair value, adjusted for other than temporary declines in fair value, with unrealized gains and losses excluded from net income and reported as a separate component of surplus. The fair value of securities is determined by quoted market prices and observable information for similar items in active or inactive markets.

**PUBLIC COMPENSATION MUTUAL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Valuation of Investments:

The Company has adopted and implemented FASB ASC 820-10, Fair Value Measurements, which provides a framework for measuring fair value under GAAP. This statement defines fair value as the exchange price that would be received for an asset, or paid to transfer a liability (an exit price), in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. FASB ASC 820-10 requires that valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs. FASB ASC 820-10 establishes a fair value hierarchy, which prioritizes the valuation inputs into three broad levels.

There are three general valuation techniques that may be used to measure fair value, as described below:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly through corroboration with observable market data.

Level 3: Unobservable inputs for the asset or liability, that is, inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability (including assumptions about risk) developed based on the best information available in the circumstances.

Reserve for Loss and Loss Adjustment Expenses:

Loss and loss adjustment expenses includes an amount determined from loss reports on individual cases and estimates of the cost of claims incurred but not reported. Such liabilities are necessarily based on estimates and, while management believes the amount is adequate, the ultimate liability may be in excess of, or less than, the amounts provided. It is reasonably possible that the estimate will change within one year of the date of the financial statements. The loss liabilities were developed from a combination of the insurance industry loss payment and reporting patterns. The data was developed and trended, using standard actuarial techniques, to meet the Company's premium rate structure and experience. The methods for making such estimates and for establishing the resulting liability are continually reviewed, and any adjustments are reflected in earnings currently.

Premiums:

Premiums are generally recognized as revenue on a pro rata basis over the policy term. The portion of premiums that will be earned in the future are deferred and reported as unearned premiums.

Reinsurance:

In the normal course of business, the Company may seek to reduce the loss that may arise from catastrophes or other events that cause unfavorable underwriting results by purchasing reinsurance at certain levels of risk in various areas of exposure with other insurance enterprises.

**PUBLIC COMPENSATION MUTUAL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Income Tax Status:

Under Internal Revenue Code Section 115, and pursuant to regulations and rulings issued by the Internal Revenue Service, organizations formed, operated and funded by political subdivisions formed to pool casualty and other risks arising from their obligations concerning public liability, may exclude income derived from such activities from taxable income. Accordingly, no provision for income taxes has been provided in the accompanying financial statements, and no federal tax returns have been filed. As no tax returns have been filed, there is no statute of limitations to toll, and all years remain open to potential adjustment.

Investments and Investment Income:

Captive insurance companies are governed by NRS 694C.340 regarding allowable investments, however, as a pure captive, the Company is not subject to any restrictions on allowable investments. The Board has, by policy, implemented investment guidelines to which the Company adheres such that investments are in accordance with NRS 682A.

Credit Risk:

Credit risk is the risk that the issuer of a security will default on principal and interest in the security. The investment guidelines, do not limit investments based upon the rating of a security, but it is policy to limit those securities with potential default risk such that the Company's annual investment income would exceed a loss on a single issuer's securities.

Concentration of Credit Risk:

The Company limits investments in any single mutual fund, exchange traded fund or similar vehicle to no more than 10% of assets.

Interest Rate Risk:

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Company minimizes this risk by maturity diversification such that aggregate price losses on instruments with maturities exceeding one year shall not be greater than coupon interest and investment income received from the balance of the portfolio.

Prior Year Reclassifications:

The prior year's financial statements have been reclassified where applicable to conform to the current year's presentation.

NOTE 2 – NEW ACCOUNTING STANDARDS:

Recently Adopted Accounting Standards:

In May 2015, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) Number 2015-09, *Disclosures About Short-Duration Contracts* (Topic 944). This standard expands the disclosures that an insurance entity must provide about its short-duration insurance contracts. While ten years of information are required to be presented, all years presented in the claims development tables that precede the most recent reporting period should be considered supplementary information.

**PUBLIC COMPENSATION MUTUAL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017**

NOTE 2 – NEW ACCOUNTING STANDARDS (continued):

The Company implemented this standard as required during 2017; however due to a difference in actuarial and accounting terminology the schedules provided by the actuary only included development on known claims. This has been corrected in 2018 and impacts supplementary information only.

Recently Issued Accounting Standards – Not Yet Adopted:

In January 2016, the FASB issued ASU Number 2016-01, *Financial Instruments - Overall* (Subtopic 825-10). This update replaces the guidance to classify equity securities with readily determinable fair values into different categories (trading or available-for sale) and requires equity securities to be measured at fair value with changes in fair value recognized in net income. Additionally, this update eliminates the method and significant assumptions used to estimate the fair value of financial instruments measured at amortized cost. It requires financial instruments to be measured at fair value using the exit price notion. This update becomes effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. This update will result in a reclassification adjustment, net of tax, to retained earnings from accumulated other comprehensive income, which will be determined based on the fair value of securities at the effective date of adoption.

NOTE 3 – FAIR VALUE OF FINANCIAL INSTRUMENTS:

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value in conformity with FASB ASC 820-10:

Cash and Cash Equivalents: For these short term instruments, the carrying amount is a reasonable estimate of fair value. This fair value estimate represents a level 1 input as described in Note 1.

Investments in Marketable Securities: For investments in marketable securities, fair values are based on quoted market prices or dealer quotes if available. If a quoted market price is not available, fair value is estimated using quoted market price for similar securities. This fair value estimate represents a level 2 input as described in Note 1.

The following table presents the Company’s fair value hierarchy for financial instruments measured at fair value on a recurring basis as of December 31, 2018 and 2017:

Description	December 31, 2018	Fair Value measurement at reporting date using		
		Quoted price in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Cash and cash equivalents	\$ 855,598	\$ 855,598	\$ -	\$ -
U.S. government obligations	9,096,588	-	9,096,588	-
U.S states and local authorities	10,127,010	-	10,127,010	-
International bonds	1,114,476	-	1,114,476	-
U.S. corporate bonds	33,342,777	-	33,342,777	-
Fixed income mutual funds	1,683	1,683	-	-
Bond mutual funds	1,938,418	1,938,418	-	-
Equity mutual funds	17,213,911	17,213,911	-	-
Total	<u>\$ 73,690,461</u>	<u>\$ 20,009,610</u>	<u>\$ 53,680,851</u>	<u>\$ -</u>

**PUBLIC COMPENSATION MUTUAL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017**

NOTE 3 – FAIR VALUE OF FINANCIAL INSTRUMENTS (continued):

Description	December 31, 2017	Fair Value measurement at reporting date using		
		Quoted price in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Cash and cash equivalents	\$ 302,559	\$ 302,559	\$ -	\$ -
U.S. government obligations	10,665,551	-	10,665,551	-
U.S. states and local authorities	10,277,940	-	10,277,940	-
International bonds	198,188	-	198,188	-
U.S. corporate bonds	31,660,480	-	31,660,480	-
Fixed income mutual funds	1,659	1,659	-	-
Bond mutual funds	1,998,358	1,998,358	-	-
Equity mutual funds	18,461,172	18,461,172	-	-
Total	<u>\$ 73,565,907</u>	<u>\$ 20,763,748</u>	<u>\$ 52,802,159</u>	<u>\$ -</u>

There were no transfers between fair value levels during the year ended December 31, 2018 and 2017.

NOTE 4 – CONCENTRATIONS:

As detailed in Note 1, the Company provides reinsurance insurance coverage to PACT; additionally, PACT provided the surplus contribution to the Company, and is the sole insured.

The Company maintains its cash balances in various institutions. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The Company has not experienced any losses in such accounts.

Additionally, as of December 31, 2018 and 2017, the company has certain cash equivalent and investment balances insured by the Securities Investor Protection Corporation (SIPC) up to \$500,000 (with a limit of \$250,000 for cash) per institution. In addition the Company's investment policy provides additional coverage above the SIPC limits for any missing securities and cash in client investment accounts up to a firm aggregate limit of \$1 billion (including up to \$1.9 million for cash per client). The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risk on cash and cash equivalents.

**PUBLIC COMPENSATION MUTUAL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017**

NOTE 5 – INVESTMENTS:

Available-for-sale securities at December 31, 2018 and 2017 consist of various investments as indicated below:

	December 31, 2018			
	Cost	Estimated Fair Value	Gross Unrealized	
			Gains	Losses
U.S. government obligations	\$ 9,492,495	\$ 9,096,588	\$ -	\$ (395,907)
U.S. states and local authorities	10,355,730	10,127,010	9,650	(238,370)
International bonds	1,159,212	1,114,476	-	(44,736)
U.S. corporate bonds	34,469,234	33,342,777	53,064	(1,179,521)
Total debt securities	<u>55,476,671</u>	<u>53,680,851</u>	<u>62,714</u>	<u>(1,858,534)</u>
Fixed income mutual funds	1,781	1,683	-	(98)
Bond mutual funds	2,125,361	1,938,418	-	(186,943)
Equity mutual funds	17,126,308	17,213,911	757,737	(670,134)
Total equity securities	<u>19,253,450</u>	<u>19,154,012</u>	<u>757,737</u>	<u>(857,175)</u>
Total available-for-sale securities	<u>\$ 74,730,121</u>	<u>\$ 72,834,863</u>	<u>\$ 820,451</u>	<u>\$ (2,715,709)</u>

	December 31, 2017			
	Cost	Estimated Fair Value	Gross Unrealized	
			Gains	Losses
U.S. government obligations	\$ 10,841,430	\$ 10,665,551	\$ 959	\$ (176,838)
U.S. states and local authorities	10,422,951	10,277,940	32,255	(177,266)
International bonds	199,906	198,188	-	(1,718)
U.S. corporate bonds	31,940,062	31,660,480	130,941	(410,523)
Total debt securities	<u>53,404,349</u>	<u>52,802,159</u>	<u>164,155</u>	<u>(766,345)</u>
Fixed income mutual funds	1,670	1,659	-	(11)
Bond mutual funds	2,013,694	1,998,358	-	(15,336)
Equity mutual funds	16,397,850	18,461,172	2,063,322	-
Total equity securities	<u>18,413,214</u>	<u>20,461,189</u>	<u>2,063,322</u>	<u>(15,347)</u>
Total available-for-sale securities	<u>\$ 71,817,563</u>	<u>\$ 73,263,348</u>	<u>\$ 2,227,477</u>	<u>\$ (781,692)</u>

For purposes of determining gross realized gains, the cost of securities sold is based on specific identification.

	2018	2017
Sales proceeds	<u>\$ 2,932,521</u>	<u>\$ 6,116,021</u>
Gross realized gains	<u>\$ 200</u>	<u>\$ 393,163</u>
Gross realized losses	<u>\$ (12,734)</u>	<u>\$ (11,249)</u>

**PUBLIC COMPENSATION MUTUAL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017**

NOTE 5 - INVESTMENTS (continued):

Information pertaining to securities with gross unrealized losses at December 31, 2018, aggregated by length of time individual securities have been in a continuous loss position, is as follows:

	<u>Less Than 12 Months</u>		<u>12 Months or Greater</u>		<u>Total</u>	
	<u>Fair Value</u>	<u>Unrealized Losses</u>	<u>Fair Value</u>	<u>Unrealized Losses</u>	<u>Fair Value</u>	<u>Unrealized Losses</u>
U.S. government obligations	\$ 395,115	\$ (10,759)	\$ 8,701,473	\$ (385,148)	\$ 9,096,588	\$ (395,907)
U.S. states and local authorities	1,616,680	(18,393)	7,602,548	(219,977)	9,219,228	(238,370)
International bonds	478,375	(29,165)	636,100	(15,571)	1,114,475	(44,736)
U.S. corporate bonds	8,246,822	(308,240)	19,853,562	(871,281)	28,100,384	(1,179,521)
Fixed income mutual funds	-	-	1,683	(98)	1,683	(98)
Bond mutual funds	-	-	1,938,418	(186,943)	1,938,418	(186,943)
Equity mutual funds	4,472,587	(670,134)	-	-	4,472,587	(670,134)
Total available-for-sale securities	<u>\$ 15,209,579</u>	<u>\$ (1,036,691)</u>	<u>\$ 38,733,784</u>	<u>\$ (1,679,018)</u>	<u>\$ 53,943,363</u>	<u>\$ (2,715,709)</u>

Management evaluates securities for other-than-temporary impairment at least on a quarterly basis, and more frequently when economic or market concerns warrant such evaluation. Consideration is given to (1) the length of time and the extent to which the fair value has been less than cost, (2) the financial condition and near-term prospects of the issuer, and (3) the intent and ability of the Group to retain its investment in the issuer for a period of time sufficient to allow for any anticipated recovery in fair value. As management has the ability to hold the securities for the foreseeable future, no declines are deemed to be other-than-temporary.

All investments have been valued based on quoted prices in active markets for identical assets and liabilities.

Contractual maturities of available-for-sale debt securities at December 31, 2018 and 2017 are as follows:

	<u>Estimated Fair Values</u>	
	<u>2018</u>	<u>2017</u>
1 year or less	\$ 197,196	\$ -
Due in 1 - 5 years	15,797,000	13,328,183
Due in 5 - 10 years	17,857,716	18,259,041
Due in 10 years or more	19,828,939	21,214,935
Total investment in debt securities	<u>\$ 53,680,851</u>	<u>\$ 52,802,159</u>

Actual maturities may differ from contractual maturities because some borrowers have the right to call or prepay obligations with or without call or prepayment penalties.

**PUBLIC COMPENSATION MUTUAL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017**

NOTE 6 – RESERVE FOR LOSS AND LOSS ADJUSTMENT EXPENSES:

The Company provides coverage for members of PACT for worker’s compensation losses under a quota-share reinsurance arrangement as illustrated in the following table:

Fiscal Year	Retention 1		Retention 2		One-time corridor deductible
	Quota share	Insurance layer	Quota share	Insurance layer	
7/1/2007-7/1/2012	25%	\$2,000,000 excess of \$500,000			\$500,000
7/1/2012-7/1/2014		\$250,000 excess of \$500,000	25%	\$2,250,000 excess of \$750,000	\$500,000
7/1/2014-7/1/2017		\$500,000 excess of \$500,000	25%	\$2,000,000 excess of \$1,000,000	-
7/1/2017-7/1/2018		\$700,000 excess of \$300,000	25%	\$2,000,000 excess of \$1,000,000	-
7/1/2018-7/1/2019		\$700,000 excess of \$300,000	25%	\$2,000,000 excess of \$1,000,000	

Additionally, effective July 1, 2014, the Company also provides \$1,500,000 aggregate excess (50% quota share of the \$3,000,000 layer) above an attachment point of approximately \$10,000,000.

Loss reserve estimates are inherently uncertain because the ultimate amount the Company will pay for many of the claims it has incurred as of the balance sheet date will not be known for many years. The estimate of loss reserves is intended to equal the difference between the expected ultimate losses of all claims that have occurred as of a balance sheet date and amounts already paid. The Company establishes loss reserves based on its own analysis of emerging claims and review of the results of actuarial projections. The Company's aggregate carried reserve for unpaid losses is the sum of its reserves for each accident year and represents its best estimate of outstanding loss reserves.

The amount by which estimated losses in the aggregate differ from those previously estimated for a specific time period is known as reserve “development.” Reserve development is unfavorable when losses ultimately settle for more than the amount reserved or subsequent estimates indicate a basis for reserve increases on open claims, causing the previously estimated loss reserves to be "deficient." Reserve development is favorable when estimates of ultimate losses indicate a decrease in established reserves, causing the previously estimated loss reserves to be "redundant." Development is reflected in the Company's operating results through an adjustment to incurred losses during the period in which it is recognized.

The three main components of reserves for unpaid losses are case reserves, incurred but not reported (IBNR) loss reserves and reserves for loss adjustment expenses (LAE).

When claims are reported, the Company establishes individual estimates of the ultimate cost of each claim (case reserves). These case reserves are continually monitored and revised in response to new information and for amounts paid. IBNR is an actuarial estimate of future payments on claims that have occurred but have not yet been reported. The Company also estimates and makes a provision for the extent to which the case reserves on known claims may develop. IBNR reserves apply to the entire body of claims arising from a specific time period, rather than a specific claim. Most of the Company's IBNR reserves relate to estimated future claim payments on recorded open claims.

**PUBLIC COMPENSATION MUTUAL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017**

NOTE 6 - RESERVE FOR LOSS AND LOSS ADJUSTMENT EXPENSES (continued):

For the year ended December 31, 2018, estimated unpaid losses have been determined to range from a recommended low of \$4,549,000 to a recommended high of \$5,172,000 based on actuarial estimates; further the actuary has projected expected losses at \$3,767,000. For the year ended December 31, 2017, estimated paid losses have been determined to range from a recommended low of \$3,082,000 to a recommended high of \$3,611,000 based on actuarial estimates; further the actuary has projected expected losses at \$2,418,000.

Management has estimated reserves to be \$4,549,000 and \$3,082,000 at December 31, 2018 and 2017, respectively. This estimate is based on funding the Company at the 75% confidence level as recommended by the actuary. Management has elected not to discount the reserves for anticipated investment income.

Activity in the reserve for loss and loss adjustment expenses account is summarized as follows:

	<u>2018</u>	<u>2017</u>
Balance at January 1	\$ 3,082,000	\$ 2,959,000
Incurred related to:		
Current year	2,102,000	726,000
Prior years	<u>(635,000)</u>	<u>(603,000)</u>
Total incurred	<u>1,467,000</u>	<u>123,000</u>
Net paid	<u>-</u>	<u>-</u>
Balance at December 31	<u>\$ 4,549,000</u>	<u>\$ 3,082,000</u>

As a result of changes in estimates of incurred events in the prior year, the provision for losses changed by (\$635,000) and (\$603,000), respectively, due to (lower)/higher than anticipated losses on the development of claims.

The Company's reserve estimates are based on loss experience and exposure data and have assumed future development of incurred and paid losses can be reasonably predicted on the basis of development of such losses in the recent past.

The Company compiles and aggregates its claims data by grouping the claims according to the year in which the claim occurred ("accident year") when analyzing claim payment and emergence patterns and trends over time. It has been assumed that costs associated with workers compensation claims are decreasing 0.9% annually and average claim size are increasing by 3.0% annually. For the purposes of defining claims frequency, the number of reported claims includes any claim that has case reserves and/or loss and LAE payments associated with them. The Company has assumed that the average frequency of claims has an annual trend of 2.0%.

**PUBLIC COMPENSATION MUTUAL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017**

NOTE 6 - RESERVE FOR LOSS AND LOSS ADJUSTMENT EXPENSES (continued):

The following tables show the Company's historical incurred and cumulative paid losses and LAE development, net of reinsurance as well as IBNR loss reserves and the number of reported claims on an aggregated basis as of December 31, 2018 for each of the previous 10 accident years:

Incurred Losses and LAE, Net of Reinsurance											2018	
Years Ended December 31,												
Accident Year	2009 (1)	2010 (1)	2011 (1)	2012 (1)	2013 (1)	2014 (1)	2015 (1)	2016 (1)	2017 (1)	2018	IBNR	Cumulative number of reported claims
(in thousands, except claims counts)												
2009	\$ 82.8	\$ 591.9	\$ 623.6	\$ 701.6	\$ 738.4	\$ 635.8	\$ 582.5	\$ 532.0	\$ 513.2	\$ 508.4	\$ 84.7	2
2010		31.3	58.0	35.4	50.9	24.2	38.7	9.7	-	-	-	2
2011			32.6	55.9	45.7	26.0	20.3	-	-	-	-	0
2012				60.6	64.7	44.5	33.7	-	-	-	-	0
2013					80.7	493.0	421.5	466.4	319.9	410.6	13.9	0
2014						514.7	694.6	623.7	389.5	274.1	274.1	1
2015							494.0	774.8	636.3	309.1	309.1	0
2016								409.7	741.8	454.1	454.1	0
2017									393.1	1,705.1	1,062.1	1
2018										788.6	127.7	1
Total										\$ 4,450.0		

Cumulative Paid Losses and LAE, Net of Reinsurance										
Years Ended December 31,										
Accident Year	2009 (1)	2010 (1)	2011 (1)	2012 (1)	2013 (1)	2014 (1)	2015 (1)	2016 (1)	2017 (1)	2018
(in thousands)										
2009	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2010		-	-	-	-	-	-	-	-	-
2011			-	-	-	-	-	-	-	-
2012				-	-	-	-	-	-	-
2013					-	-	-	-	-	-
2014						-	-	-	-	-
2015							-	-	-	-
2016								-	-	-
2017									-	-
2018										-
Total										\$ -
All outstanding liabilities for unpaid losses and LAE prior to 2009, net of reinsurance										99.0
Total outstanding liabilities for unpaid losses and LAE, net of reinsurance										\$ 4,549.0

(1) Data presented for these calendar years is considered to be supplementary information, which is unaudited.

**PUBLIC COMPENSATION MUTUAL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017**

NOTE 6 - RESERVE FOR LOSS AND LOSS ADJUSTMENT EXPENSES (continued):

The following table presents the average percentage payout of incurred claims by age, net of reinsurance, as of December 31, 2018 and is presented as required supplementary information, which is unaudited:

Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

The following table represents a reconciliation of claims development to the aggregate carrying amount of the liability for unpaid losses and LAE:

Liabilities for unpaid losses and LAE, net of reinsurance	\$ 4,549.0
Reinsurance recoverable on unpaid losses	-
Unallocated LAE	-
Total liability for unpaid losses and LAE	\$ 4,549.0

NOTE 7 - SURPLUS CONTRIBUTION:

The following is a summary of the surplus contributed to the Company from PACT pursuant to authorization by the Executive Committee of PACT:

Years	Surplus PACT Contribution
2007	\$ 5,000,000
2008	5,600,000
2009	5,000,000
2010	8,017,375
2011	3,406,464
2012	135,598
2013	-
2014	-
2015	448,242
2016	1,093,260
2017	25,000,000
2018	-
Total	\$ 53,700,939

NRS 694C.250 requires a pure captive to maintain capital of not less than \$200,000, the Company is in compliance with this requirement as of December 31, 2018 and 2017.

**PUBLIC COMPENSATION MUTUAL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017**

NOTE 8 - RELATED PARTIES:

All premiums and surplus contributions are made by PACT and all claims activity is attributable to the quota share reinsurance agreement with PACT.

NOTE 9 - SUBSEQUENT EVENTS:

Management has evaluated subsequent events through March 5, 2019, which is the date the financial statements were available to be issued.

Casey Neilson, Inc.
Accountants and Advisors

**REPORT ON INTERNAL CONTROL AND COMPLIANCE OVER FINANCIAL REPORTING BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
NEVADA ADMINISTRATIVE CODE 694C.210**

To the Board of Directors
Public Compensation Mutual

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of Public Compensation Mutual (PCM), which comprise the balance sheet as of December 31, 2018, and the related statements of income and comprehensive income, changes in stockholders' equity, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 5, 2019.

In planning and performing our audit of the GAAP basis financial statements of Public Compensation Mutual as of and for the year ended December 31, 2018 in accordance with auditing standards generally accepted in the United States of America, we considered its internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of PCM's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, detected or corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and would not necessarily identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

In connection with our audit, nothing came to our attention that caused us to believe that Public Risk Mutual failed to comply with the terms, covenants, provisions, or conditions of their bylaws, articles of incorporation, or business plan, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Company's noncompliance with the above-referenced terms, insofar as they relate to accounting matters

This communication is intended solely for the information and use of the Board of Directors, management, others within the organization and state insurance departments to whose jurisdiction PCM is subject and is not intended to be and should not be used by anyone other than these specified parties.



Carson City, Nevada
March 5, 2019

PUBLIC RISK MUTUAL
DECEMBER 31, 2018 AND 2017

**PUBLIC RISK MUTUAL
DECEMBER 31, 2018 AND 2017**

TABLE OF CONTENTS

	<u>PAGE NO.</u>
PRESIDENT'S LETTER	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	2-8
INDEPENDENT AUDITOR'S REPORT	9-10
FINANCIAL STATEMENTS	
Balance Sheets	11
Statements of Income and Comprehensive Income	12
Statements of Changes in Surplus	13
Statements of Cash Flows	14
Notes to Financial Statements	15-26
COMPLIANCE SECTION	
Report on Internal Control and Compliance over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Nevada Administrative Code 694C.210	27

President's Letter

There were many challenges for Public Risk Mutual (PRM) in 2018 but the results showed the strength of its business plan. Here are few of the primary highlights:

- ❖ PRM is a pure captive of the Nevada Public Agency Insurance Pool (NPAIP). The total NPAIP surplus contribution of \$29,477,263 remained unchanged since there were no additional surplus contributions to PRM.
- ❖ PRM continued to provide \$300,000 excess of NPAIP's \$200,000 retention for property reinsurance.
- ❖ PRM continued its data security liability reinsurance program for all NPAIP members and has continued to support a passive network assessment (PNA) program to help prevent cyber claims. These assessments have helped mitigate protecting our members from cyber-attacks and the resulting insurance costs related to cyber-attacks. This risk management initiative has been well received by our membership.
- ❖ PRM took an additional retention of 25% of the School Districts liability quota share for \$2,500,000 excess of \$500,000. United Educators provides liability coverage for the other 75%. This type of additional coverage is a continuation of PRM's business plan of being a conduit for excess coverage for our clients.
- ❖ Besides PRM's addition to its liability program, the quota share of 30% of \$2,500,000 excess of \$500,000 for non-school district entities as well as the second retention of 25% of \$7,000,000 excess of \$3,000,000 for all members remained the same as in 2017.
- ❖ Total investments were reduced from \$42,335,839 in 2017 to \$40,914,152 in 2018. Despite this reduction, PRM's surplus was only reduced from \$38,148,484 in 2017 to \$37,989,713 in 2018. The primary reason for both reductions were the increase in reserve for loss and loss adjustment and higher claims expense. PRM's business plan strategy of maintaining enough surplus contribution for PRM to help provide additional coverage for our members, coupled with the business plan of utilizing a conservative investment strategy is successfully maturing as planned.
- ❖ PRM's investment income rose from \$1,137,542 in 2017 to \$1,266,846 in 2018. PRM's investment portfolio includes U.S. government obligations, U.S. state and local bonds, U.S. corporate bonds, fixed income mutual funds, bond mutual funds and equity mutual funds.
- ❖ One of PRM's main goals is to continue increasing investment earnings while providing our members added value to property and liability coverage through cost effective reinsurance. This has been instrumental when PRM is seeking reinsurance and excess quotes from its insurance partners.

Due to several liability losses during 2018, the loss and loss adjustment expenses did increase from \$1,861,698 in 2017 to \$2,051,058 in 2018. These liability claim losses were from different past insurance years but the settlements occurred in one year. This type of loss activity is a reminder of why PRM exists to help lessen any rate increases while still providing enough funds to cover our losses.

I personally want to thank the board of trustees for NPAIP and the PRM Captive board of trustees for their commitment to the dynamic development of the coverages and risk management products that we have been able to support. Despite several losses being settled in one year, PRM has remained true to its business plan in providing appropriate coverage and rate stabilization for our members.

Best,

Michael Rebaleati

PRM President

PUBLIC RISK MUTUAL
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2018 AND 2017

Public Risk Mutual's discussion and analysis is designed to, (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the entity's financial activities, (c) identify changes in the Company's financial position (its ability to address next and subsequent years challenges), and (d) identify any material deviations from the financial plan.

We encourage readers to read this information in conjunction with the President's letter, financial statements and notes to gain a more complete understanding of the information presented.

Company Overview

Public Risk Mutual ("PRM"), a Nevada nonprofit pure captive mutual insurer formed pursuant to Nevada Revised Statutes 694C, is engaged in the business of providing reinsurance for the Nevada Public Agency Insurance Pool (POOL). Effective July 18, 2013, the Company became a pure captive authorized by the State of Nevada Division of Insurance. PRM's formation was approved on July 26, 2004 by the State of Nevada Division of Insurance and began operations September 1, 2004. Currently, the Company issues a single reinsurance policy to POOL each year and the underlying POOL program in turn issues a certificate of participation to the members with a copy of the POOL coverage form providing coverage details.

Financial Highlights

The financial statements are prepared in accordance with accounting principles generally accepted in the United States of America, including the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

The auditor's report offers an unmodified opinion on the financial statements, the best opinion that can be attained.

Critical Accounting Estimates

The preparation of financial statements 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 amount of income and expenses during the accounting period. Actual results could differ from these estimates.

PRM has identified the estimates inherent in the valuation of investments and loss reserves (including reserves for unreported claims- IBNR) as critical in that they involve a higher degree of judgment and are subject to a significant degree of variability. In developing these estimates, management makes subjective and complex judgements that are inherently uncertain and subject to material change as facts and circumstances develop. Although variability is inherent in these estimates, management believes the amounts provided are appropriate and conservative based upon the facts available as of the date of the financial statements. The estimates were made with the assistance of an independent outside actuarial firm in relation to the IBNR and overall loss reserve adequacy.

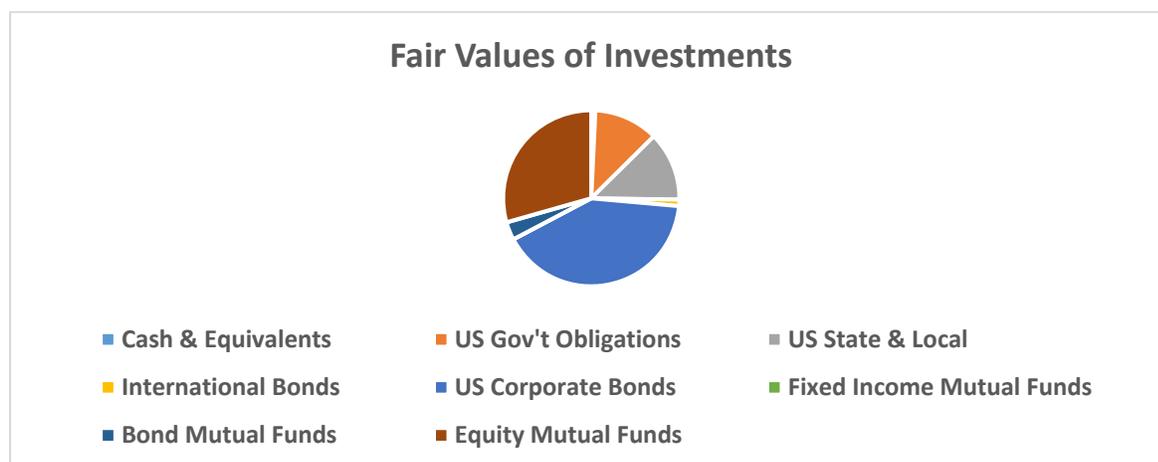
Investments

One significant estimate inherent in the valuation of investments is the evaluation of fair value and other than temporary impairment (OTTI). Fair value requires management judgment on the appropriate classes of assets and liabilities for which disclosures about fair value measurement should be provided. Fair value for investments primarily is a quantitative assessment. For debt and equity securities, class is determined on the basis, nature and risk of the investments. A full disclosure of PRM's fair value methodology can be found in Note 3 Fair Value of Financial Instruments in the Notes to the Audited Financial Statements.

The determination of OTTI is a quantitative and qualitative process, which is subject to judgment in the determination of whether declines in the fair value of investments are other than temporary. The cost basis of fixed maturity investments is adjusted for impairments in value, deemed to be other than temporary, with the associated realized loss reported in net income. Factors considered in evaluating whether a decline in value is other than temporary include: 1) the magnitude of the decline in value; 2) current economic conditions and the financial condition and near-term prospects of the issuer; 3) the amount of time that the fair value has been less than cost; and 4) the estimated period over which the security is expected to recover and whether PRM's cash or working capital requirements and contractual or regulatory requirements may indicate a need to sell the security before its forecasted recovery.

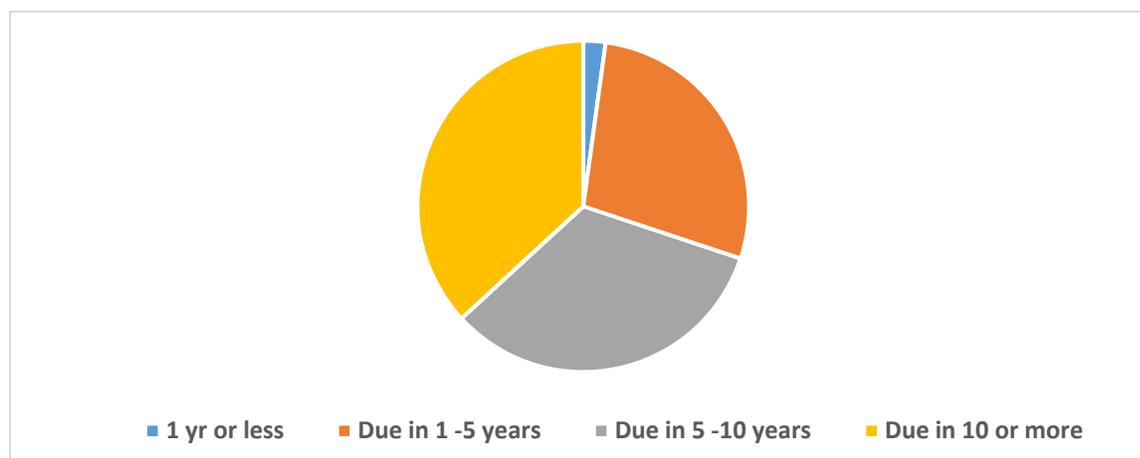
Cash and investments of \$41,224,003 are available to meet current liabilities, including reserves for loss and loss adjustment expenses of \$4,195,532. Total liabilities include accounts payable, reserves for loss and loss adjustment expenses and unearned premiums. This is a conservative measure of cash and investments available to pay current obligations. PRM's cash ratio is 9.8, meaning that it has 9.8 times the unrestricted cash and investments on hand to meet its obligations. Last year's cash ratio was 13.5.

Investments as of December 31, 2018 were \$40,914,152 compared to 2017 balance of \$42,335,839. Thus, a decrease of \$1,421,687 or 3.4% during the year. The decrease is due primarily to the payment of losses during the year. As noted in Note 3, Level 1 quoted price in active market for identical assets were valued at \$15,201,017, the Level 2 significant other observable inputs at \$26,022,986 and there were no Level 3 assets. The following is an overview of the fair value of investments allocation of available for sale:



As noted in Note 6- Investments, the contractual maturities of available-for-sale debt securities at December 31, 2018 and 2017 are as follows:

	Estimated Fair Values	
	2018	2017
1 year or less	\$ 594,548	\$500,834
Due in 1 – 5 years	7,664,657	7,737,294
Due in 5 - 10 years	9,064,588	8,952,749
Due in 10 years or more	<u>10,103,989</u>	<u>10,737,924</u>
Total Investment in debt securities	<u>\$27,427,782</u>	<u>\$27,928,801</u>



Investment Income Receivable

The investment income receivable at December 31, 2018 is \$176,272 compared to \$166,274 in 2017. This is a change of \$9,998 or 6.0%. This is due primarily to the timing of the payment of accrued interest on the investments.

Loss Reserves

Loss reserves are estimates of losses and loss development and as such will differ from the ultimate results. Therefore, one of the critical accounting estimates is the proper amount of reserves to be set aside to meet net future liabilities of the current in-force business. Changes in or deviations from the assumptions used to develop the loss reserves can significantly affect PRM's reserve levels and related future operations. Assumptions include company methodology for underwriting and claims handling and current estimates of the legal, inflation rate, and social environments. Annually, PRM retains an outside independent actuary, to provide a loss reserve opinion and establish a range for PRM's loss reserves. PRM's policy is to book reserves at the 75% confidence level as recommended by the actuary. Management has elected not to discount the reserves for anticipated investment income. See Note 7- Reserve for Loss and Loss Adjustment Expense note in the financial statements.

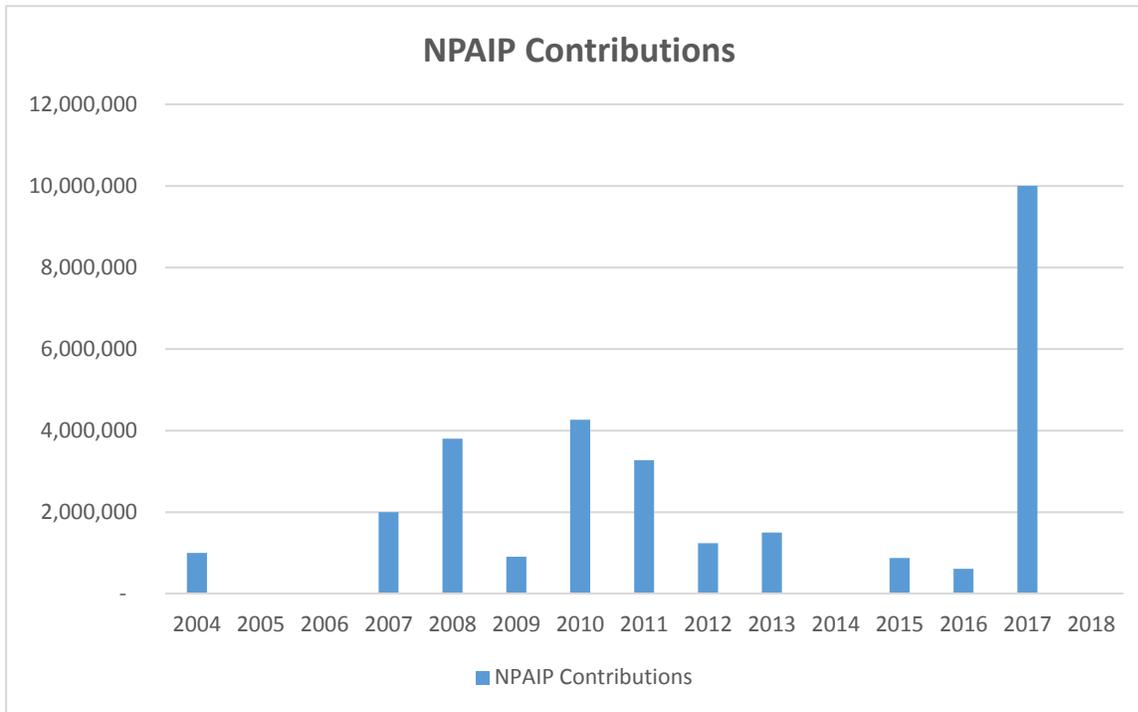
Reserves for loss and loss adjustment expenses increased from \$2,495,000 to \$3,591,000 at December 31, 2018 an increase of \$1,096,000 or 43.9% during the year. This increase is due to the claim development in the current year and increases in prior year claims loss development.

Unearned Premiums

PRM writes only 12-month insurance policies effective July 1st the year written, so all of the \$586,000 unearned assessments carried in 2018 will be fully earned in 2019.

Surplus Contributions

There were no surplus contributions from NPAIP in 2018. Surplus contributions from NPAIP during 2017 were \$10,000,000 as approved by the Board at their meeting held on March 22, 2017. This brings the total surplus contribution into PRM at \$29,477,263. See Note 8 Surplus Contributions for more details. The following chart indicated the NPAIP surplus contributions to PRM:



Surplus

PRM's total surplus at December 31, 2018 was \$37,209,743 a decrease of \$2,291,691 from the December 31, 2017 balance of \$39,501,434. The decrease is the result from the net loss of \$158,771 combined with accumulated other comprehensive loss of \$2,132,920 during the year. At December 31, 2017, PRM had paid-in capital (NPAIP's contributions) of \$29,477,263 and accumulated retained earnings and other comprehensive income of \$10,024,171 to account for the total surplus of \$39,501,434 in 2017.

The following is the comparative Balance Sheet of Public Risk Mutual as of December 31, 2018 and 2017.

Public Risk Mutual				
Balance Sheet				
	2018	2017	\$ Difference	% Difference
Assets				
Cash and cash equivalents	\$ 309,851	\$ 147,455	\$ 162,396	110.1%
Deposit	5,000	-	5,000	n/a
Investments	40,914,152	42,335,839	(1,421,687)	-3.4%
Investment income receivable	176,272	166,274	9,998	6.0%
Total Assets	\$ 41,405,275	\$ 42,649,568	\$ (1,244,293)	-2.9%
Liabilities and Surplus				
Accrued expenses	\$ 18,532	\$ 72,134	\$ (53,602)	-74.3%
Unearned premium	586,000	581,000	\$ 5,000	0.9%
Reserve for loss and loss adjustment expenses	3,591,000	2,495,000	1,096,000	43.9%
Total liabilities	\$ 4,195,532	\$ 3,148,134	\$ 1,047,398	-29.5%
Surplus				
Accumulated other comprehensive income (loss)	(779,970)	1,352,950	(2,132,920)	-157.6%
Total Surplus	37,209,743	39,501,434	(2,291,691)	-5.8%
Total Liabilities and Surplus	\$ 41,405,275	\$ 42,649,568	\$ (1,244,293.00)	-2.9%

Net Income from Operations

PRM reported net loss from operations for the year ended December 2018 of \$158,771 a decrease of (\$178,163) from the prior year end income of \$19,392. This decrease is primarily driven by an increase in the required loss and loss adjustment expenses of \$2,051,058 due to current and prior year's loss development for claims. This is offset by investment income increases due to increased book yield on the investments.

Earned Premiums

Earned premiums increased by \$80,750 or 7.4% to \$1,167,000 at December 31, 2018 compared to prior year amount of \$1,086,250. Pricing is determined with the assistance of the independent actuary.

Investment Income Including Realized Gains

Investment income of \$1,266,846, including realized losses on investments of (\$32,821), at December 31, 2018 was \$129,304 or 11.4% more than the same period during 2017. The increase was primarily due to the higher average investment balances, higher investment book yields offset by realized losses from the sale of securities during the year. See Note 6 Investments for greater details.

Loss and Loss Adjustment Expenses

Loss and loss adjustment expenses increased by \$189,360 from \$1,861,698 in 2017 to \$2,051,058 in 2018. The increase was primarily due to the adverse development of current and prior year losses related to property business which had been experienced in 2017 and 2016 due to flood events.

Administrative Expenses

Administrative expenses including membership services expenses were \$541,559 and \$342,702 respectively, for the years ended December 31, 2018 and 2017. The increase of \$198,857 was attributed primarily to an increase in the member services contract for cybersecurity assessments. There was \$412,238 in membership services expenses for the cybersecurity program during the year compared to \$266,471 in the prior year.

Other Comprehensive Income

Other comprehensive income, which consists of unrealized gains (losses) on available for sale securities arising during the period less reclassification adjustment for (gains) losses recognized in net income. In 2018, the unrealized losses on available for sale securities during the period was (\$2,165,741) compared to unrealized gains of \$1,465,793 in 2017. The reclassification adjustment for (gains) losses recognized in net income were \$32,821 in 2018 compared to (\$219,297) in 2017. This results in total Other Comprehensive Income (Loss) of (\$2,132,920) in 2018 and \$1,246,496 in 2017. This increase in Other Comprehensive Loss is the result of the decrease in the values of the stock market and increases in interest rates on the fixed rate portion of the investment portfolio managed by New England Asset Management. As the market interest rates increase and exceed the book interest rates, there is an unrealized loss on the available for sale securities arising during the period.

The following is the Statement of Income and Comprehensive Income for the years ended December 31, 2018 and 2017.

Public Risk Mutual				
Statement of Income and Comprehensive Income				
	2018	2017	\$ Difference	% Difference
INCOME				
Premiums	\$ 1,167,000	\$ 1,086,250	\$ 80,750	7.4%
Investment income	1,266,846	1,137,542	\$ 129,304	11.4%
Total Income	2,433,846	2,223,792	210,054	9.4%
EXPENSES				
Administrative expenses	129,321	76,231	53,090	69.6%
Membership service expenses	412,238	266,471	145,767	54.7%
Loss and loss adjustment expenses	2,051,058	1,861,698	189,360	10.2%
Total Expenses	2,592,617	2,204,400	388,217	17.6%
Net Income Before Income Taxes	(158,771)	19,392	(178,163)	-918.7%
Provision for Income Taxes	-	-	-	
Net Income	\$ (158,771)	\$ 19,392	(178,163)	-918.7%
OTHER COMPREHENSIVE INCOME				
Unrealized gains (losses) on available for sale securities arising during the period	\$ (2,165,741)	\$ 1,465,793	\$ (3,631,534)	-247.8%
Less: Reclassified adjustments for (gains) losses recognized in net income	32,821	(219,297)	252,118	-115.0%
Other Comprehensive Income (Loss)	(2,132,920)	1,246,496	(3,379,416)	-271.1%
Comprehensive Income (Loss)	\$ (2,291,691)	\$ 1,265,888	\$ (3,557,579)	-281.0%

Request for Information

This financial report is designed to provide a general overview of the financial activities and conditions of Public Risk Mutual to all having an interest in PRM. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to Public Risk Mutual, 201 South Roop Street, Suite 102, Carson City, Nevada 89701 or email at akalt@poolpact.com.

Casey Neilson, Inc.
Accountants and Advisors

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Public Risk Mutual

We have audited the accompanying financial statements of Public Risk Mutual (a Nevada non-profit pure captive insurer) which comprise the balance sheets as of December 31, 2018 and 2017 and the related statements of income and comprehensive income, changes in surplus and cash flows for the years then ended, 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 audits. We conducted our audits 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 of 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 entity'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 entity'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 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 Public Risk Mutual as of December 31, 2018 and 2017, and the results of its operations and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters – Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the expanded disclosures regarding short duration contracts contained in Note 7 to the financial statements be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements 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.

Report on Other Legal and Regulatory Requirements

In accordance with the Nevada Administrative Code, we have also issued our report dated March 5, 2019, on our consideration of the Company's internal control and compliance over financial reporting. That report is an integral part of an audit performed in accordance with this code and should be read in conjunction with this report in considering the results of our audits.

A handwritten signature in black ink that reads "Casey Nelson". The signature is written in a cursive, flowing style.

Carson City, Nevada
March 5, 2019

**PUBLIC RISK MUTUAL
BALANCE SHEETS
DECEMBER 31, 2018 AND 2017**

	2018	2017
ASSETS		
Cash and cash equivalents	\$ 309,851	\$ 147,455
Deposits	5,000	-
Investments	40,914,152	42,335,839
Investment income receivable	176,272	166,274
Total Assets	\$ 41,405,275	\$ 42,649,568
 LIABILITIES AND SURPLUS		
Accrued expenses	\$ 18,532	\$ 72,134
Unearned premium	586,000	581,000
Reserve for loss and loss adjustment expenses	3,591,000	2,495,000
Total Liabilities	4,195,532	3,148,134
Surplus	37,989,713	38,148,484
Accumulated other comprehensive income (loss)	(779,970)	1,352,950
Total Surplus	37,209,743	39,501,434
Total Liabilities and Surplus	\$ 41,405,275	\$ 42,649,568

See accompanying notes.

PUBLIC RISK MUTUAL
STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	2018	2017
REVENUES		
Premiums earned	\$ 1,167,000	\$ 1,086,250
Net investment income	1,266,846	1,137,542
Total Revenues	2,433,846	2,223,792
EXPENSES		
Administrative expenses	129,321	76,231
Membership services expense	412,238	266,471
Loss and loss adjustment expenses	2,051,058	1,861,698
Total Expenses	2,592,617	2,204,400
Net Income (Loss) Before Income Taxes	(158,771)	19,392
Provision for income taxes	-	-
Net Income (Loss)	\$ (158,771)	\$ 19,392
OTHER COMPREHENSIVE INCOME		
Unrealized gains (losses) on available for sale securities arising during the period	\$ (2,165,741)	\$ 1,465,793
Less: Reclassification adjustment for (gains) losses recognized in net income	32,821	(219,297)
Other Comprehensive Income (Loss)	(2,132,920)	1,246,496
Comprehensive Income (Loss)	\$ (2,291,691)	\$ 1,265,888

See accompanying notes.

**PUBLIC RISK MUTUAL
STATEMENTS OF CHANGES IN SURPLUS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

	<u>Surplus</u>	<u>Accumulated Other Comprehensive Income (Loss)</u>	<u>Total Surplus</u>
Balance, December 31, 2016	\$ 28,129,092	\$ 106,454	\$ 28,235,546
Surplus contributions	10,000,000	-	10,000,000
Net income	19,392	-	19,392
Unrealized holding gains arising during the period	-	1,465,793	1,465,793
Less: Reclassification adjustment for (gains) included in net income	<u>-</u>	<u>(219,297)</u>	<u>(219,297)</u>
Balance, December 31, 2017	<u>38,148,484</u>	<u>1,352,950</u>	<u>39,501,434</u>
Net loss	(158,771)	-	(158,771)
Unrealized holding losses arising during the period	-	(2,165,741)	(2,165,741)
Less: Reclassification adjustment for losses included in net income	<u>-</u>	<u>32,821</u>	<u>32,821</u>
Balance, December 31, 2018	<u>\$ 37,989,713</u>	<u>\$ (779,970)</u>	<u>\$ 37,209,743</u>

See accompanying notes.

**PUBLIC RISK MUTUAL
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	\$ (158,771)	\$ 19,392
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Realized (gains) losses on sales of securities	32,821	(219,297)
Amortization of premium or discount	94,748	118,277
Changes in assets and liabilities:		
(Increase) decrease in:		
Investment income receivable	(9,998)	(33,858)
Deposits	(5,000)	-
Increase (decrease) in:		
Accrued expenses	(53,602)	55,908
Unearned premium	5,000	75,750
Reserve for loss and loss adjustment expenses	1,096,000	586,000
Net Cash Provided (Used) by Operating Activities	<u>1,001,198</u>	<u>602,172</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sales of securities	2,539,017	8,694,596
Purchase of investments	<u>(3,377,819)</u>	<u>(19,385,392)</u>
Net Cash Provided (Used) by Investing Activities	<u>(838,802)</u>	<u>(10,690,796)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from contribution of surplus	<u>-</u>	<u>10,000,000</u>
Net Cash Provided (Used) by Financing Activities	<u>-</u>	<u>10,000,000</u>
Increase (Decrease) in Cash and Cash Equivalents	162,396	(88,624)
CASH AND CASH EQUIVALENTS, Beginning of Year	<u>147,455</u>	<u>236,079</u>
CASH AND CASH EQUIVALENTS, End of Year	<u>\$ 309,851</u>	<u>\$ 147,455</u>

See accompanying notes.

**PUBLIC RISK MUTUAL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Nature of Operations:

Public Risk Mutual (the “Company”), a Nevada nonprofit captive association mutual insurer formed pursuant to Nevada Revised Statute 694C, is engaged in the business of providing reinsurance for the Nevada Public Agency Insurance Pool (POOL). Effective July 18, 2013, the Company became a pure captive authorized by State of Nevada Division of Insurance. POOL is a quasi-governmental entity formed by an intergovernmental agreement between political subdivisions of the State of Nevada, and organized to operate as a group self insurer. The Company’s formation was approved on July 26, 2004 by the State of Nevada Division of Insurance and began operations September 1, 2004.

Use of 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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Basis of Presentation:

The accompanying financial statements have been prepared in conformity with reporting practices prescribed or permitted by the State of Nevada Division of Insurance. These financial statements are also presented in conformity with accounting principles generally accepted in the United States of America because the accounting practices prescribed or permitted under statutory authority, when applied to the Company, do not vary materially from generally accepted accounting principles.

Cash Equivalents:

For the purpose of presentation in the Company’s financial statements, cash equivalents are short-term, highly liquid investments that are both (a) readily convertible to known amounts of cash and (b) so near to maturity that they present insignificant risk of changes in value due to changing interest rates.

Method of Accounting:

The Company prepares its financial statements on the accrual method of accounting, recognizing income when earned and expenses when incurred.

Securities Available for Sale:

Investments not classified as either trading or held-to-maturity are reported at fair value, adjusted for other than temporary declines in fair value, with unrealized gains and losses excluded from net income and reported as a separate component of surplus. Realized gains and losses are calculated using the specific identification method. The fair value of securities is determined by quoted market prices and observable information for similar items in active or inactive markets.

PUBLIC RISK MUTUAL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Valuation of Investments:

The Company has adopted and implemented FASB ASC 820-10, Fair Value Measurements, which provides a framework for measuring fair value under GAAP. This statement defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price), in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. FASB ASC 820-10 requires that valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs. FASB ASC 820-10 establishes a fair value hierarchy, which prioritizes the valuation inputs into three broad levels.

There are three general valuation techniques that may be used to measure fair value, as described below:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly through corroboration with observable market data.

Level 3: Unobservable inputs for the asset or liability, that is, inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability (including assumptions about risk) developed based on the best information available in the circumstances.

Reserve for Loss and Loss Adjustment Expenses:

Loss and loss adjustment expenses includes an amount determined from loss reports on individual cases and estimates of the cost of claims incurred but not reported. Such liabilities are necessarily based on estimates and, while management believes the amount is adequate, the ultimate liability may be in excess of, or less than, the amounts provided. It is reasonably possible that the estimate will change within one year of the date of the financial statements. The loss liabilities were developed from a combination of the insurance industry loss payment and reporting patterns. The data was developed and trended, using standard actuarial techniques, to meet the Company's premium rate structure and experience. The methods for making such estimates and for establishing the resulting liability are continually reviewed, and any adjustments are reflected in earnings currently.

Premiums:

Premiums are generally recognized as revenue on a pro rata basis over the policy term. The portion of premiums that will be earned in the future are deferred and reported as unearned premiums.

Reinsurance:

In the normal course of business, the Company may seek to reduce the loss that may arise from catastrophes or other events that cause unfavorable underwriting results by purchasing reinsurance at certain levels of risk in various areas of exposure with other insurance enterprises.

**PUBLIC RISK MUTUAL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Income Tax Status:

Under Internal Revenue Code Section 115, and pursuant to regulations and rulings issued by the Internal Revenue Service, organizations formed, operated and funded by political subdivisions formed to pool casualty and other risks arising from their obligations concerning public liability, may exclude income derived from such activities from taxable income. Accordingly, no provision for income taxes has been provided in the accompanying financial statements, and no federal tax returns have been filed. As no tax returns have been filed, there is no statute of limitations to toll, and all years remain open to potential adjustment.

Investments and Investment Income:

Captive insurance companies are governed by NRS 694C.340 regarding allowable investments, however, as a pure captive, the Company is not subject to any restrictions on allowable investments. The Board has, by policy, implemented investment guidelines to which the Company adheres such that investments are in accordance with NRS 682A.

Credit Risk:

Credit risk is the risk that the issuer of a security will default on principal and interest in the security. The investment guidelines, do not limit investments based upon the rating of a security, but it is policy to limit those securities with potential default risk such that the Company's annual investment income would exceed a loss on a single issuer's securities.

Concentration of Credit Risk:

The Company limits investments in any single mutual fund, exchange traded fund or similar vehicle to no more than 10% of assets, except for diversified money market funds approved by the NAIC (National Association of Insurance Commissioners).

Interest Rate Risk:

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Company minimizes this risk through maturity diversification such that aggregate price losses on instruments with maturities exceeding one year shall not be greater than coupon interest and investment income received from the balance of the portfolio.

Prior Year Reclassifications:

The prior year's financial statements have been reclassified where applicable to conform to the current year's presentation.

NOTE 2 – NEW ACCOUNTING STANDARDS:

Recently Adopted Accounting Standards:

In May 2015, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) Number 2015-09, *Disclosures About Short-Duration Contracts* (Topic 944). This standard expands the disclosures that an insurance entity must provide about its short-duration insurance contracts. While ten years of information are required to be presented, all years presented in the claims development tables that precede the most recent reporting period should be considered supplementary information.

**PUBLIC RISK MUTUAL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017**

NOTE 2 – NEW ACCOUNTING STANDARDS (continued):

The company implemented this standard as required during 2017; however due to a difference in actuarial and accounting terminology the schedules provided by the actuary only included development of known claims. This has been corrected in 2018 and impacts supplementary information only.

Recently Issued Accounting Standards – Not Yet Adopted:

In January 2016, the FASB issued ASU Number 2016-01, *Financial Instruments - Overall* (Subtopic 825-10). This update replaces the guidance to classify equity securities with readily determinable fair values into different categories (trading or available-for sale) and requires equity securities to be measured at fair value with changes in fair value recognized in net income. Additionally, this update eliminates the method and significant assumptions used to estimate the fair value of financial instruments measured at amortized cost. It requires financial instruments to be measured at fair value using the exit price notion. This update becomes effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. This update will result in a reclassification adjustment, net of tax, to retained earnings from accumulated other comprehensive income, which will be determined based on the fair value of securities at the effective date of adoption.

NOTE 3 - FAIR VALUE OF FINANCIAL INSTRUMENTS:

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value in conformity with FASB ASC 820-10:

Cash and Cash Equivalents: For these short term instruments, the carrying amount is a reasonable estimate of fair value. This fair value estimate represents a level 1 input as described in Note 1.

Investments in Marketable Securities: For investments in marketable securities, fair values are based on quoted market prices or dealer quotes if available. If a quoted market price is not available, fair value is estimated using quoted market price for similar securities. This fair value estimate represents a level 2 input as described in Note 1.

The following table presents the Company's fair value hierarchy for financial instruments measured at fair value on a recurring basis as of December 31, 2018 and 2017:

Description	December 31, 2018	Fair Value measurement at reporting date using		
		Quoted price in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Cash and cash equivalents	\$ 309,851	\$ 309,851	\$ -	\$ -
U.S. government obligations	4,873,403	1,404,796	3,468,607	-
U.S states and local authorities	5,217,983	-	5,217,983	-
International bonds	486,510	-	486,510	-
U.S. corporate bonds	16,849,886	-	16,849,886	-
Fixed income mutual funds	1,147	1,147	-	-
Bond mutual funds	1,364,019	1,364,019	-	-
Equity mutual funds	12,121,204	12,121,204	-	-
Total	\$ 41,224,003	\$ 15,201,017	\$ 26,022,986	\$ -

**PUBLIC RISK MUTUAL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017**

NOTE 3 - FAIR VALUE OF FINANCIAL INSTRUMENTS (continued):

Description	December 31, 2017	Fair Value measurement at reporting date using		
		Quoted price in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Cash and cash equivalents	\$ 147,455	\$ 147,455	\$ -	\$ -
U.S. government obligations	5,457,021	1,766,816	3,690,205	-
U.S states and local authorities	5,305,177	-	5,305,177	-
International bonds	260,107	-	260,107	-
U.S. corporate bonds	16,906,496	-	16,906,496	-
Fixed income mutual funds	1,130	1,130	-	-
Bond mutual funds	1,406,218	1,406,218	-	-
Equity mutual funds	12,999,690	12,999,690	-	-
Total	\$ 42,483,294	\$ 16,321,309	\$ 26,161,985	\$ -

There were no transfers between fair value levels during the year ended December 31, 2018 and 2017.

NOTE 4 - CONCENTRATIONS:

As detailed in Note 1, the Company provides excess insurance coverage to POOL; additionally, POOL provided the surplus contribution to the Company, and is the sole insured.

The Company maintains its cash balances in various institutions. The balances are insured by Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The Company has not experienced any losses in such accounts.

Additionally, as of December 31, 2018 and 2017, the company has certain cash equivalent and investment balances insured by the Securities Investor Protection Corporation (SIPC) up to \$500,000 (with a limit of \$250,000 for cash) per institution. In addition, the Company's investment policy provides additional coverage above the SIPC limits for any missing securities and cash in client investment accounts up to a firm aggregate limit of \$1 billion (including up to \$1.9 million for cash per client). The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risk on cash and cash equivalents.

NOTE 5 - REINSURANCE ACTIVITY:

Until June 30, 2011, the Company ceded insurance to another company; however, effective July 1, 2010, POOL no longer passes the property premiums through the Company, and is directly reinsured by an outside reinsurer. This reinsurance contract does not relieve the Company from its obligations to policyholders. Failure of the reinsurer to honor its obligations could result in losses to the Company; the Company does not believe that there is a substantial risk of the reinsurer not honoring its obligations. All claims that were incurred during the period of reinsurance coverage are now closed, and there are no outstanding liabilities or receivables attributable to the reinsurance policies.

**PUBLIC RISK MUTUAL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017**

NOTE 6 - INVESTMENTS:

Available-for-sale securities at December 31, 2018 and 2017 consist of various investments as indicated below:

	December 31, 2018			
	Cost	Estimated Fair Value	Gross Unrealized	
			Gains	Losses
U.S. government obligations	\$ 5,020,459	\$ 4,873,403	\$ 6,094	\$ (153,150)
U.S. states and local authorities	5,289,621	5,217,983	11,477	(83,115)
International bonds	499,964	486,510	-	(13,454)
U.S. corporate bonds	17,299,713	16,849,886	29,785	(479,612)
Total debt securities	28,109,757	27,427,782	47,356	(729,331)
Fixed income mutual funds	1,213	1,147	-	(66)
Bond mutual funds	1,495,169	1,364,019	-	(131,150)
Equity mutual funds	12,087,983	12,121,204	504,927	(471,706)
Total equity securities	13,584,365	13,486,370	504,927	(602,922)
Total available-for-sale securities	\$ 41,694,122	\$ 40,914,152	\$ 552,283	\$ (1,332,253)

	December 31, 2017			
	Cost	Estimated Fair Value	Gross Unrealized	
			Gains	Losses
U.S. government obligations	\$ 5,516,853	\$ 5,457,021	\$ 296	\$ (60,128)
U.S. states and local authorities	5,319,313	5,305,177	35,479	(49,615)
International bonds	260,439	260,107	-	(332)
U.S. corporate bonds	16,893,318	16,906,496	112,765	(99,587)
Total debt securities	27,989,923	27,928,801	148,540	(209,662)
Fixed income mutual funds	1,138	1,130	-	(8)
Bond mutual funds	1,416,613	1,406,218	-	(10,395)
Equity mutual funds	11,575,215	12,999,690	1,424,475	-
Total equity securities	12,992,966	14,407,038	1,424,475	(10,403)
Total available-for-sale securities	\$ 40,982,889	\$ 42,335,839	\$ 1,573,015	\$ (220,065)

For purposes of determining gross realized gains, the cost of securities sold is based on specific identification. Net unrealized holding gains (losses) on available-for-sale debt and equity securities in the amount of (\$779,970) and \$1,352,950 for the years ended December 31, 2018 and 2017, respectively, have been included in accumulated other comprehensive income.

PUBLIC RISK MUTUAL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

NOTE 6 – INVESTMENTS (continued):

During 2018 and 2017, sales proceeds and gross realized gains and losses on securities classified as available-for-sale were:

	<u>2018</u>	<u>2017</u>
Sales proceeds	\$ 2,539,017	\$ 8,694,596
Gross realized gains	\$ -	\$ 244,663
Gross realized losses	\$ (32,821)	\$ (25,366)

Contractual maturities of available-for-sale debt securities at December 31, 2018 and 2017 are as follows:

	<u>Estimated Fair Values</u>	
	<u>2018</u>	<u>2017</u>
1 year or less	\$ 594,548	\$ 500,834
Due in 1 - 5 years	7,664,657	7,737,294
Due in 5 - 10 years	9,064,588	8,952,749
Due in 10 years or more	10,103,989	10,737,924
Total investment in debt securities	<u>\$ 27,427,782</u>	<u>\$ 27,928,801</u>

Actual maturities may differ from contractual maturities because some borrowers have the right to call or prepay obligations with or without call or prepayment penalties.

Information pertaining to securities with gross unrealized losses at December 31, 2018, aggregated by length of time individual securities have been in a continuous loss position, is as follows:

	<u>Less Than 12 Months</u>		<u>12 Months or Greater</u>		<u>Total</u>	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
U.S. government obligations	\$ -	\$ -	\$ 4,628,451	\$ (153,150)	\$ 4,628,451	\$ (153,150)
U.S. state and local authorities	1,323,237	(9,082)	2,692,049	(74,033)	4,015,286	(83,115)
International bonds	239,188	(10,812)	247,323	(2,641)	486,511	(13,453)
U.S. corporate bonds	6,655,244	(197,334)	7,736,874	(282,278)	14,392,118	(479,612)
Fixed income mutual funds	-	-	1,146	(67)	1,146	(67)
Bond mutual funds	-	-	1,364,019	(131,150)	1,364,019	(131,150)
Equity mutual funds	3,148,221	(471,706)	-	-	3,148,221	(471,706)
Total available-for-sale securities	<u>\$ 11,365,890</u>	<u>\$ (688,934)</u>	<u>\$ 16,669,862</u>	<u>\$ (643,319)</u>	<u>\$ 28,035,752</u>	<u>\$ (1,332,253)</u>

Management evaluates securities for other-than-temporary impairment at least on a quarterly basis, and more frequently when economic or market concerns warrant such evaluation. Consideration is given to (1) the length of time and the extent to which the fair value has been less than cost, (2) the financial condition and near-term prospects of the issuer, and (3) the intent and ability of the entity to retain its investment in the issuer for a period of time sufficient to allow for any anticipated recovery in fair value. As management has the ability to hold the securities for the foreseeable future, no declines are deemed to be other-than-temporary.

**PUBLIC RISK MUTUAL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017**

NOTE 7 - RESERVE FOR LOSS AND LOSS ADJUSTMENT EXPENSES:

The Company provides property reinsurance to POOL on an excess of loss basis per the following table:

<u>Fiscal Year</u>	<u>Insurance layer</u>
7/1/2005-7/1/2007	\$ 50,000 excess of \$150,000
7/1/2007-7/1/2014	\$ 50,000 excess of \$200,000
7/1/2014-7/1/2019	\$300,000 excess of \$200,000

Also, from inception of the captive until June 30, 2010, Lloyds of London reinsured the Company for property losses exceeding \$50,000 net loss per incident, but that reinsurance is now directly contracted by POOL, not the Company.

The Company's coverage to Nevada Public Agency Insurance Pool's liability program is as follows:

<u>Fiscal Year</u>	<u>Retention 1</u>		<u>Retention 2</u>				
	<u>Insurance layer</u>	<u>Quota share</u>	<u>Insurance layer - excluding school district</u>	<u>Quota share</u>	<u>Insurance layer - all members</u>	<u>Quota share</u>	<u>Insurance layer - school district</u>
7/1/05-7/1/07	\$250,000 excess of \$2,000,000						
7/1/07-7/1/11	\$250,000 excess of \$2,000,000	20%	\$1,500,000 excess of \$500,000				
7/1/11-7/1/14		20%	\$2,500,000 excess of \$500,000				
7/1/14-7/1/16		20%	\$2,500,000 excess of \$500,000	15%	\$7,000,000 excess of \$3,000,000		
7/1/16-7/1/17		30%	\$2,500,000 excess of \$500,000	25%	\$7,000,000 excess of \$3,000,000		
7/1/17-7/1/18		30%	\$2,500,000 excess of \$500,000	25%	\$7,000,000 excess of \$3,000,000	25%	\$2,500,000 excess of \$500,000
7/1/18-7/1/19		30%	\$2,500,000 excess of \$500,000	25%	\$7,000,000 excess of \$3,000,000	25%	\$2,500,000 excess of \$500,000

Loss reserve estimates are inherently uncertain because the ultimate amount the Company will pay for many of the claims it has incurred as of the balance sheet date will not be known for many years. The estimate of loss reserves is intended to equal the difference between the expected ultimate losses of all claims that have occurred as of a balance sheet date and amounts already paid. The Company establishes loss reserves based on its own analysis of emerging claims and review of the results of actuarial projections. The Company's aggregate carried reserve for unpaid losses is the sum of its reserves for each accident year and represents its best estimate of outstanding loss reserves.

**PUBLIC RISK MUTUAL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017**

NOTE 7 - RESERVE FOR LOSS AND LOSS ADJUSTMENT EXPENSES (continued):

The amount by which estimated losses in the aggregate differ from those previously estimated for a specific time period is known as reserve "development." Reserve development is unfavorable when losses ultimately settle for more than the amount reserved or subsequent estimates indicate a basis for reserve increases on open claims, causing the previously estimated loss reserves to be "deficient." Reserve development is favorable when estimates of ultimate losses indicate a decrease in established reserves, causing the previously estimated loss reserves to be "redundant." Development is reflected in the Company's operating results through an adjustment to incurred losses during the period in which it is recognized.

The three main components of reserves for unpaid losses are case reserves, incurred but not reported (IBNR) loss reserves and reserves for loss adjustment expenses (LAE).

When claims are reported, the Company establishes individual estimates of the ultimate cost of each claim (case reserves). These case reserves are continually monitored and revised in response to new information and for amounts paid. IBNR is an actuarial estimate of future payments on claims that have occurred but have not yet been reported. The Company also estimates and makes a provision for the extent to which the case reserves on known claims may develop. IBNR reserves apply to the entire body of claims arising from a specific time period, rather than a specific claim. Most of the Company's IBNR reserves relate to estimated future claim payments on recorded open claims.

For the year ended December 31, 2018, estimated unpaid losses have been determined to range from a recommended low of \$3,951,000 to a recommended high of \$4,696,000 with a conservative estimate of \$5,781,000 based on actuarial estimates; further the actuary has projected expected losses at \$2,681,000. For the year ended December 31, 2017, estimated unpaid losses have been determined to range from a recommended low of \$2,495,000 to a recommended high of \$3,608,000 with a conservative estimate of \$4,704,000 based on actuarial estimates; further the actuary has projected expected losses at \$1,604,000. Management has estimated reserves to be \$3,591,000 and \$2,495,000 at December 31, 2018 and 2017, respectively. This estimate is based on funding the Company at the 75% confidence level as recommended by the actuary. Management has elected not to discount the reserves for anticipated investment income.

Activity in the reserve for loss and loss adjustment expenses account is summarized as follows:

	<u>2018</u>	<u>2017</u>
Balance at January 1	\$ 2,495,000	\$ 1,909,000
Incurred related to:		
Current year	1,392,500	957,000
Prior years	<u>658,558</u>	<u>904,698</u>
Total incurred	<u>2,051,058</u>	<u>1,861,698</u>
Net paid	<u>955,058</u>	<u>1,275,698</u>
Balance at December 31	<u>\$ 3,591,000</u>	<u>\$ 2,495,000</u>

As a result of changes in estimates of incurred events in prior years, the provision for losses changed by \$658,558 and \$904,698 for the years ended December 31, 2018 and 2017, respectively, due to higher (lower) than anticipated losses on the development of claims.

**PUBLIC RISK MUTUAL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017**

NOTE 7 - RESERVE FOR LOSS AND LOSS ADJUSTMENT EXPENSES (continued):

The Company's reserve estimates are based on loss experience and exposure data and have assumed future development of incurred and paid losses can be reasonably predicted on the basis of development of such losses in the recent past.

The Company compiles and aggregates its claims data by grouping the claims according to the year in which the claim occurred ("accident year") when analyzing claim payment and emergence patterns and trends over time. It has been assumed that costs associated with liability claims and claim size are increasing by 2.0% annually. For the purposes of defining claims frequency, the number of reported claims includes any claim that has case reserves and/or loss and LAE payments associated with them. The Company has assumed that the average frequency of claims stays constant.

The Company analyzed the usefulness of disaggregation of its results and determined the characteristics associated with the policies and the related unpaid loss reserves, incurred losses, and payment patterns are similar in nature. The following tables show the Company's historical incurred and cumulative paid losses and LAE development, net of reinsurance, (liability and property combined) as well as IBNR loss reserves and the number of reported claims on an aggregated basis as of December 31, 2018 for each of the previous 10 accident years:

Incurred Losses and LAE, Net of Reinsurance											2018	
Years Ended December 31,												
Accident Year	2009 (1)	2010 (1)	2011 (1)	2012 (1)	2013 (1)	2014 (1)	2015 (1)	2016 (1)	2017 (1)	2018	IBNR	Cumulative number of reported claims
(in thousands, except claims counts)												
2009	\$ 202.0	\$ 167.9	\$ 121.1	\$ 256.0	\$ 23.8	\$ 13.0	\$ 76.7	\$ 65.5	\$ 4.5	\$ 2.4	\$ -	0
2010		259.7	460.7	420.0	288.4	274.1	273.7	252.5	196.2	186.2	-	5
2011			276.9	314.5	126.7	131.0	97.8	93.5	92.9	213.9	45.1	4
2012				-	243.9	193.3	73.8	54.6	54.8	51.5	1.5	2
2013					244.6	284.9	291.5	558.7	355.6	531.3	31.3	0
2014						777.2	804.0	435.5	402.7	394.3	75.4	2
2015							551.7	582.8	1,398.2	1,426.3	109.9	5
2016								466.6	818.7	1,307.9	553.8	7
2017									654.8	1,207.6	565.5	7
2018										788.5	663.5	1
Total										\$ 6,109.9		

PUBLIC RISK MUTUAL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

NOTE 7 - RESERVE FOR LOSS AND LOSS ADJUSTMENT EXPENSES (continued):

Cumulative Paid Losses and LAE, Net of Reinsurance

Years Ended December 31,

Accident Year	2009 (1)	2010 (1)	2011 (1)	2012 (1)	2013 (1)	2014 (1)	2015 (1)	2016 (1)	2017 (1)	2018
	(in thousands)									
2009	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2010		-	50.0	50.0	50.0	50.0	86.2	86.2	88.6	88.6
2011			100.0	100.0	100.0	140.0	140.0	140.0	140.0	140.0
2012				-	-	-	50.0	50.0	50.0	50.0
2013					-	50.0	50.0	50.0	50.0	50.0
2014						-	73.7	73.7	417.9	417.9
2015							-	50.0	245.2	245.2
2016								50.0	200.0	1,177.3
2017										600.0
2018										
Total										\$ 2,769.00
All outstanding liabilities for unpaid losses and LAE prior to 2008, net of reinsurance										250.1
Total outstanding liabilities for unpaid losses and LAE, net of reinsurance										\$ 3,591.0

(1) Data presented for these calendar years is considered to be supplementary information, which is unaudited.

The following table presents the average percentage payout of incurred claims by age, net of reinsurance, as of December 31, 2018 and is presented as required supplementary information, which is unaudited:

Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
5.1%	13.3%	11.1%	29.0%	0.0%	3.9%	0.0%	4.0%	0.0%	0.0%

The following table represents a reconciliation of claims development to the aggregate carrying amount of the liability for unpaid losses and LAE:

Liabilities for unpaid losses and LAE, net of reinsurance	\$ 3,591.0
Reinsurance recoverable on unpaid losses	-
Unallocated LAE	-
Total liability for unpaid losses and LAE	\$ 3,591.0

**PUBLIC RISK MUTUAL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017**

NOTE 8 - SURPLUS CONTRIBUTION:

The following is a summary of the surplus contributed to the Company from POOL pursuant to authorization by the Executive Committee of POOL:

<u>Years</u>	<u>Surplus POOL Contribution</u>
2004	\$ 1,000,000
2005	-
2006	-
2007	2,000,000
2008	3,800,000
2009	908,416
2010	4,265,924
2011	3,276,619
2012	1,237,581
2013	1,500,000
2014	-
2015	876,123
2016	612,600
2017	10,000,000
2018	-
Total	<u>\$ 29,477,263</u>

NRS 694C.250 requires a pure captive to maintain capital of not less than \$200,000, the Company is in compliance with this requirement as of December 31, 2018 and 2017.

NOTE 9 - RELATED PARTIES:

All premiums and surplus contributions are made by POOL and all claims activity is attributable to the quota share reinsurance agreement with POOL.

NOTE 10 - SUBSEQUENT EVENTS:

Management has evaluated subsequent events through March 5, 2019, which is the date the financial statements were available to be issued.

Casey Neilson, Inc.
Accountants and Advisors

**REPORT ON INTERNAL CONTROL AND COMPLIANCE OVER FINANCIAL REPORTING BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
NEVADA ADMINISTRATIVE CODE 694C.210**

To the Board of Directors
Public Risk Mutual

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of Public Risk Mutual (PRM), which comprise the balance sheet as of December 31, 2018, and the related statements of income and comprehensive income, changes in stockholders' equity, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 5, 2019.

In planning and performing our audit of the GAAP basis financial statements of Public Risk Mutual (PRM) as of and for the years ended December 31, 2018 in accordance with auditing standards generally accepted in the United States of America, we considered its internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of PRM's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, detected or corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and would not necessarily identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

In connection with our audit, nothing came to our attention that caused us to believe that Public Risk Mutual failed to comply with the terms, covenants, provisions, or conditions of their bylaws, articles of incorporation, or business plan, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Company's noncompliance with the above-referenced terms, insofar as they relate to accounting matters

This communication is intended solely for the information and use of the Board of Directors, management, others within the organization and state insurance departments to whose jurisdiction PRM is subject and is not intended to be and should not be used by anyone other than these specified parties.



Carson City, Nevada
March 5, 2019

Pool Renewal Options to Consider
2019-2020
March 21, 2019

1. Increase Money & Securities Limits from \$500K to \$1M =+\$82,400
2. Funding at 75% Confidence Level vs 70% Confidence Level
Property Rates Only 70% \$794,000 75% \$824,000 Difference \$30,000
Liability Rates Only 70% \$538,000 75% \$698,000 Difference \$160,000 Combined \$190K
3. GEM willing to take larger Quota Share 35% \$7 xs \$3M (Brit's 40%, PRM's 25%)
Cost per QS% PRM \$3,220, Brit \$5,761, GEM \$7,069 GEM Not a Good Buy
4. GEM willing to take \$2.5M xs \$500K Muni Layer 30% QS for \$448,247
Currently: CRL's 70% PRM 30%
Cost per QS% at this level: CRL \$8,744 PRM \$12,074 GEM Quote: \$14,942 Expensive
5. UE 75% Quota Share \$2.5M xs \$500K cost per share \$3,243 PRM Cost \$12,507
Consider letting UE have 100% of this layer Estimated savings \$231,605 less Expense
6. Student Accident Existing Plan cost \$196,776: Consider apportionment %
Catastrophic Accident Quotations: See schedule
7. Iron Shore Environmental \$313,660 for \$250,000 Deductible
Obtaining Quote for \$500,000 Deductible
8. Property Quotation: Pending
PRM to consider filling in for any "holes" in the quilt
Increase SIR from \$500K to \$750K
9. Captive Administrative Cost Allocation
50/50 to Property and Liability
2018/2019 No Expense Allocation: Actual was \$129,321 2019B \$114,800
10. Other

POOL

	FY 2016 Audit	FY 2017 Audit	FY 2018 Audit	FY 19 Approved Budget	FY 2020 Budget Option 1	FY 2020 Budget Option 2	FY 2020 Budget Option 3	\$ Change	% Change	Notes/Comments
REVENUES					As Current	Board Directed Based on Scorecard	Board Directed Based on Scorecard			
Premiums written	13,938,226	13,832,878	14,300,787	15,434,178	16,977,956	17,365,867	2,111,689	13.8%	Deriv rate + allocated cost for rates	
Phase out of Unallocated Costs							(13,289)	-12.6%	Reduced Amounts Adjs to NRP, PHL, PAMS	
Rental Income	257,937	258,326	261,643	265,104	231,815	231,815	47,289			
Other Income	181,366	68,324	50,174	87,800	75,000	75,000	(12,800)	-14.6%		
Total Revenues	14,377,529	14,159,528	14,702,604	15,787,082	17,284,411	18,347,682	2,085,400	13.2%		
Loss Fund and Insurance Expenses										
Losses and loss adjustment expenses	3,629,644	4,549,021	6,461,215	5,455,000	6,268,000	6,268,000	811,000	14.9%	75% CL Actuarial Number	
Excess Insurance Premiums	5,044,561	5,633,992	5,309,446	5,481,843	6,733,566	6,733,566	1,251,723	22.9%	See Excess Grid below: Pending Market	
Special Insurance programs			485,154	480,000	493,476	493,476	13,476	2.8%	Student Accident, Pollution Coverage	
Agent Commissions	911,271	905,483	955,653	910,000	1,120,521	1,159,347	210,521	23.1%	Commission Rate Remaining the Same	
Taxes written	3,268	2,160	18,463	18,000	18,000	18,000	0	0.0%		
Total Loss Fund and Insurance Costs	9,593,724	11,090,662	12,229,581	12,344,843	14,633,566	14,672,389	2,288,720	63.7%		
Program Expenses										
Pooling and loss control fees	505,000	505,000	505,000	505,000	505,000	505,000	-	0.0%	Wills	
Third party administrator fees	652,721	659,418	710,655	728,043	730,000	730,000	1,957	0.3%	ASC	
Loss Control awards and grants	185,900	320,621	240,525	500,000	500,000	400,000	(400,000)	-80.0%	Cost 2 lowered by SDRM 1st Audit Costs	
Member education and training	1,067,403	1,310,767	1,177,977	1,166,950	1,469,200	1,469,200	302,250	26%	See detailed list below	
Total Program Expenses	2,411,024	2,795,812	2,634,157	2,899,993	3,204,200	3,104,200	304,207	10.5%		
ADMINISTRATION EXPENSES										
Management Services	475,860	490,134	513,174	563,812	645,000	526,600	81,388	14.4%	New MIF Contract	
Building maintenance and utilities	80,548	124,219	93,190	95,000	300,000	300,000	205,000	215.8%	Roof Repairs 2015, Rooftop Street	
Depreciation	44,593	44,564	49,319	50,000	50,000	50,000	-	0.0%	Building Depreciation 2015, Rooftop Street	
Amortization	1,779,165	1,946,891	2,471,560	2,471,560	2,190,318	2,190,318	(281,242)	-11.4%	Rehabilitated Amortization: Contributions to FRM	
Travel	54,711	48,662	54,981	55,000	55,000	55,000	-	0.0%	Board, Staff Travel, Trainings	
Casualty Insurance	40,769	51,151	51,075	52,000	52,000	52,000	-	0.0%	Fuel Coverage	
Operating expenses	232,266	113,484	189,721	137,500	150,000	150,000	-	8.0%		
Legal Expenses	40,911	85,109	45,788	70,000	80,000	80,000	10,000	14.3%	Coverage Determination, Admin Legal Support	
Consultant approvals	114,850	87,508	85,700	80,000	80,000	80,000	-	0.0%	Healthworks Property Assessments	
Environmental consultation	18,972	23,665	18,483	13,000	15,000	15,000	2,000	15.4%	Cost Allocation: Pending MIF Cost Summary	
Technology services		3,995,752	3,569,752	3,570,112	3,597,588	3,477,358	(25,818)	-0.7%		
Total non-administration expenses	2,862,863	3,995,752	3,569,752	3,570,112	3,597,588	3,477,358	(25,818)	-0.7%		
Decrease in operating Net Position	(510,082)	(3,824,698)	(4,710,457)	(5,027,925)	(4,150,710)	(2,906,265)	(1,521,513)	-30.2%		
Non-operating net investment income	1,269,345	1,277,911	651,207	590,000	650,000	650,000	150,000	23.7%	Wells' Book Income @ 97.5% Loss Fees	
Increase (Decrease) in Net Position	699,263	(1,546,787)	(4,059,250)	(4,437,925)	(3,500,710)	(2,256,265)	(882,518)	-25.1%		
Net Position, beginning of year	34,163,124	34,862,387	31,740,679	26,978,954	24,451,028	24,451,028	24,451,028			
Net Position, end of year	34,862,387	33,315,600	26,978,954	24,451,028	20,950,318	22,194,763	24,451,028			

	FY 2016 Audit	FY 2017 Audit	FY 2018 Audit	FY 19 Approved Budget	FY 2020 Budget Option 1	FY 2020 Budget Option 2	FY 2020 Budget Option 3
Amortization/Depreciation expenses (Non-cash items)	1,823,758	1,991,457	2,522,879	2,523,500	2,240,358	2,240,358	
Net Change in Operating NP after Investment Income	1,313,676	(813,341)	(3,187,578)	(504,946)	(1,919,352)	(645,907)	
Net Change in Operating NP after Investment Income	2,523,021	(1,130,232)	(1,218,618)	(1,416)	(5,260,383)	(154,807)	
% OF Beginning Net Position Change from Operations	7.4%	-3.2%	-7.1%	0.0%	-5.3%	-0.3%	0.0%

	FY 2016 Audit	FY 2017 Audit	FY 2018 Audit	FY 19 Approved Budget	FY 2020 Budget Option 1	FY 2020 Budget Option 2	FY 2020 Budget Option 3
Allocated Program Costs	3,213,320	3,499,427	3,344,999	3,389,955	3,285,721	3,165,724	
Other Change		20,278	113,428	14,000	11,428	11,428	(13,349,400)
Percentage Change	7.7%	94.0%	-3.1%	0.1%	-2.3%	-6.1%	
Overhead Costs	37.0%	94.0%	28.4%	30.4%	29.3%	24.1%	0.0%

	Property	Liability	Total
Actuary Final 70% CL 2019-20	\$ 2,703,000	\$ 3,955,000	\$ 6,658,000
	2,372,949	3,056,220	5,429,171
			738,822
			18,401,267
			654,406
			18,713,589
			493,476

	2019-2020	2019-2020	\$ Change	%
Reinsurance Estimates 2019-2020	18-19	2019-2020		
CSM	\$ 227,948	\$ 201,411	\$ -26,537	-11.7%
Bin (40% Cl/S)	\$ 223,719	\$ 230,431	\$ 6,712	3.0%
UE	\$ 241,298	\$ 245,344	\$ 4,046	1.7%
ORL	\$ 453,403	\$ 612,094	\$ 158,691	35.0%
PRM Liability	\$ 483,957	\$ 795,400	\$ 311,443	64.4%
PRM Property	\$ 693,460	\$ 953,100	\$ 259,640	37.4%
Livids Property	\$ 3,028,101	\$ 3,361,192	\$ 333,091	11.0%
Livids Terrorism Property	\$ 135,560	\$ 138,343	\$ 2,783	2.0%
Livids Terrorism Liability	\$ 42,601	\$ 44,000	\$ 1,399	3.3%
BoilerRo	\$ 130,999	\$ 137,043	\$ 6,044	4.6%
TOTAL:	\$ 6,657,094	\$ 6,723,566	\$ 66,472	1.0%
Liability total	\$ 6,626,323	\$ 6,708,563	\$ 82,240	1.2%
Property total	\$ 4,026,771	\$ 4,644,983	\$ 618,212	15.3%

	2019-2020	2019-2020	\$ Change	%
Special Insurance	18-19	2019-2020		
Student Accident	\$ 180,882	\$ 186,776	\$ 5,894.00	3.3%
Environmental Liability	\$ 312,994	\$ 313,489	\$ 495.00	0.2%
Total	\$ 493,876	\$ 500,265	\$ 6,389.00	1.3%

	Pool	Notes
PH Contract	65%	811,200
FY Passer Assessments Tony Russo		225,000
Taxif Solutions	50%	37,500
FY19 Paid from PCM		37,500
FY19 Paid from PCM		37,500
Forch + Learning	50%	17,500
US Communications	50%	18,000
PH Inspections	\$2K Each	100,000
New Program for FY 20		
Roof Safety, PMA, Jeff Kaye Training		15,000
Aquatics Safety		15,000
Legal and Liability Risk Management Institute Training		50,000
Loss Control Awards / Recognition	50%	20,000
EAP		80,000
Other/Discretionary		50,000
Total	\$ 2,468,200	
Loss Control Awards / Recognition		\$ 869,200

	FY 2016 Audit	FY 2017 Audit	FY 2018 Audit	FY 19 Approved Budget	FY 2020 Budget Option 1	FY 2020 Budget Option 2	FY 2020 Budget Option 3
Total Revenues	14,377,529	14,159,528	14,702,604	15,787,082	17,284,411	18,347,682	-
Total Loss Fund and Insurance Costs	9,593,724	11,090,662	12,229,581	12,344,843	14,633,566	14,672,389	-
Total Program Expenses	2,411,024	2,795,812	2,634,157	2,899,993	3,204,200	3,104,200	-
Total Admin Expenses w/o Amortization/Deval/Building	478,117	487,073	493,024	511,812	497,000	497,000	-
Total Expenses w/o Amortization	12,682,026	14,866,550	15,766,762	15,756,648	18,136,766	18,173,589	-
Net Increase (Decrease) in Operating Net Position: Adjusted	1,695,503	(2,706,922)	(1,064,158)	(2,468,665)	(852,355)	(1,825,907)	-
Expense Allocation							
Loss Fund & Insurance Costs	73.9%	74.4%	78.8%	76.2%	77.4%	78.4%	ADN/DI
Program Expenses	18.4%	18.8%	15.7%	17.9%	17.6%	16.8%	ADN/DI
Admin Cost less Amortization & Building Costs	7.5%	6.6%	5.5%	5.9%	5.0%	5.0%	ADN/DI

	FY 18 A	FY 19 Est	FY 20 Budget
Rental Income	261,643	265,104	231,815
Building maintenance and utilities	93,190	95,000	300,000
Depreciation	49,319	50,000	50,000
Total Expenses	142,509	145,000	300,000
Net Increase (Decrease)	119,134	120,104	(118,185)
FY 2020 Roof Repair			

PRM Budget	2016	2017	2018	2019	2019	Notes
				<i>Option 1 As Current</i>	<i>Option 2 Board Priority</i>	
REVENUES	Audit	Audit	Estimate	Budget	Budget	
Premiums earned	\$ 972,750	\$ 1,086,250	\$ 1,172,000	\$ 1,719,200	\$ 1,719,200	Derek to provide number
Net Investment Income	640,095	1,137,542	1,200,000	817,045	817,045	Kelly's Est-investment income
Total Revenues	1,612,845	2,223,792	2,372,000	2,536,245	2,536,245	
EXPENSES						
Administration expenses						
NRP Contract	37,091	40,234	89,393	105,000	75,000	NRP Budget Amount
Actuary	12,710	12,960	15,000	15,000	15,000	Consistent with Prior Year
Audit	16,500	17,000	17,500	18,000	18,000	Increase consistent with Prior Years
Insurance Division Audit/Fees	5,800	5,800	5,800	5,800	5,800	Same as last year
Board and Committee Meetings	1,139	238	18,500	1,000	1,000	
Technology Fee to NPAIP			5,000	-	-	
Total Administration expenses	73,240	76,232	151,193	144,800	114,800	
Program / Member Services						
Cyber Assessments/RM Services POOL		266,471	475,000	225,000	225,000	Based on projected number of assessments/Payment To POOL
Payment to POOL for Risk Management Svs				-	250,000	Fixed Dollar Amount Approved by Boards
Legal (Cyber: Gunderson Law)			5,000	5,000	-	Cyber Legal Support : To be paid by POOL in incurred
Total Program/Member Services	-	266,471	480,000	230,000	475,000	Total Transfer to NPAIP for Member Services
Total Combined Expenses	73,240	342,703	631,193	374,800	589,800	
Total Loss and Loss Adjustment Expenses	553,389	1,861,698	1,950,000	2,125,000	2,125,000	Amounts to be determined by Derek: Compare to Premium Rate
TOTAL Expenses	626,629	2,204,401	2,581,193	2,499,800	2,714,800	
Revenues over total expenses	\$ 986,216	\$ 19,391	\$ (209,193)	\$ 36,445	\$ (178,555)	
Surplus Balance: Beginning of Year	\$ 26,457,036	\$ 28,129,092	\$ 38,148,484	\$ 37,939,291	\$ 37,939,291	
Surplus Balance: End of Year	\$ 28,129,092	\$ 38,148,484	\$ 37,939,291	\$ 37,975,736	\$ 37,760,736	

New Items for PRM Administration expenses

Budgetary Issues for Consideration

- 1 Payment of Program Services by Captive: Payment to NPAIP/POOL as Risk Management Services.
- 2 Transfer a portion of Investment Earnings to Parent to support Operations, Services, Administration.
- 3 Underwriting: Actuarial Work: Confidence Level, Program cost apportionment into rate making
- 4 Budgetary impact of investment income: Use to support Surplus? Operations? Rate Stability?

Expense Allocation	2016	2017	2018	19B Option 1	19B Option 2
Administration	\$ 73,240	\$ 76,232	\$ 151,193	\$ 144,800	\$ 114,800
Program/Member Services	-	266,471	480,000	230,000	475,000
Loss & Loss Adjustment	553,389	1,861,698	1,950,000	2,125,000	2,125,000
Total Expenses	\$ 626,629	\$ 2,204,401	\$ 2,581,193	\$ 2,499,800	\$ 2,714,800
Expense Allocation					
Administration	11.7%	3.5%	5.9%	5.8%	4.2%
Program/Member Services	0.0%	12.1%	18.6%	9.2%	17.5%
Loss & Loss Adjustment	88.3%	84.5%	75.5%	85.0%	78.3%

PACT

	FY 2016 Audit	FY 2017 Audit	FY 2018 Audit	FY 19 Approved Budget	FY 2020 Proposed Budget			\$ Change	% Change	Notes
					Option 1	Option 2	Option 3			
					As Current Unallocated Costs	Board Direction Based on Score Card	Board Direction Other			
REVENUES										
Assessments	13,655,893	13,036,187	10,083,799	14,346,881	15,064,225	15,064,225	717,344	5.0%	Increase 5% (wages & rate) Derek to finalize	
PCM Investment in Risk Mitigation Services						575,000	-	-	Establish Policy on Investment Earnings Transfers??	
Phase out of Unallocated Costs									Loss Control Grants / Cardiac Wellness / Target Solutions	
Heart Lung Fund	2,682,092	2,113,595	1,104,106	1,784,475	1,104,106	1,604,106	(680,369)	-38.1%	Same as 2018 audit + Cardiac Wellness Cost \$500,000	
Total Revenues	16,337,985	15,149,782	11,187,905	16,131,356	16,168,331	17,243,331	36,975	0.2%		
Loss Fund and Insurance Expense										
Claims and Adjustment Expenses	5,843,507	6,257,686	6,431,493	6,579,000	6,825,000	6,825,000	246,000	3.7%	70% CL / .921 discount factor approx 80% CL w/discounting	
Heart Lung Loss Reserves Expenses	2,784,477	2,305,819	1,450,372	1,784,475	1,104,106	1,104,106	(680,369)	-38.1%	HL Collections less C. Wellness paid from Member Services	
Excess Insurance Premiums	414,360	524,612	526,516	271,442	526,516	526,516	255,074	94.0%	Projected at FLAT Renewal	
Reinsurance Premium (PCM)	1,207,000	1,246,065	1,931,416	1,607,000	1,931,416	1,931,416	324,416	20.2%	FY 18A levels (Derek to finalize)	
Total Loss Fund and Insurance Expenses	10,249,344	10,334,182	10,339,797	10,241,917	10,387,038	10,387,038	145,121			
Program Expenses										
Member Education and services	729,656	578,476	629,804	613,025	1,204,300	1,204,300	591,275	96.5%	PACT to paid for all expenses directly: PCM reimburse Flat Rate Includes \$500K for Cardiac Wellness	
Loss control expenses	406,000	406,000	406,000	406,000	406,000	406,000	-	0.0%	Willis Agreement	
Risk Management grants	117,460	657,230	186,174	500,000	500,000	500,000	-	0.0%	Board Policy: LCC Monitor Amounts	
Underwriting and claims processing	745,539	846,380	863,769	846,175	885,363	885,363	39,188	4.6%	ASC, SH, Willis (FY 18A + 2.5%)	
Total Program Expenses	1,998,655	2,488,086	2,085,747	2,365,200	2,995,663	2,995,663	630,463	26.7%		
Administration Expenses										
Management Services	475,860	490,136	513,174	504,840	645,000	675,000	140,160	27.8%	Executive Committee Recommended Rate	
Professional Fees	95,181	110,534	110,407	130,855	136,743	136,743	5,888	4.5%	FY 19 + 4.5%	
Administrative and Overhead	470,045	597,859	659,562	481,500	689,242	689,242	207,742	43.1%	FY 18A + 4.5%	
Insurance Division Fees	303,645	453,233	484,186	650,000	515,658	515,658	(134,342)	-20.7%	Includes Regulatory Assessments & DOI Fees	
Nevada Insolvency Fund and related expenses	16,754	19,500	19,000	20,000	19,855	19,855	(145)	-0.7%	FY 19 + 4.5%	
Amortization expenses	2,769,879	3,212,594	4,473,428	4,321,752	3,835,096	3,835,096	(486,656)	-11.3%	Re-computed Amortization Inv Insmt Schedule	
Total Administration Expenses	4,131,364	4,883,856	6,259,757	6,108,947	5,841,595	5,871,595	(267,352)	-4%		
Total Loss Fund, Insurance, Program and Administration	16,379,363	17,706,124	18,685,301	18,716,064	19,224,296	19,254,296	508,232	2.7%		
Decrease in operating Net Position	(41,378)	(2,556,342)	(7,497,396)	(2,584,708)	(3,055,965)	(2,010,965)	(471,257)	18.2%		
Non-operating net investment income	2,170,922	(574,816)	82,932	1,001,000	1,369,121	1,369,121	368,121		Kelly's Book Income @ 97.5% Does not reflect unrealized G/L	
Increase (Decrease) in Net Position	2,129,544	(3,131,158)	(7,414,464)	(1,583,708)	(1,686,844)	(641,844)	1,369,121	(103,136)	6.5%	
Net Position, beginning of year	47,790,198	49,919,742	46,788,584	39,374,120	37,790,412	37,790,412	(1,583,708)			
Net Position, end of year	49,919,742	46,788,584	39,374,120	37,790,412	36,103,568	37,148,568	39,159,533	(1,686,844)		

Adjustments:									
Amortization expenses (Non-cash item)	2,769,879	3,212,594	4,473,428	4,321,752	3,835,096	3,835,096	-	-	-
Net Change in Operating NP before Investment Income	2,728,501	656,252	(3,023,968)	1,737,044	779,131	1,824,131			
Net Change in Operating NP after Investment Income	4,899,423	81,436	(2,941,036)	2,738,044	2,148,252	3,193,252	1,369,121		

Budgetary Issues to Consider:

- Heart Lung Cardiac Wellness Cost (Speciality Health) blend cost into HL Contribution/Rate
- PACT pays all Members Services Cost: PCM paid PACT flat rate for Risk Management Services as approved by Boards.
- Underwriting : Actuarial Work: Confidence Level, Rate Making to include all program costs

PACT	FY 2016 Audit	FY 2017 Audit	FY 2018 Audit	FY 19 Budget	FY 20 B Opt 1	FY 20 B Opt 2	FY 20 B Opt 3
Total Revenues	16,337,985	15,149,782	11,187,905	16,131,356	16,168,331	17,243,331	-
Total Loss Fund and Insurance Expenses	10,249,344	10,334,182	10,339,797	10,241,917	10,387,038	10,387,038	-
Total Program Expenses	1,998,655	2,488,086	2,085,747	2,365,200	2,995,663	2,995,663	-
Total Administration Expenses w/o Amortization	1,361,485	1,671,262	1,786,329	1,787,195	2,006,499	2,036,499	-
Total Expenses w/o Amortization	13,609,484	14,493,530	14,211,873	14,394,312	15,389,200	15,419,200	-
Net Increase (Decrease) in Operating Net Position	2,728,501	656,252	(3,023,968)	1,737,044	779,131	1,824,131	
Expense Allocation							
Loss Fund and Insurance Cost	75.3%	71.3%	72.8%	71.2%	67.5%	67.4%	#DIV/0!
Program Expenses	14.7%	17.2%	14.7%	16.4%	19.5%	19.4%	#DIV/0!
Administration Expenses	10.0%	11.5%	12.6%	12.4%	13.0%	13.2%	#DIV/0!

PACT

Member Education & Services	PACT	Notes
PRI Contract	35%	436,800
Target Solutions	50%	37,500
Torch e-Learning	50%	37,500
ID Communications	50%	18,000
24-7-365		35,000
MSDS Online		14,500
Loss Control Awards / Reconciliation		20,000
Cardiac Wellness		500,000
EAP	50%	80,000
Other/Discretionary		25,000
Total		1,204,300

PCM	2016	2017	2018	2019	2019	Notes
				<i>Option 1 As Current</i>	<i>Option 2 Board Priority</i>	
	Audit	Audit	Estimate	Budget	Budget	
REVENUES						
Premiums earned	\$ 1,226,532	\$ 1,588,740	\$ 1,607,000	\$ 1,928,400	\$ 1,928,400	20% Rate Increase: Guesstimate
Net Investment Income	821,284	1,826,118	1,922,000	1,520,536	1,520,536	Kelly's est - investment fees
Total Revenues	2,047,816	3,414,858	3,529,000	3,448,936	3,448,936	
EXPENSES						
Administration expenses						
NRP Contract	37,089	37,688	89,393	105,000	225,000	NRP Budget Amount
Actuary	7,070	7,207	7,400	7,400	7,400	Consistent with Prior Year
Audit	16,500	17,000	17,500	18,000	18,000	Increase consistent with Prior Years
Insurance Division Audit/Fees	5,800	5,800	5,800	5,800	5,800	Same as last year
Technology Agreement			5,000	-	-	Paid through NRP
Meeting and Training	1,082	209	18,387	1,000	1,000	Guestimate
Total Administratiion expenses	67,541	67,904	143,480	137,200	257,200	
Program/Member Services expenses						
Target Solutions/RM Payment to PACT	0	0	50,884	75,000	75,000	Contract base of \$66,750 + add'l users: Paid by PACT
Risk Management Services Payment to PACT					500,000	Transfer to pay for member services
Associations, Conferences, T Associations, Conferences, Training & Education			10,000	-	-	Cost Sharing Meetings/Trainings CRL, GEM, UE, ect
Total Program/ Member Services	0	0	60,884	75,000	575,000	
Total Combined expenses	67,541	67,904	204,364	212,200	832,200	
Loss and Loss Adjustment Expenses	510,000	123,001	450,000	750,000	750,000	Amounts determined by Derek
Total Expenses	\$ 577,541	\$ 190,905	\$ 654,364	\$ 962,200	\$ 1,582,200	
Revenues over Expenses	\$ 1,470,275	\$ 3,223,953	\$ 2,874,636	\$ 2,486,736	\$ 1,866,736	

New Items for PCM Administration expenses

Budgetary Issues for Consideration

- 1 Payment of Program Services by Captive: Vendor Directly Paid by PACT... Budget Amount Paid by PCM to PACT for Services Provided
- 2 NRP Management Fee allocation as recommended by Executive Committee
- 3 Underwriting: Actuarial Work: Confidence Level, Program cost apportionment into rate making
- 4 PCM Risk Management Services Payment to PACT: Fixed Dollar amount as recommended by Exectuive Committee

Expense Allocation	2016A	2017A	2018 est	2019 B Opt 1	2019 B Opt 2
Administration	\$ 67,541	\$ 67,904	\$ 143,480	\$ 137,200	\$ 257,200
Program/Member Services	0	0	60,884	75,000	575,000
Loss & Loss Adjustment	510,000	123,001	450,000	750,000	750,000
Total Expenses	\$ 577,541	\$ 190,905	\$ 654,364	\$ 962,200	\$ 1,582,200
Expense Allocation					
Administration	11.7%	35.6%	21.9%	14.3%	16.3%
Program/Member Services	0.0%	0.0%	9.3%	7.8%	36.3%
Loss & Loss Adjustment	88.3%	64.4%	68.8%	77.9%	47.4%

Nevada Risk Pooling, Inc
Proposed Budget FY 19/20

Revenue	Budget 7/1/2019- 2020		
		\$ 1,500,000	
Sources			
POOL	\$ 645,000	43.0%	\$ 750,000
PACT	\$ 645,000	43.0%	\$ 750,000
PRM	\$ 105,000	7.0%	
PCM	\$ 105,000	7.0%	
PRI HR	\$ 25,000		
NACO	\$ 12,000		
NLC	\$ 12,000		
POOL/PACT Expense reimbursements	\$ 100,000		
	\$ 1,649,000		
Expenses			
		Allocation	
Salaries	\$ 601,000	36.4%	\$ 4,499 SUI
SEP	\$ 120,200	7.3%	\$ 45,982 Fed tax
Payroll tax	\$ 50,481	3.1%	\$ 50,481 Payroll Taxes
Other tax; licenses	\$ 10,265	0.6%	\$ 8,865 MBT
Insurance WC,E&O,EPLI,Pkg, bond	\$ 40,000	2.4%	
Employee Benefits - Health Insurance	\$ 87,000	5.3%	
Travel and other reimbursable expense	\$ 100,000	6.1%	
Subscriptions/Dues	\$ 10,000	0.6%	
Bank charges	\$ 2,000	0.1%	
IT management	\$ 48,991	3.0%	
all other	\$ 25,000	1.5%	
Rent	\$ 74,803	4.5%	
	\$ 1,169,739		
Net Income	\$ 479,261	29.1%	
PARMS Contract	\$ 300,000	18.2%	
Net Income after contract	\$ 179,261	10.9%	

\$ 4,499	SUI
\$ 45,982	Fed tax
\$ 50,481	Payroll Taxes
\$ 8,865	MBT

NRP Contract Cost Allocations Examples				Allocation Used in Budget	
NPAIP	35.0%	\$ 525,000	NPAIP	35.0%	\$ 525,000
PACT	35.0%	\$ 525,000	PACT	45.0%	\$ 675,000
PRM	15.0%	\$ 225,000	PRM	5.0%	\$ 75,000
PCM	15.0%	\$ 225,000	PCM	15.0%	\$ 225,000
Totals	100.0%	\$ 1,500,000	Totals	100.0%	\$ 1,500,000
	\$ 750,000	\$ 750,000		\$ 600,000	\$ 900,000

Note:

Apportionment of NRP Grant to NPAIP, PACT, PRM, PCM is shown 3 different ways. Apportionment determined by Boards.
Travel Expenses are pass throughs as revenue reimbursements from POOL/PACT.
IT Management are IT charges paid to POOL as a cost reimbursement on proportionate share to various entities.

NPAIP/PACT/PRM/PCM
Budget Discussions 2019/2020
Scorecard Ranking
Executive Committee Meeting January 15, 2019

Description	Vendor	Estimated Amount	Notes from Board Meeting	Phase In Period	Priority
Unallocated Costs			Move to Allocated/By Whom	# Years	
PRM	IT Passive Assessments: Rucci	\$ 150,000	Finish PA's: Next Phase 50 allocated/50 unallocated: Evaluate every 2 years		
PRM	Cyber Legal: Gunderson Law	\$ 5,000	Move into NPAIP Budget: Allocated cost	FY 19-20 Budget	
PCM	Target Solutions	\$ 75,000	Move to PACT. Allocated cost to all members.	FY 19-20 Budget	
NPAIP	Student Accident	\$ 200,000	Evaluate C/B of Program: Pro-forma Allocation to School Districts		
NPAIP	Pollution Coverage	\$ 315,000	Consider Lower Limits, Coverage Placement in NPAIP, Menu charge to members		
NPAIP	Loss Control Grants / Training	\$ 500,000	Unallocated: Loss Control Committee monitor/suspend grants if financial issue.		
PACT	Cardiac Wellness	\$ 350,000	Allocate the Cost within the heart/lung rate.	FY 19-20 Budget	
PACT	Loss Control Grants / Training	\$ 500,000	Unallocated: Loss Control Committee monitor/suspend grants if financial issue.		
Totals		\$ 2,095,000			\$ 865,000
Member Education & Services: ALLOCATED		Pool	Notes from Board Meeting		Priority
PRI Contract	65%	811,200	Successful Flagship Program: No Changes recommended		
IT Passive Assessments Tony Rucci		150,000	See comments above. Paid by POOL.		
Cyber Legal: Gunderson Law		5,000	See comments above. Paid by POOL. Allocated		
Torch e-Learning	50%	37,500	Successful program. Continue to develop on-line learning program		
LD Communications	50%	18,000	Administration/Public/Member Outreach: Continue		
Jail Inspections	\$25K Each	100,000	New Program for FY 2020: Fund from POOL. Consider Contract with PRM for LC Services		
School Safety, HVAs, Jeff Kaye Training	100%	50,000	Contract Allocated cost for basis services. Entities pay for specific entity work by JK		
Aquatics Safety	100%	15,000	Successful Program. Continue		
Legal and Liability Risk Management Institute Training		50,000	Law Enforcement Contract. Successful Program. Continue		
Loss Control Awards / Recognition	50%	10,000	Continue Successful Program		
EAP	50%	80,000	Evaluate C/B of Program. Can we get services al carte? Member contract direct Costco Pricing		
Other/Discretionary	50%	25,000	Loss Control Committee/POOL PACT Staff Recommendations		
Total NPAIP		\$ 1,351,700			
PRI Contract	35%	436,800	Successful Flagship Program: No Changes recommended		
Target Solutions	100%	75,000	PACT to pay. Continue Program. Allocate Cost		
Torch e-Learning	50%	37,500	Successful program. Continue to develop on-line learning program		
LD Communications	50%	18,000	Administration/Public/Member Outreach: Continue		
24-7-365	100%	35,000	Continue Program. Evaluate by June 2020 to determine effectiveness.		
MSDS Online	100%	14,500	Successful Program. Continue		
Loss Control Awards / Recognition	50%	10,000	Continue Successful Program		
EAP	50%	80,000	Evaluate C/B of Program. Can we get services al carte? Member contract direct Costco Pricing		
Other/Discretionary	50%	25,000	Loss Control Committee/POOL PACT Staff Recommendations		
Total PACT		\$ 731,800		2,083,500	Grand Total Member Services
Risk Management Grants			Adjust Amount?		Priority
Risk Management Grants: NPAIP		500,000	Unallocated: Loss Control Committee monitor/suspend grants if financial issue.		
Risk Management Grants: POOL		500,000	Encourage grants to address items within IT or HVA Assessments + Other LC Efforts		
Total Risk Management Grants		1,000,000			
Investment Book Income/Policy Allocation		% Allocation	Notes from Board Meeting		Priority
Payment for Unallocated Costs / Programs		Fixed \$ Not %	Program Cost paid by NPAIP/PACT not Captive. Captive retains book income.		
Building up Reserves/Surplus			Captive consider fixed \$ amount for Loss Prevention to reduce Captive losses. Set annually		
Rate Stabilization			Evaluate needed rates, loss reserves, and financial position before setting amount for LC.		
Other Use:					
Total Percentage Allocations				All-In Costs	\$ 3,948,500

1521 Hwy 395 North
Gardnerville, NV 89410
(775) 782-2277
Fax: (775) 782-7387 or (775) 782-8923



March 20, 2019

Willis
Attn: Mr. Wayne Carlson and Mr. Christopher House
775 Yard St. #200
Columbus, OH 43212

RE: White Pine Television District #1

Dear Wayne and Chris,

Enclosed please find new apps on the above.

Along with the apps you will find a copy of their Fixed Asset Schedule and a copy of their most recent inventory for equipment. Their secretary treasurer, Beverly Cornutt is rebuilding their files and is in the process of updating same. I have the buildings scheduled on the app. I am not listing contents as same is part of the equipment schedule. As the schedule is being updated, we would like to insure the equipment for \$2,000,000 on some type of agreed amount basis. I have reviewed this with Wayne and he is in agreement that this would be a way to start and we can go from there.

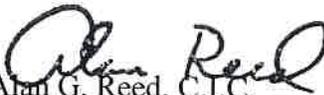
Also enclosed you will find financials for the past three fiscal years, as well as a current budget. Driver's license information for the two primary drivers is enclosed with the auto section.

Currently, the only policies in force are the auto and workers compensation. I would request permission to bind the (1) property and general liability effective immediately; (2) the automobile on June 4, 2019 and finally the workers comp expires on August 13, 2019. What effective date would you like to use there?

If you could, please advise soonest. They have asked me to appear at their April 8, 2019 board meeting. I told Beverly Cornutt that I would get back to her on that.

Thank you, Wayne and Chris.

Sincerely,


Alan G. Reed, C.I.C.

NPAIP PUBLIC ENTITY PACKAGE APPLICATION
 ALL QUESTIONS MUST BE ANSWERED IN ORDER TO SECURE A QUOTATION!!!

MAIN APPLICATION

PRODUCER NAME: Alan Reed/Taylor Reed DATE APPLICATION COMPLETED: 3-15-19
 AGENCY NAME: Warren Reed Insurance DATE QUOTE NEEDED TO AGENT: _____
 AGENCY LOCATION: Gardnerville, NV 89410 DATE COVERAGE TO INCEPT: _____
 AGENCY WEB SITE: warrenreed.com E MAIL ADDRESS: denise@warrenreed.com

1) NAMED INSURED: White Pine Television District #1 CONTACT NAME: Beverly Cornutt
 ADDRESS: P O Box 151704
 CITY: 2ly STATE: NV ZIP CODE: 89315
 PHONE: 775-293-5209

2) PROPOSED PLAN - Please enter limits and retentions desired. Insert "NA" if coverage is not desired.

A. Coverage I (Property - Real & Pers, Auto PhysDam, Bus Inc & Ext Exp, Prop in Transit and Data Proc Media & Equip., etc.)

<u>\$300,000,000</u>	POOL Loss Limit	
<u>\$150,000,000</u>	Earthquake (POOL Annual Aggregate) Sublimit	
<u>\$150,000,000</u>	Flood (POOL Annual Aggregate) Sublimit	
<u>\$10,000,000</u>	Flood Zone A Annual Aggregate Sublimit	
<u>\$60,000,000</u>	Equipment Breakdown	
<u>\$500,000</u>	Money and Securities, includes Employee Dishonesty	

B. Coverage II (Liability - General Liability, Auto Liability, Law Enforcement Liability, Wrongful Acts)

<u>\$10,000,000</u>	Liability Per Accident	<u>\$10,000,000</u>	Liability Policy Aggregate
<u>included</u>	Law Enforcement Liability		
<u>included</u>	Public Officials Errors & Omissions Liability		
	(CLAIMS MADE)		

C. Coverage III Data Security Breach

<u>\$2,000,000</u>	Liability Per Event	
<u>\$2,000,000</u>	Annual Aggregate	
<u>\$500,000</u>	Privacy Response Expense Sublimit	

D. Coverage IV (CLAIMS MADE Public Officials Errors & Omissions Liability)

<u>\$10,000,000</u>	Liability Per Claim	<u>\$10,000,000</u>	Liability Policy Aggregate	Maintenance Ded: <u>500</u>
---------------------	---------------------	---------------------	----------------------------	-----------------------------

E. Coverage VI

<u>\$500,000</u>	Employee Dishonesty	<u>\$250,000</u>	Money Orders & Counterfeit Currency	Maintenance Ded: <u>500</u>
<u>\$250,000</u>	Money & Securities (Inside Premises)	<u>\$250,000</u>	Depositors Forgery	
<u>\$250,000</u>	Money & Securities (Outside Premises)			

F. Any other coverage required (please attach additional information as necessary):
 Requested Limit

NPAIP PUBLIC ENTITY PACKAGE APPLICATION
ALL QUESTIONS MUST BE ANSWERED IN ORDER TO SECURE A QUOTATION!!!

MAIN APPLICATION

3) CURRENT PROGRAM INFORMATION

COVERAGE TYPE	CARRIER NAME	LIMITS	DEDUCTIBLE	RETRO DATE	PREMIUM
A. Property (incl APD)	None				
B. General Liability	Scottsdale	1m/2m			
C. Law Enforcement Liability	N/A				
D. Automobile Liability	Progressive	1,000,000			
E. Pub Off E&O Liability	None				
F. Excess Liability	None				
G. Crime	None				
H.					
I.					
J.					
Total Premiums:					\$0

4) PROPERTY INFORMATION

NOTE: YOU MUST FORWARD A COMPLETE PROPERTY SCHEDULE WITH THIS APPLICATION

A. Values - IMPORTANT THAT 100% REPLACEMENT COST VALUES BE SHOWN

	\$ VALUES	% OF TOTAL
Total Building Values	375,000	NA
Total Contents Values		NA
Total Auto Physical Damage Values (all licensed vehicles)	20,000	NA
Total Equipment Values	2,000,000	NA
Total EDP Equipment Values		NA
Total EDP Media Values	10,000	NA
Total EDP Extra Expense Values	10,000	NA
Total Accounts Receivable Values		NA
Total Valuable Papers Values		NA
Total Business Interruption Values		NA
Total Extra Expense Values		NA
Total Rental Income Values	100,000	NA
Total Transit Values		NA
Total Course of Construction Values		NA
Total All Other Miscellaneous Values		NA
Total Property Values:	\$0	NA

B. If flood coverage is requested, provide details of the flood exposure. List property values (Real & Personal) within Federally-defined flood plains (A & V):

LOCATION ADDRESS & DESCRIPTION	\$ VALUES @ LOCATION	% OF TOTAL
		NA
		NA
		NA

C. Construction Details - THIS SECTION MUST BE COMPLETED IN ORDER TO SECURE A QUOTATION

ISO CLASSIFICATION	# OF LOCATIONS	% OF TOTAL
[1] Frame or Brick Veneer		NA
[2] Brick		NA
[3] Non-Combustible		NA
[4] Masonry Non-Combustible		NA
[5] Semi-Fire Resistive		NA
[6] Fire Resistive		NA
Any Other Classifications (describe)		NA
Total # of Locations:		0

Please refer to
property schedule.

SITE BLDG	DESCRIPTION	ADDRESS	CITY	ST / ZIP	CONSTR	SQFT	# ST	YEAR	PROT. DEVICES	FLOOD ZONE	BUILDINGS VALUE	CONTENTS VALUE
-----------	-------------	---------	------	----------	--------	------	------	------	---------------	------------	-----------------	----------------

1	1	Transmitter Building	Cave Mtn	Ely	NV 89301	Met	200	1	65		\$40,000	
1	2	Generator Bldg	Cave Mtn	Ely	NV 89301	HCB	150	1	65		\$20,000	
2	1	Transmitter Bldg	Squaw Peak	Ely	NV 89301	HCB	150	1	65		\$75,000	
3	1	Transmitter Bldg	N. Squaw Peak	Ely	NV 89301	HCB	100	1	65		\$15,000	
4	1	Transmitter Bldg	Motorcycle Hill	Ely	NV 89301	Frame	150	1	65		\$50,000	
5	1	<i>Storage Bldg</i>	Rib Hill	Ely	NV 89301	Frame	85	1	<i>85</i>		\$10,000	
5	2	Transmitter Bldg	Rib Hill	Ely	NV 89301	HCB	100	1	<i>13</i>		\$45,000	
6	1	Transmitter Bldg	Victoria Peak	Ely	NV 89301	Frame	100	1	65		\$15,000	
7	1	Transmitter Bldg	Ella Mtn	Pioche	NV 89043	Frame	100	1	75		\$20,000	
8	1	Shop/Storage	78 N McGill <i>Hwy</i>	Ely	NV 89301	Steel	1500	1	96		\$50,000	
	9	1	Tower	Prospect Peak	Ely	NV 89301	Steel	250	1	09	\$35,000	

Total \$375,000

Note - contents are shown under equipment schedule

Book Asset Detail 7/01/17 - 6/30/18

FYE: 6/30/2018

Fixed Asset Detail Provided by CPA

Asset Id	Property Description	Date In Service	Book Cost	Book Sec 179 Exp c	Book Sal Value	Book Prior Depreciation	Book Current Depreciation	Book End Depr	Book Net Book Value	Book Method	Book Period
Group: Buildings											
<i>Insured under property schedule</i>											
1	Building - Cave	12/01/65	16,000.00	0.00	0.00	16,000.00	0.00	16,000.00	0.00	S/L	50.00
2	Building improvements - Cave	12/01/02	4,987.40	0.00	0.00	1,475.47	124.69	1,600.16	3,387.24	S/L	50.00
3	Building - Squaw	12/01/65	57,000.00	0.00	0.00	57,000.00	0.00	57,000.00	0.00	S/L	50.00
4	Building - Ruth	12/01/65	10,000.00	0.00	0.00	10,000.00	0.00	10,000.00	0.00	S/L	50.00
5	Building - Rib Hill	12/01/85	6,000.00	0.00	0.00	3,790.00	120.00	3,910.00	2,090.00	S/L	50.00
6	Building - Victoria	12/01/75	2,500.00	0.00	0.00	2,079.17	50.00	2,129.17	370.83	S/L	50.00
7	Building - Elle	12/01/75	7,000.00	0.00	0.00	5,821.67	140.00	5,961.67	1,038.33	S/L	50.00
8	Building - Shop	12/01/96	22,404.00	0.00	0.00	9,316.33	560.10	9,876.43	12,527.57	S/L	50.00
90	Tower	10/15/09	25,650.00	0.00	0.00	3,954.37	513.00	4,467.37	21,182.63	S/L	50.00
99	new roogs cave and Squw	12/13/10	11,500.23	0.00	0.00	4,983.42	766.68	5,750.10	5,750.13	S/L	15.00
108	Building Rib Hill	1/14/13	38,600.00	0.00	0.00	3,634.83	965.00	4,599.83	34,000.17	S/L	50.00
117	improvements for Ruth bldg moved	6/30/15	29,508.00	0.00	0.00	4,180.30	1,967.20	6,147.50	23,360.50	S/L	15.00
118	improvement to bldg	12/31/14	2,787.30	0.00	0.00	544.80	185.82	730.62	2,056.68	S/L	15.00
			Buildings	233,936.93	0.00c	122,780.36	5,392.49	128,172.85	105,764.08		

Group: Equipment

15	modulator	10/17/04	2,130.00	0.00	0.00	2,130.00	0.00	2,130.00	0.00	S/L	7.00
16	UHF Translator	12/01/65	12,000.00	0.00	0.00	12,000.00	0.00	12,000.00	0.00	S/L	15.00
17	UHF Translator	12/01/65	12,000.00	0.00	0.00	12,000.00	0.00	12,000.00	0.00	S/L	15.00
18	UHF Translator	12/01/65	12,000.00	0.00	0.00	12,000.00	0.00	12,000.00	0.00	S/L	15.00
19	UHF Translator	12/01/65	12,000.00	0.00	0.00	12,000.00	0.00	12,000.00	0.00	S/L	15.00
20	UHF Translator	12/01/65	12,000.00	0.00	0.00	12,000.00	0.00	12,000.00	0.00	S/L	15.00
21	UHF Translator	12/01/65	12,000.00	0.00	0.00	12,000.00	0.00	12,000.00	0.00	S/L	15.00
22	Tower	12/01/65	8,000.00	0.00	0.00	8,000.00	0.00	8,000.00	0.00	S/L	50.00
23	Generator	12/01/96	9,250.00	0.00	0.00	9,250.00	0.00	9,250.00	0.00	S/L	15.00
24	Propane Tank	12/01/94	2,750.00	0.00	0.00	2,750.00	0.00	2,750.00	0.00	S/L	20.00
25	Propane Tank	12/01/94	1,000.00	0.00	0.00	1,000.00	0.00	1,000.00	0.00	S/L	20.00
26	Antenna	12/01/96	5,600.00	0.00	0.00	5,600.00	0.00	5,600.00	0.00	S/L	15.00
27	Microwave Receiver	12/01/96	10,000.00	0.00	0.00	10,000.00	0.00	10,000.00	0.00	S/L	15.00
28	Microwave Dish	12/01/96	4,000.00	0.00	0.00	4,000.00	0.00	4,000.00	0.00	S/L	15.00
29	Power System	12/01/99	5,000.00	0.00	0.00	5,000.00	0.00	5,000.00	0.00	S/L	10.00
30	Translator	12/01/02	74,209.18	0.00	0.00	71,735.55	2,473.63	74,209.18	0.00	S/L	15.00
31	UHF Translator	12/01/65	22,000.00	0.00	0.00	22,000.00	0.00	22,000.00	0.00	S/L	15.00
32	VHF Translator	12/01/65	6,000.00	0.00	0.00	6,000.00	0.00	6,000.00	0.00	S/L	15.00
33	VHF Translator	12/01/65	6,000.00	0.00	0.00	6,000.00	0.00	6,000.00	0.00	S/L	15.00
34	output modulator	12/31/04	10,464.00	0.00	0.00	10,464.00	0.00	10,464.00	0.00	S/L	7.00
35	VHF Translator	12/01/65	6,000.00	0.00	0.00	6,000.00	0.00	6,000.00	0.00	S/L	15.00
36	VHF Translator	12/01/65	6,000.00	0.00	0.00	6,000.00	0.00	6,000.00	0.00	S/L	15.00
37	VHF Translator	12/01/65	6,000.00	0.00	0.00	6,000.00	0.00	6,000.00	0.00	S/L	15.00
38	FM Translator	12/01/65	5,000.00	0.00	0.00	5,000.00	0.00	5,000.00	0.00	S/L	15.00
39	Parabolic Dish	12/01/96	15,415.00	0.00	0.00	15,415.00	0.00	15,415.00	0.00	S/L	15.00
40	Antenna	12/01/96	2,100.00	0.00	0.00	2,100.00	0.00	2,100.00	0.00	S/L	15.00
41	Antenna	12/01/96	3,000.00	0.00	0.00	3,000.00	0.00	3,000.00	0.00	S/L	15.00
42	Antenna	12/01/96	1,500.00	0.00	0.00	1,500.00	0.00	1,500.00	0.00	S/L	15.00
43	Translator	12/01/02	22,650.75	0.00	0.00	21,895.73	755.02	22,650.75	0.00	S/L	15.00
44	Antenna	12/01/96	1,500.00	0.00	0.00	1,500.00	0.00	1,500.00	0.00	S/L	15.00
45	VHF Translator	12/01/65	3,000.00	0.00	0.00	3,000.00	0.00	3,000.00	0.00	S/L	15.00

Book Asset Detail 7/01/17 - 6/30/18

FYE: 6/30/2018

Asset #	Date In Service	Property Description	Book Cost	Book Sec 179 Exp c	Book Sal Value	Book Prior Depreciation	Book Current Depreciation	Book End Depr	Book Net Book Value	Book Method	Book Period	
Group: Equipment (continued)												
46	12/01/65	VHF Translator	3,000.00	0.00	0.00	3,000.00	0.00	3,000.00	0.00	S/L	15.00	
47	12/01/65	VHF Translator	3,000.00	0.00	0.00	3,000.00	0.00	3,000.00	0.00	S/L	15.00	
48	12/01/65	VHF Translator	3,000.00	0.00	0.00	3,000.00	0.00	3,000.00	0.00	S/L	15.00	
49	12/01/65	VHF Translator	3,000.00	0.00	0.00	3,000.00	0.00	3,000.00	0.00	S/L	15.00	
50	12/01/03	Translator	10,155.38	0.00	0.00	9,454.85	700.36	10,155.21	350.17	S/L	15.00	
51	12/01/65	VHF Translator	6,000.00	0.00	0.00	6,000.00	0.00	6,000.00	0.00	S/L	15.00	
52	12/01/65	VHF Translator	6,000.00	0.00	0.00	6,000.00	0.00	6,000.00	0.00	S/L	15.00	
53	12/01/65	VHF Translator	6,000.00	0.00	0.00	6,000.00	0.00	6,000.00	0.00	S/L	15.00	
54	12/01/65	VHF Translator	22,000.00	0.00	0.00	22,000.00	0.00	22,000.00	0.00	S/L	15.00	
55	12/01/65	VHF Translator	22,000.00	0.00	0.00	22,000.00	0.00	22,000.00	0.00	S/L	15.00	
56	12/01/65	FM Translator	5,000.00	0.00	0.00	5,000.00	0.00	5,000.00	0.00	S/L	15.00	
57	12/01/96	Antenna	4,000.00	0.00	0.00	4,000.00	0.00	4,000.00	0.00	S/L	15.00	
58	12/01/96	Antenna	2,800.00	0.00	0.00	2,800.00	0.00	2,800.00	0.00	S/L	15.00	
59	12/01/96	Antenna	15,415.00	0.00	0.00	15,415.00	0.00	15,415.00	0.00	S/L	15.00	
60	12/01/02	Translator	17,583.48	0.00	0.00	16,997.36	586.12	17,583.48	0.00	S/L	15.00	
61	12/01/96	Antenna	1,200.00	0.00	0.00	1,200.00	0.00	1,200.00	0.00	S/L	15.00	
62	12/01/96	Antenna	500.00	0.00	0.00	500.00	0.00	500.00	0.00	S/L	15.00	
63	12/01/96	FM Translator	5,000.00	0.00	0.00	5,000.00	0.00	5,000.00	0.00	S/L	15.00	
64	12/01/02	Antenna	5,349.71	0.00	0.00	5,171.39	178.32	5,349.71	0.00	S/L	15.00	
65	12/01/90	Tower	50,380.00	0.00	0.00	26,785.37	1,007.60	27,792.97	22,587.03	S/L	50.00	
66	12/01/85	Tower	13,600.00	0.00	0.00	8,590.67	272.00	8,862.67	4,737.33	S/L	50.00	
67	12/01/65	VHF Translator	22,000.00	0.00	0.00	22,000.00	0.00	22,000.00	0.00	S/L	15.00	
68	12/01/65	Microwave Transmitter	10,000.00	0.00	0.00	10,000.00	0.00	10,000.00	0.00	S/L	15.00	
69	12/01/99	Power System	5,000.00	0.00	0.00	5,000.00	0.00	5,000.00	0.00	S/L	10.00	
70	12/01/96	Antenna	1,400.00	0.00	0.00	1,400.00	0.00	1,400.00	0.00	S/L	15.00	
71	12/01/96	Antenna	300.00	0.00	0.00	300.00	0.00	300.00	0.00	S/L	15.00	
72	12/01/96	Antenna	4,000.00	0.00	0.00	4,000.00	0.00	4,000.00	0.00	S/L	15.00	
73	12/01/03	Translator	17,770.54	0.00	0.00	15,993.48	1,184.70	17,178.18	592.36	S/L	15.00	
74	6/10/04	Antenna	1,271.21	0.00	0.00	1,144.10	84.75	1,228.85	42.36	S/L	15.00	
75	12/31/04	meter sensor	17,176.00	0.00	0.00	17,176.00	0.00	17,176.00	0.00	S/L	7.00	
76	12/31/04	signal analyzer	7,605.00	0.00	0.00	7,605.00	0.00	7,605.00	0.00	S/L	7.00	
77	4/01/05	spec analyzer	28,091.00	0.00	0.00	28,091.00	0.00	28,091.00	0.00	S/L	7.00	
78	10/10/05	translator	10,273.49	0.00	0.00	7,961.96	684.90	8,646.86	1,626.63	S/L	15.00	
79	4/10/06	elec. equip.	40,773.00	0.00	0.00	30,239.98	2,718.20	32,958.18	7,814.82	S/L	15.00	
80	8/14/06	elec equip.	10,250.00	0.00	0.00	7,174.99	683.33	7,858.32	2,391.68	S/L	15.00	
81	6/27/07	elec equip	3,640.00	0.00	0.00	2,548.01	242.67	2,790.68	849.32	S/L	15.00	
82	9/25/06	elec equip	2,610.88	0.00	0.00	1,827.63	174.06	2,001.69	609.19	S/L	15.00	
83	11/13/06	elec equip	13,364.67	0.00	0.00	9,355.29	890.98	10,246.27	3,118.40	S/L	15.00	
84	2/11/08	4 modulators	8,749.49	0.00	0.00	5,468.44	583.30	6,051.74	2,697.75	S/L	15.00	
85	4/07/08	micro wave equipment	46,493.27	0.00	0.00	28,283.39	3,099.55	31,382.94	15,110.33	S/L	15.00	
86	10/13/08	elec equipment	2,850.00	0.00	0.00	1,615.00	190.00	1,805.00	1,045.00	S/L	15.00	
87	10/13/08	elec equipment	10,676.99	0.00	0.00	6,050.30	711.80	6,762.10	3,914.89	S/L	15.00	
88	5/30/09	elec. eq	8,041.34	0.00	0.00	4,556.76	536.09	5,092.85	2,948.49	S/L	15.00	
89	10/15/09	Translators	159,885.59	0.00	0.00	79,942.80	10,659.04	90,601.84	69,283.75	S/L	15.00	
91	10/15/09	e-com 30 wat	14,960.93	0.00	0.00	14,960.93	0.00	14,960.93	0.00	S/L	5.00	
92	9/15/09	TV and Racks	1,971.79	0.00	0.00	985.88	131.45	1,117.33	854.46	S/L	15.00	
93	11/15/09	converters	780.00	0.00	0.00	390.00	52.00	442.00	338.00	S/L	15.00	
94	12/14/09	power supply	2,624.84	0.00	0.00	2,624.84	0.00	2,624.84	0.00	S/L	5.00	
95	11/15/09	transcoder	10,327.86	0.00	0.00	5,163.92	688.52	5,852.44	4,475.42	S/L	15.00	

Book Asset Detail 7/01/17 - 6/30/18

FYE: 6/30/2018

Asset #	Date	Description	Book Cost	Book Sec 179 Exp	Book Sal Value	Book Prior Depreciation	Book Current Depreciation	Book End Depr	Book Net Value	Book Method	Book Period	
Group: Equipment (continued)												
96	9/13/10	tv	599.00	0.00	0.00	599.00	0.00	599.00	0.00	S/L	5.0	
97	12/13/10	Microwave receiver	20,655.80	0.00	0.00	19,734.05	921.75	20,655.80	0.00	200DB	7.0	
98	12/13/10	dish & installation	17,556.73	0.00	0.00	8,781.43	1,036.71	9,781.43	7,775.30	150DB	15.0	
100	4/11/11	translators	30,270.00	0.00	0.00	28,107.86	2,162.14	30,270.00	0.00	S/L	7.0	
101	7/01/12	50% down on 5 translators	26,302.80	0.00	0.00	7,890.84	1,753.52	9,644.36	16,658.44	S/L	15.0	
102	12/13/10	Cummings Generator	11,538.96	0.00	0.00	5,000.20	769.26	5,769.46	5,769.46	S/L	15.0	
103	9/15/11	transcoder- elec equipment	94,176.84	0.00	0.00	34,531.52	6,278.46	40,809.98	53,366.86	S/L	15.0	
104	12/12/11	elec equipment	45,082.00	0.00	0.00	16,530.08	3,005.47	19,535.55	25,546.45	S/L	15.0	
105	3/24/12	elec equipment	27,676.21	0.00	0.00	10,147.94	1,845.08	11,993.02	15,683.19	S/L	15.0	
106	4/11/12	concrete pad	14,300.00	0.00	0.00	5,243.32	953.33	6,196.65	8,103.35	S/L	15.0	
107	4/20/12	elec equipment	23,084.92	0.00	0.00	10,135.08	1,363.14	11,498.22	11,586.70	150DB	15.0	
109	4/20/13	Send/Receive electronics	16,044.07	0.00	0.00	4,813.21	1,069.60	5,882.81	10,161.26	S/L	15.0	
110	9/10/12	electrical equipment	4,888.61	0.00	0.00	1,466.59	325.91	1,792.50	3,096.11	S/L	15.0	
111	12/10/12	Power Upgrade	4,044.00	0.00	0.00	1,213.20	269.60	1,482.80	2,561.20	S/L	15.0	
112	11/20/13	Generator	7,623.71	0.00	0.00	3,947.99	1,089.10	5,037.09	2,586.62	S/L	7.0	
113	3/22/14	transcoder	2,964.00	0.00	0.00	1,255.00	423.43	1,678.43	1,285.57	S/L	7.0	
114	4/10/14	antenna and disk	16,944.41	0.00	0.00	3,006.72	1,129.63	4,136.35	12,808.06	S/L	15.0	
115	6/28/14	air cond	4,487.56	0.00	0.00	2,471.78	897.51	3,369.29	1,118.27	S/L	5.0	
119	1/01/16	Radios and Transcoders	5,541.00	0.00	0.00	307.93	369.40	877.33	4,663.67	S/L	15.0	
120	4/12/16	FM Translator	4,298.43	0.00	0.00	322.38	286.56	608.94	3,689.49	S/L	15.0	
121	10/25/16	Digital Transmitters	88,361.00	0.00	0.00	2,945.37	5,890.73	8,836.10	79,524.90	S/L	15.0	
122	12/12/16	Equipment	1,058.65	0.00	0.00	35.29	70.58	105.87	952.78	S/L	15.0	
123	7/17/17	Air Conditioner	4,875.50	0.00c	0.00	0.00	348.25	348.25	4,527.25	S/L	7.0	
124	12/13/17	Equipment	1,241.81	0.00c	0.00	0.00	41.39	41.39	1,200.42	S/L	15.0	
Equipment			1,452,406.40	0.00c	0.00	972,764.69	61,588.94	1,034,353.63	418,052.77			
Group: Transportation												
9	12/01/77	1977 Pickup	8,700.00	0.00	1,500.00	7,200.00	0.00	7,200.00	1,500.00	S/L	20.0	
10	12/01/65	1959 Snowcat	9,750.00	0.00	0.00	9,750.00	0.00	9,750.00	0.00	S/L	5.00	
11	12/01/68	1968 Snowcat	42,500.00	0.00	5,000.00	37,500.00	0.00	37,500.00	5,000.00	S/L	5.00	
12	12/01/90	1990 Snowcat	84,000.00	0.00	5,000.00	79,000.00	0.00	79,000.00	5,000.00	S/L	25.0	
13	12/01/02	International Flatbed	88,769.78	0.00	1,500.00	63,345.60	4,438.49	67,784.09	20,985.69	S/L	20.0	
14	12/01/02	2003 Ford 4x4	26,838.00	0.00	1,500.00	19,351.24	1,361.23	20,712.47	6,125.53	150DB	20.0	
Transportation			260,557.78	0.00c	14,500.00	216,146.84	5,799.72	221,946.56	38,611.22			
Grand Total			1,946,901.11	0.00c	14,500.00	1,311,691.89	72,781.15	1,384,473.04	562,428.07			

NPAIP PUBLIC ENTITY PACKAGE APPLICATION
ALL QUESTIONS MUST BE ANSWERED IN ORDER TO SECURE A QUOTATION!!!

MAIN APPLICATION

D Protection Details - THIS SECTION MUST BE COMPLETED IN ORDER TO SECURE A QUOTATION

CLASSIFICATION	# OF LOCATIONS	% OF TOTAL
Sprinklered	_____	NA
Burglar Alarm - Local Sound	_____	NA
Central Station Alarms (both Burglar & Fire)	_____	NA
Security Guards	_____	NA
Smoke Detectors	_____	NA
All Other Types of Protection (describe) _____	_____	NA
Total # of Locations:		0 NA

5) GENERAL LIABILITY

A. Entity Information: Does the public entity own or operate any of the following? (Please Answer Yes / No):

<p align="center">NO</p> <p>_____ Airports (ALA policy excludes)</p> <p>_____ Amusement Park, Carnival, Circus</p> <p>_____ Athletic Participants</p> <p>_____ Beaches, Lakes</p> <p>_____ County Homes</p> <p>_____ Blasting Operations</p> <p>_____ Bleachers, Arenas, Stadiums</p> <p>_____ Cemeteries</p> <p>_____ Dams, Reservoirs</p> <p>_____ Day Care Centers or Day Camps</p> <p>_____ Electric Utility</p> <p>_____ EMT's, Paramedics, Nurses</p> <p>_____ Fairs, Festivals</p> <p>_____ Fire Department</p> <p>_____ Fireworks Displays</p> <p>_____ Garbage Collection</p> <p>_____ Gas Utility</p> <p>_____ Golf Course</p> <p>_____ Health Department</p>	<p align="center">NO</p> <p>_____ Hospitals</p> <p>_____ Housing Authority, Projects</p> <p>_____ Independent Contractors</p> <p>_____ Jail or Detention Facilities</p> <p>_____ Landfills</p> <p>_____ Law Enforcement Activities</p> <p>_____ Marinas</p> <p>_____ Nursing Homes</p> <p>_____ Racing / Rodeo Exhibitions</p> <p>_____ Recreational Facilities (Parks, Camps, etc.)</p> <p>_____ Schools and Colleges</p> <p>_____ Sewer Utility</p> <p>_____ Ski Facility</p> <p>_____ Streets, Roads, Highways, Bridges</p> <p>_____ Transportation System (Buses, Rail Service or Subways)</p> <p>_____ Water Utility</p> <p>_____ Watercraft</p> <p>_____ Wharves, Piers, Docks</p> <p>_____ Zoo</p>
--	--

Any additional exposures not mentioned in the checklist above:

See exposure description on page 6, question 8

Any exposures checked yes above that insured elsewhere or subcontracted out to others:

No

B. General Information

7,000 Population
3 Employee Count
35,000 Total Payroll → plus five board members (elected) includes board members

D. Independent Contractor Operations Questionnaire

1. Does the Entity ever make use independent contractors? Not normally If yes, please describe the contractor types used & purposes: If any audit

2. Does the Entity require the following:

- _____ Certificate of Insurance? NIA
- _____ Limits at least equal to those carried by the Entity (if general contractor)?
- _____ Is the Entity named as an Additional Insured on the contractor's policy?
- _____ Are there Hold Harmless Agreements used in all of the Entity's contracts?

3. Do you hold any special events in which you do not transfer liability to the contractor performing the special event?

No

NPAIP PUBLIC ENTITY PACKAGE APPLICATION
ALL QUESTIONS MUST BE ANSWERED IN ORDER TO SECURE A QUOTATION!!!

MAIN APPLICATION

6) AUTOMOBILE LIABILITY

A. CATEGORY

	# THIS TYPE	% THIS TYPE
Private Passenger Cars (up to 10,000 lbs GVW) - Non Emergency		NA
Private Passenger Cars (up to 10,000 lbs GVW) - Emergency (e.g. Fire, Police)		NA
15 Passenger Vans		NA
Other Vans, Pickup Trucks, other Light Trucks (up to 10,000 lbs GVW)	2	NA
Medium Weight Trucks (10,000 to 20,000 lbs GVW)		NA
Heavy Trucks (20,000 to 50,000 lbs GVW)		NA
Extra-Heavy Trucks (greater than 50,000 lbs GVW)		NA
Fire Trucks		NA
Ambulances		NA
Motorcycles		NA
Buses		NA
Miscellaneous Powered Vehicles		NA
Trailers, All Types		100.0%
	Total Automobiles:	0

B. Underwriting Criteria

1. Describe operations of any passenger vans or buses (including radius, frequency, receipts, etc.):

3. Describe any vehicles modified to handle handicapped or wheelchair passengers:

7) PUBLIC OFFICIALS' ERRORS AND OMISSIONS LIABILITY - this coverage is provided on a CLAIMS-MADE basis

A. Budget (last three years)

	BOND RATING	YEAR	REVENUES	EXPENDITURES	SURPLUS or DEFICIT (+/-)
1. Current Fiscal Year	N/A				0
2. Prior Fiscal Year		7/1/17-6/30/18	Refer to attached		0
3. Fiscal Year Two Years Prior		7/1/16-6/30/17			0
			ACCUMULATED SURPLUS		

4. Please attach a scanned copy, or mail a photocopy, of the most current budget when you return this application.

5. Please explain any deficit positions:

Refer to Financials

White Pine Television District #1
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

The table below illustrates the net position of the District. The comparison of assets to liabilities should provide an indication of the District's ability to meet current and long term demands.

White Pine Television District #1
Net Position
June 30,
Governmental Activities

	<u>2018</u>	<u>2017</u>	<u>Change</u>
Current assets	\$ 1,156,315	\$ 1,092,772	\$ 63,543
Capital assets	562,427	629,092	(66,665)
Total assets	<u>1,718,742</u>	<u>1,721,864</u>	<u>(3,122)</u>
Current liabilities	<u>3,405</u>	<u>1,503</u>	<u>1,902</u>
Net position			
Invested in capital assets, net	562,427	629,092	(66,665)
Restricted	400,000	400,000	-
Unrestricted	752,910	691,269	61,641
Total net position	<u>\$ 1,715,337</u>	<u>\$ 1,720,361</u>	<u>\$ (5,024)</u>

The table below shows the Changes in Net Position which reflect the change in net position during the year.

White Pine Television District #1
Changes in Net Position
Year Ended June 30,

	<u>2018</u>	<u>2017</u>	<u>Change</u>
Revenues			
Program Revenue			
Assessments	\$ 129,546	\$ 137,540	\$ (7,994)
General Revenue			
Interest	18,561	15,291	3,270
Other	838	350	488
Total revenues	<u>148,945</u>	<u>153,181</u>	<u>(4,236)</u>
Expenses			
General Government	<u>153,969</u>	<u>180,729</u>	<u>(26,760)</u>
Change in net position	(5,024)	(27,548)	22,524
Net position, beginning	<u>1,720,361</u>	<u>1,747,909</u>	<u>(27,548)</u>
Net position, ending	<u>\$ 1,715,337</u>	<u>\$ 1,720,361</u>	<u>\$ (5,024)</u>

WHITE PINE TELEVISION DISTRICT #1
P.O. BOX 151704
ELY, NV 89315

Nevada Department of Taxation
 1550 College Parkway, Suite 115
 Carson City, NV 89706-7937

White Pine Television District #1 _____ herewith submits the **FINAL** budget for the
 fiscal year ending June 30, 2019

This budget contains 0 funds, including Debt Service, requiring property tax revenues totaling \$ 0

The property tax rates computed herein are based on preliminary data. If the final state computed revenue limitation permits, the tax rate will be increased by an amount not to exceed 0. If the final computation requires, the tax rate will be lowered.

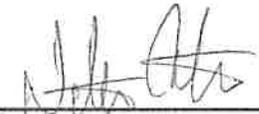
This budget contains 1 governmental fund types with estimated expenditures of \$ 396,700 and 0 proprietary funds with estimated expenses of \$ 0

Copies of this budget have been filed for public record and inspection in the offices enumerated in NRS 354.596 (Local Government Budget and Finance Act).

CERTIFICATION

I Nathan Robertson
 (Print Name)
 Chairman
 (Title)

certify that all applicable funds and financial operations of this Local Government are listed herein

Signed 

Dated: 5/21/2018

APPROVED BY THE GOVERNING BOARD





SCHEDULED PUBLIC HEARING:

Date and Time 5/21/18 5:15 PM

Publication Date 5/11/2018

Place: White Pine Television District Office - 1701 Avenue F - Ely, NV 89301

FULL TIME EQUIVALENT EMPLOYEES BY FUNCTION

	ACTUAL PRIOR YEAR ENDING 06/30/17	ESTIMATED CURRENT YEAR ENDING 06/30/18	BUDGET YEAR ENDING 06/30/19
General Government			
Judicial			
Public Safety			
Public Works			
Sanitation			
Health			
Welfare			
Culture and Recreation	1	2	2
Community Support			
TOTAL GENERAL GOVERNMENT			
Utilities			
Hospitals			
Transit Systems			
Airports			
Other			
TOTAL			

POPULATION (AS OF JULY 1)	10,336	10,413	10,705
SOURCE OF POPULATION ESTIMATE*	Nevada Demographers	Nevada Demographers	Nevada Demographers
Assessed Valuation (Secured and Unsecured Only)			
Net Proceeds of Mines			
TOTAL ASSESSED VALUE			
TAX RATE			
General Fund			
Special Revenue Funds			
Capital Projects Funds			
Debt Service Funds			
Enterprise Fund			
Other			
TOTAL TAX RATE			

* Use the population certified by the state in March each year. Small districts may use a number developed per the instructions (page 6) or the best information available.

White Pine Television District #1
(Local Government)

SCHEDULE S-2 - STATISTICAL DATA

REVENUES	(1)	(2)	(3) BUDGET YEAR ENDING 06/30/19	
	ACTUAL PRIOR YEAR ENDING 6/30/2017	ESTIMATED CURRENT YEAR ENDING 6/30/2018	TENTATIVE APPROVED	FINAL APPROVED
Assessments	137,540	173,668	145,000	145,000
Interest	15,291	16,946	13,000	13,000
Miscellaneous	350	1,300	2,000	2,000
Subtotal	153,181	191,914	160,000	160,000
OTHER FINANCING SOURCES:				
Operating Transfers in (Schedule T)				
BEGINNING FUND BALANCE	1,131,674	1,091,269	1,184,721	1,184,721
Prior Period Adjustment(s)				
Residual Equity Transfers				
TOTAL BEGINNING FUND BALANCE	1,131,674	1,091,269	1,184,721	1,184,721
TOTAL RESOURCES	1,284,855	1,283,183	1,344,721	1,344,721
EXPENDITURES				
Salaries and Wages	33,517	33,506	30,000	30,000
Employee Benefits	2,564	2,796	3,000	3,000
Service and Supply	68,085	42,160	56,000	56,000
Capital Outlay	89,420	20,000	300,000	300,000
Annual Maintenance	-	-	7,700	7,700
Subtotal	193,586	98,462	396,700	396,700
OTHER USES				
CONTINGENCY (not to exceed 3% of total expenditures)				
Transfers Out (Schedule T)				
ENDING FUND BALANCE	1,091,269	1,184,721	948,021	948,021
TOTAL COMMITMENTS & FUND BALANCE	1,284,855	1,283,183	1,344,721	1,344,721

White Pine Television District #1
(Local Government)

FUND General

LOBBYING EXPENSE ESTIMATE

Pursuant to NRS 354.600 (3), **each** (emphasis added) local government budget must obtain a separate statement of anticipated expenses relating to activities designed to influence the passage or defeat of legislation in an upcoming legislative session.

Nevada Legislature: 80th Session; February 4, 2019 to June 3, 2019

1. Activity:	<u>N/A</u>	
2. Funding Source:	<u>N/A</u>	
3. Transportation		\$ <u> -</u>
4. Lodging and meals		\$ <u> -</u>
5. Salaries and Wages		\$ <u> -</u>
6. Compensation to lobbyists		\$ <u> -</u>
7. Entertainment		\$ <u> -</u>
8. Supplies, equipment & facilities; other personnel and services spent in Carson City		\$ <u> -</u>
Total		\$ <u> -</u>

Entity: White Pine Television District #1

Budget Year 2018-2019

SCHEDULE OF EXISTING CONTRACTS

Budget Year 2018 - 2019

Local Government: White Pine Television District #1

Contact: Art Olson, Chairman

E-mail Address:

Daytime Telephone: 775-289-4038

Total Number of Existing Contracts: 1

Line	Vendor	Effective Date of Contract	Termination Date of Contract	Proposed Expenditure FY 2018-19	Proposed Expenditure FY 2019-20	Reason or need for contract:
1	Ware and Associates	Ongoing	Ongoing	\$ 8,000	\$ 8,000	Annual Audit
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20	Total Proposed Expenditures			\$ 8,000	\$ 8,000	

Additional Explanations (Reference Line Number and Vendor):

SCHEDULE OF PRIVATIZATION CONTRACTS

Budget Year 2018 - 2019

Local Government: White Pine Television District #1

Contact: Art Olson, Chairman

E-mail Address:

Daytime Telephone:

775-289-4038

Total Number of Privatization Contracts:

0

Line	Vendor	Effective Date of Contract	Termination Date of Contract	Duration (Months/ Years)	Proposed Expenditure FY 2018-19	Proposed Expenditure FY 2019-20	Position Class or Grade	Number of FTEs employed by Position Class or Grade	Equivalent hourly wage of FTEs by Position Class or Grade	Reason or need for contract:
1	None									
2										
3										
4										
5										
6										
7										
8	Total									

Attach additional sheets if necessary.

White Pine Television District #1
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

The table below illustrates the Fund Balance Statement.

White Pine Television District #1 Balance Sheet June 30,			
	2017	2016	Change
Total assets and other debits	\$ 1,092,772	\$ 1,134,897	\$ (42,125)
Total liabilities	1,503	3,223	(1,720)
Fund Balance	\$ 1,091,269	\$ 1,131,674	\$ (40,405)

The table below illustrates the Statement of Revenues, Expenses and Change in Fund Balance.

White Pine Television District #1 Statement of Revenues, Expenditures and Changes in Fund Balance - Actual Year Ended June 30,			
	2017	2016	Change
Revenues			
Assessments	\$ 137,540	\$ 132,598	\$ 4,942
Interest	15,291	11,914	3,377
Miscellaneous	350	2,626	(2,276)
Total revenues	153,181	147,138	6,043
Expenditures			
Salaries and benefits	36,081	29,675	6,406
Service and supplies	68,085	68,160	(75)
Capital outlay	89,420	9,840	79,580
Total expenditures	193,586	107,675	85,911
Excess of revenues over expenditures	(40,405)	39,463	(79,868)
Beginning Fund Balance	1,131,674	1,092,211	39,463
Ending Fund Balance	\$ 1,091,269	\$ 1,131,674	\$ (40,405)

Budgetary Highlights – Fiscal Year ended June 30, 2017

The budget statements reflect a comparison of budgeted revenues and expenditures to actual for the year ended June 30, 2017. The budget statements were prepared from the adopted and final budget as filed with the Nevada Department of Taxation.

While total revenues were \$419 below the budgeted amount of \$153,600, operating expenses were \$251,314 below the budgeted amount of \$444,900, resulting in a favorable variance from the budgeted amounts of \$250,895. Additional budget information can be found on pages 12 and 13 of this report.

White Pine Television District #1
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

The table below illustrates the net position of the District. The comparison of assets to liabilities should provide an indication of the District's ability to meet current and long term demands.

White Pine Television District #1
Net Position
June 30,
Governmental Activities

	<u>2016</u>	<u>2015</u>	<u>Change</u>
Current assets	\$ 1,134,897	\$ 1,097,251	\$ 37,646
Capital assets	616,235	681,667	(65,432)
Total assets	<u>1,751,132</u>	<u>1,778,918</u>	<u>(27,786)</u>
Current liabilities	<u>3,223</u>	<u>5,040</u>	<u>(1,817)</u>
Net position			
Invested in capital assets, net	616,235	681,667	(65,432)
Restricted	400,000	400,000	-
Unrestricted	<u>731,674</u>	<u>692,211</u>	<u>39,463</u>
Total net position	<u>\$ 1,747,909</u>	<u>\$ 1,773,878</u>	<u>\$ (25,969)</u>

The table below shows the Changes in Net Position which reflect the change in net position during the year.

White Pine Television District #1
Changes in Net Position
Year Ended June 30,

	<u>2016</u>	<u>2015</u>	<u>Change</u>
Revenues			
Program Revenue			
Assessments	\$ 132,598	\$ 135,748	\$ (3,150)
General Revenue			
Interest	11,914	9,554	2,360
Other	<u>2,626</u>	<u>589</u>	<u>2,037</u>
Total revenues	<u>147,138</u>	<u>145,891</u>	<u>1,247</u>
Expenses			
General Government	<u>173,107</u>	<u>165,441</u>	<u>7,666</u>
Change in net position	(25,969)	(19,550)	(6,419)
Net position, beginning	<u>1,773,878</u>	<u>1,793,428</u>	<u>(19,550)</u>
Net position, ending	<u>\$ 1,747,909</u>	<u>\$ 1,773,878</u>	<u>\$ (25,969)</u>

NPAIP PUBLIC ENTITY PACKAGE APPLICATION
ALL QUESTIONS MUST BE ANSWERED IN ORDER TO SECURE A QUOTATION!!!

MAIN APPLICATION

1. Type Employees	ACCOUNTANTS	ARCHITECTS	ATTORNEYS	ENGINEERS	ALL OTHER	TOTAL
Full Time:	_____	_____	_____	_____	_____	0
Part Time:	_____	_____	_____	_____	_____	3
Total Employees:	0	0	0	0	3	3

3. Indicate elected (E) or appointed (A) officials

_____	Mayor	_____	President / Chair of County Commission
_____	City Manager or Administrator	_____	County Commissioner / Supervisor
_____	City / County Clerk	_____	Personnel Director
_____	City Council Members	<u>Elected</u>	<u>Board members</u>

4. Have any of the following occurred within the past three years?
- a. Have you had a strike, slowdown, or other employee disruption? No
 - b. Has there been a layoff of employees or reductions in service? No
 - c. Have there been any disputes or suits involving voting or voting rights violations? No
 - d. Has any person, former employee, or job applicant made claim alleging unfair or improper treatment regarding employee hiring, remuneration, advancement, or termination of employment? No
5. Does your entity administer or act in a fiduciary capacity for any employment benefit or any self-insurance fund? No
6. Does the Insured have a zoning commission? No
7. Does your entity follow a formal, written procedure for employee disputes / complaints? No
8. Does the Insured administer a centralized emergency dispatch system for other entities? No
- If yes, please submit a copy of the current contract.

NPAIP PUBLIC ENTITY PACKAGE APPLICATION
ALL QUESTIONS MUST BE ANSWERED IN ORDER TO SECURE A QUOTATION!!!

MAIN APPLICATION

8) COMMENTS - PLEASE USE THIS AREA TO ELABORATE ON ANY INFORMATION PROVIDED ELSEWHERE IN THIS APPLICATION

Insured brings television signals from various
cities (Las Vegas, Reno and Salt Lake City), as well
as some radio signals.

COVERAGE NOTICE

If this account meets our underwriting standards, liability coverage will be quoted as follows:

- * Automobile Liability, General Liability and Law Enforcement Liability will be quoted on an OCCURRENCE basis.
- * Public Officials' Errors and Omissions Liability will be quoted on a CLAIMS-MADE basis.

The information provided in this application and all schedules are true and correct to the best of my knowledge.

Signed: _____

Date: _____

Named Insured: _____

Signed: Alan Reed

Date: 3/11/19

Agent/Broker Name: Alan Reed

AUTO

Entity Name:					
Year	Make	Model	Serial #	Use/Dept.	Value
2003	International	Flatbed Truck	1HTWEAAN13J060575		\$15,000
2003	Ford	Expedition	1FMPU16L93LB88672		\$15,000

USA
NV

NEVADA

NOT FOR FEDERAL OFFICIAL USE

DRIVER LICENSE

1 CORNUTT
2 DANIEL EDWARD
3 1580 MURRY ST
4 ELY, NV 89301-2139

15 Sex M 16 Hgt 5'11" 17 Wgt 185 18 Eyes BLU
9a Class CM 9a Hair NONE 10 Hair GRY 4a Iss 02/23/2018
11 Id 03 00000174720505920703
12 Restr B

4d DL No: 1000084731
3 DOB 03/02/1947
4h Exp 03/02/2022



Daniel E. Cornutt

USA
NV

NEWADA

NEWADA DRIVER LICENSE

1 RASMUSSON
2 DONALD CHARLES
3 557 JORDYN LN
4 PIOCHE, NV 89043-7554

18 SEX M 160 HT 509 WT 170 EYES HAZ
5 CLASS C 6 HAIR NONE 7 HAIR GRY 8 SEX 01/19/2014
12 REISS B 13 ID 0000161863504920511070

DL ID NO 1601571441
DOB 01/23/1950
EXP 01/23/2022

Rasmussen

Equipment

Entity Name:					
Year	Make	Model	Serial #	Use/Dept.	Value

Please provide \$2,000,000 of scheduled equipment coverage for the schedules enclosed.

Current Inventory of Equipment

Location	Manufacturer	Type	Channel	Model Number	Serial Number	Tag Number	Date	Cost	Disposition
Cave Mountain	Larcan	Transmitter	43	BZ5MX20UX	27119-8	20140055	10/24/2013		
Cave Mountain	Larcan	Transcoder	30	MXd Series	100968	20140056	10/24/2013		
Cave Mountain	Larcan	Transcoder	43?	MXd Series	101761	20140057	10/24/2013		
Cave Mountain	Larcan	Transmitter	18	MXD30U	60055-39T79603	20140058	10/24/2013		
Cave Mountain	Larcan	Transmitter	20	MXD30U	60054-14T79575	20140059	10/24/2013		
Cave Mountain	Larcan	Transcoder	26	MXd Series	102503	20140060	10/24/2013		
Cave Mountain	Larcan	Transmitter	26	MX20U	25415-6	20140061	10/24/2013		
Cave Mountain	Larcan	Transcoder	28	MXd Series	100955	20140062	10/24/2013		
Cave Mountain	Larcan	Transmitter	28	MX20U BZMX20UX	25415-11	20140063	10/24/2013		
Cave Mountain	Larcan	Transcoder	34	MXd Series	100912	20140064	10/24/2013		
Cave Mountain	Larcan	Transmitter	34	MXD30UT80142	60135-19	20140065	10/24/2013		
Cave Mountain	Larcan	Power Supply	34	MXD30UT80142	60135-19	20140066	10/24/2013		
Cave Mountain	Larcan	Transcoder	20	MXd Series	101690	20140067	10/24/2013		
Cave Mountain	Larcan	Transmitter	20	MDX30U	T79575	20140068	10/24/2013		
Cave Mountain	Larcan	Power Supply	18	MXD30U6055-39	T79603	20140069	10/24/2013		
Cave Mountain	Larcan	Transmitter	24	B25MX20UX	25415-14	20140070	10/24/2013		
Cave Mountain	Larcan	Transcoder	N/A		102441	20140071	10/24/2013		
Cave Mountain	Larcan	Transmitter	30	B25MX20UX	28508-53	20140072	10/24/2013		
Cave Mountain	Larcan	Transcoder	36	MXd Series	101760	20140073	10/24/2013		
Cave Mountain	Larcan	Transmitter	36	MXD30U	60065-3T79603	20140074	10/24/2013		
Cave Mountain	Larcan	Power Supply	36		60065-3T79603	20140075	10/24/2013		
Cave Mountain	Larcan	Transcoder	24	MXd Series	100961	20140081	10/24/2013		
Cave Mountain	MRC-DAR	Receiver	Micro	906568-136	0803DP0068539AE	20140082	10/24/2013		
Cave Mountain	MRC-DAR	Receiver	Micro	906568-136	602DP0062549AD	20140083	10/24/2013		
Cave Mountain	Smart Pro Net	UPS	N/A	Smart 2200	N/A	20140084	10/24/2013		
Cave Mountain	Larcan	Transcoder	N/A	SPARE	101989	20140085	10/24/2013		
Cave Mountain	Larcan	Transcoder	N/A	SPARE	101989	20140086	10/24/2013		
Cave Mountain	Power Conversion	Load center	N/A	PS19	A0799-2132	20140087	10/24/2013		
Cave Mountain	Power Conversion	Load center	N/A	N/A	C8806-1	20140088	10/24/2013		
Cave Mountain	MRC-DAR	Receiver	Micro	N/A	N/A	20140089	10/24/2013		

Cave Mountain	Cummins	Generator	N/A	GGMA-6075317 (Spec. C)	J100162836	20140090	10/24/2013		
Cave Mountain		Transfer Switch	N/A	906568-136	0602DP0062549AD	20140091	10/24/2013		
Cave Mountain		Microwave Rcvr Elle		906568-136	0803DP0068539AE				
Cave Mountain		Microwave Rcvr Squaw							

	A	B	C	D	E	F
34	Cave Mountain		Transfer Switch	N/A		
35	Squaw Peak (N)	Samplex America	DC Power System	N/A	SEC-2450 BRM	03364-8DO1-0005
36	Squaw Peak (N)	Microwave Radio	Transmitter	7087.5	9*06579-136	0803DP0068538AP
37	Squaw Peak (N)	Microwave Radio	Receiver	6887.5	906568-136	0803DP0068541AE
38	Squaw Peak (S)	Johnson Controls	A/C Compressor	N/A	YCID36541S1HA	WIM3212019
39	Squaw Peak (S)	Johnson Controls	A/C Fan Coil Unit	N/A	AHR48D3XH21B	W1C4539651
40	Squaw Peak (S)	Larcan	Transcoder	11 ✓	MXD Series	100870
41	Squaw Peak (S)	Larcan	Transmitter	11 ✓	MXD10X	201437-3T78629
42	Squaw Peak (S)	Larcan	Transcoder	48	MXD Series	102001
43	Squaw Peak (S)	Larcan	Transmitter	48	MXD30U	60108-8T79786
44	Squaw Peak (S)	Larcan	Power Supply	48	MXD30U	60108-8T79786
45	Squaw Peak (S)	Larcan	DOC?MDC	95.3	XL10FM	6900-9801-001
46	Squaw Peak (S)	Larcan	Transcoder	14	MXD Series	102382
47	Squaw Peak (S)	Larcan	Transmitter	14	MXD30U	60008-7T79318
48	Squaw Peak (S)	Larcan	Power Supply	14	MXD30U	60008-7T79318
49	Squaw Peak (S)	Larcan	Transcoder	9	MXD Series	100880
50	Squaw Peak (S)	Larcan	Transmitter	50	MX100U	25414-25
51	Squaw Peak (S)	Larcan	Transmitter	9	MXD10V	201437-2T78629
52	Squaw Peak (S)	Larcan	Transcoder	50	MXD Series	100954
53	Squaw Peak (S)	Larcan	Transcoder	22	MXD Series	101215
54	Squaw Peak (S)	Larcan	Transcoder	13	MXD Series	102367
55	Squaw Peak (S)	Larcan	Transmitter	13	MXD10X	201437-5T78629
56	Squaw Peak (S)	Larcan	Transmitter	22	MXD30U	600810T79318
57	Squaw Peak (S)	Larcan	Power Supply	22	MXD30U	600810T79318
58	Squaw Peak (S)	Larcan	Transcoder	7	MXD series	100886
59	Squaw Peak (S)	Larcan	Transmitter	7	MXD10V	201389-1T78629
60	Squaw Peak (S)	Larcan	Transcoder	6	MXD Series	100887
61	Squaw Peak (S)	Larcan	Power Supply	50	B25MX100UX	29056-5T77473
62	Squaw Peak (S)	Larcan	Transmitter	6	MXD10V	26706-11T78629
63	Squaw Peak (S)	Larcan	Transcoder	N/A	MXD Series	101322
64	Squaw Peak (S)	Larcan	Transcoder	N/A	MXD Series	101988
65	Squaw Peak (S)	Larcan	Power Supply	N/A	B25MXD30UX	29056-10T77553
66						

Whitepine Television District #1 Inventory		RIB HILL #1							
Location	Manufacture	Type	Channel	Model Number	Serial Number	Tag Number	Date	Cost	Disposition
RIB HILL #1	LARCAN/ZENITH	transcoder	26	DUC864	100748	20140032			
RIB HILL #1	LARCAN TTZ	transmitter	49	MX100U/40D2206GA	25003-80	20140033			
RIB HILL #1	LARCAN/ZENITH	transcoder	28	DUC864	100913	20140034			
RIB HILL #1	LARCAN TTC	transmitter	45	BZ5MX100UX	26703-6	20140035			
RIB HILL #1	LARCAN TTC	power supply	49	40D2206GB	25003-80	20140036			
RIB HILL #1	LARCAN TTC	power supply	47	BZ5MX100UX	25415-38	20140037			
RIB HILL #1	LARCAN TTC	transmitter	8	MXD10V	201437-1 T7862	20140038			
RIB HILL	LARCAN/ZENITH	transcoder	34	DUC864	100885	20140039			
RIB HILL	LARCAN/ZENITH	transcoder	32	DUC864	100879	20140040			
RIB HILL	LARCAN TTC MX30V	transmitter	10	MXD10V	201389-4 T78629	20140041			
RIB HILL	LARCAN/ZENITH	transcoder	30	DUC864	NA	20140042			
RIB HILL	LARCAN/ZENITH	transcoder	SPARE	DUC864	100903	20140043			
RIB HILL	LARCAN TTC MX30V	transmitter	12	MXD10V	201437-4 T78629	20140044			
RIB HILL	LARCAN/ZENITH	transcoder	24	DUC864	100753	20140045			
RIB HILL	LARCAN/ZENITH	transmitter	47	BZ5MX100UX	25415-38	20140046			
RIB HILL	LARCAN TTC MX100U	transmitter	45	BZ5MX100UX	26703-6	20140047			
RIB HILL	LARCAN TTC	power supply	45						
RIB HILL	LARCAN/ZENITH	transcoder	20	DUC864	101618	20140048			
RIB HILL	LARCAN	transmitter	40	MXD30U	60054-12 T79474	20140049			
RIB HILL	LARCAN	power supply	40	MXD30U	60054-12 T79474	20140050			
RIB HILL	LARCAN/ZENITH	transcoder	18	DUC864	101608	20140051			
RIB HILL	LARCAN	transmitter	43	MXD30U	60054-18 T79474	20140052			
RIB HILL	LARCAN	power supply	43	MXD30U	60054-18 T79474	20140053			
RIB HILL	SMART UPS 3000XL	power supply		SUA3000RMXL3U	JS0910001205	20140054			
RIB HILL		transcoder	45	41D2178G1	100913				
RIB HILL		transcoder	47	41D2178G1	100753				
RIB HILL		transcoder	49	41D2178G1	100748				

Whitepine Television District #1 Inventory

Location	Manufacture	Type	Channel	Model Number	Serial Number
RUTH		TRANSCODER	13	41D2178G1	100745
RUTH		TRANSMITTER	13	MX1V	201229-9
RUTH		TRANSCODER	41	41D2178G1	100960
RUTH		TRANSMITTER	41	MX1OU	27870-1

Ta -

Date

Whitepine Television District #1 Inventory					
Location	Manufactory	Type	Channel	Model Number	Serial Number
VICTORIA		TRANSCODER	KSL	41D2178G1	
VICTORIA		TRANSCODER	KTVX	41D2178G1	
VICTORIA		TRANSCODER	KUTV	41D2178G1	
VICTORIA		MICROWAVE TRNSMTR		DAR	

Whitepine Television District #1 Inventory						
Location	Manufacture	Type	Channel	Model Number	Serial Number	
ELLA MOUNTAIN		TRANSCODER	KLVX	41D2178G1	501-12510050	
ELLA MOUNTAIN		TRANSCODER	KVVU	41D2178G1	100868	
ELLA MOUNTAIN		TRANSCODER	KLAS	41D2178G1	100856	
ELLA MOUNTAIN		MICROWAVE TXMITTER		906579-143	0602DP0062548AK	
ELLA MOUNTAIN		POWER SYSTEM		9RD215HFBAB0	C9906-1	
ELLA MOUNTAIN		SPARE TRANSCODER		HCS500R	501-12130006	
ELLA MOUNTAIN		SPARE TRANSCODER		HCS500R	501-12510045	

THIS IS OUR EQUIPMENT IN THE STATE OF NEVADA BUILDING

Book Asset Detail 7/01/17 - 6/30/18

FYE: 6/30/2018

Fixed Asset Detail Provided by CPA

Asset #	Property Description	Date In Service	Book Cost	Book Sec 179 Exp c	Book Sal Value	Book Prior Depreciation	Book Current Depreciation	Book End Depr	Book Net Value	Book Method	Book Period
Group: Buildings											
1	Building - Cave	12/01/65	16,000.00	0.00	0.00	16,000.00	0.00	16,000.00	0.00	S/L	50.00
2	Building improvements - Cave	12/01/02	4,987.40	0.00	0.00	1,475.47	124.69	1,600.16	3,387.24	S/L	50.00
3	Building - Squaw	12/01/65	57,000.00	0.00	0.00	57,000.00	0.00	57,000.00	0.00	S/L	50.00
4	Building - Ruth	12/01/65	10,000.00	0.00	0.00	10,000.00	0.00	10,000.00	0.00	S/L	50.00
5	Building - Rib Hill	12/01/85	6,000.00	0.00	0.00	3,790.00	120.00	3,910.00	2,090.00	S/L	50.00
6	Building - Victoria	12/01/75	2,500.00	0.00	0.00	2,079.17	50.00	2,129.17	370.83	S/L	50.00
7	Building - Elie	12/01/75	7,000.00	0.00	0.00	5,821.67	140.00	5,961.67	1,038.33	S/L	50.00
8	Building - Shop	12/01/96	22,404.00	0.00	0.00	9,316.33	560.10	9,876.43	12,527.57	S/L	50.00
90	Tower	10/15/09	25,650.00	0.00	0.00	3,954.37	513.00	4,467.37	21,182.63	S/L	50.00
99	new roogs cave and Squw	12/13/10	11,500.23	0.00	0.00	4,983.42	766.68	5,750.10	5,750.13	S/L	15.00
108	Building Rib Hill	1/14/13	38,600.00	0.00	0.00	3,634.83	965.00	4,599.83	34,000.17	S/L	50.00
117	improvements for Ruth bldg moved	6/30/15	29,508.00	0.00	0.00	4,180.30	1,967.20	6,147.50	23,360.50	S/L	15.00
118	improvement to bldg	12/31/14	2,787.30	0.00	0.00	544.80	185.82	730.62	2,056.68	S/L	15.00
Buildings			233,936.93	0.00c	0.00	122,780.36	5,392.49	128,172.85	105,764.08		

Inswed under property schedule

Group: Equipment

15	modulator	10/17/04	2,130.00	0.00	0.00	2,130.00	0.00	2,130.00	0.00	S/L	7.00
16	VHF-Translator	12/01/65	12,000.00	0.00	0.00	12,000.00	0.00	12,000.00	0.00	S/L	15.00
17	UHF Translator	12/01/65	12,000.00	0.00	0.00	12,000.00	0.00	12,000.00	0.00	S/L	15.00
18	UHF Translator	12/01/65	12,000.00	0.00	0.00	12,000.00	0.00	12,000.00	0.00	S/L	15.00
19	UHF Translator	12/01/65	12,000.00	0.00	0.00	12,000.00	0.00	12,000.00	0.00	S/L	15.00
20	VHF-Translator	12/01/65	12,000.00	0.00	0.00	12,000.00	0.00	12,000.00	0.00	S/L	15.00
21	VHF-Translator	12/01/65	12,000.00	0.00	0.00	12,000.00	0.00	12,000.00	0.00	S/L	15.00
22	Tower	12/01/65	8,000.00	0.00	0.00	8,000.00	0.00	8,000.00	0.00	S/L	50.00
23	Generator	12/01/96	9,250.00	0.00	0.00	9,250.00	0.00	9,250.00	0.00	S/L	15.00
24	Propane Tank	12/01/94	2,750.00	0.00	0.00	2,750.00	0.00	2,750.00	0.00	S/L	20.00
25	Propane Tank	12/01/94	1,000.00	0.00	0.00	1,000.00	0.00	1,000.00	0.00	S/L	20.00
26	Antenna	12/01/96	5,600.00	0.00	0.00	5,600.00	0.00	5,600.00	0.00	S/L	15.00
27	Microwave Receiver	12/01/96	10,000.00	0.00	0.00	10,000.00	0.00	10,000.00	0.00	S/L	15.00
28	Microwave Dish	12/01/96	4,000.00	0.00	0.00	4,000.00	0.00	4,000.00	0.00	S/L	15.00
29	Power System	12/01/99	5,000.00	0.00	0.00	5,000.00	0.00	5,000.00	0.00	S/L	10.00
30	Translator	12/01/02	74,209.18	0.00	0.00	71,735.55	2,473.63	74,209.18	0.00	S/L	15.00
31	VHF-Translator	12/01/65	22,000.00	0.00	0.00	22,000.00	0.00	22,000.00	0.00	S/L	15.00
32	VHF-Translator	12/01/65	6,000.00	0.00	0.00	6,000.00	0.00	6,000.00	0.00	S/L	15.00
33	VHF-Translator	12/01/65	6,000.00	0.00	0.00	6,000.00	0.00	6,000.00	0.00	S/L	15.00
34	output modulator	12/31/04	10,464.00	0.00	0.00	10,464.00	0.00	10,464.00	0.00	S/L	7.00
35	VHF-Translator	12/01/65	6,000.00	0.00	0.00	6,000.00	0.00	6,000.00	0.00	S/L	15.00
36	VHF-Translator	12/01/65	6,000.00	0.00	0.00	6,000.00	0.00	6,000.00	0.00	S/L	15.00
37	VHF-Translator	12/01/65	6,000.00	0.00	0.00	6,000.00	0.00	6,000.00	0.00	S/L	15.00
38	FM Translator	12/01/65	5,000.00	0.00	0.00	5,000.00	0.00	5,000.00	0.00	S/L	15.00
39	Parabolic Dish	12/01/96	15,415.00	0.00	0.00	15,415.00	0.00	15,415.00	0.00	S/L	15.00
40	Antenna	12/01/96	2,100.00	0.00	0.00	2,100.00	0.00	2,100.00	0.00	S/L	15.00
41	Antenna	12/01/96	3,000.00	0.00	0.00	3,000.00	0.00	3,000.00	0.00	S/L	15.00
42	Antenna	12/01/96	1,500.00	0.00	0.00	1,500.00	0.00	1,500.00	0.00	S/L	15.00
43	Translator	12/01/02	22,650.75	0.00	0.00	21,895.73	755.02	22,650.75	0.00	S/L	15.00
44	Antenna	12/01/96	1,500.00	0.00	0.00	1,500.00	0.00	1,500.00	0.00	S/L	15.00
45	VHF-Translator	12/01/65	3,000.00	0.00	0.00	3,000.00	0.00	3,000.00	0.00	S/L	15.00

Book Asset Detail 7/01/17 - 6/30/18

Asset #	d	Property Description	Date In Service	Book Cost	Book Sec 179 Exp c	Book Sal Value	Book Prior Depreciation	Book Current Depreciation	Book End Depr	Book Net Book Value	Book Method	Book Period
46		VHF Translator	12/01/65	3,000.00	0.00	0.00	3,000.00	0.00	3,000.00	0.00	S/L	15.00
47		VHF Translator	12/01/65	3,000.00	0.00	0.00	3,000.00	0.00	3,000.00	0.00	S/L	15.00
48		VHF Translator	12/01/65	3,000.00	0.00	0.00	3,000.00	0.00	3,000.00	0.00	S/L	15.00
49		VHF Translator	12/01/65	3,000.00	0.00	0.00	3,000.00	0.00	3,000.00	0.00	S/L	15.00
50		Translator	12/01/03	10,505.38	0.00	0.00	9,454.85	700.36	10,155.21	350.17	S/L	15.00
51		VHF Translator	12/01/65	6,000.00	0.00	0.00	6,000.00	0.00	6,000.00	0.00	S/L	15.00
52		VHF Translator	12/01/65	6,000.00	0.00	0.00	6,000.00	0.00	6,000.00	0.00	S/L	15.00
53		VHF Translator	12/01/65	6,000.00	0.00	0.00	6,000.00	0.00	6,000.00	0.00	S/L	15.00
54		VHF Translator	12/01/65	22,000.00	0.00	0.00	22,000.00	0.00	22,000.00	0.00	S/L	15.00
55		VHF Translator	12/01/65	22,000.00	0.00	0.00	22,000.00	0.00	22,000.00	0.00	S/L	15.00
56		FM Translator	12/01/65	5,000.00	0.00	0.00	5,000.00	0.00	5,000.00	0.00	S/L	15.00
57		Antenna	12/01/96	4,000.00	0.00	0.00	4,000.00	0.00	4,000.00	0.00	S/L	15.00
58		Antenna	12/01/96	2,800.00	0.00	0.00	2,800.00	0.00	2,800.00	0.00	S/L	15.00
59		Antenna	12/01/96	15,415.00	0.00	0.00	15,415.00	0.00	15,415.00	0.00	S/L	15.00
60		Translator	12/01/02	17,583.48	0.00	0.00	16,997.36	586.12	17,583.48	0.00	S/L	15.00
61		Antenna	12/01/96	1,200.00	0.00	0.00	1,200.00	0.00	1,200.00	0.00	S/L	15.00
62		Antenna	12/01/96	500.00	0.00	0.00	500.00	0.00	500.00	0.00	S/L	15.00
63		FM Translator	12/01/96	5,000.00	0.00	0.00	5,000.00	0.00	5,000.00	0.00	S/L	15.00
64		Antenna	12/01/02	5,349.71	0.00	0.00	5,171.39	178.32	5,349.71	0.00	S/L	15.00
65		Tower	12/01/90	50,380.00	0.00	0.00	26,785.37	1,007.60	27,792.97	22,587.03	S/L	50.00
66		Tower	12/01/85	13,600.00	0.00	0.00	8,590.67	272.00	8,862.67	4,737.33	S/L	50.00
67		VHF Translator	12/01/65	22,000.00	0.00	0.00	22,000.00	0.00	22,000.00	0.00	S/L	15.00
68		Microwave Transmitter	12/01/65	10,000.00	0.00	0.00	10,000.00	0.00	10,000.00	0.00	S/L	15.00
69		Power System	12/01/99	5,000.00	0.00	0.00	5,000.00	0.00	5,000.00	0.00	S/L	10.00
70		Antenna	12/01/96	1,400.00	0.00	0.00	1,400.00	0.00	1,400.00	0.00	S/L	15.00
71		Antenna	12/01/96	300.00	0.00	0.00	300.00	0.00	300.00	0.00	S/L	15.00
72		Antenna	12/01/96	4,000.00	0.00	0.00	4,000.00	0.00	4,000.00	0.00	S/L	15.00
73		Translator	12/01/03	17,770.54	0.00	0.00	15,993.48	1,184.70	17,178.18	592.36	S/L	15.00
74		Antenna	6/10/04	1,271.21	0.00	0.00	1,144.10	84.75	1,228.85	42.36	S/L	15.00
75		meter sensor	12/31/04	17,176.00	0.00	0.00	17,176.00	0.00	17,176.00	0.00	S/L	7.00
76		signal analyzer	12/31/04	7,605.00	0.00	0.00	7,605.00	0.00	7,605.00	0.00	S/L	7.00
77		spec analyzer	4/01/05	28,091.00	0.00	0.00	28,091.00	0.00	28,091.00	0.00	S/L	7.00
78		translator	10/10/05	10,273.49	0.00	0.00	7,961.96	684.90	8,646.86	1,626.63	S/L	15.00
79		elec. equip.	4/10/06	40,773.00	0.00	0.00	30,239.98	2,718.20	32,958.18	7,814.82	S/L	15.00
80		elec equip.	8/14/06	10,250.00	0.00	0.00	7,174.99	683.33	7,858.32	2,391.68	S/L	15.00
81		elec equip	6/27/07	3,640.00	0.00	0.00	2,548.01	242.67	2,790.68	849.32	S/L	15.00
82		elec equip	9/25/06	2,610.88	0.00	0.00	1,827.63	174.06	2,001.69	609.19	S/L	15.00
83		elec equip	11/13/06	13,364.67	0.00	0.00	9,355.29	890.98	10,246.27	3,118.40	S/L	15.00
84		4 modulators	2/1/08	8,749.49	0.00	0.00	5,468.44	583.30	6,051.74	2,697.75	S/L	15.00
85		micro wave equipment	4/07/08	46,493.27	0.00	0.00	28,283.39	3,099.55	31,382.94	15,110.33	S/L	15.00
86		elec equipment	10/13/08	2,850.00	0.00	0.00	1,615.00	190.00	1,805.00	1,045.00	S/L	15.00
87		elec equipment	10/13/08	10,676.99	0.00	0.00	6,950.30	711.80	6,762.10	3,914.89	S/L	15.00
88		elec eq	5/30/09	8,041.34	0.00	0.00	4,556.76	536.09	5,092.85	2,948.49	S/L	15.00
89		Translators	10/15/09	159,885.59	0.00	0.00	79,942.80	10,659.04	90,601.84	69,283.75	S/L	15.00
91		e-com 30 wat	10/15/09	14,960.93	0.00	0.00	14,960.93	0.00	14,960.93	0.00	S/L	5.00
92		TV and Racks	9/15/09	1,971.79	0.00	0.00	985.88	131.45	1,117.33	854.46	S/L	15.00
93		converters	11/15/09	780.00	0.00	0.00	390.00	52.00	442.00	338.00	S/L	15.00
94		power supply	12/14/09	2,624.84	0.00	0.00	2,624.84	0.00	2,624.84	0.00	S/L	5.00
95		transcoder	11/15/09	10,327.86	0.00	0.00	5,163.92	688.52	5,852.44	4,475.42	S/L	15.00

Book Asset Detail 7/01/17 - 6/30/18

FYE: 6/30/2018

Asset	dt	Property Description	Date In Service	Book Cost	Book Sec 179 Exp c	Book Sal Value	Book Prior Depreciation	Book Current Depreciation	Book End Depr	Book Net Book Value	Book Method	Book Period
Group: Equipment (continued)												
96		tv	9/13/10	599.00	0.00	0.00	599.00	0.00	599.00	0.00	S/L	5.0
97		Microwave receiver dish & installation	12/13/10	20,655.80	0.00	0.00	19,734.05	921.75	20,655.80	0.00	200DB	7.0
98		translators	12/13/10	17,556.73	0.00	0.00	8,744.72	1,036.71	9,781.43	7,775.30	150DB	15.0
100		50% down on 5 translators	4/11/11	26,302.80	0.00	0.00	28,107.86	2,162.14	30,270.00	0.00	S/L	7.0
101		Cummings Generator	7/01/12	11,538.96	0.00	0.00	7,890.84	1,753.52	9,644.36	16,658.44	S/L	15.0
102		transcoder- elec equipment	12/13/10	94,176.84	0.00	0.00	5,000.20	769.26	5,769.46	5,769.50	S/L	15.0
103		elec equipment	9/15/11	45,082.00	0.00	0.00	34,531.52	6,278.46	40,809.98	53,366.86	S/L	15.0
104		concrete pad	12/12/11	27,676.21	0.00	0.00	16,530.08	3,005.47	19,535.55	25,546.45	S/L	15.0
106		elec equipment	3/24/12	14,300.00	0.00	0.00	10,147.94	1,845.08	11,993.02	15,683.19	S/L	15.0
107		Send/Receive electronics electrical equipment	4/11/12	23,084.92	0.00	0.00	5,243.32	953.33	6,196.65	8,103.35	S/L	15.0
109		Power Upgrade	4/20/12	16,044.07	0.00	0.00	10,135.08	1,363.14	11,498.22	11,586.70	150DB	15.0
110		Generator	9/10/12	4,888.61	0.00	0.00	4,813.21	1,069.60	5,882.81	10,161.26	S/L	15.0
111		transcoder	12/10/12	4,044.00	0.00	0.00	1,466.59	325.91	1,792.50	3,096.11	S/L	15.0
112		antenna and disk	11/20/13	7,623.71	0.00	0.00	1,213.20	269.60	1,482.80	2,561.20	S/L	15.0
113		air cond	3/22/14	2,964.00	0.00	0.00	3,947.99	1,089.10	5,037.09	2,586.62	S/L	7.0
114		Radios and Transcoders	4/10/14	16,944.41	0.00	0.00	1,235.00	423.43	1,678.43	1,285.57	S/L	7.0
115		FM Translater	6/28/14	4,487.56	0.00	0.00	3,006.72	1,129.63	4,136.35	12,808.06	S/L	15.0
120		Digital Transmitters	1/01/16	5,541.00	0.00	0.00	2,471.78	897.51	3,369.29	1,118.27	S/L	5.0
121		Equipment	4/12/16	4,298.43	0.00	0.00	507.93	369.40	877.33	4,663.67	S/L	15.0
122		Air Conditioner	10/25/16	88,361.00	0.00	0.00	3,223.38	286.56	608.94	3,689.49	S/L	15.0
123		Equipment	12/12/16	1,058.65	0.00	0.00	2,945.37	5,890.73	8,836.10	79,524.90	S/L	15.0
124		Equipment	7/17/17	4,875.50	0.00c	0.00	35.29	70.58	105.87	932.78	S/L	15.0
			12/13/17	1,241.81	0.00c	0.00	0.00	348.25	348.25	4,527.25	S/L	7.0
							0.00	41.39	41.39	1,200.42	S/L	15.0
		Equipment		1,452,406.40	0.00c	0.00	972,764.69	61,588.94	1,034,353.63	418,052.77		
Group: Transportation												
9		1977 Pickup	12/01/77	8,700.00	0.00	1,500.00	7,200.00	0.00	7,200.00	1,500.00	S/L	20.00
10		1959 Snowcat	12/01/65	9,750.00	0.00	0.00	9,750.00	0.00	9,750.00	0.00	S/L	5.00
11		1968 Snowcat	12/01/68	42,500.00	0.00	5,000.00	37,500.00	0.00	37,500.00	5,000.00	S/L	5.00
12		1990 Snowcat	12/01/90	84,000.00	0.00	5,000.00	79,000.00	0.00	79,000.00	5,000.00	S/L	25.0
13		International Flatbed	12/01/02	88,769.78	0.00	1,500.00	63,345.60	4,438.49	67,784.09	20,985.69	S/L	20.0
14		2003 Ford 4x4	12/01/02	26,838.00	0.00	1,500.00	19,351.24	1,361.23	20,712.47	6,125.53	150DB	20.0
		Transportation		260,557.78	0.00c	14,500.00	216,146.84	5,799.72	221,946.56	38,611.22		
		Grand Total		1,946,901.11	0.00c	14,500.00	1,311,691.89	72,781.15	1,384,473.04	562,428.07		

NPAIP PUBLIC ENTITY PACKAGE APPLICATION
ALL QUESTIONS MUST BE ANSWERED IN ORDER TO SECURE A QUOTATION!!!

EMERGENCY SERVICES SUPPLEMENTAL APPLICATION

N/A

A. LAW ENFORCEMENT

- | | | | |
|---|--|---------------------------------------|--|
| Number of Full Time Armed Officers? | | Number of Part Time Armed Officers? | |
| Number of Full Timed Unarmed Officers? | | Number of Part Time Unarmed Officers? | |
| Number of Dispatchers? | | Number of Police Dogs? | |
| Do District Attorney / Prosecutors have arrest authority or arrest warrant authority? | | | |
| | | | |
1. Dispatching
 - a. Does the Insured handle its own dispatch? _____
 - b. Does the Entity dispatch for other public or private entities? _____
 - c. What is the total population served? _____
 - d. Are incoming calls to dispatchers recorded? _____ How long are tapes maintained? _____
 - e. What services do you dispatch (e.g. Emergency, Fire, Police, etc.)? _____
 2. Policies & Procedures Manuals
 - a. Does the Insured have a policy and procedures manual? _____
 - b. Date of manual? _____ Date of last revision / update? _____
 - c. Is the manual reviewed annually by legal counsel? _____
 - d. Is the manual distributed to all personnel? _____
 Is the manual reviewed with them periodically as part of their formal training? _____
 - e. Does the Insured have policies governing:

Use of deadly force		AIDS	
Use of non-deadly force		Handling of intoxicated individuals	
Vehicle "hot" pursuit		Ride alongs	
Domestic violence			
 - f. Does the Insured require a report when force must be used? _____
 3. Education & Training Requirements
 - a. What is the minimum education requirement for hiring new officers? _____
 - b. Is psychological testing required before hiring? _____
 Are results reviewed by a person trained in this field? _____
 Is the applicant interviewed by a psychologist / psychiatrist? _____
 - c. What background investigations are completed prior to hiring new officers? _____
 - d. What training of armed street officers is required prior to any assignment where they are armed? _____

Academy Training?		Minimum # of Academy hours?	
Other (explain)			
 - e. Is a minimum annual in service training update required? _____ Numbers of hours annually? _____
 - f. Is all training documented in a training log? _____ How long are logs kept? _____
 - g. Are new officers formally assigned to work with a field training officer? _____
 - h. Are officers trained and qualified before using:

Baton / PR24?		Control Holds?	
Mace / Chemicals?		Stun / Laser Guns?	
 - i. How often must an officer requalify with:

Service revolver?		Other weapons?	
Personal weapon?			
 - j. What training do part-time / auxiliary officers, or reserve officers, armed and with arrest authority, receive? _____

Is this training given before duty assignment?		If not, what assignments may part-time officers be given	
prior to training?			
What type of assignments do auxiliary officers perform? _____			
 - k. Do all officers receive training in:

First Aid?		CPR?	
------------	--	------	--

NPAIP PUBLIC ENTITY PACKAGE APPLICATION
ALL QUESTIONS MUST BE ANSWERED IN ORDER TO SECURE A QUOTATION!!!

NIA

EMERGENCY SERVICES SUPPLEMENTAL APPLICATION

- l. Are all officers trained in vehicle operations? _____
 Do all officers receive actual or simulated vehicular operations training? _____
 Are officers required to complete a defensive driving training program? _____
- m. Is every course completed documented to each employee and each auxiliary person's personal or training file? _____
- 4. Underwriting Information
 - a. Does the Insured contract law enforcement services to any other public or private entity? _____
 - b. Is the Insured a party to any mutual aid, reciprocal, or regional task force agreements? _____
 - c. Does the Insured authorize employee "moonlighting"? _____ Is "moonlighting" preapproved? _____
 Is "moonlighting" in bars and taverns approved? _____ If yes, please attach a copy of "moonlighting" policies _____
 - d. Is the Insured currently at authorized strength? _____
 - e. Total full-time employees: Last Year? _____ Prior Year? _____ Two Years Prior? _____

B. PENAL & JAIL INSTITUTIONS - Please complete for each separate facility to be insured

- 1. Is coverage for a jail premises desired? _____ If yes, does the Insured operate a:
 - Jail? _____ Holding Cell? _____
 - Detention Home? _____ Non-Owned facility (contractual only)? _____
- 2. Total square footage of jail area? _____ Total square footage of jail cells only? _____
 Year Built? _____ Year Renovated? _____ Date of Last Inspection? _____
- 3. Number of cells? _____ Number of beds? _____ State certified capacity? _____
 Average number of daily inmates? _____ Average length of stay? _____
- 4. Are full-time jailors on duty 24 hours/day? _____ Are part-time jailors used? _____
 Number of jailors on duty each shift? _____
- 5. Are the jail premises regularly inspected by: State Corrections Officials? _____ Health Department? _____
 Date of last inspection by State Corrections Officials? _____ Please list outstanding recommendations below: _____

- 6. Are smoke detectors in the jail? _____ Method of inmate surveillance? _____
- 7. Are there jail operations manuals covering:
 - Intake screenings and classification of inmates? _____ Storage & Administration of Medication? _____
 - Strip searches? _____ Suicide ID Guidelines? _____
 - Jail evacuation? _____ Visual Observation of Inmates? _____
 - Medical treatment / sick call? _____
- 8. Are men and women segregated? _____ If yes, in what manner? _____
 Are youthful offenders (those age 18 and younger) separated from older inmates? _____
 If yes, in what manner? _____
 Are prisoners who have committed violent crimes segregated from those who are incarcerated for lesser offenses? _____
- 9. Does the Insured have a contract with any other Entity for use of the jail? _____
 If yes, give the name of the Entity. _____
- 10. Has there ever been a riot or other prisoner-led disturbance? _____ If yes, please describe. _____

- 11. In the last three years, have there been any jail suicides or attempted suicides? _____
 If yes, explain and provide details and explain what has been done to prevent future suicides. _____

- 12. Is the jail operating under a court order or Consent Decree? _____ If yes, please attach a copy with any modifications. _____
- 13. Has the department received accreditation from the Commission on Accreditation for Law Enforcement Agencies, Inc.? _____
 If yes, when? _____

C. FIRE DEPARTMENT

- 1. Number Paid Professionals: _____ Number Volunteer: _____
- 2. Annual Calls - Emergency: _____ Annual Calls - Non-Emergency: _____
- 3. What kind of training is required? _____

NPAIP PUBLIC ENTITY PACKAGE APPLICATION
ALL QUESTIONS MUST BE ANSWERED IN ORDER TO SECURE A QUOTATION!!!

N/A

EMERGENCY SERVICES SUPPLEMENTAL APPLICATION

D. EMT's, PARAMEDICS, and NURSES / MEDICAL PROFESSIONAL LIABILITY EXPOSURES

1. Please give the number of each of the following certified personnel:
- | | # of Paid Employees | # of Volunteers |
|-------------------------------|---------------------|-----------------|
| Certified Personnel | _____ | _____ |
| Emergency Medical Technicians | _____ | _____ |
| Paramedics | _____ | _____ |
| Nurses | _____ | _____ |
| LPNs | _____ | _____ |
2. Radius of operations? _____
3. Indicate the type of training received by emergency personnel. _____
4. Type of Institution and Operation ("X" if appropriate)
- _____ Convalescent or Nursing Home - Please complete a nursing home supplemental application
- _____ Clinic - Health Department
5. Clinic / Nurses / Health Department
- a. Are you approved by Medicare? _____
- b. Do you comply with all federal, state or local licensing requirements? _____
- c. Number of clinics _____
- d. Describe operations of clinic _____
- e. List all duties of the county nurses _____
- f. # of patients seen each week _____
- g. Describe training, licensing and certification requirements for all nurse: _____
- h. Do nurses work only for you? _____
- i. Do you provide Home Health Care visits _____ If yes, how many visits each week _____
- *Clinic visits means any outpatient visit on or off the premises involving the examination or treatment of a patient by a nurse.
Count only "hands-on" nurse/patient encounters, not indirect encounters for an x-ray or laboratory results interpretation.
A visit is a threshold crossing which may involve multiple occasions of service from more than one clinical department.*

E. COMMENTS - PLEASE USE THIS AREA TO ELABORATE ON ANY INFORMATION PROVIDED ELSEWHERE IN THIS APPLICATION

NPAIP PUBLIC ENTITY PACKAGE APPLICATION
ALL QUESTIONS MUST BE ANSWERED IN ORDER TO SECURE A QUOTATION!!!

PUBLIC WORKS SUPPLEMENTAL APPLICATION

NIA

1) DAY CARE / DAY CAMPS

- A. Number of centers operated? _____
- B. Number of days open per week? _____
- C. Describe care provider employment requirements (experience and credentials). _____

- F. Number of individuals for which care is provided:
- | | | | |
|-------------------|----------|--------|----------------------|
| | Children | Adults | Staff providing care |
| Average # per day | _____ | _____ | _____ |
| Maximum # per day | _____ | _____ | _____ |
- G. Is transportation provided by the Entity? _____ If yes, please describe _____

2) TRANSPORTATION & CONVEYANCE

- A. Number of buses? _____ Radius of operation? _____ Annual receipts? _____
 Average daily miles? _____ Average daily riders? _____
- B. Streets & Roads
1. Roads / Highways Mileage - Paved: _____ Mileage - Unpaved: _____
- a. Condition of roads? _____
- b. Does the Entity have a regular maintenance and upkeep program? _____
- c. Are written records of maintenance kept? _____
- d. Are barricades and warnings used at road work sites? _____
- e. Are road signs regularly inspected for visibility or missing signs? _____
2. Sidewalks
- a. How often are sidewalks inspected for defects? _____
- b. Are written records of inspection kept? _____
- c. Please describe sidewalk replacement program. _____

3. Bridges
- a. How many bridges of over 20 feet in length are maintained by the Entity? _____
- b. Are all bridges posted for weight limits? _____
- c. Are there any one-lane bridges? _____ If so, are warning signs posted? _____
- d. Are any bridges closed, condemned, or structurally deficient? _____ List by bridge number and give reasons: _____

- e. Are warning signs posted? _____ Are barriers permanent? _____
- e. When was the last inspection? _____ By whom? _____
- Number of Bridges passed? _____ Have all recommendations been complied with? _____
4. Describe the training of employees in the use of snow removal equipment on roadways. _____

NPAIP PUBLIC ENTITY PACKAGE APPLICATION
ALL QUESTIONS MUST BE ANSWERED IN ORDER TO SECURE A QUOTATION!!!

PUBLIC WORKS SUPPLEMENTAL APPLICATION

3) UTILITIES

A. Blasting

N/A

1. Is blasting contracted out? _____
2. Are Certificates of Insurance and limits at least equal to those carried by the Entity required? _____
 NOTE: If 1 or 2 are answered NO, please complete the following:
 - a. Please describe the types and locations of blasting.

 - b. How many blasts per year? _____ Is the blaster certified? _____
 - c. Please describe the precautions taken prior to blasting.

B. Electric

N/A

1. Annual Payroll (excl clerical)? _____ Number of customers served? _____
2. Does the Entity do any of the following:

Pole Erection / Wire Stringing?	_____	Customer Connect?	_____
Transformer Installation?	_____	Meter Reading?	_____
3. Customer Profile: Residential - _____ Commercial - _____ Industrial - _____
4. Does the utility generate or purchase power?
 If purchased, who is the supplier? _____ If generated, how (steam, wind, water)? _____
5. What is the Maximum Capacity? _____ Number of miles of high voltage lines? _____

C. Landfills

N/A

1. LOCATION of SITE	TOTAL ACRES	ACRES in USE	ACRES FENCED	#YRS in OPS	CONTROL of LANDFILL*	DNA EPA ID

* A = Abandoned, C = Closed, E = Entity Operated, S = Subcontracted Out

2. In what type of area is/are the landfill(s) located?
 Please describe adjacent properties. _____
3. Do employees monitor attendance when the site is open?
 Is each site fenced with a locked gate when closed? _____
4. How close is the nearest surface water? _____ Drinking water? _____
5. Describe any test(s), system(s), or equipment used to monitor this site(s).

6. What type and form of waste goes into each site?	TYPE	FORM	
Location 1.	_____	_____	TYPE = Household, Commercial, Industrial, Organic FORM = Solid, Liquid, Sludge
Location 2.	_____	_____	
Location 3.	_____	_____	
Location 4.	_____	_____	
Location 5.	_____	_____	

Note - this risk is described under comments section on page 6 - Question 8.

NPAIP PUBLIC ENTITY PACKAGE APPLICATION
ALL QUESTIONS MUST BE ANSWERED IN ORDER TO SECURE A QUOTATION!!!

N/A

PUBLIC WORKS SUPPLEMENTAL APPLICATION

7. Is any hazardous waste handled at any site? _____ If yes, please describe material and handling at any site.

8. Is the Entity aware of any prior activities which involved hazardous wastes? _____ If yes, please describe.

9. If there are any abandoned or closed sites, please describe closure plans.

10. Are there Methane Gas Escape Vents? _____
11. Is the landfill covered each night per EPA standards? _____

D. Sewer

1. Is a sewage disposal plan maintained? _____ If yes, please give payroll: _____
2. Number of miles of sewer lines maintained? _____
3. Percentage of work, such as laying of sewers, removal of sludge, etc., is
 Undertaken directly by Entity? _____ Performed by Independent Contractors? _____

E. Water

1. Annual Payroll (excl clerical)? _____ Gallons per year? _____ Miles of Pipe? _____
2. Type of pipe used? _____
3. Percentage of work, such as laying of waterlines, etc., that is:
 Undertaken directly by Entity? _____ Performed by Independent Contractors? _____
4. Source of water supply? _____ Age of the system? _____ Date upgraded? _____
 How often is drinking water tested? _____ By whom? _____
5. Does Entity have water supply tanks? _____ If yes, please list below
- | CONSTRUCTION | TYPE | CAPACITY (gal) | DATE LAST INSPECTED |
|--------------|-------|----------------|---------------------|
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |
6. Type of public protection around the tank base(s) (fencing, lighting, aircraft warning lights, runoff channels, etc.)

7. Are tanks inspected by qualified engineers? _____ How often? _____
8. Does the system comply with current local and federal standards for hygiene and metals content? _____

NPAIP PUBLIC ENTITY PACKAGE APPLICATION
ALL QUESTIONS MUST BE ANSWERED IN ORDER TO SECURE A QUOTATION!!!

N/A

PUBLIC WORKS SUPPLEMENTAL APPLICATION

3) DAMS / DIKES / LEVEES / RESERVOIRS / SPILLWAYS *(any barrier built to impound water that, if it broke, would release water in a floodlike manner)*

This supplement must be completed for each Dam/Dike/Levee/Reservoir or Spillway - please copy this section again below this one for each additional structure.

A. Dam / Dike / Levee / Reservoir / Spillway

1. General Information

a) Structure Name: _____ Structure Location: _____

b) Year built: _____ Type (e.g. Dam, Dike, Levee, Reservoir, Spillway): _____

c) General Condition & Maintenance: _____ (Excellent, Good, Fair, or Poor)

d) Built under the Direction of: _____ (Owner, Corps of Engineers, Dept of Interior, Dept of Agriculture, Bureau of Reclamation)

e) Purpose(s): Agriculture _____ Power* _____
 Flood Control _____ Water Supply _____
 Industrial _____

*if Power, describe alternate source in event of power failure: _____

f) Hazard Code: _____ (I, II, III, IV - see below) Safety: _____ (Safe or Unsafe)

g) Construction: _____ (Concrete, Earthen, Steel, or Timber) - if Other, Please Specify: _____

h) Dimensions: Height _____ Top Width _____ Base Width _____

i) Name of Tributary Rivers: Upstream _____
 Downstream _____

j) Normal Pond Measurements: # of Acres _____ Storage Capacity (Acres / Feet) _____
 Is additional storage available in Flood State? _____ If Yes, please describe _____

k) Water Level Control: Gates? _____ Other? (describe) _____
 If Gates, what Type? _____
 How are they Operated? _____
 By Whom? _____

2. Upstream Exposures - Are there any Exposures to any of the Following?

Structures, Industrial Complexes, Housing? _____ If "Yes", please describe & be specific (include distances, etc.) _____

Recreational Areas (e.g. swimming, boating, camping) _____ If "Yes", please describe & be specific _____

Bridges _____

Lower Dams _____ If "Yes", please give Names _____

Highways _____

Railroads _____

Agricultural Areas _____ If "Yes", is there an exposure to:
 Livestock _____
 Crops _____
 Dwellings _____
 Barns / Sheds _____

3. Downstream Exposures

Type	Distance	Description
Housing	_____	_____
Other Structures	_____	_____
Industrial Complexes	_____	_____
Pumping Stations	_____	_____
Lower Dams	_____	_____
Recreational Areas	_____	_____
Bridges	_____	_____
Highways	_____	_____
Railroads	_____	_____
Agricultural Areas	_____	_____

NPAIP PUBLIC ENTITY PACKAGE APPLICATION
ALL QUESTIONS MUST BE ANSWERED IN ORDER TO SECURE A QUOTATION!!!

N/A

PUBLIC WORKS SUPPLEMENTAL APPLICATION

4. Dam Inspection

How often: _____ By Whom: _____

Has risk been included in the National Program for Dam Inspection? _____

If "Yes", please attach a copy of the most recent inspection report and responses to recommendations

If "No", please attach a copy of the most recent independent inspection report

5. Losses - please describe any losses or pending suits which have occurred involving the dam or reservoir; include the amount of damages paid and amounts in reserve.

Please attach a copy of Emergency Procedures / Plan. If you have more than one dam / dike / levee / reservoir / spillway, please complete one questionnaire for each.

HAZARD CODES:

- | | |
|-----------|--|
| Class I | Dams which, should they fail, would likely cause loss of life. |
| Class II | Dams which, should they fail, would likely cause substantial downstream property damage, but are not considered to be a threat to life. |
| Class III | Dams which would cause little or no downstream damage should they fail. |
| Class IV | Dams which are less than 15 feet in height, impound less than 15 acre feet of water to the top of the dam, and drain less than 150 acres.
No dam may be included in the Class IV category if failure of the dam could cause downstream property damage or loss of life. |

4) COMMENTS - PLEASE USE THIS AREA TO ELABORATE ON ANY INFORMATION PROVIDED ELSEWHERE IN THIS APPLICATION

NPAIP PUBLIC ENTITY PACKAGE APPLICATION
ALL QUESTIONS MUST BE ANSWERED IN ORDER TO SECURE A QUOTATION!!!

N/A

PARKS & RECREATION SUPPLEMENTAL APPLICATION

1) RECREATIONAL FACILITIES

A. Fireworks

1. Please list the types of events and scheduled dates. _____

2. Are displays conducted by licensed pyrotechnicians?
If no, please explain (e.g. who will set up & launch? experience? etc.) _____

3. Where is the display held (e.g. river, park, open field, etc.)? _____
4. How long will the display last? _____
5. Will emergency vehicles be on the premises? _____
6. Please give the approximate distance from the crowd. _____
7. Please give the approximate distance to the nearest structure. _____

B. Parks & Recreation Facilities

1. Parks & Recreation Areas

- a. How many parks are owned by the Entity? _____ # of Acres? _____
- b. Is playground equipment inspected? _____ How often? _____
Is corrective action on equipment documented? _____
How is equipment anchored? _____
- c. Number of Golf Courses? _____ Annual Receipts? _____ Liquor Receipts? _____
- d. Number of Swimming Pools? _____ Wading Pools? _____ Wave Pools? _____
Are all depths marked? _____
- e. Any diving boards 3 meters or over? _____
Are diving wells 12 feet or deeper? _____ Is the area surrounding the pool(s) fenced? _____
If no, what is the depth? _____ Are pools drained in the off season? _____
- f. Are Certified Lifeguards on duty at all times the pool is open?
Please describe type of Certification. _____ Number of Lifeguards on duty? _____
- g. Are pool regulations posted?
Are employees trained for the use of chlorine? _____ Is chlorine stored in locked facilities? _____
- h. Are there any waterslides? _____
If yes, give height, length, and number of curves. _____ Depth of entry well? _____
Describe supervision in detail. _____

i. If you have an ice skating rink, please answer the following:

- Type of rink? _____ Size of rink(s)? _____
Is the area lighted? _____ Is skating supervised? _____
Please describe controls, if lake or pond: _____

NPAIP PUBLIC ENTITY PACKAGE APPLICATION
ALL QUESTIONS MUST BE ANSWERED IN ORDER TO SECURE A QUOTATION!!!

N/A

PARKS & RECREATION SUPPLEMENTAL APPLICATION

j. Describe location and size of beach areas.

Is swimming allowed?

Are Certified Lifeguards on duty during swimming hours?

Is any boating permitted near the swimming area?

Are scheduled swimming hours clearly posted?

Are there any diving platforms or rafts in any part of the swimming area?

If no swimming is allowed, or no Lifeguards on duty, are warning signs posted?

Is the beach patrolled regularly during evening hours?

Is the swimming area roped off?

Number of Lifeguards on duty?

Is the area fenced?

2. Athletic Participants

a. Please attach a list of all athletic activities sponsored and number of participants.

b. Is a signed consent form required from parents/guardians?

C. Marinas, Watercraft, Wharves, Piers, Docks

1. How many piers, docks, or wharves are owned by the Entity?

Area of each (in sq ft)?

Use of each?

2. Are there boat slips?

If yes, how many?

3. How many piers / docks are anchored?

4. Is there a regular maintenance and upkeep program for the piers / docks?

Please describe.

5. How often are the piers / docks inspected?

6. Is there a marina exposure?

If yes, please describe all operations.

Receipts

Are there any operations subcontracted out?

If yes, describe.

7. List owned watercraft, including length, usage, and horsepower of each.

8. Is there any boat rental conducted by the Entity?

Receipts?

If yes, describe the boat operation in detail.

D. Zoo

1. Number of acres?

Hours of Operation?

2. List number and type of animals

3. Can the public feed, pet, or ride any of the animals?

If yes, describe in detail.

4. How is the public protected from the animals?

5. Are there any rides through open animal ranges?

2) COMMENTS - PLEASE USE THIS AREA TO ELABORATE ON ANY INFORMATION PROVIDED ELSEWHERE IN THIS APPLICATION

NPAIP PUBLIC ENTITY PACKAGE APPLICATION
 ALL QUESTIONS MUST BE ANSWERED IN ORDER TO SECURE A QUOTATION!!!

LOSS SUMMARY

(All losses should include the deductible part of the loss)

None

DESCRIPTION or CATEGORY	AUTO LIABILITY	AUTO PHYS DAM	CRIME	GENERAL LIABILITY	LAW ENFRCL LIABILITY	PROPERTY & IN MARINE	PUB OFF E&O LIAB	WORKERS' COMP	TOTAL ALL LINES
<i>Current</i>									
Loss Run Valuation Date									NA
Total Incurred \$	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Reserve \$									\$0
Total Paid \$									\$0
Total Incurred #	0	0	0	0	0	0	0	0	0
Total Open #									0
Total Closed #									0
<i>1st year prior</i>									
Loss Run Valuation Date									NA
Total Incurred \$	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Reserve \$									\$0
Total Paid \$									\$0
Total Incurred #	0	0	0	0	0	0	0	0	0
Total Open #									0
Total Closed #									0
<i>2nd year prior</i>									
Loss Run Valuation Date									NA
Total Incurred \$	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Reserve \$									\$0
Total Paid \$									\$0
Total Incurred #	0	0	0	0	0	0	0	0	0
Total Open #									0
Total Closed #									0
<i>3rd year prior</i>									
Loss Run Valuation Date									NA
Total Incurred \$	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Reserve \$									\$0
Total Paid \$									\$0
Total Incurred #	0	0	0	0	0	0	0	0	0
Total Open #									0
Total Closed #									0
<i>4th year prior</i>									
Loss Run Valuation Date									NA
Total Incurred \$	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Reserve \$									\$0
Total Paid \$									\$0
Total Incurred #	0	0	0	0	0	0	0	0	0
Total Open #									0
Total Closed #									0
<i>5th year prior</i>									
Loss Run Valuation Date									NA
Total Incurred \$	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Reserve \$									\$0
Total Paid \$									\$0
Total Incurred #	0	0	0	0	0	0	0	0	0
Total Open #									0
Total Closed #									0
<i>Total all years</i>									
Total Incurred \$	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Reserve \$	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Paid \$	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Incurred #	0	0	0	0	0	0	0	0	0
Total Open #	0	0	0	0	0	0	0	0	0
Total Closed #	0	0	0	0	0	0	0	0	0

NPAIP PUBLIC ENTITY PACKAGE APPLICATION
ALL QUESTIONS MUST BE ANSWERED IN ORDER TO SECURE A QUOTATION!!!

CLAIMS IN EXCESS OF \$10,000

None

#	POLICY PERIOD	DATE OF LOSS	COV TYPE	CLAIM NUMBER	CLAIMANT NAME	TOTAL CLAIM \$ PAID TO DATE	TOTAL CLAIM \$ RESERVED	TOTAL CLAIM \$ INCURRED	O C	CLAIM DESCRIPTION
1								\$0		
2								\$0		
3								\$0		
4								\$0		
5								\$0		
6								\$0		
7								\$0		
8								\$0		
9								\$0		
10								\$0		
11								\$0		
12								\$0		
13								\$0		
14								\$0		
15								\$0		
16								\$0		
17								\$0		
18								\$0		
19								\$0		
20								\$0		
21								\$0		
22								\$0		
23								\$0		
24								\$0		
25								\$0		

**PUBLIC AGENCY COMPENSATION TRUST
APPLICATION**

1. Name of Applicant

Contact Person:

Mailing Address:

City:

Phone:

Email:

Number of Full Time Equivalent Employees:

White Pine Television District #1		
Beverly J. Cornutt, Secretary-Treasurer		
P.O. Box 151704		
Ely	NV	ZIP: 89315
Beverly 775-293-5209	Fax: 775-284-7409	
bdnutt52@gmail.com		
	0	

2. Related Entities to be included in coverage: (please complete separate application for each)

Name:

Current Policy # (if not with PACT):

Name:

Current Policy # (if not with PACT):

NONE

2896300 ~~Scott State~~ Travelers

3. Describe any unusual operations or changes in operations that have taken place in last 5 years or are planned (e.g, bomb squad, pyrotechnics, demolition, etc.):

NONE

4. Describe any joint operations with other agencies (mutual aid, interlocal cooperative agreements, etc.) and provide name of agency.

NONE

5. Do you conduct any operations outside of the State of Nevada?

Yes No

If so, describe operations, States, payroll and number of employees:

State	Payroll	# Employees
State	Payroll	# Employees

Yes No

6. Do you handle, store, distribute or transport chemicals, hazardous materials, explosives, explosive material.

If yes, provide full details:

Yes No

7. Do your operations involve communicable diseases or blood borne pathogens?

If yes, describe:

Yes No

8. Do any employees receive supplemental benefits in addition to workers' compensation benefits (health insurance, disability insurance, sick leave, etc.)?

If yes, describe:

9. Provide details of any OSHA or State OSHA violation within the past 5 years:

10. Do you have any employees who may be subject to the Longshoremen and Harbor Workers Act, Jones Act or Federal Employee's Liability Act?

If yes, please explain:

11. Do you elect coverage to include Volunteer or Donated Labor?

If yes, please describe what types of tasks are performed:

Yes No

Yes No

12. Do you own, lease, charter or use watercraft?

Yes No

If yes, describe watercraft make and model, year built, length, type, horsepower, use, number of crewmembers, passenger capacity and whether craft is owned, leased, chartered, non-owned and where and how used:

[Empty box for watercraft details]

13. Do you own, lease, charter or use other than commercial aircraft?

Yes No

Do you use non-owned aircraft for search and rescue or personnel transport?

Yes No

Do you have any employee that is a pilot and flies an aircraft, for any reason, in the course and scope of work for your agency?

Yes No

If yes to any of these questions, an Aircraft Supplemental Questionnaire must be completed.

14. Do you own, lease, operate, repair or maintain a railroad or railroad equipment?

Yes No

15. Do you perform any underground, subaqueous or tunneling operations?

Yes No

16. Do you provide group transportation for employees to and from the workplace?

Yes No

If yes, provide the average and maximum number of employees in a vehicle per trip and the number of daily trips:

Number of employees: Average Maximum # Daily Trips

17. Do you use inmate labor or operate an inmate labor program?

Yes No

If yes, describe:

Sometimes - example - installing road markers on Cave Mountain

Applicant hereby acknowledges that the information contained in this application and supporting material is accurate.

Beverly J. Cornutt
(Signature)

March 11, 2019
(Date)

Beverly J. Cornutt, Secretary - Treasurer
(Name and Title - Please Print)

White Pine Television District #1
(Name of Entity - Please Print)

If new business, the following information must accompany this application:

- 1 Letter on your letterhead authorizing your insurer(s) to release all policyholder information. Please list all policy numbers.
- 2 Current classifications and payroll
- 3 Current experience modification factor; NCCI Worksheet
- 4 Five years premium and loss information
- 5 Signed Joint and Several Liability Agreement (Required upon Joining PACT)
- 6 Signed Interlocal Cooperative Agreement (Required upon Joining PACT)

PUBLIC AGENCY COMPENSATION TRUST
PROSPECTIVE MEMBERS UNDERWRITING REVIEW

Name of Entity: White Pine TV District #

Related Entities to be Included: none

Insurance Agent: Alan Reed of Warren Reed Insurance

Experience Modification Factor: 1.00

Estimated Annual Premium: \$ 3,500

Date: 3/22/2019

<u>Criteria</u>	<u>Considered</u>	<u>Required</u>	<u>Comments</u>
Cooperative Attitude Toward Loss Control		X	<u>yes</u>
Exposures Acceptable		X	<u>TV District; 5 board plus 2 employees</u>
Policies/Procedures Exist For Critical Operations		X	<u>Yes</u>
Loss Experience Acceptable		X	<u>No losses</u>
Well-Maintained Facilities and Equipment	X		<u>Yes</u>
Sound Financial Condition	X		<u>Yes</u>
Quality of Management/Stability of Board	X		<u>Beverly Cornutt former WP Co Treasurer</u>
Employee Procedures Manual	X		<u>No; need help</u>
Training Programs for Employees	X		<u>Yes</u>
Urban vs. Rural Location	X		<u>Rural</u>
Established Risk Management and Safety Program	X		<u>informal</u>
Unusual Operations	X		<u>No</u>

Attachment: None

Policy History Recap (Premium and Losses) Travelers

Other: _____

NEVADA PUBLIC AGENCY INSURANCE POOL

PROSPECTIVE MEMBERS UNDERWRITING REVIEW

Name of Entity: White Pinie Television District #1

Related Entities to be Included: None

Insurance Agent: Alan Reed of Warren Reed Insurance

Estimated Annual Premium: \$15,000 est

Date: 3/22/19

Criteria	Considered	Required	Comments
Cooperative Attitude Toward Loss Control		X	<u>yes</u>
Exposures Acceptable		X	<u>yes www.whitepinetv.com</u>
Policies/Procedures Exist For Critical Operations		X	<u>yes</u>
Loss Experience Acceptable		X	<u>no losses</u>
Well-Maintained Facilities and Equipment	X		<u>yes</u>
Sound Financial Condition	X		<u>yes</u>
Quality of Management/Stability of Board	X		<u>Beverly Cornutt former Treasurer WP Cour</u>
Employee Procedures Manual	X		<u>no, need help; 3 employees</u>
Training Programs for Employees	X		<u>yes</u>
Urban vs. Rural Location	X		<u>rural</u>
Established Risk Management and Safety Program	X		<u>informal</u>
Unusual Operations	X		<u>no</u>
Deductible Size	X		<u>\$ 500</u>

Attachment: None

EO- none

Policy History Recap (Premium and Losses) GL Scottsdale

AL Progressive

Other: _____ Property - None

nty

POOL Executive Committee

	Re-election Term	Entity	Officers	Counties/Cities With Less Than 35,000 Population (Total 2)	Counties/Cities With 35,000 or More Population (Total 2)	School Districts (Total 2)	Special Districts (Total 1)
Cash Minor	2017-2019	Elko County	Chair		X		
Dan Corona	2017-2019	West Wendover		X			
Josh Foli	2017-2019	Lyon County	Vice Chair		X		
Dan Murphy appointed 10/9/18	2017-2019	Pershing Co. School District				X	
Bev Conley	2018-2020	Eureka County		X			
Ann Cyr	2018-2020	Carson City School District				X	
Gerry Eick	2018-2020	Incline Village GID	Fiscal Officer				X

Voting Special Districts/Towns:

Bob Reed	Gardnerville Ranchos GID	X
Susan Severt or Garth Elliott	Sun Valley GID	X
Chris Mulkerns	Town of Tonopah	X
Gerry Eick or Steve Pinkerton	Incline Village GID	X
Ron Brugada	Southern Nevada Health District	X
Scott Baker	Tahoe Douglas Fire Protection District	X

PACT Executive Committee

	Term	Entity	Officers	Counties/Cities With Less Than 35,000 Population (Total 2)	Counties/Cities With 35,000 or More Population (Total 2)	School Districts (Total 1)	Special Districts (Total 1)	Hospitals (Total 1)
Mike Giles	2017-2019	City of Lovelock		X				
Josh Foli	2017-2019	Lyon County	Fiscal Officer		X			
Cash Minor	2017-2019	Elko County	Vice Chair		X			
Chris Mulkerns	2017-2019	Town of Tonopah					X	
Cindy Hixenbaugh	2018-2020	Pershing General Hospital						X
Elizabeth Francis	2018-2020	White Pine County		X				
Paul Johnson	2018-2020	White Pine Co. School District	Chair			X		

Voting Special Districts/Towns:

Tod Carlini	East Fork Fire Protection District	X
Gerry Eick	Incline Village GID	X
Chris Mulkerns	Town of Tonopah	X
Amy Hagan	Southern Nevada Health District	X
Scott Baker	Tahoe Douglas Fire Protection District	X

Voting Hospitals:

Linda Lauritzen or Nancy Lockridge	Battle Mountain General Hospital	X
Jason K. Bleak or Missie Rowe	Grover C Dils Hospital	X
Sandi Lehman or Rose Marie Green	Humboldt General Hospital	X
Jonalee Roberts or Greg Schumann	Mt Grant General Hospital	X
Patti Bianchi or Cindy Hixenbaugh	Pershing General Hospital	X



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
Telephone (775) 885-7475
Facsimile (775) 883-7398

**Notice of Meetings and Agendas for the Joint Meeting of
the Board of Directors and of the Executive Committees of
Nevada Public Agency Insurance Pool and
the Board of Trustees of
Public Agency Compensation Trust
Place: Whitney Peak Hotel
Reno, Nevada**

Date: April 16, 2019 Time: 1:00 p.m.

Date: April 17, 2019 Time: 8:00 a.m.

JOINT BOARDS and EXECUTIVE COMMITTEES' AGENDA

April 16, 2019

Notices:

- 1. Items on the agenda may be taken out of order;**
- 2. Two or more items on the agenda may be combined for consideration**
- 3. Any item on the agenda may be removed or discussion may be delayed at any time**
- 4. The general Public Comment periods are limited to those items not listed on the agenda. Public Comment periods are devoted to comments by the general public, if any, and may include discussion of those comments; however, no action may be taken upon a matter raised under Public Comments until the matter itself has been included specifically on an agenda as an item upon which action may be taken.**
- 5. At the discretion of the Chair of the meeting, public comments on specific agenda items may be allowed, but must be limited to the specific agenda item.**

- 1. Introductions and Roll**
- 2. Public Comment**
- 3. Risk Management, Loss Control, Wellness: Watch This!!! **Marshall/Willis/SH 30mins****
- 4. Human Resources: From the Trenches - They Did What?? **Stacy 20mins****
- 5. Claims Management: This Is Us!?!? **Donna 20mins****
- 6. Cyber Report: The Spy Among Us? – **Mike R 20 mins****

Break come back at 3

- 7. The Reinsurance Quilt: It's Puzzling – Can You Solve It? **Mary/Mike R 20 mins****

8. Convenient Learning-Saving Money and Time! **Mike VH 20mins**
9. Agent Best Practices: What? They Didn't Tell Me About That! **Stephen 20 mins**
10. **For Possible Action: Consent Agenda: Approve as a Whole Unless Moved From Consent Agenda**
 - a. **Approval of Minutes of Board:**
 - Joint Board Meeting April 19, 2018 – April 20, 2018**
 - b. **Acceptance of Minutes of Committee Meetings**
 - Joint Executive Committee Meeting of August 20, 2018**
 - Joint Executive Committee Meeting of November 5, 2018**
 - Joint Executive Committee Meeting of February 19, 2019**
 - Audit Committee Meeting of October 30, 2018**
 - Human Resources Oversight Committee Meeting of September 28, 2018**
 - Human Resources Oversight Committee Meeting of December 7, 2018**
 - Human Resources Oversight Committee Meeting of March 1, 2019**
 - Loss Control Committee Meeting of September 18, 2018**
 - Loss Control Committee Meeting of December 17, 2018**
 - Loss Control Committee Meeting of March 1, 2019**
 - c. **Acceptance of Reports**
 - **Executive Director**
 - **Public Risk Mutual**
 - **Public Compensation Mutual**
 - **HR Oversight Committee**
 - **PRI Financial Audit**
 - **EAP Program**
 - **Peer Counseling Program**
 - **Loss Control Committee**
 - **Alternative Service Concepts Claims**
 - **SpecialtyHealth Cardiac Wellness Program**
 - **24/7/365 Workers Compensation Injury Call Service**

11. Public Comment

12. For Possible Action: Recess Until April 17, 2019 at 8:00 a.m.

5:30 p.m. – 6:30 p.m. Board Attitude Assessment

6:30 p.m. – 9:00 p.m. Dinner and Entertainment: 2 Blokes & A Squeeze Box

JOINT BOARDS and EXECUTIVE COMMITTEES' AGENDA

April 17, 2019

Notices:

- 1. Items on the agenda may be taken out of order;**
- 2. Two or more items on the agenda may be combined for consideration**
- 3. Any item on the agenda may be removed or discussion may be delayed at any time**
- 4. The general Public Comment periods are limited to those items not listed on the agenda. Public Comment periods are devoted to comments by the general public, if any, and may include discussion of those comments; however, no action may be taken upon a matter raised under Public Comments until the matter itself has been included specifically on an agenda as an item upon which action may be taken.**
- 5. At the discretion of the Chair of the meeting, public comments on specific agenda items may be allowed, but must be limited to the specific agenda item.**

- 1. Reconvene Meeting of April 16th and Roll**
- 2. Public Comment**
- 3. For Possible Action: Acceptance of Investment Reports and Action on Recommendations:
a. NEAM Management Investment Manager
b. Strategic Asset Alliance Investment Advisor**
- 4. For Possible Action: Review and Approval of Investment Guidelines
a. PACT Investment Guidelines
b. POOL Investment Guidelines**
- 5. Benchmarking ratio review**
- 6. For Possible Action: POOL/PACT Board Retreat Report**
- 7. Public Comment**
- 8. For Possible Action: Adjournment**

This Agenda was posted at the following locations and on the State's Website notice.nv.gov:

**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 Administration
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.

DRAFT



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
Telephone (775) 885-7475
Facsimile (775) 883-7398

**Notice of Meetings and Agendas for the Meeting of
the Board of Directors and of the Executive Committee of
Public Agency Compensation Trust
Place: Atlantis, Reno, Nevada
Time: 9:00 a.m. or
Upon adjournment of Joint Board Meeting
Date: April 17, 2019**

AGENDA

April 17, 2019

Notices:

- 1. Items on the agenda may be taken out of order;**
- 2. Two or more items on the agenda may be combined for consideration**
- 3. Any item on the agenda may be removed or discussion may be delayed at any time**
- 4. The general Public Comment periods are limited to those items not listed on the agenda. Public Comment periods are devoted to comments by the general public, if any, and may include discussion of those comments; however, no action may be taken upon a matter raised under Public Comments until the matter itself has been included specifically on an agenda as an item upon which action may be taken.**
- 5. At the discretion of the Chair of the meeting, public comments on specific agenda items may be allowed, but must be limited to the specific agenda item.**

- 1. Introductions and Roll**
- 2. Public Comment**
- 3. For Possible Action: Consent Agenda: Approve as a Whole Unless Moved From Consent Agenda**
 - a. Approval of Minutes of Board Meetings:**
 - 1) Board Meeting April 20, 2018**
 - b. Acceptance of Interim Financial Statements**
- 4. For Possible Action: Acceptance of Audit for June 30, 2018 **Alan****
- 5. For Possible Action: Acceptance of Reports**
 - a. Large Loss Report **Donna/Mike L.****
 - b. Actuarial Update **Wayne****
 - c. Legislative Report**
- 6. For Possible Action: Acceptance of PACT Retention Options and Renewal Reinsurance Proposals and Options **Mary/Mike R.****
- 7. For Possible Action: Acceptance of Budget for 2019-2020 **Alan****

8. **For Possible Action:** Action regarding these topics as required by Nevada Administrative Code:
- a. Review of financial condition of each member and prompt notification to the Members of any Member determined to be operating in a hazardous financial condition
 - b. Review of the loss experience of each Member of the association - Claims Experience Report Summary
 - c. Review for removal of Members with excessive loss experience or Members determined by the Board to be operating in a hazardous condition

9. **For Possible Action:** Election of Executive Committee for Two Year Terms 2019-2021
- a. Two Representatives from Counties and/or Cities with 35,000 or more Population
 - b. One Representative from Counties and/or Cities with less than 35,000 Population
 - c. One Representative of School Districts
 - d. One Representative of Special Districts/Towns

10. **For Possible Action:** Election of Chair and Vice Chair

11. Public Comment

12. **For Possible Action:** Adjournment

This Agenda was posted at the following locations and on the State Website notice.nv.gov:

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 Administration
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.



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
Telephone (775) 885-7475
Facsimile (775) 883-7398

**Notice of Meetings and Agendas for the Meeting of
the Board of Directors and of the Executive Committee of
Nevada Public Agency Insurance Pool
Place: Atlantis, Reno, Nevada
Time: 10:30 a.m. or
Upon adjournment of PACT Board Meeting
Date: April 17, 2019**

AGENDA

April 17, 2019

Notices:

1. Items on the agenda may be taken out of order;
2. Two or more items on the agenda may be combined for consideration
3. Any item on the agenda may be removed or discussion may be delayed at any time
4. The general Public Comment periods are limited to those items not listed on the agenda. Public Comment periods are devoted to comments by the general public, if any, and may include discussion of those comments; however, no action may be taken upon a matter raised under Public Comments until the matter itself has been included specifically on an agenda as an item upon which action may be taken.
5. At the discretion of the Chair of the meeting, public comments on specific agenda items may be allowed, but must be limited to the specific agenda item.

1. **Introductions and Roll**
2. **Public Comment**
3. **For Possible Action: Consent Agenda: Approve as a Whole Unless Moved From Consent Agenda**
 - a. **Approval of Minutes of Board and Committee Meetings:**
 - **Board Meeting April 20, 2018**
 - b. **Acceptance of Interim Financial Statements**
4. **For Possible Action: Acceptance of Audit for June 30, 2018 **Alan****
5. **For Possible Action: Acceptance of Reports**
 - a. **Large Loss Report **Donna****
 - b. **Actuarial Update **Wayne****
 - c. **Legislative Report **Wayne****
6. **For Possible Action: Acceptance of Renewal Reinsurance and Insurance Proposals and Options **Mary/Mike R****
7. **For Possible Action: Acceptance of Budget for 2019-2020 **Alan****

- 8. For Possible Action: Action regarding these topics:**
- a. Review of financial condition of each member and prompt notification to the Members of any Member determined to be operating in a hazardous financial condition
 - b. Review of the loss experience of each Member of the association - Claims Experience Report Summary
 - c. Review for removal of Members with excessive loss experience or Members determined by the Board to be operating in a hazardous condition
- 9. For Possible Action: Approval of Changes to POOL Form**
- 10. For Possible Action: Election of Executive Committee for Two Year Terms from 2019-2021**
- a. Two Representatives from Counties and/or Cities with 35,000 or more Population
 - b. One Representative from Counties and/or Cities with less than 35,000 Population
 - c. One Representative of School Districts
- 11. For Possible Action: Election of Chair and Vice Chair**
- 12. Public Comment**
- 13. For Possible Action: Adjournment**

This Agenda was posted at the following locations and on the State's Website notice.nv.gov:

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 Administration
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.