

NEVADA ASSOCIATION OF COUNTIES (NACO)

Board of Directors' Meeting

July 1, 2022, 9:30am

Ely Convention Center

150 W. 6th Street

Ely, NV 89301

NOTICE TO THE PUBLIC:

The public may provide public comment in advance of a meeting by written submission to the following email address: info@nvnaco.org For inclusion or reference in the minutes of the meeting, your public comment must include your full name and be submitted via email by not later than 3:00 p.m. the day before the meeting.

The public may also join the meeting via telephone and provide verbal public comment during designated times by calling: (669) 900-9128 Meeting ID: 864 1960 3786 Passcode: 236163

AGENDA

Some NACO Board members may attend via remote technology from other locations. Items on the agenda may be taken out of order. The NACO Board may combine two or more agenda items for consideration. The NACO Board may remove an item from the agenda or delay discussion relating to an item on the agenda at any time.

Call to Order, Roll Call and Pledge of Allegiance

1. Public Comment. Please Limit Comments to 3 Minutes.
2. Approval of Agenda. **For Possible Action.**
3. NACO President's Report.
4. NACO Executive Director's Report.
5. Approval of Minutes of the May 13, 2022, NACO Board of Directors Meeting. **For Possible Action**
6. Presentation on Tourism and Recreation Programs in White Pine County, Kyle Horvath, Tourism Director, White Pine County.
7. Update on Previously Discussed NACO Strategic Planning Session for 2022.
8. Update from the Nevada Department of Indigent Defense Services, Marcie Ryba, Executive Director.
9. Consideration and Possible Action for Appointment by the Governor to the Board of Indigent Defense Services (BIDS), Including the Reappointment of Current Members, Due to Expiring Terms. **For Possible Action**
10. Discussion and Possible Approval of a Partnership Between NACO and Public Surplus. **For Possible Action**

11. Presentation of NACO's 2021 Financial Audit, Michael Bertrand, Bertrand and Associates, LLC. **For Possible Action.**
12. Update on Board Approved NACO Public Health Coordinator Roadmap, Taylor Allison, NACO Public Health Coordinator.
13. Update on Western County Roundtable Regarding Waters of the U.S. (WOTUS), Conducted in Boise, Idaho.
14. **Update and Possible Action.** Regarding Public Lands and Natural Resources Issues Affecting Counties Including:
 - a. Updates from the NACO Public Lands and Natural Resources Subcommittee.
15. Updates from Members on the National Association of Counties Board, Western Interstate Region Board, and Individual Counties.
16. Public Comment. Please Limit Comments to 3 Minutes.

Adjournment.

Members of the public who are disabled and require special accommodations or assistance at the meeting are requested to notify NACO in writing at 304 S. Minnesota Street, Carson City, NV 89703, or by calling (775) 883-7863 at least three working days prior to the meeting.

Members of the public can request copies of the supporting material for the meeting by contacting Amanda Evans at (775) 883-7863. Supporting material will be available at the NACO office and on the NACO website at: www.nvnaco.org

This agenda was posted at the following locations:

NACO Office 304 S. Minnesota Street, Carson City, NV 89703

Washoe County Admin. Building 1001 E. Ninth Street, Reno, NV 89520

Elko County Manager's Office 540 Court Street #101, Elko NV 89801

POOL/PACT 201 S. Roop Street, Carson City, NV 89701

Agenda Item 5

NEVADA ASSOCIATION OF COUNTIES (NACO)

Board of Directors' Meeting

May 13, 2022, 9:30am

NACO Offices

304 South Minnesota Street

Carson City, NV 89703

UNADOPTED MINUTES

Attendance: President Lucey, President Elect Higbee, Vice President Giomi, Churchill County Commissioner Olsen, Douglas County Commissioner Gardner, Elko County Commissioner Steninger, Esmeralda County Commissioner Keyes, Eureka County Commissioner Goicoechea, Humboldt County Commissioner French, Lincoln County Commissioner Lister, Mineral County Commissioner Hall, Nye County Commissioner Strickland, Pershing County Commissioner Shank, Washoe County Commissioner Hartung, White Pine County Commissioner Carson and NACO Staff (Vinson Guthreau, Jennifer Berthiaume, Taylor Allison, Jacob Brinkerhoff, and Amanda Berg)

The meeting was called to order at 9:32 a.m.

1. **Public Comment.** None was given.
2. **Approval of Agenda.** The agenda was approved on a motion by Commissioner Carson with second by Commissioner French.
3. **NACO President's Report.** President Lucey remarked on the ongoing county budget process and informed the Board that he and Vinson met with Erika Olsen from On Strategy to begin work on the details of the Board approved strategic planning session to be held later in the year. He also spoke about the upcoming elections and legislative session encouraging participation on the NACO Legislative Committee, reminding the Board of the significant role the Association plays in the legislative process.
4. **NACO Executive Director's Report.** Vinson informed the Board that staff would be embarking on a county tour over the summer to address individual commissions on the work and advocacy the Association provides on their behalf. He then spoke about the upcoming NACo Western Interstate Region (WIR) conference and gave an overview of the event.
5. **Approval of Minutes of the April 22, 2022, NACO Board of Directors Meeting.** The minutes were approved on a motion by Commissioner French with second by Commissioner Lister.
6. **Discussion and Approval of June NACO Board Meeting Format and Possible Date Change.** Vinson referred to the approved Board meeting schedule included in the agenda packet and reminded the Board that they had approved conducting the June meeting in a rural eastern county, noting that White Pine County is able and happy to host the meeting. He then informed the Board that the previously approved meeting date of June 24th is the last day for counties to canvas the primary election and suggested choosing an alternate date to conduct the meeting. June 17th was discussed as an alternate date, but it was

discovered that the Central Nevada Regional Water Authority was scheduled to meet that day and that multiple Board members also serve on that body. Hosting the meeting on July 1 was then discussed as a possibility for conducting a combined meeting for the months of June and July. Commissioner Carson noted that the county would support any decision made by the Board. The Board voted to cancel the June 24th and July 29th meetings and to host a combined meeting in White Pine County on July 1st on a motion by Commissioner French with second by Commissioner Steninger.

7. **Discussion and Possible Approval for NACO Staff to Draft a Letter to the Office of the Governor Regarding State of Nevada Fiscal Year 2023 and 2024 Budgets, Respectively, Including Potential Impacts to Counties.** Vinson reminded the Board that the State is in the process of drafting the 2023/2024 budget and that the Association has traditionally sent a letter requesting a meeting to discuss the State's partnership with counties and how its budget impacts counties. President Elect Higbee clarified that the meeting was regarding the State's budget, not the individual county budgets and Commissioner French inquired as to who would attend the meeting. Vinson noted that the meeting is traditionally attended by staff and that in years past county fiscal officers have been included. Commissioner French then offered to have Humboldt County request their Fiscal Officer, Gina Rackley attend the meeting. The letter was approved on a motion by Commissioner French with second by Commissioner Steninger.
8. **Update on Previously Discussed NACO Strategic Planning Session for 2022.** Vinson noted that as President Lucey had mentioned in his report, the planning for the Session had begun. He informed the Board that Ms. Olsen has worked with several local governments and that any contract proposed would be brought to the Board for approval. He then informed the Board that a draft agenda would be brought before the Board in August and the final agenda would be provided in September for the Board's approval. Commissioner Hartung informed the Board that Washoe County uses Ms. Olsen for all their planning sessions and that she has an amazing team that will serve the Board well.
9. **Possible Approval of Pinyon Public Affairs as a NACO Associate Member.** Pinyon Public Affairs Associate Membership was approved on a motion by Commissioner Lister with second by Commissioner French.
10. **Presentation by The Natural Resources Conservation Service (NRCS), Including, Programs Providing Technical and Financial Assistance to Nevada's Counties, Jose Rosado, State Conservation Engineer.** Mr. Rosado gave an overview of the watershed program, and the ways that NCRS can assist counties with funding for projects. The types of projects discussed included structural rehabilitation, emergency watershed protection, and watershed and flood prevention operations. He also informed the Board of how the funding is distributed and discussed the eligibility criteria. Mr. Rosado concluded his presentation with information on additional funding provided to NRCS through the Infrastructure and Jobs Act and encouraged members of the Board to reach out to their local or regional offices and himself with questions or assistance on submitting projects for funding. Commissioner Carson inquired as to if WOTUS would be a factor for proposed projects and if mitigation of invasive species was an allowable project. Mr. Rosado stated that all factors would be addressed in the planning and NEPA phases and that NRCS would consult with all applicable agencies during those processes. Commissioner Lister inquired as to how marijuana cultivation was being addressed, specifically inquiring about project approvals for a county that allows the cultivation as a project sponsor. Mr. Rosado informed the Board that they had not been given clear direction by the USDA regarding that issue. Vinson inquired as to how projects are being solicited and Mr. Rosado stated that presentations like

the one given, and word of mouth are the current methods. However, he informed the Board that Chris Rose had recently been hired to help with program outreach. Vinson requested a list of counties that haven't previously been awarded projects and Mr. Rosado stated that he would provide a list of currently funded projects and would work toward providing Vinson with the requested historical data. President Elect Higbee concluded the discussion by noting flooding issues in Lincoln County and inquired as to if townships are allowed program sponsors, to which Mr. Rosado stated that towns and townships are included within the program.

11. **Discussion and Possible Approval for NACO Staff to Send a Letter to the Offices of Nevada Senators Cortez Masto and Rosen Supporting the Extension of Federal Private Health Insurance Subsidies for Individuals.** Vinson drew the Board's attention to a draft letter included in the agenda packet. He noted that with ARPA expansion of the subsidies that Medicaid enrollment had dropped and that counties, as the social safety net, had seen reduced match requirements due to lower enrollment. He also noted that without the extension of the federal subsidies that Medicaid enrollment would increase. Commissioner Lister inquired as to if NACO has an existing policy regarding the issue. Vinson stated that there is not an adopted policy, but the Board has supported individual insurance coverage in the past. The Board expressed concern with supporting federal subsidies and how that could expand in the future and inquired as to how the item came to be on the agenda. Vinson informed the Board that it was at the request of a national group. No action was taken on the item.
12. **Approval of NACO Resolution 22-02 Recognizing May 2022 as Older Americans Month.** Vinson read the resolution into the record and Commissioner Lister pointed out a typo within the document. The resolution was approved as corrected on a motion by Commissioner Carson with second by Commissioner Hartung.
13. **Update and Possible Action. Regarding Public Lands and Natural Resources Issues Affecting Counties Including:**
 - a. **Updates from the NACO Public Lands and Natural Resources Subcommittee.** Jacob informed the Board that the Subcommittee had discussed the upcoming WIR conference, received an update on the Sagebrush Ecosystem Council, discussed Smart from the Start, greenlink meetings, and SLUPAC. The group also discussed upcoming Bi-State Sage grouse local area working group meetings and proposed additions to the endangered species list, the proposed withdrawals for the Fallon Naval Air Station, wild horses and burros and a recent meeting with Cheva Gabor from the Forest Service regarding shared stewardship of public lands.
14. **NACO Legislative Committee Update.** Jennifer thanked President Lucey for his encouragement of participation on the Committee, noting that the group's next meeting was that day at 2:00 p.m. She then gave an overview of the agenda for the meeting. President Elect Higbee brought up a proposed bill at the national level that would put the onus for proving ownership of RS2477 roads on the federal agencies. Commissioner French inquired as to who would provide the timeline, and it was clarified that the state legislatures would need to pass legislation governing the timing of the proof of ownership. Commissioner Lister concluded the item by informing the Board that the lobbying team for the bill would be requesting financial support.
15. **NACO Committee of the Emeritus Update.** Vinson informed the Board that the Committee had met on May 6th and the next workshop would be related to public lands, noting that more information would be brought to the Board. President Elect Higbee inquired about

new commissioner training and Vinson stated that it is a major priority of the Committee and that the newly formed County Manager Committee had taken an interest in the issue. He concluded the item by informing the Board that newly elected commissioner training would be a stand-alone event.

16. **Updates from Members on the National Association of Counties Board, Western Interstate Region Board, and Individual Counties.** President Elect Higbee informed the Board that most of the discussion at the National Board had been around guidelines for the distribution and spending of federal pandemic aid dollars. Commissioners French and Steninger stated that they would have an update following the WIR conference later in the month. Board members also gave updates on activities within their individual counties.
17. **Public Comment.** Chris Rose introduced himself to the Board as the Partnership Coordinator for NRCS and encouraged the members to reach out to him with questions or for project support. Holly Gatske from Cooperative Extension informed the Board that the search for the new Director is ongoing as is the filling of positions in the northern areas. Taylor thanked the Board for sending her the contacts for the local needs assessments and informed them that she would be reaching out regarding next steps.

The meeting was adjourned at 11:19 a.m.

NACO – 2022 Strategic Planning Schedule

<u>Main Task</u>	<u>Responsible</u>	<u>When</u>
Kickoff with Staff Team	OnStrategy	June
Current State Analysis (<i>Commissioner Perspective Survey</i>)	NACO Team	June/July
Planning Session #1 (with Staff) ~ ½ Day	OnStrategy	July
Vinson/Erica Work sessions	Vince & Erica	July
Draft Plan Framework	OnStrategy	Early August
Board Strategic Planning Working Session ~ ½ day	OnStrategy	8/26 Board Meeting
Planning Session #2 (with Staff) – 90 mins	OnStrategy	Early Sept.
Present the Strategic Plan	OnStrategy	9/28 Annual Business Meeting – <i>NACO Annual Conference</i>
Produce the Final Strategic Plan Documents	OnStrategy	October
Action Planning for 2023	NACO Team	October

Department of Indigent Defense Services



Justice. Equity. Support.

Maximum Contribution Update

Maximum Contribution Formula

- NAC 180, Section 16

A.B. 494, Section 80

- Set Aside approximately \$1.2 million for *Davis Counties*
- *Churchill, Douglas, Esmeralda, Eureka, Lander, Lincoln, Lyon, Mineral, Nye and White Pine*

Reimbursement Requirements

- Funds may only be allocated by the Interim Finance Committee upon submittal of **fiscal reports** demonstrating costs in excess of a county's maximum contribution and **up to the maximum amount approved** by the Board on Indigent Defense for that county.

Maximum Contribution Update

County	Max Contribution	Spending to Date (Q1,2,3)	Reimbursement Total: \$335,187
Churchill	530,471	258,854	
Douglas	890,383	816,688	5,055 (case related)
Esmeralda	92,637	47,874	
Eureka	40,696	53,257	12,561
Lincoln	182,542	112,257	
Lyon	833,183	957,115	138,182
Mineral	93,411	109,533	16,123
Nye	843,014	705,863	
White Pine	460,272	623,538	163,266
Carson City	1,898,326	1,312,236	
Elko	1,894,567	1,517,379	
Humboldt	482,599	388,112	
Pershing	251,296	136,546	
Storey	91,104	83,139	

QUARTERLY FISCAL STATUS REPORTS

Reimbursement Request Process

- *Davis County* Reimbursement: IFC
- *Non-Davis County* Reimbursement: BOE and IFC

County

- Submit Quarterly Fiscal Status Reports
- Due: July 15

DIDS

- Submits reimbursement request
- IFC Deadline: June 29, 2022.

Interim Finance

- August Meeting

Blueprint for a Stronger Nevada

Department Budget Build for FY24/25

- Work with the Counties to get it right

Nevada State Public Defender Option

- County Transfer Deadline: **NOVEMBER 1, 2022**
- NPSD Death Penalty Representation
 - **25% County Expense / 75% State Expense**
- NSPD Appellate Support
 - **100% State Expense**
- Holistic Resource Center
- See NAC 180, Section 16

Working Together

Bill Draft Request

NRS 260.070 Annual reports.

1. The public defender shall make an annual report to:

(a) The board of county commissioners covering all cases handled by his or her office during the preceding year.

(b) The Department of Indigent Defense Services created by NRS 180.400 which includes any information required by the Department.

2. The board of county commissioners of each county with a public defender or which contracts for indigent defense services shall provide an annual report to the Department on or before May [\[3\]](#)¹ of each year. The report must include any information requested by the Department concerning the provision of indigent defense services in the county and must include, without limitation, the plan for the provision of indigent defense services for the county for the next fiscal year.

3. As used in this section, “indigent defense services” has the meaning ascribed to it in NRS 180.004.

JUSTICE. EQUITY. SUPPORT.

Thank you.
Questions?

Department of Indigent Defense Services
896 W. Nye, Suite 202
Carson City, NV 89703
775-687-8490
www.dids.nv.gov

Marcie Ryba, Thomas Qualls, & Peter Handy

Agenda Item 9

Assembly Bill No. 81–Committee on Judiciary

CHAPTER.....

AN ACT relating to criminal defense; creating the Department of Indigent Defense Services to oversee criminal defense services provided to indigent persons in this State; creating the Board on Indigent Defense Services consisting of various appointed persons to provide certain direction and advice to the Executive Director of the Department and to establish certain policies; requiring the Board to establish the maximum amount a county may be required to pay for the provision of indigent defense services; authorizing the Board to adopt regulations governing indigent defense services; providing for the transfer of responsibility for the provision of indigent defense services from certain counties to the State Public Defender in certain circumstances; allowing such services to be transferred back to the county in certain circumstances; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Senate Bill No. 377 of the 2017 Legislative Session created the Nevada Right to Counsel Commission consisting of 13 voting members appointed by the Governor, the Legislature and the Nevada Supreme Court. The Chief Justice of the Supreme Court or his or her designee was to serve as an ex officio nonvoting member of the Commission. The Commission was charged with conducting a study during the 2017-2019 interim concerning issues relating to the provision of legal representation of indigent persons in criminal cases in this State. (Chapter 460, Statutes of Nevada 2017, p. 2940) The Commission is set to expire on July 1, 2019. In its place, **section 6** of this bill creates the Board on Indigent Defense Services and designates the manner in which members must be appointed. Members of the Board serve without compensation, except for per diem allowance and travel expenses. **Section 7** of this bill provides for the organization of the Board, whose voting members will serve for terms of 3 years and may be reappointed. Voting members may be removed by the Governor for incompetence, neglect of duty and certain acts. **Section 8** of this bill sets forth the duties of the Board, which include providing certain direction and advice to the Executive Director of the Department of Indigent Defense Services, which is created in **section 9** of this bill. The Executive Director of the Department serves at the pleasure of the Governor but may only be removed for cause. The Board is required to review information concerning indigent defense services in the State and establish: (1) minimum standards for the delivery of indigent defense services; and (2) procedures for receiving and resolving complaints concerning the provision of indigent defense services. The Board is further required to establish standards for providing indigent defense services, which include continuing education requirements for attorneys who provide indigent defense services, uniform tracking of information by such attorneys and guidelines for maximum caseloads of such attorneys. **Section 8** further requires the Board to work with the Dean of the William S. Boyd School of Law of the University of Nevada, Las Vegas, to determine incentives to



recommend offering law students and attorneys to encourage them to provide indigent defense services, especially in rural areas of the State.

Section 10 of this bill establishes the duties of the Executive Director of the Department of Indigent Defense Services, which include overseeing the functions of the Department, serving as Secretary of the Board, reporting to the Board regarding the work of the Department, developing the budget for the Department and preparing an annual report for submission to the Nevada Supreme Court, the Legislature and the Governor.

Section 11 of this bill requires the Executive Director to select two deputy directors. **Section 12** of this bill makes one deputy director responsible for overseeing the provision of indigent defense services in certain smaller counties. This includes having oversight of the State Public Defender, who is moved from the Department of Health and Human Services to the Department of Indigent Defense Services in **sections 17-19, 21 and 24-26** of this bill. In addition, **section 12** charges this deputy director with determining whether attorneys are eligible to provide indigent defense services in accordance with the requirements established by the Board. This deputy director will also develop and provide continuing legal education programs for attorneys who provide indigent defense services and identify and encourage best practices for delivering effective indigent defense services.

Section 13 of this bill makes the second deputy director responsible for reviewing the manner in which indigent defense services are provided throughout the State. This deputy director will collect information from attorneys about caseloads, salaries and other information and will conduct on-site visits to determine whether indigent defense services are being provided in the most efficient and constitutional manner. If the deputy director determines that a county is not providing such services in a manner which satisfies minimum standards that are established by the Board, **section 13** requires the deputy director to establish a corrective action plan with the board of county commissioners for the county. **Section 14** of this bill requires such a plan to be established in collaboration between the board of county commissioners and the deputy director and then must be submitted to and approved by the Board. If the board of county commissioners will have to spend more money than was budgeted in the previous year plus inflation to comply with the plan, **section 14** requires the Executive Director to include the additional amount in the budget for the Department to help support the county in providing indigent defense services. If additional money is needed before the next budget cycle, the Executive Director is required to submit a request to the Interim Finance Committee for money from the Contingency Account. If the budget is not approved with the additional amount for the county, a county that is not required to have an office of public defender, which currently means a county other than Clark and Washoe Counties, has the option to continue providing indigent defense services or transfer responsibility for providing such services to the State Public Defender. In addition, if the county fails to meet the minimum standards for the provision of indigent defense services within the time set in the corrective action plan, **section 14** requires the deputy director to inform the Executive Director, who may then recommend establishing another corrective action plan. For a county that is not required to have an office of public defender (currently all counties other than Clark and Washoe Counties), the Executive Director may instead recommend requiring the county to transfer responsibility for provision of indigent defense services to the State Public Defender. Any recommendation of the Executive Director is required to be submitted to and approved by the Board. Once approved, the county is required to comply with the decision of the Board. In addition, **section 8** requires the Board to establish a



formula for determining the maximum amount that a county may be required to pay for the provision of indigent defense services. This cap also applies when determining the county responsibility in **sections 14 and 23** of this bill.

Sections 20 and 28 of this bill remove obsolete language which requires the State Public Defender and the county public defender to provide indigent defense services within the limits of available money to conform with the provisions of this bill that require appropriate representation be provided to indigent defendants in every case. Existing law provides for a State Public Defender and requires certain large counties to establish an office of public defender. (NRS 180.010, 260.010) Smaller counties are authorized, but not required, to establish an office of public defender. (NRS 260.010) **Sections 22 and 27** of this bill revise these provisions to address their applicability when a county is required to transfer responsibility for the provision of indigent defense services to the State Public Defender. (NRS 180.090, 260.010) **Section 27** further requires each board of county commissioners to cooperate with the Board on Indigent Defense Services and the Department of Indigent Defense Services.

Existing law requires the public defender for a county to make an annual report to the board of county commissioners. (NRS 260.070) **Section 29** of this bill also requires the public defender to make an annual report to the Department of Indigent Defense Services and further requires the board of county commissioners of a county that has a public defender or which contracts for indigent defense services to provide an annual report to the Department with such information as requested by the Department.

Section 31 of this bill continues certain definitions applicable to the chapter governing the State Public Defender that were set to expire. **Section 31.3** of this bill staggers the terms of the members of the Board so that approximately 30 percent of the members will be appointed each year.

EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

WHEREAS, Section 1 of Article 1 of the Nevada Constitution recognizes the inalienable right of persons to defend life and liberty; and

WHEREAS, The State is committed to protecting the individual liberties of persons in this State; and

WHEREAS, Section 2 of Article 1 of the Nevada Constitution acknowledges that the paramount allegiance of every citizen is due to the Federal Government in the exercise of all its constitutional powers as have been or may be defined by the Supreme Court of the United States; and

WHEREAS, Under the Sixth and Fourteenth Amendments to the Constitution of the United States, the obligation to provide effective representation to accused indigent persons at each critical stage of criminal and delinquency proceedings rests with the states; and

WHEREAS, Accordingly, it is the obligation of the Legislature to provide the general framework and resources necessary for the provision of indigent defense services in this State; and



WHEREAS, Although various counties in the State have accepted a large part of the responsibility for the provision of indigent defense, the State remains ultimately responsible for ensuring that such indigent defense services are properly funded and carried out; and

WHEREAS, The Legislature must ensure that adequate public funding is made available so that indigent defense services are provided by qualified and competent counsel in a manner that is fair and consistent throughout the State and at all critical stages of a criminal proceeding; and

WHEREAS, The Legislature must further ensure proper oversight of the provision of defense to indigent persons in this State and respond quickly, effectively and adequately to guarantee that the constitutional mandate of effective assistance of counsel is met; now, therefore

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. NRS 171.188 is hereby amended to read as follows:

171.188 1. Any defendant charged with a public offense who is an indigent may, by oral statement to the district judge, justice of the peace, municipal judge or master, request the appointment of an attorney to represent the defendant. *The record in each such case must indicate that the defendant was provided an opportunity to make an oral statement and whether the defendant made such a statement or declined to request the appointment of an attorney. If the defendant declined to request the appointment of an attorney, the record must also indicate that the decision to decline was made knowingly and voluntarily and with an understanding of the consequences.*

2. The request must be accompanied by the defendant's affidavit, which must state:

(a) That the defendant is without means of employing an attorney; and

(b) Facts with some particularity, definiteness and certainty concerning the defendant's financial disability.

3. The district judge, justice of the peace, municipal judge or master shall forthwith consider the application and shall make such further inquiry as he or she considers necessary. If the district judge, justice of the peace, municipal judge or master:

(a) Finds that the defendant is without means of employing an attorney; and

(b) Otherwise determines that representation is required,



↳ the judge, justice or master shall designate the public defender of the county or the State Public Defender, as appropriate, to represent the defendant. If the appropriate public defender is unable to represent the defendant, or other good cause appears, another attorney must be appointed.

4. The county or State Public Defender must be reimbursed by the city for costs incurred in appearing in municipal court. The county shall reimburse the State Public Defender for costs incurred in appearing in Justice Court ~~H~~, *unless the county has transferred the responsibility to provide all indigent defense services for the county to the State Public Defender pursuant to section 14 of this act.* If a private attorney is appointed as provided in this section, the private attorney must be reimbursed by the county for appearance in Justice Court or the city for appearance in municipal court in an amount not to exceed \$75 per case.

Sec. 1.5. NRS 178.397 is hereby amended to read as follows:

178.397 Every defendant accused of a *misdemeanor for which jail time may be imposed, a gross misdemeanor or a felony and* who is financially unable to obtain counsel is entitled to have counsel assigned to represent the defendant at every stage of the proceedings from the defendant's initial appearance before a magistrate or the court through appeal, unless the defendant waives such appointment.

Sec. 2. Chapter 180 of NRS is hereby amended by adding thereto the provisions set forth as sections 3 to 15, inclusive of this act.

Sec. 3. *“Board” means the Board on Indigent Defense Services created by section 6 of this act.*

Sec. 3.5. *“Department” means the Department of Indigent Defense Services created by section 9 of this act.*

Sec. 4. *“Executive Director” means the Executive Director of the Department.*

Sec. 5. (Deleted by amendment.)

Sec. 6. 1. *There is hereby created a Board on Indigent Defense Services within the Department of Indigent Defense Services, consisting of:*

(a) Thirteen voting members appointed as follows:

(1) One member who is an attorney licensed in this State and a member in good standing of the State Bar of Nevada, appointed by the Majority Leader of the Senate.

(2) One member who has expertise in the finances of State Government, appointed by the Speaker of the Assembly.



(3) *One member appointed by the Chief Justice of the Nevada Supreme Court who:*

(I) Is a retired judge or justice who no longer serves as a judge or justice in any capacity; or

(II) Has expertise in juvenile justice and criminal law.

(4) *One member who is an attorney licensed in this State and a member in good standing of the State Bar of Nevada appointed by the Governor.*

(5) *One member selected by the Board of Governors of the State Bar of Nevada, appointed by the Governor, who:*

(I) Is an attorney licensed in this State and a member in good standing of the State Bar of Nevada; and

(II) Resides in a county whose population is less than 100,000.

(6) *Four members selected by the Nevada Association of Counties who reside in a county whose population is less than 100,000, appointed by the Governor. One member must have expertise in the finances of local government.*

(7) *Two members selected by the Board of County Commissioners of Clark County, appointed by the Governor.*

(8) *One member selected by the Board of County Commissioners of Washoe County, appointed by the Governor.*

(9) *One member selected jointly by the associations of the State Bar of Nevada who represent members of racial or ethnic minorities, appointed by the Governor.*

(b) *The Chief Justice of the Nevada Supreme Court may designate one person to serve as a nonvoting member to represent the interests of the Court.*

2. *In addition to the members appointed pursuant to subsection 1, the Governor may appoint up to two additional nonvoting members, one of whom must be upon the recommendation of the Board of Governors of the State Bar of Nevada.*

3. *Each person appointed to the Board must have:*

(a) Significant experience providing legal representation to indigent persons who are charged with public offenses or to children who are alleged to be delinquent or in need of supervision;

(b) A demonstrated commitment to providing effective legal representation to such indigent persons; or

(c) Expertise or experience, as determined by the appointing authority, which qualifies the person to contribute to the purpose of the Board or to carrying out any of its functions.



4. *A person must not be appointed to the Board if he or she is currently serving or employed as:*

- (a) A judge, justice or judicial officer;*
- (b) A Legislator or other state officer or employee;*
- (c) A prosecuting attorney or an employee thereof;*
- (d) A law enforcement officer or employee of a law enforcement agency; or*

(e) An attorney who in his or her position may obtain any financial benefit from the policies adopted by the Board.

5. *A person must not be appointed to the Board if he or she is currently employed:*

- (a) Within the Department of Indigent Defense Services;*
- (b) By a public defender; or*
- (c) By any other attorney who provides indigent defense services pursuant to a contract with a county.*

6. *Each member of the Board:*

- (a) Serves without compensation; and*
- (b) While engaged in the business of the Board, is entitled to receive the per diem allowance and travel expenses provided for state officers and employees generally.*

7. *Each member of the Board who is an officer or employee of a local government must be relieved from his or her duties without loss of his or her regular compensation so that the member may prepare for and attend meetings of the Board and perform any work necessary to carry out the duties of the Board in the most timely manner practicable. A local government shall not require an officer or employee who is a member of the Board to make up the time the member is absent from work to carry out his or her duties as a member, and shall not require the member to take annual vacation or compensatory time for the absence.*

Sec. 7. 1. *Except as otherwise provided in this section, the voting members of the Board on Indigent Defense Services are appointed for a term of 3 years and may be reappointed.*

2. *The Chair of the Board must be selected at the first meeting from among the voting members of the Board and serves until July 1 of the next year. The Chair for the following year must be selected in the same manner before the expiration of the current term of the sitting Chair. The Chair may be selected to serve another term as Chair.*

3. *The Governor may remove a voting member of the Board for incompetence, neglect of duty, committing any act that constitutes moral turpitude, misfeasance, malfeasance or nonfeasance in office or for any other good cause.*



Agenda Item 11

**NEVADA ASSOCIATION OF COUNTY COMMISSIONERS
FINANCIAL STATEMENTS
December 31, 2021 and 2020**

**NEVADA ASSOCIATION OF COUNTY COMMISSIONERS
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INDEPENDENT AUDITOR'S REPORT

To the Executive Director and the Board of Directors
Nevada Association of County Commissioners
Carson City, Nevada

Opinion

We have audited the accompanying statement of net position—proprietary fund of the Nevada Association of County Commissioners (NACO), a non-profit corporation, as of December 31, 2021 and 2020 and the related statements of revenues and expenses and changes in net position—proprietary fund and statement of changes in cash flows—proprietary fund for the years then ended and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Nevada Association of County Commissioners as of December 31, 2021 and 2020 and the changes in its financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Nevada Association of County Commissioners and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about NACO's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing

standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Nevada Association of County Commissioner's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about NACO's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, page 5, budgetary comparison information, page 24, and GASB 68 required supplementary information, page 25, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial 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.

Bertrand & Associates, LLC

Carson City, Nevada
June 17, 2022

Management Discussion and Analysis

Overview of Annual Financial Report

The Management's Discussion and Analysis (MD&A) serves as an introduction and should be read in conjunction with the basic audited financial statements. This analysis represents management's examination and analysis of the board's financial condition and performance.

The Board uses the accrual basis of accounting for financial statement reporting and the statements have been prepared in accordance with generally accepted accounting principles. The financial statements include statements of net position, statements of revenues and expenses, changes in net position, and statements of cash flows.

The statement of net position presents the financial position of NACO on the accrual basis of accounting. This statement provides information on NACO's assets, deferred outflows, liabilities, deferred inflows, and the difference reported as net position.

The notes to the financial statements provide required disclosures and other information that are essential to a full understanding of material data provided in the financial statements. The notes present information about the Board's accounting policies, significant account balances and activities, material risks, obligations, commitments, contingencies, and subsequent events, if any.

Proprietary fund

NACO maintains an enterprise fund, a type of proprietary fund, to report the same functions presented as business-type activities in the government-wide financial statements. The enterprise fund accounts for NACO activity.

Financial Highlights

NACO's assets increased in 2021 by \$1,947 from \$1,901,972 to \$1,903,919. The increase is mostly attributable to the increase in current assets from \$1,354,421 to \$1,367,109. This increase of \$12,688 is due in large part to cash and investments increasing \$119,600 offset by a reduction in accounts receivable of \$102,524 due to the timing of the collections of the prior year receivables due to the timing of the collection of receipts related to the County Small Business Grant program funded by the CARES Act. Fixed assets net of depreciation reduced from \$416,551 to \$405,810 due to depreciation during the year.

NACO's total liabilities and deferred inflows of resources combined for 2021 is \$851,336 compared to 2020 of \$871,052 a reduction of \$19,716 during the year. There was a decrease in compensated absence of \$11,915 due to the payoff of separated employees during the year. The remaining differences are related to the changes in the PERS net pension liability and deferred pension inflows between the years. See Note 6 for more information.

NACO's Net position increased from \$1,195,639 to \$1,360,561 representing an increase of \$164,922 or 13.8% from the prior year. The unrestricted portion in 2021 is \$823,751 or 60.5% of net position with the remaining \$536,810 or 39.5% invested in capital assets, net of related debt. The unrestricted portion represents 145.5% of the 2021 total expenses of \$565,893. This represents a strong net position for NACO.

NACO's primary revenue resources remain county membership dues, including public lands assessment dues and conference fees at \$600,785 and increase of \$70,886 compared to prior year amount of \$529,899. This increase is the result of an increase in conference revenues from \$24,862 to \$86,824 because of having an in-person conference this year compared to virtual conference due to COVID-19 in 2020. The remainder of the revenues include a contract with the State of Nevada in the amount of \$70,000 to administer the Fund for Hospital Care to Indigent Persons and national programs and interest income.

As a service organization, NACO's largest expenses are salaries and related costs. In 2021, these expenses were \$372,013 or 65.7% of the total 2021 expenses. This represents a reduction in the prior year costs by \$114,129 due to staff turnover and position openings during the recruitment period. Other operating expenses increased from \$138,564 to \$193,880 an increase of \$55,316. Membership conference expense increased to \$34,717 from \$3,094 because of the in-person conference. Other expense increases included staff travel and office and operating expenses due to lifting of COVID restrictions and more in-person activities.

Non-operating net investment income decreased from \$58,591 to \$49,559 in 2021 due to lower fixed income yields and a reduction in the risk assets due to market fluctuations. Investment balances decreased from \$641,024 to \$612,455 related to market value on December 31, 2020, and 2021.

As noted in the State of Cash Flows, cash increased from \$567,483 in 2020 to \$715,652 on December 31, 2021. There was an increase of \$76,847 provided from operating activities and \$71,222 provided from investment activities during the year. See the statement for greater details on the cash transactions.

Economic Factors

The budget of the Nevada Association of Counties is comprised in part of dues collected from member counties. Dues are calculated using a formula based on three components: Audited Schedule 1 revenues, population, and the amount of the most recent federal Payment in Lieu of Taxes (PILT) payment made to each county. NACO has enjoyed 100% county participation with 17/17 counties paying their fully assessed dues in 2020. During 2021, one of the rural counties left the association and no longer participates in NACO. Any changes in the financial market economy that are reflected in the stock and bond markets are reflected in accounts held by NACO. See Note 2-Deposits and Investments for more details.

Financial Statement Analysis

A condensed statement of position is below to display the changes in assets, deferred outflows, deferred inflows liabilities and net position.

By far, the largest portion of NACO assets continues to be current assets \$1,267,109 on December 31, 2021. The two largest current assets are cash and investments with balances of \$715,652 and \$612,455, respectively. See Note 2 Deposits and Investments on page 13 for more information.

At the end of the fiscal year, NACO's total liabilities for the year ending December 31, 2021, totaling \$455,603. Of this amount, current liabilities associated with accounts payable were \$19,484. The current ratio (current assets/current liabilities) for 2021 is 70 to 1; meaning there are \$70 of current assets for every dollar of current liabilities. This compares to last year's ratio of 13:1.

Net Position increased from \$1,195,639 to \$1,360,561 during the year. The increase was in the Unrestricted portion from \$648,088 to \$823,751 in 2021. See the Condensed Statement of Net Position below:

Condensed Statements of Net Position	2021	2020	Change
ASSETS			
Current and other assets	\$ 1,367,109	\$ 1,354,421	\$ 12,688
Deferred outflows of resources	307,978	164,719	143,259
Fixed assets (net)	<u>536,810</u>	<u>547,551</u>	<u>(10,741)</u>
Total assets and deferred outflows	<u><u>2,211,897</u></u>	<u><u>2,066,691</u></u>	<u><u>145,206</u></u>
LIABILITIES			
Current liabilities	19,484	131,049	(111,565)
Deferred inflows of resources	395,733	138,671	257,062
Long-term liabilities	436,119	601,332	(165,213)
NET ASSETS			
Net position - unrestricted	823,751	648,088	175,663
Net position - invested in capital	<u>536,810</u>	<u>547,551</u>	<u>(10,741)</u>
Total liabilities, deferred inflows and net position	<u><u>\$ 2,211,897</u></u>	<u><u>\$ 2,066,691</u></u>	<u><u>\$ 145,206</u></u>

The following condensed statement of activities displays changes in the revenues and expense accounts when compared to prior year.

Condensed Statements of Revenues and Expenses	2021	2020	Change
REVENUE			
Membership dues and related revenues	\$ 600,785	\$ 529,899	\$ 70,886
Other income	<u>80,471</u>	<u>132,684</u>	<u>(52,213)</u>
Total operating revenues	<u>681,256</u>	<u>662,583</u>	<u>18,673</u>
EXPENSES			
Salaries and related costs	372,013	486,142	114,129
Other operating expenses	<u>193,880</u>	<u>138,564</u>	<u>(55,316)</u>
Total expenses	<u>565,893</u>	<u>624,706</u>	<u>58,813</u>
Operating net income	115,363	37,877	77,486
Non-operating investment income	<u>49,559</u>	<u>58,591</u>	<u>(9,032)</u>
Change in net position	<u><u>\$ 164,922</u></u>	<u><u>\$ 96,468</u></u>	<u><u>\$ 68,454</u></u>

As noted above, total operating income increased \$77,846 or 204.5% during the year. The largest increase was in conference revenues due to an in-person conference in 2021. Total expenses decreased \$58,316 or 9.4% during year due to staff turnover, gapped positions, and expense mitigation. The investment income decreased \$9,032 or 15.4% due to lower investment balances, low returns in the fixed income market returns as well as a reduction in the risk assets due to poor economic conditions in 2021.

Conclusions

NACO continues to be in a strong financial position showing a net increase of \$164,922 in net position at the end of the year. Diversified investments and assets, including the office building, provides NACO with an important level of financial security and stability. Staff continues to identify opportunities to diversify and enhance revenues including seeking state and federal grant opportunities, and opportunities for additional revenue through participation in national programs including the usage of existing

agreements with Nationwide Retirement Solutions, for which NACO receives a royalty, and seeking other marketing and service agreements that would be of benefit to Nevada's counties. NACO staff works diligently to efficiently manage operational expenses. The organization takes its fiduciary responsibility very seriously and the positive financial results reflect the overall organization success.

This financial report is designed to provide a general overview of the financial activity and condition of the Nevada Association of Counties, for all of those with an interest in the Association. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Executive Director, 304 South Minnesota Street, Carson City, Nevada 89703 or email at vguthreau@nvnaco.org or access the NACO web-site at NVNACO.ORG.

Vinson Guthreau

Executive Director

June 17, 2022

**NEVADA ASSOCIATION OF COUNTY COMMISSIONERS
STATEMENT OF NET POSITION—PROPRIETARY FUND
December 31, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
Current assets:		
Cash and cash equivalents	\$ 715,652	\$ 567,483
Investments	612,455	641,024
Interest receivable	1,695	1,871
Accounts receivable	34,950	137,474
Other assets	2,357	6,569
Total current assets	<u>1,367,109</u>	<u>1,354,421</u>
Fixed Assets:		
Fixed assets net of accumulated depreciation	405,810	416,551
Land	131,000	131,000
Total net fixed assets	<u>536,810</u>	<u>547,551</u>
Total assets	<u>1,903,919</u>	<u>1,901,972</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred pension outflows	<u>307,978</u>	<u>164,719</u>
Total deferred outflow of resources	<u>307,978</u>	<u>164,719</u>
LIABILITIES		
Current Liabilities:		
Accounts payable	<u>19,484</u>	<u>102,925</u>
Total current liabilities	<u>19,484</u>	<u>102,925</u>
Non-current liabilities:		
Compensated absences	16,209	28,124
PERS net pension liability	<u>419,910</u>	<u>601,332</u>
Total non-current liabilities	<u>436,119</u>	<u>629,456</u>
Total liabilities	<u>455,603</u>	<u>732,381</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred pension inflows	395,733	102,171
Deferred revenues	<u>-</u>	<u>36,500</u>
Total deferred inflow of resources	<u>395,733</u>	<u>138,671</u>
NET POSITION		
Unrestricted	823,751	648,088
Invested in capital assets, net of related debt	<u>536,810</u>	<u>547,551</u>
Total net position	<u>\$ 1,360,561</u>	<u>\$ 1,195,639</u>

See accompanying notes

NEVADA ASSOCIATION OF COUNTY COMMISSIONERS
STATEMENT OF REVENUES AND EXPENSES & CHANGES IN NET ASSETS-
PROPRIETARY FUND
Years ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Revenues		
Membership dues	\$ 374,615	\$ 368,788
Public lands assessment dues	139,346	136,249
Conference revenues	86,824	24,862
Indigent accident and supplemental programs	70,000	70,000
National programs and associate members	10,447	21,912
Interest income	24	73
Other income	-	40,699
Total revenues	681,256	662,583
Expenses		
Salaries and employee benefits	321,557	379,629
Pension expense	48,186	104,424
PEBP post retirement benefits	2,270	2,089
Building maintenance, repairs & property tax	8,067	10,648
Utilities	6,212	7,058
Legislative	1,950	-
Membership Conference	34,717	3,094
Publications and printing	5,758	1,825
Office and other operating expenses	75,020	54,177
Staff and representative travel	17,071	14,261
Vehicle expenses	6,232	6,550
Professional fees	21,206	20,915
Special projects and studies	-	2,312
Depreciation and amortization	17,647	17,724
Total expenses	565,893	624,706
Increase in operating net position	115,363	37,877
Non-operating net investment income	49,559	58,591
Increase in net position	164,922	96,468
Net position at beginning of year	1,195,639	1,099,171
Net position at end of year	\$ 1,360,561	\$ 1,195,639

See accompanying notes

**NEVADA ASSOCIATION OF COUNTY COMMISSIONERS
STATEMENT OF CASH FLOWS—PROPRIETARY FUND
Years ended December 31, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Cash receipts	\$ 747,280	\$ 262,315
Payments to employees	(333,472)	(372,366)
Payments to vendors	(336,861)	(141,517)
Net cash provided (used) from operating activities	<u>76,947</u>	<u>(251,568)</u>
Cash flows from investing activities:		
Sale of capital assets	-	299
Sale of securities	60,606	488,664
Purchase of securities	-	(481,247)
Interest, dividends and net gains or losses on investments	10,616	59,503
Net cash provided from investing activities	<u>71,222</u>	<u>67,219</u>
Increase (decrease) in Cash and Cash Equivalents	148,169	(184,349)
Cash and cash equivalents, beginning of fiscal year	567,483	751,832
Cash and cash equivalents, end of fiscal year	<u><u>715,652</u></u>	<u><u>567,483</u></u>
Reconciliation of operating income to net cash (used) provided from operating activities:		
Net operating income	115,363	37,877
Adjustment to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation expense	17,647	17,724
Decrease (increase) in receivables	102,524	(129,539)
Decrease (increase) in interest receivable	176	(1,871)
Decrease (increase) in prepaid expenses	4,212	(4,260)
(Increase) in deferred pension outflows	(143,259)	(25,510)
(Decrease) increase in accounts payable and accruals	(83,441)	86,264
(Decrease) increase in compensated absences	(11,915)	7,263
(Decrease) Increase in PERS net pension liability	(181,422)	65,265
(Decrease) in deferred revenues	(36,500)	(271,028)
Increase (decrease) in deferred pension inflows	293,562	(33,753)
Net cash provided (used) by operating activities	<u><u>\$ 76,947</u></u>	<u><u>\$ (251,568)</u></u>

See accompanying notes

NEVADA ASSOCIATION OF COUNTY COMMISSIONERS
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 1 – OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities:

The Association (NACO) is a non-profit corporation incorporated in the state of Nevada. The Association was organized for the purpose of aiding member counties in the conduct of general governmental affairs and to influence the state legislature in ways that will benefit county governments and the people they serve. NACO is treated as a governmental entity for accounting and presentation purposes. The Association members are elected officials of various counties in Nevada that they represent. As such, the Association is considered a quasi-governmental organization. The Association is more commonly known as the Nevada Association of Counties or as NACO.

Basis of Presentation, Measurement Focus – Basis of Accounting:

NACO has prepared its financial statements in accordance with accounting principles generally accepted in the United States of America for governmental entities. NACO has implemented Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis – for State and Local Governments*.

The financial statements are reported using the economic resources management focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of cash flows. Expenditures are recorded when the related fund liability is incurred.

Estimates:

Accounting principles generally accepted in the United States of America require 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 periods. Actual results could differ from those estimates.

Budget:

The Board prepares an annual budget on a basis similar to generally accepted accounting principles. NACO is not under legal obligation to prepare a budget and it is used solely for management purposes.

Cash & Investments:

For purposes of the cash flow statements, NACO considers highly liquid asset accounts available for current use within three months or less to be cash equivalents. NACO maintains its cash, cash equivalents and investments in a commercial bank and a brokerage institution. All amounts in the commercial bank are insured by the FDIC or collateralized. Amounts at the brokerage firm up to the SPIC insurance limit are insured through SPIC and additional amounts are insured by the broker through an insurance policy.

Investments consist of marketable securities in corporate and governmental securities. Securities are reported at their fair value on the balance sheet. Fair value is determined utilizing the market value of the investments as reflected on the applicable brokerage statements. Net increases and decreases in the fair value are included in the statement of revenues and expenses and changes in net asset balances.

NEVADA ASSOCIATION OF COUNTY COMMISSIONERS
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounts Receivable:

Accounts receivable represents amounts earned but not received on the performance of the Indigent Accident Fund grant, the Supplemental grant in 2021. In 2020, receivables consisted of receivables for associate membership dues and \$120,952 of funds to be reimbursed to NACO for small business grants paid as part of funding from the CARES Act to assist small businesses that had been distressed by the pandemic.

Fixed Assets:

Fixed assets are defined by the Board as assets with an initial individual cost of \$5,000 or more. Fixed assets are depreciated over the estimated useful lives of the assets using the straight-line method and the lives assigned to assets range from 5 years to 10 years. Building improvements are depreciated over a period of 20 years and the office building cost is depreciated using the straight-line method over a period of 40 years with no salvage value.

Compensated Absences:

Compensated absences are recorded when the liabilities are incurred. Accumulated benefits for vacation and sick leave are limited to a set maximum. Only vacation is payable upon retirement or termination and is reflected in the statements of net position.

Revenues:

Revenues are provided through membership fees, sponsor and conference fees, administration of the state's Indigent Accident Fund and Supplemental Fund, national insurance programs, other programs and investment income. NACO receives grants and contracts with a private vendor to administer the grants on behalf of NACO for the benefit of its members.

Federal Income Tax:

NACO is exempt from income taxes under section 501(c)(4) of the Internal Revenue Service Code. Tax returns for the years ending December 31, 2021, 2020, 2019 and 2018 are open to audit by the Internal Revenue Service.

NOTE 2- DEPOSITS AND INVESTMENTS

NACO, as allowed, maintains its cash, cash equivalents and investments in a commercial bank and a brokerage institution. Amounts in commercial banks are insured by the FDIC for balances up to \$250,000. Amounts at the brokerage firm are insured through SPIC and additional amounts are insured by the broker through an insurance policy.

The carrying amount of NACO's deposits at commercial banks on December 31, 2021 and 2020 was \$715,652 and \$567,483 respectively and the bank balance was \$716,291 and \$569,197. The difference between the carrying amount and bank balance results from outstanding checks and deposits not yet reflected in the bank's records.

NEVADA ASSOCIATION OF COUNTY COMMISSIONERS
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 2 - DEPOSITS AND INVESTMENTS (continued)

Deposits that are greater than the FDIC insurance limit were \$197,543 in 2021 and \$128,764 in 2020. When there are balances in excess of FDIC insurance, they are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer.

Credit risk:

Credit risk is the risk of default on a debt security that may arise from an issuer failing to make required interest or principal payments such that NACO will not be able to recover the full interest and principal value of those investments or securities.

Concentration of Financial Risk:

NACO's investment managers limit investments in equities of any one issuer to 10% of the total investment portfolio. There are no concentrations limits on any industry, but the investment managers diversify the portfolio over various industries.

Interest Rate Risk:

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. NACO's policy for managing its exposure to fair value losses arising from increasing interest rates are to be invested in a range of 50% to 100% in fixed income securities, 0% -50% in equities and 0% to 100% in cash.

A summary of investments as of December 31, 2021:

	Fair Value	Investment Maturities in Years			
		1 year or less	1-5	5-10	Over 10
U.S. Treasuries	\$ 67,435	\$ -	\$ 31,379	\$ 36,056	\$ -
U.S. Government & Agencies	13,312	4,040	9,272	-	-
U.S. Mortgage-backed securities	107,619	5,886	38,381	53,497	9,855
Corporate bonds	128,066	24,052	71,918	32,096	-
Equity securities	296,023	296,023	-	-	-
Total cash and investments	<u>\$ 612,455</u>	<u>\$ 330,001</u>	<u>\$ 150,950</u>	<u>\$ 121,649</u>	<u>\$ 9,855</u>

A summary of investments as of December 31, 2020:

	Fair Value	Investment Maturities in Years			
		1 year or less	1-5	5-10	Over 10
U.S. Treasuries	\$ 75,849	\$ 5,019	\$ 32,646	\$ 38,184	\$ -
U.S. Government & Agencies	13,748	-	13,748	-	-
U.S. Mortgage-backed securities	173,629	791	71,340	68,458	33,040
Corporate bonds	133,210	-	89,479	43,731	-
Equity securities	244,588	244,588	-	-	-
Total cash and investments	<u>\$ 641,024</u>	<u>\$ 250,398</u>	<u>\$ 207,213</u>	<u>\$ 150,373</u>	<u>\$ 33,040</u>

NEVADA ASSOCIATION OF COUNTY COMMISSIONERS
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 2 - DEPOSITS AND INVESTMENTS (continued)

Actual maturities may differ from contractual maturities as some borrowers have the right to call or repay with or without call or prepayment penalties. Investments are reported at fair value by the investment broker as determined by an outside pricing firm. Corporate bonds are rated by S&P as AAA to A-.

NACO categorizes its fair value measurement within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. All investments are categorized as Level 1 investments for 2021 and 2020.

NOTE 3 – CAPITAL ASSETS AND DEPRECIATION

Depreciation is taken on the financial statements over the estimated useful lives of the assets using the straight-line method. It is believed by management that the useful lives of furniture, equipment and vehicles range from five to ten years with no salvage value. NACO's policy is to capitalize assets costing \$5,000 or more. For the building, the useful life is deemed to be 40 years and building improvements 20 years with no salvage value. When assets are disposed of the cost and related accumulated depreciation are removed from the general ledger and any resulting gain or loss is recognized in operations.

Activity for the years ended December 31 was as follows:

	Useful life	December 31, 2020		December 31, 2021	
		Additions	Dispositions		
Building and improvements	40	\$ 556,382	\$ -	\$ -	\$ 556,382
Furniture and equipment	5 – 10	174,061	6,906	-	180,967
Vehicles	5 – 10	32,878	-	-	32,878
Total Assets		763,321	6,906	-	770,227
Accumulated depreciation		(346,770)	(17,647)	-	(364,417)
		\$ 416,551	\$ (10,741)	\$ -	\$ 405,810

		December 31, 2019		December 31, 2020	
		Additions	Dispositions		
Building and improvements	40	\$ 556,382	\$ -	\$ -	\$ 556,382
Furniture and equipment	5 – 10	174,061	-	-	174,061
Vehicles	5 – 10	32,878	-	-	32,878
Total Assets		763,321	-	-	763,321
Accumulated depreciation		(329,046)	(17,724)	-	(346,770)
		\$ 434,275	\$ (17,724)	\$ -	\$ 416,551

Depreciaton expense charged was \$17,647 and \$17,724 for years 2021 and 2020.

NEVADA ASSOCIATION OF COUNTY COMMISSIONERS
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 4 - RELATED PARTY TRANSACTIONS

Various directors of NACO also serve on the board of the Indigent Accident Fund, an agency that contracts with NACO for claims administration. Revenues of \$70,000 in 2021 and 2020 from these contracts are identified on the financial statements as Indigent Accident and Supplemental Programs. Mr. Wayne Carlson, executive director of the Nevada Public Agency Insurance Pool, is authorized to sign checks of NACO in the absence of NACO's executive director with one other NACO authorized signer.

NACO contracted with Nevada Risk Pooling Inc. (NRP) for bookkeeping services and paid fees of \$12,000 for the years ended December 31, 2021 and 2020. Nevada Risk Pooling, Inc. is a non-profit organization providing bookkeeping services primarily to specific government organizations with relationships with Nevada Public Agency Insurance Pool and Public Agency Compensation Trust.

NOTE 5 – LEASES

On July 6, 2021 NACO entered into a lease agreement with Xerox Corporation for a high-speed copy machine. The copier lease is classified as an operating lease with minimum monthly payment of \$235 for 60 months. The amount charged to expense for 2021 was \$1,175. Minimum lease payments are as follows:

2022	\$	2,820
2023		2,820
2304		2,820
2025		2,820
2026		1,645
Total	\$	<u>12,925</u>

NOTE 6 –DEFINED BENEFIT PENSION COST-SHARING EMPLOYER PLANS

Defined Benefit Plan Description

Public Employers Retirement System (PERS) administers a cost-sharing, multiple-employer, defined benefit pension plan, which includes both Regular and Police/Fire members. The System was established by the Nevada Legislature in 1947, effective July 1, 1948. The System is administered to provide a reasonable base income to qualified employees who have been employed by a public employer and whose earning capacities have been removed or substantially impaired by age or disability.

Benefits Provided

Benefits, as required by the Nevada Revised Statutes (NRS or statute), are determined by the number of years of accredited service at time of retirement and the member's highest average compensation in any 36 consecutive months with special provisions for members entering the System on or after January 1, 2010, and July 1, 2015. Benefit payments to which participants or their beneficiaries may be entitled

NEVADA ASSOCIATION OF COUNTY COMMISSIONERS
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 6 –DEFINED BENEFIT PENSION COST-SHARING EMPLOYER PLAN (continued)

under the plan include pension benefits, disability benefits, and survivor benefits. Monthly benefit allowances for members are computed as 2.5% of average compensation for each accredited year of service prior to July 1, 2001. For service earned on and after July 1, 2001, this factor is 2.67% of average compensation. For members entering the System on or after January 1, 2010, there is a 2.50% service time factor and for regular members entering the System on or after July 1, 2015, there is a 2.25% factor. The System offers several alternatives to the unmodified service retirement allowance which, in general, allow the retired employee to accept a reduced service retirement allowance payable monthly during his or her lifetime and various optional monthly payments to a named beneficiary after his or her death. Post-retirement increases are provided by authority of NRS 286.575 -579.

Vesting

Regular members entering the System prior to January 1, 2010, are eligible for retirement at age 65 with 5 years of service, at age 60 with 10 years of service, or at any age with 30 years of service. Regular members entering the System on or after January 1, 2010, are eligible for retirement at age 65 with 5 years of service, or age 62 with 10 years of service, or any age with 30 years of service. Regular members who entered the System on or after July 1, 2015, are eligible for retirement at age 65 with 5 years of service, or at age 62 with 10 years of service, or at age 55 with 30 years of service, or any age with 33 1/3 years of service.

The normal ceiling limitation on monthly benefit allowances is 75% of average compensation. However, a member who has an effective date of membership before July 1, 1985, is entitled to a benefit of up to 90% of average compensation. Members become fully vested as to benefits upon completion of five years of service.

Contributions

The authority for establishing and amending the obligation to make contributions and member contribution rates is set by statute. New hires, in agencies which did not elect the Employer-Pay Contribution (EPC) plan prior to July 1, 1983, have the option of selecting one of two contribution plans. In one plan, contributions are shared equally by employer and employee. In the other plan, employees can take a reduced salary and have contributions made by the employer (EPC).

The System's basic funding policy provides for periodic contributions at a level pattern of cost as a percentage of salary throughout an employee's working lifetime in order to accumulate sufficient assets to pay benefits when due.

The System receives an actuarial valuation on an annual basis indicating the contribution rates required to fund the System on an actuarial reserve basis. Contributions made are in accordance with the required rates established by the Nevada Legislature. These statutory rates are increased/decreased pursuant to NRS 286.421 and 286.450.

**NEVADA ASSOCIATION OF COUNTY COMMISSIONERS
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020**

NOTE 6 –DEFINED BENEFIT PENSION COST-SHARING EMPLOYER PLAN (continued)

The actuarial funding method used is the Entry Age Normal Cost Method. It is intended to meet the funding objective and results in a relatively level long-term contribution requirement as a percentage of salary.

For the year ended December 31, 2021, the contributions recognized as part of pension expense for the Plan were as follows:

Contributions - employer	\$	79,305
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B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of the valuation date of June 30, 2021, NACO reported net pension liabilities for its proportionate shares of the net pension liability of the Plan as follows:

		Proportionate share of Net pension Liability
Miscellaneous plan	\$	419,910

NACO’s net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2021, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021 rolled forward to December 31, 2021 using standard update procedures.

NACO’s proportion of the net pension liability was based on a projection of the NACO ‘s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

The Board’s proportionate share of the net pension liability as of June 30, 2020 and 2021 was as follows:

June 30, 2020	0.00432%
June 30, 2021	0.00460%
Change-Increase (decrease)	0.00028%

For the year ended December 31, 2021, NACO recognized a pension expense of \$48,186.

NEVADA ASSOCIATION OF COUNTY COMMISSIONERS
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2021 and 2020

NOTE 6 –DEFINED BENEFIT PENSION COST-SHARING EMPLOYER PLAN (continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 46,513	\$ 2,955
Changes in assumptions	139,417	-
Net difference between projected and actual earnings on pension plan investments	-	342,623
Changes in proportion and differences between NACO contributions and proportionate share of contributions NACO contributions subsequent to the measurement date	82,396 39,652	50,155 -
Total	<u>\$ 307,978</u>	<u>\$ 395,733</u>

\$39,652 reported as deferred outflows of resources related to contributions to NVPERS subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2021.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions without regard to contributions subsequent to the measurement date, are expected to be recognized as pension expense as follows:

Measurement Period Ended June 30:	
2023	\$ (47,646)
2024	(46,865)
2025	(48,614)
2026	(52,105)
2027	31,350
Thereafter	36,473
	<u>\$ (127,407)</u>

The net difference between projected and actual investment earnings on pension plan investments will be recognized over five years and all the other above deferred outflows and deferred inflows will be recognized over the average expected remaining service lives, which was 6.14 years for the measurement period ending June 30, 2021.

NEVADA ASSOCIATION OF COUNTY COMMISSIONERS
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 6 –DEFINED BENEFIT PENSION COST-SHARING EMPLOYER PLAN (continued)

Actuarial Assumptions

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2021 valuation were based on the results of the experience review completed in 2021. Further details of the Experience Study can be found on the PERS website.

The total pension liabilities in the June 30,2021 actuarial valuations were determined using the following actuarial assumptions:

Valuation date	June 30, 2021
Measurement date	June 30, 2021
Actuarial Cost Method	Entry -Age Normal Cost
Actuarial Assumptions:	
Inflation rate	2.50%
Productivity pay increase	0.50%
Projected salary increase	4.20-9.10%
Investment rate of return	7.25%
Other assumptions:	
Same as those used in the June 30, 2021 funding actual valuation.	

Actuarial assumptions used in the June 30, 2021, valuation was based on the results of the experience study for the period July 1, 2016, through June 30, 2020.

The discount rate used to measure the total pension liability was 7.25% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed plan contributions will be made in amounts consistent with statutory provisions and recognizing the plan’s current funding policy and cost-sharing mechanism between employers and members. For this purpose, all contributions that are intended to fund benefits for all plan members and their beneficiaries are included, except the projected contributions that are intended to fund the service costs for future plan members and their beneficiaries are not included.

Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2021.

NEVADA ASSOCIATION OF COUNTY COMMISSIONERS
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 6 – DEFINED BENEFIT PENSION COST-SHARING EMPLOYER PLAN (continued)

Investment Policy

The System’s policies which determine the investment portfolio target asset allocation are established by the Board. The asset allocation is reviewed annually and is designed to meet the future risk and return needs of the System.

Asset Class	Target Allocation	Long-Term Geometric Expected Real Rate of Return*
Domestic Equity	42%	5.50%
International Equity	18%	5.50%
Domestic Fixed Income	28%	0.75%
Private Markets	12%	6.65%

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the PERS as of June 30, 2021, calculated using the discount rate of 7.50%, as well as what the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current discount rate:

	Discount rate -1% (6.25%)	Current Discount Rate (7.25%)	Discount Rate +1% (8.25%)
Misc. Tier1	\$835,187	\$419,910	\$76,570

Additional information supporting the Schedule of Employer Allocations and the Schedule of Pension Amounts by Employer is in the PERS Comprehensive Annual Financial Report (CAFR) available on the PERS website.

NOTE 7 – DEFERRED COMPENSATION PLAN

NACO offers a defined contribution plan in accordance with IRS code section 457(b) to its employees. Employee contributions are voluntary and are made on a pre-tax basis. Employer contributions are discretionary and for 2021 and 2020 the organization elected to not make any contributions. Employees contributed \$12,000 and \$13,750 for the years ended 2021 and 2020. NACO Services, a subsidiary of the National Association of Counties, sponsors the deferred compensation program, which is administered by Nationwide Retirement Solutions.

NEVADA ASSOCIATION OF COUNTY COMMISSIONERS
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 8 – RISK MANAGEMENT

NACO has joined with other public agencies in Nevada to be part of the Nevada Public Agency Insurance Pool (NPAIP) under the Nevada Interlocal Cooperation Act throughout the State of Nevada to manage various risks. NPAIP is an intergovernmental public entity risk pool currently operating as a common risk management and insurance program for its members.

NACO pays an annual premium and specific deductibles, as necessary, to NPAIP for its general insurance coverage. NPAIP is considered a self-sustaining risk pool that will provide liability coverage for its members up to \$10,000,000 per event and a \$10,000,000 annual aggregate per member. Property, crime and equipment breakdown is provided to its members up to \$300,000,000 per loss with various sub-limits established for earthquake, flood, equipment breakdown and money and securities. There have been no claims made for the years 2021 and 2020.

NACO has also joined the Public Agency Compensation Trust (PACT) which is an intergovernmental self-insured association in Nevada for workers compensation insurance.

If claims and expenses exceed net assets of the NPAIP or PACT, a special assessment may be made to their members.

NOTE 9 –SUBSEQUENT EVENTS

In preparing these financial statements, management has evaluated events and transactions for potential recognition or disclosure within the financial statements for the year ended December 31, 2021. The actuarially calculated net pension liability was measured on June 30, 2021 based on a 2.5% inflation rate. The U.S. Bureau of Labor Statistics reports the 12-month inflation rate for the year ending May 2022 at 8.6% which is a substantial increase from the rate used to calculate the pension liability. Management has not estimated the effect the higher rate may have on the net pension liability.

Management has evaluated subsequent events through June 17, 2022 which is the date the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

NEVADA ASSOCIATION OF COUNTY COMMISSIONERS
SUPPLEMENTAL INFORMATION – BUDGET TO ACTUAL COMPARISON
December 31, 2021

	Original Budget	Final Budget	Actual	Favorable (Unfavorable) Variance
OPERATING REVENUES:				
Membership dues	\$ 611,959	\$ 611,959	\$ 374,615	\$ (237,344)
Public lands assessment dues	-	-	139,346	139,346
Conference fees	-	-	86,824	86,824
Indigent accident and supplemental programs	70,000	70,000	70,000	-
National programs and associate sponsors	2,500	2,500	10,447	7,947
Interest income	-	-	24	24
Other income	-	-	-	-
Total operating revenues	684,459	684,459	681,256	(3,203)
OPERATING EXPENSES:				
Salaries and employee benefits	474,001	474,001	369,743	104,258
Pension expense	-	-	-	-
PEBP post retirement benefits	6,000	6,000	2,270	3,730
Building maintenance, repairs & property tax	18,788	18,788	8,067	10,721
Utilities	6,212	6,212	6,212	0
Legislative	15,000	15,000	1,950	13,050
Membership conference	38,000	38,000	34,717	3,283
Publications and printing	4,160	4,160	5,758	(1,598)
Office and other operating expense	73,700	73,700	75,020	(1,320)
Staff and representative travel	37,000	37,000	17,071	19,929
Vehicle expenses	3,000	3,000	6,232	(3,232)
Professional fees	15,500	15,500	21,206	(5,706)
Special projects and studies	15,000	15,000	-	15,000
Depreciation and amortization	-	-	17,647	(17,647)
Total expenses	706,361	706,361	565,893	140,468
Operating income	(21,902)	(21,902)	115,363	137,265
NON-OPERATING REVENUES				
Increase in non-operating investment income	15,000	15,000	49,559	34,559
Total non-operating revenues	15,000	15,000	164,922	171,824
	-	-	-	-
Increase (decrease) in Net Position	\$ (6,902)	\$ (6,902)	\$ 164,922	\$ 171,824

See accompanying notes

**NEVADA ASSOCIATION OF COUNTY COMMISSIONERS
SUPPLEMENTARY PENSION INFORMATION
For Years Ended June 30, 2021 and 2020**

SCHEDULES OF NACO'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY LAST TEN YEARS

	Measurement Dates						
	2021	2020	2019	2018	2017	2016	2015
Proportion of the net pension liability (asset)	0.00460%	0.00432%	0.00393%	0.00412%	0.00491%	0.00475%	0.00381%
Proportionate share of the net pension liability (asset)	\$419,910	\$601,332	\$536,067	\$561,269	\$653,604	\$639,269	\$436,508
Covered payroll	\$303,807	\$302,489	\$279,805	\$286,989	\$303,568	\$287,689	\$228,334
Proportionate share of the net position liability (asset) as a percentage of its covered payroll	138.22%	198.79%	191.59%	195.57%	215.31%	222.21%	191.17%
Plan fiduciary net position as a percentage of the total pension liability	86.5%	86.5%	76.5%	75.1%	74.5%	75.1%	75.1%

SCHEDULES OF CONTRIBUTIONS LAST TEN YEARS

	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$88,864	\$88,478	\$78,346	\$80,357	\$84,999	\$80,553	\$58,796
Contributions in relation to the contractually required contribution	(\$88,864)	(\$88,478)	(\$78,346)	(\$80,357)	(\$84,999)	(\$80,553)	(\$58,796)
Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
NACO's covered employee payroll	\$303,807	\$302,489	\$279,805	\$286,989	\$303,568	\$287,689	\$228,334
Contribution as a percentage of covered employee payroll	29.25%	29.25%	28.00%	28.00%	28.00%	28.00%	25.75%

June 17, 2022

To the Board of Directors
Nevada Association of County Commissioners
304 S. Minnesota St.
Carson City, NV 89703

Dear Board members,

We have audited the financial statements of the business-type activities of **Nevada Association of County Commissioners (NACO)** for the year ended **December 31, 2021**. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards as well as certain information related to the planned scope and timing of our audit. Professional standards require that we provide you with the following information related to our audit which is divided into the following two sections:

Section I – Required Communications with those Charged with Governance

Section II – Other Recommendations and Related Information

Section I includes information that current auditing standards require independent auditors to communicate to those individuals charged with governance. We will report this information annually to the Board in our Audit Committee Letter.

Section II presents recommendations related to internal controls, procedures, and other matters during our current audit year. These comments are offered in the interest of helping the Board in its efforts toward continuous improvement, not just in the areas of internal controls and accounting procedures, but also in operations, and administrative efficiency and effectiveness.

Section I – Communications Required under AU 260

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated July 7, 2021, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Our responsibility for the supplementary information accompanying the financial statements, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole, and to report on whether the

supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our letter regarding planning matters dated July 7, 2021.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by NACO are described in Note 1 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during the fiscal year audited. However, we recommend that the existing policy and procedures manual be updated and made readily available to staff and management.

We noted no transactions entered by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The most sensitive estimates affecting the financial statements were:

The most sensitive estimates affecting NACO's financial statements were Compensated Absences and the implementation of GASB 68, Accounting and Financial Reporting for Pensions.

The estimate for Compensated Absences is based on accrued time valued at each employee's current pay rate as of year-end. The value of that balance will change dependent upon the pay rate at the time it is used.

We evaluated the key factors and assumptions used to develop the Compensated Absences balance in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was regarding GASB 68 which records the pension liability. The pension amounts are prepared by PERS in an actuarial study and are available to the public on their web site.

Management has agreed and accepted the proposed adjustments and recommendations. The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatement

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The adjustments proposed were as follows:

1. The adjustment required for recording the GASB 68 pension liability. Management has recorded this entry that we provided.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether resolved to our satisfaction, which could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during our audit.

Management Representations

We have requested certain representations from management that are included in the Management Representation Letter dated June 17, 2022.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, like obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Section II – Other Recommendations and Related Information

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the

prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We provided an audit committee recommendations letter to the fiscal officer. In that letter we identified exceptions and noted our recommendations.

This information is intended solely for the use of the Board of Directors charged with governance and management, and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Bertrand & Associates, LLC

Bertrand & Associates LLC

NEVADA ASSOCIATION OF COUNTIES (NACO)

NAVIGATING A PATH FORWARD

A Roadmap for NACO's Public Health Coordinator

2022 - 2023



BRIDGING LOCAL NEEDS TO STATE/FEDERAL FRAMEWORKS

In December 2021, the Bipartisan Policy Center published [Public Health Forward: Modernizing the U.S. Public Health System](#), a five-year roadmap for the U.S. public health system. *Public Health Forward* defines a vision and framework for health in the 21st century and provides a practical, prioritized, bipartisan set of actions for policymakers and public health officials.²

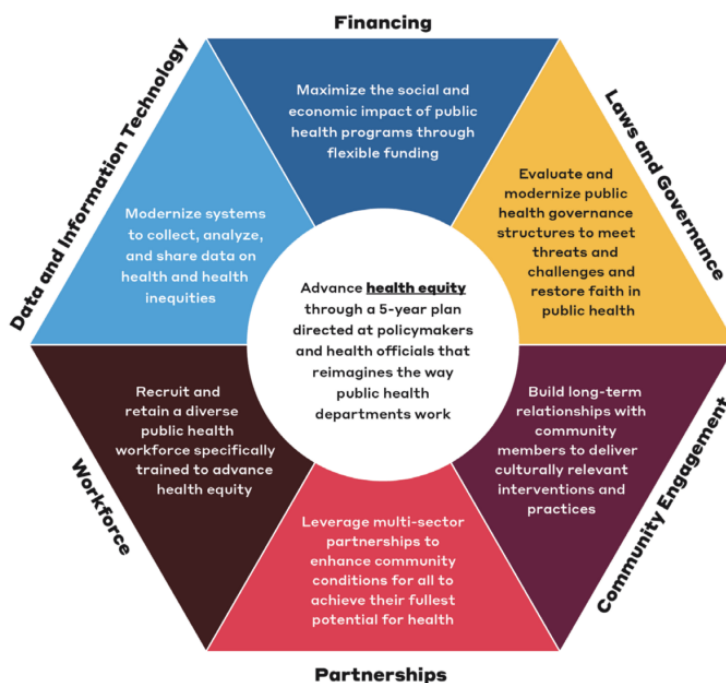
The Institute of Medicine's (IOM) 1988 report on *The Future of Public Health* defined the mission of public health in the U.S. to be "the fulfillment of society's interest in assuring the conditions in which people can be healthy"¹

STARTING A CONVERSATION

"What is the appetite for various levels of public health infrastructure in Nevada's counties?"

The NACO Public Health Coordinator's role is to consult with county governments and community stakeholders to:

1. **Survey existing public health programs and services offered in Nevada's counties to develop a public health narrative and determine if opportunities exist to increase, restructure, or improve services.** (*Beginning April 2022*)
2. **Identify successes and gaps in public and behavioral health programs, specifically those related to COVID and opioid recovery.** (*Beginning March 2022*)
3. **Analyze local, state, and national data to identify recommendations for streamlining public health services or create new public and behavioral health programs.** (*Ongoing through June 2023*)
4. **Developing formal proposal(s) for improving, restructuring, or adding new public and behavioral health programs.** (*Ongoing through June 2023*)



NACO's Public Health Coordinator will coordinate with counties and community stakeholders to identify areas to align with *Public Health Forward*.

For more information, contact:

Taylor Allison, MBA
 Public Health Coordinator
 Nevada Association of Counties
 Email: tallison@nvnaco.org
 Direct Phone: (775) 720-0756

¹ Institute of Medicine (IOM). 1988. *The Future of Public Health*. Washington, DC: The National Academies Press. <https://doi.org/10.17226/1091>.

² Bipartisan Policy Center (BPC). 2021. *Public Health Forward: Modernizing the US Public Health System*. <https://bipartisanpolicy.org/report/public-health-forward>