NEVADA ASSOCIATION OF COUNTIES (NACO)
Board of Directors' Meeting
July 31, 2026, 9:30am
NACO Conference Room
304 S. Minnesota Street
Carson City, NV 89703

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 remote access and provide verbal public comment during designated times by using the provided Microsoft Teams Link.

AGENDA
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. Approval of Minutes of June 26, 2026, NACO Board of Directors Meeting. **For Possible Action**

4. NACO President's Report

5. NACO Interim Chief Executive Officer's Report

6. NACO President Mark Gardner appointment of Vice President Scott Keller as Chair of the Nominating Committee for 2027 NACO Officers per the Association by-laws and call for Vice President nominations from interested NACO Board Members. **Information Only**

7. Presentation, Review, and Acceptance of NACO's 2025 Financial Audit, NACO Fiscal Officer Alan Kalt. **For Possible Action**

8. Update from NACO's Government Affairs Manager. **Information Only**

9. Update on NACO Annual Conference Planning, Agenda, and Registration. **Information Only**

Updates from Standing Committees:

10. NACO Legislative Committee
    a. Preliminary Presentation and Discussion of NACO's Bill Draft Requests (BDR) for the 2027 Nevada Legislative Session.

11. NACO Committee of the Emeritus

12. NACO Committee on Housing

13. NACO Committee on Cooperative Extension

14. **Update and Possible Action.** Regarding Public Lands and Natural Resources Issues Affecting Counties Including:
    a. Final Comment Letter submitted to the Bureau of Land Management (BLM) regarding revisions to Regulations for Grazing Administration.
    b. Updates from the NACO Public Lands and Natural Resources Subcommittee

15. Updates from Members of the National Association of Counties Board, including the Rural Action Caucus and the Midsize County Caucus.

16. Updates from Members of the Western Interstate Region Board.

17. Updates from Individual Member Counties.

18. 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 Berg 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
NACO Website: www.nvnaco.org

Agenda Item 3

NEVADA ASSOCIATION OF COUNTIES (NACO)

Board of Directors' Meeting
June 26, 2026, 9:30am
NACO Conference Room
304 S. Minnesota Street
Carson City, NV 89703

UNADOPTED MINUTES

Attendance: President Gardner, Vice President Keller, Carson City Supervisor Giomi, Churchill County Commissioner Getto, Clark County Commissioner Kirkpatrick, Douglas County Commissioner Tolbert, Esmeralda County Commissioner Perez, Humboldt County Commissioner Tipton, Lander County Commissioner Helming, Lincoln County Commissioner Reese, Storey County Commissioner Carmona, Washoe County Commissioner Herman, White Pine County Commissioner Carson and NACO Staff (Amy Hyne-Sutherland, Jennifer Berthiaume, and Amanda Berg)

The meeting was called to order at 9:30 a.m.

1. **Public Comment**. President Gardner discussed the need to ensure that the meeting be kept brief to accommodate the activities of the CEO Search Committee, who would meet following the meeting to review the applicant pool and send recommendations for interviews to the Selection Committee. He also noted that action items on the agenda may need to be taken out of order to ensure a quorum.

2. **Approval of Agenda**. The agenda was approved on a motion by Vice President Keller with second by Supervisor Giomi.

3. **NACO President's Report**. President Gardner reminded the Board of the upcoming National Association of Counties (NACo) Annual Conference being held in July, noting that it is a fun and educational event. He discussed the distribution of sponsorship information regarding the Western Interstate Region (WIR) Annual Conference that will be hosted by Douglas County in 2027, noting that the opportunities were developed in cooperation with NACo and that outreach by the Board would be appreciated, especially with the specific opportunities available to Nevada based companies. He concluded his remarks by announcing that the NACo Board of Directors reception is being planned on the MS Dixie. President Gardner continued his report following agenda item 4. He reminded the Board that the CEO Search Committee was comprised of Supervisor Giomi as Chair, as well as Commissioners Perez, Helming, Reese, and Tipton and reiterated that they would be meeting that day to review the application pool. Supervisor Giomi thanked the members of the Committee and noted that over 40 applications were received. He also noted that President Elect Andriola had been an invaluable help in the set up on the process and scoring matrix with the assistance of Washoe County's Human Resources department. Supervisor Giomi informed the Board that the process had been largely kept out of the NACO office and that some viable candidate applications had been received, noting that he is proud that throughout the search ten counties would have participated. President Gardner then reminded the Board that the Selection Committee consists of the members of the Executive Committee and that with minimal support from NACO staff, interviews would be scheduled for the afternoon of July 27th, and the morning of July 28th with additional time set aside for July 29th if necessary. Supervisor Giomi noted that previous

recommendations had been given that the interviews take place outside of the NACO offices and offered Carson City's support for the process. President Gardner informed the Board that he is hopeful the process can conclude by the first or second week of August, although he noted a special meeting of the Board may need to take place to finalize the hiring process.

4. **NACO Interim Chief Executive Officer's Report.** This item was heard following agenda item 16. Amy directed the Boards attention to the information on the US Forest Service (USFS) Resource Action Committee (RAC) membership nominations process, as well as the information on the USFS Secure Rural Schools (SRS) open elections process, informing the Board that a webinar would be held on July 10th with County Elected Officials and fiscal staff to help them understand this important process for counties that receive SRS funding. Amy informed the Board that she would be submitting a grant application under the Rural Health Transformation program to conduct a planning pilot focused on county healthcare spend and opportunities to innovate to both reduce costs and improve health outcomes, including feasibility of innovative models from other states. Amy thanked the counties who had submitted letters of support for inclusion in the grant application. Per several questions from the Board, Amy clarified that there are four components to the program, funding awards for one of the components had been announced, and the remaining three would be announced soon. Commissioner Reese inquired as to if Care Station was included in the first-round funding, noting that they had placed a telehealth box in the Alamo grocery store. Amy clarified that any entity could apply for funding within the program. Commissioner Kirkpatrick cautioned the Board to ensure that a close review of applicants requesting support is conducted to ensure that clear deliverables are included within their application documents and that support is not being given to duplicative programs. Vice President Keller also cautioned the Board to ensure that information is included on how the programs being submitted would be sustainable following the expiration of grant funding in five years.

5. **Approval of Minutes of May 29, 2026, NACO Board of Directors Meeting**. The minutes were approved on a motion by Supervisor Giomi with second by Commissioner Tolbert. At the direction of President Gardner, the approval of the minutes will be moved to item number 3 on future agendas.

6. **TIME CERTAIN 10:00AM – Presentation from Michael Unruh, Director of Foundation Forward, Inc. Regarding the Charters of Freedom America 250 Project**. Mr. Unruh gave the Board an overview of the creation of the Project, which intends to gift engraved stainless-steel replicas of America's founding documents, as well as the Civil Rights Amendments to all counties and county equivalents throughout the country, including a presentation that included pictures of the ceremonies conducted in Carson City, Washoe and Nye Counties who have already been gifted the replicas. Mr. Unruh also informed the Board that because the gifts of the replicas are given to the citizens of the counties, not the counties themselves or any specific elected officials, there are no reporting requirements or any official need for actions to be taken. The Board expressed support, and Commissioner Kirkpatrick inquired as to who should be contacted to arrange receipt of the replicas. Amy informed the Board that NACO would collect the necessary information for distribution to the Project and that Amanda would send a request for the information to the Board and copy county administrative staff. Commissioner Helming inquired as to whether more than one copy could be obtained, and Mr. Unruh clarified that only one set would be gifted but additional sets are available for purchase. Commissioner Tolbert requested clarification that the counties are responsible for the building of the display cases, and Mr. Unruh informed the Board that various display case plan options, contacts and additional

information are included in the delivery crates. President Gardner inquired as if the construction of the display locations is required prior to delivery and it was clarified that there is no deadline for display. Commissioner Keller inquired as to any additional cost for the replicas to be made in Bronze, and Mr. Unruh stated that he would follow up with that information with Amy. Commissioner Carson requested that the photos shown in the presentation to be shared and it was noted that images are included in the back up information in the agenda packet, but that Amanda would share additional images in the request for information email. The item was concluded with Supervisor Giomi's inquiry into whether the State could also receive a copy of the replicas, and Amy informed the Board that she would reach out to the State to see if they are interested in them.

7. **Discussion and Possible Action to renew contract with Resource Concepts Inc (RCI) to provide Natural Resource Manager Services**. This item was heard out of order following the NACO President's Report. Amy reminded the Board that the current contract with RCI would expire on July 1, noting that they had provided important support and services to NACO. She directed the Boards' attention to the new contract included in the agenda packet and noted that the contract includes provisions for the transition to in-house Natural Resources staff if the Board chooses. Amy also informed the Board that the contract may need to be revised should the Board decide that additional support is required during the 2027 Legislative Session. She noted that the price structure remained the same for the current services provided. Supervisor Giomi inquired as to the cost difference between contracting with RCI and in-house staff, Amy explained that the current salary identified for the position is $70,000 plus 45% fringe benefits and that continuing the RCI contract is a cost savings to NACO. She also remarked on the vast knowledge base, expertise, and tools available to the association through RCI. Commissioner Carson also remarked on the wonderful job RCI does representing White Pine County. The execution of a new contract was approved on a motion by Commissioner Tipton with second by Commissioner Reese.

8. **Discussion of Host County for NACO Annual Conference 2027 including Host County responsibilities**. Amy directed the Boards' attention to the information included in the agenda packet, noting that the item was included for advanced planning purposes. She gave a brief overview of the expectations of the host county and the site requirements for the conference. Amy concluded the item by requesting that any county interested in hosting the event reach out directly to her.

9. **Approval of NACO's January, February, March, April, and May 2026 Financial Statements**. Amy informed the Board that while the review of the financial statements is traditionally conducted quarterly, this review included the first five months because the first quarter statements had not been received until May. Commissioner Tolbert inquired as to whether the statements were correct, and the Board was reminded that there are very robust controls in place and that the statements are reviewed by not only NACO staff but are also reviewed by Fiscal Officer Kalt. Vice President Keller noted that on future agenda's the item should be listed as acceptance as the official audit process would not be completed. The financial statements were accepted as presented on a motion by Supervisor Giomi with second by Commissioner Tolbert.

10. **Approval of NACO's March, April, and May 2026 Investment Reports**. Amy again directed the Boards' attention to the reports included in the agenda packet, reminding them that the name of the Brokerage had changed, explaining the difference in the reports. She informed the Board that the investments remain within the parameters of the Board approved Investment Policy. She also noted that the Board had previously discussed the creation of a new committee to review fiscal items. There is a policy in place for review in

NACO's investment policy, so Amy is reviewing how to integrate the two. The Broker also provides an in-depth review of the account on an annual basis. The investment reports were accepted on a motion by Supervisor Giomi with second by Commissioner Reese.

11. **Update from NACO's Government Affairs Manager**. Jennifer informed the Board that over the preceding month she had participated in several meetings with Legislators and stakeholders and monitored meetings of the Interim Legislative Committees. She also informed the Board that she had participated as a judge for the United Way's Democracy Fellowship student civic involvement program.. Jennifer also participates on the BLM's SNPLMA Partners Working Group, as well as the Governor's Taskforce on Corporate Ownership of Residential Housing, which is expected to inform potential legislation in the future. She also engaged with the USDA and Governor's Office on the nominations process for new Opportunity Zones and continued to focus on building relationships and monitoring emergent issues that affect counties. Commissioner Kirkpatrick noted that NACO should focus on ensuring that Opportunity Zones are identified in the smaller counties in order to get the most value where the housing needs are greatest. Commissioner Perez agreed and thanked Jennifer for connecting him with the Governor's Office, Commissioner Carson also agreed, and Jennifer informed the Commissioner that she would reach out directly to continue the conversation.

<u>Updates from Standing Committees:</u>

12. **NACO Legislative Committee.** Jennifer informed the Board that the last meeting was the deadline for the submission of Bill Draft Request proposals and that nine had been received. She informed the Board that the proposals would be discussed by the Committee at their meeting on July 10th and the top ranked proposals would be brought to the Board at the July meeting for further discussion, prior to their official approval in August.

13. **NACO Committee of the Emeritus.** The Board was informed that Past President Andreozzi was absent due to Jury Duty and there would be no report as there had not been a meeting as they are held bimonthly.

14. **NACO Committee on Housing**. Commissioner Kirkpatrick expressed appreciation for the members of the Committee and informed the Board that they had received a presentation on Opportunity Zones. She also noted that the BLM had been requested to come talk about their program for $100 per acre land sales program for affordable housing. She informed the Board that the next meeting on July 24th was canceled due to the NACo Annual Conference. She concluded the report by informing the Board that the next meeting would be on August 21st.

15. **NACO Committee on Cooperative Extension**. Commissioner Kirkpatrick informed the Board that 15 counties are currently participating on the Committee. She noted that the conversations being held are beneficial and that needs are being communicated. Commissioner Kirkpatrick noted that lack of communication with Extension and examples of how this is affecting coordination are also being discussed. She discussed a pre-meeting with Director DeDecker and informed the Board that useful information was shared to start more effective communications. She also noted that counties should consider revoking property tax incremental funding unless programs are brought up to speed with their individual needs. Commissioner Kirkpatrick also discussed the deadline for the needs assessments and encouraged cobranding of programing with the counties. Commissioner Reese encouraged communications with the individual Extension Educators and noted the identification of roadblocks with the University's lack of desire to "cater" to rural

communities. Commissioner Tolbert informed the Board that he is a member of the Douglas County 4-H Leaders Council and inquired whether there was information she should share. Commissioner Kirkpatrick noted that Extension is more than 4-H and encouraged discussions as to what plans are being made to ensure that programing stays up to date on trends and what the kids actually want to participate in. Supervisor Giomi discussed success seen at the high-school level with a green house and community gardens that the FFA had restarted as an example of programing that is working outside of Extension.

16. **Update and Possible Action. Regarding Public Lands and Natural Resources Issues Affecting Counties Including:** This item was heard immediately following item 7.
    a. **Discussion and Approval of Comment Letter to be submitted to the Bureau of Land Management (BLM) regarding revisions to Regulations for Grazing Administration**. Commissioner Tipton directed the Boards attention to the draft letter included in the agenda packet. He informed the Board that the letter is comprehensive and represents the concerns of the Board well. Commissioner Tipton also noted that he would like the motion to include the ability for revision should any added information be received prior to the July 13th submission deadline. Commissioner Tolbert inquired as to whether the length of the letter was normal. Amy informed the Board that it is common for comment letters to be lengthy and highly technical because they put detailed and valuable information into the official record. Commissioner Reese noted that pages three and four include important item specific information. The submission of the comment letter, including the ability for necessary edits prior to the submission deadline, was approved on a motion by Commissioner Tipton with second by Commissioner Reese.
    b. Updates from the NACO Public Lands and Natural Resources Subcommittee. Commissioner Tipton informed the Board that the Subcommittee had met on the 18th to accommodate the schedule of Jeremy Drew. He informed the Board that they had discussed membership nominations for the RAC of the US Forest Service, reminded the Board that the SLUPAC is continuing to work toward filling the seats held by Clark, Pershing and Storey Counties and a meeting is being scheduled. Commissioner Tipton also discussed the upcoming NACO workshops on data centers and renewable energy. He also noted that a review of applications for renewable energy projects on public lands, which had previously been stalled by a judicial stay, are expected to resume. He also discussed a suit filed recently in Oregon that infers that recent use of the Congressional Review Act invalidates many current land use plans of multiple federal public land management agencies. He concluded the update by informing the Board that the Subcommittee had discussed and approved the comment letter the Board approved under agenda item 16a.

17. **Updates from Members of the National Association of Counties Board, including the Rural Action Caucus and the Midsize County Caucus**. Commissioner Kirkpatrick informed the Board that NACo Board is currently working on the housing bill not being signed by President Trump and that she continues to work with the Public Lands Steering Committee on leasing regulations. Vice President Keller informed the Board that the RAC is doing a lot of work on data centers.

18. **Updates from Members of the Western Interstate Region Board**. Commissioner Tipton did not have a report as a meeting had not taken place since the WIR conference.

19. **Updates from Individual Member Counties**. Members of the Board gave updates on activities within their counties.

20. **Public Comment**. Commissioner Helming informed the Board that she had learned that substantial amounts of butane were being shipped through Nevada from Utah to be mixed with fuel in California to extend the amount of available fuel but that prices had not been adjusted accordingly.

The meeting was adjourned at 11:28 a.m.

Agenda Item 5

Join industry leaders, local officials, and energy experts for a timely discussion on the future of grid infrastructure, power origination and power purchase agreements, solar, battery storage, geothermal, and renewable energy revenue-sharing with local governments.

VIRTUAL COUNTY ENERGY FORUM

Friday, August 14th 9AM - 12PM

Hosted by the Nevada Association of Counties

The Speakers:

SEAN KILGROW
INDUSTRY EXPERT

MAGGIE VETTEL
PROJECT MANAGER, DEVELOMENT
NEXTERA ENERGY RESOURCES

SEAN SPITZER
DIRECTOR, RENEWABLE ENERGY AND ORIGINATION
NVENERGY

VANESSA ROBERTSON
DIRECTOR OF POLICY AND EDUCATION
GEOTHERMAL RISING

RUSS KEENE
SENIOR ADVISOR
COMMUNICATIONS
ENGIE NORTH AMERICA

Nevada Association of Counties
FOR ALL SEVENTEEN

REGISTER NOW!

Email info@nvnaco.org to RSVP or CLICK HERE to request Teams Link

Nevada Association of Counties

304 S. Minnesota Street
Carson City, NV 89703
775-883-7863
www.nvnaco.org

July 13, 2026

Russell T. Vought
Director, Office of Management and Budget
725 17th Street, NW
Washington, DC 20503

Re: Comments on Proposed Rule – Regulation for Federal Financial Assistance; 2 CFR Part 200 (Docket OMB-2026-0034)

Dear Director Vought:

On behalf of the Nevada Association of Counties, we respectfully submit these comments in response to the Office of Management and Budget's (OMB) proposed rule rewriting 2 CFR Part 200 – commonly known as the Uniform Guidance – published in the Federal Register on May 29, 2026 (Docket OMB-2026-0034).

We appreciate OMB's stated objectives of improving transparency, accountability, and oversight of federal financial assistance. We support reforms that improve program integrity, strengthen oversight, and promote measurable outcomes for taxpayers. At the same time, we recognize that federal financial assistance programs function most effectively when recipients can rely upon clear rules, transparent decision-making processes, and predictable implementation requirements. State and local governments serve as the primary delivery mechanism for many federally funded programs, translating federal investments into housing assistance, behavioral health services, public safety initiatives, infrastructure improvements, workforce development programs, and other essential community services. We submit these comments to ensure the final rule reflects the operational realities of our counties and preserves our ability to effectively deliver federally funded services to our communities.

<u>Concerns Regarding Reclassification from Guidance to Binding Regulation - §§ 1.105, § 200.110</u>

The proposed rule would reclassify 2 CFR Subtitle A from OMB guidance to binding federal regulation, meaning future amendments would take effect government-wide without separate notice-and-comment rulemaking by individual agencies. This represents a significant structural change to how federal grant policy is made.

We urge OMB to preserve notice-and-comment requirements for any future substantive amendments to the Uniform Guidance, consistent with the Administrative Procedure Act. The intergovernmental partnership depends on county governments having a meaningful opportunity to respond to regulatory changes that directly affect our operations and budgets.

Concerns Regarding Expanded Federal Termination Authority and Preservation of Congressional Intent - § 200.339; § 200.340; § 200.341

The proposed rule would grant federal agencies broad new discretionary authority to terminate or freeze grant awards, including authority, subject to senior political appointee approval. While we understand the administration's interest in ensuring awards align with current policy priorities, this provision creates severe fiscal uncertainty for county governments.

Federal assistance programs are authorized by Congress and funded through congressional appropriations. County governments rely on the continuity and predictability of those programs to develop multi-year strategic plans, establish budgets and financial forecasts, hire and retain qualified staff, procure goods and services, and execute contracts. When funding decisions are influenced by unpublished or evolving criteria that differ from statutory program purposes or published NOFO requirements, applicants may incur substantial planning costs pursuing opportunities that ultimately become unavailable despite satisfying all published eligibility requirements.

County budgets are adopted months before the fiscal year begins. Revenue projections and service commitments – including staffing, contracts and capital investments – are made based on anticipated federal funding. The prospect of award termination at any point based on shifting federal policy priorities creates an untenable level of fiscal risk.

We anticipate the following impacts to counties:

- Increased administrative costs associated with evaluating funding uncertainty.
- Delays in hiring and contracting, which in turn forces a service gap that leaves counties without the metrics needed to demonstrate success for grant renewal.
- Reduced willingness to pursue discretionary grant opportunities.
- Increased risk of stranded planning and application development costs.
- Difficulty incorporating anticipated grant funding into budget development and long-range financial planning.
- Potential pressure on the County General Fund if grant-supported programs are interrupted or terminated unexpectedly.
- Increased exposure to financial distress when programs serving vulnerable populations cannot be transitioned in an orderly manner.

We urge OMB to:

- Limit termination authority to existing bases in law and the current Uniform Guidance.
- Clarify that Executive Branch review processes may not deny, delay, terminate, or otherwise impede awards under congressionally authorized and appropriated programs, except where expressly authorized by statute.
- Establish clear, published criteria and a notice-and-cure process before any termination.
- Require written justification when funding decisions differ from published review criteria.
- Ensure adequate wind-down periods that allow counties to responsibly transition affected programs and protect service recipients.

Concerns Regarding Pass-Through Entity Responsibilities - §§ 200.305(c), 200.329(b), 200.329(h), 200.331(c), 200.332(g)–(l), 200.333

The proposed rule would expand pass-through entity oversight obligations in several areas, including subaward reporting to SAM.gov, subrecipient monitoring and compliance with new policy conditions. The proposed requirement that pass-through entities ensure subrecipients do not take actions that "could significantly damage the reputation" of the pass-through entity, the awarding agency, or the Federal Government is unworkable as written and poses unacceptable legal and financial risk to county governments. The consequence of a federal agency's determination that reputational harm has occurred is termination of the county's entire federal award, regardless of the county's own compliance record. This provision would effectively require counties to surveil the public conduct of every subrecipient organization on an ongoing basis as a condition of receiving federal funds — a standard no county has the capacity to meet and one that creates significant due process concerns.

These expanded obligations – stacked on existing pass-through requirements – will require additional staff capacity and system investment. Small and mid-sized counties often lack the infrastructure to absorb these requirements without reducing program capacity or applying for fewer grants.

Additionally, the Nevada Association of Counties supports efforts to prevent fraud, improper payments, and unauthorized employment. However, the proposed mandatory use of systems such as E-Verify and Do Not Pay will require substantial operational changes across recipient organizations. Successful implementation will require system enrollment and configuration, policy and procedure development, staff training, contract revisions, procurement modifications, technology integration, and additional coordination with contractors and subrecipients. Immediate implementation of proposed changes risks creating administrative disruption that could outweigh intended program benefits.

We anticipate the following impacts to counties:

- Additional administrative burden with no avenue to recover costs.
- Staff training costs.
- Increased workload for Human Resources, Purchasing, Legal, Information Technology, and Grants Administration.
- Technology implementation and integration costs.
- Internal control redesign.
- Procurement and contracting revisions.
- Additional monitoring requirements.

We urge OMB to:

- Provide implementation guidance and technical assistance before new pass-through requirements take effect
- Implement a phased implementation framework for all new compliance requirements – at least 24 months from the final rule's effective date – for counties to update subaward agreements, monitoring procedures and reporting systems
- Clarify that pass-through entity liability does not extend to subrecipient activities beyond the scope of the federal award

- Define or remove "significantly damage the reputation" with objective, measurable criteria and limit any consequences to the specific subaward at issue rather than the county's entire federal award
- Existing awards should be grandfathered into current regulations.
- During the transition period, noncompliance should be addressed through corrective action rather than enforcement actions or disallowances.
- E-Verify requirements should include a dedicated 12–24-month implementation period.

Program Planning, Design, and Notices of Funding Opportunity - § 200.202 and § 200.204

The Nevada Association of Counties supports several of the proposed rule's burden-reduction provisions in this area, including the requirement for plain-language, 500-word executive summaries in NOFOs, the minimum 30-day posting requirement, and the encouragement of multi-year awards where consistent with program objectives. These changes respond to concerns counties, particularly small and rural counties with limited grants staff, have raised for years about an inconsistent and difficult-to-navigate federal grants landscape. We encourage OMB to preserve and, where possible, strengthen these provisions in the final rule. We also ask OMB to clarify the interaction between the multi-year award encouragement in § 200.202 and the annual federal appropriations cycle, since we rely on predictable, year-to-year confirmation of continued federal funding for multi-year budget and staffing decisions.

Concerns Regarding Pre-Award Screening and Eligibility Uncertainty - § 200.205(b), 200.206(b)

We are concerned that an undefined affiliation screening will delay or deny meritorious applications with no published criteria or appeal process. Counties routinely partner with universities, nonprofits, and community groups. Without clear criteria, counties are unable to determine which relationships may disqualify the county from receiving federal funding.

Concerns Regarding New Policy Conditions on Award Administration and Cost Disallowance — § 200.300(b); § 200.403

The proposed rule would establish sweeping new government-wide prohibitions on how federal award funds may be used without defining the key terms that determine whether a recipient is in compliance. Counties cannot reliably determine in advance whether a given program activity meets or violates the new standard – making good-faith compliance planning impossible and exposing counties to significant legal and fiscal risk.

Under the proposed rule, the prohibition's critical terms are undefined. Counties administering health, workforce, housing and human services programs need clear, objective definitions before we can assess program-by-program compliance, update subrecipient agreements or train staff. Without defined terms, counties face a difficult compliance standard.

Compounding this concern, § 200.403 converts any violation of § 200.300(b) into an unallowable cost, meaning counties may be required to repay federal funds already spent on programs that were operating in good faith. This transforms what might otherwise be a forward-looking compliance adjustment into a retroactive financial liability with no clear ceiling.

We urge OMB to:

- Provide clear, objective definitions of all operative terms in § 200.300(b) before these prohibitions take effect, sufficient for counties to assess compliance program by program

- Establish an explicit safe harbor for recipients acting in good faith under state law, existing court orders or consent decrees at the time of expenditure
- Clarify that § 200.403 cost disallowance applies only to expenditures made after a specific, individualized finding of noncompliance — not retroactively to prior good-faith spending
- Confirm that pass-through entity liability does not extend to subrecipient activities beyond the direct scope of the federally funded award

<u>Civil Rights Assurances and Scope of Federal Oversight</u>

The Nevada Association of Counties supports compliance with federal civil rights laws and agrees that federal financial assistance should be administered in a manner that ensures equal access to programs, services, and benefits. We recognize and support the federal government's longstanding role in protecting individuals from unlawful discrimination within federally funded activities. However, the proposed revisions may create uncertainty regarding the scope of recipient obligations, particularly where local governments administer federal, state, local, and privately-funded programs within the same department or service area. As drafted, the language may be interpreted to extend federal compliance requirements beyond the programs and activities receiving federal financial assistance and into operations funded exclusively through non-federal resources. This ambiguity may result in:

- Increased legal review and policy analysis to determine compliance boundaries.
- Additional administrative costs associated with monitoring, certification, and documentation.
- Uncertainty regarding the applicability of federal requirements to non-federally funded activities.
- Reduced participation in federal programs by organizations with limited compliance capacity.
- Diversion of resources from service delivery to compliance administration.

Federal civil rights protections are most effective when recipients can clearly understand their obligations and confidently implement them. Clarifying the scope of applicability would strengthen compliance, reduce administrative uncertainty, and ensure federal oversight remains focused on programs receiving federal financial assistance.

We anticipate the following impacts to counties:

- Increased legal review to determine the applicability of federal requirements across mixed-funded programs and activities.
- Additional policy development, staff training, and documentation requirements.
- Increased administrative burden associated with certifications, monitoring, and compliance oversight.
- Greater risk of inconsistent interpretation and implementation across departments.
- Potential diversion of staff resources from program administration and service delivery toward compliance activities.

We urge OMB to:

- Clarify that federal civil rights assurances apply to federally funded programs, activities, services, and benefits receiving federal financial assistance.

Suggested language: "Recipients and subrecipients shall ensure that programs, activities, services, and benefits funded in whole or in part with federal financial assistance are administered in compliance with applicable federal civil rights laws and regulations."

"Nothing in this provision shall be interpreted to extend federal grant compliance requirements to activities, services, operations, or programs funded exclusively through non-federal resources unless otherwise required by federal statute."

This preserves civil rights protection while providing clear and administrable compliance boundaries.

Closing Observations

Nevada's county governments remain dedicated to the responsible stewardship of federal financial assistance and to the strong intergovernmental partnerships that enable federally funded programs to deliver meaningful results for the communities we jointly serve. We appreciate OMB's commitment to enhancing transparency, accountability, and efficiency in federal grants management. Several aspects of the proposed rule—including measures to reduce administrative burdens associated with Notices of Funding Opportunity (NOFOs) and efforts to minimize duplicative audit requirements—reflect constructive responses to longstanding concerns raised by counties. At the same time, the issues and questions outlined above highlight significant practical challenges counties will face in implementing a rule of this breadth and complexity within the proposed timeframe.

Our principal concern is not with oversight itself, but with the cumulative effect of increased uncertainty. When funding decisions become less predictable, compliance obligations expand without adequate implementation periods, or program requirements lack clear boundaries, recipients are forced to divert resources from service delivery toward risk management and administrative compliance. Over time, this uncertainty may discourage participation in federal programs, reduce innovation, weaken partnerships with nonprofit organizations, and diminish the effectiveness of federal investments intended to serve communities.

We appreciate OMB's consideration of these comments and respectfully reiterate our request for a more formal consultation process with state and local governments to ensure meaningful collaboration among intergovernmental partners.

We stand ready to provide additional information or to meet with OMB staff to discuss these comments in greater detail. Please contact me at ahs@nvnaco.org or 775-883-7863 with any questions or requests for additional information.

Respectfully,

Amy Hyne-Sutherland, PhD
Interim Chief Executive Officer
Nevada Association of Counties

Agenda Item 7

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July 10, 2026

Nevada Association of County Commissioners
304 S. Minnesota St.
Carson City, NV 89703

Amy Hyne-Sutherland, Interim Executive Director
Alan Kalt, Fiscal Officer

RE: 2025 Management Letter

Dear Ms. Hyne-Sutherland and Mr. Kalt:

It is our responsibility to report on the fair presentation of the financial statements in all material respects. Management is responsible for developing and maintaining an effective system of internal accounting controls, keeping the accounting records in good order, and ensuring that all amounts, including estimates, are properly presented in the financial statements. Our responsibility as the auditor is to examine, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit involved judgment about the number of transactions to be examined and tested. Because of the concept of reasonable assurance, and because we did not perform a detailed examination of all transactions, there is a risk that material errors, fraud, or other illegal acts may exist and not be detected by us.

The financial statements contain significant estimates that are the responsibility of management. The most significant is the net pension liability. Management obtains the estimate for the net pension liability from the annual report provided by PERS.

1 - <u>Communication of control deficiencies or material weaknesses - Statement on Auditing Standards (SAS) 115.</u>
The following comments and recommendations are based on the results of our audit of the Association's 2025 financial statements.

Our consideration of internal controls was for the limited purpose of conducting our organization's audit and would not necessarily identify all deficiencies in internal controls that might be significant or material weaknesses.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned duties, to prevent or detect misstatements on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with accounting principles, such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal controls.

A *material weakness* is a significant deficiency or combination of significant deficiencies that results in more than a remote likelihood that a material misstatement of the financial statements will not be detected by the entity's internal controls.

It is important to note that control deficiencies are not necessarily problems you will choose to address. However, they do represent potential risks. Our job as your auditor is to ensure that you understand where deficiencies or weaknesses exist so that you can make informed business decisions about how best to respond to these risks. We did not identify deficiencies in internal controls that we would consider material or significant weaknesses. We report our findings including recommendations and weaknesses below that management may want to address to improve controls.

2 - <u>The following prior-year comments were not implemented and may be helpful in strengthening internal controls.</u>

We recommend that the accounting policies and procedures manual be updated, as this has not been performed. Specifically, we recommend that management develop and maintain a comprehensive manual documenting accounting procedures and internal controls.

We also noted that email notifications to management indicating that the monthly financial statements were ready for review were not always sent within 30 days following month-end close. We recommend that these notifications be sent timely to ensure prompt review of financial reporting as this is part of the system of controls.

<u>3 - Disbursement Tests Performed</u>

We tested disbursement controls by selecting a sample designed to provide a 95% confidence level.

	Total Disbursements	Total Disbursements Tested ($)	Percent Tested	Total Disbursements Count	Total Disbursements Tested (Count)	Percent Tested
Disbursements	$ 750,643	$ 653,284	87%	280	60	21%

In addition, we selected a sample of disbursements checked for appropriate signatures and verified that amounts agreed to invoices, included evidence of approval and that those disbursements were recorded to the proper accounts.

Findings:

- For one sample (GL#2277), there was no evidence of the Executive Director's initial on the credit card reconciliation page documenting review and approval.

<u>4 – Control exceptions identified</u>
During our testing of controls, we noted the following findings:

- Of 35 deposits, two deposits (September and October 2025) were missing from the Executive Director's initials, indicating they may not have been reviewed.
- The April investment statement was missing the Executive Director's initial, indicating it had not been confirmed as reviewed.
- Of 12 bank reconciliations, two (April and September) were missing the Executive Director's initials, indicating a lack of documented review.

These are considered minor documentation deficiencies and not significant in nature.

<u>5 - Proposed Audit Adjustments</u>
The following adjustments were proposed to management, accepted, and recorded as of December 31, 2025.

1. An adjustment to comply with GASB 68 which requires the reporting of the net pension liability and the associated deferred outflows and inflows. This amount is based on the PERS actuarial report dated June 30, 2025.
2. An adjustment to lease expense and liability in the amount of $422.
3. Prior period adjustment of net position for implementation of GASB 101 for accruing sick leave in the amount of $31,629.
4. Current-year adjustment to accrue sick leave for implementation of GASB 101 in the amount of $9,031.

<u>6 - Issuance of Form 1099-NEC</u>
We recommend that a Form W-9 be obtained for all vendors who provide services, unless it is clear that they are corporations.

<u>7- Implementation of GASB 101 for the recording of compensated absences</u>
A new accounting standard was implemented this year that requires accruing of paid time off and sick leave even if not payable in cash. As it is NACO’s policy to not pay accrued sick leave, we recommend that the accrual for sick leave be made as a separate journal entry at year-end and reversed from the books the next day.

<u>Closing observations</u>
Management and staff have maintained the books appropriately. The only significant adjustments that we proposed relate to the new accounting pronouncement regarding the recognition of paid time off and sick leave.

Management and staff were very helpful in providing the requested items on a timely basis. If you have any questions, please do not hesitate to contact us.

Sincerely,
Bertrand & Associates, LLC

Bertrand & Associates, LLC

Nevada Association of Counties

304 S. Minnesota Street
Carson City, NV 89703
775-883-7863
www.nvnaco.org

July 10, 2026

Bertrand & Associates LLC
777 E. William St. Suite 206
Carson City, NV 89701

RE: Representation letter

We are providing this letter in connection with your audit of the financial statements of Nevada Association of County Commissioners as of December 31, 2025 and 2024 and for the years then ended, for the purpose of expressing opinions as to whether the financial statements present fairly, in all material respects, the respective financial position, the business-type activities, the respective changes in financial position and, where applicable, cash flows thereof in conformity with U.S. generally accepted accounting principles.

We confirm that we are responsible for the fair presentation of the previously mentioned financial statements in conformity with U.S. generally accepted accounting principles. We are also responsible for adopting sound accounting policies, establishing and maintaining internal controls, and preventing and detecting fraud.

We confirm, to the best of our knowledge and belief, as of the date of this letter the following representations made to you during your audit:

1. The financial statements referred to above are fairly presented in conformity with U.S. generally accepted accounting principles and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.

2. We have made available to you all minutes of the meetings of NACO or summaries of actions of recent meetings for which minutes have not yet been prepared through today, which ended with the last meeting of May 29, 2026.

3. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.

4. There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements.

5. We acknowledge our responsibility for the design and implementation of programs and controls to prevent and detect fraud.

6. We have no knowledge of any fraud or suspected fraud affecting the entity involving:

a. Management,

b. Employees who have significant roles in internal control, or

c. Others, where the fraud could have a material effect on the financial statements.

7. We have no knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, analysts, regulators, or others.

8. We have a process to track the status of audit findings and recommendations.

9. We have identified to you any previous financial audits, attestation engagements, performance audits, or other studies related to the objectives of the audit being undertaken and the corrective actions taken to address significant findings and recommendations.

10. We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.

11. NACO has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows, liabilities, deferred inflows or net position.

12. The following, if any, have been properly recorded or disclosed in the financial statements:

a. Related party transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, guarantees, and amounts receivable from or payable to related parties. All related parties have been disclosed.

b. Guarantees, whether written or oral, under which NACO is contingently liable.

c. All accounting estimates that could be material to the financial statements, including the key factors and significant assumptions underlying those estimates and measurements. We believe the estimates and measurements are reasonable in the circumstances, consistently applied, and adequately disclosed.

13. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and we have identified and disclosed to you all laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts, or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.

14. There are no—

a. Violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.

b. Unasserted claims or assessments that our lawyer has advised us are probable of assertion and must be disclosed in accordance with Financial Accounting Standards Board (FASB) Statement No. 5, Accounting for Contingencies.

c. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by FASB Statement No. 5.

d. Reservations or designations of fund equity that were not properly authorized and approved.

15. As part of your audit, you prepared the draft financial statements and related notes, the GASB 68 adjustments and footnotes and prepared the lease calculation based on GASB 87. We have designated a competent management-level individual to oversee your services and have made all management decisions and performed all management functions. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.

16. NACO has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.

17. NACO has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

18. The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.

19. The financial statements properly classify all funds and activities.

20. Net position components (invested in capital assets, net of related debt; restricted; and unrestricted) and fund balance reserves and designations are properly classified and, if applicable, approved.

21. Provisions for uncollectible receivables have been properly identified and recorded.

22. Expenses have been appropriately classified in or allocated in the Statement of Revenues and Expenses & Changes in Net Position and allocations have been made on a reasonable basis.

23. Revenues are appropriately classified in the Statement of Revenues and Expenses & Changes in Net Position within program revenues.

24. Deposits and investment securities are properly classified as to risk, and investments are properly valued.

25. Capital assets are properly capitalized, reported, and, if applicable, depreciated.

26. Deferred expenses are expected to be collected in full in a timely manner.

27. We acknowledge our responsibility for presenting the budget to actual comparison in accordance with accounting principles generally accepted in the United States of America, and we believe the budget to actual comparison, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the budget to actual comparison have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.

Signed: AHyneSutherland

Amy Hyne-Sutherland, Interim Chief Executive Officer

Signed: Alan Kalt

Alan Kalt, Fiscal Officer

NEVADA ASSOCIATION OF COUNTY COMMISSIONERS
FINANCIAL STATEMENTS
December 31, 2025, and 2024

NEVADA ASSOCIATION OF COUNTY COMMISSIONERS
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BERTRAND & ASSOCIATES, LLC
CERTIFIED PUBLIC ACCOUNTANTS
Members American Institute of Certified Public Accountants

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Carson City, NV 89701
Tel 775.882.8892
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INDEPENDENT AUDITOR'S REPORT

To the Interim 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, 2025 and 2024 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, 2025 and 2024 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 controls 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, which raises 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 Commissioners' 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, pages 5 through 8, and GASB 68 required supplementary information, page 29, 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.

Supplementary Information

The supplementary budgetary information on page 28 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements, and in our opinion, is fairly stated, in all material respects, in relation to the financial statements as a whole.

Bertrand & Associates, LLC

Carson City, Nevada
July 10, 2026

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.

NACO adopted Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. GASB 101 establishes a unified model for recognizing and measuring liabilities for compensated absences and requires the recognition of certain leave benefits that were not previously accrued.

As a result of implementing GASB Statement No. 101, NACO recorded a prior-period adjustment to recognize additional compensated absence liabilities existing at December 31,2024. Accordingly, beginning net position was decreased by $31,629. The implementation of GASB Statement No. 101 had no effect on NACO's change in net position for the current year other than the revised accounting for compensated absences.

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 slightly in 2025 by $119,287 from $2,265,950 to $2,385,237. Total current assets increased by $123,480 from $1,688,208 to $1,811,688. This is due in large part to cash and investments increasing $112,124 and an increase in accounts receivable of $10,961 due to the timing of the collections on accounts. There was a decrease in the fixed assets net of depreciation from $577,742 to $573,549 due to depreciation during the year.

NACO's total liabilities and deferred inflows of resources combined for $1,283,743 in 2024 compared to $1,073,560, a decrease of $210,183 during the year. There was an increase in current liabilities of $24,705 due to an accounts payable increase of $5,584 and compensated absences increase of $16,954. The PERS net pension liability decreased to $678,715 from $873,961 whereas the deferred pension inflows increased from $197,119 to $283,609. See Note 6 for more information.

NACO's Net position increased slightly from $1,446,093 to $1,675,142 representing an increase of $229,049 or 15.8% from the prior year. The unrestricted portion in 2025 is $1,234,130 or 73.7% of net position with the remaining $441,012 or 26.3% invested in capital assets, net of related debt. The unrestricted portion represents 106.1% of the 2025 total expenses of $1,163,442. This represents a strong net position for NACO.

NACO's primary revenue resources remain county membership dues, including public lands assessment, health human services assessment dues and conference fees at $869,587 an increase of $244,033 compared to prior year amount of $625,554. This increase is due to the health and human services assessment of $84,168 and an increase of $64,695 in conference and sponsor revenues during the year. 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, national programs of $12,725, and a grant award of $342,592.

As a service organization, NACO's largest expenses are salaries and related costs. In 2025, these expenses were $879,033 or 75.6% of the total 2025 expenses. This represents an increase in the prior year's costs by $192,721 due to grant staffing positions being filled for entire year. Other operating expenses increased from $219,370 to $284,409, an increase of $65,039. Membership Conference costs were $89,522 in 2025 compared to $28,292 in 2024, an increase of $61,230 due to conference in Las Vegas. Note the similar increase in conference revenues and sponsorship noted above. Other expenses like staff and representative travel were down slightly during the year.

Non-operating net investment income decreased from $101,400 in 2024 to $97,587 in 2025 due to the lower investment yields due to market conditions. In addition, an overnight sweep account was established several years ago which significantly increased investment income on the cash in bank. Cash and investment balances increased from $1,644,875 to $1,756,999 in market value on December 31, 2024, and 2025.

As noted in the Statement of Cash Flows, cash decreased from $942,960 on December 31, 2024, to $926,329 on December 31, 2025. There was a decrease of $52,276 in cash for investing in activities such as purchases and sales of securities and interest and dividends and net gains on investments 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. Historically, NACO has enjoyed 100% county participation with 17/17 counties paying their fully assessed dues. During 2021, one of the rural counties left the association and no longer participates in NACO. This County has since returned to NACO in March 2024 to make NACO a 100% organization. Any significant 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 $1,811,688 on December 31, 2025. The two largest current assets are cash and investments with balances of $926,329 and $830,670 respectively. See Note 2 Deposits and Investments for more information.

At the end of the fiscal year, NACO's total liabilities for the year ending December 31, 2025, totaling $789,941. Of this amount, current liabilities were $111,226. The current ratio (Current assets/current liabilities) for 2025 is 16.3 to 1; meaning there are $16.30 of current assets for every dollar of current liabilities. This compares to last year's ratio of 19.5.

Net Position increased from $1,446,093 to $1,675,142 during the year. The increase was in the Unrestricted portion from $1,003,367 to $1,234,130 in 2025. The Invested in capital assets reduced from $442,726 to $441,012 due to depreciation during the year. See the Condensed Statement of Net Position below:

Condensed Statements of Net Position	2025	2024 Restated	Change
ASSETS			
Current and other assets	$ 1,811,688	$ 1,688,208	$ 123,480
Deferred outflows of resources	363,465	463,886	(100,421)
Fixed assets & right of use assets (net)	573,549	577,742	(4,193)
Total assets and deferred outflows	2,748,702	2,729,836	18,866
LIABILITIES			
Current liabilities	111,226	86,521	24,705
Deferred inflows of resources	283,619	323,261	(39,642)
Long-term liabilities	678,715	873,961	(195,246)
NET ASSETS			
Net position - unrestricted	1,234,130	1,003,367	230,763
Net position - invested in capital	441,012	442,726	(1,714)
Total liabilities, deferred inflows and net position	$ 2,748,702	$ 2,729,836	$ 18,866

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

Condensed Statements of Revenues and Expenses	2025	2024 Restated	Change
REVENUE			
Membership dues and related revenues	$ 869,587	$ 625,554	$ 244,033
Other income	425,317	274,602	150,715
Total operating revenues	1,294,904	900,156	394,748
EXPENSES			
Salaries and related costs	879,033	686,312	(192,721)
Other operating expenses	284,409	219,370	(65,039)
Total expenses	1,163,442	905,682	(257,760)
Operating net income	131,462	(5,526)	136,988
Non-operating investment income	97,587	101,400	(3,813)
Gain on sale of asset	-	1,500	(1,500)
Change in net position	$ 229,049	$ 97,374	$ 131,675

As noted above, total operating income increased $131,462 during the year. This increase is primary due to NACO getting a grant award of $342,592 compared to $174,121 in 2024. Membership dues and related revenues increased by $244,033 with an increase in Conference and sponsor revenues of $64,695. The total grant award increased by $168,471 in 2025. Total expenses increased $257,760 during the year. Much of the increase is due to the salaries and employee benefits of the grant position and the cost of the Annual Conference. The investment income was $97,587 due to slightly lower investment market yields.

Conclusions
NACO continues to be in a strong financial position showing a net position at the end of the year of $1,675,142. Diversified investments and assets, including the office building, provide 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 work diligently to efficiently manage operational expenses. The organization takes its fiduciary responsibility very seriously and the positive financial results reflect the overall organization's 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 ahs@nvnaco.org or access the NACO website at NVNACO.ORG.

Amy Hyne-Sutherland
Interim Executive Director
July 10, 2026

NEVADA ASSOCIATION OF COUNTY COMMISSIONERS
STATEMENT OF NET POSITION–PROPRIETARY FUND
December 31, 2025 and 2024

	2025	2024 Restated
ASSETS		
Current assets:		
Cash and cash equivalents	$ 926,329	$ 942,960
Investments	830,670	701,915
Interest receivable	2,284	1,992
Accounts receivable	48,932	37,971
Other assets	3,473	3,370
Total current assets	1,811,688	1,688,208
Fixed Assets:		
Fixed assets, net of accumulated depreciation	441,012	442,726
Land	131,000	131,000
Right of use asset - lease, net of amortization	1,537	4,016
Total net fixed assets	573,549	577,742
Total assets	**2,385,237**	**2,265,950**
DEFERRED OUTFLOWS OF RESOURCES		
Deferred pension outflows	363,465	463,886
Total deferred outflow of resources	**363,465**	**463,886**
LIABILITIES		
Current Liabilities:		
Accounts payable	25,884	20,300
Accrued Payroll	4,627	-
Compensated absences	79,135	62,181
Current portion lease obligation	1,580	4,040
Total current liabilities	111,226	86,521
Non-current liabilities:		
PERS net pension liability	678,715	873,961
Total non-current liabilities	678,715	873,961
Total liabilities	**789,941**	**960,482**
DEFERRED INFLOWS OF RESOURCES		
Deferred pension inflows	283,609	197,119
Deferred revenues	10	126,142
Total deferred inflow of resources	**283,619**	**323,261**
NET POSITION		
Unrestricted	1,234,130	1,003,367
Invested in capital assets, net of related debt	441,012	442,726
Total net position	**$ 1,675,142**	**$ 1,446,093**

See accompanying notes

NEVADA ASSOCIATION OF COUNTY COMMISSIONERS
STATEMENT OF REVENUES AND EXPENSES & CHANGES IN NET POSITION-PROPRIETARY FUND
Years ended December 31, 2025 and 2024

	2025	2024 Restated
Revenues		
Membership dues	$ 638,409	$ 543,239
Health human services assessment	84,168	-
Conference & sponsor revenues	147,010	82,315
Indigent accident and supplemental programs	70,000	70,000
National programs and associate members	12,725	30,481
Grant award	342,592	174,121
Total revenues	**1,294,904**	**900,156**
Expenses		
Salaries and employee benefits	761,191	543,790
Pension expense	115,210	140,055
PEBP post retirement benefits	2,632	2,467
Building & related costs	26,003	23,060
Legislative	16,963	7,393
Membership Conference	89,522	28,292
Publications and printing	3,456	5,371
Office and other operating expenses	70,909	70,392
Staff and representative travel	19,275	33,739
Vehicle expenses	9,702	8,173
Professional fees	22,936	22,027
Lease expense	2,820	2,820
Depreciation expense	22,823	18,103
Total expenses	**1,163,442**	**905,682**
Increase (decrease) in operating net position	**131,462**	**(5,526)**
Non-operating net investment income	97,587	101,400
Gain on sale of asset	-	1,500
Increase in net position	**229,049**	**97,374**
Net position at beginning of year	1,446,093	1,348,719
Net position at end of year	**$ 1,675,142**	**$ 1,446,093**

See accompanying notes

NEVADA ASSOCIATION OF COUNTY COMMISSIONERS
STATEMENT OF CASH FLOWS–PROPRIETARY FUND
Years ended December 31, 2025 and 2024

	2025	2024 Restated
Cash flows from operating activities:		
Cash receipts	$ 1,179,733	$ 956,499
Payments to employees	(739,610)	(537,878)
Payments to vendors	(404,478)	(296,668)
Net cash provided from operating activities	**35,645**	**121,953**
Cash flows from investing activities:		
Capital asset purchases	(21,109)	(70,542)
Sale of securities	144,677	183,475
Purchase of securities	(222,867)	(116,475)
Interest, dividends and net gains or losses on investments	47,023	50,188
Net cash (used) provided from investing activities	**(52,276)**	**46,646**
(Decrease) increase in Cash and Cash Equivalents	(16,631)	168,599
Cash and cash equivalents, beginning of fiscal year	942,960	774,361
Cash and cash equivalents, end of fiscal year	**926,329**	**942,960**
Reconciliation of operating income to net cash provided from operating activities:		
Net operating income (loss)	131,462	(5,526)
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation & amortization expense	22,823	18,103
Leased asset amortization	2,479	2,201
(Increase) decrease in receivables	(10,961)	83,451
(Increase) decrease in interest receivable	(293)	305
(Increase) in prepaid expenses	(103)	(199)
Increase in deferred pension outflows	100,421	23,867
Increase (decrease) in accounts payable and accruals	5,584	(2,727)
Increase in accrued payroll	4,627	-
Increase in compensated absences	16,954	5,912
(Decrease) in lease obligations	(2,460)	(2,177)
(Decrease) in public lands assessment payable	-	(39,910)
(Decrease) in PERS net pension liability	(195,246)	(78,273)
(Decrease) increase in deferred revenues	(126,132)	27,109
Increase in deferred pension inflows	86,490	89,817
Net cash provided by operating activities	**$ 35,645**	**$ 121,953**

See accompanying notes

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 by 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounts Receivable:

Accounts receivable of $48,932 in 2025 represent amounts receivable as reimbursement on a grant from the Division of Public & Behavioral Health department, membership dues, and other miscellaneous receivables. Management does not believe an allowance for doubtful accounts is needed.

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.

Right of use assets are recorded in the financial statements net of amortization and the corresponding obligation as a liability. NACO has one right-of-use asset for a copier and the lease is classified as an operating lease The asset is amortized over the lease term using the straight-line method.

Compensated Absences:

Compensated absences are recorded when the liabilities are incurred. A liability is recognized for leave that has been used but not yet paid, and for unused leave that (1) is attributable to services already rendered, (2) accumulates and may be carried forward to future periods, and (3) is more likely than not to be used as time off or otherwise paid or settled. Accumulated vacation and sick leave balances are limited to a maximum of 240 hours for non-legislative years and 320 hours for legislative years per employee.

Accrued vacation is payable in cash upon retirement or termination. Sick leave is not paid upon separation; however, sick leave that is more likely than not to be used as time off during employment is accrued and 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.

NACO received a federal grant sub-award from the State of Nevada on January 27, 2024 in the amount of $340,813 for the period July 1, 2023 to November 30, 2025. NACO also received a federal grant sub-award for the State of Nevada on June 27, 2024 in the amount of $236,500. The grant is for the period June 2, 2025 through June 30, 2025. The purpose of the grants are to help modernize Nevada’s rural healthcare infrastructure through the efforts of a public health coordinator who is to consult with country governments and community stakeholders. NACO receives a 10% of revenues fee to reimburse their indirect costs. The total grant budget for 2025 is $365,774.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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, 2025, 2024, 2023 and 2022 are open to audit by the Internal Revenue Service.

Reclassification of prior-year amounts
Public lands assessment dues presented separately in the prior-year financial statements have been reclassified as membership dues. This is to reflect the inclusion of public lands assessments in membership dues and to conform to the current-year presentation. This reclassification had no effect on the prior-year change in net position, fund balance, or net position at the end of that year.

New Accounting Standard adopted and restatement of prior year financial statements:
During the fiscal year ended June 30, 2025, NACO implemented Governmental Accounting Standards Board (GASB) Statement No. 101, Compensated Absences, effective for fiscal years beginning after December 15, 2023. This Statement supersedes GASB Statement No. 16 and establishes a unified recognition and measurement model for compensated absence liabilities, including vacation and certain sick leave, when it is more likely than not that such leave will be used as time off or otherwise paid or settled.

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, 2025 and 2024 were $926,329 and $942,960 respectively and the bank balance was $927,506 and $948,417. The difference between the carrying amount and bank balance results from outstanding checks and deposits not yet reflected in the bank's records. Deposits that are greater than the FDIC insurance limit were $559,339 in 2025 and $527,331 in 2024. 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.

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. Investments categorized as Level 1 for 2025 and 2024 totaled $433,485 and $701,915. Investments categorized as Level 2 for 2025 are $397,185. No Investments are categorized as Level 3 for 2025 or 2024.

NOTE 2- DEPOSITS AND INVESTMENTS (continued)

A summary of investments as of December 31, 2025:

		Investment Maturities in Years				S&P
	Fair Value	1 year or less	1-5	5-10	Over 10	Rating
U.S. Treasuries	$ 32,765	$ -	$ 32,765	$ -	$ -	
U.S. Government & Agencies	24,983	-	24,983	-	-	
U.S. Mortgage-backed securities	26,204	152	18,709	7,343	-	
Certificates of deposits	332,778	64,215	268,563	-	-	
Corporate bonds	38,203	8,925	29,278	-	-	BBB+ to AAA
Equity securities	375,737	375,737	-	-	-	
Total cash and investments	$ 830,670	$ 449,029	$ 374,298	$ 7,343	$ -	

A summary of investments as of December 31, 2024:

		Investment Maturities in Years				
	Fair Value	1 year of less	1-5	5-10	Over 10	
U.S. Treasuries	$ 73,127	$ 41,643	$ 31,484	$ -	$ -	
U.S. Government & Agencies	4,983	4,983	-	-	-	
U.S. Mortgage-backed securities	31,391	-	22,217	5,920	3,254	
Certificates of deposits	204,084	45,172	158,912	-	-	
Corporate bonds	58,879	21,933	36,946	-	-	A- to AAA
Equity securities	329,451	329,451	-	-	-	
Total cash and investments	$ 701,915	$ 443,182	$ 249,559	$ 5,920	$ 3,254	

Credit risk:
Credit risk is the risk of defaulting 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:
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 is to be invested in a range of 50% to 100% in fixed income securities, 0% to-50% in equities and 0% to 100% in cash. 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 BBB+ to AAA.

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, 2024	Additions	Dispositions	December 31, 2025
Building and improvements	20-40	$ 593,619	$ 21,111	$ -	$ 614,730
Furniture and equipment	5 – 10	180,966	-	-	180,966
Vehicles	5 – 10	44,304	-	-	44,304
Total Assets		818,889	21,111	-	840,000
Accumulated depreciation		(376,165)	(22,823)	-	(398,988)
		$ 442,724	$ (1,712)	$ -	$ 441,012

		December 31, 2023	Additions	Dispositions	December 31, 2024
Building and improvements	20-40	$ 567,382	$ 26,237	$ -	$ 593,619
Furniture and equipment	5 – 10	180,966	-	-	180,966
Vehicles	5 – 10	32,877	44,305	(32,878)	44,304
Total Assets		781,225	70,542	(32,878)	818,889
Accumulated depreciation		(390,940)	(18,103)	32,878	(376,165)
		$ 390,285	$ 52,439	$ -	$ 442,724

Depreciation expense charged was $22,823 and $18,103 for years 2025 and 2024.

NOTE 4 – RIGHT OF USE ASSETS

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 a minimum monthly payment of $235 for 60 months. Lease payments are discounted at a 12% rate. Minimum lease payments as of December 31 are as follows:

	December 31, 2024	Additions	Deletions	December 31, 2025
Xerox copier	$ 10,500	$ -	$ -	$ 10,500
Less accumulated amortization	(6,484)	(2,479)	-	(8,963)
Right of use asset, net	$ 4,016	$ (2,479)	$ -	$ 1,537

	December 31, 2023	Additions	Deletions	December 31, 2024
Xerox copier	$ 10,500	$ -	$ -	$ 10,500
Less accumulated amortization	(4,283)	(2,201)	-	(6,484)
Right of use asset, net	$ 6,217	$ (2,201)	$ -	$ 4,016

Lease expense of $2,820 has been recognized for the years ending December 31, 2025 and 2024.

Lease liability for the years ended December 31, 2025 and 2024

	December 31, 2024	Additions	Deletions	December 31, 2025
Lease liability	$ 4,040		$ (2,460)	$ 1,580

	December 31, 2023	Additions	Deletions	December 31, 2024
Lease liability	$ 6,217		$ (2,177)	$ 4,040

The following table shows the maturity of the lease liability and the undiscounted cash flows to be made in the future.

Annual requirement to amortize lease obligation sand related interest are as follows:

	Maturity analysis		
December 31,	Principal	Interest	Total
2026	$ 1,645	$ 65	$ 1,580

NOTE 5 - 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 2025 and 2024 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 for 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, 2025 and 2024. 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 6 –DEFINED BENEFIT PENSION COST-SHARING EMPLOYER PLANS

Defined Benefit Plan Description

The Public Employees 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 as follows.

Regular members are eligible for benefits if they are at least age 65 with five years of service, age 60 with ten years of service, or any age with 30 years of service, and purchased service can generally count toward these requirements. The benefit amount is calculated as 2.67% of the final average compensation (the average of the 36 highest consecutive months) per year of service after July 1, 2001, plus 2.50% of that average per year before that date, with maximum benefits capped at 90% of average compensation for those who joined before July 1, 1985, and 75% for those who joined after June 30, 1985.

For members with an effective membership date between January 1, 2010, and June 30, 2015, regular members are eligible for benefits if they are age 65 with five years of service, age 62 with ten years of service, or any age with 30 years of service, and purchased service can generally be counted toward these requirements. The benefit is calculated at 2.50% of their final average compensation—the average of their 36 highest consecutive months of earnings—per year of service, with a maximum benefit of 75% of their average compensation.

For members with an effective membership date on or after July 1, 2015, regular members are eligible for benefits if they reach age 65 with five years of service, age 62 with ten years of service, age 55 with 30 years of service, or any age with 33 1/3 years of service; however, purchased service generally cannot be counted toward these requirements. The benefit is calculated as 2.25% of the member’s final average compensation—the average of the 36 highest consecutive months of earnings—per year of service, with a maximum benefit of 75% of their average compensation.

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

There is a limitation on compensation used in determining benefits for any member with an effective date of membership on or after July 1, 2015. Compensation used in determining retirement benefits is limited to $200,000. This limit shall be adjusted annually based on CPI.

Disability Benefits
To qualify for disability retirement, a member must have at least five years of service and be totally unable to perform their current job or any comparable position for which they are qualified due to a permanent injury or illness, provided they are employed by a participating employer at the time of application. The benefit amount is the accrued service retirement benefit, not reduced for age, but the system disability benefit is reduced if other disability benefits are received from a Nevada public employer, so that total payments do not exceed 100% of final average compensation.

Spouse's Pre-Retirement Death Benefit
Eligible survivors of an active member who dies may receive survivor benefits under several conditions, such as the deceased member having two years of service within the last 2½ years, ten years of service, death caused by occupational disease or a service-connected accident, death within 18 months after termination due to a mental or physical condition, or death while on an approved training leave.

Benefit amounts vary: unmarried children under 18 (or up to 23 if full-time students) receive $400 per month per child; a spouse or beneficiary of a member with fewer than ten years of service (and at least two years in the last 2½ years) receives $450 per month; for ten to fourteen years of service, the benefit is the greater of $450 or the Option 3 retirement benefit; for fifteen or more years of service, it's the greater of $450 or the Option 2 retirement benefit; and for members eligible to retire, it's the greater of $450, Option 2, or Option 3. Dependent parents receive $400 each if no other survivors are eligible. Additionally, a spouse or beneficiary may choose a lump sum payment of the member's contributions plus half of the Employer-Pay contributions, if no others are eligible for survivor benefits. All monthly payments cease upon death, marriage, adoption, or when eligibility criteria are no longer met.

Total survivor benefits, including any other survivor benefit from another source, are capped so that the combined amount does not exceed the deceased member's final average compensation, as long as the other benefit was provided or purchased by a public employer (excluding lump sum group insurance payments). Service performed after July 1, 1981, in non-Police/Fire roles (except military) does not count toward the spouse's benefit, and for certain "employer-pay" retirees, spousal benefit eligibility is pending further verification 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.

Post-retirement Benefits
For members who joined before January 1, 2010, post-retirement benefit increases begin after the third year of retirement and gradually rise from 2% per year up to 5% per year after the fourteenth anniversary, but the actual annual increase is set at the average percentage increase in the Consumer Price Index (or another approved index) for the preceding three years, with a guarantee that the benefit will be increased by at least the listed percentages if it has not already kept pace with inflation.

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

For those who joined between January 1, 2010, and June 30, 2015, the same structure applies but the annual increases are capped at 4%. For members joining on or after July 1, 2015, annual increases are 2% after the third through fifth years, 2½% after the sixth through eighth years, and thereafter are the lesser of 3% or the Consumer Price Index for the prior year.

Vesting

Vesting is achieved at any age with five years of service, as long as the member has not received a refund of their contributions. The accrued service retirement benefit becomes payable at age 65 for members with between five and ten years of service at termination, or at the required service retirement age for members with ten or more years of service at termination.

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. For the fiscal years July 1, 2024 through June 30, 2025, statutory contribution rates for employer-pay plan are 33.5% for regular members. These statutory rates are increased/decreased pursuant to NRS 286.421 and 286.450.

For the year ending December 31, 2025, the employer contribution rate was 36.75% and the contributions recognized as part of pension expense for the Plan were as follows:

Contributions - employer	$	123,545

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of the valuation date of June 30, 2025, NACO reported net pension liabilities for its proportionate shares of the net pension liability of the Plan as follows:

Miscellaneous plan	$	678,715

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

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, 2025, 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, 2025 rolled forward to December 31, 2025 using standard update procedures.

The Board's proportionate share of the net pension liability as of June 30, 2024 and 2025 was as follows:

June 30, 2024	0.00484%
June 30, 2025	0.00395%
Change-Increase (decrease)	-0.00089%

For the year ended December 31, 2025, NACO recognized a pension expense of $115,210

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 163,233	$ -
Changes in assumptions	24,528	-
Net difference between projected and actual earnings on pension plan investments	-	98,599
Changes in proportion and differences between NACO contributions and proportionate share of contributions	113,931	185,010
NACO contributions subsequent to the measurement date	61,773	-
Total	$ 363,465	$ 283,609

$61,773 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, 2026.

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:

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

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 5.68 years for the measurement period ending June 30, 2025.

Measurement Period Ended June 30:		
2027	$	16,932
2028		(13)
2029		(1,403)
2030		961
2031		1,606
Thereafter		-
	$	18,083

Actuarial Assumptions

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2025 valuation were based on the results of the experience review completed in 2025. Further details of the Experience Study can be found on the PERS website. The total pension liabilities on June 30, 2025 actuarial valuations were determined using the following actuarial assumptions:

	Miscellaneous
Valuation date	June 30, 2025
Measurement date	June 30, 2025
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, 2025 funding actual valuation.	

Actuarial assumptions used on June 30, 2025, valuation were based on the results of the experience study for the period July 1, 2016, through June 30, 2020.

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

The discount rate used to measure the total pension liability was 7.25% as of June 30, 2025. The projection of cash flows used to determine the discount rate assumed plan contributions will be made in amounts consistent with statutory provisions and recognize 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, and the projected contributions 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, 2025.

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	34%	5.50%
International Equity	14%	5.50%
Domestic Fixed Income	28%	2.25%
Private Markets	12%	6.65%
Short-Term Investments	12%	0.50%

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, 2025, calculated using the discount rate of 7.25%, 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	$1,142,115	$678,715	$296,632

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 2025 and 2024 the organization elected to not make any contributions. Employees contributed $14,900 and $19,539 for the years ended 2025 and 2024. NACO Services, a subsidiary of the National Association of Counties, sponsors the deferred compensation program which is administered by Nationwide Retirement Solutions.

NOTE 8 – RISK MANAGEMENT

NACO is exposed to various risks of loss related to torts, theft of damage to and destruction of assets and injuries to employees. Consequently, 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 2025 and 2024.

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 the net assets of the NPAIP or PACT, a special assessment may be made to their members.

NOTE 9 – COMPENSATED ABSENCES

Compensated absences are recognized for vacation leave, sick leave, and paid time off (PTO) in accordance with NACO’s policies. Compensated absences are recorded when the liabilities are incurred. Accrued benefits for vacation and sick leave are subject to a set maximum. Only accrued vacation is payable upon retirement or termination and is reflected in the statements of net position. NACO’s policy limits the carryforward and accrual of vacation leave such that a maximum of 240 hours may be carried forward and accrued for non-legislative years, and a maximum of 320 hours may be carried forward for legislative years.

Effective January 1, 2024, the NACO implemented GASB Statement No. 101, *Compensated Absences*. This Statement requires liabilities for compensated absences, including paid time off, to be measured using employees’ pay rates in effect at the financial statement date and to include certain salary-related payments. As a result of applying the new accounting guidance, the beginning balance of the compensated absences liability as of December 31, 2024, increased from $30,552, as previously reported, to $62,181. Accordingly, beginning net position as of December 31, 2023, was decreased by $23,466, and the change in net position for the year ended December 31, 2024, was decreased by $8,163.

NOTE 9 – COMPENSATED ABSENCES (continued)

The liability for compensated absences for years ended December 31, 2025 and 2024 is shown in the table below of which the entire amount is estimated to be due within one year. During the year, the liability increased by $16,954. The liability is measured using current pay rates and includes salary-related payments directly associated with payments for compensated absences.

	Beginning Balance	Accrued	Reductions	Ending balances December 31, 2025	Amounts due within one year
Paid time off	$ 30,552	$ 28,123	$ (20,200)	$ 38,475	$ 38,475
Sick leave	31,629	18,826	(9,795)	40,660	40,660
Total compensated absences	$ 62,181	$ 46,949	$ (29,995)	$ 79,135	$ 79,135

	Beginning Balance	Accrued	Reductions	Ending Balances December 31, 2024	Amounts due within one year
Paid time off	$ 32,803	$ 21,003	$ (23,254)	$ 30,552	$ 30,552
Sick leave	23,466	15,082	(6,919)	31,629	31,629
Total compensated absences	$ 56,269	$ 36,085	$ (30,173)	$ 62,181	$ 62,181

NOTE 10 – RESTATEMENT OF BEGINNING NET POSITION – IMPLEMENTATION OF GASB 101

Implementation of GASB Statement No. 101, Compensated Absences, required the government to remeasure its compensated absences liability using current pay rates and to recognize additional liabilities for leave that are more likely than not to be used or otherwise paid. This resulted in an increase in the compensated absences liability and a corresponding decrease to beginning net position, as shown in the table below.

Beginning Net Position - December 1, 2024	$ 1,372,185
Effect of adopting GASB Statement 101	(23,466)
Beginning Net Position - December 1, 2024, restated	$ 1,348,719

NOTE 11 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through July 10, 2026 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
For year ended December 31, 2025

	Original Budget	Final Budget	Actual	Favorable (Unfavorable) Variance
OPERATING REVENUES:				
Membership dues	$ 638,356	$ 638,356	$ 638,409	$ 53
Health & human services assessment	84,170	84,170	84,168	(2)
Conference fees & sponsors	80,000	80,000	147,010	67,010
Indigent accident and supplemental programs	70,000	70,000	70,000	-
National programs and associate sponsors	55,000	55,000	12,725	(42,275)
Grant revenues	-	-	342,592	342,592
Total operating revenues	**927,526**	**927,526**	**1,294,904**	**367,378**
OPERATING EXPENSES:				
Salaries and employee benefits	544,005	544,005	761,191	(217,186)
Pension expense	161,137	161,137	115,210	45,927
PEP post retirement benefits	6,000	6,000	2,632	3,368
Building & related costs	30,000	30,000	26,003	3,997
Legislative	25,000	25,000	16,963	8,037
Membership conference	40,000	40,000	89,522	(49,522)
Publications and printing	4,500	4,500	3,456	1,044
Office and other operating expense	69,500	69,500	70,909	(1,409)
Staff and representative travel	35,000	35,000	19,275	15,725
Vehicle expenses	7,500	7,500	9,702	(2,202)
Professional fees	21,600	21,600	22,936	(1,336)
Lease expense	-	-	2,820	(2,820)
Depreciation and amortization	-	-	22,823	(22,823)
Total expenses	944,242	944,242	1,163,442	(219,200)
Operating income	**(16,716)**	**(16,716)**	**131,462**	**148,178**
NON-OPERATING REVENUES				
Increase in non-operating investment income	15,000	15,000	97,587	82,587
Total non-operating revenues	15,000	15,000	97,587	82,587
	-	-	-	-
Increase (decrease) in Net Position	**$ (1,716)**	**$ (1,716)**	**$ 229,049**	**$ 230,765**

See accompanying notes

NEVADA ASSOCIATION OF COUNTY COMMISSIONERS
SUPPLEMENTARY PENSION INFORMATION
For Years Ended December 30,

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

	Measurement Dates years ended June30,									
	2025	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**
Proportion of the net pension liability (asset)	0.00395%	0.00484%	0.00522%	0.00351%	0.00460%	0.00432%	0.00393%	0.00412%	0.00491%	0.00475%
Proportionate share of the net pension liability (asset)	$678,715	$873,961	$952,234	$632,929	$419,910	$601,332	$536,067	$561,269	$653,604	$639,269
Covered payroll	$336,177	$311,716	$337,261	$356,350	$303,807	$302,489	$279,805	$286,989	$303,568	$287,689
Proportionate share of the net position liability (asset) as a percentage of its covered payroll	201.89%	280.37%	282.34%	177.61%	138.22%	198.79%	191.59%	195.57%	215.31%	222.21%
Plan fiduciary net position as a percentage of the total pension liability	80.5%	78.1%	76.2%	75.1%	75.4%	76.1%	75.3%	75.1%	74.5%	74.1%

SCHEDULES OF CONTRIBUTIONS LAST TEN YEARS

	2025	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**
Contractually required contribution	$123,545	$104,425	$100,355	$106,014	$88,864	$88,478	$78,346	$80,357	$84,999	$80,553
Contributions in relation to the contractually required contribution	($123,545)	($104,425)	($100,355)	($106,014)	($88,864)	($88,864)	($78,346)	($80,357)	($84,999)	($80,553)
Contribution deficiency	$0	$0	$0	$0	$0	-$386	$0	$0	$0	$0
NACO's covered employee payroll	$336,177	$311,716	$337,261	$356,350	$303,807	$302,489	$279,805	$286,989	$303,568	$287,689
Contribution as a percentage of covered employee payroll	36.75%	33.50%	29.75%	29.75%	29.25%	29.25%	28.00%	28.00%	28.00%	28.00%

See accompanying notes

MEMORANDUM

To: NACO Board of Directors

From: NACO Staff

Date: July 24, 2026

RE: BDR Proposal - Emergency Management Base Funding (Presented by: Lyon County)

REQUEST: Consider this proposal to be one of the five Bill Draft Requests (BDR) allotted to the Nevada Association of Counties.

SUMMARY: This proposal would establish a dedicated Emergency Management Infrastructure Account to provide ongoing state funding to strengthen Nevada's emergency management capabilities and supports emergency management programs at all levels. The funding would help ensure communities can maintain essential preparedness, response, recovery, and coordination functions while addressing existing statutory responsibilities for local governments. This proposal is intended to improve statewide resilience amid increasing emergency risks and uncertainty surrounding future federal support, while ensuring communities have a reliable foundation to address evolving threats and disasters.

BACKGROUND: Nevada Revised Statute (NRS) 414.090 creates an unfunded mandate as it imposes mandatory responsibilities on counties without providing a dedicated state funding source to cover the costs of compliance. Counties are required to establish and maintain emergency management programs. The costs associated with emergencies can be significant and unpredictable. While federal and state reimbursement may be available depending on declaration, it is not guaranteed and can require local cost sharing.

An Emergency Management Infrastructure Account would be administered by the state providing oversight and coordination as well as collaboration with established emergency management governance structures. Allowable uses for the funds would be within core emergency management functions such as (but not limited to) planning, operations, coordination, acquisition, training and publics information.

The funding would provide at least $250,000 per biennium for each county, additional support for large, incorporated cities, and $1 million for emergency alert systems.

Numerous stakeholders have been consulted and are in support of this proposal.

MEMORANDUM

To: NACO Board of Directors

From: NACO Staff

Date: July 24, 2026

RE: BDR Proposal - Sales Tax/Open Space Initiative (Presented by Douglas County)

REQUEST: Consider this proposal to be one of the five Bill Draft Requests (BDR) allotted to the Nevada Association of Counties.

SUMMARY: NRS 376A.040 authorizes counties with populations under 700,000 to seek voter approval for a dedicated sales and use tax of up to 0.25% to support open-space preservation efforts. A portion of current law is scheduled to expire on September 30, 2029. The proposed BDR would remove the sunset provision, preserving the authority for eligible counties to pursue voter-approved open-space funding initiatives beyond 2029.

BACKGROUND: NRS 376A.040 governs local sales and use taxes for the acquisition and maintenance of open-space land in counties with a population under 700K. 16 counties can impose an additional sales and use tax of up to 0.25% to fund open-space preservation, but only with majority voter approval. While the tax applies countywide, including within incorporated cities, the county is required to adopt an open-space plan endorsed by each city council within the county. Revenue collected is administered through the Nevada Department of Taxation, with 1.75% retained by the state for collection costs, with the remainder returned to the county. Funds may only be used for acquiring land or development rights for open-space protection, creating related trust funds, or paying debt on bonds issued for those purposes. The funds cannot be used for neighborhood or community parks or facilities.

According to information available on the Nevada Department of Taxation website, Carson City passed an ordinance in 1997, to impose a 0.25% sales tax to fund open space and public roads, with a portion dedicated specifically to open-space acquisition and maintenance.

Please note, NRS 376A.050 is an additional sales/use tax authority that supplements 376A.040, but it generally functions as a separate authorization mechanism. It does not allow stacking another full 0.25% on top of 376A.040; instead, together they are capped at 0.25% total.

MEMORANDUM

To: NACO Board of Directors

From: NACO Staff

Date: July 24, 2026

RE: BDR Proposal - Medicaid Pharmacy Rebates (Presented by NACO)

REQUEST: Consider this proposal to be one of the five Bill Draft Requests (BDR) allotted to the Nevada Association of Counties.

SUMMARY: This proposal addresses rising costs in the County Medicaid Match program. It includes three provisions: (1) The proposal requires Nevada Medicaid to set aside a portion of federal Medicaid pharmacy rebate revenue generated from County Medicaid Match spend and distribute it to counties based on each county's share of Medicaid costs from the previous year. The funds would be restricted to offsetting counties' Medicaid Match payment obligations and help them continue participating in the County Medicaid Match Program. Because counties help fund Medicaid but currently do not receive any direct share of pharmacy rebate revenue, this proposal would provide a fair and transparent way to recognize their financial contributions, offset rising local costs, and strengthen the long-term sustainability of Nevada's Medicaid financing partnership; (2) In fiscal years when there is a surplus in pharmacy rebates collected by the state, this proposal would require Nevada Medicaid to allocate a portion of the surplus to offset county Medicaid Match costs; (3) A one-time state general fund infusion to offset County Medicaid Match costs for the next biennium with the goal to collaborate with Nevada Medicaid over the biennium on innovations that can contain costs while improving outcomes.

BACKGROUND: Nevada counties have a longstanding partnership in the financing of the State's Medicaid program through the County Medicaid Match Program. Through this partnership, counties contribute local funds that are then matched with federal Medicaid dollars to provide health care services to eligible Nevadans. County participation in the program helps support critical health care services and strengthens Nevada's ability to draw down federal funding.

County contributions to Medicaid have grown significantly over the years as enrollment, utilization, and health care costs have increased, placing greater financial strain on local governments and raising concerns about the long-term sustainability of the County Medicaid Match Program. In addition to federal matching funds, Medicaid receives significant revenue through the federal Medicaid Drug Rebate Program, and because counties help pay for Medicaid services, their funding also helps generate a portion of these rebate revenues.

MEMORANDUM

To: NACO Board of Directors

From: NACO Staff

Date: July 24, 2026

RE: BDR Proposal - Rural Nevada Continuum of Care (Presented by NACO)

REQUEST: Consider this proposal to be one of the five Bill Draft Requests (BDR) allotted to the Nevada Association of Counties.

SUMMARY: This proposal would make the Nevada Housing Division (NHD) the permanent lead agency for the Nevada Balance of State Continuum of Care, transferring key responsibilities from the Nevada Department of Public & Behavioral Health while allowing NHD to continue contracting with experts for specialized work like the HUD application and Point-in-Time count. It would fund one full-time staff position and maintain current state funding to support coordination with rural communities, local governments, tribes, housing providers, and service organizations. The proposal also includes additional funding to expand the statewide Homeless Management Information System (HMIS). Overall, these changes would strengthen Nevada's homelessness response in rural areas, improve coordination and access to federal funding, reduce pressure on local budgets, and help achieve better housing outcomes for vulnerable residents.

BACKGROUND: The U.S. Department of Housing and Urban Development (HUD) Continuum of Care (CoC) Program helps communities work together to prevent and end homelessness by coordinating housing, services, funding, and planning. Nevada has three CoCs: one serving Clark County, one serving Washoe County, and one serving the rest of the state's rural and frontier communities. Unlike the urban CoCs, the Rural CoC does not have dedicated staff or operational support and instead relies on a contractor and the Nevada Division of Public and Behavioral Health to manage its responsibilities. This lack of permanent support makes it harder to coordinate services, build partnerships, meet federal requirements, expand housing and supportive services, and compete for federal funding. As a result, the Rural CoC is limited in its ability to effectively address homelessness across rural Nevada.

Both the Nevada Housing Division and the Nevada Department of Public & Behavioral Health have been consulted in the creation of this proposal.

MEMORANDUM

To: NACO Legislative Committee

From: NACO Staff

Date: July 24, 2026

RE: BDR Proposal - Erroneous Billing Reimbursement (Presented by Washoe County)

REQUEST: Consider this proposal to be one of the five Bill Draft Requests (BDR) allotted to the Nevada Association of Counties.

SUMMARY: This proposal would require a local government that submits an erroneous billing file to a county treasurer to reimburse the county for any expenses incurred by the county due to the errors contained in the billing file, thereby aligning financial responsibility with the entity that generated the incorrect information.

BACKGROUND: Currently, there is not a statutory mechanism by which a county is authorized to recover costs incurred by a county because of errors contained in a billing file remitted to a county treasurer. Errors in billing files remitted by a local government can result in a county incurring substantial expenses to correct property tax bills, to communicate with affected property owners, and/or to address any liabilities associated with such the errors. Under current practice, when a local government entity submits a billing file to the County Treasurer, the County serves as the ex officio treasurer and tax collector for those bills. However, if the billing file contains errors, the County may incur costs and potential liability associated with correcting those mistakes, despite not having created the original file. Since each county is required to collect taxes and manage public funds, this change would serve as a tool for counties to utilize in the case of billing errors.

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June 26, 2026

Via Federal eRulemaking Portal

ATTN: Steve Pearce, BLM Director
U.S. Department of the Interior, Director (630)
Bureau of Land Management
1849 C Street NW, Room 5646
Washington, DC 20240

Subject: Comments to Revision of Regulations for Grazing Administration, Exclusive of Alaska [Docket No. BLM–2026–0001; A2407–014–004–065516, #O2509–014–004–125222; LLHQ220000]

Dear Director Pearce:

The Nevada Association of Counties (NACO) appreciates the opportunity to provide input on the U.S. Department of the Interior (DOI) and Bureau of Land Management (BLM) proposed Revision of Regulations for Grazing Administration, Exclusive of Alaska, collectively referred to as "Grazing Regulations". NACO's membership includes all seventeen counties in Nevada. NACO works with counties to adopt and maintain local, regional, state, and national cooperation that results in a positive influence on public policy and optimize the management of county resources. NACO also supports comments submitted by the various Nevada counties that have Public Lands Policy Plans that are more specific to their individual circumstances. In the spirit of coordination and alignment with locally adopted plans and policies, NACO requests close consideration of their comments by DOI and BLM.

Public lands grazing is a critical multiple use across much of Nevada and contributes to the customs, cultures and economies of nearly every Nevada county. Counties provide and maintain services and infrastructure pertinent to grazing and healthy public lands. These include, but are not limited to: land use planning, emergency management including wildland fire fighting, fuels management, infrastructure and utilities, roads, stormwater systems, and flood control facilities. These aspects of county-provided services have some nexus with grazing on BLM managed public lands, as well as resilient and resistant rangelands that support both grazing and county services and values. As such, NACO provides this high-level comment after reviewing the proposed regulations. Generally, NACO supports the DOI and BLM stated purpose to increase flexibility of and to streamline grazing administration on public lands.

As relates to the definitions in **§ 4100.0-5,** NACO supports the inclusion and expansion of prescribed and targeted grazing as well as expanded use of temporary non-renewable (TNR) permits for grazing when excess feed (and fuel) is available. Use of TNR permits needs to be implemented in a manner that does not conflict with existing permit holders. TNR permitting

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also needs to be streamlined given the time-sensitive nature of such permits. NACO suggests the BLM issue Final Decisions as relates to these permits and eliminate the step of issuing "proposed decisions". In Nevada, wildfire is the most imminent threat from public lands to loss of life and property, potential loss of county infrastructure, impacts associated with subsequent flooding and loss of watershed function, increased presence and density of annual invasive species, and loss of wildlife habitat. Grazing is the only widely available management tool that can be implemented at significant scale to manage and manipulate fine fuels that pose such a major threat to these county assets and values. As relates to the definitions, NACO wants to ensure that the definition and application of "Annual rangeland" does not limit the ability for annual forage to be calculated for long-term allocations of Animal Unit Months. From a fire and fuels management standpoint, these are the exact rangelands that need regular grazing with permit flexibility, and not annual allocations based on annual temporary non-renewable permits. The definition and concept of "carrying capacity" needs to be rethought and perhaps eliminated. It is extremely difficult to establish "carrying capacity" in most of Nevada given climatic variability. Further, NACO does not want grazing to be limited due to mismanagement of other species such as wild horses (BLM) or wildlife (State) which the permittee has no control over.

Generally, NACO understands and supports the change from Fundamentals of Rangeland Health / Standards to Fundamentals of Land Health / Standards that apply to ALL approved BLM land authorizations, **§ 4180 à §1700**. NACO believes land health assessment at a watershed scale makes a lot of sense and has seen this successfully applied in the BLM's Ely District for years as relates to restoration planning. NACO has several hesitations with this change and proposal:

NACO does not want to encourage the curtailment of authorized lands uses or access to public lands as relates to critical County functions or existing multiple uses. As such, NACO encourages coordination with both state and COUNTY governments in completing rapid landscape-scale condition assessments as well as causal factor analysis.

NACO does not want to see these requirements, and particularly the time limits, result in increased litigation that further undermines and delays necessary actions to improve and conserve public lands. Considering current BLM staffing levels, NACO suggests removing time limits on assessments and causal factor analysis.

Use of remote sensing in Rapid Land Health Assessments needs to be balanced with adequate ground truthing and traditional monitoring methods.

NACO appreciates **§4120.5–2 Cooperation with state, county, Tribal and Federal agencies and governments.** NACO encourages additional coordination with local governments on fuel reduction and wildfire management. This is extremely important to rural communities and counties, particularly in but not exclusive to: urban-wildland interface areas. To that end, NACO requests that this be added in a subsection (c). Finally, NACO requests coordination with local government and consistency with locally adopted policies "…to the maximum extent…" per **§202.c.9** of the Federal Land Management Act when considering administration of grazing.

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Furthermore, "appropriate County government(s)" should be added as relates to a term used throughout the proposed regulations, "consultation, cooperation and coordination…" with the affected grazing permittee and State. This will ensure proper consistency with locally adopted policies.

As relates to **§4110.3–2 Decreasing active use.** NACO understands that from time to time grazing may need to be decreased, and NACO appreciates doing so through suspension rather than cancelation of AUMs. However, decreasing active use should be a last option after all other adaptive management options are exhausted (change in season of use, herding, new range improvements, etc.). As such, the BLM must do so after consultation, cooperation, and coordination with permittees, the same as required when increasing active use.

As relates to **§ 1700.2 Standards (11)** and incorporating the use of non-native plant species**.** Use of desirable non-native plant species should be encouraged in more cases than those currently defined in the section. Often in Nevada, native species are cost prohibitive and do not compete with undesirable non-native plant species such as cheatgrass. It is imperative that desirable non-native plant species be applied anytime they fill or provide an ecological niche similar to native species and/or if native species are cost prohibitive in rehabilitating areas at a scale of sufficient size.

As relates to **§4120.3–2 Cooperative range improvement agreements**. NACO does not support that portion of section (b) that is suggest permanent range improvements "…where authorization is granted after August 21, 1995 shall be in the name of the United States". NACO would propose leaving this subsection the same as before where ownership is proportionate to the development and construction costs. The proposed approach will create significant issues in Nevada where water rights for stock use are to be held by the stock owner. If said stock owner can't own the infrastructure associated with their water right because of this section, then there will be a significant inconsistency between State and Federal Law. This section should as be clear that it only applies to "stock" water rights.

As relates to **§4120.3–9 Water rights for the purpose of livestock grazing on public lands.** NACO does not support the use of the term "adjudicated" in subsection (a). This is a term of water law that does not include applications, rights and certificates that aren't approved through an "adjudication" process. As such, the term needs to be stricken for consistency with State Law. Further, NACO is very reluctant to support changes to the process for administration of stock water rights in Nevada where stock water applications and permits are issued in the name of the "United States" with a "joint ownership agreement" with the permittee. This has been very problematic with the Forest Service and could upset the current administration of stock water rights (applications, permits, certificates, and claims) on public lands where the custom has been to issue stock water rights to the owner of the livestock. NACO strongly urges deletion of this proposed sentence: *To the extent allowed by the law of the state within which the land is located, any such water right shall be acquired, perfected, maintained, and administered in the name of the United States, including, as necessary, through the use of a joint ownership arrangement,*

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principal/agent relationship, or any other legal arrangement allowed or recognized under state law and in coordination, consultation and cooperation with impacted permittees. NACO believes this edit will be more consistent with the Taylor Grazing Act, and specifically 43 U.S.C. § 315(b).

Thank you for your attention and consideration of these comments. If you have any questions, please do not hesitate to contact me at ahs@nvnaco.org or by phone at (775) 883-7863, or our Public Lands and Natural Resources consultant Jeremy Drew at jeremy@rci-nv.com or by phone at 775-883-1600.

Respectfully,

Amy Hyne-Sutherland, Ph.D.
Interim Chief Executive Officer

Cc: Governor Joe Lombardo
Nevada's Congressional Delegation
Justin Abernathy, Acting BLM Nevada State Director