

**SOUTHERN NEVADA HEALTH DISTRICT**

**COMPREHENSIVE  
ANNUAL FINANCIAL  
REPORT**

**FOR THE FISCAL YEAR ENDED**

**JUNE 30, 2014**





**SOUTHERN NEVADA HEALTH DISTRICT**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED  
JUNE 30, 2014**

**PREPARED BY  
ADMINISTRATION DIVISION, FINANCIAL SERVICES SECTION**

**DR. JOSEPH ISER  
CHIEF HEALTH OFFICER**





# TABLE OF CONTENTS



# SOUTHERN NEVADA HEALTH DISTRICT

## COMPREHENSIVE ANNUAL FINANCIAL REPORT TABLE OF CONTENTS FOR THE YEAR ENDED JUNE 30, 2014

---

	<u>Page</u>
Introductory Section	
Letter of Transmittal	1
District Officials	7
Organization Chart	8
Certificate of Achievement	9
Financial Section	
Independent Auditors' Report on Financial Statements and Supplementary Information	11
Management's Discussion and Analysis	13
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position	29
Statement of Activities	30
Fund Financial Statements	
Balance Sheet - Governmental Funds	33
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position - Governmental Activities	34
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	35
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities - Governmental Activities	36
Statement of Net Position - Proprietary Funds	37
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds	38
Statement of Cash Flows - Proprietary Funds	39
Statement of Net Position - Fiduciary Funds	40
Notes to Basic Financial Statements	41
Required Supplementary Information	
Postemployment Benefits Other Than Pensions - Schedule of Funding Progress	61
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund	62
Notes to Required Supplementary Information	63
Other Supplementary Information	
Major Governmental Funds	
Capital Projects Funds	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual -	
Bond Reserve Fund	65
Capital Projects Fund	66
Proprietary Funds	
Major Enterprise Funds	
Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual -	
Southern Nevada Public Health Laboratory	67
Internal Service Funds	
Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual -	
Insurance Liability Reserve Fund	69
Fiduciary Funds	
Agency Funds	
Statement of Changes in Fiduciary Assets and Liabilities	71
Capital Assets	
Schedule of Governmental Fund Capital Assets - By Source	73
Schedule of Governmental Fund Capital Assets - By Function and Activity	74

(Continued)

# SOUTHERN NEVADA HEALTH DISTRICT

## COMPREHENSIVE ANNUAL FINANCIAL REPORT TABLE OF CONTENTS (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2014

---

	<u>Page</u>
Schedule of Changes in Governmental Fund Capital Assets - By Function and Activity	75
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	77
Statistical Section	
Net Position by Component	79
Changes in Net Position	80
Fund Balance, Governmental Funds	83
Changes in Fund Balance, Governmental Funds	84
Assessed and Estimated Actual Value of Taxable Property	85
Property Tax Rates - Direct and Overlapping Governments	86
Principal Property Taxpayers	87
Property Tax Levies and Collections	88
Demographic and Economic Statistics	89
Principal Employers	90
Full-time Equivalent District Employees by Function and Program	91
Operating indicators by Function and Program	92
Capital Asset Statistics by Function and Program	94
Single Audit Information	
Independent Auditors' Report on Compliance with Requirements that Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133 and Schedule of Expenditures of Federal Awards	95
Schedule of Expenditures of Federal Awards	99
Notes to Schedule of Expenditures of Federal Awards	102
Schedule of Findings and Questioned Costs	103
Schedule of Prior Findings and Questioned Costs	117





# **INTRODUCTORY SECTION**





December 8, 2014

To the Honorable Members of the Board of Health and Citizens of the Southern Nevada Health District:

The Comprehensive Annual Financial Report (CAFR) of the Southern Nevada Health District, Clark County, Nevada, for the fiscal year ended June 30, 2014, is submitted herewith as mandated by NRS 354.624. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures rests with the Southern Nevada Health District (SNHD or the District). To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner that presents fairly the financial position and results of operations of the various funds of SNHD. All disclosures necessary to enable the reader to gain an understanding of SNHD's financial activities have been included. The reader is referred to the Management Discussion and Analysis section beginning on page 13 for an overview of SNHD's financial position and result of operations.

#### Profile of the Government

Established pursuant to Nevada Revised Statutes Chapter 439, the Southern Nevada Health District's mission is to protect and promote the health, the environment and the well being of Southern Nevada residents and visitors. It is one of the largest local public health districts in the nation. It serves a population of over 2 million, representing 72.7 percent of the state's population, and over 39.7 million tourists annually, with a staff of less than 480 employees working in four divisions. In the furtherance of its mission, public health services are available to everyone, regardless of income.

The Southern Nevada Health District is governed by a 14-member policy-making board composed of:

Two elected officials each from the Board of County Commissioners and the largest city in Clark County (City of Las Vegas)

One elected representative from each of the four remaining jurisdictions in the county (Boulder City, Henderson, Mesquite and North Las Vegas)

Six at-large members selected by the Board and meeting the following specifications:

Two representatives who are physicians licensed to practice medicine in this State, one of whom is selected on the basis of education, training, experience or demonstrated abilities in the provision of health care services to members of minority groups and other medically underserved populations.

One representative who is a registered nurse licensed to practice in Nevada.

One representative with a background or expertise in environmental health or environmental health services.

One representative of a nongaming business or from a business or industry that is subject to regulation by the health district.

One representative of the association of gaming establishments whose membership in the county collectively paid the most gross revenue fees to the State pursuant to NRS 463.370 in the preceding year, who must be selected from a list of nominees submitted by the association. If no such association exists, the representative selected pursuant to this subparagraph must represent the gaming industry. Information about the gaming member was added during the 2011 Legislative session.

As such, it represents a unique consolidation of the public health needs of Boulder City, Henderson, Las Vegas, Mesquite, North Las Vegas and Clark County, as well as minority groups, medically underserved populations, and local business and industry, into one regulating body.

Members of SNHD Board of Health serve terms of two years. Vacancies must be filled in the same manner as the original selection for the remainder of the unexpired term. Members serve without additional compensation for their services, but are entitled to reimbursement for necessary expenses for attending meetings or otherwise engaging in the business of the board.

The Southern Nevada District Board of Health, through policy development and direction to staff, identifies public health needs and, on behalf of residents, tourists and visitors, establishes priorities for the conduct of comprehensive public health programs which include the promotion of environmental health, exclusive of air quality matters, maternal and child health, control of communicable diseases and the promotion of the well-being of Clark County residents and visitors.

#### Reporting Entity

SNHD is not included in any other governmental “reporting entity” as defined in the Codification of Governmental Accounting and Financial Reporting Standards issued by the Governmental Accounting Standards Board (GASB). The Board of Health has policy-making responsibility for SNHD activities including the ability to significantly influence operations and primary accountability for fiscal matters. SNHD receives funding from federal, state and local government sources, as well as foundations and not-for-profit entities and must comply with the requirements of these funding source entities. Pursuant to NRS 439.367, SNHD’s fund balances are pooled with those of Clark County and invested by the County Treasurer on behalf of the SNHD. SNHD; however, retains full control and accountability for these fund balances.

The Comprehensive Annual Financial Report (CAFR) includes all funds of the primary government unit, SNHD, and does not include any component units. Component units are legally separate entities for which the primary government unit is financially accountable or the nature and significance of the relationship between SNHD and the entity is such that exclusion of the entity would cause SNHD’s basic financial statements to be misleading or incomplete.

#### Health District Services

Southern Nevada Health District is responsible for protecting and promoting the health and well-being of Clark County residents and visitors. The program goals of SNHD include the following:

- To assure that the Southern Nevada Health District and/or the public health system has the capacity and infrastructure to provide essential public health services in a fiscally responsible manner and through a skilled and qualified professional workforce;

- To promote, protect and improve health status and reduce health disparities;

- To gather and interpret data to guide public health decision-making and support action based on evidence-based practices; and

- To continually improve and promote internal and external communications and collaboration.

The Clinic and Nursing Services Division provides services to clients through its public health centers located throughout the Valley. Services are provided regardless of a client’s ability to pay and include providing immunizations for infants, children and adults, sexually transmitted disease (STD) testing and treatment, tuberculosis (TB) treatment and control, family planning services, refugee services, well child check-ups, HIV/AIDS case management and home visitation. Nursing Services are provided at the Valley View Public Health Center, East Las Vegas, Henderson, Mesquite, North Las Vegas, and Shadow Lane Professional Building. Nursing Services are also provided through special outreach events as requested by the community.

Environmental Health Division activities include the oversight of public health programs designed to protect the health of residents and visitors through inspection programs for child care facilities; food and beverage establishments; public accommodations; public swimming pools and spas; installation, repairs, upgrades and suspected leaks of underground

storage tanks; and tattoo, permanent makeup and body piercing operations. Additionally, a plan review program covering food and beverage establishments, individual sewage disposal systems, public swimming pools and spas, public water systems and subdivision review is in place. SNHD is the Solid Waste Management Authority for Clark County and in this capacity provides regulatory oversight, including plan reviews and inspections of all solid waste facilities and recycling centers. Waste management audit inspections are conducted to ensure area businesses manage waste properly and are protective of public health and the environment. The division also monitors for potential outbreaks in the animal population to prevent the spread of disease and conducts routine surveillance programs in the spring, summer and fall of each year. These programs monitor for diseases such as plague, Hantavirus and West Nile Virus.

The Community Health Division programs include chronic disease prevention and health promotion (including injury prevention), epidemiology (including public health informatics), vital records, emergency medical system and trauma system coordination, and public health emergency preparedness for bioterrorism and other public health emergencies. The Southern Nevada Public Health Laboratory (SNPHL) opened in July 2004 as a branch of the Nevada State Health Laboratory and is under the technical direction of University of Nevada School of Medicine (UNSOM) although the SNPHL functions administratively under the Community Health Division.

Overall Health District management is provided by the Chief Health Officer through the Administration Division. General administrative functions provided by the division include human resources, financial services, information technology, facilities services and public information. Other programs included in the Administration Division are health cards and business group.

### Economic Conditions and Outlook

According to the estimates made by the Nevada state demographer, the population in Clark County grew to 2,027,868 in 2013. This reflects a population increase of 1.4 percent over the 2012 estimate of 2,000,759. Clark County's population is projected to grow by 3.1 percent in 2014 and 2.8 percent in 2015 per Clark County Comprehensive Planning forecasts.

According to the Nevada Workforce Informer, Nevada's unemployment rate fell to a seasonally adjusted 7.7 percent in June, the lowest it has been in nearly six years. The Las Vegas/Paradise Metropolitan Statistical Area (MSA) which includes Clark County held steady over the month of June, 2014 at 7.9 percent, but is down 2.5 percentage points relative to June 2013.

Nevada added a seasonally adjusted 5,300 jobs in June, 2014 which is the 11th month to month employment gain, said Bill Anderson, chief economist for Nevada's Department of Employment, Training and Rehabilitation (DETR). The construction industry had the highest annual growth rate, at 10.5 percent, adding 5,900 jobs relative to June 2013.

"On a year-over-year basis, employment growth has been positive for the past 42 months," Anderson said. "All of Nevada's metro areas added jobs to the payrolls in June, relative to the same time last year. Through the first half of this year, job levels are trending a bit in excess of 40,000 higher than a year ago. Should these trends hold through the second half of the year, we will have added about 100,000 new jobs over the 2010-2014 period. Going forward, improving underlying conditions in the national labor market should pave the way for continued advances in Nevada. By the end of next year, our expectations are for Nevada employment to be approximately 95 percent of the pre-recessionary peak."

The unrelenting growth of the Las Vegas Valley over the past 20 years has placed a strain on physical facilities. The Main health center building at the Shadow Lane campus became inadequate and too antiquated to provide basic services effectively. In April 2012 the building was deemed structurally unsound. There is no bracing and ties on the walls to provide lateral capacity in addition to the lack of a functioning diaphragm. When the structural engineering analysis of the building was completed, it was determined that it was not just marginally less than what the building code determined as minimally safe, but rather grossly less than minimally safe, thus the architects and engineers recommended that the building not be occupied at that point.

The cost of additional leased space for the expansion of required programs and the replacement of the Main facility campus increase markedly SNHD's operational expenses. In order to arrange for a replacement facility, SNHD faces the challenge of arranging for financing. SNHD's fund balance in its "Bond Reserve Fund" is earmarked for this essential capital acquisition. Currently the fund has an ending balance of \$15,005,809. The Health District main facility is currently located at 330 South Valley View Blvd. and has additional facilities located in East Las Vegas, North Las Vegas, Henderson, 400 Shadow Lane, Laughlin, and Mesquite. The ability to meet the increasing demand for more public health

services will continue to depend on SNHD's ability to diversify its funding and the share in the property tax allocation.

Visitor volume decreased by one percent in 2013 to 39,668,221 a decrease of 58,801 visitors over the 2012 total of 39,727,022; but an increase of 471,460 or 1.2 percent from a pre-recession 2007 total of 39,196,761. June 2014, visitor volume is 3.1 percent greater than the same period as last year.

Based on Las Vegas Perspective 34th annual edition in 2014, the sales of new homes increased by 31.4 percent to 7,080 while sales of existing homes decreased 9.5 percent to 54,600. Annual total home sales decreased by 5.7 percent to 54,600. Median prices for new homes increased by 36.6 percent to \$300,500 while that of existing home increased by 23.1 percent to \$160,000.

In fiscal year 2014, the County collected total property tax of \$1.5 billion within the same year the tax was levied – a decrease of 0.2 percent or \$3.0 million from fiscal year 2013. In comparison, SNHD's property tax allocation in fiscal year 2014 decreased by 44.1 percent or \$14.2 million. The decrease in property tax allocation is due to SNHD returning to the normal allocation of 3.5 cents per \$100 of assessed real property values as required by NRS 439.365. The allocation received in fiscal year ending 2013 was inflated because SNHD prevailed in a Nevada State Supreme Court case regarding the proper interpretation of NRS 439.365, based on which full funding and the future of SNHD depended. Clark County transferred the previously underfunded amounts, which included \$13,974,303 related to fiscal year 2012 and \$2,313,563 related to fiscal year 2013.

Budget challenges in Federal, State, and local governments had negative impact on the funding stream of various programs in the Southern Nevada Health District. When compared to the prior fiscal year, SNHD saw declines in the current fiscal year revenue related to Charges for Service, Regulatory Revenue, Program Contract Services, Direct Federal Funds, and General Receipts.

#### Financial Information

The executive and management teams of SNHD are responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Health District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management.

We believe that SNHD's internal controls adequately safeguard assets and provide reasonable assurance on the proper recording of financial transactions.

#### Single Audit

As a recipient of federal, state and county assistance, SNHD is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by the executive and management teams of SNHD.

As a part of SNHD's single audit, tests are made to determine the adequacy of the internal control structure, including the portion related to federal financial assistance programs, as well as to determine that the Health District has complied with applicable laws and regulations.

#### Budgetary Controls

In addition to internal controls, SNHD maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by SNHD's governing body. Activities of the general, capital reserve, debt reserve, internal service, retiree health insurance and proprietary funds are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by fund. SNHD also maintains an encumbrance accounting system as one technique of accomplishing budgetary control.

As demonstrated by the statements and schedules in the financial section of this report, SNHD continues to meet its

responsibility for a sound financial management.

### Cash Management

SNHD is required by NRS 439.367 to pool all of its funds with Clark County and that these funds are invested by the Clark County Treasurer. At fiscal year end June 30, 2014, \$38,633,208 in cash resources, which includes \$433,571 recorded in the retiree health insurance fiduciary fund, was invested with the Clark County Treasurer. The average effective yield on maturing investments was 0.81 percent compared with 1.74 percent in the prior year. The Clark County Treasurer's policy is to invest public funds in a manner that will provide for the highest degree of safety, liquidity, and yield while conforming to all statutes governing the investing of public funds.

### Risk Management

SNHD has the obligation to manage and control the potential financial impact of frequent and predictable losses and continues to pursue ways of reducing risk exposures. The following relationships are considered by management in the development of a risk management program:

Risks marked by high severity and high probability are dealt with through avoidance and reduction.

Risks with high severity and low probability are most appropriately dealt with through insurance.

Risks characterized by low severity and high probability are appropriately dealt with through retention of funds and reduction of risks.

Risks characterized by low severity and low probability are best handled through retention.

SNHD participates in the Clark County Cooperative Agreement for coverage of liability claims and related expenses with \$10,000 retention per occurrence.

### Other Information

#### Independent Audit

Nevada Revised Statute 354.624 requires an annual audit by independent certified public accountants. The accounting firm of Piercy Bowler Taylor & Kern was selected by the Board to perform the fiscal year 2014 audit. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of the Federal Single Audit Act of 1996 and related OMB Circular A-133. The auditor's report on the basic financial statements is included in the financial section of this report beginning on page 11. The auditor's report on the internal accounting controls of SNHD and statement regarding the use of monies in compliance with the purpose of each fund (beginning on page 77) is included in the compliance and controls section and will be filed as a public record pursuant to NRS 354.624.

#### Report Evaluation

The Government Finance Officers Association of the United States and Canada (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting (CAEFR) to those agencies meeting its established criteria. In order to be awarded a Certificate of Achievement, SNHD must publish an easily readable and efficiently organized Comprehensive Annual Financial Report (CAFR) whose contents conform to the program standards. SNHD has received the Certificate of Achievement for its CAFR for fiscal years ending 2003 through 2013. See page 9 for the fiscal year 2013 CAEFR certificate.

#### Acknowledgements

Timely preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Financial Services Section of the Administration Division and the staff of our independent auditors, of Piercy Bowler Taylor & Kern. We would like to express our appreciation to all members of SNHD's divisions and sections who assisted in and contributed to its preparation.

In closing, without the continuing interest and support of the Board of Health in planning and conducting the financial operations of the Southern Nevada Health District, preparation of this report would not have been possible.

Respectfully submitted,



Andrew J. Glass, FACHE, MS  
Director of Administration



Joseph Iser, MD, DrPH, MSc  
Chief Health Officer



# District Officials

## CHIEF HEALTH OFFICER

Joseph P. Iser, MD, DrPH, MSc



## BOARD OF HEALTH



### *FY 2014 Officers*

**CHAIR** Rod Woodbury, Boulder City, Councilmember • **VICE CHAIR** Bob Beers, City of Las Vegas Councilmember • **SECRETARY** Lois Tarkanian, City of Las Vegas Councilmember

### *FY 2014 Board Members*

Susan Crowley, Environmental Specialist Member at Large • Chris Giunchigliani, Clark County Commissioner • Tim Jones, Business/ Industry Member at Large • Allan Litman, City of Mesquite Councilmember • John Marz, City of Henderson Councilmember • Marietta Nelson, MD, Physician Member at Large • Frank Nemecek, MD, Physician Member at Large • Bill Noonan, Gaming Member at Large • Mary Beth Scow, Clark County Commissioner • Wade Wagner, North Las Vegas Councilmember • Lori J. Winchell, APN-C, Registered Nurse Member at Large

### *FY 2014 Alternates* (Not Pictured)

Michael Collins, RN, Registered Nurse Member at Large • Douglas Dobyne, Business/ Industry Member at Large • Andy Hafen, City of Henderson Mayor • Kraig Hafen, City of Mesquite Councilmember • Peggy Leavitt, Boulder City Councilmember • Kenneth Osgood, MD, MPH, Physician Member at Large • Kathleen Peterson, Environmental Specialist • Steven Ross, City of Las Vegas Councilmember • Stan Smith, Gaming Member at Large • Lawrence Weekly, Clark County Commissioner • Anita Wood, North Las Vegas Councilmember

### DIVISION DIRECTORS (Not Pictured)

#### ADMINISTRATION

Andrew J. Glass, FACHE, MS,

#### CLINICS AND NURSING SERVICES

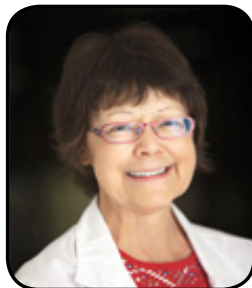
Bonnie Sorenson, RN

#### COMMUNITY HEALTH

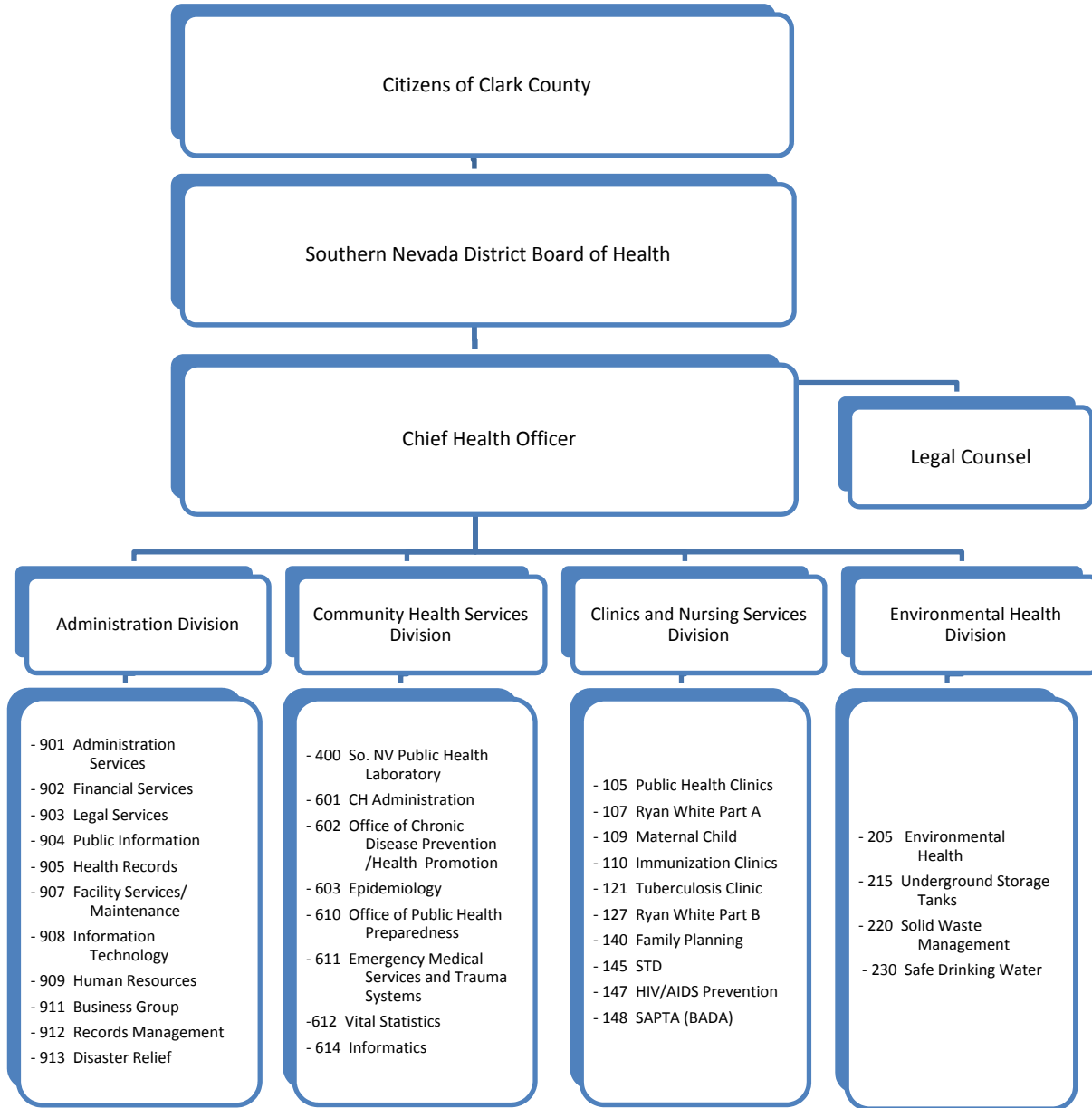
Cassius Lockett, PhD, MS

#### ENVIRONMENTAL HEALTH

Jacqueline Reszetar, MS



# Southern Nevada Health District Organization Chart Fiscal Year Ending June 30, 2014



\*The Southern Nevada Public Health Laboratory (SNPHL) opened in July 2004 as a branch of the Nevada State Health Laboratory and is under the technical direction of University of Nevada School of Medicine (UNSON) although the SNPHL functions administratively under the Community Health Division. The SNPHL shall continue to be designated as a branch of the NSHL pursuant to NRS 439.240.



Government Finance Officers Association

**Certificate of  
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For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2013**

Executive Director/CEO

2012

2013



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Southern Nevada  
Health District

Executive Director / CEO



# **FINANCIAL SECTION**





**Independent Auditor's Report  
On Financial Statements and  
Supplementary Information**





P B T K

PIERCY BOWLER  
TAYLOR & KERN

Certified Public Accountants  
Business Advisors

## INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

Board of Health  
Southern Nevada Health District  
Las Vegas, Nevada

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Southern Nevada Health District (the District) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

An audit performed in accordance with applicable professional standards is a process designed to obtain reasonable assurance about whether the District's basic financial statements are free from material misstatement. This process involves performing procedures to obtain audit evidence about the amounts and disclosures in the basic financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the basic financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the basic financial statements to enable the design of audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management, as well as the overall presentation of the basic financial statements.

**Management's Responsibility for the Financial Statements.** Management is responsible for the preparation and fair presentation of the basic financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of basic financial statements that are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility.** Our responsibility is to express an opinion on the basic financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free from material misstatement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion.** In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities and each major fund of the District as of and for the year ended June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters.** Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, postemployment benefits other than pensions, schedule of funding progress and budgetary comparison information on pages 13-28 and 61-64 be presented to supplement the basic financial statements. Such information, 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.

**Other Information.** Our audit was conducted for the purpose of forming our opinion on the financial statements that collectively comprise the District's basic financial statements. The introductory section, other supplementary information, as listed in the table of contents, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information as listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards*.** In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2014, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Piercy Boulder Taylor & Kern*

Las Vegas, Nevada  
December 8, 2014



**Management's Discussion  
and Analysis**



# SOUTHERN NEVADA HEALTH DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED JUNE 30, 2014

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As members of the Southern Nevada Health District's Leadership Team, we offer the readers of the Southern Nevada Health District (SNHD and the District) financial statements this narrative overview and analysis of the financial activities of the SNHD for the fiscal year ended June 30, 2014. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found beginning on page 1 of this report.

### Financial Highlights

SNHD's assets exceeded its liabilities at the close of the most recent fiscal year by \$24,591,788 (net position). Of this amount, \$16,267,995 represents unrestricted net position, which may be used to meet the government's on-going obligations to citizens and creditors.

SNHD's total net position decreased by \$8,595,071 due to expenditures exceeding revenues.

At the close of the current fiscal year, SNHD's governmental funds reported combined fund balances of \$34,186,687 a decrease of \$4,737,967 in comparison with the prior year. Approximately 36% of this amount or \$12,178,843 is available for spending at the government's discretion (unassigned fund balance).

At the end of the current fiscal year, unassigned fund balance in the general fund was approximately 20% of the total general fund expenditures.

The Bond Reserve Fund ending fund balance of \$15,005,809 increased 33%, or \$3,692,344, over the prior year balance of \$11,313,465, due to transfers from the General Fund, which included underfunded transfers for the fiscal years 2012 and 2013, plus interest income earned.

The Capital Projects Fund ending fund balance of \$6,318,172 decreased 3%, or \$216,779, from the prior year balance of \$6,534,951, due to capital outlay expenditures that were not funded by transfers-in from the general fund.

### Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to the Southern Nevada Health District's basic financial statements. The SNHD's basic financial statements consist of three components:

Government-wide financial statements

Fund financial statements

Notes to financial statements

This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

### Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the SNHD's finances, in a manner similar to a private-sector business.

(Continued)

# SOUTHERN NEVADA HEALTH DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

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The statement of net position presents financial information on all of SNHD's assets and liabilities. The difference between assets and liabilities is reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of SNHD is improving or deteriorating.

The statement of activities presents information showing how SNHD's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (*e.g.*, earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the SNHD that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of SNHD are comprised of the following divisions:

*Administration.* Includes programs for general administration, financial services, legal services, public information, food handler education, facilities maintenance, information technology, human resources, and business group.

*Clinics and Nursing Services.* Includes programs for communicable diseases, general nursing administration, immunizations, women's health, children's health, refugee health, and other nursing programs.

*Community Health Services.* Includes programs for community health administration, chronic disease prevention and health promotion, epidemiology, public health preparedness, emergency medical/trauma services, vital statistics, and informatics.

*Environmental Health.* Includes programs for environmental health and sanitation, waste management, and other environmental health programs.

The government-wide financial statements can be found beginning on page 29 of this report.

### Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. SNHD, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of SNHD can be divided into three categories:

Governmental funds

Proprietary funds

Fiduciary funds

(Continued)

# SOUTHERN NEVADA HEALTH DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

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### Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

SNHD maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the bond reserve fund, and the capital projects fund, all of which are considered to be major funds.

SNHD adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found beginning on page 33 of this report.

### Proprietary Funds

The SNHD maintains two different types of proprietary funds:

An *enterprise fund* is used to report the same functions presented as business-type activities in the government-wide financial statements. SNHD accounts for the activity of the Southern Nevada Public Health Laboratory (SNPHL) in an enterprise fund.

An *internal service fund* is used to accumulate and allocate costs internally among various functions. SNHD uses an internal service fund to account for the management of its self-insured workers compensation claims. SNHD's self-insured workers compensation program became effective on July 1, 2005, after it was approved by the Division of Insurance of the State of Nevada on May 12, 2005 and the Southern Nevada District Board of Health on May 26, 2005.

The basic proprietary fund financial statements can be found beginning on page 37 of this report.

### Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reported in the government-wide financial statements because the resources of those funds are not available to support SNHD's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. SNHD uses the Retiree Health Insurance Fund to report resources held in trust for retirees, as required by the terms of the Collective Bargaining Agreement with the Service Employee International Union (SEIU). The resources in this fund will be used to help fund retired employee costs in maintaining the group health insurance benefit as provided by SNHD.

The fiduciary fund financial statements can be found on page 40 of this report.

(Continued)

# SOUTHERN NEVADA HEALTH DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

**FOR THE YEAR ENDED JUNE 30, 2014**

### Notes to the Financial Statements

The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the financial statements can be found beginning on page 41 of this report.

### Other Information

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the SNHD's progress in funding its obligation to provide pension and other postemployment benefits (OPEB) to its employees.

Required supplementary information can be found beginning on page 61 of this report.

### Government-wide Overall Financial Analysis

As noted earlier, net position over time, may serve as a useful indicator of a government's financial position. In the case of the SNHD, assets exceeded liabilities by \$24,591,788 at the close of the most recent fiscal year.

Summary Statement of Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
<b>Assets</b>						
Current, restricted and other	\$ 38,931,329	\$ 44,460,295	\$ 3,103,466	\$ 4,100,215	\$ 42,034,795	\$ 48,560,510
Capital	7,543,782	8,390,904	780,011	891,941	8,323,793	9,282,845
<b>Total assets</b>	<b>46,475,111</b>	<b>52,851,199</b>	<b>3,883,477</b>	<b>4,992,156</b>	<b>50,358,588</b>	<b>57,843,355</b>
<b>Liabilities</b>						
Current	3,491,602	4,646,106	125,877	123,656	3,617,479	4,769,762
Long-term	21,398,549	19,235,595	750,772	651,139	22,149,321	19,886,734
<b>Total liabilities</b>	<b>24,890,151</b>	<b>23,881,701</b>	<b>876,649</b>	<b>774,795</b>	<b>25,766,800</b>	<b>24,656,496</b>
<b>Net position</b>						
Net investment in capital assets	7,543,782	8,390,904	780,011	891,941	8,323,793	9,282,845
Unrestricted	14,041,178	20,578,594	2,226,817	3,325,420	16,267,995	23,904,014
<b>Total net position</b>	<b>\$ 21,584,960</b>	<b>\$ 28,969,498</b>	<b>\$ 3,006,828</b>	<b>\$ 4,217,361</b>	<b>\$ 24,591,788</b>	<b>\$ 33,186,859</b>

Total unrestricted net position represents 66% of total net position of Governmental Activities and is available to meet SNHD's ongoing obligations to citizens and creditors. The remainder of SNHD's net position (34%) reflects its investment in capital assets (e.g., land, buildings, equipment, vehicles, and infrastructure), less any related outstanding debt that was used to acquire those assets. SNHD uses these capital assets to provide a variety of services to citizens. Accordingly, these assets are not available for future spending.

At the end of the current fiscal year, SNHD is able to report positive balances in all reported categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

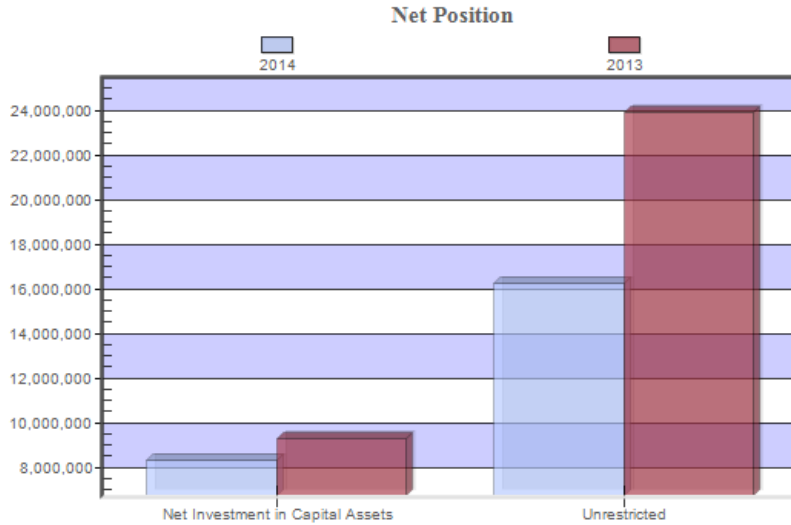
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# SOUTHERN NEVADA HEALTH DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

**FOR THE YEAR ENDED JUNE 30, 2014**



SNHD's overall net position decreased \$8,595,071 from the prior fiscal year. The reasons for the overall decrease are discussed in the following sections for the governmental activities and business-type activities.

### Summary Statement of Changes in Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
Revenues						
Program revenues						
Charges for services	\$ 26,623,171	\$ 27,367,311	\$	\$	\$ 26,623,171	\$ 27,367,311
Operating grants and contributions	14,051,416	15,524,141	1,339,681	1,757,402	15,391,097	17,281,543
General revenues						
Property tax allocation	17,988,360	32,167,828			17,988,360	32,167,828
Unrestricted investment income	336,701	267,114	27,109	38,412	363,810	305,526
Gain on disposal of capital assets	17,391		4,150		21,541	
Miscellaneous	5,000	2,000			5,000	2,000
	<u>59,022,039</u>	<u>75,328,394</u>	<u>1,370,940</u>	<u>1,795,814</u>	<u>60,392,979</u>	<u>77,124,208</u>
Total revenues						

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# SOUTHERN NEVADA HEALTH DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

**FOR THE YEAR ENDED JUNE 30, 2014**

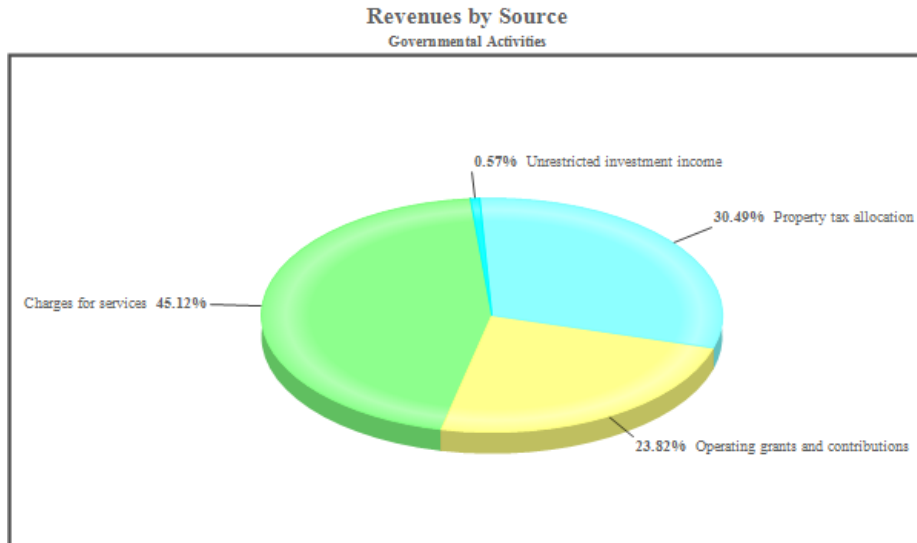
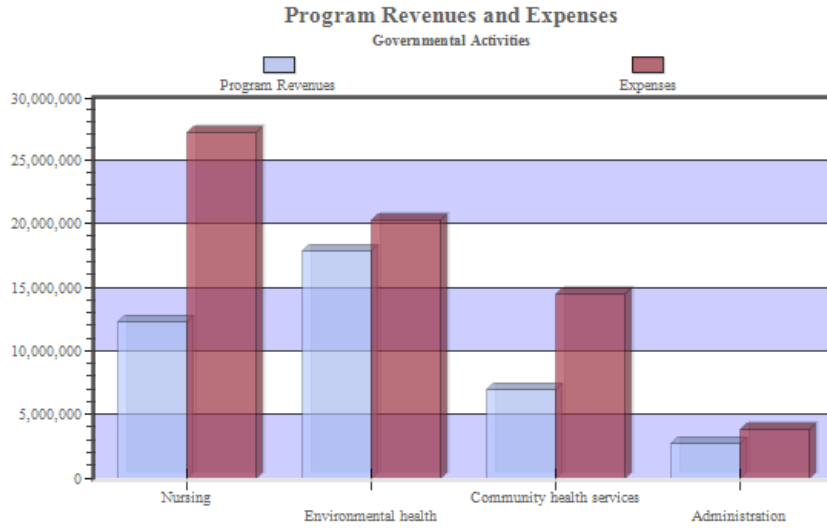
Summary Statement of Changes in Net Position						
	Governmental Activities		Business-type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
Expenses						
Public health						
Nursing						
Communicable diseases	\$ 7,923,595	\$ 8,052,327	\$	\$	\$ 7,923,595	\$ 8,052,327
General nursing administration	1,433,550	2,593,437			1,433,550	2,593,437
Immunizations	5,728,235	5,332,565			5,728,235	5,332,565
Women's health	2,443,165	2,860,198			2,443,165	2,860,198
Children's health	2,747,687	2,646,539			2,747,687	2,646,539
Indirect cost allocation	6,887,417	5,695,586			6,887,417	5,695,586
Environmental health						
Environmental health and sanitation	12,240,237	13,194,888			12,240,237	13,194,888
Waste management	2,230,526	2,364,731			2,230,526	2,364,731
Other environmental health programs	445,646	610,696			445,646	610,696
Indirect cost allocation	5,380,623	3,867,316			5,380,623	3,867,316
Community health services						
Administration	645,539	1,641,676			645,539	1,641,676
Health education	2,501,025	3,012,037			2,501,025	3,012,037
Epidemiology	1,119,115	948,386			1,119,115	948,386
Public health preparedness	3,215,357	3,262,330			3,215,357	3,262,330
Emergency medical services	486,097	688,945			486,097	688,945
Vital records	1,560,084				1,560,084	
Informatics	701,453				701,453	
Indirect cost allocation	4,258,815	3,475,882			4,258,815	3,475,882
Administration						
Food handler education	1,103,296	3,747,122			1,103,296	3,747,122
Disaster recovery	357,972	3,028,524			357,972	3,028,524
Vital records		1,492,597				1,492,597
Business group	989,609				989,609	
Indirect cost allocation	1,374,168	1,679,282			1,374,168	1,679,282
Southern Nevada Public Health Laboratory			<u>3,214,839</u>	<u>3,485,617</u>	<u>3,214,839</u>	<u>3,485,617</u>
Total expenses	<u>65,773,211</u>	<u>70,195,064</u>	<u>3,214,839</u>	<u>3,485,617</u>	<u>68,988,050</u>	<u>73,680,681</u>
Transfers	<u>(633,366)</u>	<u>(1,251,664)</u>	<u>633,366</u>	<u>1,251,664</u>		
Change in net position	(7,384,538)	3,881,666	(1,210,533)	(438,139)	(8,595,071)	3,443,527
Net position, beginning of year	<u>28,969,498</u>	<u>25,087,832</u>	<u>4,217,361</u>	<u>4,655,500</u>	<u>33,186,859</u>	<u>29,743,332</u>
Net position, end of year	<u>\$ 21,584,960</u>	<u>\$ 28,969,498</u>	<u>\$ 3,006,828</u>	<u>\$ 4,217,361</u>	<u>\$ 24,591,788</u>	<u>\$ 33,186,859</u>

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# SOUTHERN NEVADA HEALTH DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

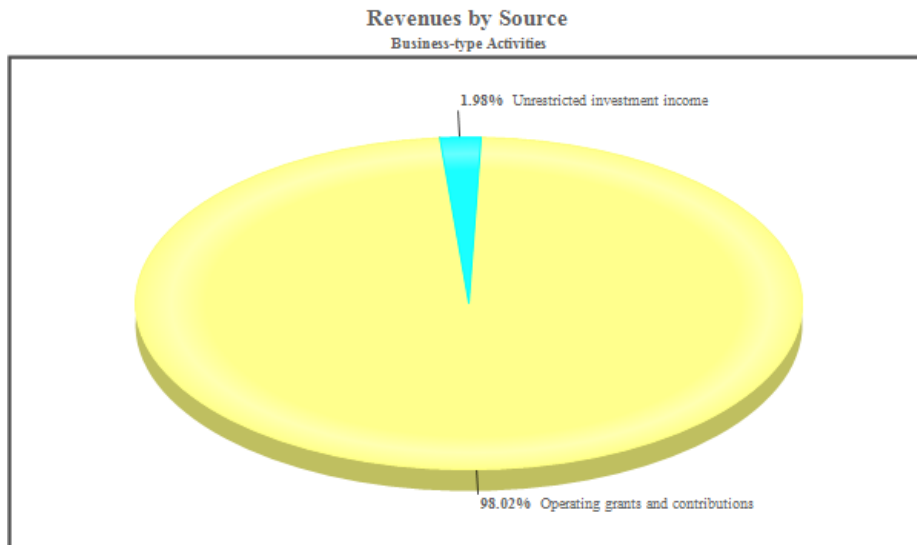
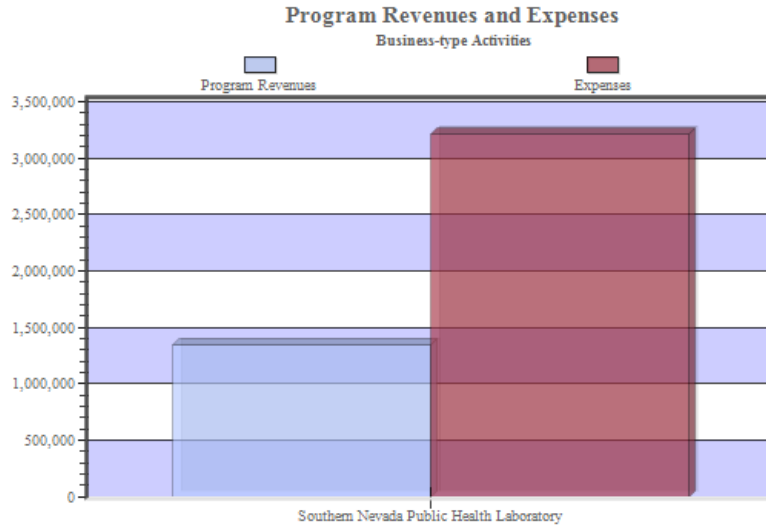
**FOR THE YEAR ENDED JUNE 30, 2014**



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**SOUTHERN NEVADA HEALTH DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2014**

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**Governmental Activities**

During the current fiscal year, net position for governmental activities decreased \$7,384,538 from the prior fiscal year to an ending balance of \$21,584,960. The decrease in the overall net position of governmental activities is the result of the decrease in property tax allocation and conclusion of the Communities Putting Prevention to Work (CPPW) Obesity and Communities Putting Prevention to Work (CPPW) Tobacco Grants.

(Continued)

# SOUTHERN NEVADA HEALTH DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

### Business-type Activities

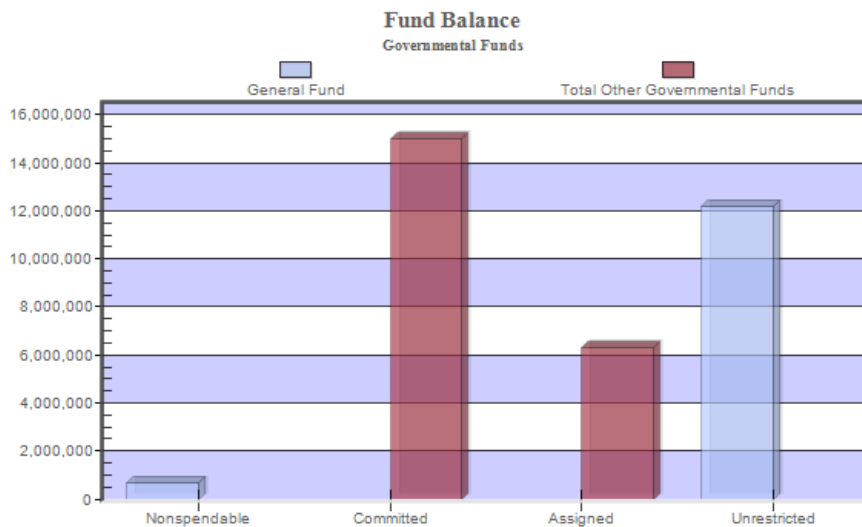
For the Southern Nevada Public Health Laboratory's business-type activities, the result for the current fiscal year showed that overall net position decreased by \$1,210,533, to reach an ending balance of \$3,006,828. The decrease is due to operating expenses exceeding total revenue coming from indirect federal grants and investment income.

### Financial Analysis of Governmental Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of SNHD's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the SNHD's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the SNHD itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the SNHD's Board of Health.

At June 30, 2014, SNHD's governmental funds reported combined fund balances of \$34,186,687, a decrease of \$4,737,967 in comparison with the prior year. Approximately 36%, or \$12,178,843, of this amount constitutes unassigned fund balance, which is available for spending at SNHD's discretion. The remainder of governmental fund balance is classified as follows: \$683,863 is non-spendable, \$15,005,809 is committed to facility acquisition, and \$6,318,172 is assigned to capital projects improvements.



(Continued)

# SOUTHERN NEVADA HEALTH DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

**FOR THE YEAR ENDED JUNE 30, 2014**

The general fund is the chief operating fund of SNHD. At the end of the current fiscal year, unassigned fund balance of the general fund was \$12,178,843, while the total fund balance is \$12,862,706. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures.

Unassigned fund balance represents approximately 20% of total general fund expenditures, while total fund balance represents approximately 21% of that same amount. The total fund balance of SNHD's general fund decreased by \$8,213,532 during the current fiscal year due to net transfers out of \$4,213,060 and expenditures exceeding revenues by \$4,045,977.

Other governmental funds consist of the Bond Reserve Fund (also known as Building Fund) and the Capital Projects Fund. The Bond Reserve Fund was approved by the Board of Health on March 27, 2008, so that the Health District will be able to pay bonded debt in the event that the County issues bonds on behalf of SNHD in order to fund a new facility replacement for the main campus on 330 S. Valley View Boulevard. On December 16, 2010, the Southern Nevada District Board of Health amended the original purpose of the Bond Reserve Fund to allow the Board of Health to utilize the resources of the debt service fund for any identifiable projects at the discretion of the Board that benefit the public health of Clark County.

The Bond Reserve fund has a committed balance of \$15,005,809 at the end of the current fiscal year, which increased by \$3,692,344 as compared to the prior fiscal year. The increase was due to transfers in from the General Fund and interest income. The Capital Projects Fund has \$6,318,172 of fund balance assigned for future capital improvements. Fund balance in the Capital Projects Fund decreased by \$216,779, due to capital outlay expenditures that were not funded by transfers in from the General Fund.

General Fund Revenues						
	2014		2013		Increase (Decrease)	
	Amount	Percent	Amount	Percent	Amount	Percent
<b>REVENUES</b>						
Charges for services						
Title XIX Medicaid	\$ 581,607	1.00 %	\$ 484,388	0.64 %	\$ 97,219	20.07 %
Vital records, immunizations and other medical services	5,345,986	9.21 %	4,866,325	6.47 %	479,661	9.86 %
Regulatory services	20,505,557	35.31 %	21,614,151	28.75 %	(1,108,594)	(5.13)%
Program contract services	190,021	0.33 %	383,310	0.51 %	(193,289)	(50.43)%
Total charges for services	<u>26,623,171</u>	<u>45.85 %</u>	<u>27,348,174</u>	<u>36.38 %</u>	<u>(725,003)</u>	<u>(2.65)%</u>
Intergovernmental revenues						
Property tax allocation	17,988,360	30.98 %	32,167,828	42.79 %	(14,179,468)	(44.08)%
State funding	1,298,805	2.24 %	643,646	0.86 %	655,159	101.79 %
Indirect federal grants	9,579,076	16.50 %	9,874,038	13.14 %	(294,962)	(2.99)%
Direct federal grants	2,331,346	4.01 %	4,649,249	6.19 %	(2,317,903)	(49.86)%
Total intergovernmental revenues	<u>31,197,587</u>	<u>53.72 %</u>	<u>47,334,761</u>	<u>62.97 %</u>	<u>(16,137,174)</u>	<u>(34.09)%</u>
Contributions and donations	29,081	0.05 %	18,273	0.02 %	10,808	59.15 %
Interest income	165,737	0.29 %	107,506	0.14 %	58,231	54.17 %
Other	55,768	0.10 %	360,072	0.48 %	(304,304)	(84.51)%
Total revenues	<u>\$ 58,071,344</u>	<u>100.00 %</u>	<u>\$ 75,168,786</u>	<u>100.00 %</u>	<u>\$ (17,097,442)</u>	<u>(22.75)%</u>

The decrease in charges for services was due to the revamping and reduced vaccine requirement of the food handler education program.

(Continued)

# SOUTHERN NEVADA HEALTH DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

**FOR THE YEAR ENDED JUNE 30, 2014**

The decrease in property tax allocation is due to SNHD returning to the normal allocation of 3.5 cents per \$100 of assessed real property values as required by NRS 439.365. The allocation received in fiscal year 2013 was inflated due to SNHD prevailing in a Nevada State Supreme Court case regarding the proper interpretation of NRS 439.365, based on which full funding and the future of SNHD depended. Clark County transferred the previously underfunded amounts, which included \$13,974,303 related to fiscal year 2012 and \$2,313,563 related to fiscal year 2013.

The decrease in other intergovernmental revenues (excluding the property tax allocation) was due to decreased revenue received from the Teen Pregnancy Prevention Grant and the expiration of two Federal grants: Communities Putting Prevention to Work (CPPW) Obesity and Communities Putting Prevention to Work (CPPW) Tobacco. Various indirect federal grant awards also decreased.

The increase in contributions and donations was due to drowning prevention donations and a James Randi Educational Foundation donation.

The increase in interest income was due to increased average cash balances as a result of Clark County transferring previously underfunded property tax allocations for fiscal year 2012 and 2013.

The decrease in other income is due to the receipt of cost reimbursements totaling approximately \$330,000 in fiscal year 2013, related to costs incurred by the District in connection with the Hepatitis C investigation.

### General Fund Expenditures

	2014		2013		Increase (Decrease)	
	Amount	Percent	Amount	Percent	Amount	Percent
<b>EXPENDITURES</b>						
Current						
Public health						
Nursing	\$ 19,514,256	31.42 %	\$ 20,607,106	31.16 %	\$ (1,092,850)	(5.30)%
Environmental health	14,271,660	22.98 %	15,310,788	23.15 %	(1,039,128)	(6.79)%
Community health services	9,627,126	15.50 %	9,214,932	13.93 %	412,194	4.47 %
Administration	<u>18,704,279</u>	<u>30.11 %</u>	<u>21,008,563</u>	<u>31.76 %</u>	<u>(2,304,284)</u>	<u>(10.97)%</u>
Total expenditures	<u>\$ 62,117,321</u>	<u>100.00 %</u>	<u>\$ 66,141,389</u>	<u>100.00 %</u>	<u>\$ (4,024,068)</u>	<u>(6.08)%</u>

The decrease in nursing expenditures was primarily due to space rental, phones and in-house printing expenditures being transferred to the administration division. Other cost reductions included training, travel and subgrantees.

The decrease in environmental health expenditures was due to the decreased salaries expenditures and transferring space rental, phones, and in-house printing expenditures to the administration division.

Community health services expenditures increased due to the vital statistics department transferring from administration. The increase was minimized by a large reduction in contract services as a result of two federal grants expiring.

The decrease in administration expenditures was mainly the result of transferring the vital statistics department to the community health services division. Other decreases include the cost of moving into 330 S. Valley View Boulevard at the beginning of fiscal year 2013.

(Continued)

# SOUTHERN NEVADA HEALTH DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

**FOR THE YEAR ENDED JUNE 30, 2014**

### Financial Analysis of Proprietary Funds

Unrestricted net position at the end of the fiscal year for the SNPHL and Insurance Liability Reserve Fund was \$2,226,817 and \$800,091, respectively.

### General Fund Budgetary Highlights

#### Original budget compared to final budget

During the year there was no need for any amendment to change either the original estimated revenue or original budgeted appropriations.

#### Final budget compared to actual results

Differences between budgeted revenue and actual revenue were as follows:

#### General Fund Budget to Actual Information

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>				
Charges for services				
Title XIX Medicaid	\$ 533,285	\$ 533,285	\$ 581,607	\$ 48,322
Vital records, immunizations and other medical services	5,241,941	5,241,941	5,345,986	104,045
Regulatory services	19,583,000	19,583,000	20,505,557	922,557
Program contract services	477,707	225,707	190,021	(35,686)
Intergovernmental revenues				
Property tax allocation	18,224,456	18,224,456	17,988,360	(236,096)
State funding	400,000	400,000	1,298,805	898,805
Indirect federal grants	10,246,690	10,498,690	9,579,076	(919,614)
Direct federal grants	2,366,002	2,366,002	2,331,346	(34,656)
Contributions and donations	11,000	11,000	29,081	18,081
Interest income	200,000	200,000	165,737	(34,263)
Other	10,500	10,500	55,768	45,268
<b>EXPENDITURES</b>				
Public health				
Salaries and wages	36,845,098	36,845,098	34,707,255	2,137,843
Employee benefits	13,667,140	13,667,140	13,394,340	272,800
Services and supplies	15,410,840	15,410,840	14,015,726	1,395,114
<b>OTHER FINANCING USES</b>				
Transfers in			1,458	1,458
Transfers out	(2,463,012)	(2,463,012)	(4,214,518)	(1,751,506)
Proceeds from capital asset disposal			45,505	45,505

The surplus in regulatory services was due to food handler education revenue coming in \$681,610 more than budgeted. Additionally, permit revenue exceeded the budget by \$189,782.

Program contract services were below budget due to \$882,500 of the \$1,108,226 being incorrectly budgeted in program contract services instead of indirect federal grants.

Total expenditures are \$3.8 million below budget. Budget exceeded actual salaries and employee benefits by \$2.4 million. Services and supplies were under budget by approximately \$1.4 million.

(Continued)



# SOUTHERN NEVADA HEALTH DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

**FOR THE YEAR ENDED JUNE 30, 2014**

### Capital assets

As of June 30, 2014, SNHD's net investment in capital assets for its governmental activities amounts to \$7,543,782, while the net investment in business-type activities amounted to \$780,011. This investment in capital assets includes land, buildings and improvements, vehicles and equipment. The total decrease in capital assets for the current fiscal year was approximately \$959,052, or 10%, due primarily to depreciation expense.

	Balance July 1, 2013	Increases and transfers *	Decreases and transfers *	Balance June 30, 2014
Governmental activities				
Capital assets not being depreciated or amortized				
Land	\$ 2,059,765	\$ _____	\$ _____	\$ 2,059,765
Total capital assets not being depreciated or amortized	2,059,765	_____	_____	2,059,765
Capital assets being depreciated or amortized				
Buildings	4,697,563			4,697,563
Improvements other than buildings	9,011,550		(61,347)	8,950,203
Furniture, fixtures and equipment	9,888,440	302,050	(240,369)	9,950,121
Vehicles	710,904	_____	(142,386)	568,518
Total capital assets being depreciated or amortized	24,308,457	302,050	(444,102)	24,166,405
Accumulated depreciation and amortization				
Buildings	(2,034,757)	(93,951)		(2,128,708)
Improvements other than buildings	(8,345,981)	(191,507)	61,347	(8,476,141)
Furniture, fixtures and equipment	(6,943,842)	(818,028)	212,255	(7,549,615)
Vehicles	(652,738)	(17,572)	142,386	(527,924)
Total accumulated depreciation and amortization	(17,977,318)	(1,121,058)	415,988	(18,682,388)
Total capital assets being depreciated or amortized, net	6,331,139	(819,008)	(28,114)	5,484,017
Total governmental activities	\$ 8,390,904	\$ (819,008)	\$ (28,114)	\$ 7,543,782

\* Includes transfers from and to proprietary funds, if any.

	Balance July 1, 2013	Increases and transfers *	Decreases and transfers *	Balance June 30, 2014
Business-type activities				
Capital assets being depreciated or amortized				
Improvements other than buildings	\$ 96,241	\$ 48,071		\$ 144,312
Furniture, fixtures and equipment	2,412,871	23,744		2,436,615
Vehicles	40,972	_____	(22,982)	17,990
Total capital assets being depreciated or amortized	2,550,084	71,815	(22,982)	2,598,917

(Continued)

# SOUTHERN NEVADA HEALTH DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

### FOR THE YEAR ENDED JUNE 30, 2014

	Balance July 1, 2013	Increases and transfers *	Decreases and transfers *	Balance June 30, 2014
Accumulated depreciation and amortization				
Improvements other than buildings	\$ (54,127)	\$ (8,846)		\$ (62,973)
Furniture, fixtures and equipment	(1,595,132)	(149,557)		(1,744,689)
Vehicles	(8,884)	(6,509)	4,149	(11,244)
Total accumulated depreciation and amortization	(1,658,143)	(164,912)	4,149	(1,818,906)
 Total business-type activities	 \$ 891,941	 \$ (93,097)	 \$ (18,833)	 \$ 780,011

\* Includes transfers from and to governmental funds, if any.

Some of the larger capital asset transactions for fiscal year ending June 30, 2014, included computer hardware, computer software, and equipment costs as listed below:

Netsmart software for nursing (\$157,075)

TelePresence Video system (\$91,148)

Servers for information technology (\$62,181)

Southern Nevada Public Health Laboratory (SNPHL): VMS Pump (\$29,578) and Air Pressure Control Valve and Controller (\$25,688)

Additional information on the District's capital assets can be found in Note 4 beginning on page 51 of this report.

#### Long-term Debt

At the end of the current fiscal year, the District has no outstanding debt.

#### Economic Factors and Next Year's Budgets and Rates

The District has strengthened its financial status by cost cutting measures such as workers compensation self-insurance, personnel justification program of filling only essential vacant positions, and on-going evaluation of expenses where savings can be generated (*e.g.*, travel). Although created as an independent governmental entity pursuant to Nevada Revised Statute (NRS) 439.361, SNHD has no taxing authority and must rely on revenue from fees and other governmental sources in order to operate. Funding for all capital improvements must be derived from operating revenue unless capital grant funds are awarded.

Currently SNHD is faced with the following major budgetary issues:

Need to obtain a new main building to replace the Valley View facility

Continued influx of disproportionate demand for public health services due to poor economic conditions

Need to maintain a reserve to respond effectively to a possible pandemic outbreak and other public health emergencies

Reduced Federal funding

(Continued)

# SOUTHERN NEVADA HEALTH DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

---

Reduced Indirect federal funding

Low Property Values

State funding has increased with the addition of the Healthy Nevada Tobacco Grant and Immunization AFIX.

On the expenditure side, SNHD is confronted with inflationary factors affecting the cost of equipment, supplies, and other services. In addition, salary and benefit costs will be higher due to:

A Collective Bargaining Agreement (CBA) with SEIU Local 1107 reached on September 20, 2014, which modified the contract that expired June 30, 2014.

Increased group insurance costs stemming from the implementation of Health Care Reform

SNHD will continue to pursue not only proportional allocation of Federal pass-through dollars through the State but also direct funding from the Federal government. Clark County has 72.7% of Nevada's population and is 4.7 times the population of Washoe County. The additional Federal support will enable SNHD to better address the needs of residents requiring services.

At present, SNHD has the financial resources and capacity to maintain current service levels; however, there is anticipation that the fiscal 2015 and future fiscal periods will be challenging times in SNHD's financial landscape due to reduced funding and significant anticipated capital expenditures associated with locating a new building. SNHD will continue to work with staff to develop and update the business plan for the 2016-2017 periods.

The Unassigned Fund balance of the General Fund is \$12,178,843 as of June 30, 2014. A significant portion of this amount will be required to address the overarching budgetary challenges.

### Request for Information

This Comprehensive Annual Financial Report (CAFR) is designed to provide a general overview to all parties who are interested in the Southern Nevada Health District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Southern Nevada Health District  
Attention: Director of Administration  
330 S. Valley View Blvd. P.O. Box 3902  
Las Vegas, Nevada, 89127

This entire report is available online at: <http://www.southernnevadahealthdistrict.org>.





**Basic Financial Statements**



***Government-Wide Financial Statements***





# SOUTHERN NEVADA HEALTH DISTRICT

## STATEMENT OF NET POSITION

JUNE 30, 2014

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and equivalents, unrestricted	\$ 35,291,744	\$ 2,936,346	\$ 38,228,090
Cash and equivalents, restricted	102,501		102,501
Grants receivable	2,710,752		2,710,752
Accounts receivable	54,950		54,950
Contracts receivable	87,519		87,519
Other receivables		22,982	22,982
Prepaid items	324,554	144,138	468,692
Inventories	359,309		359,309
Capital assets, net of accumulated depreciation and amortization			
Land	2,059,765		2,059,765
Buildings	2,568,855		2,568,855
Improvements other than buildings	474,062	81,339	555,401
Furniture, fixtures and equipment	2,400,506	691,926	3,092,432
Vehicles	40,594	6,746	47,340
Total assets	46,475,111	3,883,477	50,358,588
<b>LIABILITIES</b>			
Accounts payable	1,178,959	59,776	1,238,735
Grants payable	118,467		118,467
Accrued expenses	1,626,260	63,021	1,689,281
Workers compensation self-insurance claims	175,000		175,000
Unearned revenue	392,916	3,080	395,996
Long-term liabilities, due within one year			
Compensated absences	4,000,918	145,279	4,146,197
Long-term liabilities, due in more than one year			
Compensated absences	2,452,176	123,756	2,575,932
Postemployment benefits other than pensions	14,945,455	481,737	15,427,192
Total liabilities	24,890,151	876,649	25,766,800
<b>NET POSITION</b>			
Investment in capital assets	7,543,782	780,011	8,323,793
Unrestricted	14,041,178	2,226,817	16,267,995
Total net position	\$ 21,584,960	\$ 3,006,828	\$ 24,591,788

See notes to basic financial statements.

# SOUTHERN NEVADA HEALTH DISTRICT

## STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2014

FUNCTION/PROGRAM	Program Revenues			Net (Expenses) Revenues and Change in Net Position		
	Expenses	Operating Grants and Contributions		Governmental Activities	Business-type Activities	Total
		Charges for Services	Capital Grants and Contributions			
Governmental activities						
Public health						
Nursing						
Communicable diseases	\$ 7,923,595	\$ 359,583	\$ 4,743,710	\$ (2,820,302)		\$ (2,820,302)
General nursing administration	1,433,550	1,794		(1,431,756)		(1,431,756)
Immunizations	5,728,235	2,576,480	1,163,900	(1,987,855)		(1,987,855)
Women's health	2,443,165	269,364	2,277,782	103,981		103,981
Children's health	2,747,687	415,762	493,143	(1,838,782)		(1,838,782)
Indirect cost allocation	6,887,417			(6,887,417)		(6,887,417)
Total nursing	<u>27,163,649</u>	<u>3,622,983</u>	<u>8,678,535</u>	<u>(14,862,131)</u>		<u>(14,862,131)</u>
Environmental health						
Environmental health and sanitation	12,240,237	16,003,349		3,763,112		3,763,112
Waste management	2,230,526	1,296,860	497,373	(436,293)		(436,293)
Safe drinking water			90,000	90,000		90,000
Other environmental health programs	445,646	440,379	201,500	196,233		196,233
Indirect cost allocation	5,380,623			(5,380,623)		(5,380,623)
Total environmental health	<u>20,297,032</u>	<u>17,740,588</u>	<u>788,873</u>	<u>(1,767,571)</u>		<u>(1,767,571)</u>
Community health services						
Administration	645,539			(645,539)		(645,539)
Health education	2,501,025		1,408,911	(1,092,114)		(1,092,114)
Epidemiology	1,119,115			(1,119,115)		(1,119,115)
Public health preparedness	3,215,357	100	2,973,604	(241,653)		(241,653)
Emergency medical services	486,097	88,551		(397,546)		(397,546)
Vital records	1,560,084	2,489,339		929,255		929,255
Informatics	701,453		153,862	(547,591)		(547,591)
Indirect cost allocation	4,258,815			(4,258,815)		(4,258,815)
Total community health services	<u>14,487,485</u>	<u>2,577,990</u>	<u>4,536,377</u>	<u>(7,373,118)</u>		<u>(7,373,118)</u>
Administration						
General administration			47,631	47,631		47,631
Food handler education	1,103,296	2,681,610		1,578,314		1,578,314
Disaster recovery	357,972			(357,972)		(357,972)
Business group	989,609			(989,609)		(989,609)
Indirect cost allocation	1,374,168			(1,374,168)		(1,374,168)
Total administration	<u>3,825,045</u>	<u>2,681,610</u>	<u>47,631</u>	<u>(1,095,804)</u>		<u>(1,095,804)</u>

(Continued)

See notes to basic financial statements.

# SOUTHERN NEVADA HEALTH DISTRICT

## STATEMENT OF ACTIVITIES (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

	Program Revenues			Net (Expenses) Revenues and Change in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Total governmental activities	<u>65,773,211</u>	<u>26,623,171</u>	<u>14,051,416</u>	_____	<u>(25,098,624)</u>	_____	<u>(25,098,624)</u>
Business-type activities							
Southern Nevada Public Health Laboratory	<u>3,214,839</u>	_____	<u>1,339,681</u>	_____	_____	<u>(1,875,158)</u>	<u>(1,875,158)</u>
Total function/program	<u>\$ 68,988,050</u>	<u>\$ 26,623,171</u>	<u>\$ 15,391,097</u>	<u>\$ _____</u>	<u>\$ (25,098,624)</u>	<u>(1,875,158)</u>	<u>(26,973,782)</u>
GENERAL REVENUES							
Property tax allocation					17,988,360		17,988,360
Unrestricted investment income					336,701	27,109	363,810
Gain on disposal of capital assets					17,391	4,150	21,541
Miscellaneous					<u>5,000</u>	_____	<u>5,000</u>
Total general revenues					<u>18,347,452</u>	<u>31,259</u>	<u>18,378,711</u>
Transfers					<u>(633,366)</u>	<u>633,366</u>	_____
CHANGE IN NET POSITION					<u>(7,384,538)</u>	<u>(1,210,533)</u>	<u>(8,595,071)</u>
NET POSITION, BEGINNING OF YEAR					<u>28,969,498</u>	<u>4,217,361</u>	<u>33,186,859</u>
NET POSITION, END OF YEAR					<u>\$ 21,584,960</u>	<u>\$ 3,006,828</u>	<u>\$ 24,591,788</u>

See notes to basic financial statements.



***Fund Financial Statements***



# SOUTHERN NEVADA HEALTH DISTRICT

## GOVERNMENTAL FUNDS BALANCE SHEET JUNE 30, 2014

	Capital Projects Funds			Total Governmental Funds
	General Fund	Bond Reserve	Capital Projects	
<b>ASSETS</b>				
Cash and cash equivalents	\$ 13,042,020	\$ 15,005,809	\$ 6,371,325	\$ 34,419,154
Grants receivable	2,710,752			2,710,752
Accounts receivable, net	54,950			54,950
Contracts receivable	87,519			87,519
Inventories	359,309			359,309
Prepaid items	324,554			324,554
	<u>\$ 16,579,104</u>	<u>\$ 15,005,809</u>	<u>\$ 6,371,325</u>	<u>\$ 37,956,238</u>
Total assets				
<b>LIABILITIES</b>				
Accounts payable	\$ 1,125,806	\$	\$ 53,153	\$ 1,178,959
Grants payable	118,467			118,467
Accrued expenses	1,626,260			1,626,260
Unearned revenue	392,916			392,916
	<u>3,263,449</u>		<u>53,153</u>	<u>3,316,602</u>
Total liabilities				
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue, grants receivable	452,949			452,949
	<u>452,949</u>			<u>452,949</u>
Total deferred inflows of resources				
Total liabilities and deferred inflows of resources	<u>3,716,398</u>		<u>53,153</u>	<u>3,769,551</u>
<b>FUND BALANCES</b>				
Nonspendable				
Inventories	359,309			359,309
Prepaid items	324,554			324,554
Restricted for				
Committed to				
Facility acquisition		15,005,809		15,005,809
Assigned to				
Capital improvements			6,318,172	6,318,172
Unassigned	12,178,843			12,178,843
	<u>12,862,706</u>	<u>15,005,809</u>	<u>6,318,172</u>	<u>34,186,687</u>
Total fund balances				
Total liabilities and fund balances	<u>\$ 16,579,104</u>	<u>\$ 15,005,809</u>	<u>\$ 6,371,325</u>	<u>\$ 37,956,238</u>

See notes to basic financial statements.

# SOUTHERN NEVADA HEALTH DISTRICT

## RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES JUNE 30, 2014

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FUND BALANCES, GOVERNMENTAL FUNDS		\$	34,186,687
Amounts reported in the statement of net position are different because:			
Capital assets used in governmental activities are not current financial resources; and therefore, are not reported in governmental funds:			
Capital assets		\$	26,226,170
Less accumulated depreciation			<u>(18,682,388)</u>
			7,543,782
Long-term liabilities are not due and payable in the current period; and therefore, are not reported in governmental funds:			
Postemployment benefits other than pensions			(14,945,455)
Compensated absences			<u>(6,453,094)</u>
			(21,398,549)
Unavailable revenue represents amounts that were not available to fund current expenditures; and therefore, are not reported in governmental funds:			
Other			<u>452,949</u>
			452,949
Internal service funds are used by management to charge the costs of certain activities to individual funds:			
Internal service fund assets and liabilities included in governmental activities in the statement of net position			<u>800,091</u>
			<u>800,091</u>
NET POSITION, GOVERNMENTAL ACTIVITIES		\$	<u><u>21,584,960</u></u>

See notes to basic financial statements.



# SOUTHERN NEVADA HEALTH DISTRICT

## GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2014

	Capital Projects Funds			Total Governmental Funds
	General Fund	Bond Reserve	Capital Projects	
<b>REVENUES</b>				
Charges for services				
Title XIX Medicaid	\$ 581,607	\$	\$	\$ 581,607
Vital records, immunizations and other medical services	5,345,986			5,345,986
Regulatory services	20,505,557			20,505,557
Program contract services	190,021			190,021
Intergovernmental revenues				
Property tax allocation	17,988,360			17,988,360
State funding	1,298,805			1,298,805
Indirect federal grants	9,579,076			9,579,076
Direct federal grants	2,331,346			2,331,346
Contributions and donations	29,081			29,081
Interest income	165,737	111,192	52,239	329,168
Other	55,768			55,768
<b>Total revenues</b>	<b>58,071,344</b>	<b>111,192</b>	<b>52,239</b>	<b>58,234,775</b>
<b>EXPENDITURES</b>				
Current				
Public health				
Nursing	19,514,256			19,514,256
Environmental health	14,271,660			14,271,660
Community health services	9,627,126			9,627,126
Administration	18,704,279			18,704,279
<b>Total current</b>	<b>62,117,321</b>			<b>62,117,321</b>
Capital outlay				
Public health			267,560	267,560
<b>Total expenditures</b>	<b>62,117,321</b>		<b>267,560</b>	<b>62,384,881</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(4,045,977)</b>	<b>111,192</b>	<b>(215,321)</b>	<b>(4,150,106)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,458	3,581,152		3,582,610
Transfers out	(4,214,518)		(1,458)	(4,215,976)
Proceeds from capital asset disposal	45,505			45,505
<b>Total other financing sources (uses)</b>	<b>(4,167,555)</b>	<b>3,581,152</b>	<b>(1,458)</b>	<b>(587,861)</b>
<b>CHANGE IN FUND BALANCE</b>	<b>(8,213,532)</b>	<b>3,692,344</b>	<b>(216,779)</b>	<b>(4,737,967)</b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<b>21,076,238</b>	<b>11,313,465</b>	<b>6,534,951</b>	<b>38,924,654</b>
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 12,862,706</b>	<b>\$ 15,005,809</b>	<b>\$ 6,318,172</b>	<b>\$ 34,186,687</b>

See notes to basic financial statements.

# SOUTHERN NEVADA HEALTH DISTRICT

## RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES - GOVERNMENTAL ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2014

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CHANGE IN FUND BALANCES, GOVERNMENTAL FUNDS		\$	(4,737,967)
Amounts reported in the statement of activities are different because:			
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of capital assets is capitalized and depreciated over their estimated useful lives:			
Expenditures for capital assets		\$	302,050
Less current year depreciation and loss on disposal capital assets			(1,121,058)
Proceeds from disposal of capital assets			(45,505)
Gain on disposal of capital assets			<u>17,391</u>
			(847,122)
Revenues in the statement of activities, which do not provide current financial resources are not reported as revenues in governmental funds:			
Change in other unavaliable revenue			<u>452,949</u>
			452,949
Some expenses reported in the statement of activities do not require the use of current financial resources; and therefore, are not reported as expenditures in governmental funds:			
Change in postemployment benefits other than pensions			(2,524,581)
Change in compensated absences			<u>361,627</u>
			(2,162,954)
Internal service funds are used by managment to charge the costs of certain activities to individual funds:			
Internal service fund change in net position included in governmental activities in the statement of activities			<u>(89,444)</u>
			<u>(89,444)</u>
CHANGE IN NET POSITION, GOVERNMENTAL ACTIVITIES		\$	<u>(7,384,538)</u>

# SOUTHERN NEVADA HEALTH DISTRICT

## PROPRIETARY FUNDS STATEMENT OF NET POSITION JUNE 30, 2014

	Business-type Activities	Governmental Activities
	Southern Nevada Public Health Laboratory	Insurance Liability Reserve
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 2,936,346	\$ 872,590
Accounts receivable, net	22,982	
Prepaid items	144,138	
Restricted assets		
Cash and cash equivalents		102,501
Total current assets	3,103,466	975,091
Noncurrent assets		
Capital assets, net of accumulated depreciation and amortization		
Improvements other than buildings	81,339	
Furniture, fixtures and equipment	691,926	
Vehicles	6,746	
Total noncurrent assets	780,011	
Total assets	3,883,477	975,091
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable	59,776	
Accrued expenses	63,021	
Workers compensation self-insurance claims		175,000
Unearned revenue	3,080	
Compensated absences	145,279	
Total current liabilities	271,156	175,000
Noncurrent liabilities		
Compensated absences	123,756	
Postemployment benefits other than pensions	481,737	
Total noncurrent liabilities	605,493	
Total liabilities	876,649	175,000
<b>NET POSITION</b>		
Investment in capital assets	780,011	
Unrestricted	2,226,817	800,091
Total net position	\$ 3,006,828	\$ 800,091

See notes to basic financial statements.

# SOUTHERN NEVADA HEALTH DISTRICT

## PROPRIETARY FUNDS STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION FOR THE YEAR ENDED JUNE 30, 2014

	Business-type Activities	Governmental Activities
	Southern Nevada Public Health Laboratory	Insurance Liability Reserve
OPERATING EXPENSES		
Salaries and wages	\$ 1,274,557	\$
Employee benefits	558,663	
Services and supplies	493,812	101,977
Depreciation and amortization	164,912	
Repairs and maintenance	203,437	
Indirect cost allocation	519,458	
Total operating expenses	3,214,839	101,977
Operating loss	(3,214,839)	(101,977)
NONOPERATING REVENUES		
Indirect federal grants	1,339,681	
Investment income	27,109	7,533
Gain (loss) on capital asset disposition	4,150	
Miscellaneous		5,000
Total nonoperating revenues	1,370,940	12,533
Loss before transfers	(1,843,899)	(89,444)
TRANSFERS		
Transfers in	633,366	
CHANGE IN NET POSITION	(1,210,533)	(89,444)
NET POSITION, BEGINNING OF YEAR	4,217,361	889,535
NET POSITION, END OF YEAR	\$ 3,006,828	\$ 800,091

See notes to basic financial statements.

# SOUTHERN NEVADA HEALTH DISTRICT

## PROPRIETARY FUNDS STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2014

	Business-type Activities	Governmental Activities
	Southern Nevada Public Health Laboratory	Insurance Liability Reserve
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash payments for goods and services	\$ (1,738,736)	\$ (107,200)
Cash payments for employee services	<u>(1,267,039)</u>	<u>                    </u>
Net cash used in operating activities	<u><u>(3,005,775)</u></u>	<u><u>(107,200)</u></u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Transfers in	633,366	
Intergovernmental revenues	1,641,014	
Miscellaneous		<u>5,000</u>
Net cash provided by noncapital financing activities	<u><u>2,274,380</u></u>	<u><u>5,000</u></u>
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>		
Acquisition and construction of capital assets	(71,815)	
Proceeds received from disposal of capital assets	<u>22,983</u>	<u>                    </u>
Net cash used in capital financing activities	<u><u>(48,832)</u></u>	<u><u>                    </u></u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment income received	<u>27,109</u>	<u>7,533</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(753,118)	(94,667)
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>3,689,464</u>	<u>1,069,758</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u><u>\$ 2,936,346</u></u>	<u><u>\$ 975,091</u></u>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES</b>		
Operating loss	\$ (3,214,839)	\$ (101,977)
Adjustments to reconcile operating loss to net cash used in operating activities		
Depreciation	164,912	
(Increase) in operating assets		
Prepaid items	(57,702)	
Increase (decrease) in operating liabilities		
Accounts payable	(3,253)	
Accrued expenses	5,474	
Compensated absences	6,759	
Postemployment benefits other than pensions	92,874	
Self-insurance liability		<u>(5,223)</u>
Total adjustments	<u>209,064</u>	<u>(5,223)</u>
Net cash used in operating activities	<u><u>\$ (3,005,775)</u></u>	<u><u>\$ (107,200)</u></u>

See notes to basic financial statements.

# SOUTHERN NEVADA HEALTH DISTRICT

## FIDUCIARY FUNDS STATEMENT OF NET POSITION JUNE 30, 2014

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	<u>Retiree Health Insurance</u>
ASSETS	
Cash and cash equivalents	\$ <u>433,571</u>
Total assets	<u>433,571</u>
LIABILITIES	
Due to others	<u>433,571</u>
Total liabilities	<u>433,571</u>
NET POSITION	\$ <u><u>          </u></u>

See notes to basic financial statements.

*Notes to Basic Financial Statements*





# SOUTHERN NEVADA HEALTH DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2014

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### Note 1. Summary of Significant Accounting Policies

#### Reporting Entity

The Southern Nevada Health District (the District) is governed by a 14 member policymaking board (the Board of Health) comprised of two representatives from each of 6 entities, as well as a physician member at-large and one representative of the Association of Gaming Establishments. The District represents a unique consolidation of the public health needs of the cities of Boulder City, Las Vegas, North Las Vegas, Henderson, Mesquite and others within Clark County (the County).

The accounting policies of the District conform to generally accepted accounting principles as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

GASB Statement No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34* (GASB 61), defines the reporting entity as the primary government and those component units for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Financial accountability is defined as the appointment of a voting majority of the organization's governing board, and either the ability of the primary government to impose its will on the organization or the possibility that the organization will provide a financial benefit to or impose a financial burden on the primary government. In addition to financial accountability, component units can be other organizations in which the economic resources received or held by that organization are entirely or almost entirely for the direct benefit of the primary government, the primary government is entitled to or has the ability to otherwise access a majority of the economic resources received or held by that organization, and the resources to which the primary government is entitled or has the ability to otherwise access are significant to the primary government.

The District has complied with GASB 61 by examining its position relative to other entities and has determined that there are no requirements that would cause the basic financial statements of the District to be included in any other entities' financial statements or comprehensive annual financial reports (CAFR). In addition, the District determined that there are no other entities, which are required to be included in the District's CAFR.

#### Basic Financial Statements

The District's basic financial statements consist of government-wide financial statements, fund financial statements, and related notes. The government-wide financial statements include a statement of net position and a statement of activities, and the fund financial statements include financial information for the governmental and business fund types. Reconciliations between the governmental fund statements, the government-wide statements are also included.

#### Government-wide Financial Statements

The government-wide financial statements are made up of the statement of net position and the statement of activities. These statements include the aggregated financial information of the District as a whole, except for fiduciary activity. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees, charges for services, and grants. The effect of interfund activity has been removed from these statements.

(Continued)

# SOUTHERN NEVADA HEALTH DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

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The statement of net position presents the consolidated financial position of the District at year end in separate columns for both governmental and business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Other sources of revenue not properly included among program revenues are reported instead as general revenues. This statement provides a net cost or net revenue of specific functions within the District. Those functions with a net cost are consequently dependent on general-purpose revenues, such as the property tax allocation from the County collected from various jurisdictions, to remain operational.

### Fund Financial Statements

The financial accounts of the District are organized on a basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for using a separate set of self-balancing accounts comprised of assets, liabilities, fund balance, revenues and expenditures/expenses. Separate financial statements are provided for governmental funds and proprietary funds.

The presentation emphasis in the fund financial statements is on major funds, for both governmental and enterprise funds. Major funds are determined based on minimum criteria set forth in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*. Major individual governmental funds and major individual enterprise funds are required to be reported in separate columns on the fund financial statements. The District may also display other funds as major funds if it believes the presentation will provide useful information to the users of the financial statements.

### Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide and proprietary fund financial statements are reported using the economic resources measurement 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 related cash flows. Grants, contributions, and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered "measurable" when in the hands of the intermediary collecting governments and are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the current fiscal year end. The major revenue sources of the District include the property tax allocation from the County collected from various jurisdictions, regulatory revenue, fees for service and other intergovernmental revenues from state and federal sources, which have been treated as susceptible to accrual. All other revenue sources are considered to be measurable and available only when cash is received by the District. In general, expenditures are recorded when liabilities are incurred, as under accrual accounting. The exception to this rule is that principal and interest on debt service, as well as liabilities related to compensated absences, postemployment benefits, and claims and judgments, are recorded when payment is due.

(Continued)

# SOUTHERN NEVADA HEALTH DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

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The District reports the following three major governmental funds:

*General Fund.* Accounts for all financial resources except for those required to be accounted for in another fund and is the general operating fund of the District.

*The Bond Reserve Capital Projects Fund.* Accounts for resources that have been committed to the future acquisition of a new administration building.

*Capital Projects Fund.* Accounts for resources committed or assigned to the acquisition or construction of capital assets other than a new administration building.

Proprietary funds (enterprise and internal service funds) distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the proprietary fund's principal ongoing operations. Operating expenses for the proprietary fund include the costs of services, administrative expenses, and depreciation on capital assets. Operating expenses of the internal service fund include claims and administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The District reports the following major enterprise fund:

*The Southern Nevada Public Health Laboratory (SNPHL) Fund.* Accounts for the provision of various testing and analytical services provided to the District, outside government entities and private health providers.

The District reports the following internal service fund:

*The Insurance Liability Reserve Fund.* Accounts for the costs associated with the self-funded workers compensation insurance.

Fiduciary fund financial statements, comprised of a statement of net position, report the District's activities that are custodial in nature (assets equal liabilities) and do not involve measurement of operational results. Fiduciary funds are excluded from the government-wide financial statements.

The District reports the following fiduciary fund:

*Retiree Health Insurance Fund.* Accounts for the excess cost per employee per month funding that is derived from the difference between the actual cost of insurance and the per employee per month contract amount as required by the terms of the Collective Bargaining Agreement with the Service Employee International Union. These funds are then to be used to help fund retired employee costs in maintaining the group health insurance benefit.

### Cash and Cash Equivalents

The District considers short-term, highly liquid investments that are both readily convertible to cash and have original maturity date of three months or less to be cash equivalents. This includes all of the District's cash and cash equivalents held by the Clark County Treasurer, which are combined with other County funds in a general investment pool. As the District maintains the right to complete access to its funds held in the investment pool, these invested funds are presented as cash equivalents in the accompanying basic financial statements.

(Continued)

# SOUTHERN NEVADA HEALTH DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

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### Receivables, Payables and Unearned Revenues

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. The resulting payables and receivables outstanding at year end, if any, are referred to as due to or due from other funds. Transactions that constitute reimbursements to a fund for expenditures or expenses initially made from it that are properly applicable to another fund, are recorded as expenditures or expenses in the reimbursing fund and as reductions of expenditures or expenses in the fund that is reimbursed. Any residual balances between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

### Inventories

Inventories are valued at the lower of cost or market, using the first-in, first-out (FIFO) method. Governmental fund inventories are accounted for under the consumption method where the costs are recorded as expenditures when the inventory item is used rather than when purchased.

Additionally, the District receives medical vaccines from the State of Nevada (the State) for use in the District's clinics, which are not included in the District's inventory since these vaccines remain the property of the State until they are administered. At June 30, 2014, the estimated value of such vaccines in the District's possession was \$1,083,222.

### Prepaid Items

Certain payments to vendors reflect costs applicable to future periods and are recorded as prepaid items in both the government-wide and fund financial statements. In the fund financial statements, prepaid items are recorded as expenditures when consumed rather than when purchased.

### Restricted Cash Equivalents

Restricted cash equivalents consist of a certificate of deposit held in the internal service fund for workers compensation self-insurance claims.

### Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The District considers assets with an initial individual cost of more than \$3,000 and an estimated useful life in excess of one year to be capital assets. Purchased or constructed capital assets are recorded at historical cost or estimated historical cost and updated for additions and retirements during the year. Donated capital assets, if any, are valued at their estimated fair value as of the date of donation.

The cost of normal maintenance and repairs that do not significantly increase the functionality of the assets or materially extend the assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as the projects are constructed.

(Continued)

# SOUTHERN NEVADA HEALTH DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

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Depreciation and amortization are computed using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Buildings	50
Improvements other than buildings	5-25
Furniture, fixtures and equipment	5-20
Vehicles	6

### Compensated Absences

It is the District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits, which are collectively referred to as compensated absences.

Vacation benefits earned by employees are calculated based on years of full-time service as follows:

<u>Years of Service</u>	<u>Vacation Benefit (Days)</u>
Less than one	10
One to eight	15
Eight to thirteen	18
More than thirteen	20

The vacation pay benefits for any employee not used during the calendar year may be carried over to the next calendar year, but are not permitted to exceed twice the vacation pay benefits the employee earned per year. The employee forfeits any excess leave.

An employee is entitled to sick pay benefits accrued at one day for each month of full-time service. After 120 months of full-time service, an employee is entitled to 1.25 days of sick pay benefits for each month of full-time service. There is no limit on the amount of sick pay benefits that can be accumulated. Upon termination, an employee with at least three years of service will receive 100 percent of the sick pay benefits accrual for accrued days up to 100 days, 50% of the accrued days between 101 and 200 days, and 25% of the accrued days greater than 200 days. Upon death of an employee, the estate will receive a lump sum payment for all sick pay benefits accrued.

All vacation and sick pay benefits are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if the liability is due and payable, for example, as a result of employee resignations, terminations and retirements. The liability for compensated absences is funded from currently budgeted payroll accounts from both the general fund and the SNPHL.

### Postemployment Benefits Other Than Pensions (OPEB)

In accordance with the transition rules of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, the District elected to apply its measurement and recognition requirements on a prospective basis. The annual OPEB cost reported in the accompanying financial statements is equal to the annual required contribution (ARC) of the District, calculated by using an actuarial valuation based upon the same methods and assumptions applied in determining the plan's funding requirements. The net OPEB obligation at year end is determined by adding the ARC to the net OPEB obligation at the beginning of the year, and deducting any contributions to the plan during the year.

(Continued)

# SOUTHERN NEVADA HEALTH DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

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### Deferred Inflows of Resources

Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has only one item that qualifies for reporting in this category. The governmental funds report unavailable grant revenues which are deferred and will be recognized as an inflow of resources in the period that the amounts become available.

### Fund Balance and Net Position Classifications

In the government-wide statements, equity is classified as net position and displayed in three components:

*Net Investment in Capital Assets.* This is the component of net position that represents the difference between capital assets less accumulated depreciation.

*Restricted.* This component of net position reports the constraints placed on the use of assets by either external parties and/or enabling legislation. Currently, the District restricts assets related to self-insurance deposits for the District's workers compensation program accounted for in the insurance liability reserve fund.

*Unrestricted.* This component of net position is the difference between the assets and liabilities not reported in net investment in capital assets and restricted net position.

In the fund financial statements, proprietary fund equity is classified the same as in the government-wide statements. Governmental fund balances are classified as follows:

*Nonspendable.* Includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. This classification includes inventories and prepaid items.

*Restricted.* Includes constraints placed on the use of these resources that are either externally imposed by grantors, contributors or other governments; or are imposed by law (through constitutional provisions or enabling legislation).

*Committed.* Includes amounts that can only be used for a specific purpose due to a formal resolution approved by the Board of Health, which is the District's highest level of decision-making authority. Those constraints remain binding unless removed or changed in the same manner employed to previously commit those resources.

*Assigned.* Includes amounts that are constrained by the District's intent to be used for specific purposes, but do not meet the criteria to be classified as restricted or committed. The Board of Health has set forth by resolution authority to assign fund balance amounts to the District's Director of Administration. Constraints imposed on the use of assigned amounts can be removed without formal resolution by the Board of Health.

*Unassigned.* This is the residual classification of fund balance in the general fund, which has not been reported in any other classification. The general fund is the only fund that can report a positive unassigned fund balance. Other governmental funds might report a negative unassigned fund balance as a result of overspending an amount which has been restricted, committed or assigned for specific purposes.

(Continued)

# SOUTHERN NEVADA HEALTH DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

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The District considers restricted amounts to have been spent when expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available. Committed amounts are considered to have been spent when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

It is the District's policy to expend restricted resources first and use unrestricted resources when the restricted resources have been depleted, except in the case of the certificate of deposit for self-insurance, which is statutorily restricted. It is also the District's policy to maintain a minimum unassigned fund balance in the general fund of 16.6% of general fund expenditures (the general fund reserve).

The general fund reserve will be maintained to provide the District with sufficient working capital and a comfortable margin of safety to support one-time costs in the event of either a natural disaster or any other unforeseen emergency (as declared by the Board of Health), or unforeseen declines in revenue and/or large unexpected expenditures/expenses. These circumstances are not expected to occur routinely, and the general fund reserve is not to be used to support recurring operating expenditures/expenses.

### Use of Estimates

The preparation of these financial statements includes estimates and assumptions made by management that affect the reported amounts. Actual results could differ from those estimates.

## **Note 2. Stewardship and Accountability**

### Budgets and Budgetary Accounting

Nevada Revised Statutes (NRS) require that local governments legally adopt budgets for all funds except fiduciary funds. The annual budgets for all funds are adopted on a basis consistent with accounting principles generally accepted in the United States. Budget augmentations and amendments made during the year ended June 30, 2014, if any, were as prescribed by law.

The budget approval process is summarized as follows:

At the March Board of Health meeting, management of the District submits a tentative budget for the fiscal year commencing the following July. The operating budget includes proposed expenditures/expenses and the means of financing them.

Upon approval by the Board of Health, the tentative budget is submitted to the County where it is included in the County's public hearing held in May.

The District's budget is then filed with the State of Nevada, Department of Taxation by the County.

NRS allow appropriations to be transferred within or among any functions or programs within a fund without an increase in total appropriations. If it becomes necessary during the course of the year to change any of the departmental budgets, transfers are initiated by department heads and approved by the appropriate administrator. Transfers within program or function classifications can be made with appropriate administrator approval. The Board of Health is advised of transfers between funds, program, or function classifications and the transfers are recorded in the official Board of Health minutes.

(Continued)

# SOUTHERN NEVADA HEALTH DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

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Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is utilized in the governmental funds.

Per NRS 354.626, actual expenditures may not exceed budgetary appropriations of the public health function of the general fund or total appropriations of the individual capital projects funds. The sum of operating and nonoperating expenses in the enterprise and internal service funds may not exceed total appropriations. At June 30, 2014, the District was in compliance with this statute.

### New Accounting Pronouncements

In June 2012, the GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27*, effective for periods beginning after June 15, 2014. The objective of this statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. Management is currently awaiting the completed evaluation from the Public Employees Retirement System to complete its evaluation and determine the effect on the District's basic financial statements.

In January 2013, the GASB issued Statement No. 69, *Government Combinations and Disposals of Government Operations*, effective for periods beginning after December 15, 2013. The objective of this statement is to improve financial reporting by addressing accounting and financial reporting for government combinations and disposals of government operations. The term government combinations is used in this statement to refer to a variety of arrangements including mergers and acquisitions. Government combinations also include transfers of operations that do not constitute entire legally separate entities and in which no significant consideration is exchanged. Transfers of operations may be present in shared service arrangements, reorganizations, redistricting, annexations, and arrangements in which an operation is transferred to a new government created to provide those services. Management has not yet completed its assessment of this statement.

In November 2013, the GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date- an amendment of GASB Statement No. 68*, to be applied simultaneously with the provisions of GASB Statement No. 68. The objective of this Statement is to address an issue regarding application of the transition provisions of GASB Statement No. 68. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. Management is currently awaiting the completed evaluation from the Public Employees Retirement System to complete its evaluation and determine the effect on the District's basic financial statements.



# SOUTHERN NEVADA HEALTH DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

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### Note 3. Cash and Cash Equivalents

#### Deposits

The District's deposit policies are governed by the NRS. Deposits are carried at cost, which approximates market value and are maintained with insured banks in Nevada. At June 30, 2014, the carrying amount of the District's deposits was \$120,448 and the bank balance was \$122,657. The entire balance was covered by the Federal Deposit Insurance Corporation (FDIC) and therefore is not subject to any custodial credit risk.

#### Clark County Investment Pool

The District participates in Clark County's investment pool. At June 30, 2014, all rated investments in the Clark County investment pool were in compliance with the rating criteria listed below. Pooled funds are invested according to the NRS which are limited to the following (the District has no investment policy that would further limit the County's investment choices):

Obligations of the U.S. Treasury and U.S. agencies in which the maturity dates do not extend more than 10 years from the date of purchase.

Negotiable certificates of deposit issued by commercial banks or insured savings and loan associations (those over \$100,000 must be fully collateralized) not to exceed 1 year maturity from date of purchase with minimum ratings by at least two rating services of "B" by Thomson Bank Watch or "A-1" by Standard & Poor's or "P-1" by Moody's.

Notes, bonds and other unconditional obligations issued by corporations organized and operating in the United States. The obligations must be purchased from a registered broker/dealer. At the time of purchase the obligations must have a remaining term to maturity of no more than 5 years, are rated by a nationally recognized rating service as "A" or its equivalent, or better and cannot exceed 20% of the investment portfolio.

Bankers' acceptances eligible for rediscount with Federal Reserve banks, not to exceed 180 days maturity and 20% of the investment portfolio.

Commercial paper with a rating of A-1, P-1 or equivalent that does not exceed 270 days maturity and does not exceed 20% of the portfolio.

Collateralized mortgage obligations that are rated "AAA" or its equivalent not to exceed 20% of the portfolio.

Repurchase agreements that are collateralized at 102% of the repurchase price and do not exceed 90 days maturity. Securities used for collateral must meet the criteria listed above.

Money Market Mutual Funds which are rated "AAA" or its equivalent and invest only in securities issued by the Federal Government, U.S. agencies or repurchase agreements fully collateralized by such securities not to exceed 5 years maturity and does not exceed 20% of the portfolio.

Asset-backed securities that are rated AAA or its equivalent, not to exceed 20% of the portfolio.

Investment contracts for bond proceeds only, issuance for \$10,000,000 or more, and collateralized at a market value of at least 102% by obligations of the U.S. Treasury or agencies of the federal government.

(Continued)

# SOUTHERN NEVADA HEALTH DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

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The State of Nevada's Local Government Investment Pool.

Custodial credit risk is the risk that in the event a financial institution or counterparty fails, the District would not be able to recover the value of its deposits and investments. As of June 30, 2014, 100% of the District's cash equivalents are held in the Clark County Investment Pool. The County Investment Policy states that securities purchased by the County shall be delivered against payment (delivery vs. payment) and held in a custodial safekeeping account with the trust department of a third party bank insured by the FDIC and designated by the County Treasurer for this purpose in accordance with NRS 355.172. A custody agreement between the bank and the County is required before execution of any transactions. County public deposits are in participating depositories of the Nevada Collateral Pool (the Pool).

The Pool, which is administered by the State of Nevada, Office of the State Treasurer, is set up as a single financial institution collateral pool that requires each participating depository to collateralize with eligible collateral those ledger deposits not within the limits of insurance provided by an instrumentality of the United States through NRS 356.133 (*i.e.*, in excess of the FDIC levels). The collateral is pledged in the name of the Pool and the market value of the collateral must be at least 102% of the uninsured ledger balances of the public money held by the depository.

Interest rate risk is defined as the risk that changes in interest rates will adversely affect the fair value of an investment. Through its investment policy, the County (as the external investment pool operator) manages interest rate risk by limiting the average weighted duration of the investment pool portfolio to less than 2.5 years. Duration is a measure of the present value of a fixed income's cash flows and is used to estimate the sensitivity of a security's price to interest rate changes.

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At June 30, 2014, all of the District's investments are held by the County Treasurer and are invested in authorized investments in accordance with NRS 350.659, 355.165, 355.170, and 356.120. The limitations on amounts invested are covered on the aforementioned type of security.

As of June 30, 2014, the carrying amount and market value of investments in the Clark County Investment Pool was \$38,633,208, which includes \$433,571 recorded in the retiree health insurance fiduciary fund that is not included in the government-wide statement of net position.

### Combined Cash and Cash Equivalents

At June 30, 2014, the District's cash, cash equivalents and investments (including restricted amounts) were as follows:

Clark County Investment Pool	\$ 38,199,637
Cash in bank	17,947
Cash on hand	10,506
Certificate of deposit	<u>102,501</u>
Total cash and cash equivalents	\$ <u><u>38,330,591</u></u>

At June 30, 2014, the District's cash, cash equivalents and investments (including restricted amounts) were presented in the District's financial statements as follows:

Governmental funds	\$ 35,394,245
Proprietary funds	2,936,346
Fiduciary funds	<u>433,571</u>
Total cash and cash equivalents	\$ <u><u>38,764,162</u></u>

(Continued)

# SOUTHERN NEVADA HEALTH DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED JUNE 30, 2014**

### Note 4. Capital Assets

Changes in capital assets for the year ended June 30, 2014, were as follows:

	Balance July 1, 2013	Increases and transfers *	Decreases and transfers *	Balance June 30, 2014
Governmental activities				
Capital assets not being depreciated or amortized				
Land	\$ 2,059,765	\$ _____	\$ _____	\$ 2,059,765
Capital assets being depreciated or amortized				
Buildings	4,697,563			4,697,563
Improvements other than buildings	9,011,550		(61,347)	8,950,203
Furniture, fixtures and equipment	9,888,440	302,050	(240,369)	9,950,121
Vehicles	710,904	_____	(142,386)	568,518
Total capital assets being depreciated or amortized	24,308,457	302,050	(444,102)	24,166,405
Accumulated depreciation and amortization				
Buildings	(2,034,757)	(93,951)		(2,128,708)
Improvements other than buildings	(8,345,981)	(191,507)	61,347	(8,476,141)
Furniture, fixtures and equipment	(6,943,842)	(818,028)	212,255	(7,549,615)
Vehicles	(652,738)	(17,572)	142,386	(527,924)
Total accumulated depreciation and amortization	(17,977,318)	(1,121,058)	415,988	(18,682,388)
Total capital assets being depreciated or amortized, net	6,331,139	(819,008)	(28,114)	5,484,017
Total governmental activities	\$ 8,390,904	\$ (819,008)	\$ (28,114)	\$ 7,543,782

\* Includes transfers from and to proprietary funds, if any.

	Balance July 1, 2013	Increases and transfers *	Decreases and transfers *	Balance June 30, 2014
Business-type activities				
Capital assets being depreciated or amortized				
Improvements other than buildings	\$ 96,241	\$ 48,071	\$ _____	\$ 144,312
Furniture, fixtures and equipment	2,412,871	23,744		2,436,615
Vehicles	40,972	_____	(22,982)	17,990
Total capital assets being depreciated or amortized	2,550,084	71,815	(22,982)	2,598,917
Accumulated depreciation and amortization				
Improvements other than buildings	(54,127)	(8,846)		(62,973)
Furniture, fixtures and equipment	(1,595,132)	(149,557)		(1,744,689)
Vehicles	(8,884)	(6,509)	4,149	(11,244)
Total accumulated depreciation and amortization	(1,658,143)	(164,912)	4,149	(1,818,906)
Total capital assets being depreciated or amortized, net	891,941	(93,097)	(18,833)	780,011
Total business-type activities	\$ 891,941	\$ (93,097)	\$ (18,833)	\$ 780,011

\* Includes transfers from and to governmental funds, if any.

(Continued)

# SOUTHERN NEVADA HEALTH DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED JUNE 30, 2014**

For the year ended June 30, 2014, depreciation expense was charged to the following functions and programs:

Governmental activities		
Public health		
Nursing		
Communicable diseases	\$	7,319
General nursing administration		19,746
Immunizations		4,035
Children's health		423
Indirect cost allocation		398,153
Environmental health		
Environmental health and sanitation		13,876
Waste management		3,965
Indirect cost allocation		311,047
Community health services		
Health education		195
Epidemiology		885
Public health preparedness		29,304
Emergency medical services		465
Indirect cost allocation		246,197
Administration		
Food handler education		6,009
Indirect cost allocation		<u>79,439</u>
Total depreciation expense, governmental activities		<u>\$ 1,121,058</u>
Business-type activities		
Southern Nevada Public Health Laboratory		<u>\$ 164,912</u>

### Note 5. Interfund Transfers

Transfers are used to 1) move unrestricted revenues collected in the general fund to finance various programs accounted for in other funds, and 2) to move cash for expenditures paid by a fund on behalf of another fund. There were no significant transfers during the fiscal year that were either non-routine in nature or inconsistent with the activities of the fund making the transfer.

In the fund financial statements, interfund transfers are shown as other financial sources or uses. For the year ended June 30, 2014, transfers between funds are as follows:

Transfer In Fund	Transfer Out Fund	Amount
General Fund	Bond Reserve Capital Projects Fund	\$ 3,581,152
	Southern Nevada Public Health Laboratory	
	Enterprise Fund	633,366
Capital Projects Capital Projects Fund	General Fund	<u>1,458</u>
		<u>\$ 4,215,976</u>

(Continued)

**SOUTHERN NEVADA HEALTH DISTRICT**

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED JUNE 30, 2014**

**Note 6. Leases**

Operating Leases

The District has certain non-cancelable operating lease agreements (subject to the requirements of NRS 244.230 and 354.626) for its facilities. Such leases expire at various times through December 15, 2021. For the year ended June 30, 2014, rent expense and expenditures totaled \$3,401,019. At year end, the District's future minimum lease payments under these non-cancelable operating leases were as follows:

<u>For the Year Ended June 30,</u>					
2015	\$		3,216,473		
2016			1,384,804		
2017			430,604		
2018			432,755		
2019			440,454		
2020 - 2024			<u>1,127,341</u>		
	\$		<u>7,032,431</u>		

**Note 7. Long-term Liabilities**

The District's long-term liabilities consist of compensated absences and postemployment benefits other than pensions (OPEB) obligations.

Long-term liabilities activity for the year ended June 30, 2014, was as follows:

	<u>Balance</u> <u>July 1, 2013</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2014</u>	<u>Due Within</u> <u>One Year</u>
<b>Governmental activities</b>					
Compensated absences	\$ 6,814,721	\$ 4,147,831	\$ (4,509,458)	\$ 6,453,094	\$ 4,000,918
Postemployment benefits other than pensions	<u>12,420,874</u>	<u>2,524,581</u>	<u>                    </u>	<u>14,945,455</u>	<u>                    </u>
Total governmental activities	<u>19,235,595</u>	<u>6,672,412</u>	<u>(4,509,458)</u>	<u>21,398,549</u>	<u>4,000,918</u>
<b>Business-type activities</b>					
Compensated absences	262,276	151,625	(144,866)	269,035	145,279
Postemployment benefits other than pensions	<u>388,863</u>	<u>92,874</u>	<u>                    </u>	<u>481,737</u>	<u>                    </u>
Total business-type activities	<u>651,139</u>	<u>244,499</u>	<u>(144,866)</u>	<u>750,772</u>	<u>145,279</u>
Total long-term liabilities	<u>\$ 19,886,734</u>	<u>\$ 6,916,911</u>	<u>\$ (4,654,324)</u>	<u>\$ 22,149,321</u>	<u>\$ 4,146,197</u>

(Continued)

# SOUTHERN NEVADA HEALTH DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

Compensated absences and postemployment benefits other than pensions typically have been liquidated by the general and enterprise funds.

### Note 8. Commitments and Contingencies

#### Risk Management

The District, like all governmental entities, is exposed to various risks of loss related to torts; thefts of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The District participates in the County's Cooperative Agreement for Coverage of Liability Claims and Related Expenses. Under this agreement, the District pays an annual premium to the Clark County Insurance Pool Internal Service Fund for its general insurance coverage. The agreement for formation of the insurance pool fund provides that the fund will be self-sustaining through member premiums. Each member is responsible for a deductible for each claim submitted. The District's deductible is \$10,000 per occurrence. The stop-loss provision is \$2,000,000 per occurrence, accident, or loss. Coverage from private insurers is maintained for losses in excess of the stop loss amount up to \$20,000,000. An independent claims administrator performs all claims-handling procedures. The insurance pool fund's two umbrella policies provide further coverage to a maximum aggregate amount of \$10,000,000. The District remains adequately covered for losses and no settlements have reached amounts in excess of the insurance coverage during the past three years.

On July 1, 2005, the District established an internal service fund to provide for self-insured workers compensation claims. Additionally, the District has excess workers compensation insurance up to \$1,000,000 per occurrence, with retention of \$400,000 per occurrence. A liability for a claim is established if information indicates that it is possible that a liability has been incurred at the date of the financial statements and the amount of loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. As of June 30, 2014, the estimate of the worker's compensation claims payable was determined by the District with the assistance of an independent actuarial study and is reflected in the financial statements of the insurance liability reserve fund.

For the fiscal years ended June 30, 2014, 2013 and 2012, changes in claims liability amounts were as follows:

	<u>June 30, 2014</u>	<u>June 30, 2013</u>	<u>June 30, 2012</u>
Claims liability, beginning of year	\$ 180,219	\$ 209,027	\$ 297,855
Claims incurred and changes in estimate	99,489	11,745	13,804
Claims paid	<u>(104,708)</u>	<u>(40,553)</u>	<u>(102,632)</u>
Claims liability, end of year	<u>\$ 175,000</u>	<u>\$ 180,219</u>	<u>\$ 209,027</u>

At June 30, 2014, the District had a certificate of deposit with a balance of \$102,501, which is required for the District's workers compensation self-insurance program.

The United States recently experienced a widespread recession accompanied by declines in residential real estate sales, mortgage lending and related construction activity, higher energy costs and other inflationary trends, and weakness in the commercial and investment banking systems. The near- and long-term impact of these factors on the State's economy and the District's operating activities cannot be predicted at this time but may be substantial.

(Continued)

# SOUTHERN NEVADA HEALTH DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

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### Litigation

Various legal claims have arisen against the District during the normal course of operations. According to the District's legal counsel, the ultimate resolution of these matters is not ascertainable at this time and, therefore, no provision for loss has been made in the financial statements in connection therewith.

The District does not accrue for estimated future legal and defense costs, if any, to be incurred in connection with outstanding or threatened litigation and other disputed matters but rather, records such as period costs when the services are rendered.

### **Note 9. Defined Benefit Pension Plan**

The District contributes to a cost sharing, multiple employer, defined benefit plan administered by the Public Employees' Retirement System of the State of Nevada (PERS). PERS provides retirement benefits, disability benefits and death benefits, including annual cost of living adjustments, to plan members and their beneficiaries. NRS 286 establishes the benefit provisions provided to the participants of PERS. These benefit provisions may only be amended through legislation. PERS issues a publicly available financial report that includes financial statements and required supplementary information for PERS. The District does not exercise any control over PERS. NRS 286.110 states, "Respective participating public employers are not liable for any obligation of the system."

PERS financial statements are available by calling or writing to:

Public Employees' Retirement System  
693 West Nye Lane  
Carson City, Nevada 89703-1599  
(775) 687-4200

Benefits for plan members are funded under the employer pay method. Under the employer pay contribution plan, the District is required to contribute all amounts due under the plan, the amounts contributed equal the required contribution amount. NRS 286 establishes the contribution requirements of plan members and the District. Contribution requirements may only be amended through legislation.

Contribution rates and amounts contributed for the previous three years were as follows:

<u>For the Year Ended June 30,</u>	<u>Contribution Rate</u>	<u>Required Contribution and Amount Contributed</u>
2012	23.75 %	\$ 8,676,560
2013	23.75 %	8,367,769
2014	25.75 %	8,910,121

(Continued)

# SOUTHERN NEVADA HEALTH DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

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### Note 10. Postemployment Benefits Other Than Pensions (OPEB)

#### Plan Description

The District participates in Clark County's Self-Funded Health Benefit Plan (Self-Funded Plan), which is an agent multiple-employer defined benefit OPEB plan. Employees who retired before September 1, 2008, may be covered by the State of Nevada's Public Employee Benefit Plan (PEBP), which is also an agent multiple-employer defined benefit OPEB plan. In accordance with NRS, retirees of the District may continue insurance through existing insurance plans, if enrolled as an active employee at the time of retirement. Retirees are offered medical, dental, prescription drug, and life insurance benefits for themselves and their dependents. Retirees may choose between the Clark County Self-Funded Group Medical and Dental Benefits Plan or the Health Maintenance Organization Plan (HMO).

The Self-Funded Plan benefit provisions are established and amended by the Clark County Self-Insurer's Executive Committee. PEBP eligibility and subsidy requirements are governed by NRS and can only be amended through legislation. In 2008, the NRS were amended. As a result of this amendment, the number of retirees for whom the District is obligated to provide postemployment benefits is limited to eligible employees who retired from District service prior to September 1, 2008.

The Self-Funded Plan and PEBP issue publicly available financial reports that include financial statements and required supplementary information.

The Self-funded and PEBP reports may be obtained by writing or calling the following addresses or numbers:

Clark County, Nevada  
PO Box 551210  
500 S. Grand Central Parkway  
Las Vegas, NV 89155-1210  
(702) 455-3895

Public Employee Benefit Plan  
901 South Stewart Street, Suite 1001  
Carson City, Nevada 89701  
(800) 326-5496

#### Funding Policy and Annual OPEB Cost

The Self-Funded Plan contribution requirements of plan members and the District are established and may be amended through negotiations between the District and the SEIU employee union.

For the year ended June 30, 2014, the District paid a maximum of \$515 per month towards employee premiums for active employee coverage. In addition, the District pays a portion of the premium for dependents up to a maximum of \$915 for employee and family. Retirees in the Self-Funded Plan receive no direct subsidy from the District. Under state law, retiree loss experience is pooled with active loss experience for the purpose of setting rates. The difference between the true claims cost and the blended premium is an implicit rate subsidy that creates an OPEB cost for the District.

The District is required to pay the PEBP an explicit subsidy, based on years of service, for retirees who are enrolled in this plan. During fiscal 2014, retirees were eligible for a \$114 per month subsidy after five years of service with a Nevada state or local government entity. The maximum subsidy of \$627 is earned after 20 years of combined service with any eligible entity. There are incremental increases for years of service between five and twenty years. The subsidy is set, and may be amended, by the State Legislature.

(Continued)



# SOUTHERN NEVADA HEALTH DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED JUNE 30, 2014**

The annual OPEB cost for each plan is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement 45, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions*. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

At June 30, 2014, the District's OPEB cost and related plan information were as follows:

	Public Employee Benefit Program	Clark County Self-Funded Health Benefit Plan
Contribution rate	Set by State Legislature	Actuarially determined, premium sharing determined by union contracts
Southern Nevada Health District	\$114 per month after 5 years of service up to \$627 per month after 20 years	Implicit subsidy through blending of active and retiree loss experience
Plan members	From \$0 to \$2,674, depending on level of coverage and subsidy earned	From \$421 to \$1,101 per month for family coverage, depending on plan

The following table shows the components of the annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the net OPEB obligation:

	Public Employee Benefit Program	Clark County Self-Funded Health Benefit Plan	Total
Annual required contribution (ARC)	\$ 346,537	\$ 3,099,193	\$ 3,445,730
Interest on net OPEB obligation	51,532	460,858	512,390
Adjustment to ARC	<u>(74,501)</u>	<u>(666,287)</u>	<u>(740,788)</u>
Annual OPEB cost	323,568	2,893,764	3,217,332
OPEB contributions made	<u>(227,238)</u>	<u>(372,639)</u>	<u>(599,877)</u>
Increase in net OPEB obligation	96,330	2,521,125	2,617,455
Net OPEB obligation, beginning of year	<u>270,119</u>	<u>12,539,618</u>	<u>12,809,737</u>
Net OPEB obligation, end of year	<u>\$ 366,449</u>	<u>\$ 15,060,743</u>	<u>\$ 15,427,192</u>

(Continued)

# SOUTHERN NEVADA HEALTH DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED JUNE 30, 2014

The funded status of the plans as of the most recent actuarial valuation date was as follows:

Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as a Percent of Covered Payroll
Public Employee Benefit Program July 1, 2012	N/A <sup>1</sup>	\$ 5,992,330	\$ 5,992,330	0.0 %	N/A <sup>2</sup>	N/A <sup>2</sup>
Clark County Self-Funded Health Benefit Plan July 1, 2012	N/A <sup>1</sup>	16,260,740	16,260,740	0.0 %	36,534,795	44.5 %

1. No assets have been placed in trust.

2. The Public Employee Benefit Program is a closed plan; and therefore, there are no current covered employees.

The County does not hold any funds on behalf of the District that are to be used to fund the District's future OPEB requirements. The District intends to use accumulated cash and cash equivalents in the general fund for future OPEB funding; however, these assets are not considered plan assets because they are not held in trust.

The schedule of funding progress presented as required supplementary information provides multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plans and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

Annual OPEB cost, employer contributions, the percentage of annual cost contributed to the plan and the net OPEB obligation (prepayment) for the years ended June 30, 2014, 2013 and 2012 were as follows:

For the Year Ended June 30,	Annual OPEB Cost	OPEB Contributions Made	Percentage Contributed	Net OPEB Obligation
Public Employee Benefit Program				
2012	\$ 509,660	\$ 274,180	53.8 %	\$ 195,199
2013	328,388	253,468	77.2 %	270,119
2014	323,568	227,238	70.2 %	366,449
Clark County Self-Funded Health Benefit Plan				
2012	3,109,328	63,787	2.1 %	9,926,075
2013	2,936,879	323,336	11.0 %	12,539,618
2014	2,893,764	372,639	12.9 %	15,060,743

(Continued)

# SOUTHERN NEVADA HEALTH DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

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### Actuarial Methods and Assumptions

Projections of benefits are based on the substantive plans (the plans as understood by the employer and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the District and the plan members at that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

Significant actuarial methods and assumptions as of the most recent actuarial valuation date were as follows:

	<u>Public Employee Benefit Program</u>	<u>Clark County Self-Funded Health Benefit Plan</u>
Actuarial valuation date	July 1, 2012	July 1, 2012
Actuarial cost method	Entry age normal	Entry age normal
Amortization method	Level dollar amount, open	Level dollar amount, open
Amortization period	30 years	30 years
Asset valuation method	No assets in trust	No assets in trust
Actuarial assumptions		
Investment rate of return	4%	4%
Projected salary increases	N/A <sup>1</sup>	N/A

1. The Public Employee Benefit Program is a closed plan; and therefore, there are no current covered employees.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.



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## **Required Supplementary Information**



# SOUTHERN NEVADA HEALTH DISTRICT

## POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS SCHEDULE OF FUNDING PROGRESS FOR THE YEAR ENDED JUNE 30, 2014

Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as a Percent of Covered Payroll
Public Employee Benefit Program						
July 1, 2008	N/A <sup>1</sup> \$	3,550,918 \$	3,550,918	0.0 %	N/A <sup>2</sup>	N/A <sup>2</sup>
July 1, 2010	N/A <sup>1</sup>	9,110,069	9,110,069	0.0 %	N/A <sup>2</sup>	N/A <sup>2</sup>
July 1, 2012	N/A <sup>1</sup>	5,992,330	5,992,330	0.0 %	N/A <sup>2</sup>	N/A <sup>2</sup>
Clark County Self-Funded Health Benefit Plan						
July 1, 2008	N/A <sup>1</sup>	17,989,082	17,989,082	0.0 %	32,879,990	54.7 %
July 1, 2010	N/A <sup>1</sup>	20,455,969	20,455,969	0.0 %	36,149,066	56.6 %
July 1, 2012	N/A <sup>1</sup>	16,260,740	16,260,740	0.0 %	36,534,795	44.5 %

1. No assets have been placed in trust.

2. The Public Employee Benefit Program is a closed plan; and therefore, there are no current covered employees.

# SOUTHERN NEVADA HEALTH DISTRICT

## GENERAL FUND

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	Original Budget	Final Budget	Actual	Variance
<b>REVENUES</b>				
Charges for services				
Title XIX Medicaid	\$ 533,285	\$ 533,285	\$ 581,607	\$ 48,322
Vital records, immunizations and other medical services	5,241,941	5,241,941	5,345,986	104,045
Regulatory services	19,583,000	19,583,000	20,505,557	922,557
Program contract services	477,707	225,707	190,021	(35,686)
Intergovernmental revenues				
Property tax allocation	18,224,456	18,224,456	17,988,360	(236,096)
State funding	400,000	400,000	1,298,805	898,805
Indirect federal grants	10,246,690	10,498,690	9,579,076	(919,614)
Direct federal grants	2,366,002	2,366,002	2,331,346	(34,656)
Contributions and donations	11,000	11,000	29,081	18,081
Interest income	200,000	200,000	165,737	(34,263)
Other	10,500	10,500	55,768	45,268
<b>Total revenues</b>	<b>57,294,581</b>	<b>57,294,581</b>	<b>58,071,344</b>	<b>776,763</b>
<b>EXPENDITURES</b>				
Public health				
Nursing				
Salaries and wages	12,216,939	12,216,939	11,310,901	906,038
Employee benefits	4,511,866	4,511,866	4,258,492	253,374
Services and supplies	5,363,547	5,363,547	3,944,863	1,418,684
<b>Total nursing</b>	<b>22,092,352</b>	<b>22,092,352</b>	<b>19,514,256</b>	<b>2,578,096</b>
Environmental health				
Salaries and wages	12,139,901	12,139,901	9,811,511	2,328,390
Employee benefits	4,528,776	4,528,776	3,759,071	769,705
Services and supplies	838,102	838,102	701,078	137,024
<b>Total environmental health</b>	<b>17,506,779</b>	<b>17,506,779</b>	<b>14,271,660</b>	<b>3,235,119</b>
Community health services				
Salaries and wages	4,599,553	4,599,553	4,987,412	(387,859)
Employee benefits	1,703,164	1,703,164	1,833,181	(130,017)
Services and supplies	2,810,554	2,810,554	2,806,533	4,021
<b>Total community health services</b>	<b>9,113,271</b>	<b>9,113,271</b>	<b>9,627,126</b>	<b>(513,855)</b>
Administration				
Salaries and wages	7,888,705	7,888,705	8,597,431	(708,726)
Employee benefits	2,923,334	2,923,334	3,543,596	(620,262)
Services and supplies	6,398,637	6,398,637	6,563,252	(164,615)
<b>Total administration</b>	<b>17,210,676</b>	<b>17,210,676</b>	<b>18,704,279</b>	<b>(1,493,603)</b>
<b>Total public health</b>	<b>65,923,078</b>	<b>65,923,078</b>	<b>62,117,321</b>	<b>3,805,757</b>
<b>Total expenditures</b>	<b>65,923,078</b>	<b>65,923,078</b>	<b>62,117,321</b>	<b>3,805,757</b>
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	<b>(8,628,497)</b>	<b>(8,628,497)</b>	<b>(4,045,977)</b>	<b>4,582,520</b>
<b>OTHER FINANCING USES</b>				
Transfers in			1,458	1,458
Transfers out	(2,463,012)	(2,463,012)	(4,214,518)	(1,751,506)
Proceeds from capital asset disposal			45,505	45,505
<b>CHANGE IN FUND BALANCE</b>	<b>(11,091,509)</b>	<b>(11,091,509)</b>	<b>(8,213,532)</b>	<b>2,877,977</b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<b>26,226,912</b>	<b>24,249,898</b>	<b>21,076,238</b>	<b>(3,173,660)</b>
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 15,135,403</b>	<b>\$ 13,158,389</b>	<b>\$ 12,862,706</b>	<b>\$ (295,683)</b>



# SOUTHERN NEVADA HEALTH DISTRICT

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED JUNE 30, 2014

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### **Note 1. Postemployment Benefits Other Than Pensions**

For the year ended June 30, 2014, no significant events occurred that would have affected; and therefore, would have changed the benefit provision, size or composition of those covered by the postemployment benefit plans, or the actuarial methods and assumptions used in the actuarial valuation reports dated July 1, 2012, July 1, 2010 and July 1, 2008.

The actuarial accrued liability and unfunded actuarial accrued liability involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. These estimates are subject to continual revision.

Additional information related to postemployment benefits other than pensions can be found in Note 10 to the basic financial statements.

### **Note 2. Budget Information**

The accompanying required supplementary schedule of revenues, expenditures and changes in fund balance presents the original adopted budget, the final amended budget, and actual general fund data. The original budget was adopted on a basis consistent with financial accounting policies and with accounting principles generally accepted in the United States. All amendments made to the original budget were as prescribed by law and similarly consistent.

Additional budgetary information can be found in Note 2 to the basic financial statements.



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## **Other Supplementary Information**



***Major Governmental Funds***



*Capital Projects Funds*





# **SOUTHERN NEVADA HEALTH DISTRICT**

## **MAJOR CAPITAL PROJECTS FUNDS**

**FOR THE YEAR ENDED JUNE 30, 2014**

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Capital projects funds are used to account for financial resources that are restricted, committed or assigned to the improvement, acquisition or construction of capital assets.

**Bond Reserve**

Accounts for resources that have been committed or assigned to the future acquisition of a new administration building.

**Capital Projects**

Accounts for resources committed or assigned to the acquisition or construction of capital assets other than a new administration building.



# SOUTHERN NEVADA HEALTH DISTRICT

## CAPITAL PROJECTS FUND

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Interest income	\$ 62,000	\$ 62,000	\$ 52,239	\$ (9,761)
EXPENDITURES				
Public health				
Environmental health				
Capital outlay			7,542	(7,542)
Community health services				
Capital outlay			19,678	(19,678)
Administration				
Capital outlay	629,000	629,000	240,340	388,660
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(567,000)	(567,000)	(215,321)	351,679
OTHER FINANCING USES				
Transfers out			(1,458)	(1,458)
CHANGE IN FUND BALANCE	(567,000)	(567,000)	(216,779)	350,221
FUND BALANCE, BEGINNING OF YEAR	6,738,560	6,534,951	6,534,951	
FUND BALANCE, END OF YEAR	<u>\$ 6,171,560</u>	<u>\$ 5,967,951</u>	<u>\$ 6,318,172</u>	<u>\$ 350,221</u>



*Proprietary Funds*




***Major Enterprise Funds***





# **SOUTHERN NEVADA HEALTH DISTRICT**

## **MAJOR ENTERPRISE FUNDS**

**FOR THE YEAR ENDED JUNE 30, 2014**

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Enterprise funds are used to account for activities for which a user fee is charged for goods or services.

Southern Nevada Public Health Laboratory

Accounts for various testing and analytical services provided to the District, outside government entities and private providers.



# SOUTHERN NEVADA HEALTH DISTRICT

## SOUTHERN NEVADA PUBLIC HEALTH LABORATORY ENTERPRISE FUND SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>OPERATING EXPENSES</b>				
Salaries and wages	\$ 1,400,708	\$ 1,400,708	\$ 1,274,557	\$ 126,151
Employee benefits	513,649	513,649	558,663	(45,014)
Services and supplies	955,005	955,005	493,812	461,193
Depreciation and amortization	183,000	183,000	164,912	18,088
Repairs and maintenance			203,437	(203,437)
Indirect cost allocation	534,725	534,725	519,458	15,267
Total operating expenses	<u>3,587,087</u>	<u>3,587,087</u>	<u>3,214,839</u>	<u>372,248</u>
Operating loss	<u>(3,587,087)</u>	<u>(3,587,087)</u>	<u>(3,214,839)</u>	<u>372,248</u>
<b>NONOPERATING REVENUES</b>				
Indirect federal grants	1,375,546	1,375,546	1,339,681	(35,865)
Investment income	68,000	68,000	27,109	(40,891)
Gain (loss) on capital asset disposition			4,150	4,150
Total nonoperating revenues	<u>1,443,546</u>	<u>1,443,546</u>	<u>1,370,940</u>	<u>(72,606)</u>
Loss before transfers	<u>(2,143,541)</u>	<u>(2,143,541)</u>	<u>(1,843,899)</u>	<u>299,642</u>
<b>TRANSFERS</b>				
Transfers in			633,366	633,366
CHANGE IN NET POSITION	<u>\$ (2,143,541)</u>	<u>\$ (2,143,541)</u>	(1,210,533)	<u>\$ 933,008</u>
NET POSITION, BEGINNING OF YEAR			<u>4,217,361</u>	
NET POSITION, END OF YEAR			<u>\$ 3,006,828</u>	



***Internal Service Funds***



# **SOUTHERN NEVADA HEALTH DISTRICT**

## **INTERNAL SERVICE FUNDS**

**FOR THE YEAR ENDED JUNE 30, 2014**

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Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other governmental units, on a cost reimbursement basis.

**Insurance Liability Reserve**

Accounts for costs associated with the District's self-funded workers compensation insurance.





# SOUTHERN NEVADA HEALTH DISTRICT

## INSURANCE LIABILITY RESERVE INTERNAL SERVICE FUND SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	Original Budget	Final Budget	Actual	Variance
OPERATING EXPENSES				
Services and supplies	\$ 100,000	\$ 100,000	\$ 101,977	\$ (1,977)
Operating loss	<u>(100,000)</u>	<u>(100,000)</u>	<u>(101,977)</u>	<u>(1,977)</u>
NONOPERATING REVENUES				
Investment income	8,400	8,400	7,533	(867)
Miscellaneous	<u>8,400</u>	<u>8,400</u>	<u>5,000</u>	<u>5,000</u>
Total nonoperating revenues	<u>8,400</u>	<u>8,400</u>	<u>12,533</u>	<u>4,133</u>
CHANGE IN NET POSITION	<u>\$ (91,600)</u>	<u>\$ (91,600)</u>	(89,444)	<u>\$ 2,156</u>
NET POSITION, BEGINNING OF YEAR			<u>889,535</u>	
NET POSITION, END OF YEAR			<u>\$ 800,091</u>	



***Fiduciary Funds***




# **SOUTHERN NEVADA HEALTH DISTRICT**

## **AGENCY FUND**

**FOR THE YEAR ENDED JUNE 30, 2014**

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Agency funds are used to account for assets held as an agent for individuals, private organizations, other governments or other funds.

### **Retiree Health Insurance**

Accounts for the excess cost per employee per month funding that is derived from the difference between the actual cost of insurance and the per employee per month contract amount as required by the terms of the Collective Bargaining Agreement with the Service Employee International Union. These funds are then to be used to help fund retired employee costs in maintaining the group health insurance benefit.



# SOUTHERN NEVADA HEALTH DISTRICT

## AGENCY FUND STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES FOR THE YEAR ENDED JUNE 30, 2014

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	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
RETIREE HEALTH INSURANCE				
ASSETS				
Cash and cash equivalents	\$ 430,061	\$ 3,510	\$	\$ 433,571
Total assets	<u>\$ 430,061</u>	<u>\$ 3,510</u>	<u>\$</u>	<u>\$ 433,571</u>
LIABILITIES				
Due to others	\$ 430,061	\$ 3,510	\$	\$ 433,571
Total liabilities	<u>\$ 430,061</u>	<u>\$ 3,510</u>	<u>\$</u>	<u>\$ 433,571</u>





*Capital Assets*




# SOUTHERN NEVADA HEALTH DISTRICT

## SCHEDULE OF GOVERNMENTAL FUNDS CAPITAL ASSETS - BY SOURCE

JUNE 30, 2014

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### GOVERNMENTAL FUNDS CAPITAL ASSETS

Land	\$ 2,059,765
Buildings	4,697,563
Improvements other than buildings	8,950,203
Furniture, fixtures and equipment	9,950,121
Vehicles	<u>568,518</u>

Total governmental funds capital assets

\$ 26,226,170

### INVESTMENT IN GOVERNMENTAL FUNDS CAPITAL ASSETS - BY SOURCE

General fund	\$ <u><u>26,226,170</u></u>
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# SOUTHERN NEVADA HEALTH DISTRICT

## SCHEDULE OF GOVERNMENTAL FUNDS CAPITAL ASSETS - BY FUNCTION AND ACTIVITY JUNE 30, 2014

	<u>Land</u>	<u>Buildings</u>	<u>Improvements other than buildings</u>	<u>Furniture, fixtures and equipment</u>	<u>Vehicles</u>	<u>Total</u>
GOVERNMENTAL FUNDS CAPITAL ASSETS						
Public health						
Nursing	\$	\$	\$ 36,018	\$ 1,424,286	\$	\$ 1,460,304
Environmental health			8,568	1,311,521		1,320,089
Community health services			78,262	908,914		987,176
Administration	<u>2,059,765</u>	<u>4,697,563</u>	<u>8,827,355</u>	<u>6,305,400</u>	<u>568,518</u>	<u>22,458,601</u>
Total governmental funds capital assets	<u>\$ 2,059,765</u>	<u>\$ 4,697,563</u>	<u>\$ 8,950,203</u>	<u>\$ 9,950,121</u>	<u>\$ 568,518</u>	<u>\$ 26,226,170</u>

# SOUTHERN NEVADA HEALTH DISTRICT

## SCHEDULE OF CHANGES IN GOVERNMENTAL FUNDS CAPITAL ASSETS - BY FUNCTION AND ACTIVITY FOR THE YEAR ENDED JUNE 30, 2014

	Balance July 1, 2013	Increases	Decreases	Transfers	Balance June 30, 2014
GOVERNMENTAL FUNDS CAPITAL ASSETS					
Public health					
Nursing	\$ 1,528,201		\$ (67,897)		\$ 1,460,304
Environmental health	1,406,930	7,542	(94,383)		1,320,089
Community health services	927,232	54,169	(5,539)	11,314	987,176
Administration	<u>22,505,859</u>	<u>240,339</u>	<u>(276,283)</u>	<u>(11,314)</u>	<u>22,458,601</u>
Total governmental funds capital assets	<u>\$ 26,368,222</u>	<u>\$ 302,050</u>	<u>\$ (444,102)</u>	<u>\$</u>	<u>\$ 26,226,170</u>





**Independent Auditor's Report  
On Internal Control and Compliance**





**P B T K**

**PIERCY BOWLER  
TAYLOR & KERN**

Certified Public Accountants  
Business Advisors

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND  
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

Board of Health  
Southern Nevada Health District  
Las Vegas, Nevada

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and each major fund of the Southern Nevada Health District (the District) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents, and have issued our report thereon dated December 8, 2014.

**Internal Control over Financial Reporting.** In planning and performing our audit of the basic financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency* in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's basic financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2014 - 001 through 2014 - 003 that we consider to be significant deficiencies.

**Compliance and Other Matters.** As part of obtaining reasonable assurance about whether the District's basic financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of basic financial statement amounts, including whether the funds established by the District, as listed in Nevada Revised Statutes (NRS) 354.624 (5)(a)(1 through 5), complied with the express purposes required by NRS 354.6241. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**The District's Responses to Findings.** The District's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The District's responses were not subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

We noted certain matters that we reported to management of the District in a separate letter dated December 8, 2014.

**Purpose of this Report.** The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Piercy Bowler Taylor & Kern*

Las Vegas, Nevada  
December 8, 2014



# STATISTICAL SECTION



# SOUTHERN NEVADA HEALTH DISTRICT

## STATISTICAL INFORMATION

FOR THE YEAR ENDED JUNE 30, 2014

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### Financial Trends

The following tables contain financial trend information to enable the reader to understand how financial performance has changed over time.

- Net Position by Component
- Changes in Net Position
- Fund Balance, Governmental Funds
- Changes in Fund Balance, Governmental Funds

### Revenue Capacity

The following tables contain revenue capacity information to enable the reader to assess the most significant local revenue source.

- Assessed and Estimated Actual Value of Taxable Property
- Property Tax Rates - Direct and Overlapping Governments
- Principal Property Taxpayers
- Property Tax Levies and Collections

### Demographic and Economic Information

The following tables contain demographic and economic information to enable the reader to understand the environment within which financial activities take place.

- Demographic and Economic Statistics
- Principal Employers

### Operating Information

The following tables contain operating information to enable the reader to understand how the information contained in the comprehensive annual financial report relates to services provided and activities performed.

- Full-time Equivalent District Employees by Function and Program
- Operating indicators by Function and Program
- Capital Asset Statistics by Function and Program



# SOUTHERN NEVADA HEALTH DISTRICT

## NET POSITION BY COMPONENT<sup>1</sup> LAST TEN FISCAL YEARS (UNAUDITED)

	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014
<b>Governmental activities</b>										
Net investment in capital assets	\$ 14,454,028	\$ 13,277,235	\$ 12,740,560	\$ 11,723,864	\$ 10,905,724	\$ 9,769,370	\$ 9,816,149	\$ 9,194,972	\$ 8,390,904	\$ 7,543,782
Restricted	31,696	5,651	16,667	640,854	100,000	100,994	101,653			
Unrestricted	10,450,995	13,028,963	16,108,148	23,928,363	27,070,175	34,460,513	30,200,767	15,892,860	20,578,594	14,041,178
<b>Total governmental activities</b>	<b>24,936,719</b>	<b>26,311,849</b>	<b>28,865,375</b>	<b>36,293,081</b>	<b>38,075,899</b>	<b>44,330,877</b>	<b>40,118,569</b>	<b>25,087,832</b>	<b>28,969,498</b>	<b>21,584,960</b>
<b>Business-type activities</b>										
Net investment in capital assets	397,330	1,269,054	1,637,230	1,546,682	1,301,831	1,135,113	966,051	862,310	891,941	780,011
Unrestricted	607,834	253,194	177,993	1,066,753	2,274,702	3,008,217	4,948,330	3,793,190	3,325,420	2,226,817
<b>Total business-type activities</b>	<b>1,005,164</b>	<b>1,522,248</b>	<b>1,815,223</b>	<b>2,613,435</b>	<b>3,576,533</b>	<b>4,143,330</b>	<b>5,914,381</b>	<b>4,655,500</b>	<b>4,217,361</b>	<b>3,006,828</b>
<b>Primary government</b>										
Net investment in capital assets	14,851,358	14,546,289	14,377,790	13,270,546	12,207,555	10,904,483	10,782,200	10,057,282	9,282,845	8,323,793
Restricted	31,696	5,651	16,667	640,854	100,000	100,994	101,653			
Unrestricted	11,058,829	13,282,157	16,286,141	24,995,116	29,344,877	37,468,730	35,149,097	19,686,050	23,904,014	16,267,995
<b>Total primary government</b>	<b>\$ 25,941,883</b>	<b>\$ 27,834,097</b>	<b>\$ 30,680,598</b>	<b>\$ 38,906,516</b>	<b>\$ 41,652,432</b>	<b>\$ 48,474,207</b>	<b>\$ 46,032,950</b>	<b>\$ 29,743,332</b>	<b>\$ 33,186,859</b>	<b>\$ 24,591,788</b>

1. Source: Southern Nevada Health District Finance Department (prepared using the modified accrual basis of accounting)

# SOUTHERN NEVADA HEALTH DISTRICT

## CHANGES IN NET POSITION<sup>1</sup> LAST TEN FISCAL YEARS (UNAUDITED)

	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014
Expenses										
Governmental activities										
Public health										
Nursing										
Communicable diseases	\$ 10,881,613	\$ 8,003,504	\$ 6,758,899	\$ 7,938,929	\$ 7,933,975	\$ 7,619,766	\$ 7,907,690	\$ 7,651,569	\$ 8,052,327	\$ 7,923,595
General nursing										
administration	1,882,503	2,097,551	2,288,338	2,440,021	2,786,755	2,590,645	2,622,911	2,841,367	2,593,440	1,433,550
Immunizations	8,757,974	8,707,255	11,522,381	11,022,254	11,357,315	11,454,155	10,259,728	5,234,679	5,332,565	5,728,235
Women's health	1,765,674	1,541,830	1,774,878	1,909,649	1,972,851	1,609,964	2,255,969	2,791,319	2,860,195	2,443,165
Children's health	3,034,452	2,752,746	2,511,536	2,016,251	2,196,650	2,297,208	2,431,534	2,447,825	2,646,539	2,747,687
Other nursing programs	1,131,084	717,646	488,175	200,888						
Indirect cost allocation								4,940,210	5,695,586	6,887,417
Environmental health										
Environmental health and sanitation	7,475,321	9,275,812	9,941,857	11,501,992	12,844,003	12,251,212	12,767,225	12,937,138	13,194,888	12,240,237
Waste management	1,670,545	1,833,213	1,590,285	1,830,397	2,186,958	2,228,821	2,479,313	2,553,745	2,364,731	2,230,526
Other environmental health programs	341,361	405,592	408,450	480,521	451,712	463,513	599,153	685,653	610,696	445,646
Indirect cost allocation								3,615,358	3,867,316	5,380,623
Community health services										
Administration			233,435	153,913	257,760	277,793	677,353	1,266,661	1,641,676	645,539
Health education		1,902,621	1,997,851	2,148,168	2,207,059	2,523,480	9,779,637	8,587,683	3,012,037	2,501,025
Epidemiology		1,000,324	1,440,716	1,220,115	1,164,790	1,120,337	1,322,758	1,156,060	948,386	1,119,115
Public health preparedness		4,018,104	3,541,232	4,154,798	4,400,431	8,859,153	4,782,010	3,204,142	3,262,330	3,215,357
Emergency medical services		613,169	667,957	689,888	842,260	711,375	703,006	661,575	688,945	486,097
Vital records										1,560,084
Informatics										701,453
Indirect cost allocation								3,365,266	3,475,882	4,258,815
Administration										
General administration	9,482,739	10,639,343	12,478,025	13,832,831	17,816,365	14,873,041	13,879,437			
Food handler education	4,046,874	4,036,778	4,282,389	5,153,429	5,375,492	4,721,436	6,549,863	5,222,816	3,747,122	1,103,296
Disaster recovery				59,346	14,098	168,549	315,106	425,763	3,028,524	357,972
Vital records	1,250,675	1,411,725	1,511,914	1,734,859	1,521,507	1,438,658	1,537,187	1,536,027	1,492,597	989,609
Health education	2,300,824									
Epidemiology	658,403									
Emergency medical services	1,307,524									
Public health response to bioterrorism	2,881,029									
Indirect cost allocation								1,720,846	1,679,282	1,374,168
Total governmental activities	<u>58,868,595</u>	<u>58,957,213</u>	<u>63,438,318</u>	<u>68,488,249</u>	<u>75,329,981</u>	<u>75,209,106</u>	<u>80,869,880</u>	<u>72,845,702</u>	<u>70,195,064</u>	<u>65,773,211</u>
Business-type activities										
Southern Nevada Public Health Laboratory	<u>1,150,860</u>	<u>1,387,608</u>	<u>1,547,881</u>	<u>1,674,398</u>	<u>2,252,506</u>	<u>2,369,892</u>	<u>2,368,140</u>	<u>3,021,468</u>	<u>3,485,617</u>	<u>3,214,839</u>
Total primary government expenses	<u>\$ 60,019,455</u>	<u>\$ 60,344,821</u>	<u>\$ 64,986,199</u>	<u>\$ 70,162,647</u>	<u>\$ 77,582,487</u>	<u>\$ 77,578,998</u>	<u>\$ 83,238,020</u>	<u>\$ 75,867,170</u>	<u>\$ 73,680,681</u>	<u>\$ 68,988,050</u>

(Continued)



# SOUTHERN NEVADA HEALTH DISTRICT

## CHANGES IN NET POSITION<sup>1</sup> (CONTINUED) LAST TEN FISCAL YEARS (UNAUDITED)

	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014
Program revenues										
Governmental activities										
Charges for services										
Public health										
Nursing										
Communicable diseases	\$ 187,507	\$ 260,426	\$ 855,954	\$ 344,531	\$ 393,439	\$ 482,704	\$ 450,102	\$ 1,851,045	\$ 365,208	\$ 359,583
General nursing administration	87,812	98,682	97,604	99,875	26,079	22,895	1,975	1,581	1,514	1,794
Immunizations	2,719,250	3,581,220	3,215,235	3,419,535	3,450,964	3,325,161	2,542,668	2,648,802	2,330,862	2,576,480
Women's health	170,988	269,012	334,550	343,831	389,103	374,566	337,062	238,410	232,097	269,364
Children's health	138,488	112,003	146,272	432,722	707,089	809,788	317,577	378,615	363,388	415,762
Other nursing programs	679,940	425,572	478,711	253,555	188,642					
Environmental health										
Environmental health and sanitation	9,782,020	7,878,203	10,093,788	13,689,283	14,606,507	14,960,474	14,642,351	15,206,888	16,487,562	16,003,349
Waste management	1,081,251	1,340,543	1,293,396	1,236,729	1,055,990	1,189,143	1,761,819	1,372,380	1,307,729	1,296,860
Other environmental health programs	227,383	219,271	253,010	327,056	338,118	431,481	417,613	433,000	430,662	440,379
Community health services										
Health education		286	115,637	103,682	102,540	604,382		22,320		
Epidemiology							450	7,870		
Public health preparedness			365,821	13,905		4,494		4,313	910	100
Emergency medical services		63,266	109,808	76,431	87,889	83,996	93,127	74,979	85,895	88,551
Vital records										2,489,339
Administration										
General administration	68,614	20,855		17,826						
Food handler education	4,500,220	4,663,868	5,553,365	7,002,294	5,845,969	6,359,945	6,063,387	5,834,530	3,321,440	2,681,610
Vital records	1,723,585	1,967,574	2,295,817	2,711,505	2,572,061	2,479,891	2,554,939	2,488,364	2,440,044	
Health education	50,115									
Emergency medical services	82,075									
Public health response for bioterrorism	11,023									
Operating grants and contributions	19,103,517	19,170,520	17,852,732	19,867,705	19,015,920	25,481,110	27,731,291	19,600,974	15,524,141	14,051,416
Capital grants and contributions	3,443,914	134,964								
Total governmental activities	<u>44,057,702</u>	<u>40,206,265</u>	<u>43,061,700</u>	<u>49,940,465</u>	<u>48,780,310</u>	<u>56,610,030</u>	<u>56,914,361</u>	<u>50,164,071</u>	<u>42,891,452</u>	<u>40,674,587</u>
Business-type activities										
Southern Nevada Public Health Laboratory										
Charges for services	8,000	13,725								
Operating grants and contributions	1,169,547	816,891	1,075,360	1,434,266	1,654,486	1,368,633	1,415,460	1,160,177	1,757,402	1,339,681
Capital grants and contributions		22,125	227,875							
Total business-type activities	<u>1,177,547</u>	<u>852,741</u>	<u>1,303,235</u>	<u>1,434,266</u>	<u>1,654,486</u>	<u>1,368,633</u>	<u>1,415,460</u>	<u>1,160,177</u>	<u>1,757,402</u>	<u>1,339,681</u>

(Continued)

# SOUTHERN NEVADA HEALTH DISTRICT

## CHANGES IN NET POSITION<sup>1</sup> (CONTINUED) LAST TEN FISCAL YEARS (UNAUDITED)

	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014
Total primary government program revenues	<u>\$ 45,235,249</u>	<u>\$ 41,059,006</u>	<u>\$ 44,364,935</u>	<u>\$ 51,374,731</u>	<u>\$ 50,434,796</u>	<u>\$ 57,978,663</u>	<u>\$ 58,329,821</u>	<u>\$ 51,324,248</u>	<u>\$ 44,648,854</u>	<u>\$ 42,014,268</u>
Net (expenses) program revenues										
Governmental activities	\$ (14,810,893)	\$ (18,750,948)	\$ (20,376,618)	\$ (18,547,784)	\$ (26,549,671)	\$ (18,599,076)	\$ (23,955,519)	\$ (22,681,631)	\$ (27,303,612)	\$ (25,098,624)
Business-type activities	26,687	(534,867)	(244,646)	(240,132)	(598,020)	(1,001,259)	(952,680)	(1,861,291)	(1,728,215)	(1,875,158)
Primary government	<u>\$ (14,784,206)</u>	<u>\$ (19,285,815)</u>	<u>\$ (20,621,264)</u>	<u>\$ (18,787,916)</u>	<u>\$ (27,147,691)</u>	<u>\$ (19,600,335)</u>	<u>\$ (24,908,199)</u>	<u>\$ (24,542,922)</u>	<u>\$ (29,031,827)</u>	<u>\$ (26,973,782)</u>
General revenues and other changes in net position										
Governmental activities										
Property tax allocation	\$ 18,670,000	\$ 20,330,000	\$ 22,450,600	\$ 25,473,000	\$ 28,182,950	\$ 24,942,525	\$ 21,406,846	\$ 5,692,534	\$ 32,167,828	\$ 17,988,360
State funding	477,078									
Unrestricted investment income	357,976	658,511	1,006,472	1,552,946	1,633,740	958,966	961,355	755,742	267,114	336,701
Gain on disposal of capital assets								(3,219)		17,391
Miscellaneous	26,517	169,198		17,043	18,615	12,423	25,871		2,000	5,000
Transfers	(973,050)	(1,031,631)	(526,928)	(1,064,673)	(1,502,813)	(1,516,204)	(2,650,861)	(511,771)	(1,251,664)	(633,366)
Total governmental activities	<u>18,558,521</u>	<u>20,126,078</u>	<u>22,930,144</u>	<u>25,978,316</u>	<u>28,332,492</u>	<u>24,397,710</u>	<u>19,743,211</u>	<u>5,933,286</u>	<u>31,185,278</u>	<u>17,714,086</u>
Business-type activities										
Unrestricted investment income	5,427	20,320	10,693	27,205	58,307	49,662	72,870	93,317	38,412	27,109
Gain on disposal of capital assets								(2,678)		4,150
Transfers	973,050	1,031,631	526,928	1,064,673	1,502,813	1,516,204	2,650,861	511,771	1,251,664	633,366
Total business-type activities	<u>978,477</u>	<u>1,051,951</u>	<u>537,621</u>	<u>1,091,878</u>	<u>1,561,120</u>	<u>1,565,866</u>	<u>2,723,731</u>	<u>602,410</u>	<u>1,290,076</u>	<u>664,625</u>
Total primary government general revenues and other changes in net position	<u>\$ 19,536,998</u>	<u>\$ 21,178,029</u>	<u>\$ 23,467,765</u>	<u>\$ 27,070,194</u>	<u>\$ 29,893,612</u>	<u>\$ 25,963,576</u>	<u>\$ 22,466,942</u>	<u>\$ 6,535,696</u>	<u>\$ 32,475,354</u>	<u>\$ 18,378,711</u>
Change in net position										
Governmental activities	\$ 3,747,628	\$ 1,375,130	\$ 2,553,526	\$ 7,430,532	\$ 1,782,821	\$ 5,798,634	\$ (4,212,308)	\$ (16,748,345)	\$ 3,881,666	\$ (7,384,538)
Business-type activities	1,005,164	517,084	292,975	851,746	963,100	564,607	1,771,051	(1,258,881)	(438,139)	(1,210,533)
Primary government	<u>\$ 4,752,792</u>	<u>\$ 1,892,214</u>	<u>\$ 2,846,501</u>	<u>\$ 8,282,278</u>	<u>\$ 2,745,921</u>	<u>\$ 6,363,241</u>	<u>\$ (2,441,257)</u>	<u>\$ (18,007,226)</u>	<u>\$ 3,443,527</u>	<u>\$ (8,595,071)</u>

1. Source: Southern Nevada Health District Finance Department (prepared using the modified accrual basis of accounting)

# SOUTHERN NEVADA HEALTH DISTRICT

## FUND BALANCE, GOVERNMENTAL FUNDS<sup>1</sup> LAST TEN FISCAL YEARS (UNAUDITED)

	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011 <sup>2</sup>	June 30, 2012	June 30, 2013	June 30, 2014
General fund										
Reserved	\$ 1,642,535	\$ 2,295,848	\$ 2,067,574	\$ 1,636,429	\$ 1,700,863	\$ 723,788	\$	\$	\$	\$
Unreserved	13,541,705	15,797,637	19,528,050	26,595,141	25,177,271	31,685,852	598,058	1,007,507	918,678	683,863
Nonspendable							407,366			
Assigned							27,327,045	12,374,570	20,157,560	12,178,843
Unassigned										
Total general fund	<u>\$ 15,184,240</u>	<u>\$ 18,093,485</u>	<u>\$ 21,595,624</u>	<u>\$ 28,231,570</u>	<u>\$ 26,878,134</u>	<u>\$ 32,409,640</u>	<u>\$ 28,332,469</u>	<u>\$ 13,382,077</u>	<u>\$ 21,076,238</u>	<u>\$ 12,862,706</u>
Other governmental funds										
Reserved	\$ 207,213	\$ 252,803	\$ 147,190	\$ 507,542	\$ 603,261	\$ 401,413	\$	\$	\$	\$
Unreserved										
Debt service funds				1,002,341	6,957,921	8,908,045				
Capital projects funds	350,936	243,172	(209,441)	917,291	954,261	3,288,521				
Committed							10,627,219	11,220,701	11,313,465	15,005,809
Assigned							4,641,199	7,526,560	6,534,951	6,318,172
Total other governmental funds	<u>\$ 558,149</u>	<u>\$ 495,975</u>	<u>\$ (62,251)</u>	<u>\$ 2,427,174</u>	<u>\$ 8,515,443</u>	<u>\$ 12,597,979</u>	<u>\$ 15,268,418</u>	<u>\$ 18,747,261</u>	<u>\$ 17,848,416</u>	<u>\$ 21,323,981</u>

1. Source: Southern Nevada Health District Finance Department (prepared using the modified accrual basis of accounting)
2. With GASB 54 becoming effective in fiscal year 2011, there are new fund balance classifications which are being applied prospectively

# SOUTHERN NEVADA HEALTH DISTRICT

## CHANGES IN FUND BALANCE, GOVERNMENTAL FUNDS<sup>1</sup> LAST TEN FISCAL YEARS (UNAUDITED)

	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014
<b>REVENUES</b>										
Title XIX Medicaid	\$ 390,344	\$ 341,039	\$ 376,259	\$ 747,708	\$ 522,519	\$ 595,060	\$ 547,452	\$ 608,192	\$ 484,388	\$ 581,607
Vital records, immunizations and other medical services	4,997,395	6,293,396	6,341,619	6,593,273	6,349,205	5,963,518	5,581,494	5,200,688	4,866,325	5,345,986
Regulatory services	15,404,706	13,915,381	16,793,854	22,538,791	22,028,715	23,142,972	22,978,296	22,897,904	21,614,151	20,505,557
Program contract services	717,826	350,965	1,618,959	2,652,518	2,644,428	2,835,603	2,308,693	1,879,517	383,310	190,021
Property tax allocation	18,670,000	20,330,000	22,450,600	25,473,000	28,182,950	24,942,525	21,406,846	5,692,534	32,167,828	17,988,360
State funding	2,176,201	3,251,839	1,879,920	1,149,301	1,067,270	987,147	979,488	437,330	643,646	1,298,805
Indirect federal grants	8,764,344	7,963,294	7,879,797	8,630,562	9,134,335	13,947,975	9,463,763	8,092,743	9,874,038	9,579,076
Direct federal grants	6,486,650	2,826,414	1,590,603	1,651,603	1,637,192	2,351,437	10,105,237	10,995,381	4,649,249	2,331,346
Contributions and donations	388,897	778,421	4,131	11,803	27,148	12,556	13,777	39,717	18,273	29,081
Interest income	357,976	648,360	991,110	1,535,460	1,615,024	948,105	949,201	742,274	258,661	329,168
Other	26,517	171,198	11,751	46,530	18,157	17,870	21,097	14,594	360,072	55,768
<b>Total revenues</b>	<b><u>58,380,856</u></b>	<b><u>56,870,307</u></b>	<b><u>59,938,603</u></b>	<b><u>71,030,549</u></b>	<b><u>73,226,943</u></b>	<b><u>75,744,768</u></b>	<b><u>74,355,344</u></b>	<b><u>56,600,874</u></b>	<b><u>75,319,941</u></b>	<b><u>58,234,775</u></b>
<b>EXPENDITURES</b>										
<b>Current</b>										
<b>Public health</b>										
Nursing	21,942,229	18,955,239	18,917,693	19,221,694	20,834,398	20,003,301	19,527,890	19,926,399	20,607,106	19,514,256
Environmental health	9,376,173	11,282,987	11,989,911	13,572,009	15,242,682	14,875,882	14,901,773	15,206,451	15,310,788	14,271,660
Community health services	19,861,149	7,233,815	7,706,454	8,091,703	8,606,149	12,339,907	16,786,519	14,393,695	9,214,932	9,627,126
Administration	19,861,149	14,037,022	16,272,804	18,808,328	21,199,574	17,174,676	20,231,785	18,697,521	21,008,563	18,704,279
<b>Total current</b>	<b><u>51,179,551</u></b>	<b><u>51,509,063</u></b>	<b><u>54,886,862</u></b>	<b><u>59,693,734</u></b>	<b><u>65,882,803</u></b>	<b><u>64,393,766</u></b>	<b><u>71,447,967</u></b>	<b><u>68,224,066</u></b>	<b><u>66,141,389</u></b>	<b><u>62,117,321</u></b>
<b>Capital outlay</b>										
<b>Public health</b>										
	2,014,306	1,761,244	1,580,900	946,771	906,512	627,100	1,363,248	754,194	1,131,572	267,560
<b>Total expenditures</b>	<b><u>53,193,857</u></b>	<b><u>53,270,307</u></b>	<b><u>56,467,762</u></b>	<b><u>60,640,505</u></b>	<b><u>66,789,315</u></b>	<b><u>65,020,866</u></b>	<b><u>72,811,215</u></b>	<b><u>68,978,260</u></b>	<b><u>67,272,961</u></b>	<b><u>62,384,881</u></b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b><u>5,186,999</u></b>	<b><u>3,600,000</u></b>	<b><u>3,470,841</u></b>	<b><u>10,390,044</u></b>	<b><u>6,437,628</u></b>	<b><u>10,723,902</u></b>	<b><u>1,544,129</u></b>	<b><u>(12,377,386)</u></b>	<b><u>8,046,980</u></b>	<b><u>(4,150,106)</u></b>
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers in	3,608,993	2,843,967	2,331,920	3,398,434	6,822,857	4,435,702	3,768,357	3,941,289	81,572	3,582,610
Transfers out	(4,582,043)	(3,596,896)	(2,858,848)	(4,663,107)	(8,525,670)	(6,001,906)	(6,719,218)	(4,753,060)	(1,333,236)	(4,215,976)
Proceeds from capital asset disposal										45,505
<b>Total other financing sources (uses)</b>	<b><u>(973,050)</u></b>	<b><u>(752,929)</u></b>	<b><u>(526,928)</u></b>	<b><u>(1,264,673)</u></b>	<b><u>(1,702,813)</u></b>	<b><u>(1,566,204)</u></b>	<b><u>(2,950,861)</u></b>	<b><u>(811,771)</u></b>	<b><u>(1,251,664)</u></b>	<b><u>(587,861)</u></b>
<b>CHANGE IN FUND BALANCE</b>	<b><u>\$ 4,213,949</u></b>	<b><u>\$ 2,847,071</u></b>	<b><u>\$ 2,943,913</u></b>	<b><u>\$ 9,125,371</u></b>	<b><u>\$ 4,734,815</u></b>	<b><u>\$ 9,157,698</u></b>	<b><u>\$ (1,406,732)</u></b>	<b><u>\$ (13,189,157)</u></b>	<b><u>\$ 6,795,316</u></b>	<b><u>\$ (4,737,967)</u></b>

1. Source: Southern Nevada Health District Finance Department (prepared using the modified accrual basis of accounting)

# SOUTHERN NEVADA HEALTH DISTRICT

## ASSESSED AND ESTIMATED ACUTAL VALUE OF TAXABLE PROPERTY<sup>1</sup> LAST TEN FISCAL YEARS (UNAUDITED)

For the Year Ended June 30,	Real Property		Personal Property		Total		Ratio of Total Assessed to Total Estimated Actual Value <sup>2</sup>	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Direct Tax Rate		
2005	\$ 45,391,834,363	\$ 129,690,955,323	\$ 5,029,248,112	\$ 14,369,280,230	\$ 50,421,082,475	0.6502	\$ 144,060,235,553	35.00 %
2006	61,060,915,772	174,459,759,349	5,787,270,132	16,535,057,520	66,848,185,904	0.6425	190,994,816,869	35.00 %
2007	87,405,015,147	249,728,614,706	5,954,162,886	17,011,893,960	93,359,178,033	0.6416	266,740,508,666	35.00 %
2008	102,349,025,402	292,425,786,863	6,300,900,438	18,002,572,680	108,649,925,840	0.6391	310,428,359,543	35.00 %
2009	106,988,178,756	305,680,510,731	5,817,306,838	16,620,876,680	112,805,485,594	0.6391	322,301,387,411	35.00 %
2010	86,961,001,865	248,460,005,329	4,772,231,316	13,634,946,617	91,733,233,181	0.6391	262,094,951,946	35.00 %
2011	60,420,431,199	172,629,803,426	3,706,515,345	10,590,043,843	64,126,946,544	0.6391	183,219,847,269	35.00 %
2012	53,342,794,997	152,407,985,706	3,369,755,692	9,627,873,406	56,712,550,689	0.6391	162,035,859,112	35.00 %
2013	48,963,146,030	139,894,702,943	4,303,923,931	12,296,925,517	53,267,069,961	0.6391	152,191,628,460	35.00 %
2014	49,809,243,448	142,312,124,137	4,906,452,131	14,018,434,677	54,715,695,579	0.6391	156,330,558,814	35.00 %

1. Source: Clark County Assessor's Office
2. Note: Property in Clark County is assessed each year at 35% of its estimated actual value

# SOUTHERN NEVADA HEALTH DISTRICT

## PROPERTY TAX RATES<sup>1</sup> - DIRECT AND OVERLAPPING GOVERNMENTS<sup>2</sup> (PER \$100 OF ASSESSED VALUE) LAST TEN FISCAL YEARS (UNAUDITED)

	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014
County Direct Rate	0.6502	0.6425	0.6416	0.6391	0.6391	0.6391	0.6391	0.6391	0.6391	0.6391
Clark County School District Rate	1.3034	1.3034	1.3034	1.3034	1.3034	1.3034	1.3034	1.3034	1.3034	1.3034
State of Nevada Rate	0.1850	0.1850	0.1850	0.1850	0.1850	0.1850	0.1850	0.1850	0.1850	0.1850
<b>City Rates</b>										
Boulder City	0.2038	0.1844	0.2038	0.2038	0.2188	0.2600	0.2600	0.2600	0.2600	0.2600
Henderson	0.7108	0.7108	0.7108	0.7108	0.7108	0.7108	0.7108	0.7108	0.7108	0.7108
Las Vegas	0.7792	0.7774	0.7777	0.7715	0.7715	0.7715	0.7715	0.7715	0.7715	0.7715
Mesquite	0.5520	0.5520	0.5520	0.5520	0.5520	0.5520	0.5520	0.5520	0.5520	0.5520
North Las Vegas	1.1987	1.1887	1.1687	1.1637	1.1637	1.1637	1.1637	1.1637	1.1637	1.1637
<b>Unincorporated Town Rates</b>										
Bunkerville	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200
Enterprise	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064
Indian Springs	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.2000
Laughlin	0.8416	0.8416	0.8416	0.8416	0.8416	0.8416	0.8416	0.8416	0.8416	0.8416
Moapa	0.2344	0.2344	0.2344	0.2344	0.2344	0.2344	0.1094	0.1094	0.1094	0.1094
Moapa Valley	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200
Mt. Charleston	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200
Paradise	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064
Searchlight	0.1172	0.1223	0.1222	0.1212	0.1212	0.0600	0.0200	0.0200	0.0200	0.0200
Spring Valley	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064
Summerlin	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064
Sunrise Manor	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064
Whitney (East Las Vegas)	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064
Winchester	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064
<b>Other Special District Rates</b>										
Boulder City Library	0.1640	0.1625	0.1555	0.1485	0.1485	0.1485	0.1595	0.1755	0.2030	0.2030
Clark County Fire Services District	0.2197	0.2197	0.2197	0.2197	0.2197	0.2197	0.2197	0.2197	0.2197	0.2197
Coyote Springs Groundwater Basin	0.0575	0.0522	0.0496	0.0520	0.0039	0.0018	0.0023			
Las Vegas Metropolitan Police 911	0.0050	0.0050	0.0050	0.0050	0.0050	0.0050	0.0050	0.0050	0.0050	0.0050
Henderson City Library	0.0533	0.0533	0.0533	0.0582	0.0590	0.0581	0.0577	0.0575	0.0586	0.0585
Kyle Canyon Water District	0.0414	0.0351	0.0351	0.0346	0.0346	0.0346	0.0346			
Las Vegas Artesian Basin	0.0016	0.0013	0.0009	0.0008	0.0008	0.0011	0.0015			
Las Vegas / Clark County Library District	0.0958	0.0866	0.0866	0.0866	0.0866	0.0909	0.1011	0.0942	0.0942	0.0942
Las Vegas Metropolitan Police - Manpower - City	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800
Las Vegas Metropolitan Police - Manpower - County	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800
Lower Moapa Groundwater Basin						0.0006	0.0008			
Mt. Charleston Fire Service District	0.8813	0.8813	0.8813	0.8813	0.8813	0.8813	0.8813	0.8813	0.8813	0.8813
Muddy River Springs Area Groundwater Basin	0.0899	0.0785								
North Las Vegas Library District	0.0632	0.0632	0.0632	0.0632	0.0632	0.0632	0.0632	0.0632	0.0632	0.0632

1. The State of Nevada constitution has a maximum rate limit of \$5 per \$100 of assessed value. Nevada Revised Statutes further lower the limit to a total combined tax rate of \$3.64 per \$100 of assessed value.  
2. Source: State of Nevada, Department of Taxation's "Local Government Finance Redbook"

# SOUTHERN NEVADA HEALTH DISTRICT

## PRINCIPAL PROPERTY TAXPAYERS<sup>1</sup> CURRENT AND NINE YEARS AGO (UNAUDITED)

Taxpayer	2014			2005		
	Taxable Assessed Value <sup>2</sup>	Rank	Approximate Percentage of Taxable Assess Valuation <sup>3</sup>	Taxable Assessed Value <sup>2</sup>	Rank	Approximate Percentage of Taxable Assess Valuation <sup>3</sup>
MGM Mirage	\$ 2,749,674,055	1	5.03 %	\$ 1,546,571,168	1	3.07 %
NV Energy	1,740,335,784	2	3.18 %	651,275,217	4	1.29 %
Caesar's Entertainment Incorporated	1,607,183,794	3	2.94 %	833,051,573	3	1.65 %
Las Vegas Sands Corporation	971,098,550	4	1.77 %			%
Wynn Resort Limited	760,124,769	5	1.39 %	249,466,395	10	0.49 %
Station Casinos Incorporated	516,085,960	6	0.94 %	332,714,731	8	0.66 %
Boyd Gaming Corporation	289,370,372	7	0.53 %	388,342,167	7	0.77 %
Nevada Property 1 Limited Liability Company	262,486,733	8	0.48 %			%
Eldorado Energy Limited Liability Company	198,858,459	9	0.36 %			%
Howard Hughes Corporation	183,142,575	10	0.33 %			%
Mandalay Resort Group				963,668,079	2	1.91 %
F.S. Rouse Limited Liability Company				647,796,350	5	1.28 %
Venetian Casino Resorts Limited Liability Company				430,661,282	6	0.85 %
Harrah's Club				294,728,758	9	0.58 %
	<u>\$ 9,278,361,051</u>		<u>16.95 %</u>	<u>\$ 6,338,275,720</u>		<u>12.55 %</u>

1. Source: Clark County Assessor's Office

2. Note: Taxable assessed value is 35% of appraised value.

3. See the "Assessed and Estimated Actual Value of Taxable Property" table for assessed property value data.

# SOUTHERN NEVADA HEALTH DISTRICT

## PROPERTY TAX LEVIES AND COLLECTIONS<sup>1</sup> LAST TEN FISCAL YEARS (UNAUDITED)

For the Year Ended June 30,	Tax Levy	Current Tax Levy Collections	Percent of Tax Levy Collected	Delinquent Tax Levy Collections	Total Tax Levy Collected	Percent of Total Tax Levy Collected to Tax Levy	Outstanding Delinquent Tax Levy	Percent of Outstanding Tax Levy to Tax Levy
2005	\$ 1,449,284,608	\$ 1,439,911,686	99.3533 %	\$ 9,370,744	\$ 1,449,282,430	99.9998 %	\$ 2,178	0.0002 %
2006	1,639,434,321	1,632,191,297	99.5582 %	7,227,922	1,639,419,219	99.9991 %	15,102	0.0009 %
2007	1,927,169,351	1,909,964,723	99.1073 %	17,179,909	1,927,144,632	99.9987 %	24,719	0.0013 %
2008	2,178,689,682	2,144,481,519	98.4299 %	33,996,006	2,178,477,525	99.9903 %	212,157	0.0097 %
2009	2,356,045,788	2,310,905,968	98.0841 %	44,321,767	2,355,227,735	99.9653 %	818,053	0.0347 %
2010	2,265,426,817	2,216,524,825	97.8414 %	47,415,216	2,263,940,041	99.9344 %	1,486,776	0.0656 %
2011	1,769,802,563	1,736,374,718	98.1112 %	32,323,102	1,768,697,820	99.9376 %	1,104,743	0.0624 %
2012	1,600,936,965	1,576,913,229	98.4994 %	22,064,160	1,598,977,389	99.8776 %	1,959,576	0.1224 %
2013	1,460,623,235	1,446,101,302	99.0058 %	10,447,387	1,456,548,689	99.7210 %	4,074,546	0.2790 %
2014	1,466,629,646	1,453,563,810	99.1091 %	2	1,453,563,810	99.1091 %	2	% 2

1. Source: Clark County Treasurer
2. Not available at time of printing.



# SOUTHERN NEVADA HEALTH DISTRICT

## DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN FISCAL YEARS (UNAUDITED)

For the Year Ended June 30,	Population <sup>1</sup>	Per Capita Personal Income <sup>2</sup>	School Enrollment <sup>3</sup>	Unemployment Rate <sup>4</sup>
2005	1,815,730	\$ 37,555	\$ 280,834	4.00 %
2006	1,912,654	38,730	291,510	3.90 %
2007	1,963,687	39,945	302,763	4.30 %
2008	1,986,146	39,920	308,783	5.50 %
2009	2,006,347	34,318	311,240	9.18 %
2010	2,023,102	34,502	309,476	14.00 %
2011	1,972,514	35,634	309,893	14.20 %
2012	2,008,654	36,531	308,377	12.80 %
2013	2,062,253	<sup>5</sup>	<sup>5</sup> 309,983	10.23 %
2014	<sup>5</sup>	<sup>5</sup>	314,598	8.89 %

1. Source: Nevada State Demographer
2. Source: NevadaWorkforce.com
3. Source: Clark County School District (public school enrollment)
4. Source: Nevada Department of Employment Security
5. Information not currently available

# SOUTHERN NEVADA HEALTH DISTRICT

## PRINCIPAL EMPLOYERS<sup>1</sup> CURRENT AND NINE YEARS AGO (UNAUDITED)

Employer	2014			2005		
	Employees <sup>2</sup>	Rank	Percentage of Total Southern Nevada Health District Employment	Employees <sup>2</sup>	Rank	Percentage of Total Southern Nevada Health District Employment
Clark County School District	35,000	1	4.04 %	35,000	1	4.13 %
Clark County, Nevada	8,250	2	.95 %	8,250	3	.97 %
Wynn Las Vegas, LLC	8,250	3	.95 %			%
Bellagio, LLC	7,750	4	.90 %	9,750	2	1.15 %
MGM Grand Hotel/Casino	7,750	5	.90 %	7,750	4	.91 %
Aria Resort and Casino, LLC	7,250	6	.83 %			%
Mandalay Bay Resort and Casino	7,250	7	.83 %	7,750	5	.91 %
Caesars Palace	6,250	8	.72 %	4,750	9	.56 %
University of Nevada-Las Vegas	5,250	9	.61 %	5,750	6	.68 %
Las Vegas Metropolitan Police	4,750	10	.55 %	4,750	8	.56 %
The Mirage Casino Hotel				5,750	7	.68 %
Bally's and Paris Casino Hotels						%
Rio Suite Hotel				4,250	10	.51 %
<b>Total principal employers</b>	<b>97,250</b>		<b>11.80 %</b>	<b>78,250</b>		<b>10.50 %</b>
<b>Total employment in Clark County, Nevada</b>	<b>823,866</b>			<b>778,977</b>		

1. Source: State of Nevada - Department of Employment, Training and Rehabilitation
2. Note: Number of employees estimated using the midpoint of the range

# SOUTHERN NEVADA HEALTH DISTRICT

## FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM<sup>1</sup> LAST TEN FISCAL YEARS (UNAUDITED)

Function/program	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014
Governmental activities										
Public health										
Nursing	204	205	162	177	172	163	166	164	166	153
Environmental health	117	135	140	158	156	148	142	146	164	139
Community health services <sup>2</sup>	50	54	49	54	55	53	50	48	56	59
Administration	132	139	135	151	152	146	149	153	129	110
Business-type activities										
Southern Nevada Public Health Laboratory	10	12	10	10	14	15	15	15	17	16
<b>Total full-time equivalent employees</b>	<b>513</b>	<b>545</b>	<b>496</b>	<b>550</b>	<b>549</b>	<b>525</b>	<b>522</b>	<b>526</b>	<b>532</b>	<b>477</b>

1. Source: Southern Nevada Health District Finance Department

2. Notes: The division for Community Health Services was established in January 2005

# SOUTHERN NEVADA HEALTH DISTRICT

## OPERATING INDICATORS BY FUNCTION/PROGRAM<sup>1</sup> LAST TEN FISCAL YEARS (UNAUDITED)

	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014
<b>Nursing</b>										
Communicable diseases										
Reported diseases										
Hepatitis A	13	15	4	4	11	12	8	6	9	11
Hepatitis B (Acute)	25	27	40	28	33	34	30	20	22	15
Influenza	182	202	95	270	528	528	485	356	571	641
Pertussis	30	22	15	24	6	12	29	30	121	86
Amebiasis	13	9	9	10	11	5	13	7	9	4
Campylobacteriosis	96	86	119	135	107	120	98	97	78	89
Escherichia coli 0157:H7	13	10	22	12	14	15	33	51	37	27
Giardiasis	73	82	71	94	75	67	60	49	61	43
Immunizations	343,883	310,514	270,326	273,662	302,982	200,142	202,936	203,712	157,448	142,244
Sexually-transmitted diseases										
Syphilis	259	387	314	277	289	230	356	88	227	481
Gonorrhea	2,941	2,503	2,260	2,207	1,576	1,697	1,618	1,058	2,147	2,254
Chlamydia	6,209	5,812	7,276	7,773	7,681	8,414	8,029	4,993	8,883	8,816
People living with HIV	2,722	2,939	3,065	3,028	266	271	240	237	237	279
Diagnosed cases of AIDS	4,240	4,468	5,533	4,962	230	187	195	212	202	221
<b>Environmental health</b>										
Food and beverage establishment inspections										
Routine	22,011	26,960	25,229	25,229	24,486	27,030	21,061	21,165	23,114	22,670
Special event	2,531	2,877	3,553	3,597	3,696	3,761	3,854	4,764	4,694	4,222
Compliant driven	1,995	1,942	2,370	1,800	1,517	1,409	1,690	1,492	2,043	1,784
Epi related	542	584	565	615	369	41	35	48	165	133
<b>Community health services</b>										
Emergency medical services										
Active certifications										
First responder	68	52	33	20	4	1				
EMT - basic	1,283	1,118	910	881	784	671	560	532	458	484
EMT - intermediate	1,437	1,474	1,405	1,336	1,322	1,369	1,365	1,347	1,303	1,283
EMT - paramedic	821	812	913	947	985	1,018	1,073	1,118	1,114	1,167
EMT - instructors	300	356	382	389	383	356	353	338	336	331
Epidemiology										
Reported diseases										
Amebiasis				10	11	5	13	7	9	4
Coccidioidomycosis	62	58	57	63	50	56	81	115	79	71
Cryptosporidiosis				16	1	4	12	4	5	5
Invasive Group A Strep				26	11		1			
Invasive Strep Pneumoniae				5	1	2	47	59	54	75
Legionellosis				10	11	17	11	9	16	14
Listeriosis				6	2	1	1	2	1	4
Lyme Disease				9	4	1	2	4	2	5
Menengitis, Aseptic/Viral	80	70	54	61	47	32	41	22	26	49
Menengitis, Bacterial	15	13	18	21	11	7	9	4	6	13
Meningococcal Disease	8	5	3	6	1	4	2	2		2
Rotavirus	579	647	356	290	104	90	59	33	103	46

(Continued)

# SOUTHERN NEVADA HEALTH DISTRICT

## OPERATING INDICATORS BY FUNCTION/PROGRAM<sup>1</sup> (CONTINUED) LAST TEN FISCAL YEARS (UNAUDITED)

	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014
RSV	1,564	1,556	1,234	1,139	1,049	1,225	1,320	971	1,457	711
Salmonellosis	144	132	220	166	175	172	188	140	147	220
Shigellosis	54	69	109	159	144	57	40	29	58	43
Administrative, operations and maintenance										
Health cards issued										
New	67,421	77,781	70,607	64,288	45,492	42,200	39,442	40,302	40,778	46,774
Renewal	50,018	28,619	70,772	62,604	58,949	70,657	60,081	58,142	65,273	60,141
Other	12,966	29,822	10,828	11,378	9,950	9,450	8,835	8,350	7,301	6,623
Vital records										
Births	28,060	29,070	30,589	30,362	19,860	19,613	19,042	20,711	26,432	26,347
Deaths	13,762	13,775	12,664	13,409	10,399	10,157	10,253	11,109	15,159	15,107

1. Source: Southern Nevada Health District Finance Department

2. Amount reported includes only the number of certificates issued for birth and deaths in the current fiscal year, and does not include duplicate or replacement certificates issued

# SOUTHERN NEVADA HEALTH DISTRICT

## CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM<sup>1</sup> LAST TEN FISCAL YEARS (UNAUDITED)

Function/program	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014
Governmental activities										
Public health										
Nursing	\$ 1,435,565	\$ 1,635,917	\$ 1,734,328	\$ 1,791,734	\$ 1,797,575	\$ 1,620,435	\$ 1,620,333	\$ 1,754,975	\$ 1,528,201	\$ 1,460,304
Environmental health	831,792	928,668	989,475	1,069,123	1,029,719	1,189,172	1,945,641	1,788,428	1,406,930	1,320,089
Community health services	<sup>2</sup> 21,628,947	359,437	382,071	377,644	434,240	712,206	831,429	1,025,536	927,232	987,176
Administration	21,628,947	21,075,415	22,182,097	22,737,233	23,045,482	22,013,656	22,264,236	22,147,260	22,505,859	22,458,602
Business-type activities										
Southern Nevada Public Health										
Laboratory	<u>410,280</u>	<u>1,450,586</u>	<u>2,032,365</u>	<u>2,134,430</u>	<u>2,245,520</u>	<u>2,286,992</u>	<u>2,311,467</u>	<u>2,382,536</u>	<u>2,550,084</u>	<u>2,598,917</u>
	<u>\$ 24,306,584</u>	<u>\$ 25,450,023</u>	<u>\$ 27,320,336</u>	<u>\$ 28,110,164</u>	<u>\$ 28,552,536</u>	<u>\$ 27,822,461</u>	<u>\$ 28,973,106</u>	<u>\$ 29,098,735</u>	<u>\$ 28,918,306</u>	<u>\$ 28,825,088</u>

1. Source: Southern Nevada Health District Finance Department

2. The division for Community Health Services was established in January 2005



# **SINGLE AUDIT INFORMATION**





P B T K

PIERCY BOWLER  
TAYLOR & KERN

Certified Public Accountants  
Business Advisors

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH  
REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL  
EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133  
AND SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

Board of Health  
Southern Nevada Health District  
Las Vegas, Nevada

We have audited the compliance of the Southern Nevada Health District (the District) with the types of compliance requirements described in the Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2014. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility.** The District's management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

**Auditors' Responsibility.** Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

**Opinion on Each Major Federal Program.** In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2014.

**Other Matters.** The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2014 - 008 through 2014 - 010. Our opinion on each major federal program is not modified with respect to these matters.

The District's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The District's responses were not subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

**Report on Internal Control Over Compliance.** The District's management is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies; and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

A *deficiency* in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness* in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2014 - 005, to be a material weakness.

A *significant deficiency* in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2014 - 004, 006 and 2014 - 007 to be significant deficiencies.

The District's responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The District's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

**Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133.** We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated December 8, 2014, which contained an unmodified opinion on those basic financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

*Piercy Bowler Taylor & Keen*

Las Vegas, Nevada  
December 8, 2014



**SOUTHERN NEVADA HEALTH DISTRICT**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2014**

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal or Pass-through Grantor Award Number</u>	<u>Expenditures</u>
<b>Department of Health and Human Services</b>			
Passed through Nevada Department of Health and Human Services, Aging and Disability Services Division:			
Special Programs for the Aging Title IV and Title II Discretionary Projects	93.048	03-008-13-ZX-13	\$ 1,490
Passed through Nevada Department of Health and Human Services, Nevada State Health Division:			
Public Health Emergency Preparedness	93.069*	2U90TP916964-11	7,528
Public Health Emergency Preparedness	93.069*	5U90TP000534-02	10,693
Public Health Emergency Preparedness	93.069*	5U90TP000534-02	460,646
Public Health Emergency Preparedness	93.069*	1U90TP000534-01	54,135
Public Health Emergency Preparedness	93.069*	5U90TP000534-02	2,512,766
Public Health Emergency Preparedness	93.069*	5U90TP000534-02	21,577
			<u>3,067,345</u>
Passed through Nevada Department of Health and Human Services, Nevada State Health Division:			
Maternal and Child Health Federal Consolidated Programs	93.110	5H17MC23548-02-00	43,447
Maternal and Child Health Federal Consolidated Programs	93.110	6H17MC23548-02-03	3,045
Maternal and Child Health Federal Consolidated Programs	93.110	6H17MC23548-03-01	7,072
			<u>53,564</u>
Passed through Nevada Department of Health and Human Services, Nevada State Health Division:			
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	5U52PS907855	171,453
Control Programs	93.116	5U52PS907855-23	149,329
			<u>320,782</u>
Direct Program:			
Family Planning Services	93.217	5FPHPA090159-42-01	828,393
Family Planning Services	93.217	5FPHPA090159-43-00	578,139
			<u>1,406,532</u>
Passed through Nevada Department of Health and Human Services, Nevada State Health Division:			
Immunization Cooperative Agreements	93.268	3H23IP000695-01S1	211,382
Immunization Cooperative Agreements	93.268	1H23IP000727-01	349,559
Immunization Cooperative Agreements	93.268	5H23IP000727-02	289,396
			<u>850,337</u>
Passed through Nevada Department of Health and Human Services, Nevada State Health Division:			
Adult Viral Hepatitis Prevention and Control	93.270	1U51PS004092-01	7,800
Adult Viral Hepatitis Prevention and Control	93.270	5U51PS004092-02	11,910
			<u>19,710</u>

(Continued)

**SOUTHERN NEVADA HEALTH DISTRICT**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2014**

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal or Pass-through Grantor Award Number</u>	<u>Expenditures</u>
<b>Department of Health and Human Services (Continued)</b>			
Passed through Nevada Department of Health and Human Services, Nevada State Health Division:			
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	5U58DP002003-05	255,779
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	3U58DP002003-06	27,750
			<u>283,529</u>
Direct Program:			
Teenage Pregnancy Prevention Program	93.297	5TP1AH000024-03-00	191,363
Teenage Pregnancy Prevention Program	93.297	5TP1AH000024-03-01	101,117
Teenage Pregnancy Prevention Program	93.297	5TP1AH000024-04-00	607,843
Teenage Pregnancy Prevention Program	93.297	5TP1AH000024-04-01	4,690
			<u>905,013</u>
Passed through Nevada Department of Health and Human Services, Nevada State Health Division:			
Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program	93.505	X02MC23117	140,400
Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program	93.505	X02MC23117	126,106
			<u>266,506</u>
Direct Program:			
Centers for Disease Control and Prevention-Affordable Care Act (ACA) Communities Putting Prevention to Work	93.520*	1U58DP002382-01	123,406
Passed through Nevada Department of Health and Human Services, Nevada State Health Division:			
Affordable Care Act (ACA): Building Epidemiology, Laboratory, and Health Information Systems Capacity in the Epidemiology and Laboratory Capacity for Infectious Disease (ELC) and Emerging Infectious Program (EIP) Cooperative Agreements; PPHF	93.521	3U50CI000900-02S2	153,862
Passed through Nevada Department of Health and Human Services, Nevada State Health Division:			
Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program Evaluation (MIECE)	93.615	P233 20095644WC	11,083
Passed through Nevada Department of Health and Human Services, Nevada State Health Division:			
National Bioterrorism Hospital Preparedness Program	93.889*	4U3REP090220-03-04	51,259
National Bioterrorism Hospital Preparedness Program	93.889*	1U90TP000534-01	84,449
National Bioterrorism Hospital Preparedness Program	93.889*	5U90TP000534-02	1,042,708
National Bioterrorism Hospital Preparedness Program	93.889*	5U90TP000534-02	221,017
			<u>1,399,433</u>
Passed through Clark County, Nevada, Department of Social Services:			
HIV Emergency Relief Project Grants:	93.914	Interlocal Agreement	1,259,913
HIV Emergency Relief Project Grants:	93.914	Interlocal Agreement	452,949
			<u>1,712,862</u>

(Continued)

**SOUTHERN NEVADA HEALTH DISTRICT**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2014**

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Federal or Pass-through Grantor Award Number	Expenditures
<b>Department of Health and Human Services (Continued)</b>			
Passed through Nevada Department of Health and Human Services, Nevada State Health Division:			
HIV Care Formula Grants	93.917	2 X07HA00001-23-00	92,987
HIV Care Formula Grants	93.917	2 X07HA00001-24-00	46,287
HIV Care Formula Grants	93.917	2 X07HA00001-24-00	23,916
			<u>163,190</u>
Passed through Nevada Department of Health and Human Services, Nevada State Health Division:			
HIV Prevention Activities - Health Department Based	93.940*	5U62PS003654-02	726,872
HIV Prevention Activities - Health Department Based	93.940*	5U62PS003654-03	599,494
			<u>1,326,366</u>
Passed through Nevada Department of Health and Human Services, Nevada State Health Division:			
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	93.944	1U62PS004024-01	61,145
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	93.944	1U62PS004024-02	70,231
			<u>131,376</u>
Passed through Nevada Department of Employment, Training and Rehabilitation:			
Block Grants for Prevention and Treatment of Substance Abuse	93.959*	B1 NVSAPT	5,878
Block Grants for Prevention and Treatment of Substance Abuse	93.959*	2B08TI010039-12	42,842
Block Grants for Prevention and Treatment of Substance Abuse	93.959*	2B08TI010039-13	404,337
			<u>453,057</u>
Passed through Nevada Department of Health and Human Services, Nevada State Health Division:			
Preventive Health Services - Sexually Transmitted Diseases Control Grants	93.977*	5H25PS001382-05	374,981
Preventive Health Services - Sexually Transmitted Diseases Control Grants	93.977*	1H25PS004376-01	228,454
			<u>603,435</u>
Passed through Nevada Department of Health and Human Services, Nevada State Health Division:			
Maternal and Child Health Services Block Grant to the States	93.994	B04MC23393	88,455
Passed through Clark County School District (CCSD), State of Nevada:			
Community Transformation Grant	93.737*	1H75DP004286-01	602,707
<b>Total Department of Health and Human Services</b>			<u>13,944,040</u>
<b>Environmental Protection Agency</b>			
Passed through Nevada Department of Health and Human Services, Nevada State Health Division:			
State Public Water System Supervision	66.432	DEP14-006	90,000
Passed through Nevada Department of Conservation and Natural Resources:			
Underground Storage Tank Prevention, Detection, and Compliance Program	66.804	DEP14-004	201,500
<b>Total Environmental Protection Agency</b>			<u>291,500</u>
<b>Total Federal Financial Assistance</b>			<u><u>\$ 14,235,540</u></u>

\* A major program

# SOUTHERN NEVADA HEALTH DISTRICT

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2014

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### Note 1. Reporting Entity

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the Southern Nevada Health District (the District) under programs of the federal government for the year ended June 30, 2014. The information in this schedule is presented in accordance with the requirements of Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net assets or cash flows of the District. The reporting entity is defined in Note 1 to the District's basic financial statements. The schedule includes all expended federal financial assistance received directly from federal agencies as well as passed through other government agencies.

### Note 2. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the District. All expenditures, including those passed through to subrecipients are presented on the cash basis of accounting. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

The information in this schedule is presented in accordance with the requirements of U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

### Note 3. Subrecipients

During the year ended June 30, 2014, the following awards (including amendments) were given to subrecipients:

	<u>Award Amount</u>
HIV Prevention Activities - Health Department Based (CFDA #93.940)	\$ 237,942
Family Planning Services (CFDA #93.217)	43,542
Preventive Health Services Sexually Transmitted Diseases Control Grants (CFDA #93.977)	13,345
PPHF Community Transformation Grants -Small Communities Program financed solely by Public Prevention and Health Funds (CFDA #93.737)	289,008
Centers for Disease Control and Prevention -Affordable Care Act (ACA) - Communities Putting Prevention to Work (CFDA #93.520)	83,794
Teenage Pregnancy Prevention Program (CFDA #93.297)	139,645
Maternal and Child Health Federal Consolidated Programs (CFDA #93.110)	<u>21,418</u>
Total subrecipient awards	<u>\$ 828,694</u>



# SOUTHERN NEVADA HEALTH DISTRICT

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**FOR THE YEAR ENDED JUNE 30, 2014**

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### Section I - Summary of Auditors' Results

Financial Statements	
Type of auditors' report issued	Unmodified
Internal control over financial reporting	
Material weaknesses identified	No
Significant deficiencies identified that are not considered to be material weaknesses	Yes
Noncompliance material to financial statements	No
Federal Awards	
Internal control over major programs	
Material weaknesses identified	Yes
Significant deficiencies identified that are not considered to be material weaknesses	Yes
Type of auditors' report issued on compliance for major programs	Unmodified
Audit findings required to be reported in accordance with Circular A-133, Section .510(a)	Yes
Identification of major programs	
CFDA number	93.069
Name of federal program or cluster	Public Health Emergency Preparedness
CFDA number	93.520
	Centers for Disease Control and Prevention
	-Affordable Care Act (ACA) – Communities
	Putting Prevention to Work
Name of federal program or cluster	93.737
CFDA number	PPHF Community Transformation Grants -Small
	Communities Program financed solely by Public
	Prevention and Health Funds
Name of federal program or cluster	93.889
CFDA number	National Bioterrorism Hospital Preparedness
	Program
Name of federal program or cluster	93.940
CFDA number	HIV Prevention Activities_Health Department
	Based
Name of federal program or cluster	93.959
CFDA number	Block Grants for Prevention and Treatment of
	Substance Abuse
Name of federal program or cluster	93.977
CFDA number	Preventive Health Services_Sexually Transmitted
	Diseases Control Grants
Name of federal program or cluster	
Dollar threshold used to distinguish between Type A and Type B programs	\$427,066
Auditee qualified as low-risk auditee	No

(Continued)

# SOUTHERN NEVADA HEALTH DISTRICT

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

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**Section II – Findings relating to the financial statements, which are required to be reported in accordance with auditing standards generally accepted in the United States and *Government Auditing Standards***

2014 - 001	
Criteria	Revenue and receivable cut-off procedures are performed to ensure that revenue is recorded in the proper accounting period.
Condition	<p>We noted \$452,949 of grant revenue that was not received by the District within 60 days after year end was improperly recognized as revenue at the fund level. An audit adjustment was proposed and accepted by management to record a liability (<i>i.e.</i>, unavailable revenue) at the fund level.</p> <p>We also noted a \$47,831 understatement of receivables and revenues related to final closeouts of three grant programs (the majority of which was related to the tuberculosis outreach grant). An audit adjustment was proposed and accepted by management.</p> <p>In addition, we noted several items invoiced by the District for services rendered prior to June 30 that were not invoiced until July 2014. An audit adjustment was proposed to increase accounts receivable and revenue by \$42,119.</p>
Effect	The District's general fund receivables were understated by \$87,950, revenues were over stated by \$364,999 and unavailable revenue was understated by \$452,949. In addition, the District's Governmental Activities receivables and revenue were understated by \$87,950.
Cause	The District's controls designed to ensure appropriate receivable and revenue cut-off did not function as intended, due to ineffective monitoring for compliance therewith.
Recommendation	The month-end and year-end financial reporting processes should be modified to require an analysis of payments received subsequent to the end of an accounting period so that revenues for services rendered are recorded in the proper period.
Management's response	Management informed us that reporting processes for month-end and year-end shall be modified to require analysis of invoices prepared subsequent to the end of an accounting period so that revenues for services rendered are recorded in the proper period.

(Continued)

# SOUTHERN NEVADA HEALTH DISTRICT

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

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**Section II – Findings relating to the financial statements, which are required to be reported in accordance with auditing standards generally accepted in the United States and *Government Auditing Standards* (continued)**

2014 - 002

Criteria	Payable and expenditure cut-off procedures are performed to ensure that expenditures/expenses are recorded in the proper accounting period.
Condition	<p>We noted that \$133,499 was improperly excluded from accounts payable at June 30, 2014. Two invoices comprise approximately \$84,000 of the unrecorded payables, one of which relates to the purchase of software and the other relates to a litigation settlement with an employee.</p> <p>Approximately \$48,000 of the unrecorded payables were identified by the finance department as part of its inventory reconciliation; however, an entry was not recorded and instead the unrecorded payables were shown as a reconciling item on the inventory reconciliation.</p>
Effect	The District's payables and expenditures/expenses were understated by \$133,499 as of and for the year ended June 30, 2014.
Cause	The District's controls designed to ensure appropriate payable and expenditure/expense cut-off did not function as intended, due to ineffective monitoring for compliance therewith. Specifically, the review of invoices received and paid subsequent to the end of the fiscal year did not result in the accrual of invoices for goods received and services rendered in fiscal 2014.
Recommendation	The month-end and year-end financial reporting processes should be modified to require an analysis of invoices received and paid subsequent to the end of an accounting period so that expenditures for goods and services received are recorded in the proper period.
Management's response	Management informed us that financial reporting process for month-end and year-end shall be modified to require an analysis of invoices received subsequent to the end of an accounting period so that expenditures for goods and services received are recorded in the proper period.

(Continued)

# SOUTHERN NEVADA HEALTH DISTRICT

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

---

### Section II – Findings relating to the financial statements, which are required to be reported in accordance with auditing standards generally accepted in the United States and *Government Auditing Standards* (continued)

2014 - 003

Criteria

According to GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets* (GASB 51), outlays incurred related to the development of an internally generated intangible asset should be capitalized upon the occurrence of all of the following:

- a. Determination of the specific objective of the project and the nature of the service capacity that is expected to be provided by the intangible asset upon the completion of the project,
- b. Demonstration of the technical or technological feasibility for completing the project so that the intangible asset will provide its expected service capacity,
- c. Demonstration of the current intention, ability, and presence of effort to complete or, in the case of a multiyear project, continue development of the intangible asset.

Outlays incurred prior to meeting those criteria should be expensed as incurred.

The activities involved in developing and installing internally generated computer software can be grouped into the following stages:

- a. *Preliminary Project Stage*. Activities in this stage include the conceptual formulation and evaluation of alternatives, the determination of the existence of needed technology, and the final selection of alternatives for the development of the software.
- b. *Application Development Stage*. Activities in this stage include the design of the chosen path, including software configuration and software interfaces, coding, installation to hardware, and testing, including the parallel processing phase.
- c. *Post-Implementation/Operation Stage*. Activities in this stage include application training and software maintenance.

Outlays associated with activities in the preliminary project stage should be expensed as incurred. Once the activities noted in the preliminary project stage are complete and management implicitly or explicitly authorizes and commits to funding, at least currently in the case of a multiyear project, the software project, the costs associated with the project should be capitalized.

Condition

Expenditures for the development of a new timekeeping software system were not tracked and evaluated for possible capitalization in accordance with the guidance from GASB 51 described above.

Effect

As a result, expenditures may be overstated, and capital assets (*i.e.*, software and related capitalizable costs) may be understated.

Cause

The District's internal controls over financial reporting do not include policies and procedures regarding the proper accounting for internally-developed intangible assets.

Recommendation

The District's internal controls over financial reporting should be updated to include policies and procedures regarding the proper accounting for internally-developed intangible assets. Specifically, costs for internally-developed intangible assets should be tracked and evaluated to determine whether they are required to be capitalized in accordance with the guidance included in GASB 51.

Management's response

Management informed us that internal controls over financial reporting shall be updated to include policies and procedures regarding the proper accounting for internally-developed intangible assets. Costs for internally-developed intangible assets shall be tracked and evaluated to determine whether they are required to be capitalized in accordance with the guidance included in GASB 51.

(Continued)

# SOUTHERN NEVADA HEALTH DISTRICT

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

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### Section III – Findings and questioned costs for federal awards, including audit findings as defined in Circular A-133 Section .510(a)

2014 - 004

Program

CFDA #93.069: Public Health Emergency Preparedness  
CFDA #93.530: Centers for Disease Control and Prevention –Affordable Care Act (ACA) –  
Communities Putting Prevention to Work  
CFDA #93.737: PPHF Community Transformation Grants -Small Communities Program financed  
solely by Public Prevention and Health Funds  
CFDA #93.889: National Bioterrorism Hospital Preparedness Program  
CFDA #93.940: HIV Prevention Activities\_Health Department Based  
CFDA #93.959: Block Grants for Prevention and Treatment of Substance Abuse  
CFDA #93.977: Preventive Health Services\_Sexually Transmitted Diseases Control Grants

Specific requirements

OMB Circular A-87, Attachment B, Paragraph 8d:  
The cost of fringe benefits in the form of regular compensation paid to employees during periods of  
authorized absences from the job, such as for annual leave, sick leave, holidays, court leave, military  
leave, and other similar benefits, are allowable if:  
(b) the costs are equitably allocated to all related activities, including Federal awards.

OMB Circular A-87, Attachment B, Paragraph 8h:  
(5) Personnel activity reports or equivalent documentation must meet the following standards:  
(a) They must reflect an after-the-fact distribution of the actual activity of each employee.

Condition and context

During fiscal 2014, the District established a formal time and effort record keeping policy requiring  
employees to accurately track and report the time spent on grant-related activities. In connection with  
the new policy, new time and effort record keeping software was developed and placed into service in  
March 2014.

During testing of time and effort policies and procedures and related documentation, we noted several  
occasions in which employees were submitting (and supervisors were approving) time and effort  
reports prior to the end of the applicable pay period. As such, employees were not consistently  
following the newly-implemented time and effort reporting policy, which specifically requires activity  
logs and timesheets to be prepared (and reviewed) after work has been performed.

In addition, the newly-implemented time and effort reporting policy requires grant program managers  
to perform a quarterly review to ensure that time charged to grant-related activities is accurate and in  
compliance with grant requirements; however, the quarterly review was not performed during fiscal  
2014.

Questioned costs

It is not possible to quantify the amount of questioned costs (if any) related to this finding, since we are  
unable to determine if the estimated time submitted prior to the end of the pay period reflected the  
actual amount of time spent on grant-related activities.

Effect

The District did not comply with the requirements of its time and effort reporting policies, and as a  
result, grant expenditures reported to granting agencies related to payroll, fringe benefits and indirect  
costs may be misstated.

Cause

The formal time and effort reporting policy developed and implemented in March 2014 was not  
effectively communicated to the various divisions within the District. As such, inconsistencies were  
noted across the various divisions in terms of how grant-related activities were being tracked and  
reported. In addition, the quarterly review specified in the policy was not completed during fiscal  
2014.

Recommendation

Formal training should be provided to effectively communicate the requirements of the District's time  
and effort reporting policy. All of the divisions within the District should attend to ensure that time  
and effort reporting is accurate and consistently documented by each division in the District.

(Continued)

# SOUTHERN NEVADA HEALTH DISTRICT

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

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Management's response

Management informed us that formal training shall be provided to effectively communicate the requirements of the District's time and effort reporting policy. All of the divisions within the District shall be required to attend in order to ensure that time and effort reporting is accurate and consistently documented District-wide.

(Continued)

**SOUTHERN NEVADA HEALTH DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2014**

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**Section III – Findings and questioned costs for federal awards, including audit findings as defined in Circular A-133 Section .510(a) (continued)**

2014 - 005 Program	CFDA #93.520: Centers for Disease Control and Prevention –Affordable Care Act (ACA) – Communities Putting Prevention to Work CFDA #97.737: PPHF Community Transformation Grants -Small Communities Program financed solely by Public Prevention and Health Funds CFDA #93.940: HIV Prevention Activities_Health Department Based CFDA #93.977: Preventive Health Services_Sexually Transmitted Diseases Control Grants
Specific requirements	OMB Circular A-133, Subpart D--Federal Agencies and Pass- Through Entities, § __.400 Responsibilities.  (d) Pass-through entity responsibilities. A pass-through entity shall perform the following for the Federal awards it makes: (3) Monitor the activities of subrecipients as necessary to ensure that Federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved. (4) Ensure that subrecipients expending \$300,000 (\$500,000 for fiscal years ending after December 31, 2003) or more in Federal awards during the subrecipient's fiscal year have met the audit requirements of this part for that fiscal year. (5) Issue a management decision on audit findings within six months after receipt of the subrecipient's audit report and ensure that the subrecipient takes appropriate and timely corrective action. (6) Consider whether subrecipient audits necessitate adjustment of the pass-through entity's own records.
Condition and context	<i>CFDA #93.737.</i> Per review of the monthly reimbursement requests the District receives from the subrecipients, there was insufficient supporting documentation for the expenditures for us to determine if the costs incurred by the subrecipient were allowable per the subaward agreements.  <i>CFDA #93.520.</i> The District received a subrecipient reimbursement request on July 30, 2013, for expenditures incurred by the subrecipient for the semi-annual period ended June 30, 2013. We noted that the reimbursement request only included summary level detail and did not include individual invoices. Accordingly, we were unable to determine whether the expenditures were allowable and/or incurred in the appropriate period of availability as delineated in the subaward agreements.  <i>CFDA #93.940 / #93.977.</i> The subrecipient submits reimbursement requests which are reviewed by District's grant program managers for compliance with the allowability and period of availability requirements documented in the subaward agreement. However, per examination of the monthly subrecipient reimbursement requests for September and October 2013, and January through March of 2014, we noted that the supporting documentation was too summarized to determine compliance with the allowable cost requirements of the subaward agreements.
Questioned costs	It is not possible to quantify the amount of questioned costs (if any) related to this finding, since we are unable to determine if the expenditures submitted by the subrecipients are allowable in accordance with the subaward agreement.
Effect	The District's grant program managers did not effectively monitor the activities of subrecipients as necessary to ensure that Federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved.
Cause	The District did not implement a formal subrecipient monitoring policy until August 2014 ( <i>i.e.</i> , fiscal 2015), and the policy did not require retroactive application to fiscal 2014.

(Continued)

# SOUTHERN NEVADA HEALTH DISTRICT

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

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Recommendation	Formal training should be provided to effectively communicate the requirements of the District's subrecipient monitoring policy to grant program managers. All grant program managers from each of the divisions within the District should attend to ensure that subrecipient monitoring is performed, and includes the examination of sufficient supporting documentation to ensure that the subrecipient expenditures are in compliance with the subaward agreement and are in furtherance of the program objectives.
Management's response	Management informed us that a formal training shall be provided to effectively communicate the requirements of the District's sub-recipient monitoring policy requiring all of the divisions within the District to attend in order to ensure that sub-recipient monitoring is performed including the examination of sufficient supporting documentation to ensure that the sub-recipient expenditures are in compliance with the sub-award agreement and are in furtherance of the program objectives.

(Continued)



# SOUTHERN NEVADA HEALTH DISTRICT

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

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### Section III – Findings and questioned costs for federal awards, including audit findings as defined in Circular A-133 Section .510(a) (continued)

2014 - 006 Program	CFDA #93.520: Centers for Disease Control and Prevention –Affordable Care Act (ACA) – Communities Putting Prevention to Work CFDA #97.737: PPHF Community Transformation Grants -Small Communities Program financed solely by Public Prevention and Health Funds CFDA #93.940: HIV Prevention Activities_Health Department Based CFDA #93.977: Preventive Health Services_Sexually Transmitted Diseases Control Grants
Specific requirements	OMB Circular A-133, Subpart D--Federal Agencies and Pass- Through Entities, § ___.400 Responsibilities. (d) Pass-through entity responsibilities. A pass-through entity shall perform the following for the Federal awards it makes: (1) Identify Federal awards made by informing each subrecipient of the CFDA title and number, award name and number, award year, if the award is R&D, and name of Federal agency. When some of this information is not available, the pass-through entity shall provide the best information available to describe the Federal award.  2 CFR § 25.200 Requirements for program announcements, regulations, and application instructions. (a) Each agency that awards types of Federal financial assistance included in the definition of “award” in § 25.305 must include the requirements described in paragraph (b) of this section in each program announcement, regulation, or other issuance containing instructions for applicants that either: (1) Is issued on or after the effective date of this part; or (2) Has application or plan due dates after October 1, 2010. (b) The program announcement, regulation, or other issuance must require each entity that applies and does not have an exemption under § 25.110 to: (1) Be registered in the CCR prior to submitting an application or plan; (2) Maintain an active CCR registration with current information at all times during which it has an active Federal award or an application or plan under consideration by an agency; and (3) Provide its DUNS number in each application or plan it submits to the agency.
Condition and context	<i>CFDA #93.520.</i> The contracts and amendments executed with one subrecipient did not include the federal CFDA number. In addition, the District did not obtain the DUNS number from the subrecipient prior to entering into the subaward agreement.  <i>CFDA #93.737.</i> Per review of the contracts and amendments executed with three subrecipients, we noted that although the contracts properly included the CFDA title and number, they did not disclose the award number. We also noted that an amendment to a subaward agreement for one subrecipient to increase funding from \$85,000 to \$178,000 disclosed only one source of federal funding; however, there was another federal funding source (with a different CFDA number) that was not disclosed.  <i>CFDA #93.940 / #93.977.</i> The contracts and amendments executed with one subrecipient properly included the correct federal CFDA title and number; however, the award number was not disclosed.
Questioned costs	None
Effect	The District is not in compliance with the federal grant requirements pertaining to the issuance of subawards and subaward disclosures.
Cause	The District did not implement a formal subrecipient monitoring policy until August 2014 (i.e., fiscal 2015), and the policy did not require retroactive application to fiscal 2014.
Recommendation	Formal training should be provided to effectively communicate the requirements of the District's subrecipient monitoring policy. All of the divisions within the District should attend to ensure that subaward agreements contain the required information to make subrecipients aware of all grant compliance requirements.

(Continued)

**SOUTHERN NEVADA HEALTH DISTRICT**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**

**FOR THE YEAR ENDED JUNE 30, 2014**

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Management's response

Management informed us that formal training shall be provided to effectively communicate the requirements of the District's Sub-recipient monitoring policy requiring all of the divisions within the District to attend in order to ensure that sub-award agreements contain the required information to make sub-recipients aware of all grant compliance requirements.

(Continued)

# SOUTHERN NEVADA HEALTH DISTRICT

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

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### Section III – Findings and questioned costs for federal awards, including audit findings as defined in Circular A-133 Section .510(a) (continued)

2014 - 007 Program	CFDA #93.940: HIV Prevention Activities_Health Department Based CFDA #93.977: Preventive Health Services_Sexually Transmitted Diseases Control Grants
Specific requirements	Program income ( <i>i.e.</i> , fees, premiums, third-party reimbursements which the project may reasonably expect to receive), as well as State, local, and other operational funding, will be used to finance the non-federal share of the scope of project as defined in the approved grant application and reflected in the approved budget. Program income and the level projected in the approved budget will be used to further program objectives.
Condition and context	<p><i>CFDA #93.940.</i> Per discussion with the HIV Prevention Program Manager from the State of Nevada (granting agency), we were informed that the District must use 100% of program income from the grant on grant-related activities. However, during fiscal 2014, a review of program income was not performed to verify that all program income was used as required by the granting agency. We were also informed that a formal policy requiring the review of program income was put in place in August 2014 (<i>i.e.</i>, fiscal 2015), but the policy did not require a retroactive review of fiscal 2014 program income.</p> <p><i>CFDA #93.977.</i> The grant generates program income through charges for examinations and medical treatments as well as laboratory fees, all of which are charged at a flat bundle rate. Per discussion with grant program manager, we were informed that the District is required to use 100% of program income on grant-related activities. However, during fiscal 2014, a review of program income was not performed to verify that all program income was used as required by the granting agency. We were also informed that a formal policy requiring the review of program income was put in place in August 2014 (<i>i.e.</i>, fiscal 2015), but the policy did not require a retroactive review of fiscal 2014 program income.</p>
Questioned costs	None.
Effect	Program income may not be used to finance the non-federal share of the scope of the project or to further program objectives.
Cause	The District's formal policy requiring the review of program income was not implemented until August 2014 ( <i>i.e.</i> , fiscal 2015), and the policy did not require a retroactive review of fiscal 2014 program income.
Recommendation	The District should adhere to its formal program income monitoring procedures going forward.
Management's response	Management informed us that going forward, formal program income monitoring procedures will be adhered to.

(Continued)

**SOUTHERN NEVADA HEALTH DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2014**

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**Section III – Findings and questioned costs for federal awards, including audit findings as defined in Circular A-133 Section .510(a) (continued)**

2014 - 008 Program	CFDA #93.889: National Bioterrorism Hospital Preparedness Program CFDA #93.520: Centers for Disease Control and Prevention-Affordable Care Act (ACA) Communities Putting Prevention to Work CFDA #93.940: HIV Prevention Activities
Specific requirements	Where a funding period is specified, a non-Federal entity may charge to the award only costs resulting from obligations incurred during the funding period and any pre-award costs authorized by the Federal awarding agency
Condition and context	<i>CFDA #93.940.</i> Per review of time cards for an employee that is eligible to charge time to this program, we noted that sick time hours listed in period covered by the 2014 grant year were paid using the 2013 code. The fiscal 2013 expenditures are overstated and the 2014 expenditures are understated by \$105. This appears to be a one-time clerical error since the regular and holiday hours for this same employee were assigned to the appropriate period ( <i>i.e.</i> , 2014).  <i>CFDA #93.520.</i> SNHD charged payroll subsequent to the period of availability to administer the close-out period of the grant. We were informed by the grant program manager that informal approval was received from the granting agency to charge time to the grant subsequent to the period of availability in order to complete the close out reimbursement requests and reports. However, no formal documentation exists to document the informal approval from the granting agency, and the District was unable to obtain documentation of the approval from the granting agency after several requests during the audit. Accordingly, we were unable to verify that such approval was actually granted.
Questioned costs	\$3,466
Effect	The District was not in compliance with the period of availability grant requirements.
Cause	The policies and procedures in place to ensure that federal expenditures occur in the proper period of availability did not function as intended, due to a one-time clerical error and ineffective monitoring for compliance therewith.
Recommendation	The District should closely monitor reimbursement requests to verify that the expenditures were incurred in the appropriate period of availability.
Management's response	Management informed us that it shall closely monitor reimbursement requests more to verify that the expenditures were incurred in the appropriate period of availability.

(Continued)

**SOUTHERN NEVADA HEALTH DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2014**

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**Section III – Findings and questioned costs for federal awards, including audit findings as defined in Circular A-133 Section .510(a) (continued)**

2014 - 009 Program	CFDA #93.977: Preventive Health Services_Sexually Transmitted Diseases Control Grants
Specific requirements	The grant agreement requires the District to submit quarterly statistical reports no later than 30 days after the end of each quarter of the grant period.
Condition and context	The grant program manager filed the required statistical reports on a semi-annual basis. The granting agency was contacted during the audit and informed us that the semi-annual reports were not considered acceptable for purposes of compliance with the grant reporting requirements.
Questioned costs	None
Effect	The District was not in compliance with the statistical reporting provisions of the grant agreement.
Cause	The grant program manager responsible for statistical reporting was not aware of the quarterly reporting requirement.
Recommendation	The salient provisions of grant agreements should be abstracted to ensure that all required provisions are known and can therefore be complied with.
Management's response	Management informed us that salient provisions of grant agreements shall be abstracted to ensure that all required provisions are known and can therefore be complied with.

(Continued)

# SOUTHERN NEVADA HEALTH DISTRICT

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

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### Section III – Findings and questioned costs for federal awards, including audit findings as defined in Circular A-133 Section .510(a) (continued)

2014 - 010 Program	CFDA #93.069: Public Health and Emergency Preparedness CFDA #93.889: National Bioterrorism Hospital Preparedness Program
Specific requirements	Property records must be maintained that include a description of the property, a serial number or other identification number, the source of property, who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the cost of the property, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property.
Condition and context	We noted that the property records do not delineate equipment condition in accordance with the compliance requirements.
Questioned costs	None
Effect	The District was not in compliance with the property record requirements of the grant agreements.
Cause	The policies and procedures in place to ensure that property records are in compliance with federal grant requirements did not function as intended, due to ineffective monitoring for compliance therewith.
Recommendation	Property records should be reviewed at least quarterly by those charged with compliance to verify that the required information has been documented, and that the documented information is up-to-date.
Management's response	Management informed us that property records shall be reviewed at least quarterly by those charged with compliance to verify that the required information has been documented, and that the documented information is up-to-date.

# SOUTHERN NEVADA HEALTH DISTRICT

## SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2013

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**Section II – Findings relating to the financial statements, which are required to be reported in accordance with auditing standards generally accepted in the United States and *Government Auditing Standards***

2013 - 001	
Criteria	Physical inventories, including perpetual, are summarized and reconciled to the general ledger and adjusted to physical counts.
Condition	Vaccine and medical supply inventory counts are performed on a monthly basis at the District's satellite clinic locations. However, accurate inventory count information is not communicated to the finance department to be used to adjust the recorded inventory balances per the general ledger.
Effect	An adjusting journal entry was proposed during the audit to increase recorded inventory balances. Specifically, general fund vaccine inventory reported in the general fund was increased by \$27,927, and the state-supplied vaccine inventory (which is only disclosed in the financial statements) was increased by \$575,695.
Cause	The controls designed to provide management with reasonable assurance that recorded vaccine inventory balances are complete and accurate did not function as intended, due to ineffective monitoring to evaluate the degree of compliance or noncompliance therewith. As a result, during fiscal 2013, accurate inventory counts from the District's satellite locations were not communicated to the finance department to accurately record inventory on hand at year end.
Current status	Corrected

(Continued)

# SOUTHERN NEVADA HEALTH DISTRICT

## SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

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**Section II – Findings relating to the financial statements, which are required to be reported in accordance with auditing standards generally accepted in the United States and *Government Auditing Standards* (continued)**

2013 - 002

Criteria

Contracts and agreements with provisions that could have a financial impact on the District are communicated to and reviewed by the finance department to ensure that they are accounted for properly and timely in the District's financial statements.

Condition

A \$330,000 legal fee cost reimbursement was misclassified as a reduction of legal fees, as opposed to settlement income.

Effect

An adjusting journal entry was proposed during the audit to reclassify the cost reimbursement income to be appropriately presented in the District's financial statements (*i.e.*, as a component of general revenues).

Cause

The policies and procedures designed to ensure that contracts and agreements with provisions that could have a financial impact on the District are properly accounted for did not function as intended, due to ineffective monitoring for compliance therewith.

Current status

Corrected

(Continued)



# SOUTHERN NEVADA HEALTH DISTRICT

## SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

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**Section II – Findings relating to the financial statements, which are required to be reported in accordance with auditing standards generally accepted in the United States and *Government Auditing Standards* (continued)**

2013 - 003

Criteria	Expenditures related to capital assets are reviewed to ensure they are accounted for in accordance with the District's capitalization policy ( <i>i.e.</i> , expenditures over \$3,000 for assets with a useful life of greater than one year are required to be capitalized).
Condition	Approximately \$114,000 of repairs and maintenance expenditures that should have been capitalized were expensed.
Effect	An adjusting journal entry was proposed during the audit to record capital assets in accordance with the District's capitalization policy.
Cause	The policies and procedures designed to ensure that expenditures related to capital assets are accounted for in accordance with the District's capitalization policy did not function as intended, due to ineffective monitoring for compliance therewith.
Current status	Corrected

(Continued)

# SOUTHERN NEVADA HEALTH DISTRICT

## SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

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### Section III – Findings and questioned costs for federal awards, including audit findings as defined in Circular A-133 Section .510(a)

2013 - 004

Program

CFDA #93.069: Public Health Emergency Preparedness  
CFDA #93.217: Family Planning Services  
CFDA #93.520: Centers for Disease Control and Prevention -Affordable Care Act (ACA)  
Communities Putting Prevention to Work  
CFDA #93.724: ARRA- Prevention and Wellness- Communities Putting Prevention to Work  
Funding Opportunities Announcement (FOA)  
CFDA #93.940: HIV Prevention Activities  
CFDA #97.067: Homeland Security Grant Program

Specific requirements

OMB Circular A-87, Attachment B, Paragraph 8h:  
(5) Personnel activity reports or equivalent documentation must meet the following standards:  
(a) They must reflect an after-the-fact distribution of the actual activity of each employee.

Condition and context

We interviewed five different employees regarding the process and method for recording time and effort on grant-related activities. Each employee interviewed indicated that time and effort reporting is based on the budgeted hours in the grant document, rather than actual time spent on grant related activities.

Questioned costs

Since records of actual time are not maintained, we are unable to quantify the amount of questioned costs (if any) related to this finding.

Effect

Grant expenditures reported to granting agencies related to payroll, fringe benefits, and indirect costs may be misstated.

Cause

There is no formal policy requiring employees to accurately track time between grant and non-grant related activities. Accordingly, we noted that employees eligible to charge time to grants are doing so based on budgeted grant hours rather than actual hours.

Current status

Corrected (*i.e.*, a formal time and effort reporting policy was implemented during fiscal 2014).

(Continued)

# SOUTHERN NEVADA HEALTH DISTRICT

## SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

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### Section III – Findings and questioned costs for federal awards, including audit findings as defined in Circular A-133 Section .510(a) (continued)

2013 - 005 Program	CFDA #93.069: Public Health Emergency Preparedness CFDA #93.217: Family Planning Services CFDA #93.520: Centers for Disease Control and Prevention -Affordable Care Act (ACA) Communities Putting Prevention to Work CFDA #93.724: ARRA- Prevention and Wellness- Communities Putting Prevention to Work Funding Opportunities Announcement (FOA) CFDA #93.940: HIV Prevention Activities CFDA #97.067: Homeland Security Grant Program
Specific requirements	OMB Circular A-87, Attachment B, Paragraph 8d: The cost of fringe benefits in the form of regular compensation paid to employees during periods of authorized absences from the job, such as for annual leave, sick leave, holidays, court leave, military leave, and other similar benefits, are allowable if: (b) the costs are equitably allocated to all related activities, including Federal awards.
Condition and context	Per examination of time cards and discussion with grant employees, we noted that each employee interviewed is recording budgeted hours instead of actual hours worked on the grant-related activities. Additionally, we noted there is not a formal procedure in place to determine how to allocate the cost. Our understanding is that such benefits are charged to grant-related activities based on budgeted amounts as opposed to actual amounts. This methodology does not constitute an equitable allocation of these costs to all related activities, including Federal awards.  The time charged to grants also serves as the basis for allocating certain other indirect costs based on the application of an indirect cost charge rate (typically 9.9% for the grants tested). Accordingly, the indirect cost allocation may be misstated since the indirect cost charge rate is being applied to a base that may not be accurate due to the current process of charging time and compensated absences to grant activities.
Questioned costs	Since records of actual time are not maintained, we are unable to quantify the amount of questioned costs (if any) related to this finding.
Effect	Grant expenditures reported to granting agencies related to fringe benefits and indirect costs may be misstated.
Cause	There is no formal policy documenting how fringe benefits should be allocated between grant and nongrant activities. Accordingly, these costs are not being consistently and equitably allocated to all related activities, including those activities involving federal grant programs.
Current status	Corrected ( <i>i.e.</i> , a formal time and effort reporting policy was implemented during fiscal 2014).

(Continued)

# SOUTHERN NEVADA HEALTH DISTRICT

## SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

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### Section III – Findings and questioned costs for federal awards, including audit findings as defined in Circular A-133 Section .510(a) (continued)

2013 - 006 Program	CFDA #93.217: Family Planning Services
Specific requirements	Program income (fees, premiums, third-party reimbursements which the project may reasonably expect to receive), as well as State, local, and other operational funding, will be used to finance the nonfederal share of the scope of project as defined in the approved grant application and reflected in the approved budget. Program income and the level projected in the approved budget will be used to further program objectives.
Condition and context	Grant program administrators do not verify that program income is used to finance the non-federal share of the scope of the project or to further program objectives as delineated in the grant agreement.
Questioned costs	None.
Effect	Program income may not be used to finance the non-federal share of the scope of the project or to further program objectives.
Cause	There are no policies and procedures in place requiring that analyses be performed to verify that program income is being used to finance the non-federal share of the scope of the project or to further program objectives.
Current status	Uncorrected. See finding 2014-007.

(Continued)

# SOUTHERN NEVADA HEALTH DISTRICT

## SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

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### Section III – Findings and questioned costs for federal awards, including audit findings as defined in Circular A-133 Section .510(a) (continued)

2013 - 007 Program	CFDA #93.217: Family Planning Services
Specific requirements	The Federal Funding Accountability and Transparency Act (Transparency Act) requires specific information to be reported using the OMB website ( <a href="http://www.USAspending.gov">www.USAspending.gov</a> ) for "first-tier" subawards. First-tier subawards are defined as Non-Recovery Act funding received directly from a federal agency in excess of \$25,000 that are passed through to a subrecipient.
Condition and context	Information regarding one subaward that was subject to the reporting requirements of the Transparency Act was not reported to <a href="http://www.fsr.gov">http://www.fsr.gov</a> .
Questioned costs	None.
Effect	The District is not in compliance with the requirements of the Transparency Act.
Cause	Management was not aware of the additional reporting requirements required by the Transparency Act and accordingly, there are no policies and procedures in place requiring monitoring for compliance therewith.
Current status	Corrected

(Continued)

# SOUTHERN NEVADA HEALTH DISTRICT

## SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

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### Section III – Findings and questioned costs for federal awards, including audit findings as defined in Circular A-133 Section .510(a) (continued)

2013 - 008

Program

CFDA #93.217: Family Planning Services  
CFDA #93.940: HIV Prevention Activities  
CFDA #93.520: Centers for Disease Control and Prevention- Affordable Care Act (ACA)  
Communities Putting Prevention to Work  
CFDA #93.724: ARRA- Prevention and Wellness- Communities Putting Prevention to Work  
Funding Opportunities Announcement (FOA)

Specific requirements

2 CFR § 25.200 Requirements for program announcements, regulations, and application instructions.

(a) Each agency that awards types of Federal financial assistance included in the definition of "award" in § 25.305 must include the requirements described in paragraph (b) of this section in each program announcement, regulation, or other issuance containing instructions for applicants that either:

(1) Is issued on or after the effective date of this part; or  
(2) Has application or plan due dates after October 1, 2010.

(b) The program announcement, regulation, or other issuance must require each entity that applies and does not have an exemption under § 25.110 to:

(1) Be registered in the CCR prior to submitting an application or plan;  
(2) Maintain an active CCR registration with current information at all times during which it has an active Federal award or an application or plan under consideration by an agency; and  
(3) Provide its DUNS number in each application or plan it submits to the agency.

OMB Circular A-133, Subpart D--Federal Agencies and Pass- Through Entities, §\_400 Responsibilities.

(d) Pass-through entity responsibilities. A pass-through entity shall perform the following for the Federal awards it makes:

(1) Identify Federal awards made by informing each subrecipient of the CFDA title and number, award name and number, award year, if the award is R&D, and name of Federal agency. When some of this information is not available, the pass-through entity shall provide the best information available to describe the Federal award.

(3) Monitor the activities of subrecipients as necessary to ensure that Federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved.

(4) Ensure that subrecipients expending \$300,000 (\$500,000 for fiscal years ending after December 31, 2003) or more in Federal awards during the subrecipient's fiscal year have met the audit requirements of this part for that fiscal year.

(5) Issue a management decision on audit findings within six months after receipt of the subrecipient's audit report and ensure that the subrecipient takes appropriate and timely corrective action.

(6) Consider whether subrecipient audits necessitate adjustment of the pass-through entity's own records.

(Continued)

# SOUTHERN NEVADA HEALTH DISTRICT

## SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

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Condition and context	<p><i>CFDA #93.217.</i> We noted that the only subaward agreement was executed with a subrecipient that has never applied for a DUNS number. In addition, the the CFDA number and the Central Contractor Registration (CCR) requirements were not disclosed in the subaward agreement. Lastly, procedures were not performed to monitor the subrecipient's treatment of program income or to verify the accuracy of the subrecipient's performance reports.</p> <p><i>CFDA #93.940.</i> We noted that the award number was not disclosed in the subaward agreement selected for testing. In addition, procedures were not performed to monitor allowability of costs, level of effort and period of availability at the subrecipient level.</p> <p><i>CFDA #93.724.</i> The two subaward agreements tested did not disclose the CFDA title and number. In addition, single audit reports were not reviewed for the two subrecipients tested. As a result, findings that were noted in one of the subrecipient's single audit report were not identified. Lastly, procedures were not performed to monitor the subrecipients' compliance with allowable cost principles, procurement requirements, and reported progress.</p> <p><i>CFDA #93.520.</i> For the three subawards tested, the subrecipient's DUNS number was not obtained at the time the subaward agreements were executed, and have not been obtained to date. In addition, the subaward agreements do not disclose the CFDA number. Furthermore, single audit reports were not reviewed and as a result, findings that were noted in one of the subrecipient's single audit report were not identified. Lastly, procedures were not performed to monitor two of the subrecipients' compliance with allowable cost principles, procurement requirements, and reported progress.</p>
Questioned costs	None.
Effect	The District is not in compliance with the federal grant requirements pertaining to the issuance of subawards, subaward disclosures and subrecipient monitoring.
Cause	There is no formal subrecipient monitoring policy in place to guide those charged with the monitoring and oversight function. In addition, no policies and procedures are in place to require subaward agreements to be reviewed to ensure they contain the necessary information and disclosures.
Current status	Uncorrected. See finding 2014-006.

(Continued)

**SOUTHERN NEVADA HEALTH DISTRICT**  
**SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2013**

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**Section III – Findings and questioned costs for federal awards, including audit findings as defined in Circular A-133 Section .510(a) (continued)**

2013 - 009	
Program	CFDA #93.069: Public Health Emergency Preparedness
Specific requirements	Performance and special reports are complete and accurate.
Condition and context	End of year progress reports did not include the amounts expended in several different performance areas as required.
Questioned costs	None.
Effect	The end-of-year progress reports submitted were not complete and accurate.
Cause	The review and approval process related to special reporting did not detect that the end-of-year progress reports were not complete and accurate. In this case, the expenditure numbers were not finalized until after the submission deadline for the end-of-year progress report, and therefore, no expenditures were reported.
Current status	Corrected.

(Continued)



# SOUTHERN NEVADA HEALTH DISTRICT

## SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

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### Section III – Findings and questioned costs for federal awards, including audit findings as defined in Circular A-133 Section .510(a) (continued)

2013 - 010 Program	CFDA #93.724: ARRA- Prevention and Wellness- Communities Putting Prevention to Work Funding Opportunities Announcement (FOA)
Specific requirements	<p>AMERICAN RECOVERY AND REINVESTMENT ACT SEC. 1512. REPORTS ON USE OF FUNDS.</p> <p>(c) RECIPIENT REPORTS.-Not later than 10 days after the end of each calendar quarter, each recipient that received recovery funds from a Federal agency shall submit a report to that agency that contains-</p> <p>(1) the total amount of recovery funds received from that agency;</p> <p>(2) the amount of recovery funds received that were expended or obligated to projects or activities; and</p> <p>(3) a detailed list of all projects or activities for which recovery funds were expended or obligated, including-</p> <p>(A) the name of the project or activity;</p> <p>(B) a description of the project or activity;</p> <p>(C) an evaluation of the completion status of the project or activity;</p> <p>(D) an estimate of the number of jobs created and the number of jobs retained by the project or activity; and</p> <p>(E) for infrastructure investments made by State and local governments, the purpose, total cost, and rationale of the agency for funding the infrastructure investment with funds made available under this Act, and name of the person to contact at the agency if there are concerns with the infrastructure investment.</p> <p>(4) Detailed information on any subcontracts or subgrants awarded by the recipient to include the data elements required to comply with the Federal Funding Accountability and Transparency Act of 2006 (Public Law 109-282), allowing aggregate reporting on awards below \$25,000 or to individuals, as prescribed by the Director of the Office of Management and Budget.</p>
Condition and context	<p>The ARRA 1512 report for the quarter ended June 2013, was mistakenly submitted to <a href="http://www.recovery.gov">www.recovery.gov</a> for the quarter ended March 2013. As a result, per examination of the <a href="http://www.recovery.gov">recovery.gov</a> website, the ARRA 1512 report for the quarter ended March 2013 is no longer listed, while the ARRA 1512 report for the quarter ended June 2013 is listed under the caption of January through March 2013.</p> <p>Additionally, we noted that subaward expenditures were incorrectly reported for one subaward on one ARRA 1512 report.</p>
Questioned costs	None.
Effect	The District is not in compliance with the ARRA 1512 reporting requirements.
Cause	There is no formal review and approval process related to ARRA 1512 reports.
Current status	Requirement is no longer applicable.

(Continued)

# SOUTHERN NEVADA HEALTH DISTRICT

## SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

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### Section III – Findings and questioned costs for federal awards, including audit findings as defined in Circular A-133 Section .510(a) (continued)

2013 - 011 Program	CFDA #93.069: Public Health Emergency Preparedness CFDA #93.520: Centers for Disease Control and Prevention- Affordable Care Act (ACA) Communities Putting Prevention to Work CFDA #93.724: ARRA- Prevention and Wellness- Communities Putting Prevention to Work Funding Opportunities Announcement (FOA) CFDA #93.940: HIV Prevention Activities
Specific requirements	The District's policies and procedures require grant accountants to review documentation supporting grant expenditures, and initial the grant general ledger code on the face of the payment voucher, face of the purchase order (if applicable) or supporting documentation as evidence of their review.
Condition and context	The documentation for several grant expenditures did not include evidence of grant accountant review. Specifically, the following is a summary of the expenditures noted that lacked evidence of grant accountant review, along with the total number of items tested:  CFDA #93. 069. 7 exceptions out of 53 expenditures tested. CFDA #93.520. 6 exceptions out of 41 expenditures tested. CFDA #93. 724. 3 exceptions out of 39 expenditures tested. CFDA #93.940. 4 exceptions out of 42 expenditures tested.
Questioned costs	None.
Effect	Grant expenditures may not have been properly reviewed for allowability and period of availably, resulting in potentially unallowable costs or items incurred outside the period of availability.
Cause	The policies and procedures requiring grant accountants to review documentation supporting grant expenditures did not function as intended, due to ineffective monitoring for compliance therewith.
Current status	Corrected.

(Continued)

# SOUTHERN NEVADA HEALTH DISTRICT

## SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

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### Section III – Findings and questioned costs for federal awards, including audit findings as defined in Circular A-133 Section .510(a) (continued)

2013 - 012 Program	CFDA #97.067: Homeland Security Grant Program
Specific requirements	The grant agreement specifies that property records must contain description (including serial number or other identification number), source, who holds title, acquisition date and cost, percentage of Federal participation in the cost, location, condition, and disposition data.
Condition and context	Property records for six of 24 pieces of equipment acquired with funding from this program do not delineate who holds title, the percentage of Federal participation in the cost, or the condition of the equipment in accordance with the requirements of the grant agreement.
Questioned costs	None.
Effect	Property records for the aforementioned equipment are not in compliance with the grant requirements, and the equipment may not be distinguishable from other equipment acquired with non-Federal funds.
Cause	The policies and procedures requiring property records to contain the information required by the grant agreement did not function as intended, due to ineffective monitoring for compliance therewith.
Current status	Corrected.

(Continued)

# SOUTHERN NEVADA HEALTH DISTRICT

## SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

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### Section III – Findings and questioned costs for federal awards, including audit findings as defined in Circular A-133 Section .510(a) (continued)

2013 - 013 Program	CFDA #93.520: Centers for Disease Control and Prevention -Affordable Care Act (ACA) Communities Putting Prevention to Work CFDA #93.724: ARRA- Prevention and Wellness- Communities Putting Prevention to Work Funding Opportunities Announcement (FOA)
Specific requirements	Circular A-133 §_210 Subrecipient and vendor determinations.  (b) Federal award. Characteristics indicative of a Federal award received by a subrecipient are when the organization: (1) Determines who is eligible to receive what Federal financial assistance; (2) Has its performance measured against whether the objectives of the Federal program are met; (3) Has responsibility for programmatic decision making; (4) Has responsibility for adherence to applicable Federal program compliance requirements; and (5) Uses the Federal funds to carry out a program of the organization as compared to providing goods or services for a program of the pass-through entity. (c) Payment for goods and services. Characteristics indicative of a payment for goods and services received by a vendor are when the organization: (1) Provides the goods and services within normal business operations; (2) Provides similar goods or services to many different purchasers; (3) Operates in a competitive environment; (4) Provides goods or services that are ancillary to the operation of the Federal program; and (5) Is not subject to compliance requirements of the Federal program.  The notes to the schedule of expenditures of federal awards (SEFA) appropriately identifies awards given to subrecipients during the fiscal year.
Condition and context	Two subrecipients were improperly omitted and five vendors were improperly treated and disclosed as subrecipients in the notes to the SEF A.
Questioned costs	None.
Effect	The notes to the schedule of expenditures of federal awards inappropriately listed vendors as subrecipients. In addition, vendors could potentially be subjected to subrecipient monitoring procedures, which are unnecessary in the circumstances.
Cause	Controls designed to provide reasonable assurance that vendor I subrecipient determinations are accurate did not function as intended, due to ineffective monitoring for compliance therewith.
Current status	Corrected.

(Continued)

# SOUTHERN NEVADA HEALTH DISTRICT

## SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

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### Section III – Findings and questioned costs for federal awards, including audit findings as defined in Circular A-133 Section .510(a) (continued)

2013 - 014 Program	CFDA #97.067: Homeland Security Grant Program
Specific requirements	The schedule of expenditures of federal awards (SEFA) is complete and accurate.
Condition and context	Approximately \$230,000 of non-federal expenditures were incorrectly reported in the fiscal 2013 SEFA, and approximately \$22,000 of non-reimbursable expenditures were incorrectly included in the SEFA. In addition, approximately \$67,000 of expenditures were incorrectly excluded from the fiscal 2013 SEFA, due to cut-off errors.
Questioned costs	None.
Effect	The SEFA was not complete and accurate, and as a result, adjustments to the SEFA were proposed during the audit to correct the errors noted.
Cause	Controls designed to provide reasonable assurance that the SEFA is complete and accurate did not function as intended, due to ineffective monitoring for compliance therewith.
Current status	Corrected.

