



**SNHD**  
Southern Nevada Health District

**SNHD**  
Southern Nevada Health District

**SEXUAL HEALTH**

**Comprehensive  
Annual  
Financial Report**  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016



COMPREHENSIVE ANNUAL FINANCIAL REPORT

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

# Introductory Section



November 22, 2016

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, 2016, 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 (Health 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 the Health District. All disclosures necessary to enable the reader to gain an understanding of the Health District'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 the Health District'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 approximately 500 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 11-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)

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

One representative who is a physician licensed to practice medicine in this State;

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, and local business and industry, into one regulating body.

Members of the 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 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

The Health District 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 Health District activities including the ability to significantly influence operations and primary accountability for fiscal matters. The Health District 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, the Health District’s fund balances are pooled with those of Clark County and invested by the Clark County Treasurer on behalf of the Health District. The Health District; however, retains full control and accountability for these fund balances.

The Comprehensive Annual Financial Report (CAFR) includes all funds of the primary government unit, Southern Nevada Health District, 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 the Health District and the entity is such that exclusion of the entity would cause the Health District’s basic financial statements to be misleading or incomplete.

### Health District Services

The Health District is responsible for protecting and promoting the health and well-being of Clark County residents and visitors. The program goals of the Health District 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 Clinical 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. Clinical Services are provided at the Main Public Health Center, East Las Vegas, Henderson, and Mesquite. Clinical 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. The Health District 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, West Nile Virus, and Zika Virus.

The Community Health Division programs include disease surveillance, chronic disease prevention and health promotion (including injury prevention), epidemiology (including public health informatics), vital statistics, emergency medical system and trauma system coordination, and public health emergency preparedness for bioterrorism and other public health emergencies. The Public Health Laboratory opened in July 2004 as a branch of the Nevada State Health Laboratory and is under the direction of the Health District's Laboratory Director and is also administratively under the Community Health Division.

Overall Health District management is provided by the District 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 2,118,878 in 2016. This reflects a population increase of 2.4 percent over the 2015 estimate of 2,069,450. Clark County's population is projected to grow by 1.8 percent in 2017 and another 2.0 percent in 2018 per Clark County Comprehensive Planning forecasts.

According to the United States Department of Labor, Nevada's unemployment rate fell to a seasonally adjusted 5.5 percent in October 2016, with this being the lowest unemployment rate since February 2008<sup>1</sup>. The year to date unemployment rate of 5.5% reflects a 13.0% decrease relative to the Nevada's unemployment rate of 6.3 percent in December 2015<sup>1</sup>. The Las Vegas/Paradise Metropolitan Statistical Area (MSA) which includes Clark County held steady over the month of September, 2016 at an unemployment rate of 5.6 percent, which is down by from August 2016's rate of 6 percent<sup>2</sup>.

"I'm encouraged by the continued positive trends evident in the Silver State's labor market," said Governor Brian Sandoval. "October's unemployment rate broke below the 7 percent barrier for the first time since February 2008<sup>1</sup>. As of October 2016, employment levels have risen since the beginning of the year in January 2016 and are trending at about 32,100 higher than a year ago<sup>1</sup>."

This is the 70<sup>th</sup> consecutive month of job gains relative to January 2011, and the highest employment level that Nevada has experienced since August 2008, at a seasonally adjusted 1.35 million<sup>2</sup>. With annual growth of 2.7 percent relative to 2015, Nevada's private sector job growth ranks second in the nation, said Bill Anderson, chief economist for Nevada's Department of Employment, Training and Rehabilitation<sup>2</sup>.

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<sup>1</sup>United States Department of Labor. Bureau of Labor Statistics. (2016). Databases, Tables, & Calculators by Subject. Retrieved from: <http://data.bls.gov/timeseries/LASST320000000000003>.

<sup>2</sup> Nevada Department of Employment, Training and Rehabilitation. (2016). Economy in Brief. Retrieved from: [http://nevadaworkforce.com/Portals/139/EIB/2016/Current\\_EIB.pdf](http://nevadaworkforce.com/Portals/139/EIB/2016/Current_EIB.pdf).



The unrelenting growth of the Las Vegas Valley over the past 20 years has placed a strain on physical facilities. The Health District purchased a building in December 2014 and completed the remodeling of that facility with Bond Reserve funds in January 2016. The Health District main facility is now located at 280 South Decatur Blvd. and has additional facilities located in East Las Vegas, Henderson, Laughlin, and Mesquite. The ability to meet the increasing demand for more public health services will continue to depend on the Health District's ability to diversify its funding and the share in the property tax allocation.

Based on the Las Vegas Real Estate Market Report for 2016, median prices for Las Vegas homes listed during October 2016 were estimated at \$233,250, an increase of 5.1 percent from last year's price of \$220,000<sup>3</sup>. Median prices for Las Vegas condominiums and townhouses listed in October 2016 were estimated at \$117,550 an increase of 18.7 percent from last year's price of \$99,000.

In fiscal year 2016, Clark County collected total property tax of \$1.6 billion within the same year the tax was levied – a increase of 4.4 percent or \$66.3 million from fiscal year 2015. In comparison, the Health District's property tax allocation in fiscal year 2016 increased by 4.3 percent or \$0.8 million.

Federal, State, and local governments had a positive impact on the funding stream of various programs in the Health District. When compared to the prior fiscal year, the Health District saw increases in the current fiscal year revenue related to Charges for Service, Program Contract Services, Direct Federal Funds, and General Receipts.

#### Financial Information

The executive and management teams of the Health District 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 the Health District'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, the Health District 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 the Health District.

As a part of the Health District'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 the Health District has complied with applicable laws and regulations.

#### Budgetary Controls

In addition to internal controls, the Health District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Health District's governing body. Activities of the general, capital reserve, debt reserve, internal service, retiree

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<sup>3</sup> Las Vegas Convention and Visitors Authority. (2016, 2015, & 2014). Las Vegas Year-To-Date Executive Summary. Retrieved from: <http://www.lvcva.com/includes/content/images/media/docs/ES-YTD-2015-Revised.pdf>

<sup>3</sup> Las Vegas Real Estate Market Report. (2016). Retrieved from: <http://ballenvegas.com/las-vegas-real-estate-market-report/>.

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. The Health District 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, the Health District continues to meet its responsibility for sound financial management.

### Cash Management

The Health District is required by NRS 439.367 to pool all of its monies with Clark County and that these monies are invested by the Clark County Treasurer. At fiscal year end June 30, 2016, \$22,846,390 in cash resources was invested with the Clark County Treasurer. The average effective yield on maturing investments was 1.5 percent compared with 0.89 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

The Health District 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.

The Health District 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 2016 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 10. The auditor's report on the internal accounting controls of the Health District and statement regarding the use of monies in compliance with the purpose of each fund (beginning on page 86) 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, the Health District must publish an easily readable and efficiently organized Comprehensive Annual Financial Report (CAFR) whose contents conform to the program standards. The Health District has received the Certificate of Achievement for its CAFR for fiscal years ending 2003 through 2015. See page 9 for the fiscal year 2014 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 Finance Department of the Administration Division and the staff of our independent auditors, of Eide Bailly, LLP. We would like to express our appreciation to all members of the Health District'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



Sharon L. McCoy-Huber  
Financial Services Manager

# District Officials

## CHIEF HEALTH OFFICER

Joseph P. Iser, MD, DrPH, MSc



## BOARD OF HEALTH



### Officers

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

### Board Members

- Richard Cherchio, City of North Las Vegas Councilmember
- Chris Giunchigliani, Clark County Commissioner
- Cynthia Delaney, City of Mesquite Councilmember
- Douglas Dobyne Business/Industry Member-at-Large
- John Marz, City of Henderson Councilmember
- Frank Nemecek, MD, Physician Member-at-Large
- Scott Nielson, Gaming Member-at-Large
- Marilyn Kirkpatrick, Clark County Commissioner

### DIVISION DIRECTORS (Not Pictured)

#### ADMINISTRATION

Andrew J. Glass, FACHE, MS

#### CLINICAL SERVICES

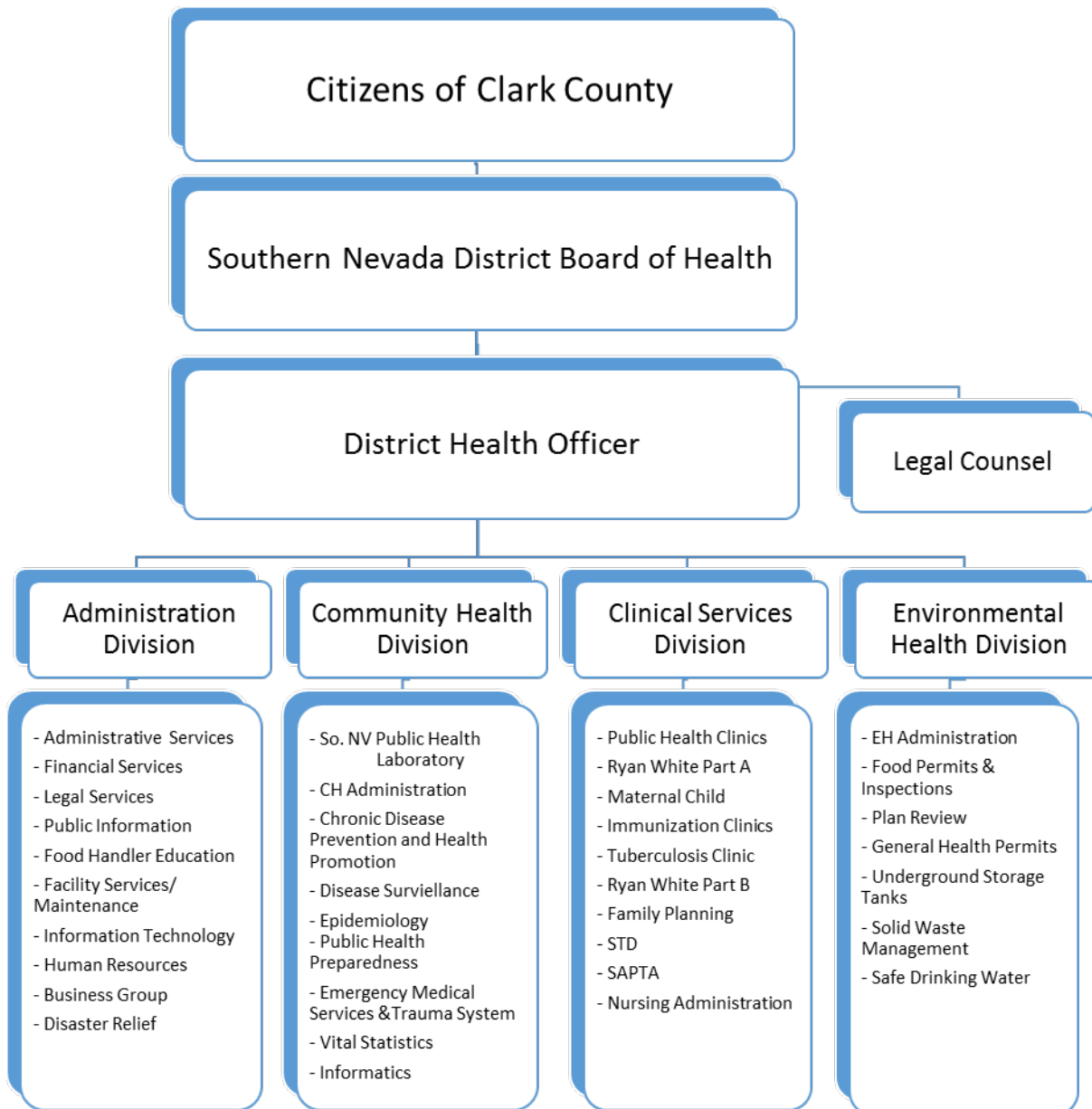
Fermin Leguen, MD

#### COMMUNITY HEALTH

Michael Johnson, PhD

#### ENVIRONMENTAL HEALTH

Jacqueline Reszetar, MS



\*The Southern Nevada Public Health Laboratory (SNPHL) opened in July 2004 as a branch of the Nevada State Health Laboratory and is under the direction of the Southern Nevada Health District’s Laboratory Director and is also 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  
Achievement  
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**Southern Nevada Health District**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2015**

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Executive Director/CEO



COMPREHENSIVE ANNUAL FINANCIAL REPORT

# Financial Section



CPAs & BUSINESS ADVISORS

## Independent Auditor's Report

The Board of Health and  
Director of Administration  
Southern Nevada Health District

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Southern Nevada Health District (the District) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express opinions on these 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 financial statements are free from material misstatement.

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

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

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2016, 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.

[www.eidebailly.com](http://www.eidebailly.com)



## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 13 through 25 as well as the respective budgetary comparison for the General Fund and the Special Revenue Fund, the schedule of funding progress for the District's post employment healthcare plan, the schedule of the District's proportionate share of the net pension liability, and the schedule of District contributions for the District's defined benefit pension plan on pages 57 through 62 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 management's discussion and analysis and pension and OPEB trend data 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. The budgetary comparison information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the budgetary comparison information is fairly stated in all material respects in relation to the basic financial statements as a whole.

### *Other Information*


Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, individual fund schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulation (CFR) Part 200, *Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and is also not a required part of the financial statements.

The individual fund schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate 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 individual fund schedules and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections 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 a report dated November 28, 2016 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, 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 the 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.

  
Las Vegas, Nevada  
November 28, 2016



**FINANCIAL SECTION**

**Management's Discussion  
and Analysis**

As members of the Southern Nevada Health District's management, we offer the readers of the Southern Nevada Health District (Health District) financial statements this narrative overview and analysis of the financial activities of the Health District for the fiscal year ended June 30, 2016. 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

The Health District's liabilities exceeded its assets at the close of the most recent fiscal year by \$42,796,177. Of this amount, unrestricted net position could be used to meet the government's on-going obligations to citizens and creditors, if it were a positive number.

The Health District's total net position increased by \$2,430,435 due to revenues exceeding expenditures. The largest revenue contributing to this was operating grants and contributions.

At the close of the current fiscal year, the Health District's governmental activities reported a negative \$40,077,457 net position; an increase of \$3,500,017 in comparison with the prior year.

The Health District's total revenue increased by \$5,115,650. Increases in grant funding (\$1,612,601), charges for services (\$2,407,672) and property tax allocation (\$821,633) are the primary reasons for this increase. Expenditures increased by \$1,132,095; community health, including the public health laboratory, (\$8,013,703) reflects the primary increase.

### Overview of the Financial Statements

The discussion and analysis provided herein is intended to serve as an introduction to the Southern Nevada Health District's basic financial statements. The Health District'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 Health District's finances, in a manner similar to a private-sector business.

The *statement of net position* presents financial information on all of the Health District'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 the Health District is improving or deteriorating.

The *statement of activities* presents information showing how the Health District'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 Health District 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 the Health District 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.

*Clinical Services.* Includes programs for communicable diseases, clinical services administration, immunizations, women's health, children's health, refugee health, and other clinical programs.

*Community Health.* Includes programs for community health administration, chronic disease prevention and health promotion, epidemiology, public health preparedness, emergency medical/trauma services, disease surveillance, 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 26 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. The Health District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Health District can be divided into three categories:

Governmental funds

Proprietary funds

Fiduciary funds

#### 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 the Health District'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 Health District'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*.

The Health District maintains four 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, special revenue fund, bond reserve fund, and capital projects fund, all of which are considered to be major funds.

The Health District adopts an annual appropriated budget for its general and special revenue fund. A budgetary comparison statement has been provided for both to demonstrate compliance with each budget.

The basic governmental fund financial statements can be found beginning on page 28 of this report.

#### Proprietary Funds

The Health District 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. The Health District accounts for the activity of the Southern Nevada Public Health Laboratory in an enterprise fund.

An *internal service fund* is used to accumulate and allocate costs internally among various functions. The Health District uses an internal service fund to account for the management of its self-insured workers compensation claims. The Health District'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 Health District made the decision in August 2015 to move to a fully funded plan to manage the workers compensation claims. The internal service fund must remain open for future claims from injuries between 2005 and 2015.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The internal service fund is a single, aggregated presentation in the proprietary fund financial statements. The basic proprietary fund financial statements can be found beginning on page 32 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 the Health District's own programs. The Health District created an Employee Events Fund in July 2015 to manage funds collected by employees to be managed and used by and for employees.

#### 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 62 of this report.

#### Other Information

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the Health District'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 57 of this report.

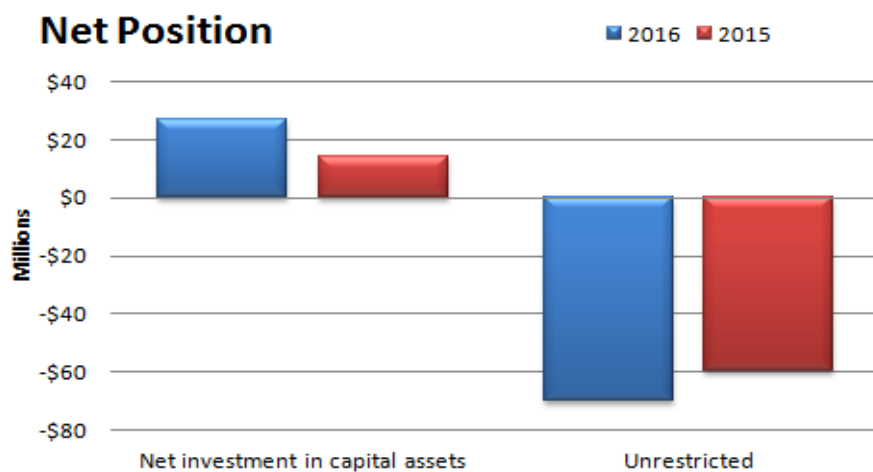
Government-wide Overall Financial Analysis

As noted earlier, net position over time, may serve as a useful indicator of a government's financial position. In the case of the Health District, assets exceeded liabilities by \$2,430,435 at the close of the most recent fiscal year.

Summary Statement of Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2016	2015	2016	2015	2016	2015
<b>Assets</b>						
Current, restricted and other	\$ 28,660,398	\$ 36,275,631	\$ 233,663	\$ 1,192,973	\$ 28,894,061	\$ 37,468,604
Capital	26,334,588	13,671,622	564,508	664,144	26,899,096	14,335,766
Total assets	54,994,986	49,947,253	798,171	1,857,117	55,793,157	51,804,370
Deferred outflows of resources	9,363,626	8,618,127	373,171	339,547	9,736,797	8,957,674
<b>Liabilities</b>						
Current	6,042,694	3,827,984	18,108	55,496	6,967,410	3,883,480
Long-term	85,357,619	83,019,876	3,269,928	3,187,716	87,627,547	86,207,592
Total liabilities	91,400,313	86,847,860	3,288,036	3,243,212	94,594,957	90,091,072
Deferred inflows of resources	13,035,756	15,294,994	602,026	602,609	13,637,782	15,897,603
<b>Net position</b>						
Net investment in capital assets	26,334,588	13,671,622	564,508	664,144	26,899,096	14,335,766
Restricted	-0-	102,552	-0-	-0-	-0-	102,552
Unrestricted	(66,412,045)	(57,249,080)	(3,283,228)	(2,313,298)	(69,695,273)	(59,562,378)
Total net position	\$ (40,077,457)	\$ (43,577,458)	\$ (2,718,720)	\$ (1,649,154)	\$ (42,796,177)	\$ (45,226,612)

Total unrestricted net position represents 163% of total net position of Governmental Activities and is not available to meet the Health District's ongoing obligations to citizens and creditors. The remainder of the Health District's net position, a negative 63% reflects its investment in capital assets (e.g., land, buildings, equipment, vehicles, infrastructure), less any related outstanding debt that was used to acquire those assets. The Health District 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, the Health District is not 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. This is due to the implementation of GASB 68.

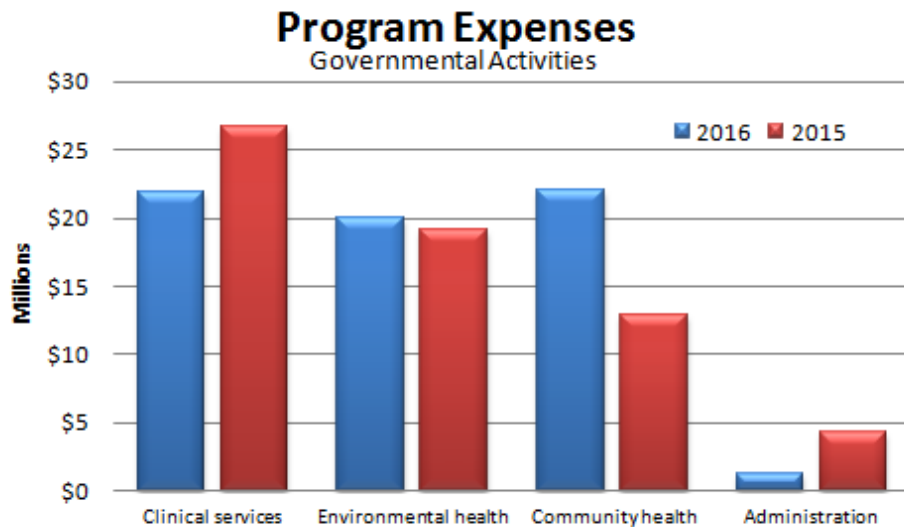
The Health District's overall net position increased \$2,430,435 from the prior fiscal year. The reasons for the overall increase are discussed in the following sections for the governmental activities and business-type activities.

Southern Nevada Health District  
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Summary Statement of Changes in Net Position

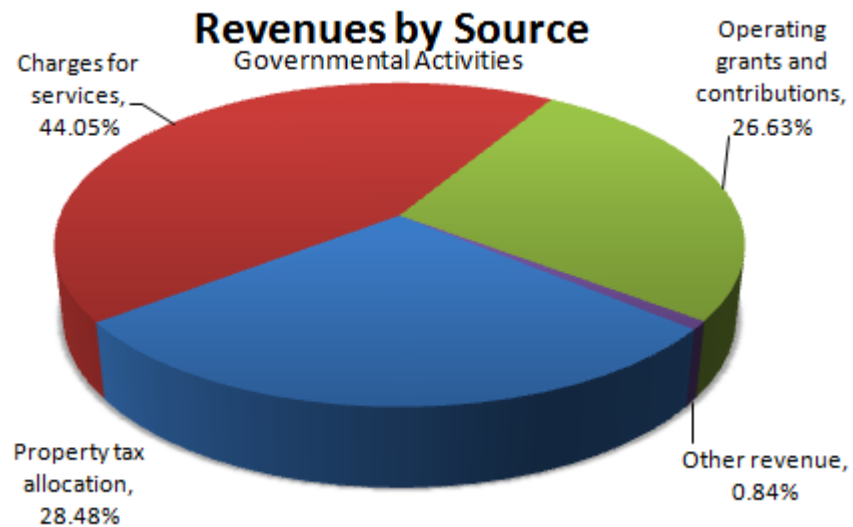
	Governmental Activities		Business-type Activities		Total Primary Government	
	2016	2015	2016	2015	2016	2015
<b>Revenues</b>						
Program revenues						
Charges for services	\$ 30,528,624	\$ 28,120,952	\$ -0-	\$ -0-	\$ 30,528,624	\$ 28,120,952
Operating grants and contributions	18,455,742	15,871,740	83,760	1,055,161	18,539,502	16,926,901
General revenues						
Property tax allocation	19,738,151	18,916,518	-0-	-0-	19,738,151	18,916,518
Unrestricted investment income	579,627	333,079	7,196	19,392	586,823	352,471
Miscellaneous	200,000	-0-	-0-	-0-	200,000	-0-
<b>Total revenues</b>	<b>69,502,144</b>	<b>63,242,289</b>	<b>90,956</b>	<b>1,074,553</b>	<b>69,593,100</b>	<b>64,316,842</b>
<b>Expenses</b>						
Public health						
Clinical services						
Administration	1,161,576	1,470,459			1,161,576	1,470,459
Communicable disease care	5,621,758	10,689,358			5,621,758	10,689,358
Immunizations	8,573,021	7,172,666			8,573,021	7,172,666
Women's health	2,889,291	3,739,709			2,889,291	3,739,709
Children's health	3,575,167	3,654,468			3,575,167	3,654,468
Environmental health						
Administration/General	3,759,335	15,993,672			3,759,335	15,993,672
Food	8,028,770	-0-			8,028,770	-0-
Plan Review	2,360,029	-0-			2,360,029	-0-
Permits	3,039,407	-0-			3,039,407	-0-
Waste management	2,294,555	2,591,963			2,294,555	2,591,963
Underground storage tanks/Safe drinking water	580,828	508,745			580,828	508,745
Community health services						
Administration	554,212	464,501			554,212	464,501
Chronic disease prevention & health promotion	6,129,727	3,476,205			6,129,727	3,940,706
Epidemiology	1,280,849	1,712,007			1,280,849	1,712,007
Disease surveillance	5,174,953	-0-			5,174,953	-0-
Public health preparedness	3,944,196	3,623,055			3,944,196	3,623,055
EMS & trauma system	714,012	751,218			714,012	751,218
Vital statistics	2,413,741	2,120,039			2,413,741	2,120,039
Informatics	417,165	698,595			417,165	698,595
Public health laboratory	1,397,586	-0-	1,954,788	3,121,906	3,352,374	3,121,906
Administration						
General administration	16,268,005	15,307,274			16,268,005	15,307,274
Food handler education	1,069,826	1,341,771			1,069,826	1,341,771
Disaster recovery	6,232	67,279			6,232	67,279
Business group	948,631	907,598			948,631	907,598
Indirect cost allocation	(16,994,995)	(13,381,918)			(16,994,995)	(13,381,918)
<b>Total expenses</b>	<b>65,207,877</b>	<b>62,908,664</b>	<b>1,954,788</b>	<b>3,121,906</b>	<b>67,162,665</b>	<b>66,030,570</b>
Change in net position before transfers	4,294,267	333,625	(1,863,832)	(2,047,353)	2,430,435	(1,713,728)
Transfers	\$ (794,266)	\$ -0-	\$ 794,266	\$ -0-	\$ -0-	\$ -0-
Change in net position	3,500,001	333,625	(1,069,566)	(2,047,353)	2,430,435	(1,713,728)
Net position, beginning of year	(43,577,458)	(43,911,083)	(1,649,154)	398,193	(45,226,612)	(43,512,890)
Net position, end of year	\$ (40,077,457)	\$ (43,577,458)	\$ (2,718,720)	\$ (1,649,154)	\$ (42,796,177)	\$ (45,226,612)

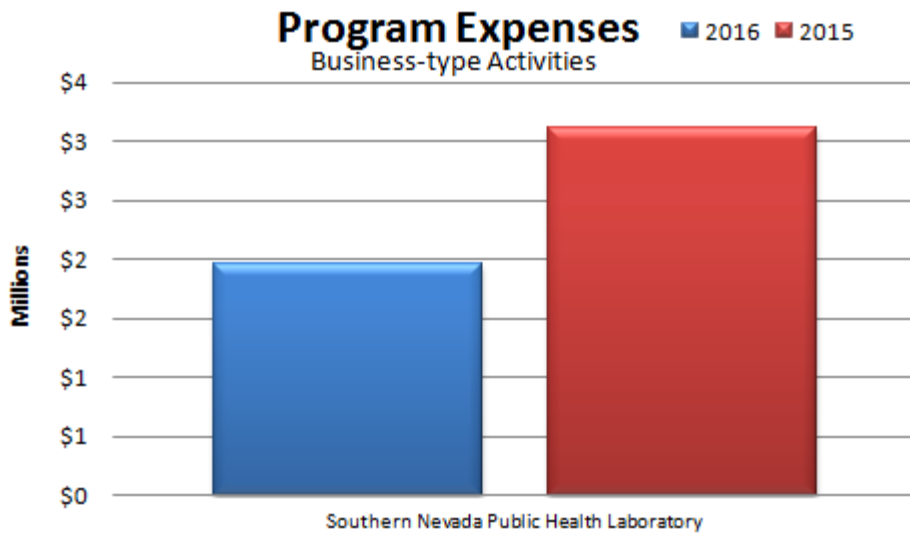




Governmental Activities

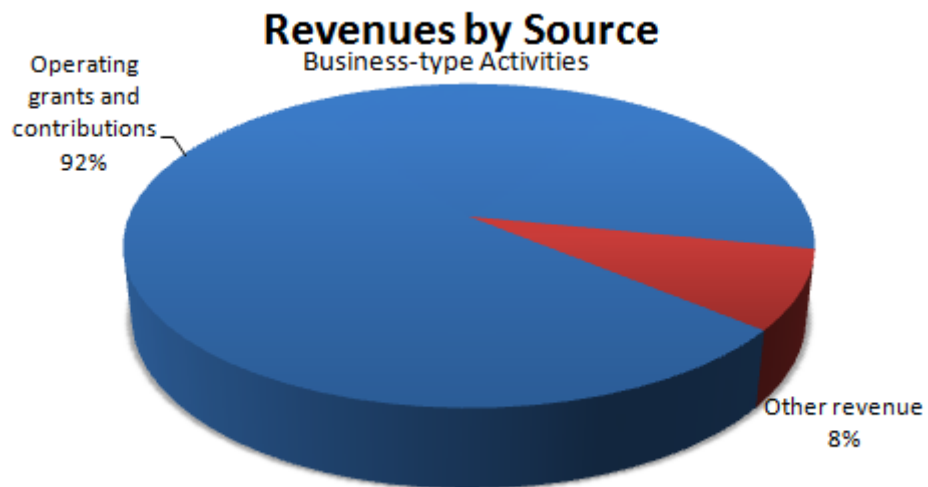
During the current fiscal year, net position for governmental activities increased \$3,500,001 from the prior fiscal year to an ending balance of negative \$40,077,457. The increase in the overall net position of governmental activities is largely the result of increase in capital assets \$12,662,966.





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 \$1,069,566, to reach an ending balance of negative \$2,718,720. The decrease is largely due to the implementation of GASB 68. Additionally, nonoperating revenues decreased from indirect federal grants and investment income were contributing factors.

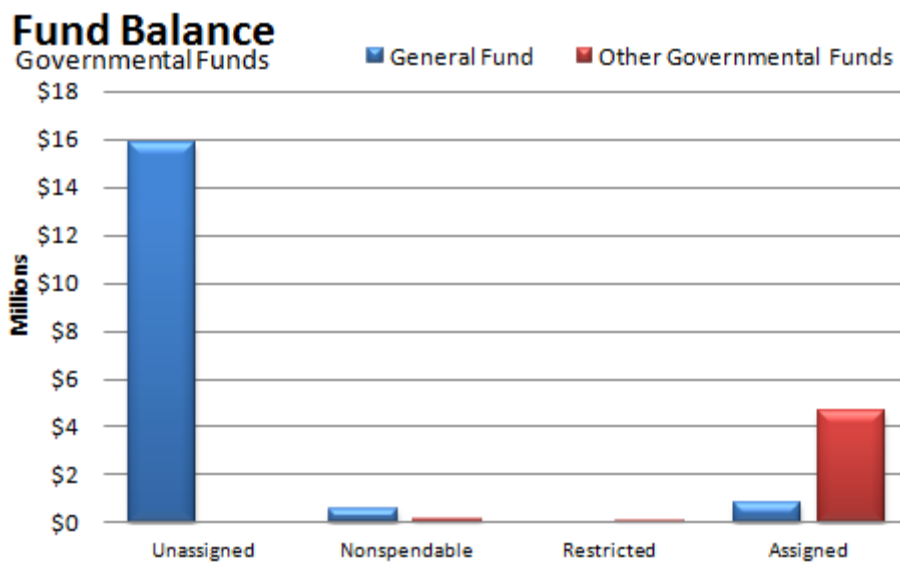


Financial Analysis of Governmental Funds

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

The focus of the Health District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Health District'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 Health District itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the Health District's Board of Health.

At June 30, 2016, the Health District's governmental funds reported combined fund balances of \$22,029,098, a decrease of \$9,631,989 in comparison with the prior year. Approximately 72%, or \$15,815,912, of this amount constitutes unassigned fund balance, which is available for spending at Health District's discretion. The remainder of governmental fund balance is classified as follows: \$695,491 is non-spendable, \$4,862,143 is assigned to capital project improvements, \$655,484 is assigned to administrative purchases, and \$68 is restricted for grants.



The general fund is the chief operating fund of the Health District. At the end of the current fiscal year, unassigned fund balance of the general fund was \$15,815,912, while the total fund balance is \$17,236,394. As a measure of operating liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total combined general fund and special revenue fund expenditures.

Unassigned fund balance represents approximately 26% of total combined general fund and special revenue fund expenditures and transfers, while total governmental fund balance represents approximately 28% of the total governmental expenditures and transfers. The Health District's general fund fund balance increased by \$823,452 during the current fiscal year, attributable to increased revenue (fees for services).

Other governmental funds consist of the Special Revenue Fund, the Bond Reserve Fund (also known as Building Fund) and the Capital Projects Fund. The Special Revenue Fund was created in the current fiscal year to account for the grant funds the Health District receives and has a nonspendable and restricted fund balance of \$3,267.

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 Clark County issues bonds on behalf of the Health District in order to fund a new facility replacement for the main campus. 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 \$57,433 at the end of the current fiscal year, which decreased by \$9,532,383 as compared to the prior fiscal year. The decrease was due to the renovation completion of the new main building located at 280 S. Decatur Blvd. in January 2016. The Capital Projects Fund has \$4,594,604 of fund balance assigned for future capital project improvements. Fund balance in the Capital Projects Fund decreased by \$926,325, due to capital outlay expenditures.

**REVENUES**

	2016		2015		Increase (Decrease)	
	Amount	Percent	Amount	Percent	Amount	Percent
<b>General Fund Revenues</b>						
Charges for services						
Title XIX Medicaid	\$ 1,091,225	2.15%	\$ 960,373	1.51%	\$ 130,852	13.63%
Vital records, immunizations and other medical services	7,347,690	14.50%	6,145,834	9.67%	1,201,856	19.56%
Regulatory services	21,925,361	43.26%	20,659,128	32.51%	1,266,233	6.13%
Program contract services	107,729	0.21%	275,264	0.43%	(167,535)	-60.86%
Total charges for services	<u>30,472,005</u>	<u>60.12%</u>	<u>28,040,599</u>	<u>44.13%</u>	<u>2,431,406</u>	<u>8.67%</u>
Intergovernmental revenues						
Property tax allocation	19,738,151	38.95%	18,916,518	29.77%	821,633	4.34%
State funding	-0-	-0%	2,072,101	3.26%	(2,072,101)	-100.00%
Indirect federal grants	-0-	-0%	10,740,902	16.90%	(10,740,902)	-100.00%
Direct federal grants	-0-	-0%	3,395,167	5.34%	(3,395,167)	-100.00%
Total intergovernmental revenues	<u>19,738,151</u>	<u>38.95%</u>	<u>35,124,688</u>	<u>55.28%</u>	<u>(15,386,537)</u>	<u>-43.81%</u>
Contributions and donations	14,193	0.03%	48,481	0.08%	(34,288)	-70.72%
Interest income	414,607	0.82%	175,317	0.28%	239,290	136.49%
Other	42,426	0.08%	148,391	0.23%	(105,965)	-71.41%
Total general fund revenues	<u>\$ 50,681,382</u>	<u>100.00%</u>	<u>\$ 63,537,476</u>	<u>100.00%</u>	<u>\$ (12,856,094)</u>	<u>-20.23%</u>
<b>Special Revenue Fund Revenues</b>						
Intergovernmental revenues						
State funding	\$ 1,727,368	9.36%	\$ -0-	-0%	\$ 1,727,368	9.36%
Indirect federal grants	10,467,596	56.72%	-0-	-0%	10,467,596	56.72%
Direct federal grants	6,260,778	33.92%	-0-	-0%	6,260,778	33.92%
Total intergovernmental revenues	<u>\$ 18,455,742</u>	<u>100.00%</u>	<u>\$ -0-</u>	<u>-0%</u>	<u>\$ 18,455,742</u>	<u>100.00%</u>
Combined Special Revenue & General Funds	<u>\$ 69,137,124</u>		<u>\$ 63,537,476</u>		<u>\$ 5,599,648</u>	<u>8.81%</u>

The increase in charges for services was due to the final implementation of birth and death registration fees/certificates increase (\$500,474), and an increase in number of patients with third party insurance (\$675,351).

The increase in property tax allocation of \$821,633 is due to the economy improving, increased property values, and increased property taxes.

The increase in other intergovernmental revenues (excluding the property tax allocation) in the amount of \$2,247,572 was due to newly awarded grants such as CDC Partnerships to Improve Community Health, Ryan White B Surveillance, and Ryan White B Intervention and Healthy Start Initiative. Some grant awards were increased such as Ryan White Part A, CDC Public Health Emergency Program, and Ryan White Part B Case Management. Various federal and pass-through grant awards also decreased.

The increase in interest income was due to the increase fair market value at year end from the Clark County Investment Pool.

**EXPENDITURES**

	<u>2016</u>		<u>2015</u>		<u>Increase (Decrease)</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
<u>General Fund Expenditures</u>						
Current						
Public health						
Clinical services	\$ 14,053,720	33.96%	\$ 24,901,457	41.94%	\$ (10,847,737)	-43.56%
Environmental health	19,373,500	46.82%	18,175,211	30.61%	1,198,289	6.59%
Community health services	7,396,756	17.88%	12,248,152	20.63%	(4,851,396)	-39.61%
Administration	<u>(224,897)</u>	<u>-0.54%</u>	<u>3,824,094</u>	<u>6.44%</u>	<u>(4,048,991)</u>	<u>-105.88%</u>
Capital outlay						
Public health	<u>779,992</u>	<u>1.88%</u>	<u>220,107</u>	<u>0.37%</u>	<u>559,885</u>	<u>254.37%</u>
Total general fund expenditures	<u>\$ 41,379,071</u>	<u>100.00%</u>	<u>\$ 59,369,021</u>	<u>100.00%</u>	<u>\$ (17,989,950)</u>	<u>-30.30%</u>
<u>Special Revenue Fund Expenditures</u>						
Current						
Public health						
Clinical services	\$ 8,218,244	34.99%	\$ -0-	-0%	\$ 8,218,244	DIV/0%
Environmental health	600,271	2.56%	-0-	-0%	600,271	DIV/0%
Community health services	<u>14,550,950</u>	<u>61.95%</u>	<u>-0-</u>	<u>-0%</u>	<u>14,550,950</u>	<u>DIV/0%</u>
Capital outlay						
Public health	<u>116,964</u>	<u>0.50%</u>	<u>-0-</u>	<u>-0%</u>	<u>116,964</u>	<u>DIV/0%</u>
Total special revenue fund expenditures	<u>\$ 23,486,429</u>	<u>100.00%</u>	<u>\$ -0-</u>	<u>-0%</u>	<u>\$ 23,486,429</u>	<u>DIV/0%</u>
Combined Special Revenue & General Funds	<u>\$ 64,865,500</u>		<u>\$ 59,369,021</u>		<u>\$ 5,496,479</u>	<u>9.26%</u>

General Fund Budgetary Highlights

Original budget compared to final budget

The current budget procedure allows funds to be moved within programs and departments. Since this was the first year of Special Revenue Funds to report grant funds, funds moved from the other funds to and from the Special Revenue Fund. Also, on May 26 2016 the Board of Health approved a budget augmentation for the Bond Reserve Fund. Construction on the main building did not commence timely, thus leaving funds in the fund balance in the previous year. The appropriations were increase from \$ -0- to \$ 11,911,421.

Final budget compared to actual results

The surplus in vital records and EMS was due to the implementation of fee increases coming in at \$676,831 over budget. Additionally, third party medical insurance fees exceeded the budget by \$727,610.

Total expenditures are \$1.8 million below budget. Actual salaries and employee benefits were under budget by \$1.7 million. Services and supplies were under budget by approximately \$0.9 million. Capital outlays were over budget by \$779,992.

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Differences between budgeted revenue and expenditures and actual revenue and expenditures 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	\$ 1,018,536	\$ 1,018,536	\$ 1,091,225	\$ 72,689
Vital records, immunizations and other medical services	8,963,608	8,739,648	7,347,690	(1,391,958)
Regulatory services	19,122,500	19,122,500	21,925,361	2,802,861
Program contract services	94,753	172,235	107,729	(64,506)
Intergovernmental revenues				
Property tax allocation	19,738,151	19,738,151	19,738,151	-0-
Contributions and donations	10,000	10,000	14,193	4,193
Interest income	170,000	170,000	414,607	244,607
Other	25,500	25,500	39,243	13,743
<b>EXPENDITURES</b>				
Public health				
Salaries and wages	25,534,825	25,509,034	24,714,146	(794,888)
Employee benefits	10,928,630	10,918,011	10,026,503	(891,508)
Services and supplies	7,491,341	6,788,749	5,858,430	(930,319)
Capital outlay	-0-	-0-	779,992	779,992
<b>OTHER FINANCING USES</b>				
Transfers in	556,950	-0-	85,163	85,163
Transfers out	(7,411,929)	(7,447,503)	(8,564,022)	(1,116,519)
Proceeds from capital asset disposal	-0-	-0-	3,183	3,183

Capital assets

As of June 30, 2016, Health District's net investment in capital assets for its governmental activities amounts to \$26,334,588, while the net investment in business-type activities amounted to \$564,508. This investment in capital assets includes land, buildings and improvements, vehicles and equipment. The total increase in capital assets for the current fiscal year was approximately \$12,563,330, or 48%, due primarily to the renovation of the new main building.

	Balance July 1, 2015	Increases and transfers *	Decreases and transfers *	Balance June 30, 2016
<b>Governmental activities</b>				
Capital assets not being depreciated or amortized				
Construction in progress	\$ 5,477,210	\$ -0-	\$ (5,477,210)	\$ -0-
Land	3,447,236	-0-	-0-	3,447,236
Total capital assets not being depreciated or amortized	8,924,446	-0-	(5,477,210)	3,447,236
Capital assets being depreciated or amortized				
Buildings	\$ 4,457,858	\$ 16,813,172	\$ (11,938)	\$ 21,259,092
Improvements other than buildings	2,852,566	153,968	(450,018)	2,556,516
Furniture, fixtures and equipment	8,987,055	2,435,929	(1,202,449)	10,220,535
Vehicles	533,714	179,150	(41,984)	670,880
Total capital assets being depreciated or amortized	16,831,193	19,582,219	(1,706,389)	34,707,023

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	Balance July 1, 2015	Increases and transfers *	Decreases and transfers *	Balance June 30, 2016
<b>Governmental activities (continued)</b>				
Accumulated depreciation and amortization				
Buildings	(2,110,425)	(325,998)	11,938	(2,424,485)
Improvements other than buildings	(2,606,396)	(115,751)	424,623	(2,297,524)
Furniture, fixtures and equipment	(6,860,454)	(763,861)	999,961	(6,624,354)
Vehicles	(506,742)	(8,550)	41,984	(473,308)
	<u>(12,084,017)</u>	<u>(1,214,160)</u>	<u>1,478,506</u>	<u>(11,819,671)</u>
Total accumulated depreciation and amortization				
	<u>(12,084,017)</u>	<u>(1,214,160)</u>	<u>1,478,506</u>	<u>(11,819,671)</u>
Total capital assets being depreciated or amortized, net	<u>4,747,176</u>	<u>18,368,059</u>	<u>(227,883)</u>	<u>22,887,352</u>
Total governmental activities	<u>\$ 13,671,622</u>	<u>\$ 18,368,059</u>	<u>\$ (5,705,093)</u>	<u>\$ 26,334,588</u>
* Includes transfers from and to proprietary funds, if any.				
<b>Business-type activities</b>				
Capital assets being depreciated or amortized				
Improvements other than buildings	\$ 140,840	\$ -0-	\$ -0-	\$ 140,840
Furniture, fixtures and equipment	2,372,726	33,389	-0-	2,406,115
Vehicles	41,976	-0-	-0-	41,976
	<u>2,555,542</u>	<u>33,389</u>	<u>-0-</u>	<u>2,588,931</u>
Total capital assets being depreciated or amortized				
	<u>2,555,542</u>	<u>33,389</u>	<u>-0-</u>	<u>2,588,931</u>
Accumulated depreciation and amortization				
Improvements other than buildings	(68,801)	(4,807)	-0-	(73,608)
Furniture, fixtures and equipment	(1,805,356)	(121,223)	-0-	(1,926,579)
Vehicles	(17,241)	(6,995)	-0-	(24,236)
	<u>(1,891,398)</u>	<u>(133,025)</u>	<u>-0-</u>	<u>(2,024,423)</u>
Total accumulated depreciation and amortization				
	<u>(1,891,398)</u>	<u>(133,025)</u>	<u>-0-</u>	<u>(2,024,423)</u>
Total business-type activities	<u>\$ 664,144</u>	<u>\$ (99,636)</u>	<u>\$ -0-</u>	<u>\$ 564,508</u>
* Includes transfers from and to governmental funds, if any.				

Some of the larger capital asset additions for the governmental type funds for fiscal year ending June 30, 2016, included computer hardware, computer software, and equipment costs as listed below:

Main building and furnishings: \$16,813,172  
Environmental health Vector equipment \$32,804  
Vehicles \$179,150

The Health District deleted capital assets by \$1,706,389.

The business-type funding for the Public Health Laboratory increases included: 2-Analyzers and Refrigerator, \$33,389.

Additional information on the District's capital assets can be found in Note 4 beginning on page 46 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 Health District has strengthened its financial status by increasing revenue, cutting costs, and purchasing a new building. The Affordable Care Act has increased revenue at Health District by shifting clients from receiving free services to clients that are insured. The amount saved by not having lease costs at the main building is going to aid the Health District's operations substantially in future years.

State, federal, and pass-through grant revenue all increased during fiscal 2016.

Although created as an independent governmental entity pursuant to Nevada Revised Statute (NRS) 439.361, the Health District 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, the Health District is faced with the need to maintain a reserve to respond effectively to a possible pandemic outbreak and other public health emergencies. The Board of Health continued its previous approval of \$1,000,000 of fund balance to be used if needed for that purpose.

On the expenditure side, the Health District is confronted with inflationary factors affecting the cost of equipment, supplies, and other services. In addition, benefit costs will be higher due to increased retirement contributions and group insurance costs.

The Health District 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 73.2% of Nevada's population and is 4.7 times the population of Washoe County in Northern Nevada. The additional Federal support will enable the Health District to better address the needs of residents requiring services.

At present, the Health District has the financial resources and capacity to maintain current service levels. Since fiscal year 2011, the Health District continues to have a surplus of revenue over expenditures. However, to maintain that position the Health District must closely monitor revenues and expenditures.

The Unassigned Fund balance of the General Fund is \$15,815,912 as of June 30, 2016.

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: Financial Services Manager  
280 S. Decatur Blvd. P.O. Box 3902  
Las Vegas, Nevada, 89127

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





**FINANCIAL SECTION**

# **Basic Financial Statements**



FINANCIAL SECTION >  
BASIC FINANCIAL STATEMENTS

# Government-Wide Financial Statements

Southern Nevada Health District  
Statement of Net Position  
June 30, 2016

	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
Cash and equivalents, unrestricted	\$ 22,757,933	\$ 83,869	\$ 22,841,802
Grants receivable	4,145,210	68,040	4,213,250
Accounts receivable	1,009,143	-	1,009,143
Contracts receivable	19,374	-	19,374
Interest receivable	49,661	443	50,104
Prepaid items	251,375	42,217	293,592
Inventories	444,116	22,680	466,796
Internal balances	(16,414)	16,414	-
Capital assets, net of accumulated depreciation and amortization			
Land	3,447,236	-	3,447,236
Buildings	18,834,607	-	18,834,607
Improvements other than buildings	258,992	67,232	326,224
Furniture, fixtures and equipment	3,596,181	479,536	4,075,717
Vehicles	197,572	17,740	215,312
Total assets	<u>54,994,986</u>	<u>798,171</u>	<u>55,793,157</u>
<b>Deferred Outflows of Resources</b>			
Deferred amounts related to pensions	<u>9,363,626</u>	<u>373,171</u>	<u>9,736,797</u>
<b>Liabilities</b>			
Accounts payable	3,252,284	16,694	3,268,978
Accrued expenses	2,328,531	-	2,328,531
Workers compensation self-insurance claims	125,000	-	125,000
Unearned revenue	56,981	1,414	58,395
Retainage payable	279,898	-	279,898
Long-term liabilities, due within one year			
Compensated absences	3,976,562	151,336	4,127,898
Long-term liabilities, due in more than one year			
Compensated absences	2,437,247	157,513	2,594,760
Postemployment benefits other than pensions	19,296,520	624,358	19,920,878
Net pension liability	59,647,290	2,336,721	61,984,011
Total liabilities	<u>91,400,313</u>	<u>3,288,036</u>	<u>94,688,349</u>
<b>Deferred Inflows of Resources</b>			
Deferred amounts related to pensions	<u>13,035,756</u>	<u>602,026</u>	<u>13,637,782</u>
<b>Net Position</b>			
Net investment in capital assets	26,334,588	564,508	26,899,096
Unrestricted	<u>(66,412,045)</u>	<u>(3,283,228)</u>	<u>(69,695,273)</u>
Total net position	<u>\$ (40,077,457)</u>	<u>\$ (2,718,720)</u>	<u>\$ (42,796,177)</u>

Southern Nevada Health District  
Statement of Activities  
For the Fiscal Year Ended June 30, 2016

Function/Program	Expenses	Program Revenues		Net (Expenses) Revenues and Changes in Net Position Primary Government			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities							
Public health							
Clinical services	21,820,813	4,947,831	\$ 6,537,426	\$ -	\$ (10,335,556)	\$ -	\$ (10,335,556)
Environmental health	20,062,924	18,926,729	507,257	-	(628,938)	-	(628,938)
Community health	22,026,441	3,833,917	11,411,059	-	(6,781,465)	-	(6,781,465)
Administration	1,297,699	2,820,147	-	-	1,522,448	-	1,522,448
Total governmental activities	65,207,877	30,528,624	18,455,742	-	(16,223,511)	-	(16,223,511)
Business-type activities							
Southern Nevada Public Health Laboratory	1,954,788	-	83,760	-	-	(1,871,028)	(1,871,028)
Total function/program	\$ 67,162,665	\$ 30,528,624	\$ 18,539,502	-	(16,223,511)	(1,871,028)	(18,094,539)
General Revenues							
Property tax allocation				19,738,151	-	19,738,151	
Other income				200,000	-	200,000	
Unrestricted investment income				579,627	7,196	586,823	
Transfers				(794,266)	794,266	-	
Total general revenues and transfers				19,723,512	801,462	20,524,974	
Change in net position				3,500,001	(1,069,566)	2,430,435	
Net position, beginning of year				(43,577,458)	(1,649,154)	(45,226,612)	
Net position, end of year				\$ (40,077,457)	\$ (2,718,720)	\$ (42,796,177)	



FINANCIAL SECTION >  
BASIC FINANCIAL STATEMENTS

# **Fund Financial Statements**

Southern Nevada Health District  
Governmental Funds  
June 30, 2016

	General Fund	Special Revenue Fund	Capital Projects Funds		Total Governmental Funds
			Bond Reserve	Capital Projects	
<b>Assets</b>					
Cash and cash equivalents	\$ 16,920,182	\$ 24,570	\$ 443,466	\$ 4,656,116	\$ 22,044,334
Grants receivable	-	3,945,210	200,000	-	4,145,210
Accounts receivable, net	998,912	10,231	-	-	1,009,143
Contracts receivable	19,374	-	-	-	19,374
Interest receivable	37,315	-	979	10,003	48,297
Due from other funds	2,882,769	-	-	-	2,882,769
Inventories	444,116	-	-	-	444,116
Prepaid items	110,776	3,199	-	137,400	251,375
<b>Total assets</b>	<b>\$ 21,413,444</b>	<b>\$ 3,983,210</b>	<b>\$ 644,445</b>	<b>\$ 4,803,519</b>	<b>\$ 30,844,618</b>
<b>Liabilities</b>					
Accounts payable	1,795,071	1,077,227	307,114	71,515	\$ 3,250,927
Accrued payroll and related	2,328,531	-	-	-	2,328,531
Unearned revenue	37,034	19,947	-	-	56,981
Retainage payable	-	-	279,898	-	279,898
Due to other funds	16,414	2,882,769	-	-	2,899,183
<b>Total liabilities</b>	<b>4,177,050</b>	<b>3,979,943</b>	<b>587,012</b>	<b>71,515</b>	<b>8,815,520</b>
<b>Fund balances</b>					
Nonspendable					
Inventories	444,116	-	-	-	444,116
Prepaid items	110,776	3,199	-	137,400	251,375
Restricted for					
Grants	-	68	-	-	68
Assigned to					
Capital improvements	210,106	-	57,433	4,594,604	4,862,143
Administration	655,484	-	-	-	655,484
Unassigned	15,815,912	-	-	-	15,815,912
<b>Total fund balances</b>	<b>17,236,394</b>	<b>3,267</b>	<b>57,433</b>	<b>4,732,004</b>	<b>22,029,098</b>
<b>Total liabilities and fund balances</b>	<b>\$ 21,413,444</b>	<b>\$ 3,983,210</b>	<b>\$ 644,445</b>	<b>\$ 4,803,519</b>	<b>\$ 30,844,618</b>

Southern Nevada Health District  
Reconciliation of the Balance Sheet - Governmental Funds to the  
Statement of Net Position - Governmental Activities  
June 30, 2016

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Total fund balance - governmental funds		\$ 22,029,098
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	38,154,259	
Less: accumulated depreciation	<u>(11,819,671)</u>	26,334,588
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	(19,296,520)	
Compensated absences	(6,413,809)	
Net pension liability	(59,647,290)	
Deferred outflows related to pensions	9,363,626	
Deferred inflows related to pensions	<u>(13,035,756)</u>	(89,029,749)
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>588,606</u>	<u>588,606</u>
Total net position - governmental activities		<u><u>\$ (40,077,457)</u></u>

Southern Nevada Health District  
Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances  
For the Fiscal Year Ended June 30, 2016

	General Fund	Special Revenue Fund	Capital Projects Funds		Total Governmental Funds
			Bond Reserve	Capital Projects	
<b>Revenues</b>					
Charges for services					
Contract services	\$ 107,729	\$ -	\$ -	\$ -	\$ 107,729
Fees for service	7,347,646	-	-	-	7,347,646
Regulatory revenue	21,925,405	-	-	-	21,925,405
Title XIX & other	1,091,225	-	-	-	1,091,225
Intergovernmental revenues					
Property tax	19,738,151	-	-	-	19,738,151
Direct federal grants	-	6,260,778	-	-	6,260,778
Indirect federal grants	-	10,467,596	-	-	10,467,596
State funding	-	1,727,368	-	-	1,727,368
General receipts					
Contributions and donations	14,193	-	-	-	14,193
Interest income	414,607	-	47,361	103,252	565,220
Other	39,243	-	200,000	-	239,243
<b>Total revenues</b>	<b>50,678,199</b>	<b>18,455,742</b>	<b>247,361</b>	<b>103,252</b>	<b>69,484,554</b>
<b>Expenditures</b>					
Current					
Public health					
Clinical & nursing services	14,053,720	8,218,244	-	-	22,271,964
Environmental health	19,373,500	600,271	-	150,831	20,124,602
Community health	7,396,756	14,550,950	-	-	21,947,706
Administration	(224,897)	-	99,068	34,813	(91,016)
<b>Total current</b>	<b>40,599,079</b>	<b>23,369,465</b>	<b>99,068</b>	<b>185,644</b>	<b>64,253,256</b>
Capital outlay	779,992	116,964	12,031,315	1,143,933	14,072,204
<b>Total Expenditures</b>	<b>41,379,071</b>	<b>23,486,429</b>	<b>12,130,383</b>	<b>1,329,577</b>	<b>78,325,460</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	9,299,128	(5,030,687)	(11,883,022)	(1,226,325)	(8,840,906)
Other financing sources (uses)					
Transfers in	85,163	5,119,117	2,350,639	300,000	7,854,919
Transfers out	(8,564,022)	(85,163)	-	-	(8,649,185)
Proceeds from capital asset disposal	3,183	-	-	-	3,183
<b>Total other financing sources (uses)</b>	<b>(8,475,676)</b>	<b>5,033,954</b>	<b>2,350,639</b>	<b>300,000</b>	<b>(791,083)</b>
Change in fund balance	823,452	3,267	(9,532,383)	(926,325)	(9,631,989)
Fund balance, beginning of year	16,412,942	-	9,589,816	5,658,329	31,661,087
Fund balance, end of year	\$ 17,236,394	\$ 3,267	\$ 57,433	\$ 4,732,004	\$ 22,029,098



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 Fiscal Year Ended June 30, 2016

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Change in fund balances, governmental funds \$ (9,631,989)

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	14,105,009	
Less current year depreciation and loss on disposal capital assets	<u>(1,442,043)</u>	
		12,662,966

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	(2,188,913)	
Change in compensated absences	191,736	
Change in deferred outflows related to pensions	745,499	
Change in deferred inflows related to pensions	2,259,238	
Change in net pension liability	<u>(340,566)</u>	
		666,994

Internal service funds are used by management 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>(197,970)</u>	<u>(197,970)</u>
-----------------------------------------------------------------------------------------------------------------	------------------	------------------

Change in net position of governmental activities \$ 3,500,001

Southern Nevada Health District  
Statement of Net Position - Proprietary Funds  
June 30, 2016

	Business-type Activities	Governmental Activities
	Southern Nevada Public Health Laboratory	Insurance Liability Reserve
Assets		
Current assets		
Cash and cash equivalents	\$ 83,869	\$ 713,599
Grants receivable	68,040	-
Interest receivable	443	1,364
Inventories	22,680	-
Prepaid items	42,217	-
Due from other funds	16,414	-
Total current assets	233,663	714,963
Noncurrent assets		
Capital assets, net of accumulated depreciation and amortization		
Improvements other than buildings	67,232	-
Furniture, fixtures and equipment	479,536	-
Vehicles	17,740	-
Total noncurrent assets	564,508	-
Total assets	798,171	714,963
Deferred outflows of resources		
Deferred amounts related to pensions	373,171	-
Liabilities		
Current Liabilities		
Accounts payable	16,694	1,357
Accrued payroll and related	-	-
Workers compensation self-insurance claims	-	125,000
Unearned revenue	1,414	-
Compensated absences	151,336	-
Total current liabilities	169,444	126,357
Noncurrent liabilities		
Compensated absences	157,513	-
Postemployment benefits other than pensions	624,358	-
Net pension liability	2,336,721	-
Total noncurrent liabilities	3,118,592	-
Total liabilities	3,288,036	126,357
Deferred inflows of resources		
Deferred amounts related to pensions	602,026	-
	602,026	-
Net position		
Investment in capital assets	564,508	-
Unrestricted	(3,283,228)	588,606
Total net position	\$ (2,718,720)	\$ 588,606

See Notes to Financial Statements

Southern Nevada Health District  
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds  
For the Fiscal Year Ended June 30, 2016

	Business-type Activities	Governmental Activities
	Southern Nevada Public Health Laboratory	Insurance Liability Reserve
Operating expense		
Salaries and wages	\$ 849,394	\$ -
Employee benefits	370,995	-
Services and supplies	498,625	212,377
Depreciation and amortization	133,026	-
Repairs and maintenance	102,748	-
	1,954,788	212,377
Total operating expenses		
Operating loss	(1,954,788)	(212,377)
Nonoperating revenues		
Indirect federal grants	83,760	-
Investment income	7,196	14,407
Gain (loss) on capital asset disposition	-	-
	90,956	14,407
Total nonoperating revenues		
Loss before transfers	(1,863,832)	(197,970)
Transfers		
Transfers in	800,000	-
Transfers out	(5,734)	-
	794,266	-
Total transfers		
Change in net position	(1,069,566)	(197,970)
Net position, beginning of year	(1,649,154)	786,576
Net position, end of year	\$ (2,718,720)	\$ 588,606

Southern Nevada Health District  
Statement of Cash Flows - Proprietary Funds  
For the Fiscal Year Ended June 30, 2016

	Business-type Activities Southern Nevada Public Health Laboratory	Governmental Activities Insurance Liability Reserve
Cashflows from operating activities		
Cash payments for goods and services	\$ (568,106)	\$ (213,010)
Cash payments for employee services	(1,203,748)	-
Net cash used in operating activities	(1,771,854)	(213,010)
Cash flows from noncapital financing activities		
Transfers from other funds	794,266	-
Intergovernmental revenues	61,511	-
Net cash provided by noncapital financing activities	855,777	-
Cash flows from capital financing activities		
Acquisition and construction of capital assets	(33,390)	-
Cash flows from investing activities		
Investment income received	6,753	13,044
Net decrease in cash and cash equivalents	(942,714)	(199,966)
Cash and cash equivalents, beginning of year	1,026,583	913,565
Cash and cash equivalents, end of year	\$ 83,869	\$ 713,599
Reconciliation of operating loss to net cash used in operating activities		
Operating loss	\$ (1,954,788)	\$ (212,377)
Adjustments to reconcile operating loss to net cash used in operating activities		
Depreciation	133,026	-
(Increase) decrease in operating assets		
Prepaid items	61,968	-
Inventories	(22,680)	-
Deferred outflows related to pensions	(33,624)	-
Increase (decrease) in operating liabilities		
Accounts payable	(5,323)	(633)
Accrued expenses	(31,364)	-
Unearned revenue	(698)	-
Compensated absences	24,194	-
Postemployment benefits other than pensions	57,930	-
Net pension liability	88	-
Deferred inflows related to pensions	(583)	-
Total adjustments	182,934	(633)
Net cash used in operating activities	\$ (1,771,854)	\$ (213,010)

Southern Nevada Health District  
Statement of Net Position - Fiduciary Funds  
For the Fiscal Year Ended June 30, 2016

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	<u>Employee Events Fund</u>
<b>Assets</b>	
Cash and cash equivalents	<u>\$        4,588</u>
<b>Liabilities</b>	
Amounts held for others	<u>\$        4,588</u>



FINANCIAL SECTION >  
BASIC FINANCIAL STATEMENTS

# Notes to Basic Financial Statements

## **Note 1 - Summary of Significant Accounting Policies**

### **The Reporting Entity**

The Southern Nevada Health District (the Health District) is governed by a 14 member policymaking board (the Board of Health) comprised of two representatives from each of six entities, as well as a physician member at-large and one representative of the Association of Gaming Establishments. The Health 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 accounting policies of the Health 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 and amendment of GASB Statements No. 14 and No. 34* (GASB61), 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 Health 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 Health District to be included in any other entities' financial statements or comprehensive annual financial reports (CAFR). In addition, the Health District determined that there are no other entities, which are required to be included in the Health District's CAFR.

### **Basic Financial Statements**

The Health 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 and 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 Health 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.

The statement of net position presents the consolidated financial position of the Health 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 Health District. Those functions with a net cost are consequently dependent on general-purpose revenues, such as the property tax allocation from Clark County collected from various jurisdictions, to remain operational.

### **Fund Financial Statements**

The financial accounts of the Health 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, deferred outflows of resources, liabilities, deferred inflows of resources, 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 State 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 Health 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.

The Health District reports the following 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 Health District.

*Special Revenue Fund.* Accounts for all grant resources that have been restricted for specific programs.

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

*Capital Projects Fund.* Accounts for resources committed or assigned to the acquisition or construction of capital assets.

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 Health 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.

### **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 Health District considers property tax revenues to be available if they are collected within 60 days of the current fiscal year end. The major revenue sources of the Health District include the property tax allocation from Clark 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 Health 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

### **Cash and Cash Equivalents**

The Health District considers short-term, highly liquid investments that are both readily convertible to cash and have original maturity dates of three months or less to be cash equivalents. This includes all of the Health District’s cash and cash equivalents held by the Clark County Treasurer, which are combined with other Clark 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.

### **Interfund Receivables and Payables**

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 Health District receives medical vaccines from the State of Nevada (the State) for use in the Health District’s clinics, which are not included in the Health District’s inventory since these vaccines remain the property of the State until they are administered. At June 30, 2016, the estimated value of such vaccines in the Health District’s possession was \$460,608.

**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.

**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 Health District considers assets with an initial individual cost of more than \$5,000 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.

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

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

**Compensated Absences**

It is the Health 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:

Years of Service	Vacation Benefits (Days)
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 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.

**Multiple-Employer Cost-Sharing Defined Benefit Pension Plan**

The Health District uses the same basis used in the Public Employees’ Retirement System of Nevada’s (PERS) CAFR for reporting its proportionate share of the PERS collective net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, including information regarding PERS fiduciary net position and related additions to/deductions. Benefit payments (including refunds of employee contributions) are recognized by PERS when due and payable in accordance with the benefit terms. PERS investments are reported at fair value.

### Deferred Inflows and Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense / expenditure) until then. The Health District currently has two items that qualify for reporting in this category. Firstly, deferred outflows are reported for the changes in proportion and differences between actual pension contributions and the Health District's proportionate share of pension contributions. This amount is deferred and amortized over the average expected remaining service life of all employees that are provided with pension benefits. Secondly, deferred outflows are recorded for pension contributions made by the Health District subsequent to the pension plan's actuarial measurement date, which are deferred for one year.

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 Health District currently has several items that qualify 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. The government-wide statement of net position also reports 1) the differences between expected and actual pension plan experience and changes of pension plan actuarial assumptions, which are deferred and amortized over the average expected remaining service life of all employees that are provided with pension benefits, and 2) the net difference between projected and actual earnings on pension plan investments, which are deferred and amortized over five years.

### 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 capital assets net of 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.

*Unrestricted.* All other net position that does not meet the definition of 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.* Similar to restricted net position discussed above, includes constraints placed on the use of 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 change in the same manner employed to previously commit those resources.

*Assigned.* Includes amounts that are constrained by the Health 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 Health 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.

The Health 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 Health District's policy to expend restricted resources first and use unrestricted resources when the restricted resources have been depleted. It is also the Health 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 Health 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, 2016, 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 Health 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 Clark County where it is included in the Clark County's public hearing held in May.

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

NRS allows 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.

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, 2016, the Health District reported the following expenditures over appropriations:

The District's Bond Reserve Capital Projects Fund exceeded appropriations by \$218,962. Staff recently hired by the Health District has now been educated that encumbrances at the end of fiscal year 2014/15 do not have the ability to roll forward to the next fiscal year in the state of Nevada. A budget augmentation was prepared to cover what was thought to be the funds that were needed, but as with many construction contracts, the augmentation was not enough to cover the full amount of expenditures.

The District's Internal Service Fund – Insurance Liability Reserve Fund total expenses exceeded appropriations by \$112,377. Since the Health District adopted the budget in March 2015 and later that year (August) made the decision to no longer be self-funded for workers compensation insurance. The Liability Reserve Fund can only be used to pay for expenses relating to workers compensation and the management made the decision to fund the administrative expenses in fiscal year 2015/16 even though it was not budgeted.

### **Note 3 - Cash and Cash Equivalents**

#### **Deposits**

The Health 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, 2016, the carrying amount of the Health District's deposits was \$0 as all amounts were swept into the Clark County Investment Pool at the end of the day.

#### **Clark County Investment Pool**

The Health District participates in Clark County's investment pool. At June 30, 2016, 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 Clark 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 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.

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 Health District would not be able to recover the value of its deposits and investments. As of June 30, 2016, 100% of the Health District’s cash equivalents are held in the Clark County Investment Pool. The Clark County Investment Policy states that securities purchased by Clark 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 Clark County Treasurer for this purpose in accordance with NRS 355.172. A custody agreement between the bank and Clark County is required before execution of any transactions, Clark County’s 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, Clark 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, 2016, all of the Health District's investments are held by the Clark 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, 2016, the carrying amount and market value of the Health District's investments in the Clark County Investment Pool was \$22,830,439.

**Combined Cash and Cash Equivalents**

At June 30, 2016, the Health District's cash, cash equivalents and investments were as follows:

Clark County Investment Pool	\$ 22,830,439
Cash on hand	15,951
	\$ 22,846,390
Total cash and cash equivalents	\$ 22,846,390

At June 30, 2016, the Health Districts cash, cash equivalents and investments (including restricted amounts) were presented in the District's financial statements as follows:

Governmental funds	\$ 22,044,334
Proprietary funds	797,468
Fiduciary fund	4,588
	\$ 22,846,390
Total cash and cash equivalents	\$ 22,846,390



## Note 4 - Capital Assets

Changes in capital assets for the year ended June 30, 2016, were as follows:

	Balance July 1, 2015	Increases and transfers *	Decreases and transfers *	Balance June 30, 2016
Governmental activities				
Capital assets not being depreciated or amortized				
Construction in progress	\$ 5,477,210	\$ -	\$ (5,477,210)	\$ -
Land	3,447,236	-	-	3,447,236
Total capital assets not being depreciated	<u>8,924,446</u>	<u>-</u>	<u>(5,477,210)</u>	<u>3,447,236</u>
Capital assets being depreciated or amortized				
Buildings	4,457,858	16,813,172	(11,938)	21,259,092
Improvements other than buildings	2,852,566	153,968	(450,018)	2,556,516
Furniture, fixtures and equipment	8,987,055	2,435,929	(1,202,449)	10,220,535
Vehicles	533,714	179,150	(41,984)	670,880
Total capital assets being depreciated or amortized	<u>16,831,193</u>	<u>19,582,219</u>	<u>(1,706,389)</u>	<u>34,707,023</u>
Accumulated depreciation and amortization				
Buildings	(2,110,425)	(325,998)	11,938	(2,424,485)
Improvements other than buildings	(2,606,396)	(115,751)	424,623	(2,297,524)
Furniture, fixtures and equipment	(6,860,454)	(763,861)	999,961	(6,624,354)
Vehicles	(506,742)	(8,550)	41,984	(473,308)
Total accumulated depreciation and amortization	<u>(12,084,017)</u>	<u>(1,214,160)</u>	<u>1,478,506</u>	<u>(11,819,671)</u>
Total capital assets being depreciated or amortized, net	<u>4,747,176</u>	<u>18,368,059</u>	<u>(227,883)</u>	<u>22,887,352</u>
Total governmental activities	<u>\$ 13,671,622</u>	<u>\$ 18,368,059</u>	<u>\$ (5,705,093)</u>	<u>\$ 26,334,588</u>

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

	Balance July 1, 2015	Increases and transfers *	Decreases and transfers *	Balance June 30, 2016
Business-type activities				
Capital assets being depreciated or amortized				
Improvements other than buildings	\$ 140,840	\$ -	\$ -	\$ 140,840
Furniture, fixtures and equipment	2,372,726	33,389	-	2,406,115
Vehicles	41,976	-	-	41,976
Total capital assets being depreciated or amortized	<u>2,555,542</u>	<u>33,389</u>	<u>-</u>	<u>2,588,931</u>
Accumulated depreciation and amortization				
Improvements other than buildings	(68,801)	(4,807)	-	(73,608)
Furniture, fixtures and equipment	(1,805,356)	(121,223)	-	(1,926,579)
Vehicles	(17,241)	(6,995)	-	(24,236)
Total accumulated depreciation and amortization	<u>(1,891,398)</u>	<u>(133,025)</u>	<u>-</u>	<u>(2,024,423)</u>
Total capital assets being depreciated or amortized, net	<u>664,144</u>	<u>(99,636)</u>	<u>-</u>	<u>564,508</u>
Total business-type activities	<u>\$ 664,144</u>	<u>\$ (99,636)</u>	<u>\$ -</u>	<u>\$ 564,508</u>

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

For the year ended June 30, 2016, depreciation expense was charged to the following functions and programs:

Governmental activities		
Clinical services	\$	37,808
Environmental health		216,108
Community health		129,491
Administration		830,753
		<u>830,753</u>
Total depreciation expense, governmental activities	\$	<u>1,214,160</u>
Business-type activities		
Southern Nevada Public Health Laboratory	\$	<u>133,025</u>

## Note 5 - Leases

### Operating Leases

The Health 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, 2016, rent expense and expenditures totaled \$2,502,649. At year end, the Health District's future minimum lease payments under these non-cancelable operating leases were as follows:

For the Year Ending June 30,		
2017	\$	558,703
2018		559,008
2019		567,153
2020		577,848
2021		527,468
2022 - 2026		225,400
		<u>225,400</u>
	\$	<u>3,015,580</u>

**Note 6 - Long-Term Liabilities**

The Health District's long-term liabilities consist of compensated absences, an estimated net pension liability and postemployment benefits other than pensions (OPEB) obligations.

Long-term liabilities activity for the year ended June 30, 2016, was as follows:

	Balance July 1, 2015	Increases	Decreases	Balance June 30, 2016	Due Within One Year
Governmental Activities					
Compensated absences	\$ 6,605,546	\$ 173,461	\$ (365,198)	\$ 6,413,809	\$ 3,976,562
Business-type activities					
Compensated absences	284,655	127,105	(102,911)	308,849	151,336
Total long-term liabilities	<u>\$ 6,890,201</u>	<u>\$ 300,566</u>	<u>\$ (468,109)</u>	<u>\$ 6,722,658</u>	<u>\$ 4,127,898</u>

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

**Note 7 - Risk Management**

The Health District, like all governmental entities, is exposed to various risks of loss related to torts; thefts of, damage to and destruction of assets; error and omissions; injuries to employees; and natural disasters. The Health District participates in Clark County's Cooperative Agreement for Coverage of Liability Claims and Related Expenses. Under this agreement, the Health 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 Health 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 Health 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 Health District established an internal service fund to provide for self-insured workers compensation claims. Additionally, the Health 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, 2016, the estimate of the worker's compensation claims payable was determined by the Health 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, 2016, 2015 and 2014, changes in claims liability amounts were as follows:

	June 30, 2016	June 30, 2015	June 30, 2014
Claims liability, beginning of year	\$ 125,000	\$ 175,000	\$ 180,219
Claims incurred and changes in estimate	-	28,738	99,489
Claims paid	-	(78,738)	(104,708)
Claims liability, end of year	\$ 125,000	\$ 125,000	\$ 175,000

### Litigation

Various legal claims have arisen against the Health District during the normal course of operations. According to the Health 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 Health 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 8 - Multiple-Employer Cost-Sharing Defined Benefit Pension Plan

The Health District's employees are covered by the Public Employees' Retirement System of Nevada (PERS), which was established by the Nevada Legislature in 1947, effective July 1, 1948, and is governed by the Public Employees Retirement Board (the PERS Board) whose seven members are appointed by the governor. The Health District does not exercise any control over PERS.

PERS is a cost-sharing, multiple-employer, defined benefit public employees' retirement system which includes both regular and police/fire members. PERS is administered to provide a reasonable base income to qualified employees who have been employed by a public employer and whose earnings capacities have been removed or substantially impaired by age or disability.

Benefits, as required by NRS, are determined by the number of years of accredited service at time of retirement and the member's highest average compensation in any 36 consecutive months with special provisions for members entering the system on or after January 1, 2010. Benefit payments to which participants or their beneficiaries may be entitled under the plan include pension benefits, disability benefits, and survivor benefits.

Monthly benefit allowances for members are computed as 2.5% of average compensation for each accredited year of service prior to July 1, 2001. For service earned on or after July 1, 2001, this multiplier is 2.67% of average compensation. For members entering PERS on or after January 1, 2010, there is a 2.5% multiplier. PERS offers several alternatives to the unmodified service retirement allowance which, in general, allow the retired employee to accept a reduced service retirement allowance payable monthly during his or her lifetime and various optional monthly payments to a named beneficiary after his or her death.

Post-retirement increases are provided by authority of NRS 286.575 - .579, which for members entering the system before January 1, 2010, is equal to the lesser of:

- 1) 2% per year following the third anniversary of the commencement of benefits, 3% per year following the sixth anniversary, 3.5% per year following the ninth anniversary, 4% per year following the twelfth anniversary and 5% per year following the fourteenth anniversary, or
- 2) The average percentage increase in the Consumer Price Index (or other PERS Board approved index) for the three preceding years.

In any event, a member's benefit must be increased by the percentages in paragraph 1, above, if the benefit of a member has not been increased at a rate greater than or equal to the average of the Consumer Price Index (All Items) (or other PERS Board approved index) for the period between retirement and the date of increase.

For members entering PERS on or after January 1, 2010, the post-retirement increases are the same as above, except that the increases do not exceed 4% per year.

Regular members are eligible for retirement at age 65 with five years of service, at age 60 with 10 years of service, or at any age with thirty years of service. Regular members entering PERS on or after January 1, 2010, are eligible for retirement at age 65 with five years of service, or age 62 with 10 years of service, or any age with thirty years of service.

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

The authority for establishing and amending the obligation to make contributions and member contribution rates rests with NRS. New hires in agencies which did not elect the employer-pay contribution (EPC) plan prior to July 1, 1983, have the option of selecting one of two alternative contribution plans. Contributions are shared equally by employer and employee in which employees can take a reduced salary and have contributions made by the employer or can make contributions by a payroll deduction matched by the employer.

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

PERS receives an actuarial valuation on an annual basis for determining the prospective funding contribution rates required to fund the system on an actuarial reserve basis. Contributions actually made are in accordance with the required rates established by NRS. These statutory rates are periodically updated pursuant to NRS 286.421 and 286.450. The actuarial funding method used is the entry age normal cost method. It is intended to meet the funding objective and result in a relatively level long-term contributions requirement as a percentage of salary.

For the fiscal years ended June 30, 2014 and 2015, the required employer/employee matching rate was 13.25% and the EPC rate was 25.75% for regular members.

Effective July 1, 2015, the required contribution rates for regular members was 14.5% and 28% for employer/employee matching and EPC, respectively.

PERS collective net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. For this purpose, certain actuarial valuation assumptions are stipulated by the GASB and may vary from those used to determine the prospective funding contribution rates.

The total PERS pension liability was determined using the following economic actuarial assumptions (based on the results of an experience review completed in 2014), applied to all periods included in the measurement:

Inflation rate	3.50%
Payroll growth	5%, including inflation
Investment rate of return	8.00%
Productivity pay increase	0.75%
Consumer price index	3.50%
Actuarial cost method	Entry age normal and level percentage of payroll
Projected salary increases	Regular: 4.60% to 9.75%, depending on service Police/Fire: 5.25% to 14.50%, depending on service Rates include inflation and productivity increases

PERS's policies which determine the investment portfolio target asset allocation are established by the PERS Board. The asset allocation is reviewed annually and is designed to meet the future risk and return needs of PERS. The following was the Board adopted policy target asset allocation as of June 30, 2015:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Geometric Expected Real Rate of Return *</u>
Domestic equity	42%	5.50%
International equity	18%	5.75%
Domestic fixed income	30%	0.24%
Private markets	10%	6.80%

\* These geometric return rates are combined to produce the long-term expected rate of return by adding the long-term expected inflation rate of 3.5%

The discount rate used to measure the total pension liability was 8.00% as of June 30, 2015. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified by NRS. Based on that assumption, PERS's fiduciary net position at June 30, 2015, was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments (8%) was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2015.

At June 30, 2015, the District's proportionate share of the net pension liability is calculated using a discount rate of 8.00%. The following shows the sensitivity of the valuation of the District's proportionate share of the net pension liability assuming the discount rate was either 1% lower or 1% higher:

	1% Decrease in Discount Rate	Discount Rate	1% Increase in Discount Rate
Net Pension Liability	\$ 94,451,220	\$ 61,984,011	\$ 34,985,259

Detailed information about PERS fiduciary net position is available in the PERS CAFR, which is available on the PERS website, [www.nvpers.org](http://www.nvpers.org) under publications.

The Health District's proportionate share of the collective net pension liability was \$61,984,011, which represents 0.54090% of the collective net pension liability, which is a decrease from the previous year's proportionate share of 0.59147%. Contributions for employer pay dates within the fiscal year ending June 30, 2015, were used as the basis for determining each employer's proportionate share. Each employer's proportion of the net pension liability is based on their combined employer and member contributions relative to the total combined employer and member contributions for all employers for the period ended June 30, 2015.

For the period ended June 30, 2016, the District's pension expense was \$6,037,227 and its reported deferred outflows and inflows of resources related to pensions as of June 30, 2016, were as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 4,662,271
Net difference between projected and actual earnings on investments	-	3,357,465
Changes in proportion and differences between actual contributions and proportionate share of contributions	947,114	5,618,046
Contributions made subsequent to the measurement date	8,789,683	-

At June 30, 2015 the average expected remaining service life is 6.55 years.

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date totaling \$8,789,683 will be recognized as a reduction of the net pension liability in the year ending June 30, 2017. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

For the Year ending June 30,

2017	\$ (3,394,616)
2018	(3,394,616)
2019	(3,394,616)
2020	(157,708)
2021	(1,619,944)
2022	(729,168)

## **Note 9 - Postemployment Benefits Other Than Pensions (OPEB)**

### **Plan Description**

The Health 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 Health 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 Health 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 Health District are established and may be amended through negotiations between the Health District and the SEIU employee union.

The Health District pays approximately 90% percent of premiums for active employee coverage, an average of \$7,983 per active employee for the year ended June 30, 2016. Retirees in the Self-Funded Plan receive no direct subsidy from the Health 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 Health District.

The Health 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 2016, retirees were eligible for (\$323) per month subsidy after five years of service with a Nevada state or local government entity. The maximum monthly subsidy of \$161 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.



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.

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)	\$ 278,103	\$ 2,754,719	\$ 3,032,822
Interest on net OPEB obligation	64,827	642,134	706,961
Adjustment to ARC	(93,724)	(877,791)	(971,515)
Annual OPEB cost	249,206	2,519,062	2,768,268
OPEB contributions made	(205,589)	(315,836)	(521,425)
Increase in net OPEB	43,617	2,203,226	2,246,843
Net OPEB obligation, beginning of year	517,695	17,156,340	17,674,035
Net OPEB obligation, end of year	\$ 561,312	\$ 19,359,566	\$ 19,920,878

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

	Public Employee Benefit Program July 1, 2014	Clark County Self-Funded Health Benefit Plan July 1, 2014
Actuarial value of assets	N/A <sup>1</sup>	N/A <sup>1</sup>
Actuarial accrued liability (AAL)	\$ 5,001,318	\$ 21,385,060
Unfunded actuarial accrued liability (UAAL)	5,001,318	21,385,060
Funded ratio	0.0%	0.0%
Annual covered payroll	N/A <sup>2</sup>	33,603,681
UAAL as a percent of covered payroll	N/A <sup>2</sup>	63.6%

<sup>1</sup> No assets have been placed in trust

<sup>2</sup> The Public Employee Benefit Program is a close plan; and therefore, there are no current covered employees.

Clark County does not hold any funds on behalf of the Health District that are to be used to fund the Health District's future OPEB requirements. The Health 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 year ended June 30, 2016, 2015 and 2014 were as follows.

<u>For the Year Ended June 30,</u>	<u>Annual OPEB Cost</u>	<u>OPEB Contributions Made</u>	<u>Percentage Contributed</u>	<u>Net OPEB Obligation</u>
<b>Public Employee Benefit Program</b>				
2014	\$ 323,568	\$ 227,238	70.2%	\$ 366,448
2015	263,231	205,589	78.1%	517,695
2016	249,206	205,589	82.5%	561,312
<b>Clark County Self-Funded Health Benefit Plan</b>				
2014	2,936,879	323,336	11.0%	15,060,744
2015	2,505,037	315,836	12.6%	17,156,340
2016	2,519,062	315,836	12.5%	19,359,566

### Actuarial Methods and Assumptions

Projections of benefits are based on the substantive plans (the plan 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 Health 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:

	Public Employee Benefit Program	Clark County Self-Funded Health Benefit Plan
Actuarial valuation date	July 1, 2014	July 1, 2014
Actuarial cost method	Entry age, normal	Entry age, normal
Amortization method	Level dollar amount	Level dollar amount
Amortization period	30 years, open	30 years, open
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
Healthcare inflation rate	5%, ultimate	5%, ultimate

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

Actuarial valuations on 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.

### Note 10 - Encumbrances

The District utilizes encumbrance accounting in its governmental funds. Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which a purchase order, contract, or other commitment is issued. In general, unencumbered appropriations lapse at year end. Open encumbrances at fiscal year end are included in restricted, committed or assigned fund balance, as appropriate. Significant encumbrances included in governmental fund balances are as follows:

	Assigned Fund Balance
General Fund	\$865,590
Bond Reserve Fund	33,467
Capital Projects Fund	1,304,477
	\$ 2,203,534

In the general fund, \$655,484 of the total encumbrance balance was assigned to purchase administrative services and the remaining \$210,106 was assigned for capital improvements.



**FINANCIAL SECTION**

**Required Supplementary  
Information**

Southern Nevada Health District  
Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget to Actual - General Fund  
For the Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance
<b>Revenues</b>				
Contract services	\$ 94,753	\$ 172,235	\$ 107,729	\$ (64,506)
Fees for service	8,963,608	8,739,648	7,347,646	(1,392,002)
General receipts	205,500	205,500	468,043	262,543
Property tax	19,738,151	19,738,151	19,738,151	-
Regulatory revenue	19,122,500	19,122,500	21,925,405	2,802,905
Title XIX & other	1,018,536	1,018,536	1,091,225	72,689
<b>Total revenues</b>	<b>49,143,048</b>	<b>48,996,570</b>	<b>50,678,199</b>	<b>1,681,629</b>
<b>Expenditures</b>				
<b>Public health</b>				
<b>Clinical &amp; nursing services</b>				
Salaries and wages	5,055,260	5,561,469	5,060,293	(501,176)
Employee benefits	2,078,105	2,296,672	1,970,652	(326,020)
Services and supplies	5,784,894	5,640,477	7,022,775	1,382,298
<b>Total clinical &amp; nursing services</b>	<b>12,918,259</b>	<b>13,498,618</b>	<b>14,053,720</b>	<b>555,102</b>
<b>Environmental health</b>				
Salaries and wages	9,764,533	9,764,533	9,640,143	(124,390)
Employee benefits	4,138,320	4,138,320	3,820,673	(317,647)
Services and supplies	5,505,561	5,504,336	5,912,684	408,348
<b>Total environmental health</b>	<b>19,408,414</b>	<b>19,407,189</b>	<b>19,373,500</b>	<b>(33,689)</b>
<b>Community health</b>				
Salaries and wages	3,430,163	2,898,163	3,054,043	155,880
Employee benefits	1,353,163	1,123,977	1,089,578	(34,399)
Services and supplies	3,101,916	3,101,916	3,253,135	151,219
Capital outlay	-	-	11,826	11,826
<b>Total community health</b>	<b>7,885,242</b>	<b>7,124,056</b>	<b>7,408,582</b>	<b>284,526</b>
<b>Administration</b>				
Salaries and wages	7,284,869	7,284,869	6,959,667	(325,202)
Employee benefits	3,359,042	3,359,042	3,145,600	(213,442)
Services and supplies	(6,901,030)	(7,457,980)	(10,330,164)	(2,872,184)
Capital outlay	-	-	768,166	768,166
<b>Total administration</b>	<b>3,742,881</b>	<b>3,185,931</b>	<b>543,269</b>	<b>(2,642,662)</b>
<b>Total public health</b>	<b>43,954,796</b>	<b>43,215,794</b>	<b>41,379,071</b>	<b>(1,836,723)</b>
<b>Total Expenditures</b>	<b>43,954,796</b>	<b>43,215,794</b>	<b>41,379,071</b>	<b>(1,836,723)</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>5,188,252</b>	<b>5,780,776</b>	<b>9,299,128</b>	<b>3,518,352</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	556,950	-	85,163	85,163
Transfers out	(7,411,929)	(7,447,503)	(8,564,022)	(1,116,519)
Proceeds from capital asset disposal	-	-	3,183	3,183
<b>Total other financing sources (uses)</b>	<b>(6,854,979)</b>	<b>(7,447,503)</b>	<b>(8,475,676)</b>	<b>(1,028,173)</b>
<b>Change in Fund Balance</b>	<b>(1,666,727)</b>	<b>(1,666,727)</b>	<b>823,452</b>	<b>2,490,179</b>
<b>Fund Balance, Beginning of Year</b>	<b>11,566,501</b>	<b>11,566,501</b>	<b>16,412,942</b>	<b>4,846,441</b>
<b>Fund Balance, End of Year</b>	<b>\$ 9,899,774</b>	<b>\$ 9,899,774</b>	<b>\$ 17,236,394</b>	<b>\$ 7,336,620</b>

See notes to required supplementary information.

Southern Nevada Health District  
Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget to Actual - Special Revenue Fund  
For the Fiscal Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>				
Direct federal grants	\$ 5,572,196	\$ 5,572,196	\$ 6,260,778	\$ 688,582
Indirect federal grants	9,078,919	10,277,186	10,467,596	190,410
State grant funds	2,357,701	2,357,701	1,727,368	(630,333)
Other grant funds	79,207	1,725	-	(1,725)
	<u>17,088,023</u>	<u>18,208,808</u>	<u>18,455,742</u>	<u>246,934</u>
<b>Expenditures</b>				
<b>Public health</b>				
<b>Clinical &amp; nursing services</b>				
Salaries and wages	4,242,939	3,933,424	3,330,019	(603,405)
Employee benefits	1,846,419	1,710,610	1,298,660	(411,950)
Services and supplies	3,403,707	3,215,083	3,589,565	374,482
	<u>9,493,065</u>	<u>8,859,117</u>	<u>8,218,244</u>	<u>(640,873)</u>
<b>Environmental health</b>				
Salaries and wages	181,321	181,321	275,370	94,049
Employee benefits	78,679	78,679	101,612	22,933
Services and supplies	81,217	82,441	223,289	140,848
	<u>341,217</u>	<u>342,441</u>	<u>600,271</u>	<u>257,830</u>
<b>Community health</b>				
Salaries and wages	3,244,634	4,024,885	4,063,607	38,722
Employee benefits	1,402,480	1,736,665	1,588,540	(148,125)
Services and supplies	6,783,884	7,433,531	8,898,803	1,465,272
Capital outlay	-	25,000	116,964	91,964
	<u>11,430,998</u>	<u>13,220,081</u>	<u>14,667,914</u>	<u>1,447,833</u>
<b>Total Expenditures</b>	<u>21,265,280</u>	<u>22,421,639</u>	<u>23,486,429</u>	<u>1,064,790</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(4,177,257)</u>	<u>(4,212,831)</u>	<u>(5,030,687)</u>	<u>(817,856)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	4,177,257	4,212,831	5,119,117	906,286
Transfers out	-	-	(85,163)	(85,163)
	<u>4,177,257</u>	<u>4,212,831</u>	<u>5,033,954</u>	<u>821,123</u>
<b>Total other financing sources (uses)</b>	<u>4,177,257</u>	<u>4,212,831</u>	<u>5,033,954</u>	<u>821,123</u>
<b>Change in Fund Balance</b>	<u>-</u>	<u>-</u>	<u>3,267</u>	<u>3,267</u>
<b>Fund Balance, Beginning of Year</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balance, End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,267</u>	<u>\$ 3,267</u>

Southern Nevada Health District  
 Postemployment Benefits Other Than Pensions – Schedule of Funding Progress  
 For the Year Ended June 30, 2016

<u>Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Actuarial Accrued Liability (UAAL)</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>UAAL as a Percent of Covered Payroll</u>
<b>Public Employee Benefit Program</b>						
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>
July 1, 2014	N/A <sup>1</sup>	5,001,318	5,001,318	0.0%	N/A <sup>2</sup>	N/A <sup>2</sup>
<b>Clark County Self-funded Health Benefit Plan</b>						
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%
July 1, 2014	N/A <sup>1</sup>	21,385,060	21,385,060	0.0%	33,603,681	63.6%

<sup>1</sup> No assets have been placed in trust

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

Southern Nevada Health District  
Multiple-Employer Cost-Sharing Defined Benefit Pension Plan  
Proportionate Share of the Collective Net Pension Liability Information  
for the Year Ended June 30, 2016

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<u>For the Year Ended June 30</u>	<u>Proportion of the Collective Net Pension Liability</u>	<u>Proportion of the Collective Net Pension Liability</u>	<u>Covered Employee Payroll</u>	<u>Proportion of the Collective Pension Liability as a Percentage of covered Employee Payroll</u>	<u>PERS Fiduciary Net Position as a Percentage of Total Pension Liability</u>
2014	0.59147%	\$ 61,643,357	\$ 34,707,255	177.61000%	76.30000%
2015	0.54090%	61,984,011	32,508,190	190.67198%	75.13000%



Southern Nevada Health District  
Multiple-Employer Cost-Sharing Defined Benefit Pension Plan  
Proportionate Share of Statutorily Required Contribution Information  
for the Year Ended June 30, 2016 and Last Nine Fiscal Years<sup>4</sup>

<u>For the Year Ended June 30</u>	<u>Statutorily Required Contribution</u>	<u>Contributions in relation to the Statutorily Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Employee Payroll</u>	<u>Contributions as a Percentage of Covered Employee Payroll</u>
2015	\$ 8,310,257	\$ 8,310,257	\$ -	\$ 32,508,190	25.85000%
2016	8,789,683	8,789,683	-	32,917,342	26.70229%

<sup>4</sup> Information for the multiple-employer cost-sharing defined benefit pension plan is not available for years prior to the year ended June 30, 2015. As it becomes available this schedule will ultimately present information for the ten most recent fiscal years.  
See notes to required supplementary information.

**Note 1 - Postemployment Benefits Other Than Pensions**

For the year ended June 30, 2016, 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, 2014, July 1, 2012 and July 1, 2010.

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 revisions.

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

**Note 2 - Multiple-Employer Cost-Sharing Defined Benefit Pension Plan**

For the year ended June 30, 2016, there were no changes in the pension benefit plan terms to the actuarial methods and assumptions used in the actuarial valuation report dated June 30, 2015.

The actuarial valuation reports dated June 30, 2015 and 2014 are the only valuation to date of the multiple-employer cost-sharing defined benefit pension plan. As additional actuarial valuations are obtained these schedules will ultimately present information from the ten most recent valuations.

Additional pension plan information can be found at Note 9 to the basic financial statements.

**Note 3 - Budget Information**

The accompanying required supplementary schedules of revenues, expenditures and changes in fund balance for the general and major special revenue funds present the original adopted budget, the final amended budget, and actual data. The original budget was adopted on a basis consistent with financial accounting policies and with accounting principles generally accepted in the United States.

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



**FINANCIAL SECTION**

**Other Supplementary  
Information**



FINANCIAL SECTION >  
OTHER SUPPLEMENTARY INFORMATION

## Major Governmental Funds

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  
Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget to Actual - Bond Reserve Fund  
For the Fiscal Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues				
Interest income	\$ 30,000	\$ 40,000	\$ 47,361	\$ 7,361
Other income	-	-	200,000	200,000
Total revenues	<u>30,000</u>	<u>40,000</u>	<u>247,361</u>	<u>207,361</u>
Public health				
Administration	-	-	99,068	99,068
Capital outlay	-	11,911,421	12,031,315	119,894
Total Expenditures	<u>-</u>	<u>11,911,421</u>	<u>12,130,383</u>	<u>218,962</u>
Deficiency of Revenues Under Expenditures	<u>30,000</u>	<u>(11,871,421)</u>	<u>(11,883,022)</u>	<u>(11,601)</u>
Other Financing Sources				
Transfers in	<u>1,350,639</u>	<u>2,350,639</u>	<u>2,350,639</u>	<u>-</u>
Change in Fund Balance	1,380,639	(9,520,782)	(9,532,383)	(11,601)
Fund Balance, Beginning of Year	<u>4,411,448</u>	<u>9,589,814</u>	<u>9,589,814</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 5,792,087</u>	<u>\$ 69,032</u>	<u>\$ 57,431</u>	<u>\$ (11,601)</u>

Southern Nevada Health District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget to Actual - Capital Projects Fund  
 For the Fiscal Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues				
Interest income	\$ 40,000	\$ 40,000	\$ 103,252	\$ 63,252
Expenditures				
Public health				
Environmental health	-	-	150,831	150,831
Administration	-	-	34,813	34,813
Capital outlay	4,470,000	4,470,000	1,143,933	(3,326,067)
Total expenditures	4,470,000	4,470,000	1,329,577	(3,140,423)
Deficiency of Revenues Under Expenditures	(4,430,000)	(4,430,000)	(1,226,325)	3,203,675
Other Financing Sources				
Transfers in	-	-	300,000	300,000
Change in Fund Balance	(4,430,000)	(4,430,000)	(926,325)	3,503,675
Fund Balance, Beginning of Year	5,733,172	5,733,172	5,658,330	(74,842)
Fund Balance, End of Year	<u>\$ 1,303,172</u>	<u>\$ 1,303,172</u>	<u>\$ 4,732,005</u>	<u>\$ 3,428,833</u>



FINANCIAL SECTION >  
OTHER SUPPLEMENTARY INFORMATION

## **Proprietary Funds**



Southern Nevada Health District  
Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual -  
Southern Nevada Public Health Laboratory  
For the Fiscal Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Operating expenses				
Public health				
Salaries and wages	\$ 1,431,434	\$ 986,489	\$ 849,394	\$ (137,095)
Employee benefits	623,319	435,562	370,995	(64,567)
Services and supplies	1,165,672	869,067	601,373	(267,694)
Depreciation and amortization	176,000	176,000	133,026	(42,974)
Total operating expenses	<u>3,396,425</u>	<u>2,467,118</u>	<u>1,954,788</u>	<u>(512,330)</u>
Nonoperating revenues				
Interest earnings	5,300	5,300	7,196	1,896
Federal and state grants	974,307	-	83,760	83,760
Total nonoperating revenues	<u>979,607</u>	<u>5,300</u>	<u>90,956</u>	<u>85,656</u>
Loss before transfers	(2,416,818)	(2,461,818)	(1,863,832)	597,986
Transfers				
Transfers in	1,884,033	884,033	800,000	(84,033)
Transfers out	-	-	(5,734)	(5,734)
Total transfers	<u>1,884,033</u>	<u>884,033</u>	<u>794,266</u>	<u>(89,767)</u>
Change in net position	<u>(532,785)</u>	<u>(1,577,785)</u>	<u>(1,069,566)</u>	<u>508,219</u>
Net position, beginning of year			<u>(1,649,154)</u>	
Net position, end of year			<u>\$ (2,718,720)</u>	



FINANCIAL SECTION >  
OTHER SUPPLEMENTARY INFORMATION

## **Internal Service Funds**

**Southern Nevada Health District**  
 Schedule of Revenues, Expenses and Changes in Net Position - Budget to Actual -  
 Insurance Liability Reserve Fund  
 For the Fiscal Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Operating expenses				
Services and supplies	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ 212,377</u>	<u>\$ 112,377</u>
Nonoperating revenues				
Interest earnings	<u>5,300</u>	<u>5,300</u>	<u>14,407</u>	<u>9,107</u>
Loss before transfers	<u>(94,700)</u>	<u>(94,700)</u>	<u>(197,970)</u>	<u>(103,270)</u>
Transfers in	<u>100,400</u>	<u>100,400</u>	<u>-</u>	<u>(100,400)</u>
Change in net position	<u>5,700</u>	<u>5,700</u>	<u>(197,970)</u>	<u>(203,670)</u>
Net position, beginning of year			<u>786,576</u>	
Net position, end of year			<u>\$ 588,606</u>	



FINANCIAL SECTION >  
OTHER SUPPLEMENTARY INFORMATION

## **Agency Funds**

Southern Nevada Health District  
 Schedule of Changes in Assets and Liabilities - Employee Events Fund  
 For the Fiscal Year Ended June 30, 2016

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	<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2016</u>
<b>Assets</b>				
Cash and cash equivalents	<u>\$ -</u>	<u>\$ 10,021</u>	<u>\$ (5,433)</u>	<u>\$ 4,588</u>
<b>Liabilities</b>				
Amounts held for others	<u>\$ -</u>	<u>\$ 10,021</u>	<u>\$ (5,433)</u>	<u>\$ 4,588</u>



COMPREHENSIVE ANNUAL FINANCIAL REPORT  
**Statistical Section**

#### 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  
June 30, 2016

	<u>June 30, 2007</u>	<u>June 30, 2008</u>	<u>June 30, 2009</u>	<u>June 30, 2010</u>	<u>June 30, 2011</u>	<u>June 30, 2012</u>	<u>June 30, 2013</u>	<u>June 30, 2014</u>	<u>June 30, 2015</u>	<u>June 30, 2016</u>
Governmental activities										
Net investment in capital assets	\$ 12,740,560	\$ 11,723,864	\$ 10,905,724	\$ 9,769,370	\$ 9,816,149	\$ 9,194,972	\$ 8,390,904	\$ 7,543,782	\$ 13,671,622	\$ 26,334,588
Restricted	16,667	640,854	100,000	100,994	101,653				102,552	-
Unrestricted	16,108,148	23,928,363	27,070,175	34,460,513	30,200,767	15,892,860	20,578,594	14,041,178	(57,351,648)	(66,412,045)
Total governmental activities	<u>28,865,375</u>	<u>36,293,081</u>	<u>38,075,899</u>	<u>44,330,877</u>	<u>40,118,569</u>	<u>25,087,832</u>	<u>28,969,498</u>	<u>21,584,960</u>	<u>(43,577,474)</u>	<u>(40,077,457)</u>
Business-type activities										
Net investment in capital assets	1,637,230	1,546,682	1,301,831	1,135,113	966,051	862,310	891,941	780,011	664,144	564,508
Unrestricted	177,993	1,066,753	2,274,702	3,008,217	4,948,330	3,793,190	3,325,420	2,226,817	(2,313,301)	(3,283,228)
Total business-type activities	<u>1,815,223</u>	<u>2,613,435</u>	<u>3,576,533</u>	<u>4,143,330</u>	<u>5,914,381</u>	<u>4,655,500</u>	<u>4,217,361</u>	<u>3,006,828</u>	<u>(1,649,157)</u>	<u>(2,718,720)</u>
Primary government										
Net investment in capital assets	14,377,790	13,270,546	12,207,555	10,904,483	10,782,200	10,057,282	9,282,845	8,323,793	14,335,766	26,899,096
Restricted	16,667	640,854	100,000	100,994	101,653	-	-	-	102,552	-
Unrestricted	16,286,141	24,995,116	29,344,877	37,468,730	35,149,097	19,686,050	23,904,014	16,267,995	(59,664,949)	(69,695,273)
Total primary government	<u>\$ 30,680,598</u>	<u>\$ 38,906,516</u>	<u>\$ 41,652,432</u>	<u>\$ 48,474,207</u>	<u>\$ 46,032,950</u>	<u>\$ 29,743,332</u>	<u>\$ 33,186,859</u>	<u>\$ 24,591,788</u>	<u>\$ (45,226,631)</u>	<u>\$ (42,796,177)</u>

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



Southern Nevada Health District  
Changes in Net Position  
For the Year Ended June 30, 2016

	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016
Expenses										
Governmental activities										
Public health										
Clinical services										
Administration	\$ 2,288,338	\$ 2,440,021	\$ 2,786,755	\$ 2,590,645	\$ 2,622,911	\$ 2,841,367	\$ 2,593,440	\$ 1,433,550	\$ 1,470,459	\$ 1,161,576
Communicable diseases	6,758,899	7,938,929	7,933,975	7,619,766	7,907,690	7,651,569	8,052,327	7,923,595	10,689,358	5,621,758
Immunizations	11,522,381	11,022,254	11,357,315	11,454,155	10,259,728	5,234,679	5,332,565	5,728,235	7,172,666	8,573,021
Women's health	1,774,878	1,909,649	1,972,851	1,609,964	2,255,969	2,791,319	2,860,195	2,443,165	3,739,709	2,889,291
Children's health	2,511,536	2,016,251	2,196,650	2,297,208	2,431,534	2,447,825	2,646,539	2,747,687	3,654,468	3,575,167
Other clinical programs	488,175	200,888	-	-	-	-	-	-	-	-
Indirect cost allocation*	-	-	-	-	-	4,940,210	5,695,586	6,887,417	-	-
Environmental health										
Administration / General	9,941,857	11,501,992	12,844,003	12,251,212	12,767,225	12,937,138	13,194,888	12,240,237	15,993,672	3,759,335
Food	-	-	-	-	-	-	-	-	-	8,028,770
Plan review	-	-	-	-	-	-	-	-	-	2,360,029
Permits	-	-	-	-	-	-	-	-	-	3,039,407
Waste management	1,590,285	1,830,397	2,186,958	2,228,821	2,479,313	2,553,745	2,364,731	2,230,526	2,591,963	2,294,555
Underground storage tanks/Safe drinking water	408,450	480,521	451,712	463,513	599,153	685,653	610,696	445,646	508,745	580,828
Indirect cost allocation*	-	-	-	-	-	3,615,358	3,867,316	5,380,623	-	-
Community health										
Administration	233,435	153,913	257,760	277,793	677,353	1,266,661	1,641,676	645,539	464,501	554,212
Chronic disease prevention & health promotion	1,997,851	2,148,168	2,207,059	2,523,480	9,779,637	8,587,683	3,012,037	2,501,025	3,476,205	6,129,727
Epidemiology	1,440,716	1,220,115	1,164,790	1,120,337	1,322,758	1,156,060	948,386	1,119,115	1,712,007	1,280,849
Disease surveillance	-	-	-	-	-	-	-	-	-	5,174,953
Public health preparedness	3,541,232	4,154,798	4,400,431	8,859,153	4,782,010	3,204,142	3,262,330	3,215,357	3,623,055	3,944,196
EMS & trauma system	667,957	689,888	842,260	711,375	703,006	661,575	688,945	486,097	751,218	714,012
Vital statistics	-	-	-	-	-	-	-	1,560,084	2,120,039	2,413,741
Informatics	-	-	-	-	-	-	-	701,453	698,595	417,165
Public health laboratory	-	-	-	-	-	-	-	-	-	1,397,586
Indirect cost allocation*	-	-	-	-	-	3,365,266	3,475,882	4,258,815	-	-
Administration										
General administration	12,478,025	13,832,831	17,816,365	14,873,041	13,879,437	-	-	-	15,307,274	16,268,005
Food handler education	4,282,389	5,153,429	5,375,492	4,721,436	6,549,863	5,222,816	3,747,122	1,103,296	1,341,771	1,069,826
Disaster recovery	-	59,346	14,098	168,549	315,106	425,763	3,028,524	357,972	67,279	6,232
Vital records	1,511,914	1,734,859	1,521,507	1,438,658	1,537,187	1,536,027	1,492,597	989,609	907,598	948,631
Indirect cost allocation*	-	-	-	-	-	1,720,846	1,679,282	1,374,168	(13,381,918)	(16,994,995)
Total governmental activities	<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>	<u>62,908,664</u>	<u>65,207,877</u>
Business-type activities										
Southern Nevada Public Health Laboratory	<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>	<u>3,121,906</u>	<u>1,954,788</u>
Total primary government expenses	<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>	<u>\$ 66,030,570</u>	<u>\$ 67,162,665</u>

Southern Nevada Health District  
Changes in Net Position  
For the Year Ended June 30, 2016

	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2015
Program revenue										
Governmental activities										
Charges for services										
Public health										
Clinical services	\$ 5,128,326	\$ 4,894,049	\$ 5,155,316	\$ 5,015,114	\$ 3,649,384	\$ 5,118,453	\$ 3,293,069	\$ 3,622,983	\$ 4,258,585	\$ 4,947,831
Administration	97,604	99,875	26,079	22,895	1,975	1,581	1,514	1,794	544	-
Communicable diseases	855,954	344,531	393,439	482,704	450,102	1,851,045	365,208	359,583	355,968	-
Immunizations	3,215,235	3,419,535	3,450,964	3,325,161	2,542,668	2,648,802	2,330,862	2,576,480	3,183,901	-
Women's health	334,550	343,831	389,103	374,566	337,062	238,410	232,097	269,364	259,999	-
Children's health	146,272	432,722	707,089	809,788	317,577	378,615	363,388	415,762	458,173	-
Other clinical programs	478,711	253,555	188,642	-	-	-	-	-	-	-
Environmental health	11,640,194	15,253,068	16,000,615	16,581,098	16,821,783	17,012,268	18,225,953	17,740,588	17,872,918	18,926,729
Administration / General	10,093,788	13,689,283	14,606,507	14,960,474	14,642,351	15,206,888	16,487,562	16,003,349	16,266,915	-
Waste management	1,293,396	1,236,729	1,055,990	1,189,143	1,761,819	1,372,380	1,307,729	1,296,860	1,136,358	-
Underground storage tanks/Safe drinking water	253,010	327,056	338,118	431,481	417,613	433,000	430,662	440,379	469,645	-
Community health	591,266	194,018	190,429	692,872	93,577	109,482	86,805	2,577,990	3,206,711	3,833,917
Health education	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	725	-
EMS & trauma system	109,808	76,431	87,889	83,996	93,127	74,979	85,895	88,551	115,213	-
Vital statistics	-	-	-	-	-	-	-	2,489,339	3,090,773	-
Administration	7,849,182	9,731,625	8,418,030	8,839,836	8,618,326	8,322,894	5,761,484	2,681,610	2,782,738	2,820,147
General administration	-	17,826	-	-	-	-	-	-	80,353	-
Food handler education	5,553,365	7,002,294	5,845,969	6,359,945	6,063,387	5,834,530	3,321,440	2,681,610	2,702,385	-
Vital records	2,295,817	2,711,505	2,572,061	2,479,891	2,554,939	2,488,364	2,440,044	-	-	-
Operating grants and contributions	17,852,732	19,867,705	19,015,920	25,481,110	27,731,291	19,600,974	15,524,141	14,051,416	15,871,740	18,455,742
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total governmental activities	<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>	<u>43,992,692</u>	<u>48,984,366</u>
Business-type activities										
Southern Nevada Public Health Laboratory										
Charges for services	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	1,075,360	1,434,266	1,654,486	1,368,633	1,415,460	1,160,177	1,757,402	1,339,681	1,055,161	83,760
Capital grants and contributions	227,875	-	-	-	-	-	-	-	-	-
Total business-type activities	<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>	<u>1,055,161</u>	<u>83,760</u>
Total primary government program revenues	<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>	<u>\$45,047,853</u>	<u>\$49,068,126</u>
Net (expenses) program revenues										
Governmental activities	\$ (20,376,618)	\$ (18,547,784)	\$ (26,549,671)	\$ (18,599,076)	\$ (23,955,519)	\$ (22,681,631)	\$ (27,303,612)	\$ (25,098,624)	\$ (18,915,972)	\$ (16,223,511)
Business-type activities	(244,646)	(240,132)	(598,020)	(1,001,259)	(952,680)	(1,861,291)	(1,728,215)	(1,875,158)	(2,066,745)	(1,871,028)
Primary government	<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>	<u>\$ (20,982,717)</u>	<u>\$ (18,094,539)</u>

Southern Nevada Health District  
Changes in Net Position  
For the Year Ended June 30, 2016

	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2015
General revenues and other changes in net position										
Governmental activities										
Property tax allocation	\$ 22,450,600	\$ 25,473,000	\$ 28,182,950	\$ 24,942,525	\$ 21,406,846	\$ 5,692,534	\$ 32,167,828	\$ 17,988,360	\$ 18,916,518	\$ 19,738,151
Unrestricted investment income	1,006,472	1,552,946	1,633,740	958,966	961,355	755,742	267,114	336,701	333,079	579,627
Gain on disposal of capital assets						(3,219)	-	17,391	-	-
Miscellaneous		17,043	18,615	12,423	25,871	-	2,000	5,000	-	200,000
Transfers	(526,928)	(1,064,673)	(1,502,813)	(1,516,204)	(2,650,861)	(511,771)	(1,251,664)	633,366	-	(794,266)
Total governmental activities	<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>18,980,818</u>	<u>19,249,597</u>	<u>19,723,512</u>
Business-type activities										
Unrestricted investment income	10,693	27,205	58,307	49,662	72,870	93,317	38,412	27,109	19,392	7,196
Gain on disposal of capital assets						(2,678)	4,150	-	-	-
Transfers	526,928	1,064,673	1,502,813	1,516,204	2,650,861	511,771	1,251,664	633,366	-	794,266
Total business-type activities	<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>	<u>19,392</u>	<u>801,462</u>
Total primary government general revenues and other changes in net position	<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>\$ 19,645,443</u>	<u>\$ 19,268,989</u>	<u>\$ 20,524,974</u>
Change in net position										
Governmental activities	\$ 2,553,526	\$ 7,430,532	\$ 1,782,821	\$ 5,798,634	\$ (4,212,308)	\$ (16,748,345)	\$ 3,881,666	\$ (6,117,806)	\$ 333,625	\$ 3,500,001
Business-type activities	292,975	851,746	963,100	564,607	1,771,051	(1,258,881)	(438,139)	(1,210,533)	(2,047,353)	(1,069,566)
Primary government	<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>\$ (7,328,339)</u>	<u>\$ (1,713,728)</u>	<u>\$ 2,430,435</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  
For the Year Ended June 30, 2016

	<u>June 30, 2007</u>	<u>June 30, 2008</u>	<u>June 30, 2009</u>	<u>June 30, 2010</u>	<u>June 30, 2011</u> <sup>2</sup>	<u>June 30, 2012</u>	<u>June 30, 2013</u>	<u>June 30, 2014</u>	<u>June 30, 2015</u>	<u>June 30, 2016</u>
General Fund										
Reserved	\$ 2,067,574	\$ 1,636,429	\$ 1,700,863	\$ 723,788	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	19,528,050	26,595,141	25,177,271	31,685,852	-	-	-	-	-	-
Nonspendable	-	-	-	-	598,058	1,007,507	918,678	683,863	499,834	554,892
Assigned	-	-	-	-	407,366	-	-	-	100,591	865,590
Unassigned	-	-	-	-	27,327,045	12,374,570	20,157,560	12,178,843	15,812,503	15,815,912
Total general fund	<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>	<u>16,412,928</u>	<u>17,236,394</u>
Other governmental funds										
Reserved	\$ 147,190	\$ 507,542	\$ 603,261	\$ 401,413	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved										
Debt service funds		1,002,341	6,957,921	8,908,045	-	-	-	-	-	-
Capital projects funds	(209,441)	917,291	954,261	3,288,521	-	-	-	-	-	-
Nonspendable	-	-	-	-	-	-	-	-	-	140,599
Restricted	-	-	-	-	-	-	-	-	-	68
Committed	-	-	-	-	10,627,219	11,220,701	11,313,465	15,005,809	9,589,815	-
Assigned	-	-	-	-	4,641,199	7,526,560	6,534,951	6,318,172	5,658,330	4,652,037
Total other governmental funds	<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>	<u>\$15,248,145</u>	<u>\$ 4,792,704</u>

Southern Nevada Health District  
Changes in Fund Balance, Governmental Funds  
For the Year Ended June 30, 2016

	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016
<b>Revenues</b>										
Title XIX Medicaid	\$ 376,259	\$ 747,708	\$ 522,519	\$ 595,060	\$ 547,452	\$ 608,192	\$ 484,388	\$ 581,607	\$ 960,373	\$ 1,091,225
Vital records, immunizations and other medical services	6,341,619	6,593,273	6,349,205	5,963,518	5,581,494	5,200,688	4,866,325	5,345,986	6,145,834	7,347,646
Regulatory services	16,793,854	22,538,791	22,028,715	23,142,972	22,978,296	22,897,904	21,614,151	20,505,557	20,659,128	21,925,405
Program contract servicers	1,618,959	2,652,518	2,644,428	2,835,603	2,308,693	1,879,517	383,310	190,021	275,264	107,729
Property tax allocation	22,450,600	25,473,000	28,182,950	24,942,525	21,406,846	5,692,534	32,167,828	17,988,360	18,916,518	19,738,151
State funding	1,879,920	1,149,301	1,067,270	987,147	979,488	437,330	643,646	1,298,805	2,072,101	1,727,368
Indirect federal grants	7,879,797	8,630,562	9,134,335	13,947,975	9,463,763	8,092,743	9,874,038	9,579,076	10,740,902	10,467,596
Direct federal grants	1,590,603	1,651,603	1,637,192	2,351,437	10,105,237	10,995,381	4,649,249	2,331,346	3,395,167	6,260,778
Contributions and donations	4,131	11,803	27,148	12,556	13,777	39,717	18,273	29,081	48,481	14,193
Interest Income	991,110	1,535,460	1,615,024	948,105	949,201	742,274	258,661	329,168	325,710	565,220
Other	11,751	46,530	18,157	17,870	21,097	14,594	360,072	55,768	148,391	239,243
<b>Total Revenues</b>	<b>59,938,603</b>	<b>71,030,549</b>	<b>73,226,943</b>	<b>75,744,768</b>	<b>74,355,344</b>	<b>56,600,874</b>	<b>75,319,941</b>	<b>58,234,775</b>	<b>63,687,869</b>	<b>69,484,554</b>
<b>Expenditures</b>										
<b>Current</b>										
Public health										
Clinical services	18,917,693	19,221,694	20,834,398	20,003,301	19,527,890	19,926,399	20,607,106	19,514,256	24,901,457	22,271,964
Environmental health	11,989,911	13,572,009	15,242,682	14,875,882	14,901,773	15,206,451	15,310,788	14,271,660	18,175,211	20,124,602
Community health	7,706,454	8,091,703	8,606,149	12,339,907	16,786,519	14,393,695	9,214,932	9,627,126	12,248,152	21,947,706
Administration	16,272,804	18,808,328	21,199,574	17,174,676	20,231,785	18,697,521	21,008,563	18,704,279	3,824,094	(91,016)
<b>Total current</b>	<b>54,886,862</b>	<b>59,693,734</b>	<b>65,882,803</b>	<b>64,393,766</b>	<b>71,447,967</b>	<b>68,224,066</b>	<b>66,141,389</b>	<b>62,117,321</b>	<b>59,148,914</b>	<b>64,253,256</b>
<b>Capital outlay</b>										
Public health	1,580,900	946,771	906,512	627,100	1,363,248	754,194	1,131,572	267,560	7,796,976	14,072,204
<b>Total expenditures</b>	<b>56,467,762</b>	<b>60,640,505</b>	<b>66,789,315</b>	<b>65,020,866</b>	<b>72,811,215</b>	<b>68,978,260</b>	<b>67,272,961</b>	<b>62,384,881</b>	<b>66,945,890</b>	<b>78,325,460</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>3,470,841</b>	<b>10,390,044</b>	<b>6,437,628</b>	<b>10,723,902</b>	<b>1,544,129</b>	<b>(12,377,386)</b>	<b>8,046,980</b>	<b>(4,150,106)</b>	<b>(3,258,021)</b>	<b>(8,840,906)</b>
<b>Other financing sources (uses)</b>										
Transfers in	2,331,920	3,398,434	6,822,857	4,435,702	3,768,357	3,941,289	81,572	3,582,610	1,350,639	7,854,919
Transfers out	(2,858,848)	(4,663,107)	(8,525,670)	(6,001,906)	(6,719,218)	(4,753,060)	(1,333,236)	4,215,976	(1,350,639)	(8,649,185)
Proceeds from capital asset disposal								45,505	18,050	3,183
<b>Other financing sources (uses)</b>	<b>(526,928)</b>	<b>(1,264,673)</b>	<b>(1,702,813)</b>	<b>(1,566,204)</b>	<b>(2,950,861)</b>	<b>(811,771)</b>	<b>(1,251,664)</b>	<b>7,844,091</b>	<b>18,050</b>	<b>(791,083)</b>
<b>Change in fund balance</b>	<b>\$ 2,943,913</b>	<b>\$ 9,125,371</b>	<b>\$ 4,734,815</b>	<b>\$ 9,157,698</b>	<b>\$ (1,406,732)</b>	<b>\$ (13,189,157)</b>	<b>\$ 6,795,316</b>	<b>\$ 3,693,985</b>	<b>\$ (3,239,971)</b>	<b>\$ (9,631,989)</b>

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

Southern Nevada Health District  
Assessed and Estimated Actual Value of Taxable Property  
For the Year Ended June 30, 2016

Fiscal Year	Property Value Assessed			Total Direct Tax Rate	Total Real and Personal Estimated Market Value	Total Assessed Value as a Percentage of Total Estimated Market Value <sup>2</sup>
	Real	Personal	Total			
2007	\$87,405,015,147	\$5,954,162,886	\$93,359,178,033	0.6416	\$266,740,508,666	35.00%
2008	102,349,025,402	6,300,900,438	108,649,925,840	0.6391	310,428,359,543	35.00%
2009	106,988,178,756	5,817,306,838	112,805,485,594	0.6391	322,301,387,411	35.00%
2010	86,961,001,865	4,772,231,316	91,733,233,181	0.6391	262,094,951,946	35.00%
2011	60,420,431,199	3,706,515,345	64,126,946,544	0.6391	183,219,847,269	35.00%
2012	53,342,794,997	3,369,755,692	56,712,550,689	0.6391	162,035,859,112	35.00%
2013	48,963,146,030	4,303,923,931	53,267,069,961	0.6391	152,191,628,460	35.00%
2014	49,809,243,448	4,906,452,131	54,715,695,579	0.6391	156,330,558,814	35.00%
2015	57,491,891,230	5,009,798,428	62,501,689,658	0.6391	178,576,256,165	35.00%
2016	65,063,984,029	5,458,301,376	70,522,285,405	0.6391	201,492,244,014	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 - Direct and Overlapping Governments  
For the Year Ended June 30, 2016

	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016
County Direct Rate	0.6416	0.6391	0.6391	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
City Rates										
Boulder City	0.2038	0.2038	0.2188	0.2600	0.2600	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	0.7777	0.7715	0.7715	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	1.1687	1.1637	1.1637	1.1637	1.1637	1.1637	1.1637	1.1637	1.1637	1.1637
Unincorporated Town Rates										
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	0.0200
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	0.1094	0.1094	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	0.1222	0.1212	0.1212	0.0600	0.0200	0.0200	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
Other Special District Rates										
Boulder City Library	0.1555	0.1485	0.1485	0.1485	0.1595	0.1755	0.2030	0.2030	0.2030	0.2039
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	0.0496	0.0520	0.0039	0.0018	0.0023	0.0000	0.0000	0.0000	0.0000	0.0000
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	0.0582	0.0590	0.0581	0.0577	0.0575	0.0586	0.0585	0.0594	0.0594
Kyle Canyon Water District	0.0351	0.0346	0.0346	0.0346	0.0346	0.0000	0.0000	0.0000	0.0000	0.0000
Las Vegas Artesian Basin	0.0009	0.0008	0.0008	0.0011	0.0015	0.0000	0.0000	0.0000	0.0000	0.0000
Las Vegas / Clark County Library District	0.0866	0.0866	0.0866	0.0909	0.1011	0.0942	0.0942	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	0.0000	0.0000	0.0000	0.0000	0.0000
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
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. Per \$100 of assessed value. Nevada constitutional limit to any one area's combined tax rate of \$3.64.  
2. Source: State of Nevada, Department of Taxation's "Local Government Finance Redbook"

Southern Nevada Health District  
Principal Property Taxpayers  
For the Year Ended June 30, 2016

Taxpayer	2015			2006		
	Taxable Assessed Value	Rank	Approximate Percentage of Taxable Assess Valuation	Taxable Assessed Value	Rank	Approximate Percentage of Taxable Assess Valuation
MGM Mirage	\$ 3,164,727,682	1	5.06%	\$ 3,244,575,419	1	4.85%
NV Energy	2,005,977,837	2	3.21%	656,433,148	4	0.98%
Caesar's Entertainment Incorporated	1,623,779,567	3	2.60%			
Las Vegas Sands Corporation	997,888,951	4	1.60%			
Wynn Resort Limited	853,434,852	5	1.37%	405,069,669	8	0.61%
Station Casinos Incorporated	552,630,398	6	0.88%	441,315,596	7	0.66%
Boyd Gaming Corporation	292,763,981	7	0.47%	506,071,544	5	0.76%
Nevada Property 1 Limited Liability Company	275,029,024	8	0.44%			
Eldorado Energy Limited Liability Company	209,865,386	9	0.34%			
Hilton Grand Vacations	190,040,774	10	0.30%			
General Growth Properties				1,240,865,631	3	1.86%
Pulte Homes				372,171,914	9	0.56%
Focus Property Group				280,670,553	10	0.42%
Venetian Casino Resort Limited Liability Company				476,090,088	6	0.71%
Harrah's Club				1,383,216,922	2	2.07%
	<u>\$ 10,166,138,452</u>		<u>16.27%</u>	<u>\$ 9,006,480,484</u>		<u>13.92%</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  
For the Year Ended June 30, 2016

Fiscal Year Ended June 30,	Secured Roll County Tax Levied for the Fiscal Year	<u>Collected within the Fiscal Year of the Levy</u>		Collection in Subsequent Years	<u>Total Collections to Date</u>	
		Amount	Percent of Tax Levy		Total Tax Levy Collected	Percent of Total Tax Levy Collected to Tax Levy
2007	\$ 1,927,169,351	\$ 1,909,964,723	99.1073%	\$ 17,182,682	\$ 1,927,144,632	99.9987%
2008	2,178,689,682	2,144,481,519	98.4299%	34,064,062	2,178,477,525	99.9903%
2009	2,356,045,788	2,310,905,968	98.0841%	44,462,507	2,355,227,735	99.9653%
2010	2,265,426,817	2,216,524,825	97.8414%	48,127,001	2,263,940,041	99.9344%
2011	1,769,802,563	1,736,374,718	98.1112%	33,055,324	1,768,697,820	99.9376%
2012	1,600,936,965	1,576,913,229	98.4994%	23,597,684	1,598,977,389	99.8776%
2013	1,460,623,235	1,446,101,302	99.0058%	13,882,074	1,456,548,689	99.7210%
2014	1,467,944,839	1,453,563,810	99.0203%	13,430,932	1,464,181,356	99.7436%
2015	1,516,993,059	1,506,098,697	99.2818%	7,194,671	1,506,098,697	99.2818%
2016	1,582,884,063	1,572,445,147	99.3400%		<sup>3</sup> 1,506,098,697	99.3400%

1. Source: Clark County Treasurer

2. Amounts reported are for Clark County, which includes taxes received by Southern Nevada Health District.

3. Not available at time of printing.

Southern Nevada Health District  
Demographic and Economic Statistics  
For the Year Ended June 30, 2016

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For the Year Ended June 30,	Population	1 Per Capita Personal Income	2 School Enrollment	3 Unemployment Rate	4
2007	1,996,542	39,956	302,547	4.14%	
2008	1,986,145	39,478	308,745	5.17%	
2009	2,006,347	36,160	311,221	9.16%	
2010	2,036,358	36,057	309,442	12.98%	
2011	1,966,630	36,488	309,899	13.71%	
2012	2,008,654	38,713	308,377	12.32%	
2013	2,062,253	38,091	311,218	10.43%	
2014	2,102,238	39,533	314,598	8.78%	
2015	2,147,641		5 317,759	7.33%	
2016		5	5 320,186	6.41%	

- 
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  
For the Year Ended June 30, 2016

Employer	2016			2007		
	Employees	<sup>2</sup> Rank	Percentage of Total Clark County Employment	Employees	<sup>2</sup> Rank	Percentage of Total Clark County Employment
Clark County School District	35,000	1	3.77%	29,750	1	0.00%
Clark County, Nevada	8,750	2	0.94%	10,250	2	1.11%
Wynn Las Vegas, LLC	8,250	3	0.89%	8,750	4	0.95%
Bellagio, LLC	7,750	4	0.83%	9,250	3	1.00%
MGM Grand Hotel/Casino	7,750	5	0.83%	8,750	5	0.95%
Aria Resort and Casino, LLC	7,250	6	0.78%	-		
Mandalay Bay Resort and Casino	7,250	7	0.78%	7,750	6	0.84%
Venetian Casino Resorts, LLC	6,250	8	0.67%	5,750	7	0.62%
University of Nevada-Las Vegas	5,750	9	0.62%	-		
Caesars Palace	5,250	10	0.57%	5,750	9	0.62%
The Mirage Casino Hotel				5,750	8	0.57%
Las Vegas Metropolitan Police				<u>5,250</u>	10	<u>0.62%</u>
Total principal employers	<u>99,250</u>		<u>10.69%</u>	<u>97,000</u>		<u>10.48%</u>
Total employment in Clark County, Nevada	928,292			925,767		

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 and Program  
For the Year Ended June 30, 2016

	<u>June 30, 2007</u>	<u>June 30, 2008</u>	<u>June 30, 2009</u>	<u>June 30, 2010</u>	<u>June 30, 2011</u>	<u>June 30, 2012</u>	<u>June 30, 2013</u>	<u>June 30, 2014</u>	<u>June 30, 2015</u>	<u>June 30, 2016</u>
Function/program										
Governmental activities										
Public health										
Clinical services	162	177	172	163	166	164	166	153	147	117
Environmental health	140	158	156	148	142	146	164	139	143	142
Community health	49	54	55	53	50	48	56	59	58	95
Administration	135	151	152	146	149	153	129	110	106	107
Business-type activities										
Southern Nevada Public Health Laboratory	<u>10</u>	<u>10</u>	<u>14</u>	<u>15</u>	<u>15</u>	<u>15</u>	<u>17</u>	<u>16</u>	<u>14</u>	<u>14</u>
Total full-time equivalent employees	<u><u>496</u></u>	<u><u>550</u></u>	<u><u>549</u></u>	<u><u>525</u></u>	<u><u>522</u></u>	<u><u>526</u></u>	<u><u>532</u></u>	<u><u>477</u></u>	<u><u>468</u></u>	<u><u>475</u></u>

1. Source: Southern Nevada Health District Human Resources Department

Southern Nevada Health District  
Operating Indicators by Function and Program  
For the Year Ended June 30, 2016

	<u>June 30, 2007</u>	<u>June 30, 2008</u>	<u>June 30, 2009</u>	<u>June 30, 2010</u>	<u>June 30, 2011</u>	<u>June 30, 2012</u>	<u>June 30, 2013</u>	<u>June 30, 2014</u>	<u>June 30, 2015</u>	<u>June 30, 2016</u>
<b><i>Clinical services</i></b>										
Immunizations Total	270,326	273,662	302,982	200,142	189,468	203,712	157,448	142,244	125,975	125,491
Sexually Transmitted Diseases, HIV/AIDS										
Syphilis (Infectious)	314	277	289	230	356	266	348	481	610	811
Gonorrhea	2,260	2,207	1,576	1,697	1,618	1,809	2,147	2,254	2,874	3,231
Chlamydia	7,276	7,773	7,681	8,414	8,029	8,618	8,883	8,816	9,880	10,498
New HIV Cases	354	374	322	353	321	352	382	371	265	330
New AIDS Cases	229	225	234	217	184	205	218	202	118	176
<b><i>Environmental health</i></b>										
Food and beverage establishment inspections										
Routine (5D) (916)	25,229	25,229	24,486	27,030	21,061	21,165	23,114	22,670	22,280	22,951
Special event (5K) (917)	3,553	3,567	3,696	3,761	3,854	4,764	4,694	4,222	4,147	4,153
Complaint-driven (5H) (902)	2,370	1,800	1,517	1,409	1,690	1,492	2,043	1,784	1,815	1,725
Epi Related (5E) (674)	565	615	369	41	35	48	165	133	42	89
<b><i>Community health</i></b>										
Communicable Diseases										
Reported Diseases										
Hepatitis A	4	4	11	12	8	1	9	11	7	12
Hepatitis B (Acute)	40	28	33	34	30	7	22	15	12	20
Influenza	95	270	528	528	485	6	571	641	571	575
Pertussis	15	24	6	12	29	9	121	86	80	41
Amebiasis	9	10	11	5	13	2	9	4	5	10
Campylobacteriosis	119	135	107	120	98	51	78	89	103	107
E.Coli 0157:H7/Shiga-Toxin Producing E.Col	22	12	14	15	33	29	37	27	22	49
Giardia	71	94	75	67	60	24	61	43	45	35
Emergency medical services										
Active certifications										
First Responder	33	20	4	1	0	0	0	0	0	0
EMT-Basic	910	881	784	671	560	532	458	484	517	5,841
EMT-Intermediate	1,405	1,336	1,322	1,369	1,365	1,347	1,303	1,283	1,268	1,255
EMT-Paramedic	913	947	985	1,018	1,073	1,118	1,114	1,167	1,210	1,217
EMS-Instructors	382	389	383	356	353	338	336	331	342	348

Southern Nevada Health District  
Operating Indicators by Function and Program  
For the Year Ended June 30, 2016

	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016
<b>Epidemiology</b>										
<b>Reported Diseases</b>										
Amebiasis	0	10	11	5	13	2	9	4	5	10
Coccidioidomycosis	57	63	50	56	81	55	79	71	62	96
Cryptosporidiosis	0	16	1	4	12	0	5	5	1	5
Invasive Group A Strep	0	26	11	0	1	0	0	0	0	0
Invasive Strep Pneumoniae	0	5	1	2	47	27	54	75	0	123
Legionellosis	0	10	11	17	11	4	16	14	29	15
Listeriosis	0	6	2	1	1	1	1	4	2	0
Lyme Disease	0	9	4	1	2	3	2	5	4	6
Meningitis, Aseptic/Viral	54	61	47	32	41	14	26	49	40	20
Meningitis, Bacterial	18	21	11	7	9	2	6	13	18	26
Meningococcal Disease	3	6	1	4	2	0	0	2	1	3
Rotavirus	356	290	104	90	59	3	103	46	73	29
RSV	1,234	1,139	1,049	1,225	1,320	154	1,457	711	1,314	724
Salmonellosis	220	166	175	172	188	78	147	220	149	176
Shigellosis	109	159	144	57	40	25	58	43	28	43
Zika Virus Disease, Non-congenital	0	0	0	0	0	0	0	0	0	7
<b>Vital Statistics</b>										
Births	30,637	30,683	29,450	28,337	27,289	26,205	26,402	26,311	27,800	27,845
Deaths	13,687	12,595	13,560	13,701	14,388	14,770	15,159	15,109	16,105	16,845
<b>Administration</b>										
<b>Health cards issued</b>										
New	70,607	64,288	45,492	42,200	39,442	40,302	40,778	46,774	49,833	49,767
Renewal	70,772	62,604	58,949	70,657	60,081	58,142	65,273	60,141	59,819	64,459
Other (Non-Food and Duplicate Cards)	10,828	11,378	9,950	9,450	8,835	8,350	7,301	6,623	6,908	7,134

1. Source: Various Southern Nevada Health District Departments

Southern Nevada Health District  
Capital Asset Statistics by Function and Program  
For the Year Ended June 30, 2016

Function/program	<u>June 30, 2007</u>	<u>June 30, 2008</u>	<u>June 30, 2009</u>	<u>June 30, 2010</u>	<u>June 30, 2011</u>	<u>June 30, 2012</u>	<u>June 30, 2013</u>	<u>June 30, 2014</u>	<u>June 30, 2015</u>	<u>June 30, 2016</u>
Government activities										
Public health										
Clinical services	\$ 1,734,328	\$ 1,791,734	\$ 1,797,575	\$ 1,620,435	\$ 1,620,333	\$ 1,754,975	\$ 1,528,201	\$ 1,460,304	\$ 1,192,661	\$ 1,023,054
Environmental health	989,475	1,069,123	1,029,719	1,189,172	1,945,641	1,788,428	1,406,930	1,320,089	1,507,327	1,522,954
Community health	382,071	377,644	434,240	712,206	831,429	1,025,536	927,232	987,176	1,263,501	1,253,716
Administration	22,182,097	22,737,233	23,045,482	22,013,656	22,264,236	22,147,260	22,505,859	22,458,602	21,792,150	34,354,535
Business-type activities										
Southern Nevada Public Health										
Laboratory	2,032,365	2,134,430	2,245,520	2,286,992	2,311,467	2,382,536	2,550,084	2,598,917	2,555,542	2,588,931
	<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>	<u>\$ 28,311,181</u>	<u>\$ 40,743,190</u>

1. Source: Southern Nevada Health District Finance Department



COMPREHENSIVE ANNUAL FINANCIAL REPORT

# Compliance and Controls





**Independent Auditor's 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***

To the Board of Health and  
Director of Administration  
Southern Nevada Health District

We have audited, 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Southern Nevada Health District as of and for the year ended **June 30, 2016**, and the related notes to the financial statements, which collectively comprise Southern Nevada Health District's basic financial statements, and have issued our report thereon dated November 28, 2016.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Southern Nevada Health 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Southern Nevada Health District's internal control. Accordingly, we do not express an opinion on the effectiveness of Southern Nevada Health 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 entity's 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 over financial reporting was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control over financial reporting 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 may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Southern Nevada Health District's 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 financial statement amounts. 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*.

**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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

  
Las Vegas, Nevada  
November 28, 2016



CPAs & BUSINESS ADVISORS

**Independent Auditor's 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 Uniform Guidance**

To the Board of Health and  
Director of Administration  
Southern Nevada Health District

**Report on Compliance for Each Major Federal Program**

We have audited Southern Nevada Health District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Southern Nevada Health District's major federal programs for the year ended **June 30, 2016**. Southern Nevada Health District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the compliance for each of Southern Nevada Health 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the 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 Southern Nevada Health 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 Southern Nevada Health District's compliance.

**Opinion on Each Major Federal Program**

In our opinion, Southern Nevada Health District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs for the year ended **June 30, 2016**.


### **Report on Internal Control over Compliance**

Management of Southern Nevada Health District is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit of compliance, we considered Southern Nevada Health 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 the Uniform Guidance, 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 Southern Nevada Health District's internal control over compliance.

*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 compliance requirement will not be prevented, or detected and corrected, on a timely basis. *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.

Our consideration of internal control over compliance 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

  
Las Vegas, Nevada  
November 28, 2016

Southern Nevada Health District  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2016

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures	Amounts Passed- Through to Subrecipients
<u>Department of Health and Human Services</u>				
Passed through Nevada Department of Health and Human Services, Nevada State Health Division				
Public Health Emergency Preparedness CRI #15411	93.069	5U90TP000534-04	\$ 22,026	\$ -
Public Health Emergency Preparedness PAIS #15410	93.069	5U90TP000534-04	173,091	
Public Health Emergency Preparedness CRI #14995	93.069	5U90TP000534-04	481,184	
Public Health Emergency Preparedness PAIS #14994	93.069	5U90TP000534-04	2,296,386	
			<u>2,972,687</u>	<u>49,050</u>
Direct Program				
Environmental Public Health and Emergency Redspone	93.070		100,060	30,623
Passed through Nevada Department of Health and Human Services, Nevada State Health Division				
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (HPEP) Aligned Cooperative Agreements	93.074	3U90TP000534-03S2	93,596	
Passed through Department of Health and Human Services, Food and Drug Administration				
Food and Drug Administration Research	93.103	G-SP-1510-03235	2,891	
Food and Drug Administration Research	93.103	G-T-1510-03237	3,000	
Food and Drug Administration Research	93.103	5U50FD004334-04	4,661	
Food and Drug Administration Research	93.103	G-MP-1510-03310	9,122	
Food and Drug Administration Research	93.103	5U50FD004334-05	11,051	
			<u>30,725</u>	
Direct Program				
Food and Drug Administration Research	93.103		64,480	
Total Food and Drug Administration Research			<u>95,205</u>	
Direct Program				
Maternal and Child Health Federal Consolidated Programs	93.110		1,296	
Maternal and Child Health Federal Consolidated Programs	93.110		42,381	
			<u>43,677</u>	<u>20,933</u>
Passed through Department of Health and Human Services, Centers for Disease Control and Provention				
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	1U52PS004681-02	165,577	
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	1U52PS004681-01	170,902	
			<u>336,479</u>	
Direct Program				
Family Planning Services	93.217		209	
Family Planning Services	93.217		416,158	
Family Planning Services	93.217		825,028	
			<u>1,241,395</u>	
Passed through Department of Health and Human Services, Centers for Disease Control and Prevention				
Immunization Cooperative Agreements	93.268	1H23IP000943-01	35,250	
Immunization Cooperative Agreements	93.268	NH23IP000727-04-00	305,774	
Immunization Cooperative Agreements	93.268	5H23IP000727-03	341,576	
			<u>682,600</u>	

Southern Nevada Health District  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2016

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures	Amounts Passed- Through to Subrecipients
Passed through Department of Health and Human Services, Centers for Disease Control and Prevention				
Adult Viral Hepatitis Prevention and Control	93.270	5U51PS004092-04	9,509	
Adult Viral Hepatitis Prevention and Control	93.270	5u51ps004092-03	<u>12,277</u>	
			<u>21,786</u>	
Passed through Department of Health and Human Services, Centers for Disease Control and Prevention				
Centers for Disease Control and Prevention Investigations and Technical Assistance	93.283	U60CD303019	633	
Centers for Disease Control and Prevention Investigations and Technical Assistance	93.283	5U50OE000037.3	<u>42,049</u>	
			<u>42,682</u>	<u>35,000</u>
Direct Program				
Teenage Pregnancy Prevention Program	93.297		23,487	
Teenage Pregnancy Prevention Program	93.297		130,398	
Teenage Pregnancy Prevention Program	93.297		<u>609,766</u>	
			<u>763,651</u>	<u>192,293</u>
Passed through Department of Health and Human Services, Centers for Disease Control and Prevention				
National State Based Tobacco Control Programs	93.305	1U58DP006009	33,432	
National State Based Tobacco Control Programs	93.305	1U58DP006009-01	<u>146,972</u>	
			<u>180,404</u>	<u>37,558</u>
Passed through Department of Health and Human Services, Centers for Disease Control and Prevention				
CSELS Partnership: Strengthening Public Health Laboratories	93.322	1U60OE000103	<u>3,856</u>	
Direct Program				
Partnerships to Improve Community Health	93.331		1,291,770	
Partnerships to Improve Community Health	93.331		<u>1,986,983</u>	
			<u>3,278,753</u>	<u>2,563,768</u>
Passed through Department of Health and Human Services, Health Resources and Services Administration				
Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program	93.505	X02MC23117	<u>355,462</u>	<u>2,660</u>
Passed through Department of Health and Human Services, Centers for Disease Control and Prevention				
The Affordable Care Act: Building Epidemiology, Laboratory, and Health Information Systems Capacity in the Epidemiology and Laboratory Capacity for Infectious Disease (ELC) and Emerging Infections Program (EIP) Cooperative Agreements; PPHF	93.521	5U50CK000419-02	<u>124,837</u>	
Passed through Department of Health and Human Services, Administration for Children and Families				
Refugee and Entrant Assistance State Administered Programs	93.566	1502NVRCMA	53,949	
Refugee and Entrant Assistance State Administered Programs	93.566	1602NVRCMA	<u>127,622</u>	
			<u>181,571</u>	

Southern Nevada Health District  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2016

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures	Amounts Passed- Through to Subrecipients
Passed through Department of Health and Human Services, Centers for Disease Control and Prevention Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance - financed in part by the Prevention and Public Health Fund (PPHF)	93.733	1H23IP000989-01	<u>16,463</u>	
Passed through Department of Health and Human Services, Centers for Disease Control and Prevention State and Local Public Health Actions to Prevent Obesity, Diabetes, Heart Disease and Stroke (PPHF)	93.757	3U58DP004820	<u>20,000</u>	
Passed through Department of Health and Human Services, Centers for Disease Control and Prevention Domestic Ebola Supplement to the Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.815	3U50CK000419-01S2	<u>109,590</u>	
Passed through Department of Health and Human Services, Office of the Secretary Hospital Preparedness Program (HPP) Ebola Preparedness and Response Activities	93.817	1U3REP150510-01-00	<u>179,503</u>	
Passed through Department of Health and Human Services, Office of the Secretary National Bioterrorism Hospital Preparedness Program ASPR #15412	93.889	5U90TP000534-04	18,082	
National Bioterrorism Hospital Preparedness Program Program ASPR #14989	93.889	5U90TP000534-04	<u>659,519</u>	
			<u>677,601</u>	
Passed through Department of Health and Human Services, Health Resources and Services Administration HIV Emergency Relief Project Grants	93.914	H89HA06900	400,302	
HIV Emergency Relief Project Grants	93.914	H89HA06900	<u>868,425</u>	
			<u>1,268,727</u>	
Passed through Department of Health and Human Services, Health Resources and Services Administration HIV Care Formula Grants	93.917	X07HA00001-26-1	13,913	
HIV Care Formula Grants	93.917	X07HA00001-26-1	35,694	
HIV Care Formula Grants	93.917	X07HA00001-26-2	54,177	
HIV Care Formula Grants	93.917	X07HA00001-25	113,246	
HIV Care Formula Grants	93.917	X07HA00001-26	<u>146,597</u>	
			<u>363,627</u>	
Direct Program Healthy Start Initiative	93.926		130,882	
Healthy Start Initiative	93.926		<u>562,493</u>	
			<u>693,375</u>	<u>105,593</u>
Passed through Department of Health and Human Services, Health Resources and Services Administration Special Projects of National Significance	93.928	U90HA29237	<u>984</u>	

Southern Nevada Health District  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2016

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures	Amounts Passed- Through to Subrecipients
Passed through Department of Health and Human Services, Centers for Disease Control and Prevention				
HIV Prevention Activities Health Department Based	93.940	5U62PS003654-03	593,733	295,805
HIV Prevention Activities Health Department Based	93.940	5U62PS003654-04	766,181	74,866
			<u>1,359,914</u>	<u>370,671</u>
Passed through Department of Health and Human Services, Centers for Disease Control and Prevention				
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	93.944	5U62PS004024-04	55,825	
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	93.944	5U62PS004024-03	71,754	
			<u>127,579</u>	
Passed through Department of Health and Human Services, Substance Abuse and Mental Health Services Administration				
Block Grants for Prevention and Treatment of Substance Abuse	93.959	2B08TI010039-14	109,721	
Block Grants for Prevention and Treatment of Substance Abuse	93.959	2B08TI010039-15	314,897	
			<u>424,618</u>	
Passed through Department of Health and Human Services, Centers for Disease Control and Prevention				
Preventive Health Services Sexually Transmitted Diseases Control Grant	93.977	5H25PF004376-03	238,927	
Preventive Health Services Sexually Transmitted Diseases Control Grant	93.977	5H25PF004376-02	254,999	
			<u>493,926</u>	
Passed through Department of Health and Human Services, Health Resources and Services Administration				
Maternal and Child Health Services Block Grant to the States	93.994	B04MC26680	87,000	
Program income			13,865	
			<u>100,865</u>	
Total Department of Health and Human Services			<u>16,355,473</u>	<u>3,408,149</u>
<u>Department of Agriculture</u>				
Direct Program				
Farmers' Market and Local Food Promotion Program	10.168		73,137	
Passed through Department of Agriculture Food and Nutrition Service				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561		23,317	
Total Department of Agriculture			<u>96,454</u>	



Southern Nevada Health District  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2016

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures	Amounts Passed- Through to Subrecipients
<u>Department of Housing and Urban Development</u>				
Passed through Department of Housing and Urban Development Office of Healthy Homes and Lead Hazard Control				
Healthy Homes Technical Studies Grant	14.906	NVHUU0020-13	5,632	
Healthy Homes Technical Studies Grant	14.906	NVHUU0020-13	5,869	
Total Department of Housing and Urban Development			<u>11,501</u>	
<u>Environmental Protection Agency</u>				
Passed through Environmental Protection Agency Office of Water				
State Public Water System Supervision	66.432	F-00910516-1	125,000	
Passed through Environmental Protection Agency Office of Solid Waste and Emergency Response				
Underground Storage Tank Prevention, Detection and Compliance Program	66.804	DEP14-004	170,000	
Total Environmental Protection Agency			<u>295,000</u>	
<u>Department of Homeland Security</u>				
Passed through Department of Homeland Security Disaster Grants - Public Assistance (Presidentially Declared Disasters)				
	97.036	FEMA-4202-DR-NV	4,256	
Passed through Department of Homeland Security Homeland Security Biowatch Program				
	97.091	2013-OH-091-00000-03	15,000	
Total Department of Homeland Security			<u>19,256</u>	
Total Federal Financial Assistance			<u>\$ 16,777,684</u>	<u>\$ 3,408,149</u>

**Note A – Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Southern Nevada Health District (the “District”), and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The District, received federal awards both directly from federal agencies and indirectly through pass-through entities. Federal financial assistance provided to a sub-recipient is treated as an expenditure when it is paid to the sub-recipient.

**Note B – Significant Accounting Policies**

Governmental fund types account for the District’s federal grant activity included in the special revenue fund. Therefore, expenditures in the schedule of expenditures of federal awards are recognized on the modified accrual basis – when they become a demand on current available financial resources. Proprietary fund types account for the District’s federal grant activity included in the public health lab fund. Such expenditures are recognized on the accrual basis – when a liability is incurred. The District’s summary of significant accounting policies is presented in Note 1 in the District’s basic financial statements.

Southern Nevada Health District did not elect to use the 10% De Minimis indirect cost rate.

**Note C – Relationship to Basic Financial Statements**

Expenditures of federal awards have been included in the individual funds of the District as follows:

General Fund	\$	10,125
Special Revenue Fund		16,767,559
Total		\$ 16,777,684

**Section I – Summary of Auditor’s Results**

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**FINANCIAL STATEMENTS**

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Noncompliance material to financial statements noted?	No

**FEDERAL AWARDS**

Internal control over major program:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516:	No

**Identification of major programs:**

<u>Name of Federal Program</u>	<u>CFDA Number</u>
Public Health Emergency Preparedness	93.069
Family Planning - Services	93.217
Partnership to Improve Community Heal	93.331
Dollar threshold used to distinguish between type A and type B programs:	\$ 750,000
Auditee qualified as low-risk auditee?	No

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**Section II – Financial Statement Findings**

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None noted in the current year audit

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**Section III – Federal Award Findings and Questioned Costs**

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None noted in the current year audit

**2015-001 Financial Statement Finding**

**Timely reconciliation of bank accounts  
Type of Finding - Material Weakness**

*Initial Fiscal Year Finding Occurred:* 2015

*Finding Summary:* As of the end of August 2015, certain bank account reconciliations had not been completed since March and April, 2015.

*Status:* Corrective action was taken.

**2015-002 Department of Health and Human Services**

CFDA #93.331: Partnership to Improve Community Health - Direct

CFDA #93.297: Teenage Pregnancy Prevention Program – Direct

CFDA #93.940: HIV Prevention Activities Health Department Based – Passed through Nevada Department of Health and Human Services, Nevada State Health Division

**Compliance Requirement - Subrecipient monitoring  
Type of Finding - Significant Deficiency**

*Initial Fiscal Year Finding Occurred:* 2015

*Finding Summary:* Monthly reimbursement requests from subrecipients supplied insufficient supporting documentation for the expenditures to determine if the costs incurred were allowable per the subaward agreements.

*Status:* Corrective action was taken.

**2015-003 Department of Health and Human Services**

CFDA #93.217: Family Planning Services – Direct

CFDA #93.268: Immunization Cooperative Agreement – Passed through Nevada department of Health and Human Services

CFDA #93.297: Teenage Pregnancy Prevention Program – Direct

CFDA #93.737: Community Transformation Grant – Passed through Clark County School District

CFDA #93.914: HIV Emergency Relief Project Grants – Passed through Clark County, Nevada

CFDA #93.917: HIV Care Formula Grants – Passed through Nevada Department of Health and Human Services

CFDA #93.940: HIV Prevention Activities Health Department Based – Passed through Nevada Department of Health and Human Services

**Compliance Requirement - Allowable costs**  
**Type of Finding - Significant Deficiency**

*Initial Fiscal Year Finding Occurred: 2015*

*Finding Summary:* Review of time and effort reports, noted employees and supervisors were verifying hours prior to the end of the pay period. Also entering budgeted hours rather than actual hours worked. Issue remediated in November 2014.

*Status:* Corrective action was taken.

**2015-004**

**Department of Health and Human Services**

CFDA #93.217: Family Planning Services – Direct

CFDA #93.268: Immunization Cooperative Agreements – Passed through Nevada Department of Health and Human Services

CFDA #93.297: Teenage Pregnancy Prevention Program – Direct

CFDA #93.331: Partnerships to Improve Community Health – Direct

CFDA #93.737: Community Transformation Grants – Passed through Clark County School District

CFDA #93.914: HIV Emergency Relief Project Grants – Passed through Clark County, Nevada

CFDA #93.917: HIV Care Formula Grants – Passed through Nevada Department of Health and Human Services

CFDA #93.926: Health Start Initiative – Direct

CFDA #93.940: HIV Prevention Activities Health Department Based – Passed through Nevada Department of Health and Human Services

**Schedule of Expenditures of Federal Awards**  
**Type of Finding - Significant deficiency**

*Initial Fiscal Year Finding Occurred: 2015*

*Finding Summary:* The SEFA included indirect cost allocations, which are not federal expenditures and should therefore be excluded from the SEFA. The inclusion in the SEFA being overstated by \$2.8M. Additionally, certain federal grant expenditures were not included in the SEFA, increasing total federal expenditures by \$516,637.

*Status:* Corrective action was taken.



## Auditor's Comments

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

In connection with our audit of the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Southern Nevada Health District (the "District") as of and for the year ended June 30, 2016, and the related notes to the financial statements, except as noted below, nothing came to our attention that caused us to believe that the District, failed to comply with the specific requirements of Nevada Revised Statutes. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the District's noncompliance with the requirements of Nevada Revised Statutes cited below, insofar as they relate to accounting matters.

### CURRENT YEAR STATUTE COMPLIANCE

The District conformed to all significant statutory constraints on its financial administration during the year except for those items identified in Note 2 of the accompanying financial statements.

### PROGRESS ON PRIOR YEAR STATUTE COMPLIANCE


The District monitored all significant constraints on its financial administration during the year ended June 30, 2016.

### PRIOR YEAR RECOMMENDATIONS

The status of prior year recommendations is included in the Summary Schedule of Prior Year Findings accompanying the financial statements.

### CURRENT YEAR RECOMMENDATIONS

We noted no material weakness and reported no significant deficiencies in internal controls

  
Las Vegas, Nevada  
November 28, 2016