Financial Statements
June 30, 2020

Southern Nevada Health District

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Financial Section
June 30, 2020

Southern Nevada Health District

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Independent Auditor's Report

To 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, each major fund, and the aggregate remaining fund information of the Southern Nevada Health District (the Health District) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Health 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.

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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, each major fund, and the aggregate remaining fund information of the Health District, as of June 30, 2020, and the respective changes in financial position and, where, applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 13 as well as the respective budgetary comparison for the General Fund and the Special Revenue Fund, the schedules of changes in the Health District's total OPEB liability and related ratios, the schedule of the Health District's proportionate share of the net pension liability, and the schedule of District contributions for the Health District's defined benefit pension plan on pages 47 through 52 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 Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated November 20, 2020 on our consideration of the Health District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and

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other matters. The purpose of that report is solely 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 effectiveness of the Health District's 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 Health District's internal control over financial reporting and compliance.

Las Vegas, Nevada

November 20, 2020

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Management's Discussion and Analysis
June 30, 2020

Southern Nevada Health District

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As members of the Southern Nevada Health District's management, we offer the readers of the financial statements of Southern Nevada Health District (Health District) this narrative overview and analysis of the financial activities of the Health District for the fiscal year ended June 30, 2020.

Financial Highlights

The Health District's liabilities and deferred inflows of resources exceeded its assets and deferred outflows of resources at the close of the most recent fiscal year by $46,432,002. 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 decreased by $1,031,383, primarily due to expenditures related to the COVID-19 pandemic response efforts.

The Health District's total revenue increased by $8,466,978. This was primarily driven by increased volume of clients served, as well as increased special revenues. Expenses increased by $13,638,977, which reflects the costs of the pandemic response and increases in costs related to significant increases in the volume of clients served and the number and type of services offered at the District.

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, deferred outflows, liabilities and deferred inflows. The difference between these elements 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.

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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*). There were no business-type activities in 2020. The governmental activities of the Health District are comprised of the following divisions:

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

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

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

The government-wide financial statements can be found beginning on page 14 of this report.

<u>Fund Financial Statements</u>

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

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<u>Governmental Funds</u>

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 16 of this report.

<u>Proprietary Fund</u>

As of June 30, 2020, the Health District only maintains an internal service 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 and payment for current non-self-insured workers compensation premiums. 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 20 of this report.

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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 24 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 46 of this report.

Government-wide Overall Financial Analysis

Summary Statement of Net Position

	Governmental Activities	
	2020	2019
Assets		
Current and other assets	$ 42,107,452	$ 39,154,246
Net capital assets	27,079,094	25,592,254
Total assets	69,186,546	64,746,500
Deferred Outflows	17,140,401	11,713,307
Liabilities		
Short-term liabilities	13,380,419	8,940,170
Long-term liabilities	99,784,154	92,616,619
Total liabilities	113,164,573	101,556,789
Deferred Inflows	19,594,376	20,303,637
Net Position		
Net investment in capital assets	27,079,094	25,592,254
Restricted	292,583	131,421
Unrestricted	(73,803,679)	(71,124,294)
Total net position	$ (46,432,002)	$ (45,400,619)

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Total unrestricted net position represents negative 152% 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 reflects its investment in capital assets (*e.g.*, land, buildings, equipment, vehicles, infrastructure) and funds restricted for grants and insurance liability reserve. The Health District uses these capital assets to provide a variety of services to citizens. Accordingly, these assets are not available for future spending.

The Health District's total net position decreased by $1,031,383 primarily due to increased expenditures due to COVID-19 related costs.

Summary Statement of Changes in Net Position

	Governmental Activities	
	2020	2019
Revenues		
Program Revenues		
Charges for services	$ 42,978,314	$ 39,131,587
Operating grants and contributions	20,194,564	17,082,630
General Revenues		
Property tax allocation	23,820,035	22,334,163
Other income	1,318,441	1,203,646
Unrestricted investment income (loss)	1,312,965	1,405,315
Total Revenues	89,624,319	81,157,341
Expenses		
Public health		
Clinical services	35,337,389	28,810,743
Environmental health	22,580,630	21,195,190
Community health	23,603,772	24,292,355
Administration	9,133,911	2,718,437
Total Expenses	90,655,702	77,016,725
Change in Net Position	(1,031,383)	4,140,616
Net Position, Beginning	(45,400,619)	(49,541,235)
	$ (46,432,002)	$ (45,400,619)

Governmental Activities

During the current fiscal year, net position for governmental activities decreased $1,031,383 from the Restated 2019 fiscal year to an ending balance of negative $46,432,002.

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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, 2020, the Health District's governmental funds reported combined fund balances of $33,156,157, a decrease of $809,433 in comparison with the prior year. Approximately 83%, or $27,458,195 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: $1,583,331 is non-spendable; $5,914,146 is assigned to capital project improvements; restricted funds of $(2,867,135) is Grant-related; $1,087,802 is assigned to administrative projects.

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 $27,458,195, while the total fund balance is $30,019,146. 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 30% of total combined general fund and special revenue fund expenditures and transfers, while total governmental fund balance represents approximately 37% of the total governmental expenditures and transfers. The Health District's general fund balance increased by $2,139,908 during the current fiscal year, attributable to increased revenue (fees for services driven by increased volume of clients).

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 fiscal year 2016 to account for the grant funds the Health District receives and has a non-spendable and restricted fund balance of $(2,667,135). The negative balance is due to expenditures incurred for grant related operations not yet reimbursed, primarily for the two NCS structures built for COVID-19 housing and treatment. 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 an assigned fund balance of $3,258,770 at the end of the current fiscal year, which increased by $54,085 as compared to the prior fiscal year. This not a significant increase from the prior year. The Capital Projects Fund has $2,655,376 of fund balance assigned for future capital project improvements. Fund balance in the Capital Projects Fund decreased by $48,829, due to capital outlay expenditures.

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Fund Revenues by Source:

	2020		2019		Increase (Decrease)	
	Amount	Percent	Amount	Percent	Amount	Percent
General Fund Revenues						
Charges for services						
Fees for service	$22,688,171	33.35%	$18,035,009	28.70%	$ 4,653,162	25.80%
Regulatory revenue	19,615,152	28.84%	20,713,154	32.96%	(1,098,002)	-5.30%
Title XIX & other	674,991	0.99%	383,424	0.61%	291,567	76.04%
Total charges for services	42,978,314	63.18%	39,131,587	62.28%	3,846,727	9.83%
Intergovernmental revenues						
Property tax	23,820,035	35.02%	22,334,163	35.54%	1,485,872	6.65%
General receipts						
Contributions and donations	31,404	0.05%	23,930	0.04%	7,474	31.23%
Interest income	1,149,968	1.69%	1,199,099	1.91%	(49,131)	-4.10%
Other	45,461	0.07%	146,885	0.23%	(101,424)	-69.05%
Total general fund revenues	$68,025,182	100.00%	$62,835,664	100.00%	$ 5,189,518	8.26%
Special Revenue Fund Revenues						
Intergovernmental revenues						
Direct federal grants	$ 6,520,337	30.44%	$ 4,047,644	22.35%	$ 2,472,693	61.09%
Indirect federal grants	12,951,237	60.47%	12,930,951	71.39%	20,286	0.16%
State funding	691,586	3.23%	80,105	0.44%	611,481	763.35%
Total intergovernmental revenues	20,163,160	94.15%	17,058,700	94.18%	3,104,460	18.20%
Program Contract Services	1,253,851	5.85%	1,053,721	5.82%	200,130	18.99%
Total special fund revenues	$21,417,011	100.00%	$18,112,421	100.00%	$ 3,304,590	18.24%
Combined Special Revenue and General Funds	$89,442,193		$80,948,085		$ 8,494,108	

The increase in fees for services, including vital records, immunizations and other medical services and regulatory services, is due to increased numbers of patients.

The increase in the property tax allocation of $1,485,872 is due to a growing local economy, increases in property values, and subsequent increased property taxes. There is a 3% property tax cap on increases for all property in the State of Nevada.

The decrease in interest income was due to decreased fair market value compared to book value at year end from investments.

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	2020		2019		Increase(Decrease)	
	Amount	Percent	Amount	Percent	Amount	Percent
General Fund Expenditures						
Current						
Public health						
Clinical services	$ 26,290,075	42.51%	$ 21,828,976	40.36%	$ 4,461,099	20.44%
Environmental health	21,250,761	34.36%	20,655,575	38.19%	595,186	2.88%
Community health services	9,080,540	14.68%	10,833,653	20.03%	(1,753,113)	-16.18%
Administration	4,860,098	7.86%	535,972	0.99%	4,324,126	806.78%
Capital outlay						
Public health	361,840	0.59%	235,583	0.44%	126,257	53.59%
Total general fund expenditures	$ 61,843,314	100.00%	$ 54,089,759	100.00%	$ 7,753,555	14.33%
Special Revenue Fund Expenditures						
Current						
Public health						
Clinical services	$ 8,596,957	30.24%	$ 7,303,656	33.65%	$ 1,293,301	17.71%
Environmental health	837,016	2.94%	800,372	3.69%	36,644	4.58%
Community health services	13,653,855	48.03%	13,189,474	60.76%	464,381	3.52%
Administration	2,328,948	8.19%	259,410	1.20%	2,069,538	
					-	
Capital outlay						
Public health	3,010,947	10.59%	153,387	0.71%	2,857,560	1862.97%
Total special revenue fund expenditures	$ 28,427,723	100.00%	$ 21,706,299	100.00%	$ 6,721,424	30.97%
Combined General Funds & Special Revenue	$ 90,271,037		$ 75,796,058		$ 14,474,979	19.10%

General Fund Budget Highlights

Final budget compared to actual results

Current budget procedure allows funds to be moved within programs and departments. Revenues exceeded Budgeted amounts by $5,555,579. Fees generated from increased patient volume as well as increase from income generated from investments contributed to the overage.

Total budgeted expenditures exceeded actual amounts by $7,966,102. This was primarily driven by capital outlays of $2,266,126 for the Non-Congregate Shelter (NCS) project, with the remaining excess expenditures being due to unbudgeted services and supplies, much of which was related to the pandemic response.

Detailed information of budgeted revenue and expenditures and actual revenue and expenditures are included in the Supplementary Information on page 46 of the Financial Report.

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CAPITAL ASSETS

As of June 30, 2020, the Health District's net investment in capital assets for its governmental activities was $27,079,094. This investment in capital assets includes land, buildings and improvements, vehicles and equipment. The net increase in capital assets for the current fiscal year was approximately $1,486,840, or 6%, driven by construction in progress $2,756,698 primarily consisting of the two NCS Buildings.

Governmental activities	Balance June 30, 2019	Increases	Decreases	Transfers	Balance June 30, 2020
Total governmental activities	$ 25,592,254	$ 1,486,840	$ -	$ -	$ 27,079,094

The Health District deleted capital assets by $1,948,405. This included obsolete Office and Information Technology equipment as well as 3 District Vehicles.

Additional detailed information on the District's capital assets can be found in Note 4 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 a weakened financial position due to the COVID-19 pandemic. To properly respond and manage the pandemic, additional resources were required which included personnel, supplies, services and equipment.

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.

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 72.8% 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.

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At present, the Health District has the financial resources and capacity to maintain current service levels. However, this is the first year since Fiscal year 2011, that the Health District does not have a surplus of revenue over expenditures. To ensure operational viability the Health District must closely monitor revenues and expenditures.

Request for Information

These financial statements are 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: Chief Financial Officer
280 S. Decatur Blvd. P.O. Box 3902
Las Vegas, Nevada, 89127

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

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Basic Financial Statements
June 30, 2020

Southern Nevada Health District

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Government-Wide Financial Statements
June 30, 2020

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	Governmental Activities
Assets	
Cash and equivalents, unrestricted	$ 31,646,928
Restricted cash	89,000
Grants receivable	5,645,657
Accounts receivable	2,861,745
Interest receivable	112,502
Other receivable	168,289
Prepaid items	400,531
Inventories	1,182,800
Capital assets not being depreciated	
Land	3,447,236
Construction in progress	2,794,105
Capital assets, net of accumulated depreciation and amortization	
Buildings	15,294,280
Improvements other than buildings	1,725,799
Furniture, fixtures and equipment	3,504,741
Vehicles	312,933
Total assets	69,186,546
Deferred Outflows of Resources	
Deferred amounts related to pensions	15,242,521
Deferred amounts related to OPEB	1,897,880
	17,140,401
Liabilities	
Accounts payable	6,138,278
Accrued expenses	2,677,462
Workers compensation self-insurance claims	20,000
Unearned revenue	28,027
Long-term liabilities, due within one year	
Compensated absences	4,516,652
Long-term liabilities, due in more than one year	
Compensated absences	2,839,128
Net pension liability	73,866,832
Total OPEB liability	23,078,194
Total liabilities	113,164,573
Deferred Inflows of Resources	
Deferred amounts related to pensions	9,200,172
Deferred amounts related to OPEB	10,394,204
	19,594,376
Net Position	
Net investment in capital assets	27,079,094
Restricted	292,583
Unrestricted (deficit)	(73,803,679)
Total net position	$ (46,432,002)

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		Program Revenues		Net (Expenses) Revenues and Changes in Net Position Primary Government
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities
Function/Program				
Governmental activities				
Public health				
Clinical services	$ 35,337,389	$ 16,681,787	$ 7,154,577	$ (11,501,025)
Environmental health	22,580,630	19,145,483	730,765	(2,704,382)
Community health	23,603,772	4,441,854	10,797,440	(8,364,478)
Administration	9,133,911	2,709,190	1,511,782	(4,912,939)
Total governmental activities	90,655,702	42,978,314	20,194,564	(27,482,824)
Total function/program	$ 90,655,702	$ 42,978,314	$ 20,194,564	(27,482,824)
General Revenues				
Property tax allocation				23,820,035
Other income				1,318,441
Unrestricted investment income				1,312,965
Total general revenues and transfers				26,451,441
Change in Net Position				(1,031,383)
Net Position, Beginning of Year				(45,400,619)
Net Position, End of Year				$ (46,432,002)

Fund Financial Statements
June 30, 2020

Southern Nevada Health District

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	General Fund	Special Revenue Fund	Capital Projects Funds: Bond Reserve	Capital Projects Funds: Capital Projects	Total Governmental Funds
Assets					
Cash and cash equivalents	$ 25,532,748	$ -	$ 3,387,185	$ 2,655,428	$ 31,575,361
Grants receivable	-	5,645,657	-	-	5,645,657
Accounts receivable, net	2,851,522	-	-	10,223	2,861,745
Other receivables	168,289	-	-	-	168,289
Interest receivable	90,893	-	12,011	9,416	112,320
Due from other funds	5,996,327	-	1,153,764	-	7,150,091
Inventories	1,182,800	-	-	-	1,182,800
Prepaid items	380,349	20,182	-	-	400,531
Total assets	$ 36,202,928	$ 5,665,839	$ 4,552,960	$ 2,675,067	$ 49,096,794
Liabilities					
Accounts payable	$ 3,399,007	$ 1,391,860	$ 1,294,190	$ -	$ 6,085,057
Accrued payroll and related items	2,677,462	-	-	-	2,677,462
Unearned revenue	17,313	10,714	-	-	28,027
Due to other funds	-	7,130,400	-	19,691	7,150,091
Total liabilities	6,093,782	8,532,974	1,294,190	19,691	15,940,637
Fund Balances					
Nonspendable					
Inventories	1,182,800	-	-	-	1,182,800
Prepaid items	380,349	20,182	-	-	400,531
Restricted for					
Grants	-	203,583	-	-	203,583
Assigned to					
Capital improvements	-	-	3,258,770	2,655,376	5,914,146
Administration	1,087,802	-	-	-	1,087,802
Unassigned	27,458,195	(3,090,900)	-	-	24,367,295
Total fund balances	30,109,146	(2,867,135)	3,258,770	2,655,376	33,156,157
Total liabilities and fund balances	$ 36,202,928	$ 5,665,839	$ 4,552,960	$ 2,675,067	$ 49,096,794

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Total fund balance - governmental funds		$ 33,156,157
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, net of accumulated depreciation	27,079,094	
		27,079,094
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	(23,078,194)	
Deferred outflows related to postemployment benefits other than pensions	1,897,880	
Deferred inflows related to postemployment benefits other than pensions	(10,394,204)	
Compensated absences	(7,355,780)	
Net pension liability	(73,866,832)	
Deferred outflows related to pensions	15,242,521	
Deferred inflows related to pensions	(9,200,172)	
		(106,754,781)
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	87,528	
		87,528
Total net position - governmental activities		$ (46,432,002)

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	General Fund	Special Revenue Fund	Capital Projects Funds: Bond Reserve	Capital Projects Funds: Capital Projects	Total Governmental Funds
Revenues					
Charges for services					
Fees for service	$ 22,688,171	$ -	$ -	$ -	$ 22,688,171
Regulatory revenue	19,615,152	-	-	-	19,615,152
Title XIX & other	674,991	-	-	-	674,991
Intergovernmental revenues					
Property tax	23,820,035	-	-	-	23,820,035
Direct federal grants	-	6,520,337	-	-	6,520,337
Indirect federal grants	-	12,951,237	-	-	12,951,237
State funding	-	691,586	-	-	691,586
General receipts					
Contributions and donations	31,404	-	-	-	31,404
Interest income	1,149,968	-	54,085	104,166	1,308,219
Other	45,461	1,253,851	-	-	1,299,312
Total revenues	68,025,182	21,417,011	54,085	104,166	89,600,444
Expenditures					
Current					
Public health					
Clinical & nursing services	26,290,075	8,596,957	-	-	34,887,032
Environmental health	21,250,761	837,016	-	1,069	22,088,846
Community health	9,080,540	13,653,855	-	-	22,734,395
Administration	4,860,098	2,328,948	-	89,468	7,278,514
Total current	61,481,474	25,416,776	-	90,537	86,988,787
Capital outlay	361,840	3,010,947	-	62,458	3,435,245
Total expenditures	61,843,314	28,427,723	-	152,995	90,424,032
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,181,868	(7,010,712)	54,085	(48,829)	(823,588)
Other Financing Sources (Uses)					
Transfers in	169,356	4,225,471	-	-	4,394,827
Transfers out	(4,225,471)	(169,356)	-	-	(4,394,827)
Proceeds from capital asset disposal	14,155	-	-	-	14,155
Total other financing sources (uses)	(4,041,960)	4,056,115	-	-	14,155
Change in Fund Balance	2,139,908	(2,954,597)	54,085	(48,829)	(809,433)
Fund Balance, Beginning of Year	27,969,238	87,462	3,204,685	2,704,205	33,965,590
Fund Balance, End of Year	$ 30,109,146	$ (2,867,135)	$ 3,258,770	$ 2,655,376	$ 33,156,157

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Change in fund balances, governmental funds		$ (809,433)
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	3,435,245	
Less current year depreciation	(1,948,405)	
		1,486,840
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	(2,548,563)	
Change in deferred outflows related to postemployment benefits other than pensions	1,341,615	
Change in deferred inflows related to postemployment benefits other than pensions	1,087,388	
Change in compensated absences	(772,490)	
Change in deferred outflows related to pensions	4,085,479	
Change in deferred inflows related to pensions	(591,127)	
Change in net pension liability	(4,320,812)	
		(1,718,510)
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	9,720	
		9,720
Change in net position of governmental activities		$ (1,031,383)

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	Governmental Activities Insurance Liability Reserve
Assets	
Current Assets	
Cash and cash equivalents	$ 71,567
Restricted cash	89,000
Interest receivable	182
Total current assets	160,749
Liabilities	
Current Liabilities	
Accounts payable	53,221
Workers compensation self-insurance claims	20,000
Total current liabilities	73,221
Net Position	
Restricted	89,000
Unrestricted	(1,472)
Total net position	$ 87,528

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	Governmental Activities
	Insurance Liability Reserve
Revenues	
Other operating income	$ 4,974
Total operating revenues	4,974
Nonoperating Revenues	
Investment income	4,746
Total nonoperating revenues	4,746
Income Before Transfers	9,720
Change in Net Position	9,720
Net Position, Beginning of Year	77,808
Net Position, End of Year	$ 87,528

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	Governmental Activities Insurance Liability Reserve
Cash Flows from Operating Activities	
Operating income	$ 4,974
Cash Flows from Investing Activities	
Investment income	5,093
Change in Cash and Cash Equivalents	10,067
Cash, Restricted Cash and Cash Equivalents, Beginning of Year	150,500
Cash, Restricted Cash, and Cash Equivalents, End of Year	$ 160,567
Reconciliation of Operating Income to Net Cash from in Operating Activities	
Operating income	$ 4,974
Net Cash from Operating Activities	$ 4,974
Reconciliation of Cash Balances at End of Year:	
Unrestricted	$ 71,567
Restricted	89,000
	$ 160,567

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	Employee Events Fund
Assets	
Cash and cash equivalents	$ 10,439
Liabilities	
Amounts held for others	10,439
Total liabilities	$ 10,439

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Notes to Financial Statements
June 30, 2020

Southern Nevada Health District

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Note 1 - Summary of Significant Accounting Policies

The Reporting Entity

The accompanying financial statements include all of the activities that comprise the financial reporting entity of the Southern Nevada Health District (the 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.

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, proprietary, and fiduciary funds. Reconciliations between the governmental funds and the governmental activities 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. The effect of interfund activity has been removed from these statements.

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.

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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, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

The presentation emphasis in the fund financial statements is on major funds. All governmental funds are considered to be major funds and they are reported as separate columns in the fund financial statements.

The Health District reports the following major governmental funds:

General Fund. Accounts for all financial resources which are not 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 administration building.

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

Proprietary fund (internal service fund) 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 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 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.

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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 if they are collected within 60 days of the current fiscal year end 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 Health 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.

Inventories

Inventories are stated at the lower of cost or market. Cost is determined on an average cost basis. 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, 2020, the estimated value of such vaccines in the Health District's possession was $907,920.

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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 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

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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 the general fund.

Postemployment Benefits Other Than Pensions (OPEB)

The Health District recognizes OPEB amounts for all benefits provided through the plans which include the total OPEB liability, deferred outflows and resources, deferred inflows of resources, and OPEB expense.

For the purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense have been determined on the same basis as they are reported by PEPB. For this purpose, benefit payments are recognized by the Health District when due and payable in accordance with the benefit terms.

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

Deferred outflows of resources 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. Deferred outflows for the changes in proportion and differences between actual pension contributions and the Health District's proportionate share of pension contributions are deferred and amortized over the average expected remaining

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service life of all employees that are provided with pension benefits. Deferred outflows for pension contributions made by the Health District subsequent to the pension plan's actuarial measurement date are deferred for one year. Deferred outflows for the difference between actual and expected experience in the total OPEB liability are deferred and amortized over the average expected remaining service life of all employees that are provided with health benefits.

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 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, 2) the net difference between projected and actual earnings on pension plan investments, which are deferred and amortized over five years, and 3) changes in assumptions or other inputs to the total OPEB liability which are deferred and amortized over the average expected remaining service life of all employees that are provided with health benefits.

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 Health District's highest level of decision-making authority. Those constraints remain binding unless removed or changed in the same manner employed to previously commit those resources.

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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 made during the year ended June 30, 2020, 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.

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Upon approval by the Board of Health, the tentative budget is submitted to Clark County where it is included in 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 internal service fund, special revenue fund or the individual capital projects funds. The sum of operating and nonoperating expenses in the internal service fund may not exceed total appropriations. At June 30, 2020, the Health District reported the following expenditures over appropriations:

The District's Special Revenue Fund expenditures for the public health function exceeded appropriations by $8,103,459. This is driven by the fact that services and supplies were underbudgeted.

NRS 354.598005 states budget appropriations in excess of budget may be transferred between funds with Board approval. The District made transfers of $3,138,524 in excess of the amount budgeted from the General Fund to the Special Revenue Fund, and of $163,556 in excess of the amount budgeted from the Special Revenue Fund to the General Fund, without obtaining Board approval. Cost allocations and transfers were not properly accounted for in the original budget.

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, 2020, 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.

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Clark County Investment Pool

The Health District participates in Clark County's investment pool. At June 30, 2020, 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 Health 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.

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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. 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, 2020, all of the Health District's investments held by the Clark County Treasurer 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, 2020, the carrying amount and market value of the Health District's investments in the Clark County Investment Pool was $31,645,578.

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Combined Cash and Cash Equivalents

At June 30, 2020, the Health District's cash and cash equivalents were as follows:

Cash on hand	$ 11,789
Restricted cash	89,000
Clark County Investment Pool	31,645,578
Total cash and investments	$ 31,746,367

At June 30, 2020, the Health District's cash and cash equivalents were presented in the District's financial statements as follows:

Governmental funds	$ 31,575,361
Proprietary fund	160,567
Fiduciary fund	10,439
Total cash and investments	$ 31,746,367

Note 4 - Capital Assets

Changes in capital assets for the year ended June 30, 2020, were as follows:

	Balance June 30, 2019	Increases	Decreases	Transfers	Balance June 30, 2020
Governmental Activities					
Capital Assets Not Being Depreciated or Amortized					
Construction in progress	$ 451,074	$ 2,756,698	$ -	$ (413,666)	$ 2,794,106
Land	3,447,236	-	-	-	3,447,236
Total capital assets not being depreciated	3,898,310	2,756,698	-	(413,666)	6,241,342
Capital Assets Being Depreciated or Amortized					
Buildings	18,395,743	109,213	-	2,525	18,507,481
Improvements other than buildings	4,744,786	41,322	-	-	4,786,108
Furniture, fixtures and equipment	13,860,650	441,559	-	411,141	14,713,350
Vehicles	953,445	86,453	(21,884)	-	1,018,014
Total capital assets being depreciated or amortized	37,954,624	678,547	(21,884)	413,666	39,024,953
Accumulated Depreciation and Amortization					
Buildings	(2,591,164)	(622,038)	-	-	(3,213,202)
Improvements other than buildings	(2,808,029)	(252,279)	-	-	(3,060,308)
Furniture, fixtures and equipment	(10,247,117)	(961,492)	-	-	(11,208,609)
Vehicles	(614,370)	(112,596)	21,884	-	(705,082)
Total accumulated depreciation and amortization	(16,260,680)	(1,948,405)	21,884	-	(18,187,201)
Total capital assets being depreciated or amortized, net	21,693,944	(1,269,858)	-	413,666	20,837,752
Total Governmental Activities	$ 25,592,254	$ 1,486,840	$ -	$ -	$ 27,079,094

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For the year ended June 30, 2020, depreciation expense was charged to the following functions and programs:

Governmental Activities		
Clinical services	$	60,867
Environmental health		11,883
Community health		313,400
Administration		1,562,255
Total depreciation expense, governmental activities	$	1,948,405

Note 5 - Interfund Balances and Transfers

Transfers in and out for the year ended June 30, 2020 are as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Special Revenue Fund	$ 5,976,636
Bond Reserve	Special Revenue Fund	1,153,764
General Fund	Capital Projects	19,691
		$ 7,150,091

These balances result from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system and (3) payments between funds are made.

Interfund transfers for the year ended June 30, 2020, consisted of the following:

Transfers Out of Fund	Transfers In to Fund	Amount
General Fund	Special Revenue Fund	$ 4,225,471
Special Revenue Fund	General Fund	169,356
		$ 4,394,827

Transfers from were used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds, and finance the administrative cost allocation to other funds, in accordance budgetary authorization.

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Note 6 - 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 January 31, 2025. For the year ended June 30, 2020, rent expense and expenditures totaled $687,762. 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,	
2021	$ 637,171
2022	71,764
2023	70,112
2024	65,677
2025	29,898
	$ 874,622

Note 7 - Changes In Long-Term Liabilities

Long-term liabilities activity for the year ended June 30, 2020, was as follows:

	Balance June 30, 2019	Increases	Decreases	Balance June 30, 2020	Due Within One Year
Governmental Activities					
Compensated absences	$ 6,583,290	$ 880,026	$ (107,536)	$ 7,355,780	$ 4,516,652

Compensated absences typically have been liquidated by the general fund.

Note 8 - Risk Management

The Health District, like any governmental entity, is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters.

The Health District has joined together with similar public agencies (cities, counties and special districts) throughout the State of Nevada to create a pool under the Nevada Interlocal Cooperation Act. The Nevada Public Agency Pool Insurance (Pool) is a public entity risk pool currently operating as a common risk management and insurance program for its members.

The Health District pays an annual premium and specific deductibles, as necessary, to the Pool for its general insurance coverage. The Pool is considered a self-sustaining risk pool that will provide coverage for its members for up to $10,000,000 per insured event with a $10,000,000 annual aggregate per member. Additionally, coverage includes data security events up to a maximum of $2,000,000 per event. Property, crime and equipment breakdown coverage is provided to its members up to $300,000,000 per loss with various sublimits established for earthquake, flood, equipment breakdown, and money and securities.

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The Health District is also exposed to risks of loss related to injuries of employees. The Health District has joined together with similar public agencies (cities, counties and special districts) throughout the State of Nevada to create a pool under the Nevada Interlocal Cooperation Act.

The Health District pays premiums based on payroll costs to the pool, commonly referred to as the PACT, for its workers compensation insurance coverage. The PACT is considered a self-sustaining risk pool that will provide coverage for its members based on established statutory limits. The PACT obtains independent coverage for insured events in excess of the aforementioned limits.

The Health District continues to carry commercial insurance for other risks of loss not covered by the Pool (bonding and boiler coverage) and employee health and accident insurance. Amounts in excess of insurance coverage for settled claims resulting from these risks were minimal over the past three fiscal years.

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 9 - 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, and July 1, 2015. 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% service time factor and for regular members entering PERS on or after July 1, 2015, there is a 2.25% factor. PERS offers

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

The normal ceiling limitation on 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.

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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.

Effective July 1, 2019, the required contribution rates for regular members was 15.25% and 29.25% for employer/employee matching and EPC, respectively. The Health District's portion of contributions was $5,876,235 for the year ended June 30, 2020.

PERS collective net pension liability was measured as of **June 30, 2019**, 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 2017), applied to all periods included in the measurement:

Inflation rate	2.75%
Productivity pay increase	0.50%
Investment rate of return	7.50%
Actuarial cost method	Entry age normal and level percentage of payroll
Projected salary increases	Regular: 4.25% to 9.15%, depending on service Police/Fire: 4.55% to 13.90%, depending on service Rates include inflation and productivity increases
Other assumptions	Same as those used in the June 30, 2019 funding actuarial valuation

Mortality rates (Regular and Police/Fire) – For healthy members it is the Headcount-Weighted RP-2014 Healthy Annuitant Table projected to 2020 with Scale MP-2016, set forward one year for spouses and beneficiaries. For ages less than 50, mortality rates are based on the Headcount – Weighted RP-2014 Employee Mortality Tables. Those mortality rates are adjusted by the ratio of the mortality rate for healthy annuitants at age 50 to the mortality rate for employees at age 50. The mortality rates are then projected to 2020 with Scale MP-2016.

The mortality table used in the actuarial valuation to project mortality rates for all disabled regular members is the Headcount – Weighted RP-2014 Disabled Retiree Table, set forward four years.

For pre-retirement members it is the Headcount – Weighted RP-2014 Employee Table, projected to 2020 with Scale MP-2016.

The RP-2014 Headcount-Weighted Mortality Tables, set forward one year for spouses and beneficiaries, reasonably reflect the projected mortality experience of the Plan as of the measurement date. The additional projection of 6 years is a provision made for future mortality improvement.

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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, 2019**:

Asset Class	Target Allocation	Long-term Geometric Expected Real Rate of Return *
U.S. stocks	42%	5.50%
International stocks	18%	5.50%
U.S. bonds	28%	0.75%
Private markets	12%	6.65%

* These geometric return rates are combined to produce the long-term expected rate of return by adding the long-term expected inflation rate of 2.75%

The discount rate used to measure the total pension liability was 7.50% as of **June 30, 2019**. 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, 2019**, 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 (7.50%) was applied to all periods of projected benefit payments to determine the total pension liability as of **June 30, 2019**.

At June 30, 2020, the Health District's proportionate share of the net pension liability is calculated using a discount rate of 7.50%. The following shows the sensitivity of the valuation of the Health 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 (6.50%)	Discount Rate (7.50%)	1% Increase in Discount Rate (8.50%)
Net Pension Liability	$ 114,373,850	$ 73,866,832	$ 40,195,222

Detailed information about PERS fiduciary net position is available in the PERS CAFR, which is available on the PERS website, www.nvpers.org under publications.

The Health District's proportionate share of the collective net pension liability was $73,866,832, which represents 0.54171% of the collective net pension liability, which is an increase from the previous year's proportionate share of 0.50995%. Contributions for employer pay dates within the fiscal year ending **June 30, 2019**, were used as the basis for determining each employer's proportionate share.

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For the period ended June 30, 2020, the Health District's pension expense was $6,702,459 and its reported deferred outflows and inflows of resources related to pensions as of June 30, 2020, were as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 2,130,595
Net difference between projected and actual earnings on investments	2,769,922	3,674,610
Changes in proportion and differences between actual contributions and proportionate share of contributions	3,590,289	3,394,967
Change in assumptions	3,006,075	-
Contributions made subsequent to the measurement date	5,876,235	-
	$ 15,242,521	$ 9,200,172

Average expected remaining service life is 6.18 years.

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date totaling $5,876,235 will be recognized as a reduction of the net pension liability in the year ending June 30, 2021. 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,	
2021	$ (750,204)
2022	(1,904,324)
2023	640,450
2024	1,074,020
2025	952,947
2026	153,225
	$ 166,114

Note 10 - Postemployment Benefits Other Than Pensions (OPEB)

General Information about the Other Post Employment Benefit (OPEB) Plans

Plan Description: The Health District subsidizes eligible retirees' contributions to the Public Employees' Benefits Plan (PEBP), a non-trust, agent multiple-employer defined benefit postemployment healthcare plan administered by the State of Nevada. NRS 287.041 assigns the authority to establish and amend benefit provisions to the PEBP nine-member board of trustees. The plan is now closed to future retirees, however, district employees who previously met the eligibility requirement for retirement within the Nevada Public Employee Retirement System had the option upon retirement to enroll in coverage under the PEBP with a subsidy provided by the Health District as determined by their number of years of service. The PEBP issues a publicly available financial report that includes financial statements and required supplementary information.

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That report may be obtained by writing to Public Employee's Benefits Program, 901 S. Stewart Street, Suite 1001, Carson City, NV, 89701, by calling (775) 684-7000, or by accessing the website at www.pebp.state.nv.us/informed/financial.htm.

Plan Description: The Retiree Health Program Plan (RHPP) is a non-trust, single-employer defined benefit postemployment healthcare plan administered by Clark County, Nevada. Retirees may choose between Clark County Self-Funded Group Medical and Dental Benefits Plan (Self-Funded Plan) and a health maintenance organization (HMO) plan.

Benefits Provided

PEBP plan provides medical, dental, prescription drug, Medicare Part B, and life insurance coverage to eligible retirees and their spouses. Benefits are provided through a third-party insurer.

RHPP provides medical, dental, prescription drug, and life insurance coverage to eligible active and retired employees and beneficiaries. Benefit provisions are established and amended through negotiations between the respective unions and the Health District.

Employees Covered by Benefit Terms

At June 30, 2018, the following employees were covered by the benefit terms:

	PEBP	RHPP	Total all Plans
Inactive employees or beneficiaries currently receiving benefit payments	77	69	146
Active employees	-	476	476
Covered spouses	-	17	17
Total	77	562	639

As of November 1, 2008, PEBP was closed to any new participants.

Total OPEB Liability

The Health District's total OPEB liability of $23,078,194 was measured as of **June 30, 2019**, and was determined by an actuarial valuation as of that date.

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Actuarial assumptions and other inputs: The total OPEB liability for all plans as of June 30, 2020 was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	3.50%
Pre-Medicare Trend Rate	Select: 6.5%, Ultimate 4.5%
Post-Medicare Trend Rate	Select: 5.5%, Ultimate 4.5%
Mortality Table	RP-2014 generational table, back-projected to 2006, then scaled using MP-2018, applied on a gender-specific basis.
Termination Tables	2018 NPERS Actuarial Valuation
Retirement Tables	2018 NPERS Actuarial Valuation

Rationale for Assumptions:

The demographic assumptions are based on the Nevada PERS Actuarial Experience Study for the period from July 1, 2006 through June 30, 2012. Salary scale and inflation assumptions are based on the Nevada PERS Actuarial Experience Study for the period from July 1, 2012 through June 30, 2018.

Changes in the Total OPEB Liability

	PEBP	RHPP	Total OPEB Liability
Balance recognized at June 30, 2019	$ 3,781,543	$ 16,748,088	$ 20,529,631
Changes Recognized for the Fiscal Year			
Service Cost	-	865,693	865,693
Interest	142,210	675,421	817,631
Differences between expected and actual experience	196,172	-	196,172
Changes in assumptions	-	1,204,893	1,204,893
Benefit payments	(213,733)	(322,093)	(535,826)
Net Changes	124,649	2,423,914	2,548,563
Balance Recognized at June 30, 2020	$ 3,906,192	$ 19,172,002	$ 23,078,194

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Changes in Assumptions and Experience:

Certain key assumptions were changed as part of the actuary's updated study. Those changed are summarized below.

- The discount rate was updated based on the municipal bond rate as of June 30, 2019
- The Pre-Medicare Select Trend Rate was decreased from 7.0% to 6.5%
- The Post-Medicare Select Trend Rate was decreased from 6.0% to 5.5%.

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the Health District, as well as what the Health District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.50 percent) or 1-percentage point higher (4.50 percent) than the current discount rate:

	1% Decrease 2.50%	Discount Rate 3.50%	1% Increase 4.50%
PEBP	$ 4,470,000	$ 3,906,192	$ 3,445,000
RHPP	23,279,000	19,172,002	15,992,000
Total OPEB Liability	$ 27,749,000	$ 23,078,194	$ 19,437,000

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the Health District, as well as what the Health District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (or 1-percentage-point higher the current healthcare cost trend rates:

	1% Decrease	Trend Rates	1% Increase
PEBP	$ 3,462,000	$ 3,906,192	$ 4,438,000
RHPP	15,602,000	19,172,002	23,950,000
Total OPEB Liability	$ 19,064,000	$ 23,078,194	$ 28,388,000

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2020, the Health District recognized OPEB expense of $882,231. The breakdown by plan is as follows:

	PEBP	RHPP	Total All Plans
OPEB Expense	$ 338,382	$ 543,849	$ 882,231

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At June 30, 2020, the Health District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
PEBP		
Contributions made in fiscal year ending 2020 after July 1, 2019 measurement date	$ 211,635	$ -
Total PEBP	$ 211,635	$ -
RHPP		
Differences between expected and actual experience	$ 17,626	$ 6,958,869
Changes of assumptions or other inputs	1,117,582	3,435,335
Contributions made in fiscal year ending 2020 after July 1, 2019 measurement date	551,037	-
Total RHPP	$ 1,686,245	$ 10,394,204
Total All Plans		
Differences between expected and actual experience	$ 17,626	$ 6,958,869
Changes of assumptions or other inputs	1,117,582	3,435,335
Contributions made in fiscal year ending 2020 after July 1, 2019 measurement date	762,672	-
Total All Plans	$ 1,897,880	$ 10,394,204

The amount of $762,672 reported as deferred outflows of resources related to OPEB from Health District contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

For the Year ending June 30,	RHPP
2021	$ (997,265)
2022	(997,265)
2023	(997,265)
2024	(997,265)
2025	(997,265)
Thereafter	(4,272,671)
	$ (9,258,996)

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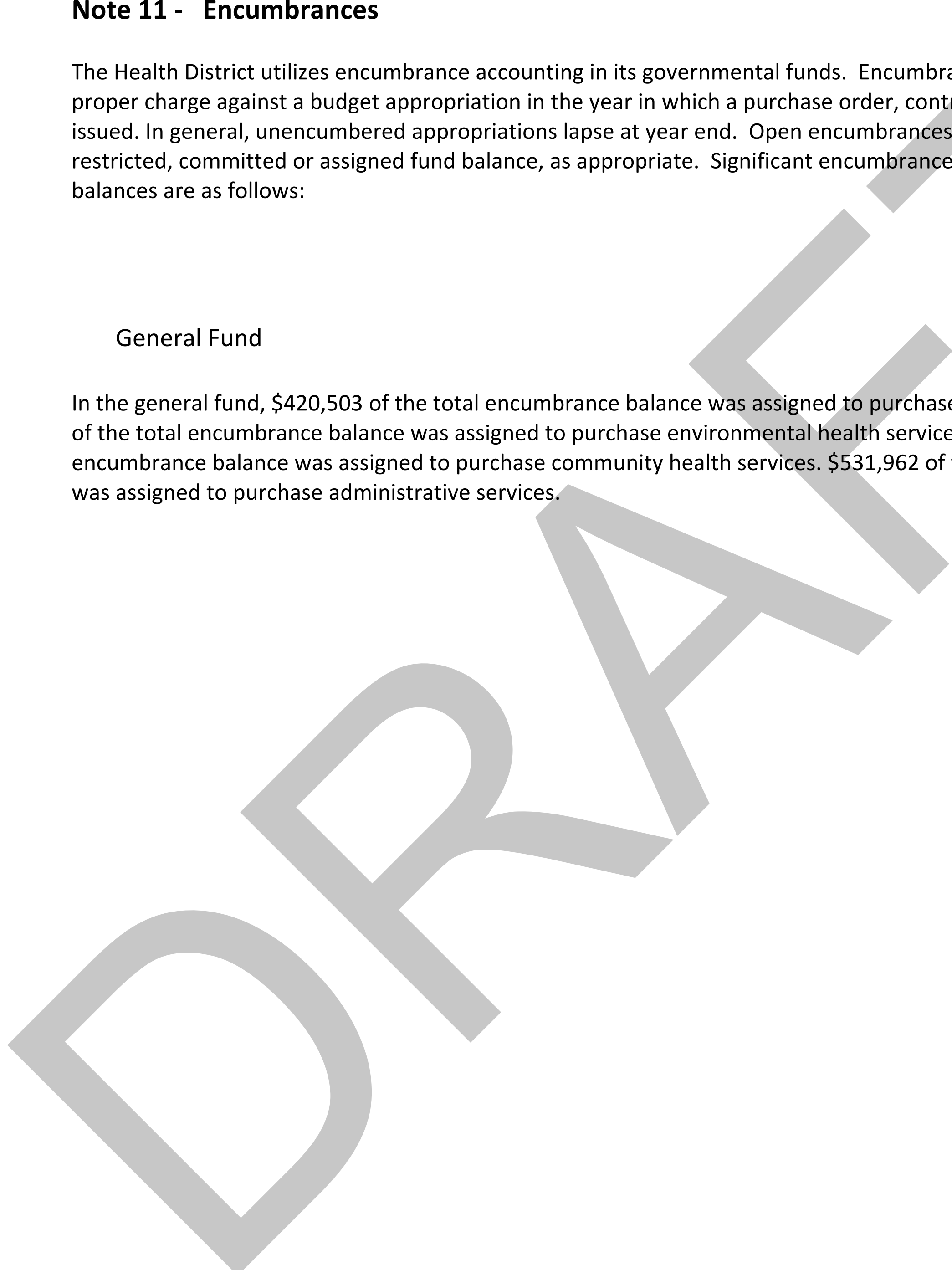
Note 11 - Encumbrances

The Health 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	$ 1,087,802

In the general fund, $420,503 of the total encumbrance balance was assigned to purchase clinical health services. $87,639 of the total encumbrance balance was assigned to purchase environmental health services. $47,698 of the total encumbrance balance was assigned to purchase community health services. $531,962 of the total encumbrance balance was assigned to purchase administrative services.



Required Supplementary Information
June 30, 2020

Southern Nevada Health District

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Schedule of Revenues, Expenditures and Changes in Fund Balance -

Budget to Actual - General Fund

For the Fiscal Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Final Budget to Actual Variance
Revenues				
Fees for service	$ 18,744,430	$ 18,744,430	$ 22,688,171	$ 3,943,741
General receipts	-	-	76,865	76,865
Property tax	23,820,035	23,820,035	23,820,035	-
Regulatory revenue	19,385,804	19,385,804	19,615,152	229,348
Title XIX & other	592,559	592,559	674,991	82,432
Investment earnings	-	-	1,149,968	1,149,968
Total revenues	62,542,828	62,542,828	68,025,182	5,482,354
Expenditures				
Public Health				
Clinical & nursing services				
Salaries and wages	7,570,504	7,570,504	6,663,068	(907,436)
Employee benefits	3,078,640	3,078,640	2,861,461	(217,179)
Services and supplies	8,386,777	16,765,546	16,765,546	-
Total clinical & nursing services	19,035,921	27,414,690	26,290,075	(1,124,615)
Environmental health				
Salaries and wages	11,176,670	11,176,670	11,072,672	(103,998)
Employee benefits	4,634,563	4,634,563	4,856,871	222,308
Services and supplies	682,827	5,321,218	5,321,218	-
Total environmental health	16,494,060	21,132,451	21,250,761	118,310
Community health				
Salaries and wages	5,766,930	5,766,930	3,840,513	(1,926,417)
Employee benefits	2,524,765	2,524,765	1,746,695	(778,070)
Services and supplies	2,384,730	3,493,332	3,493,332	-
Capital outlay	31,000	31,000	-	(31,000)
Total community health	10,707,425	11,816,027	9,080,540	(2,735,487)
Administration				
Salaries and wages	7,879,262	11,071,792	11,071,792	-
Employee benefits	3,626,508	4,708,069	4,708,069	-
Services and supplies	5,892,399	(6,076,542)	(10,919,763)	(4,843,221)
Capital outlay	-	361,840	361,840	-
Total administration	17,398,169	10,065,159	5,221,938	(4,843,221)
Total public health	63,635,575	70,428,327	61,843,314	(8,585,013)
Total expenditures	63,635,575	70,428,327	61,843,314	(8,585,013)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,092,747)	(7,885,499)	6,181,868	14,067,367
Other Financing Sources (Uses)				
Transfers in	5,800	5,800	169,356	163,556
Transfers out	(2,686,947)	(2,686,947)	(4,225,471)	(1,538,524)
Proceeds from capital asset disposal	-	-	14,155	14,155
Total other financing sources (uses)	(2,681,147)	(2,681,147)	(4,041,960)	(1,360,813)
Change in Fund Balance	(3,773,894)	(10,566,646)	2,139,908	12,706,554
Fund Balance, Beginning of Year	21,176,486	27,969,238	27,969,238	-
Fund Balance, End of Year	$ 17,402,592	$ 17,402,592	$ 30,109,146	$ 12,706,554

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See notes to required supplementary information.

	Original Budget	Final Budget	Actual	Final Budget to Actual Variance
Revenues				
Direct federal grants	$ 3,052,291	$ 6,520,337	$ 6,520,337	$ -
Indirect federal grants	14,172,108	12,951,237	12,951,237	-
State grant funds	41,501	691,586	691,586	-
Other grant funds	182,295	1,253,851	1,253,851	-
Total revenues	17,448,195	21,417,011	21,417,011	-
Expenditures				
Public Health				
Clinical & nursing services				
Salaries and wages	3,068,332	3,528,191	3,528,191	-
Employee benefits	1,204,139	1,504,078	1,504,078	-
Services and supplies	1,070,036	1,298,562	3,564,688	2,266,126
Capital outlay	-	226,753	226,753	-
Total clinical & nursing services	5,342,507	6,557,584	8,823,710	2,266,126
Environmental health				
Salaries and wages	366,359	391,956	391,956	-
Employee benefits	141,596	163,156	163,156	-
Services and supplies	116,176	175,071	281,904	106,833
Total environmental health	624,131	730,183	837,016	106,833
Community health				
Salaries and wages	4,487,651	4,444,019	4,444,019	-
Employee benefits	1,789,071	1,960,050	1,960,050	-
Services and supplies	4,008,106	4,909,441	7,249,786	2,340,345
Capital outlay	12,000	102,430	102,430	-
Total community health	10,296,828	11,415,940	13,756,285	2,340,345
Administration				
Salaries and wages	55,419	546,866	546,866	-
Employee benefits	9,338	202,976	202,976	-
Services and supplies	27,225	870,715	1,579,106	708,391
Capital outlay	-	-	2,681,764	2,681,764
Total administration expenditures	91,982	1,620,557	5,010,712	3,390,155
Total expenditures	16,355,448	20,324,264	28,427,723	8,103,459
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,092,747	1,092,747	(7,010,712)	(8,103,459)
Other Financing Sources (Uses)				
Transfers in	1,086,947	1,086,947	4,225,471	3,138,524
Transfers out	(5,800)	(5,800)	(169,356)	(163,556)
Total other financing sources (uses)	1,081,147	1,081,147	4,056,115	2,974,968
Change in Fund Balance	2,173,894	2,173,894	(2,954,597)	(5,128,491)
Fund Balance, Beginning of Year	677,108	677,108	87,462	(589,646)
Fund Balance, End of Year	$ 2,851,002	$ 2,851,002	$ (2,867,135)	$ (5,718,137)

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See notes to required supplementary information.

PEBP Plan

	2020	2019	2018
Total OPEB Liability			
Interest	$ 142,210	$ 158,929	$ 136,641
Changes of benefit terms	-	-	-
Difference between actual and expected experience	-	(935)	(2,407)
Changes of assumptions or other inputs	196,172	(582,796)	(408,034)
Benefit payments	(213,733)	(210,183)	(201,454)
Net Change in Total OPEB Liability	124,649	(634,985)	(475,254)
Total OPEB Liability - Beginning	3,781,543	4,416,528	4,891,782
Total OPEB Liabilitiy - Ending	$ 3,906,192	$ 3,781,543	$ 4,416,528
Covered Payroll	N/A	N/A	N/A
Total OPEB Liability as a Percentage of Covered Payroll	N/A	N/A	N/A

RHPP

	2020	2019	2018
Total OPEB Liability			
Service cost	$ 865,693	$ 1,984,184	$2,037,506
Interest	675,421	922,521	753,304
Changes of benefit terms		-	-
Difference between actual and expected experience	-	(8,138,337)	26,065
Changes of assumptions or other inputs	1,204,893	(1,686,349)	(3,119,749)
Benefit payments	(322,093)	(236,966)	(339,476)
Net Change in Total OPEB Liability	2,423,914	(7,154,947)	(642,350)
Total OPEB Liability - Beginning	16,748,088	23,903,035	24,545,385
Total OPEB Liability - Ending	$ 19,172,002	$ 16,748,088	$ 23,903,035
Covered Payroll	$ 34,918,861	$ 34,918,861	$34,126,701
Total OPEB Liability as a Percentage of Covered Payrol	54.90%	47.96%	70.04%

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[1] Fiscal year 2018 is the first year of implementation, therefore only three years are shown. As it becomes available this schedule will ultimately present information for the ten most recent fiscal years.

See notes to required supplementary information.

For the Year Ended June 30	Proportion of the Collective Net Pension Liability	Proportion of the Collective Net Pension Liability	Covered Payroll	Proportion of the Collective Pension Liability as a Percentage of Covered Payroll	PERS Fiduciary Net Position as a Percentage of Total Pension Liability
2014	0.54090%	$ 61,643,357	$ 34,707,255	177.60943%	76.30000%
2015	0.54090%	61,984,011	32,508,190	190.67198%	75.13000%
2016	0.52151%	70,180,332	32,917,342	213.20170%	72.20000%
2017	0.50906%	67,704,469	33,079,430	204.67242%	74.40000%
2018	0.50995%	69,546,020	33,744,349	186.69891%	75.20000%
2019	0.54171%	73,866,832	37,250,362	198.29829%	76.50000%

[2] Information for the multiple employer cost sharing defined benefit pension plan is not available for years prior to the year ended June 30, 2014. As it becomes available this schedule will ultimately present information for the ten most recent fiscal years.

See notes to required supplementary information.

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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, 2020 and Last Nine Fiscal Years[3]

For the Year Ended June 30	Statutorily Required Contribution	Contributions in relation to the Statutorily Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	$ 4,174,514	$ 4,174,514	$ -	$ 32,508,190	12.84%
2016	4,421,639	4,421,639	-	32,917,342	13.43%
2017	4,565,587	4,565,587	-	33,079,430	13.80%
2018	4,724,209	4,724,209	-	33,744,349	14.00%
2019	5,215,051	5,215,051	-	37,250,362	14.00%
2020	5,876,235	5,876,235	-	38,532,689	15.25%

[3] 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.

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Note 1 - Postemployment Benefits Other Than Pensions

There are no assets accumulated in a trust to pay related benefits.

Changes of Assumptions and Experience

Certain key assumptions were changed as part of the actuary's updated study. Those changes are summarized below:

- The discount rate was updated based on the municipal bond rate as of June 30, 2019
- The Pre-Medicare Select Trend Rate was decreased from 7.0% to 6.5%
- The Post-Medicare Select Trend Rate was decreased from 6.0% to 5.5%.

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

For the year ended June 30, 2020, 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, 2019**.

The actuarial valuation reports became available beginning June 30, 2014. 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 8 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.

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Compliance Section
June 30, 2020

Southern Nevada Health District

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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, each major fund, and the aggregate remaining fund information of Southern Nevada Health District (the District) as of and for the year ended June 30, 2020, 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 20, 2020.

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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion 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 preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2020-001 and 2020-002 that we consider to be a material weakness.

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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 financial statements. 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 instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying schedule of findings and responses as item 2020-002.

Southern Nevada Health District's Response to Finding

Southern Nevada Health District's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Southern Nevada Health District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Las Vegas, Nevada
November 20, 2020

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Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

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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, 2020. 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 federal statutes, regulations, and the terms and conditions of its federal awards 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 types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about 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 types of 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, 2020.

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 types of 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *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 over compliance 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.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Southern Nevada Health District as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Southern Nevada Health District's basic financial statements. We issued our report thereon dated November 20, 2020, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the

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financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Las Vegas, Nevada
March XX, 2021

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Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures	Amounts Passed-Through to Subrecipients
Department of Health and Human Services				
Passed through Nevada Department of Health and Human Services, Nevada State Health Division				
Medical Reserve Corp Small Grant Program	93.008	6MRC5SG061001-03	$ 153	$ -
Passed through Nevada Department of Health and Human Services, Center for disease Control and Prevention				
Public Health Emergency Preparedness: CRI HD 17248	93.069	NU90TP922047-01	361,400	-
Public Health Emergency Preparedness: PHEP HD17247	93.069	NU90TP922047-01	963,481	-
Public Health Emergency Preparedness: PHEP HD16591	93.069	NU90TP921907-02	2,917	-
Public Health Emergency Preparedness: PHEP HD17247	93.069	NU90TP922047-01	1,047,500	-
			2,375,298	-
Direct Program				
Environmental Public Health and Emergency Response	93.070		116,461	-
Environmental Public Health and Emergency Response	93.070		119,039	-
			235,500	-
Direct Program				
Birth Defects and Developmental Disabilities	93.073		14,503	-
Passed through Department of Health and Human Services, Food and Drug Administration				
Food and Drug Administration Research, AFDISP	93.103	G-MP-1909-07397	854	-
Food and Drug Administration Research, AFDSF	93.103	G-T-1909-07398	2,315	-
Food and Drug Administration Research, AFDSM	93.103	G-SP-1909-07395	1,917	-
Food and Drug Administration Research, MENTOR	93.103	U50FD005933-03	11,017	-
Food and Drug Administration Research, MENTOR	93.103	U50FD005933-04	2,968	-
			19,070	-
Direct Program				
Food and Drug Administration Research	93.103		62,536	-
Total Food and Drug Administration Research			81,606	-
Passed through Department of Health and Human Services, Health Resources and Services Administration				
Maternal and Child Health Federal Consolidated Programs, COIIN	93.110	UF3MC31237	11,160	-
Passed through Department of Health and Human Services, Centers for Disease Control and Prevention				
Project Grants and Cooperative Agreements for Tuberculosis Control Programs, TBOUT HD17495	93.116	NU52PS910224-01	88,755	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs, TBOUT HD16935	93.116	NU52PS004681-05	127,691	1,080
Project Grants and Cooperative Agreements for Tuberculosis Control Programs, TBSURV HD17495	93.116	NU52PS910224-01	54,956	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs, TBSURV HD16935	93.116	NU52PS004681-05	58,526	-
			329,929	1,080

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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				
Injury Prevention and Control Research and State and Community Based Programs, FOPOV HD16706 37%	93.136	NU17CE924856-03	20,060	4,268
Injury Prevention and Control Research and State and Community Based Programs, FOPOV HD16706 63%	93.136	NU17CE924901-02	34,156	7,268
Injury Prevention and Control Research and State and Community Based Programs, NVDRS HD17436	93.136	NU17CE924856-04	87,379	24,675
Injury Prevention and Control Research and State and Community Based Programs, SUDORP HD17434	93.136	NU17CE925001-01	90,116	-
Injury Prevention and Control Research and State and Community Based Programs, SUDORS HD17387	93.136	NU17CE925001-01	67,305	35,461
Injury Prevention and Control Research and State and Community Based Programs, RXDRUG HD16567	93.136	NU17CE002737-03	3,119	-
			302,135	71,671
Direct Program				
Injury Prevention and Control Research and State and Community Based Programs, ODTAP	93.136		1,282,520	611,694
Injury Prevention and Control Research and State and Community Based Programs, ODTAP	93.136		204,831	54,497
			1,487,351	666,191
Total Injury Prevention and Control Research			1,789,486	737,862
Passed through Department of Health and Human Services, Centers for Disease Control and Prevention				
Childhood Lead Poisoning Project, NCLPP GR06433	93.197	NUE2EH001366-01	21,451	-
Childhood Lead Poisoning Project, NCLPP GR06433	93.197	NUE2EH001366-01	15,395	-
Childhood Lead Poisoning Project, NCLPP GR09969	93.197	NUE2EH001366-03	26,816	-
			63,662	-
Direct Program				
Family Planning Services	93.217		278,272	-
Family Planning Services	93.217		1,566,570	-
			1,844,842	-
Direct Program				
Hea Health Center Program				
Health Center Program	93.224		195,883	-
Health Center Program	93.527		141,846	-
COVID-19 - Health Center Program	93.224		47,457	-
COVID-19 - Health Center Program	93.224		88,676	-
COVID-19 - Health Center Program	93.224		2,542	-
			476,404	-
Passed through Department of Health and Human Services, Centers for Disease Control and Prevention				
Substance Abuse and Mental Health Services	93.243	H79SP080994-01	150,000	-
Substance Abuse and Mental Health Services	93.243	H79SP080994-02	32,000	-
			182,000	-
Direct Program				
Substance Abuse and Mental Health Services	93.243		145,733	-
Substance Abuse and Mental Health Services	93.243		473,348	-
			619,081	-
Total Substance Abuse and Mental Health Services			801,081	-

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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				
Immunization Cooperative Agreements, ADH HD17495	93.268	NH23IP922609-01	193,908	-
Immunization Cooperative Agreements, ADH HD17446	93.268	NH23IP922609-01	247,850	-
Immunization Cooperative Agreements, IMM HD17202	93.268	NH23IP922609-01	47,508	-
Immunization Cooperative Agreements, IMM HD17202	93.268	NH23IP922609-01	359,857	-
Immunization Cooperative Agreements, IMM HD17202	93.268	NH23IP922609-01	115,950	-
			965,073	-
Passed through Department of Health and Human Services, Centers for Disease Control and Prevention				
Adult Viral Hepatitis Prevention and Control, ADUHEP HD16913 49.4	93.270	NU51PS005120-03	11,772	5,881
Adult Viral Hepatitis Prevention and Control, ADUHEP HD17479	93.270	NU50PS5120-04	26,856	21,585
			38,628	27,466
Passed through Department of Health and Human Services, Centers for Disease Control and Prevention				
Centers for Disease Control and Prevention Investigations and Technical Assistance, SYNDRM HD17029	93.283	NU50OE000097-04	839	-
			839	-
Direct Program				
Teenage Pregnancy Prevention Program	93.297		553,310	84,082
Passed through Department of Health and Human Services, Centers for Disease Control and Prevention				
National State Based Tobacco Control Programs, TOB HD17048	93.305	NU58DP006009-05	162,070	40,000
Passed through Department of Health and Human Services, Centers for Disease Control and Prevention				
COVID-19 - Epidemiology & Lab Capacity, ELCHIS HD17316	93.323		194,547	-
Epidemiology & Lab Capacity, ELCARL HD17316	93.323	NU50CK000560-01	7,490	-
Epidemiology & Lab Capacity, ELCARV HD17316	93.323	NU50CK000560-01	2,441	-
Epidemiology & Lab Capacity, ELCEGP HD16629	93.323	NU50CK000419-05	10,115	-
Epidemiology & Lab Capacity, ELCEGP HD17316	93.323	NU50CK000560-01	70,819	-
Epidemiology & Lab Capacity, ELCEP HD16629	93.323	NU50CK000419-05	2,344	-
Epidemiology & Lab Capacity, ELCEPI HD17316	93.323	NU50CK000560-01	9,227	-
Epidemiology & Lab Capacity, ELCFLL HD16629	93.323	NU50CK000419-05	107	-
Epidemiology & Lab Capacity, ELCHAI HD17316	93.323	NU50CK000560-01	6,387	-
Epidemiology & Lab Capacity, ELCHIS HD16629	93.323	NU50CK000419-05	20,102	-
Epidemiology & Lab Capacity, ELCLEG HD16629	93.323	NU50CK000419-05	14,036	-
Epidemiology & Lab Capacity, ELCLEG HD17316	93.323	NU50CK000560-01	101,598	-
Epidemiology & Lab Capacity, ELCNRM HD17316	93.323	NU50CK000560-01	26,927	-
			466,140	-

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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, Center for Disease Control and Prevention				
COVID-19 - Public Health Crisis Response PHCV HD17630	93.354	NU90TP922107-01	427,251	-
COVID-19 - Public Health Crisis Response PHCV HD17630	93.354	NU90TP922107-01	368,614	-
COVID-19 - Public Health Crisis Response PHCV HD17630	93.354	NU90TP922107-01	43,347	-
			839,212	-
Passed through Department of Health and Human Services, Center for Disease Control and Prevention				
Improving the Health of Americans through Prevention and Management of Diabetes and Heart Disease and Stroke, HDS15 HD17134	93.426	NU58DP006538-02	55,461	-
Passed through Department of Health and Human Services, Center for Disease Control and Prevention				
Innovative State and Local Public Health Strategies to Prevent and Manage Diabetes and Heart Disease and Stroke, HDS17 HD16904	93.435	NU58DP006624-01	84,482	-
Innovative State and Local Public Health Strategies to Prevent and Manage Diabetes and Heart Disease and Stroke, HDS17 HD17408	93.435	NU58DP006624-02	72,009	-
			156,492	-
Passed through Department of Health and Human Services, Administration for Children and Families				
Refugee and Entrant Assistance State Administered Programs, RHP	93.566	1902NVRCMA	17,804	-
Refugee and Entrant Assistance State Administered Programs, RHP	93.566	2002NVRCMA	39,709	-
			57,513	-
Direct Program				
Racial and Ethnic Approaches to Community Health Program Finances solely by Public Prevention Health Funds (PPHF)	93.738		411,360	185,518
Racial and Ethnic Approaches to Community Health Program Finances solely by Public Prevention Health Funds (PPHF)	93.738		460,584	172,255
			871,944	357,773
Passed through Department of Health and Human Services, Centers for Disease Control and Prevention				
Opiod STR LOSTR HD 17160	93.788	H79T1080265-02	20,000	-
Passed through Department of Health and Human Services, Office of the Secretary				
Hospital Preparedness Program (HPP) Ebola Preparedness and Response Activities, HPP_EBL HD15115	93.817	U3REP150510-01	43,594	27,600

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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, Office of the Secretary				
Early Child Home Visiting, NFP HD17279	93.870	X10MC33594	195,612	
Early Child Home Visiting, NFP2 HD16735	93.870	X10MC32205	75,898	
			271,510	-
Passed through Department of Health and Human Services, Office of the Secretary				
National Bioterrorism Hospital Preparedness Program, HPP HD17246	93.889	U3REP190613-01	797,721	58,715
COVID-19 - National Bioterrorism Hospital Preparedness Program, HPPCVD HD17659	93.889	U3REP190613-01	1,172	-
			798,893	58,715
Passed through Department of Health and Human Services, Health Resources and Services Administration				
HIV Emergency Relief Project Grants, PNBBC	93.914	U69HA30462-03	24,716	-
HIV Emergency Relief Project Grants, RWA	93.914	H89HA06900-14	69,909	705
HIV Emergency Relief Project Grants, RWA	93.914	H89HA06900-15	6,552	-
HIV Emergency Relief Project Grants, RWA	93.914	H89HA06900-14	140,254	-
HIV Emergency Relief Project Grants, RWA	93.914	H89HA06900-15	33,066	-
HIV Emergency Relief Project Grants, RWA	93.914	H89HA06900-14	316,335	-
HIV Emergency Relief Project Grants, RWA	93.914	H89HA06900-15	133,602	-
HIV Emergency Relief Project Grants, RWA	93.914	H89HA06900-14	28,925	-
HIV Emergency Relief Project Grants, RWA	93.914	H89HA06900-14	148	-
HIV Emergency Relief Project Grants, RWA	93.914	H89HA06900-14	225,429	-
HIV Emergency Relief Project Grants, RWA	93.914	H89HA06900-15	56,347	-
HIV Emergency Relief Project Grants, RWA	93.914	H89HA06900-14	2,526	-
HIV Emergency Relief Project Grants, RWA	93.914	H89HA06900-14	71,020	-
HIV Emergency Relief Project Grants, RWA	93.914	H89HA06900-15	6,660	-
HIV Emergency Relief Project Grants, RWA	93.914	H89HA06900-14	64,520	-
HIV Emergency Relief Project Grants, RWA	93.914	H89HA06900-14	4,457	4,457
HIV Emergency Relief Project Grants, RWA	93.914	H89HA06900-15	1,175	-
HIV Emergency Relief Project Grants, RWA	93.914	H89HA06900-14	16,207	16,028
			1,201,849	21,190

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See notes to the schedule of expenditures of federal awards.

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, Health Resources and Services Administration				
HIV Care Formula Grants, RWBCM HD17597	93.917	X07HA00001-30	98,355	-
HIV Care Formula Grants, RWBD2 HD17601	93.917	X07HA00001-30	10,143	-
HIV Care Formula Grants, RWBDC HD17336	93.917	X07HA00001-29	37,307	-
HIV Care Formula Grants, RWBEIS HD17021	93.917	X07HA00001-29	40,685	-
HIV Care Formula Grants, RWBEIS HD17595	93.917	X07HA00001-30	32,562	-
HIV Care Formula Grants, RWBM2 HD17023	93.917	X07HA00001-29	24,524	-
HIV Care Formula Grants, RWBNM HD17022	93.917	X07HA00001-29	15,244	-
HIV Care Formula Grants, RWBNM HD17596	93.917	X07HA00001-30	30,307	-
HIV Care Formula Grants, RWBP2 HD17024	93.917	X07HA00001-29	15,427	-
HIV Care Formula Grants, RWBPH HD 17598	93.917	X07HA00001-30	33,154	-
HIV Care Formula Grants, RWBR2 HD 17599	93.917	X07HA00001-30	26,598	-
HIV Care Formula Grants, RWBRD HD17271	93.917	X07HA00001-29	70,889	-
			435,195	-
Direct Program				
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918		33,850	
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918		89,950	
			123,800	-
Passed through Department of Health and Human Services, Health Resources and Services Administration				
Special Projects of National Significance, DEII	93.928	U90HA29237	17,237	-
Passed through Department of Health and Human Services, Centers for Disease Control and Prevention				
HIV Prevention Activities Health Department Based, HIVPRV HD16928	93.940	NU62PS924579-02	954,410	215,153
HIV Prevention Activities Health Department Based, HIVPRV HD17427	93.940	NU62PS924579	615,651	141,952
HIV Prevention Activities Health Department Based, HIVSRV HD17114	93.940	NU62PS924579-02	63,155	-
Adult Viral Hepatitis Prevention and Control, ADUHEP HD16913 50.6%	93.940	NU62PS924579-02	12,057	6,024
HIV Prevention Activities Health Department Based, HIVSRV HD17546	93.940	NU62PS924579-03	37,653	-
			1,682,926	363,130

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See notes to the schedule of expenditures of federal awards.

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, Substance Abuse and Mental Health Services Administration				
Block Grants for Prevention and Treatment of Substance Abuse, IDUHIV HD16846	93.959	B08TI010039-18	23,233	23,233
Block Grants for Prevention and Treatment of Substance Abuse, IDUHIV HD17438	93.959	B08TI010039-19	59,592	59,592
Block Grants for Prevention and Treatment of Substance Abuse, OCIN	93.959	B08TI010039-14	8,411	-
Block Grants for Prevention and Treatment of Substance Abuse, SAPTA HD16845	93.959	B08TI010039-18	87,373	-
Block Grants for Prevention and Treatment of Substance Abuse, SAPTA HD17437	93.959	B08TI010039-19	165,966	-
Block Grants for Prevention and Treatment of Substance Abuse, SAPTA HD16864	93.959	B08TI010039-18	10,902	-
Block Grants for Prevention and Treatment of Substance Abuse, SAPTA HD17432	93.959	B08TI010039-19	20,628	-
			376,105	82,825
Passed through Department of Health and Human Services, Centers for Disease Control and Prevention				
Preventive Health Services Sexually Transmitted Diseases Control Grants STD HD16988	93.977	NH25PS005179-01	255,601	
Preventive Health Services Sexually Transmitted Diseases Control Grants STD HD17516	93.977	NH25PS005179-02	220,754	
			476,355	-
Passed through Department of Health and Human Services, Cen Preventive Health and Health Services Block Grant				
Preventive Health and Health Services Block Grant HD16884	93.991	NB01OT0009235-01	15,773	-
Preventive Health and Health Services Block Grant HD17451	93.991	NB01OT009309-01	31,061	-
			46,834	-
Passed through Department of Health and Human Services, Health Resources and Services Administration				
Maternal and Child Health Services Block Grant to the States, DENRL HD17270	93.994	B04MC31501	14,637	-
Total Department of Health and Human Services			17,699,241	1,801,722

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See notes to the schedule of expenditures of federal awards.

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures	Amounts Passed-Through to Subrecipients
Department of Agriculture				
Passed through Department of Agriculture				
Agriculture Food & Nutrition, SNAPED UNR	10.561	7NV430NV5	4,013	-
Agriculture Food & Nutrition, SNAPED HDED1906	10.561	7NV430NV5	44,622	-
Agriculture Food & Nutrition, SNAPED ED2006	10.561	7NV430NV5	78,860	-
			127,494	-
Total Department of Agriculture			127,494	-
Department of Justice				
Passed through Department of Justice				
Comprehensive Opiod and Addiction Program	16.838	2019-ODMAP-0029	3,110	-
Total Department of Justice			3,110	-
Environmental Protection Agency				
Passed through Environmental Protection Agency Office of Water				
State Public Water System Supervision, SDW 43%	66.432	F-00910520-0	53,213	-
State Public Water System Supervision, SDW 57%	66.468	FS99996019	71,787	-
			125,000	-
Passed through Environmental Protection Agency Office of Solid Waste and Emergency Response				
Underground Storage Tank Prevention, Detection and Compliance Program, UST 30% 70%	66.804	L-99T10501-1	119,000	-
Underground Storage Tank Prevention, Detection and Compliance Program, UST 30%	66.805	LS-99T10401	51,000	-
			170,000	-
Total Environmental Protection Agency			295,000	-
Department of Homeland Security				
Passed through Department of Homeland Security				
Homeland Security Grant Program	97.067	EMW-2018-SS-00066	64,000	-
Homeland Security Grant Program	97.067	EMW-2018-SS-00066	84,191	-
Homeland Security Grant Program	97.067	EMW-2019-SS-00061	8,224	-
			156,415	-
Passed through Department of Homeland Security				
Homeland Security Biowatch Program	97.091	OHBIO00025-07	15,000	-
Total Department of Homeland Security			171,415	-
Total Federal Financial Assistance			$ 18,296,261	$ 1,801,722

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Note A – Basis of Presentation

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of Southern Nevada Health District (the "District") under programs of the federal government for the year ended June 30, 2020. The information 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). Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in fund balance, or cash flows, of the District.

Note B – Significant Accounting Policies

Expenditures reported in the schedule are reported on the modified accrual basis of accounting, except for subrecipient expenditures, which are recorded on the cash basis. When applicable, such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The District's summary of significant accounting policies is presented in Note 1 in the District's basic financial statements.

Note C – Indirect Cost Rate

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

Note D – Relationship to Basic Financial Statements

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

Special Revenue Fund	$ 18,296,261

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Section I – Summary of Auditor's Results

FINANCIAL STATEMENTS

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	Yes
Significant deficiencies identified not considered to be material weaknesses	None Reported
Noncompliance material to financial statements noted?	Yes

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(a):	No

Identification of major programs:

Name of Federal Program	CFDA Number
Injury Prevention and Control	93.136
Substance Abuse and Mental Health Services	93.243
Immunization Cooperative Agreements	93.268
COVID-19 - Public Health Crisis Response	93.354
Racial and Ethnic Approaches to Community Health	93.738
Public Health Emergency Preparedness	93.069

Dollar threshold used to distinguish between type A and type B programs:	$ 750,000
Auditee qualified as low-risk auditee?	No

Section II – Financial Statement Findings

2020-001 Material Weakness in Financial Close and Reporting Controls - Material Audit Adjustments

Criteria – The internal control structure should include procedures to ensure management is able to identify material accruals and adjustments as part of financial close.

Condition – During the course of performing audit procedures, we identified multiple material audit adjustments to cash, interfund balances, receivables, and interest income.

Cause – The District experienced significant management turnover in the Finance department near year-end. As a result of this turnover, certain year-end reconciliations and adjustments were not completed until the audit process had begun.

Effect – A breakdown of controls of this magnitude could lead to a material misstatement of an account or balance that is not detected and corrected by Management.

Recommendation – We recommend that the new management team augment existing documentation of year-end reconciliation processes to be more specific regarding the exact reports, processes, and activities required to close out and balance all accounts. Further, we recommend that the District identify ways to improve management and staff retention in order to improve continuity within the controls process.

Management's Response – Management agrees with the finding.

2020-002 Noncompliance with Nevada Revised Statutes Budget Requirements
Material Noncompliance
Material Weakness in Internal Control Over Compliance

Criteria – Nevada Revised Statute (NRS) 354.626, *Unlawful expenditure of money in excess of amount appropriated; penalties; exceptions*, states that "No governing body or member thereof, officer, office, department or agency may, during any fiscal year, expend or contract to expend any money or incur any liability, or enter into any contract which by its terms involves the expenditure of money, in excess of the amounts appropriated for that function, other than bond repayments, medium-term obligation of repayments and any other long-term contract expressly authorized by law."

NRS 354.598005, *Procedures and requirements for augmenting or amending budget,* allows for the transfer of budget appropriations between functions and/or funds if such a transfer does not increase the total appropriation for any fiscal year and is not in conflict with other statutory provisions. Budget appropriations may be transferred in the following manner:

(a) The person designated to administer the budget for a local government may transfer appropriations within any function.

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(b) The person designated to administer the budget may transfer appropriations between functions or programs within a fund, if:
  (1) The governing body is advised of the action at the next regular meeting; and
  (2) The action is recorded in the official minutes of the meeting.

(c) Upon recommendation of the person designated to administer the budget, the governing body may authorize the transfer of appropriations between funds or from the contingency account, if:
  (1) The governing body announces the transfer of appropriations at a regularly scheduled meeting and sets forth the exact amounts to be transferred and the accounts, functions, programs and funds affected;
  (2) The governing body sets forth its reasons for the transfer; and
  (3) The action is recorded in the official minutes of the meeting.

Condition – The Health District made transfers in excess of budget of $3,138,524 from the General Fund to the Special Revenue Fund, and of $163,556 from the Special Revenue Fund to the General Fund, without obtaining Board approval. Additionally, the District's Special Revenue Fund expenditures exceeded the available budget appropriations by $8,103,459.

Cause – Controls over adhering to the NRS budget requirements were not properly implemented to prevent material noncompliance from occurring. The Health District's original adopted budget did not consider the budget implications of the District's administrative cost allocation plan. As a result, allocations to the Special Revenue fund from the General Fund were not adequately budgeted, and a budget augmentation was not brought to the Board to address this oversight.

Effect – The Health District is not in compliance with the NRS budget requirements identified above.

Recommendation – We recommend management revisit the Health District's process for establishing, monitoring, amending, and augmenting its final budget.

Management's Response – Management agrees with the finding.

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Section III – Federal Award Findings and Questioned Costs

None reported.

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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, 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, 2020, and the related notes to the financial statements, except as noted below, nothing came to our attention that caused us to believe that the Health 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 Health District's noncompliance with the requirements of Nevada Revised Statutes cited below, insofar as they relate to accounting matters.

CURRENT YEAR STATUTE COMPLIANCE

The Health 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 Health District monitored all significant constraints on its financial administration during the year ended June 30, 2020.

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

Current year recommendations are included in the schedule of findings and questioned costs.

Las Vegas, Nevada

November 20, 2020

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