



MINUTES

SOUTHERN NEVADA DISTRICT BOARD OF HEALTH FINANCE COMMITTEE MEETING

November 15, 2021 – 9:30 a.m.

Meeting was conducted via Webex Event

MEMBERS PRESENT:

Scott Nielson – Chair – At-Large Member, Gaming
Scott Black – Council Member, City of North Las Vegas
Bobbette Bond – At-Large Member, Regulated Business/Industry
Olivia Diaz – Council Member, City of Las Vegas
Brian Knudsen – Council Member, City of Las Vegas
Tick Segerblom – Commissioner, Clark County
Dan Stewart – Council Member, City of Henderson

ABSENT:

Marilyn Kirkpatrick – Vice Chair, Commissioner, Clark County

ALSO PRESENT:

Tamara Miramontes, Richard Walker

(In Audience)

LEGAL COUNSEL:

Heather Anderson-Fintak, General Counsel

EXECUTIVE SECRETARY:

Fermin Leguen, MD, MPH, District Health Officer

STAFF:

Andria Cordovez Mulet, Nicole Grandt, Michael Johnson, Christi Kindel, Theresa Ladd, Cassius Lockett, Norlon Munroe, Karen White

I. CALL TO ORDER AND ROLL CALL

Chair Nielson called the Finance Committee Meeting to order at 9:34 a.m. Andria Cordovez Mulet, Executive Assistant, administered the roll call and confirmed a quorum was present.

II. PLEDGE OF ALLEGIANCE

III. FIRST PUBLIC COMMENT: A period devoted to comments by the general public about those items appearing on the agenda. Comments will be limited to five (5) minutes per speaker. Please clearly state your name and address and spell your last name for the record. If any member of the Board wishes to extend the length of a presentation, this may be done by the Chair or the Board by majority vote.

Seeing no one, the Chair closed this portion of the meeting.

IV. ADOPTION OF THE NOVEMBER 15, 2021 MEETING AGENDA (for possible action)

A motion was made by Member Bond, seconded by Member Knudsen and carried unanimously to approve the November 15, 2021 Agenda as presented.

V. REPORT / DISCUSSION / ACTION

1. **Nomination of Chair of the Finance Committee**; direct staff accordingly or take other action as deemed necessary *(for possible action)*

A motion was made by Member Knudsen, seconded by Member Bond and carried unanimously to approve/retain Chair Nielson as Chair of the Finance Committee.

Member Segerblom joined the meeting at 9:37 a.m.

2. **Approve Finance Committee Meeting Minutes – June 17, 2021**; direct staff accordingly or take other action as deemed necessary *(for possible action)*

A motion was made by Member Knudsen, seconded by Member Bond and carried unanimously to approve the minutes from the June 17, 2021 Finance Committee meeting, as presented.

3. **Receive and Discuss Audit Report and Approve Recommendations to the Board of Health on November 18, 2021**; direct staff accordingly or take other action as deemed necessary *(for possible action)*

Richard Walker of Eide Bailly attended the meeting to present the Independent Auditor's Report and the Independent Auditor's Report under Government Auditing Standards (GAGAS Report). ([Attachment #1](#)) Mr. Walker advised that they issued an unmodified audit opinion, which is the highest and best opinion possible. Mr. Walker further advised that the Health District adopted the GASB Statement No. 84, under Fiduciary Activities, which changed the presentation of the Employee Events Fund that led to a small restatement of the net position for this fund.

With respect to the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters (GAGAS Report), Mr. Walker advised that there were no internal control or compliance matters to report. However, he noted that their consideration of internal control was for the limited purpose described in the first paragraph of this section of the report and was not designed to identify all deficiencies in internal control that may be material weaknesses or significant deficiencies. Mr. Walker stated that this was the best report that could be provided.

Mr. Walker stated that there were no significant difficulties encountered during the audit process and no disagreements with Management. Mr. Walker advised that there were misstatements identified during the audit and corrected by management, related to the Special Revenue Funds, General Funds, Capital Project Fund, and Bond Reserve Fund and an immaterial uncorrected misstatement related to inventory and accounts receivable. Mr. Walker confirmed that these were minor journal entries, and the effect was an overstatement of net income in the General Fund and Governmental Activities of approximately \$109,453, and an overstatement of fund balance in the General Fund and Governmental Activities net position of \$109,453.

Further to a question from Chair Nielson, Ms. Walker advised that the uncorrected misstatement related to inventory, that did not adjust for the final count and was a small amount on approximately two different inventory items.

Karen White, Chief Financial Officer, provided a brief overview of the recent audit and advised that this was the first time in several years that there were no Findings reported and confirmed that the Findings from the previous year have been resolved. ([Attachment #2](#)) Ms. White outlined the following revenue and expense categories:

- Total Expenses Increased by **\$33.1M** (+36.56%)
 - Community Health Expenses Increased by **\$18.7M** (+79.33%)
 - Clinical Services Increase by **\$9.8M** (+27.79%)

- Administration Expenses Increased by **\$4.1M** (+44.75%)
- Environmental Health Expenses Increased by **\$0.5M** (+2.28%)
- Offset by Total Revenues which increased by **\$40.9M** (+45.75%)
- PROGRAM REVENUES – Operating Grants and Contributions Increased by **\$41.2M** (+204.32%)
- GENERAL REVENUES – Property Tax Allocation Increased by **\$2.3M** (+9.87%)

Ms. White briefly reviewed the Summary Statement of Net Position and noted that even though the net position increased, the Health District remains in a negative of \$39M, from negative \$46M last year. Ms. White advised that the reason for the positive change was due to increased operating grants (mainly COVID-19 related) and contributions. At present, the Health District has the financial resources and capacity to maintain current service levels. Though the Health District has a surplus of revenue over expenditures, it must be noted that the driver for that is Pandemic Relief funding. At the end of the declared emergency, the Health District's expenditures will greatly exceed revenue, and to ensure operational viability, the Health District must closely monitor revenues and expenditures in addition to making operational adjustments.

Further to an inquiry from Member Segerblom, Ms. White advised that the Health District has outstanding funding that has been applied for but not received, particularly from FEMA in excess of \$3M. Ms. White advised that the \$3M outstanding is not recorded until the funding is received.

Member Black joined the meeting at 9:55 a.m.

Dr. Leguen advised that there are several federal grants that support the pandemic efforts, with different end dates, that could still be in effect for six months or up to two years, if/when the pandemic ends. Dr. Leguen further advised that it would be up to the federal government as to how these grants would be handled.

Member Diaz inquired as to the \$1M delta deficit. Ms. White advised that the \$1M deficit was from prior years and the current year audit had a positive change of \$6.8M.

Member Knudsen left the meeting at 10:00 a.m. and did not return

The Committee recognized the work and accomplishments of the Finance Department, especially during a pandemic.

A motion was made by Member Segerblom, seconded by Member Stewart and carried unanimously to accept the Audit Report, as presented, and to recommend acceptance of the Audit Report to the Board of Health on November 18, 2021.

- VI. SECOND PUBLIC COMMENT:** A period devoted to comments by the general public, if any, and discussion of those comments, about matters relevant to the Board's jurisdiction will be held. Comments will be limited to five (5) minutes per speaker. If any member of the Board wishes to extend the length of a presentation, this may be done by the Chair or the Board by majority vote.

Seeing no one, the Chair closed this portion of the meeting.

VII. ADJOURNMENT

The Chair adjourned the meeting at 10:02 p.m.

Fermin Leguen, MD, MPH
District Health Officer/Executive Secretary

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