MINUTES

SOUTHERN NEVADA DISTRICT BOARD OF HEALTH
FINANCE COMMITTEE MEETING
January 24, 2023 – 1:00 p.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 Brian Knudsen – Council Member, City of Las Vegas Marilyn Kirkpatrick – Commissioner, Clark County
ABSENT:	N/A
ALSO PRESENT: (In Audience)	Pattie Gallo, Jose Melendrez, Tamara Miramontes, Richard Walker
LEGAL COUNSEL:	Heather Anderson-Fintak, General Counsel
EXECUTIVE SECRETARY:	Fermin Leguen, MD, MPH, District Health Officer
STAFF:	Jocelyn Arriaga, Tawana Bellamy, Andria Cordovez Mulet, Monica Galaviz, Michael Johnson, Dahlia Keegan, Fernando Lara, Cassius Lockett, Jonas Maratita, Kyle Parkson, Chris Saxton, Randy Smith, Greg Tordjman, Donnie Whitaker, Edward Wynder

I. CALL TO ORDER AND ROLL CALL

Chair Nielson called the Finance Committee Meeting to order a 1:06 p.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 JANUARY 24, 2023 MEETING AGENDA *(for possible action)*

A motion was made by Member Knudsen, seconded by Member Black and carried unanimously to approve the January 24, 2023 Agenda as presented.

V. CONSENT AGENDA

1. APPROVE MINUTES/FINANCE COMMITTEE MEETING: May 2, 2022 *(for possible action*

A motion was made by Member Knudsen, seconded by Member Black and carried unanimously to approve the January 24, 2023 Consent Agenda as presented.

VI. 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 Black, seconded by Member Knudsen and carried unanimously to approve/retain Scott Nielson as Chair of the Finance Committee.

2. **Receive and Discuss Annual Comprehensive Financial Audit Report from Eide Bailey and Approve Recommendations to the Board of Health on January 26, 2023**; 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). Mr. Walker advised that they issued an unmodified audit opinion, which is the highest and cleanest opinion that can be issued. Mr. Walker further advised that the Health District adopted the GASB Statement No. 87, which covers leases, which lead to the addition of a new lease liability and right of use assets on the balance sheet. This change resulted in something that would appear as debt on the financial statements that was not related to the pension or the OPEB. This was not due to a change in strategy by the Health District but a change in the GASB standard which was required for leases that had a term that extended past one year.

   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 three findings, as follows:

   - 2022-001 – Material Weakness in Financial Close and Reporting Controls
     - Criteria – The internal control structure should include procedures to ensure management is able to identify and perform material reconciliations, accruals, and adjustments in a timely manner as part of financial and to close the trial balance at the end of the year.
     - Condition – During the course of performing the audit, it was identified that multiple year-end account reconciliations, accruals, and adjustments had not been completed prior to the start of the audit.
     - Cause – This was due to significant management turnover in the Finance Department which resulted in the Health District not being ready to commence the audit process.
     - Effect – The effect could lead to a material misstatement of an account or balance this was not detected and/or corrected.
     - Recommendation – Mr. Walker advised that their recommendation was 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, they recommended that the Health District identify ways to improve management and staff retention in order to improve continuity within the controls process.

   Member Kirkpatrick joined the meeting at 1:14 p.m.

   The Chair requested that the Health District Leadership address each finding individually. Dr. Leguen provided a summary of the recent turnover in the Finance Department and recognized the assistance from Mr. Walker in identifying a contractor to assist staff prepare for the audit. Further, Dr. Leguen recognized Donnie (DJ) Whitaker as the new Chief Financial Officer and advised that the recruitment of a Controller has commenced, along with a few other positions, including a Financial Analyst. Dr. Leguen expressed his concern about ensuring consistent leadership in place and the morale of the department. Further to an inquiry, Dr. Leguen confirmed that the Chief Financial Officer reports to the District Health Officer and the remaining members of the Finance Department report to the Chief Financial Officer. Chair Nielson and Member Kirkpatrick requested an update and action plan on the recruitment efforts within the Finance Department at the next Board of Health meeting. Further to a request from Member Knudsen on the impact of the findings

on the organization, Mr. Walker advised that the findings affected the internal controls that were significant enough to be raised. Mr. Walker further advised that the Auditor's Report was still a clean, unmodified opinion, however, with the material findings, this would extend the time where the Health District would qualify as a low-risk auditee when it comes to the single audits. Mr. Walker advised that if the issues were not addressed and corrected, it could lead to serious issues that are material misstatements.

- 2022-002 – Material Weakness in Financial Close and Reporting Controls – IT Accounting System
  - Criteria – The internal control structure should include an accounting system that is capable of recording transactions and journal entries without error, and with sufficient controls to prevent errors.
  - Condition – During the course of performing the audit, it was identified that multiple funds were out of balance due to the accounting system recording one-sided entries across multiple funds.
  - Cause – This was due to a breakdown in the accounting system's automated processes and controls. The result was that multiple transactions were recorded where the system was recording transactions which impacted funds as one-sided journal entries. Further, the errors were not identified and corrected by Health District staff until the audit process had commenced.
  - Effect – The effect could lead to a material misstatement of an account or balance this was not detected and/or corrected.
  - Recommendation – Mr. Walker advised that their recommendation was that the Health District review the accounting system processes and controls, communicate with their vendor, and implement safeguards to ensure that this issue does not occur.

Dr. Leguen advised that this was closely related to the lack of proper leadership of the Finance Department at the time. Dr. Leguen further advised that the Information Technology, Finance and Human Resources Departments were reviewing alternatives to ONESolution, which was the program that was currently used in Finance and Human Resources. Dr. Leguen stated that the biggest limitation was funding for a new program/application. Ms. Whitaker advised the Committee that ONESolution provided a correction and advised how to manually correct the entry. Ms. Whitaker further advised that that a process had been implemented to review the trial balance to ensure it was correct and balanced. Mr. Walker confirmed that it was an anomaly due to a lack of staff and a program/application issue.

- 2022-003 – Material Noncompliance with Nevada Revised Statutes Budget Requirements, Material Weakness in Internal Control over Compliance
  - Criteria – NRS 354.626
  - Condition – The Health District made transfers in excess of budget from General Fund to the Special Revenue Fund without obtaining Board approval. Additionally, the Health District's Special Revenue Fund expenditures exceeded the available budget appropriations.
  - Cause – The Health District's budget augmentation did not fully take into account the increased revenues and resource demands of the special revenue funds that result from the cost allocation plan. As a result, allocations to the Special Revenue Fund from the General Fund were not adequately budgeted.
  - Effect – The Health District is not in compliance with the NRS budget requirements.
  - Recommendations – Mr. Walker advised that their recommendation was that management revisit the Health District's process for establishing, monitoring, amending, and augmenting its final budget.

Further to an inquiry from Chair Nielson, Ms. Whitaker advised that two budget augmentations were completed during the last fiscal year, however additional special revenue expenditures were received that exceeded the augmentation. Further to discuss, it was agreed that a buffer would be implemented to avoid this situation in the future. Further to a request, Dr. Leguen advised that an update on the recruitment efforts of the Finance Department would be presented at the next Board of Health meeting.

Mr. Walker advised of some clerical corrections to some of the language in the Auditor's Report, which did not change any of the opinions. Mr. Walker further stated that there were no significant difficulties encountered during the audit process and no disagreements with Management.

The Committee agreed to meet quarterly for the immediate future to focus on staffing and the progress of the recommendations outlined in the Auditor's Report.

A motion was made by Member Black, seconded by Member Kirkpatrick and carried unanimously to accept the Annual Comprehensive Financial Audit Report, as presented, and to recommend acceptance of same to the Board of Health at their meeting on January 26, 2023.

3. Receive Report and Discuss FY2023 Budget Augmentation and Approve Recommendations to the Board of Health on January 26,2023; direct staff accordingly or take other action as deemed necessary *(for possible action)*

Ms. Whitaker presented the General Fund and Grant (Special Revenue) Fund highlights related to the two resolutions for the budget augmentation, as follows:

- **Resolution #01-23**
  - General Fund: Increase the appropriation of the General Fund by $946,143, from $59,147,054 to $60,093,187
- **Resolution #02-23**
  - Grant Fund, Special Revenue: Decrease the Grant Fund (Special Revenue) by $21,525,510, from $123,554,647 to $102,029,137

Ms. Whitaker compared revenue and expenses for FY2023 Adopted Budget Revenue with the FY2023 Augmented Expenses by Division. Ms. Whitaker advised that Administration appeared in the negative due to indirect costs/cost allocations. Ms. Whitaker advised that no additional changes were needed for the Capital Projects Fund or Bond Reserve Fund.

A motion was made by Member Kirkpatrick, seconded by Member Black and carried unanimously to accept the Budget Augmentation to the Southern Nevada Health District (i) General Fund (Resolution #01-23) and (ii) Grant Fund (Special Revenue) (Resolution #02-23) Budget for the Fiscal Year Ending June 30, 2023, as presented, to meet the mandatory financial requirements of NRS 354.598005, and recommend acceptance of same to the Board of Health at their meeting on January 26, 2023.

VII. 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.

VIII. ADJOURNMENT

The Chair adjourned the meeting at 2:23 p.m.

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

/acm

AGENDA

SOUTHERN NEVADA DISTRICT BOARD OF HEALTH
FINANCE COMMITTEE MEETING
January 24, 2023 – 1:00 p.m.
Meeting will be conducted via Webex Event

NOTICE

WebEx Event address for attendees:
https://snhd.webex.com/snhd/onstage/g.php?MTID=eee9e51baf900976610bb5dd4b2b484ea

To call into the meeting, dial (415) 655-0001 and enter Access Code: 2550 812 9010

For other governmental agencies using video conferencing capability, the Video Address is:
25508129010@snhd.webex.com

NOTE:
- Agenda items may be taken out of order at the discretion of the Chair.
- The Board may combine two or more agenda items for consideration.
- The Board may remove an item from the agenda or delay discussion relating to an item on the agenda at any time.

I. CALL TO ORDER AND ROLL CALL

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 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.

There will be two public comment periods. To submit public comment on either public comment period on individual agenda items or for general public comments:

- **By Webex: Use the Webex link above. You will be able to provide real-time chat-room messaging, which can be read into the record by a Southern Nevada Health District employee or by raising your hand during the public comment period and a Southern Nevada Health District employee will unmute your connection. Additional Instructions will be provided at the time of public comment.**

- **By email: public-comment@snhd.org. For comments submitted prior to and during the live meeting, include your name, zip code, the agenda item number on which you are commenting, and your comment. Please indicate whether you wish your email comment to be read into the record during the meeting or added to the backup materials for the record. If not specified, comments will be added to the backup materials.**

IV. ADOPTION OF THE JANUARY 24, 2023 AGENDA *(for possible action)*

V. CONSENT AGENT

1. **APPROVE MINUTES/FINANCE COMMITTEE MEETING:** May 2, 2022 *for possible action)*

VI. REPORT / DISCUSSION / ACTION

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

2. **Receive and Discuss Annual Comprehensive Financial Audit Report from Eide Bailey and Approve Recommendations to the Board of Health on January 26, 2023**; direct staff accordingly or take other action as deemed necessary *(for possible action)*

3. **Receive Report and Discuss FY2023 Budget Augmentation and Approve Recommendations to the Board of Health on January 26, 2023**; direct staff accordingly or take other action as deemed necessary ***(for possible action)***

VII. 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.

VIII. ADJOURNMENT

NOTE: Disabled members of the public who require special accommodations or assistance at the meeting are requested to notify Andria Cordovez Mulet in Administration at the Southern Nevada Health District by calling (702) 759-1201.

THIS AGENDA HAS BEEN PUBLICLY NOTICED on the Southern Nevada Health District's Website at https://snhd.info/meetings, the Nevada Public Notice website at https://notice.nv.gov, and a copy will be provided to any person who has requested one via U.S mail or electronic mail. All meeting notices include the time of the meeting, access instructions, and the meeting agenda. For copies of agenda backup material, please contact Andria Cordovez Mulet at (702) 759-1201.

MINUTES

SOUTHERN NEVADA DISTRICT BOARD OF HEALTH
FINANCE COMMITTEE MEETING
May 2, 2022 – 3:00 p.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 (*Call-in User 3*) Olivia Diaz – Council Member, City of Las Vegas Brian Knudsen – Council Member, City of Las Vegas Marilyn Kirkpatrick – Commissioner, Clark County Tick Segerblom – Commissioner, Clark County
ABSENT:	Bobbette Bond – At-Large Member, Regulated Business/Industry
ALSO PRESENT: (In Audience)	Dawn Christensen, Alexandria Dazlich, David Dazlich, Cara Evangelista, Tommy Ferraro, Michelle Flater, Dana Gentry, Jill Hinxman, Cassius Lockett, Javier Rivera-Rojas, Alexis Romero, Sabrina Santiago, Jeff Seavey, Brisa Stephani, Virginia Valentine, Susy Vasquez
LEGAL COUNSEL:	Heather Anderson-Fintak, General Counsel
EXECUTIVE SECRETARY:	Fermin Leguen, MD, MPH, District Health Officer
STAFF:	Tawana Bellamy, Mark Bergtholdt, Andria Cordovez Mulet, Aaron DelCotto, Heather Hanoff, Theresa Ladd, Cassius Lockett, Larry Rogers, Chris Saxton, Herb Sequera, Karla Shoup, Randy Smith, Karen White, Edward Wynder

I. CALL TO ORDER AND ROLL CALL

Chair Nielson called the Finance Committee Meeting to order a 3:03 p.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.

Brisa Stephani, co-owner of Impact Food Safety and EH Services, representing approximately 2,000 permits in Clark County from small independently owned restaurants to large spectator arenas wished to speak on the impact the proposed 27% increase for EH fees would have on the food industry. We feel it is an excessive request without valid justification and it is not taking into consideration that businesses are barely starting to recover from the COVID shutdowns where they took a massive financial impact. They have operators that barely started recovering in the last 6 months. It would severely impact many facilities with their ability to grow and do business in Las Vegas. They are experiencing new fees in regard to gas, transportation, imports and utilities. The industry is experiencing severe staffing shortages. They've had to increase wages to attract employees. Some operators do events for a living, and the increase would result in minimal profit, if any. Many places rely on conventions and those have not been available for the last 2 years. Any accrued costs would inevitably trickle down to the public, who is also recovering from the pandemic. Also, in Las Vegas the permit fees

are already much more expensive because a facility has to obtain more initial permits. SNHD inspections have significantly higher enforcement rates compared to other jurisdictions. For example, one instance of a violation observed, may be written, as opposed to only writing trending violations. Other counties do not do that. Therefore, operators have no choice, but to split off areas in order to live out compliance with their sister properties. No comparative pricing with other agencies, or similar counties had been done or presented. So, they have taken an example of a two-floor restaurant on the strip and compared it with a facility equivalent in size on Hollywood Boulevard and in Beverly Hills, which is LA County and with Phoenix and Maricopa County. SNHD current fees are about $5,000, which is 38% higher than LA County, where their fees are around $3,000 and SNHD is 55% higher than Maricopa County, where their fees are around $2,300. Ms. Stephani wanted to explain the hourly rate of Inspector time to add some context. The current hourly rate of inspector time is $118. Using the previous example of the operator paying about $5,000 every year in permit fees. That would equate to approximately 43 hours of services. If the restaurant gets two visits a year, including preparation and driving, that would equate to about 10 hours, which was how much time it would take on average. We did not include time used for downgrades because those fees have already increased back in 2019 to account for that time. So, if 10 hours was used for inspection time than what do the other 33 hours per year go to; was it 33 hours of administrative costs? And now, on top of this, a fee increase was being proposed. As you can see, we already are paying an extremely high amount for these permits. In addition, the food regulations are in the process of being updated and that will add unforeseen cost to industry to keep compliance. The fee increase had been quickly proposed with the goal of implementation in a couple of months being July 1st. However, most of the budgets for industry were done in the last quarter of last year. This would put an additional strain on the industry. Overall, although we have a great appreciation for the EH program and are open to a fee increase, we must oppose such a high increase of 27% without sufficient justification and transparency for its need and allocation of profits. It is challenging to make comments on proposed solutions to support a fee increase when no detailed budget information had been provided. Like, what do you want to do with the money? What are the areas what the problems lacking funding? Which mandates have not been met? All statements have been vague and there are no details on any of this. Last month it was 29% proposed fee increase and now it is 27%. So, was that changed based on the business impact study or was that 29% originally not accurate? However, we do recommend that SNHD review their budget and proposed targeted fee increases for areas where there is need or at minimum allow for the businesses that will be impacted ample time to openly discuss, ask questions and have a two-sided conversation as partners for solutions. Thank you.

Cara Evangelista, co-owner of the health department consultant company with Brisa Stephani and we are also former inspectors, and will go over several concerns we, and our clients, have on the 29% fee increase and the 1% to 3% automatic increase in fees. First, I have been attending Board of Health and SNHD meetings since 2010, including many past fee raise meetings. In the past, SNHD has had multiple public workshops and answered questions from the public and had financial documents when attempting to raise fees. For these 2022 proposed fee raises there was only one public workshop. No questions from the public were allowed to be asked and we were provided no financials and public comment was limited to 5 minutes. Also, in the meeting minutes from the April 7th public workshop meeting were not placed in the package to the Board of Health for today or tomorrow's meeting, leaving out our business impact comments and many others who spoke that day. The biggest issue which many people commented on at the April 7th business impact meeting, is that SNHD has provided no financial documentation for review and the request for 29% fee increase and annual increase. There is no budget, no review of where the money will be spent, there is not even a breakdown of the revenue and expenditures per department inside of EH. As many business owners have stated to us, how can I comment on these fee raises when there are no financials. During the 2017 and 2019 years, SNHD attempted to get a roughly 40% increase and a 20% increase across the board. In both 2017 and 2019, the breakdown of the financials could not justify the across-the-board increase on all fees. Just some of the current financial information that has not been presented by SNHD today in 2022, that argues against the fee raises are that SNHD fees are already extremely high, higher than Hollywood Boulevard and Beverly Hills. Many of the inspectors are brand new decreasing significantly the average salary being paid out in EH. During COVID many employees now work from home decreasing overhead costs. In 2019, there was a fee increase that doubled the downgrade closures, approximately 100% to cover all inspector time and problem facilities. We are asking for full financial disclosure from SNHD to justify the fee raises. Ms. Evangelista commented on the small amount of relevant information provided today

in the 34-page PowerPoint. On page 13, as SNHD states, it is not financially self-sufficient. We have spoken on this through the years. According to the NRS 439.360, county board of health powers, number 5, Ms. Evangelista paraphrased, permit fees must be for the sole purpose of defraying the costs and expenses of the procedures for issuing licenses and permits, and investigations related thereto, and not for the purpose of general revenue. EH will never be a self-sufficient program because they have programs with no permits attached to them. Also, EH has stated that they want an illegal vending program in tomorrow's presentation. Are tattoo parlor and pool owners now expected to pay increased fees to cover an illegal vending office? This is not allowed as one example. This is not allowed per NRS 439.360, number 5. Slide 13 also states services and staff have been adversely impacted and mandates are not being met. Is this a state law mandate or an internal policy put out by management that are not being met? We are asking for details. Additionally slide 14, 15 and 16 show the only financials provided with only revenue expenditures numbers for a couple of years. Slide 14 and 16 show FY21 revenue as $20.7M but slide 15 shows FY21 at $18.7M revenue. Ms. Evangelista wanted to point out with these limited numbers, and she doesn't even understand what they mean; they are not the same. Also, as an example of the SNHD financials not always making sense, in 2019 SNHD stated in writing that the deficit in 2019, without the 20% fee increase, would be $3.1M. Now on slide 16, it shows the actual deficit was $250,000. Is it a $2.9M different on a $20M budget from just a couple of years ago? This is an example of why business owners would like to have full financial disclosure. Overall, they were asking for financial transparency and for SNHD to work with industry. Fees, especially restaurant fees, that are extremely high and look at targeted fees. Lasty, Ms. Evangelista wanted to state as a business owner, if she walked into an investor office and asked for $5M annual increase for my business, she would have to provide budget and financial plan, and other financial information, and not just expenditure and revenue number. She stated she would not even get a meeting with an investor if she did not have a full financial package put together. She believed that other government agencies do also have full financial packages put together when asking for increases in money and so we are just asking for this. Thank you.

Susy Vasquez, Executive Director of the Nevada State Apartment Association, wanted to comment after the presentation because maybe a number of the items and concerns that they had have with our swimming pool permits may be addressed in the presentation. They are concerned about the increase also. Ms. Vasquez was not clear as to when the increase would be effective. They have budgets as other companies do and was curious as to when those increases would be put in place. Again, Ms. Vasquez thought most of her questions may be answered with the presentation. However, she wanted to clarify that an increase in swimming pool fees of 27% was a bit excessive, but again, without context. Ms. Vasquez requested as to the insight as to why the fee had to be increased. She stated that it was challenging to be able to comment at this time but appreciated this meeting and looked forward to hopefully having some more conversation, if at all possible. Thank you so much.

Virginia Valentine, President of the Nevada Resort Association, mentioned a few concerns regarding the proposal to increase Environmental Health Division fees by 27% on July 1st of this year and by up to 3% annually beginning on July 1st, 2023. The hospitality industry is still recovering, gaming revenues are up but meetings, conventions, airlift, and international travel have not completely recovered to pre-pandemic levels. Occupancy is below the 2019 levels. Midweek occupancy remain soft as meeting and convention business continues to recovery and we are all dealing with the worst inflation in four decades, increasing gas prices, which impact the cost of transportation of goods and people and supply chain issues. We are also experiencing labor shortages, which have impacted hours of operation capacities for some restaurants. And we are still incurring the cost of COVID regulations. Ms. Valentine had an opportunity to read through the comments on the BIS. There was a reoccurring theme about the cumulative impact of fee increases and increase cost. I've heard some say that this isn't a big increase, but we ask that you consider the cumulative impacts of a lot of increases going into effect on July 1st. Solid waste disposal rates will increase. Minimum wage will increase creating upward pressure on all job classes. Water rates will increase. Sewer rates will increase. Natural gas rates have increased and the PUCN is considering rate increases proposed by Nevada ENG as a result of new mandates approved in the 2021 session. We have participated in several rate increase stakeholder meetings over the past decade, and nearly every rate increase proposal comes with rate comparison and similar communities. Some of these rate increases, like the SNWA include consideration for catching up. In that case rate increases were spread over a number of years. The SNWA agreed to public accountability and transparency at periodic levels to check-in on the performance of the increased rates. We have

reservations about mandatory and automatic annual indexing even when colored with a floor and a ceiling. Today, we recognize that the vital importance of the role that EH fills and public safety and health and we don't object paying a fee for service. We are not questioning the importance of enforcement of illegal vendors or illegal dumping of waste. These activities should not be funded or subsidized by fees paid only by certain regulated businesses. Several recommendations for changes to the fee structure were adopted by the Board of Health in 2019. We appreciate that Environmental Health has removed vector monitoring from the cost of EH and that the program, that benefits all of Clark County residents, will no longer be funded by industry specific fees. Other recommendations have not been implemented and those should be considered before increasing fees. A fee for service sometimes called an enterprise fund is not indexed, but instead fees are transparently determined based on actual cost and expenses. Indexing skips the process of accounting for all actual expenses and revenue that should be used to determine the true cost of permitting and inspections. This raises serious equity concerns when a subset of businesses is held to a fee for service standard, while the true cost of providing services to the same are at best ambiguous. A fee for service should be the cost of providing that service and should not be a vehicle for funding activities unrelated to that service. As we have previously commented, questions linger about cost allocation to EH division. What cost are allocated? Do all departments have an allocation? Should there be an allocation to cover the non-fee producing activities of EH. Additionally, as our understanding that the Environmental Health Division will soon initiate proceedings to update the local food code, which may include additional fee-based requirements, this may result in new plan review and inspection fees. The cost of such changes are unknown at this time, but should be understood fully by Environmental Health and industry before further increases are considered. In summary, an increase of 27% is too much to absorb in a single step. Especially why the industry is still recovering to be very clear. We are not opposed to reasonable fees for service. However, fees should cover the costs of providing the service. We ask that you provide additional information on the cost of non-revenue generating activities, the cost allocation and fee comparisons to other jurisdictions. Also, a one-time 27% increase does not account for the unknown costs regulated business that may come about as a result of the comprehensive update to the food code. Ms. Valentine believed it would be prudent to phase-in a fee increase, while EH contemplates these updates. Lastly, and more important, we ask you not to approve the automatic indexing at this time, so that further consideration of the underlying fee for service model and equity concerns can be further evaluated and addressed. There is time to do this since under the proposal put forward today, the first annual automatic increase would not occur until July 1st, 2023. We appreciate the important work that EH does in the community, and we value our longstanding partnership with the Southern Nevada Health District. Thank you for your perspectives of this matter.

Jeff Seavey commented that he could not agree more with all of the previous speakers that have illustrated the industries concerns. Mr. Seavey stated that he participated in a lot of the workshop meetings in the previous years and thought as they worked through were able to find some solutions to various areas but also revealed other areas of concern. Mr. Seavey thought there was still a lingering concern about the blanket numbers and how effective those would be. He would encourage that we go back to that format that was instituted previously of workshopping this, making the relevant data available for review and ensuring that whatever increases were implemented, were targeted and that they were effective and meaningful in the areas that they needed to be. He stated that the Committee heard from everybody in several meetings that businesses are facing the challenges of inflation, transportation costs and wage increases, and all of those other things that affect their expenses and then there was also impact to their revenue streams. Mr. Seavey suggested to look at the health enforcement space and the requirements for SB4, and the new regulations that have had to be enforced by the Health District. He stated that it was not just the fees and the fee increases that were on the table here. They are investing a considerable amount of money in the health and wellbeing of their customers and their employees, and the fee increases are just another additional costs that businesses have incurred over the last couple of years. He asked for consideration and to look at the totality of their investment in the health space as well, in addition to the expense increases and revenue decreases that are still in effect as a result of the volatility of the last couple of years. Thank you for your time and attention.

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

IV. ADOPTION OF THE MAY 2, 2022 MEETING AGENDA *(for possible action)*

A motion was made by Member Knudsen, seconded by Member Black and carried unanimously to approve the May 2, 2022 Agenda as presented.

V. REPORT / DISCUSSION / ACTION

1. **Approve Finance Committee Meeting Minutes – March 21, 2022**; direct staff accordingly or take other action as deemed necessary *(for possible action)*

   A motion was made by Member Knudsen, seconded by Member Kirkpatrick and carried unanimously to approve the March 21, 2022 Finance Committee Minutes, as presented.

2. **Receive and Discuss Environmental Health Fees Increase and Business Impact Statement and Approve Recommendations to the Board of Health on May 3, 2022**; direct staff accordingly or take other action as deemed necessary *(for possible action)*

   Chris Saxton, Director of Environmental Health, presented a brief overview of the Environmental Health Division and the various programs, along with a history of fee increases, the last being in 2009. Mr. Saxton advised that initially a 29% fee increase was being proposed, however, has been reduced to 27%, following industry feedback and the removal of the vector program in the increase. Mr. Saxton provided a summary of the responses received from the Business Impact Survey. Mr. Saxton outlined that staff recommendation was for a 27% overall fee increase, along with an annual CPI increase with a 1% floor and a 3% ceiling.

   Member Kirkpatrick stated that increases continue to be pushed and now nobody wants a fee increase. She further stated that the Health District does so much more now, and it came to light during COVID, and requested that we showcase all the things that we do. Member Kirkpatrick stated that 27% is a lot and whether there was a way to phase it in, but the Health District could no longer put it off.

   Member Knudsen had two inquiries: (i) the impacts of phasing in the increase and (ii) the rate comparisons. Mr. Saxton advised that the phasing in was looked at in the survey and was possible, but the issue was not being able to hire staff for another year. Mr. Saxton further advised that, regarding the rate comparison, they looked at other communities, some of which are subsidized by their state for their Environmental Health programs. Mr. Saxton suggesting looking at the hourly rate, which his $118 at the Health District; Washoe County was at $194, King County in Washington, Seattle was at $229, and LA County was from $148-$296. Mr. Saxton advised that the hourly rate was set back in 2009.

   Member Black stated that every organization was feeling the fiscal impact of inflation and supply chain issues, including the Health District. Further, from the presentation, it appears that the increases would be between $100-$400, however, during the Public Comment there was reference to a $5,000 permit. Mr. Saxton advised that he believed the reference was to a resort or a large property that would have a lot of permits, which would be a unique example. Member Black inquired what portion of the 27% increase would be needed to make Environmental Health whole, and Mr. Saxton advised that the entire 27% was required to decrease the deficit and hire the additional staff needed. Member Black suggested that if the Board of Health would contemplate a phase-in of the fee increase, what percentage of the 27% would be able to fund the activities required and meet the needs of the community, and what would be for future growth and development. Member Kirkpatrick cautioned about a phase-in option as it takes time to hire staff, and the community continues to grow. If a phase-in option is accepted, then the Board of Health must be mindful that the Health District would not see revenue until next July.

   Member Nielson recalled the Summer of 2019 when a committee was constituted to determine recommendations, that were adopted by the Board of Health in June 2019. Member Nielson stated

that some of the recommendations have now been brought back, for example, no transparency in the cost of a service and the fee being charged for that service. Further, Member Nielson stated that several recommendations identified were ways that the Environmental Health Division could raise fees, such as charging for new events and expedited fees for service. In 2019, there was a recommendation for the next legislative session to increase the tire fee. With respect to the inflationary increase, Member Nielson stated that it should not be automatic due to the need to revisit the earlier recommendations.

Dr. Leguen advised that, after the 2019 meeting, staff was asked to produce information in response to the recommendations. Staff spent more than a year trying to gather the information. With respect to the cost-of-living increase, Dr. Leguen stated that the ceiling of 3% and the floor of 1% is something that is applied in multiple jurisdictions and considers what is happening in the community. Dr. Leguen stated that Washoe County implemented the automatic increase to avoid having the discussion every year, which would not be productive.

Member Diaz understood the desire to phase-in and did not think that the 27% should be reduced. She stated that it was the prudent thing to do as the Health District could not be expected to do more with less.

A motion was made by Member Kirkpatrick seconded by Member Black and carried by a vote of 5-1 to accept the Business Impact Statement related to the Environmental Health Fee Increase and to approve a recommendation to the Board of Health to (i) accept the Business Impact Statement, (2) adopt the 27% Environmental Health fee increase with a two-payment process, and (iii) reconsider the automatic increase in January 2023.

AYES	NAYS
1. Black	1. Nielson
2. Diaz	
3. Kirkpatrick	
4. Knudsen	
5. Segerblom	

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.

David Dazlich, Director of Government Affairs for the Vegas Chamber, advised that the Vegas Chamber had concerns about the immediate implementation of the full 27% and would urge consideration of a phased approach. Additionally, they had concerns about an automatic CPI escalator. It is their belief that that should be reviewed and voted on by the Board of Health as they come up. Finally, they would like to echo the concerns about the format of this Finance Committee meeting and would urge that such meetings, especially in relation to fee increases, that they be allowed in-person to make comments. Thank you for your time.

Alexandria Dazlich, on behalf of the Nevada Restaurant Association, echoed the comments already raised. Ms. Dazlich stated that they found that the 27% increase in fee proposals with the 1% to 3% annual rate is not justified due to the lack of individual line items and disclosure of funds. They also believed that it would economically impact their small independent restaurants. They also thought that tying the proposed fee schedule to current inflation due to high inflationary period, would have an extreme and immediate negative effect on the restaurant industry as well as the rest of the business community at large. Many of their operators have reported that while their sales are up, their cash flow is decreased. They appreciated the Health District's willingness for feedback and looked forward to finding some sort of phased-in approach.

Cara Evangelista, on behalf of Impact Food Safety and Environmental Health, stated that Environmental Health and the inspectors were doing a good job. They were very helpful during COVID, but this

discussion here was about Environmental Health fee raises attached to permits. We are asking what any other businessperson would have to provide, which is financial documentation, and these are part of the issues of why there has not been fee raises in previous years, because the financial documentation could not be provided. Ms. Evangelista was a health inspector for 8 years and advised that the 2004 and 2007 fee raises at 30% were because permits were about $25, back in the day. So, there were no costs being covered. This was where it became a self-sufficient department because there were pretty much no fees being collected back then. But what happened was that the fees were so high that the per hour rate goes up and down. Ms. Evangelista provided the comment about a strip restaurant as an example of $5,000 that had 11 permits. She wanted to explain that a dry storage permit was $250 and a kitchen permit was $550, so if there is a closet with liquor stored in it, then they are paying half for a closet with liquor stored in it than an actual kitchen permit. These costs travel up to large facilities and down to little facilities in the per hour rate of $118, which is what the per hour rate was right now. As an example of the same restaurant, inspectors spent maybe 10 hours there, but they are paying for 43 hours and if divided by $150 per hour rate for inspector, it's 33 hours, where the inspector was only spending 10 hours in the facility. With $200, it was 23 hours, and the inspector was only spending 10 hours in a facility. So even if it went up to $200 per hour, they were still paying for 23 hours of inspector time and that they spent maybe 10 hours. A large facility on the strip was paying $150,000 in permit fees already, a casino. That equals 1.5 full-time employees, 8 hours a day, 5 days a week. An inspector in that large facility may only be in there a couple of times per week. So at least with restaurant permits, they are already paying large amounts because of how the permits are broken out. Ms. Evangelista was not sure about tattoo schools, pools, etc. because they are one permit facilities. How the inspections were here versus LA County, Ms. Evangelista stated that they almost had to split the permits but sometimes they have no choice because there is a closet with liquor stored in it that is behind the kitchen. Ms. Evangelista stated that they were asking what every other business owner would have to provide, which is a basic breakdown of expenditures and then target those areas that were needing an increase. Restaurants right now were paying more than Hollywood Boulevard and Beverly Hills and California was one of the most regulated states and we were so far above that already. They have clients in California and were pulling the number in California. Ms. Evangelista stated that they were not saying that fee raises were not needed or that EH was doing a bad job, but that EH was based on permits for the operation of that permit and even if they do extra, it is still not in the operation in that permit and that is per NRS. Thank you for your time.

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

VII. ADJOURNMENT

The Chair adjourned the meeting at 4:21 p.m.

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

/acm

CPAs & BUSINESS ADVISORS

SOUTHERN NEVADA HEALTH DISTRICT

Financial Statement Audit – June 30, 2022

REPORTING OVERVIEW

- Reporting package includes two audit reports
  - Independent Auditors Report
  - Auditor's Report Government Auditing Standard (GAGAS Report)

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INDEPENDENT AUDITORS REPORT

- Type of Report Issued
  - Unmodified

- Adoption of New Accounting Standard
  - Adoption of GASB Statement No. 87, *Leases*
    - Lead to the addition of a new lease liability and right of use assets

EideBailly®

GAGAS REPORT

- Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters

- Findings
  - 2022-001 – Material Weakness in Financial Close and Reporting
  - 2022-002 – Material Weakness in Financial Close and Reporting – IT Environment
  - 2022-003 – Material Noncompliance with Nevada Revised Statutes Budget Requirements, Material Weakness in Internal Control over Compliance

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REPORTING UPDATES

- Subsequent to posting the audit report for the finance committee some final quality review corrections were identified and made
  - Clerical corrections to the auditor's report, table of contents, footnotes, and GAGAS report
  - Change to the presentation of lease payments on the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to comply with GASB 87

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REQUIRED COMMUNICATIONS WITH GOVERNANCE

- Major Accounting Policies can be found in footnote 1
  - Adoption of GASB 87
- Significant Estimates and Disclosures
  - OPEB and PERS Plans, GASB 87 Implementation
- No significant difficulties encountered during the audit
- No disagreements with Management

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CPAs & BUSINESS ADVISORS

QUESTIONS?

Financial Statements
June 30, 2022

Southern Nevada Health District

Financial Section
June 30, 2022

Southern Nevada Health District

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the 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, 2022, 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.

In our opinion, the accompanying 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, 2022, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards)*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Health District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Adoption of New Accounting Standard

As discussed in Note 1 to the financial statements, the Health District has adopted the provisions of GASB Statement No. 87, *Leases.* This adoption did not result in a restatement of net position as of July 1, 2021. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Health District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Health District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Health District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 6 through 15 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 50 through 56 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Health District's basic financial statements. The individual fund schedules are the responsibility of management are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules, capital asset schedules, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated "date of report" 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, and grant agreements and 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.

Eide Bailly Signature

Las Vegas, Nevada
XXXXXX

Management's Discussion and Analysis
June 30, 2022

Southern Nevada Health District

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, 2022.

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 $32,682,893. Of this amount, unrestricted net position could be used to meet the government's on-going obligations to citizens and creditors, if it were a positive number.

The Health District's total net position increased by $6,928,462, primarily due to the increase of special revenue from COVID-19 pandemic response efforts.

The Health District's total revenue increased by $32,204,020. This was primarily driven by the pandemic response in the special revenue fund, an increase in volume of clients served, and property tax revenues. Expenses increased by $32,095,538, which reflects the costs of the pandemic response/outreach initiatives including but not limited to vaccine, testing, and contact tracing efforts.

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.

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 2022. 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 16 of this report.

Fund Financial Statements

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

Governmental funds

Proprietary funds

Fiduciary funds

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources, as well as on balances of spendable resources* available at the end of the fiscal year. Such information may be useful in assessing the Health District's near-term financing requirements.

Governmental Funds

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 two 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 and special revenue 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.

Proprietary Fund

As of June 30, 2022, 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.

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 27 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 50 of this report.

Government-wide Overall Financial Analysis

Summary Statement of Net Position

	Governmental Activities	
	2022	2021
Assets		
Current and other assets	$ 57,564,795	$ 53,082,255
Net capital assets	36,662,219	27,739,485
Total assets	94,227,014	80,821,740
Deferred Outflows	51,546,231	21,197,014
Liabilities		
Short-term liabilities	22,070,057	16,284,135
Long-term liabilities	99,265,947	110,322,161
Total liabilities	121,336,004	126,606,296
Deferred Inflows	57,120,134	15,024,480
Net Position		
Net investment in capital assets	29,117,281	27,739,485
Restricted	368,975	311,088
Unrestricted	(62,169,149)	(67,662,595)
Total net position	$ (32,682,893)	$ (39,612,022)

Total unrestricted net position represents negative 190% 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 increased by $6,938,462 primarily due to increased operating grants and contributions.

Summary Statement of Changes in Net Position

	Governmental Activities	
	2022	2021
Revenues		
Program Revenues		
Charges for services	$ 49,760,082	$ 42,086,660
Operating grants and contributions	85,129,449	61,456,157
General Revenues		
Property tax allocation	28,258,566	26,169,886
Other income	1,061,273	821,759
Unrestricted investment income (loss)	(1,382,412)	88,476
Total Revenues	162,826,958	130,622,938
Expenses		
Public health		
Clinical services	60,865,122	45,158,133
Environmental health	23,508,809	23,094,986
Community health	86,557,971	42,328,165
Administration	(15,033,406)	13,221,674
Total Expenses	155,898,496	123,802,958
Change in Net Position	6,928,462	6,819,980
Net Position, Beginning	(39,611,355)	(46,431,335)
	$ (32,682,893)	$ (39,611,355)

Governmental Activities

During the current fiscal year, net position for governmental activities increased $6,928,462 from the 2021 fiscal year to an ending balance of negative $39,611,355.

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, 2022, the Health District's governmental funds reported combined fund balances of $41,826,781, an increase of $4,624 in comparison with the prior year. Approximately 81%, or $33,851,254 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: $2,286,648 is non-spendable; $4,883,052 is assigned to capital project improvements; restricted funds of $279,975 is Grant-related; $525,852 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 $34,085,452, while the total fund balance is $36,886,107. 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 17.3% of total combined general fund and special revenue fund expenditures and transfers, while total governmental fund balance represents approximately 17.1% of the total governmental expenditures and transfers. The Health District's general fund balance increased by $1,581,460 during the current fiscal year, attributable to increased revenue and property tax allocation.

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 $291,820. 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 and capital funds have an assigned fund balance of $4,883,052 at the end of the current fiscal year, which decrease by $1,700,775 as compared to the prior fiscal year. This is not a significant decrease from the prior year.

Fund Revenues by Source:

	2022		2021		Increase (Decrease)	
	Amount	Percent	Amount	Percent	Amount	Percent
General Fund Revenues						
Charges for services						
Fees for service	$ 25,661,858	33.34%	$ 21,467,901	31.33%	$ 4,193,957	19.54%
Regulatory revenue	21,579,715	28.04%	19,179,957	27.99%	2,399,758	12.51%
Title XIX & other	2,524,093	3.28%	1,438,802	2.10%	1,085,291	75.43%
Total charges for services	49,765,666	64.66%	42,086,660	61.42%	7,679,006	18.25%
Intergovernmental revenues						
Property tax	28,258,566	36.71%	26,169,886	38.20%	2,088,680	7.98%
General receipts						
Contributions and donations	9,136	0.01%	20,374	0.03%	(11,238)	-55.16%
Interest income	(1,270,116)	-1.65%	121,743	0.18%	(1,391,859)	-1143.28%
Other	205,013	0.27%	114,436	0.17%	90,577	79.15%
Total general fund revenues	$ 76,968,265	100.00%	$ 68,513,099	100.00%	$ 8,455,166	12.34%
Special Revenue Fund Revenues						
Intergovernmental revenues						
Direct federal grants	$ 14,769,382	17.19%	$ 8,212,491	13.22%	$ 6,556,891	79.84%
Indirect federal grants	69,327,432	80.69%	51,489,763	82.86%	17,837,669	34.64%
State funding	1,017,915	1.18%	1,733,529	2.79%	(715,614)	-41.28%
Total intergovernmental revenues	85,114,729	99.06%	61,435,783	98.87%	23,678,946	38.54%
Program Contract Services	808,427	0.94%	707,323	1.13%	101,104	14.29%
Total special fund revenues	$ 85,923,156	100.00%	$ 62,143,106	100.00%	$ 23,780,050	38.27%
Combined Special Revenue and General Funds	$ 162,891,421		$ 130,656,205		$ 32,235,216	24.67%

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

The increase in the property tax allocation of $2,088,680 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.

	2022		2021		Increase(Decrease)	
	Amount	Percent	Amount	Percent	Amount	Percent
General Fund Expenditures						
Current						
Public health						
Clinical services	$ 33,293,099	58.85%	$ 28,706,148	60.96%	$ 4,586,951	15.98%
Environmental health	23,724,967	41.94%	19,136,376	40.63%	4,588,591	23.98%
Community health services	16,664,082	29.46%	9,609,519	20.40%	7,054,563	73.41%
Administration	(17,456,776)	-30.86%	(10,592,489)	-22.49%	(6,864,287)	64.80%
Capital outlay						
Public health	344,319	0.61%	234,431	0.50%	109,888	46.87%
Total general fund expenditures	$ 56,569,691	100.00%	$ 47,093,985	100.00%	$ 9,475,706	20.12%
Special Revenue Fund Expenditures						
Current						
Public health						
Clinical services	$ 28,821,673	27.54%	$ 15,789,174	21.35%	$ 13,032,499	82.54%
Environmental health	1,184,048	1.13%	3,310,153	4.48%	(2,126,105)	-64.23%
Community health services	70,180,202	67.05%	31,879,874	43.10%	38,300,328	120.14%
Administration	2,577,654	2.46%	20,948,893	28.32%	(18,371,239)	-87.70%
					-	
Capital outlay						
Public health	1,900,587	1.82%	2,037,803	2.75%	(137,216)	-6.73%
Total special revenue fund expenditures	$ 104,664,164	100.00%	$ 73,965,897	100.00%	$ 30,698,267	41.50%
Combined General Funds & Special Revenue	$ 161,233,855		$ 121,059,882		$ 40,173,973	33.19%

General Fund Budget Highlights

Final budget compared to actual results

Current budget procedure allows funds to be moved within programs and departments. Revenues fell short of Budgeted amounts by $771,114. Fees for services and investment earnings had been impacted due to the pandemic and economic impacts and did not meet projections.

Total budgeted expenditures exceeded actual amounts by $4,696,245. This was primarily driven by Services and supplies as expectations for the expenditure for standard operations as well as grant funded operations were not meet.

Detailed information of budgeted revenue and expenditures and actual revenue and expenditures are included in the Supplementary Information on page 50 of the Financial Report.

CAPITAL ASSETS

As of June 30, 2022, the Health District's net investment in capital assets for its governmental activities was $36,662,219. 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 $7,263,040 or 25%, driven by construction in progress and right of use leased assets.

Governmental activities	Balance June 30, 2021	Increases	Decreases	Transfers	Balance June 30, 2022
Total governmental activities	$ 29,399,179	$ 7,466,033	$ (202,993)	$ -	$ 36,662,219

The Health District deleted capital assets by $561,021. This included obsolete Office and Information Technology equipment as well replaced District Vehicles.

Additional detailed information on the Health 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 Health District has no outstanding debt other than lease liabilities.

Economic Factors and Next Year's Budgets and Rates

The Health District has an improved financial position even with the continued impact of 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 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.

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.

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.

Basic Financial Statements
June 30, 2022

Southern Nevada Health District

Government-Wide Financial Statements
June 30, 2022

Southern Nevada Health District

	Governmental Activities
Assets	
Cash and equivalents, unrestricted	$ 32,844,883
Restricted cash	89,000
Grants receivable	19,259,152
Accounts receivable, net	2,755,967
Interest receivable	58,325
Other receivables	270,820
Prepaid items	817,727
Inventories	1,468,921
Capital assets not being depreciated	
Land	3,447,236
Construction in progress	2,517,121
Capital assets, net of accumulated depreciation and amortization	
Buildings	16,412,426
Improvements other than buildings	1,883,823
Furniture, fixtures, and equipment	4,474,695
Right of use leased assets	7,525,084
Vehicles	401,834
Total assets	94,227,014
Deferred Outflows of Resources	
Deferred amounts related to pensions	47,229,699
Deferred amounts related to OPEB	4,316,532
	51,546,231
Liabilities	
Accounts payable	11,497,629
Accrued expenses	3,712,762
Workers compensation self-insurance claims	20,000
Unearned revenue	397,898
Retainage payable	23,603
Long-term liabilities, due within one year	
Compensated absences	5,547,832
Lease liability	870,333
Long-term liabilities, due in more than one year	
Compensated absences	3,731,118
Lease liabiity	6,674,605
Net pension liability	58,760,106
Total OPEB liability	30,100,118
Total liabilities	121,336,004
Deferred Inflows of Resources	
Deferred amounts related to pensions	48,900,707
Deferred amounts related to OPEB	8,219,427
	57,120,134
Net Position	
Net investment in capital assets	29,117,281
Restricted	368,975
Unrestricted (deficit)	(62,169,149)
Total net position	$ (32,682,893)

Southern Nevada Health District

Statement of Activities

For the Fiscal Year Ended June 30, 2022

Function/Program	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position Primary Government: Governmental Activities
Governmental activities				
Public health				
Clinical services	$ 60,865,122	$ 20,912,445	$ 22,463,386	$ (17,489,291)
Environmental health	23,508,809	21,285,048	995,194	(1,228,567)
Community health	86,557,971	7,554,321	59,445,178	(19,558,472)
Administration	(15,033,406)	8,268	2,225,691	17,267,365
Total governmental activities	155,898,496	49,760,082	85,129,449	(21,008,965)
Total function/program	$ 155,898,496	$ 49,760,082	$ 85,129,449	(21,008,965)
General Revenues				
Property tax allocation				28,258,566
Other income				1,061,273
Unrestricted investment income				(1,382,412)
Total general revenues and transfers				27,937,427
Change in Net Position				6,928,462
Net Position, Beginning of Year				(39,611,355)
Net Position, End of Year				$ (32,682,893)

See Notes to Financial Statements

Fund Financial Statements
June 30, 2022

Southern Nevada Health District

	General Fund	Special Revenue Fund	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	$ 28,766,852	$ -	$ 4,007,820	$ 32,774,672
Grants receivable	-	19,259,152	-	19,259,152
Accounts receivable, net	2,762,321	-	(6,354)	2,755,967
Other receivables	257,620	13,200	-	270,820
Interest receivable	51,082	-	7,118	58,200
Due from other funds	10,002,165	-	874,468	10,876,633
Inventories	1,468,921	-	-	1,468,921
Prepaid items	805,882	11,845	-	817,727
Total assets	$ 44,114,843	$ 19,284,197	$ 4,883,052	$ 68,282,092
Liabilities				
Accounts payable	$ 3,347,734	$ 8,096,674	$ -	$ 11,444,408
Accrued expenses	3,732,569	-	-	3,732,569
Unearned revenue	148,433	249,465	-	397,898
Due to other funds	-	10,880,436	-	10,880,436
Total liabilities	7,228,736	19,226,575	-	26,455,311
Fund Balances				
Nonspendable				
Inventories	1,468,921	-	-	1,468,921
Prepaid items	805,882	11,845	-	817,727
Restricted for				
Grants	-	279,975	-	279,975
Assigned to				
Capital improvements	-	-	4,883,052	4,883,052
Administration	525,852	-	-	525,852
Unassigned	34,085,452	(234,198)	-	33,851,254
Total fund balances	36,886,107	57,622	4,883,052	41,826,781
Total liabilities and fund balances	$ 44,114,843	$ 19,284,197	$ 4,883,052	$ 68,282,092

Total fund balance - governmental funds		$ 41,826,781
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 and amortization	36,662,219	
		36,662,219
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	(30,100,118)	
Deferred outflows related to postemployment benefits other than pensions	4,316,532	
Deferred inflows related to postemployment benefits other than pensions	(8,219,427)	
Compensated absences	(9,278,950)	
Lease liability	(7,544,938)	
Net pension liability	(58,760,106)	
Deferred outflows related to pensions	47,229,699	
Deferred inflows related to pensions	(48,900,707)	
		(111,258,015)
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	86,122	
		86,122
Total net position - governmental activities		$ (32,682,893)

Southern Nevada Health District

Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances

For the Fiscal Year Ended June 30, 2022

	General Fund	Special Revenue Fund	Other Governmental Funds	Total Governmental Funds
Revenues				
Charges for services				
Fees for service	$ 25,661,858	$ -	$ -	$ 25,661,858
Regulatory revenue	21,579,715	-	-	21,579,715
Title XIX & other	2,524,093	-	-	2,524,093
Intergovernmental revenues				
Property tax	28,258,566	-	-	28,258,566
Direct federal grants	-	14,769,382	-	14,769,382
Indirect federal grants	-	69,327,432	-	69,327,432
State grant funds	-	1,017,915	-	1,017,915
General receipts				
Contributions and donations	9,136	-	-	9,136
Interest income	(1,270,116)	-	(109,761)	(1,379,877)
Other	205,013	808,427	-	1,013,440
Total revenues	76,968,265	85,923,156	(109,761)	162,781,660
Expenditures				
Current				
Public health				
Clinical & nursing services	33,293,099	28,821,673	-	62,114,772
Environmental health	23,724,967	1,184,048	-	24,909,015
Community health	16,664,082	70,180,202	-	86,844,284
Administration	(17,456,776)	2,577,654	76,900	(14,802,222)
Total current	56,225,372	102,763,577	76,900	159,065,849
Capital outlay	344,319	1,900,587	1,514,114	3,759,020
Total expenditures	56,569,691	104,664,164	1,591,014	162,824,869
Excess (Deficiency) of Revenues Over (Under) Expenditures	20,398,574	(18,741,008)	(1,700,775)	(43,209)
Other Financing Sources (Uses)				
Transfers in	-	18,864,947	500,000	19,364,947
Transfers out	(18,864,947)	-	(500,000)	(19,364,947)
Proceeds from capital asset disposal	47,833	-	-	47,833
Total other financing sources (uses)	(18,817,114)	18,864,947	-	47,833
Change in Fund Balance	1,581,460	123,939	(1,700,775)	4,624
Fund Balance, Beginning of Year	35,304,647	(66,317)	6,583,827	41,822,157
Fund Balance, End of Year	$ 36,886,107	$ 57,622	$ 4,883,052	$ 41,826,781

Change in fund balances, governmental funds		$ 4,624
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	3,759,020	
Less current year depreciation	(3,287,015)	
Less loss on disposal capital assets	(155,160)	
		316,845
The issuance of long-term debt (i.e. lease liabilities) provides current financial resources to governmental funds while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds:		
Principal payments on lease liabilities	974,668	
Interest expense recognized as rent expense to the governmental funds	85,611	
		1,060,279
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	(1,949,735)	
Change in deferred outflows related to postemployment benefits other than pensions	(115,861)	
Change in deferred inflows related to postemployment benefits other than pensions	1,087,388	
Change in compensated absences	(465,258)	
Change in deferred outflows related to pensions	30,465,078	
Change in deferred inflows related to pensions	(43,183,041)	
Change in net pension liability	19,710,678	
		5,549,249
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	(2,535)	
		(2,535)
Change in net position of governmental activities		$ 6,928,462

	Governmental Activities
	Insurance Liability Reserve
Assets	
Current Assets	
Cash and cash equivalents	$ 70,211
Restricted cash	89,000
Interest receivable	125
Due from other funds	7
Total current assets	159,343
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	(2,878)
Total net position	$ 86,122

	Governmental Activities
	Insurance Liability Reserve
Nonoperating Revenues	
Investment income	(2,535)
Total nonoperating revenues	(2,535)
Income Before Transfers	(2,535)
Change in Net Position	(2,535)
Net Position, Beginning of Year	88,657
Net Position, End of Year	$ 86,122

	Governmental Activities
	Insurance Liability Reserve
Cash Flows from Investing Activities	
Investment income	(2,521)
Change in Cash and Cash Equivalents	(2,521)
Cash, Restricted Cash and Cash Equivalents, Beginning of Year	161,732
Cash, Restricted Cash, and Cash Equivalents, End of Year	$ 159,211
Reconciliation of Cash Balances at End of Year:	
Unrestricted	$ 70,211
Restricted	89,000
	$ 159,211

	Custodial Fund
Assets	
Cash and cash equivalents	$ 11,439
Due from other funds	3,796
	15,235
Liabilities	
Accounts payable	507
Net Position	
Restricted for:	
Individuals and organizations	$ 14,728

	Custodial Fund
Additions	
Contributions	$ 5,465
Deductions	
Services and supplies	2,176
Change in Net Position	3,289
Net Position, Beginning of Year	11,439
Net Position, End of Year	$ 14,728

Notes to Financial Statements
June 30, 2022

Southern Nevada Health District

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 11-member policymaking board (the Board of Health) comprised of two representatives each from the Board of County Commissioners and the largest city in Clark County, one elected representative from each of the four remaining jurisdictions in the county, a physician member at-large, one representative of a nongaming business, 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.

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 proprietary fund distinguishes 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.

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, 2022, the estimated value of such vaccines in the Health District's possession was $1,009,500.

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.

Right of use leased assets are recognized at the lease commencement date and represent the Health District's right to use an underlying asset for the lease term. Right of use leased assets are measured at the initial value of the lease liability plus any payments made to the lessor before commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, plus any initial direct costs necessary to please the lease asset into service. Right of use leased assets are amortized over the shorter of the lease term or useful live of the underlying asset using the straight-line method.

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

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

Compensated Absences

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

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

Years of Service	Vacation Benefits (Days)
Less than one	10
One to eight	15
Eight to Thirteen	18
More than thirteen	20

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

An employee is entitled to sick pay benefits accrued at one day for each month of full-time service. After 120 months of full-time service, an employee is entitled to 1.25 days of sick pay benefits for each month of full-time service. There is no limit on the amount of sick pay benefits that can be accumulated. Upon termination, an employee with at least three years of service will receive 100% 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.

Lease Liabilities

Lease Liabilities represent the Health District's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the lease commencement date based on the present value of future lease payments expected to be made during the lease term. The present value of lease payments are discounted based on a borrowing rate determined by the Health District.

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 of 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) ACFR 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 from. 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 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 and amortization.

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.

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.

Implementation of New GASB Statement

As of July 1, 2021, the Health District adopted GASB Statement No. 87, *Leases*. The implementation of this standard establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The standard requires recognition of certain right to use leased assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. As a result of implementing this standard the Health District recognized a right of use asset and lease liability of $1,659,694 and $1,659,694 as of July 1, 2021, respectively. As a result of these adjustments there was no effect on beginning net position. The additional disclosures required by this standard are included in Notes 4 and 6.

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, 2022, were as prescribed by law.

The budget approval process is summarized as follows:

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

Upon approval by the Board of Health, the tentative budget is submitted to Clark County where it is included in 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, 2022, the Health District reported the following expenditures over appropriations:

The Health District's Special Revenue Fund expenditures for the public health function exceeded appropriations by $1,697,446. 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 Health District made transfers of $1,740,568 in excess of the amount budgeted from the General Fund to the Special Revenue Fund, without obtaining Board approval. Cost allocations and transfers were not properly accounted for in the original budget or in the mid-year budget augmentation.

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, 2022, the carrying amount of the Health District's deposits was $0 as all amounts were swept into the Clark County Investment Pool at the end of the day.

Clark County Investment Pool

The Health District participates in Clark County's investment pool. At June 30, 2022, 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.

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, 2022, 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, 2022, the carrying amount and market value of the Health District's investments in the Clark County Investment Pool was $32,850,806.

Combined Cash and Cash Equivalents

At June 30, 2022, the Health District's cash and cash equivalents were as follows:

Cash on hand	$ 5,516
Restricted cash	89,000
Clark County Investment Pool	32,850,806
Total cash and cash equivalents	$ 32,945,322

At June 30, 2022, the Health District's cash and cash equivalents were presented in the District's financial statements as follows:

Governmental funds	$ 32,774,672
Proprietary fund	159,211
Custodial funds	11,439
Total cash and cash equivalents	$ 32,945,322

Note 4 - Capital Assets

Changes in capital assets for the year ended June 30, 2022, were as follows:

	Balance June 30, 2021	Increases	Decreases	Transfers	Balance June 30, 2022
Governmental Activities					
Capital Assets not Being Depreciated or Amortized					
Construction in progress	$ 525,637	$ 2,066,776	$ -	$ (75,292)	$ 2,517,121
Land	3,447,236	-	-	-	3,447,236
Total capital assets not being depreciated	3,972,873	2,066,776	-	(75,292)	5,964,357
Capital Assets Being Depreciated or Amortized					
Buildings	21,027,013	-	-	-	21,027,013
Improvements other than buildings	5,288,999	104,118	(215,560)	75,292	5,252,849
Furniture, fixtures, and equipment	16,158,960	1,588,126	(246,137)	-	17,500,949
Right of use leased assets	1,659,694	6,994,028	-	-	8,653,722
Vehicles	1,448,022	-	(99,324)	-	1,348,698
Total capital assets being depreciated or amortized	45,582,688	8,686,272	(561,021)	75,292	53,783,231
Accumulated Depreciation and Amortization					
Buildings	(3,906,524)	(708,063)	-	-	(4,614,587)
Improvements other than buildings	(3,321,617)	(262,969)	215,560	-	(3,369,026)
Furniture, fixtures, and equipment	(12,081,918)	(987,480)	43,144	-	(13,026,254)
Right of use leased assets	-	(1,128,638)	-	-	(1,128,638)
Vehicles	(846,323)	(199,865)	99,324	-	(946,864)
Total accumulated depreciation and amortization	(20,156,382)	(3,287,015)	358,028	-	(23,085,369)
Total capital assets being depreciated or amortized, net	25,426,306	5,399,257	(202,993)	75,292	30,697,862
Total Governmental Activities	$ 29,399,179	$ 7,466,033	$ (202,993)	$ -	$ 36,662,219

For the year ended June 30, 2022, depreciation and amortization expense was charged to the following functions and programs:

Governmental Activities	
Clinical services	$ 145,854
Environmental health	31,446
Community health	656,532
Administration	2,453,183
Total depreciation and amortization expense, governmental activities	$ 3,287,015

Note 5 - Interfund Balances and Transfers

Transfers in and out for the year ended June 30, 2022 are as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Special Revenue Fund	$ 10,002,165
Other governmental funds	Special Revenue Fund	874,468
Insurance Reserve	Special Revenue Fund	7
Fiduciary fund	Special Revenue Fund	3,796
		$ 10,880,436

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, 2022, consisted of the following:

Transfers Out of Fund	Transfers In to Fund	Amount
General Fund	Special Revenue Fund	$ 18,864,947
Bond Reserve	Capital Project Fund	500,000
		$ 19,364,947

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.

Note 6 - Leases

As of July 1, 2021, the Health District implemented GASB Statement No. 87, *Leases*, see Note 1.

Lessee Activities

The Health District has entered into multiple leases for office, clinical, and warehouse space. The Health District is required to make principal and interest payments on these spaces. These lease agreements have terms expiring from January 2023 through March 2027. The lease liability was valued using discount rates between 3.25% and 4.75%. This rate was determined using the US Prime Rates applicable for each lease based on the lease period and date of initiation.

The Health District has entered into multiple leases for medical and office equipment. The Health District is required to make principal and interest payments on these equipment leases. These lease agreements have terms expiring from August 2022 through July 2024. The lease liability was valued using a discount rate of 3.25%. This rate was determined using the US Prime Rates applicable for each lease based on the lease period and date of initiation.

Note 7 - Changes in Long-Term Liabilities

Long-term liabilities activity for the year ended June 30, 2022, was as follows:

	Balance June 30, 2021	Increases	Decreases	Balance June 30, 2022	Due Within One Year
Governmental Activities					
Compensated absences	$ 8,813,692	$ 6,279,205	$ (5,813,947)	$ 9,278,950	$ 5,547,832
Lease liability	1,525,580	6,994,026	(974,668)	7,544,938	870,333
Total long-term liabilities	$ 8,813,692	$ 6,279,205	$ (5,813,947)	$ 9,278,950	$ 5,547,832

Compensated absences typically have been liquidated by the general fund.

Remaining principal and interest payments on leases are as follows:

For the Year Ending June 30,	Principal	Interest
2023	$ 870,333	$ 287,692
2024	638,295	227,401
2025	565,321	205,353
2026	571,173	186,210
2027	518,760	167,053
Thereafter	4,381,055	840,410
	$ 7,544,938	$ 1,914,118

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 sub-limits established for earthquake, flood, equipment breakdown, and money and securities.

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, 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 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 with an effective date of membership on or after January 1, 2010 and before July 1, 2015, the post-retirement increases are the same as above, except that the increases do not exceed 4% per year.

For members entering PERS after July 1, 2015, the post-retirement increases 2% per year following the third anniversary of the commencement of benefits, 2.5% per year following the sixth anniversary, the lesser of 3% or the CPI for the preceding calendar year following the ninth anniversary.

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.

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 $6,744,173 for the year ended June 30, 2022.

PERS collective net pension liability was measured as of **June 30, 2021**, 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	2.50%
Productivity pay increase	0.50%
Investment rate of return	7.25%
Actuarial cost method	Entry age normal and level percentage of payroll
Projected salary increases	Regular: 4.20% to 9.10%, depending on service Police/Fire: 4.60% to 14.50%, depending on service Rates include inflation and productivity increases
Other assumptions	Same as those used in the June 30, 2021 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.

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, 2021**:

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 2.50%

The discount rate used to measure the total pension liability was 7.25% as of **June 30, 2021**. 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, 2021**, 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 (7.25%) was applied to all periods of projected benefit payments to determine the total pension liability as of **June 30, 2021**.

At June 30, 2022, the Health District's proportionate share of the net pension liability is calculated using a discount rate of 7.25%. 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 (6.25%)	Discount Rate (7.25%)	1% Increase in Discount Rate (8.25%)
Net Pension Liability	$ 116,989,657	$ 58,760,106	$ 10,725,647

Detailed information about PERS fiduciary net position is available in the PERS ACFR, 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 $58,760,106, which represents 0.64435% of the collective net pension liability, which is an increase from the previous year's proportionate share of 0.56339%. Contributions for employer pay dates within the fiscal year ending **June 30, 2021**, were used as the basis for determining each employer's proportionate share.

For the period ended June 30, 2022, the Health District's pension expense was $9,332,742 and its reported deferred outflows and inflows of resources related to pensions as of June 30, 2022, were as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 413,532
Net difference between projected and actual earnings on investments	6,508,835	47,946,374
Changes in proportion and differences between actual contributions and proportionate share of contributions	13,549,762	540,801
Change in assumptions	19,509,368	-
Contributions made subsequent to the measurement date	7,661,734	-
	$ 47,229,699	$ 48,900,707

Average expected remaining service life is 6.14 years.

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date totaling $7,661,734 will be recognized as a reduction of the net pension liability in the year ending June 30, 2023. 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,	
2023	$ (4,115,156)
2024	(3,664,166)
2025	(3,824,255)
2026	(4,873,158)
2027	6,275,044
Thereafter	868,949
	$ (9,332,742)

Note 10 - Postemployment Benefits Other Than Pensions

General Information about the Other Post Employment Benefit 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.

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

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, 2021**, the following employees were covered by the benefit terms:

	PEBP	RHPP	Total all Plans
Inactive employees or beneficiaries currently receiving benefit payments	72	70	142
Active employees	-	559	559
Total	72	629	701

Total OPEB Liability

The Health District's total OPEB liability of $30,100,118 was measured as of **June 30, 2021**, and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs: The total OPEB liability for all plans as of June 30, 2022 was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	2.16%
Pre-Medicare Trend Rate	Select: 6.75%, Ultimate 4.0%
Post-Medicare Trend Rate	Select: 5.75%, Ultimate 4.0%
Mortality Table	Pub-2010 headcount weighted mortality table, projected generationally using scale MP-2020, applied on a gender-specific basis for general and safety personnel
Termination Tables	2020 NPERS Actuarial Valuation
Retirement Tables	2020 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, 2021	$ 4,826,982	$ 23,323,401	$ 28,150,383
Changes Recognized for the Fiscal Year			
Service cost	-	1,570,297	1,570,297
Interest	104,479	546,330	650,809
Changes in assumptions	51,775	221,432	273,207
Benefit payments	(198,836)	(345,742)	(544,578)
Net Changes	(42,582)	1,992,317	1,949,735
Balance Recognized at June 30, 2022	$ 4,784,400	$ 25,315,718	$ 30,100,118

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 from 2.21%, as of June 30, 2020, to 2.16%, as of June 30, 2021 (the actuarial measurement date).
- The trend rates were updated to an initial rate of 6.75% (5.75% for post-Medicare), grading down by 0.25% per year until reaching the ultimate rate of 4.00% based on current Healthcare Analytics (HCA) Consulting trend study

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 (1.16 percent) or 1-percentage point higher (3.16 percent) than the current discount rate:

	1% Decrease 1.16%	Discount Rate 2.16%	1% Increase 3.16%
PEBP	$ 5,500,000	$ 4,784,400	$ 4,200,000
RHPP	30,675,000	25,315,718	21,142,000
Total OPEB Liability	$ 36,175,000	$ 30,100,118	$ 25,342,000

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	$ 4,228,000	$ 4,784,400	$ 5,448,000
RHPP	21,132,000	25,315,718	30,636,000
Total OPEB Liability	$ 25,360,000	$ 30,100,118	$ 36,084,000

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

For the year ended June 30, 2022, the Health District recognized OPEB expense of $1,511,913. The breakdown by plan is as follows:

	PEBP	RHPP	Total All Plans
OPEB Expense	$ 156,254	$ 1,355,659	$ 1,511,913

At June 30, 2022, 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 2022 after July 1, 2021 measurement date	$ 231,262	$ -
Total PEBP	$ 231,262	$ -
RHPP		
Differences between expected and actual experience	$ 2,139,718	$ 5,779,400
Changes of assumptions or other inputs	1,643,107	2,440,027
Contributions made in fiscal year ending 2022 after July 1, 2021 measurement date	302,445	-
Total RHPP	$ 4,085,270	$ 8,219,427
Total All Plans		
Differences between expected and actual experience	$ 2,139,718	$ 5,779,400
Changes of assumptions or other inputs	1,643,107	2,440,027
Contributions made in fiscal year ending 2022 after July 1, 2021 measurement date	533,707	-
Total All Plans	$ 4,316,532	$ 8,219,427

The amount of $533,707 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, 2022. 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
2023	$ (760,968)
2024	(760,968)
2025	(760,968)
2026	(485,931)
2027	(403,269)
Thereafter	(1,264,498)
	$ (4,436,602)

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	$ 525,852

$235,010 of the total encumbrance balance was assigned to purchase clinical health services. $53,229 of the total encumbrance balance was assigned to purchase community health services. $237,613 of the total encumbrance balance was assigned to purchase administrative services.

Required Supplementary Information
June 30, 2022

Southern Nevada Health District

Southern Nevada Health District
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget to Actual - General Fund
For the Fiscal Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Final Budget to Actual Variance
Revenues				
Fees for service	$ 27,074,597	$ 27,830,913	$ 25,661,858	$ (2,169,055)
General receipts	-	-	214,149	214,149
Property tax	28,258,566	28,258,566	28,258,566	-
Regulatory revenue	20,430,848	20,443,400	21,579,715	1,136,315
Title XIX & other	1,480,757	878,573	2,524,093	1,645,520
Investment earnings	327,927	327,927	(1,270,116)	(1,598,043)
Total revenues	77,572,695	77,739,379	76,968,265	(771,114)
Expenditures				
Public Health				
Clinical & nursing services				
Salaries and wages	9,657,587	9,437,718	7,256,228	(2,181,490)
Employee benefits	3,850,802	3,850,802	3,106,947	(743,855)
Services and supplies	14,956,884	14,956,884	22,929,924	7,973,040
Capital outlay	10,000	-	-	-
Total clinical & nursing services	28,475,273	28,245,404	33,293,099	5,047,695
Environmental health				
Salaries and wages	12,347,710	12,347,710	12,570,546	222,836
Employee benefits	5,278,647	5,278,647	5,097,896	(180,751)
Services and supplies	722,171	722,171	6,056,525	5,334,354
Total environmental health	18,348,528	18,348,528	23,724,967	5,376,439
Community health				
Salaries and wages	7,994,920	7,994,920	7,324,419	(670,501)
Employee benefits	3,336,107	3,629,991	2,477,101	(1,152,890)
Services and supplies	3,269,605	4,423,350	6,862,562	2,439,212
Capital outlay	124,110	51,987	3,250	(48,737)
Total community health	14,724,742	16,100,248	16,667,332	567,084
Administration				
Salaries and wages	8,428,019	8,428,019	8,816,856	388,837
Employee benefits	3,602,977	3,602,977	4,610,603	1,007,626
Services and supplies	(8,492,482)	(11,996,794)	(30,884,235)	(18,887,441)
Capital outlay	235,000	235,000	341,069	106,069
Total administration	3,773,514	269,202	(17,115,707)	(17,384,909)
Total public health	65,322,057	62,963,382	56,569,691	(6,393,691)
Total expenditures	65,322,057	62,963,382	56,569,691	(6,393,691)
Excess (Deficiency) of Revenues Over (Under) Expenditures	12,250,638	14,775,997	20,398,574	5,622,577
Other Financing Sources (Uses)				
Transfers in	-	14,500	-	(14,500)
Transfers out	(12,250,929)	(17,124,379)	(18,864,947)	(1,740,568)
Proceeds from capital asset disposal	-	-	47,833	47,833
Total other financing sources (uses)	(12,250,929)	(17,109,879)	(18,817,114)	(1,707,235)
Change in Fund Balance	(291)	(2,333,882)	1,581,460	3,915,342
Fund Balance, Beginning of Year	32,463,689	35,304,647	35,304,647	-
Fund Balance, End of Year	$ 32,463,398	$ 32,970,765	$ 36,886,107	$ 3,915,342

See notes to required supplementary information.

Southern Nevada Health District
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget to Actual - Special Revenue Fund
For the Fiscal Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Final Budget to Actual Variance
Revenues				
Direct federal grants	$ 5,183,726	$ 14,769,382	$ 14,769,382	$ -
Indirect federal grants	48,314,683	69,327,432	69,327,432	-
State grant funds	-	1,017,915	1,017,915	-
Other grant funds	1,007,107	808,427	808,427	-
Total revenues	54,505,516	85,923,156	85,923,156	-
Expenditures				
Public Health				
Clinical & nursing services				
Salaries and wages	3,379,612	6,149,506	6,149,506	-
Employee benefits	1,438,038	3,310,698	3,310,698	-
Services and supplies	2,575,971	19,361,469	19,361,469	-
Capital outlay	10,420	146,828	146,828	-
Total clinical & nursing services	7,404,041	28,968,501	28,968,501	-
Environmental health				
Salaries and wages	318,269	564,380	564,380	-
Employee benefits	136,058	221,030	221,030	-
Services and supplies	489,403	398,638	398,638	-
Total environmental health	943,730	1,184,048	1,184,048	-
Community health				
Salaries and wages	12,198,067	9,887,212	9,887,212	-
Employee benefits	5,168,657	4,695,346	4,695,346	-
Services and supplies	40,354,014	53,900,198	55,597,644	1,697,446
Capital outlay	647,937	1,649,799	1,649,799	-
Total community health	58,368,675	70,132,555	71,830,001	1,697,446
Administration				
Salaries and wages	28,021	769,589	769,589	-
Employee benefits	11,979	290,569	290,569	-
Services and supplies	-	1,517,496	1,517,496	-
Capital outlay	-	103,960	103,960	-
Total administration expenditures	40,000	2,681,614	2,681,614	-
Total expenditures	66,756,446	102,966,718	104,664,164	1,697,446
Excess (Deficiency) of Revenues Over (Under) Expenditures	(12,250,930)	(17,043,562)	(18,741,008)	(1,697,446)
Other Financing Sources (Uses)				
Transfers in	12,250,930	17,124,379	18,864,947	1,740,568
Transfers out	-	(14,500)	-	14,500
Total other financing sources (uses)	12,250,930	17,109,879	18,864,947	1,755,068
Change in Fund Balance	-	66,317	123,939	57,622
Fund Balance, Beginning of Year	-	(66,317)	(66,317)	-
Fund Balance, End of Year	$ -	$ -	$ 57,622	$ 57,622

See notes to required supplementary information.

PEBP Plan

	2022	2021	2020	2019
Total OPEB Liability				
Interest	$ 104,479	$ 132,809	$ 142,210	$ 158,929
Changes of benefit terms	-	-	-	-
Difference between actual and expected experience	-	240,495	-	(935)
Changes of assumptions or other inputs	51,775	770,760	196,172	(582,796)
Benefit payments	(198,836)	(223,274)	(213,733)	(210,183)
Net Change in Total OPEB Liability	(42,582)	920,790	124,649	(634,985)
Total OPEB Liability - Beginning	4,826,982	3,906,192	3,781,543	4,416,528
Total OPEB Liabilitiy - Ending	$ 4,784,400	$ 4,826,982	$ 3,906,192	$ 3,781,543
Covered Payroll	N/A	N/A	N/A	N/A
Total OPEB Liability as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A

	2018
Total OPEB Liability	
Interest	$ 136,641
Changes of benefit terms	-
Difference between actual and expected experience	(2,407)
Changes of assumptions or other inputs	(408,034)
Benefit payments	(201,454)
Net Change in Total OPEB Liability	(475,254)
Total OPEB Liability - Beginning	4,891,782
Total OPEB Liabilitiy - Ending	$ 4,416,528
Covered Payroll	N/A
Total OPEB Liability as a Percentage of Covered Payroll	N/A

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

RHPP

Total OPEB Liability	2022	2021	2020	2019
Service cost	$ 1,570,297	$ 1,035,479	$ 865,693	$ 1,984,184
Interest	546,330	696,006	675,421	922,521
Changes of benefit terms	-	-	-	-
Difference between actual and expected experience	-	2,485,316	-	(8,138,337)
Changes of assumptions or other inputs	221,432	577,780	1,204,893	(1,686,349)
Benefit payments	(345,742)	(643,182)	(322,093)	(236,966)
Net Change in Total OPEB Liability	1,992,317	4,151,399	2,423,914	(7,154,947)
Total OPEB Liability - Beginning	23,323,401	19,172,002	16,748,088	23,903,035
Total OPEB Liability - Ending	$ 25,315,718	$ 23,323,401	$ 19,172,002	$ 16,748,088
Covered Payroll	$ 49,853,806	$ 40,103,356	$ 34,918,861	$ 34,918,861
Total OPEB Liability as a Percentage of Covered Payroll	50.78%	58.16%	54.90%	47.96%

Total OPEB Liability	2018
Service cost	$ 2,037,506
Interest	753,304
Changes of benefit terms	-
Difference between actual and expected experience	26,065
Changes of assumptions or other inputs	(3,119,749)
Benefit payments	(339,476)
Net Change in Total OPEB Liability	(642,350)
Total OPEB Liability - Beginning	24,545,385
Total OPEB Liability - Ending	$ 23,903,035
Covered Payroll	$ 34,126,701
Total OPEB Liability as a Percentage of Covered Payroll	70.04%

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

Southern Nevada Health District

Multiple-Employer Cost-Sharing Defined Benefit Pension Plan

Proportionate Share of the Collective Net Pension Liability Information[3]

for the Year Ended June 30, 2022

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%	75.30000%
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	206.09679%	75.20000%
2019	0.54171%	73,866,832	37,250,362	198.29829%	76.50000%
2020	0.56339%	78,470,784	38,532,689	203.64731%	77.04000%
2021	0.64435%	58,760,106	44,284,315	132.68830%	86.51000%

[3] 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.

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, 2022 and Last Seven Fiscal Years[4]

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%
2021	6,753,358	6,753,358	-	44,284,315	15.25%
2022	6,744,173	6,744,173	-	44,224,085	15.25%

[4] Information for the multiple-employer cost-sharing defined benefit pension plan is not available for years prior to the year ended June 30, 2015. As it becomes available this schedule will ultimately present information for the ten most recent fiscal years.

See notes to required supplementary information.

Note 1 - Postemployment Benefits Other Than Pensions

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 from 2.21%, as of June 30, 2020, to 2.16%, as of June 30, 2021.
- The Pre-Medicare Select Trend Rate was increased from 7.0% to 6.75%.
- The Post-Medicare Select Trend Rate was increased from 6.0% to 5.75%.

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

For the year ended June 30, 2022, 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, 2021**.

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 10 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.

Other Supplementary Information
June 30, 2022

Southern Nevada Health District

Nonmajor Governmental Funds
June 30, 2022

Southern Nevada Health District

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

Bond Reserve

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

Capital Projects

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

Southern Nevada Health District
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget to Actual - Bond Reserve Fund
For the Fiscal Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Final Budget to Actual Variance
Revenues				
Interest income	$ 55,000	$ 55,000	$ (27,894)	$ (82,894)
Total revenues	55,000	55,000	(27,894)	(82,894)
Public health				
Services and supplies	2,367,855	2,367,855	-	(2,367,855)
Total expenditures	2,367,855	2,367,855	-	(2,367,855)
Deficiency of Revenues Under Expenditures	(2,312,855)	(2,312,855)	(27,894)	2,284,961
Other Financing Sources (Uses)				
Transfers out	(1,250,000)	(1,250,000)	(500,000)	750,000
Change in Fund Balance	(3,562,855)	(3,562,855)	(527,894)	3,034,961
Fund Balance, Beginning of Year	3,562,855	3,562,855	3,536,394	(26,461)
Fund Balance, End of Year	$ -	$ -	$ 3,008,500	$ 3,008,500

Southern Nevada Health District
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget to Actual - Capital Projects Fund
For the Fiscal Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Final Budget to Actual Variance
Revenues				
Interest income	$ 80,000	$ 80,000	$ (81,867)	$ (161,867)
Total revenues	80,000	80,000	(81,867)	(161,867)
Expenditures				
Public Health				
Services and supplies	-	-	76,900	76,900
Capital outlay	3,129,477	3,129,477	1,514,114	(1,615,363)
Total expenditures	3,129,477	3,129,477	1,591,014	(1,538,463)
Deficiency of Revenues Under Expenditures	(3,049,477)	(3,049,477)	(1,672,881)	1,376,596
Other Financing Sources				
Transfers in	1,250,000	1,250,000	500,000	(750,000)
Change in Fund Balance	(1,799,477)	(1,799,477)	(1,172,881)	626,596
Fund Balance, Beginning of Year	1,799,477	1,799,477	3,047,433	1,247,956
Fund Balance, End of Year	$ -	$ -	$ 1,874,552	$ 1,874,552

Internal Service Funds
June 30, 2022

Southern Nevada Health District

Southern Nevada Health District
Schedule of Revenues, Expenses and Changes in Net Position - Budget to Actual -
Insurance Liability Reserve Fund
For the Fiscal Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Final Budget to Actual Variance
Revenues				
Other operating income	$ 5,100	$ 5,100	$ -	$ (5,100)
Total revenues	5,100	5,100	-	(5,100)
Nonoperating Revenues				
Interest income	5,000	3,100	(2,535)	(5,635)
Change in Net Position	$ 5,000	$ 3,100	(2,535)	(5,635)
			88,657	
			$ 86,122	

Compliance Section
June 30, 2022
Southern Nevada Health District

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 Health District) as of and for the year ended June 30, 2022, 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 Date.

Report on 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 was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying Schedule of Findings and Responses OR Schedule of Findings and Questioned Costs as items 2022-001 and 2022-002.

Report on 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 OR Schedule of Findings as items 2022-003.

Southern Nevada Health District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Health District's response to the findings identified in our audit and described in the accompanying Schedule of Findings and Responses. The Health District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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

EB Signature

Las Vegas, Nevada
Date

2022-001 Material Weakness in Financial Close and Reporting Controls

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

Condition – During the course of performing audit procedures, we identified multiple year-end account reconciliations, accruals, and adjustments that had not been completed prior to the start of the audit.

Cause – The Health 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 Health 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.

2022-002 Material Weakness in Financial Close and Reporting Controls – IT Accounting System

Criteria – The internal control structure should include an accounting system that is capable of recording transactions and journal entries without error, and with sufficient controls to prevent errors.

Condition – During the course of performing audit procedures, we identified that multiple funds were out of balance due to the accounting system recording one-sided entries across multiple funds.

Cause – The Health District's accounting system appears to have experienced a breakdown in it's automated processes and controls. The result was that multiple transactions were recorded where the system was recording transactions which impacted multiple funds as one-sided journal entries. Further, these errors were not identified and corrected by Health District personnel 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 Health District review the accounting systems processes and controls, communicate with their vendor, and implement safeguards to ensure that this issue does not occur.

Management's Response – Management agrees with the finding.

2022-003 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.
(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 $1,740,568 from the General Fund to the Special Revenue Fund without obtaining Board approval. Additionally, the Health District's Special Revenue Fund expenditures exceeded the available budget appropriations by $1,697,446.

Cause – Controls over adhering to the NRS budget requirements were not properly implemented to prevent material noncompliance from occurring. The Health District's budget augmentation did not fully take into account the increased revenues and resource demands of the special revenue funds that result from the Health District's cost allocation plan. As a result, allocations to the Special Revenue fund from the General Fund were not adequately budgeted.

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.

Auditor's Comments

To the Honorable Members of the Board of Health

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 "Health District") as of and for the year ended June 30, 2022, 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, 2022.

PRIOR YEAR RECOMMENDATIONS

We noted no material weakness and reported no significant deficiencies in internal control for the prior year.

CURRENT YEAR RECOMMENDATIONS

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

EB Signature

Las Vegas, Nevada
Date

Southern Nevada Health District

FY 2022-2023 Budget Augmentation

Presented by Donnie Whitaker, CFO

January 2023

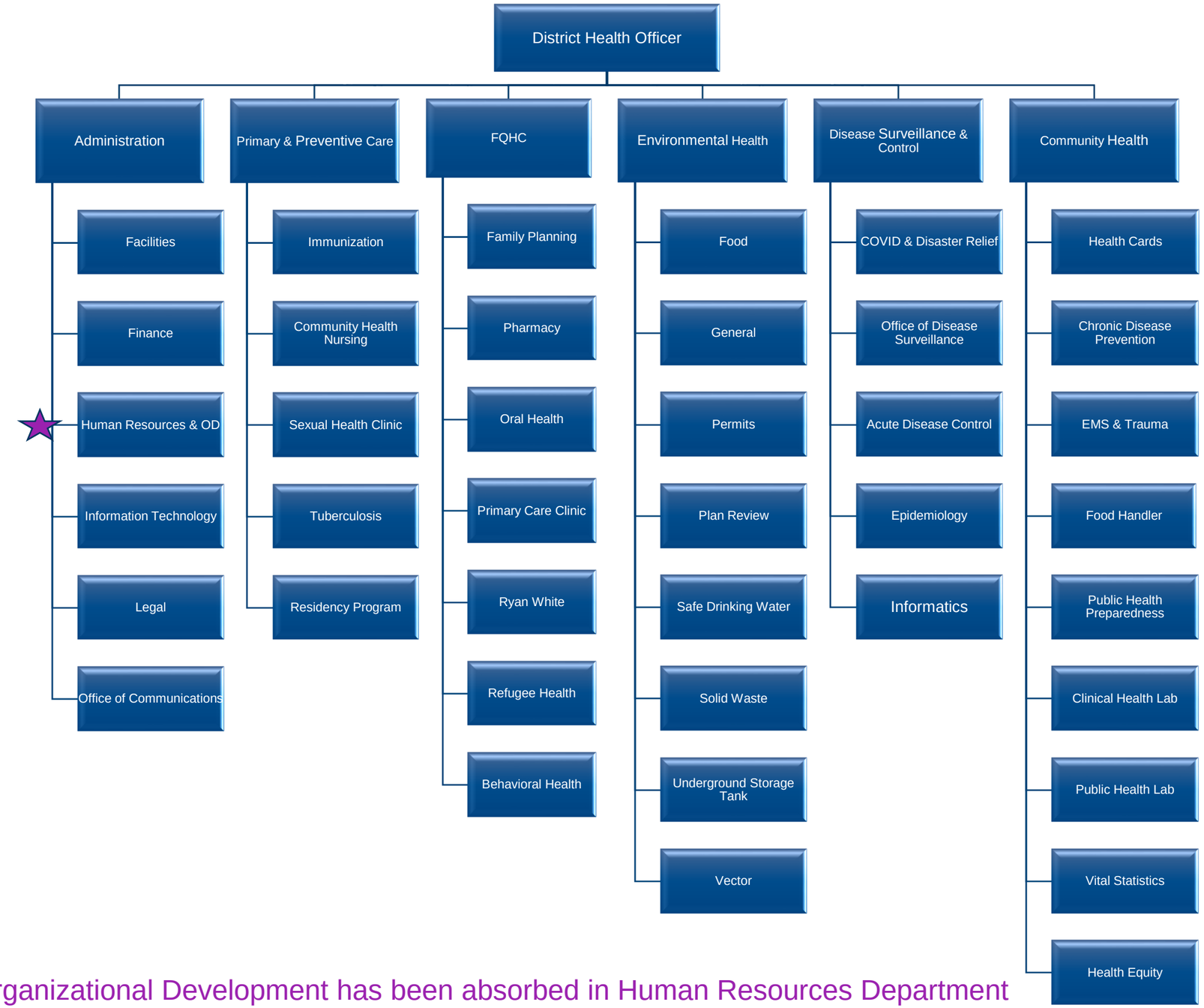
Definition

A “**Budget augmentation**” is a procedure for increasing appropriations of a fund with the express intent of employing previously unbudgeted resources of the fund for carrying out the increased appropriations.

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.”

DIVISION REORGANIZATION



Legend

No Change

★ Organizational Development has been absorbed in Human Resources Department

REVENUES

GENERAL FUND HIGHLIGHTS

Clark County Property Tax revenue is augmented at **$31.6 M** an increase of **$1.9 M** or **6.6%** compared to adopted budget of $29.7 M

Licenses and Permits revenue is augmented at **$20.8 M** an increase of **$2.0 M** or **10.5%** compared to adopted budget of $18.9 M. However, the $5.5 M anticipated State funds (first round) is still pending and not included in this augmentation.

Pharmacy revenue is augmented at **$15.4 M** an increase of **$1.4 M** or **9.9%** compared to adopted budget of $14.0 M.

REVENUES

SPECIAL REVENUE FUND HIGHLIGHTS

Pass-Thru Grants were reduced from $103.9 to **$82.4 M,** a decrease **($21.5 M)** or **20.7%** compared to adopted budget to align with year-to-date actuals.

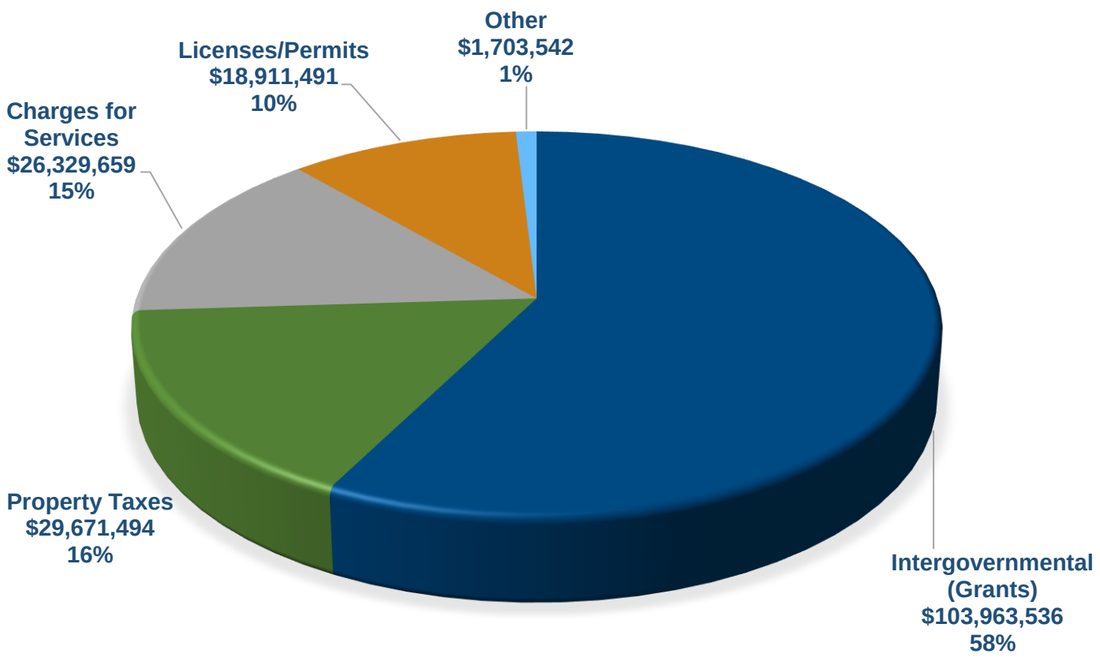
All grants issued on or before **12/31/22** are included in this augmentation.

Recently awarded multi-year grant revenue projections total $564K which are related to salaries & benefits for 16 FTEs (covering March – June 2023)

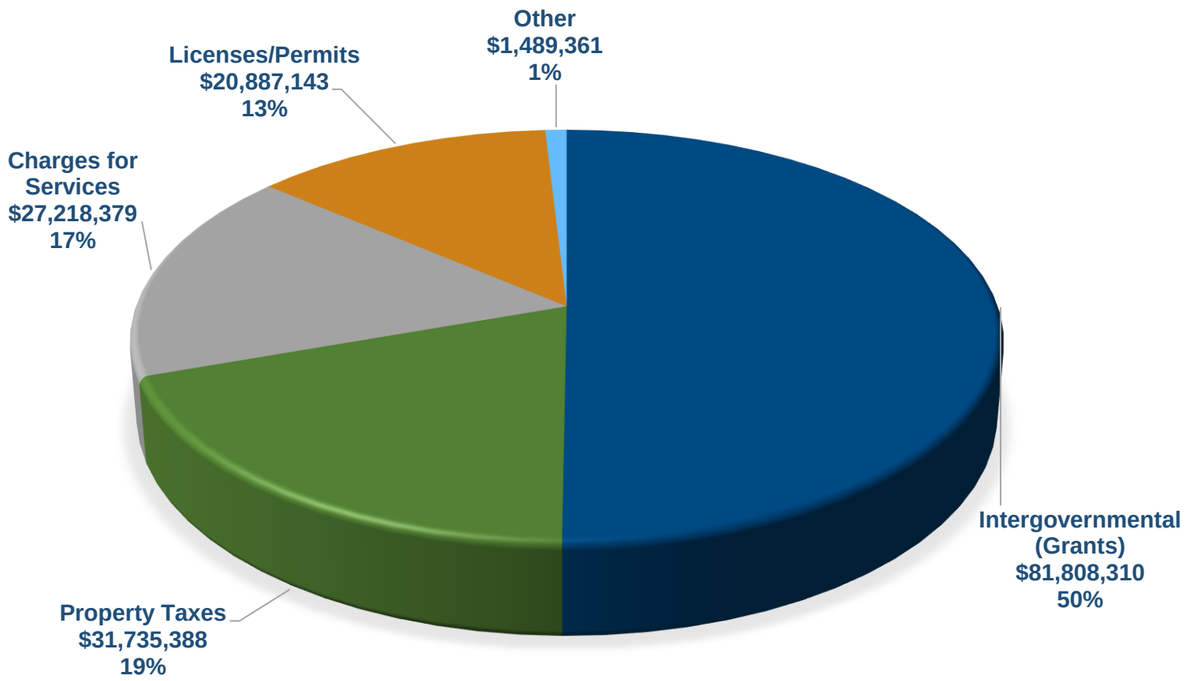
REVENUES

COMBINED REVENUES BY SOURCE – Adopted vs Augmented

FY2023 Adopted Budget
Revenue $180.6 M



FY2023 Augmented Budget
Revenue $163.1 M



% Percentages are based on total revenue

EXPENDITURES

GENERAL FUND HIGHLIGHTS

General Fund expenditures total augmented budget is at **$79.6 M** an increase of **$2.9 M** or **3.8%** compared to adopted budget of $76.7 M.

Vaccine expenses increased from $1.5 M to **$3.2 M** to align with pre-pandemic levels which has a revenue offset under Insurance account.

Total salaries and benefits for General Fund remained flat at **$57.7 M** compared to $58.6 M adopted budget.

EXPENDITURES

SPECIAL REVENUE FUND HIGHLIGHTS

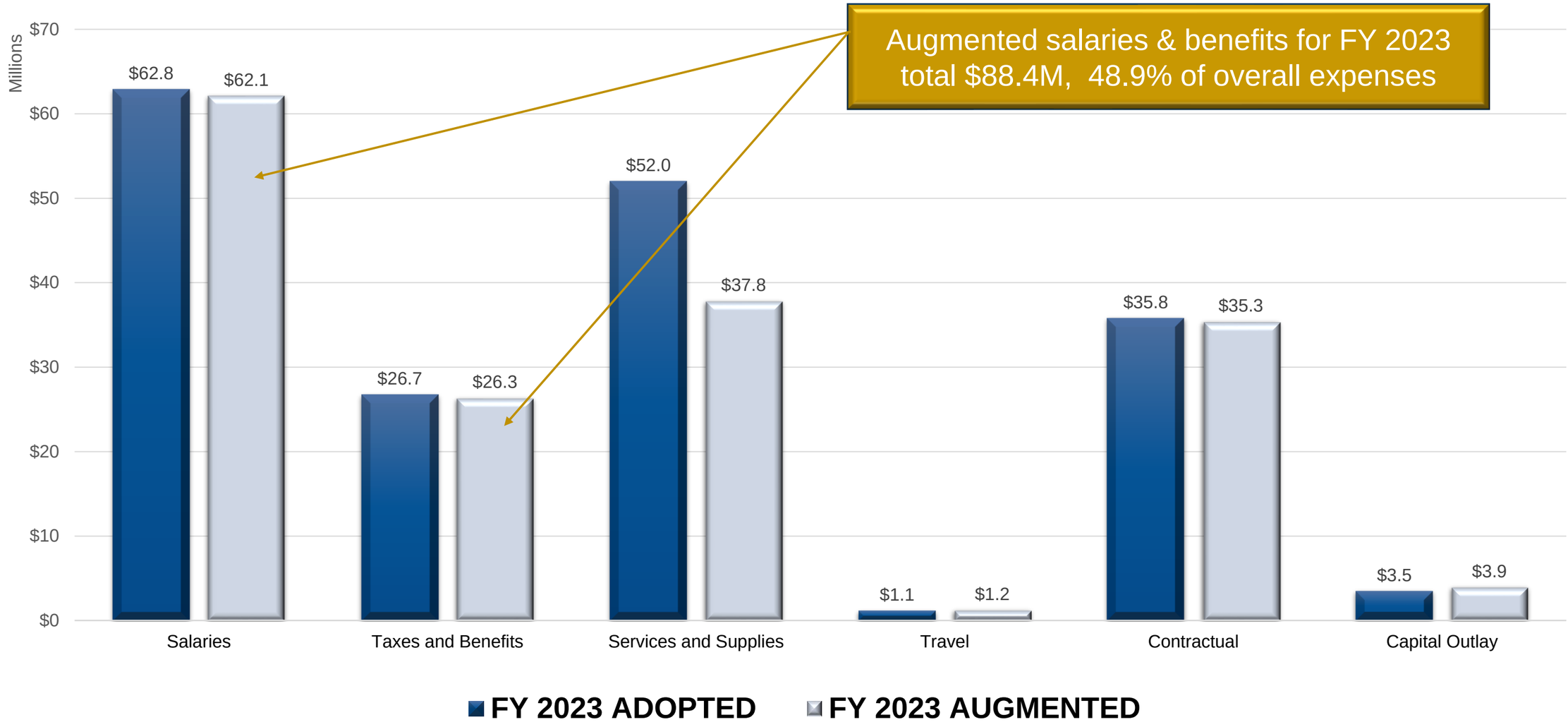
Special Revenue Fund expenditures total augmented budget is at **$101.9 M** a decrease of **17.4%** compared to adopted budget of $123.4 M.

Reagents and Lab supplies expenses decreased ($16.7 M) from $31.4 M to **$14.7 M** to align with year-to-date actuals.

Total salaries and benefits for Special Revenue Fund remained flat at **$31.5 M** compared to $31.0 M adopted budget.

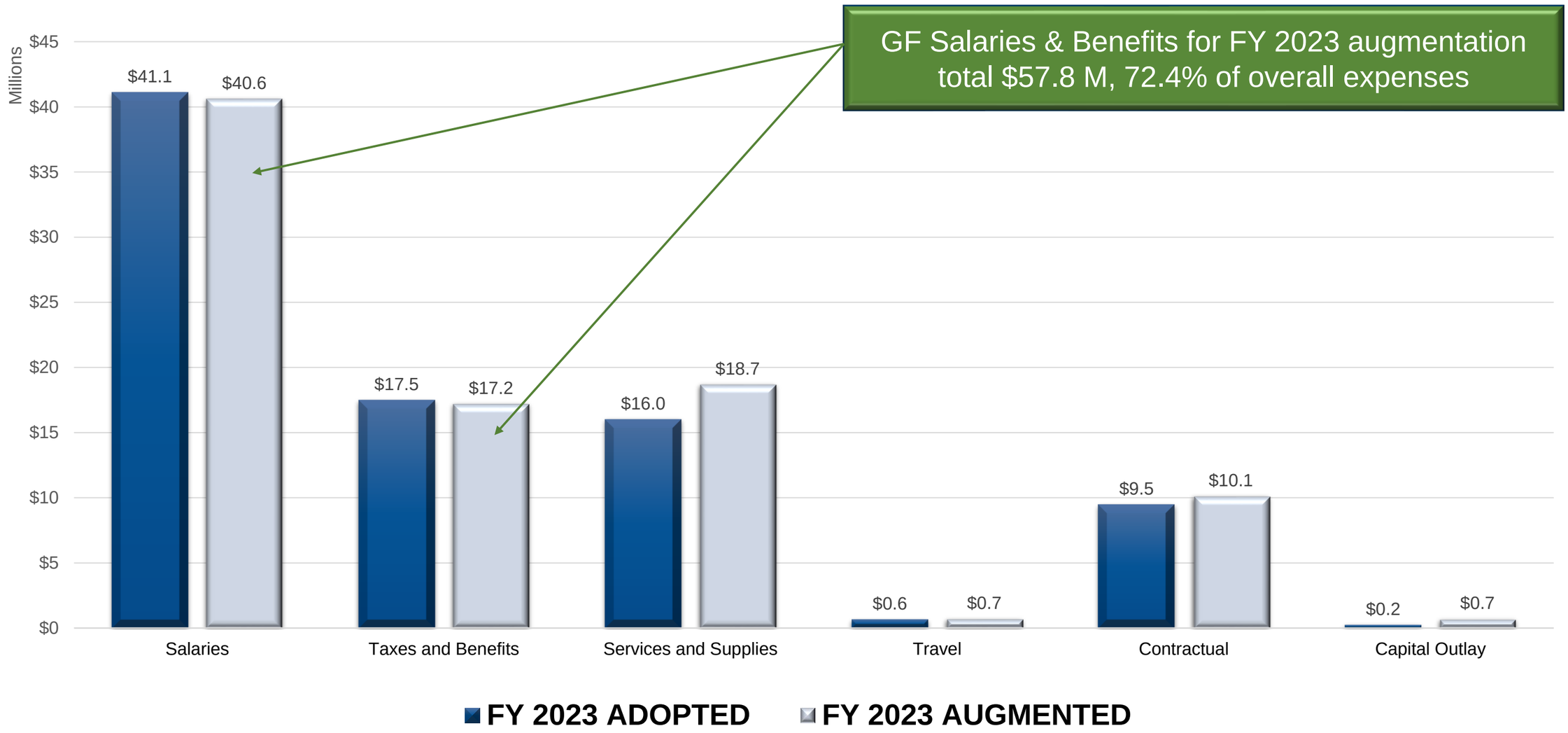
EXPENDITURES

COMBINED EXPENDITURES BY CATEGORY – Adopted vs Augmented



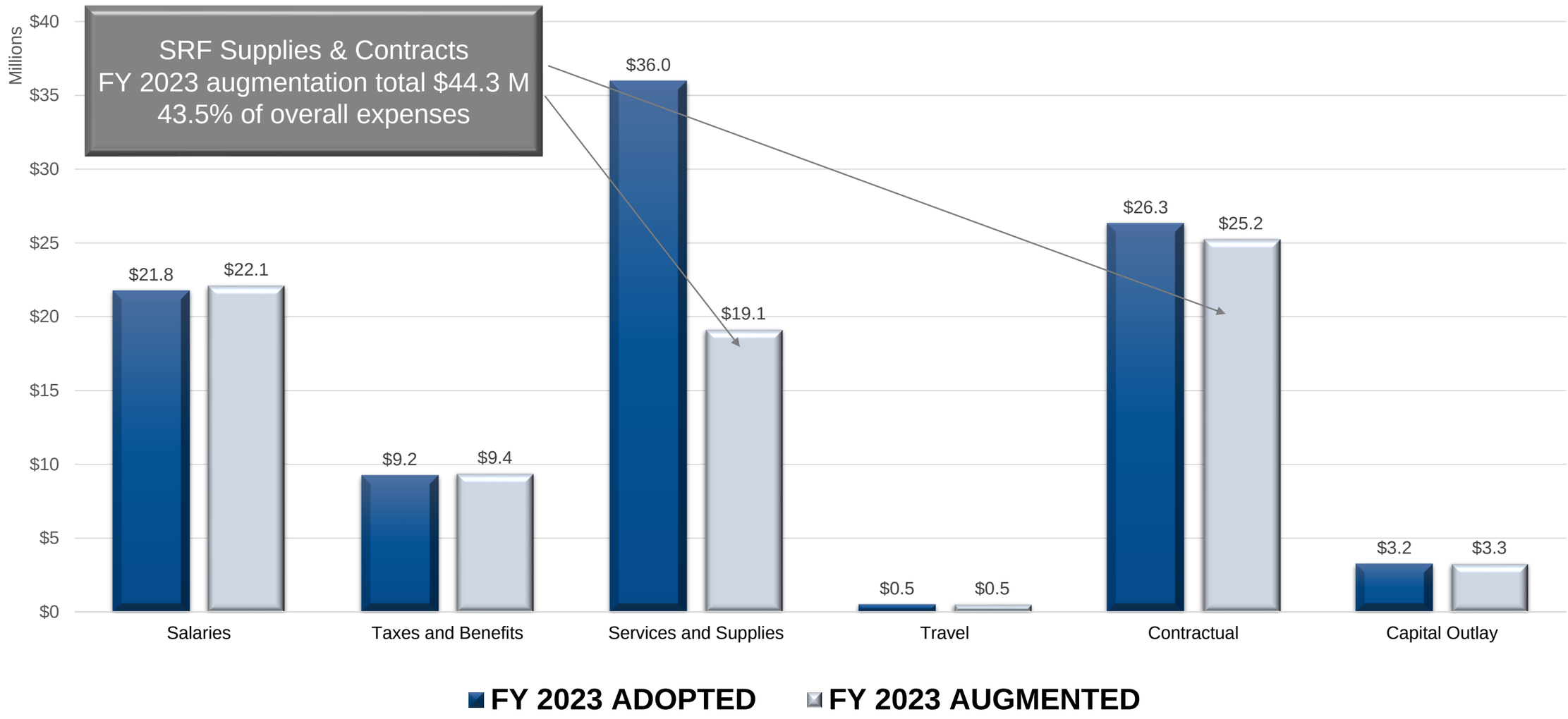
EXPENDITURES

GENERAL FUND EXPENDITURES BY CATEGORY – Adopted vs Augmented



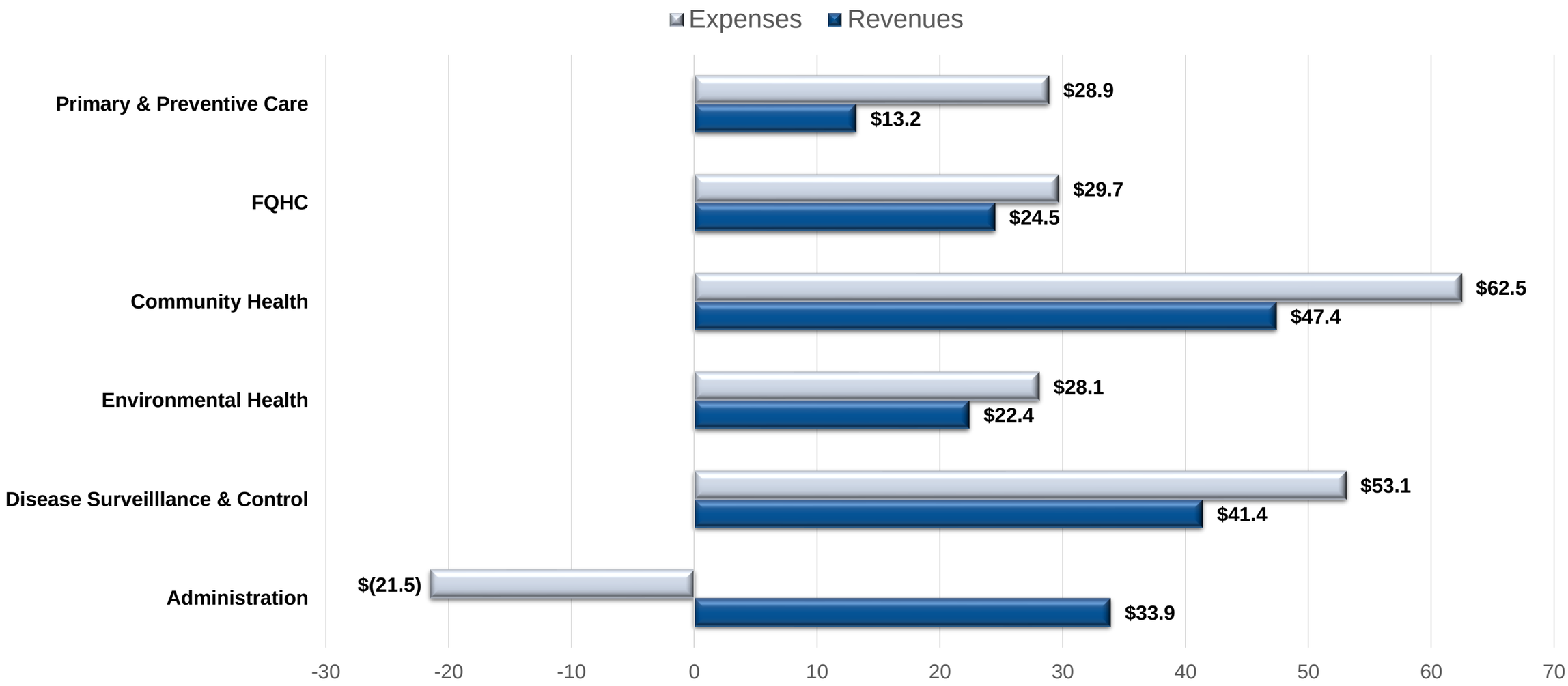
EXPENDITURES

SPECIAL REVENUE FUND EXPENDITURES BY CATEGORY – Adopted vs Augmented



REVENUES VS. EXPENDITURES

COMBINED FUNDS BY DIVISION



Administration is negative due to Indirect Costs/Cost Allocations

CAPITAL PROJECTS FUND

YTD Analysis

FY2023 SNHD Budget (Capital Fund)									
	2021		2022		2023				
	Amended	Actuals	Amended	Actuals	Adopted	Amended	Actuals YTD	$ AD vs AM	% Change AD vs AM
Revenue									
4501 Interest Invstmt	$ 80,000	$ 36,332	$ 40,000	$ 81,867	$ 80,000	$ 80,000	$ 14,314	-	0.0%
9101 Transfers IN	1,250,000	1,250,000	500,000	500,000				-	
								-	
Total Revenues	**1,330,000**	**1,286,332**	**540,000**	**581,867**	**80,000**	**80,000**	**14,314**	-	0.0%
Expenses		24,500						-	
8165 Comp Software	42,000	24,500						-	
8125 Improvements	691,376		348,213		1,528,757	1,333,757		(195,000)	-12.8%
8140 Vehicles					115,000			(115,000)	-100.0%
8150 Equipment					75,000	300,000		225,000	300.0%
8165 Comp Software						395,000		395,000	100.0%
8165 Comp Software	4,750							-	
7150 Subscriptions	5,504	341,105						-	
8160 Comp Hardware	622,500	79,380	327,500		396,250	86,250	49,998	(310,000)	-78.2%
8165 Comp Software	2,530,798	405,067	1,324,287	1,514,114	167,426	167,426	1,284	-	0.0%
6225 Small Comp Equip	88,448	44,224		76,900			191,756	-	
								-	
Total Expenses	**3,985,376**	**894,276**	**2,000,000**	**1,591,014**	**2,282,433**	**2,282,433**	**243,038**	-	0.0%
Net Income/(Loss)	**$ (2,655,376)**	**$ 392,056**	**$ (1,460,000)**	**$ (1,009,147)**	**$ (2,202,433)**	**$ (2,202,433)**	**$ (228,724)**	-	0.0%

No change in the adopted budget for Capital Fund. This schedule reflects transfer of funds between Facilties and Information Technology department

BOND RESERVE FUND

YTD Analysis

FY2023 SNHD Budget (Bond Reserve Fund)									
	2021		2022		2023				
	Amended	Actuals	Amended	Actuals	Adopted	Amended	Actuals YTD	$ AD vs AM	% Change AD vs AM
Revenue									
Investment Earnings	$ 50,000	$ 72,376	$ 50,000	$ 27,894	$ 55,000	$ 55,000	$ 5,966	$ -	0.0%
Transfer In	350,000	350,000						-	
Total Revenues	**400,000**	**422,376**	**50,000**	**27,894**	**55,000**	**55,000**	**5,966**	-	0.0%
Expenses									
Contractual	-	-	-	-	-	-	-	-	
Capital Improvements	3,604,685	-	300,000	-	3,045,479	3,045,479	-	-	0.0%
Supplies	-	-	-	-	-	-	-	-	
Transfer Out	-	-	500,000	500,000	-	-	-	-	
Total Expenses	**3,604,685**	**3,604,685**	**3,604,685**	**3,604,685**	**3,604,685**	**3,604,685**	**3,604,685**	-	0.0%
								-	
Net Income/(Loss)	**$ (3,204,685)**	**$ (3,182,309)**	**$ (3,554,685)**	**$ (3,576,791)**	**$ (3,549,685)**	**$ (3,549,685)**	**$ (3,598,719)**	$ -	0.0%

No change in the adopted budget for Bond Reserve Fund.

STAFFING

FTE BY DIVISION

Southern Nevada Health District
FY2023 FTE Count (Amended)

Divisions	2020/2021 Actual	2021/2022 Actual	2022/2023 Adopted	2022/2023 Amended **	* Percentage Change FY2023 AD vs FY2023 AM
Administration Division	154.50	147.90	143.50	158.85	10.7%
Community Health Division	114.90	117.00	119.00	108.70	-8.7%
Disease Surveillance & Control (1)	183.00	150.25	165.00	170.65	3.4%
Environmental Health	172.00	174.00	172.00	189.75	10.3%
FQHC (2)	0.00	85.30	0.00	86.90	0.0%
Primary & Preventive Care (3) (4)	239.10	131.90	225.60	138.15	-38.8%
Total	**863.50**	**806.35**	**825.10**	**853.00**	**3.4%**

* Percentage Change is calculated based on Adopted and Amended

** Amended FTE count includes CDC - PHI positions and additional FTE requests

(1) Disease Surveillance & Control Division was created in FY22 formerly named Communicable Disease & Prevention

(2) FQHC Division was created in FY2023 it was formerly under Primary and Preventive Care Division

(3) Primary & Preventive Care was under Clinical Services which was renamed Primary & Preventive Care in FY22

(4) Primary & Preventive Care includes FTE for both FQHC & Primary Preventive Care in FY2021 & FY2022

TO BE DETERMINED

- Additional federal and state grants may be approved after the current cut-off of **12/31/22** and will be addressed in the next budget augmentation around May - June 2023.
    - ARPA Grant (Laboratory Expansion)
    - Other grant opportunities awaiting official notice
    - FY2022 EH fee increase payment pending from State of NV

- Additional FTE requests to be reviewed

Southern Nevada Health District

QUESTION AND ANSWER

January 2023

RECOMMENDATION

- Recommend Approval of the FY 2023 budget augmentation as presented.
  - Petition #13-23
  1. Resolution #01-23 – General Fund
  2. Resolution #02-23 – Special Revenue Fund

- Copies to be submitted to Clark County and State of Nevada, pending further instructions.

Southern Nevada Health District

FY 2023 Budget Augmentation

Presented by Donnie Whitaker, CFO

January 2023

TO: **SOUTHERN NEVADA DISTRICT BOARD OF HEALTH** **DATE:** **January 26, 2023**

RE: Approval of the budget augmentation for Southern Nevada Health District for the fiscal year ending June 30, 2023.

PETITION ##13-23

That the Southern Nevada District Board of Health *approve the budget augmentation for the fiscal year ending June 30, 2023 to meet the financial requirements of NRS 354.598005.*

PETITIONERS:

Fermin Leguen, MD, MPH, *District Health Officer* FL
Donnie Whitaker, CPA, *Chief Financial Officer* DW

DISCUSSION:

The augmentation procedure as prescribed by NRS 354.598005 defines when to perform an augmentation for a fund.

The increase in June 30, 2022 (FY2022) General Fund ending fund balance of $4,220,060 (from adopted $32,666,147 to actual is $36,886,107) will provide additional available resources to the FY2022-2023 SNHD General Fund Budget.

The increase in total revenue sources (FY2023) in the General Fund budget of $4,583,735 will provide additional resources to the FY2022-2023 SNHD General Fund Budget. FY2022-2023 appropriations also increased by $946,143 from $59,147,054 to $60,093,197.

The increase in June 30, 2022 (FY2022) year end fund balance to the Grant Fund (Special Revenue) is $57,622 (adopted to be $0). The FY2023 total adopted budget revenue is $103,963,536 and has been reduced to $82,380,364, a decrease of ($21,583,172) to align with year-to-date actual amounts. FY2022-2023 appropriations decreased from $123,554,647 to $101,971,475 to align with year-to-date actual amounts.

To complete the augmentation process, the attached Resolutions to Augment #01-23 for Southern Nevada Health District General Fund Budget and #02-23 for Southern Nevada Health District Grant (Special Revenue) Fund Budget for Fiscal Year Ending June 30, 2023 must be adopted. The Resolutions will be forwarded to the Nevada Department of Taxation after the adoption of the Resolutions to Augment is done.

FUNDING:

Please see attached Resolutions #01-23 for Southern Nevada Health District General Fund Budget, #02-23 for Southern Nevada Health District Grant (Special Revenue), Budget for Fiscal Year Ending June 30, 2023.

RESOLUTION #01-23

RESOLUTION TO AUGMENT THE 2021-2022 BUDGET OF Southern Nevada Health District

WHEREAS, total resources of the **Southern Nevada Health District (General) Fund, Southern Nevada Health District** were budgeted to be **$109,404,212** on July 1, 2022; and

WHERE AS, the total available resources are now determined to be $118,208,007.

WHEREAS, said additional unanticipated resources are as follows:
Southern Nevada Health District (General) Fund

Ending Fund as of 6/30/2022 (Increased)	$4,220,060
Total Revenues Sources (Increased)	$4,583,735
Total	$8,803,795

WHEREAS, there is a need to apply these excess proceeds in the **Southern Nevada Health District (General) Fund.**

Now, therefore, it is hereby RESOLVED, that **Southern Nevada Health District** shall augment its 2022-2023 budget by appropriating **$946,143** for use in the **Southern Nevada Health District (General) Fund,** thereby increasing its appropriations from **$59,147,054** to **$60,093,197.** A detailed schedule is attached to this Resolution and by reference is made a part thereof.

IT IS FURTHER RESOLVED that the **Southern Nevada Health District** shall forward the necessary documents to the Department of Taxation, State of Nevada.

PASSED, ADOPTED, AND APPROVED the **26th** of **January** 2023.

AYES:

_____

_____

_____

_____

NAYS:

_____

_____

_____

_____

Absent:

_____

By: _____

ATTEST: _____

REVENUES	FINAL BUDGET	REVISIONS	REVISED REVENUE RESOURCES
Licenses & Permits			
Business Licenses & Permits			
Business Licenses	18,911,491	1,975,652	20,887,143
Intergovernmental Revenues			
State Shared Revenues			
(Propery Tax)	29,671,494	1,958,584	31,630,078
Charges for Services			
Health			
Other	26,329,659	888,720	27,218,379
Miscellaneous			
Interest Earnings	327,927	0	327,927
Contributions & Donations from Private Sources	0	22,020	22,020
Other	1,497,594	(261,241)	1,236,353

(Local Government)
Schedule B - Southern Nevada Health District - Fund 7050
REVISED REVENUE SCHEDULE

Page _____

REVENUES	FINAL BUDGET	REVISIONS	REVISED REVENUE RESOURCES
SUBTOTAL REVENUE ALL SOURCES	76,738,165	4,583,735	81,321,900
OTHER FINANCING SOURCES			
Operating Transfers in (Sch T)			
Proceeds of Long-Term Debt			
Other			
SUBTOTAL OTHER FINANCING SOURCES			
BEGINNING FUND BALANCE			
Reserved	32,666,047	4,220,060	36,886,107
Unreserved			
TOTAL BEGINNING FUND BALANCE	32,666,047	4,220,060	36,886,107
Prior Period Adjustments			
Residual Equity Transfers			
TOTAL AVAILABLE RESOURCES	109,404,212	8,803,795	118,208,007

(Local Government)
Schedule B - Southern Nevada Health District - Fund 7050
REVISED REVENUE SCHEDULE

Page _____

EXPENDITURE BY FUNCTION AND ACTIVITY	FINAL BUDGET	REVISIONS	REVISED EXPENDITURES
Health			
Health District			
Salaries & Wages	41,088,312	(512,113)	40,576,199
Employee Benefits	17,472,840	(352,060)	17,120,780
Services & Supplies	352,981	1,366,926	1,719,907
Capital Outlay	232,921	443,390	676,311
SUBTOTAL EXPENDITURES	59,147,054	946,143	60,093,197
OTHER USES			
Contingency (not to exceed 3% of total expenditures)			
Operating Transfers			
To Fund 7060 (SNHD Capital Improvement)			
To Fund 7070 (SNHD Bond Reserve)			
To Fund 7090 (SNHD Grant)	19,591,111	0	19,591,111
To Fund 7620 (SNHD Proprietary Fund)			
SUBTOTAL OTHER USES	19,591,111	0	19,591,111
ENDING FUND BALANCE			
Reserved	30,666,047	7,857,652	38,523,699
Unreserved			
TOTAL ENDING FUND BALANCE	30,666,047	7,857,652	38,523,699
Prior Period Adjustments			
Residual Equity Transfers			
TOTAL FUND COMMITMENTS AND FUND BALANCE	109,404,212	8,803,795	118,208,007

(Local Government)
Schedule B - Fund 7050
Southern Nevada Health District

Page _____

RESOLUTION #02-23

RESOLUTION TO AUGMENT THE 2022-2023 BUDGET OF Southern Nevada Health District

WHEREAS, total resources of the **Grant Fund (Special Revenue), Southern Nevada Health District** were budgeted to be **$123,554,647** on July 1, 2022; and

WHERE AS, the total available resources are now determined to be **$102,029,137**.

WHEREAS, said additional unanticipated resources are as follows:

Grant Fund (Special Revenue):

Ending Fund as of 6/30/2022	$57,622
Intergovernmental Revenues	
Federal Grants	
Department of Health & Human Services	(22,179,634)
Environmental Protection Agency	154,758
Center for Disease Control – PHI	563,683
Other Grants	
Other	(121,979)
Total	($21,525,510)

WHEREAS, there is a need to apply these decrease in proceeds in the **Grant Fund (Special Revenue).**

Now, therefore, it is hereby RESOLVED, that **Southern Nevada Health District** shall augment its

FY2022-2023 budget by appropriating (**$21,525,510)** in the **Grant Fund (Special Revenue),** thereby decreasing its appropriations from **$123,554,647** to **$102,029,137.** A detailed schedule is attached to this Resolution and by reference is made a part thereof.

IT IS FURTHER RESOLVED that the **Southern Nevada Health District** shall forward the necessary documents to the Department of Taxation, State of Nevada.

PASSED, ADOPTED, AND APPROVED the **26th** of **January** 2023.

AYES:

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Absent:

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By: _____ **ATTEST:** _____

REVENUES	FINAL BUDGET	REVISIONS	REVISED REVENUE RESOURCES
Intergovernmental Revenues			
Federal Grants			
Department of Agriculture	111,914	0	111,914
Department of Health & Human Services	101,911,010	(22,179,634)	79,731,376
Department of Homeland Security	127,960	0	127,960
Department of Justice	89,824	0	89,824
Environmental Protection Agency	0	154,758	154,758
Department of Treasury	0	0	0
Center for Disease Control - PHI	0	563,683	563,683
State Grants			
Department of Health & Human Services	874,990	0	874,990
Other Grants			
Other	847,838	(121,979)	725,859

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REVISED REVENUE SCHEDULE

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REVENUES	FINAL BUDGET	REVISIONS	REVISED REVENUE RESOURCES
SUBTOTAL REVENUE ALL SOURCES	103,963,536	(21,583,172)	82,380,364
OTHER FINANCING SOURCES			
Operating Transfers in (Sch T)			
From Fund 7050 (Southern NV Health District)	19,591,111	0	19,591,111
Proceeds of Long-Term Debt			
Other			
SUBTOTAL OTHER FINANCING SOURCES			
BEGINNING FUND BALANCE			
Reserved	0	57,662	57,662
Unreserved			
TOTAL BEGINNING FUND BALANCE	0	57,662	57,662
Prior Period Adjustments			
Residual Equity Transfers			
TOTAL AVAILABLE RESOURCES	123,554,647	(21,525,510)	102,029,137

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EXPENDITURE BY FUNCTION AND ACTIVITY	FINAL BUDGET	REVISIONS	REVISED EXPENDITURES
Health			
Health District			
Salaries & Wages	21,758,161	325,570	22,083,731
Employee Benefits	9,248,284	117,122	9,365,406
Services & Supplies	89,306,744	(22,048,864)	67,257,880
Capital Outlay	3,241,458	23,000	3,264,458
SUBTOTAL EXPENDITURES	123,554,647	(21,583,172)	101,971,475
OTHER USES			
Contingency (not to exceed 3% of total expenditures)			
Operating Transfers			
To Fund 7050 (Southern NV Health District)	0	0	0
SUBTOTAL OTHER USES	0	0	0
ENDING FUND BALANCE			
Reserved	0	57,662	57,662
Unreserved			
TOTAL ENDING FUND BALANCE	0	57,662	57,662
Prior Period Adjustments			
Residual Equity Transfers			
TOTAL FUND COMMITMENTS AND FUND BALANCE	123,554,647	(21,525,510)	102,029,137

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