SOUTHERN NEVADA HEALTH DISTRICT

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

JUNE 30, 2015

SNHD
Southern Nevada Health District

SOUTHERN NEVADA HEALTH DISTRICT

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
JUNE 30, 2015

PREPARED BY
ADMINISTRATION DIVISION, FINANCIAL SERVICES SECTION

DR. JOSEPH ISER
CHIEF HEALTH OFFICER

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INTRODUCTORY SECTION

November 19, 2015

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

The Comprehensive Annual Financial Report (CAFR) of the Southern Nevada Health District, Clark County, Nevada, for the fiscal year ended June 30, 2015, is submitted herewith as mandated by NRS 354.624. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures rests with the Southern Nevada Health District (Health District). To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner that presents fairly the financial position and results of operations of the various funds of the Health District. All disclosures necessary to enable the reader to gain an understanding of the Health District's financial activities have been included. The reader is referred to the Management Discussion and Analysis section beginning on page 13 for an overview of the Health District's financial position and result of operations.

Profile of the Government

Established pursuant to Nevada Revised Statutes Chapter 439, the Southern Nevada Health District's mission is to protect and promote the health, the environment and the well being of Southern Nevada residents and visitors. It is one of the largest local public health districts in the nation. It serves a population of over 2 million, representing 72.7 percent of the state's population, and over 39.7 million tourists annually, with a staff of approximately 500 employees working in four divisions. In the furtherance of its mission, public health services are available to everyone, regardless of income.

The Southern Nevada Health District is governed by a 11 member policy making board composed of:

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

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

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

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

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

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

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

Members of the Board of Health serve terms of two years. Vacancies must be filled in the same manner as the original

selection for the remainder of the unexpired term. Members serve without additional compensation for their services, but are entitled to reimbursement for necessary expenses for attending meetings or otherwise engaging in the business of the board.

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

Reporting Entity

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

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

Health District Services

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

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

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

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

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

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

Environmental Health Division activities include the oversight of public health programs designed to protect the health of residents and visitors through inspection programs for child care facilities; food and beverage establishments; public accommodations; public swimming pools and spas; installation, repairs, upgrades and suspected leaks of underground storage tanks; and tattoo, permanent makeup and body piercing operations. Additionally, a plan review program covering food and beverage establishments, individual sewage disposal systems, public swimming pools and spas, public water systems and subdivision review is in place. The Health District is the Solid Waste Management Authority for Clark County and in this capacity provides regulatory oversight, including plan reviews and inspections of all solid waste facilities and recycling centers. Waste management audit inspections are conducted to ensure area businesses manage

waste properly and are protective of public health and the environment. The division also monitors for potential outbreaks in the animal population to prevent the spread of disease and conducts routine surveillance programs in the spring, summer and fall of each year. These programs monitor for diseases such as plague, Hantavirus and West Nile Virus.

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

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

Economic Conditions and Outlook

According to the estimates made by the Nevada state demographer, the population in Clark County grew to 2,102,238 in 2014. This reflects a population increase of 1.9 percent over the 2013 estimate of 2,062,253. Clark County's population is projected to grow by 2.1 percent in 2015 and another 2.1 percent in 2016 per Clark County Comprehensive Planning forecasts.

According to the Nevada Workforce Informer, Nevada's unemployment rate fell to a seasonally adjusted 6.9 percent in June, the lowest it has been in nearly seven years. The Las Vegas/Paradise Metropolitan Statistical Area (MSA) which includes Clark County held steady over the month of June, 2015 at 7.2 percent, but is down 8.8 percentage points relative to June 2014.

"I'm encouraged by the continued positive trends evident in the Silver State's labor market," said Governor Brian Sandoval. "June's unemployment rate broke below the 7 percent barrier for the first time since July 2008. Job levels have risen in five of six months during the first half of the year and are trending about 40,000 higher than a year ago."

This is the 54th consecutive month of job gains relative to the previous year, and the highest employment level that Nevada has experienced since August 2008, at a seasonally adjusted 1.26 million. With annual growth of 4 percent relative to 2013, Nevada's private sector job growth ranks second in the nation, said Bill Anderson, chief economist for Nevada's Department of Employment, Training and Rehabilitation.

Additionally, the labor force has seen a recent increase, with more than 20,000 Nevadans searching for work and now being counted in the labor force.

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

The cost of additional leased space for the expansion of required programs and the replacement of the Main facility campus increase markedly the Health District's operational expenses. In order to arrange for a replacement facility, the Health District faced the challenge of funding. The Health District's fund balance in its "Bond Reserve Fund" was and is earmarked for this essential capital remodeling. The Health District purchased a building in December 2014 and is in the process of remodeling that facility with these funds. The Health District main facility is currently located at 330 South Valley View Blvd. and has additional facilities located in East Las Vegas, Henderson, 400 Shadow Lane, Laughlin, and Mesquite. The ability to meet the increasing demand for more public health services will continue to depend on the Health District's ability to diversify its funding and the share in the property tax allocation.

Visitor volume increased by 3.7% in 2014 to 41,126,512 an increase of 1,458,291 visitors over the 2013 total of

39,668,221.

Based on Las Vegas Perspective 35th annual edition in 2015, median prices for new homes decreased by 2.3 percent to $293,582 while that of existing home increased by 7.9 percent to $172,580.

In fiscal year 2015, Clark County collected total property tax of $1.5 billion within the same year the tax was levied – a increase of 2.9 percent or $41.9 million from fiscal year 2014. In comparison, the Health District's property tax allocation in fiscal year 2015 increased by 5.2 percent or $0.9 million.

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

Financial Information

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

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

Single Audit

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

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

Budgetary Controls

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

As demonstrated by the statements and schedules in the financial section of this report, the Health District continues to meet its responsibility for sound financial management.

Cash Management

The Health District is required by NRS 439.367 to pool all of its monies with Clark County and that these monies are invested by the Clark County Treasurer. At fiscal year end June 30, 2015, $31,534,887 in cash resources was invested with the Clark County Treasurer. The average effective yield on maturing investments was 0.89 percent compared with 0.81 percent in the prior year. The Clark County Treasurer's policy is to invest public funds in a manner that will provide for the highest degree of safety, liquidity, and yield while conforming to all statutes governing the investing of public funds.

Risk Management

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

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

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

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

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

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

Other Information

Independent Audit

Nevada Revised Statute 354.624 requires an annual audit by independent certified public accountants. The accounting firm of Piercy Bowler Taylor & Kern was selected by the Board to perform the fiscal year 2015 audit. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of the Federal Single Audit Act of 1996 and related OMB Circular A 133. The auditor's report on the basic financial statements is included in the financial section of this report beginning on page 11. The auditor's report on the internal accounting controls of the Health District and statement regarding the use of monies in compliance with the purpose of each fund (beginning on page 77) is included in the compliance and controls section and will be filed as a public record pursuant to NRS 354.624.

Report Evaluation

The Government Finance Officers Association of the United States and Canada (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting (CAEFR) to those agencies meeting its established criteria. In order to be awarded a Certificate of Achievement, the Health District must publish an easily readable and efficiently organized Comprehensive Annual Financial Report (CAFR) whose contents conform to the program standards. The Health District has received the Certificate of Achievement for its CAFR for fiscal years ending 2003 through 2014. See page 9 for the fiscal year 2014 CAEFR certificate.

Acknowledgements

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

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

Respectfully submitted,

Andrew J. Glass, FACHE, MS
Director of Administration

Joseph Iser, MD, DrPH, MSc
Chief Health Officer

Sharon L. McCoy-Huber
Financial Services Manager

District Officials

CHIEF HEALTH OFFICER

Joseph P. Iser, MD, DrPH, MSc

BOARD OF HEALTH

Officers

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

Board Members

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

DIVISION DIRECTORS (Not Pictured)

ADMINISTRATION
Andrew J. Glass, FACHE, MS,

CLINICS AND NURSING SERVICES
Bonnie Sorenson, RN

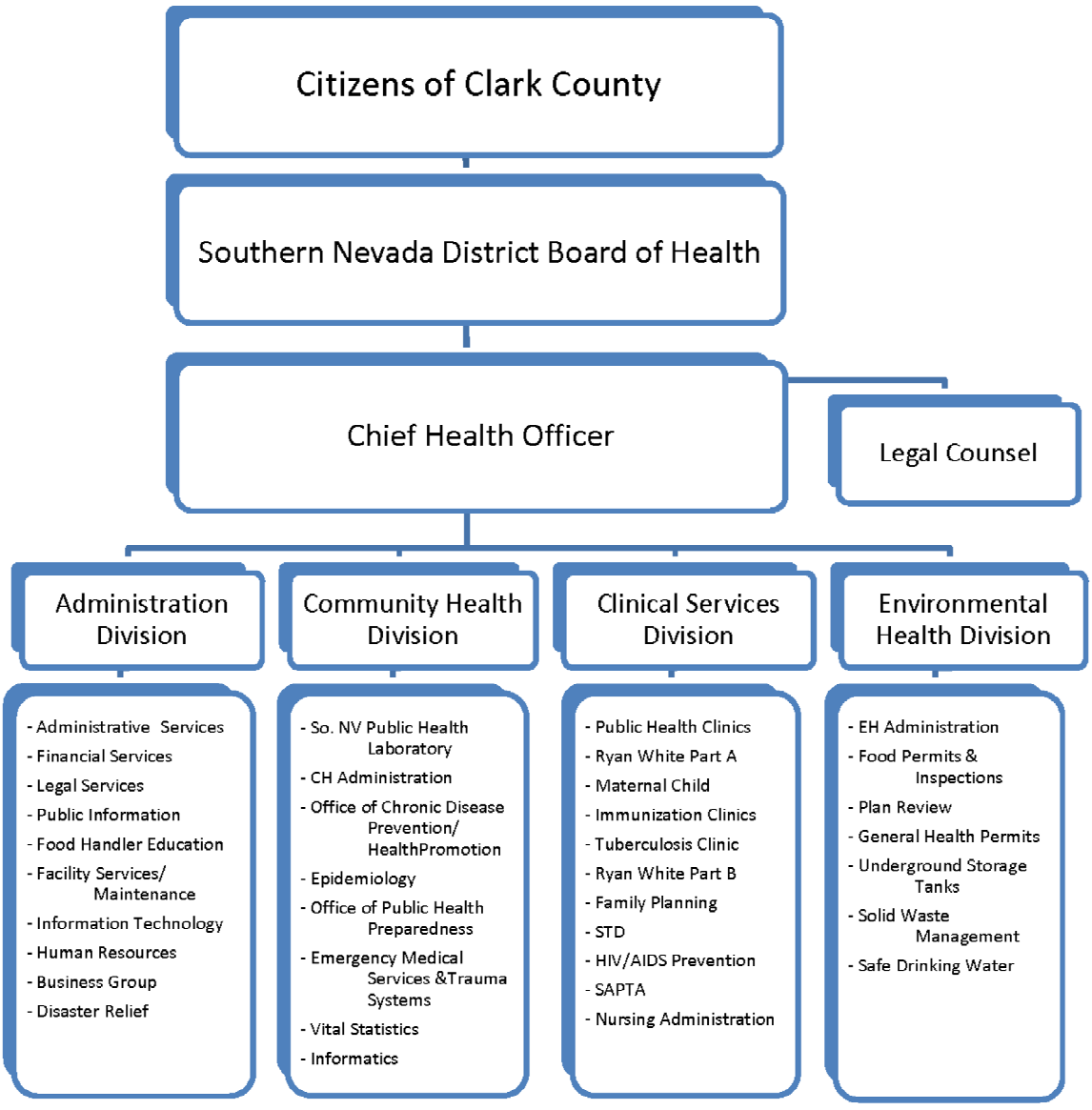
COMMUNITY HEALTH
Cassius Lockett, PhD, MS

ENVIRONMENTAL HEALTH
Jacqueline Reszetar, MS

SOUTHERN NEVADA HEALTH DISTRICT

ORGANIZATION CHART

FOR THE YEAR ENDED JUNE 30, 2015



*The Southern Nevada Public Health Laboratory (SNPHL) opened in July 2004 as a branch of the Nevada State Health Laboratory and is under the direction of the Southern Nevada Health Districts's Laboratory Director and is also administratively under the Community Health Division. The SNPHL shall continue to be designated as a branch of the NSHL pursuant to NRS 439.240.

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Southern Nevada Health District

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

FINANCIAL SECTION

Independent Auditor's Report on Financial Statement and Supplementary Information

P B T K
PIERCY BOWLER
TAYLOR & KERN
Certified Public Accountants
Business Advisors

INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

Board of Health
Southern Nevada Health District
Las Vegas, Nevada

We have audited the accompanying financial statements of the governmental activities, the business-type activities, 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, 2015, 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.

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

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

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

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

Opinion. In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Health District as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters. Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, postemployment benefits other than pensions, schedule of funding

progress, proportionate share of the collective net pension liability information, proportionate share of statutorily required pension contribution information and budgetary comparison information on pages 13-28 and 65-71 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

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

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

Other Reporting Required by *Government Auditing Standards*. In accordance with *Government Auditing Standards*, we have also issued our report dated November 10, 2015, 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Health District's internal control over financial reporting and compliance.

Piercy Bowler Taylor & Kern

Las Vegas, Nevada
November 10, 2015

Management's Discussion and Analysis

SOUTHERN NEVADA HEALTH DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED JUNE 30, 2015

As members of the Southern Nevada Health District's Leadership Team, we offer the readers of the Southern Nevada Health District (the Health District) financial statements this narrative overview and analysis of the financial activities of the Health District for the fiscal year ended June 30, 2015. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found beginning on page 1 of this report.

Financial Highlights

The Health District's liabilities exceeded its assets at the close of the most recent fiscal year by $45,226,631 (restated net position). 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 restated net position decreased by $1,713,728 due to expenditures exceeding revenues. The largest expenditures contributing to this were contract services, vaccine, and minor equipment.

At the close of the current fiscal year, the Health District's governmental activities reported a negative $43,577,474 restated net position; an increase of $333,625 in comparison with the restated prior year.

The Health District's total revenue increased by $3,209,507. Increases in grant funding ($1,535,804), charges for services ($783,425) and property tax allocation ($928,158) are the primary reasons for this increase. Expenditures decreased by $2,957,480; community health ($1,224,906) and environmental health ($1,202,652) reflect the primary reductions.

Overview of the Financial Statements

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

Government-wide financial statements

Fund financial statements

Notes to financial statements

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

Government-wide Financial Statements

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

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

(Continued)

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

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

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

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

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

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

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

Fund Financial Statements

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

Governmental funds

Proprietary funds

Fiduciary funds

Governmental Funds

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Health District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

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

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

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

Proprietary Funds

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The Health District maintains two different types of proprietary funds:

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

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

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

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reported in the government wide financial statements because the resources of those funds are not available to support the Health District's own programs. The Health District used the Retiree Health Insurance Fund to report resources held in trust for retirees, as required by the terms of the Collective Bargaining Agreement with the Service Employee International Union (SEIU). In an agreement by management and the SEIU during fiscal 2015, the resources in this fund were distributed to Health District personnel as a one-time bonus in October 2014.

Notes to the Financial Statements

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

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

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the 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 64 of this report.

Government-wide Overall Financial Analysis

As noted earlier, net position over time, may serve as a useful indicator of a government's financial position. In the case of the Health District, liabilities exceeded assets by $1,713,728 at the close of the most recent fiscal year.

Summary Statement of Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2015	2014 (Restated)	2015	2014 (Restated)	2015	2014 (Restated)
Assets						
Current, restricted and other	$ 36,275,631	$ 39,645,685	$ 1,192,973	$ 3,103,466	$ 37,468,604	$ 42,749,151
Capital	13,671,622	7,543,782	664,144	780,011	14,335,766	8,323,793
Total assets	49,947,253	47,189,467	1,857,117	3,883,477	51,804,370	51,072,944
Deferred outflows of resources	8,618,127	8,619,256	339,547	339,540	8,957,674	8,958,796
Liabilities						
Current	3,827,984	3,491,602	55,496	125,877	3,883,480	3,617,479
Long-term	83,019,876	96,228,219	3,187,716	3,698,944	86,207,592	99,927,163
Total liabilities	86,847,860	99,719,821	3,243,212	3,824,821	90,091,072	103,544,642
Deferred inflows of resources	15,294,994		602,609		15,897,603	

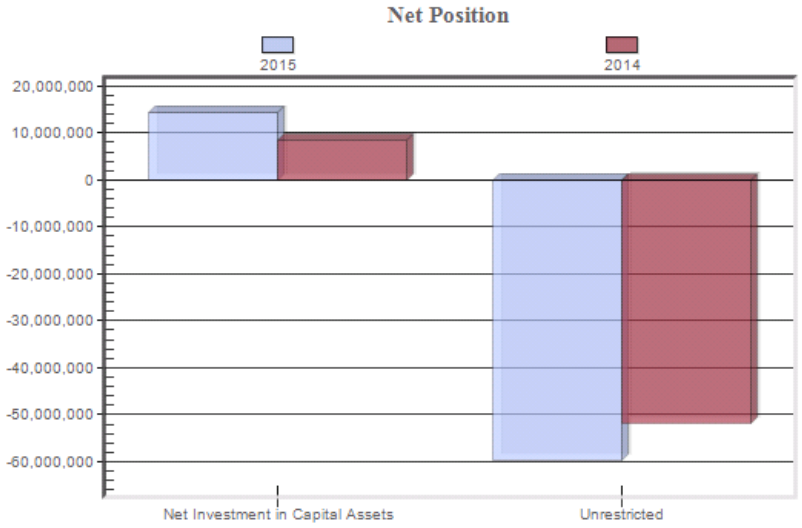
(Continued)

Summary Statement of Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2015	2014 (Restated)	2015	2014 (Restated)	2015	2014 (Restated)
Net position						
Net investment in capital assets	$ 13,671,622	$ 7,543,782	$ 664,144	$ 780,011	$ 14,335,766	$ 8,323,793
Restricted	102,552				102,552	
Unrestricted	(57,351,648)	(51,454,880)	(2,313,301)	(381,816)	(59,664,949)	(51,836,696)
Total net position	$ (43,577,474)	$ (43,911,098)	$ (1,649,157)	$ 398,195	$ (45,226,631)	$ (43,512,903)

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

At the end of the current fiscal year, the Health District is not able to report positive balances in all reported categories of restated net position, both for the government as a whole, as well as for its separate governmental and business type activities. This is due to the implementation of Government Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, during the current fiscal year.



The Health District's overall restated net position decreased $1,713,728 from the prior fiscal year. The reasons for the overall decrease are discussed in the following sections for the governmental activities and business type activities.

Summary Statement of Changes in Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014

(Continued)

Summary Statement of Changes in Net Position

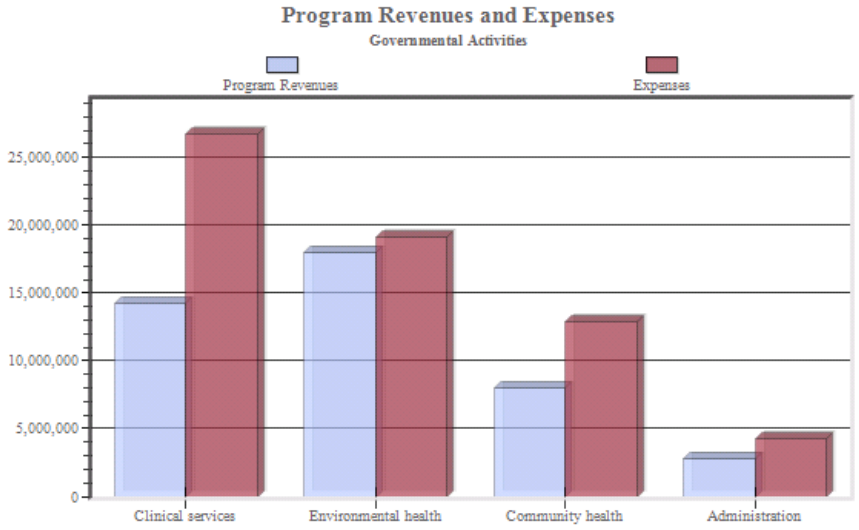
	Governmental Activities		Business-type Activities		Total Primary Government	
	2015	2014 (Restated)	2015	2014 (Restated)	2015	2014 (Restated)
Revenues		(Restated)		(Restated)		(Restated)
Program revenues						
Charges for services	$ 28,120,952	$ 27,337,527	$	$	$ 28,120,952	$ 27,337,527
Operating grants and contributions	15,871,740	14,051,416	1,055,161	1,339,681	16,926,901	15,391,097
General revenues						
Property tax allocation	18,916,518	17,988,360			18,916,518	17,988,360
Unrestricted investment income	333,079	336,701	19,392	27,109	352,471	363,810
Gain on disposal of capital assets		17,391		4,150		21,541
Miscellaneous		5,000				5,000
Total revenues	63,242,289	59,736,395	1,074,553	1,370,940	64,316,842	61,107,335
Expenses						
Public health						
Clinical services						
Communicable diseases	10,689,358	7,923,595			10,689,358	7,923,595
General clinical services administration	1,470,459	1,433,550			1,470,459	1,433,550
Immunizations	7,172,666	5,728,235			7,172,666	5,728,235
Women's health	3,739,709	2,443,165			3,739,709	2,443,165
Children's health	3,654,468	2,747,687			3,654,468	2,747,687
Indirect cost allocation*		6,887,417				6,887,417
Environmental health						
Environmental health and sanitation	15,993,672	12,240,237			15,993,672	12,240,237
Waste management	2,591,963	2,230,526			2,591,963	2,230,526
Other environmental health programs	508,745	445,646			508,745	445,646
Indirect cost allocation*		5,380,623				5,380,623
Community health						
Administration	464,501	645,539			464,501	645,539
Health education	3,476,205	2,501,025			3,476,205	2,501,025
Epidemiology	1,712,007	1,119,115			1,712,007	1,119,115
Public health preparedness	3,623,055	3,215,357			3,623,055	3,215,357
Emergency medical services	751,218	486,097			751,218	486,097
Vital records	2,120,039	1,560,084			2,120,039	1,560,084
Informatics	698,595	701,453			698,595	701,453
Indirect cost allocation*		4,258,815				4,258,815
Administration						
General administration	1,925,356				1,925,356	
Food handler education	1,341,771	1,103,296			1,341,771	1,103,296
Disaster recovery	67,279	357,972			67,279	357,972
Business group	907,598	989,609			907,598	989,609
Indirect cost allocation*		1,374,168				1,374,168
Southern Nevada Public Health Laboratory			3,121,906	3,214,839	3,121,906	3,214,839
Total expenses	62,908,664	65,773,211	3,121,906	3,214,839	66,030,570	68,988,050
Change in net position before transfers	333,625	(6,036,816)	(2,047,353)	(1,843,899)	(1,713,728)	(7,880,715)

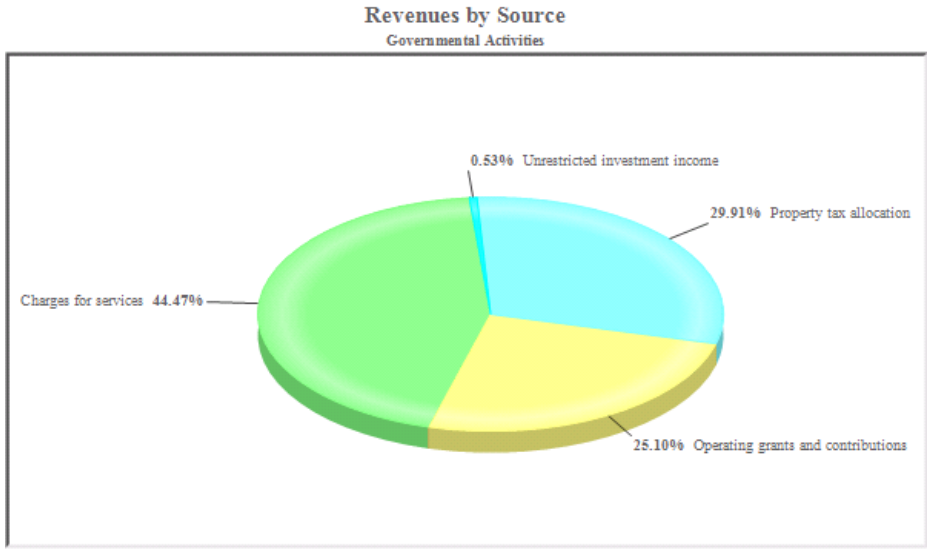
(Continued)

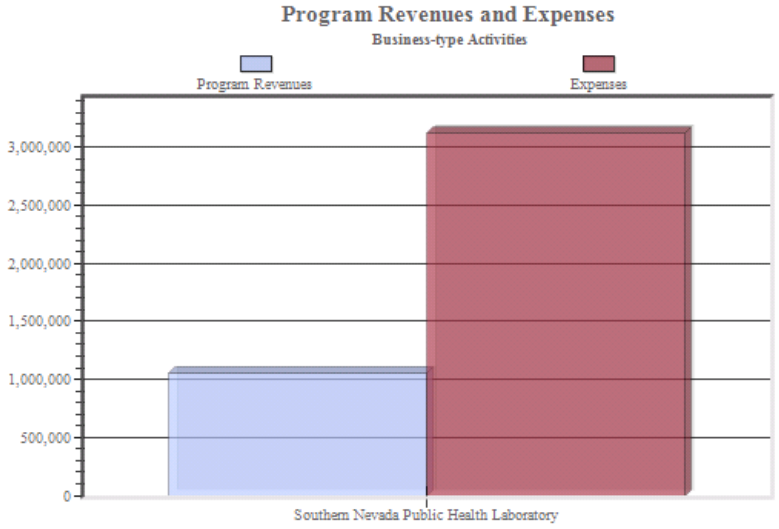
Summary Statement of Changes in Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2015	2014 (Restated)	2015	2014 (Restated)	2015	2014 (Restated)
Transfers	$	$ (633,366)	$	$ 633,366	$	$
Change in net position	333,625	(6,670,182)	(2,047,353)	(1,210,533)	(1,713,728)	(7,880,715)
Net position, beginning of year, as previously reported	(43,911,099)	28,969,498	398,196	4,217,361	(43,512,903)	33,186,859
Adjustment		(66,210,414)		(2,608,633)		(68,819,047)
Net position, beginning of year, as adjusted	(43,911,099)	(37,240,916)	398,196	1,608,728	(43,512,903)	(35,632,188)
Net position, end of year	$ (43,577,474)	$ (43,911,098)	$ (1,649,157)	$ 398,195	$ (45,226,631)	$ (43,512,903)

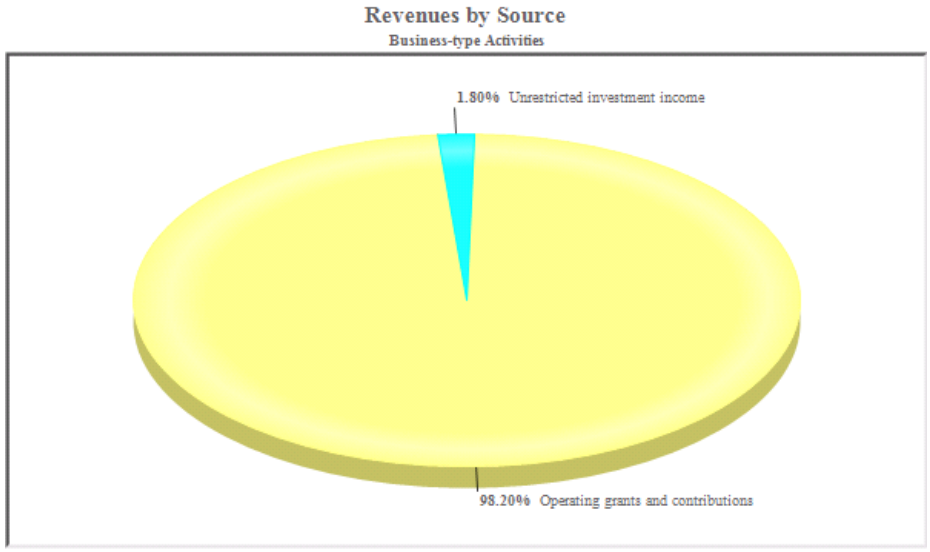
* The presentation of indirect costs was changed during fiscal 2015, and these costs are now blended into the various direct cost lines for each division.




Revenues by Source
Governmental Activities
0.53% Unrestricted investment income
29.91% Property tax allocation
Charges for services 44.47%
25.10% Operating grants and contributions


Program Revenues and Expenses
Business-type Activities
Program Revenues
Expenses
3,000,000
2,500,000
2,000,000
1,500,000
1,000,000
500,000
0
Southern Nevada Public Health Laboratory

(Continued)



Governmental Activities

During the current fiscal year, restated net position for governmental activities increased $333,625 from the prior fiscal year to an ending balance of negative $43,577,474. The increase in the overall restated net position of governmental activities is largely the result of increased revenue collections and decreased expenditures in salaries and benefits.

Business-type Activities

For the Southern Nevada Public Health Laboratory's business type activities, the result for the current fiscal year showed that overall restated net position decreased by $2,047,353, to reach an ending balance of negative $1,649,157. The decrease is largely due to no transfers in from the general fund and the implementation of GASB 68. Additionally, nonoperating revenues decreased from indirect federal grants and investment income were contributing factors.

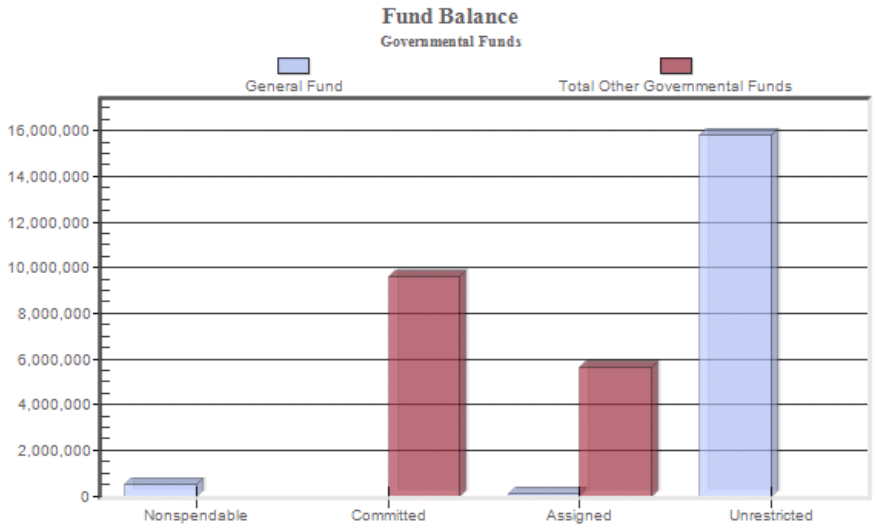
Financial Analysis of Governmental Funds

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

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

(Continued)

At June 30, 2015, the Health District's governmental funds reported combined fund balances of $31,661,072, a decrease of $3,239,971 in comparison with the prior year as restated. Approximately 50%, or $15,812,503, 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: $499,834 is non-spendable, $9,589,814 is committed to facility acquisition, $100,591 is assigned to administrative purchases, and $5,658,330 is assigned to capital projects improvements.



The general fund is the chief operating fund of the Health District. At the end of the current fiscal year, unassigned fund balance of the general fund was $15,812,503, while the total fund balance is $16,412,928. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures.

At June 30, 2015, unassigned fund balance represents approximately 27% of total general fund expenditures, while total governmental fund balance represents approximately 47% of the total governmental expenditures. The total adjusted fund balance of the Health District's general fund increased by $2,835,866 during the current fiscal year due to personnel savings of $3,456,606 and increased grant revenues of $2,998,943.

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

At June 30, 2015, the Bond Reserve fund has a committed balance of $9,589,814, which decreased by $5,415,995 as compared to the prior fiscal year. The decrease was due to the purchase of a new main building in December 2014. The Capital Projects Fund has $5,658,330 of fund balance assigned for future capital improvements. Fund balance in the Capital Projects Fund decreased by $659,842, due to capital outlay expenditures.

(Continued)

General Fund Revenues

	2015		2014		Increase (Decrease)	
	Amount	Percent	Amount (Restated)	Percent	Amount	Percent
REVENUES						
Charges for services						
Title XIX Medicaid	$ 960,373	1.51 %	$ 581,607	0.99 %	$ 378,766	65.12 %
Vital records, immunizations and other medical services	6,145,834	9.67 %	5,618,489	9.56 %	527,345	9.39 %
Regulatory services	20,659,128	32.51 %	20,947,410	35.63 %	(288,282)	(1.38)%
Program contract services	275,264	0.43 %	190,021	0.32 %	85,243	44.86 %
Total charges for services	28,040,599	44.13 %	27,337,527	46.50 %	703,072	2.57 %
Intergovernmental revenues						
Property tax allocation	18,916,518	29.77 %	17,988,360	30.60 %	928,158	5.16 %
State funding	2,072,101	3.26 %	1,298,805	2.21 %	773,296	59.54 %
Indirect federal grants	10,740,902	16.90 %	9,579,076	16.29 %	1,161,826	12.13 %
Direct federal grants	3,395,167	5.34 %	2,331,346	3.97 %	1,063,821	45.63 %
Total intergovernmental revenues	35,124,688	55.28 %	31,197,587	53.07 %	3,927,101	12.59 %
Contributions and donations	48,481	0.08 %	29,081	0.05 %	19,400	66.71 %
Interest income	175,317	0.28 %	165,737	0.28 %	9,580	5.78 %
Other	148,391	0.23 %	55,768	0.09 %	92,623	166.09 %
Total revenues	$ 63,537,476	100.00 %	$ 58,785,700	100.00 %	$ 4,751,776	8.08 %

The increase in charges for services was due to the implementation of birth and death registration fees/certificates ($582,592), and an increase in number of patients with Medicaid and other insurance ($378,765).

The increase in property tax allocation of $928,158 is due to the economy improving, increased property values, and increased property taxes.

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

The increase in contributions and donations was due to drowning prevention donations.

The increase in interest income was due to increased average cash balances as a result of higher revenue and lower expenditures.

The increase in other income is due to the receipt of rental income that the Health District received when it purchased the new main building and adjoining suites.

(Continued)

General Fund Expenditures

	2015		2014		Increase (Decrease)	
	Amount	Percent	Amount (Restated)	Percent	Amount	Percent
EXPENDITURES						
Current						
Public health						
Clinical services	$ 24,901,457	41.94 %	$ 26,401,673	42.50 %	$ (1,500,216)	(5.68)%
Environmental health	18,175,211	30.61 %	19,652,283	31.64 %	(1,477,072)	(7.52)%
Community health	12,248,152	20.63 %	13,885,941	22.35 %	(1,637,789)	(11.79)%
Administration	3,824,094	6.44 %	2,177,424	3.51 %	1,646,670	75.62 %
Total current	59,148,914	99.63 %	62,117,321	100.00 %	(2,968,407)	(4.78)%
Capital outlay						
Public health	220,107	0.37 %		%	220,107	DIV/0 %
Total expenditures	$ 59,369,021	100.00 %	$ 62,117,321	100.00 %	$ (2,748,300)	(4.42)%

The decreases in all functional expenditures, except administration, were primarily due to a savings in salaries and fringe benefits. The increase in administration expenditures was primarily contracted services and cost allocation.

Financial Analysis of Proprietary Funds

Unrestricted restated net position at the end of the fiscal year for the Laboratory Fund and Insurance Liability Reserve Fund was a negative $2,313,301 and positive $786,575, respectively.

General Fund Budgetary Highlights

Original budget compared to final budget

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

Final budget compared to actual results

Differences between budgeted revenue and actual revenue were as follows:

(Continued)

General Fund Budget to Actual Information

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Charges for services				
Title XIX Medicaid	$ 546,016	$ 546,016	$ 960,373	$ 414,357
Vital records, immunizations and other medical services	5,496,206	5,496,206	6,145,834	649,628
Regulatory services	21,258,393	21,258,393	20,659,128	(599,265)
Program contract services	134,707	134,707	275,264	140,557
Intergovernmental revenues				
Property tax allocation	18,916,517	18,916,517	18,916,518	1
State funding	1,236,898	1,236,898	2,072,101	835,203
Indirect federal grants	9,004,110	9,004,110	10,740,902	1,736,792
Direct federal grants	2,390,002	2,390,002	3,395,167	1,005,165
Contributions and donations	15,000	15,000	48,481	33,481
Interest income	116,396	116,396	175,317	58,921
Other	17,598	17,598	148,391	130,793
Total revenues	59,131,843	59,131,843	63,537,476	4,405,633
EXPENDITURES				
Public health				
Salaries and wages	33,706,715	28,209,090	26,625,344	1,583,746
Employee benefits	13,191,988	10,751,246	10,128,619	622,627
Services and supplies	15,074,945	23,519,855	22,394,951	1,124,904
Capital outlay			220,107	(220,107)
Total expenditures	61,973,648	62,480,191	59,369,021	3,111,170
OTHER FINANCING SOURCES (USES)				
Transfers in	718,000	718,000		(718,000)
Transfers out	(1,857,179)	(1,350,639)	(1,350,639)	
Proceeds from capital asset disposal			18,050	18,050
Total other financing sources (uses)	(1,139,179)	(632,639)	(1,332,589)	(699,950)
CHANGE IN FUND BALANCE	$ (3,980,984)	$ (3,980,987)	$ 2,835,866	$ 6,816,853

The surplus in vital records was due to the implementation of unbudgeted birth and death registrations fees coming in at $441,939. Additionally, adolescent medical fees exceeded the budget by $281,547.

State funding exceeded budgeted due to two new grants: Ryan White Part B Surveillance, $254,146 and Ryan White Part B Intervention, $434,395. Additionally, Immunization AFIX exceeded budget by $144,214. Indirect federal funding exceeded budget due to Ryan White Part A, $586,522, Ryan White Part B Case Management, $311, 802, and ELC Informatics, 217,274.

Total expenditures are $3.1 million below budget. Actual salaries and employee benefits were under budget by $2.2 million. Services and supplies were under budget by approximately $1.1 million. Capital outlays were over budget by $220,000.

Capital assets

As of June 30, 2015, the Health District’s net investment in capital assets for its governmental activities amounts to $13,671,622, while the net investment in business type activities amounted to $664,144. This investment in capital assets includes land, buildings and improvements, vehicles and equipment. The total increase in capital assets for the current fiscal year was approximately $6,011,973, or 72%, due primarily to the purchase of a new main building.

(Continued)

	Balance July 1, 2014	Increases and transfers *	Decreases and transfers *	Balance June 30, 2015
Governmental activities				
Capital assets not being depreciated or amortized				
Construction in progress	$	$ 5,477,210	$	$ 5,477,210
Land	2,059,765	1,388,386	(915)	3,447,236
Total capital assets not being depreciated or amortized	2,059,765	6,865,596	(915)	8,924,446
Capital assets being depreciated or amortized				
Buildings	4,697,563		(239,705)	4,457,858
Improvements other than buildings	8,950,203		(6,097,637)	2,852,566
Furniture, fixtures and equipment	9,950,121	812,051	(1,775,117)	8,987,055
Vehicles	568,518		(34,804)	533,714
Total capital assets being depreciated or amortized	24,166,405	812,051	(8,147,263)	16,831,193
Accumulated depreciation and amortization				
Buildings	(2,128,708)	(93,951)	112,234	(2,110,425)
Improvements other than buildings	(8,476,141)	(134,349)	6,004,094	(2,606,396)
Furniture, fixtures and equipment	(7,549,615)	(748,840)	1,438,001	(6,860,454)
Vehicles	(527,924)	(13,576)	34,758	(506,742)
Total accumulated depreciation and amortization	(18,682,388)	(990,716)	7,589,087	(12,084,017)
Total capital assets being depreciated or amortized, net	5,484,017	(178,665)	(558,176)	4,747,176
Total governmental activities	$ 7,543,782	$ 6,686,931	$ (559,091)	$ 13,671,622

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

	Balance July 1, 2014	Increases and transfers *	Decreases and transfers *	Balance June 30, 2015
Capital assets being depreciated or amortized				
Improvements other than buildings	$ 144,312	$	$ (3,472)	$ 140,840
Furniture, fixtures and equipment	2,436,615	32,493	(96,382)	2,372,726
Vehicles	17,990	23,986		41,976
Total capital assets being depreciated or amortized	2,598,917	56,479	(99,854)	2,555,542
Accumulated depreciation and amortization				
Improvements other than buildings	(62,973)	(7,506)	1,678	(68,801)
Furniture, fixtures and equipment	(1,744,689)	(141,645)	80,978	(1,805,356)
Vehicles	(11,244)	(5,997)		(17,241)
Total accumulated depreciation and amortization	(1,818,906)	(155,148)	82,656	(1,891,398)
Total business-type activities	$ 780,011	$ (98,669)	$ (17,198)	$ 664,144

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

(Continued)

Some of the larger capital asset additions for the governmental type funds for fiscal year ending June 30, 2015, included computer hardware, computer software, and equipment costs as listed below:

New Main Building: $6,495,972
Modular Furniture: $432,407
Environmental health Portal Software: $117,306

The Health District deleted capital assets by $876,595 with an initial individual cost of less than $5,000. During the current fiscal year, the Health District changed its policy and increased the capital asset capitalization threshold from $3,000 to $5,000.

The business-type funding for the Public Health Laboratory increases included: Microscope, $14,090; Vehicle, $23,986; and Respirator Fit Tester, $11,339.

Additional information on the District's capital assets can be found in Note 4 to the financial statements.

Long-term Debt

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

Economic Factors and Next Year's Budgets and Rates

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

State, federal, and pass-through grant revenue all increased during fiscal 2015.

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 approved $1,000,000 of the Fund Balance to be used if needed for that purpose.

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

The Health District will continue to pursue not only proportional allocation of Federal pass through dollars through the State, but also direct funding from the Federal government. Clark County has 72.7% 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. For the first time since fiscal year 2011, the Health District's General Fund has a surplus of revenue over expenditures. However, to maintain that position the Health District must closely monitor revenues and expenditures.

(Continued)

At present, the Health District has the financial resources and capacity to maintain current service levels. For the first time since fiscal year 2011, the Health District's General Fund has a surplus of revenue over expenditures. However, to maintain that position the Health District must closely monitor revenues and expenditures.

The Unassigned Fund balance of the General Fund is $15,812,503 as of June 30, 2015.

Request for Information

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

Southern Nevada Health District
Attention: Financial Services Manager
330 S. Valley View Blvd. P.O. Box 3902
Las Vegas, Nevada, 89127

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

Basic Financial Statements

Government-Wide Financial Statements

SOUTHERN NEVADA HEALTH DISTRICT

STATEMENT OF NET POSITION

JUNE 30, 2015

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and equivalents, unrestricted	$ 30,942,548	$ 1,026,583	$ 31,969,131
Cash and equivalents, restricted	102,552		102,552
Grants receivable	3,717,348	45,791	3,763,139
Accounts receivable	930,097		930,097
Contracts receivable	99,666		99,666
Prepaid items	161,348	104,185	265,533
Inventories	338,486		338,486
Internal balances	(16,414)	16,414	
Capital assets, net of accumulated depreciation and amortization			
Land	3,447,236		3,447,236
Construction in progress	5,477,210		5,477,210
Buildings	2,347,433		2,347,433
Improvements other than buildings	246,170	72,039	318,209
Furniture, fixtures and equipment	2,126,601	567,370	2,693,971
Vehicles	26,972	24,735	51,707
Total assets	49,947,253	1,857,117	51,804,370
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amounts related to pensions	8,618,127	339,547	8,957,674
LIABILITIES			
Accounts payable	1,746,708	22,020	1,768,728
Accrued expenses	1,805,762	31,364	1,837,126
Workers compensation self-insurance claims	125,000		125,000
Unearned revenue	150,514	2,112	152,626
Long-term liabilities, due within one year			
Compensated absences	4,095,438	145,174	4,240,612
Long-term liabilities, due in more than one year			
Compensated absences	2,510,107	139,481	2,649,588
Postemployment benefits other than pensions	17,107,607	566,428	17,674,035
Net pension liability	59,306,724	2,336,633	61,643,357
Total liabilities	86,847,860	3,243,212	90,091,072
DEFERRED INFLOWS OF RESOURCES			
Deferred amounts related to pensions	15,294,994	602,609	15,897,603
NET POSITION			
Investment in capital assets	13,671,622	664,144	14,335,766
Self-insurance claims	102,552		102,552
Unrestricted	(57,351,648)	(2,313,301)	(59,664,949)
Total net position	$ (43,577,474)	$ (1,649,157)	$ (45,226,631)

See notes to basic financial statements.

SOUTHERN NEVADA HEALTH DISTRICT

STATEMENT OF ACTIVITES

FOR THE YEAR ENDED JUNE 30, 2015

FUNCTION/PROGRAM	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Change in Net Position: Governmental Activities	Net (Expenses) Revenues and Change in Net Position: Business-type Activities	Net (Expenses) Revenues and Change in Net Position: Total
Governmental activities							
Public health							
Clinical services							
Communicable diseases	$ 10,689,358	$ 355,968	$ 5,685,098	$	$ (4,648,292)	$	$ (4,648,292)
General clinical services administration	1,470,459	544			(1,469,915)		(1,469,915)
Immunizations	7,172,666	3,183,901	1,151,171		(2,837,594)		(2,837,594)
Women's health	3,739,709	259,999	2,190,802		(1,288,908)		(1,288,908)
Children's health	3,654,468	458,173	960,549		(2,235,746)		(2,235,746)
Total clinical services	26,726,660	4,258,585	9,987,620		(12,480,455)		(12,480,455)
Environmental health							
Environmental health and sanitation	15,993,672	16,266,915	8,578		281,821		281,821
Waste management	2,591,963	1,136,358	542,985		(912,620)		(912,620)
Safe drinking water			90,000		90,000		90,000
Other environmental health programs	508,745	469,645	170,000		130,900		130,900
Total environmental health	19,094,380	17,872,918	811,563		(409,899)		(409,899)
Community health							
Administration	464,501				(464,501)		(464,501)
Health education	3,476,205		2,119,093		(1,357,112)		(1,357,112)
Epidemiology	1,712,007				(1,712,007)		(1,712,007)
Public health preparedness	3,623,055	725	2,634,275		(988,055)		(988,055)
Emergency medical services	751,218	115,213			(636,005)		(636,005)
Vital records	2,120,039	3,090,773			970,734		970,734
Informatics	698,595		283,637		(414,958)		(414,958)
Total community health	12,845,620	3,206,711	5,037,005		(4,601,904)		(4,601,904)
Administration							
General administration	1,925,356	80,353	35,552		(1,809,451)		(1,809,451)
Food handler education	1,341,771	2,702,385			1,360,614		1,360,614
Disaster recovery	67,279				(67,279)		(67,279)
Business group	907,598				(907,598)		(907,598)
Total administration	4,242,004	2,782,738	35,552		(1,423,714)		(1,423,714)
Total governmental activities	62,908,664	28,120,952	15,871,740		(18,915,972)		(18,915,972)

(Continued)

See notes to basic financial statements.

SOUTHERN NEVADA HEALTH DISTRICT

STATEMENT OF ACTIVITES (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

		Program Revenues			Net (Expenses) Revenues and Change in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Business-type activities							
Southern Nevada Public Health Laboratory	3,121,906		1,055,161			(2,066,745)	(2,066,745)
Total function/program	$ 66,030,570	$ 28,120,952	$ 16,926,901	$	$ (18,915,972)	(2,066,745)	(20,982,717)
GENERAL REVENUES							
Property tax allocation					18,916,518		18,916,518
Unrestricted investment income					333,079	19,392	352,471
Total general revenues					19,249,597	19,392	19,268,989
CHANGE IN NET POSITION					333,625	(2,047,353)	(1,713,728)
NET POSITION, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED					21,584,960	3,006,828	24,591,788
Adjustment					(65,496,059)	(2,608,632)	
NET POSITION BEGINNING OF YEAR, AS ADJUSTED					(43,911,099)	398,196	(43,512,903)
NET POSITION, END OF YEAR					$ (43,577,474)	$ (1,649,157)	$ (45,226,631)

See notes to basic financial statements.

Fund Financial Statements

SOUTHERN NEVADA HEALTH DISTRICT

GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2015

	General Fund	Capital Projects Funds: Bond Reserve	Capital Projects Funds: Capital Projects	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 14,635,013	$ 9,741,987	$ 5,754,535	$ 30,131,535
Grants receivable	3,717,348			3,717,348
Accounts receivable, net	930,097			930,097
Contracts receivable	99,666			99,666
Inventories	338,486			338,486
Prepaid items	161,348			161,348
Total assets	$ 19,881,958	$ 9,741,987	$ 5,754,535	$ 35,378,480
LIABILITIES				
Accounts payable	$ 1,496,340	$ 152,173	$ 96,205	$ 1,744,718
Accrued payroll and related	1,805,762			1,805,762
Unearned revenue	135,814			135,814
Due to other funds	16,414			16,414
Total liabilities	3,454,330	152,173	96,205	3,702,708
DEFERRED INFLOWS OF RESOURCES				
Unavaliable revenue, grants receivable	14,700			14,700
Total liabilities and deferred inflows of resources	3,469,030	152,173	96,205	3,717,408
FUND BALANCES				
Nonspendable				
Inventories	338,486			338,486
Prepaid items	161,348			161,348
Restricted for				
Committed to				
Facility acquisition		9,589,814		9,589,814
Assigned to				
Capital improvements			5,658,330	5,658,330
Administration	100,591			100,591
Unassigned	15,812,503			15,812,503
Total fund balances	16,412,928	9,589,814	5,658,330	31,661,072
Total liabilities, deferred inflows of resources and fund balances	$ 19,881,958	$ 9,741,987	$ 5,754,535	$ 35,378,480

See notes to basic financial statements.

SOUTHERN NEVADA HEALTH DISTRICT

RECONCILATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES
JUNE 30, 2015

FUND BALANCES, GOVERNMENTAL FUNDS		$ 31,661,072
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	$ 25,755,639	
Less accumulated depreciation	(12,084,017)	
		13,671,622
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	(17,107,607)	
Compensated absences	(6,605,545)	
Net pension liability	(59,306,724)	
Deferred outflows related to pensions	8,618,127	
Deferred inflows related to pensions	(15,294,994)	
		(89,696,743)
Internal service funds are used by managment 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	786,575	
		786,575
NET POSITION, GOVERNMENTAL ACTIVITIES		$ (43,577,474)

See notes to basic financial statements.

SOUTHERN NEVADA HEALTH DISTRICT

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2015

	General Fund	Capital Projects Funds: Bond Reserve	Capital Projects Funds: Capital Projects	Total Governmental Funds
REVENUES				
Charges for services				
Title XIX Medicaid	$ 960,373	$	$	$ 960,373
Vital records, immunizations and other medical services	6,145,834			6,145,834
Regulatory services	20,659,128			20,659,128
Program contract services	275,264			275,264
Intergovernmental revenues				
Property tax allocation	18,916,518			18,916,518
State funding	2,072,101			2,072,101
Indirect federal grants	10,740,902			10,740,902
Direct federal grants	3,395,167			3,395,167
Contributions and donations	48,481			48,481
Interest income	175,317	99,281	51,112	325,710
Other	148,391			148,391
Total revenues	63,537,476	99,281	51,112	63,687,869
EXPENDITURES				
Current				
Public health				
Clinical services	24,901,457			24,901,457
Environmental health	18,175,211			18,175,211
Community health	12,248,152			12,248,152
Administration	3,824,094			3,824,094
Total current	59,148,914			59,148,914
Capital outlay				
Public health	220,107	6,865,915	710,954	7,796,976
Total expenditures	59,369,021	6,865,915	710,954	66,945,890
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	4,168,455	(6,766,634)	(659,842)	(3,258,021)
OTHER FINANCING SOURCES (USES)				
Transfers in		1,350,639		1,350,639
Transfers out	(1,350,639)			(1,350,639)
Proceeds from capital asset disposal	18,050			18,050
Total other financing sources (uses)	(1,332,589)	1,350,639		18,050
CHANGE IN FUND BALANCE	2,835,866	(5,415,995)	(659,842)	(3,239,971)
FUND BALANCE, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED	12,862,706	15,005,809	6,318,172	34,186,687
Adjustment	714,356			714,356
FUND BALANCE, BEGINNING OF YEAR, AS ADJUSTED	13,577,062	15,005,809	6,318,172	34,901,043
FUND BALANCE, END OF YEAR	$ 16,412,928	$ 9,589,814	$ 5,658,330	$ 31,661,072

See notes to basic financial statements.

SOUTHERN NEVADA HEALTH DISTRICT

RECONCILATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES - GOVERNMENTAL ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2015

CHANGE IN FUND BALANCES, GOVERNMENTAL FUNDS		$ (3,239,971)
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	$ 7,677,647	
Less current year depreciation and loss on disposal capital assets	(1,531,757)	
Proceeds from disposal of capital assets	(18,050)	
		6,127,840
Revenues in the statement of activities, which do not provide current financial resources are not reported as revenues in governmental funds:		
Change in other unavaliable revenue	(452,949)	
		(452,949)
Some expenses reported in the statement of activities do not require the use of current financial resources; and therefore, are not reported as expenditures in governmental funds:		
Change in postemployment benefits other than pensions	(2,162,152)	
Change in compensated absences	(152,451)	
Change in net pension liability	226,824	
		(2,087,779)
Internal service funds are used by managment to charge the costs of certain activities to individual funds:		
Internal service fund change in net position included in governmental activities in the statement of activities	(13,516)	
		(13,516)
CHANGE IN NET POSITION, GOVERNMENTAL ACTIVITIES		$ 333,625

See notes to basic financial statements.

SOUTHERN NEVADA HEALTH DISTRICT

PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2015

	Business-type Activities	Governmental Activities
	Southern Nevada Public Health Laboratory	Insurance Liability Reserve
ASSETS		
Current assets		
Cash and cash equivalents	$ 1,026,583	$ 811,013
Grants receivable	45,791	
Prepaid items	104,185	
Due from other funds	16,414	
Restricted assets		
Cash and cash equivalents		102,552
Total current assets	1,192,973	913,565
Noncurrent assets		
Capital assets, net of accumulated depreciation and amortization		
Improvements other than buildings	72,039	
Furniture, fixtures and equipment	567,370	
Vehicles	24,735	
Total noncurrent assets	664,144	
Total assets	1,857,117	913,565
DEFERRED OUTFLOWS OF RESOURCES		
Deferred amounts related to pensions	339,547	
LIABILITIES		
Current liabilities		
Accounts payable	22,020	1,990
Accrued payroll and related	31,364	
Workers compensation self-insurance claims		125,000
Unearned revenue	2,112	
Compensated absences	145,174	
Total current liabilities	200,670	126,990
Noncurrent liabilities		
Compensated absences	139,481	
Postemployment benefits other than pensions	566,428	
Net pension liability	2,336,633	
Total noncurrent liabilities	3,042,542	
Total liabilities	3,243,212	126,990
DEFERRED INFLOWS OF RESOURCES		
Deferred amounts related to pensions	602,609	
NET POSITION		
Investment in capital assets	664,144	
Restricted		
Self-insurance claims		102,552
Unrestricted	(2,313,301)	684,023
Total net position	$ (1,649,157)	$ 786,575

See notes to basic financial statements.

SOUTHERN NEVADA HEALTH DISTRICT

PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2015

	Business-type Activities	Governmental Activities
	Southern Nevada Public Health Laboratory	Insurance Liability Reserve
OPERATING EXPENSES		
Salaries and wages	$ 1,256,928	$
Employee benefits	554,020	
Services and supplies	986,014	20,885
Depreciation and amortization	155,149	
Repairs and maintenance	152,597	
Total operating expenses	3,104,708	20,885
Operating loss	(3,104,708)	(20,885)
NONOPERATING REVENUES		
Indirect federal grants	1,055,161	
Investment income	19,392	7,369
Gain (loss) on capital asset disposition	(17,198)	
Total nonoperating revenues	1,057,355	7,369
CHANGE IN NET POSITION	(2,047,353)	(13,516)
NET POSITION, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED	3,006,828	800,091
Adjustment	(2,608,632)	
NET POSITION, BEGINNING OF YEAR, AS ADJUSTED	398,196	800,091
NET POSITION, END OF YEAR	$ (1,649,157)	$ 786,575

See notes to basic financial statements.

SOUTHERN NEVADA HEALTH DISTRICT

PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2015

	Business-type Activities	Governmental Activities
	Southern Nevada Public Health Laboratory	Insurance Liability Reserve
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash payments for goods and services	$ (1,631,094)	$ (68,895)
Cash payments for employee services	(1,272,965)	
Net cash used in operating activities	(2,904,059)	(68,895)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Intergovernmental revenues	1,031,384	
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(56,480)	
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income received	19,392	7,369
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,909,763)	(61,526)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	2,936,346	975,091
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 1,026,583	$ 913,565
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES		
Operating loss	$ (3,104,708)	$ (20,885)
Adjustments to reconcile operating loss to net cash used in operating activities		
Depreciation	155,149	
(Increase) decrease in operating assets		
Prepaid items	39,953	
Due from other funds	(16,414)	
Increase (decrease) in operating liabilities		
Accounts payable	(37,756)	1,990
Accrued expenses	(31,657)	
Compensated absences	15,620	
Postemployment benefits other than pensions	84,691	
Net pension liability	(8,937)	
Workers compensation self-insurance claims		(50,000)
Total adjustments	200,649	(48,010)
Net cash used in operating activities	$ (2,904,059)	$ (68,895)

See notes to basic financial statements.

Notes to Basic Financial Statements

Required Supplementary Information

Note 1. Summary of Significant Accounting Policies

Reporting Entity

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

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

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

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

Basic Financial Statements

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

Government-wide Financial Statements

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

(Continued)

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

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

Fund Financial Statements

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

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

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. All other revenues are considered available if they are collected within 90 days of the current fiscal year end. The major revenue sources of the Health District include the property tax allocation from Clark County collected from various jurisdictions, regulatory revenue, fees for service and other intergovernmental revenues from state and federal sources, which have been treated as susceptible to accrual. All other revenue sources are considered to be measurable and available only when cash is received by the Health District. In general, expenditures are recorded when liabilities are incurred, as under accrual accounting. The exception to this rule is that principal and interest on debt service, as well as liabilities related to compensated absences, postemployment benefits, and claims and judgments, are recorded when payment is due.

(Continued)

The Health District reports the following three major governmental funds:

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

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

Capital Projects Fund. Accounts for resources committed or assigned to the acquistion or contstruction of capital assets.

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

The Health District reports the following major enterprise fund:

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

The District reports the following internal service fund:

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

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

The Health District reports the following fiduciary fund:

Retiree Health Insurance Fund. Accounts for the excess cost per employee per month funding that is derived from the difference between the actual cost of insurance and the per employee per month contract amount as required by the terms of the Collective Bargaining Agreement with the Service Employee International Union (SEIU). These funds are then to be used to help fund retired employee costs in maintaining the group health insurance benefit. Pursuant to the terms of an agreement reached by management and the SEIU during fiscal 2015, the resources in this fund were distributed to Health District personnel as a one-time bonus in October 2014.

Cash and Cash Equivalents

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

(Continued)

Receivables, Payables and Unearned Revenues

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

Inventories

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

Additionally, the 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, 2015, the estimated value of such vaccines in the Health District's possession was $711,647.

Prepaid Items

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

Restricted Cash Equivalents

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

Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The 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.

(Continued)

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 Benefit (Days)
Less than one	10
One to eight	15
Eight to thirteen	18
More than thirteen	20

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

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

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

Postemployment Benefits Other Than Pensions (OPEB)

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

(Continued)

Multiple-Employer Cost-Sharing Defined Benefit Pension Plan

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

Deferred Inflows and Outflows of Resources

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

Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Health District currently has several items that qualify for reporting in this category. The governmental funds report unavailable grant revenues which are deferred and will be recognized as an inflow of resources in the period that the amounts become available. The government-wide statement of net position also reports 1) the differences between expected and actual pension plan experience and changes of pension plan actuarial assumptions, which are deferred and amortized over the the average expected remaining service life of all employees that are provided with pension benefits, and 2) the net difference between projected and actual earnings on pension plan investments, which are deferred and amortized over five years.

Fund Balance and Net Position Classifications

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

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

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

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

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

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

(Continued)

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

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

Assigned. Includes amounts that are constrained by the 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, except in the case of the certificate of deposit for self-insurance, which is statutorily restricted. It is also the Health District's policy to maintain a minimum unassigned fund balance in the general fund of 16.6% of general fund expenditures (the general fund reserve).

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

Use of Estimates

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

Note 2. Stewardship and Accountability

Budgets and Budgetary Accounting

Nevada Revised Statutes (NRS) require that local governments legally adopt budgets for all funds except fiduciary funds. The annual budgets for all funds are adopted on a basis consistent with accounting principles generally accepted in the United States. Budget augmentations and amendments made during the year ended June 30, 2015, if any, were as prescribed by law.

(Continued)

The budget approval process is summarized as follows:

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

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

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

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

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

Per NRS 354.626, actual expenditures may not exceed budgetary appropriations of the public health function of the general fund or total appropriations of the individual capital projects funds. The sum of operating and nonoperating expenses in the enterprise and internal service funds may not exceed total appropriations. At June 30, 2015, the Health District was in compliance with this statute.

Prior Period Adjustment

Net position or fund balance as of July 1, 2014, has been retroactively adjusted as follows:

	General Fund	Southern Nevada Public Health Laboratory Enterprise Fund	Governmental Activities	Business-type Activities
Net position or fund balance, as previously reported	$ 12,862,706	$ 3,006,828	$ 21,584,960	$ 3,006,828
Adjustments				
Adoption of GASB Statement No. 68		(2,608,632)	(66,210,415)	(2,608,632)
To adjust accounts receivable to actual at July 1, 2014	714,356		714,356	
Total adjustments	714,356	(2,608,632)	(65,496,059)	(2,608,632)
Net position or fund balance, as adjusted	$ 13,577,062	$ 398,196	$ (43,911,099)	$ 398,196

(Continued)

New Accounting Pronouncements

In February 2015, the GASB issued Statement No. 72, *Fair Value Measurement and Application*, effective for periods beginning after June 15, 2015. GASB 72 provides guidance for determining a fair value measurement for financial reporting purposes, and also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. Management has not yet completed its assessment of this statement.

In June 2015, the GASB issued Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements No. 67 and No. 68*. This statement is effective for periods beginning after June 15, 2015, and is primarily intended to provide guidance related to pension plans not covered by GASB Statement No. 68. GASB 73. It also extends the approach to accounting and reporting established in Statement No. 68. Management has not yet completed its assessment of this statement.

In June 2015, the GASB issued Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* and Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. These statements are each effective for periods beginning after June 15, 2016, and replace GASB No's. 43, 47, and 57, as well as other prior guidance. These statements establish new accounting and financial reporting requirements for governments whose employees are provided with OPEB. They also include specific recognition and disclosure requirements for various OPEB plans. Management has not yet completed its assessment of this statement.

In June 2015, the GASB issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, effective for periods beginning after June 15, 2015. This statement does not address any specific reporting requirement; rather it discusses levels of authority that governments should use in applying requirements. It supersedes GASB Statement No. 55, and amends GASB Statement No. 62. GASB No. 76 establishes GASB Statements as Category A, which is the highest level of reporting authority for state and local governments, and Category B sources in the absence of Category A requirements. Category B includes GASB Technical Bulletins; GASB Implementation Guides; and literature of the AICPA cleared by the GASB. Management does not expect that the adoption of this statement will have a significant impact on the Health District's financial statements.

In August 2015, GASB issued Statement No. 77, *Tax Abatement Disclosures*, effective for periods beginning after December 15, 2015. This statement requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues. This statement also requires governments that enter into tax abatement agreements to disclose other information about the agreements. Management has not yet completed its assessment of this statement.

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, 2015, the carrying amount of the Health District’s deposits was $120,499 and the bank balance was $120,448. The entire balance was covered by the Federal Deposit Insurance Corporation (FDIC) and therefore is not subject to any custodial credit risk.

(Continued)

Clark County Investment Pool

The Health District participates in Clark County's investment pool. At June 30, 2015, all rated investments in the Clark County investment pool were in compliance with the rating criteria listed below. Pooled funds are invested according to the NRS which are limited to the following (the District has no investment policy that would further limit Clark County's investment choices):

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

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

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

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

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

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

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

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

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

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

The State of Nevada's Local Government Investment Pool.

Custodial credit risk is the risk that in the event a financial institution or counterparty fails, the Health District would not be able to recover the value of its deposits and investments. As of June 30, 2015, 100% of the Health District's cash equivalents are held in the Clark County Investment Pool. The Clark County Investment Policy states that securities purchased by Clark County shall be delivered against payment (delivery vs. payment) and held in a custodial safekeeping account with the trust department of a third party bank insured by the FDIC and designated by the Clark County Treasurer for this purpose in accordance with NRS 355.172. A custody agreement between the bank and Clark County is required before execution of any transactions. Clark County's public deposits are in participating depositories of the Nevada Collateral Pool (the Pool).

(Continued)

Custodial credit risk is the risk that in the event a financial institution or counterparty fails, the Health District would not be able to recover the value of its deposits and investments. As of June 30, 2015, 100% of the Health District's cash equivalents are held in the Clark County Investment Pool. The Clark County Investment Policy states that securities purchased by Clark County shall be delivered against payment (delivery vs. payment) and held in a custodial safekeeping account with the trust department of a third party bank insured by the FDIC and designated by the Clark County Treasurer for this purpose in accordance with NRS 355.172. A custody agreement between the bank and Clark County is required before execution of any transactions. Clark County's public deposits are in participating depositories of the Nevada Collateral Pool (the Pool).

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

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

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At June 30, 2015, all of the Health District's investments are held by the Clark County Treasurer and are invested in authorized investments in accordance with NRS 350.659, 355.165, 355.170, and 356.120. The limitations on amounts invested are covered on the aforementioned type of security.

As of June 30, 2015, the carrying amount and market value of the Health District's investments in the Clark County Investment Pool was $31,534,887.

Combined Cash and Cash Equivalents

At June 30, 2015, the Health District's cash, cash equivalents and investments (including restricted amounts) were as follows:

Clark County Investment Pool	$ 31,940,678
Cash in bank	17,947
Cash on hand	10,506
Certificate of deposit	102,552
Total cash and cash equivalents	$ 32,071,683

At June 30, 2015, the Health Districts cash, cash equivalents and investments (including restricted amounts) were presented in the District's financial statements as follows:

Governmental funds	$ 30,610,856
Proprietary funds	1,026,583
Fiduciary funds	
Total cash and cash equivalents	$ 31,637,439

(Continued)

Note 4. Capital Assets

Changes in capital assets for the year ended June 30, 2015, were as follows:

	Balance July 1, 2014	Increases and transfers *	Decreases and transfers *	Balance June 30, 2015
Governmental activities				
Capital assets not being depreciated or amortized				
Construction in progress	$	$ 5,477,210	$	$ 5,477,210
Land	2,059,765	1,388,386	(915)	3,447,236
Capital assets being depreciated or amortized				
Buildings	4,697,563		(239,705)	4,457,858
Improvements other than buildings	8,950,203		(6,097,637)	2,852,566
Furniture, fixtures and equipment	9,950,121	812,051	(1,775,117)	8,987,055
Vehicles	568,518		(34,804)	533,714
Total capital assets being depreciated or amortized	24,166,405	812,051	(8,147,263)	16,831,193
Accumulated depreciation and amortization				
Buildings	(2,128,708)	(93,951)	112,234	(2,110,425)
Improvements other than buildings	(8,476,141)	(134,349)	6,004,094	(2,606,396)
Furniture, fixtures and equipment	(7,549,615)	(748,840)	1,438,001	(6,860,454)
Vehicles	(527,924)	(13,576)	34,758	(506,742)
Total accumulated depreciation and amortization	(18,682,388)	(990,716)	7,589,087	(12,084,017)
Total capital assets being depreciated or amortized, net	5,484,017	(178,665)	(558,176)	4,747,176
Total governmental activities	$ 7,543,782	$ 6,686,931	$ (559,091)	$ 13,671,622

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

	Balance July 1, 2014	Increases and transfers *	Decreases and transfers *	Balance June 30, 2015
Business-type activities				
Capital assets being depreciated or amortized				
Improvements other than buildings	$ 144,312	$	$ (3,472)	$ 140,840
Furniture, fixtures and equipment	2,436,615	32,493	(96,382)	2,372,726
Vehicles	17,990	23,986		41,976
Total capital assets being depreciated or amortized	2,598,917	56,479	(99,854)	2,555,542
Accumulated depreciation and amortization				
Improvements other than buildings	(62,973)	(7,506)	1,678	(68,801)
Furniture, fixtures and equipment	(1,744,689)	(141,645)	80,978	(1,805,356)
Vehicles	(11,244)	(5,997)		(17,241)
Total accumulated depreciation and amortization	(1,818,906)	(155,148)	82,656	(1,891,398)
Total capital assets being depreciated or amortized, net	780,011	(98,669)	(17,198)	664,144
Total business-type activities	$ 780,011	$ (98,669)	$ (17,198)	$ 664,144

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

(Continued)

For the year ended June 30, 2015, depreciation expense was charged to the following functions and programs:

Governmental activities	
Public health	
Clinical services	
Communicable diseases	$ 158,335
General clinical services administration	40,554
Immunizations	98,740
Women's health	43,693
Children's health	52,865
Environmental health	
Environmental health and sanitation	251,620
Waste management	39,610
Safe drinking water	7,286
Community health	
Health education	59,530
Epidemiology	37,663
Public health preparedness	79,093
Emergency medical services	41,574
Informatics	58,966
Administration	
Food handler education	21,187
Total depreciation expense, governmental activities	$ 990,716
Business-type activities	
Southern Nevada Public Health Laboratory	$ 155,148

Note 5. Leases

Operating Leases

The Health District has certain non-cancelable operating lease agreements (subject to the requirements of NRS 244.230 and 354.626) for its facilities. Such leases expire at various times through December 15, 2021. For the year ended June 30, 2015, rent expense and expenditures totaled $3,384,556. At year end, the Health District's future minimum lease payments under these non-cancelable operating leases were as follows:

For the Year Ending June 30,	
2016	$ 2,418,735
2017	545,592
2018	548,018
2019	557,916
2020	510,667
2021 - 2025	680,356
	$ 5,261,284

Note 6. Long-term Liabilities

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

(Continued)

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

Long-term liabilities activity for the year ended June 30, 2015, was as follows:

	Balance July 1, 2014	Increases	Decreases	Balance June 30, 2015	Due Within One Year
Governmental activities					
Compensated absences	$ 6,453,094	$ 3,929,583	$ (3,777,131)	$ 6,605,546	$ 4,095,438
Postemployment benefits other than pensions	14,945,455	2,162,152		17,107,607	
Net pension liability	74,829,670	7,860,888	(23,383,834)	59,306,724	
Total governmental activities	96,228,219	13,952,623	(27,160,965)	83,019,877	4,095,438
Business-type activities					
Compensated absences	269,035	140,331	(124,711)	284,655	136,634
Postemployment benefits other than pensions	481,737	84,691		566,428	
Net pension liability	2,948,224	309,712	(921,303)	2,336,633	
Total business-type activities	3,698,996	534,734	(1,046,014)	3,187,716	136,634
Total long-term liabilities	$ 99,927,215	$ 14,487,357	$ (28,206,979)	$ 86,207,593	$ 4,232,072

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

Note 7. Commitments and Contingencies

Risk Management

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

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

(Continued)

On July 1, 2005, the Health District established an internal service fund to provide for self-insured workers compensation claims. Additionally, the Health District has excess workers compensation insurance up to $1,000,000 per occurrence, with retention of $400,000 per occurrence. A liability for a claim is established if information indicates that it is possible that a liability has been incurred at the date of the financial statements and the amount of loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. As of June 30, 2015, the estimate of the worker's compensation claims payable was determined by the Health District with the assistance of an independent actuarial study and is reflected in the financial statements of the insurance liability reserve fund.

For the fiscal years ended June 30, 2015, 2014 and 2013, changes in claims liability amounts were as follows:

	June 30, 2015	June 30, 2014	June 30, 2013
Claims liability, beginning of year	$ 175,000	$ 180,219	$ 209,027
Claims incurred and changes in estimate	28,738	99,489	11,745
Claims paid	(78,738)	(104,708)	(40,553)
Claims liability, end of year	$ 125,000	$ 175,000	$ 180,219

At June 30, 2015, the Health District had a certificate of deposit with a balance of $102,552, which is required for the District's workers compensation self-insurance program.

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

Litigation

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

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

Note 8. Multiple-Employer Cost-Sharing Defined Benefit Pension Plan

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

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

(Continued)

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

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

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

1) 2% per year following the third anniversary of the commencement of benefits, 3% per year following the sixth anniversary, 3.5% per year following the ninth anniversary, 4% per year following the twelfth anniversary and 5% per year following the fourteenth anniversary, or

2) The average percentage increase in the Consumer Price Index (or other PERS Board approved index) for the three preceding years.

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

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

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

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

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

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

(Continued)

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

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

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

PERS collective net pension liability was measured as of June 30, 2014, 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 2013), applied to all periods included in the measurement:

Actuarial valuation date	June 30, 2014
Inflation rate	3.50%
Payroll growth	5.00%
Investment rate of return	8.00%, including inflation
Discount rate	8.00%
Productivity pay increase	0.75%
Consumer price index	3.50%
Actuarial cost method	Entry age normal and level percentage of payroll
Projected salary increases	Regular: 4.60% to 9.75%, depending on service Police/Fire: 5.25% to 14.50%, depending on service Rates include inflation and productivity increases

The total PERS pension liability was determined using the following actuarial assumptions regarding mortality rates and projected life expectancies:

	Regular Members			
	Mortality Rates		Expected Years of Life Remaining	
Age	Males	Females	Males	Females
40	0.10 %	0.05 %	41.1	44.4
50	0.17 %	0.12 %	31.6	34.7
60	0.55 %	0.42 %	22.4	25.4
70	1.82 %	1.39 %	14.3	17.0
80	5.65 %	3.79 %	7.7	10.1

These mortality rates and projected life expectancies are based on the following:

For non-disabled male regular members - RP-2000 Combined Healthy Mortality Table projected to 2013 with Scale AA

For non-disabled female regular members - RP-2000 Combined Healthy Mortality Table, projected to 2013 with Scale AA, set back one year

(Continued)

For all disabled regular members - RP-2000 Disabled Retiree Mortality Table projected to 2013 with Scale AA, set forward three years

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 target asset allocation policy was adopted as of June 30, 2014:

Asset Class	Target Allocation	Long-term Geometric Expected Real Rate of Return *
Domestic equity	42 %	5.50 %
International equity	18 %	5.75 %
Domestic fixed income	30 %	0.25 %
Private markets	10 %	6.80 %

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

The discount rate used to measure the total pension liability was 8.00% as of June 30, 2014 and 2013. 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, 2014, was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments (8%) was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2014.

At June 30, 2014, the District's proportionate share of the net pension liability is calculated using a discount rate of 8.00%. The following shows the sensitivity of the valuation of the District's proportionate share of the net pension liability assuming the discount rate was either 1% lower or 1% higher:

	1% Decrease in Discount Rate	Discount Rate	1% Increase in Discount Rate
Net pension liability	$ 95,862,162	$ 61,643,357	$ 33,198,818

Detailed information about PERS fiduciary net position is available in the PERS CAFR, which is available on the PERS website, www.nvpers.org under publications. PERS fiduciary net position and additions to/deductions from it have been determined on the same basis used in the PERS CAFR. PERS financial statements are prepared in accordance with accounting principles generally accepted in the United States of America applicable to governmental accounting for fiduciary funds. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The Health District's proportionate share (amount) of the collective net pension liability was $61,643,357, which represents 0.59147% of the collective net pension liability. Contributions for employer pay dates within the fiscal year ending June 30, 2014, were used as the basis for determining each employer's proportionate share. Each employer's proportion of the net pension liability is based on their combined employer and member contributions relative to the total combined employer and member contributions for all employers for the period ended June 30, 2014.

(Continued)

For the period ended June 30, 2015, the District's pension expense was $8,073,323 and its reported deferred outflows and inflows of resources related to pensions as of June 30, 2015, were as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$	$ 2,949,974
Net difference between projected and actual earnings on investments		12,947,629
Changes in proportion and differences between actual contributions and proportionate share of contributions	554,480	
Contributions made subsequent to the measurement date	8,403,194	

At June 30, 2014, the average expected remaining service life is 6.70 years.

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date totaling $8,310,257 will be recognized as a reduction of the net pension liability in the year ending June 30, 2016. 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,	
2016	$ (3,664,399)
2017	(3,664,399)
2018	(3,664,399)
2019	(3,664,399)
2020	(505,126)
Thereafter	(353,589)

Changes in the Health District's net pension liability were as follows:

Net pension liability, beginning of year	$ 77,777,894
Pension expense	8,073,323
Employer contributions	(8,310,257)
Net new deferred inflows and outflows of resources	(15,897,603)
Net pension liability, end of year	$ 61,643,357

(Continued)

At June 30, 2015, accrued expenses include $685,186 payable to PERS, which is equal to the June 2015 required contribution that was paid in July 2015.

Note 9. Postemployment Benefits Other Than Pensions (OPEB)

Plan Description

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

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

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

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

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

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

Funding Policy and Annual OPEB Cost

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

For the year ended June 30, 2015, the Health District paid a maximum of $492 per month towards employee premiums for active employee coverage. In addition, the Health District pays a portion of the premium for dependents up to a maximum of $915 for employee and family. Retirees in the Self-Funded Plan receive no direct subsidy from the Health District. Under state law, retiree loss experience is pooled with active loss experience for the purpose of setting rates. The difference between the true claims cost and the blended premium is an implicit rate subsidy that creates an OPEB cost for the District.

(Continued)

The Health District is required to pay the PEBP an explicit subsidy, based on years of service, for retirees who are enrolled in this plan. During fiscal 2015, retirees were eligible for a $116 per month subsidy after five years of service with a Nevada state or local government entity. The maximum monthly subsidy of $636 is earned after 20 years of combined service with any eligible entity. There are incremental increases for years of service between five and twenty years. The subsidy is set, and may be amended, by the State Legislature.

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

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

	Public Employee Benefit Program	Clark County Self-Funded Health Benefit Plan	Total
Annual required contribution (ARC)	$ 289,227	$ 2,743,595	$ 3,032,822
Interest on net OPEB obligation	58,890	558,626	617,516
Adjustment to ARC	(84,886)	(797,184)	(882,070)
Annual OPEB cost	263,231	2,505,037	2,768,268
OPEB contributions made	(205,589)	(315,836)	(521,425)
Increase in net OPEB obligation	57,642	2,189,201	2,246,843
Net OPEB obligation, beginning of year	366,448	15,060,744	15,427,192
Net OPEB obligation, end of year	$ 424,090	$ 17,249,945	$ 17,674,035

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

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

1. No assets have been placed in trust.
2. The Public Employee Benefit Program is a closed plan; and therefore, there are no current covered employees.

(Continued)

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

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

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

Annual OPEB cost, employer contributions, the percentage of annual cost contributed to the plan and the net OPEB obligation (prepayment) for the years ended June 30, 2015, 2014 and 2013 were as follows:

For the Year Ended June 30,	Annual OPEB Cost	OPEB Contributions Made	Percentage Contributed	Net OPEB Obligation
Public Employee Benefit Program				
2013	$ 328,388	$ 253,468	77.2 %	$ 270,119
2014	323,568	227,238	70.2 %	366,448
2015	263,231	205,589	78.1 %	424,090
Clark County Self-Funded Health Benefit Plan				
2013	2,936,879	323,336	11.0 %	12,539,618
2014	2,936,879	323,336	11.0 %	15,060,744
2015	2,505,037	315,836	12.6 %	17,249,945

Actuarial Methods and Assumptions

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

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

	Public Employee Benefit Program	Clark County Self-Funded Health Benefit Plan
Actuarial valuation date	July 1, 2014	July 1, 2014
Actuarial cost method	Entry age, level dollar	Entry age, level dollar
Amortization method	Level dollar amount, open	Level dollar amount, open
Amortization period	30 years	30 years
Asset valuation method	No assets in trust	No assets in trust
Actuarial assumptions		

(Continued)

	Public Employee Benefit Program	Clark County Self-Funded Health Benefit Plan
Investment rate of return	4%	4%
Projected salary increases	N/A [1]	N/A

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

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

Required Supplementary Information

SOUTHERN NEVADA HEALTH DISTRICT

POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS
SCHEDULE OF FUNDING PROGRESS
FOR THE YEAR ENDED JUNE 30, 2015

Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as a Percent of Covered Payroll
Public Employee Benefit Program						
July 1, 2010	N/A [1]	$ 9,110,069	$ 9,110,069	0.0 %	N/A [2]	N/A [2]
July 1, 2012	N/A [1]	5,992,330	5,992,330	0.0 %	N/A [2]	N/A [2]
July 1, 2014	N/A [1]	5,001,318	5,001,318	0.0 %	N/A [2]	N/A [2]
Clark County Self-Funded Health Benefit Plan						
July 1, 2010	N/A [1]	20,455,969	20,455,969	0.0 %	36,149,066	56.6 %
July 1, 2012	N/A [1]	16,260,740	16,260,740	0.0 %	36,534,795	44.5 %
July 1, 2014	N/A [1]	21,385,060	21,385,060	0.0 %	33,603,681	63.6 %

1. No assets have been placed in trust.
2. The Public Employee Benefit Program is a closed plan; and therefore, there are no current covered employees.

SOUTHERN NEVADA HEALTH DISTRICT

MULTIPLE-EMPLOYER COST-SHARING DEFINED BENEFIT PENSION PLAN
PROPORTIONATE SHARE OF THE COLLECTIVE NET PENSION LIABILITY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2014 AND LAST NINE FISCAL YEARS[1]

For the Year Ended June 30,	Proportion of the Collective Net Pension Liability	Proportion of the Collective Net Pension Liability	Covered Employee Payroll	Proportion of the Collective Net Pension Liability as a Percentage of Covered Employee Payroll	PERS Fiduciary Net Position as a Percentage of Total Pension Liability
2014	0.59147 %	$ 61,643,357	$ 34,707,255	177.61000 %	76.30000 %

1. 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 becomes available this schedule will ultimately present information for the ten most resent fiscal years.

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, 2015 AND LAST NINE FISCAL YEARS[1]

For the Year Ended June 30,	Statutorily Required Contribution	Contributions in relation to the Statutorily Required Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
2015	$ 8,310,257	$ 8,310,257	$	$ 32,508,190	25.85000 %

1. 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 becomes available this schedule will ultimately present information for the ten most resent fiscal years.

SOUTHERN NEVADA HEALTH DISTRICT

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Charges for services				
Title XIX Medicaid	$ 546,016	$ 546,016	$ 960,373	$ 414,357
Vital records, immunizations and other medical services	5,496,206	5,496,206	6,145,834	649,628
Regulatory services	21,258,393	21,258,393	20,659,128	(599,265)
Program contract services	134,707	134,707	275,264	140,557
Intergovernmental revenues				
Property tax allocation	18,916,517	18,916,517	18,916,518	1
State funding	1,236,898	1,236,898	2,072,101	835,203
Indirect federal grants	9,004,110	9,004,110	10,740,902	1,736,792
Direct federal grants	2,390,002	2,390,002	3,395,167	1,005,165
Contributions and donations	15,000	15,000	48,481	33,481
Interest income	116,396	116,396	175,317	58,921
Other	17,598	17,598	148,391	130,793
Total revenues	59,131,843	59,131,843	63,537,476	4,405,633
EXPENDITURES				
Public health				
Clinical services				
Salaries and wages	11,096,029	11,096,029	10,701,462	394,567
Employee benefits	4,290,822	4,290,822	4,030,002	260,820
Services and supplies	4,489,329	10,804,380	10,169,993	634,387
Capital outlay			34,000	(34,000)
Total clinical services	19,876,180	26,191,231	24,935,457	1,255,774
Environmental health				
Salaries and wages	10,251,108	10,251,108	9,591,395	659,713
Employee benefits	3,926,486	3,926,486	3,639,088	287,398
Services and supplies	905,670	5,075,587	4,944,728	130,859
Total environmental health	15,083,264	19,253,181	18,175,211	1,077,970
Community health				
Salaries and wages	4,776,176	4,776,176	4,566,730	209,446
Employee benefits	1,844,288	1,844,288	1,690,562	153,726
Services and supplies	2,283,900	5,463,694	5,990,860	(527,166)
Capital outlay			186,107	(186,107)
Total community health	8,904,364	12,084,158	12,434,259	(350,101)
Administration				
Salaries and wages	7,583,402	2,085,777	1,765,757	320,020
Employee benefits	3,130,392	689,650	768,967	(79,317)
Services and supplies	7,396,049	2,176,194	1,289,370	886,824
Total administration	18,109,843	4,951,621	3,824,094	1,127,527
Total public health	61,973,651	62,480,191	59,369,021	3,111,170
Total expenditures	61,973,651	62,480,191	59,369,021	3,111,170
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2,841,808)	(3,348,348)	4,168,455	7,516,803
OTHER FINANCING SOURCES (USES)				
Transfers in	718,000	718,000		(718,000)
Transfers out	(1,857,179)	(1,350,639)	(1,350,639)	
Proceeds from capital asset disposal			18,050	18,050
Total other financing sources (uses)	(1,139,179)	(632,639)	(1,332,589)	(699,950)

(Continued)

SOUTHERN NEVADA HEALTH DISTRICT

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2015

	Original Budget	Final Budget	Actual	Variance
CHANGE IN FUND BALANCE	(3,980,987)	(3,980,987)	2,835,866	6,816,853
FUND BALANCE, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED			12,862,706	
Adjustment			714,356	
FUND BALANCE, BEGINNING OF YEAR, AS ADJUSTED	10,854,191	10,854,191	13,577,062	2,722,871
FUND BALANCE, END OF YEAR	$ 6,873,204	$ 6,873,204	$ 16,412,928	$ 9,539,724

SOUTHERN NEVADA HEALTH DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED JUNE 30, 2015

Note 1. Postemployment Benefits Other Than Pensions

For the year ended June 30, 2015, no significant events occurred that would have affected; and therefore, would have changed the benefit provision, size or composition of those covered by the postemployment benefit plans, or the actuarial methods and assumptions used in the actuarial valuation reports dated July 1, 2014, July 1, 2012 and July 1, 2010.

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

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

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

For the year ended June 30, 2015, 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, 2014.

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

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

Note 3. Budget Information

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

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

Other Supplementary Information

Major Governmental Funds

Capital Projects Funds

SOUTHERN NEVADA HEALTH DISTRICT

MAJOR CAPITAL PROJECTS FUNDS

FOR THE YEAR ENDED JUNE 30, 2015

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 acquistion or construction of capital assets other than a new administration building.

SOUTHERN NEVADA HEALTH DISTRICT

BOND RESERVE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Interest income	$ 99,000	$ 99,000	$ 99,281	$ 281
Public health				
Administration				
Capital outlay	16,446,756	16,446,756	6,865,915	9,580,841
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(16,347,756)	(16,347,756)	(6,766,634)	9,581,122
OTHER FINANCING SOURCES				
Transfers in	1,350,639	1,350,639	1,350,639	
CHANGE IN FUND BALANCE	(14,997,117)	(14,997,117)	(5,415,995)	9,581,122
FUND BALANCE, BEGINNING OF YEAR	14,997,117	14,997,117	15,005,809	8,692
FUND BALANCE, END OF YEAR	$	$	$ 9,589,814	$ 9,589,814

SOUTHERN NEVADA HEALTH DISTRICT

CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Interest income	$ 48,000	$ 48,000	$ 51,112	$ 3,112
EXPENDITURES				
Public health				
Administration				
Capital outlay	6,002,951	6,002,951	710,954	5,291,997
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(5,954,951)	(5,954,951)	(659,842)	5,295,109
CHANGE IN FUND BALANCE	(5,954,951)	(5,954,951)	(659,842)	5,295,109
FUND BALANCE, BEGINNING OF YEAR	5,954,951	5,954,951	6,318,172	363,221
FUND BALANCE, END OF YEAR	$	$	$ 5,658,330	$ 5,658,330

Proprietary Funds

Major Enterprise Funds

SOUTHERN NEVADA HEALTH DISTRICT

MAJOR ENTERPRISE FUNDS

FOR THE YEAR ENDED JUNE 30, 2015

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

Southern Nevada Public Health Laboratory
Accounts for various testing and analytical services provided to the District, outside government entities and private providers.

SOUTHERN NEVADA HEALTH DISTRICT

SOUTHERN NEVADA PUBLIC HEALTH LABORATORY ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015

	Original Budget	Final Budget	Actual	Variance
OPERATING EXPENSES				
Salaries and wages	$ 1,430,081	$ 1,430,081	$ 1,256,928	$ 173,153
Employee benefits	549,672	549,672	554,020	(4,348)
Services and supplies	946,977	1,442,124	986,014	456,110
Depreciation and amortization	172,637	172,637	155,149	17,488
Repairs and maintenance	90,000	90,000	152,597	(62,597)
Indirect cost allocation	718,000			
Total operating expenses	3,907,367	3,684,514	3,104,708	579,806
Operating loss	(3,907,367)	(3,684,514)	(3,104,708)	579,806
NONOPERATING REVENUES				
Indirect federal grants	973,546	973,546	1,055,161	81,615
Investment income	24,000	24,000	19,392	(4,608)
Gain (loss) on capital asset disposition			(17,198)	(17,198)
Total nonoperating revenues	997,546	997,546	1,057,355	59,809
Loss before transfers	(2,909,821)	(2,686,968)	(2,047,353)	639,615
TRANSFERS				
Transfers in	506,540	506,540		(506,540)
CHANGE IN NET POSITION	$ (2,403,281)	$ (2,180,428)	(2,047,353)	$ 133,075
NET POSITION, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED			3,006,828	
Adjustment			(2,608,632)	
NET POSITION, BEGINNING OF YEAR, AS ADJUSTED			398,196	
NET POSITION, END OF YEAR			$ (1,649,157)	

Internal Service Funds

SOUTHERN NEVADA HEALTH DISTRICT

INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED JUNE 30, 2015

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

Insurance Liability Reserve

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

SOUTHERN NEVADA HEALTH DISTRICT

INSURANCE LIABILITY RESERVE INTERNAL SERVICE FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015

	Original Budget	Final Budget	Actual	Variance
OPERATING EXPENSES				
Services and supplies	$ 100,000	$ 100,000	$ 20,885	$ 79,115
NONOPERATING REVENUES				
Investment income	7,200	8,400	7,369	(1,031)
CHANGE IN NET POSITION	$ (92,800)	$ (91,600)	(13,516)	$ 78,084
NET POSITION, BEGINNING OF YEAR			800,091	
NET POSITION, END OF YEAR			$ 786,575	

Fiduciary Funds

SOUTHERN NEVADA HEALTH DISTRICT

AGENCY FUND

FOR THE YEAR ENDED JUNE 30, 2015

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

Retiree Health Insurance

Accounts for the excess cost per employee per month funding that is derived from the difference between the actual cost of insurance and the per employee per month contract amount as required by the terms of the Collective Bargaining Agreement with the Service Employee International Union. These funds are then to be used to help fund retired employee costs in maintaining the group health insurance benefit. Pursuant to the terms of an agreement reached by management and the Service Employee International Union during fiscal 2015, the resources in this fund were distributed to Health District personnel as a one-time bonus in October 2014.

SOUTHERN NEVADA HEALTH DISTRICT

AGENCY FUND
STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2015

	Balance July 1, 2014	Additions	Deductions	Balance June 30, 2015
RETIREE HEALTH INSURANCE				
ASSETS				
Cash and cash equivalents	$ 433,571	$ 3,510	$ 437,081	$
Total assets	$ 433,571	$ 3,510	$ 437,081	$
LIABILITIES				
Due to others	$ 433,571	$ 3,510	$ 437,081	$
Total liabilities	$ 433,571	$ 3,510	$ 437,081	$

Capital Assets

SOUTHERN NEVADA HEALTH DISTRICT

SCHEDULE OF GOVERNMENTAL FUNDS CAPITAL ASSETS - BY SOURCE

JUNE 30, 2015

GOVERNMENTAL FUNDS CAPITAL ASSETS	
Construction in progress	$ 5,477,210
Land	3,447,236
Buildings	4,457,858
Improvements other than buildings	2,852,566
Furniture, fixtures and equipment	8,987,055
Vehicles	533,714
Total governmental funds capital assets	$ 25,755,639
INVESTMENT IN GOVERNMENTAL FUNDS CAPITAL ASSETS - BY SOURCE	
General fund	$ 25,755,639

SOUTHERN NEVADA HEALTH DISTRICT

SCHEDULE OF GOVERNMENTAL FUNDS CAPITAL ASSETS - BY FUNCTION AND ACTIVITY
JUNE 30, 2015

	Construction in progress	Land	Buildings	Improvements other than buildings	Furniture, fixtures and equipment	Vehicles	Total
GOVERNMENTAL FUNDS CAPITAL ASSETS							
Public health							
Clinical services	$	$	$	$	$ 1,192,661	$	$ 1,192,661
Environmental health				8,568	1,498,759		1,507,327
Community health				60,344	1,203,157		1,263,501
Administration	5,477,210	3,447,236	4,457,858	2,783,654	5,092,478	533,714	21,792,150
Total governmental funds capital assets	$ 5,477,210	$ 3,447,236	$ 4,457,858	$ 2,852,566	$ 8,987,055	$ 533,714	$ 25,755,639

SOUTHERN NEVADA HEALTH DISTRICT

SCHEDULE OF CHANGES IN GOVERNMENTAL FUNDS CAPITAL ASSETS - BY FUNCTION AND ACTIVITY
FOR THE YEAR ENDED JUNE 30, 2015

	Balance July 1, 2014	Increases	Decreases	Transfers	Balance June 30, 2015
GOVERNMENTAL FUNDS CAPITAL ASSETS					
Public health					
Clinical services	$ 1,460,304	$ 34,000	$ (264,787)	$ (36,856)	$ 1,192,661
Environmental health	1,320,089	308,691	(121,453)		1,507,327
Community health	987,176	340,444	(100,975)	36,856	1,263,501
Administration	22,458,601	6,994,512	(7,660,963)		21,792,150
Total governmental funds capital assets	$ 26,226,170	$ 7,677,647	$ (8,148,178)	$	$ 25,755,639

Independent Auditor's Report on Internal Control and Compliance

P B T K
PIERCY BOWLER
TAYLOR & KERN
Certified Public Accountants
Business Advisors

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

Board of Health
Southern Nevada Health District
Las Vegas, Nevada

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, 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, 2015, 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, and have issued our report thereon dated November 10, 2015.

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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 have not been identified. However, as discussed below, we identified a deficiency in internal control that we consider to be a material weakness.

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 Health District's basic financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2015 - 001, to be a material weakness.

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

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

We noted certain matters that we reported to the Health District in a separate letter dated November 10, 2015.

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.

Piercy Bowler Taylor & Kern

Las Vegas, Nevada
November 10, 2015

STATISTICAL SECTION

SOUTHERN NEVADA HEALTH DISTRICT

STATISTICAL INFORMATION

FOR THE YEAR ENDED JUNE 30, 2015

Financial Trends

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

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

Revenue Capacity

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

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

Demographic and Economic Information

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

- Demographic and Economic Statistics
- Principal Employers

Operating Information

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

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

SOUTHERN NEVADA HEALTH DISTRICT

NET POSITION BY COMPONENT[1]
LAST TEN FISCAL YEARS
(UNAUDITED)

	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015
Governmental activities										
Net investment in capital assets	$ 13,277,235	$ 12,740,560	$ 11,723,864	$ 10,905,724	$ 9,769,370	$ 9,816,149	$ 9,194,972	$ 8,390,904	$ 7,543,782	$ 13,671,622
Restricted	5,651	16,667	640,854	100,000	100,994	101,653				102,552
Unrestricted	13,028,963	16,108,148	23,928,363	27,070,175	34,460,513	30,200,767	15,892,860	20,578,594	14,041,178	(57,351,648)
Total governmental activities	26,311,849	28,865,375	36,293,081	38,075,899	44,330,877	40,118,569	25,087,832	28,969,498	21,584,960	(43,577,474)
Business-type activities										
Net investment in capital assets	1,269,054	1,637,230	1,546,682	1,301,831	1,135,113	966,051	862,310	891,941	780,011	664,144
Unrestricted	253,194	177,993	1,066,753	2,274,702	3,008,217	4,948,330	3,793,190	3,325,420	2,226,817	(2,313,301)
Total business-type activities	1,522,248	1,815,223	2,613,435	3,576,533	4,143,330	5,914,381	4,655,500	4,217,361	3,006,828	(1,649,157)
Primary government										
Net investment in capital assets	14,546,289	14,377,790	13,270,546	12,207,555	10,904,483	10,782,200	10,057,282	9,282,845	8,323,793	14,335,766
Restricted	5,651	16,667	640,854	100,000	100,994	101,653				102,552
Unrestricted	13,282,157	16,286,141	24,995,116	29,344,877	37,468,730	35,149,097	19,686,050	23,904,014	16,267,995	(59,664,949)
Total primary government	$ 27,834,097	$ 30,680,598	$ 38,906,516	$ 41,652,432	$ 48,474,207	$ 46,032,950	$ 29,743,332	$ 33,186,859	$ 24,591,788	$ (45,226,631)

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

SOUTHERN NEVADA HEALTH DISTRICT

CHANGES IN NET POSITION[1]
LAST TEN FISCAL YEARS
(UNAUDITED)

	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015
Expenses										
Governmental activities										
Public health										
Clinical services										
Communicable diseases	$ 8,003,504	$ 6,758,899	$ 7,938,929	$ 7,933,975	$ 7,619,766	$ 7,907,690	$ 7,651,569	$ 8,052,327	$ 7,923,595	$ 10,689,358
General clinical services administration	2,097,551	2,288,338	2,440,021	2,786,755	2,590,645	2,622,911	2,841,367	2,593,440	1,433,550	1,470,459
Immunizations	8,707,255	11,522,381	11,022,254	11,357,315	11,454,155	10,259,728	5,234,679	5,332,565	5,728,235	7,172,666
Women's health	1,541,830	1,774,878	1,909,649	1,972,851	1,609,964	2,255,969	2,791,319	2,860,195	2,443,165	3,739,709
Children's health	2,752,746	2,511,536	2,016,251	2,196,650	2,297,208	2,431,534	2,447,825	2,646,539	2,747,687	3,654,468
Other nursing programs	717,646	488,175	200,888							
Indirect cost allocation*							4,940,210	5,695,586	6,887,417	
Environmental health										
Environmental health and sanitation	9,275,812	9,941,857	11,501,992	12,844,003	12,251,212	12,767,225	12,937,138	13,194,888	12,240,237	15,993,672
Waste management	1,833,213	1,590,285	1,830,397	2,186,958	2,228,821	2,479,313	2,553,745	2,364,731	2,230,526	2,591,963
Other environmental health programs	405,592	408,450	480,521	451,712	463,513	599,153	685,653	610,696	445,646	508,745
Indirect cost allocation*							3,615,358	3,867,316	5,380,623	
Community health										
Administration		233,435	153,913	257,760	277,793	677,353	1,266,661	1,641,676	645,539	
Health education	1,902,621	1,997,851	2,148,168	2,207,059	2,523,480	9,779,637	8,587,683	3,012,037	2,501,025	3,940,706
Epidemiology	1,000,324	1,440,716	1,220,115	1,164,790	1,120,337	1,322,758	1,156,060	948,386	1,119,115	1,712,007
Public health preparedness	4,018,104	3,541,232	4,154,798	4,400,431	8,859,153	4,782,010	3,204,142	3,262,330	3,215,357	3,623,055
Emergency medical services	613,169	667,957	689,888	842,260	711,375	703,006	661,575	688,945	486,097	751,218
Vital records									1,560,084	2,120,039
Informatics									701,453	698,595
Indirect cost allocation*							3,365,266	3,475,882	4,258,815	
Administration										
General administration	10,639,343	12,478,025	13,832,831	17,816,365	14,873,041	13,879,437				1,925,356
Food handler education	4,036,778	4,282,389	5,153,429	5,375,492	4,721,436	6,549,863	5,222,816	3,747,122	1,103,296	1,341,771
Disaster recovery			59,346	14,098	168,549	315,106	425,763	3,028,524	357,972	67,279
Vital records	1,411,725	1,511,914	1,734,859	1,521,507	1,438,658	1,537,187	1,536,027	1,492,597	989,609	907,598
Indirect cost allocation*							1,720,846	1,679,282	1,374,168	
Total governmental activities	58,957,213	63,438,318	68,488,249	75,329,981	75,209,106	80,869,880	72,845,702	70,195,064	65,773,211	62,908,664
Business-type activities										
Southern Nevada Public Health Laboratory	1,387,608	1,547,881	1,674,398	2,252,506	2,369,892	2,368,140	3,021,468	3,485,617	3,214,839	3,121,906
Total primary government expenses	$ 60,344,821	$ 64,986,199	$ 70,162,647	$ 77,582,487	$ 77,578,998	$ 83,238,020	$ 75,867,170	$ 73,680,681	$ 68,988,050	$ 66,030,570

(Continued)

SOUTHERN NEVADA HEALTH DISTRICT

CHANGES IN NET POSITION[1] (CONTINUED)
LAST TEN FISCAL YEARS
(UNAUDITED)

	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015
Program revenues										
Governmental activities										
Charges for services										
Public health										
Clinical services										
Communicable diseases	$ 260,426	$ 855,954	$ 344,531	$ 393,439	$ 482,704	$ 450,102	$ 1,851,045	$ 365,208	$ 359,583	$ 355,968
General clinical services administration	98,682	97,604	99,875	26,079	22,895	1,975	1,581	1,514	1,794	544
Immunizations	3,581,220	3,215,235	3,419,535	3,450,964	3,325,161	2,542,668	2,648,802	2,330,862	2,576,480	3,183,901
Women's health	269,012	334,550	343,831	389,103	374,566	337,062	238,410	232,097	269,364	259,999
Children's health	112,003	146,272	432,722	707,089	809,788	317,577	378,615	363,388	415,762	458,173
Other nursing programs	425,572	478,711	253,555	188,642						
Environmental health										
Environmental health and sanitation	7,878,203	10,093,788	13,689,283	14,606,507	14,960,474	14,642,351	15,206,888	16,487,562	16,003,349	16,266,915
Waste management	1,340,543	1,293,396	1,236,729	1,055,990	1,189,143	1,761,819	1,372,380	1,307,729	1,296,860	1,136,358
Other environmental health programs	219,271	253,010	327,056	338,118	431,481	417,613	433,000	430,662	440,379	469,645
Community health										
Health education	286	115,637	103,682	102,540	604,382		22,320			
Epidemiology						450	7,870			
Public health preparedness		365,821	13,905		4,494		4,313	910	100	725
Emergency medical services	63,266	109,808	76,431	87,889	83,996	93,127	74,979	85,895	88,551	115,213
Vital records									2,489,339	3,090,773
Administration										
General administration	20,855		17,826							80,353
Food handler education	4,663,868	5,553,365	7,002,294	5,845,969	6,359,945	6,063,387	5,834,530	3,321,440	2,681,610	2,702,385
Vital records	1,967,574	2,295,817	2,711,505	2,572,061	2,479,891	2,554,939	2,488,364	2,440,044		
Operating grants and contributions	19,170,520	17,852,732	19,867,705	19,015,920	25,481,110	27,731,291	19,600,974	15,524,141	14,051,416	15,871,740
Capital grants and contributions	134,964									
Total governmental activities	40,206,265	43,061,700	49,940,465	48,780,310	56,610,030	56,914,361	50,164,071	42,891,452	40,674,587	43,992,692
Business-type activities										
Southern Nevada Public Health Laboratory										
Charges for services	13,725									
Operating grants and contributions	816,891	1,075,360	1,434,266	1,654,486	1,368,633	1,415,460	1,160,177	1,757,402	1,339,681	1,055,161
Capital grants and contributions	22,125	227,875								
Total business-type activities	852,741	1,303,235	1,434,266	1,654,486	1,368,633	1,415,460	1,160,177	1,757,402	1,339,681	1,055,161
Total primary government program revenues	$ 41,059,006	$ 44,364,935	$ 51,374,731	$ 50,434,796	$ 57,978,663	$ 58,329,821	$ 51,324,248	$ 44,648,854	$ 42,014,268	$ 45,047,853

(Continued)

SOUTHERN NEVADA HEALTH DISTRICT

CHANGES IN NET POSITION[1] (CONTINUED)
LAST TEN FISCAL YEARS
(UNAUDITED)

	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015
Net (expenses) program revenues										
Governmental activities	$ (18,750,948)	$ (20,376,618)	$ (18,547,784)	$ (26,549,671)	$ (18,599,076)	$ (23,955,519)	$ (22,681,631)	$ (27,303,612)	$ (25,098,624)	$ (18,915,972)
Business-type activities	(534,867)	(244,646)	(240,132)	(598,020)	(1,001,259)	(952,680)	(1,861,291)	(1,728,215)	(1,875,158)	(2,066,745)
Primary government	$ (19,285,815)	$ (20,621,264)	$ (18,787,916)	$ (27,147,691)	$ (19,600,335)	$ (24,908,199)	$ (24,542,922)	$ (29,031,827)	$ (26,973,782)	$ (20,982,717)
General revenues and other changes in net position										
Governmental activities										
Property tax allocation	$ 20,330,000	$ 22,450,600	$ 25,473,000	$ 28,182,950	$ 24,942,525	$ 21,406,846	$ 5,692,534	$ 32,167,828	$ 17,988,360	$ 18,916,518
Unrestricted investment income	658,511	1,006,472	1,552,946	1,633,740	958,966	961,355	755,742	267,114	336,701	333,079
Gain on disposal of capital assets							(3,219)		17,391	
Miscellaneous	169,198		17,043	18,615	12,423	25,871		2,000	5,000	
Transfers	(1,031,631)	(526,928)	(1,064,673)	(1,502,813)	(1,516,204)	(2,650,861)	(511,771)	(1,251,664)	633,366	
Total governmental activities	20,126,078	22,930,144	25,978,316	28,332,492	24,397,710	19,743,211	5,933,286	31,185,278	18,980,818	19,249,597
Business-type activities										
Unrestricted investment income	20,320	10,693	27,205	58,307	49,662	72,870	93,317	38,412	27,109	19,392
Gain on disposal of capital assets							(2,678)		4,150	
Transfers	1,031,631	526,928	1,064,673	1,502,813	1,516,204	2,650,861	511,771	1,251,664	633,366	
Total business-type activities	1,051,951	537,621	1,091,878	1,561,120	1,565,866	2,723,731	602,410	1,290,076	664,625	19,392
Total primary government general revenues and other changes in net position	$ 21,178,029	$ 23,467,765	$ 27,070,194	$ 29,893,612	$ 25,963,576	$ 22,466,942	$ 6,535,696	$ 32,475,354	$ 19,645,443	$ 19,268,989
Change in net position										
Governmental activities	$ 1,375,130	$ 2,553,526	$ 7,430,532	$ 1,782,821	$ 5,798,634	$ (4,212,308)	$ (16,748,345)	$ 3,881,666	$ (6,117,806)	$ 333,625
Business-type activities	517,084	292,975	851,746	963,100	564,607	1,771,051	(1,258,881)	(438,139)	(1,210,533)	(2,047,353)
Primary government	$ 1,892,214	$ 2,846,501	$ 8,282,278	$ 2,745,921	$ 6,363,241	$ (2,441,257)	$ (18,007,226)	$ 3,443,527	$ (7,328,339)	$ (1,713,728)

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

SOUTHERN NEVADA HEALTH DISTRICT

FUND BALANCE, GOVERNMENTAL FUNDS[1]
LAST TEN FISCAL YEARS
(UNAUDITED)

	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011 [2]	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015
General fund										
Reserved	$ 2,295,848	$ 2,067,574	$ 1,636,429	$ 1,700,863	$ 723,788	$	$	$	$	$
Unreserved	15,797,637	19,528,050	26,595,141	25,177,271	31,685,852					
Nonspendable						598,058	1,007,507	918,678	683,863	499,834
Assigned						407,366				100,591
Unassigned						27,327,045	12,374,570	20,157,560	12,178,843	15,812,503
Total general fund	$ 18,093,485	$ 21,595,624	$ 28,231,570	$ 26,878,134	$ 32,409,640	$ 28,332,469	$ 13,382,077	$ 21,076,238	$ 12,862,706	$ 16,412,928
Other governmental funds										
Reserved	$ 252,803	$ 147,190	$ 507,542	$ 603,261	$ 401,413	$	$	$	$	$
Unreserved										
Debt service funds			1,002,341	6,957,921	8,908,045					
Capital projects funds	243,172	(209,441)	917,291	954,261	3,288,521					
Committed						10,627,219	11,220,701	11,313,465	15,005,809	9,589,815
Assigned						4,641,199	7,526,560	6,534,951	6,318,172	5,658,330
Total other governmental funds	$ 495,975	$ (62,251)	$ 2,427,174	$ 8,515,443	$ 12,597,979	$ 15,268,418	$ 18,747,261	$ 17,848,416	$ 21,323,981	$ 15,248,145

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

SOUTHERN NEVADA HEALTH DISTRICT

CHANGES IN FUND BALANCE, GOVERNMENTAL FUNDS[1]
LAST TEN FISCAL YEARS
(UNAUDITED)

	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015
REVENUES										
Title XIX Medicaid	$ 341,039	$ 376,259	$ 747,708	$ 522,519	$ 595,060	$ 547,452	$ 608,192	$ 484,388	$ 581,607	$ 960,373
Vital records, immunizations and other medical services	6,293,396	6,341,619	6,593,273	6,349,205	5,963,518	5,581,494	5,200,688	4,866,325	5,345,986	6,145,834
Regulatory services	13,915,381	16,793,854	22,538,791	22,028,715	23,142,972	22,978,296	22,897,904	21,614,151	20,505,557	20,659,128
Program contract services	350,965	1,618,959	2,652,518	2,644,428	2,835,603	2,308,693	1,879,517	383,310	190,021	275,264
Property tax allocation	20,330,000	22,450,600	25,473,000	28,182,950	24,942,525	21,406,846	5,692,534	32,167,828	17,988,360	18,916,518
State funding	3,251,839	1,879,920	1,149,301	1,067,270	987,147	979,488	437,330	643,646	1,298,805	2,072,101
Indirect federal grants	7,963,294	7,879,797	8,630,562	9,134,335	13,947,975	9,463,763	8,092,743	9,874,038	9,579,076	10,740,902
Direct federal grants	2,826,414	1,590,603	1,651,603	1,637,192	2,351,437	10,105,237	10,995,381	4,649,249	2,331,346	3,395,167
Contributions and donations	778,421	4,131	11,803	27,148	12,556	13,777	39,717	18,273	29,081	48,481
Interest income	648,360	991,110	1,535,460	1,615,024	948,105	949,201	742,274	258,661	329,168	325,710
Other	171,198	11,751	46,530	18,157	17,870	21,097	14,594	360,072	55,768	148,391
Total revenues	56,870,307	59,938,603	71,030,549	73,226,943	75,744,768	74,355,344	56,600,874	75,319,941	58,234,775	63,687,869
EXPENDITURES										
Current										
Public health										
Clinical services	18,955,239	18,917,693	19,221,694	20,834,398	20,003,301	19,527,890	19,926,399	20,607,106	19,514,256	24,901,457
Environmental health	11,282,987	11,989,911	13,572,009	15,242,682	14,875,882	14,901,773	15,206,451	15,310,788	14,271,660	18,175,211
Community health	7,233,815	7,706,454	8,091,703	8,606,149	12,339,907	16,786,519	14,393,695	9,214,932	9,627,126	12,248,152
Administration	14,037,022	16,272,804	18,808,328	21,199,574	17,174,676	20,231,785	18,697,521	21,008,563	18,704,279	3,824,094
Total current	51,509,063	54,886,862	59,693,734	65,882,803	64,393,766	71,447,967	68,224,066	66,141,389	62,117,321	59,148,914
Capital outlay										
Public health	1,761,244	1,580,900	946,771	906,512	627,100	1,363,248	754,194	1,131,572	267,560	7,796,976
Total expenditures	53,270,307	56,467,762	60,640,505	66,789,315	65,020,866	72,811,215	68,978,260	67,272,961	62,384,881	66,945,890
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	3,600,000	3,470,841	10,390,044	6,437,628	10,723,902	1,544,129	(12,377,386)	8,046,980	(4,150,106)	(3,258,021)
OTHER FINANCING SOURCES (USES)										
Transfers in	2,843,967	2,331,920	3,398,434	6,822,857	4,435,702	3,768,357	3,941,289	81,572	3,582,610	1,350,639
Transfers out	(3,596,896)	(2,858,848)	(4,663,107)	(8,525,670)	(6,001,906)	(6,719,218)	(4,753,060)	(1,333,236)	4,215,976	(1,350,639)
Proceeds from capital asset disposal									45,505	18,050
Total other financing sources (uses)	(752,929)	(526,928)	(1,264,673)	(1,702,813)	(1,566,204)	(2,950,861)	(811,771)	(1,251,664)	7,844,091	18,050
CHANGE IN FUND BALANCE	$ 2,847,071	$ 2,943,913	$ 9,125,371	$ 4,734,815	$ 9,157,698	$ (1,406,732)	$ (13,189,157)	$ 6,795,316	$ 3,693,985	$ (3,239,971)

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

SOUTHERN NEVADA HEALTH DISTRICT

ASSESSED AND ESTIMATED ACUTAL VALUE OF TAXABLE PROPERTY[1]
LAST TEN FISCAL YEARS
(UNAUDITED)

	Real Property		Personal Property		Total			
For the Year Ended June 30,	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Direct Tax Rate	Estimated Actual Value	Ratio of Total Assessed to Total Estimated Actual Value [2]
2006	$ 61,060,915,772	$ 174,459,759,349	$ 5,787,270,132	$ 16,535,057,520	$ 66,848,185,904	0.6425	$ 190,994,816,869	35.00 %
2007	87,405,015,147	249,728,614,706	5,954,162,886	17,011,893,960	93,359,178,033	0.6416	266,740,508,666	35.00 %
2008	102,349,025,402	292,425,786,863	6,300,900,438	18,002,572,680	108,649,925,840	0.6391	310,428,359,543	35.00 %
2009	106,988,178,756	305,680,510,731	5,817,306,838	16,620,876,680	112,805,485,594	0.6391	322,301,387,411	35.00 %
2010	86,961,001,865	248,460,005,329	4,772,231,316	13,634,946,617	91,733,233,181	0.6391	262,094,951,946	35.00 %
2011	60,420,431,199	172,629,803,426	3,706,515,345	10,590,043,843	64,126,946,544	0.6391	183,219,847,269	35.00 %
2012	53,342,794,997	152,407,985,706	3,369,755,692	9,627,873,406	56,712,550,689	0.6391	162,035,859,112	35.00 %
2013	48,963,146,030	139,894,702,943	4,303,923,931	12,296,925,517	53,267,069,961	0.6391	152,191,628,460	35.00 %
2014	49,809,243,448	142,312,124,137	4,906,452,131	14,018,434,677	54,715,695,579	0.6391	156,330,558,814	35.00 %
2015	57,491,891,230	164,262,546,371	5,009,798,428	14,313,709,794	62,501,689,658	0.6391	178,576,256,165	35.00 %

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

SOUTHERN NEVADA HEALTH DISTRICT

PROPERTY TAX RATES[1] - DIRECT AND OVERLAPPING GOVERNMENTS[2]
(PER $100 OF ASSESSED VALUE)
LAST TEN FISCAL YEARS
(UNAUDITED)

	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015
County Direct Rate	0.6425	0.6416	0.6391	0.6391	0.6391	0.6391	0.6391	0.6391	0.6391	0.6391
Clark County School District Rate	1.3034	1.3034	1.3034	1.3034	1.3034	1.3034	1.3034	1.3034	1.3034	1.3034
State of Nevada Rate	0.1850	0.1850	0.1850	0.1850	0.1850	0.1850	0.1850	0.1850	0.1850	0.1850
City Rates										
Boulder City	0.1844	0.2038	0.2038	0.2188	0.2600	0.2600	0.2600	0.2600	0.2600	0.2600
Henderson	0.7108	0.7108	0.7108	0.7108	0.7108	0.7108	0.7108	0.7108	0.7108	0.7108
Las Vegas	0.7774	0.7777	0.7715	0.7715	0.7715	0.7715	0.7715	0.7715	0.7715	0.7715
Mesquite	0.5520	0.5520	0.5520	0.5520	0.5520	0.5520	0.5520	0.5520	0.5520	0.5520
North Las Vegas	1.1887	1.1687	1.1637	1.1637	1.1637	1.1637	1.1637	1.1637	1.1637	1.1637
Unincorporated Town Rates										
Bunkerville	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200
Enterprise	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064
Indian Springs	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.2000	0.2000
Laughlin	0.8416	0.8416	0.8416	0.8416	0.8416	0.8416	0.8416	0.8416	0.8416	0.8416
Moapa	0.2344	0.2344	0.2344	0.2344	0.2344	0.1094	0.1094	0.1094	0.1094	0.1094
Moapa Valley	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200
Mt. Charleston	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200
Paradise	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064
Searchlight	0.1223	0.1222	0.1212	0.1212	0.0600	0.0200	0.0200	0.0200	0.0200	0.0200
Spring Valley	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064
Summerlin	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064
Sunrise Manor	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064
Whitney (East Las Vegas)	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064
Winchester	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064
Other Special District Rates										
Boulder City Library	0.1625	0.1555	0.1485	0.1485	0.1485	0.1595	0.1755	0.2030	0.2030	0.2030
Clark County Fire Services District	0.2197	0.2197	0.2197	0.2197	0.2197	0.2197	0.2197	0.2197	0.2197	0.2197
Coyote Springs Groundwater Basin	0.0522	0.0496	0.0520	0.0039	0.0018	0.0023				
Las Vegas Metropolitan Police 911	0.0050	0.0050	0.0050	0.0050	0.0050	0.0050	0.0050	0.0050	0.0050	0.0050
Henderson City Library	0.0533	0.0533	0.0582	0.0590	0.0581	0.0577	0.0575	0.0586	0.0585	0.0594
Kyle Canyon Water District	0.0351	0.0351	0.0346	0.0346	0.0346	0.0346				
Las Vegas Artesian Basin	0.0013	0.0009	0.0008	0.0008	0.0011	0.0015				
Las Vegas / Clark County Library District	0.0866	0.0866	0.0866	0.0866	0.0909	0.1011	0.0942	0.0942	0.0942	0.0942
Las Vegas Metropolitan Police - Manpower - City	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800
Las Vegas Metropolitan Police - Manpower - County	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800
Lower Moapa Groundwater Basin					0.0006	0.0008				
Mt. Charleston Fire Service District	0.8813	0.8813	0.8813	0.8813	0.8813	0.8813	0.8813	0.8813	0.8813	0.8813
Muddy River Springs Area Groundwater Basin	0.0785									
North Las Vegas Library District	0.0632	0.0632	0.0632	0.0632	0.0632	0.0632	0.0632	0.0632	0.0632	0.0632

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

SOUTHERN NEVADA HEALTH DISTRICT

PRINCIPAL PROPERTY TAXPAYERS[1]
CURRENT AND NINE YEARS AGO
(UNAUDITED)

	2015			2006		
Taxpayer	Taxable Assessed Value [2]	Rank	Approximate Percentage of Taxable Assess Valuation [3]	Taxable Assessed Value [2]	Rank	Approximate Percentage of Taxable Assess Valuation [3]
MGM Mirage	$ 3,164,727,682	1	5.06 %	$ 3,244,575,419	1	4.85 %
NV Energy	2,005,977,837	2	3.21 %	656,433,148	4	0.98 %
Caesar's Entertainment Incorporated	1,623,779,567	3	2.60 %			%
Las Vegas Sands Corporation	997,888,951	4	1.60 %			%
Wynn Resort Limited	853,434,852	5	1.37 %	405,069,669	8	0.61 %
Station Casinos Incorporated	552,630,398	6	0.88 %	441,315,596	7	0.66 %
Boyd Gaming Corporation	292,763,981	7	0.47 %	506,071,544	5	0.76 %
Nevada Property 1 Limited Liability Company	275,029,024	8	0.44 %			%
Eldorado Energy Limited Liability Company	209,865,386	9	0.34 %			%
Hilton Grand Vacations	190,040,774	10	0.30 %			%
General Growth Properties				1,240,865,631	3	1.86 %
Pulte Homes				372,171,914	9	0.56 %
Focus Property Group				280,670,553	10	0.42 %
Venetian Casino Resort Limited Liability Company				476,090,088	6	0.71 %
Harrah's Club				1,383,216,922	2	2.07 %
	$ 10,166,138,452		16.27 %	$ 9,301,209,242		13.92 %

1. Source: Clark County Assessor's Office
2. Note: Taxable assessed value is 35% of appraised value.
3. See the "Assessed and Estimated Actual Value of Taxable Property" table for assessed property value data.

SOUTHERN NEVADA HEALTH DISTRICT

PROPERTY TAX LEVIES AND COLLECTIONS[1]
LAST TEN FISCAL YEARS
(UNAUDITED)

For the Year Ended June 30,	Tax Levy [2]	Current Tax Levy Collections [2]	Percent of Tax Levy Collected	Delinquent Tax Levy Collections [2]	Total Tax Levy Collected [2]	Percent of Total Tax Levy Collected to Tax Levy [2]	Outstanding Delinquent Tax Levy [2]	Percent of Outstanding Tax Levy to Tax Levy [2]	Tax Levy Allocated to the Southern Nevada Health District
2006	$ 1,639,434,321	$ 1,632,191,297	99.5582 %	$ 7,227,922	$ 1,639,419,219	99.9991 %	$ 15,102	0.0009 %	$ 20,330,000
2007	1,927,169,351	1,909,964,723	99.1073 %	17,179,909	1,927,144,632	99.9987 %	24,719	0.0013 %	22,450,660
2008	2,178,689,682	2,144,481,519	98.4299 %	33,996,006	2,178,477,525	99.9903 %	212,157	0.0097 %	25,473,000
2009	2,356,045,788	2,310,905,968	98.0841 %	44,321,767	2,355,227,735	99.9653 %	818,053	0.0347 %	28,182,950
2010	2,265,426,817	2,216,524,825	97.8414 %	47,415,216	2,263,940,041	99.9344 %	1,486,776	0.0656 %	24,942,525
2011	1,769,802,563	1,736,374,718	98.1112 %	32,323,102	1,768,697,820	99.9376 %	1,104,743	0.0624 %	21,406,846
2012	1,600,936,965	1,576,913,229	98.4994 %	22,064,160	1,598,977,389	99.8776 %	1,959,576	0.1224 %	5,692,534
2013	1,460,623,235	1,446,101,302	99.0058 %	10,447,387	1,456,548,689	99.7210 %	4,074,546	0.2790 %	32,167,828
2014	1,467,944,839	1,453,563,810	99.0203 %	10,617,546	1,464,181,356	99.7436 %	[3]	% [3]	17,988,360
2015	1,516,993,059	1,506,098,697	99.2818 %	[3]	1,506,098,697	99.2818 %	[3]	% [3]	18,916,518

1. Source: Clark County Treasurer
2. Amounts reported are for Clark County, which includes taxes levied by Southern Nevada Health District.
3. Not available at time of printing.

SOUTHERN NEVADA HEALTH DISTRICT

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)

For the Year Ended June 30,	Population [1]	Per Capita Personal Income [2]	School Enrollment [3]	Unemployment Rate [4]
2006	1,912,654	$ 38,730	$ 291,510	3.90 %
2007	1,963,687	39,945	302,763	4.30 %
2008	1,986,146	39,920	308,783	5.50 %
2009	2,006,347	34,318	311,240	9.18 %
2010	2,023,102	34,502	309,476	14.00 %
2011	1,972,514	35,634	309,893	14.20 %
2012	2,008,654	36,531	308,377	12.80 %
2013	2,062,253	37,457	309,983	10.23 %
2014	2,102,238	[5]	314,598	8.89 %
2015	[5]	[5]	317,759	7.20 %

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

SOUTHERN NEVADA HEALTH DISTRICT

PRINCIPAL EMPLOYERS[1]
CURRENT AND NINE YEARS AGO
(UNAUDITED)

	2015			2006		
Employer	Employees [2]	Rank	Percentage of Total Southern Nevada Health District Employment	Employees [2]	Rank	Percentage of Total Southern Nevada Health District Employment
Clark County School District	35,000	1	3.66 %	35,000	1	3.94 %
Clark County, Nevada	8,250	2	.86 %	9,750	2	1.10 %
MGM Grand Hotel/Casino	8,250	3	.86 %			%
Wynn Las Vegas, LLC	8,250	4	.86 %			%
Bellagio, LLC	8,250	5	.86 %			%
Aria Resort and Casino, LLC	7,750	6	.81 %			%
Mandalay Bay Resort and Casino	7,250	7	.76 %	8,250	3	.93 %
University of Nevada-Las Vegas	5,250	8	.55 %	5,750	4	.65 %
Caesars Palace	5,250	9	.55 %	5,250	6	.59 %
Las Vegas Metropolitan Police	4,750	10	.50 %	4,750	7	.54 %
The Mirage Casino Hotel				5,750	5	.65 %
Rio Suite Hotel				4,250	8	.48 %
University Medical Center				3,750	9	.42 %
Flamingo				3,750	10	.42 %
Total prinicpal employers	98,250		10.27 %	86,250		9.72 %
Total employment in Clark County, Nevada	956,910			887,773		

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

SOUTHERN NEVADA HEALTH DISTRICT

FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM[1]
LAST TEN FISCAL YEARS
(UNAUDITED)

	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015
Function/program										
Governmental activities										
Public health										
Clinical services	205	162	177	172	163	166	164	166	153	147
Environmental health	135	140	158	156	148	142	146	164	139	143
Community health [2]	54	49	54	55	53	50	48	56	59	58
Administration	139	135	151	152	146	149	153	129	110	106
Business-type activities										
Southern Nevada Public Health Laboratory	12	10	10	14	15	15	15	17	16	14
Total full-time equivalent employees	545	496	550	549	525	522	526	532	477	468

1. Source: Southern Nevada Health District Human Resources Department
2. Notes: The Community Health division was established in January 2005

SOUTHERN NEVADA HEALTH DISTRICT

OPERATING INDICATORS BY FUNCTION/PROGRAM[1]
LAST TEN FISCAL YEARS
(UNAUDITED)

	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015
Clinical services										
Communicable diseases										
Reported diseases										
Hepatitis A	15	4	4	11	12	8	6	9	11	7
Hepatitis B (Acute)	27	40	28	33	34	30	20	22	15	12
Influenza	202	95	270	528	528	485	356	571	641	571
Pertussis	22	15	24	6	12	29	30	121	86	80
Amebiasis	9	9	10	11	5	13	7	9	4	5
Campylobacteriosis	86	119	135	107	120	98	97	78	89	103
Escherichia coli 0157:H7	10	22	12	14	15	33	51	37	27	22
Giardiasis	82	71	94	75	67	60	49	61	43	45
Immunizations	310,514	270,326	273,662	302,982	200,142	202,936	203,712	157,448	142,244	125,975
Sexually-transmitted diseases										
Syphilis	387	314	277	289	230	356	88	227	481	610
Gonorrhea	2,503	2,260	2,207	1,576	1,697	1,618	1,058	2,147	2,254	2,874
Chlamydia	5,812	7,276	7,773	7,681	8,414	8,029	4,993	8,883	8,816	9,880
People living with HIV	2,939	3,065	3,028	266	271	240	237	237	279	265
Diagnosed cases of AIDS	4,468	5,533	4,962	230	187	195	212	202	221	118
Environmental health										
Food and beverage establishment inspections										
Routine	26,960	25,229	25,229	24,486	27,030	21,061	21,165	23,114	22,670	22,280
Special event	2,877	3,553	3,597	3,696	3,761	3,854	4,764	4,694	4,222	4,147
Compliant driven	1,942	2,370	1,800	1,517	1,409	1,690	1,492	2,043	1,784	1,815
Epi related	584	565	615	369	41	35	48	165	133	42
Community health										
Emergency medical services										
Active certifications										
First responder	52	33	20	4	1					
EMT - basic	1,118	910	881	784	671	560	532	458	484	517
EMT - intermediate	1,474	1,405	1,336	1,322	1,369	1,365	1,347	1,303	1,283	1,268
EMT - paramedic	812	913	947	985	1,018	1,073	1,118	1,114	1,167	1,210
EMT - instructors	356	382	389	383	356	353	338	336	331	342
Epidemiology										
Reported diseases										
Amebiasis			10	11	5	13	7	9	4	5
Coccidioidomycosis	58	57	63	50	56	81	115	79	71	62
Crytosporidiosis			16	1	4	12	4	5	5	1
Invasive Group A Strep			26	11		1				
Invasive Strep Pneumoniae			5	1	2	47	59	54	75	
Legionettosis			10	11	17	11	9	16	14	29
Listeriosis			6	2	1	1	2	1	4	2
Lyme Disease			9	4	1	2	4	2	5	4
Menengitis, Aseptic/Viral	70	54	61	47	32	41	22	26	49	40
Menengitis, Bacterial	13	18	21	11	7	9	4	6	13	18
Meningococcal Disease	5	3	6	1	4	2	2		2	1
Rotavirus	647	356	290	104	90	59	33	103	46	73

(Continued)

SOUTHERN NEVADA HEALTH DISTRICT

OPERATING INDICATORS BY FUNCTION/PROGRAM[1] (CONTINUED)
LAST TEN FISCAL YEARS
(UNAUDITED)

	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015
RSV	1,556	1,234	1,139	1,049	1,225	1,320	971	1,457	711	1,314
Salmonellosis	132	220	166	175	172	188	140	147	220	149
Shigellosis	69	109	159	144	57	40	29	58	43	28
Administrative, operations and maintenance										
Health cards issued										
New	77,781	70,607	64,288	45,492	42,200	39,442	40,302	40,778	46,774	49,833
Renewal	28,619	70,772	62,604	58,949	70,657	60,081	58,142	65,273	60,141	59,819
Other	29,822	10,828	11,378	9,950	9,450	8,835	8,350	7,301	6,623	6,908
Vital statistics [2]										
Births	29,070	30,589	30,362	19,860	19,613	19,042	20,711	26,432	26,347	27,800
Deaths	13,775	12,664	13,409	10,399	10,157	10,253	11,109	15,159	15,107	16,105

1. Source: Various Southern Nevada Health District departments
2. Amount reported includes only the number of certificates issued for birth and deaths in the current fiscal year, and does not include duplicate or replacement certificates issued

SOUTHERN NEVADA HEALTH DISTRICT

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM[1]
LAST TEN FISCAL YEARS
(UNAUDITED)

	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015
Function/program										
Governmental activities										
Public health										
Clinical services	$ 1,635,917	$ 1,734,328	$ 1,791,734	$ 1,797,575	$ 1,620,435	$ 1,620,333	$ 1,754,975	$ 1,528,201	$ 1,460,304	$ 1,192,661
Environmental health	928,668	989,475	1,069,123	1,029,719	1,189,172	1,945,641	1,788,428	1,406,930	1,320,089	1,507,327
Community health [2]	359,437	382,071	377,644	434,240	712,206	831,429	1,025,536	927,232	987,176	1,263,501
Administration	21,075,415	22,182,097	22,737,233	23,045,482	22,013,656	22,264,236	22,147,260	22,505,859	22,458,602	21,792,150
Business-type activities										
Southern Nevada Public Health Laboratory	1,450,586	2,032,365	2,134,430	2,245,520	2,286,992	2,311,467	2,382,536	2,550,084	2,598,917	2,555,542
	$ 25,450,023	$ 27,320,336	$ 28,110,164	$ 28,552,536	$ 27,822,461	$ 28,973,106	$ 29,098,735	$ 28,918,306	$ 28,825,088	$ 28,311,181

1. Source: Southern Nevada Health District Finance Department
2. The division for Community Health Services was established in January 2005

SINGLE AUDIT INFORMATION

PBTK
PIERCY BOWLER TAYLOR & KERN
Certified Public Accountants
Business Advisors

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

Board of Health
Southern Nevada Health District
Las Vegas, Nevada

We have audited the compliance of the Southern Nevada Health District (the Health District) with the types of compliance requirements described in the Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the Health District's major federal programs for the year ended June 30, 2015. The Health District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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

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

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

Opinion on Each Major Federal Program. In our opinion, the Health District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of the Health District's major federal programs for the year ended June 30, 2015.

Other Matters. The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2015 - 002 through 2015 - 004. Our opinion on each major federal program is not modified with respect to these matters.

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

Report on Internal Control Over Compliance. The Health District's management is responsible for establishing and maintaining effective internal control over compliance with the types of compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies; and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2015 - 002 through 2015 - 004 that we consider to be significant deficiencies.

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

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

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133. We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Health District as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Health District's basic financial statements. We issued our report thereon dated November 10, 2015, which contained an unmodified opinion on those basic financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Piercy Bowler Taylor & Kern

Las Vegas, Nevada
November 10, 2015

SOUTHERN NEVADA HEALTH DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2015

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Federal or Pass-through Grantor Award Number	Expenditures
Department of Health and Human Services			
Passed through National Association of County and City Health Officials:			
Medical Reserve Corps Small Grant Program	93.008	6MRCSG061001-03	$ 725
Passed through Association of Public Health Laboratories:			
Laboratory Leadership, Workforce Training and Management Development, Improving Public Health Laboratory Infrastructure	93.065	564002000391505	968
Laboratory Leadership, Workforce Training and Management Development, Improving Public Health Laboratory Infrastructure	93.065	U60HM000803	9,300
			10,268
Passed through Nevada Department of Health and Human Services, Nevada State Health Division:			
Public Health Emergency Preparedness	93.069	5U90TP000534-02	72,610
Public Health Emergency Preparedness	93.069	5U90TP000534-03	2,955,172
			3,027,782
Passed through Nevada Department of Health and Human Services, Nevada State Health Division:			
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074	3U90TP000534-03S1	15,639
Passed through National Association of County and City Health Officials			
Food and Drug Administration Research	93.103	5U50FD004334-04	5,339
Passed through Association of Food and Drug Officials			
Food and Drug Administration Research	93.103	G-T-1410-01967	2,000
Direct Program:			
Maternal and Child Health Federal Consolidated Programs	93.110	H17MC23548	37,917
Passed through Nevada Department of Health and Human Services, Nevada State Health Division:			
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	5U52PS907855-23	182,195
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	1U52PS004681-01	170,902
			353,097
Direct Program:			
Family Planning Services	93.217*	6FPHPA090159-44-00/02	757,634
Family Planning Services	93.217*	5FPHPA09159-43-00	456,200
Family Planning Services	93.217*	6FPHPA090159-44-01	14,017
			1,227,851
Passed through Nevada Department of Health and Human Services, Nevada State Health Division:			
Immunization Cooperative Agreements	93.268*	3H23IP000695-01S1	109,637
Immunization Cooperative Agreements	93.268*	5H23IP000727-02	366,983
Immunization Cooperative Agreements	93.268*	5H23IP000727-03	27,817
Immunization Cooperative Agreements	93.268*	1H23IP000943-01	312,487
			816,924

(Continued)

SOUTHERN NEVADA HEALTH DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2015

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Federal or Pass-through Grantor Award Number	Expenditures
Department of Health and Human Services (continued)			
Passed through Nevada Department of Health and Human Services, Nevada State Health Division: (continued)			
Adult Viral Hepatitis Prevention and Control	93.270	5U51PS004092-02	27,049
Adult Viral Hepatitis Prevention and Control	93.270	5U51PS004092-03	23,000
			50,049
Passed through Nevada Department of Health and Human Services, Nevada State Health Division:			
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	3U58DP002003-06	194,491
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	5U50OE000037-03	51,363
			245,854
Direct Program:			
Teenage Pregnancy Prevention Program	93.297*	5TPIAH000024-04-00	910,173
Teenage Pregnancy Prevention Program	93.297*	6TP1AH000024-04-01	33,349
Teenage Pregnancy Prevention Program	93.297*	5TPIAH000024-05-00	24,654
			968,176
Passed through Nevada Department of Health and Human Services, Nevada State Health Division:			
National State Based Tobacco Control Programs	93.305	1U58DP006-009-01	48,938
Passed through Nevada Department of Health and Human Services, Nevada State Health Division:			
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	3U50CK000419-01S1	196,071
Direct Program:			
Partnerships to Improve Community Health	93.331*	1U58DP005705-01	702,674
Passed through Nevada Department of Health and Human Services, Nevada State Health Division:			
NON-ACA/PPHF—Building Capacity of the Public Health System to Improve Population Health through National Nonprofit Organizations	93.424	1U38OT000143	15,000
Passed through Nevada Department of Health and Human Services, Nevada State Health Division:			
Affordable Care Act (ACA) Research and Evaluation of the Maternal, Infant and Early Childhood Home Visiting Program	93.505	X02MC23117	409,408
Passed through Nevada Department of Health and Human Services, Nevada State Health Division:			
The Affordable Care Act: Building Epidemiology, Laboratory, and Health Information Systems Capacity in the Epidemiology and Laboratory Capacity for Infectious Disease (ELC) and Emerging Infections Program (EIP), Cooperative Agreements	93.521	3U50CI000900-02S4	14,541
Pased through MDRC:			
Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Research Programs	93.615	HHSP23320095644WC	7,803
Passed through Clark County School District (CCSD), State of Nevada:			
Community Transformation Grant	93.737*	1H75DP004286-01	506,369

(Continued)

SOUTHERN NEVADA HEALTH DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2015

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Federal or Pass-through Grantor Award Number	Expenditures
Department of Health and Human Services (Continued)			
Passed through Nevada Department of Health and Human Services, Nevada State Health Division:			
State and Local Public Health Actions to Prevent Obesity, Diabetes, Heart Disease and Stroke (PPHF)	93.757	3U58DP004820-02S1	16,316
Passed through Nevada Department of Health and Human Services, Nevada State Health Division:			
National Bioterrorism Hospital Preparedness Program	93.889	5U90TP000534-02	31,616
National Bioterrorism Hospital Preparedness Program	93.889	5U90TP000534-03	710,027
			741,643
Passed through Clark County, Nevada, Department of Social Services:			
HIV Emergency Relief Project Grants	93.914*	H89HA06900	1,693,572
Passed through Nevada Department of Health and Human Services, Nevada State Health Division:			
HIV Care Formula Grants	93.917*	2X07HA00001-24-00	461,191
HIV Care Formula Grants	93.917*	X07HA00001-25	94,647
			555,838
Direct Program:			
Health Start Initiative	93.926*	H49MC27820	447,238
Passed through Nevada Department of Health and Human Services, Nevada State Health Division:			
HIV Prevention Activities Health Department Based	93.940*	5U62PS003654-03	709,849
HIV Prevention Activities Health Department Based	93.940*	U62PS003654	614,903
			1,324,752
Passed through Nevada Department of Health and Human Services, Nevada State Health Division:			
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	93.944	1U62PS004024-02	70,230
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	93.944	5U62PS004024-03	67,324
			137,554
Passed through Nevada Department of Health and Human Services, Nevada State Health Division:			
Block Grants for Prevention and Treatment of Substance Abuse	93.959	2B08TI010039-14	438,885
Passed through Nevada Department of Health and Human Services, Nevada State Health Division:			
Preventative Health Services Sexually Transmitted Diseases Control Grants	93.977	1H25PS004376-01	228,448
Preventative Health Services Sexually Transmitted Diseases Control Grants	93.977	1H25PS004376-01	224,999
			453,447
Passed through Nevada Department of Health and Human Services, Nevada State Health Division:			
Maternal and Child Health Federal Consolidated Programs	93.994	B04MC23393	1,166
Maternal and Child Health Federal Consolidated Programs	93.994	B04MC26680	87,000
			88,166
Total Department of Health and Human Services			14,559,836

(Continued)

SOUTHERN NEVADA HEALTH DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2015

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Federal or Pass-through Grantor Award Number	Expenditures
United States Department of Agriculture			
Direct program:			
Farmer's Market and Local Food Promotion Program	10.168	14-FMPPX-NV-0122	16,416
Passed through Nevada Department of Health and Human Services, Nevada State Health Division:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	7NV400NV5	48,092
Total United States Department of Agriculture			64,508
Department of Housing and Urban Development			
Passed through University of Nevada Las Vegas (UNLV):			
Healthy Homes Technical Studies Grants	14.906	NVHUU0020-13	10,772
Environmental Protection Agency			
Passed through Nevada Department of Conservation and Natural Resources:			
State Public Water System Supervision	66.432	DEP14-006	90,000
Passed through Nevada Department of Conservation and Natural Resources:			
Underground Storage Tank Prevention, Detection and Compliance Program	66.804	DEP14-004	170,000
Total Environmental Protection Agency			260,000
Total Federal Financial Assistance			**$ 14,895,116**

* A major program

SOUTHERN NEVADA HEALTH DISTRICT

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2015

Note 1. Reporting Entity

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the Southern Nevada Health District (the District) under programs of the federal government for the year ended June 30, 2015. The information in this schedule is presented in accordance with the requirements of Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net assets or cash flows of the District. The reporting entity is defined in Note 1 to the District's basic financial statements. The schedule includes all expended federal financial assistance received directly from federal agencies as well as passed through other government agencies.

Note 2. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the District. All expenditures, including those passed through to subrecipients are presented on the accrual basis of accounting.

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

Note 3. Subrecipients

For the year ended June 30, 2015, the federal expenditures in the Schedule of Expenditures of Federal Awards include the following amounts provided to subrecipients:

	Award Amount
Maternal and Child Health Federal Consolidated Programs (CFDA #93.110)	$ 20,073
Centers for Disease Control and Prevention Investigations and Technical Assistance (CFDA #93.283)	12,500
Teenage Pregnancy Prevention Program (CFDA #93.297)	115,633
Partnerships to Improve Community Health (CFDA #93.331)	266,837
Affordable Care Act (ACA) Research and Evaluation of the Maternal, Infant and Early Childhood Home Visiting Program (CFDA #93.505)	17,372
Community Transformation Grant (CFDA #93.737)	335,772
Healthy Start Initiative (CFDA #93.926)	64,930
HIV Prevention Activities Health Department Based (CFDA #93.940)	295,805
Total subrecipient awards	$ 1,128,922

SOUTHERN NEVADA HEALTH DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2015

Section I - Summary of Auditors' Results

Financial Statements	
Type of auditors' report issued	Unmodified
Internal control over financial reporting	
Material weaknesses identified	Yes
Significant deficiencies identified that are not considered to be material weaknesses	None reported
Noncompliance material to financial statements	No
Federal Awards	
Internal control over major programs	
Material weaknesses identified	No
Significant deficiencies identified that are not considered to be material weaknesses	Yes
Type of auditors' report issued on compliance for major programs	Unmodified
Audit findings required to be reported in accordance with Circular A-133, Section .510(a)	Yes
Identification of major programs	
CFDA number	93.217
Name of federal program or cluster	Family Planning Services
CFDA number	93.268
Name of federal program or cluster	Immunization Cooperative Agreements
CFDA number	93.297
Name of federal program or cluster	Teenage Pregnancy Prevention Program
CFDA number	93.331
Name of federal program or cluster	Partnerships to Improve Community Health
CFDA number	93.737
Name of federal program or cluster	PPHF: Community Transformation Grants - Small Communities Program financed solely by Public Prevention and Health Funds
CFDA number	93.914
Name of federal program or cluster	HIV Emergency Relief Project Grants
CFDA number	93.917
Name of federal program or cluster	HIV Care Formula Grants
CFDA number	93.926
Name of federal program or cluster	Healthy Start Initiative
CFDA number	93.940
Name of federal program or cluster	HIV Prevention Activities - Health Department Based
Dollar threshold used to distinguish between Type A and Type B programs	$446,853
Auditee qualified as low-risk auditee	No

(Continued)

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

2015 - 001

Criteria	Bank accounts are reconciled monthly, reconciling items are identified and cleared timely, and the account reconciliations are independently reviewed and approved by an appropriate level of management.
Condition	As of the end of August 2015, certain bank account reconciliations had not been completed since March and April, 2015.
Effect	A transfer from the fiduciary bank account during fiscal 2015 was recorded incorrectly, which resulted in an audit adjustment to increase cash and decrease payroll expenditures by $434,244.
Cause	The Health District's internal controls over cash (specifically the required review of monthly reconciliations of bank accounts) did not function as intended, due to ineffective monitoring for compliance therewith.
Recommendation	Bank accounts should be reconciled monthly, reconciling items identified should be cleared timely, and the account reconciliations should be independently reviewed and approved by an appropriate level of management.
Management's response	Management informed us that the established procedure of reconciling bank statements on a monthly basis will be overseen directly by the Accounting Supervisor, who will review by the 20th of the following month. The Accounting Supervisor will sign-off for internal controls and forward to the Financial Services Manager.

(Continued)

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

2015 - 002

Program	CDFA #93.331: Partnership to Improve Community Health CFDA #93.297: Teenage Pregnancy Prevention Program CFDA #93.940: HIV Prevention Activities Health Department Based
Specific requirements	OMB Circular A-133, Subpart D--Federal Agencies and Pass- Through Entities, §___.400 Responsibilities. (d) Pass-through entity responsibilities. A pass-through entity shall perform the following for the Federal awards it makes: (3) Monitor the activities of subrecipients as necessary to ensure that Federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved.
Condition and context	CFDA #93.331. Per review of the monthly reimbursement requests the Health District receives from one of the six subrecipients for this grant, there was insufficient supporting documentation for the expenditures for us to determine if the costs incurred by the subrecipient were allowable per the subaward agreements. CFDA #93.297. Per review of the monthly reimbursement requests the Health District receives for two of the six subrecipients for this grant, there was insufficient supporting documentation for the expenditures for us to determine if the costs incurred by the subrecipient were allowable per the subaward agreements. However, additional testing indicates that this issue appears to be have been remediated by the Health District in December 2014. CFDA #93.940. Per review of the monthly reimbursement requests the Health District receives for one of the two subrecipient for this grant, there was insufficient supporting documentation for the expenditures for us to determine if the costs incurred by the subrecipient were allowable per the subaward agreements.
Questioned costs	It is not possible to quantify the amount of questioned costs (if any) related to this finding, since we are unable to determine if the expenditures submitted by the subrecipients are allowable in accordance with the subaward agreement.
Effect	The Health District's grant program managers and grant accountants did not obtain sufficient documentation from subrecipients to effectively monitor their activities to ensure that Federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved.
Cause	The Health District implemented a formal subrecipient monitoring policy in August 2014, but the new policy did not include procedures to review monthly reimbursement requests for allowability of costs.
Recommendation	The requirements of the Health District's subrecipient monitoring policy should be reiterated to grant program managers and grant accountants. All grant program managers and grant accountants should examine sufficient supporting documentation to ensure that the subrecipient expenditures are in compliance with the subaward agreement and are in furtherance of the program objectives.
Management's response	Management informed us that invoices will now be audited monthly by the accounts prior to going to accounts payable. If the proper documentation is not received from the subrecipient, the invoice will not be processed for payment. This change became effective July 1, 2015.

(Continued)

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

2015 - 003

Program	CFDA #93.217: Family Planning Services CFDA #93.268: Immunization Cooperative Agreements CFDA #93.297: Teenage Pregnancy Prevention Program CFDA #93.737: Community Transformation Grant CFDA #93.914: HIV Emergency Relief Project Grants CFDA #93.917: HIV Care Formula Grants CFDA #93.940: HIV Prevention Activities Health Department Based
Specific requirements	OMB Circular A-87, Attachment B, Paragraph 8h: (5) Personnel activity reports or equivalent documentation must meet the following standards: (a) They must reflect an after the fact distribution of the actual activity of each employee.
Condition and context	Per review of time and effort reports, we noted employees and supervisors were verifying hours prior to the end of the payroll period. As a result, it appears that some employees were charging time to grant activities based on budgeted rather than actual hours worked. However, additional testing indicates that this issue appears to have been remediated by the Health District in November 2014.
Questioned costs	It is not possible to quantify the amount of questioned costs (if any) related to this finding, since we are unable to determine if the estimated time submitted prior to the end of the pay period reflected the actual amount of time spent on grant-related activities.
Effect	Grant expenditures reported to granting agencies related to payroll and fringe benefits may be misstated.
Cause	Prior to November 2014, the Health District's time and effort reporting system allowed employees and supervisors to submit and review time and effort prior to the end of the payroll period. However, additional testing indicates that this issue appears to be have been remediated by the Health District in November 2014.
Recommendation	The District should continue to follow its policies and procedures that have been effective since November 2014, to verify accurate time and effort reporting.
Management's response	Management informed us that corrective action was fully implemented in November 2014.

(Continued)

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

2015 - 004

Program	CFDA #93.217: Family Planning Services CFDA #93.268: Immunization Cooperative Agreements CFDA #93.297: Teenage Pregnancy Prevention Program CFDA #93.331: Partnerships to Improve Community Health CFDA #93.737: Community Transformation Grants CFDA #93.914: HIV Emergency Relief Project Grants CFDA #93.917: HIV Care Formula Grants CFDA #93.926: Health Start Initiative CFDA #93.940: HIV Prevention Activities Health Department Based
Specific requirements	The schedule of expenditures of federal awards (SEFA) is complete and accurate.
Condition and context	The SEFA prepared by the Health District included indirect costs allocations, which are not federal expenditures and should therefore be excluded from the SEFA. The inclusion of allocated indirect costs in the SEFA being overstated by $2,861,954. Additionally, during audit fieldwork we noted that certain federal grant expenditures were not included in the SEFA, which resulted in an increase in total federal expenditures by $516,637.
Questioned costs	None.
Effect	The SEFA prepared by the Health District was not complete and accurate.
Cause	The Health District's internal controls over the preparation of the SEFA (specifically the reconciliation between expenditures of grant awards per the general ledger to reimbursement requests and to the SEFA) did not function as intended, due to ineffective monitoring for compliance therewith.
Recommendation	We recommend management perform a reconciliation between expenditures of grant awards per the general ledger to reimbursement requests and finally to the SEFA on an annual basis to verify the SEFA is complete and accurate.
Management's response	Management informed us that this was the first time that the indirect cost allocation report was used in the preparation of the SEFA, and that the cost allocations were inadvertently included as federal expenditures. The SEFA was corrected immediately upon being notified of the indirect cost matter, and a notation was made on how to run the report in the future.

SOUTHERN NEVADA HEALTH DISTRICT

SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2014

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

2014 - 001

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

(Continued)

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

2014 - 002

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

(Continued)

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

2014 - 003

Criteria	According to GASB Statement No. 51, Accounting and Financial Reporting for Intangible Assets (GASB 51), outlays incurred related to the development of an internally generated intangible asset should be capitalized upon the occurrence of all of the following: a. Determination of the specific objective of the project and the nature of the service capacity that is expected to be provided by the intangible asset upon the completion of the project, b. Demonstration of the technical or technological feasibility for completing the project so that the intangible asset will provide its expected service capacity, c. Demonstration of the current intention, ability, and presence of effort to complete or, in the case of a multiyear project, continue development of the intangible asset. Outlays incurred prior to meeting those criteria should be expensed as incurred. The activities involved in developing and installing internally generated computer software can be grouped into the following stages: a. Preliminary Project Stage. Activities in this stage include the conceptual formulation and evaluation of alternatives, the determination of the existence of needed technology, and the final selection of alternatives for the development of the software. b. Application Development Stage. Activities in this stage include the design of the chosen path, including software configuration and software interfaces, coding, installation to hardware, and testing, including the parallel processing phase. c. Post-Implementation/Operation Stage. Activities in this stage include application training and software maintenance. Outlays associated with activities in the preliminary project stage should be expensed as incurred. Once the activities noted in the preliminary project stage are complete and management implicitly or explicitly authorizes and commits to funding, at least currently in the case of a multiyear project, the software project, the costs associated with the project should be capitalized.
Condition	Expenditures for the development of a new timekeeping software system were not tracked and evaluated for possible capitalization in accordance with the guidance from GASB 51 described above.
Effect	As a result, expenditures may be overstated, and capital assets (i.e., software and related capitalizable costs) may be understated.
Cause	The District's internal controls over financial reporting do not include policies and procedures regarding the proper accounting for internally-developed intangible assets.
Current status	Corrected.

(Continued)

SOUTHERN NEVADA HEALTH DISTRICT

SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

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

2014 - 004

Program	CFDA #93.069: Public Health Emergency Preparedness CFDA #93.530: Centers for Disease Control and Prevention –Affordable Care Act (ACA) – Communities Putting Prevention to Work CFDA #93.737: PPHF Community Transformation Grants -Small Communities Program financed solely by Public Prevention and Health Funds CFDA #93.889: National Bioterrorism Hospital Preparedness Program CFDA #93.940: HIV Prevention Activities_Health Department Based CFDA #93.959: Block Grants for Prevention and Treatment of Substance Abuse CFDA #93.977: Preventive Health Services_Sexually Transmitted Diseases Control Grants
Specific requirements	OMB Circular A-87, Attachment B, Paragraph 8d: The cost of fringe benefits in the form of regular compensation paid to employees during periods of authorized absences from the job, such as for annual leave, sick leave, holidays, court leave, military leave, and other similar benefits, are allowable if: (b) the costs are equitably allocated to all related activities, including Federal awards. OMB Circular A-87, Attachment B, Paragraph 8h: (5) Personnel activity reports or equivalent documentation must meet the following standards: (a) They must reflect an after-the-fact distribution of the actual activity of each employee.
Condition and context	During fiscal 2014, the District established a formal time and effort record keeping policy requiring employees to accurately track and report the time spent on grant-related activities. In connection with the new policy, new time and effort record keeping software was developed and placed into service in March 2014. During testing of time and effort policies and procedures and related documentation, we noted several occasions in which employees were submitting (and supervisors were approving) time and effort reports prior to the end of the applicable pay period. As such, employees were not consistently following the newly-implemented time and effort reporting policy, which specifically requires activity logs and timesheets to be prepared (and reviewed) after work has been performed. In addition, the newly-implemented time and effort reporting policy requires grant program managers to perform a quarterly review to ensure that time charged to grant-related activities is accurate and in compliance with grant requirements; however, the quarterly review was not performed during fiscal 2014.
Questioned costs	It is not possible to quantify the amount of questioned costs (if any) related to this finding, since we are unable to determine if the estimated time submitted prior to the end of the pay period reflected the actual amount of time spent on grant-related activities.
Effect	The District did not comply with the requirements of its time and effort reporting policies, and as a result, grant expenditures reported to granting agencies related to payroll, fringe benefits and indirect costs may be misstated.
Cause	The formal time and effort reporting policy developed and implemented in March 2014 was not effectively communicated to the various divisions within the District. As such, inconsistencies were noted across the various divisions in terms of how grant-related activities were being tracked and reported. In addition, the quarterly review specified in the policy was not completed during fiscal 2014.
Current status	Partialy corrected. See Finding 2015-003.

(Continued)

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

2014 - 005

Program	CFDA #93.520: Centers for Disease Control and Prevention –Affordable Care Act (ACA) – Communities Putting Prevention to Work CFDA #97.737: PPHF Community Transformation Grants -Small Communities Program financed solely by Public Prevention and Health Funds CFDA #93.940: HIV Prevention Activities_Health Department Based CFDA #93.977: Preventive Health Services_Sexually Transmitted Diseases Control Grants
Specific requirements	OMB Circular A-133, Subpart D--Federal Agencies and Pass- Through Entities, §___.400 Responsibilities. (d) Pass-through entity responsibilities. A pass-through entity shall perform the following for the Federal awards it makes: (3) Monitor the activities of subrecipients as necessary to ensure that Federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved. (4) Ensure that subrecipients expending $300,000 ($500,000 for fiscal years ending after December 31, 2003) or more in Federal awards during the subrecipient's fiscal year have met the audit requirements of this part for that fiscal year. (5) Issue a management decision on audit findings within six months after receipt of the subrecipient's audit report and ensure that the subrecipient takes appropriate and timely corrective action. (6) Consider whether subrecipient audits necessitate adjustment of the pass-through entity's own records.
Condition and context	CFDA #93.737. Per review of the monthly reimbursement requests the District receives from the subrecipients, there was insufficient supporting documentation for the expenditures for us to determine if the costs incurred by the subrecipient were allowable per the subaward agreements. CFDA #93.520. The District received a subrecipient reimbursement request on July 30, 2013, for expenditures incurred by the subrecipient for the semi-annual period ended June 30, 2013. We noted that the reimbursement request only included summary level detail and did not include individual invoices. Accordingly, we were unable to determine whether the expenditures were allowable and/or incurred in the appropriate period of availability as delineated in the subaward agreements. CFDA #93.940 / #93.977. The subrecipient submits reimbursement requests which are reviewed by District's grant program managers for compliance with the allowability and period of availability requirements documented in the subaward agreement. However, per examination of the monthly subrecipient reimbursement requests for September and October 2013, and January through March of 2014, we noted that the supporting documentation was too summarized to determine compliance with the allowable cost requirements of the subaward agreements.
Questioned costs	It is not possible to quantify the amount of questioned costs (if any) related to this finding, since we are unable to determine if the expenditures submitted by the subrecipients are allowable in accordance with the subaward agreement.
Effect	The District's grant program managers did not effectively monitor the activities of subrecipients as necessary to ensure that Federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved.
Cause	The District did not implement a formal subrecipient monitoring policy until August 2014 (i.e., fiscal 2015), and the policy did not require retroactive application to fiscal 2014.
Current status	Partially corrected. See finding 2015-002.

(Continued)

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

2014 - 006

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

(Continued)

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

2014 - 007

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

(Continued)

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

2014 - 008

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

(Continued)

SOUTHERN NEVADA HEALTH DISTRICT

SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

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

2014 - 009

Program	CFDA #93.977: Preventive Health Services_Sexually Transmitted Diseases Control Grants
Specific requirements	The grant agreement requires the District to submit quarterly statistical reports no later than 30 days after the end of each quarter of the grant period.
Condition and context	The grant program manager filed the required statistical reports on a semi-annual basis. The granting agency was contacted during the audit and informed us that the semi-annual reports were not considered acceptable for purposes of compliance with the grant reporting requirements.
Questioned costs	None.
Effect	The District was not in compliance with the statistical reporting provisions of the grant agreement.
Cause	The grant program manager responsible for statistical reporting was not aware of the quarterly reporting requirement.
Current status	Corrected.

(Continued)

SOUTHERN NEVADA HEALTH DISTRICT

SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

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

2014 - 010

Program	CFDA #93.069: Public Health and Emergency Preparedness CFDA #93.889: National Bioterrorism Hospital Preparedness Program
Specific requirements	Property records must be maintained that include a description of the property, a serial number or other identification number, the source of property, who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the cost of the property, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property.
Condition and context	We noted that the property records do not delineate equipment condition in accordance with the compliance requirements.
Questioned costs	None.
Effect	The District was not in compliance with the property record requirements of the grant agreements.
Cause	The policies and procedures in place to ensure that property records are in compliance with federal grant requirements did not function as intended, due to ineffective monitoring for compliance therewith.
Current status	Corrected.