SNHD
Southern Nevada Health District

Comprehensive Annual Financial Report

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

COMPREHENSIVE ANNUAL FINANCIAL REPORT

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

Introductory Section

December 14, 2017

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, 2017, 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, HIV/AIDS case management and home visitation. Clinical Services are provided at the Main Public Health Center, East Las Vegas, Henderson, and Mesquite. Clinical Services are also provided through special outreach events as requested by the community.

Environmental Health Division activities include the oversight of public health programs designed to protect the health of residents and visitors through inspection programs for child care facilities; food and beverage establishments; public accommodations; public swimming pools and spas; installation, repairs, upgrades and suspected leaks of underground storage tanks and tattoo, permanent makeup and body piercing operations. Additionally, a plan review program covering food and beverage establishments, individual sewage disposal systems, public swimming pools and spas, public water systems and subdivision review is in place. The Health District is the Solid Waste Management Authority for Clark County and in this capacity, provides regulatory oversight, including plan reviews and inspections of all solid waste facilities and recycling centers. Waste management audit inspections are conducted to ensure area businesses manage waste properly and are protective of public health and the environment. The division also monitors for potential outbreaks in the animal population to prevent the spread of disease and conducts routine surveillance programs in the spring, summer and fall of each year. These programs monitor for diseases such as plague, Hantavirus, West Nile Virus, and Zika Virus.

The Community Health Division programs include disease surveillance and epidemiology, chronic disease prevention and health promotion (including injury prevention), public health informatics, vital statistics, emergency medical system and trauma system coordination, and public health emergency preparedness for bioterrorism and other public health emergencies. The Public Health Laboratory opened in July 2004 as a branch of the Nevada State Health Laboratory and is under the direction of the Health District's Laboratory Director and is also administratively under the Community Health Division. During 2017 the Laboratory expanded to include services for clinical services.

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

Economic Conditions and Outlook

According to the 2014 estimates made by the Nevada state demographer, the population in Clark County grew to 2,126,099 in 2017. This reflects a population increase of 2.7 percent over the 2014 estimate of 2,069,450. Clark County's population is projected to grow by 3.7 percent in 2018 and 4.6 percent in 2019.[i]

According to the United States Department of Labor, Nevada's seasonally adjusted unemployment rate was 4.9% in August 2017. This unemployment rate reflects a 11.0 percent decrease from the same time last year (5.5% in August 2016).[ii] The Las Vegas-Henderson-Paradise Metropolitan Statistical Area (MSA) held steady unemployment rates during the months of 2017, ranging from 4.9 percent to 5.2 percent.[iii]

August 2017 marks the 80th consecutive month of year-over-year job growth in Nevada, with an increase of 38,800 since the same month last year. Las Vegas has gained 28,400 jobs over the year, resulting in a growth rate of 3 percent. With data through the first quarter of 2017, Nevada has highest private sector job growth in the United States, with the addition of more than 40,000 jobs relative to the first quarter of 2016, a growth rate of 3.6 percent. Small business employment continues to set new records, up nearly 19,000 jobs from a year ago.[iv]

In 2016, Las Vegas welcomed 42,936,109 visitors, an increase of 1.5 percent from 2015.[v] However, as of August 2017, year-to-date visitor volume slightly decreased by 0.9 percent to 28,541,867, compared to 28,811,333 in August 2016.[vi]

Based on the Greater Las Vegas Association of REALTORS® September 2017 statistics, median list price of single family residential units was $299,900, an increase of 12.8 percent from September 2016. Median list price of condo/townhouse units was $145,000, an increase of 23.0 percent from same time last year.[vii]

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

In fiscal year 2017, Clark County collected total property tax of $1.6 billion within the same year the tax was levied – an increase of 3.1 percent or $48.3 million from fiscal year 2016. In comparison, the Health District's property tax allocation in fiscal year 2017 increased by 1.8 percent or $370,881.

Federal, State, and local governments had a minimal 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, Indirect federal grants, 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, bond reserve, and internal service 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's Bond Reserve Capital Projects Fund and Internal Service Fund exceeded appropriations by $58,033 and $33,874 respectively. Designated staff, being unaware and having made a transfer in the previous year, also made a transfer of $826,000 from the General Fund to the Capital Projects Fund without obtaining Board of Health approval.

Cash Management

The Health District is required by NRS 439.367 to pool its monies with Clark County and that these monies are invested by the Clark County Treasurer. At fiscal year end June 30, 2017, $9,268,796 in cash resources was invested with the Clark County Investment Pool and $14,935,543 was invested in an investment account held with the Clark County Treasurer and Wells Fargo. The average effective yield on maturing investments was 1.12 percent compared with 1.5 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 Public Agency Compensation Trust (PACT) Cooperative Agreement for coverage of liability claims and related expenses with $50,000 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 Eide Bailly, LLP was selected by the Board to perform the fiscal year 2017 audit. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the compliance requirements descripted in the *OMB Compliance Supplement*. The auditor's report on the basic financial statements is included in the financial section of this report beginning on page 10. The auditor's report on the internal accounting controls of the Health District and statement regarding the use of monies in compliance with the purpose of each fund (beginning on page 86) is included in the compliance and controls section and will be filed as a public record pursuant to NRS 354.624.

Report Evaluation

The Government Finance Officers Association of the United States and Canada (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting (CAEFR) to those agencies meeting its established criteria. In order to be awarded a Certificate of Achievement, the Health District must publish an easily readable and efficiently organized Comprehensive Annual Financial Report (CAFR) whose contents conform to the program standards. The Health District has received the Certificate of Achievement for its CAFR for fiscal years ending 2003 through 2016. See page 9 for the fiscal year 2016 CAEFR certificate.

Acknowledgements

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

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

Respectfully submitted,

Andrew J. Glass, FACHE, MS
Director of Administration

Joseph Iser, MD, DrPH, MSc
Chief Health Officer

Sharon L. McCoy-Huber
Financial Services Manager

[1] Nevada State Demographer's Office. Population Projections for Nevada's Counties 2015 to 2019. Retrieved October 31, 2017, from http://nvdemography.org/wp-content/uploads/2015/02/March-2015-Five-Year-Projections.pdf
[1] United States Department of Labor Bureau of Labor Statistics. Local Area Unemployment Statistics. Retrieved October 31, 2017, from https://data.bls.gov/timeseries/LASST320000000000003
[1] United States Department of Labor Bureau of Labor Statistics. Seasonally Adjusted Metropolitan Area Estimates. Retrieved October 31, 2017, from https://www.bls.gov/lau/metrossa.htm
[1] Nevada Department of Employment Training and Rehabilitation. Economy In Brief, August 2017. Retrieved October 31, 2017, from http://nevadaworkforce.com/Publications
[1] Las Vegas Convention and Visitor Authority. 2016 Las Vegas Year-To-Date Executive Summary. Retrieved October 31, 2017, from http://www.lvcva.com/includes/content/images/media/docs/ES-YTD-2016.pdf
[1] Las Vegas Convention and Visitor Authority. 2017 Las Vegas Year-To-Date Executive Summary. Retrieved October 31, 2017, from http://www.lvcva.com/includes/content/images/media/docs/ES-YTD-2017.pdf
[1] Greater Las Vegas Association of REALTORS®. September 2017 Statistics. Retrieved October 31, 2017, from http://www.lasvegasrealtor.com/wp-content/uploads/2017/10/September-2017-GLVAR-Housing-Stats.pdf

Southern Nevada Health District

DISTRICT OFFICIALS

CHIEF HEALTH OFFICER

Joseph P. Iser
MD, DrPH, MSc

BOARD OF HEALTH

Officers

CHAIR
Marilyn Kirkpatrick
Clark County Commissioner

VICE CHAIR
Douglas Dobyne
Business/Industry

SECRETARY
Frank Nemec, MD
Physician

Board Members

Scott Black
City of North Las Vegas
Councilmember

Chris Giunchigliani
Clark County
Commissioner

Brian Wursten
Mesquite Councilmember

Bob Coffin
City of Las Vegas
Councilmember

Dan Stewart
City of Henderson
Councilman

Scott Nielson
Gaming

Rich Shuman
City of Boulder City
Council Member

Ricki Barlow
City of Las Vegas
Councilmember

DIVISION DIRECTORS

Administration
Andrew J. Glass, FACHE, MS

Clinical Services
Fermin Leguen, MD

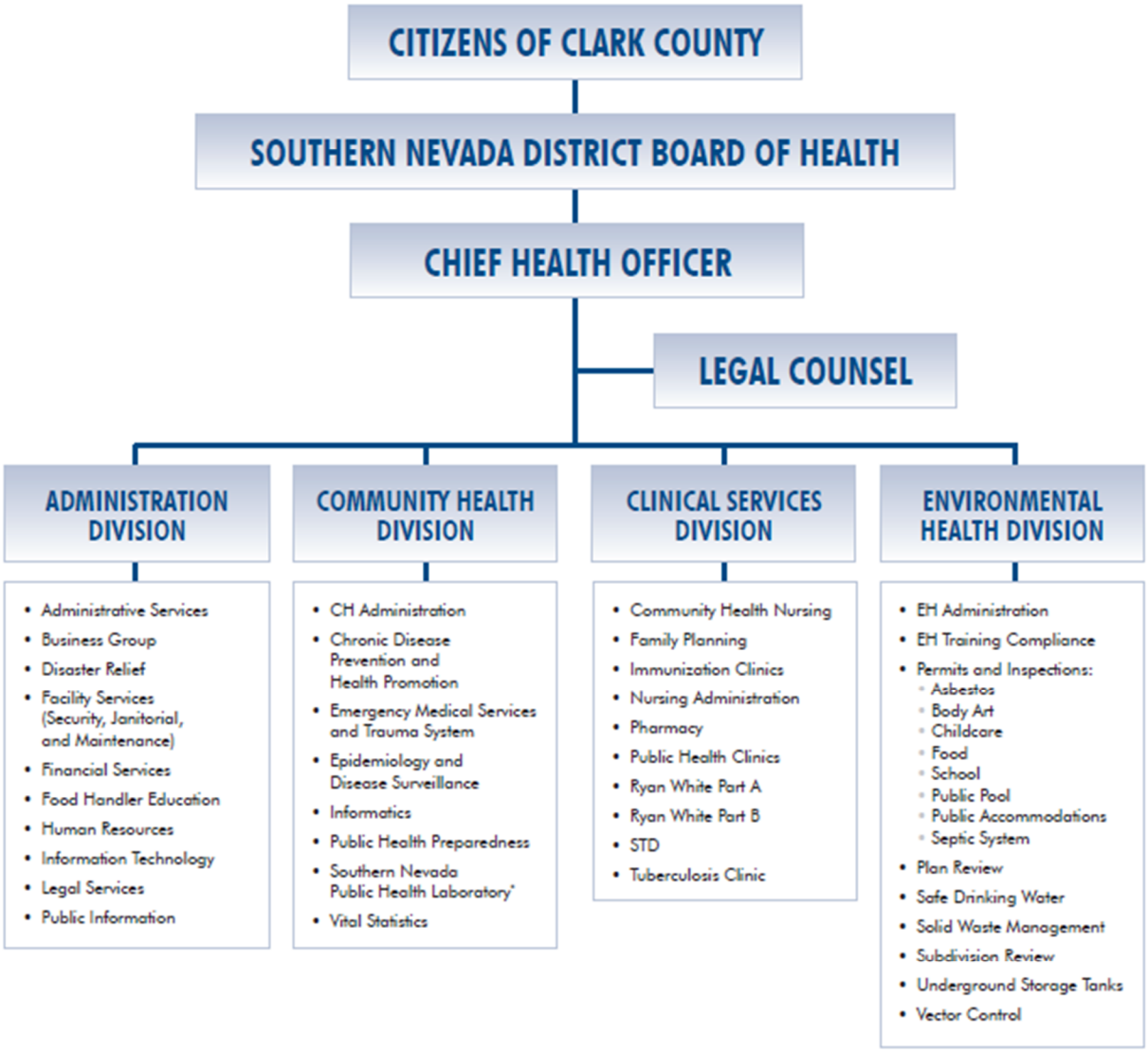
Community Health
Michael Johnson, PhD

Environmental Health
Jacqueline Reszetar, MS

Southern Nevada Health District

SOUTHERN NEVADA HEALTH DISTRICT ORGANIZATION CHART

Fiscal Year Ending June 30, 2017



* The Southern Nevada Public Health Laboratory (SNPHL) opened in July 2004 as a branch of the Nevada State Public Health Laboratory (NSPHL) and is under the direction of the Southern Nevada Health District's Laboratory Director and is also administratively under the Community Health Division. The SNPHL shall continue to be designated as a branch of the NSPHL 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, 2016

Executive Director/CEO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Financial Section

EideBailly

CPAs & BUSINESS ADVISORS

Independent Auditor's Report

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

Report on the Financial Statements
We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Southern Nevada Health District (the District) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

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

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

Opinions
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2017, and the respective changes in financial position and, where, applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 13 through 24 as well as the respective budgetary comparison for the General Fund and the Special Revenue Fund, the schedule of funding progress for the District's post employment healthcare plan, the schedule of the District's proportionate share of the net pension liability, and the schedule of District contributions for the District's defined benefit pension plan on pages 58 through 63 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the management's discussion and analysis and pension and OPEB trend data in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The budgetary comparison information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the budgetary comparison information is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

The individual fund schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund schedules and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated December 6, 2017 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Las Vegas, Nevada
December 6, 2017

FINANCIAL SECTION

Management's Discussion and Analysis

As members of the Southern Nevada Health District's management, we offer the readers of the Southern Nevada Health District (Health District) financial statements this narrative overview and analysis of the financial activities of the Health District for the fiscal year ended June 30, 2017. 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 and deferred inflows exceeded its assets and deferred outflows at the close of the most recent fiscal year by $40,048,475. Of this amount, unrestricted net position could be used to meet the government's on-going obligations to citizens and creditors, if it were a positive number.

The Health District's total net position increased by $2,747,702 primarily due to the increased revenues and savings in personnel costs.

At the close of the current fiscal year, the Health District's governmental activities reported a negative $40,048,475 net position; an increase of $28,982 in comparison with the prior year.

The Health District's total revenue increased by $658,995. Increases in grant funding ($8,178), charges for services ($399,845) and property tax allocation ($370,881) are the primary reasons for this increase. Expenditures increased by $341,728; clinical services ($1,677,145) reflects the primary increase and administration decreased by $657,982.

Overview of the Financial Statements

The discussion and analysis provided herein is intended to serve as an introduction to the Southern Nevada Health District's basic financial statements. The Health District's basic financial statements consist of three components:

Government-wide financial statements

Fund financial statements

Notes to financial statements

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

Government-wide Financial Statements

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

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

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

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

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

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

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

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

The government-wide financial statements can be found beginning on page 25 of this report.

Fund Financial Statements

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

Governmental funds

Proprietary funds

Fiduciary funds

Governmental Funds

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

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

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

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

The basic governmental fund financial statements can be found beginning on page 27 of this report.

Proprietary Funds

The Health District on June 30, 2016 maintained two different types of proprietary funds; but as of June 30, 2017, the Health District only maintains an internal service fund:

The e*nterprise fund* which was used to report the same functions presented as business-type activities in the government-wide financial statements. The Health District accounted for the activity of the Southern Nevada Public Health Laboratory in an enterprise fund. Effective July 1, 2016 the laboratory department and function was moved to the Health District general fund.

An i*nternal service fund* is used to accumulate and allocate costs internally among various functions. The Health District uses an internal service fund to account for the management of its self-insured workers compensation claims and payment for current non-self-insured workers compensation premiums. The Health District's self-insured workers compensation program became effective on July 1, 2005, after it was approved by the Division of Insurance of the State of Nevada on May 12, 2005 and the Southern Nevada District Board of Health on May 26, 2005. The Health District made the decision in August 2015 to move to a fully funded plan to manage the workers compensation claims. The internal service fund must remain open for future claims from injuries between 2005 and 2015.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The internal service fund is a single, aggregated presentation in the proprietary fund financial statements. The basic proprietary fund financial statements can be found beginning on page 31 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reported in the government-wide financial statements because the resources of those funds are not available to support the Health District's own programs. The Health District created an Employee Events Fund in July 2015 to manage funds collected by employees to be managed and used by and for employees.

Notes to the Financial Statements

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

The notes to the financial statements can be found beginning on page 35 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the Health District's progress in funding its obligation to provide pension and other postemployment benefits (OPEB) to its employees.

Required supplementary information can be found beginning on page 57 of this report.

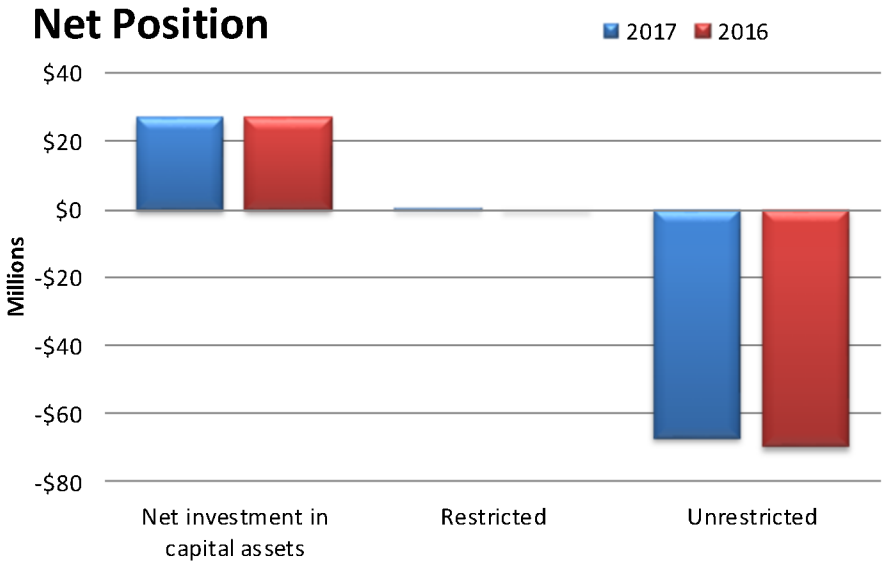
Government-wide Overall Financial Analysis

As noted earlier, net position over time, may serve as a useful indicator of a government's financial position. In the case of the Health District, assets exceeded liabilities by $2,747,702 at the close of the most recent fiscal year.

Summary Statement of Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2017	2016	2017	2016	2017	2016
Assets						
Current, restricted and other	$ 30,650,831	$ 28,660,398		$ 233,663	$ 30,650,831	$ 28,894,061
Capital	26,842,043	26,334,588		564,508	26,842,043	26,899,096
Total assets	57,492,874	54,994,986		798,171	57,492,874	55,793,157
Deferred outflows of resources	16,972,554	9,363,626		373,171	16,972,554	9,736,797
Liabilities						
Current	8,653,952	6,042,694		18,108	8,653,952	6,967,410
Long-term	94,432,611	85,357,619		3,269,928	94,432,611	87,627,547
Total liabilities	103,086,563	91,400,313		3,288,036	103,086,563	94,594,957
Deferred inflows of resources	11,427,340	13,035,756		602,026	11,427,340	13,637,782
Net position						
Net investment in capital assets	26,842,043	26,334,588		564,508	26,842,043	26,899,096
Restricted	89,000	-0-		-0-	89,000	-0-
Unrestricted	(66,979,518)	(66,412,045)		(3,283,228)	(66,979,518)	(69,695,273)
Total net position	$ (40,048,475)	$ (40,077,457)	$ -0-	$ (2,718,720)	$ (40,048,475)	$ (42,796,177)

Total unrestricted net position represents 167% of total net position of Governmental Activities and is not available to meet the Health District's ongoing obligations to citizens and creditors. The remainder of the Health District's net position, a negative 67% reflects its investment in capital assets (*e.g.*, land, buildings, equipment, vehicles, infrastructure) and funds restricted for grants. The Health District uses these capital assets to provide a variety of services to citizens. Accordingly, these assets are not available for future spending.



At the end of the current fiscal year, the Health District is not able to report positive balances in all reported categories of net position for the government as a whole. This is due to the implementation of GASB 68.

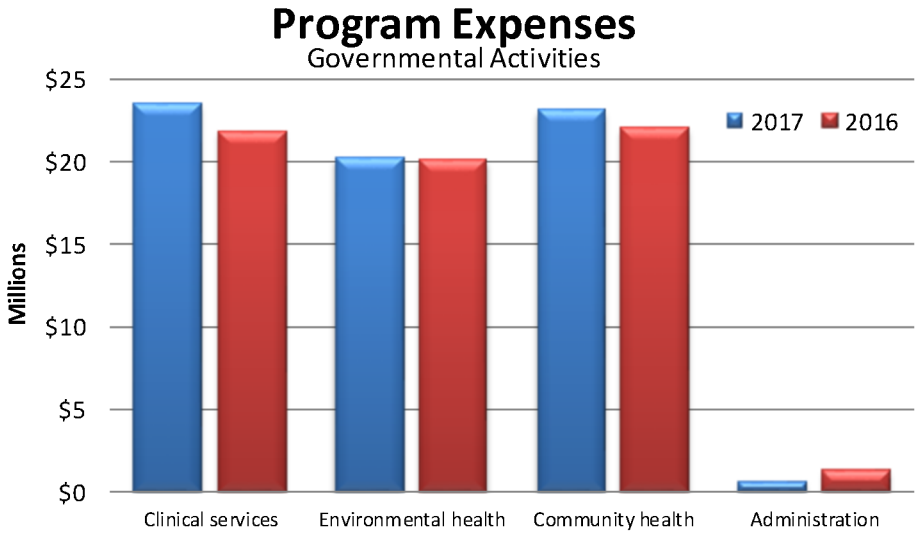
The Health District's overall net position increased $2,747,702 from the prior fiscal year. The reasons for the overall increase are discussed in the following sections for the governmental activities and business-type activities.

Summary Statement of Changes in Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2017	2016	2017	2016	2017	2016
Revenues						
Program revenues						
Charges for services	$ 30,928,469	$ 30,528,624	$ -0-	$ -0-	$ 30,928,469	$ 30,528,624
Operating grants and contributions	18,547,680	18,455,742	83,760	83,760	18,547,680	18,539,502
General revenues						
Property tax allocation	20,109,032	19,738,151	-0-	-0-	20,109,032	19,738,151
Unrestricted investment income	(41,128)	579,627	7,196	7,196	(41,128)	586,823
Miscellaneous	708,042	200,000	-0-	-0-	708,042	200,000
Total revenues	70,252,095	69,502,144	90,956	90,956	70,252,095	69,593,100
Expenses						
Public health						
Clinical services						
Administration	1,519,078	1,161,576			1,519,078	1,161,576
Communicable disease care	5,636,215	5,621,758			5,636,215	5,621,758
Immunizations	9,380,360	8,573,021			9,380,360	8,573,021
Women's health	1,910,171	2,889,291			1,910,171	2,889,291
Children's health	5,052,134	3,575,167			5,052,134	3,575,167
Environmental health						
Administration/General	3,675,129	3,759,335			3,675,129	3,759,335
Food	7,652,835	8,028,770			7,652,835	8,028,770
Plan Review	2,448,546	2,360,029			2,448,546	2,360,029
Permits	3,255,773	3,039,407			3,255,773	3,039,407
Waste management	2,592,601	2,294,555			2,592,601	2,294,555
Underground storage tanks/Safe drinking water	598,344	580,828			598,344	580,828
Community health services						
Administration	569,045	554,212			569,045	554,212
Chronic disease prevention & health promotion	5,456,426	6,129,727			5,456,426	6,129,727
Disease surveillance & epidemiology	6,638,231	6,455,802			6,838,231	6,455,802
Public health preparedness	3,495,536	3,944,196			3,495,536	3,944,196
EMS & trauma system	802,576	714,012			802,576	714,012
Vital statistics	2,000,079	2,413,741			2,000,079	2,413,741
Informatics	1,112,159	417,165			1,112,159	417,165
Public health laboratory	3,069,438	1,397,586	1,954,788	1,954,788	3,069,438	3,352,374
Administration						
General administration	16,056,158	16,268,005			16,056,158	16,268,005
Food handler education	1,114,758	1,069,826			1,114,758	1,069,826
Disaster recovery	62,078	6,232			62,078	6,232
Business group	971,299	948,631			971,299	948,631
Indirect cost allocation	(17,564,576)	(16,994,995)			(17,564,576)	(16,994,995)
Total expenses	67,504,393	65,207,877	1,954,788	1,954,788	67,504,393	67,162,665
Change in net position before transfers	2,747,702	4,294,267	(1,863,832)	(1,863,832)	2,747,702	2,430,435

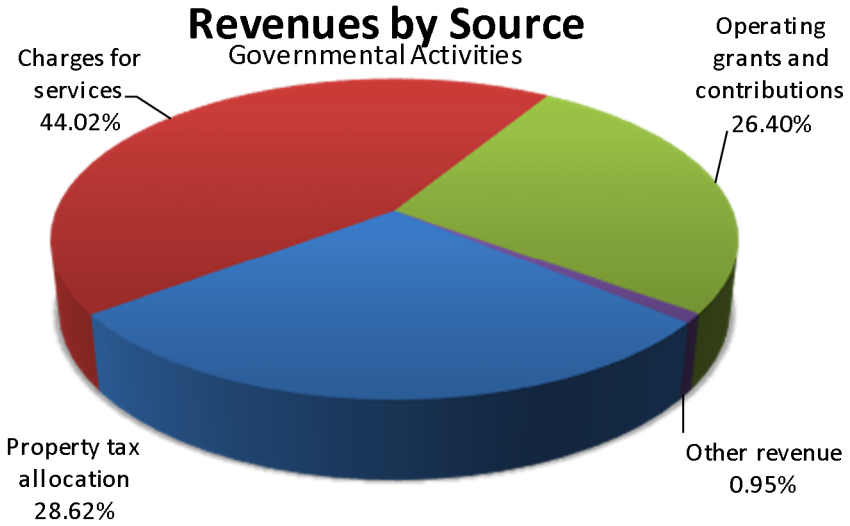
Summary Statement of Changes in Net Position (continued)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2017	2016	2017	2016	2017	2016
Special item-transfer of business type activities	$ (2,932,077)	$ -0-	$ 2,932,077	$ -0-	$ -0-	$ -0-
Transfers	213,357	(794,266)	(213,357)	794,266	-0-	-0-
Change in net position	28,982	3,500,001	2,718,720	(1,069,566)	2,747,702	2,430,435
Net position, beginning of year	(40,077,457)	(43,577,458)	(2,718,720)	(1,649,154)	(42,796,177)	(45,226,612)
Net position, end of year	$ (40,048,475)	$ (40,077,457)	$ -0-	$ (2,718,720)	$ (40,048,475)	$ (42,796,177)



Governmental Activities

During the current fiscal year, net position for governmental activities increased $28,982 from the prior fiscal year to an ending balance of negative $40,048,475.



Business-type Activities

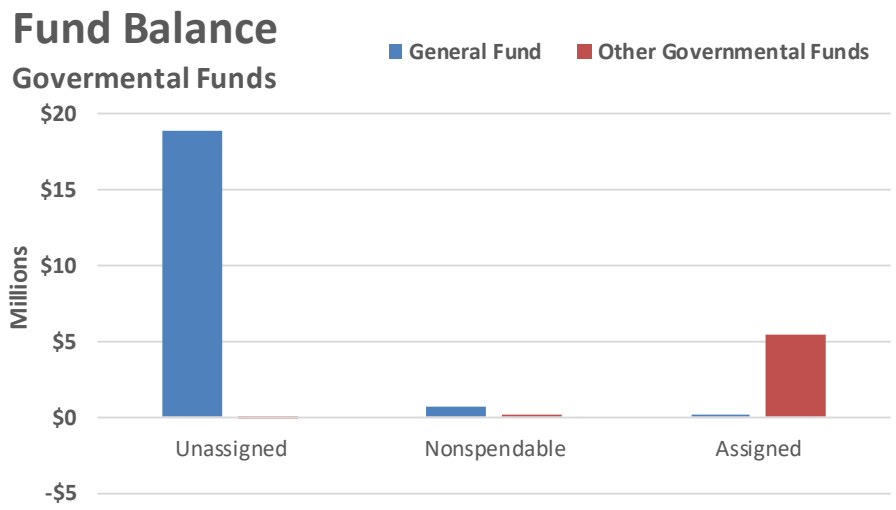
For the Southern Nevada Public Health Laboratory's business-type activities, the result for the current fiscal year showed that overall net position increased by $2,718,720, to reach an ending balance of $-0-. The Laboratory business-type activity was relocated to the general fund and is now included in the governmental activities.

Financial Analysis of Governmental Funds

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

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

At June 30, 2017, the Health District's governmental funds reported combined fund balances of $25,329,377, an increase of $3,300,281 in comparison with the prior year. Approximately 74%, or $18,854,517, 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: $847,339 is non-spendable, $5,445,894 is assigned to capital project improvements, and $181,627 is assigned to administrative purchases.



The general fund is the chief operating fund of the Health District. At the end of the current fiscal year, unassigned government fund balance of the general fund was $18,864,880, while the total fund balance is $19,763,877. As a measure of operating liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total combined general fund and special revenue fund expenditures.

Unassigned fund balance represents approximately 26% of total combined general fund and special revenue fund expenditures and transfers, while total governmental fund balance represents approximately 34% of the total governmental expenditures and transfers. The Health District's general fund fund balance increased by $2,527,483 during the current fiscal year, attributable to increased revenue (fees for services and refund from prior year expense).

Other governmental funds consist of the Special Revenue Fund, the Bond Reserve Fund (also known as Building Fund) and the Capital Projects Fund. The Special Revenue Fund was created in fiscal year 2016 to account for the grant funds the Health District receives and has a nonspendable and unassigned fund balance of $13,120.

The Bond Reserve Fund was approved by the Board of Health on March 27, 2008, so that the Health District will be able to pay bonded debt in the event that Clark County issues bonds on behalf of the Health District in order to fund a new facility replacement for the main campus. On December 16, 2010, the Southern Nevada District Board of Health amended the original purpose of the Bond Reserve Fund to allow the Board of Health to utilize the resources of the debt service fund for any identifiable projects at the discretion of the Board that benefit the public health of Clark County.

The Bond Reserve fund has an assigned balance of $1,529,419 at the end of the current fiscal year, which increased by $1,471,988 as compared to the prior fiscal year. The increase is due to the continued transfers from the general fund for major renovations to facilities owned by the Health District. The Capital Projects Fund has $4,002,961 of fund balance $137,400 which is nonspendable for prepaid expenses, and $3,885,561 which is assigned for future capital project improvements. Fund balance in the Capital Projects Fund decreased by $709,043, due to capital outlay expenditures.

REVENUES

	2017		2016		Increase (Decrease)	
	Amount	Percent	Amount	Percent	Amount	Percent
General Fund Revenues						
Charges for services						
Title XIX Medicaid	$ 930,802	1.81%	$ 1,091,225	2.15%	$ (160,423)	-14.70%
Vital records, immunizations and other medical services	10,958,711	21.26%	7,347,690	14.50%	3,611,021	49.14%
Regulatory services	19,019,582	36.90%	21,925,361	43.26%	(2,905,782)	-13.25%
Program contract services	19,374	0.04%	107,729	0.21%	(88,355)	-82.02%
Total charges for services	30,928,469	60.01%	30,472,005	60.12%	456,461	1.50%
Intergovernmental revenues						
Property tax allocation	20,109,032	39.01%	19,738,151	38.95%	370,881	1.88%
Contributions and donations	4,800	0.01%	14,193	0.03%	(9,393)	-66.18%
Interest income	(34,001)	-0.07%	414,607	0.82%	(448,608)	-108.20%
Other	534,688	1.04%	42,426	0.08%	492,262	1,160.28%
Total general fund revenues	$ 51,542,988	100.00%	$ 50,681,382	100.00%	$ 861,606	1.70%
Special Revenue Fund Revenues						
Intergovernmental revenues						
State funding	$ 1,094,989	5.85%	$ 1,727,368	9.36%	$ 1,727,368	9.36%
Indirect federal grants	11,596,555	61.98%	10,467,596	56.72%	10,467,596	56.72%
Direct federal grants	5,851,336	31.27%	6,260,778	33.92%	6,260,778	33.92%
Total intergovernmental revenues	18,542,880	99.11%	18,455,742	100.00%	87,136	0.47%
Other	167,396	1.06%	-0-	0.00%	167,396	100.00%
Total special revenue fund revenues	$ 18,710,276	100.00%	$ 18,455,742	100.00%	$ 254,534	1.38%
Combined Special Revenue & General Funds	$ 70,253,264		$ 69,137,124		$ 1,116,140	1.61%

The increase/decrease in vital records, immunizations and other medical services and regulatory services is due to fact that fees for food handler cards were relocated to another category. Increase in charges for services was due to number of patients with third party insurance.

The increase in property tax allocation of $370,881 is due to the economy improving, increased property values, and increased property taxes. This amount could have been higher but there is a 3% property tax cap on increases for all property in the State of Nevada.

The other intergovernmental revenues (excluding the property tax allocation) in the amount of $254,534 remained overall flat due to increased various small amount grants and decreases in Ryan White B funding. Various federal and pass-through grant awards also decreased.

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

EXPENDITURES

	2017		2016		Increase (Decrease)	
	Amount	Percent	Amount	Percent	Amount	Percent
General Fund Expenditures						
Current						
Public health						
Clinical services	$ 14,960,218	35.91%	$ 14,053,720	33.96%	$ 906,498	6.45%
Environmental health	19,451,702	46.70%	19,373,500	46.82%	78,202	4.04%
Community health services	9,109,308	21.87%	7,396,756	17.88%	1,712,552	23.15%
Administration	(2,629,161)	-6.31%	(224,897)	-0.54%	(2,404,270)	1,069.05%
Capital outlay						
Public health	763,173	1.83%	779,992	1.88%	(16,819)	-2.16%
Total general fund expenditures	$ 41,655,240	100.00%	$ 41,379,071	100.00%	$ 276,169	0.67%
Special Revenue Fund Expenditures						
Current						
Public health						
Clinical services	$ 8,495,479	36.08%	$ 8,218,244	34.99%	$ 277,235	2.76%
Environmental health	630,107	2.68%	600,271	2.56%	29,836	4.97%
Community health services	14,055,911	59.68%	14,550,950	61.95%	(495,039)	-3.40%
Capital outlay						
Public health	365,909	1.55%	116,964	0.50%	248,945	212.84%
Total special revenue fund expenditures	$ 23,547,406	100.00%	$ 23,486,429	100.00%	$ 60,977	0.26%
Combined Special Revenue & General Funds	$ 65,202,646		$ 64,865,500		$ 337,142	0.52%

General Fund Budgetary Highlights

Original budget compared to final budget

The current budget procedure allows funds to be moved within programs and departments. Also, on June 22, 2017 the Board of Health approved a budget augmentation for the Bond Reserve Fund. Major renovations to the laboratory exceeded the amount budgeted. The appropriations were increased from $ 225,000 to $ 365,000.

Final budget compared to actual results

Laboratory fees were $307,494 over budget, while Vital Statistics maintained an annual increase over budget by $258,317. Additionally, a prior year expenditure was reimbursed in the amount of $244,909.

Total expenditures and transfers out are $2.2 million below budget. Actual salaries and employee benefits were under budget by $2.2 million. Services and supplies were over budget by approximately $2.1 million. Capital outlays were over budget by $763,173, while transfers to other funds were under budget by $1.5 million.

Differences between budgeted revenue and expenditures and actual revenue and expenditures were as follows:

General Fund Budget to Actual Information

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Charges for services				
Title XIX Medicaid	$ 1,467,740	$ 1,467,740	$ 930,802	$ (530,878)
Vital records, immunizations and other medical services	10,153,091	10,153,091	10,958,711	724,381
Regulatory services	18,748,000	18,748,000	19,019,582	271,582
Program contract services	75,680	75,680	19,374	19,374
Intergovernmental revenues				
Property tax allocation	20,109,031	20,109,031	20,109,032	1
Contributions and donations	17,300	17,300	4,800	(12,500)
Interest income	216,000	216,000	(34,001)	(250,001)
Other	30,900	30,900	516,162	485,262
EXPENDITURES				
Public health				
Salaries and wages	26,417,307	26,417,307	25,333,072	(1,084,235)
Employee benefits	11,649,739	11,649,739	10,514,055	(1,135,684)
Services and supplies	2,938,372	2,938,372	5,044,940	2,106,568
Capital outlay	-0-	-0-	763,173	763,173
OTHER FINANCING USES				
Transfers in	-0-	-0-	281,979	281,979
Transfers out	(9,193,595)	(9,193,595)	(7,642,246)	1,551,348
Proceeds from capital asset disposal	-0-	-0-	18,525	18,525

Capital assets

As of June 30, 2017, Health District's net investment in capital assets for its governmental activities amounts to $26,842,042. 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 $792,307, or 3%, due primarily to the renovation of the laboratory.

	Balance July 1, 2016	Increases and transfers *	Decreases and transfers *	Balance June 30, 2017
Governmental activities				
Capital assets not being depreciated or amortized				
Construction in progress	$ -0-	$ 100,540	$ -0-	$ 100,540
Land	3,447,236	-0-	-0-	3,447,236
Total capital assets not being depreciated or amortized	3,447,236	100,540	-0-	3,547,776
Capital assets being depreciated or amortized				
Buildings	$ 20,899,098	$ 10,744	$ (2,514,099)	$ 18,395,743
Improvements other than buildings	2,916,510	821,510	(103,499)	3,634,521
Furniture, fixtures and equipment	10,220,535	4,358,324	(1,324,993)	13,253,866
Vehicles	670,880	118,744	(105,985)	683,640
Total capital assets being depreciated or amortized	34,707,023	5,309,322	(4,048,576)	35,967,769

	Balance July 1, 2016	Increases and transfers *	Decreases and transfers *	Balance June 30, 2017
Governmental activities (continued)				
Accumulated depreciation and amortization				
Buildings	(2,424,485)	(620,880)	1,697,037	(1,348,328)
Improvements other than buildings	(2,297,524)	(163,854)	77,351	(2,384,027)
Furniture, fixtures and equipment	(6,624,354)	(3,193,430)	1,318,844	(8,498,940)
Vehicles	(473,308)	(74,884)	105,985	(442,207)
Total accumulated depreciation and amortization	(11,819,671)	(4,053,048)	3,199,217	(12,673,502)
Total capital assets being depreciated or amortized, net	22,887,352	1,256,274	(849,359)	23,294,267
Total governmental activities	$ 26,334,588	$ 1,356,814	$ (849,359)	$ 26,842,043

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

Business-type activities				
Capital assets being depreciated or amortized				
Improvements other than buildings	$ 140,840	$ -0-	$ (140,840)	$ -0-
Furniture, fixtures and equipment	2,406,115	-0-	(2,406,115)	-0-
Vehicles	41,976	-0-	(41,976)	-0-
Total capital assets being depreciated or amortized	2,588,931	-0-	(2,588,931)	-0-
Accumulated depreciation and amortization				
Improvements other than buildings	(73,608)	-0-	73,608	-0-
Furniture, fixtures and equipment	(1,926,579)	-0-	1,926,579	-0-
Vehicles	(24,236)	-0-	24,236	-0-
Total accumulated depreciation and amortization	(2,024,423)	-0-	2,024,423	-0-
Total business-type activities	$ 564,508	$ -0-	$ (564,508)	$ -0-

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

Some of the larger capital asset additions for the governmental type funds for fiscal year ending June 30, 2017, included realigning the public health laboratory from a business-type activity, computer hardware, computer software, and equipment costs as listed below:

Public health laboratory (net): $564,508
Laboratory improvements and equipment: $1,008,930
Additional costs to the electronic resource planning system: $774,227
Hardware: $516,697
Improvements to main building (280 S. Decatur): $262,089

The Health District deleted capital assets by $4,048,577. Multiple assets deleted relating to a facility that was demolished on Shadow Lane.

Additional information on the District's capital assets can be found in Note 4 beginning on page 47 of this report.

Long-term Debt

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

Economic Factors and Next Year's Budgets and Rates

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

State, federal, and pass-through grant revenue all increased during fiscal 2017.

Although created as an independent governmental entity pursuant to Nevada Revised Statute (NRS) 439.361, the Health District has no taxing authority and must rely on revenue from fees and other governmental sources in order to operate. Funding for all capital improvements must be derived from operating revenue unless capital grant funds are awarded.

Currently, the Health District is faced with the need to maintain a reserve to respond effectively to a possible pandemic outbreak and other public health emergencies. The Board of Health continued its previous approval of $1,000,000 of fund balance to be used if needed for that purpose.

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

The Health District will continue to pursue not only proportional allocation of Federal pass-through dollars through the State, but also direct funding from the Federal government. Clark County has 72.8% of Nevada's population and is 4.7 times the population of Washoe County in Northern Nevada. The additional Federal support will enable the Health District to better address the needs of residents requiring services.

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

The Unassigned Fund balance of the General Fund is $18,864,880 as of June 30, 2017.

Request for Information

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

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

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

FINANCIAL SECTION

Basic Financial Statements

FINANCIAL SECTION >
BASIC FINANCIAL STATEMENTS

Government-Wide Financial Statements

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and equivalents, unrestricted	$ 9,275,063	$ -	$ 9,275,063
Restricted cash	89,000	-	89,000
Investments	14,935,543	-	14,935,543
Grants receivable	4,402,692	-	4,402,692
Accounts receivable	751,624	-	751,624
Contracts receivable	18,163	-	18,163
Interest receivable	85,222	-	85,222
Other receivable	245,611	-	245,611
Prepaid items	298,619	-	298,619
Inventories	549,294	-	549,294
Capital assets not being depreciated			
Land	3,447,236	-	3,447,236
Construction in progress	100,540	-	100,540
Capital assets, net of accumulated depreciation and amortization			
Buildings	17,047,415	-	17,047,415
Improvements other than buildings	1,250,494	-	1,250,494
Furniture, fixtures and equipment	4,754,926	-	4,754,926
Vehicles	241,432	-	241,432
Total assets	57,492,874	-	57,492,874
Deferred Outflows of Resources			
Deferred amounts related to pensions	16,972,554	-	16,972,554
Liabilities			
Accounts payable	3,152,272	-	3,152,272
Accrued expenses	1,635,942	-	1,635,942
Workers compensation self-insurance claims	125,000	-	125,000
Unearned revenue	61,196	-	61,196
Long-term liabilities, due within one year			
Compensated absences	3,679,542	-	3,679,542
Long-term liabilities, due in more than one year			
Compensated absences	2,594,761	-	2,594,761
Postemployment benefits other than pensions	21,657,518	-	21,657,518
Net pension liability	70,180,332	-	70,180,332
Total liabilities	103,086,563	-	103,086,563
Deferred Inflows of Resources			
Deferred amounts related to pensions	11,427,340	-	11,427,340
Net Position			
Net investment in capital assets	26,842,043	-	26,842,043
Restricted	89,000	-	89,000
Unrestricted	(66,979,518)	-	(66,979,518)
Total net position	$ (40,048,475)	$ -	$ (40,048,475)

Function/Program	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position Primary Government: Governmental Activities	Net (Expenses) Revenues and Changes in Net Position Primary Government: Business-type Activities	Net (Expenses) Revenues and Changes in Net Position Primary Government: Total
Governmental activities							
Public health							
Clinical services	$ 23,497,958	$ 5,226,711	$ 6,611,579	$ -	$ (11,659,668)	$ -	$ (11,659,668)
Environmental health	20,223,228	18,815,417	531,384	-	(876,427)	-	(876,427)
Community health	23,143,490	4,040,576	11,404,717	-	(7,698,197)	-	(7,698,197)
Administration	639,717	2,845,765	-	-	2,206,048	-	2,206,048
Total governmental activities	67,504,393	30,928,469	18,547,680	-	(18,028,244)	-	(18,028,244)
Total function/program	$ 67,504,393	$ 30,928,469	$ 18,547,680	$ -	(18,028,244)	-	(18,028,244)
General Revenues							
Property tax allocation					20,109,032	-	20,109,032
Other income					708,042	-	708,042
Unrestricted investment loss					(41,128)	-	(41,128)
Special items					(2,932,077)	2,932,077	-
Transfers					213,357	(213,357)	-
Total general revenues, special items and transfers					18,057,226	2,718,720	20,775,946
Change in net position					28,982	2,718,720	2,747,702
Net position, beginning of year					(40,077,457)	(2,718,720)	(42,796,177)
Net position, end of year					$ (40,048,475)	$ -	$ (40,048,475)

FINANCIAL SECTION >
BASIC FINANCIAL STATEMENTS

Fund Financial Statements

	General Fund	Special Revenue Fund	Capital Projects Funds		Total Governmental Funds
			Bond Reserve	Capital Projects	
Assets					
Cash and cash equivalents	$ 3,225,042	$ 154	$ 1,574,132	$ 4,094,446	$ 8,893,774
Investments	14,935,543	-	-	-	14,935,543
Grants receivable	-	4,402,692	-	-	4,402,692
Accounts receivable, net	751,624	-	-	-	751,624
Contracts receivable	18,163	-	-	-	18,163
Other receivables	245,092	519	-	-	245,611
Interest receivable	70,079	-	3,615	10,347	84,041
Due from other funds	3,442,861	-	-	-	3,442,861
Inventories	549,294	-	-	-	549,294
Prepaid items	137,162	23,483	-	137,400	298,045
Total assets	$ 23,374,860	$ 4,426,848	$ 1,577,747	$ 4,242,193	$ 33,621,648
Liabilities					
Accounts payable	$ 1,913,845	$ 970,867	$ 48,328	$ 219,232	$ 3,152,272
Accrued payroll and related	1,635,942	-	-	-	1,635,942
Unearned revenue	61,196	-	-	-	61,196
Due to other funds	-	3,442,861	-	-	3,442,861
Total liabilities	3,610,983	4,413,728	48,328	219,232	8,292,271
Fund balances					
Nonspendable					
Inventories	549,294	-	-	-	549,294
Prepaid items	137,162	23,483	-	137,400	298,045
Restricted for					
Grants	-	-	-	-	-
Assigned to					
Capital improvements	30,914	-	1,529,419	3,885,561	5,445,894
Administration	181,627	-	-	-	181,627
Unassigned	18,864,880	(10,363)	-	-	18,854,517
Total fund balances	19,763,877	13,120	1,529,419	4,022,961	25,329,377
Total liabilities and fund balances	$ 23,374,860	$ 4,426,848	$ 1,577,747	$ 4,242,193	$ 33,621,648

Total fund balance - governmental funds		$ 25,329,377
Amounts reported in the statement of net position are different because:		
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in governmental funds		
Capital assets, net of accumulated depreciation	26,842,043	
		26,842,043
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	(21,657,518)	
Compensated absences	(6,274,303)	
Net pension liability	(70,180,332)	
Deferred outflows related to pensions	16,972,554	
Deferred inflows related to pensions	(11,427,340)	
		(92,566,939)
Internal service funds are used by management to charge the costs of certain activities to individual funds:		
Internal service fund assets and liabilities included in governmental activities in the statement of net position	347,044	
		347,044
Total net position - governmental activities		$ (40,048,475)

Southern Nevada Health District
Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2017

	General Fund	Special Revenue Fund	Capital Projects Funds		Total Governmental Funds
			Bond Reserve	Capital Projects	
Revenues					
Charges for services					
Contract services	$ 19,374	$ -	$ -	$ -	$ 19,374
Fees for service	10,958,711	-	-	-	10,958,711
Regulatory revenue	19,019,582	-	-	-	19,019,582
Title XIX & other	930,802	-	-	-	930,802
Intergovernmental revenues					
Property tax	20,109,032	-	-	-	20,109,032
Direct federal grants	-	5,851,336	-	-	5,851,336
Indirect federal grants	-	11,596,555	-	-	11,596,555
State funding	-	1,094,989	-	-	1,094,989
General receipts					
Contributions and donations	4,800	-	-	-	4,800
Interest income	(34,001)	-	(5,618)	(1,662)	(41,281)
Other	516,163	167,396	-	-	683,559
Total revenues	51,524,463	18,710,276	(5,618)	(1,662)	70,227,459
Expenditures					
Current					
Public health					
Clinical & nursing services	14,960,218	8,495,479	-	-	23,455,697
Environmental health	19,451,702	630,107	-	68,235	20,150,044
Community health	9,109,308	14,055,911	-	-	23,165,219
Administration	(2,629,161)	-	1,479	194,851	(2,432,831)
Total current	40,892,067	23,181,497	1,479	263,086	64,338,129
Capital outlay	763,173	365,909	421,554	1,270,295	2,820,931
Total expenditures	41,655,240	23,547,406	423,033	1,533,381	67,159,060
Excess (Deficiency) of Revenues Over (Under) Expenditures	9,869,223	(4,837,130)	(428,651)	(1,535,043)	3,068,399
Other financing sources (uses)					
Transfers in	281,982	4,997,546	1,900,639	826,000	8,006,167
Transfers out	(7,642,247)	(150,563)	-	-	(7,792,810)
Proceeds from capital asset disposal	18,525	-	-	-	18,525
Total other financing sources (uses)	(7,341,740)	4,846,983	1,900,639	826,000	231,882
Change in fund balance	2,527,483	9,853	1,471,988	(709,043)	3,300,281
Fund balance, beginning of year	17,236,394	3,267	57,431	4,732,004	22,029,096
Fund balance, end of year	$ 19,763,877	$ 13,120	$ 1,529,419	$ 4,022,961	$ 25,329,377

Change in fund balances, governmental funds		$ 3,300,281
Amounts reported in the statement of activities are differenet 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	2,820,931	
Less current year depreciation	(2,028,625)	
Less loss on disposal capital assets	(849,359)	
		(57,053)
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	(2,360,998)	
Change in compensated absences	139,504	
Change in deferred outflows related to pensions	7,608,928	
Change in deferred inflows related to pensions	1,608,416	
Change in net pension liability	(10,533,042)	
		(3,537,192)
Special item - transfer of assets, net of liabilities, from Southern Nevada Public Health Laboratory Fund to General Fund	564,508	
		564,508
Internal service funds are used by management to charge the costs of certain activities to individual funds:		
Internal service fund change in net position included in governmental activities in the statement of activities	(241,562)	
		(241,562)
Change in net position of governmental activities		$ 28,982

	Business-type Activities	Governmental Activities
	Southern Nevada Public Health Laboratory	Insurance Liability Reserve
Assets		
Current assets		
Cash and cash equivalents	$ -	$ 381,289
Restricted cash	-	89,000
Interest receivable	-	1,181
Prepaid items	-	574
Total current assets	-	472,044
Liabilities		
Current Liabilities		
Workers compensation self-insurance claims	-	125,000
Total current liabilities	-	125,000
Net position		
Restricted	-	89,000
Unrestricted	-	258,044
Total net position	$ -	$ 347,044

	Business-type Activities	Governmental Activities
	Southern Nevada Public Health Laboratory	Insurance Liability Reserve
Operating expense		
Services and supplies	$ -	$ 249,874
Total operating expenses	-	249,874
Operating loss	-	(249,874)
Nonoperating revenues		
Investment income	-	153
Other income	-	8,159
Total nonoperating revenues	-	8,312
Loss before special item and transfers	-	(241,562)
Special items	2,932,077	-
Transfers		
Transfers out	(213,357)	-
Total transfers	(213,357)	-
Change in net position	2,718,720	(241,562)
Net position, beginning of year	(2,718,720)	588,606
Net position, end of year	$ -	$ 347,044

	Business-type Activities	Governmental Activities
	Southern Nevada Public Health Laboratory	Insurance Liability Reserve
Cashflows from operating activities		
Cash payments for goods and services	$ -	$ (251,805)
Net cash used in operating activities	-	(251,805)
Cash flows from noncapital financing activities		
Transfers (to)/from other funds	(83,869)	-
Other	-	8,159
Net cash (used) provided by noncapital financing activities	(83,869)	8,159
Cash flows from investing activities		
Investment income	-	336
Net decrease in cash and cash equivalents	(83,869)	(243,310)
Cash and cash equivalents, beginning of year	83,869	713,599
Cash and cash equivalents, end of year	$ -	$ 470,289
Reconciliation of operating loss to net cash used in operating activities		
Operating loss	$ -	$ (249,874)
Adjustments to reconcile operating loss to net cash used in operating activities		
(Increase) decrease in operating assets		
Prepaid items	-	(574)
Increase (decrease) in operating liabilities		
Accounts payable	-	(1,357)
Total adjustments	-	(1,931)
Net cash used in operating activities	$ -	$ (251,805)
Reconciliation of cash balances at end of year:		
Unrestricted		$ 381,289
Restricted		89,000
		$ 470,289

	Employee Events Fund
Assets	
Cash and cash equivalents	$ 4,688
Liabilities	
Amounts held for others	$ 4,688

FINANCIAL SECTION >
BASIC FINANCIAL STATEMENTS

Notes to Financial Statements

Note 1 - Summary of Significant Accounting Policies

The Reporting Entity

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

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

GASB Statement No.61, *The Financial Reporting Entity: Omnibus and amendment of GASB Statements No. 14 and No. 34* (GASB61), defines the reporting entity as the primary government and those component units for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Financial accountability is defined as the appointment of a voting majority of the organization's governing board, and either the ability of the primary government to impose its will on the organization or the possibility that the organization will provide a financial benefit to or impose a financial burden on the primary government. In addition to financial accountability, component units can be other organizations in which the economic resources received or held by that organization are entirely or almost entirely for the direct benefit of the primary government, the primary government is entitled to or has the ability to otherwise access a majority of the economic resources received or held by that organization, and the resources to which the primary government is entitled or has the ability to otherwise access are significant to the primary government.

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

Implementation of GASG Statement No. 77 and portions of GASB Statement No. 82

As of July 1, 2016, the District adopted GASB Statement No. 77, *Tax Abatement Disclosures*. The implementation of this standard requires governments that enter into tax abatement agreements to disclose certain information. The District was not party to any significant tax abatement agreements at June 30, 2017. As of July 1, 2016, the District adopted portions of GASB Statements No. 82, *Pension Issues – An Amendment of GASB No. 67, No.68, and No. 73*, that clarified certain guidance related to payroll and contributions.

Basic Financial Statements

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

Government-wide Financial Statements

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

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

Fund Financial Statements

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

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

The Health District reports the following major governmental funds:

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

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

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

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

Proprietary funds (enterprise and internal service funds) distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the proprietary fund's principal ongoing operations. Operating expenses 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 District's only enterprise fund, *The Southern Nevada Public Health Laboratory (SNPHL) Fund* was closed effective July 1, 2016, and all current assets and liabilities were transferred to the general fund which also reports all activities of the lab.

The District reports the following internal service fund:

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants, contributions, and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered "measurable" when in the hands of the intermediary collecting governments and are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Health District considers property tax revenues to be available if they are collected within 60 days of the current fiscal year end. The major revenue sources of the Health District include the property tax allocation from Clark County collected from various jurisdictions, regulatory revenue, fees for service and other intergovernmental revenues from state and federal sources, which have been treated as susceptible to accrual. All other revenue sources are considered to be measurable and available only when cash is received by the Health District. In general, expenditures are recorded when liabilities are incurred, as under accrual accounting. The exception to this rule is that principal and interest on debt service, as well as liabilities related to compensated absences, postemployment benefits, and claims and judgments, are recorded when payment is due.

Cash and Cash Equivalents

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

Investments

Investments consist of United States Treasury bills and notes, government agency securities, commercial paper, negotiable certificates of deposit, and government money market funds. Investments are reported at fair value on the balance sheet. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties other than in a forced or liquidation sale. Changes in the fair value of Health District investments are part of investment income that is included in revenues from general receipts.

The Health District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset.

- Level 1 inputs are quoted prices in active markets for identical assets;
- Level 2 inputs are significant other observable inputs;
- Level 3 inputs are significant unobservable inputs.

The Health District has reviewed their investments and determined all investments are either Level 1 or 2 inputs and measured at their fair value levels as of June 30, 2017.

Interfund Receivables and Payables

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

Inventories

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

Additionally, the Health District receives medical vaccines from the State of Nevada (the State) for use in the Health District's clinics, which are not included in the Health District's inventory since these vaccines remain the property of the State until they are administered. At June 30, 2017, the estimated value of such vaccines in the Health District's possession was $1,469,351.

Prepaid Items

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

Capital Assets

Capital assets, which include property, plant and equipment, are reported in the governmental column in the government-wide financial statements. The Health District considers assets with an initial individual cost of more than $5,000 and an estimated useful life in excess of one year to be capital assets. Purchased or constructed capital assets are recorded at historical cost or estimated historical cost and updated for additions and retirements during the year. Donated capital assets, if any, are valued at their estimated fair value as of the date of donation.

The cost of normal maintenance and repairs that do not significantly increase the functionality of the assets or materially extend the assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as the projects are constructed.

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

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

Compensated Absences

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

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

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

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

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

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

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 Health District, calculated by using an actuarial valuation based upon the same methods and assumptions applied in determining the plan's funding requirements. The net OPEB obligation at year end is determined by adding the ARC to the net OPEB obligation at the beginning of the year, and deducting any contributions to the plan during the year.

Multiple-Employer Cost-Sharing Defined Benefit Pension Plan

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

Deferred Inflows and Outflows of Resources

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

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

Fund Balance and Net Position Classifications

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

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

Restricted. This component of net position reports the constraints placed on the use of assets by either external parties and/or enabling legislation.

Unrestricted. All other net position that does not meet the definition of net investment in capital assets and restricted net position.

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

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

Restricted. Similar to restricted net position discussed above, includes constraints placed on the use of resources that are either externally imposed by grantors, contributors or other governments; or are imposed by law (through constitutional provisions or enabling legislation).

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

Assigned. Includes amounts that are constrained by the Health District's intent to be used for specific purposes, but do not meet the criteria to be classified as restricted or committed. The Board of Health has set forth by resolution authority to assign fund balance amounts to the Health District's Director of Administration. Constraints imposed on the use of assigned amounts can be removed without formal resolution by the Board of Health.

Unassigned. This is the residual classification of fund balance in the general fund, which has not been reported in any other classification. The general fund is the only fund that can report a positive unassigned fund balance. Other governmental funds might report a negative unassigned fund balance as a result of overspending an amount which has been restricted, committed or assigned for specific purposes.

The Health District considers restricted amounts to have been spent when expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available. Committed amounts are considered to have been spent when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

It is the Health District's policy to expend restricted resources first and use unrestricted resources when the restricted resources have been depleted. It is also the Health District's policy to maintain a minimum unassigned fund balance in the general fund of 16.6% of general fund expenditures (the general fund reserve).

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

Use of Estimates

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

Note 2 - Stewardship and Accountability

Budgets and Budgetary Accounting

Nevada Revised Statutes (NRS) require that local governments legally adopt budgets for all funds except fiduciary funds. The annual budgets for all funds are adopted on a basis consistent with accounting principles generally accepted in the United States. Budget augmentations made during the year ended June 30, 2017, were as prescribed by law.

The budget approval process is summarized as follows:

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

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

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

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

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

Per NRS 354.626, actual expenditures may not exceed budgetary appropriations of the public health function of the general fund or total appropriations of the individual capital projects funds. The sum of operating and nonoperating expenses in the enterprise and internal service funds may not exceed total appropriations. At June 30, 2017, the Health District reported the following expenditures over appropriations:

The District's Bond Reserve Capital Projects Fund exceeded appropriations by $58,033. In May 2017, a budget augmentation was prepared to appropriate what was thought to be the funds needed for the renovations to the Public Health Laboratory, but as with many construction contracts, the augmentation was not enough to fund the full amount of expenditures.

The District's Internal Service Fund – Insurance Liability Reserve Fund total expenses exceeded appropriations by $33,874. The Liability Reserve Fund can only be used to pay for expenses relating to workers compensation and management continued to fund the administrative expenses in fiscal year 2016/17. The estimated cost of administrative fees exceeded the actual billings, the budget was not updated.

NRS 354.598005 states budget appropriations in excess of budget may be transferred between funds with Board approval. The Health District made a transfer of $826,000 between the General Fund and the Capital Projects Fund without obtaining Board approval. Designated staff having made a similar transfer in the previous year was not made aware of this provision and thus did not inform the Board at a regularly scheduled meeting and setting forth its reasons for the transfer. Due to time restrictions and purchasing mandates, funds were transferred for purchasing capital assets.

Note 3 - Cash, Cash Equivalents, and Investments

At June 30, 2017, the Health District's cash, cash equivalents, and investments were as follows:

Combined Cash and Investments

Cash on hand	$ 10,955
Restricted cash	89,000
Clark County Investment Pool	9,268,796
Non-pooled investments	14,935,543
Total cash and investments	$ 24,304,294

At June 30, 2017, the Health District's cash, cash equivalents and investments were presented in the District's financial statements as follows:

Governmental funds	$ 23,829,317
Proprietary funds	470,289
Fiduciary fund	4,688
Total cash and investments	$ 24,304,294

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, 2017, the carrying amount of the Health District's deposits was $0 as all amounts were swept into the Clark County Investment Pool at the end of the day.

Clark County Investment Pool

The Health District participates in Clark County's investment pool. At June 30, 2017, all rated investments in the Clark County investment pool were in compliance with the rating criteria listed below. Pooled funds are invested according to the NRS which are limited to the following (the District has no investment policy that would further limit Clark County's investment choices):

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

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

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

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

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

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

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

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

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

The State of Nevada's Local Government Investment Pool.

Custodial credit risk is the risk that in the event a financial institution or counterparty fails, the Health District would not be able to recover the value of its deposits and investments. 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, 2017, all of the Health District's investments held by the Clark County Treasurer are invested in authorized investments in accordance with NRS 350.659, 355.165, 355.170, and 356.120. The limitations on amounts invested are covered on the aforementioned type of security.

As of June 30, 2017, the carrying amount and market value of the Health District's investments in the Clark County Investment Pool was $9,268,796.

Non-pooled Investments

In addition to the investments held in the Clark County Investment Pool, the Health District has separate investments also under the responsibility of the Clark County Treasurer. These investments are subject to the investment policies discussed above.

As of June 30, 2017, the Health District had the following investments:

	Fair Value	Less than 1 Year	1 to 3 Years	3 to 5 Years
Money market funds	$ 21,872	$ 21,872	$ -	$ -
Certificates of deposit	991,948	991,948	-	-
U.S. Treasury Note	983,440	-	-	983,440
U.S. Agencies	10,182,343	1,495,610	4,260,688	4,426,045
Corporate obligations	2,755,940	1,249,598	1,003,947	502,395
Total securities held	$ 14,935,543	$ 3,759,028	$ 5,264,635	$ 5,911,880

Concentration of Credit Risk

Concentration of credit risk is defined as the risk of loss attributed to the magnitude of a government's investment in a single issuer.

At June 30, 2017, the following investments exceeded five percent of the total non-pooled investments:

Federal Home Loan Banks (FHLB)	36.49%
Federal National Mortgage Association (FNMA)	29.70%

The Health District follows GASB Statement No. 72, *Fair Value Measurement and Application*, to categorize its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The Health District has the following recurring fair value measurements as of June 30, 2017:

- Money market funds of $21,872 are valued using quoted market prices (Level 1)
- U.S. Treasury securities of $983,440 are valued using quoted market prices (Level 1)
- Agency securities of $10,182,343 are valued using matrix pricing model (Level 2)
- Corporate obligations of $2,755,940 are valued using matrix pricing model (Level 2)
- Certificates of deposit of $991,948 are valued using matrix pricing model (Level 2)

The Health District does not have recurring fair value measurement as of June 30, 2017, that is valued using significant unobservable inputs (Level 3).

Note 4 - Capital Assets

Changes in capital assets for the year ended June 30, 2017, were as follows:

	Balance June 30, 2016	Increases	Decreases	Transfers	Balance June 30, 2017
Governmental activities					
Capital assets not being depreciated or amortized					
Construction in progress	$ -	$ 100,540	$ -	$ -	$ 100,540
Land	3,447,236	-	-	-	3,447,236
Total capital assets not being depreciated	3,447,236	100,540	-	-	3,547,776
Capital assets being depreciated or amortized					
Buildings	20,899,098	10,744	(2,514,099)	-	18,395,743
Improvements other than buildings	2,916,510	680,670	(103,499)	140,840	3,634,521
Furniture, fixtures and equipment	10,220,535	1,952,209	(1,324,993)	2,406,115	13,253,866
Vehicles	670,880	76,768	(105,985)	41,976	683,639
Total capital assets being depreciated or amortized	34,707,023	2,720,391	(4,048,576)	2,588,931	35,967,769
Accumulated depreciation and amortization					
Buildings	(2,424,485)	(620,880)	1,697,037	-	(1,348,328)
Improvements other than buildings	(2,297,524)	(90,246)	77,351	(73,608)	(2,384,027)
Furniture, fixtures and equipment	(6,624,354)	(1,266,851)	1,318,844	(1,926,579)	(8,498,940)
Vehicles	(473,308)	(50,648)	105,985	(24,236)	(442,207)
Total accumulated depreciation and amortization	(11,819,671)	(2,028,625)	3,199,217	(2,024,423)	(12,673,502)
Total capital assets being depreciated or amortized, net	22,887,352	691,766	(849,359)	564,508	23,294,267
Total governmental activities	$ 26,334,588	$ 792,306	$ (849,359)	$ 564,508	$ 26,842,043

	Balance July 1, 2016	Increases	Decreases	Transfers	Balance June 30, 2017
Business-type activities					
Capital assets being depreciated or amortized					
Improvements other than buildings	$ 140,840	$ -	$ -	$ (140,840)	$ -
Furniture, fixtures and equipment	2,406,115	-	-	(2,406,115)	-
Vehicles	41,976	-	-	(41,976)	-
Total capital assets being depreciated or amortized	2,588,931	-	-	(2,588,931)	-
Accumulated depreciation and amortization					
Improvements other than buildings	(73,608)	-	-	73,608	-
Furniture, fixtures and equipment	(1,926,579)	-	-	1,926,579	-
Vehicles	(24,236)	-	-	24,236	-
Total accumulated depreciation and amortization	(2,024,423)	-	-	2,024,423	-
Total capital assets being depreciated or amortized, net	564,508	-	-	(564,508)	-
Total business-type activities	$ 564,508	$ -	$ -	$ (564,508)	$ -

For the year ended June 30, 2017, depreciation expense was charged to the following functions and programs:

Governmental activities	
Clinical services	$ 32,572
Environmental health	62,219
Community health	546,681
Administration	1,387,153
Total depreciation expense, governmental activities	$ 2,028,625

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, 2017, rent expense and expenditures totaled $589,705. 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,	
2018	$ 566,529
2019	567,153
2020	577,848
2021	527,468
2022	225,400
	$ 2,464,398

Note 6 - Long-Term Liabilities

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

Long-term liabilities activity for the year ended June 30, 2017, was as follows:

	Balance June 30, 2016	Increases	Decreases	Balance June 30, 2017	Due Within One Year
Governmental Activities					
Compensated absences	$ 6,413,809	$ 4,080,327	$ (4,219,833)	$ 6,274,303	$ 3,679,542
Business-type activities					
Compensated absences	308,849	-	(308,849)	-	-
Total long-term liabilities	$ 6,722,658	$ 4,080,327	$ (4,528,682)	$ 6,274,303	$ 3,679,542

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

Note 7 - Risk Management

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

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

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

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

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

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

Litigation

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

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

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

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

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

Benefits, as required by NRS, are determined by the number of years of accredited service at time of retirement and the member's highest average compensation in any 36 consecutive months with special provisions for members entering the system on or after January 1, 2010, and July 1, 2015. Benefit payments to which participants or their beneficiaries may be entitled under the plan include pension benefits, disability benefits, and survivor benefits.

Monthly benefit allowances for members are computed as 2.5% of average compensation for each accredited year of service prior to July 1, 2001. For service earned on or after July 1, 2001, this multiplier is 2.67% of average compensation. For members entering PERS on or after January 1, 2010, there is a 2.5% service time factor and for regular members entering PERS on or after July 1, 2015, there is a 2.25% factor. PERS offers several alternatives to the unmodified service retirement allowance which, in general, allow the retired employee to accept a reduced service retirement allowance payable monthly during his or her lifetime and various optional monthly payments to a named beneficiary after his or her death.

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

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

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

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

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

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

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

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

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

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

PERS collective net pension liability was measured as of June 30, 2016, 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:

Inflation rate	3.50%
Payroll growth	5%, including inflation
Investment rate of return	8.00%
Productivity pay increase	0.75%
Consumer price index	3.50%
Actuarial cost method	Entry age normal and level percentage of payroll
Projected salary increases	Regular: 4.60% t0 9.75%, depending on service Police/Fire: 5.25% to 14.50%, depending on service Rates include inflation and productivity increases
Other assumptions	Same as those used in the June 30, 2016 funding actuarial valuation

Mortality rates – For non-disabled male regular members it is the RP-2000 combined healthy mortality table projected to 2013 with Scale AA. For non-disabled female regular members it is the RP-2000 Combined Healthy Mortality Table, projected to 2013 with Scale AA, set back one year.

The mortality table used in the actuarial valuation to project mortality rates for all disabled regular members is the RP-2000 Disabled Retiree Mortality Table project 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 was the Board adopted policy target asset allocation as of June 30, 2016:

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 expecgted inflation rate of 3.5%

The discount rate used to measure the total pension liability was 8.00% as of June 30, 2016. 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, 2016, 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, 2016.

At June 30, 2017, 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	$ 102,870,656	$ 70,180,332	$ 42,982,385

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

The Health District's proportionate share of the collective net pension liability was $70,180,332, which represents 0.52151% of the collective net pension liability, which is a decrease from the previous year's proportionate share of 0.54090%. Contributions for employer pay dates within the fiscal year ending June 30, 2016, 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, 2016.

For the period ended June 30, 2017, the District's pension expense was $7,934,891 and its reported deferred outflows and inflows of resources related to pensions as of June 30, 2017, were as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 4,699,456
Net difference between projected and actual earnings on investments	6,524,136	-
Changes in proportion and differences between actual contribtuions and proportionate share of contributions	1,317,245	6,727,884
Contributions made subsequent to the measurement date	9,131,173	-
	$ 16,972,554	$ 11,427,340

Average expected remaining service life is 6.48 years.

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date totaling $9,131,173 will be recognized as a reduction of the net pension liability in the year ending June 30, 2017. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

For the Year ending June 30,	
2018	$ (1,796,751)
2019	(1,796,751)
2020	1,440,156
2021	(22,079)
2022	(1,189,548)
2023	(220,986)
	$ (3,585,959)

Note 9 - Postemployment Benefits Other Than Pensions (OPEB)

Plan Description

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

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

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

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

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

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

Funding Policy and Annual OPEB Cost

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

The Health District pays approximately 90% percent of premiums for active employee coverage, an average of $7,687 per active employee for the year ended June 30, 2017. Retirees in the Self-Funded Plan receive no direct subsidy from the Health District. Under state law, retiree loss experience is pooled with active loss experience for the purpose of setting rates. The difference between the true claims cost and the blended premium is an implicit rate subsidy that creates an OPEB cost for the Health District.

The Health District is required to pay the PEBP an explicit subsidy, based on years of service, for retirees who are enrolled in this plan. In 2017, retirees were eligible for a monthly subsidy ranging from a minimum of $65 after 5 years of service to a maximum of $1,477 for 20 or more years of service with a Nevada state or local government 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)	$ 235,990	$ 2,396,771	$ 2,632,761
Interest on net OPEB obligation	71,425	725,410	796,835
Adjustment to ARC	(103,263)	(1,048,763)	(1,152,026)
Annual OPEB cost	204,152	2,073,418	2,277,570
OPEB contributions made	(201,454)	(339,476)	(540,930)
Increase in net OPEB	2,698	1,733,942	1,736,640
Net OPEB obligation, beginning of year	561,312	19,359,566	19,920,878
Net OPEB obligation, end of year	$ 564,010	$ 21,093,508	$ 21,657,518

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

	Public Employee Benefit Program July 1, 2016	Clark County Self-Funded Health Benefit Plan July 1, 2016
Actuarial value of assets	N/A[1]	N/A[1]
Actuarial accrued liability (AAL)	$ 4,243,969	$ 20,264,558
Unfunded actuarial accrued liability (UAAL)	4,243,969	20,264,558
Funded ratio	0.0%	0.0%
Annual covered payroll	N/A[2]	33,493,895
UAAL as a percent of covered payroll	N/A[2]	63.6%

1 No assets have been placed in trust

2 The Public Emplohyee Benefit Program is a close plan; and therefore, there are no current covered employees.

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

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

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

Annual OPEB cost, employer contributions, the percentage of annual cost contributed to the plan and the net OPEB obligation (prepayment) for the year ended June 30, 2017, 2016 and 2015 were as follows:

For the Year Ended June 30,	Annual OPEB Cost	OPEB Contributions Made	Percentage Contributed	Net OPEB Obligation
Public Employee Benefit Program				
2015	$ 263,231	$ 205,589	78.1%	$ 517,695
2016	249,206	205,589	82.5%	561,312
2017	204,152	201,454	98.7%	564,010
Clark County Self-Funded Health Benefit Plan				
2015	2,505,037	315,836	12.6%	17,156,340
2016	2,519,062	315,836	12.5%	19,359,566
2017	2,073,418	339,476	16.4%	21,093,508

Actuarial Methods and Assumptions

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

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

	Public Employee Benefit Program	Clark County Self-Funded Health Benefit Plan
Actuarial valuation date	July 1, 2016	July 1, 2016
Actuarial cost method	Entry age, normal	Entry age, normal
Amortization method	Level dollar amount	Level dollar amount
Amortization period	30 years, open	30 years, open
Asset valuation method	No assets in trust	No assets in trust
Actuarial assumptions:		
Investment rate of return	4%	4%
Projected salary increases	N/A[1]	N/A
Healthcare inflation rate	4.5%, ultimate	4.5%, ultimate

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

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

Note 10 - Encumbrances

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

	Assigned Fund Balance
General Fund	$ 212,541

In the general fund, $181,627 of the total encumbrance balance was assigned to purchase administrative services and the remaining $30,914 was assigned for capital improvements.

FINANCIAL SECTION

Required Supplementary Information

Southern Nevada Health District

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual - General Fund

For the Fiscal Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance
Revenues				
Contract services	$ 75,680	$ 75,680	$ 19,374	$ (56,306)
Fees for service	10,153,091	10,153,091	10,958,711	805,620
General receipts	264,200	264,200	486,962	222,762
Property tax	20,109,031	20,109,031	20,109,032	1
Regulatory revenue	18,748,000	18,748,000	19,019,582	271,582
Title XIX & other	1,467,740	1,467,740	930,802	(536,938)
Total revenues	50,817,742	50,817,742	51,524,463	706,721
Expenditures				
Public health				
Clinical & nursing services				
Salaries and wages	5,241,719	5,241,719	4,976,588	(265,131)
Employee benefits	2,236,532	2,236,532	2,046,781	(189,751)
Services and supplies	7,137,808	7,137,808	7,936,849	799,041
Total clinical & nursing services	14,616,059	14,616,059	14,960,218	344,159
Environmental health				
Salaries and wages	10,627,403	10,627,403	9,511,671	(1,115,732)
Employee benefits	4,539,162	4,539,162	3,911,843	(627,319)
Services and supplies	6,446,790	6,446,790	6,028,188	(418,602)
Capital outlay	-	-	8,463	8,463
Total environmental health	21,613,355	21,613,355	19,460,165	(2,153,190)
Community health				
Salaries and wages	3,453,509	3,453,509	3,864,727	411,218
Employee benefits	1,479,033	1,479,033	1,514,124	35,091
Services and supplies	3,601,769	3,601,769	3,730,457	128,688
Capital outlay	-	-	204,640	204,640
Total community health	8,534,311	8,534,311	9,313,948	779,637
Administration				
Salaries and wages	7,094,676	7,094,676	6,980,086	(114,590)
Employee benefits	3,395,012	3,395,012	3,041,307	(353,705)
Services and supplies	(14,247,995)	(14,247,995)	(12,650,554)	1,597,441
Capital outlay	-	-	550,070	550,070
Total administration	(3,758,307)	(3,758,307)	(2,079,091)	1,679,216
Total public health	41,005,418	41,005,418	41,655,240	649,822
Total expenditures	41,005,418	41,005,418	41,655,240	649,822
Excess (Deficiency) of Revenues Over (Under) Expenditures	9,812,324	9,812,324	9,869,223	56,899
Other Financing Sources (Uses)				
Transfers in	-	-	281,982	281,982
Transfers out	(9,193,595)	(9,193,595)	(7,642,247)	1,551,348
Proceeds from capital asset disposal	-	-	18,525	18,525
Total other financing sources (uses)	(9,193,595)	(9,193,595)	(7,341,740)	1,851,855
Change in Fund Balance	618,729	618,729	2,527,483	1,908,754
Fund Balance, Beginning of Year	17,511,494	17,511,494	17,236,394	(275,100)
Fund Balance, End of Year	$ 18,130,223	$ 18,130,223	$ 19,763,877	$ 1,633,654

See notes to required supplementary information.

Southern Nevada Health District

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget to Actual - Special Revenue Fund
For the Fiscal Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance
Revenues				
Direct federal grants	$ 5,450,151	$ 5,851,336	$ 5,851,336	$ -
Indirect federal grants	10,575,722	11,596,555	11,596,555	-
State grant funds	1,669,939	1,094,989	1,094,989	-
Other grant funds	1,000	167,396	167,396	-
Total revenues	17,696,812	18,710,276	18,710,276	-
Expenditures				
Public health				
Clinical & nursing services				
Salaries and wages	4,102,260	3,436,336	3,436,336	-
Employee benefits	1,716,371	1,401,726	1,401,726	-
Services and supplies	3,371,975	3,657,417	3,657,417	-
Capital outlay	-	38,437	38,437	-
Total clinical & nursing services	9,190,606	8,533,916	8,533,916	-
Environmental health				
Salaries and wages	253,493	292,904	292,904	-
Employee benefits	164,307	118,721	118,721	-
Services and supplies	266,034	218,482	218,482	-
Total environmental health	683,834	630,107	630,107	-
Community health				
Salaries and wages	4,102,260	4,431,583	4,431,583	-
Employee benefits	1,716,371	1,775,927	1,775,927	-
Services and supplies	7,304,714	7,848,401	7,848,401	-
Capital outlay	229,425	327,472	327,472	-
Total community health	13,352,770	14,383,383	14,383,383	-
Total expenditures	23,227,210	23,547,406	23,547,406	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,530,398)	(4,837,130)	(4,837,130)	-
Other Financing Sources (Uses)				
Transfers in	5,530,398	4,980,398	4,997,546	17,148
Transfers out	-	(143,268)	(150,563)	(7,295)
Total other financing sources (uses)	5,530,398	4,837,130	4,846,983	9,853
Change in Fund Balance	-	-	9,853	9,853
Fund Balance, Beginning of Year	-	-	3,267	3,267
Fund Balance, End of Year	$ -	$ -	$ 13,120	$ 13,120

See notes to required supplementary information.

Valuation Date	Actuarial Value of Assets	Actuarial Accured 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]
July 1, 2016	N/A[1]	4,243,969	4,243,969	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%
July 1, 2016	N/A[1]	20,264,558	20,264,558	0.0%	33,493,895	60.5%

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

See notes to required supplementary information.

Southern Nevada Health District

Multiple-Employer Cost-Sharing Defined Benefit Pension Plan
Proportionate Share of the Collective Net Pension Liability Information[1]
for the Year Ended June 30, 2017

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 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%
2015	0.54090%	61,984,011	32,508,190	190.67198%	75.13000%
2016	0.52151%	70,180,332	32,917,342	213.20170%	72.20000%

[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 it becomes available this schedule will ultimately present information for the ten most recent fiscal years.

See notes to required supplementary information.

Southern Nevada Health District

Multiple-Employer Cost-Sharing Defined Benefit Pension Plan
Proportionate Share of Statutorily Required Contribution Information
for the Year Ended June 30, 2017 and Last Nine Fiscal Years[2]

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	$ 8,349,028	$ 8,349,028	$ -	$ 32,508,190	25.68%
2016	8,843,278	8,843,278	-	32,917,342	26.87%
2017	9,131,173	9,131,173	-	33,079,430	27.60%

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

See notes to required supplementary information.

Note 1 - Postemployment Benefits Other Than Pensions

For the year ended June 30, 2017, 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 report dated July1, 2016.

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

Additional information related to postemployment benefits other than pensions can be found in Note 9 to the basic financial statements.

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

For the year ended June 30, 2017, 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, 2016.

The actuarial valuation reports became available beginning June 30, 2014. As additional actuarial valuations are obtained these schedules will ultimately present information from the ten most recent valuations.

Additional pension plan information can be found at Note 8 to the basic financial statements.

Note 3 - Budget Information

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

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

FINANCIAL SECTION

Other Supplementary Information

FINANCIAL SECTION >
OTHER SUPPLEMENTARY STATEMENTS

Major Governmental Funds

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

Bond Reserve

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

Capital Projects

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

Southern Nevada Health District

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget to Actual - Bond Reserve Fund
For the Fiscal Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance
Revenues				
Interest income	$ 5,000	$ 5,000	$ (5,618)	$ (10,618)
Other income	-	-	-	-
Total revenues	5,000	5,000	(5,618)	(10,618)
Public health				
Administration	-	-	1,479	1,479
Capital outlay	225,000	365,000	421,554	56,554
Total Expenditures	225,000	365,000	423,033	58,033
Deficiency of Revenues Under Expenditures	(220,000)	(360,000)	(428,651)	(68,651)
Other Financing Sources				
Transfers in	1,350,639	1,900,639	1,900,639	-
Change in Fund Balance	1,130,639	1,540,639	1,471,988	(68,651)
Fund Balance, Beginning of Year	69,032	57,433	57,431	(2)
Fund Balance, End of Year	$ 1,199,671	$ 1,598,072	$ 1,529,419	$ (68,653)

Southern Nevada Health District

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget to Actual - Capital Projects Fund
For the Fiscal Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance
Revenues				
Interest income	$ 35,000	$ 35,000	$ (1,662)	$ (36,662)
Expenditures				
Public health				
Environmental health	-	-	68,235	68,235
Administration	-	-	194,851	194,851
Capital outlay	2,180,000	2,180,000	1,270,295	(909,705)
Total expenditures	2,180,000	2,180,000	1,533,381	(646,619)
Deficiency of Revenues Under Expenditures	(2,145,000)	(2,145,000)	(1,535,043)	609,957
Other Financing Sources				
Transfers in	-	-	826,000	826,000
Change in Fund Balance	(2,145,000)	(2,145,000)	(709,043)	1,435,957
Fund Balance, Beginning of Year	4,371,636	4,371,636	4,732,004	360,368
Fund Balance, End of Year	$ 2,226,636	$ 2,226,636	$ 4,022,961	$ 1,796,325

FINANCIAL SECTION >
OTHER SUPPLEMENTARY STATEMENTS

Proprietary Funds

	Original Budget	Final Budget	Actual	Variance
Operating expenses				
Public health				
Salaries and wages	$ 881,972	$ 881,972	$ -	$ (881,972)
Employee benefits	378,631	378,631	-	(378,631)
Services and supplies	1,051,955	1,051,955	-	(1,051,955)
Depreciation and amortization	155,200	155,200	-	(155,200)
Total operating expenses	2,467,758	2,467,758	-	(2,467,758)
Loss before transfers	(2,467,758)	(2,467,758)	-	2,467,758
Transfers				
Special items	-	-	2,932,077	2,932,077
Transfers in	2,557,504	2,557,504	-	(2,557,504)
Transfers out	(244,946)	(244,946)	(213,357)	31,589
Total transfers	2,312,558	2,312,558	2,718,720	406,162
Change in net position	$ (155,200)	$ (155,200)	2,718,720	$ 2,873,920
Net position, beginning of year			(2,718,720)	
Net position, end of year			$ -	

FINANCIAL SECTION >
OTHER SUPPLEMENTARY STATEMENTS

Internal Service Funds

Southern Nevada Health District

Schedule of Revenues, Expenses and Changes in Net Position - Budget to Actual -
Insurance Liability Reserve Fund
For the Fiscal Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance
Operating expenses				
Services and supplies	$ 216,000	$ 216,000	$ 249,874	$ 33,874
Nonoperating revenues				
Interest earnings	5,300	5,300	153	(5,147)
Other income	-	-	8,159	8,159
Loss before transfers	(210,700)	(210,700)	(241,562)	(25,715)
Change in net position	$ (210,700)	$ (210,700)	(241,562)	$ (25,715)
Net position, beginning of year			588,606	
Net position, end of year			$ 347,044	

FINANCIAL SECTION >
OTHER SUPPLEMENTARY STATEMENTS

Agency Funds

Southern Nevada Health District
Schedule of Changes in Assets and Liabilities - Employee Events Fund
For the Fiscal Year Ended June 30, 2017

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017
Assets				
Cash and cash equivalents	$ 4,588	$ 8,974	$ (8,874)	$ 4,688
Liabilities				
Amounts held for others	$ 4,588	$ 8,974	$ (8,874)	$ 4,688

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Statistical Section

Financial Trends

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

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

Revenue Capacity

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

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

Demographic and Economic Information

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

- Demographic and Economic Statistics
- Principal Employers

Operating Information

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

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

Southern Nevada Health District
Net Position by Component
June 30, 2017

	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017
Governmental activities										
Net investment in capital assets	$ 11,723,864	$ 10,905,724	$ 9,769,370	$ 9,816,149	$ 9,194,972	$ 8,390,904	$ 7,543,782	$ 13,671,622	$ 26,334,588	$ 26,842,043
Restricted	640,854	100,000	100,994	101,653	-	-	-	102,552	-	89,000
Unrestricted	23,928,363	27,070,175	34,460,513	30,200,767	15,892,860	20,578,594	14,041,178	(57,351,648)	(66,412,045)	(66,979,518)
Total governmental activities	36,293,081	38,075,899	44,330,877	40,118,569	25,087,832	28,969,498	21,584,960	(43,577,474)	(40,077,457)	(40,048,475)
Business-type activities										
Net investment in capital assets	1,546,682	1,301,831	1,135,113	966,051	862,310	891,941	780,011	664,144	564,508	-
Unrestricted	1,066,753	2,274,702	3,008,217	4,948,330	3,793,190	3,325,420	2,226,817	(2,313,301)	(3,283,228)	-
Total business-type activities	2,613,435	3,576,533	4,143,330	5,914,381	4,655,500	4,217,361	3,006,828	(1,649,157)	(2,718,720)	-
Primary government										
Net investment in capital assets	13,270,546	12,207,555	10,904,483	10,782,200	10,057,282	9,282,845	8,323,793	14,335,766	26,899,096	26,842,043
Restricted	640,854	100,000	100,994	101,653	-	-	-	102,552	-	89,000
Unrestricted	24,995,116	29,344,877	37,468,730	35,149,097	19,686,050	23,904,014	16,267,995	(59,664,949)	(69,695,273)	(66,979,518)
Total primary government	$ 38,906,516	$ 41,652,432	$ 48,474,207	$ 46,032,950	$ 29,743,332	$ 33,186,859	$ 24,591,788	$(45,226,631)	$(42,796,177)	$(40,048,475)

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

Southern Nevada Health District
Changes in Net Position
For the Year Ended June 30, 2017

	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017
Expenses										
Governmental activities										
Public health										
Clinical services										
Administration	$ 2,440,021	$ 2,786,755	$ 2,590,645	$ 2,622,911	$ 2,841,367	$ 2,593,440	$ 1,433,550	$ 1,470,459	$ 1,161,576	$ 1,519,078
Communicable diseases	7,938,929	7,933,975	7,619,766	7,907,690	7,651,569	8,052,327	7,923,595	10,689,358	5,621,758	5,636,215
Immunizations	11,022,254	11,357,315	11,454,155	10,259,728	5,234,679	5,332,565	5,728,235	7,172,666	8,573,021	9,380,360
Women's health	1,909,649	1,972,851	1,609,964	2,255,969	2,791,319	2,860,195	2,443,165	3,739,709	2,889,291	1,910,171
Children's health	2,016,251	2,196,650	2,297,208	2,431,534	2,447,825	2,646,539	2,747,687	3,654,468	3,575,167	5,052,134
Other clinical programs	200,888	-	-	-	-	-	-	-	-	-
Indirect cost allocation*	-	-	-	-	4,940,210	5,695,586	6,887,417	-	-	-
Environmental health										
Administration / General	11,501,992	12,844,003	12,251,212	12,767,225	12,937,138	13,194,888	12,240,237	15,993,672	3,759,335	3,675,129
Food	-	-	-	-	-	-	-	-	8,028,770	7,652,835
Plan review	-	-	-	-	-	-	-	-	2,360,029	2,448,546
Permits	-	-	-	-	-	-	-	-	3,039,407	3,255,773
Waste management	1,830,397	2,186,958	2,228,821	2,479,313	2,553,745	2,364,731	2,230,526	2,591,963	2,294,555	2,592,601
Underground storage tanks/Safe drinking water	480,521	451,712	463,513	599,153	685,653	610,696	445,646	508,745	580,828	598,344
Indirect cost allocation*	-	-	-	-	3,615,358	3,867,316	5,380,623	-	-	-
Community health										
Administration	153,913	257,760	277,793	677,353	1,266,661	1,641,676	645,539	464,501	554,212	569,045
Chronic disease prevention & health promotion	2,148,168	2,207,059	2,523,480	9,779,637	8,587,683	3,012,037	2,501,025	3,476,205	6,129,727	5,456,426
Epidemiology	1,220,115	1,164,790	1,120,337	1,322,758	1,156,060	948,386	1,119,115	1,712,007	1,280,849	-
Disease surveillance & epidemiology	-	-	-	-	-	-	-	-	5,174,953	6,638,231
Public health preparedness	4,154,798	4,400,431	8,859,153	4,782,010	3,204,142	3,262,330	3,215,357	3,623,055	3,944,196	3,495,536
EMS & trauma system	689,888	842,260	711,375	703,006	661,575	688,945	486,097	751,218	714,012	802,576
Vital statistics	-	-	-	-	-	-	1,560,084	2,120,039	2,413,741	2,000,079
Informatics	-	-	-	-	-	-	701,453	698,595	417,165	1,112,159
Public health laboratory	-	-	-	-	-	-	-	-	1,397,586	3,069,438
Indirect cost allocation*	-	-	-	-	3,365,266	3,475,882	4,258,815	-	-	-
Administration										
General administration	13,832,831	17,816,365	14,873,041	13,879,437	-	-	-	15,307,274	16,268,005	16,056,158
Food handler education	5,153,429	5,375,492	4,721,436	6,549,863	5,222,816	3,747,122	1,103,296	1,341,771	1,069,826	1,114,758
Disaster recovery	59,346	14,098	168,549	315,106	425,763	3,028,524	357,972	67,279	6,232	62,078
Vital records	1,734,859	1,521,507	1,438,658	1,537,187	1,536,027	1,492,597	-	-	-	-
Business Group	-	-	-	-	-	-	989,609	907,598	948,631	971,299
Indirect cost allocation*	-	-	-	-	1,720,846	1,679,282	1,374,168	(13,381,918)	(16,994,995)	(17,564,576)
Total governmental activities	68,488,249	75,329,981	75,209,106	80,869,880	72,845,702	70,195,064	65,773,211	62,908,664	65,207,877	67,504,393
Business-type activities										
Southern Nevada Public Health Laboratory	1,674,398	2,252,506	2,369,892	2,368,140	3,021,468	3,485,617	3,214,839	3,121,906	1,954,788	-
Total primary government expenses	$ 70,162,647	$ 77,582,487	$ 77,578,998	$ 83,238,020	$ 75,867,170	$ 73,680,681	$ 68,988,050	$ 66,030,570	$ 67,162,665	$ 67,504,393

Southern Nevada Health District
Changes in Net Position
For the Year Ended June 30, 2017

	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017
Program revenue										
Governmental activities										
Charges for services										
Public health										
Clinical services	$ 4,894,049	$ 5,155,316	$ 5,015,114	$ 3,649,384	$ 5,118,453	$ 3,293,069	$ 3,622,983	$ 4,258,585	$ 4,947,831	$ 5,226,711
Environmental health	15,253,068	16,000,615	16,581,098	16,821,783	17,012,268	18,225,953	17,740,588	17,872,918	18,926,729	18,815,417
Community health	194,018	190,429	692,872	93,577	109,482	86,805	2,577,990	3,206,711	3,833,917	4,040,576
Administration	9,731,625	8,418,030	8,839,836	8,618,326	8,322,894	5,761,484	2,681,610	2,782,738	2,820,147	2,845,765
Operating grants and contributions	19,867,705	19,015,920	25,481,110	27,731,291	19,600,974	15,524,141	14,051,416	15,871,740	18,455,742	18,547,680
Total governmental activities	49,940,465	48,780,310	56,610,030	56,914,361	50,164,071	42,891,452	40,674,587	43,992,692	48,984,366	49,476,149
Business-type activities										
Southern Nevada Public Health Laboratory										
Operating grants and contributions	1,434,266	1,654,486	1,368,633	1,415,460	1,160,177	1,757,402	1,339,681	1,055,161	83,760	-
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business-type activities	1,434,266	1,654,486	1,368,633	1,415,460	1,160,177	1,757,402	1,339,681	1,055,161	83,760	-
Total primary government program revenues	$51,374,731	$50,434,796	$57,978,663	$58,329,821	$51,324,248	$44,648,854	$42,014,268	$45,047,853	$49,068,126	$49,476,149
Net (expenses) program revenues										
Governmental activities	$(18,547,784)	$(26,549,671)	$(18,599,076)	$(23,955,519)	$(22,681,631)	$(27,303,612)	$(25,098,624)	$(18,915,972)	$(16,223,511)	$(18,028,244)
Business-type activities	(240,132)	(598,020)	(1,001,259)	(952,680)	(1,861,291)	(1,728,215)	(1,875,158)	(2,066,745)	(1,871,028)	-
Primary government	$(18,787,916)	$(27,147,691)	$(19,600,335)	$(24,908,199)	$(24,542,922)	$(29,031,827)	$(26,973,782)	$(20,982,717)	$(18,094,539)	$(18,028,244)

Southern Nevada Health District
Changes in Net Position
For the Year Ended June 30, 2017

	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017
General revenues and other changes in net position										
Governmental activities										
Property tax allocation	$ 25,473,000	$ 28,182,950	$ 24,942,525	$ 21,406,846	$ 5,692,534	$ 32,167,828	$ 17,988,360	$ 18,916,518	$ 19,738,151	$ 20,109,032
Unrestricted investment income	1,552,946	1,633,740	958,966	961,355	755,742	267,114	336,701	333,079	579,627	(41,128)
Gain on disposal of capital assets	-	-	-	-	(3,219)	-	17,391	-	-	-
Miscellaneous	17,043	18,615	12,423	25,871	-	2,000	5,000	-	200,000	708,042
Transfers	(1,064,673)	(1,502,813)	(1,516,204)	(2,650,861)	(511,771)	(1,251,664)	633,366	-	(794,266)	(2,718,720)
Total governmental activities	25,978,316	28,332,492	24,397,710	19,743,211	5,933,286	31,185,278	18,980,818	19,249,597	19,723,512	18,057,226
Business-type activities										
Unrestricted investment income	27,205	58,307	49,662	72,870	93,317	38,412	27,109	19,392	7,196	-
Gain on disposal of capital assets	-	-	-	-	(2,678)	-	4,150	-	-	-
Transfers	1,064,673	1,502,813	1,516,204	2,650,861	511,771	1,251,664	633,366	-	794,266	2,718,720
Total business-type activities	1,091,878	1,561,120	1,565,866	2,723,731	602,410	1,290,076	664,625	19,392	801,462	2,718,720
Total primary government general revenues and other changes in net position	$ 27,070,194	$ 29,893,612	$ 25,963,576	$ 22,466,942	$ 6,535,696	$ 32,475,354	$ 19,645,443	$ 19,268,989	$ 20,524,974	$ 20,775,946
Change in net position										
Governmental activities	$ 7,430,532	$ 1,782,821	$ 5,798,634	$ (4,212,308)	$(16,748,345)	$ 3,881,666	$ (6,117,806)	$ 333,625	$ 3,500,001	$ 28,982
Business-type activities	851,746	963,100	564,607	1,771,051	(1,258,881)	(438,139)	(1,210,533)	(2,047,353)	(1,069,566)	2,718,720
Primary government	$ 8,282,278	$ 2,745,921	$ 6,363,241	$ (2,441,257)	$(18,007,226)	$ 3,443,527	$ (7,328,339)	$ (1,713,728)	$ 2,430,435	$ 2,747,702

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

Southern Nevada Health District
Fund Balance, Governmental Funds
For the Year Ended June 30, 2017

	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	June 30, 2016	June 30, 2017
General Fund										
Reserved	$ 1,636,429	$ 1,700,863	$ 723,788	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Unreserved	26,595,141	25,177,271	31,685,852	-	-	-	-	-	-	-
Nonspendable	-	-	-	598,058	1,007,507	918,678	683,863	499,834	554,892	686,456
Assigned	-	-	-	407,366	-	-	-	100,591	865,590	212,541
Unassigned	-	-	-	27,327,045	12,374,570	20,157,560	12,178,843	15,812,503	15,815,912	18,864,880
Total general fund	28,231,570	26,878,134	32,409,640	28,332,469	13,382,077	21,076,238	12,862,706	16,412,928	17,236,394	19,763,877
Other governmental funds										
Reserved	$ 507,542	$ 603,261	$ 401,413	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Unreserved										
Debt service funds	1,002,341	6,957,921	8,908,045	-	-	-	-	-	-	-
Capital projects funds	917,291	954,261	3,288,521	-	-	-	-	-	-	-
Nonspendable	-	-	-	-	-	-	-	-	140,599	160,883
Restricted	-	-	-	-	-	-	-	-	68	-
Committed	-	-	-	10,627,219	11,220,701	11,313,465	15,005,809	9,589,815	-	-
Assigned	-	-	-	4,641,199	7,526,560	6,534,951	6,318,172	5,658,330	4,652,037	5,414,980
Unassigned	-	-	-	-	-	-	-	-	-	(10,363)
Total other governmental funds	$ 2,427,174	$ 8,515,443	$ 12,597,979	$ 15,268,418	$ 18,747,261	$ 17,848,416	$ 21,323,981	$ 15,248,145	$ 4,792,704	$ 5,565,500

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
For the Year Ended June 30, 2017

	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017
Revenues										
Title XIX Medicaid	$ 747,708	$ 522,519	$ 595,060	$ 547,452	$ 608,192	$ 484,388	$ 581,607	$ 960,373	$ 1,091,225	$ 930,802
Vital records, immunizatons and other medical services	6,593,273	6,349,205	5,963,518	5,581,494	5,200,688	4,866,325	5,345,986	6,145,834	7,347,646	10,958,711
Regulatory services	22,538,791	22,028,715	23,142,972	22,978,296	22,897,904	21,614,151	20,505,557	20,659,128	21,925,405	19,019,582
Program contract servicers	2,652,518	2,644,428	2,835,603	2,308,693	1,879,517	383,310	190,021	275,264	107,729	186,770
Property tax allocation	25,473,000	28,182,950	24,942,525	21,406,846	5,692,534	32,167,828	17,988,360	18,916,518	19,738,151	20,109,032
State funding	1,149,301	1,067,270	987,147	979,488	437,330	643,646	1,298,805	2,072,101	1,727,368	1,094,989
Indirect federal grants	8,630,562	9,134,335	13,947,975	9,463,763	8,092,743	9,874,038	9,579,076	10,740,902	10,467,596	11,596,555
Direct federal grants	1,651,603	1,637,192	2,351,437	10,105,237	10,995,381	4,649,249	2,331,346	3,395,167	6,260,778	5,851,336
Contributions and donations	11,803	27,148	12,556	13,777	39,717	18,273	29,081	48,481	14,193	4,800
Interest Income	1,535,460	1,615,024	948,105	949,201	742,274	258,661	329,168	325,710	565,220	(41,281)
Other	46,530	18,157	17,870	21,097	14,594	360,072	55,768	148,391	239,243	516,163
Total Revenues	71,030,549	73,226,943	75,744,768	74,355,344	56,600,874	75,319,941	58,234,775	63,687,869	69,484,554	70,227,459
Expenditures										
Current										
Public health										
Clinical services	19,221,694	20,834,398	20,003,301	19,527,890	19,926,399	20,607,106	19,514,256	24,901,457	22,271,964	23,455,697
Environmental health	13,572,009	15,242,682	14,875,882	14,901,773	15,206,451	15,310,788	14,271,660	18,175,211	20,124,602	20,150,044
Community health	8,091,703	8,606,149	12,339,907	16,786,519	14,393,695	9,214,932	9,627,126	12,248,152	21,947,706	23,165,219
Administration	18,808,328	21,199,574	17,174,676	20,231,785	18,697,521	21,008,563	18,704,279	3,824,094	(91,016)	(2,432,831)
Total current	59,693,734	65,882,803	64,393,766	71,447,967	68,224,066	66,141,389	62,117,321	59,148,914	64,253,256	64,338,129
Capital outlay										
Public health	946,771	906,512	627,100	1,363,248	754,194	1,131,572	267,560	7,796,976	14,072,204	2,820,931
Total expenditures	60,640,505	66,789,315	65,020,866	72,811,215	68,978,260	67,272,961	62,384,881	66,945,890	78,325,460	67,159,060
Excess (deficiency) of revenues over (under) expenditures	10,390,044	6,437,628	10,723,902	1,544,129	(12,377,386)	8,046,980	(4,150,106)	(3,258,021)	(8,840,906)	3,068,399
Other financing sources (uses)										
Transfers in	3,398,434	6,822,857	4,435,702	3,768,357	3,941,289	81,572	3,582,610	1,350,639	7,854,919	5,006,167
Transfers out	(4,663,107)	(8,525,670)	(6,001,906)	(6,719,218)	(4,753,060)	(1,333,236)	4,215,976	(1,350,639)	(8,649,185)	(7,792,810)
Proceeds from capital asset disposal	-	-	-	-	-	-	45,505	18,050	3,183	18,525
Other financing sources (uses)	(1,264,673)	(1,702,813)	(1,566,204)	(2,950,861)	(811,771)	(1,251,664)	7,844,091	18,050	(791,083)	231,882
Change in fund balance	$ 9,125,371	$ 4,734,815	$ 9,157,698	$ (1,406,732)	$(13,189,157)	$ 6,795,316	$ 3,693,985	$ (3,239,971)	$ (9,631,989)	$ 3,300,281

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

Southern Nevada Health District
Assessed and Estimated Actual Value of Taxable Property
For the Year Ended June 30, 2017

Fiscal Year	Property Value Assessed			Total Direct Tax Rate	Total Real and Personal Estimated Market Value	Total Assessed Value as a Percentage of Total Estimated Market Value [2]
	Real	Personal	Total			
2008	102,349,025,402	6,300,900,438	108,649,925,840	0.6391	310,428,359,543	35.00%
2009	106,988,178,756	5,817,306,838	112,805,485,594	0.6391	322,301,387,411	35.00%
2010	86,961,001,865	4,772,231,316	91,733,233,181	0.6391	262,094,951,946	35.00%
2011	60,420,431,199	3,706,515,345	64,126,946,544	0.6391	183,219,847,269	35.00%
2012	53,342,794,997	3,369,755,692	56,712,550,689	0.6391	162,035,859,112	35.00%
2013	48,963,146,030	4,303,923,931	53,267,069,961	0.6391	152,191,628,460	35.00%
2014	49,809,243,448	4,906,452,131	54,715,695,579	0.6391	156,330,558,814	35.00%
2015	57,491,891,230	5,009,798,428	62,501,689,658	0.6391	178,576,256,165	35.00%
2016	65,063,984,029	5,458,301,376	70,522,285,405	0.6391	201,492,244,014	35.00%
2017	70,542,809,530	6,658,463,516	77,201,273,046	0.6391	220,575,065,846	35.00%

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

Southern Nevada Health District
Property Tax Rates - Direct and Overlapping Governments
For the Year Ended June 30, 2017

	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017
County Direct Rate	0.6391	0.6391	0.6391	0.6391	0.6391	0.6391	0.6391	0.6391	0.6391	0.6391
Clark County School District Rate	1.3034	1.3034	1.3034	1.3034	1.3034	1.3034	1.3034	1.3034	1.3034	1.3034
State of Nevada Rate	0.1850	0.1850	0.1850	0.1850	0.1850	0.1850	0.1850	0.1850	0.1850	0.1850
City Rates										
Boulder City	0.2038	0.2188	0.2600	0.2600	0.2600	0.2600	0.2600	0.2600	0.2600	0.2600
Henderson	0.7108	0.7108	0.7108	0.7108	0.7108	0.7108	0.7108	0.7108	0.7108	0.7108
Las Vegas	0.7715	0.7715	0.7715	0.7715	0.7715	0.7715	0.7715	0.7715	0.7715	0.7715
Mesquite	0.5520	0.5520	0.5520	0.5520	0.5520	0.5520	0.5520	0.5520	0.5520	0.5520
North Las Vegas	1.1637	1.1637	1.1637	1.1637	1.1637	1.1637	1.1637	1.1637	1.1637	1.1637
Unincorporated Town Rates										
Bunkerville	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200
Enterprise	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064
Indian Springs	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200
Laughlin	0.8416	0.8416	0.8416	0.8416	0.8416	0.8416	0.8416	0.8416	0.8416	0.8416
Moapa	0.2344	0.2344	0.2344	0.1094	0.1094	0.1094	0.1094	0.1094	0.1094	0.1094
Moapa Valley	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200
Mt. Charleston	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200
Paradise	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064
Searchlight	0.1212	0.1212	0.0600	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200
Spring Valley	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064
Summerlin	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064
Sunrise Manor	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064
Whitney (East Las Vegas)	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064
Winchester	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064	0.2064
Other Special District Rates										
Boulder City Library	0.1485	0.1485	0.1485	0.1595	0.1755	0.2030	0.2030	0.2030	0.2039	0.2239
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	0.0520	0.0039	0.0018	0.0023	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Las Vegas Metropolitan Police 911	0.0050	0.0050	0.0050	0.0050	0.0050	0.0050	0.0050	0.0050	0.0050	0.0050
Henderson City Library	0.0582	0.0590	0.0581	0.0577	0.0575	0.0586	0.0585	0.0594	0.0594	0.0602
Kyle Canyon Water District	0.0346	0.0346	0.0346	0.0346	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Las Vegas Artesian Basin	0.0008	0.0008	0.0011	0.0015	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Las Vegas / Clark County Library District	0.0866	0.0866	0.0909	0.1011	0.0942	0.0942	0.0942	0.0942	0.0942	0.0942
Las Vegas Metropolitan Police - Manpower - City	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800
Las Vegas Metropolitan Police - Manpower - County	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800
Lower Moapa Groundwater Basin			0.0006	0.0008	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Mt. Charleston Fire Service District	0.8813	0.8813	0.8813	0.8813	0.8813	0.8813	0.8813	0.8813	0.8813	0.8813
North Las Vegas Library District	0.0632	0.0632	0.0632	0.0632	0.0632	0.0632	0.0632	0.0632	0.0632	0.0632

1. Per $100 of assessed value. Nevada constitutional limit to any one area's combined tax rate of $3.64.
2. Source: State of Nevada, Department of Taxation's "Local Government Finance Redbook"

Southern Nevada Health District
Principal Property Taxpayers
For the Year Ended June 30, 2017

	2017			2008		
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	$ 3,586,896,698	1	5.08%	$ 4,826,431,465	1	4.72%
NV Energy	1,982,725,527	2	2.81%	922,953,019	4	0.90%
Caesar's Entertainment Incorporated	1,859,895,091	3	2.64%	2,201,567,090	2	2.15%
Las Vegas Sands Corporation	972,201,925	4	1.38%	833,668,330	5	0.81%
Wynn Resort Limited	926,778,374	5	1.31%	757,489,249	7	0.74%
Station Casinos Incorporated	705,871,212	6	1.00%	770,062,834	6	0.75%
Nevada Property 1 Limited Liability Company	382,335,596	8	0.54%	-		
Eldorado Energy Limited Liability Company	380,134,297	9	0.54%	-		
Boyd Gaming Corporation	328,880,459	7	0.47%	755,430,384	8	0.74%
Howard Hughes Corporation	327,790,058	10	0.46%	-		
General Growth Properties	-			1,765,682,919	3	1.73%
Focus Property Group	-			698,393,692	9	0.68%
Olympia Group Limited Liability Company	-			518,974,130	10	0.51%
	$ 11,453,509,237		16.24%	$ 14,050,653,112		13.73%

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

Southern Nevada Health District
Property Tax Levies and Collections
For the Year Ended June 30, 2017

Fiscal Year Ended June 30,	Secured Roll County Tax Levied for the Fiscal Year [2]	Collected within the Fiscal Year of the Levy		Collection in Subsequent Years	Total Collections to Date	
		Amount	Percent of Tax Levy		Total Tax Levy Collected	Percent of Total Tax Levy Collected to Tax Levy
2008	2,178,689,676	2,144,481,519	98.43%	34,073,902	2,178,555,421	99.99%
2009	2,356,056,341	2,310,905,968	98.08%	44,483,283	2,355,389,251	99.97%
2010	2,265,468,307	2,216,524,825	97.84%	48,265,080	2,264,789,905	99.97%
2011	1,769,836,179	1,736,374,718	98.11%	33,210,980	1,769,585,698	99.99%
2012	1,600,673,987	1,576,913,229	98.52%	23,527,388	1,600,440,617	99.99%
2013	1,460,245,888	1,446,101,302	99.03%	13,826,514	1,459,927,816	99.98%
2014	1,467,826,833	1,453,536,810	99.03%	13,875,610	1,467,412,420	99.97%
2015	1,515,622,010	1,506,098,697	99.37%	8,733,519	1,514,832,216	99.95%
2016	1,582,559,123	1,572,445,147	99.36%	7,135,453	1,579,580,600	99.81%
2017	1,631,134,278	1,620,796,470	99.37%	n/a [3]	1,620,796,470	99.37%

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

For the Year Ended June 30,	Population [1]	Per Capita Personal Income [2]	School Enrollment [3]	Unemployment Rate [4]
2008	1,986,145	38,378	308,745	5.17%
2009	2,006,347	35,075	311,221	9.16%
2010	2,036,358	35,473	309,442	12.98%
2011	1,966,630	36,512	309,899	13.71%
2012	2,008,654	38,516	308,377	12.32%
2013	2,062,253	37,966	311,218	10.47%
2014	2,102,238	39,613	314,598	8.78%
2015	2,147,641	40,652 [5]	317,759	7.36%
2016	2,205,207	[5]	320,186	6.39%
2017	[5]	[5]	321,991	5.22%

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

Southern Nevada Health District
Principal Employers
For the Year Ended June 30, 2017

	2017			2008		
Employer	Employees [2]	Rank	Percentage of Total Clark County Employment	Employees [2]	Rank	Percentage of Total Clark County Employment
Clark County School District	35,000	1	3.63%	31,750	1	3.43%
Clark County, Nevada	8,750	2	0.91%	10,250	2	1.11%
Wynn Las Vegas, LLC	8,250	3	0.86%	8,750	4	0.94%
Bellagio, LLC	7,750	4	0.80%	9,250	3	1.00%
MGM Grand Hotel/Casino	7,750	5	0.80%	8,750	5	0.94%
Aria Resort and Casino, LLC	7,250	6	0.75%	-		
Mandalay Bay Resort and Casino	7,250	7	0.75%	7,250	6	0.78%
Venetian Casino Resorts, LLC	6,250	8	0.65%	5,750	8	0.62%
University of Nevada-Las Vegas	5,750	9	0.60%	5,750	10	0.62%
Caesars Palace	5,250	10	0.54%	5,750	7	0.62%
The Mirage Casino Hotel				5,750	9	0.62%
Total principal employers	99,250		10.29%	99,000		10.69%
Total employment in Clark County, Nevada	964,342			926,258		

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

Southern Nevada Health District
Full-time Equivalent District Employees by Function and Program
For the Year Ended June 30, 2017

	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017
Function/program										
Governmental activities										
Public health										
Clinical services	177	172	163	166	164	166	153	147	117	120
Environmental health	158	156	148	142	146	164	139	143	142	153
Community health	54	55	53	50	48	56	59	58	95	108
Administration	151	152	146	149	153	129	110	106	107	109
Business-type activities										
Southern Nevada Public Health Laboratory	10	14	15	15	15	17	16	14	14	0
Total full-time equivalent employees	550	549	525	522	526	532	477	468	475	490

1. Source: Southern Nevada Health District Human Resources Department

	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017
Clinical services										
Immunization Clinic	273,662	302,982	200,142	189,468	203,712	157,448	142,244	125,975	125,491	119,276
Sexual Health Clinic							10,255	9,691	8,647	8,803
HIV/AIDS Clinic						183	1,080	576	594	582
Tuberculosis Clinic										
Active							81	84	46	49
Latent							922	464	466	420
Other							1,929	522	1,083	1,375
Environmental health										
Food and beverage establishment inspections										
Routine (5D) (916)	25,229	24,486	27,030	21,061	21,165	23,114	22,670	22,280	22,951	23,294
Special event (5K) (917)	3,567	3,696	3,761	3,854	4,764	4,694	4,222	4,147	4,153	4,628
Complaint-driven (5H) (902)	1,800	1,517	1,409	1,690	1,492	2,043	1,784	1,815	1,725	2,115
Epi Related (5E) (674)	615	369	41	35	48	165	133	42	89	67
Community health										
Communicable Diseases										
Reported Diseases										
Hepatitis A	4	11	12	8	1	9	11	7	12	6
Hepatitis B (Acute)	28	33	34	30	7	22	15	12	20	20
Influenza	270	528	528	485	6	571	641	571	575	757
Pertussis	24	6	12	29	9	121	86	80	41	38
Amebiasis	10	11	5	13	2	9	4	5	10	8
Campylobacteriosis	135	107	120	98	51	78	89	103	107	120
E.Coli 0157:H7/Shiga-Toxin Producing E.Coli*	12	14	15	33	29	37	27	22	49	34
Giardia	94	75	67	60	24	61	43	45	35	38
Emergency medical services										
Active certifications										
First Responder	20	4	1	0	0	0	0	0	0	0
EMT-Basic	881	784	671	560	532	458	484	517	5,841	604
EMT-Intermediate	1,336	1,322	1,369	1,365	1,347	1,303	1,283	1,268	1,255	1,356
EMT-Paramedic	947	985	1,018	1,073	1,118	1,114	1,167	1,210	1,217	1,291
EMS-Instructors	389	383	356	353	338	336	331	342	348	405

	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017
Epidemiology & Disease Surveillance										
Reported Diseases										
Amebiasis	10	11	5	13	2	9	4	5	10	8
Coccidioidomycosis	63	50	56	81	55	79	71	62	96	99
Cryptosporidiosis	16	1	4	12	0	5	5	1	5	5
Invasive Group A Strep	26	11	0	1	0	0	0	0	0	0
Invasive Strep Pneumoniae	5	1	2	47	27	54	75	0	123	183
Legionellosis	10	11	17	11	4	16	14	29	15	27
Listeriosis	6	2	1	1	1	1	4	2	0	3
Lyme Disease	9	4	1	2	3	2	5	4	6	15
Meningitis, Aseptic/Viral	61	47	32	41	14	26	49	40	20	32
Meningitis, Bacterial	21	11	7	9	2	6	13	18	26	19
Meningococcal Disease	6	1	4	2	0	0	2	1	3	6
Rotavirus	290	104	90	59	3	103	46	73	29	78
RSV	1,139	1,049	1,225	1,320	154	1,457	711	1,314	724	1,463
Salmonellosis	166	175	172	188	78	147	220	149	176	140
Shigellosis	159	144	57	40	25	58	43	28	43	65
Zika Virus Disease, Non-congenital	0	0	0	0	0	0	0	0	7	8
Sexually Transmitted Diseases, HIV/AIDS										
Syphillis (Infectious)	277	289	230	356	266	348	481	610	811	847
Gonorrhea	2,207	1,576	1,697	1,618	1,809	2,147	2,254	2,874	3,231	4,186
Chlamydia	7,773	7,681	8,414	8,029	8,618	8,883	8,816	9,880	10,498	12,334
New HIV Cases	374	322	353	321	352	382	371	265	330	441
New AIDS Cases	225	234	217	184	205	218	202	118	176	178
Vital Statistics										
Births	30,683	29,450	28,337	27,289	26,205	26,402	26,311	27,800	27,845	27,918
Deaths	12,595	13,560	13,701	14,388	14,770	15,159	15,109	16,105	16,845	17,432
Administration										
Health cards issued										
New	64,288	45,492	42,200	39,442	40,302	40,778	46,774	49,833	49,767	50,434
Renewal	62,604	58,949	70,657	60,081	58,142	65,273	60,141	59,819	64,459	59,976
Other (Non-Food and Duplicate Cards)	11,378	9,950	9,450	8,835	8,350	7,301	6,623	6,908	7,134	7,407

1. Source: Various Southern Nevada Health District Departments

Southern Nevada Health District
Capital Asset Statistics by Function and Program
For the Year Ended June 30, 2017

Function/program	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017
Government activities										
Public health										
Clinical services	$ 1,791,734	$ 1,797,575	$ 1,620,435	$ 1,620,333	$ 1,754,975	$ 1,528,201	$ 1,460,304	$ 1,192,661	$ 1,023,054	$ 1,101,508
Environmental health	1,069,123	1,029,719	1,189,172	1,945,641	1,788,428	1,406,930	1,320,089	1,507,327	1,522,954	1,482,981
Community health	377,644	434,240	712,206	831,429	1,025,536	927,232	987,176	1,263,501	1,253,716	5,148,869
Administration	22,737,233	23,045,482	22,013,656	22,264,236	22,147,260	22,505,859	22,458,602	21,792,150	34,354,535	51,782,187
Business-type activities										
Southern Nevada Public Health Laboratory	2,134,430	2,245,520	2,286,992	2,311,467	2,382,536	2,550,084	2,598,917	2,555,542	2,588,931	-
	$ 28,110,164	$ 28,552,536	$ 27,822,461	$ 28,973,106	$ 29,098,735	$ 28,918,306	$ 28,825,088	$ 28,311,181	$ 40,743,190	$ 59,515,545

1. Source: Southern Nevada Health District Finance Department

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Compliance and Controls

EideBailly

CPAs & BUSINESS ADVISORS

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Southern Nevada Health District as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise Southern Nevada Health District's basic financial statements, and have issued our report thereon dated December 6, 2017.

Internal Control over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and questioned costs, 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies 2017-A and 2017-B described in the accompanying schedule of findings and questioned costs to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters
As part of obtaining reasonable assurance about whether Southern Nevada Health District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2017-B.

Southern Nevada Health District's Response to Findings
Southern Nevada Health District's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. Southern Nevada Health District's corrective action plan is also included in a separately issued letter. Southern Nevada Health District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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

Las Vegas, Nevada
December 6, 2017

EideBailly

CPAs & BUSINESS ADVISORS

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

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

Report on Compliance for Each Major Federal Program

We have audited Southern Nevada Health District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Southern Nevada Health District's major federal programs for the year ended June 30, 2017. Southern Nevada Health District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility
Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility
Our responsibility is to express an opinion on the compliance for each of Southern Nevada Health District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Southern Nevada Health District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Basis for Qualified Opinion on # 93.217, Family Planning - Services
As described in the accompanying schedule of findings and questioned costs, Southern Nevada Health District did not comply with requirements regarding CFDA #93.217, Family Planning - Services, as described in finding number 2017-001 for Program Income. Compliance with such requirements is necessary, in our opinion, for Southern Nevada Health District to comply with the requirements applicable to that program.

Qualified Opinion on # *93.217, Family Planning Services*
In our opinion, except for the noncompliance described in the Basis of Qualified Opinion paragraph, Southern Nevada Health District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on Family Planning Services grants for the year ended June 30, 2017.

Opinion on Each of the Other Major Federal Programs
In our opinion, Southern Nevada Health District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2017.

Other Matters
Southern Nevada Health District's response to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. Southern Nevada Health District's corrective action plan is also included in a separately issued letter. Southern Nevada Health District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Management of Southern Nevada Health District is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit of compliance, we considered Southern Nevada Health District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Southern Nevada Health District's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses and significant deficiencies may exist that have not been identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a compliance requirement will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2017-001 to be a material weakness.

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.

Southern Nevada Health District's response to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. Southern Nevada Health District's corrective action plan is also included in a separately issued letter. Southern Nevada Health District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Las Vegas, Nevada
December 6, 2017

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures	Amounts Passed-Through to Subrecipients
Department of Health and Human Services				
Passed through Nevada Department of Health and Human Services, Nevada State Health Division				
Public Health Emergency Preparedness CRI #15564	93.069	NU90TP000534-05	$ 355,249	$ -
Public Health Emergency Preparedness CRI #15910	93.069	NU90TP000534-05	46,609	
Public Health Emergency Preparedness CRI #15766	93.069	NU90TP000534-05	23,793	
Public Health Emergency Preparedness PAIS #15547	93.069	NU90TP000534-05	2,161,057	
Public Health Emergency Preparedness PAIS #15962	93.069	NU90TP000534-05	117,161	
Public Health Emergency Preparedness PAIS #15898	93.069	NU90TP000534-05	84,875	
Public Health Emergency Preparedness PAIS #15682	93.069	NU90TP921824-01	145,592	
			2,934,335	27,075
Direct Program				
Environmental Public Health and Emergency Response	93.070		91,647	
Environmental Public Health and Emergency Response	93.070		44,509	
			136,155	5,875
Direct Program				
Birth Defects and Developmental Disabilities	93.073		52,728	
Passed through Nevada Department of Health and Human Services, Nevada State Health Division				
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (HPEP) Aligned Cooperative Agreements	93.074	U90TP000534-03	145,287	
Passed through Department of Health and Human Services, Food and Drug Administration				
Food and Drug Administration Research	93.103	G-MP-1510-03310	1,834	
Food and Drug Administration Research	93.103	G-SP-1510-03235	3,000	
Food and Drug Administration Research	93.103	G-SP-1612-04553	3,000	
Food and Drug Administration Research	93.103	G-FPTF-1612-04583	2,820	
Food and Drug Administration Research	93.103	G-T-1510-03237	3,000	
Food and Drug Administration Research	93.103	U50FD004334-05	2,949	
Food and Drug Administration Research	93.103	U50FD005933-01	3,758	
			20,362	
Direct Program				
Food and Drug Administration Research	93.103		74,555	
Total Food and Drug Administration Research			94,917	
Direct Program				
Maternal and Child Health Federal Consolidated Program	93.110		40,556	
Passed through Department of Health and Human Services, Centers for Disease Control and Provention				
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	U52PS004681-02	165,577	
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	NU52PS004681-03	190,020	
			355,597	

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures	Amounts Passed-Through to Subrecipients
Passed through Department of Health and Human Services, Centers for Disease Control and Provention				
Injury Prevention and Control Research and State and Community Based Programs	93.136	U17CE002737-01	73,112	
Direct Program				
Family Planning Services	93.217		1,030,416	
Family Planning Services	93.217		353,625	
			1,384,041	
Passed through Department of Health and Human Services, Centers for Disease Control and Prevention				
Immunization Cooperative Agreements	93.268	NH23IP000727-04	461,560	
Immunization Cooperative Agreements	93.268	NH23IP000727-05	124,298	
Immunization Cooperative Agreements	93.268	H23IP000943-01	8,542	
			594,400	
Passed through Department of Health and Human Services, Centers for Disease Control and Prevention				
Adult Viral Hepatitis Prevention and Control	93.270	U51PS004092-04	23,152	
Adult Viral Hepatitis Prevention and Control	93.270	NU51PS005120-01	30,024	
			53,176	
Passed through Department of Health and Human Services, Centers for Disease Control and Prevention				
Centers for Disease Control and Prevention Investigations and Technical Assistance	93.283	U60/CD303019	1,414	
Direct Program				
Teenage Pregnancy Prevention Program	93.297		82,725	
Teenage Pregnancy Prevention Program	93.297		731,871	
			814,596	104,491
Passed through Department of Health and Human Services, Centers for Disease Control and Prevention				
National State Based Tobacco Control Programs #15504	93.305	U58DP006009	33,620	
National State Based Tobacco Control Programs #15504-1	93.305	U58DP006009	159,912	
			193,532	
Passed through Department of Health and Human Services, Centers for Disease Control and Prevention				
CSELS Partnership: Strengthening Public Health Laboratories	93.322	U60OE000103	16,813	
CSELS Partnership: Strengthening Public Health Laboratories	93.322	NU60OE000103	25,000	
			41,813	
Direct Program				
Partnerships to Improve Community Health	93.331		1,119,028	
Partnerships to Improve Community Health	93.331		1,688,696	
			2,807,724	1,075,849

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures	Amounts Passed-Through to Subrecipients
Passed through Department of Health and Human Services, Health Resources and Services Administration				
Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program	93.505	X02MC28233	323,371	
Passed through Department of Health and Human Services, Centers for Disease Control and Prevention				
The Affordable Care Act: Building Epidemiology, Laboratory, and Health Information Systems Capacity in the Epidemiology and Laboratory Capacity for Infectious Disease (ELC) and Emerging Infections Program (EIP) Cooperative Agreements; PPHF	93.521	NU50CK000419-03	521,523	
Passed through Department of Health and Human Services, Administration for Children and Families				
Refugee and Entrant Assistance State Administered Programs	93.566	1502NVRCMA	66,723	
Refugee and Entrant Assistance State Administered Programs	93.566	1702NVRCMA	288,524	
			355,246	
Passed through Department of Health and Human Services, Centers for Disease Control and Prevention				
Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance - financed in part by the Prevention and Public Health Fund (PPHF)	93.733	H23IP000989-01	135,084	
Passed through Department of Health and Human Services, Centers for Disease Control and Prevention				
State and Local Public Health Actions to Prevent Obesity, Diabetes, Heart Disease and Stroke (PPHF) #15571	93.757	NU58DP004820-04	9,062	
State and Local Public Health Actions to Prevent Obesity, Diabetes, Heart Disease and Stroke (PPHF) #15559	93.757	NU58DP004820-04	21,597	
			30,659	
Passed through Department of Health and Human Services, Centers for Disease Control and Prevention				
Preventive Health and Health Services Block Grant (PPHF)	93.758	NB01OT009079-01	21,744	
Passed through Department of Health and Human Services, Centers for Disease Control and Prevention				
Domestic Ebola Supplement to the Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.815	U50CK000419-01	260,528	
Passed through Department of Health and Human Services, Office of the Secretary				
Hospital Preparedness Program (HPP) Ebola Preparedness and Response Activities	93.817	U3REP150510-01	238,860	

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures	Amounts Passed-Through to Subrecipients
Passed through Department of Health and Human Services, Office of the Secretary				
National Bioterrorism Hospital Preparedness Program ASPR #15552	93.889	NU90TP000534-05	4,504	
National Bioterrorism Hospital Preparedness Program Program ASPR #15765	93.889	NU90TP000534-05	576,784	
			581,288	
Passed through Department of Health and Human Services, Health Resources and Services Administration				
HIV Emergency Relief Project Grants	93.914	H89HA06900-12	109	
HIV Emergency Relief Project Grants	93.914	H89HA06900-12	390,748	
HIV Emergency Relief Project Grants	93.914	H89HA06900-11	892,994	
			1,283,851	
Passed through Department of Health and Human Services, Health Resources and Services Administration				
HIV Care Formula Grants #15623	93.917	X07HA00001-26	16,028	
HIV Care Formula Grants #15890	93.917	X07HA00001-27	22,098	
HIV Care Formula Grants #15889	93.917	X07HA00001-27	46,418	
HIV Care Formula Grants #15498	93.917	X07HA00001-26	77,781	
HIV Care Formula Grants #15497	93.917	X07HA00001-26	157,021	
HIV Care Formula Grants #15624	93.917	X07HA00001-26	168,038	
HIV Care Formula Grants #15496	93.917	X07HA00001-26	179,587	
			666,971	
Direct Program				
Healthy Start Initiative	93.926		1,018	
Healthy Start Initiative	93.926		121,499	
Healthy Start Initiative	93.926		403,766	
			526,283	62,767
Passed through Department of Health and Human Services, Health Resources and Services Administration				
Special Projects of National Significance	93.928	U90HA29237	308,420	
Passed through Department of Health and Human Services, Centers for Disease Control and Prevention				
HIV Prevention Activities Health Deparment Based #12131-7	93.940	U62PS003654-05	715,611	
HIV Prevention Activities Health Deparment Based #12131-8	93.940	U62PS003654-05	565,359	
			1,280,970	259,720
Passed through Department of Health and Human Services, Centers for Disease Control and Prevention				
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	93.944	U62PS004024-05	60,629	
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	93.944	U62PS004024-04	73,924	
			134,553	

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures	Amounts Passed-Through to Subrecipients
Passed through Department of Health and Human Services, Substance Abuse and Mental Health Services Administration				
Block Grants for Prevention and Treatment of Substance Abuse	93.959	2B08TI010039-15	198,058	
Block Grants for Prevention and Treatment of Substance Abuse	93.959	2B08TI010039-16	232,349	
			430,407	
Passed through Department of Health and Human Services, Centers for Disease Control and Prevention				
Preventive Health Services Sexually Transmitted Diseases Control Granst	93.977	H25PF004376-03	214,138	
Preventive Health Services Sexually Transmitted Diseases Control Granst	93.977	NH25PS004376-04	226,533	
			440,671	
Passed through Department of Health and Human Services, Health Resources and Services Administration				
Maternal and Child Health Services Block Grant to the States	93.994	BOMC29352	73,517	
Total Department of Health and Human Services			17,337,325	1,535,777
Department of Agriculture				
Direct Program				
Farmers' Market and Local Food Promotion Program	10.168		9,777	
Total Department of Agriculture			9,777	
Department of Housing and Urban Development				
Passed through Department of Housing and Urban Development Office of Healthy Homes and Lead Hazard Control				
Healthy Homes Technical Studies Grant	14.906	14-749W-00/01	124	
Total Department of Housing and Urban Development			124	
Environmental Protection Agency				
Passed through Environmental Protection Agency Office of Water				
State Public Water System Supervision	66.432	F-00910516	33,750	
Capitalization Grants for Drinking Water State Revolving Funds	66.468	FS99996015-1	91,250	
			125,000	

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures	Amounts Passed-Through to Subrecipients
Passed through Environmental Protection Agency Office of Solid Waste and Emergency Response				
Underground Storage Tank Prevention, Detection and Compliance Program	66.804	99T10501	18,700	
Total Environmental Protection Agency			143,700	
Department of Homeland Security				
Passed through Department of Homeland Secuirty				
Homeland Security Biowatch Program	97.091	2013-OH-091-000030-04	18,000	
Total Department of Homeland Security			18,000	
Total Federal Financial Assistance			$ 17,508,927	$ 1,535,777

See notes to the schedule of expenditures of federal awards.

Note A – Basis of Presentation

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

Note B – Significant Accounting Policies

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

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

Note C – Relationship to Basic Financial Statements

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

Special Revenue Fund	$ 17,508,927

Section I – Summary of Auditor's Results

FINANCIAL STATEMENTS

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

FEDERAL AWARDS

Internal control over major program:	
Material weaknesses identified	Yes
Significant deficiencies identified not considered to be material weaknesses	No
Type of auditor's report issued on compliance for major programs:	Unmodified for all major federal programs except for Family Planning - Services, which was qualified for the program income requirement
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516(a):	Yes

Identification of major programs:

Name of Federal Program	CFDA Number
Public Health Emergency Preparedness	93.069
Family Planning - Services	93.217
Partnership to Improve Community Heal	93.331
HIV Emergency Relief Project Grants	93.914

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

Section II – Financial Statement Findings

2017-A Material Weakness in Financial Close and Reporting Controls

Criteria: Governmental entities should have a robust system of internal controls over the financial close and reporting process so as to prevent, detect, and correct potential misstatements. These robust processes should include the timely reconciliation of significant account balances.

Condition: The District's financial close and reporting processes were not performed in a timely manner for the year ended June 30, 2017. In our testing of significant account reconciliations, including those over Cash and Medical Accounts Receivable, we noted that reconciliations of the year end balances were not completed until two or more months after year-end. Additionally, it was noted that monthly reconciliations over cash disbursement accounts were not performed during the year from September 2016 through June 2017.

Cause: Staffing shortages, and the reassignment of responsibilities in these areas, was the primary cause of the breakdown in controls.

Effect: A breakdown in controls of this magnitude could lead to a material misstatement of an account or balance that the District would not detect or correct in a timely manner.

Recommendation: We recommend management revisit the assignment of staff to these critical controls to ensure that reconciliation processes are regularly performed by a knowledgeable staff member in a timely manner.

Views of Responsible Officials: Agree

2017-B Noncompliance with Nevada Revised Statutes Budget Requirements
Material Noncompliance
Material Weakness in Internal Control Over Compliance

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

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

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

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

Condition: The Health District transferred $826,000 from the General fund to the Capital Projects fund, however, this transfer was not a part of the final approved budget, nor did the Health District follow the procedures required by NRS 354.598005 (c) above to amend its budget. Additionally, the Health District's Bond Reserve Capital Projects fund exceeded available budget appropriations in the amount of $58,033 and the Internal Service fund exceeded available budget appropriations in the amount of $33,874.

Cause: Controls over adhering to the NRS budget requirements were not properly implemented to prevent material noncompliance from occurring.

Effect: The Health District is in material noncompliance with the NRS budget requirements identified above.

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

Views of Responsible Officials: Agree

Section III – Federal Award Findings and Questioned Costs

2017-001 **Direct Program**
Department of Health and Human Services
CFDA # 93.217, 2017
Family Planning Services

Program Income
Material Noncompliance
Material Weakness in Internal Control over Compliance

Criteria: As a condition of receiving Federal awards, non-Federal entities agree to comply with laws, regulations, and the provisions of grant agreements and contracts, and to maintain internal control to provide reasonable assurance of compliance with these requirements.

The Family Planning Services program requires that patients served under the federal program may only be charged for the services if they are able to demonstrate the ability to pay. It is the responsibility of the District to obtain verification of each patient's ability to pay, and to apply a sliding discount to the patient's charges based upon their income level as it relates to the Federal Poverty Guidelines.

Condition: Four encounters were identified where the patients were placed into payment brackets which were not supported by proof of income verifications obtained by the District.

Cause: Controls over patient income verification were not properly designed to ensure that adequate information was obtained to justify the patient's payment bracket.

Effect: A patient could be charged despite the patient not having the ability to pay.

Questioned Costs: None reported

Context/Sampling: A nonstatistical sample of 40 encounters, from a complete population in excess of 1,000 of the District's encounters for the Family Planning Services program, was tested for proper income verification support.

Repeat Finding from Prior Year(s): No

Recommendation: We recommend management revisit the patient enrollment process with the Family Planning department, to correct the breakdown in controls over the process, to avoid noncompliance in the future.

Views of Responsible Officials: Agree

EideBailly

CPAs & BUSINESS ADVISORS

Auditor's Comments

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

In connection with our audit of the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Southern Nevada Health District (the "District") as of and for the year ended June 30, 2017, and the related notes to the financial statements, except as noted below, nothing came to our attention that caused us to believe that the District, failed to comply with the specific requirements of Nevada Revised Statutes. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the District's noncompliance with the requirements of Nevada Revised Statutes cited below, insofar as they relate to accounting matters.

CURRENT YEAR STATUTE COMPLIANCE

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

PROGRESS ON PRIOR YEAR STATUTE COMPLIANCE

The District monitored all significant constraints on its financial administration during the year ended June 30, 2017.

PRIOR YEAR RECOMMENDATIONS

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

CURRENT YEAR RECOMMENDATIONS

We did identify material weaknesses in internal controls, and a material noncompliance with laws and regulations, which have been included in the schedule of findings and questioned costs.

Eide Bailly LLP

Las Vegas, Nevada
December 6, 2017