



CLARK COUNTY, NEVADA

COMPREHENSIVE
ANNUAL
FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2008

**SOUTHERN NEVADA HEALTH DISTRICT
CLARK COUNTY, NEVADA**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2008**

Report Prepared By:
Administration Division, Financial Services Section
Southern Nevada Health District
625 Shadow Lane
Las Vegas, Nevada 89106

Lawrence Sands, DO MPH
Chief Health Officer

SOUTHERN NEVADA HEALTH DISTRICT
CLARK COUNTY, NEVADA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2008

DISTRICT OFFICIALS
BOARD OF HEALTH

Chairman
KIRK, Steven
Councilman - Henderson
240 Water Street
Henderson, Nevada 89015

Vice-Chairman
GIUNCHIGLIANI, Chris
Commissioner - Clark County
500 South Grand Central Parkway
Las Vegas, Nevada 89155

Secretary
REESE, Gary
Mayor Pro Tem
400 East Stewart Avenue
Las Vegas, Nevada 89101

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Councilman - Las Vegas
400 East Stewart Avenue
Las Vegas, Nevada 89101

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Business/Industry, At-Large Member
3799 Las Vegas boulevard South
Las Vegas, Nevada 89109

CHRISTENSEN, Jim, MD
Physician, At-Large member
4 Sunset Way, Suite A-3
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MATTOCKS, Mary Jo, RN, PhD
Registered Nurse, At-Large Member
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Environmental Specialist, At-Large Member
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Councilmember - Mesquite
10 East Mesquite Blvd.
Mesquite, NV 89027

ELIASON, Robert
Councilman - North Las Vegas
2200 Civic Center Drive
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STRICKLAND, Linda
Councilmember - Boulder City
401 California Avenue
Boulder City, Nevada 89005

HARDY, Joseph, MD
Physician, At-Large Member
P.O. Box 60306
Boulder City, Nevada 89006

WEEKLY, Lawrence
Commissioner - Clark County
500 South Grand Central Parkway
Las Vegas, Nevada 89155

Executive Secretary/Chief Health Officer
Lawrence Sands, DO, MPH

Division Heads

Director, Administrative Services
Scott Weiss

Director, Environmental Health
Glenn Savage

Acting Director, Community Health Services
Rory Chetelat

Director, Clinics and Nursing Services
Bonnie Sorenson, RN

Attorney for the Board
Stephen Minagil, Esq

SOUTHERN NEVADA HEALTH DISTRICT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
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INTRODUCTORY SECTION

SN/D
Southern Nevada Health District



November 20, 2008

Board of Health
Southern Nevada Health District and Citizens:

The Comprehensive Annual Financial Report (CAFR) of the Southern Nevada Health District, Clark County, Nevada, for the fiscal year ended June 30, 2008, is submitted herewith as mandated by state statute. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures rests with the 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 District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included. The reader is referred to the Management Discussion and Analysis section beginning on page 3 for an overview of the District's financial position.

PROFILE OF THE GOVERNMENT

The Southern Nevada Health District was created pursuant to Nevada Revised Statute (NRS) 439.370 under Ordinance No. 163 of the Board of County Commissioners of Clark County, Nevada on June 5, 1962. The structure of the Board of Health was changed by the 2005 Legislature, effective July 1, 2005. The current Board structure, effective July 1, 2005, provides for two elected representatives each from the County and from the City of Las Vegas plus a single elected representative from each of the four smaller cities. Each entity member serves at the discretion of his or her entity. The elected members select two physicians, a nurse, an environmentalist and a representative of a regulated industry or business. Total membership remains at thirteen. The Board represents a unique consolidation of the public health needs of Boulder City, Las Vegas, North Las Vegas, Henderson, Mesquite and Clark County, Nevada into one regulating body that has jurisdiction over all public health matters in Clark County. Clark County covers 7,910 square miles and includes a countywide population in 2007 of over 1.9 million people or 72% of the population of the State of Nevada.

REPORTING ENTITY

The 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 has policy-making responsibility for Health District activities including the ability to significantly influence operations and primary accountability for fiscal matters. The 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 state statute, District fund balances are pooled with those of Clark County and invested by the County Treasurer on behalf of the District. The District, however, retains full control and accountability for these balances.

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

DISTRICT SERVICES

Pursuant to state statute, the Southern Nevada Health District is responsible for protecting and promoting the health and well-being of Clark County residents and visitors. District program goals include: reduce barriers and improve access to affordable preventive health services; monitor for, and protect from environmental factors which adversely influence health; educate the community about individual responsibility for health protection; prevent, detect and control disease outbreaks.

The Nursing Division promotes and provides services for communicable disease, immunization, women's health, and children's health to individuals and families. Services are provided at the Ravenholt, East Las Vegas, North Las Vegas, Henderson, and the Spring Valley Public Health Centers, as well as at the Cambridge Community Center, and McCarran International Airport. Additional clinical services are provided at regular times at various sites throughout urban and rural Clark County. Approximately one-half million clients are provided services by programs of this division annually.

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

The Community Health Services Division programs include chronic disease prevention and health promotion, epidemiology, emergency medical system coordination and public health emergency preparedness for bioterrorism and other disasters. The Southern Nevada Public Health Laboratory (SNPHL) opened in July 2004 as a branch of the Nevada State Health Laboratory and is under the technical direction of University of Nevada School of Medicine (UNSOM) although the SNPHL functions administratively under the Community Health Services Division.

Overall Health District management is provided by the Chief Health Officer through the Administration Division. General administrative functions provided by the division include human resources, financial services, information technology, facilities services and public information. Facilities functions include security, janitorial services, building repair, remodeling, equipment repair, and grounds maintenance. Other programs included in the Administration Division are health cards and vital records.

ECONOMIC CONDITION AND OUTLOOK

Although Population growth has slowed because of fewer job opportunities, the County's population has exceeded 1.9 million and is expected to grow by 2.6 percent in 2008 and another 4.0 percent in 2009 based on current census and state demographic projections. Approximately 5,700 new residents are expected to move into the County each month, many of whom seek services from the District.

While growth may be slightly below historic levels, much of the growth consists of low skilled workers in service jobs without medical insurance and of senior citizens requiring a greater level of healthcare services. Per local economists, Nevada is going through a larger rate of foreclosures than most states, causing disruptions and financial burdens for borrowers and lenders. Incomes dependent on housing sales also remain depressed, resulting in financial turmoil and less spending. The unemployment rate in Nevada was reported at 7.3 percent as of September 2008 compared to 5 percent a year ago. This is above the national average of 6.1 percent. The slowdown in construction jobs largely explains most of the recent losses. Due to frozen credit

markets, empty housing units, and declining wealth, economists do not see a speedy resolution to current conditions.

Over the past two years the District has raised fees and regulatory revenue to help address the disproportionate demand for services created by the influx of newer residents. The unrelenting growth of the Las Vegas Valley has placed a strain on physical facilities. The main health center building at the Shadow Lane campus has become inadequate and too antiquated to provide basic services effectively. The cost of additional leased space for necessary program expansion continues to escalate as do maintenance costs for the older main campus facilities constructed over four decades ago.

While constructing a new facility would be prohibitively expensive at this time, the District still faces the reality of arranging financing for the purchase which will cost in the neighborhood of \$50 million for the required 175,000 square feet of space. A portion of the District's ending fund balance will be earmarked for this necessary capital improvement. The Henderson public health center has now been expanded to 23,200 square feet as of July 1, 2006 to address population growth in the southeast valley area. Other District locations have also expanded in North Las Vegas, Spring Valley, 400 Shadow Lane, Laughlin, and expansion to Mesquite is currently under development.

Since diversification of the Las Vegas economy has proceeded at a slower pace than anticipated, the ability to meet the increasing demand for more public health services will continue to depend on a strong tourism industry. However, visitor volume and gaming activity is expected to slightly decline in 2008. Visitor volume grew by .72 percent in 2007 to 39,196,761, an increase of 281,812 visitors over the 2006 total. In 2008, economists expect visitor volume to decrease at a rate of 4.3 percent. In 2009, it is projected that the number of visitors will increase by 2.7 percent for a total visitor count of 38,524,105. The projected increase in 2009 will further economic stability.

A number of strategies have been formulated to strengthen the Las Vegas economy but it will be challenging to implement them. As the prices continue to decrease in the housing market, the sales of both new and existing homes are beginning to increase. New home sales totaled 961 in September 2008, a 21 percent jump from the previous month according to *Las Vegas Business Press*. In many cases, potential buyers are struggling to secure mortgages as creditors have tightened financing and lending policies. The Treasury Department is proposing to buy ownership stakes in financially weak commercial banks. The move would strengthen balance sheets and persuade banks to start making loans again. The housing market will need to be stabilized before seeing any improvement in the economy.

Total Clark County gaming revenue for 2007 was \$10,868.3 million. This reflects a 2.2 percent increase over the 2006 total of \$10,630.5 million. In 2008, economists expect negative growth of 3.6 percent for a total of \$10,477.0 million by year end. In 2009, a positive growth of 4.7 percent for a total "gaming win" of \$10,969.4 million is expected.

FINANCIAL INFORMATION

District management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the 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 District's internal controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Single Audit

As a recipient of federal, state and county assistance, the 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 District management.

As a part of the 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 that the District has complied with applicable laws and regulations.

Budgeting Controls

In addition to internal controls, the 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 District's governing body. Activities of the general, capital reserve, debt reserve fund, internal service, and proprietary fund 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 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 District continues to meet its responsibility for sound financial management.

Cash Management

The District is required by statute to invest all funds with the Clark County Treasurer. At the fiscal year end June 30, 2008, \$33,032,543 in cash resources was invested with the Treasurer. The average effective yield on maturing investments was 3.89% compared with 4.82% in the prior year. The Clark County Treasurer's policy is to invest public funds in a manner which 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 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 development of a risk management program:

- Those risks marked by high severity and high probability that are dealt with through avoidance and reduction.
- Those risks with high severity and low probability that are most appropriately dealt with through insurance.
- Those risks characterized by low severity and high probability that are most appropriately dealt with through retention of funds and reduction of risks.
- Those risks characterized by low severity and low probability that are best handled through retention.

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

OTHER INFORMATION

Independent Audit

Nevada Revised Statute 354.624 requires an annual audit by independent certified public accountants. The accounting firm of Kafoury, Armstrong & Co. was selected by the Board of Health to perform the fiscal year 2008 audit and the option to audit the following two years. In addition to meeting the requirements set forth in

state statutes, the audit was also designed to meet the requirements of the federal Single Audit Act of 1996 and related OMB Circular A-133. The auditor's report on the basic financial statements is included in the financial section of this report (pages 1-2). The auditor's report on the internal accounting controls of the District and statement regarding the District's use of monies in compliance with the purpose of each fund (pages 71-74) 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 to those agencies meeting its established criteria. In order to be awarded a Certificate of Achievement, the District must publish an easily readable and efficiently organized CAFR, whose contents conform to the program standards. The District has received the Certificate of Achievement for its CAFR for fiscal years ending 2003, 2004, 2005, 2006, and 2007. See page vii for the FY 2007 CAFR certificate.

Acknowledgements

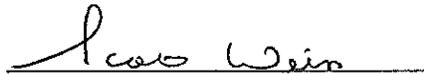
Timely preparation of this report could not have been accomplished without the efficient and dedicated service of the entire staff of the Financial Services Section of the Administration Division and the staff of our independent auditors, Kafoury, Armstrong & Co. We would like to express our appreciation to all members of the 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.

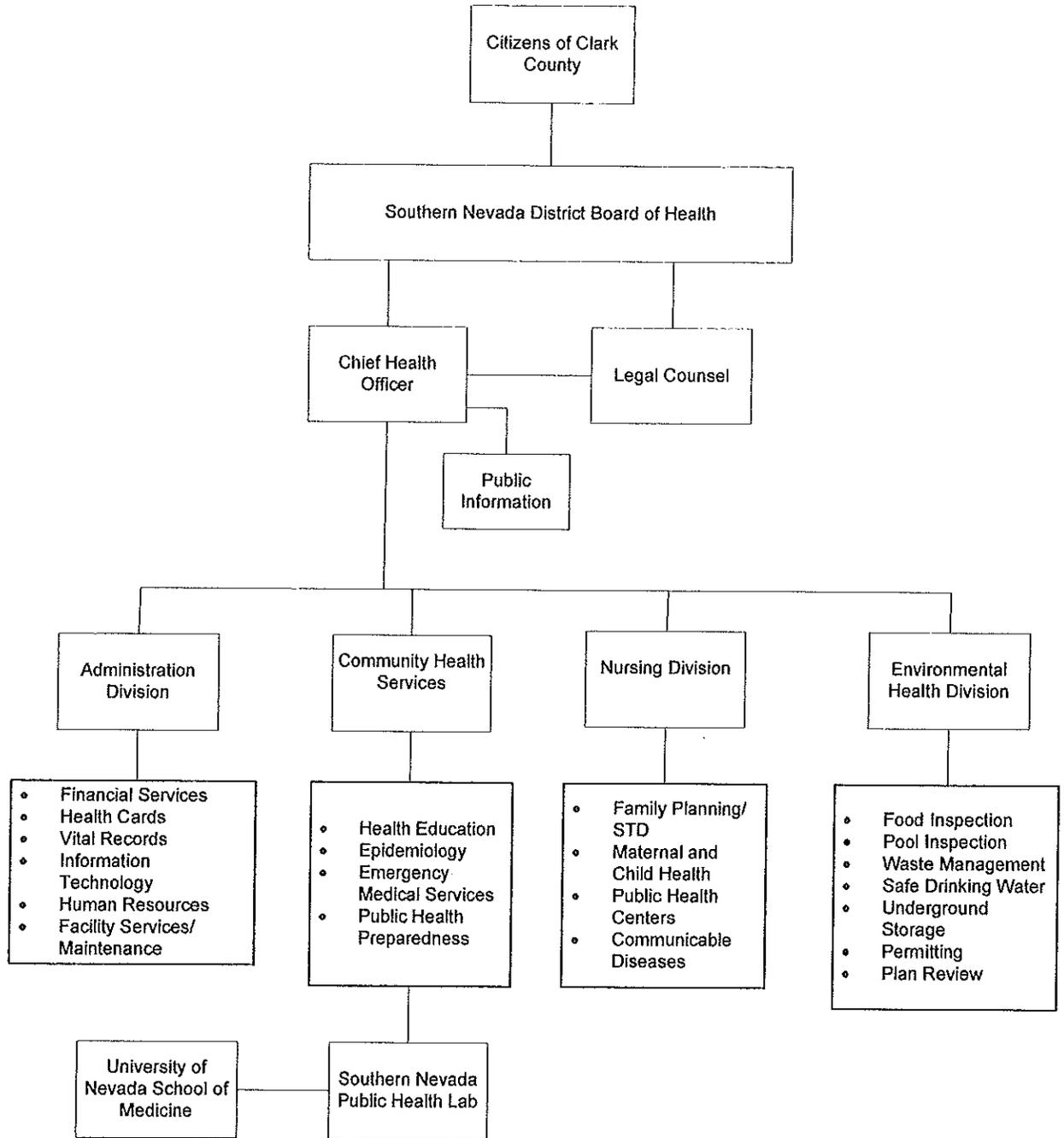
Sincerely,



Lawrence Sands, DO, MPH
Chief Health Officer



Scott Weiss
Director, Administrative Services



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, 2007

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Charles S. Cox

President

Jeffrey R. Emery

Executive Director

FINANCIAL SECTION

SN/D
Southern Nevada Health District



KAFOURY, ARMSTRONG & CO.
A PROFESSIONAL CORPORATION
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Members of the District Board of Health
Southern Nevada Health District
Clark County, Nevada

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Southern Nevada Health District, (the "District") as of and for the year ended June 30, 2008, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. 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 the *Governmental 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 Southern Nevada Health District as of June 30, 2008, and the respective changes in financial position, and where applicable, cash flows thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 5, 2008 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 and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's discussion and analysis (MD&A) on pages 3 through 16 and the budgetary comparison schedules for the Southern Nevada Health District are not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the MD&A and budgetary comparison information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Southern Nevada Health 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 basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and is also not a required part of the basic financial statements of the District. The individual fund schedules and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken 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 express no opinion on them.

Kafoury, Armstrong & Co.

Las Vegas, Nevada
November 5, 2008

**SOUTHERN NEVADA HEALTH DISTRICT
Management's Discussion and Analysis
Required Supplementary Information**

This section of the Southern Nevada Health District's comprehensive annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year ended June 30, 2008. The Management's Discussion and Analysis (MD&A) is required as an element of the reporting model established by the Governmental Accounting Standards Board (GASB) in Statement 34 and subsequent Statements 37 and 38 governing the presentation of financial statements. The MD&A is designed to give the reader an easy-to-understand overview of the District's financial position and results of operations for the year. Please read it in conjunction with the transmittal letter at the front of this report (page i) and the District's basic financial statements following this section (page 17).

FINANCIAL HIGHLIGHTS

- The assets of the District exceeded its liabilities at the close of the 2007-2008 fiscal year by \$38,906,516 (*net assets*). Of this amount, \$24,995,116 (*unrestricted net assets*) may be used to meet the District's ongoing obligations to citizens and creditors, \$640,854 is restricted for specific purposes (*restricted net assets*), and \$13,270,546 is invested in capital assets, net of any related debt. The District has no debt.
- The District's total net assets increased by \$8,225,918 in the fiscal year ended June 30, 2008 compared to the prior year. Total net assets for governmental activities increased by \$7,427,706 from prior year. See page 22 for a reconciliation of the net change in fund balances for Governmental funds to the change in net assets for Governmental Activities.
- As of June 30, 2008, the District's governmental funds reported combined ending fund balances of \$30,658,744, an increase of \$9,125,371 in comparison with the prior year. Approximately 87% of this total amount, \$26,595,141 is *available* to meet the District's current and future needs (*unreserved/undesignated fund balances*).
- At the end of the fiscal year, the unreserved/undesignated fund balance for the General Fund was \$26,595,141 or 45% of total General Fund expenditures. This unreserved/undesignated General Fund ending balance is 36% higher than the prior year's ending fund balance of \$19,528,050 due to salary savings, cost cutting measures, and fee increases for necessary capital improvements and growth-driven staffing increases.
- At the end of the fiscal year, the fund balance designated for capital improvements was \$917,291 or 97% of total Capital Reserve Fund expenditures. This Capital Reserve Fund ending fund balance exceeds the negative balance of \$209,441 in the prior year due to more transfers being made prior to the end of the fiscal year.
- A total of \$1,002,341 was designated for the new bond reserve fund (debt reserve fund).
- The District's federal (direct and indirect) grant revenue increased by a net amount of \$811,765 in comparison with the prior year. The increase resulted primarily from additional funding for public health preparedness grants such as the CDC Bioterrorism grant, Cities Readiness Initiative grant, Pandemic Flu, and ASPR or Medical Reserve Corp. This was due to available carry forward funding from CDC from the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) **Government-wide** financial statements, 2) **Fund** financial statements, and 3) **Notes** to the basic financial statements. Required Supplementary Information is included in addition to the basic financial statements.

Government-wide Financial Statements are designed to provide readers with a broad overview of the District's finances in a manner similar to a private-sector business.

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

The *Statement of Activities* presents information showing how the District's net assets changed during the most recent fiscal year. All changes in net assets 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 expenditures are reported in this statement for some items that will increase or decrease cash flows in a future fiscal period (e.g., uncollected tax revenue and earned but unused vacation leave).

The government-wide financial statements distinguish functions of the District and indicate the amount of support from taxes, charges for services, operating grants and capital grants. The governmental activities of the District include Nursing, Environmental Health, Administration, and Community Health Services. The Nursing Division includes programs for communicable diseases, general nursing administration, immunizations, women's health, children's health, and other nursing programs. Environmental Health includes programs for environmental health and sanitation, waste management, and other environmental health programs. The Administration Division includes programs for health cards, vital records, general administration, and other programs such as financial services, maintenance, information technology, and public information. Community Health Services includes programs for administration, chronic disease prevention and health promotion, epidemiology, public health preparedness, and emergency medical services.

The government-wide financial statements can be found on pages 17-19 of this report.

Fund Financial Statements are groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the 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 District maintains three individual governmental funds. Information for the General Fund is presented in a single column. The Health Capital Reserve Fund and Bond Reserve Fund are presented under the "Other Governmental Funds" column in the governmental fund balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balance.

The governmental fund financial statements can be found on pages 20-22 of this report.

Proprietary Funds are used to account for a government's ongoing activities that are similar to those found in the private sector. These activities consist principally of providing services for a fee or selling a supply, material, or product to the public or another government agency.

As of July 1, 2004, the District now maintains a proprietary fund to present the financial activity for the Southern Nevada Public Health Laboratory. The proprietary fund consists of a Statement of Net Assets, Statement of Revenues, Expenses and Changes in Net Assets, and a Statement of Cash Flows.

As of July 1, 2005, the District now maintains an Internal Service Fund to account for self-insured workers compensation claims. The District's self-insured workers compensation program became effective on July 1, 2005 after it was approved by the Board of Health on May 26, 2005 and the Division of Insurance of the State of Nevada on May 12, 2005.

A financial summary of the proprietary fund and internal service fund can be found on pages 23-25 of this report.

Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The notes can be found on pages 26-40 of this report.

Required Supplementary Information is presented concerning the District's General Fund budgetary schedule. The District adopts an annual appropriated budget for its General Fund. A budgetary comparison schedule has been provided for the General Fund to demonstrate compliance with this budget.

Required supplementary information and note can be found on pages 41- 43 of this report.

The Individual fund statements and schedules referred to earlier provide information for the nonmajor governmental funds and are presented immediately following the required supplementary information.

The Individual fund statements and schedules can be found on page 44-47 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may over time serve as a useful indicator of the District's financial position. District assets exceeded liabilities by \$38,906,516 at June 30, 2008. For comparative purposes, the following table illustrates the net assets for the fiscal year ended June 2008 and the net assets for the prior year ended June 2007.

District's Net Assets

	Governmental Activities		Business-type Activities		Total Primary Government	
	2008	2007	2008	2007	2008	2007
Current and other assets	\$ 36,009,334	\$ 24,513,590	\$ 1,289,518	\$ 322,520	\$ 37,298,852	\$ 24,836,110
Capital assets	11,723,864	12,740,560	1,546,682	1,637,230	13,270,546	14,377,790
Total assets	<u>47,733,198</u>	<u>37,254,150</u>	<u>2,836,200</u>	<u>1,959,750</u>	<u>50,569,398</u>	<u>39,213,900</u>
Long-term liabilities	6,248,850	5,590,197	107,567	89,401	6,356,417	5,679,598
Other liabilities	5,191,267	2,798,578	115,198	55,126	5,306,465	2,853,704
Total liabilities	<u>11,440,117</u>	<u>8,388,775</u>	<u>222,765</u>	<u>144,527</u>	<u>11,662,882</u>	<u>8,533,302</u>
Net assets:						
Invested in capital assets, net of related debt	11,723,864	12,740,560	1,546,682	1,637,230	13,270,546	14,377,790
Restricted	640,854	16,667	-	-	640,854	16,667
Unrestricted	23,928,363	16,108,148	1,066,753	177,993	24,995,116	16,286,141
Total net assets	<u>\$ 36,293,081</u>	<u>\$ 28,865,375</u>	<u>\$ 2,613,435</u>	<u>\$ 1,815,223</u>	<u>\$ 38,906,516</u>	<u>\$ 30,680,598</u>

Governmental unrestricted net assets represent 66% of the total net assets of governmental activities that meet the District's ongoing obligations to citizens and creditors. Another 32% of the District's governmental net assets reflect its investment in capital assets (e.g., land, buildings, machinery and equipment), less any related debt to acquire those assets that is still outstanding. The remaining 2% is related to restricted assets which consist of deferred revenues from grants and contributions. The District uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the District does not have debt related to the acquisition of capital outstanding at this time. Should the District have capital acquisition-related debt, the resources needed to repay this debt would be provided from other sources since the capital assets cannot be used to liquidate these liabilities.

Business-type unrestricted net assets represent 41% of the total assets for business-type activities. The investment in capital assets for business-type activities represents 59% of the total net assets for business-type activities. The District uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending.

The District's net assets increased by \$8,225,918 during the current year. See the District's Change in Net Assets below.

District's Change in Net Assets

	Governmental Activities		Business-type Activities		Total Primary Government	
	2008	2007	2008	2007	2008	2007
Revenues:						
Program revenues:						
Charges for services	\$ 30,072,760	\$ 25,208,968	\$ -	\$ -	\$ 30,072,760	\$ 25,208,968
Operating grants and contributions	19,867,705	17,852,732	1,434,266	1,075,360	21,301,971	18,928,092
Capital grants and contributions	-	-	-	227,875	-	227,875
General revenues:						
Consolidated county tax	25,473,000	22,450,600	-	-	25,473,000	22,450,600
State funding	-	-	-	-	-	-
General receipts	17,043	-	-	-	17,043	-
Miscellaneous	-	-	-	-	-	-
Unrestricted investment earnings	1,552,946	1,006,472	27,205	10,693	1,580,151	1,017,165
Total revenues	<u>76,983,454</u>	<u>66,518,772</u>	<u>1,461,471</u>	<u>1,313,928</u>	<u>78,444,925</u>	<u>67,832,700</u>
Expenses:						
Nursing:						
Communicable diseases	7,938,929	6,758,899	-	-	7,938,929	6,758,899
General nursing administration	2,440,021	2,288,338	-	-	2,440,021	2,288,338
Immunizations	11,022,254	11,522,381	-	-	11,022,254	11,522,381
Women's health	1,909,649	1,774,878	-	-	1,909,649	1,774,878
Children's health	2,016,251	2,511,536	-	-	2,016,251	2,511,536
Other nursing programs	200,888	488,175	-	-	200,888	488,175
Total nursing	<u>25,527,992</u>	<u>25,344,207</u>	<u>-</u>	<u>-</u>	<u>25,527,992</u>	<u>25,344,207</u>
Environmental health:						
Environmental health and sanitation	11,501,992	9,941,857	-	-	11,501,992	9,941,857
Waste management	1,830,397	1,590,285	-	-	1,830,397	1,590,285
Other environmental health programs	480,521	408,450	-	-	480,521	408,450
Total environmental health	<u>13,812,910</u>	<u>11,940,592</u>	<u>-</u>	<u>-</u>	<u>13,812,910</u>	<u>11,940,592</u>
Administration:						
General administration	13,835,657	12,478,025	-	-	13,835,657	12,478,025
Health cards	5,153,429	4,282,389	-	-	5,153,429	4,282,389
Disaster recovery	59,346	-	-	-	59,346	-
Vital records	1,734,859	1,511,914	-	-	1,734,859	1,511,914
Total administration:	<u>20,783,291</u>	<u>18,272,328</u>	<u>-</u>	<u>-</u>	<u>20,783,291</u>	<u>18,272,328</u>
Community Health Services:						
Administration	153,913	233,435	-	-	153,913	233,435
Health Education	2,148,168	1,997,851	-	-	2,148,168	1,997,851
Epidemiology	1,220,115	1,440,716	-	-	1,220,115	1,440,716
Public health response for bioterrorism	4,154,798	3,541,232	-	-	4,154,798	3,541,232
Emergency medical services	689,888	667,957	-	-	689,888	667,957
Total Community Health	<u>8,366,882</u>	<u>7,881,191</u>	<u>-</u>	<u>-</u>	<u>8,366,882</u>	<u>7,881,191</u>
Southern Nevada Public Health Laboratory	-	-	1,674,398	1,547,881	1,674,398	1,547,881
Total expenses before transfers	68,491,075	63,438,318	1,674,398	1,547,881	70,165,473	64,986,199
Gain (Loss) on Disposal of capital assets	-	-	(53,534)	-	(53,534)	-
Excess (deficiency) before transfers	8,492,379	3,080,454	(266,461)	(233,953)	8,225,918	2,846,501
Transfers	(1,064,673)	(526,928)	1,064,673	526,928	-	-
Change in net assets	7,427,706	2,553,526	798,212	292,975	8,225,918	2,846,501
Net assets - beginning of year:	28,865,375	26,311,849	1,815,223	1,522,248	30,680,598	27,834,097
Net assets - end of year	<u>\$ 36,293,081</u>	<u>\$ 28,865,375</u>	<u>\$ 2,613,435</u>	<u>\$ 1,815,223</u>	<u>\$ 38,906,516</u>	<u>\$ 30,680,598</u>

Expenses and Program Revenues – Governmental Activities

Figure 1

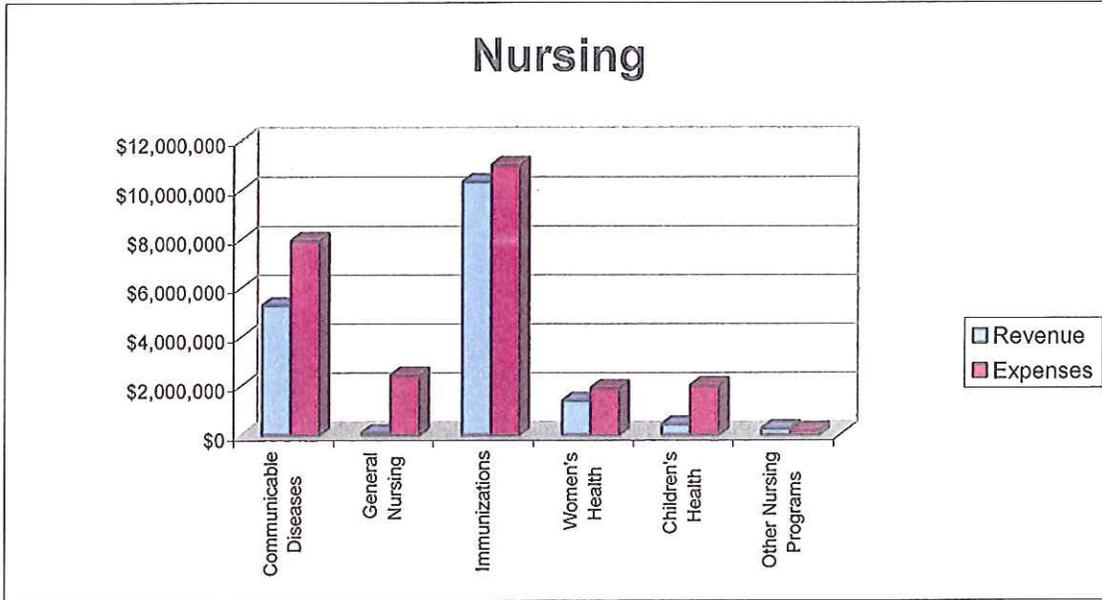


Figure 2

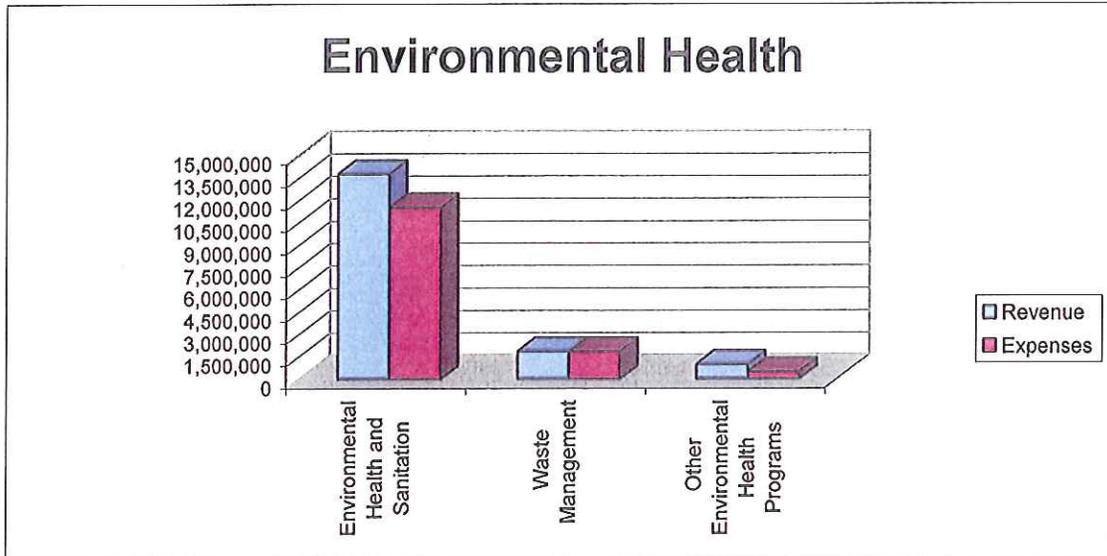


Figure 3

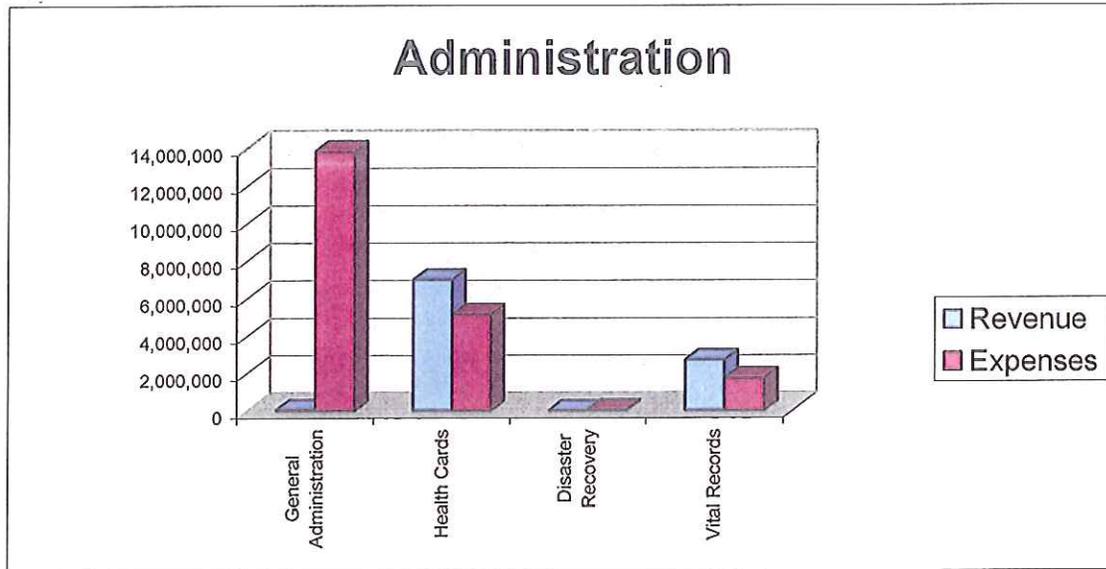
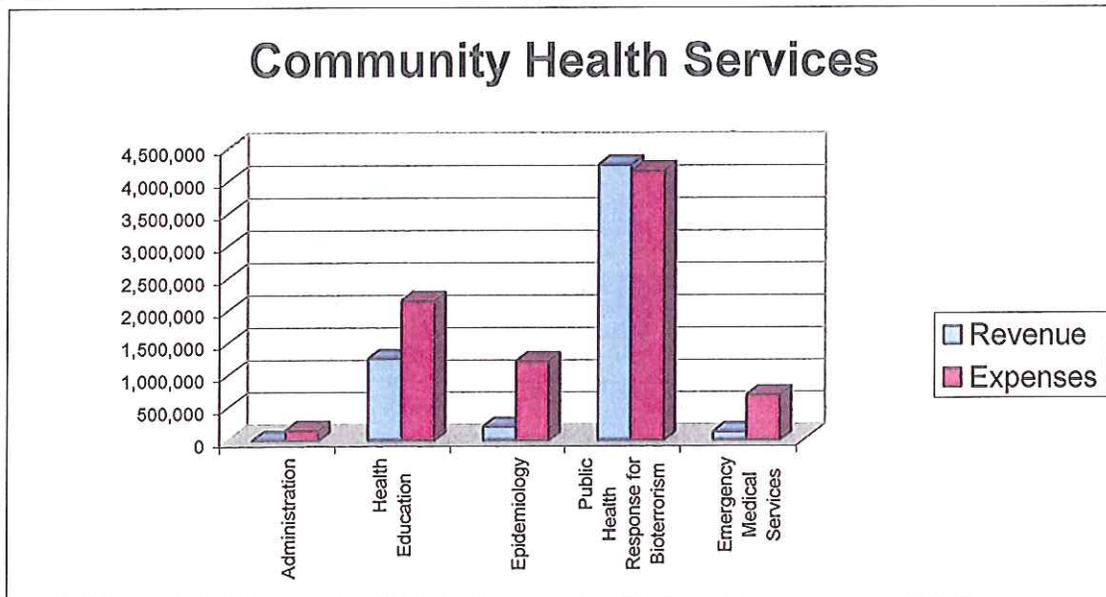
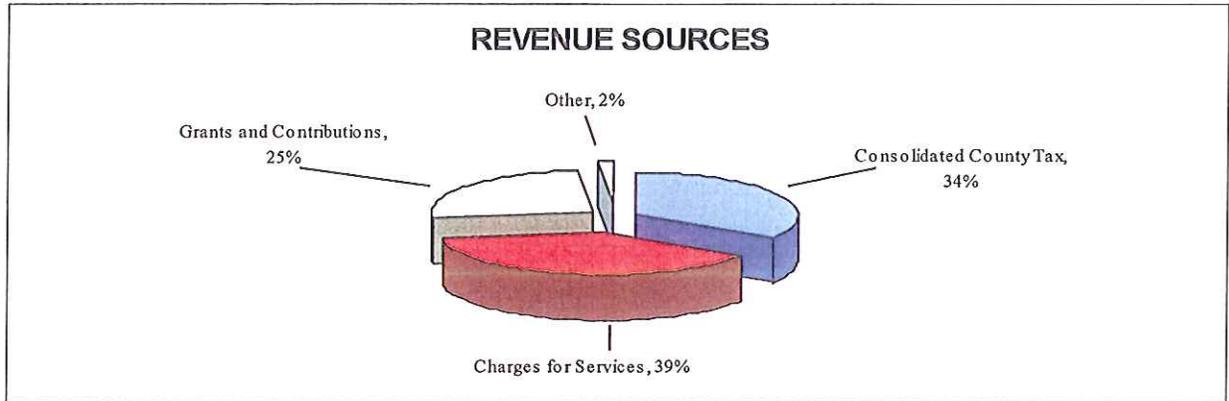


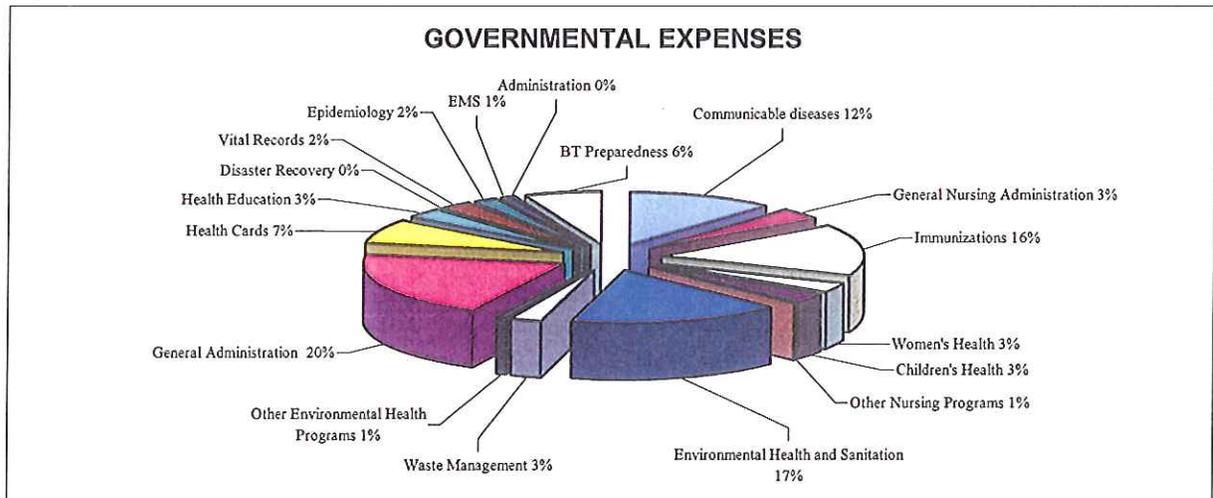
Figure 4



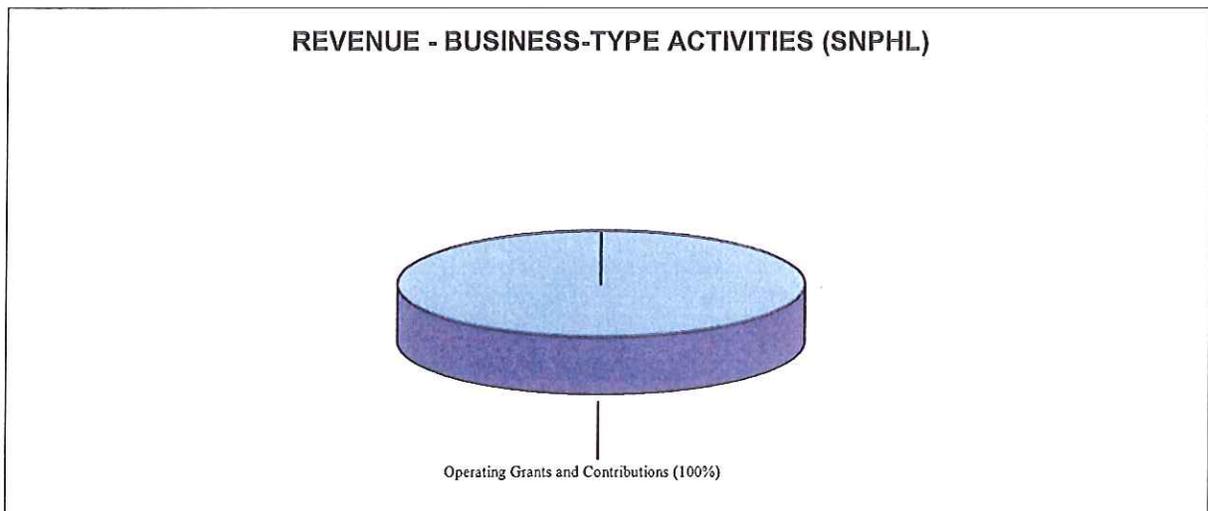
Revenues by source – Governmental Activities
Figure 5



Expenses by Type – Governmental Activities
Figure 6



Revenues by Source – Business Type Activities
Figure 7



FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

Governmental funds. The general government functions are contained in the General and Capital Reserve Funds. The focus of the District's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *expendable* resources. Such information is useful in assessing the District's financing requirements. In particular, *unreserved/undesignated fund balance* may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

As of June 30, 2008, the District's governmental funds reported combined ending fund balances of \$30,658,744, an increase of \$9,125,371 in comparison with the prior year. Approximately 87% of this total amount (\$26,595,141) constitutes *unreserved/undesignated fund balance*, which is available to meet the District's current and future needs. Funding from the unreserved/undesignated balance will be used for necessary capital improvements in the subsequent fiscal year and serve as a reserve for a pandemic outbreak or disaster relief efforts. The remaining fund balance is *reserved* to indicate that it is not available for new spending because it has been committed to reflect inventory, prepaid items, and encumbrances. Included in the unreserved/designated fund balance is the establishment of the debt reserve fund. The debt reserve fund was approved by the Board of Health on March 27, 2008 in order that the District will be able to pay bonded debt in the event that the County issues bonds on behalf of the District in order to fund a new facility replacement for the main campus on 625 Shadow Lane.

The general fund is the chief operating fund of the District. As of June 30, 2008, the unreserved/undesignated fund balance of the General Fund was \$26,595,141, while total fund balance reached \$28,231,570. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved/undesignated fund balance and total fund balance to total fund expenditures. Unreserved/undesignated fund balance represents 45% of total fund expenditures, while total fund balance represents 47% of that same amount. The fund balance of the District's General Fund increased by \$6,635,946 or 31% during the current fiscal year.

The following provides an explanation of changes in revenues by source from the current to prior year:

Revenues Classified by Source General Fund

Revenues by Source	FY 2008		FY 2007		Increase/(Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Change
Charges for services	\$ 32,003,299	45.08%	\$ 25,130,691	41.94%	\$ 6,872,608	27.35%
Intergovernmental revenues	11,960,457	16.85%	11,350,320	18.94%	610,137	5.38%
Contributions and donations	11,803	0.02%	4,131	0.01%	7,672	185.72%
General receipts	1,544,228	2.18%	980,187	1.64%	564,041	57.54%
Clark County consolidated tax receipts	25,473,000	35.88%	22,450,600	37.47%	3,022,400	13.46%
Total	\$ 70,992,787	100.00%	\$ 59,915,929	100.00%	\$ 11,076,858	18.49%

Charges for services increased overall by \$6,872,608 or 27.35%. The result of the increase was mainly due to an increase in regulatory revenues. New fee increases for health cards and environmental health permit and plan review fees were approved by the Board of Health in June 2007 for the FY07-08 fiscal year. In addition, due to the growth of the community and expansion of services in outlying clinics, additional permits were issued to food establishments, and additional health cards were issued.

Intergovernmental revenues increased by \$610,137 or 5.38%. This increase was mainly due to an increase in pass-through federal funding from CDC for public health preparedness.

Contributions and donations increased by \$7,672 or 185.72%. The increase was primarily due to donations received for the Drowning Prevention campaign.

General receipts increased by \$564,041 or 57.54% principally due to an increase in interest and investment earnings from the County's investment pool.

Clark County consolidated tax receipts increased by \$3,022,400 or 13.46% as a result of the funding formula used to determine the amount of this funding. Until the enactment of Assembly Bill No. 380 in the 2005 legislature, Clark County funded the District based on a formula that took into account the consumer price index (CPI), resident population and tourist/visitor volume. Pursuant to Assembly Bill No. 380, the board of county commissioners shall annually allocate for the support of the health district an amount that does not exceed an amount calculated by multiplying the assessed valuation of all taxable property in the county by the rate of 3.5 cents on each \$100 of assessed valuation.

The following provides an explanation of the changes in expenditures by function from the current to the prior year:

**Expenditures by Function
General Fund**

Expenditures by Function	FY 2008		FY 2007		Increase/(Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Change
Nursing	\$ 19,221,694	32.20%	\$ 18,917,693	34.47%	\$ 304,001	1.61%
Environmental Health	13,572,009	22.74%	11,989,911	21.84%	1,582,098	13.20%
Administration, operations and Maintenance	18,808,328	31.51%	16,272,804	29.65%	2,535,524	15.58%
Community Health Services	8,091,703	13.56%	7,706,454	14.04%	385,249	5.00%
Total	\$ 59,693,734	100.00%	\$ 54,886,862	100.00%	\$ 4,806,872	8.76%

Overall, the change in Nursing expenditures from the prior year was very minimal with a slight increase of \$304,001 or 1.61%. Although some programs were eliminated during the fiscal year such as Covering Kids, Courthouse clinic, Saint, and Ryan White II, the personnel costs for the remaining Nursing programs increased due to five additional FTE positions which were approved by the Board of Health in March 2007. Two of the five new FTE positions were for nursing managers. Positions from eliminated programs were reallocated to the remaining programs in order to meet current workload demands while increasing the service revenue in these remaining programs without hiring additional staff.

Environmental health expenditures increased by \$1,582,098 or 13.20%. This increase is mainly due to an increase in salaries and fringes as a result of merit increases and a 3.5% cost of living adjustment along with 17.5 new FTE positions which were approved by the Board of Health in March 2007.

Administration (includes operations and maintenance) expenditures increased by \$2,535,524 or 15.58%. This increase is mainly due to an increase in salary and fringe costs as a result of nine new FTE positions along with merit increases and a cost of living adjustment. Several vacancies were also filled. There is also a significant increase in computer consulting services due to the upgrade or replacement of several systems such as the health card system, new point-of-sale system, and WeblZ billing system.

The Community Health Services Division was created in January 2005. This division which includes program costs for Health Education or Chronic Disease Prevention, Epidemiology, Public Health Preparedness, and Emergency Medical Services has a modest increase of \$385,249 or 5.00%. This increase is attributable to an increase in costs for salaries and fringe

benefits as a result of merit increases and a cost of living adjustment. Although 12 new FTE positions were approved by the Board of Health in March 2007 for the Community Health Services Division, there were several vacancies remaining at the end of the fiscal year.

GENERAL FUND BUDGETARY HIGHLIGHTS

Actual revenues for fiscal year 2008 are more than projected with a difference of \$2,837,724. This is due to an increase in several revenue categories such as charges for services, program contract services, state funding, indirect federal grants, federal grants, and general receipts. The most significant increase is due to additional funding received in program contract services for Ryan White Part A (Formula and Supplemental). Additional pass-through funding was also received from CDC for public health preparedness.

Expenditures are less than budgetary estimates by \$7,529,562 due to cost savings in each Division. There were also fewer dollars being spent for disaster relief efforts than originally budgeted. Some cost savings were due to vacancies that remained unfilled at the end of the fiscal year along with programs that were eliminated.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets. The District's investment in capital assets for its governmental activities as of June 30, 2008 amounted to \$11,723,864 (net of accumulated depreciation). The investment in business-type activities amounted to \$1,546,682. This investment in capital assets includes land, buildings and improvements, vehicles and equipment. Total capital assets were \$13,270,546 which represents a net decrease in the District's investment in capital assets for the current period of \$1,107,244 or 7.7% of prior year net capital assets.

The large decrease in overall capital assets is due to a reduction in remodeling costs. For business-type activities, no back-up generators were purchased during the 2007-2008 fiscal year in comparison with the large purchase made in the prior year.

District's Capital Assets, net

	<u>June 30, 2007</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2008</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 2,059,765	\$ -	\$ -	\$ 2,059,765
Construction-in-Progress	\$ -	196,518	\$ -	\$ 196,518
Total Capital assets not being depreciated	<u>\$ 2,059,765</u>	<u>196,518</u>	<u>\$ -</u>	<u>\$ 2,256,283</u>
Capital assets, being depreciated:				
Buildings	4,893,960	-	(196,396)	4,697,564
Improvements other than buildings	9,416,239	74,056	-	9,490,295
Furniture, fixtures and equipment	8,147,472	839,175	(196,646)	8,790,001
Vehicles	770,535	36,459	(65,403)	741,591
Total capital assets being depreciated	<u>23,228,206</u>	<u>949,690</u>	<u>(458,445)</u>	<u>23,719,451</u>
Less accumulated depreciation	<u>(12,547,411)</u>	<u>(1,942,063)</u>	<u>237,604</u>	<u>(14,251,870)</u>
Total capital assets being depreciated, net	<u>10,680,795</u>	<u>(992,373)</u>	<u>(220,841)</u>	<u>9,467,581</u>
Governmental activities capital assets, net	<u>\$ 12,740,560</u>	<u>\$ (795,855)</u>	<u>\$ (220,841)</u>	<u>\$ 11,723,864</u>
Business-type activities:				
Capital assets, being depreciated:				
Improvements other than buildings	\$ 48,679	\$ 44,300	\$ -	\$ 92,979
Furniture, fixtures and equipment	<u>1,983,897</u>	<u>146,825</u>	<u>(89,271)</u>	<u>2,041,451</u>
Total capital assets being depreciated	<u>2,032,576</u>	<u>191,125</u>	<u>(89,271)</u>	<u>2,134,430</u>
Less accumulated depreciation	<u>(395,135)</u>	<u>(228,350)</u>	<u>35,737</u>	<u>(587,748)</u>
Business-type activities capital assets, net	<u>\$ 1,637,441</u>	<u>\$ (37,225)</u>	<u>\$ (53,534)</u>	<u>\$ 1,546,682</u>

Some of the larger capital asset transactions for fiscal year ending June 30, 2008, included District vehicles, building remodeling costs, computer software, computer hardware, video conferencing equipment, and Environmental Health equipment costs as explained in the following statements:

- A total of three vehicles were purchased for a total of \$36,459. Two of the vehicles were purchased for use by the Southern Nevada Public Health Laboratory and one was purchased for use by nursing personnel.
- Remodeling and modular furniture costs of \$104,919 included costs for renovating the North Las Vegas campus. The waiting room was expanded and additional exam rooms were created in order to see more patients in a timely manner. The Public Information Office and Information Technology department incurred remodeling costs as they moved into new space within the Main campus. The Immunizations department was remodeled at the Main campus and the Laughlin campus also contributed to the overall remodeling costs.
- Information Technology (IT) incurred major capital costs for computer hardware and software items as the District began the Health Cards Implementation Project. This project will revamp the entire process of providing health cards including a new Point of Sale (POS) system and image capturing. The technological advancement occurring at the District also includes a new search engine, Netrics Matching Engine, and a new messaging engine, Rhapsody Integration Engine. These costs were \$118,800 and \$35,000, respectively.
- Epidemiology incurred costs of \$20,369 for a video conferencing system. The system will enable Epidemiology to communicate with the Centers for Disease Control (CDC) and the State of Nevada. It will also be used to minimize travel costs.
- Environmental Health purchased a Thermo Nitron Paint Analyzer and a Thermo Nitron Plastic Analyzer for a combined cost of \$59,200. Both analyzers are used to test for lead in material.
- The Southern Nevada Public Health Laboratory (SNPHL) purchased a custom trailer for the amount of \$44,300 and two vehicles. The trailer will allow for the collection of samples from patients with respiratory precautions. It was funded by the bioterrorism grant.

Additional information on the District's capital assets can be found in Note 6 on page 36 of this report.

Proprietary funds. The Board of Health approved the petition to establish the proprietary fund for the operation of the SNPHL in March 2004. The SNPHL began its operations as a separate fund in July 2004. It was anticipated that the SNPHL would be providing various testing and analytical services for the District, other governmental entities and private providers; therefore, the District would be able to apply fees toward expenditures necessary to operate the laboratory. Ultimately, the goal of the District is to make the laboratory a self-sustaining entity.

The laboratory has now been fully certified as a biosafety level 3 facility which provides for the rapid characterization of suspected biopathogens and also enhances the traditional epidemiological and disease control functions of the District. The Board of Health approved a new fee schedule for the SNPHL as of June 23, 2005. No additional fees have been approved at this time.

Currently, the SNPHL continues to be funded with the Public Health Preparedness bioterrorism grant along with supplemental District funding. Due to staffing issues, spacing issues, and the delay in implementation of the Laboratory Information Management System (LIMS), the SNPHL has not been able to charge fees for service to outside providers. Although the LIMS system was implemented in August of fiscal year 2006, there still remains several software issues to be resolved by the vendor.

Although the LIMS system provides basic support for public health laboratory functions, the system will also need to be utilized for day-to-day production testing in order to be able to generate service revenue for laboratory testing. This will ensure continued laboratory operations as the funding from the CDC Public Health Emergency Preparedness grant declines. In order to be able to support additional testing, instrument interfaces must be installed and tested. Due to the lack of dedicated laboratory staff to perform the implementation and the difficulty in recruiting technical staff for this specialized job function, interface installation has been delayed. In addition, the laboratory will require additional licensing. This is also contingent upon the availability of additional dedicated staff.

Transfers were made from the general fund to the proprietary fund for the SNPHL to move unrestricted revenues collected in the general fund. Interfund transfers were also made from the proprietary fund for SNPHL to the general fund to move cash for expenditures that were paid on behalf of SNPHL.

The insurance liability reserve fund is also encompassed in the proprietary fund statement. As of July 1, 2005, the District now maintains an Internal Service Fund to account for self-insured workers compensation claims. The District's self-insured workers compensation program became effective on July 1, 2005 after it was approved by the Board of Health on May 26, 2005 and the Division of Insurance of the State of Nevada on May 12, 2005.

Long-term debt. At June 30, 2008, the District had no outstanding debt.

Economic Factors and Next Year's Budget and Rates

The Southern Nevada Health District has strengthened its financial status by cost cutting measures such as workers compensation self-insurance and by fee increases. Although created as an independent governmental entity pursuant to state statute, the Health District has no taxing authority and must rely on revenues from other governmental sources and fees 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 five major budgetary issues: 1) the need to obtain financing for a new main building to replace the Shadow Lane facility, 2) the continued influx of new residents with a disproportionate demand for public health services, 3) the erosion of federal infrastructure funding, 4) the need to maintain a reserve to respond effectively to a possible pandemic outbreak and other public health emergencies, and 5) the reduction of state funding.

Most significant to the Health District's operations has been the unrelenting growth of the Las Vegas metropolitan area which has rendered the main building antiquated and too small to house the necessary additional staff and services. As a result, the District has contracted for additional office space of 32,109 square feet since the beginning of fiscal year 2007.

Support from Clark County has remained stable despite the significant pressures that current population growth has placed on the County. Federal funding has at best been level for certain programs while decreasing in others. Although federal dollars are project specific, even level

federal funding has an overall negative effect since general funds must be allocated to offset cumulative inflation cost increases over a number of years. It should also be noted that State general fund support for District services in Clark County has continued to decline and will have to be taken up with the 2009 Legislature.

On the expenditure side, the Health District is confronted with higher benefit costs due to:

- Increased group insurance costs stemming from not only higher health care costs in general, but also because of the enacted legislation requiring the District to pay for retiree medical benefits.
- Increased liability insurance premiums which are the result of continuing terrorist concerns.

Other expenditure issues relate to the cost of living increases which will impede the District's ability to hire the additional staff needed to meet the growth-driven demand for services.

The District will also be pursuing proportional allocation of federal pass-through dollars through the State. Although Clark County has 72% of Nevada's population and 4.5 times the population of Washoe County, the state has historically subgranted only slightly higher amounts of federal funding to Clark County. The additional federal support will enable the District to better address the influx of residents requiring services.

At present the District has the financial resources and capacity to maintain current service levels in an atmosphere of cautious expansion. The District continues to work with staff to develop and update the business plan for the 2008-2010 periods.

During fiscal year 2007-2008, unreserved and undesignated fund balance in the General Fund increased to \$26,595,141. A significant portion of this amount will be required to address these overarching budgetary issues.

Request for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Scott Weiss, Administrative Services Director, or Sylvia Claiborne, CPA, Financial Services Manager, 625 Shadow Lane, Las Vegas, Nevada, 89106. This entire report is available online at <http://www.southernnevadahealthdistrict.org/>.

SOUTHERN NEVADA HEALTH DISTRICT
STATEMENT OF NET ASSETS
JUNE 30, 2008

ASSETS	Governmental Activities	Business-Type Activities	Total
Cash and cash equivalents	\$ 31,756,425	\$ 1,289,518	\$ 33,045,943
Grants receivable	2,879,167	-	2,879,167
Accounts receivable	420,610	-	420,610
Inventory	903,782	-	903,782
Prepaid items	49,350	-	49,350
Capital assets, net			
Nondepreciable	2,256,283	-	2,256,283
Depreciable	9,467,581	1,546,682	11,014,263
Total assets	<u>47,733,198</u>	<u>2,836,200</u>	<u>50,569,398</u>
LIABILITIES			
Accounts payable	1,296,053	25,662	1,321,715
Grants payable	112,685	-	112,685
Accrued expenses	2,189,506	89,536	2,279,042
Accrual of mediation settlement	450,000	-	450,000
Liability for self-insured workers compensation	235,443	-	235,443
Unearned revenue	907,580	-	907,580
Long-term liabilities			
Portion due or payable within one year:			
Compensated absences payable	3,263,214	63,143	3,326,357
Portion due or payable after one year:			
Compensated absences payable	2,985,636	44,424	3,030,060
Total liabilities	<u>11,440,117</u>	<u>222,765</u>	<u>11,662,882</u>
NET ASSETS			
Invested in capital assets	11,723,864	1,546,682	13,270,546
Restricted for:			
Grants and contributions	640,854	-	640,854
Unrestricted	23,928,363	1,066,753	24,995,116
 Total net assets	 <u>\$ 36,293,081</u>	 <u>\$ 2,613,435</u>	 <u>\$ 38,906,516</u>

See accompanying notes.

SOUTHERN NEVADA HEALTH DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2008

Functions / Programs	Program Revenues			Net (Expenses) Revenues and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
GOVERNMENTAL ACTIVITIES:							
Nursing							
Communicable diseases	\$ 7,938,929	\$ 344,531	\$ 4,945,335	\$ -	\$ (2,649,063)	\$ -	\$ (2,649,063)
General nursing administration	2,440,021	99,875	-	-	(2,340,146)	-	(2,340,146)
Immunizations	11,022,254	3,419,535	6,917,437	-	(685,282)	-	(685,282)
Women's health	1,909,649	343,831	1,051,855	-	(513,963)	-	(513,963)
Children's health	2,016,251	432,722	-	-	(1,583,529)	-	(1,583,529)
Other nursing programs	200,888	253,555	3,434	-	56,101	-	56,101
Total nursing	25,527,992	4,894,049	12,918,061	-	(7,715,882)	-	(7,715,882)
Environmental health							
Environmental health and sanitation	11,501,992	13,689,283	37,105	-	2,224,396	-	2,224,396
Waste management	1,830,397	1,236,729	603,991	-	10,323	-	10,323
Other environmental health programs	480,521	327,056	636,688	-	483,223	-	483,223
Total environmental health	13,812,910	15,253,068	1,277,784	-	2,717,942	-	2,717,942
Administration, operations and maintenance							
General administration	13,835,657	17,826	35,570	-	(13,782,261)	-	(13,782,261)
Health cards	5,153,429	7,002,294	-	-	1,848,865	-	1,848,865
Disaster recovery	59,346	-	-	-	(59,346)	-	(59,346)
Vital records	1,734,859	2,711,505	-	-	976,646	-	976,646
Total administration, operations and maintenance	20,783,291	9,731,625	35,570	-	(11,016,096)	-	(11,016,096)
Community health services							
Administration	153,913	-	-	-	(153,913)	-	(153,913)
Health education	2,148,168	103,682	1,153,559	-	(890,927)	-	(890,927)
Epidemiology	1,220,115	-	204,792	-	(1,015,323)	-	(1,015,323)
Public health preparedness	4,154,798	13,905	4,229,190	-	88,297	-	88,297
Emergency medical services	689,888	76,431	48,749	-	(564,708)	-	(564,708)
Total community health services	8,366,882	194,018	5,636,290	-	(2,536,574)	-	(2,536,574)
Total governmental activities	68,491,075	30,072,760	19,867,705	-	(18,550,610)	-	(18,550,610)

SOUTHERN NEVADA HEALTH DISTRICT
STATEMENT OF ACTIVITIES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2008

Functions / Programs	Program Revenues			Net (Expenses) Revenues and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
BUSINESS-TYPE ACTIVITIES:							
Southern Nevada Public Health Laboratory	1,674,398	-	1,434,266	-	-	(240,132)	(240,132)
Total business-type activities	1,674,398	-	1,434,266	-	-	(240,132)	(240,132)
Total Functions / Program	\$ 70,165,473	\$ 30,072,760	\$ 21,301,971	\$ -	\$ (18,550,610)	\$ (240,132)	\$ (18,790,742)
General revenues:							
Consolidated county tax					25,473,000	-	25,473,000
Unrestricted investment earnings					1,552,946	27,205	1,580,151
General receipts					17,043	-	17,043
Gain/(Loss) on disposal of capital assets					(1,064,673)	(53,534)	(53,534)
Transfers					1,064,673	1,064,673	-
Total general revenues and transfers					25,978,316	1,038,344	27,016,660
Change in net assets					7,427,706	798,212	8,225,918
Net assets, beginning of year					28,865,375	1,815,223	30,680,598
Net assets, end of year					\$ 36,293,081	\$ 2,613,435	\$ 38,906,516

See accompanying notes.

SOUTHERN NEVADA HEALTH DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2008

ASSETS	General Fund	Other Governmental Funds	Total Governmental Funds
Cash and cash equivalents	\$ 28,873,397	\$ 2,488,265	\$ 31,361,662
Grants receivable	2,879,167	-	2,879,167
Accounts receivable	420,610	-	420,610
Inventory	903,782	-	903,782
Prepaid items	49,350	-	49,350
Total assets	<u>\$ 33,126,306</u>	<u>\$ 2,488,265</u>	<u>\$ 35,614,571</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 1,234,965	\$ 61,091	\$ 1,296,056
Grants payable	112,685	-	112,685
Accrued expenses	2,189,506	-	2,189,506
Accrual of mediation settlement	450,000	-	450,000
Unearned revenue	907,580	-	907,580
Total liabilities	<u>4,894,736</u>	<u>61,091</u>	<u>4,955,827</u>
Fund balances			
Reserved for:			
Inventory	903,782	-	903,782
Prepaid items	49,350	-	49,350
Encumbrances	683,297	507,542	1,190,839
Unreserved, reported in:			
General fund			
Undesignated	26,595,141	-	26,595,141
Capital projects funds			
Designated for:			
Capital Improvements	-	917,291	917,291
Debt reserve fund			
Designated for:			
Capital project	-	1,002,341	1,002,341
Total fund balances	<u>28,231,570</u>	<u>2,427,174</u>	<u>30,658,744</u>
Total liabilities and fund balances	<u>\$ 33,126,306</u>	<u>\$ 2,488,265</u>	

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in the governmental activities are not financial resources and, therefore, are not reported in the funds.	11,723,864
An internal service fund is used by management to charge costs of activities related to the self-insured workers compensation claims. The assets and liabilities are included in the statement of net assets.	159,323
Compensated absences liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(6,248,850)</u>
Total net assets - governmental activities	<u>\$ 36,293,081</u>

See accompanying notes.

SOUTHERN NEVADA HEALTH DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDING JUNE 30, 2008

REVENUES	General Fund	Other Governmental Funds	Total Governmental Funds
Charges for services			
Title XIX Medicaid	\$ 747,708	\$ -	\$ 747,708
Charges for services	6,593,273	-	6,593,273
Regulatory revenue	22,009,800	-	22,009,800
Program contract services	2,652,518	-	2,652,518
Intergovernmental revenues			
State funding	1,678,292	-	1,678,292
Indirect federal grants	8,630,562	-	8,630,562 ✓
Federal grants	1,651,603	-	1,651,603 ✓
Contributions and donations	11,803	-	11,803
General receipts			
Interest earnings	1,497,698	37,762	1,535,460
Other general receipts	46,530	-	46,530
Clark County consolidated tax receipts	25,473,000	-	25,473,000
Total revenues	70,992,787	37,762	71,030,549
EXPENDITURES			
Current			
Nursing	19,221,694	-	19,221,694
Environmental health	13,572,009	-	13,572,009
Administration, operations and maintenance	18,808,328	-	18,808,328
Community health services	8,091,703	-	8,091,703
Capital outlay	-	946,771	946,771
Total expenditures	59,693,734	946,771	60,640,505
Excess (deficiency) of revenues over (under) expenditures	11,299,053	(909,009)	10,390,044
OTHER FINANCING SOURCES (USES)			
Transfers in	-	3,398,434	3,398,434
Transfers out	(4,663,107)	-	(4,663,107)
Total other financing sources (uses)	(4,663,107)	3,398,434	(1,264,673)
NET CHANGE IN FUND BALANCES	6,635,946	2,489,425	9,125,371
FUND BALANCES, beginning	21,595,624	(62,251)	21,533,373
FUND BALANCES, ending	\$ 28,231,570	\$ 2,427,174	\$ 30,658,744

See accompanying notes.

**SOUTHERN NEVADA HEALTH DISTRICT
GOVERNMENTAL FUNDS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDING JUNE 30, 2008**

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS **\$ 9,125,371**

Amounts reported for governmental activities in the statement of activities are difference because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reports as depreciation expense. (992,373)

Gains and losses from the sale or disposition of capital assets are not reported in the funds because they do not provide or use current financial resources; however, they are presented in the statement of activities. (24,323)

An internal service fund is used by management to charge costs of activities related to the self-insured workers compensation claims. The net revenues (expenses) are included in the Statement of Activities. 55,961

State granted vaccines received by the District are recorded as Operating Grant and Contribution revenues and the related expense with Immunization in the Statement of Activities as a non-cash transaction. -

Certain revenues in the governmental funds are not recognized as revenue because they were not collected within the prescribed time in the prior period year-end. (78,277)

Expenses for compensated absences 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. (658,653)

CHANGE IN NET ASSETS - GOVERNMENTAL ACTIVITIES **\$ 7,427,706**

**SOUTHERN NEVADA HEALTH DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF FUND NET ASSETS
 JUNE 30, 2008**

ASSETS	Southern Nevada Public Health Laboratory	Governmental Activities - Internal Service Fund
Current assets		
Cash and cash equivalents	\$ 1,289,518	\$ 394,765
Total current assets	1,289,518	394,765
Other assets		
Improvements other than buildings	92,768	-
Furniture, fixtures and equipment	2,041,450	-
Accumulated depreciation	(587,536)	-
Total other assets	1,546,682	-
Total assets	2,836,200	394,765
LIABILITIES		
Current liabilities		
Accounts payable	25,662	-
Accrued expenses	89,536	-
Compensated absences payable, current portion	63,143	-
Liability for self-insured workers compensation	-	235,442
Total current liabilities	178,341	235,442
Long-term liabilities:		
Compensated absences payable, net of current portion	44,424	-
Total liabilities	222,765	235,442
FUND NET ASSETS		
Invested in capital assets	1,546,682	-
Unrestricted	1,066,753	159,323
Total fund net assets	\$ 2,613,435	\$ 159,323

See accompanying notes.

**SOUTHERN NEVADA HEALTH DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

	Southern Nevada Public Health Laboratory	Governmental Activities - Internal Service Fund
Operating expenses		
Salaries	\$ 709,519	\$ -
Employee benefits	240,453	-
Claim expense	-	160,806
Services and supplies	357,995	719
Depreciation	228,350	-
Repairs and maintenance	138,081	-
Total operating expenses	<u>1,674,398</u>	<u>161,525</u>
Operating loss	<u>(1,674,398)</u>	<u>(161,525)</u>
Non-operating revenues		
Indirect federal grants	1,434,266	-
Interest earnings	27,205	17,486
Gain/(Loss) on disposal of capital assets	(53,534)	-
Total non-operating revenues	<u>1,407,937</u>	<u>17,486</u>
Income (loss) before transfers	(266,461)	(144,039)
Transfers		
Transfers In	<u>1,064,673</u>	<u>200,000</u>
Total transfers	<u>1,064,673</u>	<u>200,000</u>
Net change in fund net assets	798,212	55,961
Fund net assets, beginning of year	<u>1,815,223</u>	<u>103,362</u>
Fund net assets, end of year	<u>\$ 2,613,435</u>	<u>\$ 159,323</u>

See accompanying notes.

SOUTHERN NEVADA HEALTH DISTRICT
 PROPRIETARY FUND
 STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Southern Nevada Public Health Laboratory	Governmental Activities - Internal Service Fund
Cash flows from operating activities		
Cash payments to suppliers for goods and services	\$ (436,215)	\$ (719)
Cash payments to employees	(931,806)	-
Cash payments to other sources	-	(116,004)
Net cash provided by (used in) operating activities	<u>(1,368,021)</u>	<u>(116,723)</u>
Cash flows from noncapital financing activities		
Grant revenue	1,434,266	-
Transfers in	1,064,673	200,000
Net cash provided by (used in) noncapital financing activities	<u>2,498,939</u>	<u>200,000</u>
Cash flows from capital and related financing activities		
Acquisition of property and equipment	(191,125)	-
Net cash (used in) capital and related financing activities	<u>(191,125)</u>	<u>-</u>
Cash flows from investing activities		
Interest on investments	27,205	17,486
Net cash provided by investing activities	<u>27,205</u>	<u>17,486</u>
Net increase (decrease) in cash and cash equivalents	966,998	100,763
Cash and cash equivalents		
Beginning of year	<u>322,520</u>	<u>294,003</u>
End of year	<u>\$ 1,289,518</u>	<u>\$ 394,766</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities		
Operating income (loss)	\$ (1,674,398)	\$ (161,525)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities		
Depreciation	228,350	-
Increase in (assets) and liabilities		
Accounts payable	14,532	-
Accrued expenses	45,329	-
Compensated absences	18,166	-
Liability for self-insured workers compensation	-	44,802
Net cash provided by (used in) operating activities	<u>\$ (1,368,021)</u>	<u>\$ (116,723)</u>

See accompanying notes.

**SOUTHERN NEVADA HEALTH DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

During the period under audit the Southern Nevada Health District (the District) was governed by a thirteen member policymaking board comprised of two representatives from each of six entities, as well as a physician member at-large. The composition of the board was modified by the 2005 legislature effective July 1, 2005 as discussed in the letter of transmittal. The District represents a unique consolidation of the public health needs of Boulder City, Las Vegas, North Las Vegas, Henderson, Mesquite and Clark County. The accompanying financial statements include all of the activities that comprise the financial reporting entity of the District. The District is fiscally independent of all other governing bodies; therefore, the District is a primary government and is not reported as a component unit by any other governmental unit, nor does the District have any component units.

The accounting policies of the 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 principles.

A summary of the District's significant accounting policies follows.

Basic Financial Statements

The District's basic financial statements consist of the government-wide statements and the fund financial statements. The government-wide statements include a statement of net assets and a statement of activities, and the fund financial statements include financial information for the governmental type and business-type funds. Reconciliations between the governmental type fund financial statements, the statement of net assets and the statement of activities are also included.

Government-wide Financial Statements

The government-wide financial statements are made up of the statement of net assets and the statement of activities. These statements include the aggregated financial information of the 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 and charges for support. The effect of interfund activity has been removed from these statements.

The statement of net assets presents the consolidated financial position of the District at year-end.

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 what 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. Taxes and other items 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 District. Those functions with a net cost are generally dependent on general-purpose tax revenues, such as property tax, to remain operational.

**SOUTHERN NEVADA HEALTH DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basic Financial Statements (continued)

Fund Financial Statements

The financial accounts of the 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 with a separate set of self-balancing accounts comprised of assets, liabilities, fund equity, revenues and expenditures/expenses. Separate financial statements are provided for governmental funds and enterprise funds.

The presentation emphasis in the fund financial statements is on major funds, for both governmental and enterprise funds. Major funds are determined based on minimum criteria set forth in GASB Statement Number 34. Major individual governmental funds and major individual enterprise funds are required to be reported in separate columns on the fund financial statements. The District may also display other funds as major funds if it believes the presentation will provide useful information to the users of the financial statements.

Measurement Focus, Basis of Accounting and Basis of 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. Property taxes are recognized as revenues in the year for which they are levied. Grants 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. Gross receipts and sales taxes are considered "measurable" when in the hands of intermediary collecting governments and are then recognized as revenue. The government considers property tax revenues to be "available" if they are collected within 60 days of the end of the current fiscal period. Anticipated refunds of taxes are recorded as liabilities and reductions of revenue when they are measurable and the payment seems certain. In general, expenditures are recorded when liabilities are incurred. The exception to this rule is that principal and interest on debt service, as well as liabilities related to compensated absences and claims and judgments, are recorded when payment is due.

The major revenue sources of the District include Clark County consolidated tax receipts, regulatory revenue, fees for service and intergovernmental revenues from state and federal sources.

The District reports only the general fund as a major governmental fund. A description of the general fund is as follows:

General Fund - The General Fund is the general operating fund of the District. It is used to account for all resources and cost of operations traditionally associated with governments, which are not required to be accounted for in other funds.

**SOUTHERN NEVADA HEALTH DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement Focus, Basis of Accounting and Basis of Presentation (continued)

The District reports the Southern Nevada Public Health Laboratory (SNPHL) Fund as a major proprietary fund. A description of the SNPHL Fund is as follows:

Southern Nevada Public Health Laboratory Fund - The SNPHL Fund accounts for various testing and analytical services for the District, outside government entities and private providers.

Additionally the District reports the following fund types:

Capital Projects Funds - The Capital Projects Funds (governmental fund-type) account for resources restricted for future capital expenditures.

Internal Service Fund - The Internal Service Fund consists of a risk management fund that accounts for revenues and costs associated with the District's self-funded workers compensation insurance.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, are generally followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

The proprietary fund distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of the Southern Nevada Public Health Laboratory are charges to customers for services. Operating expenses for the proprietary fund includes the costs of services, administrative expenses, and depreciation on capital assets. Operating expenses of the internal service fund include claims and administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Cash and Cash Equivalents

The District considers short-term, highly liquid investments that are both readily convertible to cash and have original maturity date of three months or less to be cash and cash equivalents. This includes all of the District's individual funds pooled cash that is held by the Clark County Treasurer, which are combined with other 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 financial statements.

**SOUTHERN NEVADA HEALTH DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounts Receivables and Revenue

All property taxes collected within 60 days of year end are reported as accounts receivable as of June 30, 2008, as well as those taxes assessed but not yet received. The Clark County Treasurer, based on the assessed valuation at January 1st of each year, levies taxes on real property. A lien is placed on the property subject to the payment of taxes on July 1st of each year and the taxes are due on the third Monday in August. Taxes may be paid in quarterly installments on or before the third Monday in August, and the first Monday in October, January, and March. If not paid, the County Treasurer is authorized to hold the property for two years, subject to redemption upon payment of taxes, penalties, interest, and costs. If delinquent taxes are not paid within the redemption period, the County Treasurer obtains a property deed free of encumbrances. Upon receipt of a deed, the County Treasurer may sell the property to satisfy the tax lien. Article X, Section 2, of the Nevada Constitution limits the taxes levied by all units of Clark County to an amount not to exceed \$5 per \$100 of assessed valuation. The 1979 Nevada Legislature enacted provisions whereby starting July 1, 1979, the combined overlapping tax rate was limited to \$3.64 per \$100 of assessed value. The assessed value is annually adjusted.

Inventory

Inventories are valued at cost determined by the first-in-first-out (FIFO) method. The costs of governmental fund inventories are recorded as assets when received and charged to expenditures as used. Additionally, the District receives medical vaccines from the State of Nevada for use in the District's clinics. The value of these items was \$1,211,711 at June 30, 2008, and was not included in the District's inventory since these vaccines remain the property of the State until they are administered.

Prepays

Payments made to vendors for services that will benefit periods beyond June 30, 2008 are recorded as prepaid items.

**SOUTHERN NEVADA HEALTH DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2008**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The District defines capital assets as assets with an initial individual cost of more than \$3,000 and an estimated useful life in excess of one year. If purchased or constructed, all capital assets are recorded at historical cost or estimated historical cost and updated for additions and retirements during the year. Donated capital assets are valued at their estimated fair value as of the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital assets are being depreciated using the straight-line method over the following estimated useful lives:

<u>Capital Assets</u>	<u>Years</u>
Buildings	50
Improvements other than buildings	5 – 25
Furniture, fixtures and equipment	5 – 20
Vehicles	6

Grants Payable

Grants payable represent the amount due to sub-recipients for expenditures incurred in association with grants awarded to the District.

Accrued Expenditures

District salaries earned but not paid by June 30, 2008 have been accrued as liabilities and shown as expenditures for the current year.

Compensated Absences and Accumulated Sick Leave

It is the District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits.

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

0 to 1 year	10 days vacation benefits
1 to 8 years	15 days vacation benefits
8 to 13 years	18 days vacation benefits
13 or more years	20 days vacation benefits

**SOUTHERN NEVADA HEALTH DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Compensated Absences and Accumulated Sick Leave (continued)

The vacation pay benefits for any employee not used during the year may be carried over to the next calendar, not 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 completion of 120 months, an employee is entitled to 1 1/4 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, 50 percent of the accrued days between 101 and 200, and 25 percent of the accrued days greater than 200. 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 has matured, for example, as a result of employee resignations and retirements.

The compensated absences liability is funded from currently budgeted payroll accounts from both the general fund and the Southern Nevada Public Health Laboratory Fund.

Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Net Assets

In the government-wide statements, net assets on the Statement of Net Assets includes the following:

Invested in Capital Assets

This is the component of net assets that represents the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unexpended proceeds, that is directly attributable to the acquisition, construction or improvement of those assets. Currently, the District has no outstanding debt.

Restricted

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

**SOUTHERN NEVADA HEALTH DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net Assets (continued)

Unrestricted

The component of net assets that is the difference between the assets and liabilities not reported in invested in Capital Assets and Restricted Assets.

It is the District's policy to expend restricted resources first and use unrestricted resources when the restricted resources have been depleted.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates. Significant estimates include valuation of inventory, compensated absences, workers compensation estimated claims incurred but not reported payable, and useful lives of capital assets.

2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

An explanation of certain differences between the governmental funds statement of revenues, expenditures and changes in fund balances and the government-wide statement of activities follows below:

The governmental funds statement of revenues, expenditures and changes in fund balances includes a reconciliation between net changes in fund balances - total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense". The details of this \$(992,373) difference are as follows:

Capital outlay	\$ 949,690
Depreciation expense	<u>(1,942,063)</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at changes in net assets - <i>governmental activities</i>	<u>\$ (992,373)</u>

**SOUTHERN NEVADA HEALTH DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008**

3. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgets and Budgetary Accounting

Nevada Revised Statutes require that local governments legally adopt budgets for all funds except fiduciary funds (the District does not report any fiduciary funds). The annual budgets for all funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America. The budget approval process is summarized as follows:

1. At the March Board of Health meeting, management of the 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.
2. Upon approval by the Board of Health, the tentative budget is submitted to Clark County where it is included in the County's public hearing held in May.
3. The budget is then filed with the Nevada Department of Taxation by Clark County.
4. Nevada Revised Statutes allow appropriations to be transferred within or among any functions or programs within a fund without an increase in total appropriations. If it becomes necessary during the course of the year to change any of the departments 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 minutes.
5. 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. Encumbrances outstanding at year-end are reported as designated unreserved fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

In accordance with Nevada Revised Statutes, actual expenditures may not exceed budgetary appropriations of the various governmental functions of the General Fund or total appropriations of the individual Health Capital Reserve Fund and total operating and nonoperating expenses the Southern Nevada Public Health Laboratory Fund.

**SOUTHERN NEVADA HEALTH DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008**

4. CASH AND CASH EQUIVALENTS

Deposits

The District's deposit policies are governed by State statutes. Deposits are carried at cost, which approximates market value and are maintained with insured banks in the State. At June 30, 2008, the carrying amount of the District's deposits was \$10,000 and the bank balance was \$11,608. The entire balance was covered by Depository Insurance and is not subject to any custodial risk.

Investments

The District participates in Clark County, Nevada's investment pool. All rated investments in the Clark County, Nevada investment pool were rated either "AAA", "A-1", or "P-1" by Moody's Investors Service with three percent of the investment pool investments being unrated at June 30, 2008. Pooled funds are invested according to State statutes which are limited to the following (the District has no investment policy that would further limit its investment choices):

1. 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.
2. 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" for deposits by Standard & Poor's or "P-1" for deposits by Moody's.
3. 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 percent of the investment portfolio.
4. Bankers' acceptances eligible for rediscount with federal reserve banks, not to exceed 180 days maturity and 20 percent of the investment portfolio.
5. Commercial paper with a rating of A-1, P-1 or equivalent that does not exceed 270 days maturity and does not exceed 20 percent of the portfolio.
6. Collateralized mortgage obligations that are rated "AAA" or its equivalent not to exceed 20 percent of the portfolio.
7. Repurchase agreements that are collateralized at 102 percent of the repurchase price and do not exceed 90 days maturity. Securities used for collateral must meet the criteria listed above.
8. 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 percent of the portfolio.
9. Asset-backed securities that are rated AAA or its equivalent, not to exceed 20 percent of the portfolio.

**SOUTHERN NEVADA HEALTH DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008**

4. CASH AND CASH EQUIVALENTS (continued)

Investments (continued)

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

11. The State of Nevada's Local Government Investment Pool.

Custodial Credit Risk – This is the risk that in the event a financial institution or counterparty fails, the District would not be able to recover the value of its deposits and investments. As of June 30, 2008, one hundred percent of the District's investments are held in the Clark County Investment Pool which are fully collateralized in accordance with guidelines set forth in NRS 356 and the District is not exposed to custodial credit risk.

Interest Rate Risk – 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 (the external investment pool operator) manages the exposure to fair value losses arising from increasing interest rates 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 – This is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At June 30, 2008, all of the District's investments are held by the Clark County Treasurer and are invested in authorized investments in accordance with NRS 350.659, 355.165, 355.170, and 356.120. There is no limitation on amounts invested in this type of investment.

The carrying amount of investments in the custody of the Clark County Treasurer was \$33,032,543 and the market value was \$33,032,543.

Combined Cash and Cash Equivalents

Cash on deposit with banking institution	\$ 10,000
Cash on hand	3,400
Investment held with County Treasurer	<u>33,032,543</u>
	<u>\$ 33,045,943</u>
Governmental activities	\$ 31,756,425
Business-type activities	<u>1,289,518</u>
	<u>\$ 33,045,943</u>

**SOUTHERN NEVADA HEALTH DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008**

5. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Transfers in/out:

In the fund financial statements, interfund transfers are shown as other financial sources or uses. Transfers between funds during the year ended June 30, 2008 are as follows:

Transfers Out	Transfers In			Total
	Nonmajor Governmental Fund	Southern Nevada Public Health Laboratory	Internal Service Fund	
General Fund	<u>\$ 3,398,434</u>	<u>\$1,064,673</u>	<u>\$ 200,000</u>	<u>\$ 4,663,107</u>

Transfers are used to (1) move unrestricted revenues collected in the general fund to finance various programs accounted for in other funds and (2) to move cash for expenditures paid by a fund on behalf of another fund. There were no significant transfers during the fiscal year that were either non-routine in nature or inconsistent with the activities of the fund making the transfer.

6. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2008 was as follows:

	Balance July 1, 2007	Increases	Decreases	Balance June 30, 2008
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 2,059,765	\$ -	\$ -	\$ 2,059,765
Construction-in-Progress	-	196,518	-	196,518
Total capital assets not being depreciated	<u>2,059,765</u>	<u>196,518</u>	<u>-</u>	<u>2,256,283</u>
Capital assets, being depreciated:				
Buildings	4,893,960	-	(196,396)	4,697,564
Improvements other than buildings	9,416,239	74,056	-	9,490,295
Furniture, fixtures and equipment	8,147,472	839,175	(196,646)	8,790,001
Vehicles	770,535	36,459	(65,403)	741,591
Total capital assets being depreciated	<u>23,228,206</u>	<u>949,690</u>	<u>(458,445)</u>	<u>23,719,451</u>
Less: accumulated depreciation for:				
Buildings	(1,472,686)	(128,101)	-	(1,600,787)
Improvements other than buildings	(6,111,262)	(678,371)	-	(6,789,633)
Furniture, fixtures and equipment	(4,571,686)	(1,032,797)	188,054	(5,416,429)
Vehicles	(391,777)	(102,794)	49,550	(445,021)
Total accumulated depreciation	<u>(12,547,411)</u>	<u>(1,942,063)</u>	<u>237,604</u>	<u>(14,251,870)</u>
Total capital assets being depreciated, net	<u>10,680,795</u>	<u>(992,373)</u>	<u>(220,841)</u>	<u>9,467,581</u>
Governmental activities capital assets, net	<u>\$12,740,560</u>	<u>\$ (795,855)</u>	<u>\$ (220,841)</u>	<u>\$ 11,723,864</u>

**SOUTHERN NEVADA HEALTH DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008**

6. CAPITAL ASSETS (continued)

	Balance July 1, 2007	Increases	Decreases	Balance June 30, 2008
Business-type activities:				
Capital assets, being depreciated:				
Improvements other than buildings	\$ 48,679	\$ 44,300	\$ -	\$ 92,979
Furniture, fixtures and equipment	<u>1,983,897</u>	<u>146,825</u>	<u>(89,271)</u>	<u>2,041,451</u>
Total capital assets being depreciated	<u>2,032,576</u>	<u>191,125</u>	<u>(89,271)</u>	<u>2,134,430</u>
Less: accumulated depreciation for:				
Improvements other than buildings	(13,874)	(4,847)	-	(18,721)
Furniture, fixtures and equipment	<u>(381,261)</u>	<u>(223,503)</u>	<u>35,737</u>	<u>(569,027)</u>
Total accumulated depreciation	<u>(395,135)</u>	<u>(228,350)</u>	<u>35,737</u>	<u>(587,748)</u>
Business-type activities capital assets, net	<u>\$ 1,637,441</u>	<u>\$ (37,225)</u>	<u>\$ (53,534)</u>	<u>\$ 1,546,682</u>

Depreciation expense was charged to functions / programs of the District as follows:

	Governmental Activities	Business-type Activities
Nursing:		
Communicable diseases	\$ 14,520	\$ -
General nursing administration	29,356	-
Immunizations	8,163	-
Environmental health:		
Environmental health and sanitation	32,034	-
Waste management	13,352	-
Administration, operations and maintenance:		
General administration	1,621,782	-
Health cards	11,413	-
Vital records	5,358	-
Community health services:		
Epidemiology	3,967	-
Emergency medical services	2,196	-
Health education	7,757	-
Public health response to bioterrorism	192,165	-
Southern Nevada Public Health Laboratory	<u>-</u>	<u>228,350</u>
	<u>\$ 1,942,063</u>	<u>\$ 228,350</u>

**SOUTHERN NEVADA HEALTH DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008**

7. LEASES

Operating Leases

The District has certain non-cancelable operating lease agreements (unless NRS 354.626(j) applies) for facilities. Rent for the year ended June 30, 2008 was \$737,809. The District's future minimum lease payments under these non-cancelable operating leases are as follows:

<u>Year ending June 30</u>	<u>Amount</u>
2008	\$ 1,701,297
2009	1,559,384
2010	1,121,500
2011	755,755
2012	720,457
2013 – 2016	<u>2,293,656</u>
	<u>\$ 8,152,049</u>

8. CHANGES IN LONG-TERM LIABILITIES

The District's long-term liabilities consist of compensated absences. Activity for compensated absences for the year ended June 30, 2008 was as follows:

	Beginning Balance July 1, 2007	Additions	Reductions	Ending Balances June 30, 2008	Due Within One Year
Compensated absences:					
Governmental activities	\$5,590,197	\$1,729,330	\$(1,070,677)	\$6,248,850	\$ 3,263,214
Business-type activities:	<u>89,401</u>	<u>31,831</u>	<u>(13,665)</u>	<u>107,567</u>	<u>63,143</u>
	<u>\$5,679,598</u>	<u>\$1,761,161</u>	<u>\$(1,084,342)</u>	<u>\$6,356,417</u>	<u>\$ 3,326,357</u>

9. DEFINED BENEFIT PENSION PLAN

Plan Description

The District contributes to the Public Employees Retirement System of the State of Nevada (PERS), a cost sharing, multiple employer, defined benefit plan administered by the Public Employees Retirement System of the State of Nevada. PERS provides retirement benefits, disability benefits and death benefits, including annual cost of living adjustments, to plan members and their beneficiaries. Chapter 286 of the Nevada Revised Statutes establishes the benefit provisions provided to the participants of PERS. These benefit provisions may only be amended through legislation. The Public Employees Retirement System of the State of Nevada issues a publicly available financial report that includes financial statements and required supplementary information for PERS.

**SOUTHERN NEVADA HEALTH DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008**

9. DEFINED BENEFIT PENSION PLAN (continued)

Financial statements for the Plan are available by calling (775) 687-4200 or writing to:

Public Employees' Retirement System of Nevada
693 W. Nye Lane
Carson City, Nevada 89703-1599

Funding Policy

Benefits for plan members are funded under the employer pay method. Under the employer pay contribution plan, the District is required to contribute all amounts due under the plan, the amounts contributed equal the required contribution amount. Chapter 286 of Nevada Revised Statutes establishes the contribution requirements of plan members and the District. The District's contribution rates and amounts contributed for the last three years are as follows:

<u>Fiscal Year</u>	<u>Contribution Rate Regular Members</u>	<u>Total Contribution</u>
2007-08	20.50%	\$6,254,176
2006-07	19.75%	\$5,515,436
2005-06	19.75%	\$5,136,530

10. POST-EMPLOYMENT BENEFITS

In addition to the pension described in **Note 9**, the district provides a subsidy for postretirement health care benefits, in accordance with NRS 287.023, to all retired employees who enroll with the Nevada Public Employees' Benefits Program. The District covers from \$80 to \$442, based on 5 to 20 or more years of service. The payments made by the District on behalf of retirees will never exceed the amount of the insurance premium of the retiree. The District remits their portion to the Nevada Public Employees' Benefits Program directly. The retirees also remit their portion, if any, directly to the same program. The cost of retirees group insurance benefits is recognized as an expenditure as insurance premiums are paid on a monthly basis. For the fiscal year ended June 30, 2008, those costs totaled \$361,827. This is the fourth year of mandated compliances with NRS 287.023. At June 30, 2008, there were 101 retirees eligible for these benefits.

11. COMMITMENTS AND CONTINGENCIES

Litigation

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

Mediation Settlement

As of June 30, 2008, the District was in dispute with an outside contractor over costs owed under a contract. Subsequent to the Statement of Net Assets and the Balance Sheet date of June 30, 2008, the District settled through arbitration with the contractor for \$450,000. On October 23, 2008, the Members of the District Board of Health in a public meeting approved this payment as final settlement of the dispute. The Statement of Net Assets and the Balance Sheet reflect the accrual of this settlement.

**SOUTHERN NEVADA HEALTH DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008**

11. COMMITMENTS AND CONTINGENCIES (continued)

Risk Management

The District, like all governmental entities, is exposed to various risks of loss related to torts; thefts of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District participates in Clark County's Cooperative Agreement for Coverage of Liability Claims and Related Expenses. Under this agreement, the District pays an annual premium to the Clark County Insurance Pool Internal Service Fund for its general insurance coverage. The agreement for formation of the Insurance Pool Fund provides that the fund will be self-sustaining through member premiums. Each member is responsible for a deductible for each claim submitted. The District's deductible is \$10,000 per occurrence. The stop-loss provision is \$2,000,000 for each claim submitted. The pool's two umbrella policies provide further coverage to a maximum aggregate amount of \$10,000,000. The District remains adequately covered for losses and no settlements have reached amounts in excess of the insurance coverage for the past three years.

The District established an internal service fund on July 1, 2005 to provide for self-insured workers compensation claims. A liability for a claim is established if information indicates that it is possible that a liability has been incurred at the date of the financial statements and the amount of loss is reasonably estimable. Liabilities include an amount for claims that have been incurred but not reported. The estimate of the worker's compensation claims payable was determined by the District with the assistance of an independent actuarial study as of June 30, 2008 and is reflected in the financial statements of the Risk Management Insurance Liability Reserve Fund.

<u>Estimated unpaid Claims July 1, 2007</u>	<u>Claims and changes In estimates</u>	<u>Claims paid</u>	<u>Estimated unpaid unpaid claims June 30, 2008</u>
\$ 190,641	\$ 160,806	\$ (116,004)	\$ 235,443
<u>Estimated unpaid claims July 1, 2006</u>	<u>Claims and changes in estimates</u>	<u>Claims paid</u>	<u>Estimated unpaid claims June 30, 2007</u>
\$ 64,245	\$ 175,462	\$ (49,066)	\$ 190,641

Letter of Credit

The District has a letter of credit of \$114,000 outstanding at June 30, 2008. The letter is maintained as required for the District's workers compensation self insurance program that was effective July 1, 2005.

REQUIRED SUPPLEMENTARY SCHEDULES

SN/D
Southern Nevada Health District

SOUTHERN NEVADA HEALTH DISTRICT
MAJOR FUND - GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for services				
Title XIX Medicaid	\$ 746,811	\$ 746,811	\$ 747,708	\$ 897
Charges for services	5,943,416	5,943,416	6,593,273	649,857
Regulatory revenue	22,910,707	22,910,707	22,009,800	(900,907)
Program contract services	1,326,421	1,326,421	2,652,518	1,326,097
Intergovernmental revenues				-
State funding	1,523,891	1,523,891	1,678,292	154,401
Indirect federal grants	7,754,055	7,754,055	8,630,562	876,507
Federal grants	1,525,162	1,525,162	1,651,603	126,441
Contributions and donations	-	-	11,803	11,803
General receipts				-
Interest earnings	945,600	945,600	1,497,698	552,098
Other general receipts	6,000	6,000	46,530	40,530
Clark County consolidated tax receipts	25,473,000	25,473,000	25,473,000	-
Total revenues	<u>68,155,063</u>	<u>68,155,063</u>	<u>70,992,787</u>	<u>2,837,724</u>
Expenditures				
Nursing				
Salaries and wages	11,079,437	11,079,437	10,348,217	731,220
Employee benefits	3,517,706	3,517,706	3,167,125	350,581
Services and supplies	6,630,612	6,453,577	5,706,352	747,225
	<u>21,227,755</u>	<u>21,050,720</u>	<u>19,221,694</u>	<u>1,829,026</u>
Environmental health				
Salaries and wages	9,400,269	9,187,441	9,109,333	78,108
Employee benefits	3,094,948	3,086,948	2,915,038	171,910
Services and supplies	1,361,563	1,582,391	1,547,638	34,753
	<u>13,856,780</u>	<u>13,856,780</u>	<u>13,572,009</u>	<u>284,771</u>
Administration, operations and maintenance				
Salaries and wages	12,523,601	12,523,601	8,280,188	4,243,413
Employee benefits	3,802,348	3,802,348	2,955,967	846,381
Services and supplies	7,871,485	7,669,520	7,572,173	97,347
	<u>24,197,434</u>	<u>23,995,469</u>	<u>18,808,328</u>	<u>5,187,141</u>
Community health services				
Salaries and wages	4,403,550	3,405,990	3,487,685	(81,695)
Employee benefits	1,382,421	1,113,681	1,087,296	26,385
Services and supplies	2,534,556	3,800,656	3,516,722	283,934
	<u>8,320,527</u>	<u>8,320,327</u>	<u>8,091,703</u>	<u>228,624</u>
Total expenditures	<u>67,602,496</u>	<u>67,223,296</u>	<u>59,693,734</u>	<u>7,529,562</u>

SOUTHERN NEVADA HEALTH DISTRICT
 MAJOR FUND - GENERAL FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (CONTINUED)
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Excess of revenues over expenditures	<u>552,567</u>	<u>931,767</u>	<u>11,299,053</u>	<u>10,367,286</u>
Other financing sources (uses)				
Transfers out	<u>(5,788,613)</u>	<u>(6,788,613)</u>	<u>(4,663,107)</u>	<u>2,125,506</u>
Total other financing sources (uses)	<u>(5,788,613)</u>	<u>(6,788,613)</u>	<u>(4,663,107)</u>	<u>2,125,506</u>
Net change in fund balances	<u>(5,236,046)</u>	<u>(5,856,846)</u>	<u>6,635,946</u>	<u>12,492,792</u>
Fund balance, beginning of year	<u>13,188,741</u>	<u>21,595,624</u>	<u>21,595,624</u>	<u>-</u>
Fund balance, end of year	<u>\$ 7,952,695</u>	<u>\$ 15,738,778</u>	<u>\$ 28,231,570</u>	<u>\$ 12,492,792</u>

SOUTHERN NEVADA HEALTH DISTRICT
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2008

1. Budgetary Basis

The Southern Nevada Health District prepares its budgets in accordance with generally accepted accounting principles.

The budget amounts reflected in the required supplementary information have been amended from the original amounts in accordance with Nevada Revised Statutes.

Additional budgetary information can be found in Note 3 to the District's basic financial statements.

SUPPLEMENTARY SCHEDULES

SN/D
Southern Nevada Health District

NONMAJOR GOVERNMENTAL FUNDS

SNHD
Southern Nevada Health District

SOUTHERN NEVADA HEALTH DISTRICT
NONMAJOR OTHER GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2008

<u>ASSETS</u>	<u>Capital Projects Fund</u>	<u>Debt Reserve Fund</u>	<u>Total</u>
Cash and cash equivalents	\$ 1,485,924	\$ 1,002,341	\$ 2,488,265
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities			
Accounts payable	\$ 61,091	\$ -	\$ 61,091
Fund balances			
Reserved			
Capital projects funds			
Encumbrances	507,542	-	507,542
Unreserved, reported in:			
Capital projects funds			
Designated for:			
Capital improvements	917,291	-	917,291
Debt reserve fund			
Designated for:			
Capital project	-	1,002,341	1,002,341
Total fund balances	<u>1,424,833</u>	<u>1,002,341</u>	<u>2,427,174</u>
 Total liabilities and fund balances	 <u>\$ 1,485,924</u>	 <u>\$ 1,002,341</u>	 <u>\$ 2,488,265</u>

**SOUTHERN NEVADA HEALTH DISTRICT
NONMAJOR OTHER GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

	<u>Capital Projects Fund</u>	<u>Debt Reserve Fund</u>	<u>Total</u>
Revenues			
Interest earnings	\$ 35,421	\$ 2,341	\$ 37,762
Expenditures			
Capital outlay	946,771	-	946,771
Total expenditures	946,771	-	946,771
Deficiency of revenues under expenditures	(911,350)	2,341	(909,009)
Other financing sources			
Transfers In	2,398,434	1,000,000	3,398,434
Total other financing sources	2,398,434	1,000,000	3,398,434
Net change in fund balances	1,487,084	1,002,341	2,489,425
Fund balances, beginning of year	(62,251)	-	(62,251)
Fund balances, end of year	<u>\$ 1,424,833</u>	<u>\$ 1,002,341</u>	<u>\$ 2,427,174</u>

NONMAJOR CAPITAL PROJECTS FUNDS

THE HEALTH DISTRICT CAPITAL RESERVE FUND IS USED TO ACCOUNT FOR THE COST OF CAPITAL IMPROVEMENTS AND FURNITURE, FIXTURES, EQUIPMENT AND VEHICLE PURCHASES OF THE DISTRICT.

SN/D
Southern Nevada Health District

SOUTHERN NEVADA HEALTH DISTRICT
NONMAJOR CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Interest earnings	\$ 24,586	\$ 24,586	35,421	\$ 10,835
Expenditures				
Capital outlay	3,926,695	3,926,695	946,771	2,979,924
Total expenditures	3,926,695	3,926,695	946,771	2,979,924
Deficiency of revenues under expenditures	(3,902,109)	(3,902,109)	(911,350)	(2,969,089)
Other financing sources (uses)				
Transfers In	3,926,695	3,926,695	2,398,434	(1,528,261)
Total other financing sources	3,926,695	3,926,695	2,398,434	(1,528,261)
Net change in fund balances	24,586	24,586	1,487,084	(1,440,828)
Fund balances, beginning of year	515,975	(62,251)	(62,251)	-
Fund balances, end of year	\$ 540,561	\$ (37,665)	\$ 1,424,833	\$ (1,440,828)

SOUTHERN NEVADA HEALTH DISTRICT
NONMAJOR DEBT RESERVE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Varlance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Interest earnings	\$ -	\$ -	\$ 2,341	\$ 2,341
Other financing sources				
Transfers In	-	1,000,000	1,000,000	-
Net change in fund balances	-	1,000,000	1,002,341	2,341
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	\$ -	\$ 1,000,000	\$ 1,002,341	\$ 2,341

MAJOR PROPRIETARY FUND

SN/D
Southern Nevada Health District

SOUTHERN NEVADA HEALTH DISTRICT
MAJOR PROPRIETARY FUND - SOUTHERN NEVADA PUBLIC HEALTH LABORATORY FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Operating revenues				
Charges for services	\$ -	\$ -	\$ -	\$ -
Operating expenses				
Salaries	822,733	766,333	709,519	(58,814)
Employee benefits	257,923	238,923	240,453	1,530
Services and supplies	347,534	371,384	357,995	(13,389)
Depreciation	-	-	228,350	228,350
Repairs and maintenance	133,728	462,278	138,081	(324,197)
Total operating expenses	1,561,918	1,840,918	1,674,398	(166,520)
Operating loss	(1,561,918)	(1,840,918)	(1,674,398)	166,520
Non-operating revenues (and expenses)				
Indirect federal grants	-	-	1,434,266	1,434,266
Interest earnings	15,000	15,000	27,205	12,205
Gain/(Loss) on disposal of capital assets	-	-	(53,534)	(53,534)
Total non-operating revenues	15,000	15,000	1,407,937	1,392,937
Income (loss) before transfers	(1,546,918)	(1,825,918)	(266,461)	1,559,457
Transfers				
Transfers In	1,561,918	1,561,918	1,064,673	(497,245)
Total transfers	1,561,918	1,561,918	1,064,673	(497,245)
Net change in fund net assets	15,000	(264,000)	798,212	1,062,212
Fund net assets, beginning of year	1,547,248	1,815,223	1,815,223	-
Fund net assets, end of year	\$ 1,562,248	\$ 1,551,223	\$ 2,613,435	\$ 1,062,212

INTERNAL SERVICE FUND

SNHD
Southern Nevada Health District

SOUTHERN NEVADA HEALTH DISTRICT
INTERNAL SERVICE FUND - INSURANCE LIABILITY RESERVE FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Expenses				
Claim expense	\$ 100,000	\$ 200,000	\$ 160,806	\$ (39,194)
Services and supplies	-	-	719	719
Total expenses	<u>100,000</u>	<u>200,000</u>	<u>161,525</u>	<u>(38,475)</u>
Operating loss	<u>(100,000)</u>	<u>(200,000)</u>	<u>(161,525)</u>	<u>38,475</u>
Non-operating revenues				
Interest earnings	<u>14,600</u>	<u>14,600</u>	<u>17,486</u>	<u>2,886</u>
Income (loss) before transfers	<u>(85,400)</u>	<u>(185,400)</u>	<u>(144,039)</u>	<u>41,361</u>
Transfers				
Transfers In	<u>300,000</u>	<u>300,000</u>	<u>200,000</u>	<u>(100,000)</u>
Net change in fund net assets	214,600	114,600	55,961	(58,639)
Fund net assets, beginning of year	<u>576,048</u>	<u>103,362</u>	<u>103,362</u>	<u>-</u>
Fund net assets, end of year	<u>\$ 790,648</u>	<u>\$ 217,962</u>	<u>\$ 159,323</u>	<u>\$ (58,639)</u>

CAPITAL ASSETS USED IN THE OPERATION OF
GOVERNMENTAL FUNDS

SNH D
Southern Nevada Health District

**SOUTHERN NEVADA HEALTH DISTRICT
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
COMPARATIVE SCHEDULES BY SOURCE
JUNE 30, 2008 AND 2007**

	<u>2008</u>	<u>2007</u>
Governmental funds capital assets		
Land	\$ 2,059,765	\$ 2,059,765
Construction-in-Progress	196,518	-
Buildings	4,697,564	4,893,960
Improvements other than buildings	9,490,295	9,416,239
Furniture, fixtures and equipment	8,790,001	8,147,472
Vehicles	<u>741,591</u>	<u>770,535</u>
Total governmental funds capital assets	<u>\$ 25,975,734</u>	<u>\$ 25,287,971</u>
Investments in governmental funds capital assets by source		
General fund	<u>\$ 25,975,734</u>	<u>\$ 25,287,971</u>

SOUTHERN NEVADA HEALTH DISTRICT
 CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
 SCHEDULES BY FUNCTION
 JUNE 30, 2008

Function	Land	Construction-in-Progress	Buildings	Improvements Other Than Buildings	Furniture, Fixtures and Equipment and Vehicles	Total
Nursing	-	-	-	\$ 40,893	\$ 1,769,344	\$ 1,810,237
Environmental health	-	-	-	14,516	1,058,950	1,073,466
Administration, operations and maintenance	2,059,765	196,518	4,697,564	9,400,793	6,357,426	22,712,066
Community health services	-	-	-	34,093	345,872	379,965
Total governmental funds capital assets	<u>\$ 2,059,765</u>	<u>\$ 196,518</u>	<u>\$ 4,697,564</u>	<u>\$ 9,490,295</u>	<u>\$ 9,531,592</u>	<u>\$ 25,975,734</u>

SOUTHERN NEVADA HEALTH DISTRICT
 CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
 SCHEDULES OF CHANGES BY FUNCTION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Function	Governmental Funds Capital Assets June 30, 2007	Additions	Deletions	Transfers	Governmental Funds Capital Assets June 30, 2008
Nursing	\$ 1,734,328	\$ 129,595	\$ 53,686	-	\$ 1,810,237
Environmental health	989,475	83,991	-	-	1,073,466
Administration, operations and maintenance	22,182,097	734,618	204,649	-	22,712,066
Community health services	382,071	1,488	3,594	-	379,965
Total governmental funds capital assets	<u>\$ 25,287,971</u>	<u>\$ 949,692</u>	<u>\$ 261,929</u>	<u>-</u>	<u>\$ 25,975,734</u>

STATISTICAL SECTION

SNHD
Southern Nevada Health District

**SOUTHERN NEVADA HEALTH DISTRICT
STATISTICAL SECTION**

The Statistical Section presents detailed information as a context for understanding the information in the financial statements, note disclosures, and required supplementary information in regards to the District's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends	
These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	
Net Assets by Component	54
Changes in Net Assets	55 - 58
Fund Balances, Governmental Funds	59
Changes in Fund Balances, Governmental Funds	60
Revenue Capacity	
These schedules contain information to help the reader assess the District's most significant revenue sources.	
Assessed and Estimated Actual Value of Taxable Property	61
Property Tax Rates - All Direct and Overlapping Governments	62
Principal Taxpayers in Clark County Current Year and Nine Years Ago	63
Property Tax Levies and Collections for All Governments	64
Debt Capacity	
These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	
The District currently has no bonded indebtedness.	
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	
Demographic Statistics	65
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Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	
Full-time Equivalent District Employees by Function/Program	67
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Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The District implemented GASB Statement 34 in 2003, and schedules presenting government-wide information included information beginning in that year.

SOUTHERN NEVADA HEALTH DISTRICT
NET ASSETS BY COMPONENT
LAST SIX FISCAL YEARS (UNAUDITED) *

	2003	2004	2005	2006	2007	2008
Governmental activities						
Invested in capital assets	\$ 12,868,765	\$ 14,626,727	\$ 14,454,028	\$ 13,277,235	\$ 12,740,560	\$ 11,723,864
Restricted	49,421	24,282	31,696	5,651	16,667	640,854
Unrestricted	3,603,784	6,538,082	10,450,995	13,028,963	16,108,148	23,928,363
Total governmental activities	<u>16,521,970</u>	<u>21,189,091</u>	<u>24,936,719</u>	<u>26,311,849</u>	<u>28,865,375</u>	<u>36,293,081</u>
Business-type activities						
Invested in capital assets	-	-	397,330	1,269,054	1,637,230	1,546,682
Restricted	-	-	-	-	-	-
Unrestricted	-	-	607,834	253,194	177,993	1,066,753
Total business-type activities	<u>-</u>	<u>-</u>	<u>1,005,164</u>	<u>1,522,248</u>	<u>1,815,223</u>	<u>2,613,435</u>
Primary government						
Invested in capital assets, net of related debt	12,868,765	14,626,727	14,851,358	14,546,289	14,377,790	13,270,546
Restricted	49,421	24,282	31,696	5,651	16,667	640,854
Unrestricted	3,603,784	6,538,082	11,058,829	13,282,157	16,286,141	24,995,116
Total primary government net assets	<u>\$ 16,521,970</u>	<u>\$ 21,189,091</u>	<u>\$ 25,941,883</u>	<u>\$ 27,834,097</u>	<u>\$ 30,680,598</u>	<u>\$ 38,906,516</u>

* Accrual-basis financial information for the District as a whole is available beginning in FY2003, the year GASB Statement 34 was implemented. Ten years of data will be accumulated over time.

SOUTHERN NEVADA HEALTH DISTRICT
 CHANGES IN NET ASSETS
 LAST SIX FISCAL YEARS (UNAUDITED) *

	2003	2004	2005	2006	2007	2008
Expenses						
Governmental activities						
Nursing						
Communicable diseases	\$ 9,426,860	\$ 11,165,033	\$ 10,881,613	\$ 8,003,504	\$ 6,758,899	\$ 7,938,929
General nursing administration	2,346,406	2,292,977	1,882,503	2,097,551	2,288,338	2,440,021
Immunizations	3,065,069	7,957,547	8,757,974	8,707,255	11,522,381	11,022,254
Women's health	2,232,961	1,960,583	1,765,674	1,541,830	1,774,878	1,909,649
Children's health	2,661,153	2,696,783	3,034,452	2,752,746	2,511,536	2,016,251
Other nursing programs	596,558	808,863	1,131,084	717,646	488,175	200,888
Total nursing	<u>20,329,007</u>	<u>26,881,766</u>	<u>27,453,300</u>	<u>23,820,532</u>	<u>25,344,207</u>	<u>25,527,992</u>
Environmental health						
Environmental health and sanitation	6,181,703	6,719,633	7,475,321	9,275,812	9,941,857	11,501,992
Waste management	1,044,594	1,185,067	1,670,545	1,833,213	1,590,285	1,830,397
Other environmental health programs	373,413	344,835	341,361	405,592	408,450	480,521
Total environmental health	<u>7,599,710</u>	<u>8,249,535</u>	<u>9,487,227</u>	<u>11,514,617</u>	<u>11,940,592</u>	<u>13,812,910</u>
Administration, operations and maintenance						
General administration	6,782,530	8,015,188	9,482,739	10,639,343	12,478,025	13,835,657
Health cards	3,297,087	3,954,997	4,046,874	4,036,778	4,282,389	5,153,429
Health education	2,175,434	2,510,925	2,300,824	-	-	-
Disaster recovery	-	-	-	-	-	59,346
Vital records	1,000,621	1,128,119	1,250,675	1,411,725	1,511,914	1,734,859
Epidemiology	699,209	630,753	658,403	-	-	-
Emergency medical services	717,039	543,701	1,307,524	-	-	-
Public health response for bioterrorism	821,392	2,476,151	2,881,029	-	-	-
Total administration, operations and maintenance	<u>15,493,312</u>	<u>19,259,834</u>	<u>21,928,068</u>	<u>16,087,846</u>	<u>18,272,328</u>	<u>20,783,291</u>

SOUTHERN NEVADA HEALTH DISTRICT
 CHANGES IN NET ASSETS (CONTINUED)
 LAST SIX FISCAL YEARS (UNAUDITED) *

	2003	2004	2005	2006	2007	2008
Expenses (continued)						
Community health services						
Administration	\$ -	\$ -	\$ -	\$ -	\$ 233,435	\$ 153,913
Health education	-	-	-	1,902,621	1,997,851	2,148,168
Epidemiology	-	-	-	1,000,324	1,440,716	1,220,115
Public health preparedness	-	-	-	4,018,104	3,541,232	4,154,798
Emergency medical services	-	-	-	613,169	667,957	689,888
Total community health services	-	-	-	7,534,218	7,881,191	8,366,882
Total governmental activities expenses	43,422,029	54,391,155	58,868,595	58,957,213	63,438,318	68,491,075
Business-type activities						
Southern Nevada Public Health Laboratory	-	-	1,150,860	1,387,608	1,547,881	1,674,398
Total business-type activities expenses	-	-	1,150,860	1,387,608	1,547,881	1,674,398
Total primary government expenses	43,422,029	54,391,155	60,019,455	60,344,821	64,986,199	70,165,473
Program revenues						
Governmental activities						
Charges for services						
Nursing						
Communicable diseases	112,326	214,497	187,507	260,426	855,954	344,531
General nursing administration	521,470	425,023	87,812	98,682	97,604	99,875
Immunizations	1,963,980	2,826,583	2,719,250	3,581,220	3,215,235	3,419,535
Women's health	439,859	243,684	170,988	269,012	334,550	343,831
Children's health	32,344	33,638	138,488	112,003	146,272	432,722
Other nursing programs	328,111	399,520	679,940	425,572	478,711	253,555
Total nursing	3,398,090	4,142,945	3,983,985	4,746,915	5,128,326	4,894,049
Environmental health						
Environmental health and sanitation	4,914,575	6,593,338	9,782,020	7,878,203	10,093,788	13,689,283
Waste management	394,608	509,587	1,081,251	1,340,543	1,293,396	1,236,729
Other environmental health programs	116,595	249,614	227,383	219,271	253,010	327,056
Total environmental health	5,425,778	7,352,539	11,090,654	9,438,017	11,640,194	15,253,068

SOUTHERN NEVADA HEALTH DISTRICT
 CHANGES IN NET ASSETS (CONTINUED)
 LAST SIX FISCAL YEARS (UNAUDITED) *

	2003	2004	2005	2006	2007	2008
Program revenues (continued)						
Administration, operations and maintenance						
General administration	\$ 3,306,160	\$ -	\$ 68,614	\$ 20,855	\$ -	\$ 17,826
Health cards	8,237	4,713,354	4,500,220	4,663,868	5,553,365	7,002,294
Health education	1,193,994	22,020	50,115	-	-	-
Vital records	-	1,609,040	1,723,585	1,967,574	2,295,817	2,711,505
Epidemiology	28,448	59,541	82,075	-	-	-
Emergency medical services	-	-	11,023	-	-	-
Public health response for bioterrorism	-	-	-	-	-	-
Total administration, operations and maintenance	4,536,839	6,403,955	6,435,632	6,652,297	7,849,182	9,731,625
Community health services						
Administration	-	-	-	-	-	-
Health education	-	-	-	286	115,637	103,682
Epidemiology	-	-	-	-	-	-
Public health preparedness	-	-	-	-	365,821	13,905
Emergency medical services	-	-	-	63,266	109,808	76,431
Total community health services	-	-	-	63,552	591,266	194,018
Operating grants and contributions	12,801,289	19,146,745	19,103,517	19,170,520	17,852,732	19,867,705
Capital grants and contributions	1,463,851	3,790,235	3,443,914	134,964	-	-
Total governmental activities program revenues	27,625,847	40,836,419	44,057,702	40,206,265	43,061,700	49,940,465
Business-type activities						
Southern Nevada Public Health Laboratory						
Charges for services	-	-	8,000	13,725	-	-
Operating grants and contributions	-	-	1,169,547	816,891	1,075,360	1,434,266
Capital grants and contributions	-	-	-	22,125	227,875	-
Total business-type activities program revenues	-	-	1,177,547	852,741	1,303,235	1,434,266
Total primary government program revenues	27,625,847	40,836,419	45,235,249	41,059,006	44,364,935	51,374,731

**SOUTHERN NEVADA HEALTH DISTRICT
CHANGES IN NET ASSETS (CONTINUED)
LAST SIX FISCAL YEARS (UNAUDITED) ***

	2003	2004	2005	2006	2007	2008
Net (expense)/revenue						
Governmental activities	\$ (15,796,182)	\$ (13,554,736)	\$ (14,810,893)	\$ (18,750,948)	\$ (20,376,618)	\$ (18,550,610)
Business-type activities	-	-	26,687	(534,867)	(244,646)	(240,132)
Total primary government net expense	(15,796,182)	(13,554,736)	(14,784,206)	(19,285,815)	(20,621,264)	(18,790,742)
General revenues and other changes in net assets						
Governmental activities						
Consolidated county tax	16,450,000	17,440,001	18,670,000	20,330,000	22,450,600	25,473,000
State funding	832,229	508,257	477,078	-	-	-
Miscellaneous	133,739	87,239	26,517	169,198	-	17,043
Unrestricted investment earnings	316,124	186,360	357,976	658,511	1,006,472	1,552,946
Transfers	(9,715)	-	(973,050)	(1,031,631)	(526,928)	(1,064,673)
Total governmental activities	17,722,377	18,221,857	18,558,521	20,126,078	22,930,144	25,978,316
Business-type activities						
Unrestricted investment earnings	-	-	5,427	20,320	10,693	27,205
Gain/(Loss) on disposal of capital assets	-	-	973,050	1,031,631	526,928	(53,534)
Transfers	-	-	978,477	1,051,951	537,621	1,064,673
Total business-type activities	-	-	1,951,954	2,113,902	1,075,242	1,038,344
Total primary government	17,722,377	18,221,857	19,536,998	21,178,029	23,467,765	27,016,660
Change in net assets						
Governmental activities	1,926,195	4,667,121	3,747,628	1,375,130	2,553,526	7,427,706
Business-type activities	-	-	1,005,164	517,084	292,975	798,212
Total primary government	\$ 1,926,195	\$ 4,667,121	\$ 4,752,792	\$ 1,892,214	\$ 2,846,501	\$ 8,225,918

* Accrual-basis financial information for the District as a whole is available beginning in FY2003, the year GASB Statement 34 was implemented. Ten years of data will be accumulated over time.

SOUTHERN NEVADA HEALTH DISTRICT
 FUND BALANCES - GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS (UNAUDITED)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General fund										
Reserved	\$ 656,872	\$ 1,183,034	\$ 1,542,319	\$ 1,327,337	\$ 2,281,647	\$ 1,908,886	\$ 1,642,535	\$ 2,295,848	\$ 2,067,574	\$ 953,132
Unreserved	3,922,243	4,568,801	3,532,201	4,680,558	4,909,859	9,222,634	13,541,705	15,797,637	19,528,050	27,278,438
Total governmental activities	<u>4,579,115</u>	<u>5,751,835</u>	<u>5,074,520</u>	<u>6,007,895</u>	<u>7,191,506</u>	<u>11,131,520</u>	<u>15,184,240</u>	<u>18,093,485</u>	<u>21,595,624</u>	<u>28,231,570</u>
All other governmental funds										
Reserved	320,949	64,066	105,746	237,674	97,638	81,246	207,213	252,803	147,190	507,542
Unreserved, reported in:										
Capital projects fund	2,827,082	2,234,144	2,680,404	1,633,277	394,369	315,574	350,936	243,172	(209,441)	917,291
Debt reserve fund										1,002,341
Total all other governmental funds	<u>\$ 3,148,031</u>	<u>\$ 2,298,210</u>	<u>\$ 2,786,150</u>	<u>\$ 1,870,951</u>	<u>\$ 492,007</u>	<u>\$ 396,820</u>	<u>\$ 558,149</u>	<u>\$ 495,975</u>	<u>\$ (62,251)</u>	<u>\$ 2,427,174</u>

(Prepared using the modified accrual basis of accounting)

SOUTHERN NEVADA HEALTH DISTRICT
 CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS (UNAUDITED)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Revenues										
Title IX and fee for services	\$ 2,303,378	\$ 2,630,281	\$ 2,701,630	\$ 3,370,872	\$ 3,908,538	\$ 5,158,333	\$ 5,387,739	\$ 6,634,435	\$ 6,717,878	\$ 7,340,981
Regulatory revenue	7,019,134	9,434,295	11,912,170	9,030,793	8,760,386	12,125,434	15,404,706	13,915,381	16,793,854	22,009,800
Program contract services	365,127	532,723	680,335	746,677	691,783	615,672	717,826	350,965	1,618,959	2,652,518
State funding	1,760,474	2,410,987	3,033,057	3,560,426	2,492,792	2,485,091	2,176,201	3,251,839	1,879,920	1,678,292
Indirect federal grants	2,950,025	3,546,332	4,230,507	5,024,854	7,450,826	9,505,648	8,764,344	7,963,294	7,879,797	8,630,562
Direct federal grants	1,735,132	4,820,931	6,174,767	5,656,554	4,907,713	6,387,319	6,486,650	2,826,414	1,590,603	1,651,603
Contributions and donations	-	-	-	-	246,038	481,002	388,897	778,421	4,131	11,803
Other	1,271,921	1,244,446	1,209,835	637,499	449,863	273,599	384,493	819,558	1,002,861	1,581,990
Tax receipts Clark County	13,000,000	13,500,000	14,450,000	15,173,031	16,450,000	17,440,001	18,670,000	20,330,000	22,450,600	25,473,000
	<u>30,405,191</u>	<u>38,120,005</u>	<u>44,392,301</u>	<u>43,200,706</u>	<u>45,357,939</u>	<u>54,472,099</u>	<u>58,380,856</u>	<u>56,870,307</u>	<u>59,938,603</u>	<u>71,030,549</u>
Expenditures										
Nursing	11,924,998	13,329,526	14,354,788	16,712,894	20,027,209	21,849,327	21,942,229	18,955,239	18,917,693	19,221,694
Environmental health	4,785,132	5,219,782	6,295,360	6,645,453	7,471,690	7,972,691	9,376,173	11,282,987	11,989,911	13,572,009
Air pollution control	4,132,133	4,755,650	5,439,178	880,368	-	-	-	-	-	-
Community health services	9,773,517	13,262,406	17,242,875	17,857,778	14,179,395	17,374,411	19,861,149	7,233,815	7,706,454	18,808,928
Administration, operations and maintenance	2,883,574	1,219,742	1,249,475	1,086,037	4,159,747	3,430,743	2,014,306	14,037,022	16,272,804	8,091,703
Capital outlay	33,449,354	37,787,106	44,581,676	43,182,530	45,838,041	50,627,172	53,193,857	1,761,244	1,580,900	946,771
	<u>63,978,576</u>	<u>70,834,112</u>	<u>83,857,662</u>	<u>85,484,592</u>	<u>87,775,382</u>	<u>103,864,343</u>	<u>108,380,465</u>	<u>53,270,307</u>	<u>56,467,762</u>	<u>60,640,505</u>
Other financing sources (uses)										
Transfers in	250,000	250,000	1,600,000	-	600,000	3,329,458	3,608,993	2,843,967	2,331,920	3,398,434
Transfers out	(260,000)	(260,000)	(1,600,000)	-	(600,000)	(3,329,458)	(4,582,043)	(3,596,896)	(2,858,848)	(4,663,107)
Sale of capital assets	-	-	-	-	59,612	-	-	-	-	-
	<u>(10,000)</u>	<u>(10,000)</u>	<u>(10,000)</u>	<u>-</u>	<u>59,612</u>	<u>-</u>	<u>(973,050)</u>	<u>(752,929)</u>	<u>(526,928)</u>	<u>(1,264,673)</u>
Net change in fund balances	<u>\$ (3,054,163)</u>	<u>\$ 322,899</u>	<u>\$ (189,375)</u>	<u>\$ 18,176</u>	<u>\$ (420,490)</u>	<u>\$ 3,844,927</u>	<u>\$ 4,213,949</u>	<u>\$ 2,847,071</u>	<u>\$ 2,943,913</u>	<u>\$ 9,125,371</u>
Debt service as a percentage of noncapital expenditures	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%

(Prepared using the modified accrual basis of accounting)

**SOUTHERN NEVADA HEALTH DISTRICT
 ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS (UNAUDITED)**

Fiscal Year	Property Value Assessed			Total	Total Direct Tax Rate	Total Real and Personal Estimated Market Value	Total Assessed Value as a Percentage of Total Estimated Market Value
	Real	Personal	Total				
1998 - 1999	\$ 22,608,380,554	\$ 3,666,727,657	\$ 26,275,108,211	0.6503	\$ 75,071,737,745	35%	
1999 - 2000	26,357,089,756	3,952,031,303	30,309,121,059	0.6429	86,597,488,739	35%	
2000 - 2001	29,164,282,920	4,143,629,584	33,307,912,504	0.6377	95,165,464,296	35%	
2001 - 2002	32,205,771,521	4,284,553,454	36,490,324,975	0.6202	104,258,071,357	35%	
2002 - 2003	36,258,580,003	4,355,372,629	40,613,952,632	0.6202	116,039,864,662	35%	
2003 - 2004	39,852,173,918	4,774,487,190	44,626,661,108	0.6502	127,504,746,022	35%	
2004 - 2005	45,391,834,363	5,029,248,112	50,421,082,475	0.6502	144,060,235,642	35%	
2005 - 2006	61,060,915,772	5,787,270,132	66,848,185,904	0.6425	190,994,816,868	35%	
2006 - 2007	87,405,015,148	5,954,162,886	93,359,179,034	0.6416	266,740,511,525	35%	
2007 - 2008	102,349,025,402	6,300,900,438	108,649,925,840	0.6391	310,428,359,542	35%	

Source: County Assessors Offices

Note: Property in the County is reassessed each year. Property is assessed at 35 percent of estimated actual value.

SOUTHERN NEVADA HEALTH DISTRICT
PROPERTY TAX RATES * - ALL DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS (UNAUDITED)

	1998-1999	1999-2000	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008
County direct rate	0.6503	0.6429	0.6377	0.6202	0.6202	0.6502	0.6502	0.6425	0.6416	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	0.1650	0.1650	0.1650	0.1650	0.1650	0.1700	0.1850	0.1850	0.1850	0.1850
City Rates:										
Boulder City	0.2012	0.2022	0.2022	0.2038	0.2038	0.2038	0.2038	0.1844	0.2038	0.2038
Henderson	0.7081	0.7040	0.7108	0.7108	0.7108	0.7108	0.7108	0.7108	0.7108	0.7108
Las Vegas	0.6741	0.6875	0.6873	0.7817	0.7809	0.7796	0.7792	0.7774	0.7777	0.7715
Mesquite	0.1120	0.1520	0.3020	0.3020	0.3020	0.3020	0.5520	0.5520	0.5520	0.5520
North Las Vegas	1.1649	1.1649	1.1734	1.1987	1.1987	1.1987	1.1987	1.1887	1.1687	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
Glendale	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200
Indian Springs	0.0200	0.0250	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	0.2344	0.2344	0.2344	0.2344	0.2344	0.2344	0.2344
Moapa Valley	0.0250	0.0250	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	0.1242	0.1177	0.1165	0.1232	0.1224	0.1153	0.1172	0.1223	0.1222	0.1212
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	0.0766	0.1766	0.1832	0.1820	0.1655	0.1655	0.1640	0.1625	0.1555	0.1485
Clark County Fire Services District	0.2031	0.2105	0.2157	0.2197	0.2197	0.2197	0.2197	0.2197	0.2197	0.2197
Colorado River Groundwater Basin	-	-	-	-	-	-	-	-	-	-
Coyote Spring Valley Groundwater Basin	-	0.1457	0.2981	0.0711	0.0287	0.0402	0.0575	0.0522	0.0496	0.0520
Emergency 9-1-1	0.0050	0.0050	0.0050	0.0050	0.0050	0.0050	0.0050	0.0050	0.0050	0.0050
Henderson City Library	0.0500	0.0500	0.0502	0.0507	0.0531	0.0535	0.0533	0.0533	0.0533	0.0533
Kyle Canyon Water District	0.0798	0.0752	0.0487	0.0487	0.0456	0.0417	0.0414	0.0351	0.0351	0.0346
Las Vegas Artesian Basin	0.0031	0.0026	0.0024	0.0022	0.0020	0.0018	0.0016	0.0013	0.0009	0.0008
Las Vegas - Clark County Library District	0.1027	0.0969	0.0952	0.0971	0.0949	0.0977	0.0958	0.0866	0.0866	0.0866
Las Vegas Metro Police - Manpower - City	0.1593	0.2058	0.2721	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800
Las Vegas Metro Police - Manpower - County	0.1593	0.2058	0.2721	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800
Mt. Charleston Fire District	0.8813	0.8813	0.8813	0.8813	0.8813	0.8813	0.8813	0.8813	0.8813	0.8813
Muddy River Springs Area Groundwater Basin	-	-	0.1929	0.1657	0.0970	0.0937	0.0899	0.0785	-	-
North Las Vegas Library	0.0632	0.0632	0.0632	0.0632	0.0632	0.0632	0.0632	0.0632	0.0632	0.0632

* Per \$100 of assessed value, constitutional limit is \$3.64 on any one area's combined tax rate.

SOUTHERN NEVADA HEALTH DISTRICT
 PRINCIPAL TAXPAYERS IN CLARK COUNTY
 CURRENT YEAR AND NINE YEARS AGO (UNAUDITED)

Taxpayer	2007 - 2008			1998 - 1999		
	Taxable Assessed Value	Rank	Percentage of Total County Assessed Value	Taxable Assessed Value	Rank	Percentage of Total County Assessed Value
MGM Mirage	\$ 4,826,431,465	1	4.72%	-	-	-
Harrah's Entertainment Inc.	2,201,567,090	2	2.15%	-	-	-
General Growth Properties	1,765,682,919	3	1.73%	-	-	-
Nevada Power Company	922,953,019	4	0.90%	-	-	-
Venetian Hotel & Casino	833,668,330	5	0.81%	-	-	-
Station Casinos Corporation	770,062,834	6	0.75%	-	-	-
Wynn Las Vegas, LLC	757,489,249	7	0.74%	-	-	-
Boyd Gaming Corporation	755,430,384	8	0.74%	-	-	-
Focus Property Group	698,393,692	9	0.68%	-	-	-
Olympia Group Limited Liability Company	518,974,130	10	0.51%	-	-	-
Mirage Resorts, Inc.	-	-	-	728,244,940	1	3.22%
Nevada Power Company	-	-	-	589,043,517	2	2.60%
Circus Circus Properties	-	-	-	587,304,240	3	2.60%
Hilton Hotels Corporation	-	-	-	381,526,620	4	1.69%
Howard Hughes Properties Limited Partnership	-	-	-	272,873,430	5	1.21%
MGM Grand Hotel, Inc.	-	-	-	271,172,490	6	1.20%
Caesar's Palace Realty Corporation	-	-	-	234,290,980	7	1.03%
Oasis Residential, Inc.	-	-	-	209,688,170	8	0.93%
Boyd Gaming Corporation	-	-	-	169,169,970	9	0.75%
Station Casinos Corporation	-	-	-	165,840,260	10	0.73%
Total	\$ 14,050,653,112		13.73%	\$ 3,609,154,617		15.96%
Countywide Assessed Valuation	\$ 102,349,025,402			\$ 22,608,380,554		

Source: Clark County Assessor

SOUTHERN NEVADA HEALTH DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS FOR ALL GOVERNMENTS
LAST TEN FISCAL YEARS (UNAUDITED)

Fiscal Year	Net Secured Roll Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Total Collections as Percent of Current Levy	Outstanding Delinquent Taxes	Outstanding Delinquent Taxes as Percent of Current Levy
1998 - 1999	\$ 649,470,127	\$ 642,770,695	98.97%	\$ 6,699,213	\$ 649,469,908	100.00%	\$ 219	0.01%
1999 - 2000	772,909,558	761,900,282	98.58%	11,006,935	772,907,217	100.00%	2,341	0.01%
2000 - 2001	869,504,679	854,836,513	98.31%	14,667,551	869,504,064	100.00%	615	0.01%
2001 - 2002	965,056,788	949,315,930	98.37%	15,733,851	965,049,781	100.00%	7,007	0.01%
2002 - 2003	1,132,942,981	1,118,892,620	98.76%	14,016,592	1,132,909,212	100.00%	33,769	0.01%
2003 - 2004	1,262,311,488	1,251,864,740	99.17%	10,376,522	1,262,241,262	99.99%	70,226	0.01%
2004 - 2005	1,449,092,435	1,439,911,686	99.37%	8,917,137	1,448,828,823	99.98%	263,612	0.02%
2005 - 2006	1,639,734,823	1,632,191,287	99.54%	5,521,986	1,637,713,283	99.88%	2,021,540	0.12%
2006 - 2007	1,930,042,662	1,909,964,723	98.96%	13,369,666	1,923,334,389	99.65%	20,077,939	1.04%
2007 - 2008	2,181,692,799	2,144,481,519	98.29%	*	2,144,481,519	98.29%	*	0.00%

Data Source: Clark County Treasurer

Based on consolidated county tax funding formula, the District receives county property taxes.

* Information not yet available

**SOUTHERN NEVADA HEALTH DISTRICT
 DEMOGRAPHIC STATISTICS
 LAST TEN CALENDAR YEARS (UNAUDITED)**

<u>Calendar Year</u>	<u>County Population (5)</u>	<u>Household Income (1)</u>	<u>School Enrollment (2)</u>	<u>Unemployment Rate (4)</u>
1997	1,246,693	\$ 40,514	190,822	4.10%
1998	1,308,447	40,958	203,777	4.20%
1999	1,321,319	41,875	217,139	4.40%
2000	1,428,690	44,616	231,125	5.00%
2001	1,485,855	45,403	244,766	5.50%
2002	1,560,653	47,310	255,328	5.70%
2003	1,620,748	*	268,357	4.80%
2004	1,715,337	*	280,834	4.00%
2005	1,796,380	*	291,510	3.90%
2006	1,874,837	*	302,763	4.20%
2007	1,954,319	*	314,403	4.80%

Notes:

- (1) Economic Research Service and University of Nevada, Las Vegas
- (2) Clark County School District (Public School Enrollment)
- (3) Clark County Department of Comprehensive Planning
- (4) Nevada Department of Employment Security
- (5) State Demographer
- * Information not yet available

SOUTHERN NEVADA HEALTH DISTRICT
 PRINCIPAL EMPLOYERS IN CLARK COUNTY
 CURRENT YEAR AND NINE YEARS AGO (UNAUDITED)

Employer	2007 - 2008			1998 - 1999		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Clark County School District	31,750	1	3.38%	19,750	1	3.00%
Clark County	10,250	2	1.10%	7,750	4	1.20%
Bellagio, LLC	9,250	3	0.90%	9,250	2	1.40%
Wynn Las Vegas, LLC	8,750	4	0.94%	-	-	-
MGM Grand Hotel/Casino	8,750	5	0.94%	8,750	3	1.30%
Mandalay Bay Resort and Casino	7,250	6	0.78%	5,250	7	0.80%
Caesars Palace	5,750	7	0.62%	4,750	9	0.72%
Venetian Casino Resorts, LLC	5,750	8	0.62%	-	-	-
The Mirage Casino Hotel	5,750	9	0.62%	6,750	5	1.02%
University of Nevada - Las Vegas	5,750	10	0.62%	-	-	-
Las Vegas Metropolitan Police	-	-	-	6,750	6	1.02%
Treasure Island at the Mirage	-	-	-	4,750	8	0.72%
Rio Suite Hotel	-	-	-	4,750	10	0.72%
Total for principal employers	99,000		10.52%	78,500		11.90%
Total employment in Clark County as of June 30	933,200			660,200		

Source: State of Nevada - Department of Employment, Training and Rehabilitation

Note: Number of employees estimated using midpoint range.

SOUTHERN NEVADA HEALTH DISTRICT
 FULLTIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS (UNAUDITED)

Function	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Nursing	185	185	188	195	203	205	204	205	162	177
Environmental Health	93	93	100	107	107	107	117	135	140	158
Air Quality (A)	67	67	75	-	-	-	-	-	-	-
Community Health Services (B)	-	-	-	-	-	-	50	54	49	54
Administration, Operations and Maintenance	118	118	140	155	163	166	132	139	135	151
Southern Nevada Public Health Laboratory (C)	-	-	-	-	-	-	10	12	10	10

Note:

- (A) Responsibility for Air Pollution Control activities was transferred to Clark County in August, 2001.
- (B) The new division for Community Health Services was established in January, 2005.
- (C) The SNPHL began operations in July, 2004.

SOUTHERN NEVADA HEALTH DISTRICT
 OPERATING INDICATORS BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS (UNAUDITED)

Function	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Nursing										
Communicable diseases										
Reported diseases:										
Hepatitis A	110	69	49	26	17	7	13	15	4	4
Hepatitis B	32	41	39	53	62	53	25	27	40	28
Influenza	15	25	29	59	207	58	182	202	95	270
Pertussis	12	3	6	23	22	16	30	22	15	24
Arthritis	7	3	4	23	17	13	13	9	9	10
Campylobacteriosis	72	108	135	111	103	101	96	86	119	135
Escherichia coli 0157:H7	5	10	8	14	17	20	13	10	22	12
Giardiasis	121	148	141	119	94	74	73	82	71	94
Immunizations totals	393,704	422,423	451,425	432,829	447,255	390,295	343,883	310,514	270,326	273,662
Sexually transmitted diseases, HIV/AIDS										
Syphilis	73	41	49	90	74	125	259	287	314	277
Gonorrhea	1,042	1,242	1,404	1,590	1,748	2,902	2,941	2,503	2,260	2,207
Chlamydia	2,468	3,215	3,864	4,748	4,437	4,692	6,209	5,812	7,276	7,773
People living with HIV	-	-	-	-	3,913	2,960	2,722	2,939	3,065	3,028
Diagnosed cases of AIDS	-	-	-	-	3,913	4,172	4,240	4,468	5,533	4,962
Environmental Health										
Food and beverage establishment inspections										
Routine	20,463	21,634	21,078	20,960	21,418	17,956	22,011	26,960	25,229	25,229
Special event	1,418	1,727	1,974	1,930	2,137	2,183	2,531	2,877	3,553	3,567
Complaint driven	2,153	2,124	2,072	1,804	1,742	1,668	1,995	1,942	2,370	1,800
Epi related	225	912	821	997	693	676	542	584	565	615

SOUTHERN NEVADA HEALTH DISTRICT
 OPERATING INDICATORS BY FUNCTION/PROGRAM (CONTINUED)
 LAST TEN FISCAL YEARS (UNAUDITED)

Function	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Community Health Services										
Emergency medical services										
Active certifications:										
First Responder	153	27	44	80	74	58	68	52	33	20
EMT - Basic	1,084	1,270	1,153	1,287	1,300	1,452	1,283	1,118	910	881
EMT - Intermediate	908	930	1,039	1,108	1,290	1,440	1,437	1,474	1,405	1,336
EMT - Paramedic	454	503	573	576	650	766	821	812	913	947
EMT - Instructors	185	210	233	256	272	286	300	356	382	389
Epidemiology										
Reported diseases:										
Arthritis	-	-	-	-	-	-	-	-	-	10
Coccidioidomycosis	28	24	37	39	33	55	62	58	57	63
Cryptosporidiosis	-	-	-	-	-	-	-	-	-	16
Invasive Group A Strep	-	-	-	-	-	-	-	-	-	26
Invasive Strep Pneumoniae	-	-	-	-	-	-	-	-	-	5
Legionellosis	-	-	-	-	-	-	-	-	-	10
Listeriosis	-	-	-	-	-	-	-	-	-	6
Lyme Disease	-	-	-	-	-	-	-	-	-	9
Meningitis, Aseptic/Viral	52	66	87	95	136	86	80	70	54	61
Meningitis, Bacterial	25	37	17	24	23	19	15	13	18	21
Meningococcal Disease	5	2	8	15	7	4	8	5	3	6
Rotavirus	428	493	567	459	442	673	579	647	356	290
RSV	1,800	1,266	1,578	2,078	1,415	1,195	1,564	1,556	1,234	1,139
Salmonellosis	127	148	149	176	121	129	144	132	220	166
Shigellosis	62	104	54	33	53	64	54	69	109	159
Administrative, Operations and Maintenance										
Health cards issued										
New	-	-	-	-	59,029	64,398	67,421	77,781	70,607	64,288
Renewal	-	-	-	-	22,481	58,413	50,018	28,619	70,772	62,604
Other	-	-	-	-	8,336	12,003	12,966	29,822	10,828	11,378
Total	-	127,342	135,680	126,196	89,846	134,814	130,405	136,222	152,207	138,270
Vital records										
Births	-	22,456	23,107	23,980	24,093	26,292	28,060	29,070	30,589	30,362
Deaths	-	10,875	11,576	12,097	12,766	12,782	13,762	13,775	12,664	13,409

Note: - Information not available.

SOUTHERN NEVADA HEALTH DISTRICT
 CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS (UNAUDITED)

Function	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Nursing	\$ -	\$ -	\$ -	\$ -	\$ 2,035,173	\$ 3,029,633	\$ 1,435,565	\$ 1,635,917	\$ 1,734,328	\$ 1,791,734
Environmental Health	-	-	-	-	541,386	725,496	831,792	928,668	989,475	1,069,123
Air Quality (A)	-	-	-	-	-	-	-	-	-	-
Community Health Services (B)	-	-	-	-	-	-	-	359,437	382,071	377,644
Administration, Operations and Maintenance	-	-	-	-	17,120,799	18,870,951	21,628,947	21,075,415	22,182,097	22,737,233
Southern Nevada Public Health Laboratory (C)	-	-	-	-	-	-	410,280	1,450,586	2,032,365	2,134,430
Totals	<u>\$ 18,854,538</u>	<u>\$ 19,619,634</u>	<u>\$ 20,941,215</u>	<u>\$ 19,118,352</u>	<u>\$ 19,697,386</u>	<u>\$ 22,626,080</u>	<u>\$ 24,306,584</u>	<u>\$ 25,450,023</u>	<u>\$ 27,320,336</u>	<u>\$ 28,110,164</u>

Note:

- (A) Responsibility for Air Pollution Control activities was transferred to Clark County in August, 2001.
- (B) The new division for Community Health Services was established in January, 2005.
- (C) The SNPHL began operations in July, 2004.
- Information not available.

COMPLIANCE AND CONTROLS

SN/D
Southern Nevada Health District



KAFOURY, ARMSTRONG & CO.
A PROFESSIONAL CORPORATION
CERTIFIED PUBLIC ACCOUNTANTS

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*

Members of the District Board of Health
Southern Nevada Health District
Clark County, Nevada

We have audited 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, (the "District"), as of and for the year ended June 30, 2008, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 5, 2008. 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.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Districts' ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the District's financial statements that is more than inconsequential will not be prevented or detected by the District's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the District's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Southern Nevada Health District's financial statements are free of 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 no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we report to management of Southern Nevada Health District, in a separate letter dated November 5, 2008.

This report is intended solely for the information and use of the Board of Trustees, audit committee, management and federal awarding agencies, and is not intended to be and should not be used by anyone other than these specified parties.

Kafoury, Armstrong & Co.

Las Vegas, Nevada
November 5, 2008



KAFOURY, ARMSTRONG & CO.
A PROFESSIONAL CORPORATION
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Members of the District Board of Health
Southern Nevada Health District
Clark County, Nevada

Compliance

We have audited the compliance of the Southern Nevada Health District, (the "District"), with the types of compliance requirements described in U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to its major federal programs for the year ended June 30, 2008. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the 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. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, Southern Nevada Health District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008.

Internal Control over Compliance

The management of the District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance 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 District's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Board of Trustees, audit committee, management and federal awarding agencies, and is not intended to be and should not be used by anyone other than these specified parties.

Kafoury, Armstrong & Co.

Las Vegas, Nevada
November 5, 2008

**SOUTHERN NEVADA HEALTH DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

Agency/Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Agency or Pass-through Number	Federal Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Direct Programs:			
Family Planning Services CY08	93.217	6FPHPA090159-37-01	\$ 500,651
Family Planning Services CY07	93.217	6FPHPA090159-36-04	551,204
			<u>1,051,855</u>
Childhood Lead Prevention FY08	93.197	5H64EH000145-02	550,998
Total direct programs			<u>1,602,853</u>
Passed through Nevada Department of Health and Human Services			
Resources Health Division:			
AIDS Prevention CY08	93.942	U62/CCU923483-04-1	494,413
AIDS Prevention CY07	93.942	U62/CCU923483-04-1	893,736
			<u>1,388,149</u>
AIDS Behavioral Surveillance CY07	93.944	U62/CCU923570-03	263,203
AIDS Core Surveillance CY08	93.944	U62/PS00138	54,118
AIDS Core Surveillance CY07	93.944	U62/CCU923570-03	83,431
			<u>400,752</u>
		5U90TP916964-08; U90/CCU916964-08;	
CDC PHP Bioterrorism GY08	93.283	U90/CCU916964-07	1,626,169
CDC PHP Bioterrorism GY07	93.283	U90/CCU916964-07	1,579,443
Cities Readiness Initiative GY08	93.283	5U90TP916964-08	454,049
Cities Readiness Initiative GY07	93.283	U90/CCU916964-07	299,661
EPI HAN Surv Lab Cap Personnel GY08 (Fund Source: 5448)	93.283	5-U50/CI000489-02	29,994
EPI HAN Surv Lab Cap Personnel GY07 (Fund Source: 5268)	93.283	1-U50 CI000489-01	23,892
West Nile Virus (Funding Source: 5568)	93.283	5-U50/CI000489-02	2,357
West Nile Virus (Funding Source: 6188)	93.283	1-U50 CI000489-01	34,748
Pandemic Flu III GY08	93.283	U90/CCU916694-08	477,367
Pandemic Flu II GY08	93.283	U90/CCU916694-07	727,005
Tobacco Control Project/CDC FY07	93.283	U58/DP922830-05	294,427
			<u>5,549,112</u>
Ryan White II	93.917	X07HA00001-17-03	69,389
ASPR Hep C Help Line	93.889	1-U3RHS05935-01	199,999
Medical Reserve Corps GY08	93.889	1-U3REP070018-01-00	112,413
Medical Reserve Corps GY07	93.889	U3RHS07557-01-00	28,779
			<u>341,191</u>
		U32/CCU92683-05; U32/CCU92683-05W1	
Diabetes Prevention and Control	93.988		17,579
Immunization Operations CY08	93.268	2H23IP922549-06	398,632
Immunization Operations CY07	93.268	H23/CCH922549	180,027
Immunization Vaccine for Children CY07	93.268	H23/CCH922549	300,759
			<u>879,418</u>
STD Control Project FY08	93.977	H25/CCH904368	136,965
STD Control Project FY07	93.977	H25/CCH904368-16	128,388
			<u>265,353</u>
TB Outreach CY08	93.116	5U52PS907855-17	87,390
TB Outreach CY07	93.116	U52/CCU907855-16-1	43,133
			<u>130,523</u>
			<u>8,600,666</u>

**SOUTHERN NEVADA HEALTH DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

Agency/Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Agency or Pass-through Number	Federal Expenditures
Passed through Nevada Department of Health and Human Services(continued)			
Resources Health Division:			
TIIDE	93.136	1 U17 CE001233-01	<u>48,749</u>
Hep C RTDD	93.069	5U90TP916964-08	<u>37,916</u>
Syphilis Elimination	93.977	H25/CCH904368	<u>82,144</u>
Total pass-through from Health and Human Services Division			<u>9,210,275</u>
Passed through State of Nevada Division for Aging Services:			
Salud En Accion GY08	93.03-008-13-LX-08	03-008-13-LX-08	26,391
Salud En Accion GY07	93.03-008-13-LX-07	03-008-13-LX-07	<u>9,179</u>
			<u>35,570</u>
Passed through Nevada Department of Employment, Training and Rehabilitation:			
Substance Abuse Prevention and Treatment (SAPT) Block Grant - FY08	93.959	07/08 B1 NVSAPT	<u>448,238</u>
Total U.S. Department of Health and Human Services			<u>11,296,936</u>
Environmental Protection Agency:			
Passed through Nevada Department of Health and Human Services			
Health Division, Safe Drinking Water Project:			
State Public Water System Supervision GY08	66.432	HD3769	53,170
State Public Water System Supervision GY07	66.432	HD3769	<u>13,425</u>
			66,595
Passed through Nevada Department of Conservation and Natural Resources:			
Small Quantity Generators Project FY07	66.801	DEP-07-020	75,000
Underground Storage Project FY07	66.804	DEP-06-005-01	<u>170,000</u>
Total Environmental Protection Agency			<u>311,595</u>
Total Expenditures of Federal Awards			<u><u>\$11,608,531</u></u>

SOUTHERN NEVADA HEALTH DISTRICT
 NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008

1. BASIS OF PRESENTATION

The schedule of expenditures of federal awards includes the federal grant activity of the Southern Nevada Health District and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented on, or used in preparation of, the basic financial statements.

2. SUBRECIPIENTS

The Southern Nevada Health District provided federal awards to subrecipients as follows. These expenditures have been reported in the General Fund.

AIDS Prevention Program - Grant Year 2008

Aid for AIDS of Nevada	\$ 194,786
Community Counseling Center	100,911
Gay & Lesbian Community Center	64,095
	<u>359,792</u>

Family Planning Program - Grant Year 2008

Huntridge Teen Clinic	86,738
Planned Parenthood of Southern Nevada	200,000
	<u>286,738</u>

Childhood Lead Prevention Program - Grant Year 2008

HealthInSight	11,458
UNLV Board of Regents	87,775
	<u>99,233</u>

TOTAL	\$ <u>745,763</u>
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**SOUTHERN NEVADA HEALTH DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2008**

A. SUMMARY OF AUDIT RESULTS:

- The auditor's report expresses an unqualified opinion on the basic financial statements of the Southern Nevada Health District, Clark County, Nevada.
- The audit disclosed no instances of significant deficiencies in internal control over financial reporting required to be reported in accordance with *Government Auditing Standards*.
- The audit disclosed no instances of noncompliance that were material to the financial statements of Southern Nevada Health District.
- The audit disclosed no instances of significant deficiencies in internal control over the major programs that were considered to be material weaknesses.
- Kafoury, Armstrong & Co. issued an unqualified opinion on compliance for the major federal award programs for Southern Nevada Health District.
- The audit disclosed no instances of noncompliance relative to the major federal award programs for Southern Nevada Health District.
- Southern Nevada Health District's major programs for the year ended June 30, 2008 were:

<u>Program</u>	<u>CFDA Number</u>
Immunization Grant	93.268
Centers for Disease Control and Prevention	
Investigations and Technical Assistance	93.283
National Bioterrorism Hospital Preparedness	93.889

- The threshold for distinguishing between Type A and B programs was \$348,256.
- Southern Nevada Health District qualified as a low-risk auditee.

B. FINANCIAL STATEMENT FINDINGS

- There were no findings.

C. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

- There were no findings or questioned costs.

**SOUTHERN NEVADA HEALTH DISTRICT
AUDITORS' COMMENTS
JUNE 30, 2008**

CURRENT YEAR STATUTE COMPLIANCE

The Southern Nevada Health District conformed to all significant statutory constraints on its financial administration during the year except for those items identified in Note 3 of the accompanying financial statements.

CURRENT YEAR RECOMMENDATIONS

We did not note any financial weaknesses of a magnitude to justify inclusion within this report. However, our audit did identify recommendations to improve procedures and accountability that have been included in our management letter dated November 5, 2008.

NEVADA REVISED STATUTE 354.6113

The financial statements of the Capital Projects Fund are located in this report.

As noted above, compliance with Nevada Revised Statutes is contained in Note 3 to the financial statements.



KAFOURY, ARMSTRONG & CO.
A PROFESSIONAL CORPORATION
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT ACCOUNTANT'S REPORT

To the Members of the District Board of Health
Southern Nevada Health District
Clark County, Nevada

We have reviewed the assertion provided by management in accordance with Nevada Revised Statute 354.624(5)(a):

- The identified funds are being used expressly for the purposes for which they were created.
- The funds are administered in accordance with accounting principles generally accepted in the United States of America.
- The reserved fund balances/net assets in the funds were reasonable and necessary to carry out the purposes of the funds at June 30, 2008 (based on the interpretation of reasonable and necessary provided by the Legislative Counsel Bureau).
- The sources of revenues, including transfers, available for the funds are as noted in the financial statements.
- The funds conform to significant statutory and regulatory constraints on its financial administration during the year ended June 30, 2008, except as previously noted under statute compliance.
- The balance and net assets of the funds are as noted in the financial statements.

This assertion is the responsibility of the management of the Southern Nevada Health District.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on the assertion. Accordingly, we do not express such an opinion.

Based on our review, nothing came to our attention that caused us to believe that the assertion provided by management referred to above is not fairly stated in all material respects.

Kafoury, Armstrong & Co.

Las Vegas, Nevada
November 5, 2008