



CLARK COUNTY, NEVADA

COMPREHENSIVE  
ANNUAL  
FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2010

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

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FISCAL YEAR ENDED JUNE 30, 2010**

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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

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

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
FISCAL YEAR ENDED JUNE 30, 2010

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**DISTRICT OFFICIALS**  
**BOARD OF HEALTH**

**Chairman**

**GIUNCHIGLIANI, Chris**

Commissioner – Clark County  
500 S. Grand Central Parkway  
Las Vegas, NV 89155

**Vice Chair**

**STRICKLAND, Linda**

Councilwoman – Boulder City  
401 California Avenue  
Boulder City, NV 89005

**Secretary**

**JONES, Tim**

Business/Industry – At-Large Member  
3260 Industrial Road  
Las Vegas, NV 89109

**Members:**

**ANTHONY, Stavros**

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

**ELIASON, Robert**

Councilman – North Las Vegas  
2200 Civic Center Drive  
North Las Vegas, NV 89030

**BARLOW, Ricki**

Councilman – Las Vegas  
400 East Stewart Avenue  
Las Vegas, NV 89101

**FAIRCHILD, Donna**

Councilman – Mesquite  
10 Mesquite Blvd.  
Mesquite, NV 89027

**BOUTIN, Kathleen**

Councilman – Henderson  
240 Water Street  
Henderson, NV 89015

**HARDY, Joseph, MD**

Physician, At-Large Member  
401 California Avenue  
Boulder City, NV 89005

**CHRISTENSEN, Jim, MD**

Physician, At-Large Member  
4 Sunset Way  
Henderson, NV 89014

**MATTOCKS, Mary Jo, RN**

Registered Nurse - At-Large Member  
P.O. Box 3540  
Mesquite, NV 89024

**CROWLEY, Susan**

Environmental Specialist – At-Large Member  
P.O. Box 3902  
Las Vegas, NV 89127

**WEEKLY, Lawrence**

Commissioner – Clark County  
500 S. Grand Central Parkway  
Las Vegas, NV 89155

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

**Division Heads**

**Director, Administration**  
Scott Weiss

**Director, Environmental Health**  
Glenn Savage

**Director, Community Health**  
John Middaugh, MD

**Director, Clinics and Nursing Services**  
Bonnie Sorenson, RN

SOUTHERN NEVADA HEALTH DISTRICT  
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INTRODUCTORY SECTION





November 18, 2010

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, 2010, 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 Health District. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner that presents fairly the financial position and results of operations of the various funds of the Health District. All disclosures necessary to enable the reader to gain an understanding of the Health District's financial activities have been included. The reader is referred to the Management Discussion and Analysis section beginning on page 3 for an overview of the Health 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 District 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 2009 of over 1.9 million people or 72% of the population of the State of Nevada.

#### **REPORTING ENTITY**

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

The CAFR includes all funds of the primary government unit, the Health 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 Health District and the entity is such that exclusion would cause the Health District's basic financial statements to be misleading or incomplete.

## **HEALTH 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. The Health District program goals include the following:

- a) to assure the District and/or the public health system has the capacity and infrastructure to deliver essential public health services in a fiscally responsible manner and through a qualified workforce
- b) to promote, protect and improve health status and reduce health disparities
- c) to gather and interpret data to guide public health decision-making and support action based on evidence-based practices
- d) to continually improve and promote internal and external communications and collaboration

The Nursing Division promotes and provides services for communicable disease control and prevention including immunization, as well as promoting the health and well-being of women, children, families, and refugees. Services are provided at the Ravenholt, East Las Vegas, North Las Vegas (until April, 2010), Henderson, and Cambridge Community Center. Additional clinical services are provided at regular times on 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 Division programs include chronic disease prevention and health promotion, epidemiology, emergency medical system and trauma 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 Division.

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

## **ECONOMIC CONDITION AND OUTLOOK**

Although population growth has slowed because of fewer job opportunities, according to population estimates made by the Nevada state demographer, the population in Clark County declined to 1,952,040 in 2009. This reflects a population decline of 0.8 percent over the 2008 estimate of 1,967,716. In 2010 and 2011, we expect growth to return by 0.2 percent and 0.4 percent, respectively, which will bring Clark County's population to 1,956,881 in 2010 and 1,964,673 in 2011.

While growth may be slightly below historic levels, much of the growth consists of low skilled workers in service jobs without medical insurance and senior citizens requiring a greater level of healthcare services.

Nevada is experiencing a higher rate of foreclosures than most states, causing disruptions and financial burden for borrowers and lenders. Incomes dependent on housing remain depressed, resulting in increased unemployment and reduced spending. The unemployment rate in Nevada was reported at 14.4 percent as of September 2010 compared to 13.3 percent a year ago and is above the national unemployment average rate of 9.6 percent. Clark County's unemployment rate of 15 percent represents the highest not only in the state of Nevada but also in the whole country. Following recent recessions, Nevada's economy boomed, driven by new growth and construction. Given its current state of high home foreclosures, falling prices and weak demand for new commercial development, new construction will not stimulate growth across the broader economy anytime soon.

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 the expansion of required programs continues to escalate as do maintenance costs for the older main campus facilities constructed over four and one half decades ago.

While constructing a new facility would be prohibitively expensive at this time, the Health District still faces the reality that the existing Shadow Lane campus does not meet the current needs of the District and due to the age of the facility, the cost of maintaining the existing campus would not be financially prudent. In order to arrange for a replacement facility the District faces the challenge of arranging financing. The Health District's fund balance in its "Bond Reserve Fund" is earmarked for this essential capital acquisition. Currently the fund has an ending balance of \$8,978,266.00. The Health District has other locations located in Henderson, Spring Valley, 400 Shadow Lane, Cambridge Community Center, Laughlin, and Mesquite. The Health District is also considering the expansion of the East Las Vegas location from 10,000 square feet to approximately 15,500 square feet due to the closing of the North Las Vegas location and the addition and expansion of programs. This expansion would consolidate the services of both the East Las Vegas and North Las Vegas locations.

The 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 the Health District's ability to diversify its funding in light of the expected decrease in property tax. However, visitor volume was down 3 percent in 2009 to 36,351,469 -- a decrease of 1,130,083 visitors over the 2008 total of 37,481,552. In 2010, visitor volume is expected to increase at a rate of 2.5 percent to 37,260,256 visitors. In 2011, the number of visitors is predicted to increase by 2.0 percent for a total visitor count of 38,005,461.

A number of strategies have been formulated to strengthen the Las Vegas economy but it will be challenging to implement them. While prices continue to decrease in the housing market, the sales of both new and existing homes are at historic low level. In many cases, potential buyers are struggling to secure mortgages as creditors have tightened financing and lending policies. The Treasury Department has injected stimulus funding in the banking sector to 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.

Clark County gaming revenue for 2009 was \$8,838.1 million. This reflects a 9.8 percent decrease over the 2008 total of \$9,796.8 million. In 2010, gaming revenues is expected to increase by 1.0 percent for a total of \$8,926.4 million by year's end. In 2011, another slight increase of 1.2 percent for a total "gaming win" of \$9,003.6 million is predicted.

## **FINANCIAL INFORMATION**

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

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

### Single Audit

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

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

### Budgeting Controls

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

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

### Cash Management

The Health District is required by statute to pool all funds with Clark County and to be invested by the Clark County Treasurer. At the fiscal year end June 30, 2010, \$48,507,515 in cash resources was invested with the Treasurer. The average effective yield on maturing investments was 2.13% compared with 4.00% 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 Health District has the obligation to manage and control the potential financial impact of frequent and predictable losses and continues to pursue ways of reducing risk exposures. The following relationships are considered by management in 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 \$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 2010 audit. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of the Federal Single Audit Act of 1996 and related OMB Circular A-133. The auditor's report on the basic financial statements is included in the financial section of this report (pages 1-2). The auditor's report on the internal accounting controls of the Health District and statement regarding the Health 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

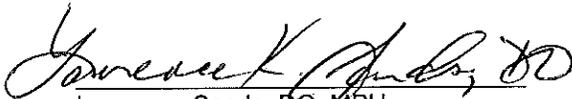
The Government Finance Officers Association of the United States and Canada (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting (CAEFR) to those agencies meeting its established criteria. In order to be awarded a Certificate of Achievement, the District must publish an easily readable and efficiently organized Comprehensive Annual Financial Report (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, 2007, 2008 and 2009. See page vii for the FY 2009 CAEFR certificate.

### Acknowledgements

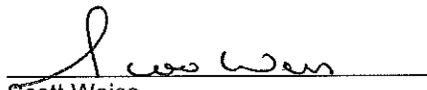
Timely preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Financial Services Section of the Administration Division and the staff of our independent auditors, Kafoury, Armstrong & Co. We would like to express our appreciation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

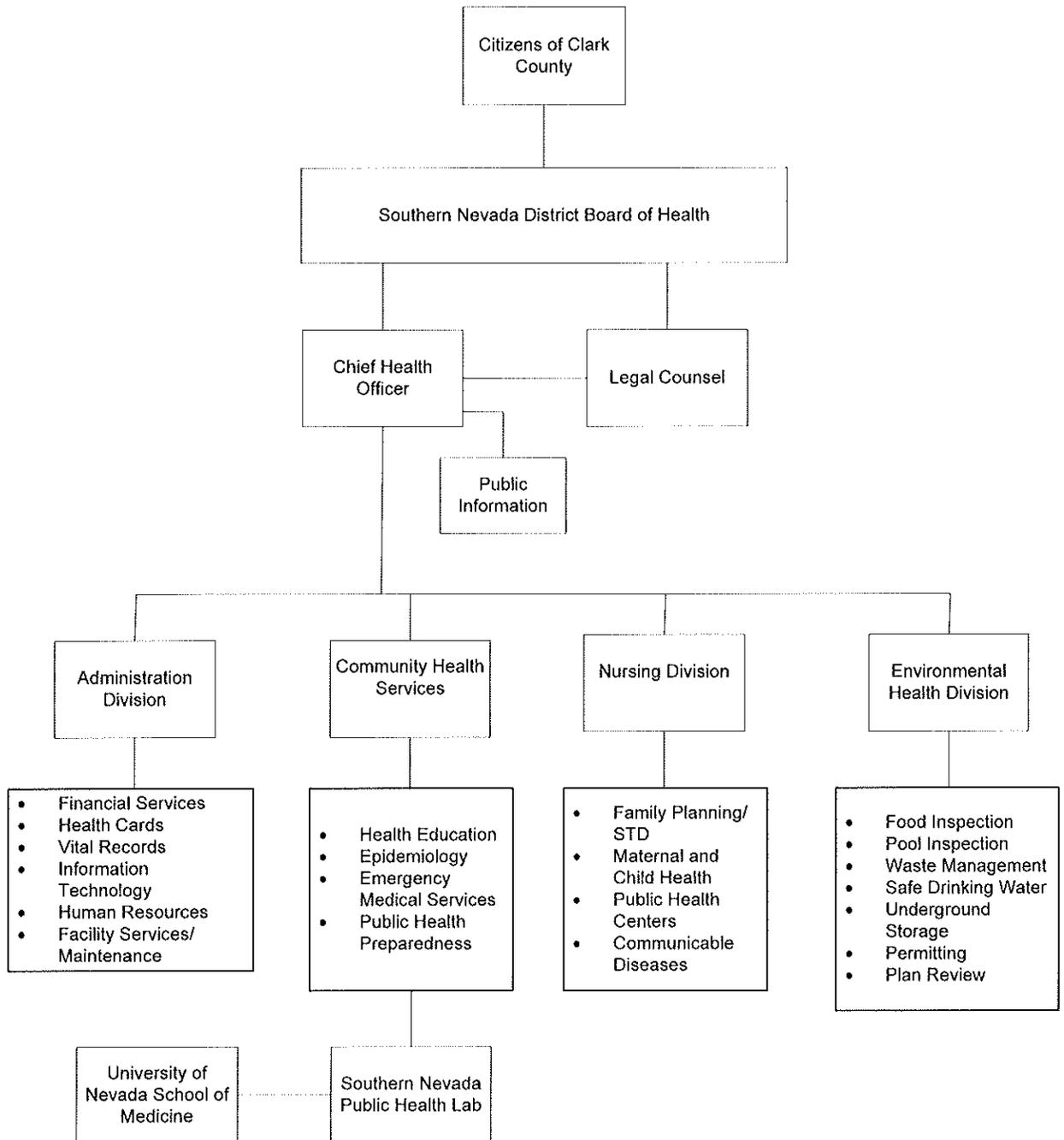
Sincerely,



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, 2009

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.



A stylized handwritten signature in black ink.

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director

FINANCIAL SECTION





**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, 2010, 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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 District as of June 30, 2010, 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 10, 2010 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, budgetary comparison information for the general fund, and schedule of funding progress on pages 3 through 16 and pages 42 through 44 are not a required part of the basic financial statements but are supplementary information required by 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 required supplementary 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 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. The individual fund schedules and 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 section and statistical section 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 10, 2010

**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 (CAFR) presents our discussion and analysis of the Health District's financial performance during the fiscal year ended June 30, 2010. 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 Management's Discussion & Analysis (MD&A) is designed to give the reader an easy-to-understand overview of the Health District's financial position as of and the results of operations for the fiscal year just ended. Please read it in conjunction with the transmittal letter at the front of this report (page i) and the Health District's basic financial statements following this section from page 17 thru 25.

**FINANCIAL HIGHLIGHTS**

- The assets of the Health District exceeded its liabilities by \$48,474,207 (*net assets*) at the close of Fiscal Year 2009-2010. Of this amount, \$37,468,730 (*unrestricted net assets*) may be used to meet the Health District's ongoing obligations to citizens and creditors, \$100,994 is restricted for specific purposes (*restricted net assets*), and \$10,904,483 is invested in capital assets, net of any related debt. The Health District has no debt.
- The Health District's total net assets increased by \$6,821,775 in the fiscal year ended June 30, 2010 compared to the prior year. Total net assets for governmental activities increased by \$6,254,978 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, 2010, the Health District's governmental funds reported combined ending fund balances of \$45,007,619, an increase of \$9,614,042 in comparison with the prior year. Approximately 70% of this total amount or \$31,685,852 is *available* to meet the Health 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 \$31,685,852 or 49% of General Fund total expenditures. This unreserved/undesignated General Fund ending balance is \$6,508,581 or 26% higher than the prior year's ending unreserved/undesignated fund balance of \$25,177,271. The increase was due to the receipt of \$5.5 million H1N1 grant funding, \$915,595 increase in grant funding for ASPR HPP, aggressive initiative to reduce cost, vacant positions were left unfilled, and the reduction of services and supplies by 12%.
- The Capital Reserve Fund ending fund balance of \$3,689,934 was \$2,132,412 greater than the prior year balance of \$1,557,522 due to transfers made.
- The Bond Reserve Fund ending fund balance of \$8,908,045 represented an increase of \$1,950,124 or 28% over the prior year due to transfers made from general fund.
- The Health District's Federal (direct and indirect) Grant revenue increased by a net amount of \$5,527,885 in comparison with the prior year. The increase resulted from additional funding for public health preparedness grants such as Assistant Secretary for Preparedness and Response (ASPR) and the H1N1.

## OVERVIEW OF THE FINANCIAL STATEMENTS

The Health 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 Health District's finances in a manner similar to a private-sector business.

The **Statement of Net Assets** presents information on all of the Health District's assets and liabilities. The difference between assets and liabilities is 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 Health District is improving or deteriorating.

The **Statement of Activities** presents information showing how the Health 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 expenses 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 Health District and indicate the amount of support from taxes, charges for services, operating grants and capital grants. The governmental activities of the District are comprised of the following divisions:

- a) *Nursing Services* - programs for communicable diseases, general nursing administration, immunizations, women's health, children's health, refugee health, and other nursing programs.
- b) *Environmental Health* - programs for environmental health and sanitation, waste management, and other environmental health programs.
- c) *Administration* - includes programs for health cards, vital records, general administration, financial services, facilities maintenance, information technology, and public information.
- d) *Community Health Services* - programs for community health 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 Health 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 understand better the long-term impact of the Health District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate the comparison between *governmental funds* and *governmental activities*.

The Health District maintains three individual governmental funds. Information for the General Fund and the Bond Reserve Fund are presented in each separate column. The Capital Reserve Fund is 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 Fund** is used to account for government's ongoing activities that are similar to those found in the private sector. These activities consist primarily 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 Health District maintains a Proprietary Fund to present the financial activities of 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.

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

*The 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 26-41 of this report.*

**Required Supplementary Information** is presented concerning the Health District's General Fund budget. The Health District adopts an annual appropriated budget for its General Fund. A budgetary comparative schedule has been provided for the General Fund to demonstrate compliance with approved budget appropriation. Also included is the Schedule of Funding Progress related to the Health District's Other Post Employment Benefits (OPEB) liability.

*Required supplementary information and note can be found on pages 42-45 of this report.*

**The Individual fund statements and schedules** referred to earlier provide information for the other Governmental Funds and are presented immediately following the required supplementary information.

*The Individual fund statements and schedules can be found on page 46-49 of this report.*

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net assets may over time serve as a useful indicator of the Health District's financial position. Health District assets exceeded liabilities by \$48,474,207 as of June 30, 2010. For comparative purposes, the following table illustrates the net assets for the fiscal year ended June 2010 and the net assets for the prior year ended June 2009.

## Health District's Net Assets

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2010	2009	2010	2009	2010	2009
Current and other assets	50,445,782	40,824,338	3,303,133	2,502,822	53,748,915	43,327,160
Capital Assets	9,769,370	10,905,724	1,135,113	1,301,831	10,904,483	12,207,555
Total Assets	60,215,152	51,730,062	4,438,246	3,804,653	64,653,398	55,534,715
Long-term liabilities	10,861,161	8,467,258	202,960	160,117	11,064,121	8,627,375
Other liabilities	5,023,114	5,186,905	91,956	68,003	5,115,070	5,254,908
Total Liabilities	15,884,275	13,654,163	294,916	228,120	16,179,191	13,882,283
Net Assets						
Invested in capital assets, net of related debt	9,769,370	10,905,724	1,135,113	1,301,831	10,904,483	12,207,555
Restricted	100,994	100,000	-	-	100,994	100,000
Unrestricted	34,460,513	27,070,175	3,008,217	2,274,702	37,468,730	29,344,877
Total net assets	44,330,877	38,075,899	4,143,330	3,576,533	48,474,207	41,652,432

Governmental unrestricted net assets represent 77.7% of the total net assets of governmental activities that meet the District's ongoing obligations to citizens and creditors. Another 22.0% of the Health 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 Health District uses capital assets to provide services to the citizens; consequently, these assets are *not* available for future spending. The remaining 0.3% is related to restricted assets for Workmen's Compensation Insurance deposit with the State of Nevada. Although the Health District's investment in its capital assets is reported net of related debt, it should be noted that the Health District does not have outstanding debt related to the acquisition of capital at this time. Should the Health 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 liquidated to pay for this liability.

Business-type unrestricted net assets represent 72.6% of the total net assets for business-type activities. The investment in capital assets for business-type activities represents 27.4% of the total net assets for business-type activities. The Health District uses these capital assets to provide services to the citizens; consequently, these assets are *not* available for future spending.

The Health District's net assets increased \$6,363,241 during the current year and an increase of \$458,534 due to prior period adjustment. As a result, the Health District's net assets increased by \$6,821,775. See the Health District's Change in Net Assets on the following page.

## Health District's Change in Net Assets

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2010	2009	2010	2009	2010	2009
<b>Revenues:</b>						
<b>Program revenues:</b>						
Charges for services	31,128,920	29,764,390			31,128,920	29,764,390
Operating grants and contributions	25,481,110	19,015,920	1,368,633	1,654,486	26,849,743	20,670,406
<b>General revenues:</b>						
Contributions from County	24,942,525	28,182,950			24,942,525	28,182,950
General receipts	12,423	18,615			12,423	18,615
Unrestricted Investment earnings	958,966	1,633,740	49,662	58,307	1,008,628	1,692,047
<b>Total Revenues</b>	<b>82,523,944</b>	<b>78,615,615</b>	<b>1,418,295</b>	<b>1,712,793</b>	<b>83,942,239</b>	<b>80,328,408</b>
<b>Expenses:</b>						
<b>Nursing:</b>						
Communicable diseases	7,619,766	7,933,975			7,619,766	7,933,975
General nursing administration	2,590,645	2,620,716			2,590,645	2,620,716
Immunizations	11,454,155	11,357,315			11,454,155	11,357,315
Women's health	1,609,964	1,972,851			1,609,964	1,972,851
Children's health	2,297,208	2,196,650			2,297,208	2,196,650
Other nursing programs		166,039			-	166,039
<b>Total Nursing</b>	<b>25,571,738</b>	<b>26,247,546</b>	<b>-</b>	<b>-</b>	<b>25,571,738</b>	<b>26,247,546</b>
<b>Environmental Health:</b>						
Environmental health and sanitation	12,251,212	12,844,003			12,251,212	12,844,003
Waste management	2,228,821	2,186,958			2,228,821	2,186,958
Other environmental health programs	463,513	451,712			463,513	451,712
<b>Total Environmental Health</b>	<b>14,943,546</b>	<b>15,482,673</b>	<b>-</b>	<b>-</b>	<b>14,943,546</b>	<b>15,482,673</b>
<b>Administration:</b>						
General administration	14,873,041	17,816,365			14,873,041	17,816,365
Health cards	4,721,436	5,375,492			4,721,436	5,375,492
Disaster recovery	168,549	14,098			168,549	14,098
Vital records	1,438,658	1,521,507			1,438,658	1,521,507
<b>Total Administration</b>	<b>21,201,684</b>	<b>24,727,462</b>	<b>-</b>	<b>-</b>	<b>21,201,684</b>	<b>24,727,462</b>
<b>Community Health Services:</b>						
Administration	277,793	257,760			277,793	257,760
Health education	2,523,480	2,207,059			2,523,480	2,207,059
Epidemiology	1,120,337	1,164,790			1,120,337	1,164,790
Public health response for bioterrorism	8,859,153	4,400,431			8,859,153	4,400,431
Emergency medical services	711,375	842,260			711,375	842,260
<b>Total Community Health Services</b>	<b>13,492,138</b>	<b>8,872,300</b>	<b>-</b>	<b>-</b>	<b>13,492,138</b>	<b>8,872,300</b>
Southern Nevada Public Health Laboratory	-	-	2,369,892	2,252,506	2,369,892	2,252,506
<b>Total Expenses before transfers</b>	<b>75,209,106</b>	<b>75,329,981</b>	<b>2,369,892</b>	<b>2,252,506</b>	<b>77,578,998</b>	<b>77,582,487</b>
Gain(Loss) on Disposal of Capital Assets	-	-	-	-	-	-
<b>Excess(deficiency) before transfers</b>	<b>7,314,838</b>	<b>3,285,634</b>	<b>(951,597)</b>	<b>(539,713)</b>	<b>6,363,241</b>	<b>2,745,921</b>
Transfers	(1,516,204)	(1,502,813)	1,516,204	1,502,813	-	-
<b>Change in Net assets</b>	<b>5,798,634</b>	<b>1,782,821</b>	<b>564,607</b>	<b>963,100</b>	<b>6,363,241</b>	<b>2,745,921</b>
Prior period adjustment	456,344		2,190		458,534	-
<b>Net Assets-beginning of year</b>	<b>38,075,899</b>	<b>36,293,078</b>	<b>3,576,533</b>	<b>2,613,433</b>	<b>41,652,432</b>	<b>38,906,511</b>
<b>Net Assets-end of year</b>	<b>44,330,877</b>	<b>38,075,899</b>	<b>4,143,330</b>	<b>3,576,533</b>	<b>48,474,207</b>	<b>41,652,432</b>

## Expenses and Program Revenues – Governmental Activities

Figure 1

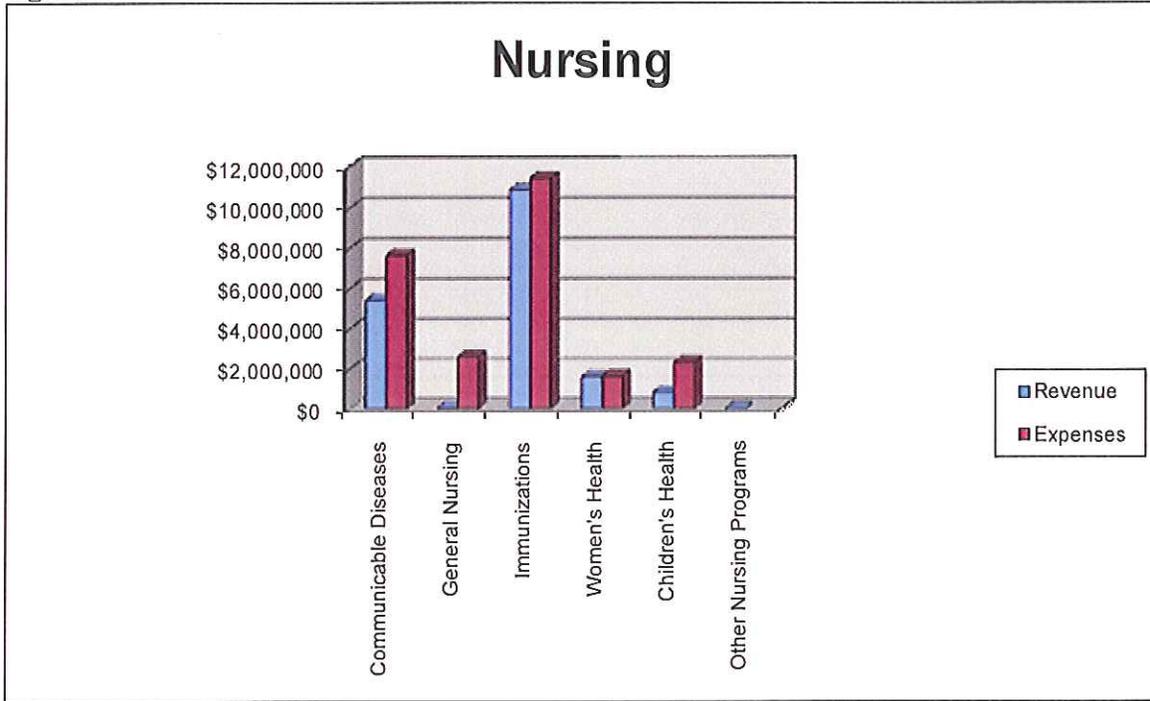


Figure 2

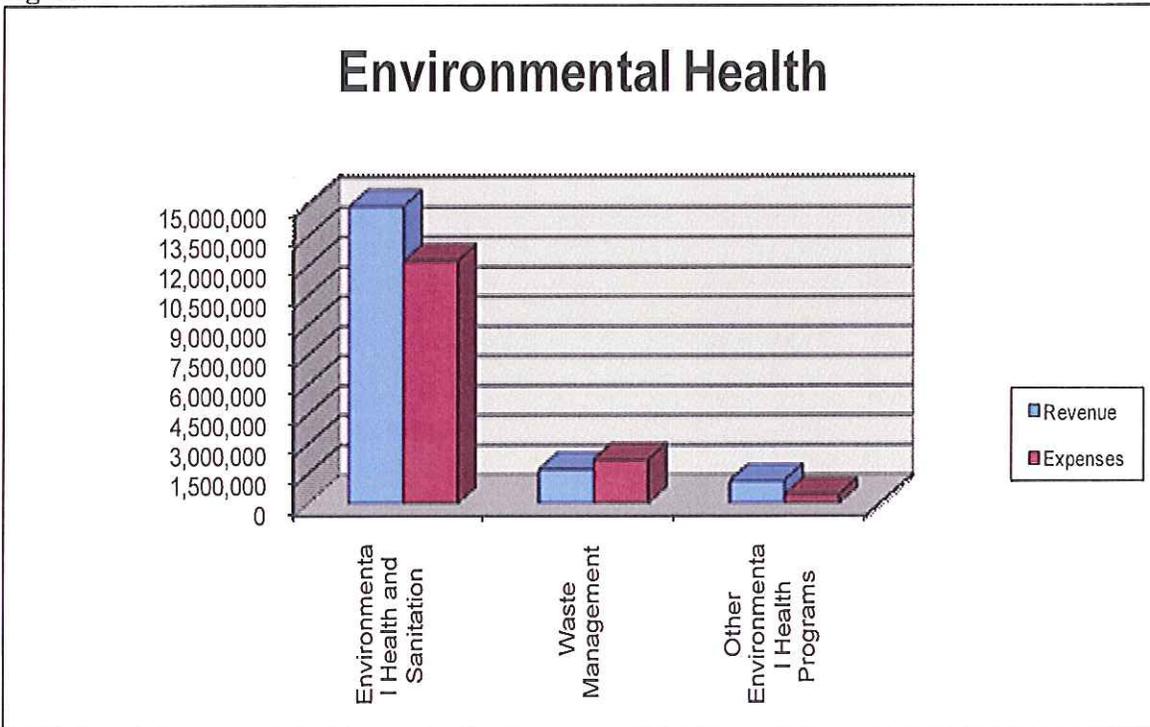


Figure 3

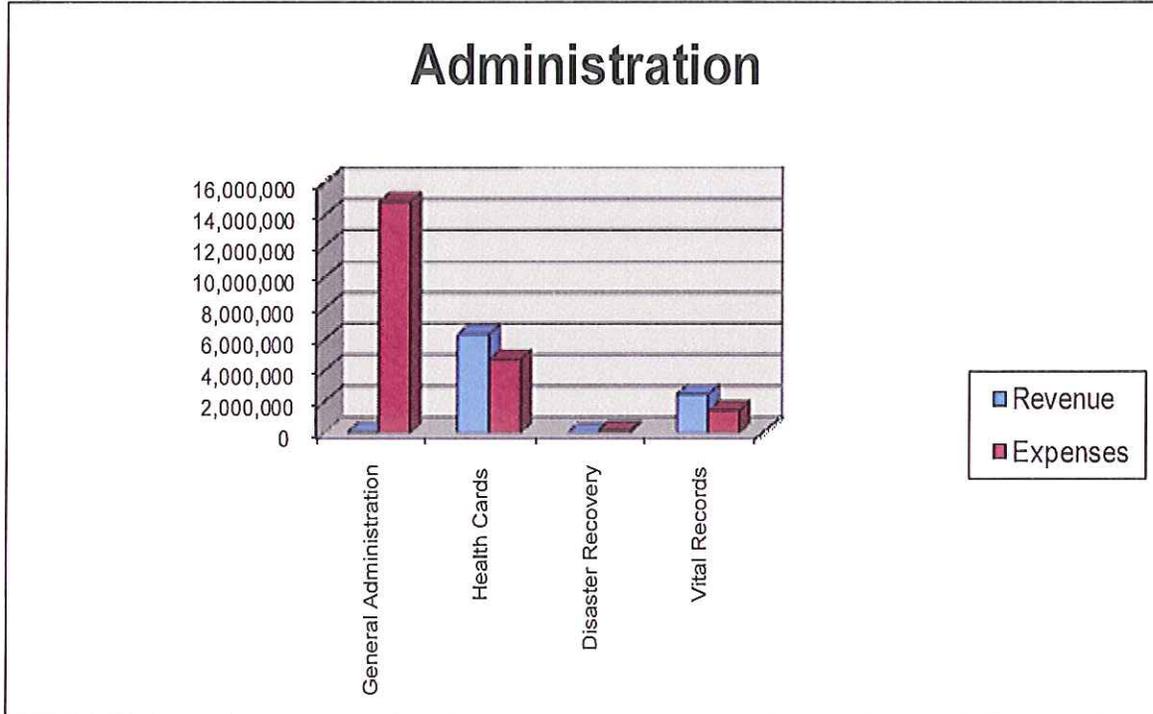
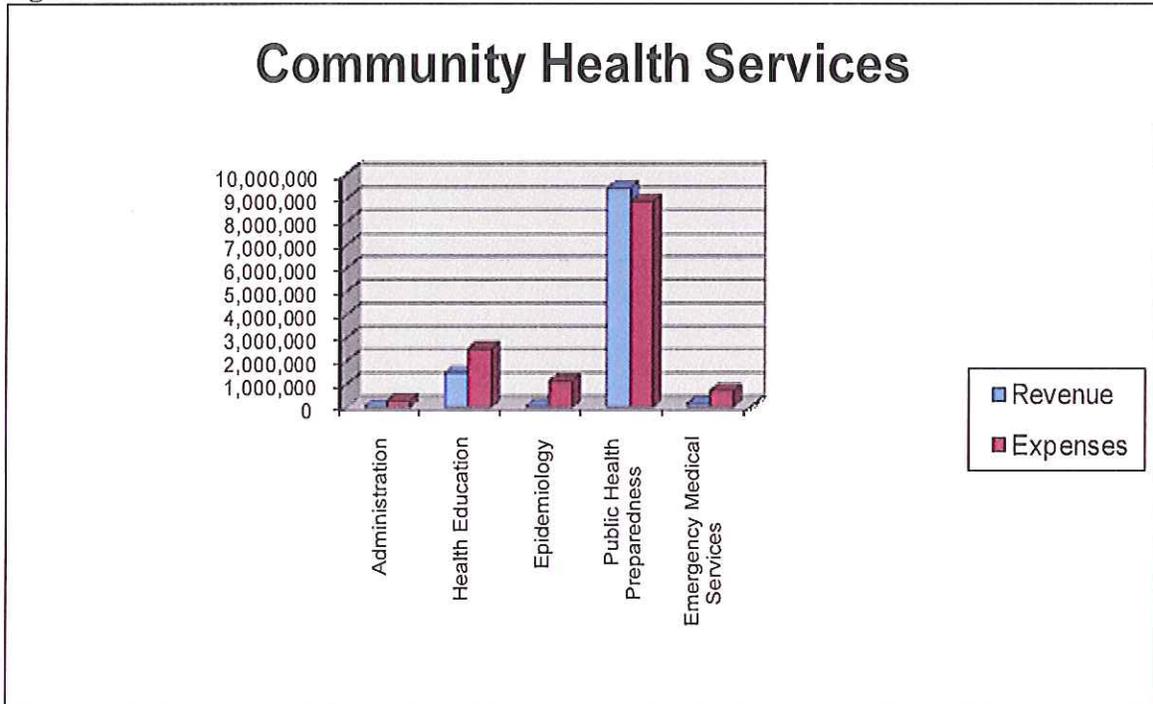
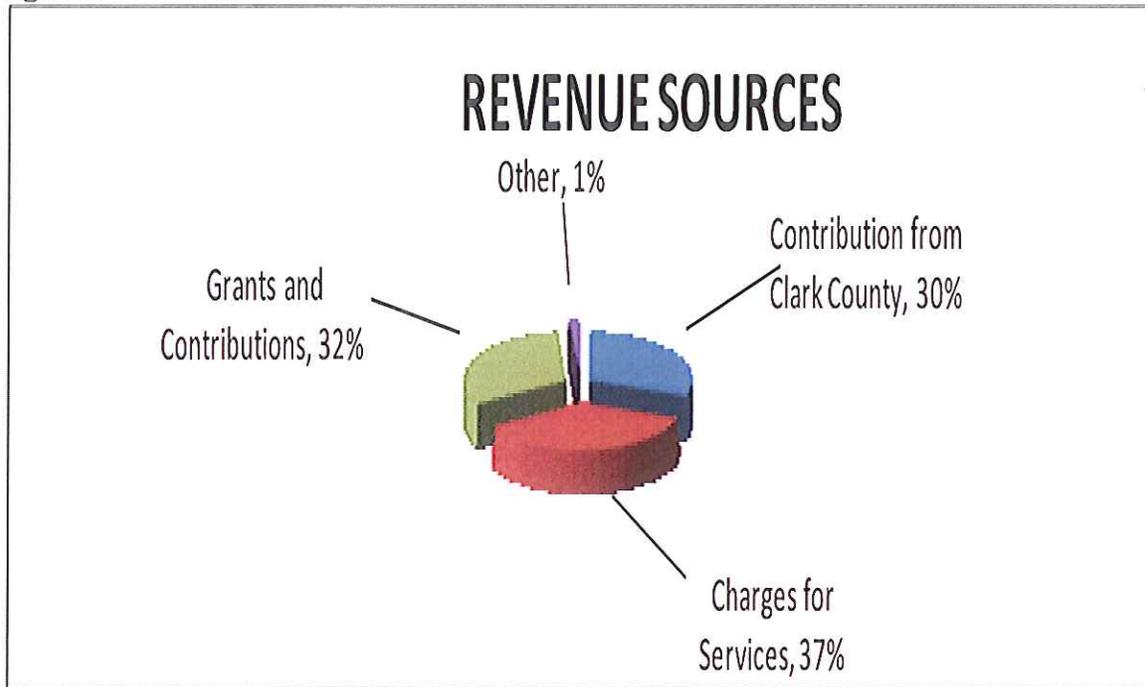


Figure 4



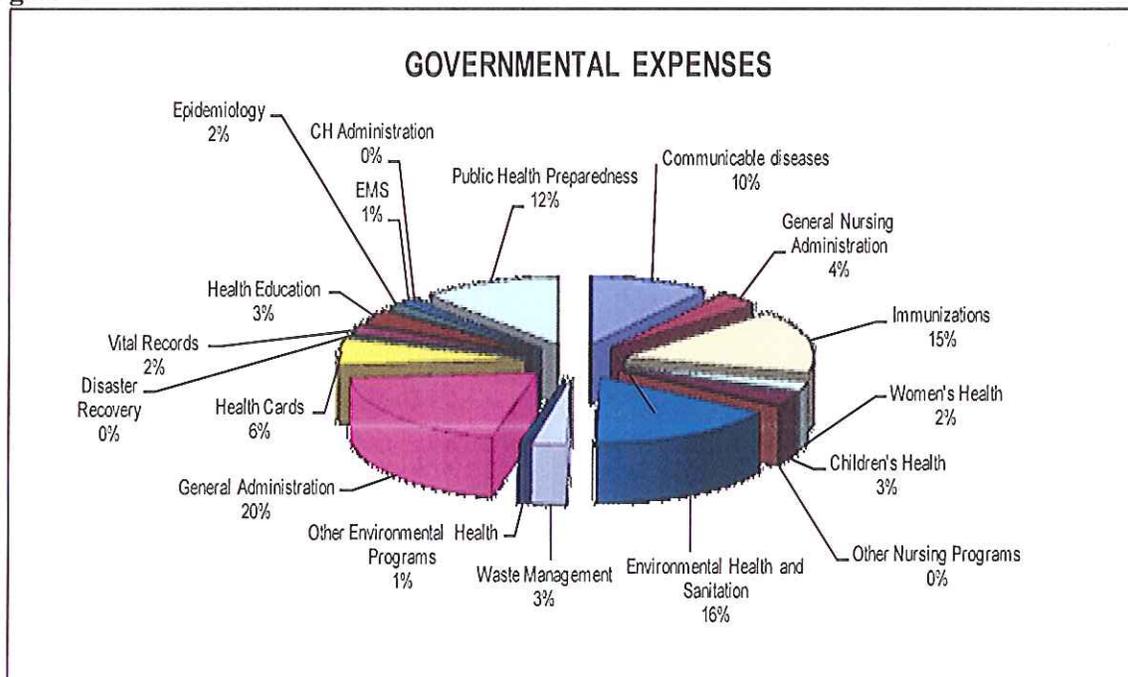
**Revenues by Source – Governmental Activities**

**Figure 5**



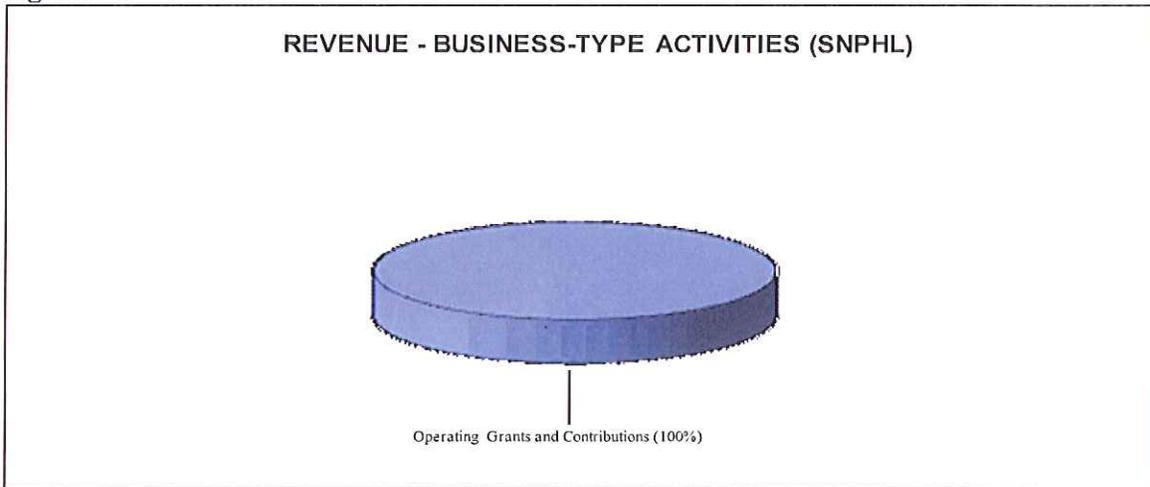
**Expenses by Type – Governmental Activities**

**Figure 6**



## Revenues by Source – Business Type Activities

Figure 7



### FINANCIAL ANALYSIS OF THE HEALTH DISTRICT'S FUNDS

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

**Governmental Funds:** The general government functions are recorded in the General and Capital Projects Funds. The focus of the Health 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 Health District's financing requirements. In particular, *unreserved/undesignated fund balance* may serve as a useful measure of the Health District's net resources available for spending at the end of the fiscal year.

As of June 30, 2010, the Health District's Governmental Funds reported combined ending fund balances of \$45,007,619, an increase of 27% or \$9,614,042 in comparison with the prior year. Of this fund balance, 70% or \$31,685,852 constitutes *unreserved/undesignated fund balance*, which is available to meet the Health 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 resource for a pandemic outbreak or disaster relief efforts. The Reserved fund balance is not available for new spending because the funds have been committed to inventory, prepaid items, and encumbrances. Included in the unreserved/designated fund balance is the establishment of the Bond Reserve Fund of \$8,908,045. The Bond Reserve Fund was approved by the Board of Health on March 27, 2008 so that the Health District will be able to pay bonded debt in the event that the County issues bonds on behalf of the Health District in order to fund a new facility replacement for the main campus on 625 Shadow Lane. In addition, the Non Major Capital Projects Fund has \$3,288,521 designated for future capital improvements.

The General Fund is the major operating fund of the Health District. As of June 30, 2010, the unreserved/undesignated fund balance of the General Fund was \$31,685,852 while the total fund balance reached \$32,409,640. 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 49% of total fund expenditures, while total fund balance represents 50% of that same amount.

**REVENUE:**

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

**Revenues Classified by Source  
General Fund**

	2010		2009		Increase(Decrease)	
	<u>Amount</u>	<u>% of Total</u>	<u>Amount</u>	<u>% of Total</u>	<u>Amount</u>	<u>% of Change</u>
<u>Revenue by Source</u>						
Charges for Services	\$ 32,537,153	43.08%	\$ 31,544,867	43.18%	\$ 992,286	3.15%
Intergovernmental revenues	17,286,559	16.20%	11,838,797	16.21%	5,447,762	46.02%
Contributions and donations	12,556	0.02%	27,148	0.04%	(14,592)	-53.75%
General Receipts	750,294	0.99%	1,461,257	2.00%	(710,963)	-48.65%
Clark County contributions	24,942,525	33.01%	28,182,950	38.57%	(3,240,425)	-11.50%
Total	\$ 75,529,087	100.00%	\$ 73,055,019	100.00%	\$ 2,474,068	3.39%

Charges for services increased by \$992,286 or 3.15%. The result of the increase was mainly due to increase in Regulatory Revenues.

Intergovernmental revenue increased by \$5,447,762 or 46.02%. This increase was mainly due to Indirect Federal Grants such as H1N1 and ASPR HPP. H1N1 revenue was \$5,561,742.

Contributions and donations decreased by \$14,592 or 53.75%. The decrease was a result of a loss of donations from the Drowning Prevention campaign that we received in FY 2009.

General receipts decreased by \$710,963 or 48.65% due primarily to lower interest earnings.

Clark County Contributions decreased by \$3,240,425 or 11.50%. This resulted from the decrease in share on property taxes caused by the devaluation of property values as a result of recent economic downturn and housing market challenges.

Pursuant to NRS 439.365, 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.

## EXPENDITURES:

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	2010		2009		Increase(Decrease)	
	Amount	% of Total	Amount	% of Total	Amount	% of Change
Nursing	\$ 20,003,301	31.07%	\$ 20,834,398	31.62%	\$ (831,097)	-3.99%
Environmental Health	14,875,882	23.10%	15,242,662	23.14%	(366,780)	-2.41%
Administration, Operations & Maintenance	17,174,676	26.67%	21,199,574	32.18%	(4,024,898)	-18.99%
Community Health Services	12,339,907	19.16%	8,606,149	13.06%	3,733,758	43.38%
Total	\$ 64,393,766	100.00%	\$ 65,882,783	100.00%	\$ (1,489,017)	-2.26%

Nursing expenditures decreased by \$831,097 or 3.99%. The decrease was primarily due to a drop in vaccine and medical supplies. This was caused by decreased demand in the current fiscal year and a large purchase in the final quarter of fiscal year 2009.

Environmental Health expenditures decreased by \$366,780 or 2.41%. This decrease is the result of vacant positions and reduction in travel and supplies.

Administration (includes operations and maintenance) expenditures decreased by \$4,024,898 or 18.99%. This decrease is a result of the Clark County Self-Funded health insurance benefit buy-in of \$1,570,000 that occurred in fiscal year 2009. Decrease in legal fees for the Hepatitis C outbreak, vacant positions, medical supplies, computer supplies, and birth and death certificate costs contributed to the reduction in expenses.

The Community Health Services Division was created in January 2005. This division which includes program costs for Chronic Disease Prevention and Health Promotion, Epidemiology, Public Health Preparedness, and Emergency Medical Services has an increase of \$3,733,758 or 43.38%. This increase is attributable to the additional \$6.4 million grant received for H1N1 and ASPR HPP. The H1N1 clinics and related services contributed to the increase in the costs of personnel, consulting, and contract services. The H1N1 grant increased both revenues and expenses by \$5,561,742.

## GENERAL FUND BUDGETARY HIGHLIGHTS

Actual revenues for fiscal year 2010 are \$146,997 less than budgeted. This is due to a decrease in revenue related to Charges for Services, Regulatory Revenue, State Funding, and General Receipts. The most significant decrease is due to the decline in Charges for Services.

Expenditures are less than budgetary estimates by \$13,525,677 due to cost savings in each Division in all expense categories most especially on personnel costs, services and supplies.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

**Capital Assets:** As of June 30, 2010, the Health District's investment in capital assets for its governmental activities amounted to \$9,769,371 (net of \$15,766,098 accumulated depreciation) and for business-type activities \$1,135,113 (net of \$1,151,879 accumulated depreciation). This investment in capital assets includes land, buildings and improvements, vehicles and equipment. Net capital assets were \$10,904,484 which represents a net decrease in the

District's investment in capital assets for the current period of \$1,303,071 or 10.7% of prior year net capital assets.

**District's Capital Assets, net**

	June 30, 2009	Increases	Decreases	June 30, 2010
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 2,059,765	\$ -	\$ -	\$ 2,059,765
Construction-in-Progress	\$ 196,518	-	\$ (196,518)	\$ -
<b>Total Capital assets not being depreciated</b>	<b>\$ 2,256,283</b>	<b>-</b>	<b>\$ (196,518)</b>	<b>\$ 2,059,765</b>
Capital assets, being depreciated:				
Buildings	4,697,564			4,697,564
Improvements other than buildings	9,539,270	34,891	(514,886)	9,059,275
Furniture, fixtures and equipment	9,050,273	592,209	(628,245)	9,014,237
Vehicles	763,626	-	(58,998)	704,628
<b>Total capital assets being depreciated</b>	<b>24,050,733</b>	<b>627,100</b>	<b>(1,202,129)</b>	<b>23,475,704</b>
Less: accumulated depreciation for:				
Buildings	(1,698,669)	(93,951)	-	(1,792,620)
Improvements other than buildings	(7,280,962)	(411,098)	373,219	(7,318,841)
Furniture, fixtures and equipment	(5,923,318)	(766,864)	566,747	(6,123,435)
Vehicles	(498,343)	(89,857)	56,998	(531,202)
<b>Total accumulated depreciation</b>	<b>(15,401,292)</b>	<b>(1,361,770)</b>	<b>996,964</b>	<b>(15,766,098)</b>
<b>Total capital assets being depreciated, net</b>	<b>8,649,441</b>	<b>(734,670)</b>	<b>(205,165)</b>	<b>7,709,606</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 10,905,724</b>	<b>\$ (734,670)</b>	<b>\$ (401,683)</b>	<b>\$ 9,769,371</b>
<b>Business-type activities:</b>				
Capital assets, being depreciated:				
Improvements other than buildings	\$ 92,768			\$ 92,768
Furniture, fixtures and equipment	2,152,752	88,710	(47,238)	2,194,224
<b>Total capital assets being depreciated</b>	<b>2,245,520</b>	<b>88,710</b>	<b>(47,238)</b>	<b>2,286,992</b>
Less: accumulated depreciation for:				
Improvements other than buildings	(26,668)	(4,000)		(30,668)
Furniture, fixtures and equipment	(917,021)	(234,310)	30,120	(1,121,212)
<b>Total accumulated depreciation</b>	<b>(943,689)</b>	<b>(238,310)</b>	<b>30,120</b>	<b>(1,151,879)</b>
<b>Business-type activities capital assets, net</b>	<b>\$ 1,301,831</b>	<b>\$ (149,600)</b>	<b>\$ (17,118)</b>	<b>\$ 1,135,113</b>

Some of the larger capital asset transactions for fiscal year ending June 30, 2010, included computer software, computer hardware, and Environmental Health equipment costs as explained in the following statements:

- Information Technology (IT) incurred major capital costs for Electronic Laboratory-Based Reporting (ELR) System for \$129,200, Software upgrades for \$172,426 for Community Health and Decade for \$120,365 for Environmental Health.
- Community Health Services purchased Motorola radios and repeaters for \$21,837.
- Environmental Health Vector Control purchased handheld GPS units for \$34,637.
- The Southern Nevada Public Health Laboratory (SNPHL) purchased Lab Equipment for a combined cost of \$88,710.

*Additional information on the District's capital assets can be found in Note 5 on pages 34-35 of this report.*

**Proprietary Funds:**

**a) Southern Nevada Public Health Laboratory (SNPHL):**

The Board of Health approved the petition to establish the proprietary fund for the operation of the Southern Nevada Public Health Laboratory (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 expenses necessary to operate the SNPHL.

SNPHL 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, SNPHL continues to be funded by the Public Health Preparedness grant along with supplemental funding from the General Fund of the Health District.

Transfers were made from the General Fund to the Proprietary Fund for the SNPHL to move unrestricted revenues collected in the general fund.

**b) Insurance Liability Reserve Fund:**

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:**

As of June 30, 2010, 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, voluntary furlough program, initiating Health District-wide personnel justification program on filling up only essential vacant positions, on-going evaluation of expenses where savings can be generated, e.g., travel, and by fee increases to cover the costs of the Health District. 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:

- ✓ the need to obtain financing for a new main building to replace the Shadow Lane facility,
- ✓ the continued influx of disproportionate demand for public health services due to poor economic conditions,

- ✓ the need to maintain a reserve to respond effectively to a possible pandemic outbreak and other public health emergencies,
- ✓ the reduction of state funding, and
- ✓ the decrease in County funding due to the devaluation of property values.

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 spaces since the beginning of fiscal year 2007.

Support from property tax allocation has decreased due to the devaluation of property values. While there has been a marked decrease in Funding from the State of Nevada, there was new funding coming from the Federal programs.

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

- ✓ The current Collective Bargaining Agreement (CBA) will terminate 6/30/2011. A new agreement will need to be negotiated.
- ✓ Increased group insurance costs stemming from the implementation of the new Health Care Reform
- ✓ Inflationary factors affecting the cost of equipment, supplies, and other services

The Health District will continue to pursue not only proportional allocation of Federal pass-through dollars through the State but also direct funding from the Federal government. Clark County has 72% of Nevada's population and is 4.7 times the population of Washoe County. The additional Federal support will enable the Health District to better address the needs of residents requiring services.

At present the Health District has the financial resources and capacity to maintain current service levels in an atmosphere of cautious expansion. The Health District continues to work with staff to develop and update the business plan for the 2011-2013 periods.

During fiscal year 2010, unreserved and undesignated fund balance of the General Fund is \$31,685,852. A significant portion of this amount will be required to address these overarching budgetary challenges.

### **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 Mars P. Patricio, Jr., 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, 2010

<u>ASSETS</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Cash and cash equivalents	\$ 45,326,102	\$ 3,303,133	\$ 48,629,235
Grants receivable	4,228,078	-	4,228,078
Accounts receivable	221,622	-	221,622
Inventory	483,667	-	483,667
Prepaid items	34,634	-	34,634
Other post employment benefits prepaid	151,679	-	151,679
Capital assets, net			
Nondepreciable	2,059,764	-	2,059,764
Depreciable	7,709,606	1,135,113	8,844,719
Total assets	<u>60,215,152</u>	<u>4,438,246</u>	<u>64,653,398</u>
<u>LIABILITIES</u>			
Accounts payable	1,202,347	24,659	1,227,006
Grants payable	93,463	-	93,463
Accrued expenses	2,727,932	67,297	2,795,229
Liability for self-insured workers compensation	317,148	-	317,148
Unearned revenue	682,224	-	682,224
Long-term liabilities			
Portion due or payable within one year:			
Compensated absences payable	3,609,934	115,678	3,725,612
Portion due or payable after one year:			
Compensated absences payable	3,482,611	87,282	3,569,893
Other post employment benefits payable	3,768,616	-	3,768,616
Total liabilities	<u>15,884,275</u>	<u>294,916</u>	<u>16,179,191</u>
<u>NET ASSETS</u>			
Invested in capital assets	9,769,370	1,135,113	10,904,483
Restricted for:			
Certificate of deposit for self-insurance	100,994	-	100,994
Unrestricted	34,460,513	3,008,217	37,468,730
Total net assets	<u>\$ 44,330,877</u>	<u>\$ 4,143,330</u>	<u>\$ 48,474,207</u>

See accompanying notes.

SOUTHERN NEVADA HEALTH DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2010

Functions / Programs	Net (Expenses) Revenues and Changes in Net Assets					
	Expenses	Charges for Services	Program Revenues Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>GOVERNMENTAL ACTIVITIES:</b>						
Public Health Function						
Nursing						
Communicable diseases	\$ 7,619,766	\$ 482,704	\$ 4,914,544	\$ (2,222,518)	\$ -	\$ (2,222,518)
General nursing administration	2,590,645	22,895	-	(2,567,750)	-	(2,567,750)
Immunizations	11,454,155	3,325,161	7,543,067	(585,927)	-	(585,927)
Women's health	1,609,964	374,566	1,194,527	(40,871)	-	(40,871)
Children's health	2,297,208	809,788	-	(1,487,420)	-	(1,487,420)
Total nursing	25,571,738	5,015,114	13,652,138	(6,904,486)	-	(6,904,486)
Environmental health						
Environmental health and sanitation	12,251,212	14,960,474	111,011	2,820,273	-	2,820,273
Waste management	2,228,821	1,189,143	549,843	(489,835)	-	(489,835)
Other environmental health programs	463,513	431,481	728,121	696,089	-	696,089
Total environmental health	14,943,546	16,581,098	1,388,975	3,026,527	-	3,026,527
Administration, operations and maintenance						
General administration	14,873,041	-	51,958	(14,821,083)	-	(14,821,083)
Health cards	4,721,436	6,359,945	-	1,638,509	-	1,638,509
Disaster recovery	168,549	-	-	(168,549)	-	(168,549)
Vital records	1,438,658	2,479,891	-	1,041,233	-	1,041,233
Total administration, operations and maintenance	21,201,684	8,839,836	51,958	(12,309,890)	-	(12,309,890)
Community health services						
Administration	277,793	-	-	(277,793)	-	(277,793)
Health education	2,523,480	604,382	862,280	(1,056,818)	-	(1,056,818)
Epidemiology	1,120,337	-	28,808	(1,091,529)	-	(1,091,529)
Public health preparedness	8,859,153	4,494	9,432,495	577,836	-	577,836
Emergency medical services	711,375	83,996	64,456	(562,923)	-	(562,923)
Total community health services	13,492,138	692,872	10,388,039	(2,411,227)	-	(2,411,227)
Total governmental activities	75,209,106	31,128,920	25,481,110	(18,599,076)	-	(18,599,076)

SOUTHERN NEVADA HEALTH DISTRICT  
 STATEMENT OF ACTIVITIES (CONTINUED)  
 FOR THE YEAR ENDED JUNE 30, 2010

Functions / Programs	Program Revenues			Net (Expenses) Revenues and Changes in Net Assets		
	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total	
<b>BUSINESS-TYPE ACTIVITIES:</b>						
Southern Nevada Public Health Laboratory	2,369,892	1,368,633	-	(1,001,259)	(1,001,259)	
Total business-type activities	<u>2,369,892</u>	<u>1,368,633</u>	<u>-</u>	<u>(1,001,259)</u>	<u>(1,001,259)</u>	
Total Functions / Program	\$ 31,128,920	\$ 26,849,743	(18,599,076)	(1,001,259)	(19,600,335)	
General revenues:						
Contributions from County not restricted to specific purposes			24,942,525	-	24,942,525	
Unrestricted investment earnings			958,966	49,662	1,008,628	
General receipts			12,423	-	12,423	
Transfers			(1,516,204)	1,516,204	-	
Total general revenues and transfers			<u>24,397,710</u>	<u>1,565,866</u>	<u>25,963,576</u>	
Change in net assets			5,798,634	564,607	6,363,241	
Net assets, beginning of year			38,075,899	3,576,533	41,652,432	
Prior period adjustment			456,344	2,190	458,534	
Net assets, beginning (as restated)			<u>38,532,243</u>	<u>3,578,723</u>	<u>42,110,966</u>	
Net assets, end of year			\$ 44,330,877	\$ 4,143,330	\$ 48,474,207	

See accompanying notes.

SOUTHERN NEVADA HEALTH DISTRICT  
 GOVERNMENTAL FUNDS  
 BALANCE SHEET  
 JUNE 30, 2010

	MAJOR FUNDS			Total Governmental Funds
	General Fund	Bond Reserve Fund	Other Governmental Fund	
<b>ASSETS</b>				
Cash and cash equivalents	\$ 32,143,705	\$ 8,908,045	\$ 3,693,834	\$ 44,745,584
Grants receivable	4,228,078	-	-	4,228,078
Accounts receivable	221,622	-	-	221,622
Inventory	483,667	-	-	483,667
Prepaid items	34,634	-	-	34,634
<b>Total assets</b>	<b>\$ 37,111,706</b>	<b>\$ 8,908,045</b>	<b>\$ 3,693,834</b>	<b>\$ 49,713,585</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts payable	\$ 1,198,447	\$ -	\$ 3,900	\$ 1,202,347
Grants payable	93,463	-	-	93,463
Accrued expenditures	2,727,932	-	-	2,727,932
Unearned revenue	682,224	-	-	682,224
<b>Total liabilities</b>	<b>4,702,066</b>	<b>-</b>	<b>3,900</b>	<b>4,705,966</b>
<b>Fund balances</b>				
<b>Reserved for:</b>				
Inventory	483,667	-	-	483,667
Prepaid items	34,634	-	-	34,634
Encumbrances	205,487	-	401,413	606,900
<b>Unreserved, reported in:</b>				
<b>Major Funds:</b>				
Designated for capital improvements	-	8,908,045	-	8,908,045
Undesignated	31,685,852	-	-	31,685,852
<b>Capital projects fund:</b>				
Designated for capital improvements	-	-	3,288,521	3,288,521
<b>Total fund balances</b>	<b>32,409,640</b>	<b>8,908,045</b>	<b>3,689,934</b>	<b>45,007,619</b>
<b>Total liabilities and fund balances</b>	<b>\$ 37,111,706</b>	<b>\$ 8,908,045</b>	<b>\$ 3,693,834</b>	

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.	9,769,370
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.	263,370
Compensated absences liabilities and other post employment benefits payable are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(10,709,482)</u>
<b>Total net assets - governmental activities</b>	<b>\$ 44,330,877</b>

See accompanying notes.

SOUTHERN NEVADA HEALTH DISTRICT  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2010

	MAJOR FUNDS			Total Governmental Funds
	General Fund	Bond Reserve Fund	Other Governmental Fund	
<b>REVENUES</b>				
Charges for services				
Title XIX Medicaid	\$ 595,060	\$ -	\$ -	\$ 595,060
Charges for services	5,963,518	-	-	5,963,518
Regulatory revenue	23,142,972	-	-	23,142,972
Program contract services	2,835,603	-	-	2,835,603
Intergovernmental revenues				
State funding	987,147	-	-	987,147
Indirect federal grants	13,947,975	-	-	13,947,975
Federal grants	2,351,437	-	-	2,351,437
Contributions and donations	12,556	-	-	12,556
General receipts				
Interest earnings	732,424	168,422	47,259	948,105
Other receipts	17,870	-	-	17,870
Clark County contribution	24,942,525	-	-	24,942,525
Total revenues	<u>75,529,087</u>	<u>168,422</u>	<u>47,259</u>	<u>75,744,768</u>
<b>EXPENDITURES</b>				
Current				
Nursing	20,003,301	-	-	20,003,301
Environmental health	14,875,882	-	-	14,875,882
Administration, operations and maintenance	17,174,676	-	-	17,174,676
Community health services	12,339,907	-	-	12,339,907
Capital outlay	-	-	627,100	627,100
Total expenditures	<u>64,393,766</u>	<u>-</u>	<u>627,100</u>	<u>65,020,866</u>
Excess (deficiency) of revenues over (under) expenditures	<u>11,135,321</u>	<u>168,422</u>	<u>(579,841)</u>	<u>10,723,902</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	1,781,702	2,654,000	4,435,702
Transfers out	(6,001,906)	-	-	(6,001,906)
Total other financing sources (uses)	<u>(6,001,906)</u>	<u>1,781,702</u>	<u>2,654,000</u>	<u>(1,566,204)</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>5,133,415</u>	<u>1,950,124</u>	<u>2,074,159</u>	<u>9,157,698</u>
<b>FUND BALANCES, beginning - as previously reported</b>	26,878,134	6,957,921	1,557,522	35,393,577
Prior period adjustment	398,091	-	58,253	456,344
<b>FUND BALANCES, beginning - as restated</b>	<u>27,276,225</u>	<u>6,957,921</u>	<u>1,615,775</u>	<u>35,849,921</u>
<b>FUND BALANCES, ending</b>	<u>\$ 32,409,640</u>	<u>\$ 8,908,045</u>	<u>\$ 3,689,934</u>	<u>\$ 45,007,619</u>

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 YEAR ENDED JUNE 30, 2010

**NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS** **\$ 9,157,698**

Amounts reported for governmental activities in the statement of activities are different 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 reported as depreciation expense.

Capital outlay	627,100	
Depreciation expense	<u>(1,361,770)</u>	(734,670)

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. (401,684)

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. 19,514

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.

Operating grant contribution revenue	6,780,687	
Immunizations expense	<u>(6,780,687)</u>	-

Expenses for compensated absences and other post employment benefits payable 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. (2,242,224)

**CHANGE IN NET ASSETS - GOVERNMENTAL ACTIVITIES** **\$ 5,798,634**

SOUTHERN NEVADA HEALTH DISTRICT  
 PROPRIETARY FUNDS  
 STATEMENT OF FUND NET ASSETS  
 JUNE 30, 2010

<b>ASSETS</b>	<b>Southern Nevada Public Health Laboratory</b>	<b>Governmental Activities - Internal Service Fund</b>
Current assets		
Cash and cash equivalents	\$ 3,303,133	\$ 479,524
Other assets		
Restricted cash - certificate of deposit for self-insurance	-	100,994
Improvements other than buildings	92,768	-
Furniture, fixtures and equipment	2,194,224	-
Accumulated depreciation	(1,151,879)	-
Total other assets	1,135,113	100,994
Total assets	4,438,246	580,518
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable	24,659	-
Accrued expenses	67,297	-
Compensated absences payable, current portion	115,678	-
Liability for self-insured workers compensation	-	317,148
Total current liabilities	207,634	317,148
Long-term liabilities		
Compensated absences payable, net of current portion	87,282	-
Total liabilities	294,916	317,148
<b>FUND NET ASSETS</b>		
Invested in capital assets	1,135,113	-
Restricted for certificate of deposit for self-insurance	-	100,994
Unrestricted	3,008,217	162,376
Total fund net assets	\$ 4,143,330	\$ 263,370

See accompanying notes.

**SOUTHERN NEVADA HEALTH DISTRICT  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS  
 FOR THE YEAR ENDED JUNE 30, 2010**

	<b>Southern Nevada Public Health Laboratory</b>	<b>Governmental Activities - Internal Service Fund</b>
<b>Operating expenses</b>		
Salaries	\$ 1,059,068	\$ -
Employee benefits	386,553	-
Claims expense	-	41,347
Services and supplies	385,741	-
Depreciation	238,310	-
Repairs and maintenance	300,220	-
Total operating expenses	<u>2,369,892</u>	<u>41,347</u>
<b>Operating loss</b>	<u>(2,369,892)</u>	<u>(41,347)</u>
<b>Non-operating revenues</b>		
Indirect federal grants	1,368,633	-
Interest earnings	49,662	10,861
Total non-operating revenues	<u>1,418,295</u>	<u>10,861</u>
Income (loss) before transfers	(951,597)	(30,486)
<b>Transfers</b>		
Transfers In	1,516,204	50,000
Total transfers	<u>1,516,204</u>	<u>50,000</u>
<b>Change in fund net assets</b>	<b>564,607</b>	<b>19,514</b>
Fund net assets, beginning of year	3,576,533	243,856
Prior period adjustment	2,190	-
Net assets, beginning (as restated)	<u>3,578,723</u>	<u>243,856</u>
<b>Fund net assets, end of year</b>	<u>\$ 4,143,330</u>	<u>\$ 263,370</u>

See accompanying notes.

**SOUTHERN NEVADA HEALTH DISTRICT  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED JUNE 30, 2010**

	Southern Nevada Public Health Laboratory	Governmental Activities - Internal Service Fund
<b>Cash flows from operating activities</b>		
Cash payments to suppliers for goods and services	\$ (642,700)	\$ -
Cash payments to employees	(1,402,778)	-
Cash payments to other sources	-	(60,239)
Net cash provided by (used in) operating activities	<u>(2,045,478)</u>	<u>(60,239)</u>
<b>Cash flows from noncapital financing activities</b>		
Grant revenue	1,368,633	-
Transfers in	1,516,204	50,000
Net cash provided by (used in) noncapital financing activities	<u>2,884,837</u>	<u>50,000</u>
<b>Cash flows from capital and related financing activities</b>		
Acquisition of property and equipment	(88,710)	-
Net cash (used in) capital and related financing activities	<u>(88,710)</u>	<u>-</u>
<b>Cash flows from investing activities</b>		
Interest on investments	49,662	9,867
Net cash provided by investing activities	<u>49,662</u>	<u>9,867</u>
Net increase (decrease) in cash and cash equivalents	800,311	(372)
<b>Cash and cash equivalents</b>		
Beginning of year	<u>2,502,822</u>	<u>479,896</u>
End of year	<u>\$ 3,303,133</u>	<u>\$ 479,524</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities</b>		
Operating income (loss)	\$ (2,369,892)	\$ (41,347)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities		
Depreciation	238,310	-
Loss on disposal of assets	17,118	-
Increase in (assets) and liabilities		
Accounts payable	3,747	-
Accrued expenses	22,396	-
Compensated absences	42,843	-
Liability for self-insured workers compensation	-	(18,892)
Net cash provided by (used in) operating activities	<u>\$ (2,045,478)</u>	<u>\$ (60,239)</u>

See accompanying notes.

**SOUTHERN NEVADA HEALTH DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2010**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Reporting Entity

The Southern Nevada Health District (the District) is 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 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 government-wide statements, fund financial statements, and related notes. 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 and business fund types. Reconciliations between the governmental fund 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 in separate columns for both governmental and business-type activities.

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

SOUTHERN NEVADA HEALTH DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2010

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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 proprietary funds.

The presentation emphasis in the fund financial statements is on major funds, for both governmental and enterprise funds. Major funds are determined based on minimum criteria set forth in GASB Statement 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. Grants, contributions, and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Gross receipts are considered "measurable" when in the hands of intermediary collecting governments and are then recognized as revenue. 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, postemployment benefits, and claims and judgments, are recorded when payment is due.

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

The District reports two major governmental funds. A description of these 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.

Bond Reserve Fund – accounts for resources designated for future capital expenditures of a new administration building.

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.

**SOUTHERN NEVADA HEALTH DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2010**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Additionally the District reports the following fund types:

Capital Projects Funds - The Capital Projects Fund (governmental fund-type) accounts for resources designated for future capital expenditures.

Internal Service Fund - The Internal Service Fund consists of a risk management fund that accounts for 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. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The District has elected not to follow this subsequent private-sector guidance.

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

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.

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. These include regular vaccinations as well as the H1N1 vaccination. At June 30, 2010, the value of the regular vaccinations was \$680,227 and the value of the H1N1 vaccinations was \$349,857. These items were 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, 2010, are recorded as prepaid items.

**SOUTHERN NEVADA HEALTH DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2010**

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**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/Expenses

District salaries earned but not paid by June 30, 2010 have been accrued as liabilities and shown as expenditures/expenses for the current year in governmental and government-wide statements respectively.

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 are 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, 2010

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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. Currently, the District restricts assets related to self-insurance deposits for the District's workers compensation program accounted for in the insurance liability reserve fund.

**SOUTHERN NEVADA HEALTH DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2010**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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 Net Assets.

It is the District's policy to expend restricted resources first and use unrestricted resources when the restricted resources have been depleted, except in the case of the certificate of deposit for self-insurance, which is statutorily restricted.

**2. 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 reserved fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

Per Nevada Revised Statute 354.626, actual expenditures may not exceed budgetary appropriations of the public health function of the general fund or total appropriations of the individual capital projects funds. The sum of operating and nonoperating expenses in the enterprise and internal service funds may not exceed total appropriations. At June 30, 2010, the District had no exceptions to report.

**SOUTHERN NEVADA HEALTH DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2010**

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**3. 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, 2010, the carrying amount of the District's deposits was \$110,994 and the bank balance was \$111,360. 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, 2010. 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, 2010**

**3. 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, 2010, 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, 2010, 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 and market value of investments in the custody of the Clark County Treasurer was \$48,507,515.

Combined Cash and Cash Equivalents

Cash on deposit with banking institution	\$ 10,000
Cash on hand	10,726
Non-negotiable CD	100,994
Investment held with County Treasurer	<u>48,507,515</u>
	<u>\$ 48,629,235</u>
Governmental activities	\$ 45,326,102
Business-type activities	<u>3,303,133</u>
	<u>\$ 48,629,235</u>

**SOUTHERN NEVADA HEALTH DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2010**

**4. 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, 2010 are as follows:

<u>Transfers Out</u>	<u>Transfers In</u>				<u>Total</u>
	<u>Bond Reserve Fund</u>	<u>Nonmajor Governmental Fund</u>	<u>Southern Nevada Public Health Laboratory</u>	<u>Internal Service Fund</u>	
General Fund	<u>\$1,781,702</u>	<u>\$ 2,654,000</u>	<u>\$1,516,204</u>	<u>\$ 50,000</u>	<u>\$ 6,001,906</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.

**5. CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2010 was as follows:

	<u>Balance July 1, 2009</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2010</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 2,059,765	\$ -	\$ -	\$ 2,059,765
Construction-in-Progress	<u>196,518</u>	<u>-</u>	<u>(196,518)</u>	<u>-</u>
Total capital assets not being depreciated	<u>2,256,283</u>	<u>-</u>	<u>(196,518)</u>	<u>2,059,765</u>
Capital assets, being depreciated:				
Buildings	4,697,564	-	-	4,697,564
Improvements other than buildings	9,539,270	34,891	(514,886)	9,059,275
Furniture, fixtures and equipment	9,050,273	592,209	(628,245)	9,014,237
Vehicles	<u>763,626</u>	<u>-</u>	<u>(58,998)</u>	<u>704,628</u>
Total capital assets being depreciated	<u>24,050,733</u>	<u>627,100</u>	<u>(1,202,129)</u>	<u>23,475,704</u>
Less: accumulated depreciation for:				
Buildings	(1,698,669)	(93,951)	-	(1,792,620)
Improvements other than buildings	(7,280,962)	(411,098)	373,219	(7,318,841)
Furniture, fixtures and equipment	(5,923,318)	(766,864)	566,747	(6,123,435)
Vehicles	<u>(498,343)</u>	<u>(89,857)</u>	<u>56,998</u>	<u>(531,202)</u>
Total accumulated depreciation	<u>(15,401,292)</u>	<u>(1,361,770)</u>	<u>996,964</u>	<u>(15,766,098)</u>
Total capital assets being depreciated, net	<u>8,649,441</u>	<u>(734,670)</u>	<u>(205,165)</u>	<u>7,709,606</u>
Governmental activities capital assets, net	<u>\$10,905,724</u>	<u>\$ (734,670)</u>	<u>\$ (401,683)</u>	<u>\$ 9,769,371</u>

**SOUTHERN NEVADA HEALTH DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2010**

**5. CAPITAL ASSETS (continued)**

	Balance <u>July 1, 2009</u>	Increases	Decreases	Balance <u>June 30, 2010</u>
Business-type activities:				
Capital assets, being depreciated:				
Improvements other than buildings	\$ 92,768	\$ -	\$ -	\$ 92,768
Furniture, fixtures and equipment	<u>2,152,752</u>	<u>88,710</u>	<u>(47,238)</u>	<u>2,194,224</u>
Total capital assets being depreciated	<u>2,245,520</u>	<u>88,710</u>	<u>(47,238)</u>	<u>2,286,992</u>
Less: accumulated depreciation for:				
Improvements other than buildings	(26,668)	(4,000)	-	(30,668)
Furniture, fixtures and equipment	<u>(917,021)</u>	<u>(234,310)</u>	<u>30,120</u>	<u>(1,121,211)</u>
Total accumulated depreciation	<u>(943,689)</u>	<u>(238,310)</u>	<u>30,120</u>	<u>(1,151,879)</u>
Business-type activities capital assets, net	<u>\$ 1,301,831</u>	<u>\$ (149,600)</u>	<u>\$ (17,118)</u>	<u>\$ 1,135,113</u>

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

	Governmental Activities	Business-type Activities
Nursing:		
Communicable diseases	\$ 13,934	\$ -
General nursing administration	19,033	-
Immunizations	7,877	-
Environmental health:		
Environmental health and sanitation	29,946	-
Waste management	12,554	-
Administration, operations and maintenance:		
General administration	1,235,141	-
Health cards	15,746	-
Vital records	4,714	-
Community health services:		
Epidemiology	2,669	-
Health education	6,095	-
Public health response to bioterrorism	14,061	-
Southern Nevada Public Health Laboratory	<u>-</u>	<u>238,310</u>
	<u>\$ 1,361,770</u>	<u>\$ 238,310</u>

**SOUTHERN NEVADA HEALTH DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2010**

**6. 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, 2010 was \$1,786,323. 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>
2011	\$ 1,259,555
2012	948,458
2013	830,230
2014	757,910
2015	766,973
2016	<u>787,263</u>
	<u>\$ 5,350,389</u>

**7. CHANGES IN LONG-TERM LIABILITIES**

The District's long-term liabilities consist of compensated absences and other post employment benefit (OPEB) obligations. Activity for long-term liabilities for the year ended June 30, 2010 was as follows:

	<u>Beginning Balance July 1, 2009</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance June 30, 2010</u>	<u>Due Within One Year</u>
<b>Governmental Activities:</b>					
Compensated absences	\$ 6,720,784	\$ 3,516,725	\$ (3,144,963)	\$ 7,092,545	\$ 3,609,934
OPEB obligations	<u>1,746,474</u>	<u>2,305,320</u>	<u>(283,178)</u>	<u>3,768,616</u>	<u>-</u>
	<u>\$ 8,467,258</u>	<u>\$ 5,822,045</u>	<u>\$ (3,428,141)</u>	<u>\$ 10,861,162</u>	<u>\$ 3,609,934</u>
<b>Business-type Activities:</b>					
Compensated absences	<u>\$ 160,117</u>	<u>\$ 78,129</u>	<u>\$ (35,286)</u>	<u>\$ 202,960</u>	<u>\$ 115,678</u>

**8. 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, 2010**

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**8. 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. Contribution requirements may only be amended through legislation. 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>
2009-10	21.50%	\$7,474,523
2008-09	20.50%	\$7,015,666
2007-08	20.50%	\$6,254,176

The amounts contributed are equal to the required contributions for each year.

**9. OTHER POST EMPLOYMENT BENEFITS (OPEB)**

The District participates in Clark County's other postemployment benefits (OPEB) plan, an agent, multiple-employer defined benefit OPEB plan, as well as the State of Nevada's Public Employee Benefit Plan (PEBP), an agent multiple-employer defined benefit OPEB plan.

Plan Descriptions

In accordance with Nevada Revised Statutes, retirees of the District may continue insurance through existing plans of insurance, if enrolled as an active employee at the time of retirement. Retirees are offered medical, dental, prescription drugs, and life insurance benefits for themselves and their dependents. Retirees may choose between the Clark County Self-Funded Group Medical and Dental Benefits Plan (Self-Funded Plan) and an HMO Plan.

The PEBP, which provides benefits similar to the Self-Funded Plan, is closed to all active employees. Due to changes in state law, as of September 1, 2008, the plan is no longer available to those individuals actively employed past this date.

Self-Funded Plan and HMO benefit provisions are established and amended through negotiations between the District and the SEIU employee union. PEBP benefit provisions are established and amended by the Nevada State Legislature.

The Self-Funded Plan is included in the financial statements of Clark County. The Self-Funded Plan is not administered as a qualifying trust or equivalent arrangement. The Self-Funded Plan is included in the Clark County CAFR as an internal service fund (the Self-Funded Group Insurance fund), as required by Nevada Revised Statutes.

The PEBP issues a publicly available financial report that includes financial statements and required supplementary information.

**SOUTHERN NEVADA HEALTH DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2010**

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**9. OTHER POST EMPLOYMENT BENEFITS (OPEB) (continued)**

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

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

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

Funding Policy and Annual OPEB Cost

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

The District pays approximately 90% percent of premiums for active employee coverage, an average of \$667 per active employee for the year ended June 30, 2010. Retirees in the Self-Funded Plan receive no direct subsidy from the District. Under state law, retiree loss experience is pooled with active loss experience for the purpose of setting rates. The difference between the true claims cost and the blended premium is an implicit rate subsidy that creates an OPEB cost for the District.

The District is required to pay the PEBP an explicit subsidy, based on years of service, for retirees who enroll in this plan. In 2010, retirees were eligible for a \$79 per month subsidy after five years of service with a Nevada state or local government entity. The maximum subsidy of \$436 is earned after 20 years of combined service with any eligible entity. There are incremental increases for years of service between five and twenty years. The subsidy is set, and may be amended, by the State Legislature.

The annual other postemployment benefit (OPEB) cost for each plan is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The District's annual OPEB cost for the current year and the related information for each plan are as follows:

	<u>Self Funded Plan</u>	<u>PEBP</u>
Contribution rates	Actuarially determined, premium sharing determined by union contracts	Set by State Legislature
District	Implicit subsidy through blending of active and retiree loss experience	\$79 per month after 5 years of service up to \$436 per month after 20 years
Plan members	From \$891 to \$986 per month for family coverage, depending on plan	From \$0 to \$436, depending on level of coverage and subsidy earned

**SOUTHERN NEVADA HEALTH DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2010**

**9. OTHER POST EMPLOYMENT BENEFITS (OPEB) (continued)**

	<u>Self Funded Plan</u>	<u>PEBP</u>	<u>Total</u>
Annual required contribution (ARC)	\$ 1,939,093	\$ 395,733	\$ 2,334,826
Interest on net OPEB obligation	54,814	11,186	66,000
Adjustment to annual required contribution	<u>(79,319)</u>	<u>(16,187)</u>	<u>(95,506)</u>
Annual OPEB cost	1,914,588	390,732	2,305,320
Employer contributions made	<u>-</u>	<u>(434,857)</u>	<u>(434,857)</u>
Increase/(decrease) in net OPEB obligation/(benefit)	1,914,588	(44,125)	1,870,463
Net OPEB obligation/(benefit), beginning of year	<u>1,854,028</u>	<u>(107,554)</u>	<u>1,746,474</u>
Net OPEB obligation/(benefit), end of year	<u>\$ 3,768,616</u>	<u>\$ (151,679)</u>	<u>\$ 3,616,937</u>

The net OPEB obligation has been recorded as a liability and the net OPEB benefit has been recorded as an asset in the statement of net assets.

The District's annual OPEB cost, the percentage of annual cost contributed to the plan, and the net OPEB obligation for 2010 and the preceding year are as follows:

<u>Plan</u>	<u>Year ended</u>	<u>Annual OPEB cost</u>	<u>% of OPEB cost contributed</u>	<u>Net OPEB obligation / (benefit)</u>
Self-funded / HPN	June 30, 2010	\$ 1,914,588	-	\$ 3,768,616
PEBP plan	June 30, 2010	390,732	111%	(151,679)
Self-funded / HPN	June 30, 2009	1,854,028	-	1,854,028
PEBP plan	June 30, 2009	365,972	129%	(107,554)

Funded status and funding progress

The funded status of the plans as of July 1, 2008, was as follows:

	<u>Self-funded/HPN</u>	<u>PEBP</u>	<u>Total</u>
Actuarial accrued liability (a)	\$ 17,989,082	\$ 3,550,918	\$ 21,540,000
Actuarial value of plan assets (b)	-	-	-
Unfunded actuarial accrued liability (funding excess) (a) – (b)	\$ 17,989,082	\$ 3,550,918	\$ 21,540,000
Funded ratio (b) / (a)	0%	0%	0%
Covered payroll (c)	\$ 27,459,650	\$ 5,420,340	\$ 32,879,990
Unfunded actuarial accrued liability (funding excess) as a percentage of covered payroll [(a) – (b)] / (c)	65.5%	65.5%	65.5%

The required schedule of funding progress presented as required supplementary information will provide multi-year trend information that will show, in future years, whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**SOUTHERN NEVADA HEALTH DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2010**

**9. OTHER POST EMPLOYMENT BENEFITS (OPEB) (continued)**

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

Actuarial methods and assumptions

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

	<u>Self-funded/HPN</u>	<u>PEBP</u>
Actuarial valuation date	7/1/08	7/1/08
Actuarial cost method	Entry age normal	Entry age normal
Amortization method	Level dollar amount	Level dollar amount
Remaining amortization period	30 years, open	30 years, open
Asset valuation method	No assets in trust	No assets in trust
Actuarial assumptions:		
Investment rate of return	4.0%	4.0%
Projected salary increases	N/A	N/A
Healthcare inflation rate	8% initial / 5% ultimate	8% initial / 5% ultimate
Current year	7.5%	7.5%

District assets in internal service fund

Clark County utilizes the Other Postemployment Benefit Reserve internal service fund to allocate OPEB costs to each fund, based on employee count. Each fund incurs a charge for service from the Other Postemployment Benefit Reserve fund for their portion of the annual OPEB cost. As of June 30, 2010, the Other Postemployment Benefit Reserve fund held no funds on behalf of the District. The District intends to use any accumulated assets for future OPEB funding. These assets cannot be included in the plan assets considered in the OPEB funding schedules because they are not held in trust.

**10. 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.

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.

**SOUTHERN NEVADA HEALTH DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2010**

**10. COMMITMENTS AND CONTINGENCIES (continued)**

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. Additionally, the District has excess workers compensation insurance up to \$1 million per occurrence with a retention of \$400,000 per occurrence. A liability for a claim is established if information indicates that it is possible that a liability has been incurred at the date of the financial statements and the amount of loss 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, 2010 and is reflected in the financial statements of the Risk Management Insurance Liability Reserve Fund.

<u>Estimated unpaid claims July 1, 2009</u>	<u>Claims and changes in estimates</u>	<u>Claims paid</u>	<u>Estimated unpaid claims June 30, 2010</u>
\$ 336,040	\$ 9,129	\$ (60,239)	\$ 317,148
<u>Estimated unpaid claims July 1, 2008</u>	<u>Claims and changes in estimates</u>	<u>Claims paid</u>	<u>Estimated unpaid claims June 30, 2009</u>
\$ 235,443	\$ 134,182	\$ (33,585)	\$ 336,040

Certificate of Deposit

The District has a certificate of deposit for \$100,994 at June 30, 2010. The certificate is maintained as required for the District's workers compensation self insurance program that was effective July 1, 2005.

**11. PRIOR PERIOD ADJUSTMENTS**

During the current year, it was determined that certain prior year accounts payable, grants receivable, and contracts receivable were incorrectly recorded. To correct these errors, the beginning fund balances/net assets of the General Fund, Capital Projects Fund, and Southern Nevada Public Health Laboratory Fund of \$26,878,134, \$1,557,522, and \$3,576,533, respectively have been increased to \$27,276,255, \$1,615,775, and \$3,578,523, respectively. In addition beginning net assets for governmental activities and business-type activities of \$38,075,899 and \$3,576,533, respectively, as originally reported, have been increased to \$38,532,243 and \$3,578,723, respectively.

REQUIRED SUPPLEMENTARY SCHEDULES



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, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Charges for services				
Title XIX Medicaid	\$ 501,000	\$ 501,000	\$ 595,060	\$ 94,060
Charges for services	6,783,214	6,783,214	5,963,518	(819,696)
Regulatory revenue	23,474,047	23,474,047	23,142,972	(331,075)
Program contract services	2,440,996	2,440,996	2,835,603	394,607
Intergovernmental revenues				-
State funding	1,311,066	1,311,066	987,147	(323,919)
Indirect federal grants	7,699,707	12,680,387	13,947,975	1,267,588
Federal grants	1,583,339	2,034,724	2,351,437	316,713
Contributions and donations	-	-	12,556	12,556
General receipts				-
Interest earnings	1,500,000	1,500,000	732,424	(767,576)
Other general receipts	8,125	8,125	17,870	9,745
Clark County contributions	24,942,525	24,942,525	24,942,525	-
Total revenues	<u>70,244,019</u>	<u>75,676,084</u>	<u>75,529,087</u>	<u>(146,997)</u>
<b>Expenditures</b>				
Public Health Function				
Nursing				
Salaries and wages	12,003,961	12,179,418	10,636,379	1,543,039
Employee benefits	3,943,940	4,003,903	3,514,753	489,150
Services and supplies	7,760,928	12,957,573	5,852,169	7,105,404
	<u>23,708,829</u>	<u>29,140,894</u>	<u>20,003,301</u>	<u>9,137,593</u>
Environmental health				
Salaries and wages	10,666,061	10,666,061	10,174,586	491,475
Employee benefits	3,674,248	3,674,248	3,475,639	198,609
Services and supplies	1,356,777	1,356,777	1,225,657	131,120
	<u>15,697,086</u>	<u>15,697,086</u>	<u>14,875,882</u>	<u>821,204</u>
Administration, operations and maintenance				
Salaries and wages	13,001,178	13,001,178	8,624,477	4,376,701
Employee benefits	4,907,818	4,907,818	3,450,651	1,457,167
Services and supplies	7,288,823	7,288,823	5,099,548	2,189,275
	<u>25,197,819</u>	<u>25,197,819</u>	<u>17,174,676</u>	<u>8,023,143</u>
Community health services				
Salaries and wages	4,375,033	4,375,033	5,617,037	(1,242,004)
Employee benefits	1,467,547	1,467,547	1,741,710	(274,163)
Services and supplies	2,041,064	2,041,064	4,981,160	(2,940,096)
	<u>7,883,644</u>	<u>7,883,644</u>	<u>12,339,907</u>	<u>(4,456,263)</u>
Total expenditures	<u>72,487,378</u>	<u>77,919,443</u>	<u>64,393,766</u>	<u>13,525,677</u>

SOUTHERN NEVADA HEALTH DISTRICT  
MAJOR FUND - GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<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>(2,243,359)</u>	<u>(2,243,359)</u>	<u>11,135,321</u>	<u>13,378,680</u>
<b>Other financing sources (uses)</b>				
Transfers out	<u>(7,199,253)</u>	<u>(7,199,253)</u>	<u>(6,001,906)</u>	<u>1,197,347</u>
Total other financing sources (uses)	<u>(7,199,253)</u>	<u>(7,199,253)</u>	<u>(6,001,906)</u>	<u>1,197,347</u>
<b>Net change in fund balances</b>	<u><b>(9,442,612)</b></u>	<u><b>(9,442,612)</b></u>	<u><b>5,133,415</b></u>	<u><b>14,576,027</b></u>
Fund balance, beginning - as previously reported	16,804,900	26,878,134	26,878,134	-
Prior Period Adjustment	-	-	398,091	398,091
Fund balance, beginning - as restated	<u>16,804,900</u>	<u>26,878,134</u>	<u>27,276,225</u>	<u>398,091</u>
<b>Fund balance, end of year</b>	<u><b>\$ 7,362,288</b></u>	<u><b>\$ 17,435,522</b></u>	<u><b>\$ 32,409,640</b></u>	<u><b>\$ 14,974,118</b></u>

**SOUTHERN NEVADA HEALTH DISTRICT**

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF FUNDING PROGRESS  
JUNE 30, 2010**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age, Normal (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
<b>Self Funded Plan</b>						
7/1/2008	\$ -	\$ 17,989,082	\$ 17,989,082	0.0%	\$ 27,459,650	65.5%
<b>PEBP</b>						
7/1/2008	-	3,550,918	3,550,918	0.0%	5,420,340	65.5%

SOUTHERN NEVADA HEALTH DISTRICT  
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2010

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**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 2 to the District's basic financial statements.

SUPPLEMENTARY SCHEDULES



MAJOR CAPITAL PROJECTS FUND



SOUTHERN NEVADA HEALTH DISTRICT  
 MAJOR FUND - BOND RESERVE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Interest earnings	<u>\$ 75,000</u>	<u>\$ 75,000</u>	<u>\$ 168,422</u>	<u>\$ 93,422</u>
<b>Other financing sources</b>				
Transfers In	<u>2,013,068</u>	<u>2,013,068</u>	<u>1,781,702</u>	<u>\$ (231,366)</u>
<b>Net change in fund balances</b>	<b>2,088,068</b>	<b>2,088,068</b>	<b>1,950,124</b>	<b>(137,944)</b>
<b>Fund balances, beginning of year</b>	<u>6,890,198</u>	<u>6,957,921</u>	<u>6,957,921</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u><u>\$ 8,978,266</u></u>	<u><u>\$ 9,045,989</u></u>	<u><u>\$ 8,908,045</u></u>	<u><u>\$ (137,944)</u></u>

## NONMAJOR CAPITAL PROJECTS FUND

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.



SOUTHERN NEVADA HEALTH DISTRICT  
NONMAJOR FUND - CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Interest earnings	<u>\$ 47,800</u>	<u>\$ 47,800</u>	<u>47,259</u>	<u>\$ (541)</u>
<b>Expenditures</b>				
Capital outlay	<u>2,649,000</u>	<u>2,649,000</u>	<u>627,100</u>	<u>2,021,900</u>
Total expenditures	<u>2,649,000</u>	<u>2,649,000</u>	<u>627,100</u>	<u>2,021,900</u>
Deficiency of revenues under expenditures	<u>(2,601,200)</u>	<u>(2,601,200)</u>	<u>(579,841)</u>	<u>2,021,359</u>
<b>Other financing sources (uses)</b>				
Transfers In	<u>2,649,000</u>	<u>2,649,000</u>	<u>2,654,000</u>	<u>5,000</u>
Total other financing sources	<u>2,649,000</u>	<u>2,649,000</u>	<u>2,654,000</u>	<u>5,000</u>
<b>Net change in fund balances</b>	<u>47,800</u>	<u>47,800</u>	<u>2,074,159</u>	<u>2,026,359</u>
Fund balance, beginning - as previously reported	1,562,794	1,557,522	1,557,522	-
Prior Period Adjustment	-	-	58,253	58,253
Fund balance, beginning - as restated	<u>1,562,794</u>	<u>1,557,522</u>	<u>1,615,775</u>	<u>58,253</u>
<b>Fund balances, end of year</b>	<u>\$ 1,610,594</u>	<u>\$ 1,605,322</u>	<u>\$ 3,689,934</u>	<u>\$ 2,084,612</u>

MAJOR PROPRIETARY FUND



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, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Operating revenues</b>				
Charges for services	\$ -	\$ -	\$ -	\$ -
<b>Operating expenses</b>				
Salaries	1,210,661	1,760,661	1,059,068	701,593
Employee benefits	404,866	591,866	386,553	205,313
Services and supplies	440,534	1,057,582	385,741	671,841
Depreciation	-	-	238,310	(238,310)
Repairs and maintenance	181,124	181,124	300,220	(119,096)
Total operating expenses	<u>2,237,185</u>	<u>3,591,233</u>	<u>2,369,892</u>	<u>1,221,341</u>
Operating loss	<u>(2,237,185)</u>	<u>(3,591,233)</u>	<u>(2,369,892)</u>	<u>1,221,341</u>
<b>Non-operating revenues</b>				
Indirect federal grants	-	-	1,368,633	1,368,633
Interest earnings	60,500	60,500	49,662	(10,838)
Total non-operating revenues	<u>60,500</u>	<u>60,500</u>	<u>1,418,295</u>	<u>1,357,795</u>
Income (loss) before transfers	<u>(2,176,685)</u>	<u>(3,530,733)</u>	<u>(951,597)</u>	<u>2,579,136</u>
<b>Transfers</b>				
Transfers In	2,237,185	2,237,185	1,516,204	(720,981)
Total transfers	<u>2,237,185</u>	<u>2,237,185</u>	<u>1,516,204</u>	<u>(720,981)</u>
<b>Net change in fund net assets</b>	<u>60,500</u>	<u>(1,293,548)</u>	<u>564,607</u>	<u>1,858,155</u>
Fund net assets, beginning - as previously reported	2,151,629	3,576,533	3,576,533	-
Prior period adjustment	-	-	2,190	2,190
Net assets, beginning - as restated	<u>2,151,629</u>	<u>3,576,533</u>	<u>3,578,723</u>	<u>2,190</u>
<b>Fund net assets, end of year</b>	<u>\$ 2,212,129</u>	<u>\$ 2,282,985</u>	<u>\$ 4,143,330</u>	<u>\$ 1,860,345</u>

INTERNAL SERVICE FUND



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, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Expenses</b>				
Claim expense	\$ 200,000	\$ 200,000	\$ 41,347	\$ (158,653)
Total expenses	<u>200,000</u>	<u>200,000</u>	<u>41,347</u>	<u>(158,653)</u>
Operating loss	<u>(200,000)</u>	<u>(200,000)</u>	<u>(41,347)</u>	<u>158,653</u>
<b>Non-operating revenues</b>				
Interest earnings	<u>20,600</u>	<u>20,600</u>	<u>10,861</u>	<u>(9,739)</u>
Income (loss) before transfers	<u>(179,400)</u>	<u>(179,400)</u>	<u>(30,486)</u>	<u>148,914</u>
<b>Transfers</b>				
Transfers In	<u>300,000</u>	<u>300,000</u>	<u>50,000</u>	<u>(250,000)</u>
<b>Net change in fund net assets</b>	<b>120,600</b>	<b>120,600</b>	<b>19,514</b>	<b>(101,086)</b>
<b>Fund net assets, beginning of year</b>	<u>336,960</u>	<u>243,856</u>	<u>243,856</u>	<u>-</u>
<b>Fund net assets, end of year</b>	<u>\$ 457,560</u>	<u>\$ 364,456</u>	<u>\$ 263,370</u>	<u>\$ (101,086)</u>

CAPITAL ASSETS USED IN THE OPERATION OF  
GOVERNMENTAL FUNDS



**SOUTHERN NEVADA HEALTH DISTRICT  
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
COMPARATIVE SCHEDULES BY SOURCE  
JUNE 30, 2010 AND 2009**

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	<u>2010</u>	<u>2009</u>
Governmental funds capital assets		
Land	\$ 2,059,765	\$ 2,059,765
Construction-in-Progress	-	196,518
Buildings	4,697,564	4,697,564
Improvements other than buildings	9,059,275	9,539,270
Furniture, fixtures and equipment	9,014,237	9,050,273
Vehicles	<u>704,628</u>	<u>763,626</u>
Total governmental funds capital assets	<u>\$ 25,535,469</u>	<u>\$ 26,307,016</u>
Investments in governmental funds capital assets by source		
General fund	<u>\$ 25,535,469</u>	<u>\$ 26,307,016</u>

SOUTHERN NEVADA HEALTH DISTRICT  
 CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
 SCHEDULES BY FUNCTION  
 JUNE 30, 2010

Function	Land	Construction-in-Progress	Buildings	Improvements Other Than Buildings	Furniture, Fixtures and Equipment and Vehicles	Total
Nursing	\$ -	\$ -	-	\$ 40,893	\$ 1,755,263	\$ 1,796,156
Environmental health	-	-	-	22,867	1,225,651	1,248,518
Administration, operations and maintenance	2,059,765	-	4,697,564	8,943,397	6,106,474	21,807,200
Community health services	-	-	-	52,118	631,477	683,595
Total governmental funds capital assets	\$ 2,059,765	\$ -	\$ 4,697,564	\$ 9,059,275	\$ 9,718,865	\$ 25,535,469

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, 2010

Function	Governmental Funds Capital Assets June 30, 2009	Additions	Deletions	Transfers	Governmental Funds Capital Assets June 30, 2010
Nursing	\$ 1,823,812	\$ 7,599	\$ 35,255	\$ -	\$ 1,796,156
Environmental health	1,084,740	163,778	-	-	1,248,518
Administration, operations and maintenance	22,987,959	182,633	1,363,392	-	21,807,200
Community health services	410,505	273,090	-	-	683,595
Total governmental funds capital assets	<u>\$ 26,307,016</u>	<u>\$ 627,100</u>	<u>\$ 1,398,647</u>	<u>\$ -</u>	<u>\$ 25,535,469</u>

STATISTICAL SECTION



**SOUTHERN NEVADA HEALTH DISTRICT  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 STATISTICAL SECTION TABLE OF CONTENTS (Unaudited)  
 FISCAL YEAR ENDED JUNE 30, 2010**

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

<u>Contents</u>	<u>Page</u>
<b>Financial Trends</b>	
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
<b>Revenue Capacity</b>	
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
<b>Debt Capacity</b>	
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.	
<b>Demographic and Economic Information</b>	
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
Principal Employers in Clark County Current Year and Nine Years Ago	66
<b>Operating Information</b>	
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
Operating Indicators by Function/Program	68 – 69
Capital Assets Statistics by Function/Program	70

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

	2003	2004	2005	2006	2007	2008	2009	2010
<b>Governmental activities</b>								
Invested in capital assets	\$ 12,868,765	\$ 14,626,727	\$ 14,454,028	\$ 13,277,235	\$ 12,740,560	\$ 11,723,864	\$ 10,905,724	\$ 9,769,370
Restricted	49,421	24,282	31,696	5,651	16,667	640,854	100,000	100,994
Unrestricted	3,603,784	6,538,082	10,450,995	13,028,963	16,108,148	23,928,363	27,070,175	34,410,089
Total governmental activities	16,521,970	21,189,091	24,936,719	26,311,849	28,865,375	36,293,081	38,075,899	44,280,453
<b>Business-type activities</b>								
Invested in capital assets	-	-	397,330	1,269,054	1,637,230	1,546,682	1,301,831	1,135,113
Restricted	-	-	-	-	-	-	-	-
Unrestricted	-	-	607,834	253,194	177,993	1,066,753	2,274,702	3,006,006
Total business-type activities	-	-	1,005,164	1,522,248	1,815,223	2,613,435	3,576,533	4,143,119
<b>Primary government</b>								
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	12,207,555	10,904,483
Restricted	49,421	24,282	31,696	5,651	16,667	640,854	100,000	100,994
Unrestricted	3,603,784	6,538,082	11,058,829	13,282,157	16,286,141	24,995,116	29,344,877	37,418,095
Total primary government net assets	16,521,970	21,189,091	25,941,883	27,834,097	30,680,598	38,906,516	41,652,432	48,423,572

\* 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 EIGHT FISCAL YEARS (UNAUDITED) \*

	2003	2004	2005	2006	2007	2008	2009	2010
<b>Expenses</b>								
<b>Governmental activities</b>								
<b>Nursing</b>								
Communicable diseases	\$ 9,426,860	\$ 11,165,033	\$ 10,881,613	\$ 8,003,504	\$ 6,758,899	\$ 7,988,929	\$ 7,933,975	\$ 7,619,766
General nursing administration	2,346,406	2,292,977	1,882,503	2,097,551	2,288,338	2,440,021	2,786,755	2,590,645
Immunizations	3,085,069	7,957,547	8,757,974	8,707,255	11,522,381	11,022,254	11,357,315	11,454,155
Women's health	2,232,961	1,960,583	1,765,674	1,541,830	1,774,878	1,909,649	1,972,851	1,609,964
Children's health	2,661,153	2,696,783	3,034,452	2,752,746	2,511,536	2,016,251	2,196,650	2,297,208
Other nursing programs	596,558	808,863	1,131,084	717,646	488,175	200,888	0	0
<b>Total nursing</b>	<b>20,329,007</b>	<b>26,881,786</b>	<b>27,453,300</b>	<b>23,820,532</b>	<b>25,344,207</b>	<b>25,527,992</b>	<b>26,247,546</b>	<b>25,571,738</b>
<b>Environmental health</b>								
Environmental health and sanitation	6,181,703	6,719,633	7,475,321	9,275,812	9,941,857	11,501,992	12,844,003	12,251,212
Waste management	1,044,594	1,185,067	1,670,545	1,833,213	1,590,265	1,830,397	2,186,958	2,228,821
Other environmental health programs	373,413	344,835	341,361	405,592	408,450	480,521	451,712	463,513
<b>Total environmental health</b>	<b>7,599,710</b>	<b>8,249,535</b>	<b>9,487,227</b>	<b>11,514,617</b>	<b>11,940,592</b>	<b>13,812,910</b>	<b>15,482,673</b>	<b>14,943,546</b>
<b>Administration, operations and maintenance</b>								
General administration	6,782,530	8,015,188	9,482,739	10,699,343	12,478,025	13,632,831	17,816,365	14,873,041
Health cards	3,297,087	3,954,997	4,046,874	4,096,778	4,282,389	5,153,429	5,375,492	4,721,436
Health education	2,175,434	2,510,925	2,300,824	-	-	-	-	-
Disaster recovery	-	-	-	-	-	59,346	14,098	168,549
Vital records	1,000,621	1,128,119	1,250,675	1,411,725	1,511,914	1,734,859	1,521,507	1,438,658
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	-	-	-	-	-
<b>Total administration, operations and maintenance</b>	<b>15,493,312</b>	<b>19,259,834</b>	<b>21,328,068</b>	<b>16,087,846</b>	<b>18,272,328</b>	<b>20,760,465</b>	<b>24,727,462</b>	<b>21,201,684</b>

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

	2003	2004	2005	2006	2007	2008	2009	2010
<b>Expenses (continued)</b>								
Community health services								
Administration	\$ -	\$ -	\$ -	\$ -	\$ 233,435	\$ 153,913	\$ 257,760	\$ 277,793
Health education	-	-	-	1,902,621	1,997,851	2,148,168	2,207,059	2,523,480
Epidemiology	-	-	-	1,000,324	1,440,716	1,220,115	1,164,790	1,120,337
Public health preparedness	-	-	-	4,018,104	3,541,232	4,154,798	4,400,431	8,859,153
Emergency medical services	-	-	-	613,169	667,957	689,888	842,260	711,375
Total community health services	-	-	-	7,534,218	7,881,191	8,368,882	8,872,300	13,492,138
Total governmental activities expenses	43,422,029	54,391,155	58,868,595	58,957,213	63,438,318	68,488,249	75,329,981	13,492,138
Business-type activities								
Southern Nevada Public Health Laboratory	-	-	1,150,860	1,387,608	1,547,881	1,674,398	2,252,506	2,369,892
Total business-type activities expenses	-	-	1,150,860	1,387,608	1,547,881	1,674,398	2,252,506	2,369,892
Total primary government expenses	43,422,029	54,391,155	60,019,455	60,344,821	64,986,199	70,162,647	77,582,487	15,862,030
<b>Program revenues</b>								
Governmental activities								
Charges for services								
Nursing								
Communicable diseases	112,326	214,497	187,507	260,426	855,954	344,531	393,439	482,704
General nursing administration	521,470	425,023	87,812	98,662	97,604	99,875	26,079	22,895
Immunizations	1,963,980	2,826,563	2,719,250	3,591,220	3,215,235	3,419,535	3,450,964	3,325,161
Women's health	439,859	243,684	170,988	269,012	334,550	343,831	389,103	374,566
Children's health	32,344	33,638	138,488	112,003	146,272	432,722	707,089	609,788
Other nursing programs	328,111	399,520	679,940	425,572	478,711	253,555	188,642	0
Total nursing	3,398,090	4,142,945	3,983,985	4,746,915	5,128,326	4,894,049	5,155,316	5,015,114
Environmental health								
Environmental health and sanitation	4,914,575	6,593,338	9,782,020	7,878,203	10,093,788	13,689,283	14,606,507	14,960,474
Waste management	384,608	509,567	1,081,251	1,340,543	1,233,396	1,236,729	1,055,890	1,189,143
Other environmental health programs	116,595	249,614	227,363	219,271	253,010	327,056	338,118	431,481
Total environmental health	5,425,778	7,352,539	11,090,654	9,438,017	11,640,194	15,253,068	16,000,615	16,581,098

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

	2003	2004	2005	2006	2007	2008	2009	2010
<b>Program revenues (continued)</b>								
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	5,845,969	6,359,945
Health education	-	22,020	50,115	-	-	-	-	-
Vital records	1,193,994	1,609,040	1,723,585	1,967,574	2,295,817	2,711,505	2,572,061	2,479,891
Emergency medical services	28,448	59,541	82,075	-	-	-	-	-
Public health response for bioterrorism	-	-	11,023	-	-	-	-	-
Total administration, operations and maintenance	4,536,839	6,403,955	6,435,632	6,652,297	7,849,182	9,731,625	8,418,030	8,839,836
Community health services								
Health education	-	-	-	286	115,637	103,682	102,540	604,382
Public health preparedness	-	-	-	-	365,821	13,905	-	4,494
Emergency medical services	-	-	-	63,266	109,808	76,431	87,889	83,996
Total community health services	-	-	-	63,552	591,266	194,018	190,429	692,872
Operating grants and contributions	12,801,289	19,146,745	19,103,517	19,170,520	17,852,732	19,867,705	19,015,920	25,481,110
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	48,780,310	56,610,030
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	1,654,486	1,368,633
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	1,654,486	1,368,633
Total primary government program revenues	27,625,847	40,836,419	45,235,249	41,059,006	44,364,935	51,374,731	50,434,796	57,978,663

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

	2003	2004	2005	2006	2007	2008	2009	2010
<b>Net (expense)/revenue</b>								
Governmental activities	\$ (15,796,182)	\$ (13,554,736)	\$ (14,810,893)	\$ (18,750,948)	\$ (20,376,618)	\$ (18,547,784)	\$ (26,549,671)	\$ 43,117,892
Business-type activities	-	-	26,687	(594,867)	(244,646)	(240,132)	(598,020)	(1,001,259)
Total primary government net expense	(15,796,182)	(13,554,736)	(14,784,206)	(19,285,815)	(20,621,264)	(18,787,916)	(27,147,691)	42,116,633
<b>General revenues and other changes in net assets</b>								
Governmental activities								
Consolidated county tax	16,450,000	17,440,001	18,670,000	20,330,000	22,450,600	25,473,000	28,182,950	24,942,525
State funding	832,228	508,257	477,078	-	-	-	-	-
Miscellaneous	133,739	87,239	26,517	169,198	-	17,043	18,615	12,423
Unrestricted investment earnings	376,124	186,360	357,976	658,511	1,008,472	1,552,946	1,633,740	958,966
Transfers	(9,715)	-	(973,050)	(1,031,631)	(528,928)	(1,064,673)	(1,502,813)	(1,516,204)
Total governmental activities	17,722,377	18,221,857	18,558,521	20,126,078	22,930,144	25,978,316	28,332,492	24,397,710
Business-type activities								
Unrestricted investment earnings	-	-	5,427	20,320	10,693	27,205	58,307	49,662
Gain/(Loss) on disposal of capital assets	-	-	-	-	-	(53,594)	0	-
Transfers	-	-	973,050	1,031,631	528,928	1,064,673	1,502,813	1,516,204
Total business-type activities	-	-	978,477	1,051,951	537,621	1,038,344	1,561,120	1,565,866
Total primary government	17,722,377	18,221,857	19,536,998	21,178,029	23,467,765	27,016,660	29,893,612	25,963,576
<b>Change in net assets</b>								
Governmental activities	1,926,195	4,667,121	3,747,628	1,375,130	2,553,526	7,430,532	1,782,821	67,515,602
Business-type activities	-	-	1,005,164	517,084	292,975	798,212	963,100	564,807
Total primary government	\$ 1,926,195	\$ 4,667,121	\$ 4,752,792	\$ 1,892,214	\$ 2,846,501	\$ 8,228,744	\$ 2,745,921	\$ 68,080,209

\* 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)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>General fund</b>										
Reserved	\$ 1,542,319	\$ 1,327,337	\$ 2,281,647	\$ 1,908,986	\$ 1,642,535	\$ 2,295,848	\$ 2,067,574	\$ 953,132	\$ 1,700,863	\$ 723,788
Unreserved	3,632,201	4,680,558	4,909,859	9,222,634	13,541,705	15,797,637	19,528,050	31,058,424	31,685,852	31,635,429
Total governmental activities	5,074,520	6,007,895	7,191,506	11,131,620	15,184,240	18,093,485	21,595,624	32,011,556	33,386,715	32,369,217
<b>All other governmental funds</b>										
Reserved	105,746	237,674	97,638	81,246	207,213	252,803	147,190	507,542	2,304,124	401,413
Unreserved, reported in:										
Capital projects fund	2,680,404	1,633,277	394,369	315,574	350,936	243,172	(209,441)	917,291	954,261	3,288,520
Bond reserve fund	-	-	-	-	-	-	-	1,950,124	6,957,921	8,908,045
Total all other governmental funds	\$ 2,786,150	\$ 1,870,951	\$ 492,007	\$ 396,820	\$ 558,149	\$ 495,975	\$ (62,251)	\$ 3,374,957	\$ 10,216,306	\$ 12,597,978

(Prepared using the modified accrual basis of accounting)

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Revenues</b>										
Title IX and fee for services	\$ 2,701,630	\$ 3,370,872	\$ 3,908,538	\$ 5,156,333	\$ 5,387,739	\$ 6,834,435	\$ 6,717,878	\$ 7,340,981	\$ 6,871,724	\$ 6,556,578
Regulatory revenue	11,912,170	9,030,793	8,760,386	12,125,434	15,404,706	13,915,381	16,793,854	22,538,791	22,028,715	23,142,972
Program contract services	680,335	748,677	691,783	615,672	717,826	350,965	1,618,959	2,652,518	2,644,428	2,839,035
State funding	3,033,057	3,560,426	2,492,792	2,485,091	2,176,201	3,251,839	1,879,920	1,149,301	1,067,270	987,147
Indirect federal grants	4,230,507	5,024,854	7,450,826	9,505,848	8,764,344	7,963,294	7,879,787	8,630,562	9,134,335	14,004,773
Direct federal grants	6,174,767	5,656,554	4,907,713	6,387,319	6,486,650	2,826,414	1,590,603	1,651,603	1,637,192	2,351,437
Contributions and donations	-	-	246,038	481,002	388,897	778,421	4,131	11,803	27,148	12,556
Other	1,209,835	637,499	449,863	273,599	384,493	819,558	1,002,861	1,581,990	1,633,161	965,975
Clerk County contributions	14,450,000	15,173,031	16,450,000	17,440,001	18,670,000	20,330,000	22,450,600	25,473,000	28,182,950	24,942,525
	<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>59,338,603</u>	<u>71,030,549</u>	<u>73,226,943</u>	<u>75,804,998</u>
<b>Expenditures</b>										
Nursing	14,354,788	16,712,894	20,027,209	21,849,327	21,942,229	18,955,239	16,917,693	19,221,694	20,834,398	20,006,733
Environmental health	6,295,360	6,645,453	7,471,690	7,972,691	9,376,173	11,282,987	11,989,911	13,572,009	15,242,692	14,875,892
Community health services	-	-	-	-	-	7,233,815	7,706,454	8,091,703	8,606,149	12,339,907
Administration, operations and maintenance	17,242,875	17,857,778	14,179,395	17,374,411	19,861,149	14,037,022	16,272,804	18,808,328	21,189,574	17,174,678
Capital outlay	1,249,475	1,086,037	4,159,747	3,430,743	2,014,306	1,761,244	1,580,900	948,771	906,512	627,100
	<u>39,142,498</u>	<u>42,302,162</u>	<u>45,838,041</u>	<u>50,627,172</u>	<u>53,193,857</u>	<u>53,270,307</u>	<u>56,467,762</u>	<u>60,640,505</u>	<u>66,789,315</u>	<u>65,024,238</u>
<b>Other financing sources (uses)</b>										
Transfers in	1,600,000	-	600,000	3,329,458	3,608,993	2,843,967	2,331,920	3,398,434	6,822,857	4,435,702
Transfers out	(1,600,000)	-	(600,000)	(3,329,458)	(4,582,043)	(3,596,896)	(2,858,948)	(4,663,107)	(8,525,670)	(6,001,906)
Sale of capital assets	-	-	59,612	-	-	-	-	-	-	-
	<u>-</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>	<u>(1,702,813)</u>	<u>(1,566,204)</u>
<b>Net change in fund balances</b>	<u>\$ 5,249,803</u>	<u>\$ 898,544</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>	<u>\$ 4,734,815</u>	<u>\$ 9,214,496</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				
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%	
2008 - 2009	106,988,178,756	5,817,306,838	112,805,485,594	0.6391	322,301,387,411	35%	
2009 - 2010	86,961,001,865	4,772,231,316	91,733,233,181	0.6391	262,094,951,945	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)

	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010
County direct rate	0.6377	0.6202	0.6202	0.6502	0.6502	0.6425	0.6416	0.6391	0.6391	0.6391
Clark County School District rate	1.3034	1.3034	1.3034	1.3034	1.3034	1.3034	1.3034	1.3034	1.3034	1.3034
State of Nevada rate	0.1650	0.1650	0.1650	0.1700	0.1850	0.1850	0.1850	0.1850	0.1850	0.1850
<b>City Rates:</b>										
Boulder City	0.2022	0.2038	0.2038	0.2038	0.2038	0.1844	0.2038	0.2038	0.2188	0.2600
Henderson	0.7108	0.7108	0.7108	0.7108	0.7108	0.7108	0.7108	0.7108	0.7108	0.7108
Las Vegas	0.8873	0.7817	0.7809	0.7796	0.7792	0.7774	0.7777	0.7715	0.7715	0.7715
Mesquite	0.3020	0.3020	0.3020	0.3020	0.5520	0.5520	0.5520	0.5520	0.5520	0.5520
North Las Vegas	1.1734	1.1987	1.1987	1.1987	1.1987	1.1887	1.1687	1.1637	1.1637	1.1637
<b>Unincorporated Town Rates:</b>										
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	-	-	-	-	-	-	-	-
Indian Springs	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200
Laughlin	0.8416	0.8416	0.8416	0.8416	0.8416	0.8416	0.8416	0.8416	0.8416	0.8416
Moapa Valley	0.2344	0.2344	0.2344	0.2344	0.2344	0.2344	0.2344	0.2344	0.2344	0.1094
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	0.1165	0.1232	0.1224	0.1153	0.1172	0.1223	0.1222	0.1212	0.1212	0.0600
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
<b>Other Special District Rates:</b>										
Boulder City Library	0.1832	0.1820	0.1655	0.1655	0.1640	0.1625	0.1555	0.1485	0.1485	0.1485
Clark County Fire Services District	0.2157	0.2197	0.2197	0.2197	0.2197	0.2197	0.2197	0.2197	0.2197	0.2197
Colorado River Groundwater Basin	0.2981	0.0711	0.0287	0.0402	0.0575	0.0522	0.0496	0.0520	0.0039	0.0018
Coyote Spring Valley Groundwater Basin	0.0950	0.0050	0.0050	0.0050	0.0050	0.0050	0.0050	0.0050	0.0050	0.0050
Emergency 9-1-1	0.0502	0.0507	0.0531	0.0535	0.0533	0.0533	0.0533	0.0582	0.0590	0.0581
Henderson City Library	0.0487	0.0487	0.0456	0.0417	0.0414	0.0351	0.0351	0.0346	0.0346	0.0346
Kyle Canyon Water District	0.0024	0.0022	0.0020	0.0016	0.0016	0.0013	0.0009	0.0008	0.0008	0.0011
Las Vegas Artesian Basin	0.0952	0.0971	0.0949	0.0977	0.0958	0.0866	0.0866	0.0866	0.0909	0.0909
Las Vegas - Clark County Library District	0.2721	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800
Las Vegas Metro Police - Manpower - City	0.2721	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800
Las Vegas Metro Police - Manpower - County	0.8613	0.8813	0.8813	0.8813	0.8813	0.8813	0.8813	0.8813	0.8813	0.8813
Mt. Charleston Fire District	0.1929	0.1657	0.0970	0.0937	0.0899	0.0785	-	0.8813	0.8913	0.8813
Muddy River Springs Area Groundwater Basin	0.0632	0.0632	0.0632	0.0632	0.0632	0.0632	0.0632	0.0632	0.0632	0.0632
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 TEN YEARS AGO (UNAUDITED)

Taxpayer	2009-2010			2000-2001		
	Taxable Assessed Value	Rank	Percentage of Total County Assessed Value	Taxable Assessed Value	Rank	Percentage of Total County Assessed Value
MGM Mirage	\$ 5,596,281,109	1	6.44%	\$ 1,499,329,170	1	5.14%
Harrah's Entertainment Inc.	2,641,900,413	2	3.04%	-		
General Growth Properties	1,646,740,509	3	1.89%	-		
Nevada Power Company	1,499,669,490	4	1.72%	591,794,430	4	2.03%
Las Vegas Sands Corporation	1,205,866,316	5	1.39%	-		
Wynn Resorts Limited	1,096,969,562	6	1.26%	-		
Boyd Gaming Corporation	948,673,823	7	1.09%	-		
Station Casinos Corporation	791,711,253	8	0.91%	227,792,510	8	0.78%
Turnberry Associates	439,365,294	9	0.50%	-		
Olympia Group Limited Liability Company	363,530,756	10	0.42%	-		
Mandalay Resort Group	-			887,362,930	2	3.04%
Park Place Entertainment	-			855,372,080	3	2.93%
F.S. rouse Limited Liability Company	-			344,348,540	5	1.18%
Venetian Casino Resort Limited Liability Company	-			301,686,530	6	1.03%
Harrah's Club	-			289,078,990	7	0.99%
Aladdin Gaming Limited Liability Company	-			219,969,930	9	0.75%
Sierra-Nevada Multifamily Investments	-			197,050,780	10	0.68%
Total	\$ 16,230,708,525		18.66%	\$ 5,413,785,890		18.55%
Countywide Assessed Valuation	\$ 86,961,001,865			\$ 29,164,282,920		

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
2000 - 2001	869,504,879	854,836,513	98.31%	14,667,830	869,504,343	100.00%	336	0.00%
2001 - 2002	965,056,788	949,315,930	98.37%	15,736,124	965,052,054	100.00%	4,784	0.00%
2002 - 2003	1,132,959,429	1,118,892,620	98.76%	14,050,530	1,132,943,150	100.00%	16,279	0.00%
2003 - 2004	1,262,337,653	1,251,864,740	99.17%	10,438,867	1,262,303,607	100.00%	34,046	0.00%
2004 - 2005	1,449,273,775	1,439,911,686	99.35%	9,339,483	1,449,251,169	100.00%	22,606	0.00%
2005 - 2006	1,639,440,075	1,632,191,297	99.56%	7,191,595	1,639,382,892	100.00%	57,183	0.00%
2006 - 2007	1,927,504,172	1,909,964,723	99.09%	17,049,389	1,927,014,112	99.97%	490,060	0.03%
2007 - 2008	2,180,151,410	2,144,481,519	98.36%	30,981,680	2,175,463,199	99.78%	4,688,211	0.22%
2008 - 2009	2,359,508,218	2,310,905,968	97.94%	30,112,960	2,341,018,928	98.22%	18,489,290	0.78%
2009 - 2010	2,287,778,838	2,216,524,825	97.74%	*	2,216,524,825	97.74%	*	*

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 (4)</u>	<u>Household Income (1)</u>	<u>School Enrollment (2)</u>	<u>Unemployment Rate (3)</u>
2001	1,485,855	42,810	231,125	4.30%
2002	1,560,653	42,243	244,684	6.18%
2003	1,620,748	43,756	255,328	5.31%
2004	1,715,337	45,793	268,357	4.80%
2005	1,796,380	49,565	280,834	4.00%
2006	1,874,837	33,414	291,510	3.90%
2007	1,954,319	39,853	302,763	4.30%
2008	1,967,716	39,920	308,745	5.50%
2009	1,952,040	*	311,221	9.18%
2010	1,956,881	*	309,476	15.00%

Notes:

- (1) Nevada Workforce.com
- (2) Clark County School District (Public School Enrollment)
- (3) Nevada Department of Employment Security
- (4) Nevada State Demographer and cber.unlv.edu
- \* Information not yet available

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

Employer	2009 - 2010			2000-2001		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Clark County School District	35,000	1	4.37%	23,750	1	3.24%
Clark County , Nevada	9,250	2	1.16%	7,750	5	1.06%
Wynn Las Vegas, LLC	8,250	3	1.03%			
Bellagio, LLC	8,250	4	1.03%	8,750	2	1.20%
MGM Grand Hotel/Casino	7,750	5	0.97%	8,750	3	1.20%
Mandalay Bay Resort and Casino	6,250	6	0.78%	5,250	7	0.71%
Las Vegas Metropolitan Police	5,750	7	0.72%	-		
Caesars Palace	5,250	8	0.66%	4,750	9	0.65%
University of Nevada - Las Vegas	4,750	9	0.59%	-		
Veneitan Casino Resort	4,750	10	0.59%			
The Mirage Casino Hotel	-			6,750	6	0.92%
Ballys and Paris Casino Hotels	-			8,250	4	1.13%
Rio Suite Hotel	-			5,250	8	0.72%
State of Nevada	-			4,750	10	0.65%
Total for principal employers	95,250		11.90%	84,000		11.48%
Total employment in Clark County as of June 30	800,100			731,900		

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

Note: Number of employees estimated using midpoint range.

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

Function	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Nursing	188	195	203	205	204	205	162	177	172	163
Environmental Health	100	107	107	107	117	135	140	158	156	146
Air Quality (A)	75	-	-	-	-	-	-	-	-	-
Community Health Services (B)	-	-	-	-	50	54	49	54	55	53
Administration, Operations and Maintenance	140	155	163	166	132	139	135	151	152	146
Southern Nevada Public Health Laboratory (C)	-	-	-	-	10	12	10	10	14	15

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	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Nursing</b>										
Communicable diseases										
Reported diseases:										
Hepatitis A	49	26	17	7	13	15	4	4	11	12
Hepatitis B	39	53	62	53	25	27	40	28	33	34
Influenza	29	59	207	58	182	202	95	270	528	528
Pertussis	6	23	22	16	30	22	15	24	6	12
Amebiasis	4	23	17	13	13	9	9	10	11	5
Campylobacteriosis	135	111	103	101	96	86	119	135	107	120
Escherichia coli 0157:H7	8	14	17	20	13	10	22	12	14	15
Giardiasis	141	119	94	74	73	82	71	94	75	67
Immunizations totals	451,425	432,829	447,255	390,295	343,883	310,514	270,326	273,662	302,982	200,142
Sexually transmitted diseases, HIV/AIDS										
Syphilis	49	90	74	125	259	287	314	277	289	230
Gonorrhea	1,404	1,590	1,748	2,902	2,941	2,503	2,260	2,207	1,576	1,697
Chlamydia	3,864	4,748	4,437	4,692	6,209	5,812	7,276	7,773	7,681	8,414
People living with HIV	-	-	3,913	2,960	2,722	2,939	3,065	3,028	266	271
Diagnosed cases of AIDS	-	-	3,913	4,172	4,240	4,468	5,533	4,962	230	187
<b>Environmental Health</b>										
Food and beverage establishment inspections										
Routine	21,078	20,960	21,418	17,956	22,011	26,960	25,229	25,229	24,486	27,030
Special event	1,974	1,930	2,137	2,183	2,531	2,877	3,553	3,567	3,696	3,761
Complaint driven	2,072	1,804	1,742	1,668	1,995	1,942	2,370	1,800	1,517	1,409
Epi related	821	997	693	676	542	584	565	615	369	41

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

Function	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Community Health Services</b>										
Emergency medical services										
Active certifications:										
First Responder	44	80	74	58	68	52	33	20	4	1
EMT - Basic	1,153	1,287	1,300	1,452	1,283	1,118	910	881	784	671
EMT - Intermediate	1,039	1,108	1,290	1,440	1,437	1,474	1,405	1,336	1,322	1,369
EMT - Paramedic	573	576	650	766	821	812	913	947	985	1,018
EMT - Instructors	233	256	272	286	300	356	382	389	383	356
Epidemiology										
Reported diseases:										
Amebiasis	-	-	-	-	-	-	-	10	11	5
Coccidioidomycosis	37	39	33	55	62	58	57	63	50	56
Cryptosporidiosis	-	-	-	-	-	-	-	16	1	4
Invasive Group A Strep	-	-	-	-	-	-	-	26	11	-
Invasive Strep Pneumoniae	-	-	-	-	-	-	-	5	1	2
Legionellosis	-	-	-	-	-	-	-	10	11	17
Listeriosis	-	-	-	-	-	-	-	6	2	1
Lyme Disease	-	-	-	-	-	-	-	9	4	1
Menengitis, Aseptic/Viral	87	95	136	86	80	70	54	61	47	32
Menengitis, Bacterial	17	24	23	19	15	13	18	21	11	7
Meningococcal Disease	8	15	7	4	8	5	3	6	1	4
Rotavirus	567	459	442	673	579	647	356	280	104	90
RSV	1,578	2,078	1,415	1,195	1,564	1,556	1,234	1,139	1,049	1,225
Salmonellosis	149	176	121	129	144	132	220	166	175	172
Shigellosis	54	33	53	64	54	69	109	159	144	57
<b>Administrative, Operations and Maintenance</b>										
Health cards issued										
New	-	-	59,029	64,398	67,421	77,781	70,607	64,288	45,492	42,200
Renewal	-	-	22,481	58,413	50,018	28,619	70,772	62,604	58,949	70,657
Other	-	-	8,336	12,003	12,966	29,822	10,828	11,378	9,950	9,450
Total	135,680	126,196	89,846	134,814	130,405	136,222	152,207	138,270	114,391	122,507
Vital records										
Births	23,107	23,980	24,093	26,292	28,060	29,070	30,589	30,362	19,860	19,613
Deaths	11,576	12,097	12,766	12,782	13,762	13,775	12,664	13,409	10,399	10,157

Note: - Information not available.

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

Function	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Nursing	\$ -	\$ -	\$ 2,035,173	\$ 3,029,633	\$ 1,435,565	\$ 1,635,917	\$ 1,734,328	\$ 1,791,734	\$ 1,797,575	\$ 1,620,435
Environmental Health	-	-	541,386	725,496	831,792	928,668	989,475	1,069,123	1,029,719	1,189,172
Air Quality (A)	-	-	-	-	-	-	-	-	-	-
Community Health Services (B)	-	-	-	-	-	359,437	382,071	377,644	434,240	712,206
Administration, Operations and Maintenance	-	-	17,120,799	18,870,951	21,528,947	21,075,415	22,182,097	22,737,233	23,045,482	22,013,656
Southern Nevada Public Health Laboratory (C)	-	-	-	-	410,280	1,450,586	2,032,365	2,134,430	2,245,520	2,286,992
Totals	\$ 20,941,215	\$ 19,118,352	\$ 19,697,358	\$ 22,626,080	\$ 24,306,684	\$ 25,450,023	\$ 27,320,336	\$ 28,110,164	\$ 28,552,536	\$ 27,822,461

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





**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, 2010, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 10, 2010. 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as item 2010-1-FS to be material weaknesses.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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*.

The District's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the District's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the Board of Health, others within the District, and federal awarding agencies and pass-through entities, 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 10, 2010



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

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH  
OMB CIRCULAR A-133**

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

**Compliance**

We have audited Southern Nevada Health District's (the District) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2010. 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. 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 of the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010.

## Internal Control Over Compliance

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 the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2010-1 to be a material weakness.

The District's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the District's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of management, the Board of Health, others within the District, and federal awarding agencies and pass-through entities, 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 10, 2010

**SOUTHERN NEVADA HEALTH DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

Agency/Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Agency or Pass-through Number	Federal Expenditures
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
Passed through Nevada Department of Health and Human Services Resources Health Division:			
Public Health Emergency Preparedness			
CDC PHEP GY10	93.069	5U90TP916964-10 5U90TP916964-	\$ 2,328,032
CDC PHEP GY09	93.069	09;5U90TP916964-08	390,969
Cities Readiness Initiative GY10	93.069	5U90TP916964-10	591,976
Cities Readiness Initiative GY09	93.069	5U90TP916964-09	262,922
H1N1 III GY10	93.069	1H75TP000337-01	4,372,927
H1N1 I & II GY10 (Funding Source: 5350)	93.069	1H75TP000337-01	335,097
H1N1 I & II GY10 (Funding Source: 5360)	93.069	1H75TP000337-01	850,421
Total Public Health Emergency Preparedness			9,132,344
Passed through Nevada Department of Health and Human Services Resources Health Division:			
Project Grants and Cooperative Agreements for Tuberculosis Control Programs			
TB Outreach CY10	93.116	2U52PS907855-19	87,508
TB Outreach CY09	93.116	5U52PS907855-18	138,934
Total Project Grants and Cooperative Agreements for Tuberculosis Control Programs			226,442
Passed through Nevada Department of Health and Human Services Resources Health Division:			
Injury Prevention and Control Research and State and Community Based Programs			
TIIDE GY09	93.136	5U17CE001233-03	48,952
TIIDE GY08	93.136	5U17CE001233-02	14,399
Total Injury Prevention and Control Research and State and Community Based Programs			63,351
Direct Program:			
Childhood Lead Poisoning Prevention Projects			
Childhood Lead Prevention FY10	93.197	5H64EH000145-04	\$ 501,144
Childhood Lead Prevention FY09	93.197	5H64EH000145-03	(683)
Total Childhood Lead Poisoning Prevention Projects			500,461
Direct Program:			
Family Planning Services			
Family Planning Project CY10	93.217	6FPHPA090159-39-01	525,602
Family Planning Project CY09	93.217	6FPHPA090159-38-03	668,926
Total Family Planning Services			1,194,528
Passed through Nevada Department of Health and Human Services Resources Health Division:			
Immunization Cluster:			

**SOUTHERN NEVADA HEALTH DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(CONTINUED)**

Agency/Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Agency or Pass-through Number	Federal Expenditures
Immunization Operations CY10	93.268	5H23IP922549-08	344,254
Immunization Operations CY09	93.268	5H23IP922549-07	418,127
Total Immunization Cluster			<u>762,381</u>
Passed through Nevada Department of Health and Human Services Resources Health Division:			
Centers for Disease Control and Prevention - Investigations and Technical Assistance			
EPI HAN Surv Lab Cap Personnel CY10 (Fund Source: 5520)	93.283	3U50CI000489-03S3	1,812
EPI HAN Surv Lab Cap Personnel CY09 (Fund Source: 5449)	93.283	5U50CI000489-03	26,995
West Nile Virus (Funding Source: 5511)	93.283	3U50CI000489-03S3	43,079
West Nile Virus (Funding Source: 5510)	93.283	5U50CI000489-03	67,932
Adult Viral Hepatitis Prevention Program GY10	93.283	PS08-80102	11,275
Adult Viral Hepatitis Prevention Program GY09	93.283	PS08-80102	26,826
Tobacco Control CDC GY10	93.283	5U58DP002003-02	237,407
Total Centers for Disease Control and Prevention - Investigations and Technical Assistance			<u>415,326</u>
Passed through Nevada Department of Health and Human Services Resources Health Division:			
Community Services Block Grant - Discretionary Awards			
EPSDT - Early Periodic Screening, Diagnosis, & Treatment FY	93.570	OSP-12208BA	40,000
Direct Program:			
ARRA - Prevention and Wellness - Communities Putting Prevention to Work Funding Opportunities Announcement			
Tobacco CPPW	93.724	1U58DP002383-01	271,832
Passed through Nevada Department of Health and Human Services Resources Health Division:			
National Bioterrorism Hospital Preparedness Program			
ASPR HPP	93.889	1 U3REP070018-01-00	95,656
ASPR HPP	93.889	1 U3REP090220-01-00	1,095,954
ASPR HPP	93.889	1 U3REP070018-01-00	449,935
Medical Reserve Corps (ASPR MRC)	93.889	1 U3REP070018-01-00	23,940
H1N1 ASPR	93.889	1 U3REP090211-01-00	3,297
Total National Bioterrorism Hospital Preparedness Program			<u>1,668,782</u>
Passed through Nevada Department of Health and Human Services Resources Health Division:			
HIV Prevention Activities - Nongovernmental Organization Based			
CDC Hepatitis C GY10	93.939	1H75PS002093-01	233,160
Passed through Nevada Department of Health and Human Services Resources Health Division:			
HIV Prevention Activities - Health Department Based			
AIDS Prevention CY09	93.940	5U62/PS923483-05	1,609,076

**SOUTHERN NEVADA HEALTH DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(CONTINUED)**

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 Resources Health Division:			
HIV/AIDS Surveillance			
AIDS Core Surveillance CY10	93.944	5U62/PS001038-03	71,100
AIDS Core Surveillance CY09	93.944	5U62PS001038-02	82,981
Total HIV/AIDS Surveillance			<u>154,081</u>
Passed through Nevada Department of Employment, Training and Rehabilitation			
Block Grants for Prevention and Treatment of Substance Abuse			
AIDS - SAPTA - FY10	93.959	08/09 B1 NVSAPT	<u>448,238</u>
Passed through Nevada Department of Health and Human Services Resources Health Division:			
Preventive Health Services - Sexually Transmitted Diseases Control Grants:			
STD Control Project CY10 (GISP, FP IPP, & STD IPP)	93.977	1H25PS001382-02	32,364
STD Control Project CY10 (CSPS & JUVE IPP)	93.977	1H25PS001382-02	71,220
STD Control Project CY09	93.977	1H25PS001382-01	91,393
Syphilis Elimination CY10	93.977	1H25PS001382-02	111,232
Syphilis Elimination CY09	93.977	1H25PS001382-01	158,721
Total Preventive Health Services - Sexually Transmitted Diseases Control Grants:			<u>464,930</u>
Passed through Nevada Department of Health and Human Services Resources Health Division:			
Cooperative Agreements for State-Based Diabetes Control Programs and Evaluation of Surveillance Systems			
Diabetes Prevention and Control	93.988	1U58/DP002003-01	<u>47,088</u>
Passed through Nevada Department of Health and Human Services Resources Health Division:			
Maternal and Child Health Services Block Grant to States			
Maternal Child Health GY10	93.994	BO4MC11167	<u>87,000</u>
Passed through State of Nevada Division for Aging Services:			
Salud En Accion GY10 (11/01/09 - 3/31/10: \$2,500.00)	93.N/A	03-008-13-QX-10	2,500
Salud En Accion GY10	93.N/A	03-008-13-LX-10	33,279
Salud En Accion GY09	93.N/A	03-008-13-LX-09	16,179
			<u>51,958</u>
<b>Total U.S. Department of Health and Human Services</b>			<u><b>17,370,978</b></u>
<b>ENVIRONMENTAL PROTECTION AGENCY</b>			
Passed through Nevada Department of Health and Human Services Health Division:			
State Public Water System Supervision GY10	66.432	DEP-10-017	<u>57,658</u>

**SOUTHERN NEVADA HEALTH DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(CONTINUED)**

Agency/Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Agency or Pass-through Number	Federal Expenditures
Passed through Nevada Department of Conservation and Natural Resources: Hazardous Waste Management State Program Support Small Quantity Generators Project FY09	66.801	DEP 10-003	<u>75,000</u>
Passed through Nevada Department of Conservation and Natural Resources: Underground Storage Tank Prevention, Detection, and Compliance Program Underground Storage Project FY10	66.804	DEP 10-002	<u>170,000</u>
<b>Total Environmental Protection Agency</b>			<u>302,658</u>
<b>Total Expenditures of Federal Awards</b>			<u><u>\$17,673,636</u></u>

**SOUTHERN NEVADA HEALTH DISTRICT  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

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**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 2010

Aid for AIDS of Nevada	\$ 155,833
Community Counseling Center	106,667
Gay & Lesbian Community Center	116,667
	<u>379,167</u>

Family Planning Program - Grant Year 2010

Huntridge Teen Clinic	28,762
Planned Parenthood of Southern Nevada	237,500
	<u>266,262</u>

Childhood Lead Prevention Program - Grant Year 2010

HealthInSight	16,000
UNLV Board of Regents	89,236
	<u>105,236</u>

Syphilis Elimination - Grant Year 2010

Community Outreach Medical Center	<u>46,390</u>
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<b>TOTAL</b>	<b>\$ <u>797,055</u></b>
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**SOUTHERN NEVADA HEALTH DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2010**

**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

***Financial Statements***

Type of auditor's report issued	Unqualified
Internal control over financial reporting:	
• Material weaknesses identified?	Yes
• Significant deficiencies identified that are not considered to be material weaknesses?	No
Noncompliance material to financial statements noted?	No

***Federal Awards***

Internal control over major programs:	
• Material weaknesses identified?	Yes
• Significant deficiencies identified that are not considered to be material weaknesses?	No
Type of auditor's report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	Yes

Identification of major programs:

<u>Name of Federal Program or Cluster</u>	<u>CFDA Number</u>
Family Planning Services	93.217
National Bioterrorism Hospital Preparedness Program	93.889
HIV Prevention Activities – Health Department Based	93.940
Block Grants for Prevention and Treatment of Substance Abuse	93.959

Dollar threshold used to distinguish between type A and type B programs:	\$530,209
Auditee qualified as low-risk auditee?	Yes

**SOUTHERN NEVADA HEALTH DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2010**

**SECTION II – FINANCIAL STATEMENT FINDINGS**

**FINDING 2010-1-FS    CONTROLS OVER THE FINANCIAL REPORTING PROCESS –  
YEAR-END CLOSING PROCEDURES**

**Criteria:**                    The District should have controls over the financial reporting process that enable it to produce timely, reliable financial statements in accordance with generally accepted accounting principles. Strong year-end closing procedures performed by supervisory-level personnel are key to identifying all the required adjustments. Such procedures as review of the financial statement balances, which includes review of the general ledger, detail subsidiary ledgers, account detail, reconciliations, and other supporting schedules are critical components to an effective year-end close.

**Condition:**                    During our audit, we identified that the year-end close procedures were not being performed sufficiently to post all required year-end accruals and adjustments. As a result, the following audit adjustments were needed to correct the errors:

1. Adjustment to record capital asset disposals for the Southern Nevada Public Health Laboratory Fund.
2. Adjustment to record the accrual of compensated absences for the Southern Nevada Public Health Laboratory Fund.
3. Adjustment to reflect the correct ending balance of accounts payable in the General Fund, Capital Project Fund, and Southern Nevada Public Health Laboratory Fund.
4. Adjustment to reflect the correct ending balance of grants and contracts receivable in the General Fund.

Additionally, we noted that the schedule of expenditures of federal awards was not prepared correctly. There were two grant amounts totaling \$261,347 missing from the District's schedule. These grants were identified as a part of our audit process and have been added to the final schedule of expenditures of federal awards.

**Cause:**                        The District does not have a comprehensive year-end close procedure to assist the accounting personnel in performing their duties. Additionally, it appears that the District does not have a strong on-the-job training program to develop its accounting personnel to take on greater responsibilities at the time they are promoted.

**Effect:**                        Lack of controls over the financial reporting process increases the likelihood that management and other financial statement users will rely on faulty information to make important decisions about the entity.

**SOUTHERN NEVADA HEALTH DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2010**

Recommendation: The District should provide the necessary on-the-job training and continuing education to its accounting personnel with responsibility for the financial reporting process. Additionally, the District should develop a comprehensive year-end close procedure with written instructions and checklists.

Management's Response:

The Health District Financial Services Manager will be responsible to work with the Financial Management team in developing a program to address on-the-job training and continuing education requirement for accounting staff responsible for the financial reporting process and implement the program effective July 1, 2011.

The Health District Financial Management team will review, improve, and update the current end-of-year close procedure to include enhanced documentation and review process. An updated comprehensive period-end close will be implemented not only at year-end; but also, on a quarterly basis effective January, 2011 with the close of the 2<sup>nd</sup> Quarter ending 12/31/2010.

Comments:

Error #1: The capital asset was disposed of for a newer model in September, 2009; however, the corresponding entry to remove the capital asset from the books was not done.

Error #2: The schedule to support the accrual of compensated absences for SNPHL was provided to the auditors; however, the corresponding journal entry was not recorded.

Error #3: Majority of these entries was from Fiscal year 2007 that should have been reversed in Fiscal Year 2008.

Error #4: Majority of the dollars associated with these entries should have been booked in Fiscal Year 2007.

Schedule of Expenditures and Federal Awards (SEFA): The Financial Management team will evaluate the current worksheet to ensure inclusion of all awarded grants and that the schedule agrees with the corresponding Revenue/Expenses report. This will be a part of the quarter-end and year-end close process.

**SOUTHERN NEVADA HEALTH DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2010**

**SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

**U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES, PASSEDTROUGH NEVADA  
DEPARTMENT OF HEALTH AND HUMAN SERVICES RESOURCES HEALTH DIVISION**

**Questioned  
Costs**

2010-1 National Bioterrorism Hospital Preparedness Program – CFDA 93.889; all grant numbers and grant periods reported for this CFDA on the schedule of expenditures of federal awards.

*Criteria and condition:* The Department of Health and Human Services FY09 Hospital Preparedness Program Funding Opportunity Announcement indicates that the federal funding for this grant must be matched by nonfederal contributions in an amount not less than 5% for FY09 and not less than 10% in subsequent years. OMB Circular A-133 states that there should be internal controls in place over matching requirements to provide reasonable assurance that matching requirements are met using only allowable funds or costs which are properly calculated and valued. The program has not complied with this internal control requirement.

During our testing, we noted that while the program staff knew of the matching requirement, finance department personnel were not notified. Because of this, no monitoring procedures were performed to ensure compliance with the 5% match requirement. However, it should be noted that the match requirement was met.

*Effect:* Without effective monitoring procedures in place, the District could be out of compliance with the matching requirements in future years, especially since the matching percentage is doubling from 5% to 10% in FY10.

*Cause:* There appears to be a lack of communication regarding the program requirements between the program personnel and finance department personnel.

*Recommendation:* The Organization should consider modifying its policies and procedures to include enhanced communication when a new grant is received. There should be a mechanism in place to ensure that all responsible parties fully understand the requirements of the grant and their roles in ensuring compliance with those requirements.

*Views of responsible officials and planned corrective actions:* Currently, the Fiscal staff work with Program personnel on the approved budget and utilize the grant award document between the grantor and the Health District. Comment: The Notice of Sub grant Award from the State Department of Health & Human Services Health Division for this specific grant award does not include provision for matching requirement.

**SOUTHERN NEVADA HEALTH DISTRICT  
AUDITORS' COMMENTS  
JUNE 30, 2010**

CURRENT YEAR STATUTE COMPLIANCE

The Southern Nevada Health District conformed to all significant statutory constraints on its financial administration during the year.

PROGRESS ON PRIOR YEAR STATUTE COMPLIANCE

The District monitored all significant constraints during the year ended June 30, 2010.

CURRENT YEAR RECOMMENDATIONS

We noted a material weakness in internal control over financial reporting, which has been reported in the accompanying Schedule of Findings and Questioned Costs.

NEVADA REVISED STATUTE 354.6113

The financial statements of the Capital Projects Fund and Bond Reserve Fund are located in this report. Compliance with Nevada Revised Statutes is contained in Note 2 of the accompanying 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, 2010 (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, 2010, 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 10, 2010