Southern Nevada Health District

JUNE 30, 2023

Financial Statements

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Financial Section

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Independent Auditor's Report

Board of Health and Director of Administration
Southern Nevada Health District

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Southern Nevada Health District (Health District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Health District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Health District, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Adoption of New Accounting Standard

As discussed in *Note 1* to the financial statements, in fiscal year 2023, the Health District adopted Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

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Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information including the budgetary comparisons, and schedule of expenditures of federal awards required by Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements Federal Awards*, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the budgetary comparisons and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2023, on our consideration of the Health District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Health District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Health District's internal control over financial reporting and compliance.

FORVIS, LLP

Dallas, Texas
November 21, 2023

As members of the Southern Nevada Health District's management, we offer the readers of the financial statements of Southern Nevada Health District (Health District) this narrative overview and analysis of the financial activities of the Health District for the fiscal year ended June 30, 2023.

Financial Highlights

The Health District's liabilities and deferred inflows of resources exceeded its assets and deferred outflows of resources at the close of the most recent fiscal year by $30,634,575. Unrestricted net position could be used to meet the government's on-going obligations to citizens and creditors, if it were a positive number.

The Health District's total net position (deficit) improved by $2,048,318, primarily due to an increase in property tax revenue and charges for services offset somewhat with an increase in related expenditures as well a decrease in pandemic related grants.

The Health District's total revenue decreased by $1,424,351. This was primarily driven by a decrease in pandemic related grants. Expenses increased by $3,455,793, primarily due to increase in personnel costs including both salaries and benefits.

As discussed in *Note 1*, as of July 1, 2022, the Health District adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*.

Overview of the Financial Statements

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

- Government-wide financial statements
- Fund financial statements
- Notes to financial statements

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

Government-wide Financial Statements

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

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

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

Both of the government-wide financial statements distinguish functions of the Health District that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). There were no business-type activities in 2023. The governmental activities of the Health District are comprised of the following functions:

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

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

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

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

The government-wide financial statements can be found beginning on page 13 of this report.

Fund Financial Statements

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

- Governmental funds
- Proprietary funds
- Fiduciary funds

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

Governmental Funds

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

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

The Health District adopts an annual appropriated budget for its governmental funds. A budgetary comparison statement has been provided for both to demonstrate compliance with each budget in either required supplementary information or supplementary information.

The basic governmental fund financial statements can be found beginning on page 15 of this report.

Proprietary Fund

As of June 30, 2023, the Health District only maintains an internal service fund:

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

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The internal service fund is a single, aggregated presentation in the proprietary fund financial statements. The basic proprietary fund financial statements can be found beginning on page 19 of this report.

Fiduciary Funds

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

Notes to the Financial Statements

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

The notes to the financial statements can be found beginning on page 24 of this report.

Other Information

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

Required supplementary information can be found beginning on page 48 of this report.

Government-wide Overall Financial Analysis

Summary Statement of Net Position

	Governmental Activities	
	2023	**2022***
Current and other assets	$ 60,530,149	$ 57,564,795
Net capital, lease and subscription assets	37,198,950	36,662,219
Total assets	97,729,099	94,227,014
Deferred outflows of resources	72,757,630	51,546,231
Liabilities		
Short-term liabilities	9,321,870	22,070,057
Long-term liabilities	170,186,395	99,265,947
Total liabilities	179,508,265	121,336,004
Deferred inflows of resources	21,613,039	57,120,134
Net position:		
Net investment in capital assets	29,711,221	28,057,002
Restricted	1,197,063	368,975
Unrestricted	(61,542,859)	(61,108,870)
Total net position	$ (30,634,575)	$ (32,682,893)

* Fiscal year 2022 has not been restated for GASB 96.

Total unrestricted net position represents negative 201% of total net position of Governmental Activities and is not available to meet the Health District's ongoing obligations to citizens and creditors. The remainder of the Health District's net position reflects its investment in capital, lease and subscription assets (e.g., land, buildings, equipment, vehicles, infrastructure) and funds restricted for grants and insurance liability reserve. The Health District uses these capital assets to provide a variety of services to citizens. Accordingly, these assets are not available for future spending.

The Health District's total net position (deficit) improved by $2,048,318 primarily due to increased charges for services and property tax received.

The increases for charges for services was due to an overall increase in vital records, immunizations, and other medical services. The increase in regulatory services was due to increased number of patients during 2023.

The property tax increase was due to a growing local economy and increases in property values.

The decrease in operating grants was mainly due to the COVID-19 related grants winding down during 2023.

Summary Statement of Changes in Net Position

	Governmental Activities	
	2023	**2022***
Revenues:		
Program revenues:		
Charges for services	$ 55,059,446	$ 49,760,082
Operating grants and contributions	70,797,117	85,129,449
General revenues:		
Property tax allocation	31,630,078	28,258,566
Other income	3,306,203	1,061,273
Unrestricted investment income (loss)	609,763	(1,382,412)
Total revenues	161,402,607	162,826,958
Expenses:		
Public health		
Clinical services	50,799,463	54,952,932
Environmental health	25,591,459	18,398,395
Community health	72,627,208	82,704,063
Administration	10,038,282	(156,894)
Interest	297,877	-
Total expenses	159,354,289	155,898,496
Change in net position	2,048,318	6,928,462
Net position, beginning	(32,682,893)	(39,611,355)
Net position, ending	$ (30,634,575)	$ (32,682,893)

* Fiscal year 2022 has not been restated for GASB 96.

Governmental Activities

During the current fiscal year, net position for governmental activities improved $2,048,318 from the 2022 fiscal year to an ending balance of negative $30,634,575.

Financial Analysis of Governmental Funds

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

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

At June 30, 2023, the Health District's governmental funds reported combined fund balances of $51,626,842, an increase of $9,800,061 in comparison with the prior year. Approximately 84%, or $43,224,648 of this amount constitutes unassigned fund balance, which is available for spending at Health District's discretion.

The remainder of governmental fund balance is classified as follows: $2,294,715 is non-spendable; restricted funds of $1,197,063 is Grant-related; $4,429,569 is assigned to capital project improvements; $480,847 is assigned to administrative projects. The General Fund is the chief operating fund of the Health District. At the end of the current fiscal year, unassigned fund balance of the General Fund was $44,561,313, while the total fund balance is $47,091,967. As a measure of operating liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total combined general fund and special revenue fund expenditures.

Unassigned fund balance represents approximately 28.4% of total combined general fund and special revenue fund expenditures and transfers, while total governmental fund balance represents approximately 33.8% of the total governmental expenditures and transfers. The Health District's general fund balance increased by $10,205,860 during the current fiscal year, attributable to increased revenue and property tax allocation.

Other governmental funds consist of the Special Revenue Fund, the Bond Reserve Fund (also known as Building Fund) and the Capital Projects Fund. The Special Revenue Fund was created in fiscal year 2016 to account for the grant funds the Health District receives and has a non-spendable and restricted fund balance of $1,441,971. The Bond Reserve Fund was approved by the Board of Health on March 27, 2008, so that the Health District will be able to pay bonded debt in the event that Clark County issues bonds on behalf of the Health District in order to fund a new facility replacement for the main campus. On December 16, 2010, the Southern Nevada District Board of Health amended the original purpose of the Bond Reserve Fund to allow the Board of Health to utilize the resources of the debt service fund for any identifiable projects at the discretion of the Board that benefit the public health of Clark County.

The Bond Reserve and Capital Funds have an assigned fund balance of $4,429,569 at the end of the current fiscal year, which decrease by $453,483 as compared to the prior fiscal year. This is not a significant decrease from the prior year.

Fund Revenues by Source:

	2023		2022		Increase (Decrease)	
	Amount	Percent	Amount	Percent		
General Fund Revenues						
Charges for services						
Fees for service	$ 28,940,004	32.48%	$ 25,661,858	33.34%	$ 3,278,146	4.26%
Regulatory revenue	23,557,537	26.44%	21,579,715	28.04%	1,977,822	2.57%
Title XIX & other	2,561,635	2.88%	2,524,093	3.28%	37,542	0.05%
Total charges for services	55,059,176	61.80%	49,765,666	64.66%	5,293,510	6.88%
Intergovernmental revenues						
Property tax	31,630,078	35.50%	28,258,566	36.71%	3,371,512	4.38%
General receipts						
Contributions and donations	6,725	0.01%	9,136	0.01%	(2,411)	0.00%
Interest income	554,290	0.62%	(1,270,116)	-1.65%	1,824,406	2.37%
Other	1,842,739	2.07%	205,013	0.27%	1,637,726	2.13%
Total general fund revenues	$ 89,093,008	100.00%	$ 76,968,265	100.00%	$ 12,124,743	15.75%
Special Revenue Fund Revenues						
Intergovernmental revenues						
Direct federal grants	$ 20,771,681	28.75%	$ 14,769,382	17.19%	$ 6,002,299	6.99%
Indirect federal grants	48,965,055	67.77%	69,327,432	80.69%	(20,362,377)	-23.70%
State funding	1,053,926	1.46%	1,017,915	1.18%	36,011	0.04%
Total intergovernmental revenues	70,790,662	97.97%	85,114,729	99.06%	(14,324,067)	-16.67%
Program Contract Services	1,463,464	2.03%	808,427	0.94%	655,037	0.76%
Total special fund revenues	$ 72,254,126	100.00%	$ 85,923,156	100%	$ (13,669,030)	-15.91%
Combined Special Revenue and General Funds	$ 161,347,134		$ 162,891,421		$ (1,544,287)	-0.16%

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

The increase in the property tax allocation of $3,371,512 is due to a growing local economy, increases in property values, and subsequent increased property taxes. There is a 3% property tax cap on increases for all property in the State of Nevada.

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

	2023		2022		Increase (Decrease)	
	Amount	Percent	Amount	Percent		
General Fund Expenditures						
Current						
Public health						
Clinical services	$ 28,764,659	43.82%	$ 26,320,630	58.83%	$ 2,444,029	9.29%
Environmental health	16,566,156	25.24%	18,614,553	41.94%	(2,048,397)	-11.00%
Community health services	13,289,964	20.24%	12,810,174	28.87%	479,790	3.75%
Administration	3,614,059	5.51%	(2,580,264)	-32.11%	6,194,323	-240.07%
Debt service						
Principal	1,438,576	2.19%	974,668	1.72%	463,908	47.60%
Interest	297,877	0.45%	85,611	0.14%	212,266	247.94%
Capital outlay						
Public health	1,676,006	2.55%	344,319	0.61%	1,331,687	386.76%
Total general fund expenditures	$ 65,647,297	100.00%	$ 56,569,691	100.00%	$ 9,077,606	444.26%
Special Revenue Fund Expenditures						
Current						
Public health						
Clinical services	$ 17,263,902	19.92%	$ 28,821,673	27.54%	$ (11,557,771)	-11.04%
Environmental health	6,356,418	7.34%	1,184,048	1.13%	5,172,370	4.94%
Community health services	58,134,661	67.09%	70,180,202	67.05%	(12,045,541)	-11.51%
Administration	2,931,204	3.38%	2,577,654	2.46%	353,550	0.34%
Capital outlay						
Public health	1,965,708	2.27%	1,900,587	1.82%	65,121	0.06%
Total special revenue fund expenditures	$ 86,651,893	100.00%	104,664,164	100%	$ (18,012,271)	-17.21%
Combined Special Revenue and General Funds	$ 152,299,190		$ 161,233,855		$ (8,934,665)	427.05%

The increase in general fund expenditures was primarily due to an increase in services provided to patients in relation to the increase in fees for service and an increase in administrative cost.

The decrease in special revenue fund expenditures were primarily due to a decrease in grants received and expended in clinical services and community health services areas, offsetting in additional grants received and expended in the environmental health area.

General Fund Budget Highlights

Final Budget Compared to Actual Results

Current budget procedure allows funds to be moved within programs and departments. Revenues exceeded budgeted amounts by $1,065,672. This is attributable to increase in regulatory revenue from business growth post pandemic recovery.

Expenditures fell short of budgeted amounts by $942,863, primarily due to a reduction of services and supplies for standard operations as well as grant funded operations.

Detailed information of budgeted revenue and expenditures and actual revenue and expenditures are included in the Supplementary Information on page 48 of the Financial Report.

CAPITAL, LEASE, AND SUBSCRIPTION ASSETS

As of June 30, 2023, the Health District's net investment in capital, lease and subscription assets for its governmental activities was $37,198,950. This investment in capital assets includes land, buildings and improvements, vehicles and equipment. The net decrease in capital assets for the current fiscal year was approximately $144,149 or 1%, driven by furniture, fixtures, and equipment retired and depreciation and amortization on existing assets.

	Balance June 30, 2022	Increases	Decreases	Transfers	Balance June 30, 2023
Governmental activities					
Total governmental activities	$ 37,343,099	$ 3,877,626	$ (4,021,775)	$ -	$ 37,198,950

The Health District disposed capital assets by $138,676. This was primarily due to obsolete office and information technology equipment.

Additional detailed information on the Health District's capital assets can be found in *Note 4* of this report.

Long-term Debt

At the end of the current fiscal year, the Health District has no outstanding debt other than lease liabilities and subscription liabilities.

Economic Factors and Next Year's Budgets and Rates

The Health District has an improved financial position even with the continued impact of the COVID-19 pandemic during fiscal year 2022-2023. To properly respond to and manage the pandemic, additional resources were required which included personnel, supplies, services, and equipment. The national public health emergency put in place at the start of the COVID-19 pandemic expired on May 11, 2023. Grant revenue provided for the COVID-19 response is expected to expire as remaining projects and deliverables for the existing grants are completed.

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

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

The Health District is confronted with inflationary factors affecting the cost of equipment; clinical, laboratory and pharmaceutical supplies; and other services. The Consumer Price Index has increased 3.9% over the past 12 months as an average annual percentage indicating these cost may continue to grow in the immediate future. Impending bargaining unit negotiations scheduled in budget year 2023-2024 have the potential to result in increased labor costs going forward. In addition, benefit costs will be higher due to increased retirement contributions and group insurance costs in budget year 2023-2024.

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 70.2% of Nevada's population and is 4.3 times the population of Washoe County in Northern Nevada. The additional Federal support will enable the Health District to better address the needs of residents requiring services.

Property tax revenue is anticipated to increase by approximately 7% for the 2023-2024 budget year. Charges for services for clinical services continue to grow as services expand to additional locations and environmental health licenses and permit revenues are anticipated to increase as regulated activities with national and international venues occur in the community. The increase for the 2023-2024 budget year is anticipated to be approximately 20% for Charges for services, licenses, and permits.

At present, the Health District has the financial resources and capacity to maintain current service levels. Though the Health District has a surplus of revenue over expenditures, it must be noted that the driver for that position in recent years has resulted from Pandemic Relief funding with support from increased regulatory and clinical services activity. As Pandemic Relief funding expires, the Health District will need to ensure operational viability by closely monitoring revenues and expenditures in addition to making operational adjustments and pursuing additional funding sources.

Request for Information

These financial statements are designed to provide a general overview to all parties who are interested in the Southern Nevada Health District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

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

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

Basic Financial Statements

Southern Nevada Health District
Statement of Net Position
June 30, 2023

	Primary Government
	Governmental Activities
ASSETS	
Cash, cash equivalents, and investments	$ 35,278,411
Grants receivable	20,166,944
Accounts receivable, net	2,852,313
Interest receivable	131,660
Other receivables	311,219
Prepaid items	342,312
Inventories	1,447,290
Capital assets, not depreciated	
Land	3,447,236
Construction in progress	1,952,654
Capital, lease and subscription assets, net of accumulated depreciation and amortization	
Buildings	15,704,364
Improvements other than buildings	2,429,628
Furniture, fixtures, and equipment	5,460,492
Lease assets	7,047,143
Subscription assets	863,438
Vehicles	293,995
Total assets	97,729,099
DEFERRED OUTFLOWS OF RESOURCES	
Deferred amounts related to pensions	58,441,221
Deferred amounts related to OPEB	14,316,409
Total deferred outflows of resources	72,757,630
LIABILITIES	
Accounts payable	6,717,840
Accrued expenses	1,650,762
Workers compensation self-insurance claims	20,000
Unearned revenue	933,268
Long-term liabilities, due within one year	
Compensated absences	6,058,468
Lease liabilities	797,966
Subscription liabilities	122,616
Long-term liabilities, due in more than one year	
Compensated absences	3,929,677
Lease liabilities	6,458,687
Subscription liabilities	108,460
Net pension liability	125,727,302
Total OPEB liability	26,983,219
Total liabilities	179,508,265
DEFERRED INFLOWS OF RESOURCES	
Deferred amounts related to pensions	189,400
Deferred amounts related to OPEB	21,423,639
Total deferred inflows of resources	21,613,039
NET POSITION (DEFICIT)	
Net investment in capital assets	29,711,221
Restricted	1,197,063
Unrestricted (deficit)	(61,542,859)
Total net position (deficit)	$ (30,634,575)

Southern Nevada Health District
Statement of Activities
For the Fiscal Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues		Net (Expenses) Revenues and Changes in Net Position Primary
		Charges for Services	Operating Grants and Contributions	Governmental Activities
Primary Government				
Governmental activities:				
Public health				
Clinical services	$ 50,799,463	$ 23,150,991	$ 13,802,292	$ (13,846,180)
Environmental health	25,591,459	23,179,604	5,465,066	3,053,211
Community health	72,627,208	8,728,851	49,025,688	(14,872,669)
Administration	10,038,282	-	2,504,071	(7,534,211)
Interest	297,877			(297,877)
Total governmental activities	159,354,289	55,059,446	70,797,117	(33,497,726)
Total function/program	$ 159,354,289	$ 55,059,446	$ 70,797,117	$ (33,497,726)
General Revenues				
Property tax allocation				$ 31,630,078
Other income				3,306,203
Unrestricted investment income				609,763
Total general revenues and transfers				35,546,044
Change in Net Position (Deficit)				2,048,318
Net Position (Deficit), Beginning of Year				(32,682,893)
Net Position (Deficit), End of Year				$ (30,634,575)

Southern Nevada Health District
Governmental Funds – Balance Sheet
June 30, 2023

	General Fund	Special Revenue Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash, cash equivalents, and investments	$ 31,064,021	$ -	$ 4,054,364	$ 35,118,385
Grant receivable	1	20,166,943	-	20,166,944
Accounts receivable, net	2,852,313	-	-	2,852,313
Other receivables	310,455	-	-	310,455
Interest receivables	116,351	-	15,045	131,396
Due from other funds	17,039,673	-	366,580	17,406,253
Inventories	1,447,290	-	-	1,447,290
Prepaid items	602,517	244,908	-	847,425
Total assets	53,432,621	20,411,851	4,435,989	78,280,461
LIABILITIES				
Accounts payable	4,176,345	2,535,075	6,420	6,717,840
Accrued expenses	1,635,463	15,299	-	1,650,762
Unearned revenue	528,846	404,422	-	933,268
Due to other funds	-	17,351,749	-	17,351,749
Total liabilities	6,340,654	20,306,545	6,420	26,653,619
FUND BALANCES				
Nonspendable:				
Inventories	1,447,290	-	-	1,447,290
Prepaid items	602,517	244,908	-	847,425
Restricted for:				
Grants	-	1,197,063	-	1,197,063
Assigned for:				
Capital improvements	-	-	4,429,569	4,429,569
Administration	480,847	-	-	480,847
Unassigned	44,561,313	(1,336,665)	-	43,224,648
Total fund balances	47,091,967	105,306	4,429,569	51,626,842
Total liabilities and fund balances	$ 53,432,621	$ 20,411,851	$ 4,435,989	$ 78,280,461

Southern Nevada Health District
Reconciliation of the Balance Sheet –
Governmental Funds to the Statement of Net Position – Governmental Activities
June 30, 2023

Total fund balance – governmental funds	$	51,626,842
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital, lease, and subscription assets used in governmental activities are not current financial resources and, therefore, are not reported in governmental funds. Capital, lease, and subscription asset balance presented below is net of $505,113 of prepaid subscription assets already reported in the governmental funds.		
Capital, lease, and subscription assets, net of accumulated depreciation and amortization		36,693,837
Long-term liabilities and related deferred inflows and outflows of resources are not due in payable in the current period or are not current financial resources and, therefore, are not reported in the funds. A summary of these items are as follows:		
Postemployment benefits other than pensions		(26,983,219)
Deferred outflows related to postemployment benefits other than pensions		14,316,409
Deferred inflows related to postemployment benefits other than pensions		(21,423,639)
Compensated absences		(9,988,145)
Lease liability		(7,256,653)
Subscription liability		(231,076)
Net pension liability		(125,727,302)
Deferred outflows related to pensions		58,441,221
Deferred inflows related to pensions		(189,400)
Internal service funds are used by management to charge the costs of certain activities to individual funds:		
Internal service fund assets and liabilities included in governmental activities in the statement of net position		86,550
Net position of governmental activities	$	(30,634,575)

Southern Nevada Health District
Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2023

	General Fund	Special Revenue Fund	Other Governmental Funds	Total Governmental Funds
Revenues				
Charges for services				
Fees for service	$ 28,940,004	$ -	$ -	$ 28,940,004
Regulatory revenue	23,557,537	-	-	23,557,537
Title XIX and other	2,561,635	-	-	2,561,635
Intergovernmental revenues				
Property tax	31,630,078	-	-	31,630,078
Direct federal grants	-	20,771,681	-	20,771,681
Indirect federal grants	-	48,965,055	-	48,965,055
State grant funds	-	1,053,926	-	1,053,926
General receipts				
Contributions and donations	6,725	-	-	6,725
Interest income	554,290	-	54,470	608,760
Other	1,842,739	1,463,464	-	3,306,203
Total revenues	89,093,008	72,254,126	54,470	161,401,604
Expenditures				
Current:				
Public health				
Clinical & nursing services	28,764,659	17,263,902	-	46,028,561
Environmental health	16,566,156	6,356,418	-	22,922,574
Community health	13,289,964	58,134,661	-	71,424,625
Administration	3,614,059	2,931,204	225,924	6,771,187
Total current	62,234,838	84,686,185	225,924	147,146,947
Debt service:				
Principal	1,438,576	-	-	1,438,576
Interest	297,877	-	-	297,877
Capital outlay	1,676,006	1,965,708	282,029	3,923,743
Total other expenditures	3,412,459	1,965,708	282,029	5,660,196
Total expenditures	65,647,297	86,651,893	507,953	152,807,143
Excess (Deficiency) of Revenues Over (Under) Expenditures	23,445,711	(14,397,767)	(453,483)	8,594,461
Other Financing Sources (Uses)				
Transfers in	-	14,445,451	-	14,445,451
Transfers out	(14,445,451)	-	-	(14,445,451)
Leases issued	564,309	-	-	564,309
Subscriptions	641,291	-	-	641,291
Total other financing sources and uses	(13,239,851)	14,445,451	-	1,205,600
Net Change in Fund Balances	10,205,860	47,684	(453,483)	9,800,061
Fund Balances, Beginning of Year	36,886,107	57,622	4,883,052	41,826,781
Fund Balances, Ending of Year	$ 47,091,967	$ 105,306	$ 4,429,569	$ 51,626,842

Southern Nevada Health District
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds to the Statement of Activities – Governmental Activities
For the Fiscal Year Ended June 30, 2023

Net change in fund balances – total governmental funds	$	9,800,061
Amounts reported for governmental activities in the 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 or amortization. This is the amount of capital outlay recorded in the current period.		
Expenditures for capital assets		3,877,626
Less current year depreciation and amortization		(3,883,099)
Disposal of capital assets		(138,676)
The issuance of long-term debt (e.g. lease liabilities) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds.		
Principal payments on lease and subscription liabilities		1,438,576
Leases issued		(564,309)
Subscriptions		(641,291)
Some expenses reported in the statement of activities (do)/do not require the use of current financial resources, and therefore, (are)/are not reported as expenditures in governmental funds:		
Change in postemployment benefits other than pensions		3,116,899
Change in deferred outflows related to postemployment benefits other than pensions		9,999,877
Change in deferred inflows related to postemployment benefits other than pensions		(13,204,212)
Change in compensated absences		(709,195)
Change in deferred outflows related to pensions		11,211,522
Change in deferred inflows related to pensions		48,711,307
Change in net pension liability		(66,967,196)
Internal service funds are used by management to charge the costs of certain activities to individual funds:		
Internal service fund change in net position included in governmental activities in the statement of activities		428
Change in net position of governmental activities	$	2,048,318

Southern Nevada Health District
Statement of Net Position – Proprietary Funds
For Fiscal Year Ended June 30, 2023

	Governmental Activities
	Insurance Liability Reserve
ASSETS	
Current Assets	
Cash and cash equivalents	$ 71,026
Restricted cash	89,000
Interest receivable	264
Total current assets	160,290
LIABILITIES	
Current Liabilities	
Due to other funds	53,740
Workers compensation self-insurance claims	20,000
Total current liabilities	73,740
NET POSITION	
Restricted	89,000
Unrestricted	(2,450)
Total net position	$ 86,550

Southern Nevada Health District
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds
For Fiscal Year Ended June 30, 2023

	Governmental Activities Insurance Liability Reserve
Expenditures	
Administration	$ 575
Nonoperating Revenues	
Investment income	1,003
Change in Net Position	428
Net Position, Beginning of Year	86,122
Net Position, End of Year	$ 86,550

Southern Nevada Health District
Statement of Cash Flows – Proprietary Funds
For Fiscal Year Ended June 30, 2023

	Governmental Activities Insurance Liability Reserve
Cash Flows from Operating Activities	
Payments to employees	$ (575)
Payments to suppliers	(53,221)
Net cash used in operating activities	(53,796)
Noncapital and Related Financing Activities	
Advances from other funds	53,747
Net cash provided by noncapital financing activities	53,747
Cash Flows from Investing Activities	
Investment income	864
Net cash provided by investing activities	864
Change in Cash and Cash Equivalents	815
Cash, Restricted Cash and Cash Equivalents, Beginning of Year	159,211
Cash, Restricted Cash, and Cash Equivalents, End of Year	$ 160,026
Reconciliation of Cash Balances of End of Year	
Unrestricted	71,026
Restricted	89,000
	$ 160,026
Reconciliation of Net Operating Income (Loss) to Net Cash Used In Operating Activities	$ (575)
Changes in accounts payable	(53,221)
Net cash used in operating activities	$ (53,796)

Southern Nevada Health District
Statement of Fiduciary Net Position
June 30, 2023

	Custodial Fund
ASSETS	
Cash and cash equivalents	$ 11,439
Total assets	11,439
LIABILITIES	
Due to other funds	764
Total liabilities	764
NET POSITION	
Restricted for individuals and organizations	10,675
Total net position	$ 10,675

Southern Nevada Health District
Statement of Changes in Fiduciary Net Position
June 30, 2023

	Custodial Fund
Additions	
Contributions	$ 11,854
Total additions	11,854
Deductions	
Services and supplies	15,907
Total deductions	15,907
Net Decrease in Fiduciary Net Position	(4,053)
Net Position, Beginning of Year	14,728
Net Position, Ending of Year	$ 10,675

Note 1: Summary of Significant Accounting Policies

The Reporting Entity

The accompanying financial statements include all of the activities that comprise the financial reporting entity of the Southern Nevada Health District (Health District). The Health District is governed by a 11-member policymaking board (the Board of Health) comprised of two representatives each from the Board of County Commissioners and the largest city in Clark County, one elected representative from each of the four remaining jurisdictions in the county, a physician member at-large, one representative of a nongaming business, and one representative of the Association of Gaming Establishments. The Health District represents a unique consolidation of the public health needs of the cities of Boulder City, Las Vegas, North Las Vegas, Henderson, Mesquite, and others within Clark County.

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

Basic Financial Statements

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

Government-wide Financial Statements

The government-wide financial statements are made up of the statement of net position and the statement of activities. These statements include the aggregated financial information of the Health District as a whole, except for fiduciary activity. The effect of interfund activity has been removed from these statements.

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

Fund Financial Statements

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

The presentation emphasis in the fund financial statements is on major funds. All governmental funds considered major funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as other governmental funds in a separate column.

The Health District reports the following major governmental funds:

General Fund. Accounts for all financial resources which are not accounted for in another fund and is the general operating fund of the Health District.

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

The proprietary fund distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the proprietary fund's principal ongoing operations. Operating expenses of the internal service fund include claims and administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The Health District reports the following internal service fund:

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

Cash and Cash Equivalents

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

Accounts Receivable

Accounts receivable from patients for services rendered are reduced by the amount of such billings deemed by management to be ultimately uncollectable. The Health District utilizes historical experience for determining the estimated allowance for uncollectible accounts. Under this methodology, historical data is utilized to determine the historical bad debt percentages and applied prospectively to new billings.

Interfund Receivables and Payables

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

Inventories

Inventories are stated at the lower of cost or market. Cost is determined on an average cost basis. Governmental fund inventories are accounted for under the consumption method where the costs are recorded as expenditures when the inventory item is used rather than when purchased.

Additionally, the Health District receives medical vaccines from the State of Nevada (State) for use in the Health District's clinics, which are not included in the Health District's inventory since these vaccines remain the property of the State until they are administered. At June 30, 2023, the estimated value of such vaccines in the Health District's possession was $1,512,223.

Prepaid Items

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

Capital, Lease and Subscription Assets

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

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

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

Subscription assets are initially recorded at the initial measurement of the subscription liability, plus subscription payments made at or before the commencement of the subscription-based information technology arrangement (SBITA) term, less any SBITA vendor incentives received from the SBITA vendor at or before the commencement of the SBITA term, plus capitalizable initial implementation costs. Subscription assets are amortized on a straight-line basis over the shorter of the SBITA term or the useful life of the underlying IT asset.

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

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

Compensated Absences

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

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

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

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

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

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

Lease Liabilities

The Health District is a lessee for noncancellable leases for office, clinical, and warehouse space. The Health District recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The Health District recognizes lease liabilities with an initial, individual value of $5,000 or more.

At the commencement of a lease, the Health District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made.

The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life or term of lease, whichever is shorter.

Key estimates and judgments related to leases include how the Health District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The Health District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Health District generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the Health District is reasonably certain to exercise.

The Health District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term liabilities on the statement of net position.

Postemployment Benefits Other Than Pensions (OPEB)

The Health District recognizes OPEB amounts for all benefits provided through the plans which include the total OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense.

The Health District uses the same basis used by PEBP and RHPP for reporting the total OPEB liability, OPEB-related deferred outflows and inflows of resources, and OPEB expense. For this purpose, benefit payments are recognized by the Health District when due and payable in accordance with the benefit terms.

Multiple-Employer Cost-Sharing Defined Benefit Pension Plan

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

Deferred Inflows and Outflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense / expenditure) until then. Deferred outflows for the changes in assumptions and differences between expected and actual experience and actual pension contributions and the Health District's proportionate share of pension contributions are deferred and amortized over the average expected remaining service life of all employees that are provided with pension benefits. Deferred outflows for the net difference between projected and actual earnings on pension plan investments are deferred and amortized over five years. Deferred outflows for pension contributions made by the Health District subsequent to the pension plan's actuarial measurement date are deferred for one year. Deferred outflows for the difference between actual and expected experience and changes in assumptions in the total OPEB liability are deferred and amortized over the average expected remaining service life of all employees that are provided with health benefits. Deferred outflows for OPEB contributions made by the Health District subsequent to the OPEB plan's actuarial measurement date are deferred for one year.

Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government-wide statement of net position also reports: 1) the differences between expected and actual pension plan experience and changes in proportion, which are deferred and amortized over the average expected remaining service life of all employees that are provided with pension benefits, 2) difference between actual and expected experience and changes in assumptions to the total OPEB liability which are deferred and amortized over the average expected remaining service life of all employees that are provided with health benefits.

Fund Balance and Net Position Classifications

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

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

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

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

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

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

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

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

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

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

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

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

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

Government Grants

Support funded by grants is recognized as the Health District meets the conditions prescribed by the grant agreement, performs the contracted services or incurs outlays eligible for reimbursement under the grant agreements. Grant activities and outlays are subject to audit and acceptance by the granting agency and, as a result of such audit, adjustments could be required.

Use of Estimates

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

Implementation of New GASB Statement

As of July 1, 2022, the Health District adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The implementation of this standard establishes a model for subscription-based information technology arrangements (SBITAs) accounting based on the foundational principle that SBITAs are financings of the right to use an underlying information technology software asset. The standard requires recognition of certain right-to-use subscription assets and subscription liabilities. As a result of implementing this standard the Health District recognized a right-to-use subscription asset of $680,880 (includes $505,113 reclassified from prepaid assets) and a subscription liability of $192,871 as of July 1, 2022. As a result of these adjustments there was no effect on beginning net position. The additional disclosures required by this standard are included in *Notes 4 and 6*.

Note 2: Stewardship and Accountability

Budgets and Budgetary Accounting

Nevada Revised Statutes (NRS) require that local governments legally adopt budgets for all funds except fiduciary funds. The annual budgets for all funds are adopted on a basis consistent with accounting principles generally accepted in the United States. Budget augmentations made during the year ended June 30, 2023, were as prescribed by law.

The budget approval process is summarized as follows:

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

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

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

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

At June 30, 2023, indirect cost amounts between the clinical and nursing services, environmental health, and community health programs and the administration program in the general fund have been eliminated in accordance with accounting principles generally accepted in the United States.

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

Per NRS 354.626, actual expenditures may not exceed budgetary appropriations of the public health function of the general fund, or total appropriations of the internal service fund, special revenue fund or the individual capital projects funds. The sum of operating and nonoperating expenses in the internal service fund may not exceed total appropriations.

Note 3: Cash and Cash Equivalents

Deposits

The Health District's deposit policies are governed by the NRS. Deposits are carried at cost, which approximates market value and are maintained with insured banks in Nevada. At June 30, 2023, the carrying amount of the Health District's deposits was $0 as all amounts were swept into the Clark County Investment Pool at the end of the day.

Clark County Investment Pool

The Health District participates in Clark County's investment pool. At June 30, 2023, all rated investments in the Clark County investment pool were in compliance with the rating criteria listed below. Pooled funds are invested according to the NRS which are limited to the following (the Health District has no investment policy that would further limit Clark County's investment choices):

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

- Negotiable certificates of deposit issued by commercial banks or insured savings and loan associations (those over $100,000 must be fully collateralized) not to exceed 1 year maturity from date of purchase with minimum ratings by at least two rating services of "B" by Thomson Bank Watch or "A-1" by Standard & Poor's or "P-1" by Moody's.
- Notes, bonds, and other unconditional obligations issued by corporations organized and operating in the United States. The obligations must be purchased from a registered broker/dealer. At the time of purchase the obligations must have a remaining term to maturity of no more than 5 years, are rated by a nationally recognized rating service as "A" or its equivalent, or better and cannot exceed 20% of the investment portfolio.
- Bankers' acceptances eligible for rediscount with Federal Reserve Banks, not to exceed 180 days maturity and does not exceed 20% of the portfolio.
- Collateralized mortgage obligations that are rated "AAA" or its equivalent not to exceed 20% of the portfolio.
- Repurchase agreements that are collateralized at 102% of the repurchase price and do not exceed 90 days maturity. Securities used for collateral must meet the criteria listed above.
- Money Market Mutual Funds which are rated "AAA" or its equivalent and invest only in securities issued by the Federal Government, U.S. agencies or repurchase agreements fully collateralized by such securities not to exceed 5 years maturity and does not exceed 20% of the portfolio.
- Asset-backed securities that are rated AAA or its equivalent, not to exceed 20% of the portfolio.
- Investment contracts for bond proceeds only, issuance for $10,000,000 or more, and collateralized at a market value of at least 102% by obligations of the U.S. Treasury or agencies of the federal government.
- The State of Nevada's Local Government Investment Pool.

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

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

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

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At June 30, 2023, all of the Health District's investments held by the Clark County Treasurer are invested in authorized investments in accordance with NRS 350.659, 355.165, 355.170, and 356.120. The limitations on amounts invested are covered on the aforementioned type of security.

As of June 30, 2023, the carrying amount and market value of the Health District's investments in the Clark County Investment Pool was $35,194,584.

Combined Cash and Cash Equivalents

At June 30, 2023, the Health District's cash and cash equivalents were as follows:

Cash on hand	$ 6,266
Restricted cash	89,000
Clark County Investment Pool	35,194,584
Total cash and cash equivalents	$ 35,289,850

At June 30, 2023, the Health District's cash and cash equivalents were presented in the District's financial statements as follows:

Governmental funds	$ 35,118,385
Proprietary fund	160,026
Custodial funds	11,439
Total cash and cash equivalents	$ 35,289,850

Note 4: Capital, Lease, and Subscription Assets

Changes in capital, lease, and subscription assets for the year ended June 30, 2023, were as follows:

	Balance June 30, 2022	Additions	Retirements	Transfers	Balance June 30, 2023
Governmental Activities					
Capital assets not being depreciated/amortized:					
Construction in progress	$ 2,517,121	$ 70,445	$ -	$ (634,912)	$ 1,952,654
Land	3,447,236	-	-	-	3,447,236
Total capital assets not being depreciated	5,964,357	70,445	-	(634,912)	5,399,890
Capital, leased, and subscription assets being depreciated/amortized:					
Buildings	21,027,013	-	-		21,027,013
Improvements other than buildings	5,252,849	336,831	(11,750)	514,769	6,092,699
Furniture, fixtures, and equipment	17,500,949	2,255,250	(2,041,577)	120,143	17,834,765
Right-to-use leased building	7,893,495	564,309	(959,347)	-	7,498,457
Right-to-use leased equipment	760,227	-	-	-	760,227
Subscription IT asset	680,880	641,291	-	-	1,322,171
Vehicles	1,348,698	9,500	-	-	1,358,198
Totals capital, lease, and subscription assets being depreciated/amortized	54,464,111	3,807,181	(3,012,674)	634,912	55,893,530
Accumulated depreciation/amortization for:					
Buildings	(4,614,587)	(708,062)	-	-	(5,322,649)
Improvements other than buildings	(3,369,026)	(301,408)	7,363	-	(3,663,071)
Furniture, fixtures, and equipment	(13,026,254)	(1,255,307)	1,907,288	-	(12,374,273)
Right-to-use leased building	(750,741)	(1,042,250)	959,347	-	(833,644)
Right-to-use leased equipment	(377,897)	-	-	-	(377,897)
Subscription IT asset	-	(458,733)	-	-	(458,733)
Vehicles	(946,864)	(117,339)	-	-	(1,064,203)
Total accumulated depreciation/amortization	(23,085,369)	(3,883,099)	2,873,998	-	(24,094,470)
Total capital, leased, and subscription assets, being depreciated/amortized, net	31,378,742	(75,918)	(138,676)	634,912	31,799,060
Total governmental activities	$ 37,343,099	$ (5,473)	$ (138,676)	$ -	$ 37,198,950

For the year ended June 30, 2023, depreciation and amortization expense was charged to the following functions and programs:

Governmental activities:	
Clinical services	$ 132,929
Environmental health	31,446
Community health	814,810
Administration	2,903,914
Total depreciation and amortization expense – governmental activities	$ 3,883,099

Note 5: Interfund Balances and Transfers

Interfund balances at June 30, 2023 are as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Special Revenue Fund	$ 17,039,673
Other governmental funds	Special Revenue Fund	312,076
Other governmental funds	Insurance Reserve	53,740
Other governmental funds	Fiduciary fund	764
		$ 17,406,253

These balances result from the time lag between the dates that: (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system and (3) payments between funds are made.

Interfund transfers for the year ended June 30, 2023, consisted of the following:

Transfers Out of Fund	Transfers In to Fund	Amount
General Fund	Special Revenue Fund	$ 14,445,451
		$ 14,445,451

Transfers from were used to: (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in special revenue fund, and finance the administrative cost allocation to special revenue fund, in accordance with budgetary authorization.

Note 6: Changes in Long-Term Liabilities

Long-term liabilities activity for the year ended June 30, 2023, was as follows:

	Balance June 30, 2022	Increases	Decreases	Balance June 30, 2023	Due Within One Year
Governmental Activities					
Compensated absences	$ 9,278,950	$ 9,695,654	$ (8,986,459)	$ 9,988,145	$ 6,058,468
Lease liability	7,544,938	564,309	(852,594)	7,256,653	797,966
Subscription liability	192,871	624,187	(585,982)	231,076	122,616
Total long-term liabilities	$ 17,016,759	$ 10,884,150	$ (10,425,035)	$ 17,475,874	$ 6,979,050

Compensated absences, lease and subscription liabilities typically have been liquidated by the fund where employees earned and accrued the amounts.

Lessee Activities

The Health District has entered into multiple leases for office, clinical, warehouse space, medical and office equipment. The Health District is required to make principal and interest payments on these spaces. These lease agreements have terms expiring through March 2037. The lease liability was valued using discount rates between 3.25% and 8.00%. This rate was determined using the US Prime Rates applicable for each lease based on the lease period and date of initiation.

Remaining principal and interest payments on leases are as follows:

For the Year Ending June 30,	Principal	Interest
2024	$ 797,966	$ 252,667
2025	647,622	223,043
2026	657,666	197,880
2027	605,373	172,685
2028	422,554	152,591
2029 – 2033	2,135,524	548,546
2034 – 2037	1,989,948	139,870
	$ 7,256,653	$ 1,687,282

Subscription Liabilities

The Health District has various subscription-based information technology arrangements (SBITAs), the terms of which expire in various years through 2026. The subscription liability was valued using discount rates between 3.25% and 8.25%. This rate was determined using the US Prime Rates applicable for each subscription agreement based on the subscription period and date of initiation.

Remaining principal and interest payments on subscription liabilities are as follows:

For the Year Ending June 30,	Principal	Interest
2024	$ 122,616	$ 10,185
2025	80,725	4,272
2026	27,735	837
	$ 231,076	$ 15,294

Note 7: Risk Management

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

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

The Health District pays an annual premium and specific deductibles, as necessary, to the Pool for its general insurance coverage. The Pool is considered a self-sustaining risk pool that will provide coverage for its members for up to $10,000,000 per insured event with a $10,000,000 annual aggregate per member. Additionally, coverage includes data security events up to a maximum of $1,000,000 per event. Property, crime, and equipment breakdown coverage is provided to its members up to $100,000,000 per loss with various sub-limits established for earthquake, flood, equipment breakdown, and money and securities.

The Public Agency Compensation Trust (PACT) was formed to provide workers compensation coverage. POOL/PACT members include counties, cities, school districts, special districts, law enforcement, and towns. The Health District pays premiums based on payroll costs to the PACT for its workers compensation insurance coverage. The PACT is considered a self-sustaining risk pool that will provide coverage for its members based on established statutory limits. The PACT obtains independent coverage for insured events in excess of the aforementioned limits.

The Health District carries medical professional liability insurance. There were no claims for medical malpractice in the past three fiscal year. In addition, the Health District continues to carry other commercial insurance for other risks of loss not covered by the Pool, including employee health and accident insurance. Amounts in excess of insurance coverage for settled claims resulting from these risks were minimal over the past three fiscal years.

Litigation

Various legal claims have arisen against the Health District during the normal course of operations. According to the Health District's legal counsel, there was no outstanding matter at this time, and, therefore, no provision for loss has been made in the financial statements in connection therewith.

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

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

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

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

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

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

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

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

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

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

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

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

Regular members entering PERS prior to January 1, 2010 are eligible for retirement at age 65 with 5 years of service, at age 60 with 10 years of service, or at any age with 30 years of service. Regular members entering PERS on or after January 1, 2010, are eligible for retirement at age 65 with 5 years of service, or age 62 with 10 years of service, or any age with 30 years of service. Regular members entering PERS on or after July 1, 2015, are eligible for retirement at age 65 with 5 years of service, or at age 62 with 10 years of service or at age 55 with 30 years of service or any age with 33 1/3 years of service.

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

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

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

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

For the year ended June 30, 2022, the required contribution rates for regular members was 15.50% and 29.25% for employer/employee matching and EPC, respectively. The Health District's portion of contributions was $7,659,900 for the year ended June 30, 2023.

PERS collective net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. For this purpose, certain actuarial valuation assumptions are stipulated by the GASB and may vary from those used to determine the prospective funding contribution rates.

The total PERS pension liability was determined using the following economic actuarial assumptions (based on the results of an experience Study covering the period from July 1, 2016 - June 30, 2020), applied to all periods included in the measurement:

Inflation	2.50%
Productivity pay increase	0.05%
Investment Rate of Return	7.25%
Actuarial cost method	Entry age normal and level percentage of payroll
Projected salary increases	Regular: 4.20% to 9.10%, depending on service Police/Fire: 4.60% to 14.50%, depending on service Rates include inflation and productivity increases
Other assumptions	Same as those used in the June 30, 2022 funding actuarial valuation

Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates increased by 30% for males and 15% for females, projected generationally with the two-dimensional monthly improvement scale MP-2020.

The mortality tables listed in the actuary report only provide rates for ages 50 and older. To develop mortality rates for ages 40 through 50, we have smoothed the difference between the rates at age 40 from the Pub-2010 General Employee Amount-Weighted Above-Median Mortality Tables and the rates at age 50 from the Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Tables.

To develop the mortality rates before age 40, we have used the Pub-2010 General Employee Amount-Weighted Above-Median Mortality Tables rates. This methodology for developing an extended annuitant mortality table is similar to the method used by the IRS to develop the base mortality table for determining minimum funding standards for single-employer defined benefit pension plans under Internal Revenue Code Section 430. While Section 430 is not applicable to the System, we believe this is a reasonable method for developing annuitant mortality rates at earlier ages.

PERS' policies which determine the investment portfolio target asset allocation are established by the PERS Board. The asset allocation is reviewed annually and is designed to meet the future risk and return needs of PERS. The following was the Board adopted policy target asset allocation as of June 30, 2022:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
U.S. stocks	42%	5.50%
International stocks	18%	5.50%
U.S. bonds	28%	0.75%
Private markets	12%	6.65%
Total	100%	

*These geometric return rates are combined to produce the long-term expected rate of return by adding the long-term expected inflation rate of 2.50%

The discount rate used to measure the total pension liability was 7.25% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified by NRS. Based on that assumption, PERS' fiduciary net position at June 30, 2022, was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments (7.25%) was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2022.

At June 30, 2023, the Health District's proportionate share of the net pension liability is calculated using a discount rate of 7.25%. The following shows the sensitivity of the valuation of the Health District's proportionate share of the net pension liability assuming the discount rate was either 1% lower or 1% higher:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net pension liability	$193,032,173	$125,727,302	$ 70,190,252

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

The Health District's proportionate share of the collective net pension liability was $125,727,302, which represents 0.69636% of the collective net pension liability, which is an increase from the previous year's proportionate share of 0.64435%. Contributions for employer pay dates within the fiscal year ending June 30, 2022, were used as the basis for determining each employer's proportionate share.

For the period ended June 30, 2023, the Health District's pension expense was $15,571,940 and its reported deferred outflows and inflows of resources related to pensions as of June 30, 2023, were as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 16,279,609	$ 89,816
Net difference between projected and actual earnings on investments	1,533,951	-
Changes in proportion and differences between actual contributions and proportionate share of contributions	15,947,705	99,584
Change in assumptions	16,150,548	-
Contributions subsequent to the measurement date	8,529,408	-
Total	$ 58,441,221	$ 189,400

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date totaling $8,529,408 will be recognized as a reduction of the net pension liability in the year ending June 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

For the Year Ending June 30,	
2024	$ 5,196,279
2025	4,931,583
2026	4,403,085
2027	17,036,658
2028	2,306,624
Thereafter	15,848,184
Total	$ 49,722,413

Note 9: Postemployment Benefits Other than Pensions

General Information about the Other Post Employment Benefit Plans

Plan Description: The Health District subsidizes eligible retirees' contributions to the Public Employees' Benefits Plan (PEBP), a non-trust, agent multiple-employer defined benefit postemployment healthcare plan administered by the State of Nevada. NRS 287.041 assigns the authority to establish and amend benefit provisions to the PEBP nine-member board of trustees. The plan is now closed to future retirees, however, district employees who previously met the eligibility requirement for retirement within the Nevada Public Employee Retirement System had the option upon retirement to enroll in coverage under the PEBP with a subsidy provided by the Health District as determined by their number of years of service. The PEBP issues a publicly available financial report that includes financial statements and required supplementary information.

That report may be obtained by writing to Public Employee's Benefits Program, 901 S. Stewart Street, Suite 1001, Carson City, NV, 89701, by calling (775) 684-7000, or by accessing the website at www.pebp.state.nv.us/informed/financial.htm.

Plan Description: The Retiree Health Program Plan (RHPP) is a non-trust, single-employer defined benefit postemployment healthcare plan administered by Clark County, Nevada. Retirees may choose between Clark County Self-Funded Group Medical and Dental Benefits Plan (Self-Funded Plan) and an Exclusive Provider Organization (EPO) plan.

Benefits Provided

PEBP plan provides medical, dental, prescription drug, Medicare Part B, and life insurance coverage to eligible retirees and their spouses. Benefits are provided through a third-party insurer.

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

RHPP provides medical, dental, prescription drug, and life insurance coverage to eligible active and retired employees and beneficiaries. Benefit provisions are established and amended through negotiations between the respective unions and the Health District.

Employees Covered by Benefit Terms

At June 30, 2022, the following employees were covered by the benefit terms:

	PEBP	RHPP	Total all Plans
Inactive employees or beneficiaries currently receiving benefits	70	64	134
Active members	-	701	701
Total	70	765	835

Total OPEB Liability

The Health District's total OPEB liability of $26,983,219 was measured as of June 30, 2022, and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs: The total OPEB liability for all plans as of June 30, 2023 was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	3.54%
Pre-Medicare Trend Rate	Select: 6.5%, Ultimate 4.0%
Post-Medicare Trend Rate	Select: 5.5%, Ultimate 4.0%
Mortality	Pub-2010 headcount weighted mortality table, projected generationally using scale MP-2021, applied on a gender-specific and job class basis (teacher, safety, or general, as applicable)
Termination Tables	2022 NPERS Actuarial Valuation
Health care cost trend rates	2022 NPERS Actuarial Valuation

Changes in the Total OPEB Liability

	PEBP	RHPP	Total OPEB Liability
Balance at June 30, 2022	$ 4,784,400	$ 25,315,718	$ 30,100,118
Changes for the year:			
Service cost	-	2,053,521	2,053,521
Interest	101,093	590,543	691,636
Differences between expected and actual experience	(719,219)	11,098,817	10,379,598
Changes of assumptions	(575,624)	(15,399,138)	(15,974,762)
Benefit payments	(208,349)	(58,543)	(266,892)
Net changes	(1,402,099)	(1,714,800)	(3,116,899)
Balance at June 30, 2023	$ 3,382,301	$ 23,600,918	$ 26,983,219

Changes in Assumptions and Experience:

Certain key assumptions were changed as part of the actuary's updated study. Those changed are summarized below.

- Updated census information, and
- Current plan cost information, including retiree premiums and contributions. The per capita cost assumptions based on recent claims experience came in higher than expected from the prior valuation. Retiree premiums remained flat which further contributes to the experience loss.
- The discount rate was updated from 2.16%, as of June 30, 2021, to 3.54%, as of June 30, 2022 (the actuarial measurement date).
- The Nevada PERS retirement and termination rates were updated to the rates from the 2021 Experience Study and Review of Actuarial Assumptions.
- The mortality projection scale was updated from MP-2020 to MP-2021 to reflect the Society of Actuaries' recent mortality study.

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the Health District, as well as what the Health District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.54 percent) or 1-percentage point higher (4.54 percent) than the current discount rate:

	1% Decrease Rate (2.54%)	Discount Rate (3.54%)	1% Increase Rate (4.54%)
PEBP	$ 3,797,000	$ 3,382,000	$ 3,036,000
RHPP	28,401,000	23,601,000	19,850,000
Total OPEB liability	$ 32,198,000	$ 26,983,000	$ 22,886,000

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the Health District, as well as what the Health District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (or 1-percentage-point higher the current healthcare cost trend rates:

	1% Decrease	Trend Rates	1% Increase
PEBP	$ 3,051,000	$ 3,382,000	$ 3,713,000
RHPP	19,591,000	23,601,000	28,843,000
Total OPEB liability	$ 22,642,000	$ 26,983,000	$ 32,556,000

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

For the year ended June 30, 2023, the Health District recognized OPEB expense of $380,059. The breakdown by plan is as follows:

	PEBP	RHPP	Total All Plans
OPEB Expense	$ (1,193,750)	$ 1,573,809	$ 380,059

At June 30, 2023, the Health District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
PEBP		
Contributions made in fiscal year ending 2023 after July 1, 2022, measurement date	$ 207,049	$ -
Total PEBP	207,049	-
RHPP		
Differences between expected and actual experience	12,258,673	5,189,665
Changes of assumptions or other inputs	1,498,299	16,233,974
Contributions made in fiscal year ending 2023 after July 1, 2022, measurement date	352,388	-
Total RHPP	14,109,360	21,423,639
Total All Plans		
Differences between expected and actual economic experience	12,258,673	5,189,665
Changes in actuarial assumptions	1,498,299	16,233,974
Contributions made in fiscal year ending 2023 after July 1, 2022, measurement date	559,437	-
Total all plans	$ 14,316,409	$ 21,423,639

The amount of $559,437 reported as deferred outflows of resources related to OPEB from Health District contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

For the Year Ending June 30,	RHPP
2024	$ (1,070,255)
2025	(1,070,255)
2026	(795,218)
2027	(712,556)
2028	(697,613)
Thereafter	(3,320,770)
Total	$ (7,666,667)

Note 10: Encumbrances

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

	Assigned Fund Balance
General Fund	$ 480,847

General Fund

$155,642 of the total encumbrance balance was assigned to purchase clinical health services. $779 of the total encumbrance balance was assigned to purchase community health services. $314,426 of the total encumbrance balance was assigned to purchase administrative services. $10,000 of the total encumbrance balance was assigned to environmental health services.

Required Supplementary Information

Southern Nevada Health District
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget to Actual – General Fund
For the Fiscal Year Ended June 30, 2023

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget – Increase (Decrease)
Revenues				
Fees for service	$ 26,329,659	$ 29,491,810	$ 28,940,004	$ (551,806)
General receipts	930,579	1,947,543	1,849,464	(98,079)
Property tax	29,671,494	31,630,078	31,630,078	-
Regulatory revenue	18,911,491	22,188,663	23,557,537	1,368,874
Title XIX and other	567,015	2,091,315	2,561,635	470,320
Investment earnings	327,927	677,927	554,290	(123,637)
Total revenues	76,738,165	88,027,336	89,093,008	1,065,672
Expenditures				
Public Health:				
Clinical and nursing services				
Salaries and wages	9,416,812	8,749,876	8,305,834	444,042
Employee benefits	4,002,146	3,815,800	3,292,010	523,790
Services and supplies	24,354,228	26,979,483	27,038,203	(58,720)
Principal	-	-	4,727	(4,727)
Interest	-	-	810	(810)
Capital outlay	10,000	5,500	-	5,500
Total clinical and nursing services	37,783,186	39,550,659	38,641,584	909,075
Environmental health				
Salaries and wages	13,857,705	11,794,368	11,552,941	241,427
Employee benefits	5,894,131	4,967,309	4,509,310	457,999
Services and supplies	6,332,414	6,576,314	4,960,411	1,615,903
Total environmental health	26,084,250	23,337,991	21,022,662	2,315,329
Community health				
Salaries and wages	7,795,371	7,290,560	6,775,876	514,684
Employee benefits	3,313,033	3,060,594	2,776,054	284,540
Services and supplies	7,599,116	7,555,693	7,154,800	400,893
Principal	-	-	271,552	(271,552)
Interest	-	-	8,062	(8,062)
Capital outlay	146,421	575,071	363,725	211,346
Total community health	18,853,941	18,481,918	17,350,069	1,131,849
Administration				
Salaries and wages	10,018,424	10,862,751	10,776,613	86,138
Employee benefits	4,263,530	4,641,480	4,636,989	4,491
Services and supplies	(37,932,777)	(30,361,139)	(28,835,651)	(1,525,488)
Principal	-	-	469,963	(469,963)
Interest	-	-	272,787	(272,787)
Capital outlay	76,500	76,500	1,312,281	(1,235,781)
Total administration	(23,574,323)	(14,780,408)	(11,367,018)	(3,413,390)
Total public health	59,147,054	66,590,160	65,647,297	942,863
Total expenditures	59,147,054	66,590,160	65,647,297	942,863
Excess of Revenue Over Expenditures	17,591,111	21,437,176	23,445,711	2,008,535
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers out	(19,591,111)	(16,465,398)	(14,445,451)	2,019,947
Leases issued	-	-	564,309	564,309
Subscriptions	-	-	641,291	641,291
Total other financing sources (uses)	(19,591,111)	(16,465,398)	(13,239,851)	3,225,547
Net Change in Fund Balances	(2,000,000)	4,971,778	10,205,860	5,234,082
Fund Balances, Beginning of Year	36,886,107	36,886,107	36,886,107	-
Fund Balances, Ending of Year	$ 34,886,107	$ 41,857,885	$ 47,091,967	$ 5,234,082

See Notes to Required Supplementary Information

Southern Nevada Health District
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget to Actual – Special Revenue Fund
For the Fiscal Year Ended June 30, 2023

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget - Increase (Decrease)
Revenues				
Direct federal grants	$ 21,169,121	$ 19,700,847	$ 20,771,681	$ 1,070,834
Indirect federal grants	81,071,587	56,966,580	48,965,055	(8,001,525)
State grant funds	874,990	1,259,764	1,053,926	(205,838)
Other grant funds	847,838	1,086,164	1,463,464	377,300
Total revenues	103,963,536	79,013,355	72,254,126	(6,759,229)
Expenditures				
Public health				
Clinical and nursing services				
Salaries and wages	7,432,331	6,511,561	6,598,987	(87,426)
Employee benefits	3,159,811	2,826,727	2,628,168	198,559
Services and supplies	9,416,118	7,755,753	8,036,761	(281,008)
Capital outlay	73,455	158,455	77,703	80,752
Total clinical and nursing services	20,081,715	17,252,496	17,341,619	(89,123)
Environmental health				
Salaries and wages	546,764	4,101,562	3,362,442	739,120
Employee benefits	232,374	1,708,041	1,350,937	357,104
Services and supplies	398,293	2,229,336	1,643,039	586,297
Total environmental health	1,177,431	8,038,939	6,356,418	1,682,521
Community health				
Salaries and wages	13,771,273	13,253,909	12,765,215	488,694
Employee benefits	5,852,787	5,231,689	5,284,704	(53,015)
Services and supplies	77,599,911	47,075,059	39,968,427	7,106,632
Principal	-	-	106,352	(106,352)
Interest	-	-	9,937	(9,937)
Capital outlay	3,168,003	2,196,482	1,726,437	470,045
Total community health	100,391,974	67,757,139	59,861,072	7,896,067
Administration				
Salaries and wages	7,793	99,669	143,153	(43,484)
Employee benefits	3,312	38,619	52,655	(14,036)
Services and supplies	1,892,422	2,130,311	2,735,396	(605,085)
Capital outlay	-	161,580	161,580	-
Total administration expenditures	1,903,527	2,430,179	3,092,784	(662,605)
Total expenditures	123,554,647	95,478,753	86,651,893	8,826,860
Excess (Deficiency) of Revenue Over (Under) Expenditures	(19,591,111)	(16,465,398)	(14,397,767)	2,067,631
Other Financing Sources (Uses)				
Transfers in	19,591,111	16,465,398	14,445,451	(2,019,947)
Transfers out	-	-	-	-
Total other financing sources (uses)	19,591,111	16,465,398	14,445,451	(2,019,947)
Net Change in Fund Balances	-	-	47,684	47,684
Fund Balances, Beginning of Year	57,622	57,622	57,622	-
Fund Balances, Ending of Year	$ 57,622	$ 57,622	$ 105,306	$ 47,684

See Notes to Required Supplementary Information

Southern Nevada Health District
Schedules of Changes in the Total OPEB Liability and Related Ratios[1]
For the Fiscal Year Ended June 30, 2023

PEBP Plan	2018	2019	2020	2021	2022	2023
A. Total OPEB liability						
Interest (on the total OPEB liability)	$ 136,641	$ 158,929	$ 142,210	$ 132,809	$ 104,479	$ 101,093
Difference between expected and actual experience	(2,407)	(935)	-	240,495	-	(719,219)
Changes of assumptions	(408,034)	(582,796)	196,172	770,760	51,775	(575,624)
Benefit payments	(201,454)	(210,183)	(213,733)	(223,274)	(198,836)	(208,349)
Net change in total OPEB liability	(475,254)	(634,985)	124,649	920,790	(42,582)	(1,402,099)
Total OPEB liability – beginning	4,891,782	4,416,528	3,781,543	3,906,192	4,826,982	4,784,400
Total OPEB liability – ending (a)	$ 4,416,528	$ 3,781,543	$ 3,906,192	$ 4,826,982	$ 4,784,400	$ 3,382,301
Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A
Total OPEB Liability as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A

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

Southern Nevada Health District
Schedule of Changes in the total OPEB Liability and Related Ratios[2]
For the Fiscal Year Ended June 30, 2023

RHPP	2018	2019	2020	2021	2022	2023
A. Total OPEB liability						
Service cost	$ 2,037,506	$ 1,984,184	$ 865,693	$ 1,035,479	$ 1,570,297	$ 2,053,521
Interest (on the total OPEB liability)	753,304	922,521	675,421	696,006	546,330	590,543
Changes in benefit terms	-	-	-	-	-	-
Difference between expected and actual experience	26,065	(8,138,337)	-	2,485,316	-	11,098,817
Changes of assumptions	(3,119,749)	(1,686,349)	1,204,893	577,780	221,432	(15,399,138)
Benefit payments	(339,476)	(236,966)	(322,093)	(643,182)	(345,742)	(58,543)
Net change in total OPEB liability	(642,350)	(7,154,947)	2,423,914	4,151,399	1,992,317	(1,714,800)
Total OPEB liability – beginning	24,545,385	23,903,035	16,748,088	19,172,002	23,323,401	25,315,718
Total OPEB liability – ending (a)	$ 23,903,035	$ 16,748,088	$ 19,172,002	$ 23,323,401	$ 25,315,718	$ 23,600,918
Covered Payroll	$ 34,126,701	$ 34,918,861	$ 34,918,861	$ 40,103,356	$ 49,853,806	$ 47,400,387
Total OPEB Liability as a Percentage of Covered Payroll	70.04%	47.96%	54.90%	58.16%	50.78%	49.79%

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

Southern Nevada Health District
Multiple-Employer Cost-Sharing Defined Benefit Pension Plan
Proportionate Share of the Collective Net Pension Liability Information[3]
For the Fiscal Year Ended June 30, 2023

For the Year Ended June 30	Proportion of the Collective Net Pension Liability	Proportion of the Collective Net Pension Liability	Covered Payroll	Proportion of the Collective Pension Liability as a Percentage of Covered Payroll	PERS Fiduciary Net Position as a Percentage of Total Pension Liability
2014	0.54090%	$ 61,643,357	$ 34,707,255	177.60943%	75.30000%
2015	0.54090%	$ 61,984,011	$ 32,508,190	190.67198%	75.13000%
2016	0.52151%	$ 70,180,332	$ 32,917,342	213.20170%	72.20000%
2017	0.50906%	$ 67,704,469	$ 33,079,430	204.67242%	74.40000%
2018	0.50995%	$ 69,546,020	$ 33,744,349	206.09679%	75.20000%
2019	0.54171%	$ 73,866,832	$ 37,250,362	198.29829%	76.50000%
2020	0.56339%	$ 78,470,784	$ 38,532,689	203.64731%	77.04000%
2021	0.64435%	$ 58,760,106	$ 44,284,315	132.68830%	86.51000%
2022	0.69634%	$125,727,302	$ 49,627,892	253.34000%	75.12000%

[3] Information for the multiple employer cost sharing defined benefit pension plan is not available for years prior to the year ended June 30, 2014. As it becomes available this schedule will ultimately present information for the ten most recent fiscal years.

See notes to required supplementary information.

Southern Nevada Health District
Multiple-Employer Cost-Sharing Defined Benefit Pension Plan
Proportionate Share of Statutorily Required Contribution Information
For the Fiscal Year Ended June 30, 2023 and Last Seven Fiscal Years[4]

For the Year Ended June 30	Actuarially Determined Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	$ 4,421,639	$ 4,421,639	$ -	$ 32,917,342	13.43%
2016	$ 4,565,587	$ 4,565,587	$ -	$ 33,079,430	13.80%
2017	$ 4,724,209	$ 4,724,209	$ -	$ 33,744,349	14.00%
2018	$ 5,215,051	$ 5,215,051	$ -	$ 37,250,362	14.00%
2019	$ 5,876,235	$ 5,876,235	$ -	$ 38,532,689	15.25%
2020	$ 6,753,358	$ 6,753,358	$ -	$ 44,284,315	15.25%
2021	$ 6,744,173	$ 6,744,173	$ -	$ 44,224,085	15.25%
2022	$ 7,659,900	$ 7,659,900	$ -	$ 50,228,852	15.25%
2023	$ 8,529,408	$ 8,529,408	$ -	$ 55,028,438	15.50%

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

See notes to required supplementary information.

Note 1. Postemployment Benefits Other Than Pensions

There are no assets accumulated in a trust to pay related benefits.

Changes of Assumptions and Experience

Certain key assumptions were changed as part of the actuary's updated study. Those changes are summarized below:

- The discount rate was updated from 2.16%, as of June 30, 2021, to 3.54%, as of June 30, 2022.
- The Pre-Medicare Select Trend Rate was decreased from 6.75% to 6.50% in 2022.
- The Post-Medicare Select Trend Rate was increased from 5.75% to 5.50% in 2022.

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

For the year ended June 30, 2023, there were no changes in the pension benefit plan terms to the actuarial methods and assumptions used in the actuarial valuation report dated June 30, 2022.

The actuarial valuation reports became available beginning June 30, 2015. As additional actuarial valuations are obtained these schedules will ultimately present information from the ten most recent valuations.

Additional pension plan information can be found at *Note 10* to the basic financial statements.

Note 3. Budget Information

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

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

Other Supplementary Information

Nonmajor Governmental Funds

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

Bond Reserve

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

Capital Projects

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

Southern Nevada Health District
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual – Bond Reserve Fund
For the Fiscal Year Ended June 30, 2023

	Original	Final	Actual	Variance with Final Budget - Increase (Decrease)
Revenues				
Interest income	$ 55,000	$ 55,000	$ 16,024	$ (38,976)
Total revenues	55,000	55,000	16,024	(38,976)
Expenditures				
Public health				
Services and supplies	3,045,479	3,045,479	-	3,045,479
Total expenditures	3,045,479	3,045,479	-	3,045,479
Change in Fund Balance	(2,990,479)	(2,990,479)	16,024	3,006,503
Fund Balance, Beginning of Year	3,008,500	3,008,500	3,008,500	-
Fund Balance, End of Year	$ 18,021	$ 18,021	$ 3,024,524	$ 3,006,503

Southern Nevada Health District
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual – Capital Projects Funds
For the Fiscal Year Ended June 30, 2023

	Original	Final	Actual	Variance with Final Budget - Increase (Decrease)
Revenues				
Interest income	$ 80,000	$ 80,000	$ 38,446	$ (41,554)
Total revenues	80,000	80,000	38,446	(41,554)
Expenditures				
Public health				
Capital outlay	2,282,433	2,282,433	507,953	1,774,480
Total expenditures	2,282,433	2,282,433	507,953	1,774,480
Change in Fund Balance	(2,202,433)	(2,202,433)	(469,507)	1,732,926
Fund Balance, Beginning of Year	1,874,552	1,874,552	1,874,552	-
Fund Balance, End of Year	$ (327,881)	$ (327,881)	$ 1,405,045	$ 1,732,926

Internal Service Funds

Southern Nevada Health District
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual – Insurance Liability Reserve Fund
For the Fiscal Year Ended June 30, 2023

	Original	Final	Actual	Variance with Final Budget – Increase (Decrease)
Revenues				
Other operating income	$ -	$ -	$ -	$ -
Total revenues	-	-	-	-
Expenditures				
Claims and settlements	8,000	8,000	575	7,425
Total expenditures	8,000	8,000	575	7,425
Nonoperating Revenues				
Interest income	10,100	10,100	1,003	(9,097)
Change in Net Position	$ 2,100	$ 2,100	$ 428	$ (1,672)
Net Position, Beginning of Year			$ 86,122	
Net Position, End of Year			$ 86,550	

Compliance Section

Southern Nevada Health District
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
Department of Agriculture				
Passed through from:				
State of Nevada Department of Health and Human Services				
SNAP Cluster				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	7NV430NV5	$ -	$ 90,133
Total SNAP Cluster			-	90,133
Total Department of Agriculture			**-**	**90,133**
Department of Justice				
Passed through from:				
Nevada Attorney General's Office				
Comprehensive Opioid, Stimulant, and other Substances Use Program	16.838	2019-ODMAP-0029	-	25,340
Total Department of Justice			**-**	**25,340**
Department of the Treasury				
Passed through from:				
Nevada Department of Health and Human Services				
COVID-19 — Coronavirus State and Local Fiscal Recovery Funds	21.027	23LRHA01	-	4,423,196
Total Department of the Treasury			**-**	**4,423,196**
Environmental Protection Agency				
Passed through from:				
Nevada Department of Conservation & Natural Resources				
State Public Water System Supervision	66.432	F-00910522-2	-	38,355
Drinking Water State Revolving Fund Cluster				
Capitalization Grants for Drinking Water State Revolving Funds	66.468	FS99996020, FS99996021, FS99996022	-	111,645
Total Drinking Water State Revolving Fund Cluster			-	111,645
Underground Storage Tank (UST) Prevention, Detection, and Compliance Program	66.804	L 99T86701-3	-	212,500
Total Environmental Protection Agency			**-**	**362,500**
Department of Health and Human Services				
Passed through from:				
Nevada Department of Health and Human Services				
Public Health Emergency Preparedness	93.069	NU90TP922047-03, NU90TP922047-04, NU90TP922047-02	-	2,679,777
Direct Program:				
Environmental Public Health and Emergency Response	93.070		-	248,039
Passed through from:				
National Environmental Health Association				
Food and Drug Administration Research	93.103	U2FFD007358	-	100,967
Passed through from:				
Nevada Department of Health and Human Services				
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	NU52PS910224-01, 6 NU552PS910224-03-04, 5 NU52PS910224-04	-	444,911
Direct Program:				
Injury Prevention and Control Research and State and Community Based Programs	93.136		1,588,464	2,730,390
Passed through from:				
Nevada Department of Health and Human Services				
Injury Prevention and Control Research and State and Community Based Programs	93.136	NU17CE010040-01, NU17CE01022-01-00, NU17CE925001-03, NU17CE925001-03-02	70,817	357,488
Total Injury Prevention and Control Research and State and Community Based Programs			1,659,281	3,087,878

Southern Nevada Health District
Schedule of Expenditures of Federal Awards (Continued)
Year Ended June 30, 2023

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
Passed through from:				
University of Nevada, Las Vegas				
Childhood Lead Poisoning Prevention Projects, State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	93.197	NUE2EH001462-01	-	39,043
Direct Programs:				
Family Planning Services	93.217		-	1,905,507
Health Center Program Cluster				
Health Center Program (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, and Public Housing Primary Care)	93.224		-	977,016
COVID-19 — Health Center Program (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, and Public Housing Primary Care)	93.224		-	1,060,908
Grants for New and Expanded Services under the Health Center Program	93.527		-	109,882
Total Health Center Program Cluster			-	2,147,806
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243		-	280,040
Passed through from:				
Nevada Department of Health and Human Services				
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	5H79SP080994-04, 5H79SP080994-05	-	122,985
Total Substance Abuse and Mental Health Services Projects of Regional and National Significance			-	403,025
Immunization Cooperative Agreements	93.268	6 NH23IP922609-01, 6 NH23IP922609-02-05, 6 NH23IP922609-02-06, NH23IP922609-03, NH23IP922609-04	-	738,362
COVID-19 — Immunization Cooperative Agreements	93.268	6 NH23IP922609-01, 6 NH23IP922609-02-05, 6 NH23IP922609-02-06, NH23IP922609-03, NH23IP922609-04	-	4,702,924
Total Immunization Cooperative Agreements			-	5,441,286
Viral Hepatitis Prevention and Control	93.270	NU51PS005157-02, NU51PS005157-03	-	15,776
CSELS Partnership: Strengthening Public Health Laboratories	93.322	NU60OE000104	-	245
Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	NU50CK000560-01, NU50CK000560-02, NU50CK000560-03, NU50CK000560-04	-	1,524,738
COVID-19 — Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	NU50CK000560-01, NU50CK000560-02	2,539	22,956,272
Total Epidemiology and Laboratory Capacity for Infectious Diseases			2,539	24,481,010
COVID-19 — Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	NU90TP922191-01	-	266,062
National and State Tobacco Control Program	93.387	NU58DP006783-03, 5NU58DP006783-04	19,993	609,702
Direct Program:				
COVID-19 — Activities to Support State, Tribal, Local and Territorial Health Department Response to Public Health or Healthcare Crises	93.391		5,059,083	8,948,075

Southern Nevada Health District
Schedule of Expenditures of Federal Awards (Continued)
Year Ended June 30, 2023

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
Passed through from:				
Nevada Department of Health and Human Services				
COVID-19 — Activities to Support State, Tribal, Local and Territorial Health Department Response to Public Health or Healthcare Crises	93.391	NH75OT000057-01	-	303,026
Total Activities to Support State, Tribal, Local and Territorial Health Department Response to Public Health or Healthcare Crises			5,059,083	9,251,101
COVID-19 — Strengthening Public Health Systems and Services through National Partnerships to Improve and Protect the Nation's Health	93.421	NU38OT000289-03	-	116,748
The National Cardiovascular Health Program	93.426	NU58DP006538-04, NU58DP006538-05	-	108,816
The Innovative Cardiovascular Health Program	93.435	NU58DP006624-04, NU58DP006624-05	-	86,838
Passed through from:				
Catholic Charities Homeless Shelter Las Vegas				
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566	2202NVRCMA	-	163,245
Direct Program:				
CCDF Cluster				
Child Care and Development Block Grant	93.575		-	679,380
Total CCDF Cluster			-	679,380
Passed through from:				
Nevada Department of Health and Human Services				
Ending the HIV Epidemic: A Plan for America — Ryan White HIV/AIDS Program Parts A and B	93.686	6 UT8HA33925-03-00, 6 UT8HA33925-04-01, UT8HA33925-02	-	248,769
Direct Program:				
PPHF: Racial and Ethnic Approaches to Community Health Program financed solely by Public Prevention and Health Funds	93.738		345,145	1,279,072
Passed through from:				
University of Nevada, Reno				
Opioid STR	93.788	H79TI083310	-	299,929
Passed through from:				
University of California San Diego				
Allergy and Infectious Diseases Research	93.855	5 P30 AI036214-28, 2P30AI036214-29, 1 R21 AL 167889-02	-	157,703
Passed through from:				
Nevada Department of Health and Human Services				
Maternal, Infant and Early Childhood Home Visiting Grant	93.870	X10MC33594-01, 1 X10MC46877-01-00	-	330,482
COVID-19 — Maternal, Infant and Early Childhood Home Visiting Grant	93.870	X11MC41943-01, 6 X11MC45301-01-04	-	18,469
Total Maternal, Infant and Early Childhood Home Visiting Grant			-	348,951
National Bioterrorism Hospital Preparedness Program	93.889	U3REP190613-03, U3REP190613-04	88,116	1,102,139
HIV Emergency Relief Project Grants	93.914	H89HA06900-16, 6 H89HA06900-17, 6 H89HA06900-18-02	-	1,091,646
HIV Care Formula Grants	93.917	5 X07HA00001-33-00, X07HA00001-32-00	-	450,925

Southern Nevada Health District
Schedule of Expenditures of Federal Awards (Continued)
Year Ended June 30, 2023

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
Direct Program:				
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918		-	67,181
Passed through from:				
YALE				
Special Projects of National Significance	93.928	U90HA39341-02	-	25,100
Direct Program:				
HIV Prevention Activities Health Department Based	93.940		1,470,825	2,486,701
Passed through from:				
Nevada Department of Health and Human Services				
HIV Prevention Activities Health Department Based	93.940	NU62PS924579-05, 6 NU62PS924579-05-02	304,790	1,906,832
Total HIV Prevention Activities Health Department Based			1,775,615	4,393,533
Block Grants for Prevention and Treatment of Substance Abuse	93.959	B08TI083433-01, B08TI083130-01	-	45,530
Direct Program:				
Centers for Disease Control and Prevention Collaboration with Academia to Strengthen Public Health	93.967		-	673,287
Passed through from:				
Nevada Department of Health and Human Services				
Sexually Transmitted Diseases (STD) Prevention and Control Grants	93.977	NH25PS005179-04, 5 NH25PS005179-05, 6NH25PS005179-03,	-	2,101,976
Sexually Transmitted Diseases (STD) Provider Education Grants	93.978	NU62PS924588-03	-	58,858
Preventive Health and Health Services Block Grant	93.991	NB01OT009412-01, 1NB01OT009495-01	-	58,600
Total Department of Health and Human Services			**8,949,772**	**64,680,361**
Department of Homeland Security				
Passed through from:				
Nevada Division of Emergency Management, Homeland Security				
Homeland Security Grant Program	97.067	EMW-2020-SS-00056, EMW-2021-SS-00046-S01, EMW-2022-SS-0019-S01	-	111,237
Passed through from:				
University of Nevada, Las Vegas				
Homeland Security Biowatch Program	97.091	13 OHBIO000025-10-00	-	19,500
Total Department of Homeland Security			**-**	**130,737**
Total Federal Awards Expended			**$ 8,949,772**	**$ 69,712,267**

The accompanying notes are an integral part of this Schedule.

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal award activity of the Southern Nevada Health District (Health District) under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Health District, it is not intended to and does not present the financial position, changes in net position/fund balance or cash flows of the Health District.

Note 2. Summary of Significant Accounting Policies

The Health District's summary of significant accounting policies is presented in *Note 1* to the Health District's basic financial statements for the year ended June 30, 2023.

Expenditures reported on the Schedule are reported on the modified accrual basis when they become a demand on current available federal resources and eligibility requirements are met, except for subrecipient expenditures, which are recorded on the cash basis.

Such expenditures are recognized following the cost principles contained in the Uniform Guidance or other regulatory requirements, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note 3. Indirect Cost Rate

The Health District has not elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

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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*

Independent Auditor's Report

Board of Health and Director of Administration
Southern Nevada Health District
Las Vegas, Nevada

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Southern Nevada Health District (Health District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which comprise collectively the Health District's basic financial statements, and have issued our report thereon dated November 21, 2023, which contained an emphasis of matter paragraph regarding a change in accounting principle.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Health District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

FORVIS, LLP

Dallas, Texas
November 21, 2023

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Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance

Independent Auditor's Report

Board of Health and Director of Administration
Southern Nevada Health District
Las Vegas, Nevada

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Southern Nevada Health District's (Health District) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Health District's major federal programs for the year ended June 30, 2023. The Health District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Health District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the "Auditor's Responsibilities for the Audit of Compliance" section of our report.

We are required to be independent of the Health District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Health District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Health District's federal programs.

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Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Health District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Health District's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Health District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the Health District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Health District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the "Auditor's Responsibilities for the Audit of Compliance" section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

FORVIS, LLP

Dallas, Texas
November 21, 2023

Southern Nevada Health District
Schedule of Findings and Questioned Costs
Year Ended June 30, 2023

Section I - Summary of Auditor's Results

Financial Statements

1. Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

   ☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimer

2. Internal control over financial reporting:

Significant deficiency(ies) identified?	☐ Yes	☒ None reported
Material weakness(es) identified?	☐ Yes	☒ No

3. Noncompliance material to the financial statements noted?

   ☐ Yes ☒ No

Federal Awards

4. Internal control over compliance for major federal programs:

Significant deficiency(ies) identified?	☐ Yes	☒ None reported
Material weakness(es) identified?	☐ Yes	☒ No

5. Type of auditor's report issued on compliance for major federal programs:

   ☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimer

6. Any audit findings disclosed that are required to be reported by 2 CFR 200.516(a)?

   ☐ Yes ☒ No

7. Identification of major federal programs:

Assistance Listing Number(s)	Name of Federal Program or Cluster
21.027	COVID-19 — Coronavirus State and Local Fiscal Recovery Funds
93.069	Public Health Emergency Preparedness
93.136	Injury Prevention and Control Research and State and Community Based Programs
93.268	Immunization Cooperative Agreements
93.323	COVID-19 — Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)
93.977	Sexually Transmitted Diseases (STD) Prevention and Control Grants

8. Dollar threshold used to distinguish between Type A and Type B programs: $2,091,368.

9. Auditee qualified as a low-risk auditee?

☐ Yes ☒ No

Section II – Financial Statement Findings

Reference Number	Finding

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

Reference Number	Finding

No matters are reportable.

Southern Nevada Health District
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2023

Reference Number	Summary of Finding	Status
2022-001	**Finding:** Material Weakness in Financial Close and Reporting Controls **Criteria:** The internal control structure should include procedures to ensure management is able to identify and perform material reconciliations, accruals, and adjustments in a timely manner as part of financial close. **Condition and Effect:** During the course of performing audit procedures, multiple year-end account reconciliations, accruals, and adjustments that had not been completed prior to the start of the audit were identified. A breakdown of controls of this magnitude could lead to a material misstatement of an account or balance that is not detected and corrected by Management. **Recommendation:** New management team should augment existing documentation of year end reconciliation processes to be more specific regarding the exact reports, processes, and activities required to close out and balance all accounts. Further, the Health District should identify ways to improve management and staff retention in order to improve continuity within the controls process.	Resolved. See separate auditee document for detail of corrective action taken.
2022-002	**Finding:** Material Weakness in Financial Close and Reporting Controls – IT Accounting System **Criteria:** The internal control structure should include an accounting system that is capable of recording transactions and journal entries without error, and with sufficient controls to prevent errors. **Condition and Effect:** During the course of performing audit procedures, multiple funds were identified as out of balance due to the accounting system recording one-sided entries across multiple funds. A breakdown of controls of this magnitude could lead to a material misstatement of an account or balance that is not detected and corrected by Management. **Recommendation:** The Health District should review the accounting systems processes and controls, communicate with their vendor, and implement safeguards to ensure that this issue does not recur.	Resolved. See separate auditee document for detail of corrective action taken.

Reference Number	Summary of Finding	Status
2022-003	**Finding:** Noncompliance with Nevada Revised Statutes Budget Requirements Material Noncompliance Material Weakness in Internal Control Over Compliance **Criteria:** Nevada Revised Statute (NRS) 354.626, Unlawful expenditure of money in excess of amount appropriated; penalties; exceptions, states that "No governing body or member thereof, officer, office, department or agency may, during any fiscal year, expend or contract to expend any money or incur any liability, or enter into any contract which by its terms involves the expenditure of money, in excess of the amounts appropriated for that function, other than bond repayments, medium-term obligation of repayments and any other long-term contract expressly authorized by law." NRS 354.598005, Procedures and requirements for augmenting or amending budget, allows for the transfer of budget appropriations between functions and/or funds if such a transfer does not increase the total appropriation for any fiscal year and is not in conflict with other statutory provisions. Budget appropriations may be transferred in the following manner: (a) The person designated to administer the budget for a local government may transfer appropriations within any function. (b) The person designated to administer the budget may transfer appropriations between functions or programs within a fund, if: (1) The governing body is advised of the action at the next regular meeting; and (2) The action is recorded in the official minutes of the meeting. (c) Upon recommendation of the person designated to administer the budget, the governing body may authorize the transfer of appropriations between funds or from the contingency account, if: (1) The governing body announces the transfer of appropriations at a regularly scheduled meeting and sets forth the exact amounts to be transferred and the accounts, functions, programs and funds affected; (2) The governing body sets forth its reasons for the transfer; and (3) The action is recorded in the official minutes of the meeting. **Condition and Effect:** The Health District made transfers in excess of budget of $1,740,568 from the General Fund to the Special Revenue Fund without obtaining Board approval. Additionally, the Health District's Special Revenue Fund expenditures exceeded the available budget appropriations by $1,697,446. The Health District is not in compliance with the NRS budget requirements identified above. **Recommendation:** Management should revisit the Health District's process for establishing, monitoring, amending, and augmenting its final budget.	Resolved. See separate auditee document for detail of corrective action taken.