

Southern Nevada Health District

FY2026 Audit Presentation

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Introductions



Josh Findlay, CPA

Director

Audit Engagement Executive

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- Your relationship client executive
- 12 years of experience
- Practice emphasis in auditing governmental entities

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Audit Timeline

01	**June 2026**	Audit Kick-Off Meeting with Management
02	**July 2026**	Single Audit Planning & Major Program Determination + Financial Statement Audit Planning & Risk Assessment
03	**August 2026**	Single Audit Testing
04	**September - October 2026**	Final Audit Fieldwork
05	**November 2026**	Report Issuance of Financial Statements & Presentation to Board
06	**To be Determined**	Report Issuance of Single Audit – Pending the Finalized 2026 Compliance Supplement

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Significant Areas of Audit Focus

Management Override of Controls
(Note: This is a presumed risk on all audit engagement.)

Planned Audit Approach

- ✓ Review accounting estimates for management bias
- ✓ Perform journal entry testing
- ✓ Evaluate the business purpose of significant or unusual transactions
- ✓ Incorporate an element of unpredictability into the audit process

Related Assertions

Pervasive

Risk of Improper Intergovernmental Revenue Recognition

Planned Audit Approach

- ✓ Reconcile intergovernmental revenue to the Schedule of Expenditures of Federal Awards
- ✓ Perform detailed testing of grant receivables at year-end
- ✓ Analytically review federal expenditures compared to prior year federal expenditures by Assistance Listing Number

Related Assertions

Existence

Noncompliance with laws and regulations, including Uniform Guidance

Planned Audit Approach

- ✓ Identify and test key controls over compliance with requirements that have a direct and material effect on each major federal program

Related Assertions

Pervasive

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Audit Scope and Results

Audit Scope and Results

1 Financial Statement Opinions

- Unmodified “Clean” Opinions

2 Report on Internal Control Over Financial Reporting and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* – Independent Auditor’s Report

- No reportable findings

3 Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by Uniform Guidance

- No reportable findings *(pending)*

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Audit Scope and Results (Continued)
Single Audit

Major Federal Programs for FY2026

Major Program	Federal Assistance Listing Number	Expenditures
Public Health Emergency Preparedness Program	93.069	$2,496,155
Injury Prevention and Control Research and State and Community Based Programs	93.136	$2,948,815
Healthy Start Initiative	93.926	$1,116,629
HIV Emergency Relief Project Grants	93.914	$1,363,801

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Audit Scope and Results (Continued)

Qualitative Aspects of Significant Accounting Policies and Practices

- Significant Accounting Policies
  - The Health District's significant accounting policies are described in *Note 1* of the audited financial statements.
  - With respect to new accounting standards adopted during the year:
    - Note 1 - Governmental Accounting Standards Board (GASB) Statement No. 103, *Financial Reporting Model Improvements*
    - Note 1 - Governmental Accounting Standards Board (GASB) Statement No. 104, *Disclosure of Certain Capital Assets*
    - Note 1 - Governmental Accounting Standards Board (GASB) Statement No. 105, *Subsequent Events*
- Alternative Accounting Treatments
  - No matters are reportable.

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Audit Scope and Results (Continued)

Auditor's Judgments About the Quality of the District's Accounting Principles

- No matters are reportable.

Significant Issues Discussed with Management During the Audit Process

- No matters are reportable.

Disagreements with Management

- No matters are reportable.

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Future Pronouncements and Other Matters

Accounting Updates – None

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Questions?

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FINAL DRAFT

Southern Nevada Health District

Independent Auditor's Report, Financial Statements, and Supplementary Information

June 30, 2026

Southern Nevada Health District
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June 30, 2026

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Independent Auditor's Report

Board of Health and District Health Officer
Southern Nevada Health District
Las Vegas, Nevada

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, 2026, 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, 2026, 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). 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.

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 12 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 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, 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 comparison, 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 GAAS, 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.

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Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Health District's basic financial statements. The budget to actual comparisons, 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 budget to actual comparisons are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Dallas, Texas
November 20, 2026

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, 2026. This narrative is designed to:

- Provide an overview of the Health District's financial condition and results of operations
- Assist readers in identifying significant financial activities and trends
- Explain significant changes from the prior fiscal year and ability to address future priorities

Overview of the Financial Statements

The discussion and analysis provided herein is intended to serve as an introduction to the 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 both required supplementary information and 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 2026. 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, behavioral health, 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 17 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 all funds 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 20 of this report.

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Proprietary Fund

As of June 30, 2026, 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 24 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. The fiduciary fund financial statements can be found beginning on page 27 of this report.

Notes to 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 financial statements can be found beginning on page 29 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 53 of this report.

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Financial Summary

Government-Wide Summary Statement of Net Position

	Governmental Activities	
	2026	**2025**
Assets		
Current and other assets	$ 89,728,780	$ 92,522,446
Net capital, lease, and subscription assets	36,272,490	37,326,755
Total Assets	126,001,270	129,849,201
Deferred Outflows of Resources	73,223,124	82,179,853
Liabilities		
Short-term liabilities	11,567,399	21,201,902
Long-term liabilities	167,872,577	183,979,113
Total Liabilities	179,439,976	205,181,015
Deferred Inflows of Resources	54,007,034	42,097,544
Net Position (Deficit)		
Net investment in capital assets	28,698,148	29,325,954
Restricted	212,989	119,425
Unrestricted (deficit)	(63,133,753)	(64,694,884)
Total Net Position (Deficit)	$ (34,222,616)	$ (35,249,505)

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 $34,222,616. Unrestricted net position (deficit) could be used to meet the government's ongoing obligations to citizens and creditors, if it were a positive number.

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Government-Wide Summary Statement of Changes in Net Position

	Governmental Activities	
	2026	**2025**
Revenues		
Program revenues		
Charges for services	$ 76,289,730	$ 78,438,113
Operating grants and contributions	52,005,918	49,014,470
General revenues		
Property tax allocation	41,508,419	37,651,176
Other income	2,617,279	4,936,348
Unrestricted investment income	2,989,338	3,532,996
Total Revenues	175,410,684	173,573,103
Expenses		
Public health		
Clinical services	61,457,669	63,679,095
Environmental health	29,053,676	28,681,904
Community health	55,975,856	52,530,873
Administration	27,425,930	26,799,140
Interest	470,664	374,606
Total Expenses	174,383,795	172,065,618
Change in Net Position	1,026,889	1,507,485
Net Position, Beginning	(35,249,505)	(36,756,990)
Net Position, Ending	$ (34,222,616)	$ (35,249,505)

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Analysis of the Health District's Finances

Governmental Activities

The Health District's total net position (deficit) improved by $1,026,889 from the 2025 fiscal year to an ending balance of negative $34,222,616. This was primarily due to an increase in operating grants and contributions and property tax revenues, offset by an increase in administrative and community health-related expenditures.

The Health District's total revenue increased by $1,837,581. This was primarily driven by increases in operating grants and contributions, related to increased state grant funding offset by a decrease in indirect federal grants. The property tax revenues also increased due to a growing local economy and increases in property values. Expenses increased by $2,318,177 primarily due to an increase in services and supplies and personnel costs, including both salaries and benefits.

Total unrestricted net position represents negative 184% 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.

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, 2026, the Health District's governmental funds reported combined fund balances of $78,769,617, an increase of $6,733,316 in comparison with the prior year. Approximately 43.6%, or $34,347,709, of this amount constitutes unassigned fund balance, which is available for spending at the Health District's discretion.

The remainder of governmental fund balance is classified as follows: $4,650,890 is nonspendable; restricted funds of $117,312 is grant-related; $1,000,000 is committed for emergency reserve; $8,386,323 is assigned to capital project improvements; $13,579,767 is assigned to community health facility construction; $4,000,000 is assigned to clinical service programs development; $5,000,000 is assigned for contingency; $4,704,607 is assigned to short-term employee leave benefits; $2,250,000 is assigned to technology improvements; and $733,009 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 $34,347,709, while the total fund balance is $70,263,954.

The Health District maintains a significant portion of its fund balance in spendable classifications, providing resources to support ongoing operations and meet short-term financial obligations. However, amounts classified as nonspendable, restricted, or committed are subject to limitations on their use and therefore are not available for general operating purposes. The level of unassigned fund balance available in the General Fund provides additional financial flexibility to address operating needs and unforeseen expenditures.

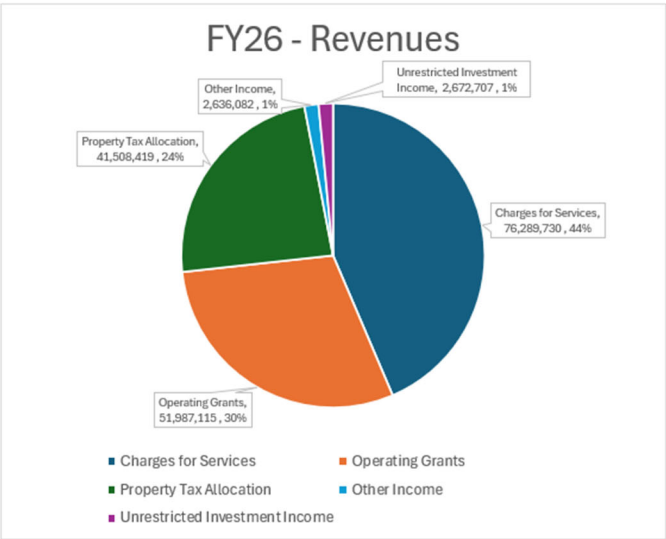
As a measure of operating liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total combined general fund and special revenue fund expenditures. Unassigned fund balance represents approximately 20.1% of total combined general fund and special revenue fund expenditures and transfers, while total governmental fund balance represents approximately 46.4% of the total governmental expenditures and transfers.

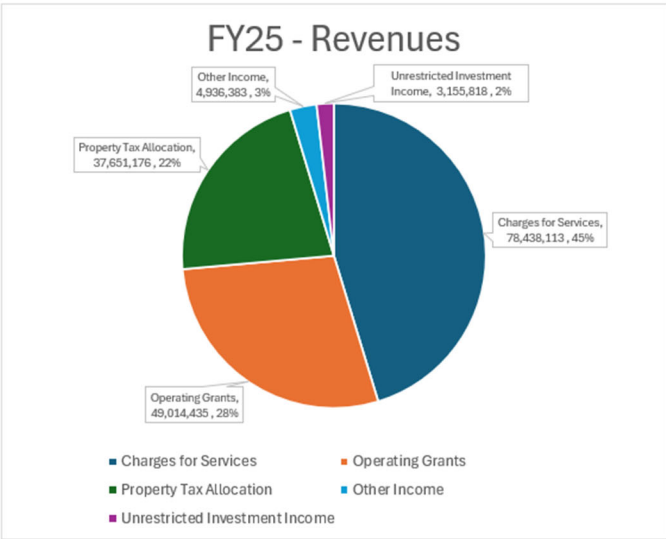
Other governmental funds consist of the Special Revenue Fund, the Bond Reserve Fund (also known as Building Fund), and the Capital Projects Fund. The Special Revenue Fund was created in fiscal year 2016 to account for the grant funds the Health District receives and has a nonspendable fund balance of $2,028 and restricted fund balance of $117,312. 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 $8,386,323 at the end of the current fiscal year, which increased by $1,600,040 as compared to the prior fiscal year, primarily attributable to a budgeted transfer of $3,000,000 from the General Fund.

Fund Revenues by Source

	2026		2025		Increase (Decrease)	
	Amount	Percent	Amount	Percent	Amount	Percent
General Fund Revenues						
Charges for services						
Fees for service	$ 44,657,224	36.63%	$ 46,360,664	37.74%	$ (1,703,440)	-3.67%
Regulatory revenue	28,781,038	23.61%	28,482,125	23.19%	298,913	1.05%
Title XIX and other	2,851,468	2.34%	3,595,324	2.93%	(743,856)	-20.69%
Total charges for services	76,289,730	62.58%	78,438,113	63.86%	(2,148,383)	-2.74%
Intergovernmental revenues						
Property tax	41,508,419	34.05%	37,651,176	30.65%	3,857,243	10.24%
General receipts						
Contributions and donations	18,803	0.02%	35	0.00%	18,768	53622.86%
Interest income	2,672,707	2.19%	3,155,818	2.57%	(483,111)	-15.31%
Other	1,411,263	1.16%	3,592,739	2.92%	(2,181,476)	-60.72%
Total General Fund Revenues	$ 121,900,922	100.00%	$ 122,837,881	100.00%	$ (936,959)	-0.76%
Special Revenue Fund Revenues						
Intergovernmental revenues						
Direct federal grants	$ 16,380,658	30.79%	$ 18,175,097	36.09%	$ (1,794,439)	-9.87%
Indirect federal grants	19,867,080	37.35%	27,305,731	54.22%	(7,438,651)	-27.24%
State funding	15,739,377	29.59%	3,533,607	7.02%	12,205,770	345.42%
Total intergovernmental revenues	51,987,115	97.73%	49,014,435	97.33%	2,972,680	6.06%
Program Contract Services	1,206,016	2.27%	1,343,609	2.67%	(137,593)	-10.24%
Total Special Fund Revenues	$ 53,193,131	100.00%	$ 50,358,044	100.00%	$ 2,835,087	5.63%
Combined Special Revenue and General Funds	$ 175,094,053		$ 173,195,925		$ 1,898,128	1.10%





The decrease in charges for services was primarily related to a decrease in clinical services immunizations due to a decrease in activity year over year and a decrease in pharmacy services revenue due to lookback payments for 2022 and 2023 received in fiscal year 2025 that did not occur in fiscal year 2026.

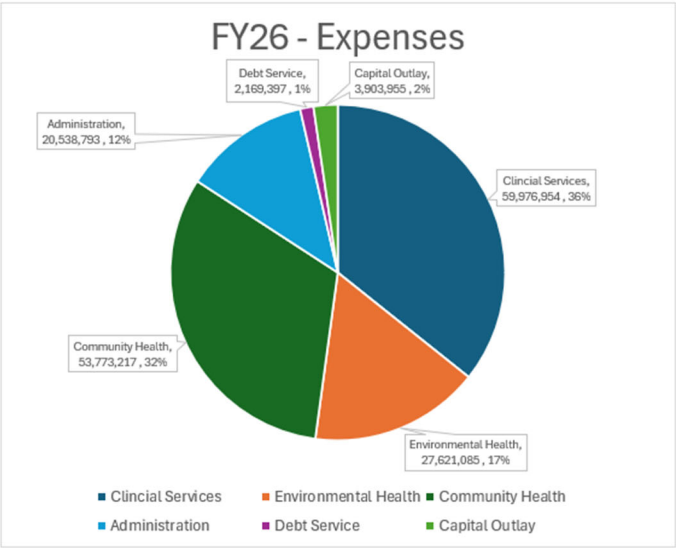
The increase in the property tax allocation of $3,857,243 is due to a growing local economy, increases in property values, and subsequent increased property taxes. There is a 3% property tax cap on increases for primary residence property in the State of Nevada.

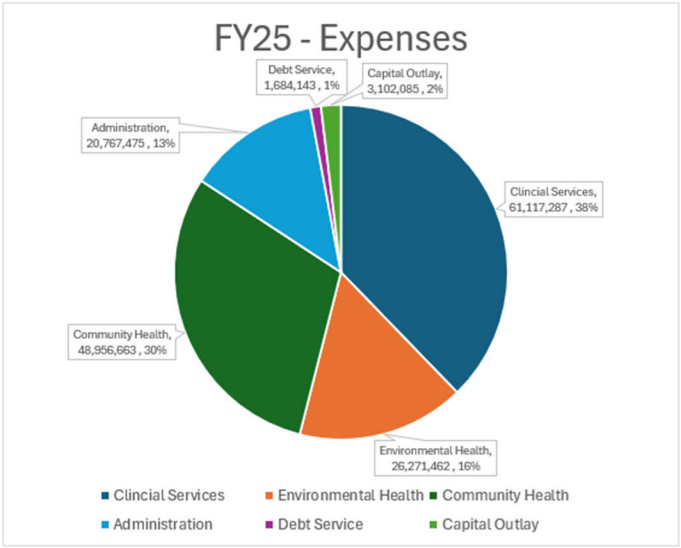
The decrease in interest income was due to decreased fair market value compared to book value at year-end from investments offset, partially by increased earnings on higher average investment balances during the year. Other income decreased primarily because fiscal year 2025 included retroactive payments related to the implementation of a rate increase from the Division of Health Care Financing and Policy.

The decrease in federal and indirect grant revenues was primarily due to a decrease in grants received and related eligible expenditures. These grants were primarily COVID-19-related.

The increase in state grant revenues was primarily due to the recognition of expenditures incurred related to the Health District's allocation of Senate Bill 118 funding and State Public Health funding. The Health District received $10,950,000 in Senate Bill 118 funding to be utilized over fiscal year 2025 and 2026. Approximately $1.9 million was spent in fiscal year 2025 and the remainder balance was spent in fiscal year 2026. The Health District received $10,786,480 in State Public Health funding to be utilized over fiscal year 2026 and 2027 in installments of $5,393,240, respectively. The first installment of $5,393,240 was fully spent in fiscal year 2026.

	2026		2025		Increase (Decrease)	
	Amount	Percent	Amount	Percent	Amount	Percent
General Fund Expenditures						
Current						
Public health						
Clinical services	$ 48,916,185	44.74%	$ 47,223,290	52.85%	$ 1,692,895	3.58%
Environmental health	25,733,212	23.54%	24,568,418	27.50%	1,164,794	4.74%
Community health services	15,268,454	13.97%	14,057,815	15.82%	1,210,639	8.61%
Administration	16,139,231	14.76%	17,735,600	0.80%	(1,596,369)	-9.00%
Debt service						
Principal	1,698,733	1.55%	1,309,537	1.23%	389,196	29.72%
Interest	470,664	0.43%	374,606	0.35%	96,058	25.64%
Capital outlay						
Public health	1,107,073	1.01%	1,543,923	1.45%	(436,850)	-28.29%
Total General Fund Expenditures	$ 109,333,552	100.00%	$ 106,813,189	100.00%	$ 2,520,363	2.36%
Special Revenue Fund Expenditures						
Current						
Public health						
Clinical services	$ 11,060,769	18.86%	$ 13,893,997	25.22%	$ (2,833,228)	-20.39%
Environmental health	1,887,873	3.23%	1,703,044	3.10%	184,829	10.85%
Community health services	38,504,763	65.65%	34,898,848	63.35%	3,605,915	10.33%
Administration	4,399,562	7.50%	3,031,875	5.50%	1,367,687	45.11%
Capital outlay						
Public health	2,796,882	4.77%	1,558,162	2.83%	1,238,720	79.50%
Total Special Revenue Fund Expenditures	$ 58,649,849	100.00%	55,085,926	100.00%	$ 3,563,923	6.47%
Combined Special Revenue and General Funds	$ 167,983,401		$ 161,899,115		$ 6,084,286	3.76%





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The increase in general fund expenditures was primarily due to an increase in personnel expenses for services provided and operating costs for supplies.

The increase in special revenue fund expenditures was primarily due to an increase in services and supplies cost and personnel costs, including both salaries and benefits, for community health services and administration. This increase was offset by a decrease in clinical service expenditures, primarily due to a decrease of personnel costs and service and supplies cost for COVID-19 related activities.

During fiscal year 2026, the General Fund transferred $8,454,605 to other governmental funds, including $5,454,605 to the Special Revenue Fund to finance various programs and the administrative cost allocation and $3,000,000 to other governmental funds to finance capital outlays and improvements.

Overall, governmental fund balances increased by $6,733,316 during fiscal year 2026. Revenues exceeded expenditures by $5,710,692, and subscription financing provided an additional $1,022,624 of other financing sources. The change in fund balance was primarily due to the increase in property tax revenues and intergovernmental state grant funding, discussed previously. Transfers between governmental funds totaled $8,454,605 and had no impact on total governmental fund balance.

Significant Capital Asset and Long-Term Financing Activity

Capital, Lease, and Subscription Assets

As of June 30, 2026, the Health District's investment in capital, lease, and subscription assets for its governmental activities was $36,272,490. This investment in capital assets includes land, buildings and improvements, and vehicles and equipment. The net decrease in capital assets for the current fiscal year was approximately $1,054,265, or 3%, primarily due to an increase in construction in progress, subscription IT assets, and furniture, fixtures, and equipment, offset by retirements and depreciation and amortization on existing assets.

	Balance June 30, 2025	Increases	Decreases	Transfers	Balance June 30, 2026
Governmental activities	$ 37,326,755	$ 5,435,520	$ (6,489,785)	$ -	$ 36,272,490

The Health District disposed of capital assets with a net book value of $1,875,909. This was primarily due to obsolete furniture, fixtures, and equipment.

Additional detailed information on the Health District's capital assets can be found in Note 3 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. During fiscal year 2026, the Health District made $1,042,580 of principal payments on lease liabilities and $656,153 of principal payments on subscription liabilities. The Health District also entered into new subscription-based information technology arrangements (SBITAs), resulting in $1,022,624 of new subscription liabilities. At June 30, 2026, outstanding lease and subscription liabilities were $6,159,364 and $855,537, respectively.

Currently Known Facts, Decisions, or Conditions

The Health District's financial position improved during fiscal year 2025-2026. The national public health emergency put in place at the start of the pandemic expired on May 11, 2023. Grant revenue provided for the pandemic response has expired and is not expected to continue.

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 or other allocated funding is 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 amount is included as committed fund balance in the financial statements.

The Health District is confronted with inflationary factors affecting the cost of equipment; clinical, laboratory, and pharmaceutical supplies; and other services. As of June 30, 2026, the Consumer Price Index has increased 3.5% over the past 12 months as an average annual percentage indicating these costs may continue to grow in the immediate future. Bargaining unit negotiation increases scheduled for budget year 2026-2027 and budget year 2027-2028 will result in significant increased labor costs going forward. In addition, benefit costs will be higher due to increased retirement contributions on higher salaries and expected increased group insurance costs in budget year 2026-2027 and budget year 2027-2028.

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 73% of Nevada's population and is 4.7 times the population of Washoe County in Northern Nevada. The additional funding support will enable the Health District to better address the needs of residents requiring services. Senate Bill 118 was approved during the State of Nevada 2023 Legislative Session. Section 9.2 of the bill made an appropriation to the Division of Public and Behavioral Health of the Department of Health and Human Services for allocation to specified entities for the improvement of public health. The Health District received an allocation of $10,950,000 to be utilized over fiscal year 2024-2025 and fiscal year 2025-2026. The allocated funding was fully spent as of June 30, 2026. In August 2025, the Health District also received an allocation of $10,786,480 to be utilized over the fiscal year 2025-2026 and fiscal year 2026-2027 in installments of $5,393,240, respectively. The first installment of $5,393,240 was fully spent as of June 30, 2026.

Property tax revenue is anticipated to increase by approximately 5.4% for the 2026-2027 budget year. Fees for services for clinical services, regulatory revenue, environmental health licenses, and permit revenues are anticipated to remain consistent with prior year.

The Health District is engaged in a project to expand its public health laboratory facilities to ensure capacity to support the growing community and respond to public health threats. An assignment of fund balance is included in the financial statements.

At present, the Health District has the financial resources and capacity to maintain current service levels. As current funding continues to expire, terminate, or experience reductions, 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, NV 89127

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

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Basic Financial Statements

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Southern Nevada Health District
Statement of Net Position
June 30, 2026

	Primary Government
	Governmental Activities
ASSETS	
Cash, cash equivalents, and investments	$ 71,468,701
Grants receivable	8,303,097
Accounts receivable, net	5,210,352
Interest receivable	435,977
Other receivables	363,676
Prepaid items	1,286,017
Inventories	2,660,960
Capital assets, not depreciated	
Land	3,447,236
Construction in progress	3,641,926
Capital, lease, and subscription assets, net of accumulated depreciation and amortization	
Buildings	14,440,827
Improvements other than buildings	1,759,954
Furniture, fixtures, and equipment	5,109,713
Lease assets	5,484,579
Subscription assets	1,764,060
Vehicles	624,195
Total Assets	126,001,270
DEFERRED OUTFLOWS OF RESOURCES	
Deferred amounts related to pensions	52,381,645
Deferred amounts related to OPEB	20,841,479
Total Deferred Outflows of Resources	73,223,124

FINAL DRAFT

Southern Nevada Health District
Statement of Net Position
June 30, 2026

(Continued)

	Primary Government Governmental Activities
LIABILITIES	
Accounts payable	$ 7,556,823
Retainage payable	35,213
Accrued expenses	3,776,707
Workers compensation self-insurance claims	43,596
Unearned revenue	155,060
Long-term liabilities, due within one year	
Compensated absences	4,704,607
Lease liabilities	917,692
Subscription liabilities	524,375
Long-term liabilities, due in more than one year	
Compensated absences	9,817,582
Lease liabilities	5,241,672
Subscription liabilities	331,162
Net pension liability	115,395,785
Total OPEB liability	30,939,702
Total Liabilities	179,439,976
DEFERRED INFLOWS OF RESOURCES	
Deferred amounts related to pensions	25,930,673
Deferred amounts related to OPEB	28,076,361
Total Deferred Inflows of Resources	54,007,034
NET POSITION (DEFICIT)	
Net investment in capital assets	28,698,148
Restricted	212,989
Unrestricted (deficit)	(63,133,753)
Total Net Position (Deficit)	$ (34,222,616)

FINAL DRAFT

Southern Nevada Health District
Statement of Activities
For the Fiscal Year Ended June 30, 2026

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position Primary Government: Governmental Activities
Primary Government				
Governmental activities				
Public health				
Clinical services	$ 61,457,669	$ 38,902,723	$ 9,320,897	$ (13,234,049)
Environmental health	29,053,676	28,454,852	1,665,691	1,066,867
Community health	55,975,856	5,554,405	35,647,688	(14,773,763)
Administration	27,425,930	3,377,750	5,371,642	(18,676,538)
Interest	470,664	-	-	(470,664)
Total governmental activities	174,383,795	76,289,730	52,005,918	(46,088,147)
Total Function/Program	$ 174,383,795	$ 76,289,730	$ 52,005,918	$ (46,088,147)
General Revenues				
Property tax allocation				$ 41,508,419
Other income				2,617,279
Unrestricted investment income				2,989,338
Total General Revenues and Transfers				47,115,036
Change in Net Position				1,026,889
Net Position (Deficit), Beginning of Year				(35,249,505)
Net Position (Deficit), End of Year				$ (34,222,616)

FINAL DRAFT

Southern Nevada Health District
Governmental Funds – Balance Sheet
June 30, 2026

	General Fund	Special Revenue Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash, cash equivalents, and investments	$ 62,184,587	$ -	$ 9,171,495	$ 71,356,082
Grants receivable	-	8,303,097	-	8,303,097
Accounts receivable, net	5,194,565	15,787	-	5,210,352
Other receivables	328,463	35,213	-	363,676
Interest receivables	380,312	-	55,589	435,901
Due from other funds	7,548,832	3,934,836	-	11,483,668
Inventories	2,660,960	-	-	2,660,960
Prepaid items	1,987,902	2,028	-	1,989,930
Total Assets	$ 80,285,621	$ 12,290,961	$ 9,227,084	$ 101,803,666
LIABILITIES				
Accounts payable	$ 2,638,956	$ 4,393,639	$ 524,228	$ 7,556,823
Retainage payable	-	35,213	-	35,213
Accrued expenses	3,415,419	176,831	184,457	3,776,707
Workers compensation self-insurance claims	23,596	-	-	23,596
Unearned revenue	6,956	148,104	-	155,060
Due to other funds	3,936,740	7,417,834	132,076	11,486,650
Total Liabilities	10,021,667	12,171,621	840,761	23,034,049
FUND BALANCES				
Nonspendable				
Inventories	2,660,960	-	-	2,660,960
Prepaid items	1,987,902	2,028	-	1,989,930
Restricted for				
Grants	-	117,312	-	117,312
Committed for				
Emergency reserve	1,000,000	-	-	1,000,000
Assigned for				
Capital improvements	-	-	8,386,323	8,386,323
Community health facility construction and other improvements	13,579,767	-	-	13,579,767
Clinical service programs development	4,000,000	-	-	4,000,000
Contingency	5,000,000	-	-	5,000,000
Short-term employee leave benefits	4,704,607	-	-	4,704,607
Technology improvements	2,250,000	-	-	2,250,000
Administration	733,009	-	-	733,009
Unassigned	34,347,709	-	-	34,347,709
Total Fund Balances	70,263,954	119,340	8,386,323	78,769,617
Total Liabilities and Fund Balances	$ 80,285,621	$ 12,290,961	$ 9,227,084	$ 101,803,666

FINAL DRAFT

Southern Nevada Health District
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position – Governmental Activities
June 30, 2026

Total Fund Balance – Governmental Funds	$	78,769,617
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 $703,913 of prepaid subscription assets already reported in the governmental funds.		
Capital, lease, and subscription assets, net of accumulated depreciation and amortization		35,568,577
Long-term liabilities and related deferred inflows and outflows of resources are not due and payable in the current period or are not current financial resources and, therefore, are not reported in the funds. A summary of these items is as follows:		
Postemployment benefits other than pensions		(30,939,702)
Deferred outflows related to postemployment benefits other than pensions		20,841,479
Deferred inflows related to postemployment benefits other than pensions		(28,076,361)
Compensated absences		(14,522,189)
Lease liability		(6,159,364)
Subscription liability		(855,537)
Net pension liability		(115,395,785)
Deferred outflows related to pensions		52,381,645
Deferred inflows related to pensions		(25,930,673)
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		95,677
Net Position of Governmental Activities	$	(34,222,616)

FINAL DRAFT

Southern Nevada Health District
Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2026

	General Fund	Special Revenue Fund	Other Governmental Funds	Total Governmental Funds
Revenues				
Charges for services				
Fees for service	$ 44,657,224	$ -	$ -	$ 44,657,224
Regulatory revenue	28,781,038	-	-	28,781,038
Title XIX and other	2,851,468	-	-	2,851,468
Intergovernmental revenues				
Property tax	41,508,419	-	-	41,508,419
Direct federal grants	-	16,380,658	-	16,380,658
Indirect federal grants	-	19,867,080	-	19,867,080
State grant funds	-	15,739,377	-	15,739,377
General receipts				
Contributions and donations	18,803	-	-	18,803
Interest income	2,672,707	-	314,330	2,987,037
Other	1,411,263	1,206,016	-	2,617,279
Total Revenues	121,900,922	53,193,131	314,330	175,408,383
Expenditures				
Current				
Public health				
Clinical and nursing services	48,916,185	11,060,769	-	59,976,954
Environmental health	25,733,212	1,887,873	-	27,621,085
Community health	15,268,454	38,504,763	-	53,773,217
Administration	16,139,231	4,399,562	403,802	20,942,595
Total current	106,057,082	55,852,967	403,802	162,313,851
Debt service				
Principal	1,698,733	-	-	1,698,733
Interest	470,664	-	-	470,664
Capital outlay	1,107,073	2,796,882	1,310,488	5,214,443
Total debt service	3,276,470	2,796,882	1,310,488	7,383,840
Total Expenditures	109,333,552	58,649,849	1,714,290	169,697,691
Excess (Deficiency) of Revenues Over Expenditures	12,567,370	(5,456,718)	(1,399,960)	5,710,692
Other Financing Sources (Uses)				
Transfers in	-	5,454,605	3,000,000	8,454,605
Transfers out	(8,454,605)	-	-	(8,454,605)
Subscriptions	1,022,624	-	-	1,022,624
Total Other Financing Sources (Uses)	(7,431,981)	5,454,605	3,000,000	1,022,624
Net Change in Fund Balances	5,135,389	(2,113)	1,600,040	6,733,316
Fund Balances, Beginning of Year	65,128,565	121,453	6,786,283	72,036,301
Fund Balances, End of Year	$ 70,263,954	$ 119,340	$ 8,386,323	$ 78,769,617

See Notes to Financial Statements

FINAL DRAFT

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, 2026

Net change in fund balances – total governmental funds	$	6,733,316
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation or amortization. This is the amount of capital outlay recorded in the current period.		
Expenditures for capital assets, excludes amounts in prepaid assets of $221,077		5,214,443
Less current year depreciation and amortization		(4,613,876)
Disposal of capital assets		(1,875,909)
The issuance of long-term debt (*e.g.* , lease and subscription 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		1,698,733
Issuance of subscriptions		(1,022,624)
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		4,307,529
Change in deferred outflows related to postemployment benefits other than pensions		(1,788,937)
Change in deferred inflows related to postemployment benefits other than pensions		(4,797,489)
Change in compensated absences		(1,101,840)
Change in prepaid subscription assets		326,296
Change in deferred outflows related to pensions		(7,167,792)
Change in deferred inflows related to pensions		(7,112,001)
Change in net pension liability		12,224,739
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		2,301
Change in net position of governmental activities	$	1,026,889

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Southern Nevada Health District
Statement of Net Position – Proprietary Funds
June 30, 2026

	Governmental Activities
	Insurance Liability Reserve
ASSETS	
Current Assets	
Cash and cash equivalents	$ 12,619
Restricted cash	100,000
Interest receivable	76
Due from other funds	2,982
Total Current Assets	115,677
LIABILITIES	
Current Liabilities	
Workers compensation self-insurance claims	20,000
Total Current Liabilities	20,000
NET POSITION	
Restricted	95,677
Total Net Position	$ 95,677

FINAL DRAFT

Southern Nevada Health District
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds
For the Fiscal Year Ended June 30, 2026

	Governmental Activities
	Insurance Liability Reserve
Nonoperating Revenues	
Investment income	$ 2,301
Change in Net Position	2,301
Net Position, Beginning of Year	93,376
Net Position, End of Year	$ 95,677

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Southern Nevada Health District
Statement of Cash Flows – Proprietary Funds
For the Fiscal Year Ended June 30, 2026

	Governmental Activities Insurance Liability Reserve
Cash Flows From Noncapital and Related Financing Activities	
Advances to other funds	$ (1,904)
Net Cash Used in Noncapital Financing Activities	(1,904)
Cash Flows From Investing Activities	
Investment income	2,288
Net Cash Provided by Investing Activities	2,288
Change in Cash, Restricted Cash, and Cash Equivalents	384
Cash, Restricted Cash, and Cash Equivalents, Beginning of Year	112,235
Cash, Restricted Cash, and Cash Equivalents, End of Year	$ 112,619
Reconciliation of Cash Balances at End of Year	
Unrestricted	$ 12,619
Restricted	100,000
	$ 112,619

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Southern Nevada Health District
Statement of Fiduciary Net Position
June 30, 2026

	Custodial Fund
ASSETS	
Cash and cash equivalents	$ 10,673
Total Assets	10,673
LIABILITIES	
Payable to primary government	811
Total Liabilities	811
NET POSITION	
Restricted for individuals and organizations	9,862
Total Net Position	$ 9,862

FINAL DRAFT

Southern Nevada Health District
Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended June 30, 2026

	Custodial Fund
Additions	
Contributions	$ 7,680
Total Additions	7,680
Deductions	
Services and supplies	7,070
Total Deductions	7,070
Net Increase in Fiduciary Net Position	610
Fiduciary Net Position, Beginning of Year	9,252
Fiduciary Net Position, End of Year	$ 9,862

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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 an 11-member policymaking board (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, liabilities, 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.

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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 nonoperating 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 nonoperating revenues and expenses.

The Health District reports the following internal service fund:

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 uncollectible. 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.

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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, 2026, the estimated value of such vaccines in the Health District's possession was $942,172.

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 is not capitalized. Major outlays for capital assets and improvements are capitalized as the projects are constructed.

Right-to-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-to-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 place the lease asset into service. Right-to-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.

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

Buildings	30 to 50 years
Improvements other than buildings	5 to 25 years
Furniture, fixtures, and equipment	3 to 20 years
Vehicles	6 years

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. The Health District's policy is that leave earned in the prior period is used before leave earned in current periods.

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

Years of Service	Vacation Benefits (Hours)
Less than 1	80
1 to 8	120
8 to 13	144
More than 13	160

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:

- A bargaining employee hired before July 1, 2014 with at least three years of service will receive 100% of the sick pay benefits accrual for the first 800 hours, 50% of the accrued hours between 801 hours through 1,600 hours, and 25% of the accrued hours greater than 1,600.
- A bargaining employee hired after June 30, 2014 with four years of service will receive 100% of the sick pay benefits accrual for up to 800 hours.
- A non-bargaining employee hired prior to June 30, 2014 will receive 100% of sick leave benefits accrual for the first 800 hours, 50% of the accrued hours between 801 hours through 1,600 hours, and 25% of the accrued hours greater than 1,600.
- A non-bargaining employee hired after June 30, 2014 with a minimum of one year of service will receive 100% of the sick pay benefits accrual for up to 800 hours.

Upon death of an employee, the estate or beneficiaries, if a beneficiary designation has been filled pursuant to NRS 281.155, will receive a lump sum payment for all sick pay benefits accrued.

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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 Public Employees' Benefits Plan (PEBP) and Retiree Health Program Plan (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.

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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 assets 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 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 net pension liability and 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 assets 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 net difference between projected and actual earnings on pension plan investments are deferred and amortized over five years, and 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 and reduced by outstanding balances of long-term debt (lease liabilities and subscription liabilities) that are attributable to the acquisition, construction, or improvement of those assets.

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.

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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 District Health Officer. 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), unforeseen declines in revenue, and/or large, unexpected expenditures/expenses. These circumstances are not expected to occur routinely, and the general fund reserve is not to be used to support recurring operating expenditures/expenses.

Use of Estimates

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

Accounting Pronouncements Adopted in Fiscal Year 2026

The Health District adopted GASB Statement No. 103, *Financial Reporting Model Improvements*, for the year ended June 30, 2026. The new accounting guidance updates key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision-making and assessing a government's accountability, including Management's Discussion and Analysis, unusual or infrequent items and proprietary fund reporting. The adoption of GASB 103 resulted in changes in financial statement presentation and enhanced disclosures; however, it had no impact on the beginning-of-the-year net position of the Health District.

The Health District adopted GASB Statement No. 104, *Disclosure of Certain Capital Assets*, for the year ended June 30, 2026. The new accounting guidance enhances capital asset note disclosures by requiring certain capital assets to be reported separately, including lease assets, public-private and public-public partnership right-to-use assets, subscription-based information technology arrangement (SBITA) assets, and other intangible assets. GASB 104 also establishes additional disclosure requirements for capital assets held for sale. The adoption of GASB 104 had no impact on the Health District.

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The Health District adopted GASB Statement No. 105, *Subsequent Events,* for the year ended June 30, 2026. The new accounting guidance clarifies the accounting and financial reporting requirements for events occurring between the financial statement date and the date the financial statements are available to be issued, including the requirements for recognized and nonrecognized subsequent events. GASB 105 also establishes additional disclosure requirements, including disclosure of the date through which subsequent events were evaluated and certain information related to nonrecognized subsequent events. The adoption of GASB 105 had no impact on the Health District.

Note 2. Cash and Cash Equivalents

Deposits

The Health District's deposit policies are governed by the Nevada Revised Statutes (NRS). Deposits are carried at cost, which approximates market value and are maintained with insured banks in Nevada. At June 30, 2026, 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, 2026, 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 and non-negotiable certificates of deposit (Above FDIC Limit, or at or below FDIC Limit) issued by commercial banks or insured savings and loan associations or savings bank located in the U.S, not to exceed 5-year maturity from date of purchase with rating service of "P-1" by Moody's, or its equivalent or better.
- Negotiable notes or short-term negotiable bonds issued by other local governments of the State of Nevada.
- 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 five years, be rated by a nationally recognized rating service as "A" or its equivalent or better, and cannot exceed 25% of the investment portfolio.
- Commercial paper issued by a corporation organized and operating in the United States or by a depository institution licensed by the United States or any state and operating in the United States, having a "P-1" rating or equivalent, not to exceed 270 days' maturity and 25% of the total investments.
- Obligations of state and local governments if the interest on the obligation is tax exempt and the obligation is rated "A" or equivalent or better. The max allocation cannot exceed 20% and must be purchased from a registered broker/dealer.
- Forward delivery agreements executed with a bank or financial institution rated "A2" equivalent or better, using all permitted investments.
- Supranational obligations of the International Bank for Reconstruction and Development, the International Finance Corporation, or the Inter-American Development Bank that are rated "Aa" or equivalent or better, not to exceed five years maturity or 15% of the total investment.
- 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 7 days' maturity, and are executed with a bank or primary dealer.
- Money market mutual funds which are rated "AAA" or its equivalent or better and invest only in securities issued by the federal government, U.S. agencies, or repurchase agreements fully collateralized by such securities not to exceed one day's maturity.
- Asset-backed securities that are rated AAA or its equivalent, not to exceed 20% of the portfolio, and must be issuer organized and operating in the U.S.
- 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 in accordance with NRS 356.360.

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 maturity of the investment pool portfolio to less than 3.5 years. Weighted average 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, 2026, 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, 355.171, and 356.120. The limitations on amounts invested are covered on the aforementioned type of security.

As of June 30, 2026, the carrying amount and market value of the Health District's investments in the Clark County Investment Pool was $71,372,308.

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Combined Cash and Cash Equivalents

The Health District's cash and cash equivalents were as follows at June 30, 2026:

Cash on hand	$ 7,066
Restricted cash	100,000
Clark County Investment Pool	71,372,308
Total cash and cash equivalents	$ 71,479,374

The Health District's cash and cash equivalents were presented in the District's financial statements as follows at June 30, 2026:

Governmental funds	$ 71,356,082
Proprietary fund	112,619
Custodial funds	10,673
Total cash and cash equivalents	$ 71,479,374

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Note 3. Capital, Lease, and Subscription Assets

Changes in capital, lease, and subscription assets were as follows for the year ended June 30, 2026:

	Balance June 30, 2025	Additions	Retirements	Transfers	Balance June 30, 2026
Governmental Activities					
Capital assets not being depreciated/amortized					
Construction in progress	$ 3,061,594	$ 2,642,135	$ -	$ (2,061,803)	$ 3,641,926
Land	3,447,236	-	-	-	3,447,236
Total capital assets not being depreciated	6,508,830	2,642,135	-	(2,061,803)	7,089,162
Capital, leased, and subscription assets being depreciated/amortized					
Buildings	21,934,877	-	-	-	21,934,877
Improvements other than buildings	6,388,458	62,935	-	-	6,451,393
Furniture, fixtures, and equipment	18,626,403	1,046,201	(2,418,950)	2,061,803	19,315,457
Right-to-use leased building	8,899,650	-	(53,464)	-	8,846,186
Right-to-use leased equipment	854,628	-	-	-	854,628
Subscription IT asset	3,001,562	1,243,701	(574,835)	-	3,670,428
Vehicles	1,414,180	440,548	(132,245)	-	1,722,483
Totals capital, lease, and subscription assets being depreciated/amortized	61,119,758	2,793,385	(3,179,494)	2,061,803	62,795,452
Accumulated depreciation/amortization					
Buildings	(6,755,681)	(738,369)	-	-	(7,494,050)
Improvements other than buildings	(4,311,987)	(379,452)	-	-	(4,691,439)
Furniture, fixtures, and equipment	(13,531,536)	(1,217,249)	543,041	-	(14,205,744)
Right-to-use leased building	(2,575,852)	(927,836)	53,464	-	(3,450,224)
Right-to-use leased equipment	(589,125)	(176,886)	-	-	(766,011)
Subscription IT asset	(1,496,691)	(984,512)	574,835	-	(1,906,368)
Vehicles	(1,040,961)	(189,572)	132,245	-	(1,098,288)
Total accumulated depreciation/amortization	(30,301,833)	(4,613,876)	1,303,585	-	(33,612,124)
Total capital, leased, and subscription assets being depreciated/amortized, net	30,817,925	(1,820,491)	(1,875,909)	2,061,803	29,183,328
Total Governmental Activities	$ 37,326,755	$ 821,644	$ (1,875,909)	$ -	$ 36,272,490

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Depreciation and amortization expense was charged to the following functions and programs for the year ended June 30, 2026:

Governmental activities	
Clinical services	$ 102,102
Environmental health	74,607
Community health	727,526
Administration	3,709,641
Total depreciation and amortization expense – governmental activities	$ 4,613,876

Note 4. Interfund Balances and Transfers

Interfund balances are as follows at June 30, 2026:

Receivable Fund	Payable Fund	Amount
General Fund	Special Revenue Fund	$ 7,417,834
General Fund	Other governmental funds	130,998
Special Revenue Fund	General Fund	3,934,836
Insurance Reserve	Other governmental funds	1,078
Insurance Reserve	General Fund	1,904
		$ 11,486,650

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 consisted of the following for the year ended June 30, 2026:

Transfers Out of Fund	Transfers In to Fund	Amount
General Fund	Special Revenue Fund	$ 5,454,605
General Fund	Other governmental funds	3,000,000
		$ 8,454,605

Transfers were used to: (1) use unrestricted revenues collected in the general fund to finance various capital outlays and improvements in the capital projects fund, 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.

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Note 5. Changes in Long-Term Liabilities

Long-term liabilities activity was as follows for the year ended June 30, 2026:

	Balance June 30, 2025	Increases	Decreases	Balance June 30, 2026	Due Within One Year
Governmental Activities					
Compensated absences	$ 13,420,349	$ 1,101,840	$ -	$ 14,522,189	$ 4,704,607
Lease liability	7,201,944	-	(1,042,580)	6,159,364	917,692
Subscription liability	489,066	1,022,624	(656,153)	855,537	524,375
Total Long-Term Liabilities	$ 21,111,359	$ 2,124,464	$ (1,698,733)	$ 21,537,090	$ 6,146,674

Changes in compensated absences balances are reflected net. Compensated absences typically have been liquidated by the fund where employees earned and accrued the amounts. Lease and subscription liabilities typically have been liquidated by the fund(s) they are allocated to.

Lessee Activities

The Health District has entered into multiple leases for office, clinical, warehouse space, and 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 8.50%. This rate was determined using the Health District's incremental borrowing rate 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
2027	$ 917,692	$ 238,304
2028	740,741	193,597
2029	685,253	152,369
2030	444,667	125,741
2031	420,566	110,614
2032-2036	2,475,045	307,215
2037-2041	475,400	7,108
	$ 6,159,364	$ 1,134,948

Subscription Liabilities

The Health District has various SBITAs, the terms of which expire in various years through 2028. The subscription liability was valued using discount rates between 3.25% and 8.50%. This rate was determined using the Health District's incremental borrowing rate applicable for each subscription agreement based on the subscription period and date of initiation.

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

For the Year Ending June 30,	Principal	Interest
2027	$ 524,375	$ 57,244
2028	331,162	21,194
	$ 855,537	$ 78,438

Note 6. 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.

Effective July 1, 2024, the Health District is no longer with Nevada Public Agency Insurance Pool (POOL) & Public Agency Compensation Trust (PACT) and obtained coverage via the commercial insurance private market.

The Health District obtained private insurance coverage via an insurance broker and maintains multiple policies. The types of coverage, carriers, corresponding deductibles, and aggregate limits are as follows:

Coverage Type	Carrier	Deductible	Aggregate
Cyber	Corvus	$ 25,000	$ 2 million
EPLI	Markel	$ 50,000	$ 1 million
General liability	Vantage	$ 25,000	$ 3 million
Professional liability	Vantage	$ 25,000	$ 3 million
Auto	Chubb	$ 3,000	$ 1 million
Commercial property	Chubb	$ 50,000	$ 73,477,044: equivalent to total property values
Workers Compensation	RAS	$ –	None
FQHC	HRSA	$ –	None

The Health District pays premiums based on payroll costs to Risk Administrative Services, Inc. (RAS) for its workers compensation insurance coverage.

The Health District's Community Health Center is Federal Torts Claims Act (FTCA) "deemed" as a federal contractor wherein the federal government represents us in medical malpractice cases. The Health District also carries supplemental medical professional liability coverage, covering the Public Health and Preventive Care (P&PC) division and any malpractice matters not covered by Health Resources and Services Administration. There were no claims for medical malpractice in 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 were no outstanding matters at this time with a material impact and, therefore, no provision for loss has been made in the financial statements in connection therewith.

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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 7. Contingencies

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.

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 (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 their lifetime and various optional monthly payments to a named beneficiary after their death.

Post-retirement increases are provided by authority of NRS 286.571 - .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.

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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 are 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 five years of service, age 60 with 10 years of service, or 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 five years of service, 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 five years of service, age 62 with 10 years of service, 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 measurement year ended June 30, 2025, the Health District's required contribution rates for regular members was 33.50% EPC. The Health District's portion of contributions was $12,488,560 for the fiscal year ended June 30, 2026.

PERS collective net pension liability was measured as of June 30, 2025, 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.

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The total PERS pension liability was determined using the following economic actuarial assumptions (based on the results of an Experience Study dated September 10, 2021, applied to all periods included in the measurement).

Inflation	2.50%
Productivity pay increase	0.50%
Investment rate of return	7.25%, net of pension plan investment expense, including inflation
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, 2025 funding actuarial valuation
Rationale for assumptions	The information and analysis used in selecting each assumption that has a significant effect on this actuarial valuation is shown in the Actuarial Experience Study dated September 10, 2021.

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 PERS Board-adopted policy target asset allocation as of June 30, 2025:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Large cap U.S. equity	42%	6.65%
Developed international equity	18%	7.18%
U.S. fixed income	28%	0.91%
Real estate	6%	5.25%
Private equity	6%	12.40%
Total	100%	

The discount rate used to measure the total pension liability was 7.25% as of June 30, 2025. 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, 2025 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, 2025.

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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 at June 30, 2025:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net pension liability	$ 194,153,711	$ 115,395,785	$ 50,425,954

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 $115,395,785, which represents 0.67148% of the collective net pension liability, which is a decrease from the previous year's proportionate share of 0.70634%. Contributions for employer pay dates within the fiscal year ending June 30, 2025 were used as the basis for determining each employer's proportionate share.

For the period ended June 30, 2026, the Health District's pension expense was $14,455,039 and its reported deferred outflows and inflows of resources related to pensions were as follows as of June 30, 2026:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 27,752,981	$ -
Net difference between projected and actual earnings on investments	-	16,765,568
Changes in proportion and differences between actual contributions and proportionate share of contributions	7,969,798	9,165,105
Change in assumptions	4,170,306	-
Contributions subsequent to the measurement date	12,488,560	-
Total	$ 52,381,645	$ 25,930,673

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Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date totaling $12,488,560 will be recognized as a reduction of the net pension liability for the year ending June 30, 2027. 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,	
2027	$ 14,192,545
2028	(11,204)
2029	(1,175,587)
2030	805,710
2031	1,346,261
Thereafter	(1,195,313)
Total	$ 13,962,412

Note 9. Postemployment Benefits Other Than Pensions

General Information About the Other Postemployment 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 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.

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Employees Covered by Benefit Terms

The following employees were covered by the benefit terms at June 30, 2025:

	PEBP	RHPP	Total All Plans
Inactive employees or beneficiaries currently receiving benefits	63	69	132
Active members	-	789	789
Total	63	858	921

Total OPEB Liability

The Health District's total OPEB liability of $30,939,702 was measured as of June 30, 2025 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, 2026 was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	5.20%
Pre-Medicare Trend Rate	Select: 7.75%, Ultimate 4.0%
Post-Medicare Trend Rate	Select: 6.75%, 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	2023 NPERS Actuarial Valuation
Healthcare cost trend rates	The healthcare cost trend assumptions are used to project the cost of healthcare in future years. The following annual trends are applied on a select and ultimate basis. Select trends are reduced 0.30% each year for nine years, and 0.10% thereafter until reaching the ultimate trend rate.

Expense Type	Select	Ultimate
Pre-Medicare Medical and Rx Benefits	7.75%	4.00%
Medical Benefits	6.75%	4.00%
Dental	4.00%	4.00%
Stop Loss Fees	7.75%	4.00%
Administrative Fees	4.00%	4.00%

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Changes in the Total OPEB Liability

	PEBP	RHPP	Total OPEB Liability
Balance at June 30, 2025	$ 2,226,437	$ 33,020,794	$ 35,247,231
Changes for the year			
Service cost	-	2,565,497	2,565,497
Interest	84,438	1,391,517	1,475,955
Changes of assumptions	(198,801)	(7,636,939)	(7,835,740)
Benefit payments	(155,793)	(357,448)	(513,241)
Net changes	(270,156)	(4,037,373)	(4,307,529)
Balance at June 30, 2026	$ 1,956,281	$ 28,983,421	$ 30,939,702

Changes in 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 3.93% as of June 30, 2024 to 5.20% as of June 30, 2025 (the actuarial measurement date).

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 (4.20%) or 1-percentage point higher (6.20%) than the current discount rate:

	1% Decrease Rate (4.2%)	Discount Rate (5.2%)	1% Increase Rate (6.2%)
PEBP	$ 2,171,000	$ 1,956,281	$ 1,774,000
RHPP	34,907,000	28,983,421	24,345,000
Total OPEB liability	$ 37,078,000	$ 30,939,702	$ 26,119,000

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 than the current healthcare cost trend rates:

	1% Decrease	Trend Rates	1% Increase
PEBP	$ 1,783,000	$ 1,956,281	$ 2,156,000
RHPP	23,939,000	28,983,421	35,601,000
Total OPEB liability	$ 25,722,000	$ 30,939,702	$ 37,757,000

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

For the year ended June 30, 2026, the Health District recognized OPEB expense of $2,840,137. The breakdown by plan is as follows:

	PEBP	RHPP	Total All Plans
OPEB Expense (Income)	$ (114,363)	$ 2,954,500	$ 2,840,137

The Health District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources at June 30, 2026:

	Deferred Outflows of Resources	Deferred Inflows of Resources
PEBP		
Contributions made in fiscal year ending 2026 after July 1, 2025, measurement date	$ 161,000	$ -
Total PEBP	161,000	-
RHPP		
Differences between expected and actual experience	19,077,605	3,420,462
Changes of assumptions or other inputs	1,063,874	24,655,899
Contributions made in fiscal year ending 2026 after July 1, 2025, measurement date	539,000	-
Total RHPP	20,680,479	28,076,361
All plans		
Differences between expected and actual economic experience	19,077,605	3,420,462
Changes in actuarial assumptions	1,063,874	24,655,899
Contributions made in fiscal year ending 2026 after July 1, 2025, measurement date	700,000	-
Total all plans	$ 20,841,479	$ 28,076,361

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The amount of $700,000 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 ending June 30, 2027. 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
2027	$ (919,852)
2028	(904,909)
2029	(904,909)
2030	(904,909)
2031	(904,909)
Thereafter	(3,395,394)
Total	$ (7,934,882)

Note 10. 457(b) and 401(a) Retirement Plans

The Health District offers all employees an opportunity to participate in two deferred compensation plans that have been established in accordance with Internal Revenue Code Section 457 and 401. These plans are 457(b) or 401(a) plans, and both are administered by Empower Retirement, LLC. The plans' provisions and contribution requirements are established and may be amended by the plan administrator. Empower Trust Company, LLC is the trustee of the Empower Retirement, LLC plans. Employees may enroll in the 457(b) plan and/or change their contribution amounts at any time. The 401(a) plan enrollment is limited to Executives that have elected to participate in the 401(a) plan. The Health District does not contribute to the 457(b) plan and provides discretionary contributions to the 401(a) plan.

Note 11. 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 year-end are included in restricted, committed, or assigned fund balance, as appropriate. Significant encumbrances included in governmental fund balances are as follows:

	Assigned Fund Balance
General Fund	$ 733,009

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General Fund

The General Fund is administered centrally, and amounts assigned for outstanding encumbrances of the Health District's divisions are included within assigned fund balance for administration. $146,479 of the total encumbrance balance was assigned to purchase clinical health services. $415,870 of the total encumbrance balance was assigned to purchase community health services. $9,625 of the total encumbrance balance was assigned to purchase environmental health services. $161,035 of the total encumbrance balance was assigned to purchase administrative services.

Note 12. Subsequent Events

The Health District evaluated subsequent events through November 20, 2026, the date the financial statements were available to be issued.

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Required Supplementary Information

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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, 2026

	Budgeted Amounts		Variance With Original Budget – over (under) Final Budget	Actual	Variance With Final Budget – over (under) Actual Amounts
	Original	Final			
Revenues					
Fees for service	$ 45,886,095	$ 43,539,722	$ 2,346,373	$ 44,657,224	$ 1,117,502
Other	2,384,991	3,063,766	(678,775)	1,430,066	(1,633,700)
Property tax	38,823,976	41,508,419	(2,684,443)	41,508,419	-
Regulatory revenue	29,908,723	28,781,465	1,127,258	28,781,038	(427)
Title XIX and other	2,470,539	2,714,143	(243,604)	2,851,468	137,325
Investment earnings	2,100,000	2,100,000	-	2,672,707	572,707
Total Revenues	121,574,324	121,707,515	(133,191)	121,900,922	193,407
Expenditures					
Public health					
Clinical and nursing services					
Salaries and wages	13,198,647	12,372,246	826,401	12,462,363	(90,117)
Employee benefits	6,527,875	5,873,597	654,278	6,000,062	(126,465)
Services and supplies	54,877,959	45,314,710	9,563,249	42,790,511	2,524,199
Capital outlay	33,580	53,740	(20,160)	28,912	24,828
Total clinical and nursing services	74,638,061	63,614,293	11,023,768	61,281,848	2,332,445
Environmental health					
Salaries and wages	17,146,443	16,413,549	732,894	16,807,598	(394,049)
Employee benefits	8,464,324	7,860,333	603,991	8,012,860	(152,527)
Services and supplies	8,237,062	7,449,545	787,517	7,297,157	152,388
Total environmental health	33,847,829	31,723,427	2,124,402	32,117,615	(394,188)
Community health					
Salaries and wages	8,059,854	7,700,581	359,273	7,792,652	(92,071)
Employee benefits	4,016,729	3,592,830	423,899	3,695,740	(102,910)
Services and supplies	8,154,089	8,426,969	(272,880)	7,944,132	482,837
Capital outlay	268,000	125,000	143,000	13,028	111,972
Total community health	20,498,672	19,845,380	653,292	19,445,552	399,828
Administration					
Salaries and wages	14,277,352	14,085,426	191,926	14,118,342	(32,916)
Employee benefits	7,140,806	7,395,308	(254,502)	7,637,010	(241,702)
Services and supplies	(33,496,296)	(24,696,678)	(8,799,618)	(26,699,981)	2,003,303
Capital outlay	403,000	600,019	(197,019)	1,433,166	(833,147)
Total administration	(11,675,138)	(2,615,925)	(9,059,213)	(3,511,463)	895,538
Total Expenditures	117,309,424	112,567,175	4,742,249	109,333,552	3,233,623
Excess of Revenues Over Expenditures	4,264,900	9,140,340	(4,875,440)	12,567,370	3,427,030
Other Financing Sources (Uses)					
Transfers out	(11,779,649)	(10,956,868)	(822,781)	(8,454,605)	2,502,263
Subscriptions	-	-	-	1,022,624	1,022,624
Total Other Financing Sources (Uses)	(11,779,649)	(10,956,868)	(822,781)	(7,431,981)	3,524,887
Net Change in Fund Balance	(7,514,749)	(1,816,528)	(5,698,221)	5,135,389	6,951,917
Fund Balance, Beginning of Year	47,199,705	65,128,565	(17,928,860)	65,128,565	-
Fund Balance, End of Year	$ 39,684,956	$ 63,312,037	$ (23,627,081)	$ 70,263,954	$ 6,951,917

See Notes to Required Supplementary Information

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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, 2026

	Budgeted Amounts		Variance With Original Budget – over (under) Final Budget	Actual	Variance With Final Budget – over (under) Actual Amounts
	Original	Final			
Revenues					
Direct federal grants	$ 16,767,494	$ 18,123,729	$ (1,356,235)	$ 16,380,658	$ (1,743,071)
Indirect federal grants	32,329,533	20,983,805	11,345,728	19,867,080	(1,116,725)
State grant funds	7,180,937	14,976,763	(7,795,826)	15,739,377	762,614
Other	5,603,602	6,206,530	(602,928)	1,206,016	(5,000,514)
Total Revenues	61,881,566	60,290,827	1,590,739	53,193,131	(7,097,696)
Expenditures					
Public health					
Clinical and nursing services					
Salaries and wages	7,057,391	5,365,698	1,691,693	5,350,267	15,431
Employee benefits	3,531,885	2,553,854	978,031	2,591,991	(38,137)
Services and supplies	3,626,550	3,375,617	250,933	3,118,511	257,106
Capital outlay	-	198,051	(198,051)	245,481	(47,430)
Total clinical and nursing services	14,215,826	11,493,220	2,722,606	11,306,250	186,970
Environmental health					
Salaries and wages	804,852	926,303	(121,451)	921,495	4,808
Employee benefits	400,580	441,193	(40,613)	448,727	(7,534)
Services and supplies	325,467	480,724	(155,257)	517,651	(36,927)
Total environmental health	1,530,899	1,848,220	(317,321)	1,887,873	(39,653)
Community health					
Salaries and wages	12,522,315	11,244,238	1,278,077	11,226,430	17,808
Employee benefits	6,271,241	5,401,789	869,452	5,484,508	(82,719)
Services and supplies	21,129,915	23,544,177	(2,414,262)	21,793,824	1,750,353
Capital outlay	850,648	1,135,106	(284,458)	664,036	471,070
Total community health	40,774,119	41,325,310	(551,191)	39,168,798	2,156,512
Administration					
Salaries and wages	1,379,771	1,626,740	(246,969)	1,629,804	(3,064)
Employee benefits	691,140	727,500	(36,360)	745,019	(17,519)
Services and supplies	3,251,045	1,942,643	1,308,402	2,024,739	(82,096)
Capital outlay	8,818,415	6,284,062	2,534,353	1,887,366	4,396,696
Total administration	14,140,371	10,580,945	3,559,426	6,286,928	4,294,017
Total Expenditures	70,661,215	65,247,695	5,413,520	58,649,849	6,597,846
Deficiency of Revenues Over Expenditures	(8,779,649)	(4,956,868)	(3,822,781)	(5,456,718)	(499,850)
Other Financing Sources					
Transfers in	8,779,649	4,956,868	3,822,781	5,454,605	497,737
Total Other Financing Sources	8,779,649	4,956,868	3,822,781	5,454,605	497,737
Net Change in Fund Balance	-	-	-	(2,113)	(2,113)
Fund Balance, Beginning of Year	82,081	121,453	(39,372.00)	121,453	-
Fund Balance, End of Year	$ 82,081	$ 121,453	$ (39,372)	$ 119,340	$ (2,113)

See Notes to Required Supplementary Information

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Southern Nevada Health District
Schedules of Changes in the Total OPEB Liability and Related Ratios[1]
For the Fiscal Year Ended June 30, 2026

PEBP	2018	2019	2020	2021	2022	2023	2024	2025	2026
A. Total OPEB Liability									
Interest (on the total OPEB liability)	$ 136,641	$ 158,929	$ 142,210	$ 132,809	$ 104,479	$ 101,093	$ 115,735	$ 116,670	$ 84,438
Difference between expected and actual experience	(2,407)	(935)	-	240,495	-	(719,219)	-	(1,118,180)	-
Changes of assumptions	(408,034)	(582,796)	196,172	770,760	51,775	(575,624)	6,884	114,060	(198,801)
Benefit payments	(201,454)	(210,183)	(213,733)	(223,274)	(198,836)	(208,349)	(225,925)	(165,108)	(155,793)
Net Change in Total OPEB Liability	(475,254)	(634,985)	124,649	920,790	(42,582)	(1,402,099)	(103,306)	(1,052,558)	(270,156)
Total OPEB Liability – Beginning	4,891,782	4,416,528	3,781,543	3,906,192	4,826,982	4,784,400	3,382,301	3,278,995	2,226,437
Total OPEB Liability – Ending	$ 4,416,528	$ 3,781,543	$ 3,906,192	$ 4,826,982	$ 4,784,400	$ 3,382,301	$ 3,278,995	$ 2,226,437	$ 1,956,281
Covered Payroll	N/A	N/A	N/A	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	N/A	N/A	N/A

[1] Fiscal year 2018 is the first year of implementation; therefore, only nine years are shown. As it becomes available this schedule will ultimately present information for the 10 most recent fiscal years.

FINAL DRAFT

Southern Nevada Health District
Schedules of Changes in the Total OPEB Liability and Related Ratios[2]
For the Fiscal Year Ended June 30, 2026

RHPP	2018	2019	2020	2021	2022	2023	2024	2025	2026
A. Total OPEB liability									
Service cost	$ 2,037,506	$ 1,984,184	$ 865,693	$ 1,035,479	$ 1,570,297	$ 2,053,521	$ 1,772,849	$ 1,683,367	$ 2,565,497
Interest (on the total OPEB liability)	753,304	922,521	675,421	696,006	546,330	590,543	894,861	987,832	1,391,517
Difference between expected and actual experience	26,065	(8,138,337)	-	2,485,316	-	11,098,817	-	11,183,547	-
Changes of assumptions	(3,119,749)	(1,686,349)	1,204,893	577,780	221,432	(15,399,138)	(602,456)	(6,119,288)	(7,636,939)
Benefit payments	(339,476)	(236,966)	(322,093)	(643,182)	(345,742)	(58,543)	(190,437)	(190,399)	(357,448)
Net Change in Total OPEB Liability	(642,350)	(7,154,947)	2,423,914	4,151,399	1,992,317	(1,714,800)	1,874,817	7,545,059	(4,037,373)
Total OPEB Liability – Beginning	24,545,385	23,903,035	16,748,088	19,172,002	23,323,401	25,315,718	23,600,918	25,475,735	33,020,794
Total OPEB Liability – Ending	$ 23,903,035	$ 16,748,088	$ 19,172,002	$ 23,323,401	$ 25,315,718	$ 23,600,918	$ 25,475,735	$ 33,020,794	$ 28,983,421
Covered Payroll	$ 34,126,701	$ 34,918,861	$ 34,918,861	$ 40,103,356	$ 49,853,806	$ 47,400,387	$ 57,146,546	$ 61,304,122	$ 66,354,136
Total OPEB Liability as a Percentage of Covered Payroll	70.04%	47.96%	54.90%	58.16%	50.78%	49.79%	44.58%	53.86%	43.68%

[2] Fiscal year 2018 is the first year of implementation; therefore, only nine years are shown. As it becomes available this schedule will ultimately present information for the 10 most recent fiscal years.

FINAL DRAFT

Southern Nevada Health District
Multiple-Employer Cost-Sharing Defined Benefit Pension Plan
Proportionate Share of the Collective Net Pension Liability Information
For the Fiscal Year Ended June 30, 2026

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
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	0.69636%	$125,727,302	$ 49,627,892	253.34000%	75.12000%
2023	0.75931%	$138,595,844	$ 58,077,925	238.63773%	76.16000%
2024	0.70634%	$127,620,524	$ 61,032,305	209.10323%	78.11000%
2025	0.67148%	$115,395,785	$ 64,761,989	178.18444%	80.47000%

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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, 2026

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
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	$ 8,259,408	$ 8,259,408	$ -	$ 55,028,438	15.01%
2024	$ 10,184,839	$ 10,184,839	$ -	$ 54,115,741	18.82%
2025	$ 11,221,725	$ 11,221,725	$ -	$ 54,026,368	20.77%
2026	$ 12,488,560	$ 12,488,560	$ -	$ 58,020,178	21.52%

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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 3.93% as of June 30, 2024 to 5.20% as of June 30, 2025.

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

For the year ended June 30, 2026, 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, 2025.

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

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Note 3. Budget Information

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, 2026 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, 2026, 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.

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.

FINAL DRAFT

Southern Nevada Health District
Notes to Required Supplementary Information
For the Fiscal Year Ended June 30, 2026

	General Fund over (under)	Special Revenue Fund over (under)
BUDGETARY REVENUES		
Differences - original budget to final budget:		
The Health District decreased budgeted indirect federal grants primarily due to expired or terminated Epidemiology and Laboratory Capacity (ELC) grants passed through from the State.	$ -	$ 11,345,728
The Health District increased budgeted state grant funds primarily due to allocation of Senate Bill 118 funding and State Public Health funding, offsetting with other expired or terminated grants received from the State.	-	(7,795,826)
The Health District increased budgeted other income due to an increase in administrative fee revenue received from clinical services and wrap revenue.	-	(602,928)
The Health District decreased budgeted transfers in to special revenue fund due to less grant revenue received and less grant expenditures incurred.	-	3,822,781
Differences - final budget to actual:		
Actual other income decreased compared to final budget due to deferral of the timeline of the community health facility construction, which resulted in less local grant revenue recognized.	-	(5,000,514)
BUDGETARY EXPENDITURES		
Differences - original budget to final budget:		
The Health District decreased budgeted clinical and nursing salaries and wages, as well as clinical and nursing employee benefits due to positions not filled, resulting in vacancy savings.	- -	1,691,693 978,031
The Health District decreased budgeted clinical and nursing services and supplies due to a decrease in services, as well as decreased cost allocations which resulted from less overall expenditures incurred.	9,563,249	-
The Health District decreased budgeted community health salaries and wages, as well as community health employee benefits due to positions not filled, resulting in vacancy savings.	- -	1,278,077 869,452
The Health District increased budgeted community health services and supplies due to an increase in supplies expense during the fiscal year, offset with a decrease in contractual expenditures and cost allocations.	-	(2,414,262)
The Health District amended the budgeted general fund administration services and supplies primarily due to a decrease in cost allocations, which resulted from less expenditures incurred from other areas. The Health District amended the budgeted special revenue fund administration services and supplies primarily due to a decrease in cost allocations received, which was due to less grant expenditures incurred from other divisions, and a decrease in contractual expenditures.	(8,799,618)	1,308,402
The Health District decreased budgeted capital outlay due to deferral of the timeline of the community health facility construction, which resulted in less grant expenditures incurred.	-	2,534,353
Differences - final budget to actual:		
Capital outlay related to administration decreased compared to final budget due to deferral of the timeline of the community health facility construction, which resulted in less grant expenditures incurred.	-	4,396,696
The Health District included a contingency amount in the budget under other uses that was not utilized during the fiscal year.	2,502,263	-

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Other Supplementary Information

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Nonmajor Governmental Funds

Southern Nevada Health District
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2026

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 for projects that benefit the public health of Clark County.

Capital Projects

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

FINAL DRAFT

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, 2026

	Original	Final	Actual	Variance With Final Budget – Increase (Decrease)
Revenues				
Interest income	$ 96,620	$ 96,620	$ 103,911	$ 7,291
Total Revenues	96,620	96,620	103,911	7,291
Change in Fund Balance	96,620	96,620	103,911	7,291
Fund Balance, Beginning of Year	3,072,808	3,072,808	3,215,801	142,993
Fund Balance, End of Year	$ 3,169,428	$ 3,169,428	$ 3,319,712	$ 150,284

FINAL DRAFT

Southern Nevada Health District
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual – Capital Projects Fund
For the Fiscal Year Ended June 30, 2026

	Original	Final	Actual	Variance With Final Budget – Increase (Decrease)
Revenues				
Interest income	$ 109,559	$ 146,867	$ 210,419	$ 63,552
Total Revenues	109,559	146,867	210,419	63,552
Expenditures				
Public health				
Administration	219,000	442,706	403,802	38,904
Capital outlay	2,592,000	1,909,728	1,310,488	599,240
Total Expenditures	2,811,000	2,352,434	1,714,290	638,144
Deficiency of Revenues Over Expenditures	(2,701,441)	(2,205,567)	(1,503,871)	701,696
Other Financing Sources				
Transfers in	3,000,000	3,000,000	3,000,000	-
Change in Fund Balance	298,559	794,433	1,496,129	701,696
Fund Balance, Beginning of Year	2,999,600	3,570,482	3,570,482	-
Fund Balance, End of Year	$ 3,298,159	$ 4,364,915	$ 5,066,611	$ 701,696

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Internal Service Funds

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Southern Nevada Health District
Statement of Revenues, Expenditures, and Changes in Net Position – Budget to Actual –
Insurance Liability Reserve Fund
For the Fiscal Year Ended June 30, 2026

	Original	Final	Actual	Variance With Final Budget – Increase (Decrease)
Nonoperating Revenues				
Interest income	794	794	2,301	1,507
Change in Net Position	$ 794	$ 794	2,301	$ 1,507
Net Position, Beginning of Year			93,376	
Net Position, End of Year			$ 95,677	