



JUNE 30, 2025

Southern Nevada Health District

**INDEPENDENT AUDITOR'S REPORT,
FINANCIAL STATEMENTS, AND SUPPLEMENTARY INFORMATION**

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Southern Nevada Health District
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June 30, 2025

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Financial Section

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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, 2025, and the related notes to 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, 2025, 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.

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.

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.

Forvis Mazars, LLP

**Dallas, Texas
November 21, 2025**

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Southern Nevada Health District Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2025

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, 2025. 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

Financial Highlights

The Health District's liabilities and deferred inflows of resources exceeded its assets and deferred outflows of resources at the close of the most recent fiscal year by \$35,249,505. Unrestricted net position could be used to meet the government's ongoing obligations to citizens and creditors, if it were a positive number.

The Health District's total net position (deficit) improved by \$1,507,485 primarily due to an increase in property tax revenue and increases in charges for services offset with an increase in related expenditures as well as a decrease in pandemic-related operating grants and related expenditures.

The Health District's total revenue increased by \$9,634,646. This was primarily driven by increases in charges for services, regulatory fees, and property tax revenues offset with a decrease in pandemic-related grants. Expenses increased by \$2,004,746 primarily due to increase in personnel costs including both salaries and benefits.

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).

Southern Nevada Health District Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2025

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 2025. 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 15 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.

**Southern Nevada Health District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025**

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 18 of this report.

Proprietary Fund

As of June 30, 2025, 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 22 of this report.

Fiduciary Funds

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

Notes to 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 27 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 51 of this report.

**Southern Nevada Health District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025**

Government-Wide Overall Financial Analysis

Summary Statement of Net Position

	Governmental Activities	
	2025	2024
Assets		
Current and other assets	\$ 92,522,446	\$ 72,414,910
Net capital, lease, and subscription assets	37,326,755	38,141,386
Total Assets	129,849,201	110,556,296
Deferred Outflows of Resources	82,179,853	73,071,605
Liabilities		
Short-term liabilities	21,201,902	12,555,402
Long-term liabilities	183,979,113	186,744,388
Total Liabilities	205,181,015	199,299,790
Deferred Inflows of Resources	42,097,544	21,085,101
Net Position (Deficit)		
Net investment in capital assets	29,325,954	29,751,622
Restricted	119,425	80,053
Unrestricted (deficit)	(64,694,884)	(66,588,665)
Total Net Position (Deficit)	\$ (35,249,505)	\$ (36,756,990)

Total unrestricted net position represents negative 187% of total net position of Governmental Activities and is not available to meet the Health District's ongoing obligations to citizens and creditors. The remainder of the Health District's net position reflects its investment in capital, lease, and subscription assets (e.g., land, buildings, equipment, vehicles, infrastructure) and funds restricted for grants and insurance liability reserve. The Health District uses these capital assets to provide a variety of services to citizens. Accordingly, these assets are not available for future spending.

The Health District's total net position (deficit) improved by \$1,507,485 primarily due to increased fees for services, increased regulatory revenue, and increased property tax revenues, offset by a decrease in federal grants revenue and an increase in clinical services and environmental health-related expenditures.

The increase for charges for services was due to an overall increase in immunizations and other medical services. The increase in regulatory services was primarily due to increased fees during fiscal year 2025.

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

The decrease in operating grants was mainly due to the termination of pandemic-related grants during fiscal year 2025.

**Southern Nevada Health District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025**

Summary Statement of Changes in Net Position

	Governmental Activities	
	2025	2024
Revenues		
Program revenues		
Charges for services	\$ 78,438,113	\$ 67,347,827
Operating grants and contributions	49,014,470	57,783,029
General revenues		
Property tax allocation	37,651,176	34,088,562
Other income	4,936,348	2,575,284
Unrestricted investment income	3,532,996	2,143,755
Total Revenues	173,573,103	163,938,457
Expenses		
Public health		
Clinical services	72,910,245	61,460,781
Environmental health	33,489,858	31,127,930
Community health	55,376,183	61,936,949
Administration	9,914,726	15,218,402
Interest	374,606	316,810
Total Expenses	172,065,618	170,060,872
Change in Net Position	1,507,485	(6,122,415)
Net Position, Beginning	(36,756,990)	(30,634,575)
Net Position, Ending	\$ (35,249,505)	\$ (36,756,990)

Governmental Activities

During the current fiscal year, net position for governmental activities improved \$1,507,485 from the 2024 fiscal year to an ending balance of negative \$35,249,505.

Financial Analysis of Governmental Funds

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

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

At June 30, 2025, the Health District's governmental funds reported combined fund balances of \$72,036,301, an increase of \$11,308,409 in comparison with the prior year. Approximately 75%, or \$54,049,140, of this amount constitutes unassigned fund balance, which is available for spending at the Health District's discretion.

**Southern Nevada Health District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025**

The remainder of governmental fund balance is classified as follows: \$4,597,441 is nonspendable; restricted funds of \$119,425 is grant-related; \$1,000,000 is committed for emergency reserve; \$6,786,283 is assigned to capital project improvements; \$3,000,000 is assigned for contingency; \$2,379,682 is assigned to administrative projects; and \$104,330 is assigned to pharmacy 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 \$54,049,140, while the total fund balance is \$65,128,565. 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 33.8% of total combined general fund and special revenue fund expenditures and transfers, while total governmental fund balance represents approximately 46.0% of the total governmental expenditures and transfers. The Health District's general fund balance increased by \$10,255,737 during the current fiscal year, attributable to increased fees for services, increased regulatory revenue, and increased property tax allocation, offsetting with reductions in community health-related expenditures and net administration costs and a reduction in transfers to other funds.

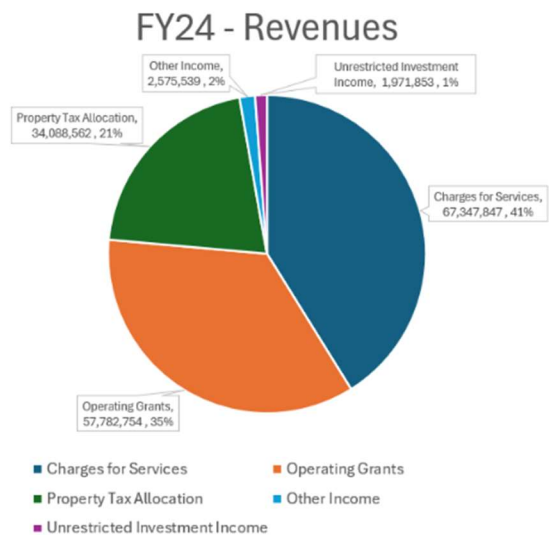
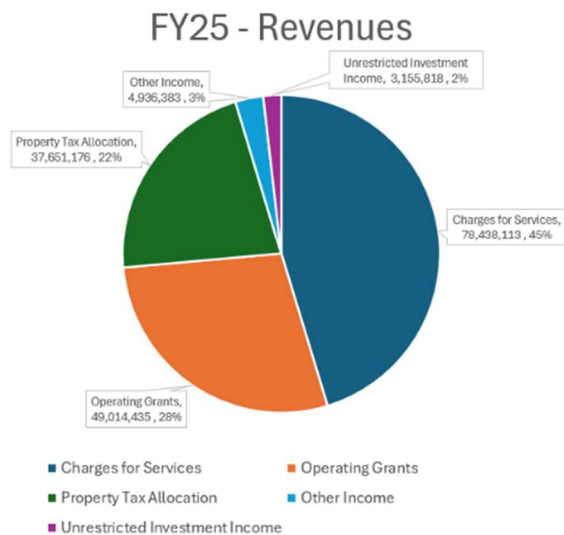
Other governmental funds consist of the Special Revenue Fund, the Bond Reserve Fund (also known as Building Fund), and the Capital Projects Fund. The Special Revenue Fund was created in fiscal year 2016 to account for the grant funds the Health District receives and has a nonspendable fund balance of \$2,028 and restricted fund balance of \$119,425. 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 \$6,786,283 at the end of the current fiscal year, which increased by \$1,013,300 as compared to the prior fiscal year, primarily attributable to a budgeted transfer of \$2,000,000 from the General Fund.

**Southern Nevada Health District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025**

Fund Revenues by Source

	2025		2024		Increase (Decrease)	
	Amount	Percent	Amount	Percent	Amount	Percent
General Fund Revenues						
Charges for services						
Fees for service	\$ 46,360,664	37.74%	\$ 35,119,778	33.61%	\$ 11,240,886	32.01%
Regulatory revenue	28,482,125	23.19%	27,422,167	26.24%	1,059,958	3.87%
Title XIX and other	3,595,324	2.93%	4,805,902	4.60%	(1,210,578)	-25.19%
Total charges for services	78,438,113	63.85%	67,347,847	64.45%	11,090,266	16.47%
Intergovernmental revenues						
Property tax	37,651,176	30.65%	34,088,562	32.62%	3,562,614	10.45%
General receipts						
Contributions and donations	35	0.00%	255	0.00%	(220)	-86.27%
Interest income	3,155,818	2.57%	1,971,853	1.89%	1,183,965	60.04%
Other	3,592,739	2.92%	1,094,229	1.05%	2,498,510	228.34%
Total General Fund Revenues	\$122,837,881	100.00%	\$104,502,746	100.00%	\$ 18,335,135	17.55%
Special Revenue Fund Revenues						
Intergovernmental revenues						
Direct federal grants	\$ 18,175,097	36.09%	\$ 21,913,784	36.98%	\$ (3,738,687)	-17.06%
Indirect federal grants	27,305,731	54.22%	34,797,567	58.72%	(7,491,836)	-21.53%
State funding	3,533,607	7.02%	1,071,403	1.81%	2,462,204	229.81%
Total intergovernmental revenues	49,014,435	97.33%	57,782,754	97.50%	(8,768,319)	-15.17%
Program Contract Services	1,343,609	2.67%	1,481,055	2.50%	(137,446)	-9.28%
Total Special Fund Revenues	\$ 50,358,044	100.00%	\$ 59,263,809	100.00%	\$ (8,905,765)	-15.03%
Combined Special Revenue and General Funds	\$173,195,925		\$163,766,555		\$ 9,429,370	5.76%



**Southern Nevada Health District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025**

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

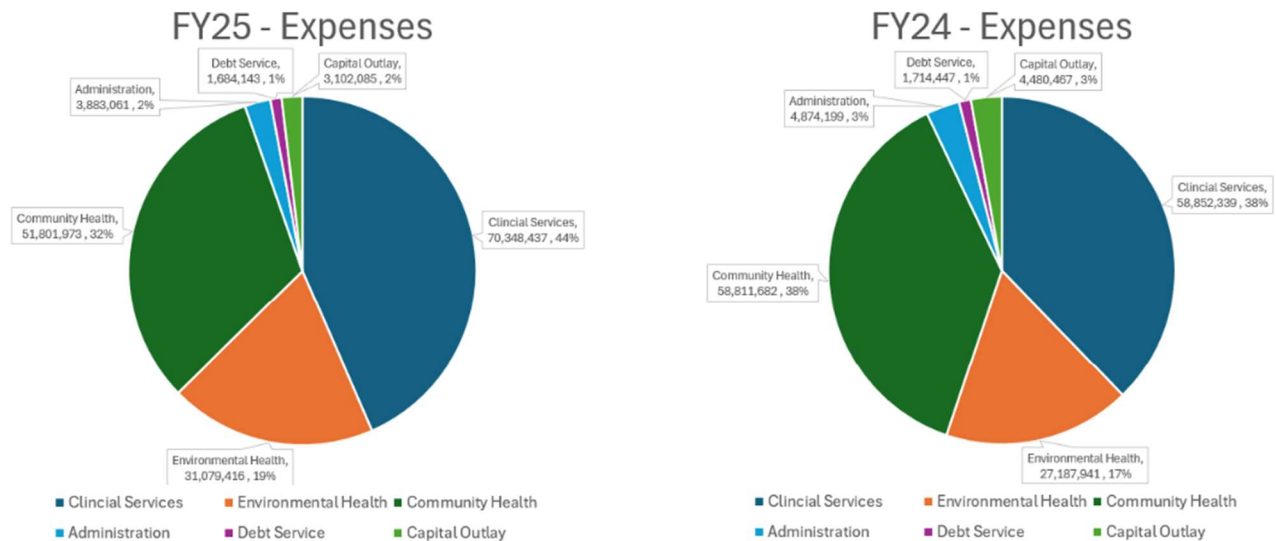
The increase in the property tax allocation of \$3,562,614 is due to a growing local economy, increases in property values, and subsequent increased property taxes. There is a 3% property tax cap on increases for primary residence property in the State of Nevada.

The increase in interest income was due to increased fair market value compared to book value and improved earnings rate based on increased balances at year-end from investments.

The decrease in intergovernmental grant revenues was primarily due to a decrease in grants received and related eligible expenditures in clinical services and community health services areas. These grants were primarily COVID-19-related.

	2025		2024		Increase (Decrease)	
	Amount	Percent	Amount	Percent	Amount	Percent
General Fund Expenditures						
Current						
Public health						
Clinical services	\$ 56,454,440	52.85%	\$ 43,768,571	47.77%	\$ 12,685,869	28.98%
Environmental health	29,376,372	27.50%	24,218,749	26.43%	5,157,623	21.30%
Community health services	16,903,125	15.82%	16,430,847	17.93%	472,278	2.87%
Administration	851,186	0.80%	3,016,484	3.29%	(2,165,298)	-71.78%
Debt service						
Principal	1,309,537	1.23%	1,397,637	1.53%	(88,100)	-6.30%
Interest	374,606	0.35%	316,810	0.35%	57,796	18.24%
Capital outlay						
Public health	1,543,923	1.45%	2,470,015	2.70%	(926,092)	-37.49%
Total General Fund Expenditures	\$106,813,189	100.00%	\$ 91,619,113	100.00%	\$ 15,194,076	16.58%
Special Revenue Fund Expenditures						
Current						
Public health						
Clinical services	\$ 13,893,997	25.22%	\$ 15,083,768	23.46%	\$ (1,189,771)	-7.89%
Environmental health	1,703,044	3.10%	2,969,192	4.61%	(1,266,148)	-42.64%
Community health services	34,898,848	63.35%	42,380,835	65.91%	(7,481,987)	-17.65%
Administration	3,031,875	5.50%	1,857,715	2.89%	1,174,160	63.20%
Capital outlay						
Public health	1,558,162	2.83%	2,010,452	3.13%	(452,290)	-22.50%
Total Special Revenue Fund Expenditures	\$ 55,085,926	100.00%	\$ 64,301,962	100.00%	\$ (9,216,036)	-14.33%
Combined Special Revenue and General Funds	\$161,899,115		\$155,921,075		\$ 5,978,040	3.83%

**Southern Nevada Health District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025**



The increase in general fund expenditures was primarily due to an increase in personnel expenses for services provided and operating costs for supplies in relation to the increase in fees for service and an increase in personnel expenses related to inspections and permit issuance in relation to the increase in regulatory services.

The decrease in special revenue fund expenditures was primarily due to a decrease in grants received and expended in clinical services, environmental health, and community health services areas.

General Fund Budget Highlights

Final Budget Compared to Actual Results

Current budget procedure allows funds to be moved within programs and departments. Revenues are underbudgeted amounts by \$4,881,731. This is attributable to higher than expected medical and immunization fee activity and investment earnings. Expenditures fell short of budgeted amounts by \$5,059,481 primarily due to lower than expected services and supplies expense for standard operations.

Detailed information of budgeted revenue and expenditures and actual revenue and expenditures is included in the Supplementary Information on page 51 of the Financial Report.

Capital, Lease, and Subscription Assets

As of June 30, 2025, the Health District's net investment in capital, lease, and subscription assets for its governmental activities was \$37,326,755. 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 \$814,631, or 2%, primarily due to an increase in construction in progress, right-to-use leased building, subscription IT assets, and furniture, offset by retirement and depreciation and amortization on existing assets.

	Balance June 30, 2024	Increases	Decreases	Transfers	Balance June 30, 2025
Governmental activities	\$ 38,141,386	\$ 4,117,157	\$ (4,931,788)	\$ -	\$ 37,326,755

Southern Nevada Health District Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2025

The Health District disposed capital assets by \$397,383. 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 4 of this report.

Long-Term Debt

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

Economic Factors and Next Year's Budgets and Rates

The Health District's financial position improved during fiscal year 2024-2025. 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 begun to expire and is expected to continue to be reduced as remaining projects and deliverables for the existing grants are completed.

Although created as an independent governmental entity pursuant to Nevada Revised Statute (NRS) 439.361, the Health District has no taxing authority and relies on revenue from fees and other governmental sources in order to operate. Funding for all capital improvements must be derived from operating revenue unless capital grant funds 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, 2025, the Consumer Price Index has increased 2.7% 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 2025-2026 will result in significant increased labor costs going forward. In addition, benefit costs will be higher due to increased retirement contributions on increased salaries and increased group insurance costs in budget year 2025-2026.

The Health District will continue to pursue not only proportional allocation of federal pass-through dollars through the State but also direct funding from the federal government. Clark County has 70% of Nevada's population and is 4.7 times the population of Washoe County in Northern Nevada. The additional federal support will enable the Health District to better address the needs of residents requiring services. 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. During fiscal year 2025, \$1.9 million of the \$10.95 million was expended with the remainder to be expended in fiscal year 2026 on projects to support identified public health priorities. 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.

Property tax revenue is anticipated to increase by approximately 10% for the 2025-2026 budget year. Fees for services for clinical services continue to grow as services expand. Regulatory revenue, environmental health licenses, and permit revenues are anticipated to increase as fees are adjusted and regulated activities with national and international venues occur in the community. The increase for the 2025-2026 budget year is anticipated to be approximately 1% for charges for services, licenses, and permits.

**Southern Nevada Health District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025**

At present, the Health District has the financial resources and capacity to maintain current service levels. As pandemic relief funding expires or terminates, 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, 2025

	Primary Governmental Activities
ASSETS	
Cash, cash equivalents, and investments	\$ 72,798,826
Grants receivable	8,873,290
Accounts receivable, net	6,236,667
Interest receivable	374,112
Other receivables	451,242
Prepaid items	1,203,132
Inventories	2,585,177
Capital assets, not depreciated	
Land	3,447,236
Construction in progress	3,061,594
Capital, lease, and subscription assets, net of accumulated depreciation and amortization	
Buildings	15,179,196
Improvements other than buildings	2,076,471
Furniture, fixtures, and equipment	5,094,867
Lease assets	6,589,301
Subscription assets	1,504,871
Vehicles	373,219
Total Assets	129,849,201
DEFERRED OUTFLOWS OF RESOURCES	
Deferred amounts related to pensions	59,549,437
Deferred amounts related to OPEB	22,630,416
Total Deferred Outflows of Resources	82,179,853

Southern Nevada Health District
Statement of Net Position
June 30, 2025

(Continued)

	Primary Governmental Activities
LIABILITIES	
Accounts payable	\$ 3,898,279
Accrued expenses	2,432,660
Workers compensation self-insurance claims	43,586
Unearned revenue	14,827,377
Long-term liabilities, due within one year	
Compensated absences	5,827,425
Lease liabilities	1,042,365
Subscription liabilities	251,416
Long-term liabilities, due in more than one year	
Compensated absences	7,592,924
Lease liabilities	6,159,579
Subscription liabilities	237,649
Net pension liability	127,620,524
Total OPEB liability	<u>35,247,231</u>
Total Liabilities	<u>205,181,015</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred amounts related to pensions	18,818,672
Deferred amounts related to OPEB	<u>23,278,872</u>
Total Deferred Inflows of Resources	<u>42,097,544</u>
NET POSITION (DEFICIT)	
Net investment in capital assets	29,325,954
Restricted	119,425
Unrestricted (deficit)	<u>(64,694,884)</u>
Total Net Position (Deficit)	<u><u>\$ (35,249,505)</u></u>

Southern Nevada Health District
Statement of Activities
For the Fiscal Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues		Net (Expenses) Revenues and Changes in Net Position Primary Government
		Charges for Services	Operating Grants and Contributions	Governmental Activities
Primary Government				
Governmental activities				
Public health				
Clinical services	\$ 72,910,245	\$ 41,698,049	\$ 12,479,441	\$ (18,732,755)
Environmental health	33,489,858	28,093,516	1,558,720	(3,837,622)
Community health	55,376,183	5,799,366	31,758,403	(17,818,414)
Administration	9,914,726	2,847,182	3,217,906	(3,849,638)
Interest	374,606	-	-	(374,606)
Total governmental activities	172,065,618	78,438,113	49,014,470	(44,613,035)
Total Function/Program	<u>\$ 172,065,618</u>	<u>\$ 78,438,113</u>	<u>\$ 49,014,470</u>	<u>\$ (44,613,035)</u>
General Revenues				
Property tax allocation				\$ 37,651,176
Other income				4,936,348
Unrestricted investment income				3,532,996
Total General Revenues and Transfers				46,120,520
Change in Net Position (Deficit)				1,507,485
Net Position (Deficit), Beginning of Year				(36,756,990)
Net Position (Deficit), End of Year				<u>\$ (35,249,505)</u>

Southern Nevada Health District
Governmental Funds – Balance Sheet
June 30, 2025

	General Fund	Special Revenue Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash, cash equivalents, and investments	\$ 64,801,125	\$ -	\$ 7,885,466	\$ 72,686,591
Grants receivable	-	8,873,290	-	8,873,290
Accounts receivable, net	6,236,667	-	-	6,236,667
Other receivables	450,972	270	-	451,242
Interest receivables	333,279	-	40,770	374,049
Due from other funds	8,738,622	9,395,920	-	18,134,542
Inventories	2,585,177	-	-	2,585,177
Prepaid items	2,010,236	2,028	-	2,012,264
Total Assets	\$ 85,156,078	\$ 18,271,508	\$ 7,926,236	\$ 111,353,822
LIABILITIES				
Accounts payable	\$ 2,994,800	\$ 593,688	\$ 309,791	\$ 3,898,279
Accrued expenses	2,432,659	-	-	2,432,659
Workers compensation self-insurance claims	23,586	-	-	23,586
Unearned revenue	5,534,065	9,293,312	-	14,827,377
Due to other funds	9,042,403	8,263,055	830,162	18,135,620
Total Liabilities	20,027,513	18,150,055	1,139,953	39,317,521
FUND BALANCES				
Nonspendable				
Inventories	2,585,177	-	-	2,585,177
Prepaid items	2,010,236	2,028	-	2,012,264
Restricted for				
Grants	-	119,425	-	119,425
Committed for				
Emergency reserve	1,000,000	-	-	1,000,000
Assigned for				
Capital improvements	-	-	6,786,283	6,786,283
Contingency	3,000,000	-	-	3,000,000
Administration	2,379,682	-	-	2,379,682
Pharmacy	104,330	-	-	104,330
Unassigned	54,049,140	-	-	54,049,140
Total Fund Balances	65,128,565	121,453	6,786,283	72,036,301
Total Liabilities and Fund Balances	\$ 85,156,078	\$ 18,271,508	\$ 7,926,236	\$ 111,353,822

Southern Nevada Health District
Reconciliation of the Balance Sheet – Governmental Funds to the
Statement of Net Position – Governmental Activities
June 30, 2025

Total Fund Balance – Governmental Funds	\$ 72,036,301
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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 \$809,132 of prepaid subscription assets already reported in the governmental funds.

Capital, lease, and subscription assets, net of accumulated depreciation and amortization	36,517,623
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Long-term liabilities and related deferred inflows and outflows of resources are not due in payable in the current period or are not current financial resources and, therefore, are not reported in the funds. A summary of these items is as follows:

Postemployment benefits other than pensions	(35,247,231)
Deferred outflows related to postemployment benefits other than pensions	22,630,416
Deferred inflows related to postemployment benefits other than pensions	(23,278,872)
Compensated absences	(13,420,349)
Lease liability	(7,201,944)
Subscription liability	(489,066)
Net pension liability	(127,620,524)
Deferred outflows related to pensions	59,549,437
Deferred inflows related to pensions	(18,818,672)

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	93,376
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Net Position of Governmental Activities	<u>\$ (35,249,505)</u>
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Southern Nevada Health District
Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2025

	General Fund	Special Revenue Fund	Other Governmental Funds	Total Governmental Funds
Revenues				
Charges for services				
Fees for service	\$ 46,360,664	\$ -	\$ -	\$ 46,360,664
Regulatory revenue	28,482,125	-	-	28,482,125
Title XIX and other	3,595,324	-	-	3,595,324
Intergovernmental revenues				
Property tax	37,651,176	-	-	37,651,176
Direct federal grants	-	18,175,097	-	18,175,097
Indirect federal grants	-	27,305,731	-	27,305,731
State grant funds	-	3,533,607	-	3,533,607
General receipts				
Contributions and donations	35	-	-	35
Interest income	3,155,818	-	375,097	3,530,915
Other	3,592,739	1,343,609	-	4,936,348
Total Revenues	122,837,881	50,358,044	375,097	173,571,022
Expenditures				
Current				
Public health				
Clinical and nursing services	56,454,440	13,893,997	-	70,348,437
Environmental health	29,376,372	1,703,044	-	31,079,416
Community health	16,903,125	34,898,848	-	51,801,973
Administration	851,186	3,031,875	489,261	4,372,322
Total current	103,585,123	53,527,764	489,261	157,602,148
Debt service				
Principal	1,309,537	-	-	1,309,537
Interest	374,606	-	-	374,606
Capital outlay	1,543,923	1,558,162	872,536	3,974,621
Total debt service	3,228,066	1,558,162	872,536	5,658,764
Total Expenditures	106,813,189	55,085,926	1,361,797	163,260,912
Excess (Deficiency) of Revenues Over Expenditures	16,024,692	(4,727,882)	(986,700)	10,310,110
Other Financing Sources (Uses)				
Transfers in	-	4,767,254	2,000,000	6,767,254
Transfers out	(6,767,254)	-	-	(6,767,254)
Leases issued	422,069	-	-	422,069
Subscriptions	576,230	-	-	576,230
Total Other Financing Sources (Uses)	(5,768,955)	4,767,254	2,000,000	998,299
Net Change in Fund Balances	10,255,737	39,372	1,013,300	11,308,409
Fund Balances, Beginning of Year	54,872,828	82,081	5,772,983	60,727,892
Fund Balances, End of Year	\$ 65,128,565	\$ 121,453	\$ 6,786,283	\$ 72,036,301

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, 2025

Net change in fund balances – total governmental funds	\$ 11,308,409
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 \$142,536	3,974,621
Less current year depreciation and amortization	(4,534,405)
Disposal of capital assets	(397,383)
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	1,309,537
Leases issued	(422,069)
Subscriptions	(576,230)
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	(6,492,501)
Change in deferred outflows related to postemployment benefits other than pensions	9,425,113
Change in deferred inflows related to postemployment benefits other than pensions	(3,491,032)
Change in compensated absences	(2,028,783)
Change in prepaid subscription assets	293,083
Change in deferred outflows related to pensions	(316,865)
Change in deferred inflows related to pensions	(17,521,411)
Change in net pension liability	10,975,320
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	2,081
Change in net position of governmental activities	<u>\$ 1,507,485</u>

Southern Nevada Health District
Statement of Net Position – Proprietary Funds
June 30, 2025

	Governmental Activities Insurance Liability Reserve
ASSETS	
Current Assets	
Cash and cash equivalents	\$ 12,235
Restricted cash	100,000
Interest receivable	63
Due from other funds	<u>1,078</u>
Total Current Assets	<u>113,376</u>
LIABILITIES	
Current Liabilities	
Workers compensation self-insurance claims	<u>20,000</u>
Total Current Liabilities	<u>20,000</u>
NET POSITION	
Restricted	<u>93,376</u>
Total Net Position	<u><u>\$ 93,376</u></u>

Southern Nevada Health District
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds
For the Fiscal Year Ended June 30, 2025

	Governmental Activities Insurance Liability Reserve
Nonoperating Revenues	
Investment income	\$ 2,081
Change in Net Position	2,081
Net Position, Beginning of Year	91,295
Net Position, End of Year	\$ 93,376

**Southern Nevada Health District
Statement of Cash Flows – Proprietary Funds
For the Fiscal Year Ended June 30, 2025**

	Governmental Activities Insurance Liability Reserve
Cash Flows From Noncapital and Related Financing Activities	
Repayment of advances received from other funds	\$ (989)
Net Cash Used in Noncapital Financing Activities	(989)
Cash Flows From Investing Activities	
Investment income	2,141
Net Cash Provided by Investing Activities	2,141
Change in Cash, Restricted Cash, and Cash Equivalents	1,152
Cash, Restricted Cash, and Cash Equivalents, Beginning of Year	111,083
Cash, Restricted Cash, and Cash Equivalents, End of Year	\$ 112,235
Reconciliation of Cash Balances at End of Year	
Unrestricted	\$ 12,235
Restricted	100,000
	\$ 112,235

Southern Nevada Health District
Statement of Fiduciary Net Position
June 30, 2025

	Custodial Fund
ASSETS	
Cash and cash equivalents	\$ 10,673
Total Assets	10,673
LIABILITIES	
Payable to primary government	1,421
Total Liabilities	1,421
NET POSITION	
Restricted for individuals and organizations	9,252
Total Net Position	\$ 9,252

Southern Nevada Health District
Statement of Changes in Fiduciary Net Position
June 30, 2025

	Custodial Fund
Additions	
Contributions	<u>\$ 8,332</u>
Total Additions	<u>8,332</u>
Deductions	
Services and supplies	<u>7,681</u>
Total Deductions	<u>7,681</u>
Net Increase in Fiduciary Net Position	651
Fiduciary Net Position, Beginning of Year	<u>8,601</u>
Fiduciary Net Position, End of Year	<u><u>\$ 9,252</u></u>

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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.

Southern Nevada Health District
Notes to Financial Statements
June 30, 2025

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.

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, 2025, the estimated value of such vaccines in the Health District's possession was \$1,334,478.

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.

Southern Nevada Health District
Notes to Financial Statements
June 30, 2025

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
Less than 1	10
1 to 8	15
8 to 13	18
More than 13	20

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

An employee is entitled to sick pay benefits accrued at one day for each month of full-time service. After 120 months of full-time service, an employee is entitled to 1.25 days of sick pay benefits for each month of full-time service. There is no limit on the amount of sick pay benefits that can be accumulated.

Upon termination:

- 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 will receive a lump sum payment for all sick pay benefits accrued.

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.

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.

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.

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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 2025

The Health District adopted GASB Statement No. 101, *Compensated Absences*, for the year ended June 30, 2025. The new accounting guidance updates the recognition and measurement guidance for compensated absences under a unified model. Specifically, the new standard clarifies that a liability should be recorded for compensated absences that are more likely than not to be paid or otherwise settled. Additionally, it amends certain existing disclosure requirements. The adoption of GASB 101 had no impact on the Health District’s beginning of year net position.

The Health District adopted GASB Statement No. 102, *Certain Risk Disclosures*, for the year ended June 30, 2025. The new accounting guidance requires governments to disclose information about certain concentrations or constraints that could affect services provided or the ability to meet obligations as they come due. The adoption of GASB 102 had no impact on the Health District’s beginning of year net position.

Future Financial Reporting Requirements

GASB has issued the following potentially significant statements which the Health District has not yet adopted and which require adoption subsequent to June 30, 2025. The Health District will evaluate the potential impact on the Health District’s net position.

Statement No.	Title	Adoption Required
103	<i>Financial Reporting Model Improvements</i>	June 30, 2026
104	<i>Disclosure of Certain Capital Assets</i>	June 30, 2026

Note 2. Stewardship and Accountability

Budgets and Budgetary Accounting

Nevada Revised Statutes (NRS) require that local governments legally adopt budgets for all funds except fiduciary funds. The annual budgets for all funds are adopted on a basis consistent with accounting principles generally accepted in the United States. Budget augmentations made during the year ended June 30, 2025 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, 2025, indirect cost amounts between the clinical and nursing services, environmental health, and community health programs and the administration program in the general fund have been eliminated in accordance with accounting principles generally accepted in the United States.

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

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

Note 3. Cash and Cash Equivalents

Deposits

The Health District's deposit policies are governed by the NRS. Deposits are carried at cost, which approximates market value, and are maintained with insured banks in Nevada. At June 30, 2025, 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, 2025, 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 issued by commercial banks or insured savings and loan associations, except certificates that are not within limits of insurance provided by the Federal Deposit Insurance Corporation (FDIC), unless those certificates are collateralized as is required for uninsured deposits, not to exceed 5-year maturity from date of purchase with rating service of "A-1" by Standard & Poor's, "P-1" by Moody's, or "F-1" by Fitch equivalent or better. If negotiable certificate of deposit is issued for longer than one year, issuing entity shall have a long-term rating of "A" category or 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 20% 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.
- Forward delivery agreements executed with a bank or financial institution rated "A" or equivalent.
- 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 90 days' maturity. Securities used for collateral must meet the criteria listed above.
- Money market mutual funds which are rated "AAA" or its equivalent and invest only in securities issued by the federal government, U.S. agencies, or repurchase agreements fully collateralized by such securities not to exceed five years' maturity and does not exceed 20% of the portfolio.
- Asset-backed securities that are rated AAA or its equivalent, not to exceed 20% of the portfolio.
- Investment contracts for bond proceeds only, issuance for \$10,000,000 or more, and collateralized at a market value of at least 102% by obligations of the U.S. Treasury or agencies of the federal government.
- The State of Nevada's Local Government Investment Pool.

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

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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 duration of the investment pool portfolio to less than 2.5 years. Duration is a measure of the present value of a fixed income's cash flows and is used to estimate the sensitivity of a security's price to interest rate changes.

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At June 30, 2025, 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, 2025, the carrying amount and market value of the Health District's investments in the Clark County Investment Pool was \$72,702,633.

Combined Cash and Cash Equivalents

The Health District's cash and cash equivalents were as follows at June 30, 2025:

Cash on hand	\$ 6,866
Restricted cash	100,000
Clark County Investment Pool	<u>72,702,633</u>
Total cash and cash equivalents	<u>\$ 72,809,499</u>

The Health District's cash and cash equivalents were presented in the District's financial statements as follows at June 30, 2025:

Governmental funds	\$ 72,686,591
Proprietary fund	112,235
Custodial funds	<u>10,673</u>
Total cash and cash equivalents	<u>\$ 72,809,499</u>

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Note 4. Capital, Lease, and Subscription Assets

Changes in capital, lease, and subscription assets were as follows for the year ended June 30, 2025:

	Balance June 30, 2024	Additions	Retirements	Transfers	Balance June 30, 2025
Governmental Activities					
Capital assets not being depreciated/amortized					
Construction in progress	\$ 2,781,056	\$ 709,457	\$ -	\$ (428,919)	\$ 3,061,594
Land	3,447,236	-	-	-	3,447,236
Total capital assets not being depreciated	6,228,292	709,457	-	(428,919)	6,508,830
Capital, leased, and subscription assets being depreciated/amortized					
Buildings	21,050,944	866,613	-	17,320	21,934,877
Improvements other than buildings	6,293,486	124,549	(29,577)	-	6,388,458
Furniture, fixtures, and equipment	18,437,555	1,259,714	(1,482,465)	411,599	18,626,403
Right-to-use leased building	8,710,946	282,787	(94,083)	-	8,899,650
Right-to-use leased equipment	715,346	139,282	-	-	854,628
Subscription IT asset	2,502,309	706,835	(207,582)	-	3,001,562
Vehicles	1,686,103	27,920	(299,843)	-	1,414,180
Totals capital, lease, and subscription assets being depreciated/amortized	59,396,689	3,407,700	(2,113,550)	428,919	61,119,758
Accumulated depreciation/amortization					
Buildings	(6,030,711)	(724,970)	-	-	(6,755,681)
Improvements other than buildings	(3,975,589)	(365,975)	29,577	-	(4,311,987)
Furniture, fixtures, and equipment	(13,094,838)	(1,527,915)	1,091,217	-	(13,531,536)
Right-to-use leased building	(1,650,121)	(929,602)	3,871	-	(2,575,852)
Right-to-use leased equipment	(477,368)	(193,853)	82,096	-	(589,125)
Subscription IT asset	(1,074,870)	(629,403)	207,582	-	(1,496,691)
Vehicles	(1,180,098)	(162,687)	301,824	-	(1,040,961)
Total accumulated depreciation/amortization	(27,483,595)	(4,534,405)	1,716,167	-	(30,301,833)
Total capital, leased, and subscription assets being depreciated/amortized, net	31,913,094	(1,126,705)	(397,383)	428,919	30,817,925
Total Governmental Activities	\$ 38,141,386	\$ (417,248)	\$ (397,383)	\$ -	\$ 37,326,755

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Depreciation and amortization expense was charged to the following functions and programs for the year ended June 30, 2025:

Governmental activities	
Clinical services	\$ 111,425
Environmental health	73,606
Community health	997,520
Administration	<u>3,351,854</u>
Total depreciation and amortization expense – governmental activities	<u>\$ 4,534,405</u>

Note 5. Interfund Balances and Transfers

Interfund balances are as follows at June 30, 2025:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	\$ 8,263,055
General Fund	Other governmental funds	475,567
Special Revenue Fund	General Fund	9,042,403
Special Revenue Fund	Other governmental funds	353,517
Insurance Reserve	Other governmental funds	<u>1,078</u>
		<u>\$ 18,135,620</u>

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, 2025:

<u>Transfers Out of Fund</u>	<u>Transfers In to Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	\$ 4,767,254
General Fund	Other governmental funds	<u>2,000,000</u>
		<u>\$ 6,767,254</u>

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

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Note 6. Changes in Long-Term Liabilities

Long-term liabilities activity was as follows for the year ended June 30, 2025:

	Balance June 30, 2024	Increases	Decreases	Balance June 30, 2025	Due Within One Year
Governmental Activities					
Compensated absences	\$ 11,391,566	\$ 2,028,783	\$ -	\$ 13,420,349	\$ 5,827,425
Lease liability	7,700,584	422,069	(920,709)	7,201,944	1,042,365
Subscription liability	301,664	576,230	(388,828)	489,066	251,416
Total Long-Term Liabilities	\$ 19,393,814	\$ 3,027,082	\$ (1,309,537)	\$ 21,111,359	\$ 7,121,206

Changes in compensated absences balances are reflected net. Lease and subscription liabilities typically have been liquidated by the fund where employees earned and accrued the amounts.

Lessee Activities

The Health District has entered into multiple leases for office, clinical, warehouse space, 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 U.S. Prime Rates applicable for each lease based on the lease period and date of initiation.

Remaining principal and interest payments on leases are as follows:

For the Year Ending June 30,	Principal	Interest
2026	\$ 1,042,365	\$ 288,326
2027	917,692	238,304
2028	740,741	193,597
2029	685,253	152,369
2030	444,667	125,741
2031–2035	2,360,158	391,682
2036–2037	1,011,068	33,255
	\$ 7,201,944	\$ 1,423,274

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 U.S. Prime Rates 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
2026	\$ 251,416	\$ 28,722
2027	217,748	11,582
2028	19,902	780
	<u>\$ 489,066</u>	<u>\$ 41,084</u>

Note 7. Risk Management

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

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 aggregates 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	\$ 25,000	\$ 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.

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

Note 8. 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 9. 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, 2024, the Health District's required contribution rates for regular members was 33.50% EPC. The Health District's portion of contributions was \$11,221,725 for the fiscal year ended June 30, 2025.

PERS collective net pension liability was measured as of June 30, 2024, 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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Notes to Financial Statements
June 30, 2025

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
Other assumptions	Rates include inflation and productivity increases Same as those used in the June 30, 2024 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, 2024:

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	<u>100%</u>	

The discount rate used to measure the total pension liability was 7.25% as of June 30, 2024. 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, 2024 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, 2024.

Southern Nevada Health District
Notes to Financial Statements
June 30, 2025

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	\$ 205,229,551	\$ 127,620,524	\$ 63,592,570

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 \$127,620,524, which represents 0.70634% of the collective net pension liability, which is a decrease from the previous year's proportionate share of 0.75931%. Contributions for employer pay dates within the fiscal year ending June 30, 2024 were used as the basis for determining each employer's proportionate share.

For the period ended June 30, 2025, the Health District's pension expense was \$18,057,232 and its reported deferred outflows and inflows of resources related to pensions were as follows as of June 30, 2025:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 27,074,239	\$ -
Net difference between projected and actual earnings on investments	-	12,572,266
Changes in proportion and differences between actual contributions and proportionate share of contributions	13,018,596	6,246,406
Change in assumptions	8,234,877	-
Contributions subsequent to the measurement date	11,221,725	-
Total	<u>\$ 59,549,437</u>	<u>\$ 18,818,672</u>

Southern Nevada Health District
Notes to Financial Statements
June 30, 2025

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date totaling \$11,221,725 will be recognized as a reduction of the net pension liability for the year ending June 30, 2026. 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,	
2026	\$ 3,333,455
2027	16,148,088
2028	1,206,949
2029	(17,883)
2030	2,066,274
Thereafter	<u>6,772,157</u>
Total	<u>\$ 29,509,040</u>

Note 10. 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.

Southern Nevada Health District
Notes to Financial Statements
June 30, 2025

Employees Covered by Benefit Terms

The following employees were covered by the benefit terms at June 30, 2024:

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

Total OPEB Liability

The Health District's total OPEB liability of \$35,247,231 was measured as of June 30, 2024 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, 2025 was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	3.93%
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.

<u>Expense Type</u>	<u>Select</u>	<u>Ultimate</u>
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%

Southern Nevada Health District
Notes to Financial Statements
June 30, 2025

Changes in the Total OPEB Liability

	PEBP	RHPP	Total OPEB Liability
Balance at June 30, 2024	\$ 3,278,995	\$ 25,475,735	\$ 28,754,730
Changes for the year			
Service cost	-	1,683,367	1,683,367
Interest	116,670	987,832	1,104,502
Differences between expected and actual experience	(1,118,180)	11,183,547	10,065,367
Changes of assumptions	114,060	(6,119,288)	(6,005,228)
Benefit payments	(165,108)	(190,399)	(355,507)
Net changes	(1,052,558)	7,545,059	6,492,501
Balance at June 30, 2025	\$ 2,226,437	\$ 33,020,794	\$ 35,247,231

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 3.65% as of June 30, 2023 to 3.93% as of June 30, 2024 (the actuarial measurement date).
- The trend rates were updated to an initial rate of 7.75% (6.75% for Post-65) grading down to an ultimate rate of 4.00%. The Select trend rates are updated to reflect the higher than anticipated rising healthcare costs environment.
- The termination and retirement rates were updated to the rates from the Nevada PERS Actuarial Valuation report as of June 30, 2023.
- The salary scale was updated from 3.0% to 3.5% based on the wage growth assumption from the 2023 NVPERS.

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the Health District, as well as what the Health District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.93%) or 1-percentage point higher (4.93%) than the current discount rate:

	1% Decrease Rate (2.93%)	Discount Rate (3.93%)	1% Increase Rate (4.93%)
PEBP	\$ 2,471,000	\$ 2,226,437	\$ 2,019,000
RHPP	39,770,000	33,020,794	27,737,000
Total OPEB liability	\$ 42,241,000	\$ 35,247,231	\$ 29,756,000

Southern Nevada Health District
Notes to Financial Statements
June 30, 2025

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

	<u>1% Decrease</u>	<u>Trend Rates</u>	<u>1% Increase</u>
PEBP	\$ 2,029,000	\$ 2,226,437	\$ 2,454,000
RHPP	<u>27,274,000</u>	<u>33,020,794</u>	<u>40,561,000</u>
Total OPEB liability	<u>\$ 29,303,000</u>	<u>\$ 35,247,231</u>	<u>\$ 43,015,000</u>

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

For the year ended June 30, 2025, the Health District recognized OPEB expense of \$992,926. The breakdown by plan is as follows:

	<u>PEBP</u>	<u>RHPP</u>	<u>Total All Plans</u>
OPEB Expense (Income)	\$ (887,450)	\$ 1,880,376	\$ 992,926

Southern Nevada Health District
Notes to Financial Statements
June 30, 2025

The Health District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources at June 30, 2025:

	Deferred Outflows of Resources	Deferred Inflows of Resources
PEBP		
Contributions made in fiscal year ending 2025 after July 1, 2024, measurement date	\$ 160,000	\$ -
Total PEBP	<u>160,000</u>	<u>-</u>
RHPP		
Differences between expected and actual experience	20,769,733	4,010,196
Changes of assumptions or other inputs	1,208,683	19,268,676
Contributions made in fiscal year ending 2025 after July 1, 2024, measurement date	<u>492,000</u>	<u>-</u>
Total RHPP	<u>22,470,416</u>	<u>23,278,872</u>
All plans		
Differences between expected and actual economic experience	20,769,733	4,010,196
Changes in actuarial assumptions	1,208,683	19,268,676
Contributions made in fiscal year ending 2025 after July 1, 2024, measurement date	<u>652,000</u>	<u>-</u>
Total all plans	<u>\$ 22,630,416</u>	<u>\$ 23,278,872</u>

The amount of \$652,000 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 ended June 30, 2026. 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
2026	\$ (515,786)
2027	(433,124)
2028	(418,181)
2029	(418,181)
2030	(418,181)
Thereafter	<u>902,997</u>
Total	<u>\$ (1,300,456)</u>

Note 11. 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 12. 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:

	<u>Assigned Fund Balance</u>
General Fund	<u>\$ 2,484,012</u>

General Fund

\$1,565,757 of the total encumbrance balance was assigned to purchase clinical health services. \$206,239 of the total encumbrance balance was assigned to purchase community health services. \$4,625 of the total encumbrance balance was assigned to purchase environmental health services. \$603,061 of the total encumbrance balance was assigned to purchase administrative services. \$104,330 of the total encumbrance balance was assigned to purchase pharmacy services.



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, 2025

	Budgeted Amounts			Variance With Final Budget – Increase (Decrease)
	Original	Final	Actual	
Revenues				
Fees for service	\$ 36,215,729	\$ 42,365,912	\$ 46,360,664	\$ 3,994,752
Other	1,899,388	2,782,373	3,592,774	810,401
Property tax	37,651,176	37,651,176	37,651,176	-
Regulatory revenue	27,881,249	29,623,788	28,482,125	(1,141,663)
Title XIX and other	3,638,963	3,560,001	3,595,324	35,323
Investment earnings	669,772	1,972,900	3,155,818	1,182,918
Total Revenues	107,956,277	117,956,150	122,837,881	4,881,731
Expenditures				
Public health				
Clinical and nursing services				
Salaries and wages	11,052,142	11,459,832	11,462,609	(2,777)
Employee benefits	5,056,511	5,119,842	5,035,366	84,476
Services and supplies	37,568,826	43,912,423	39,965,633	3,946,790
Capital outlay	63,000	16,000	16,000	-
Total clinical and nursing services	53,740,479	60,508,097	56,479,608	4,028,489
Environmental health				
Salaries and wages	14,995,597	16,695,381	16,329,690	365,691
Employee benefits	6,801,895	7,379,622	7,246,047	133,575
Services and supplies	6,282,928	6,511,191	5,800,623	710,568
Capital outlay	2,000	2,000	-	2,000
Total environmental health	28,082,420	30,588,194	29,376,360	1,211,834
Community health				
Salaries and wages	8,855,927	7,934,884	7,861,936	72,948
Employee benefits	4,059,651	3,607,017	3,519,733	87,284
Services and supplies	7,597,417	6,789,347	5,704,429	1,084,918
Capital outlay	410,800	435,000	362,176	72,824
Total community health	20,923,795	18,766,248	17,448,274	1,317,974
Administration				
Salaries and wages	12,275,808	13,855,522	13,926,820	(71,298)
Employee benefits	5,827,830	6,561,853	6,896,250	(334,397)
Services and supplies	(19,277,382)	(18,702,989)	(18,479,870)	(223,119)
Capital outlay	213,000	295,745	1,165,747	(870,002)
Total administration	(960,744)	2,010,131	3,508,947	(1,498,816)
Total Expenditures	101,785,950	111,872,670	106,813,189	5,059,481
Excess of Revenues Over Expenditures	6,170,327	6,083,480	16,024,692	9,941,212
Other Financing Sources (Uses)				
Transfers out	(10,530,735)	(12,125,913)	(6,767,254)	5,358,659
Leases issued	-	-	422,069	422,069
Subscriptions	-	-	576,230	576,230
Total Other Financing Sources (Uses)	(10,530,735)	(12,125,913)	(5,768,955)	6,356,958
Net Change in Fund Balance	(4,360,408)	(6,042,433)	10,255,737	16,298,170
Fund Balance, Beginning of Year	45,827,732	54,872,828	54,872,828	-
Fund Balance, End of Year	\$ 41,467,324	\$ 48,830,395	\$ 65,128,565	\$ 16,298,170

**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, 2025**

	Budgeted Amounts			Variance With Final Budget – Increase (Decrease)
	Original	Final	Actual	
Revenues				
Direct federal grants	\$ 14,359,394	\$ 20,303,558	\$ 18,175,097	\$ (2,128,461)
Indirect federal grants	31,949,804	29,604,235	27,305,731	(2,298,504)
State grant funds	6,954,077	4,051,551	3,533,607	(517,944)
Other	10,887,091	1,415,546	1,343,609	(71,937)
Total Revenues	64,150,366	55,374,890	50,358,044	(5,016,846)
Expenditures				
Public health				
Clinical and nursing services				
Salaries and wages	7,106,200	6,776,094	6,516,398	259,696
Employee benefits	3,273,981	3,069,422	2,961,580	107,842
Services and supplies	5,188,099	5,680,923	4,416,019	1,264,904
Capital outlay	935,607	967,989	599,833	368,156
Total clinical and nursing services	16,503,887	16,494,428	14,493,830	2,000,598
Environmental health				
Salaries and wages	1,169,929	897,768	871,782	25,986
Employee benefits	540,509	409,733	398,354	11,379
Services and supplies	495,826	521,160	432,908	88,252
Total environmental health	2,206,264	1,828,661	1,703,044	125,617
Community health				
Salaries and wages	10,909,617	11,006,468	10,923,453	83,015
Employee benefits	5,018,113	4,972,112	4,928,872	43,240
Services and supplies	19,875,922	23,120,841	19,046,523	4,074,318
Capital outlay	1,191,996	454,748	434,421	20,327
Total community health	36,995,648	39,554,169	35,333,269	4,220,900
Administration				
Salaries and wages	1,364,500	1,283,224	1,316,230	(33,006)
Employee benefits	629,808	557,460	553,359	4,101
Services and supplies	3,229,189	1,447,861	1,162,286	285,575
Capital outlay	8,751,805	1,335,000	523,908	811,092
Total administration	13,975,302	4,623,545	3,555,783	1,067,762
Total Expenditures	69,681,101	62,500,803	55,085,926	7,414,877
Deficiency of Revenues Over Expenditures	(5,530,735)	(7,125,913)	(4,727,882)	2,398,031
Other Financing Sources				
Transfers in	5,530,735	7,125,913	4,767,254	(2,358,659)
Total Other Financing Sources	5,530,735	7,125,913	4,767,254	(2,358,659)
Net Change in Fund Balance	-	-	39,372	39,372
Fund Balance, Beginning of Year	105,306	82,081	82,081	-
Fund Balance, End of Year	\$ 105,306	\$ 82,081	\$ 121,453	\$ 39,372

Southern Nevada Health District
Schedules of Changes in the Total OPEB Liability and Related Ratios¹
For the Fiscal Year Ended June 30, 2025

PEBP	2018	2019	2020	2021	2022	2023	2024	2025
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
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
Benefit payments	(201,454)	(210,183)	(213,733)	(223,274)	(198,836)	(208,349)	(225,925)	(165,108)
Net Change in Total OPEB Liability	(475,254)	(634,985)	124,649	920,790	(42,582)	(1,402,099)	(103,306)	(1,052,558)
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
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
Covered Payroll	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

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

Southern Nevada Health District
Schedules of Changes in the Total OPEB Liability and Related Ratios²
For the Fiscal Year Ended June 30, 2025

RHPP	2018	2019	2020	2021	2022	2023	2024	2025
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
Interest (on the total OPEB liability)	753,304	922,521	675,421	696,006	546,330	590,543	894,861	987,832
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)
Benefit payments	<u>(339,476)</u>	<u>(236,966)</u>	<u>(322,093)</u>	<u>(643,182)</u>	<u>(345,742)</u>	<u>(58,543)</u>	<u>(190,437)</u>	<u>(190,399)</u>
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
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
Total OPEB Liability – Ending	<u>\$ 23,903,035</u>	<u>\$ 16,748,088</u>	<u>\$ 19,172,002</u>	<u>\$ 23,323,401</u>	<u>\$ 25,315,718</u>	<u>\$ 23,600,918</u>	<u>\$ 25,475,735</u>	<u>\$ 33,020,794</u>
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
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%

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

**Southern Nevada Health District
Multiple-Employer Cost-Sharing Defined Benefit Pension Plan
Proportionate Share of the Collective Net Pension Liability Information
For the Fiscal Year Ended June 30, 2025**

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
2015	0.54090%	\$ 61,984,011	\$ 32,508,190	190.67198%	75.13000%
2016	0.52151%	\$ 70,180,332	\$ 32,917,342	213.20170%	72.20000%
2017	0.50906%	\$ 67,704,469	\$ 33,079,430	204.67242%	74.40000%
2018	0.50995%	\$ 69,546,020	\$ 33,744,349	206.09679%	75.20000%
2019	0.54171%	\$ 73,866,832	\$ 37,250,362	198.29829%	76.50000%
2020	0.56339%	\$ 78,470,784	\$ 38,532,689	203.64731%	77.04000%
2021	0.64435%	\$ 58,760,106	\$ 44,284,315	132.68830%	86.51000%
2022	0.69636%	\$ 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%

**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, 2025**

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
2016	\$ 4,565,587	\$ 4,565,587	\$ -	\$ 33,079,430	13.80%
2017	\$ 4,724,209	\$ 4,724,209	\$ -	\$ 33,744,349	14.00%
2018	\$ 5,215,051	\$ 5,215,051	\$ -	\$ 37,250,362	14.00%
2019	\$ 5,876,235	\$ 5,876,235	\$ -	\$ 38,532,689	15.25%
2020	\$ 6,753,358	\$ 6,753,358	\$ -	\$ 44,284,315	15.25%
2021	\$ 6,744,173	\$ 6,744,173	\$ -	\$ 44,224,085	15.25%
2022	\$ 7,659,900	\$ 7,659,900	\$ -	\$ 50,228,852	15.25%
2023	\$ 8,259,408	\$ 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%

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 3.65% as of June 30, 2023 to 3.93% as of June 30, 2024.
- The Pre-Medicare Select Trend Rate was decreased from 6.50% to 7.75% in 2024
- The Post-Medicare Select Trend Rate was increased from 5.50% to 6.75% in 2024.

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

For the year ended June 30, 2025, 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, 2024.

Additional pension plan information can be found at Note 9 to the basic financial statements.

Note 3. Budget Information

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

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

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Other Supplementary Information

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Nonmajor Governmental Funds

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**Southern Nevada Health District
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2025**

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

Bond Reserve

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

Capital Projects

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

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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, 2025

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance With Final Budget – Increase (Decrease)</u>
Revenues				
Interest income	<u>\$ 30,000</u>	<u>\$ 30,000</u>	<u>\$ 172,993</u>	<u>\$ 142,993</u>
Total Revenues	<u>30,000</u>	<u>30,000</u>	<u>172,993</u>	<u>142,993</u>
Change in Fund Balance	30,000	30,000	172,993	142,993
Fund Balance, Beginning of Year	<u>3,044,524</u>	<u>3,044,524</u>	<u>3,042,808</u>	<u>(1,716)</u>
Fund Balance, End of Year	<u><u>\$ 3,074,524</u></u>	<u><u>\$ 3,074,524</u></u>	<u><u>\$ 3,215,801</u></u>	<u><u>\$ 141,277</u></u>

**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, 2025**

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance With Final Budget – Increase (Decrease)</u>
Revenues				
Interest income	<u>\$ 70,000</u>	<u>\$ 70,000</u>	<u>\$ 202,104</u>	<u>\$ 132,104</u>
Total Revenues	<u>70,000</u>	<u>70,000</u>	<u>202,104</u>	<u>132,104</u>
Expenditures				
Public health				
Administration	<u>-</u>	<u>-</u>	<u>489,261</u>	<u>(489,261)</u>
Capital outlay	<u>1,800,575</u>	<u>1,800,575</u>	<u>872,536</u>	<u>928,039</u>
Total Expenditures	<u>1,800,575</u>	<u>1,800,575</u>	<u>1,361,797</u>	<u>438,778</u>
Deficiency of Revenues Over Expenditures	<u>(1,730,575)</u>	<u>(1,730,575)</u>	<u>(1,159,693)</u>	<u>570,882</u>
Other Financing Sources				
Transfers in	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>	<u>-</u>
Change in Fund Balance	<u>269,425</u>	<u>269,425</u>	<u>840,307</u>	<u>570,882</u>
Fund Balance, Beginning of Year	<u>1,460,445</u>	<u>1,460,445</u>	<u>2,730,175</u>	<u>1,269,730</u>
Fund Balance, End of Year	<u>\$ 1,729,870</u>	<u>\$ 1,729,870</u>	<u>\$ 3,570,482</u>	<u>\$ 1,840,612</u>



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, 2025**

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance With Final Budget – Increase (Decrease)</u>
Expenditures				
Other operating expenditures	<u>\$ 500</u>	<u>\$ 500</u>	<u>\$ -</u>	<u>\$ (500)</u>
Total Expenditures	<u> 500</u>	<u> 500</u>	<u> -</u>	<u> (500)</u>
Nonoperating Revenues				
Interest income	<u> 1,500</u>	<u> 1,500</u>	<u> 2,081</u>	<u> 581</u>
Change in Net Position	<u><u>\$ 1,000</u></u>	<u><u>\$ 1,000</u></u>	<u><u> 2,081</u></u>	<u><u>\$ 1,081</u></u>
Net Position, Beginning of Year			<u> 91,295</u>	
Net Position, End of Year			<u><u>\$ 93,376</u></u>	