

SOUTHERN NEVADA REGIONAL HOUSING AUTHORITY
Las Vegas, Nevada

**MANAGEMENT'S DISCUSSION & ANALYSIS
AND AUDITED FINANCIAL STATEMENTS**

FISCAL YEAR ENDED SEPTEMBER 30, 2021

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SOUTHERN NEVADA REGIONAL HOUSING AUTHORITY
Las Vegas, Nevada

**REPORT ON EXAMINATION
OF FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION**

FISCAL YEAR ENDED SEPTEMBER 30, 2021



INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Southern Nevada Regional Housing Authority
Las Vegas, Nevada

San Francisco Regional Office
Public Housing Division
One Sansome Street, Suite 1200
San Francisco, CA 94104

Report on Financial Statements

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component units of the Southern Nevada Regional Housing Authority as of and for the year ended September 30, 2021, and the related notes to the financial statements which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of Landsman Family, LLC, Vera Johnson B, LP, Biegger Estates, LLC, Vera Johnson A Family, LLC, SRB, LP, Rose Gardens Senior, LP, Honolulu Street, LLC, Espinoza Terrace, LLC, Archie Grant Park, LLC and Wardelle Street Townhouses, LLC which represent 45 percent of total consolidated assets and 7 percent of total revenues of the Southern Nevada Regional Housing Authority. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for of Landsman Family, LLC, Vera Johnson B, LP, Biegger Estates, LLC, Vera Johnson A Family, LLC, SRB, LP, Rose Gardens Senior, LP, Honolulu Street, LLC, Espinoza Terrace, LLC, Archie Grant Park, LLC and Wardelle Street Townhouses, LLC, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of the Southern Nevada Regional Housing Authority, as of September 30, 2021, and the respective changes in financial position and, where appropriate, cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, as listed in the table of contents, should be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires 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 procedure did not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements of the Southern Nevada Regional Housing Authority. The accompanying Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as well as the Financial Data Schedules required by the U.S. Department of Housing and Urban Development, are presented for purposes of additional analysis and are not a required part of the 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 financial statements.

This 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 25, 2022 on our consideration of the Housing Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of the testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Rector, Reeder & Lofton, P.C.
Certified Public Accountants

Loganville, Georgia
May 25, 2022

SOUTHERN NEVADA REGIONAL HOUSING AUTHORITY
Las Vegas, Nevada

MANAGEMENT'S DISCUSSION & ANALYSIS

FISCAL YEAR ENDED SEPTEMBER 30, 2021

**SOUTHERN NEVADA REGIONAL HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021**

This section of the Southern Nevada Regional Housing Authority's (the Authority) financial report presents management's analysis of the Authority's financial performance during the year ended September 30, 2021.

FINANCIAL HIGHLIGHTS AND CONCLUSIONS

At September 30, 2021, total assets were \$192,168,736, deferred outflow of resources were \$9,924,515, total liabilities were \$32,357,484, and deferred inflow of resources were \$21,058,989; thus, total net position was \$148,676,778. Total revenues and expenses were \$172,641,556 and \$169,655,792, respectively.

Southern Nevada Regional Housing Authority – RAD Conversion

The Appropriations Act of 2012, Public Law 112-55, approved a new Rental Assistance Demonstration (RAD) program to public housing authorities which addresses the need for a backlog of capital improvement needs for these developments. The public assistance through subsidy and capital fund program is converted to a project-based Section 8 rental assistance contract. Consequently, SNRHA is acquiring a minority interest in certain tax credit ventures, which reduces the stock of public housing but maintains the same baseline for affordable housing units. The Housing Authority has converted certain asset managed properties to this program as follows:

Rose Garden Senior LP:

Rose Garden Senior RAD project entails the acquisition/rehabilitation of an existing 120-unit low-income family development located in Las Vegas, NV. The property was awarded \$10,285,996 in 2017 9% Low Income Housing Tax Credits for its substantial rehabilitation. The SNRHA submitted in March 2017 a RAD application for Rose Gardens and received a Conditional Housing Assistance Payment (CHAP) agreement in October 2018. The RAD Conversion Commitment (RCC) was received February 2017. Financials closed in July 2018. Construction completion was November 2018. The property contains a ground lease effective October 2017.

REQUIRED FINANCIAL STATEMENTS

The financial statements of the Authority report information using accounting methods similar to those used by private sector companies (Enterprise Fund).

The Statement of Net Position (Balance Sheet) includes all of the Authority's assets and liabilities and provides information about the amounts and investments in assets and the obligations to Authority creditors. It also provides a basis of assessing the liquidity and financial flexibility of the Authority. Over time, increases or decreases in net position may serve as a useful indicator of the financial health of the Authority.

The current year's revenues, expenses, and changes in net position are accounted for in the Statement of Revenues, Expenses and Changes in Net Position. This statement reports the Authority's operating and non-operating revenue, by major sources, along with operating and non-operating expenses and capital contributions.

The Statement of Cash Flows provides information about the Authority's cash receipts and disbursements during the reporting period. The statement reports net changes in cash resulting from operations, investing activities and capital related activities.

FINANCIAL ANALYSIS OF THE AUTHORITY

The Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position report information about the Authority's activities and are summarized in the following sections.

To begin our analysis, a summary of the Authority's Statement of Net Position is presented in Table I.

Southern Nevada Regional Housing Authority
Comparative Statement of Net Position
Table I

	2021	2020	Total Change	% Change
Current Assets	\$ 39,796,248	\$ 36,612,374	\$ 3,183,874	8.70%
Capital Assets	93,391,810	85,886,679	7,505,131	8.74%
Noncurrent Assets	58,980,678	58,100,195	880,483	1.52%
Deferred Outflows	9,924,515	3,850,976	6,073,539	157.71%
Total Assets & Deferred Outflows	\$ 202,093,251	\$ 184,450,224	\$ 17,643,027	9.57%
Current Liabilities	\$ 4,857,674	\$ 6,371,642	\$ (1,513,968)	-23.76%
Noncurrent Liabilities	27,499,810	37,729,811	(10,230,001)	-27.11%
Total Liabilities	32,357,484	44,101,453	(11,743,969)	-26.63%
Deferred Inflows	21,058,989	8,869,412	12,189,577	137.43%
Net investment in capital assets	91,789,357	83,949,879	7,839,478	9.34%
Restricted	3,973,006	4,444,449	(471,443)	-10.61%
Unrestricted	52,914,415	43,085,031	9,829,384	22.81%
Total Net Position	148,676,778	131,479,359	17,197,419	13.08%
Total Liabilities, Deferred Inflows & Net Position	\$ 202,093,251	\$ 184,450,224	\$ 17,643,027	9.57%

Total Assets and Deferred Outflows increased by \$17,643,027 or 9.57%. This increase is due to multiple factors. Current assets increased by \$3,183,874 or 8.70% due to an increase in cash and investments of \$5,559,484 or 17.22% as a result of positive operations for the year. This increase was offset by a decrease in accounts receivable of \$2,428,315 or 64.81% due to decreases in amounts due from HUD of \$2,234,356. Capital assets increased by \$7,505,131 or 8.74%, due mainly to the re-establishment of buildings that

were written off of the books due to the RAD conversion that have now been included again. Other noncurrent assets increased by \$880,483 or 1.52%. More detailed information can be found in the accompanying Notes to the Financial Statements. Deferred Outflows increased during the year from \$3,850,976 to \$9,924,515, an increase of \$6,073,539 or 157.71% due to a change in the deferred pension data.

Total Liabilities decreased by \$11,743,969 or 26.63%. Current Liabilities decreased by \$1,513,968 or 23.76% due to decreases in vendors' payable of \$661,536, accounts payable to HUD of \$407,305 and unearned revenue of \$380,020. Noncurrent liabilities decreased by \$10,230,001 or 27.11%, which is primarily due to a decrease in accrued pension and OPEB liabilities of \$9,744,036 or 34.54%. Noncurrent debt also decreased by \$353,890 or 22.04%.

Deferred Inflows increased during the year from \$8,869,412 to \$21,058,989, an increase of \$12,189,577 or 137.43%. This is due to the change in swap derivatives included in debt held by SNRHA; along with and an increase in the deferred pension inflow data.

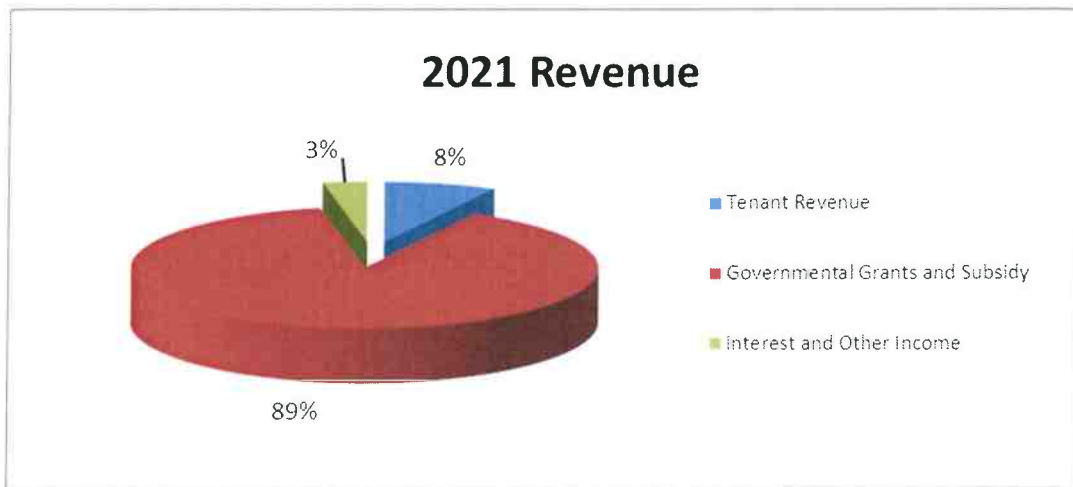
Total Net Position increased by \$17,197,419 or 13.08%. Table II, below, provides a statement of these results.

Southern Nevada Regional Housing Authority
Comparative Statement of Revenues, Expenses and Changes in Net Position
Table II

	<u>2021</u>	<u>2020</u>	<u>Total Change</u>	<u>% Change</u>
Tenant Revenue	\$ 13,489,458	\$ 11,714,750	\$ 1,774,708	15.15%
Governmental Grants and Subsidy	153,785,849	140,002,234	13,783,615	9.85%
Interest / Mortgage Income	515,972	1,090,717	(574,745)	-52.69%
Other Income	4,850,277	6,931,241	(2,080,964)	-30.02%
Total Revenue	<u>172,641,556</u>	<u>159,738,942</u>	<u>12,902,614</u>	<u>8.08%</u>
Administration	16,182,410	18,476,785	(2,294,375)	-12.42%
Tenant Services	1,742,084	1,929,354	(187,270)	-9.71%
Utilities	2,724,057	2,634,693	89,364	3.39%
Maintenance	12,127,600	11,560,271	567,329	4.91%
Protective Services	1,149,017	998,879	150,138	15.03%
Interest Expense	163,418	171,069	(7,651)	-4.47%
General Expense	4,310,783	4,244,861	65,922	1.55%
Housing Assistance Payments	124,103,355	113,869,769	10,233,586	8.99%
Depreciation	7,153,068	6,433,316	719,752	11.19%
Total Expenses	<u>169,655,792</u>	<u>160,318,997</u>	<u>9,336,795</u>	<u>5.82%</u>
Change in Net Position	2,985,764	(580,055)	3,565,819	-614.74%
Prior Period Adjustment	14,211,655	-	14,211,655	100.00%
Beginning Net Position	131,479,359	132,059,414	(580,055)	-0.44%
Ending Net Position	<u>\$ 148,676,778</u>	<u>\$ 131,479,359</u>	<u>\$ 17,197,419</u>	<u>13.08%</u>

REVENUES

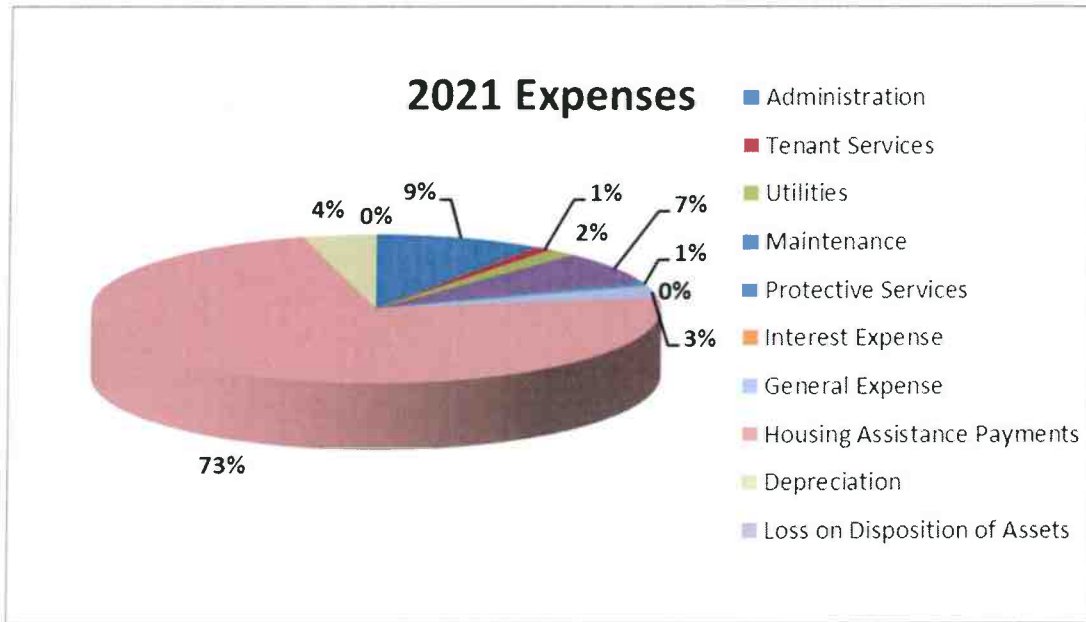
In reviewing the Statement of Revenues, Expenses, and Changes in Net Position, you will find that 89% of the Authority's revenues are derived from grants from the Department of Housing and Urban Development and other governmental agencies. The Authority receives revenue from tenants for dwelling rental charges and miscellaneous charges of 8% of total revenue. Other Revenue including interest from investments comprises the remaining 3%.



Total Revenue increased by \$12,902,614 or 8.08%. Tenant revenue increased by \$1,774,708 or 15.15% due to increased occupancy during the year. Grant funding increased by \$13,783,615 or 9.85% due to increased Section 8 Vouchers, Mainstream Vouchers and Emergency Housing vouchers. Investment income decreased by \$574,745 or 52.69% due to decreased mortgage interest income. And other income also decreased by \$2,080,964 or 30.02% due to primarily to decreases in the gain on sale of Capital Assets from the prior period.

EXPENSES

Total Expenses increased by \$9,336,795 or 5.82%.



Administrative expenses decreased by \$2,294,375 or 12.42%. This was due to a decrease in salaries and benefits of \$2,873,392 or 19.54% due to the significant changes in benefits per the deferred inflows and outflows data provided in the current year. Tenant services decreased by \$187,270 or 9.71%, primarily due to decreased benefits provided from the CARES Act. Utilities expense increased by \$89,364 or 3.39% due to normal fluctuations. Maintenance expense increased by \$567,329 or 4.91%, primarily due to increases in contract costs of \$766,134 or 21.97%. Protective services increased by \$150,138 or 15.03% due to increased security. General expenses increased by \$65,922 or 1.55%. Interest expense decreased by \$7,651 or 4.47% due to decreased debt principal held during the year. HAP expense increased by \$10,233,586 or 8.99% due to an increase in mainstream and emergency housing vouchers. Depreciation expense increased by \$719,752 or 11.19%.

CAPITAL ASSETS

At September 30, 2021, the Authority had invested \$93,391,810 in various capital assets as listed in the following schedule.

**Southern Nevada Regional Housing Authority
Comparative Statement of Capital Assets
Table III**

	2021	2020	Total Change	% Change
Land	\$ 20,985,785	\$ 20,985,785	\$ -	0.00%
Buildings & improvements	226,145,744	212,196,231	13,949,513	6.57%
Infrastructure	4,095,181	4,095,181	-	0.00%
Equipment	4,696,981	4,276,129	420,852	9.84%
Construction in Progress	-	-	-	0.00%
Accumulated Depreciation	(162,531,881)	(155,666,647)	(6,865,234)	4.41%
Total Capital Assets	\$ 93,391,810	\$ 85,886,679	\$ 7,505,131	8.74%

LONG-TERM DEBT ACTIVITY

The chart below illustrates the changes in debt for the period:

Southern Nevada Regional Housing Authority
Long-term Debt
Table IV

	Balance 9/30/2020	Adjustments	Payments/ Decreases	Balance 9/30/2021	Current Portion
Mortgage Note Payable - Wells Fargo	\$ 1,052,438	\$ -	\$ (234,490)	\$ 817,948	\$ 246,060
Operating Note - Wells Fargo	703,886	-	(84,720)	619,166	88,560
City of Las Vegas - Senator Apts I	1,670,000	-	-	1,670,000	-
City of Las Vegas - Senator Apts II	1,670,000	-	-	1,670,000	-
Note Payable - Bank of Nevada	360,000	-	-	360,000	-
Note Payable - Phone Loan	-	-	-	-	-
Home Rental Income Fund	180,476	-	(15,137)	165,339	16,320
Promissory Note - City National Bank	1,000,000	-	-	1,000,000	-
	<u>\$ 6,636,800</u>	<u>\$ -</u>	<u>\$ (334,347)</u>	<u>\$ 6,302,453</u>	<u>\$ 350,940</u>

ECONOMIC FACTORS AND EVENTS AFFECTING OPERATIONS

Several factors may affect the financial position of the Authority in the subsequent fiscal year. These factors include:

- The Authority continues to comply with the HUD requirements of asset-based management since regionalization of the Authority. The Authority has developed and maintained a system of budgeting and accounting for each asset management project (AMP) in a manner that will allow for analysis of the actual revenues and expenses associated with each property.
- The current inflation rate in the United States is the highest it has been in over forty years. This is causing prices to skyrocket and is making it more expensive for the Housing Authority to operate and may make it more difficult for tenants to pay their rent. There is no timeframe on when relief is expected from these historic price increases, and it has yet to be determined if governmental assistance will be increased in the next calendar year.

CONCLUSIONS

Overall, the Authority demonstrates a sound financial position. It has a management team committed to the mission of providing safe and decent housing to those in need. As the environment changes, the Authority will continue to seek ways to remain a viable organization and continue to operate at the highest standards established by the Real Estate Assessment Center and the Department of Housing and Urban Development.

REQUEST FOR INFORMATION

Should additional information be required or questions arise regarding this financial report, contact our office in writing at the following address:

Southern Nevada Regional Housing Authority
Attention:
Fredrick C. Haron, Chief Administrative Officer
340 North 11th Street
Las Vegas, Nevada 89122-5338

SOUTHERN NEVADA REGIONAL HOUSING AUTHORITY
Las Vegas, Nevada

AUDITED FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2021

SOUTHERN NEVADA REGIONAL HOUSING AUTHORITY
Las Vegas, Nevada

STATEMENT OF NET POSITION
September 30, 2021

ASSETS & DEFERRED OUTFLOWS

	Primary Government September 30, 2021	Discrete Component Units December 31, 2020	Total (Memorandum Only)
<u>Current Assets</u>			
Cash & cash equivalents - unrestricted	\$ 23,132,343	\$ 5,531,331	\$ 28,663,674
Cash & cash equivalents - restricted	7,132,680	5,078,615	12,211,295
Investments - unrestricted	7,582,511	-	7,582,511
Investments - restricted	-	-	-
Accounts receivable	1,318,395	425,201	1,743,596
Notes receivable	-	-	-
Prepaid expenses	286,181	280,515	566,696
Inventories	344,138	-	344,138
Total Current Assets	39,796,248	11,315,662	51,111,910
<u>Noncurrent Assets</u>			
Notes receivable	55,140,799	-	55,140,799
Other noncurrent assets	3,170,865	9,566,789	12,737,654
Investment in joint ventures	669,014	-	669,014
Total Other Noncurrent Assets	58,980,678	9,566,789	68,547,467
Capital Assets			
Land	20,985,785	3,505,176	24,490,961
Buildings	210,170,940	130,488,971	340,659,911
Improvements	15,974,804	-	15,974,804
Furniture & equipment	4,696,981	7,964,723	12,661,704
Construction in process	-	8,865,518	8,865,518
Infrastructure	4,095,181	17,588,443	21,683,624
	255,923,691	168,412,831	424,336,522
Less: Accumulated depreciation	(162,531,881)	(24,186,729)	(186,718,610)
Total Capital Assets	93,391,810	144,226,102	237,617,912
Total Noncurrent Assets	152,372,488	153,792,891	306,165,379
Deferred Outflow of Resources	9,924,515	-	9,924,515
TOTAL ASSETS	\$ 202,093,251	\$ 165,108,553	\$ 367,201,804

The accompanying notes are an integral part of the financial statements.

LIABILITIES, DEFERRED INFLOWS & NET POSITION

	Primary Government September 30, 2021	Discrete Component Units December 31, 2020	Total (Memorandum Only)
<u>Current Liabilities</u>			
Accounts payable	\$ 1,493,881	\$ 670,156	\$ 2,164,037
Accrued liabilities	891,043	9,642,986	10,534,029
Unearned revenue	1,165,628	118,564	1,284,192
Long term debt - current portion	350,940	280,109	631,049
Tenant security deposits/escrow deposits	956,182	272,742	1,228,924
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Total Current Liabilities	4,857,674	10,984,557	15,842,231
	<hr/>	<hr/>	<hr/>
<u>Noncurrent Liabilities</u>			
Accrued compensated absences	1,902,139	-	1,902,139
Long term debt	1,251,513	114,288,845	115,540,358
Accrued pension liability	18,468,166	-	18,468,166
Other noncurrent liabilities	1,177,992	2,290,996	3,468,988
Loan liability - non current	4,700,000	-	4,700,000
	<hr/>	<hr/>	<hr/>
Total Noncurrent Liabilities	27,499,810	116,579,841	144,079,651
	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES	32,357,484	127,564,398	159,921,882
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DEFERRED INFLOW OF RESOURCES	21,058,989	-	21,058,989
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<u>NET POSITION</u>			
Net Investment in Capital Assets	91,789,357	29,657,148	121,446,505
Restricted	3,973,006	4,805,873	8,778,879
Unrestricted	52,914,415	3,081,134	55,995,549
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TOTAL NET POSITION	148,676,778	37,544,155	186,220,933
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TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES & NET POSITION	\$ 202,093,251	\$ 165,108,553	\$ 367,201,804
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SOUTHERN NEVADA REGIONAL HOUSING AUTHORITY

Las Vegas, Nevada

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITIONSeptember 30, 2021

	Primary Government <u>September 30, 2021</u>	Discrete Component Units <u>December 31, 2020</u>	Total (Memorandum Only)
<u>Operating Revenues</u>			
Dwelling rent	\$ 13,489,458	\$ 7,892,086	\$ 21,381,544
Governmental grants & subsidy	153,702,610	-	153,702,610
Other income	4,928,762	458,633	5,387,395
Total Operating Revenues	<u>172,120,830</u>	<u>8,350,719</u>	<u>180,471,549</u>
<u>Operating Expenses</u>			
Administration	16,182,410	1,556,303	17,738,713
Tenant services	1,742,084	54,489	1,796,573
Utilities	2,724,057	1,132,931	3,856,988
Maintenance & operations	12,127,600	2,420,268	14,547,868
Protective services	1,149,017	-	1,149,017
General expense	4,310,783	937,680	5,248,463
Housing assistance payments	124,103,355	-	124,103,355
Depreciation expense	7,153,068	4,366,252	11,519,320
Total Operating Expense	<u>169,492,374</u>	<u>10,467,923</u>	<u>179,960,297</u>
Net Operating Income/(Loss)	<u>2,628,456</u>	<u>(2,117,204)</u>	<u>511,252</u>
<u>Nonoperating Revenues/(Expenses)</u>			
Investment & mortgage income	515,972	2,999	518,971
Interest expense	(163,418)	(3,270,345)	(3,433,763)
Amortization of loan fees	-	(50,264)	(50,264)
Gain/(Loss) on disposition of assets	(78,485)	(2,210)	(80,695)
Net Nonoperating Revenues/(Expenses)	<u>274,069</u>	<u>(3,319,820)</u>	<u>(3,045,751)</u>
Net Income/(Loss) before capital contributions	2,902,525	(5,437,024)	(2,534,499)
Capital grants/capital contributions	83,239	4,016,952	4,100,191
Increase/(Decrease) in Net Position	2,985,764	(1,420,072)	1,565,692
Total Net Position - beginning	131,479,359	38,964,227	170,443,586
Prior year adjustment	14,211,655	-	14,211,655
Total Net Position - ending	<u>\$ 148,676,778</u>	<u>\$ 37,544,155</u>	<u>\$ 186,220,933</u>

SOUTHERN NEVADA REGIONAL HOUSING AUTHORITY
Las Vegas, Nevada

STATEMENT OF CASH FLOWS
September 30, 2021

	PRIMARY GOVERNMENT	COMPONENT UNIT	TOTAL (Memorandum Only)
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Receipts from customers and users	\$ 18,418,220	\$ 8,350,719	\$ 26,768,939
Governmental grants & subsidy - operations	153,702,610	-	153,702,610
Payments to suppliers	(18,316,492)	(5,162,988)	(23,479,480)
Payments for housing assistance	(124,103,355)	-	(124,103,355)
Payments to employees	(24,106,146)	(1,881,628)	(25,987,774)
	5,594,837	1,306,103	6,900,940
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Purchase of investments	(62,550)	-	(62,550)
Payments on ground lease	-	(4,797,916)	(4,797,916)
Payments received on notes receivable	1,294,019	-	1,294,019
Interest received	220,933	2,999	223,932
	1,452,402	(4,794,917)	(3,342,515)
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>			
Grant revenue - capital grants	83,239	-	83,239
Acquisition of capital assets - capital grant program	(83,239)	-	(83,239)
Acquisition of capital assets	(1,057,987)	(32,512,348)	(33,570,335)
Capital contributions received	-	4,016,952	4,016,952
Proceeds on mortgage & notes	-	36,278,340	36,278,340
Payments on mortgage & notes	(334,347)	(1,650,271)	(1,984,618)
Proceeds from disposition of capital assets	5,447	-	5,447
Interest paid	(163,418)	(1,220,064)	(1,383,482)
	(1,550,305)	4,912,609	3,362,304
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	5,496,934	1,423,795	6,920,729
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	24,768,089	9,186,151	33,954,240
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ 30,265,023	\$ 10,609,946	\$ 40,874,969

SOUTHERN NEVADA REGIONAL HOUSING AUTHORITY
Las Vegas, Nevada

STATEMENT OF CASH FLOWS
September 30, 2021

	<u>PRIMARY</u>	<u>COMPONENT</u>	<u>TOTAL</u>
	<u>GOVERNMENT</u>	<u>UNIT</u>	<u>(Memorandum Only)</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Net Income/(Loss) from operations	\$ 2,628,456	\$ (2,117,204)	\$ 511,252
Prior period adjustments affecting cash flow	610,749	-	610,749
Adjustments to reconcile net loss to net cash provided by operating activities:			
Depreciation & amortization	7,153,068	4,366,252	11,519,320
Decrease (Increase) in accounts receivable	2,428,311	(178,176)	2,250,135
Decrease (Increase) in prepaid expenses	4,408	(76,908)	(72,500)
Decrease (Increase) in inventory	(57,113)	-	(57,113)
Decrease (Increase) in Joint ventures	186	-	186
Decrease (Increase) in Noncurrent assets	(1,796,740)	(2,572)	(1,799,312)
Increase (Decrease) in accounts payable	(1,087,481)	344,142	(743,339)
Increase (Decrease) in accrued liabilities	(166,131)	336,174	170,043
Increase (Decrease) in unearned revenue	(380,020)	55,749	(324,271)
Increase (Decrease) in other noncurrent liabilities	(82,904)	(1,447,668)	(1,530,572)
Increase (Decrease) in deferred outflows, inflows, and pension liabilities	(3,627,998)	-	(3,627,998)
Increase (Decrease) in security/trust deposits	(31,954)	26,314	(5,640)
	<u>(31,954)</u>	<u>26,314</u>	<u>(5,640)</u>
NET CASH PROVIDED/(USED) FROM OPERATING ACTIVITIES	\$ <u>5,594,837</u>	\$ <u>1,306,103</u>	\$ <u>6,900,940</u>

SOUTHERN NEVADA REGIONAL HOUSING AUTHORITY
Las Vegas, Nevada

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE A - SUMMARY OF ORGANIZATION, SIGNIFICANT ACCOUNTING POLICIES AND REPORTING ENTITY:

1. Introduction:

The Southern Nevada Regional Housing Authority (the Authority or SNVRHA) was established effective January 1, 2010, in accordance with Nevada State law for the purpose of consolidating three housing authorities located in Southern Nevada. Las Vegas Housing Authority, Housing Authority of Clark County, and North Las Vegas Housing Authority were combined to form the Authority. On October 20, 2009, the Authority requested to enter into an Annual Contributions Contract (ACC) with the U.S. Department of Housing and Urban Development (HUD) effective January 1, 2010, to be the administrator of the housing and housing related programs described herein.

2. Organization:

The Authority is a public body and a body corporate and politically organized under the laws of the State of Nevada as a tax-exempt quasi-governmental entity under the United States Housing Act of 1937 for the purpose of providing adequate housing for qualified low-income individuals. The Authority is not subject to Federal or State income taxes and is not required to file Federal or State income tax returns.

3. Reporting Entity:

The accompanying combined financial statements include the accounts of all Authority operations for the year ended September 30, 2021. The criteria for including organizations as component units with the Authority's reporting entity, as set forth in Section 2100 of GASB's Governmental Accounting and Financial Reporting Standards, include the following:

- The organization is legally separate (can sue and be sued in its own name)
- The Authority holds the corporate powers of the organization
- The Authority appoints the voting majority
- The organization has the potential to impose a financial benefit/burden on the Authority
- There is fiscal dependency by the organization on the Authority

On the basis of application of these criteria, the Authority is a legally separate entity that is fiscally independent of other governments, and there are no other entities that are to be reported as component units of the Authority, except as noted below, nor is the Authority to be included in the City of Las Vegas, or Clark County's financial reports, therefore the Authority reports independently.

4. Discretely Presented Component Units:

Landsman Family, LLC was formed on December 5, 2013, as a limited liability company under the laws of the State of Nevada, for the purpose of acquiring, owning, operating and financing a rental housing project known as Landsman Gardens (the project). The Company's partnership interests are held by third parties unrelated to the Authority, with the exception of the managing member, Landsman Family Manager, LLC, a Nevada Limited Liability Company, which is wholly owned by Affordable Housing Program, Inc., which is a blended component of the Authority. The Authority has certain rights and responsibilities, which enables it to impose its will on the Company. In accordance with GASB Statement No. 61, the Company is included as a discretely presented component unit in the financial statements.

SOUTHERN NEVADA REGIONAL HOUSING AUTHORITY
Las Vegas, Nevada

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
(Continued)

NOTE A - SUMMARY OF ORGANIZATION, SIGNIFICANT ACCOUNTING POLICIES AND REPORTING ENTITY: (Cont'd)

4. Discretely Presented Component Units: (Cont'd)

Vera Johnson B, LP was formed on January 28, 2015, as a Nevada Limited Partnership under the laws of the State of Nevada, for the purpose of acquiring, owning, operating and financing a 112 units of rental housing project known as Vera Johnson B Manor (the project). The Partnership's interests are held by third parties unrelated to the Authority, with the exception of the managing member, Vera Johnson B, LLC, a Nevada Limited Liability Company, which is wholly owned by Affordable Housing Program, Inc., which is a blended component of the Authority. The Authority has certain rights and responsibilities, which enables it to impose its will on the Company. In accordance with GASB Statement No. 61, the Company is included as a discretely presented component unit in the financial statements.

Biegger Estates, LLC was formed on May 2, 2016, as a Nevada limited liability company under the laws of the State of Nevada, for the purpose of acquiring, owning, operating and financing a 119 units of rental housing project known as Biegger Estates (the project). The Partnership's interests are held by third parties unrelated to the Authority, with the exception of the managing member, Biegger Estates Manager, LLC, a Nevada Limited Liability Company, which is wholly owned by Affordable Housing Program, Inc., which is a blended component of the Authority. The Authority has certain rights and responsibilities, which enables it to impose its will on the Company. In accordance with GASB Statement No. 61, the Company is included as a discretely presented component unit in the financial statements.

Vera Johnson A Family, LLC was formed on August 19, 2016, to rehabilitate and operate a 76-unit apartment project known as Vera Johnson A Manor. This project is rented to low-income tenants in a manner necessary to qualify for the Federal low-income housing tax credits. The Partnership's interests are held by third parties unrelated to the Authority, with the exception of the managing member, Vera Johnson A Family Manager, LLC, a Nevada Limited Liability Company, which is wholly owned by Affordable Housing Program, Inc., which is a blended component of the Authority. The Authority has certain rights and responsibilities, which enables it to impose its will on the Company. In accordance with GASB Statement No. 61, the Company is included as a discretely presented component unit in the financial statements.

Honolulu Street Family Housing, LLC was formed April 15, 2005, for the purpose of constructing and operating a 60-unit multi-family affordable housing project. The project is rented to low-income applicants and is operating in a manner necessary to qualify for federal low-income tax credits provided under Section 42 of the Internal Revenue Code. The Partnership's interests are held by third parties unrelated to the Authority, with the exception of the managing member, Honolulu Street Family Housing, Inc., a Nevada Limited Liability Company, which is wholly owned by Affordable Housing Program, Inc., which is a blended component of the Authority. The Authority has certain rights and responsibilities, which enables it to impose its will on the Company. In accordance with GASB Statement No. 61, the Company is included as a discretely presented component unit in the financial statements.

SOUTHERN NEVADA REGIONAL HOUSING AUTHORITY
Las Vegas, Nevada

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
(Continued)

NOTE A - SUMMARY OF ORGANIZATION, SIGNIFICANT ACCOUNTING POLICIES AND REPORTING ENTITY: (Cont'd)

4. Discretely Presented Component Units: (Cont'd)

SRB Limited Partnership was formed March 1, 2006, to construct and operate a two phase 240-unit apartment project known as Senator Richard Bryan Apartments. The project is rented to low-income applicants and operated in a manner intended to qualify for federal low-income housing tax credits as provided under Section 42 of the Internal Revenue Code. The Partnership's interests are held by third parties unrelated to the Authority, with the exception of the general partner, SRB GP, LLC, a Nevada Limited Liability Company, which is wholly owned by Affordable Housing Program, Inc., which is a blended component of the Authority. The Authority has certain rights and responsibilities, which enables it to impose its will on the Company. In accordance with GASB Statement No. 61, the Company is included as a discretely presented component unit in the financial statements.

Rose Gardens Senior LP operates a 120-unit apartment complex in Las Vegas, Nevada known as Rose Gardens Senior Apartments. The project is rented to persons of low income and is qualified for the federal low-income tax credit housing program as described in Section 42 of the Internal Revenue Code. The Partnership was formed on September 27, 2016. The Partnership's interests are held by third parties unrelated to the Authority, with the exception of the general partner, Rose Gardens Senior, LLC, a Nevada Limited Liability Company, which is wholly owned by Affordable Housing Program, Inc., which is a blended component of the Authority. The Authority has certain rights and responsibilities, which enables it to impose its will on the Company. In accordance with GASB Statement No. 61, the Company is included as a discretely presented component unit in the financial statements.

Espinoza Terrace, LLC operates a 100-unit project located in Henderson, Nevada known as Espinoza Terrace Apartments. The project is rented to low-income applicants and operated in a manner intended to qualify for federal low-income housing tax credits as provided under Section 42 of the Internal Revenue Code. The Partnership's interests are held by third parties unrelated to the Authority, with the exception of the general partner, Espinoza Terrace Manager, LLC, a Nevada Limited Liability Company, which is wholly owned by Affordable Housing Program, Inc., which is a blended component of the Authority. The Authority has certain rights and responsibilities, which enables it to impose its will on the Company. In accordance with GASB Statement No. 61, the Company is included as a discretely presented component unit in the financial statements.

Archie Grant Park, LLC was formed on September 1, 2019 and operates a 125-unit project located in Las Vegas, Nevada known as Archie Grant Park. The project is rented to low-income applicants and operated in a manner intended to qualify for federal low-income housing tax credits as provided under Section 42 of the Internal Revenue Code. The Partnership's interests are held by third parties unrelated to the Authority, with the exception of the general partner, Archie Grant Park Manager, LLC, a Nevada Limited Liability Company, which is wholly owned by Affordable Housing Program, Inc., which is a blended component of the Authority. The Authority has certain rights and responsibilities, which enables it to impose its will on the Company. In accordance with GASB Statement No. 61, the Company is included as a discretely presented component unit in the financial statements.

SOUTHERN NEVADA REGIONAL HOUSING AUTHORITY
Las Vegas, Nevada

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
(Continued)

NOTE A - SUMMARY OF ORGANIZATION, SIGNIFICANT ACCOUNTING POLICIES AND REPORTING ENTITY: (Cont'd)

4. Discretely Presented Component Units: (Cont'd)

Wardelle Street Townhouses, LLC was formed on December 30, 2019 and operates a 57-unit project located in Las Vegas, Nevada known as Wardelle Street Townhouses. The project is rented to low-income applicants and operated in a manner intended to qualify for federal low-income housing tax credits as provided under Section 42 of the Internal Revenue Code. The Partnership's interests are held by third parties unrelated to the Authority, with the exception of the general partner, Wardelle Street Townhouses Manager, LLC, a Nevada Limited Liability Company, which is wholly owned by Affordable Housing Program, Inc., which is a blended component of the Authority. The Authority has certain rights and responsibilities, which enables it to impose its will on the Company. In accordance with GASB Statement No. 61, the Company is included as a discretely presented component unit in the financial statements.

5. Development Corporations:

The Development Corporations (the Corporations) operate exclusively for nonprofit purposes and were created to assist in carrying out housing projects for persons of eligible income. Housing projects undertaken, financed, or assisted by the Corporations and their related expenditures must be approved by the Authority. The Corporations are legally separate from the Authority, and are included as blended component units, since the Authority can significantly influence the programs, projects, or activities of, or the level of service performed by the Authority, and their boards of directors are substantially the same as the Authority.

Affordable Housing Program, Inc. is included as a blended component unit of the Authority.

6. Basis of Presentation:

The financial statements of the Authority have been prepared in conformity with Generally Accepted Accounting Principles (GAAP). The following summary of the more significant accounting policies is presented to assist the reader in interpreting these financial statements, and should be viewed as an integral part of this report.

A fund is an independent fiscal and accounting entity with a self-balancing set of accounts comprised of its assets, liabilities, net position, revenues, and expenses. The funds maintained by the Authority allow compliance and financial accountability by separate functions and activities.

A summary of each significant program administered by the Authority included in the financial statements is provided below to assist the reader in interpreting the financial statements. These programs do not constitute all programs subsidized by HUD and operated by the Authority.

Low Income Public Housing programs provide subsidy funding annually, by a formula for Housing Modernization and Housing Operations Programs. These programs support public housing operations by way of an annual contributions contract with HUD, ACC# NV018. Under this contract, the Authority develops, modernizes and manages public housing developments. Funding is provided by eligible residents who are charged monthly rent based on family size, family income, and other determinants, as well as by the subsidies provided by HUD.

SOUTHERN NEVADA REGIONAL HOUSING AUTHORITY
Las Vegas, Nevada

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
(Continued)

NOTE A - SUMMARY OF ORGANIZATION, SIGNIFICANT ACCOUNTING POLICIES AND REPORTING ENTITY: (Cont'd)

6. Basis of Presentation: (Cont'd)

Housing Choice Voucher programs (HCVP) include the Voucher, VASH, Mainstream and Disaster Housing programs. Under these programs, rental assistance payments are made by the Authority primarily to landlords on behalf of eligible families. These programs are funded by the annual contributions contract with HUD, ACC# NVO18.

Capital Funding Programs (CFP) provide funds annually, by a formula, to public housing authorities (PHA) for capital and management activities, including modernization and development of public housing. Section 519 of the Quality Housing and Work Responsibility Act of 1998 (Public law 105-276) amends Section 9 of the U.S. Housing Act of 1937 to provide for a Capital Fund Program to be established by HUD for the purpose of making assistance available to PHAs to carry out capital, management, development and other activities. It also requires HUD to develop a formula (through a negotiated rulemaking process) for determining the amount of assistance to be provided and a mechanism to reward performance. The CFP funds, which are allocated annually, represent the major source of funding for capital and management activities at PHA's.

Resident Opportunity & Supportive Services Program provides reliable transportation for all elderly and disabled residents of the service area and contracts for housekeeping and personal assistance for residents who meet certain criteria. The program also provides for a service coordinator who implements and coordinates the program. Funding for this program is provided by grants from HUD.

Business Activities – The Non-aided Housing Program is funded with other than federal financing and is used to account for various activities of the Authority. In addition to dwelling rents, this fund is used to account for fees charged to nonprofit organizations for managing their low-income housing projects and fees paid by other funds for services provided and for the use of facilities owned by the Non-aided Housing Program.

Component Units – The Authority has two blended component units – Affordable Housing Program, Inc. and Honolulu Street Family Housing, Inc. Both of these corporations share the same board as the Authority and are considered to be blended component units. Separate standalone financial statements for the component units are not prepared.

7. Basis of Accounting and Measurement Focus:

Basis of Accounting – The Housing Board uses the accrual basis of accounting in all its funds. Under this method, revenues are recorded when earned, and expenses are recorded when liabilities are incurred, regardless of when the related cash flow takes place.

Basis of Presentation – The financial statements of the Housing Board are presented from a fund perspective. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain Housing Board functions. The fund is a separate accounting entity with a self-balancing set of accounts. The accounting and financial reporting method applied by a fund is determined by the fund's measurement focus. The accounting objectives are determination of net income, financial position, and cash flows.

SOUTHERN NEVADA REGIONAL HOUSING AUTHORITY
Las Vegas, Nevada

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
(Continued)

NOTE A - SUMMARY OF ORGANIZATION, SIGNIFICANT ACCOUNTING POLICIES AND REPORTING ENTITY: (Cont'd)

7. Basis of Accounting and Measurement Focus: (Cont'd)

All assets and liabilities associated with the financial activities are included on the Statement of Net Position. Proprietary fund equity is segregated into three broad components: Net investment in capital assets, Restricted, and Unrestricted. The Housing Board uses the following fund:

Enterprise fund – This type of fund is reported using an economic resources measurement focus. Additionally, it is used to account for operations that are financed and operated in a manner similar to private businesses where a fee is charged to external users for services provided.

8. Revenues and Expenses:

SNVRHA distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with SNVRHA's principal ongoing operations. The principal operating revenues of SNVRHA are charges to tenants for rent and various grants and subsidies. Operating expenses include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Subsidies received from HUD or other grantor agencies for operating purposes, are recorded as operating revenue in the operating statement while capital grant funds are added to the net position below the non-operating revenue and expense.

9. Encumbrances:

Encumbrances represent commitments related to unperformed contracts for goods and services. The Housing Board does not utilize encumbrance accounting.

10. Budgets:

The Authority is required by contractual agreements to adopt annual, appropriated operating budgets for all its programs receiving expenditure awards. All budgets are prepared on a HUD basis, which is materially consistent with generally accepted accounting principles (GAAP). The Authority prepares its budget annually. The Board of Commissioners adopts the budget through passage of a budget resolution prior to the beginning of the fiscal year.

11. Inventories:

Inventories are recorded at cost using the first in, first out (FIFO) method. If inventory falls below cost due to damage, deterioration or obsolescence, SNVRHA establishes an allowance for obsolete inventory. In accordance with the consumption method, inventory is expensed when items are actually placed in service.

SOUTHERN NEVADA REGIONAL HOUSING AUTHORITY
Las Vegas, Nevada

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
(Continued)

NOTE A - SUMMARY OF ORGANIZATION, SIGNIFICANT ACCOUNTING POLICIES AND REPORTING ENTITY: (Cont'd)

12. Capital Assets and Depreciation:

Capital assets include all land and site improvements thereon; all dwelling and non-dwelling structures, including fixtures permanently attached thereto or installed in a fixed position; and all items of nonexpendable equipment acquired and held for the projects that cost \$5,000 or more and have an estimated useful life of at least one year. It also includes items of expendable equipment paid for from funds provided for the development of the projects.

Capital assets are valued at historical cost. Donated capital assets are recorded at fair market value on the date received. Interest expense incurred during the development period is capitalized.

Maintenance, minor repairs and replacements are recorded as expenses; extraordinary replacements of property resulting in property betterments are charged to the property accounts.

Depreciation is charged to operations using the straight-line method based on the estimated useful life of the related asset. The estimated useful lives of the various asset categories are as follows:

Buildings	30 to 40 years
Improvements	15 years
Furniture and Equipment	2 to 10 years

Proceeds from the sale of property acquired or significantly improved with HUD or State funds are refunded to HUD or the State as required by contract.

13. Collection Losses:

Collection losses on accounts receivable are expensed, in the appropriate Fund, using the specific write-off method.

14. Cash and Cash Equivalents:

Cash and cash equivalents includes amounts in demand deposit accounts and short-term investments with an initial maturity date of three months or less for purposes of measuring cash flows. Restricted cash is included for purposes of reporting cash flows.

15. Investments:

Investments of the Authority consist of those permitted by the Nevada Government Code including obligations of the U.S. government and federal agencies. The Authority's investments are carried at fair value based upon quoted market prices, as required by generally accepted accounting principles. The Authority adjusts the carrying value of its investments to reflect their fair value at each fiscal period end, and it includes the effects of those adjustments in income for that fiscal period. The Authority classifies its investments as current or non-current based on the maturity dates. Short-term investments have maturities within one year.

SOUTHERN NEVADA REGIONAL HOUSING AUTHORITY
Las Vegas, Nevada

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
(Continued)

NOTE A - SUMMARY OF ORGANIZATION, SIGNIFICANT ACCOUNTING POLICIES AND REPORTING ENTITY: (Cont'd)

16. Compensated Absences:

Compensated absences are absences for which the employees will be paid, i.e., sick leave, vacation, and other approved leaves. In accordance with GASB Statement No. 16, *Accounting for Compensated Absences*, the Authority accrues the liability for those absences that the employee has earned the rights to the benefits. Accrued amounts are based on the current salary rates. Full-time, permanent employees are granted vacation and sick leave benefits in varying amounts to specified maximums depending on tenure with the Authority. Vacation and sick pay is recorded as an expense and related liability in the year earned by the employees.

The policy of the Authority is to accumulate earned but unused annual vacation benefits, which will be paid to employees upon separation from Authority service. Vested or accumulated vacation is earned at a rate ranging from 10 days per year for the first year of service, up to a maximum of 20 days per year after 14 years of service. The maximum permissible accumulation is 200 hours. At termination, employees are paid for any accumulated vacation leave. Sick leave is accumulated at the rate of one day per month and may be accumulated to a maximum of 20 days. Accumulations in excess of 20 days are forfeited. The value of unused sick leave is not payable upon separation from the Authority. Vacation pay is recorded as an expense and related liability in the year earned by the employee.

17. Use of Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses in the financial statements and in the disclosures of contingent assets and liabilities. Actual results could differ from those estimates.

18. Inter-program Receivables and Payables:

Inter-program receivables/payables are all either current assets or current liabilities and are the result of the use of the Revolving Fund as the common paymaster for costs of the Authority. Cash settlements are made periodically and all inter-program balances net to zero. These inter-program receivables and payables have been eliminated in preparation of the basic financial statements. The detail by program can be found in the Financial Data Schedule of Net Position.

19. Allowance for Doubtful Accounts:

Tenant receivables are reported net of an allowance for doubtful accounts. Management's estimate of the allowance is based on historical collection experience and a review of the current status of tenant accounts receivable. It is reasonably possible that management's estimate of the allowance will change over time.

20. Prepaid Expenses:

Prepaid expenses represent payments made to vendors for goods or services that will benefit periods beyond the current year end.

SOUTHERN NEVADA REGIONAL HOUSING AUTHORITY
Las Vegas, Nevada

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
(Continued)

NOTE A - SUMMARY OF ORGANIZATION, SIGNIFICANT ACCOUNTING POLICIES AND REPORTING ENTITY: (Cont'd)

21. Intangible Assets:

According to the most recent Government Accounting Standards Board pronouncement all financing costs for the Southern Nevada Regional Housing Authority have been written off and expensed currently. Consequently, there is no amounts amortized during the year.

22. Capitalized Interest:

Interest expense on notes and bonds, net of interest income on related debt proceeds is capitalized during the project development period through the date of full availability. Only the interest associated specifically with debt used to construct physical structures is capitalized.

23. Restricted Net Position:

Certain assets may be classified as restricted on the statement of net position as their use is restricted by contracts or agreements with outside third parties and lending institutions. Restricted Net Position also includes funds for tenant security deposits restricted for application to unpaid tenant accounts or for refund to tenants.

24. Grants and Contributions:

The Authority has received loans and grants from HUD to build and improve housing projects. The grants require that only individuals and families that meet various income, age and employment standards be housed or aided.

25. Unearned Revenue:

Unearned revenue is recorded when the Authority receives funds in advance of when it has a complete legal claim to them, as when grant monies are received prior to meeting all eligibility requirements and/or the occurrence of qualifying expenditures. In this case, unearned revenue is recorded at a liability on the Statement of Net Position. Later, in subsequent periods, when both the revenue recognition criteria are met and/or when SNVRHA has complete legal claim to the resources, the liability for unearned revenue is removed from the Statement of Net Position, and revenue is then recognized.

26. New Pronouncements Recently Adopted:

GASB Statement No. 84, *Fiduciary Activities* establishes criteria for identifying and reporting of fiduciary activities of all state and local governments. The adoption of this Statement had no material effect on the financial statements.

GASB Statement No. 90, *Majority Equity Interests* and Amendment of GASB Statements No. 14 and 61 will improve financial reporting by providing users of financials statements with essential information related to presentation of majority equity interests in legally separate organizations that previously was reported inconsistently.

SOUTHERN NEVADA REGIONAL HOUSING AUTHORITY
Las Vegas, Nevada

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
(Continued)

NOTE A - SUMMARY OF ORGANIZATION, SIGNIFICANT ACCOUNTING POLICIES AND REPORTING ENTITY: (Cont'd)

26. New Pronouncements Recently Adopted: (Cont'd)

In addition, this Statement also provides guidance for reporting a component unit if a government acquires a 100 percent equity interest in that component unit. This adoption of this Statement had no material effect on the financial statements.

GASB Statement No. 92 *Omnibus 2020* has various effective dates ranging from issue date to periods beginning after June 15, 2020. The primary objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified in GASB Statements 87, 73, 74, and 84. Upon implementation, the Authority will adopt the provisions of this Statement.

27. Applicable Accounting Standards Issued But Not Yet Adopted:

GASB Statement No. 87, *Leases* is effective for periods beginning after June 15, 2021, with earlier application encouraged. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period* will improve financial reporting by providing users of financial statements with more relevant information about capital assets and the cost of borrowing for a reporting period. The requirements of this statement are effective for periods beginning after December 15, 2021.

GASB Statement No. 90, *Majority Equity Interests* and Amendment of GASB Statements No. 14 and 61 will improve financial reporting by providing users of financial statements with essential information related to presentation of majority equity interests in legally separate organizations that previously was reported inconsistently. In addition, this Statement also provides guidance for reporting a component unit if a government acquires a 100 percent equity interest in that component unit. This adoption of this Statement had no material effect on the financial statements.

GASB Statement No. 91 *Conduit Debt Obligations* is effective for periods beginning after December 15, 2020 with earlier application encouraged. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The Authority has updated its note disclosures to meet the provisions of this Statement.

SOUTHERN NEVADA REGIONAL HOUSING AUTHORITY
Las Vegas, Nevada

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
(Continued)

NOTE B - CASH, CASH EQUIVALENTS, AND INVESTMENTS:

Nevada law NRS 356.360 requires banks and savings and loan institutions participating in the Nevada Collateral Pool to pledge government securities with a market value of 102% of the amount of uninsured balances of public money held by the depository. Under Nevada law this collateral is held in a separate investment pool by another institution in the depository's name. Cash, restricted cash, and investments are classified in the financial statements based on whether or not their use is restricted under the terms of the Authority's debt instruments or agency agreements. The Authority's carrying amount of cash and investments as of September 30, 2021 was \$37,847,534, and the bank balance was \$39,958,483.

Cash and Cash Equivalents

Cash and cash equivalents are maintained on deposit in demand accounts with Nevada State Bank and BNY Mellon. Of the amounts deposited into the bank, \$1,000,000 is covered by the Federal Deposit Insurance Corporation. All remaining balances are properly collateralized by the financial institution in accordance with the regulations of the Nevada Collateral Pool.

September 30, 2021, Cash and cash equivalents of the primary government and discrete component units are presented in the basic financial statements as of September 30, 2021, as follows:

	<u>Primary Government</u>	<u>Component Units</u>
	Cash and	Cash and
	<u>Cash Equivalents</u>	<u>Cash Equivalents</u>
Unrestricted	\$ 23,132,343	\$ 5,531,331
Restricted	<u>7,132,680</u>	<u>5,078,615</u>
Total	<u>\$ 30,265,023</u>	<u>\$ 10,609,946</u>

Investments

The investments as of September 30, 2021, was \$7,582,511, which consisted of securities in the Bank of New York Mellon funds which are all invested in Federal Home Loan Mortgage Corporation.

Interest Rate Risk

Fair value of an investment fluctuates with interest rates and increasing interest rates could cause fair value to decline below the original cost. The Authority follows the Nevada Government Code investment policy which does not limit the weighted average maturity of its investment portfolio.

Credit Risk

The Authority does not have a formal policy on credit risk. The Federal Code of Regulations, Part 85, Subpart C, (24 CFR 85.20) for cash management and investments permits investments in the following types of investments: direct U.S. obligations, U.S. agency obligations, repurchase agreements, and money market mutual funds. All investments of the Authority meet these guidelines.

Custodial Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. As of September 30, 2021, the Authority held investments in U.S. Treasuries and other federal agency securities which were held by the Authority's custodian in the Authority's name.

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NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
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NOTE B - CASH, CASH EQUIVALENTS, AND INVESTMENTS: (Cont'd)

Concentration of Credit Risk

The Authority is required to disclose investments that represent a concentration of five percent or more of investments in any issuer held by individual Authority funds in the securities of issuers other than U.S. Treasury securities, mutual funds and external investment pools. The Authority's policy does not set a limit on the amount that may be invested in any single issuer.

Restricted cash and cash equivalents at September 30, 2021, were as follows:

Security deposit funds	\$ 956,182
Emergency Housing Vouchers	2,561,221
FSS escrow funds	1,177,992
Modernization	816,839
HAP equity	1,615,381
COCC	<u>5,065</u>
	<u>\$ 7,132,680</u>

NOTE C - ACCOUNTS RECEIVABLE:

Accounts receivable, including all applicable allowances for uncollectible accounts at September 30, 2021, consisted of the following:

	Primary Government	Component Units
Tenants (net of allowance of \$315,713)	\$ 214,616	\$ 425,201
A/R - HUD	568,133	-
Other government agencies	-	-
A/R - miscellaneous (net of allowance of \$529,541)	521,524	-
Accrued interest receivable	12,714	-
Fraud (net of allowance of \$90,017)	<u>1,408</u>	<u>-</u>
	<u>\$ 1,318,395</u>	<u>\$ 425,201</u>

Note: The above receivable balance excludes \$5,447,685 of interfund receivables that have been eliminated as a result of financial statement consolidation.

SOUTHERN NEVADA REGIONAL HOUSING AUTHORITY
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NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
(Continued)

NOTE D - PREPAID EXPENSES, INVENTORY AND OTHER ASSETS:

Prepaid expenses, inventory and other assets at September 30, 2021, consisted of the following:

	Primary Government	Component Units
Prepaid insurance and other assets	\$ 286,181	\$ 280,515
Inventory	344,138	-
	\$ 630,319	\$ 280,515

NOTE E - NOTES RECEIVABLE:

The Authority is an affiliate to the Managing Member of *Honolulu Family Street Housing LLC* with a low-income tax credit development on the site of the former Ernie Cragin Annex 3, where 54 housing units built in the 1970s were razed in 2005. The 8.13-acre site is located at East Charleston Boulevard and Honolulu Street. The 60-unit mixed finance development is financed utilizing \$8,905,576 of Capital Fund Program Replacement Housing funds, \$8.579 million raised through tax credits from the state, \$360,000 of FHLB grant, and \$490,159 in Housing Authority reserves. The balance of these Notes Receivable at September 30, 2021 was \$6,455,329.

While these units are not owned by the Authority, they are part of the PHA's Annual Contributions Contract and are eligible to receive low-income public housing subsidy. The Authority has entered into a 90-year ground lease (at \$1 per year) with the project's owner, Honolulu Street Family Housing, LLC and has retained the right of first refusal to purchase the units at the end of the tax-credit compliance period. The Authority has established Honolulu Street Family Housing Inc. (HSFH Inc.) to act as managing member of the LLC. HSFH Inc. is also a 0.01 percent partner in the LLC. In addition, Affordable Housing Program Inc. (AHP), a wholly-owned component unit of the Authority, was designated as the developer of the property.

City of Las Vegas – Senator Apartments I: On February 15, 2006, the Affordable Housing Program, Inc. (the Corporation) entered into a loan agreement with the City of Las Vegas for \$1,670,000, \$168,295 in HOME funds and \$1,501,705 in low income housing tax funds (LIHTF) to be used for the construction of the Senator Richard Bryan Apartments I. The Corporation then lent the funds to the Senator Richard Bryan Limited Partnership. The loans accrue interest at 4.8% and no payments of principal will be due on or before February 15, 2036 so long as the property is maintained as low-income and is in compliance with the HOME/Low Income Housing Tax Credit program. HOME funds are recapturable upon sale or transfer of title of the property during the 20-year HOME period of affordability. The LIHTF money is recapturable upon the sale or transfer of title of the property in perpetuity.

SOUTHERN NEVADA REGIONAL HOUSING AUTHORITY
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NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
(Continued)

NOTE E - NOTES RECEIVABLE: (Cont'd)

City of Las Vegas – Senator Apartments II: On January 16, 2008, the Affordable Housing Program, Inc. (the Corporation) entered into a loan agreement with the City of Las Vegas for \$1,670,000, \$693,000 in HOME funds and \$977,000 in low income housing tax funds (LIHTF) to be used for the construction of the Senator Richard Bryan Apartments II. The Corporation then lent the funds to the Senator Richard Bryan Limited Partnership. The loans accrue interest at 4.8% and no payments of principal will be due on or before January 16, 2038 so long as the property is maintained as low-income and is in compliance with the HOME/Low Income Housing Tax Credit program. HOME funds are recapturable upon sale or transfer of title of the property during the 20-year HOME period of affordability. The LIHTF money is recapturable upon the sale or transfer of title of the property in perpetuity.

Landsman Family, LLC was formed on December 5, 2013 to rehabilitate and operate a 100-unit multifamily project known as Landsman Gardens Apartments. This project is rented to low-income tenants in a manner necessary to qualify for the Federal low-income housing tax credits. On December 5, 2013 the Housing Authority issued mortgage note receivables in order to help fund the acquisition and construction of the development. The loans accrue interest at a rate of 3.32% and no payments of principal will be due on or before April 1, 2055. The balance of these notes receivable at September 30, 2021 is \$2,976,000 and \$6,380,317.

Vera Johnson B LP was formed on January 28, 2015 to rehabilitate and operate a 112-unit multifamily project known as Vera Johnson B Manor. This project is rented to low-income tenants in a manner necessary to qualify for the Federal low-income housing tax credits. On April 1, 2015 the Housing Authority issued mortgage note receivables in order to help fund the acquisition and construction of the development. The loans accrue interest at a rate of 4.00% and 0.00% respectively with no payments of principal will be due on or before March 2, 2070. The balance of these notes receivable at September 30, 2021 is \$1,880,160 and \$0.

Biegger Estates LP was formed on May 2, 2016 to rehabilitate and operate a 119-unit multifamily project known as Biegger Estates. This project is rented to low-income tenants in a manner necessary to qualify for the Federal low-income housing tax credits. On May 2, 2016 the Housing Authority issued mortgage note receivables in order to help fund the acquisition and construction of the development. The loans accrue interest at a rate of 3.75% and 2.33% respectively with no payments of principal will be due on or before May 31, 2051. The balance of these notes receivable at September 30, 2021 is \$5,000,000 and \$390,883.

Vera Johnson A Family, LLC was formed on August 19, 2016 to rehabilitate and operate a 76-unit apartment project known as Vera Johnson A Manor. This project is rented to low-income tenants in a manner necessary to qualify for the Federal low-income housing tax credits. On March 1, 2020 the Housing Authority issued mortgage note receivables in order to help fund the acquisition and construction of the development. The loans accrue interest at a rate of 4.50% with no payments of principal will be due on or before December 31, 2072. The balance of these notes receivable at September 30, 2021 is \$2,649,083 and \$600,000.

SOUTHERN NEVADA REGIONAL HOUSING AUTHORITY
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NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
(Continued)

NOTE E - NOTES RECEIVABLE: (Cont'd)

Espinoza Terrace, LLC was formed on October 21, 2020 to rehabilitate and operate a 100-unit apartment project known as Espinoza Terrace. This project is rented to low-income tenants in a manner necessary to qualify for the Federal low-income housing tax credits. On July 1, 2021 the Housing Authority issued mortgage note receivables in order to help fund the acquisition and construction of the development. The loans accrue interest at a rate of 0.00% and 4.10% respectively with no payments of principal will be due on or before July 1, 2068. During the current fiscal year, the Bridge Promissory Note was repaid in full and the balance of these notes receivable at September 30, 2021 is \$0 and \$6,116,696.

Rose Gardens Senior LP was formed on September 27, 2016, to rehabilitate and operate a 120-unit apartment project known as Rose Gardens Senior Apartments. This project is rented to low-income tenants in a manner necessary to qualify for the Federal low-income housing tax credits. On October 1, 2020, the Housing Authority issued mortgage note receivables in order to help fund the acquisition and construction of the development. The loans accrue interest at a rate of 1.00% and 2.55% respectively with no payments of principal will be due on or before December 31, 2052. The balance of these notes receivable at September 30, 2021 is \$5,107,510 and \$695,000.

Archie Grant Park is an ongoing RAD development project. On September 1, 2021, the Housing Authority issued mortgage note receivables to help fund the acquisition and construction of the development. The loans accrue interest at a rate of 3.05%. Payments to interest and principal are paid through cash flow as defined in the operating agreement. The balance of these note receivables at September 30, 2021 is \$6,021,000 and \$225,000, respectively.

Wardelle Street Townhouses is an ongoing RAD development project. On December 30, 2020, the Housing Authority issued mortgage note receivables to help fund the acquisition and construction of the development. The loans accrue interest at a rate of 2.65% and 1.90%, respectively. Payments to interest and principal are paid through cash flow as defined in the operating agreement. The balance of these note receivables at September 30, 2021 is \$1,720,000 and \$4,499,000, respectively.

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NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
(Continued)

NOTE E - NOTES RECEIVABLE: (Cont'd)

As of September 30, 2021, the cumulative note receivable principal balances totaled \$54,055,978, with total accrued interest of \$8,316,689 and an allowance of \$7,231,868. Notes receivable consisted of the following:

Description	Interest rate	Issue date	Maturity	10/1/2020	Additions	Receipts	9/30/2021
Honolulu Street LLC							
First leasehold loan	4.68%	3/1/2006	3/1/2061	\$ 212,359	\$ -	\$ -	\$ 212,359
Second leasehold loan	4.68%	3/1/2006	3/1/2061	1,511,441	-	-	1,511,441
Third leasehold loan	1.00%	3/1/2006	3/1/2061	3,750,000	-	-	3,750,000
Fourth leasehold loan, Section 8 Reserves	1.00%	7/30/2008	8/1/2062	332,759	-	-	332,759
Fifth leasehold loan, Scat Sites Fund	4.83%	7/9/2008	1/1/2061	288,770	-	-	288,770
Federal Home Loan	1.00%	9/10/2007	9/10/2062	360,000	-	-	360,000
SRB Apartments							
Senator apartments I	4.80%	2/15/2006	2/15/2036	1,670,000	-	-	1,670,000
Senator apartments II	4.80%	1/16/2008	1/16/2038	1,670,000	-	-	1,670,000
Landsman Family LLC							
Seller's Note 1	3.32%	12/5/2013	4/1/2055	2,976,000	-	-	2,976,000
Seller's Note 2	3.32%	12/5/2013	4/1/2055	6,380,317	-	-	6,380,317
Vera Johnson B LP							
Acquisition Note	4.00%	4/1/2015	3/31/2070	1,880,160	-	-	1,880,160
Vera Johnson B LP - GAP	0.00%	4/1/2015	4/30/2070	-	-	-	-
Biegger Estates LLP							
Acquisition Note	3.75%	5/2/2016	5/31/2051	5,000,000	-	-	5,000,000
Biegger Estates LLP - GAP	2.33%	5/2/2016	5/31/2051	390,883	-	-	390,883
Vera Johnson A LP							
Acquisition Note	4.50%	3/1/2017	12/31/2072	2,649,083	-	-	2,649,083
Vera Johnson A LP - GAP	4.50%	3/1/2017	12/31/2072	600,000	-	-	600,000
Espinoza Terrace							
Bridge Promissory Note	0.00%	7/1/2018	7/1/2068	1,193,881	-	(1,193,881)	-
Espinoza - GAP	4.10%	7/1/2018	7/1/2068	1,966,696	-	-	1,966,696
Seller's Note 3	4.10%	7/1/2018	7/1/2068	4,150,000	-	-	4,150,000
Rose Gardens Senior LP							
Seller's Note 4	2.55%	10/1/2017	12/31/2052	695,000	-	-	695,000
Rose Garden - Third Loan	1.00%	10/1/2017	12/31/2052	5,207,648	-	(100,138)	5,107,510
Archie Grant Park							
Seller's Note 5	3.05%	9/1/2019	9/1/2069	6,021,000	-	-	6,021,000
Archie Grant Park - GAP	3.05%	9/1/2019	9/1/2069	225,000	-	-	225,000
Wardelle Street							
Seller's Note	2.65%	12/30/2019	12/30/2059	1,720,000	-	-	1,720,000
GAP Note	1.90%	12/30/2019	12/30/2059	4,499,000	-	-	4,499,000
Accrued interest on notes receivable				6,963,906	1,352,783	-	8,316,689
Less: allowance for accrued interest				(6,257,033)	(974,835)	-	(7,231,868)
Total notes receivable				\$ 56,056,870	\$ 377,948	\$ (1,294,019)	\$ 55,140,799

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NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
(Continued)

NOTE F - OTHER NONCURRENT ASSETS:

Primary Government

The Authority advanced funds to Landsman Family LLC, a Nevada Limited Liability Company, to pay for construction costs. The outstanding balance does not bear any interest and is payable out of available cash flow. The amount due as of September 30, 2021 was \$5,417.

On September 24, 2015 Landsman Family, LLC entered into a Developer Agreement with Affordable Housing Program, Inc. (AHP), an affiliate of the Authority. Pursuant to the Agreement, AHP will earn a total development fee of \$2,350,000 for services relating to the development of the Project. The developer fee does not accrue interest and shall be payable out of available cash flow. The amount due as of September 30, 2021 was \$773,369.

On September 1, 2019, Archie Grant Park, LLC entered into a Developer Agreement with Affordable Housing Program, Inc. (AHP), an affiliate of the Authority. Pursuant to the Agreement, AHP will earn a total development fee of \$330,000 for services relating to the development of the Project. The developer fee does not accrue interest and shall be payable out of available cash flow. The amount due as of September 30, 2021 was \$786,717.

On December 30, 2019, Wardelle Street Townhouses, LLC entered into a Developer Agreement with Affordable Housing Program, Inc. (AHP), an affiliate of the Authority. Pursuant to the Agreement, AHP will earn a total development fee of \$1,360,000 for services relating to the development of the Project. The amount due as of September 30, 2021 was \$656,686.

On July 1, 2018, Espinoza Terrace, LLC entered into a Developer Agreement with Affordable Housing Program, Inc. (AHP), an affiliate of the Authority. Pursuant to the Agreement, AHP will earn a total development fee of \$1,300,000 for services relating to the development of the Project. The amount due as of September 30, 2021 was \$948,676.

Component Units – Discretely Presented

Prepaid Ground Lease includes \$1,360,000 from Landsman Family, LLC for the period of December 5, 2013 to December 4, 2112 and is amortized over the 99-year lease period, in an annual amount of \$13,737. The balance at December 31, 2020 was \$1,263,840. Additionally, there is a \$2,100,000 Ground Lease from Biegger Estates, LLC for the period of May 2, 2016 to May 31, 2115 and is amortized over the 99-year lease period, in an annual amount of \$21,212. The balance at December 31, 2020 was \$2,001,160. On July 1, 2018, a \$975,000 Ground Lease from Espinoza Terrace, LLC for the period of July 1, 2018 to July 31, 2117 was issued and is amortized over the 99-year lease period in the annual amount of \$9,828. The balance at December 31, 2020 was \$950,430. On September 1, 2019, a \$2,999,236 Ground Lease from Archie Grant Park, LLC for the period of September 1, 2019 to September 1, 2118 was issued and is amortized over the 99-year lease period. On December 30, 2019, a \$1,702,624 Ground Lease from Wardelle Street Townhouses, LLC for the period of December 30, 2019 to December 1, 2118 was issued and is amortized over the 99-year lease period.

SOUTHERN NEVADA REGIONAL HOUSING AUTHORITY
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NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
(Continued)

NOTE F - OTHER NONCURRENT ASSETS: (Cont'd)

As of September 30, 2021, other noncurrent assets consisted of the following:

	<u>Primary Government</u>	<u>Component Units</u>
Construction advances - Landsman	\$ 5,417	\$ -
Developer Fee - Landsman Family	773,369	-
Developer Fee - Wardelle	656,686	-
Developer Fee - Archie Grant Estates	786,717	-
Developer Fee - Espinoza	948,676	-
Prepaid Land Lease - Wardelle	-	1,702,624
Prepaid Land Lease - Archie Grant Park	-	2,999,236
Prepaid Land Lease - Biegger	-	2,001,160
Prepaid Land Lease - Landsman	-	1,263,840
Prepaid Land Lease - Espinoza	-	950,430
Intangible assets, net accumulated amortization	-	649,499
	<u>\$ 3,170,865</u>	<u>\$ 9,566,789</u>

During FY2020, the Authority transferred \$669,200 to Archie Grant, LLC as an equity contribution which will be applied to acquisition costs and is being held as Investment in Joint Ventures. The current balance as of September 30, 2021 is \$669,014.

NOTE G - CAPITAL ASSETS:

Changes in capital assets of the primary government consisted of the following as of September 30, 2021:

	<u>Balance at 9/30/2020</u>	<u>Additions/ Increases</u>	<u>Transfers/ Adjustments</u>	<u>Dispositions/ Decreases</u>	<u>Balance at 9/30/2021</u>
Enterprise Activities					
Capital assets not being depreciated:					
Land	\$ 20,985,785	\$ -	\$ -	\$ -	\$ 20,985,785
Construction in progress	-	-	-	-	-
Total capital assets not being depreciated	<u>20,985,785</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,985,785</u>
Buildings & improvements	212,196,231	546,019	13,600,905	(197,411)	226,145,744
Infrastructure	4,095,181	-	-	-	4,095,181
Furniture & equipment	4,276,129	595,207	-	(174,355)	4,696,981
Total capital assets being depreciated	<u>220,567,541</u>	<u>1,141,226</u>	<u>13,600,905</u>	<u>(371,766)</u>	<u>234,937,906</u>
Buildings & improvements	(152,890,908)	(6,733,834)	-	113,478	(159,511,264)
Furniture & equipment	(2,775,739)	(419,234)	-	174,356	(3,020,617)
Total accumulated depreciation	<u>(155,666,647)</u>	<u>(7,153,068)</u>	<u>-</u>	<u>287,834</u>	<u>(162,531,881)</u>
Net Book Value	<u>\$ 85,886,679</u>				<u>\$ 93,391,810</u>

SOUTHERN NEVADA REGIONAL HOUSING AUTHORITY
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NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
(Continued)

NOTE G - CAPITAL ASSETS: (Cont'd)

Changes in capital assets of the discretely presented component units consisted of the following as of December 31, 2020:

	Balance at 12/31/2019	Additions/ Increases	Retirements/ Adjustments	Dispositions/ Transfers	Balance at 12/31/2020
Capital assets not being depreciated:					
Land	\$ 2,159,446	\$ 1,345,730	\$ -	\$ -	\$ 3,505,176
Construction in progress	<u>2,801,027</u>	<u>6,064,491</u>	-	-	<u>8,865,518</u>
Total capital assets not being depreciated	<u>4,960,473</u>	<u>7,410,221</u>	-	-	<u>12,370,694</u>
Buildings & improvements	104,552,626	25,936,345	-	-	130,488,971
Infrastructure	15,553,405	2,035,038	-	-	17,588,443
Furniture & equipment	<u>6,961,839</u>	<u>1,002,884</u>	-	-	<u>7,964,723</u>
Total capital assets being depreciated	<u>127,067,870</u>	<u>28,974,267</u>	-	-	<u>156,042,137</u>
Total accumulated depreciation	<u>(20,206,813)</u>	<u>(4,366,252)</u>	-	<u>386,336</u>	<u>(24,186,729)</u>
Total capital assets being depreciated	<u>106,861,057</u>				<u>131,855,408</u>
Capital assets, net	<u>\$ 111,821,530</u>				<u>\$ 144,226,102</u>

NOTE H - ACCOUNTS PAYABLE:

Accounts payable at September 30, 2021, consisted of the following:

	Primary Government	Component Units
Vendors and contractors payable	\$ 1,221,700	\$ 670,156
PILOT	272,181	-
Tenant security deposits	<u>956,182</u>	<u>272,742</u>
	<u>\$ 2,450,063</u>	<u>\$ 942,898</u>

Note: The above payables balance excludes \$5,447,685 of interfund payables that have been eliminated as a result of financial statement consolidation.

NOTE I - ACCRUED LIABILITIES & OTHER CURRENT LIABILITIES:

Other current liabilities consisted of the following as of September 30, 2021:

	Primary Government	Component Units
Accrued wages & fringes	\$ 759,394	\$ -
Accrued compensated absences - current portion	38,124	-
Other accrued liabilities	-	6,128,035
Noncurrent debt - current portion	350,940	280,109
Unearned revenue - EHV	1,025,500	-
Unearned revenue - other	140,128	118,564
Other current liabilities	<u>93,525</u>	<u>3,514,951</u>
	<u>\$ 2,407,611</u>	<u>\$ 10,041,659</u>

SOUTHERN NEVADA REGIONAL HOUSING AUTHORITY
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NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
(Continued)

NOTE J - OTHER NONCURRENT LIABILITIES:

Other noncurrent liabilities – other consisted of the following as of September 30, 2021:

	Primary Government	Component Units
FSS Escrow Liability	\$ 1,177,992	\$ -
Developer fee payable	-	2,290,996
Accrued compensated absences - noncurrent	1,902,139	-
Accrued pension & OPEB liability	<u>18,468,166</u>	<u>-</u>
	<u>\$ 21,548,297</u>	<u>\$ 2,290,996</u>

The following is a summary of the primary government activity for the year:

	Balance at September 30, 2020	Increases	Decreases	Balance at September 30, 2021	Current Portion
FSS Escrow Liability	\$ 1,260,896	\$ 472,617	\$ (555,521)	\$ 1,177,992	\$ -
Compensated absences	1,991,784	528,575	(580,096)	1,940,263	38,124
Net pension liability	<u>28,212,202</u>	<u>-</u>	<u>(9,744,036)</u>	<u>18,468,166</u>	<u>-</u>
	<u>\$ 31,464,882</u>	<u>\$ 1,001,192</u>	<u>\$(10,879,653)</u>	<u>\$ 21,586,421</u>	<u>\$ 38,124</u>

NOTE K - LONG-TERM DEBT - Primary Government:

A summary of changes of the primary government's long-term debt for the year ended September 30, 2021, is presented below.

	Balance 9/30/2020	Adjustments	Payments/ Decreases	Balance 9/30/2021	Current Portion
Mortgage Note Payable - Wells Fargo	\$ 1,052,438	\$ -	\$ (234,490)	\$ 817,948	\$ 246,060
Operating Note - Wells Fargo	703,886	-	(84,720)	619,166	88,560
City of Las Vegas - Senator Apts I	1,670,000	-	-	1,670,000	-
City of Las Vegas - Senator Apts II	1,670,000	-	-	1,670,000	-
Note Payable - Bank of Nevada	360,000	-	-	360,000	-
Home Rental Income Fund	180,476	-	(15,137)	165,339	16,320
Promissory Note - City National Bank	<u>1,000,000</u>	<u>-</u>	<u>-</u>	<u>1,000,000</u>	<u>-</u>
	<u>\$ 6,636,800</u>	<u>\$ -</u>	<u>\$(334,347)</u>	<u>\$ 6,302,453</u>	<u>\$ 350,940</u>

SOUTHERN NEVADA REGIONAL HOUSING AUTHORITY
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NOTES TO FINANCIAL STATEMENTS
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(Continued)

NOTE K - LONG-TERM DEBT – Primary Government: (Cont’d)

Wells Fargo Bank (Business Activities- Affordable Housing Program)

On May 16, 2007, the Southern Nevada Regional Housing Authority entered into an agreement to fund two promissory notes with Wells Fargo Bank for a total of up to \$5,800,000 to refinance an existing note and provide construction funds for the expansion of Robert Gordon Plaza and Rulon Earl mobile home parks:

Note 1 - The note bears interest at a variable rate of the 30-day LIBOR rate plus 1.25% (interest rate was 6.98% at August 14, 2006 with monthly principal payments of \$2,880 commencing in May 2007 and increasing to \$10,330 upon maturity in May 2027 (monthly principal payments were \$5,640 at September 30, 2021). The note is secured by a deed of trust on Robert Gordon Plaza. Total interest expense associated with this note for the year was \$54,684. The outstanding balance at June 30, 2021 is \$619,166.

Southern Nevada Regional Housing Authority has entered into an interest rate swap agreement with an original notional amount of \$1,420,526 that limits the variable interest cash flow exposure on the loan for a period of twenty years from the date issued, with a maturity date of May 16, 2027. Under the interest rate swap agreement, Southern Nevada Housing Authority, LLC pays or receives on a monthly basis an amount based on the notional amount, \$778,406 at September 30, 2021, multiplied by the positive or negative differential from the fixed rate of 6.77%. As of September 30, 2021, the fair value of the interest rate swap obligation was \$91,912, a decrease of \$45,643 during the year.

Note 2 - The note bears interest at a variable rate of the 30-day LIBOR rate plus 1.25% (interest rate was 6.98% at August 14, 2006) with monthly principal payments of \$2,880 commencing in May 2007 and increasing to \$10,330 upon maturity in May 2027 (monthly principal payments were \$17,970 at September 30, 2021). The note is secured by a deed of trust. The outstanding balance at September 30, 2021, is \$817,948.

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NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
(Continued)

NOTE K - LONG-TERM DEBT – Primary Government: (Cont'd)

Southern Nevada Regional Housing Authority has entered into an interest rate swap agreement with an original notional amount of \$4,200,000 that limits the variable interest cash flow exposure on the loan for a period of twenty years from the date issued, with a maturity date of February 16, 2028. Under the interest rate swap agreement, Southern Nevada Housing Authority, LLC pays or receives on a monthly basis an amount based on the notional amount, \$2,319,810 at September 30, 2021, multiplied by the positive or negative differential from the fixed rate of 5.26. As of September 30, 2021, the fair value of the interest rate swap obligation was \$291,879, a decrease of \$137,683 during the year.

City of Las Vegas – Senator Apartments I: On February 15, 2006, the Affordable Housing Program, Inc. (the Corporation) entered into a loan agreement with the City of Las Vegas for \$1,670,000, \$168,295 in HOME funds and \$1,501,705 in low income housing tax funds (LIHTF) to be used for the construction of the Senator Richard Bryan Apartments I. The Corporation then lent the funds to the Senator Richard Bryan Limited Partnership. The loans bear interest at 4.8%. No payments of principal will be due on or before February 15, 2036 so long as the property is maintained as low-income and is in compliance with the HOME/Low Income Housing Tax Credit program. HOME funds are recapturable upon sale or transfer of title of the property during the 20-year HOME period of affordability. The LIHTF money is recapturable upon the sale or transfer of title of the property in perpetuity.

City of Las Vegas – Senator Apartments II: On January 16, 2008, the Affordable Housing Program, Inc. (the Corporation) entered into a loan agreement with the City of Las Vegas for \$1,670,000, \$693,000 in HOME funds and \$977,000 in low-income housing tax funds (LIHTF) to be used for the construction of the Senator Richard Bryan Apartments II. The Corporation then lent the funds to the Senator Richard Bryan Limited Partnership. The loans bear interest at 4.8%. No payments of principal will be due on or before January 16, 2038, so long as the property is maintained as low-income and is in compliance with the HOME/Low Income Housing Tax Credit program. HOME funds are recapturable upon sale or transfer of title of the property during the 20-year HOME period of affordability. The LIHTF money is recapturable upon the sale or transfer of title of the property in perpetuity.

Note Payable – Bank of Nevada: On September 10, 2007, the Affordable Housing Program, Inc. (the Corporation) entered into a loan agreement with the Bank of Nevada (formally the Federal Home Loan Bank of San Francisco) for \$360,000 to be used for construction. The Corporation then lent the funds to the Honolulu Street Housing LLC. The loan bears interest at a rate of 1.0% per annum and is due upon maturity. The loan is scheduled to mature on September 10, 2062.

Home Rental Income Fund: The promissory notes payable of \$335,000 was issued on April 16, 1999, with Citibank and requires monthly payments of \$2,353.85, which includes both principal and interest. The loan bears interest at 7.55% and matures on June 1, 2029. The remaining balance at September 30, 2021 is \$165,339.

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NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
(Continued)

NOTE K - LONG-TERM DEBT – Primary Government: (Cont’d)

Promissory Note – City National Bank: On October 1, 2015, the Authority entered into a loan agreement with City National Bank (formally the Federal Home Loan Bank of San Francisco) for \$1,000,000 to be used for the rehabilitation of Landsman Gardens Apartments. The Authority then lent the funds to Landsman Family LLC. The loan is non-interest bearing and no payments of principal will be due on or before September 30, 2055, so long as the property is maintained as low-income and is in compliance with the Federal Home Loan Bank Affordable Housing Program. No payment shall be required on the maturity date if no default or breach has occurred and is continuing under this Note for the retention period commencing on the date of completion of the Project as determined by the FHLB in its discretion and ending fifteen (15) years after same date.

The following is a schedule of debt payment requirements to maturity:

		<u>Principal</u>		<u>Interest</u>		<u>Payment</u>
2022	\$	350,940	\$	42,986	\$	393,926
2023		371,716		36,697		408,413
2024		393,611		29,998		423,609
2025		444,963		28,246		473,209
2026		442,963		27,242		470,205
Thereafter		<u>4,298,260</u>		<u>77,677</u>		<u>4,375,937</u>
	\$	<u>6,302,453</u>	\$	<u>242,846</u>	\$	<u>6,545,299</u>

NOTE L - LONG-TERM DEBT – Discretely Presented Component Units:

Notes and mortgages payable for **Landsman Family, LLC**, consist of the following as of December 31, 2020:

	<u>Balance</u>	<u>Increases/</u>	<u>Payments/</u>	<u>Balance</u>	<u>Current</u>
	12/31/2019	Reclassifications	Decreases	12/31/2020	Portion
Building Loan Agreement - PNC Bank	\$ 3,713,869	\$ -	\$ (38,668)	\$ 3,675,201	\$ 43,576
HOME Loan - City of Henderson	432,608	68	-	432,676	-
SNRHA Sellers Note	2,970,896	-	-	2,970,896	-
SNRHA Note	5,364,852	583	-	5,365,435	-
AHP Note	<u>997,456</u>	<u>235</u>	<u>-</u>	<u>997,691</u>	<u>-</u>
	<u>\$ 13,479,681</u>	<u>\$ 886</u>	<u>\$ (38,668)</u>	13,441,899	<u>\$ 43,576</u>
Interest payable - long term				<u>2,290,996</u>	
Total notes and mortgages payable				<u>\$ 15,732,895</u>	

Building Loan Agreement – PNC Bank: The building loan agreement with Wells Fargo provides construction draws up \$3,985,000 and requires monthly payments to commence once construction is complete. The loan bears interest at 4.9% and matures on March 1, 2055. The loan is secured by a first deed of trust on the property referred to as Landsman Garden Apartments.

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NOTES TO FINANCIAL STATEMENTS
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(Continued)

NOTE L - LONG-TERM DEBT - Discretely Presented Component Units: (Cont'd)

Southern Nevada Regional Housing Authority Seller Note: The loan for \$2,976,000 bears interest at 3.32% and matures on April 1, 2055. The loan is secured by an acquisition deed of trust on the property referred to as Landsman Garden Apartments. The Seller Note is due and payable from Surplus Cash.

Southern Nevada Regional Housing Authority Note: The loan provides up to \$6,715,317 and bears interest at 3.32%. The loan matures on April 1, 2055. The loan is secured by a deed of trust on the property referred to as Landsman Garden Apartments. The Seller Note is due and payable from Surplus Cash. As of December 31, 2020, the outstanding loan balance was \$5,365,435.

Southern Nevada Regional Housing Authority AHP Note: The loan for \$1,000,000 bears no interest and matures on September 30, 2055. The loan is secured by an acquisition deed of trust on the property referred to as Landsman Garden Apartments. The Seller Note is due and payable from Surplus Cash.

Notes and mortgages payable for **Vera Johnson B, LP**, consist of the following as of December 31, 2020:

	Balance 12/31/2019	Increases/ Reclassifications	Payments/ Decreases	Balance 12/31/2020	Current Portion
Mortgage payable, net	\$ 1,984,810	\$ -	\$ (28,474)	\$ 1,956,336	\$ 38,512
SNRHA acquisition note	1,880,160	-	-	1,880,160	-
Nevada HAND, Inc.	1,000,000	-	-	1,000,000	-
	<u>\$ 4,864,970</u>	<u>\$ -</u>	<u>\$ (28,474)</u>	4,836,496	<u>\$ 38,512</u>
Interest payable - long term				<u>529,272</u>	
Total notes and mortgages payable				<u>\$ 5,365,768</u>	

Mortgage Payable: Pursuant to the Amended and Restated Loan Agreement dated November 23, 2016, JPMorgan Chase Bank, N.A. agreed to convert a portion of the construction loan into a permanent loan in the amount of \$2,200,000. The loan bears an interest rate at 5.14% annually. Interest and principal payments of \$12,100 are due monthly. Pursuant to the loan agreement, the loan is secured by the Deed of Trust. The loan shall mature on November 21, 2034. As of December 31, 2020, the balance outstanding was \$1,956,336.

Note Payable - SNVRHA authority acquisition note: Pursuant to the Authority Acquisition Note dated April 1, 2015, Southern Nevada Regional Housing Authority loaned \$3,700,000 to the Partnership. The loan accrues and compounds annually at four percent interest. Pursuant to the Authority Loan Omnibus Amendment dated November 22, 2016, the interest rate was amended to seven percent. Annual interest and principal payments will be made from available cash flow. Any remaining unpaid principal and interest shall be due and payable in full on March 31, 2070. As of December 31, 2020, the balance outstanding was \$1,880,160. As of December 31, 2020, the accrued interest was \$342,785.

Note payable - Nevada HAND, Inc.: During 2015, Nevada HAND, Inc., received funds from the City of Las Vegas (the "City") in the amount of \$1,000,000. Pursuant to the Promissory Note for HOME Funds dated April 1, 2015, Nevada HAND, Inc. loaned \$1,000,000 of HOME funds to the Partnership. The note is secured by the deed of trust of the Project. The loan bears compounding interest at 4%. The maturity date of the loan shall December 31, 2071. Payments of principal and interest will be made from available cash flow. As of December 31, 2020, the balance outstanding was \$1,000,000. As of December 31, 2020, accrued interest was \$186,487.

SOUTHERN NEVADA REGIONAL HOUSING AUTHORITY
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NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
(Continued)

NOTE L - LONG-TERM DEBT - Discretely Presented Component Units: (Cont'd)

Notes and mortgages payable for *Biegger Estates, LLC*, consist of the following as of December 31, 2020:

	Balance 12/31/2019	Increases/ Reclassifications	Payments/ Decreases	Balance 12/31/2020	Current Portion
Chase Loan, net	\$ 2,199,839	\$ -	\$ (33,821)	\$ 2,166,018	\$ 35,992
SNRHA gap note	390,883	-	-	390,883	-
SNRHA seller note	4,977,430	719	-	4,978,149	-
	<u>\$ 7,568,152</u>	<u>\$ 719</u>	<u>\$ (33,821)</u>	7,535,050	<u>\$ 35,992</u>
Interest payable - long term				<u>1,003,654</u>	
Total notes and mortgages payable				<u>\$ 8,538,704</u>	

Notes payable - Chase: On May 2, 2016, the Company entered into a fixed rate note in the amount of \$2,250,000 (the "Fixed Rate Loan") and a variable rate note in the amount of \$10,400,000 (the "Variable Rate Loan") (collectively, the "Chase Loan") with JPMorgan Chase Bank, N.A. ("Chase"). The Chase Loan is secured by a deed of trust on the Project and the balance as of December 31, 2020 was \$2,166,018.

Notes payable - SNVRHA gap note: On May 2, 2016, the Company entered into a loan agreement with the Southern Nevada Regional Housing Authority ("SNVRHA"), an affiliate of the Managing Member, in the amount of \$700,000 (the "Gap Note"). The Gap Note bears interest at a rate of 2.33% per annum, compounded annually. The Gap Note is secured by a deed of trust on the Project and matures on May 31, 2051. Commencing on May 2, 2016, annual payments of interest shall be payable only to the extent available from cash flow, as defined in the Operating Agreement. For the Period, interest expense was \$10,396. As of December 31, 2020, the accrued interest was \$64,584 and the balance of the note was \$390,883.

Notes payable - SNVRHA seller note: On May 2, 2016, the Company entered into a loan agreement with SNVRHA in the amount of \$5,000,000 (the "Seller Note"). The Seller Note bears interest at a rate of 3.75% per annum, compounded annually. The Seller Note is secured by a deed of trust on the Project and matures on May 31, 2051. Commencing on May 2, 2016, annual payments of interest shall be payable only to the extent available from cash flow, as defined in the Operating Agreement. For the Period, interest expense was \$215,232. As of December 31, 2020, the accrued interest was \$939,070 and the balance of the note was \$4,978,149.

Notes and mortgages payable for *Vera Johnson A Family, LLC*, consist of the following as of December 31, 2020:

	Balance 12/31/2019	Increases/ Reclassifications	Payments/ Decreases	Balance 12/31/2020	Current Portion
SNRHA Loans	\$ 3,218,903	\$ 568	\$ -	\$ 3,219,471	\$ -
Interest payable - long term				<u>588,944</u>	
Total notes and mortgages payable				<u>\$ 3,808,415</u>	

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NOTES TO FINANCIAL STATEMENTS
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(Continued)

NOTE L - LONG-TERM DEBT - Discretely Presented Component Units: (Cont'd)

Notes payable - SNRHA Loans: On March 1, 2019, the Company entered into a loan agreement with SNRHA in the amount of \$600,000 (the "Gap Note") which bears interest at 4.5% per annum, compounded annually. The Company also entered into a second loan agreement with SNRHA in the amount of \$2,649,083 (the "Acquisition Note") which bears interest at 4.5% per annum, compounded annually. The Gap Note and Acquisition Note (collectively, the "SNRHA Loans") are secured by a deed of trust on the Project and mature on December 31, 2071. For the period, interest expense on the SNRHA Loans was \$165,703. As of December 31, 2020, the balance was \$3,219,471 and accrued interest was \$588,944.

Notes and mortgages payable for **Honolulu Street Family Housing, LLC**, consist of the following as of December 31, 2020:

	Balance 12/31/2019	Increases/ Reclassifications	Payments/ Decreases	Balance 12/31/2020	Current Portion
SNRHA loan - 1	\$ 212,359	\$ -	\$ -	\$ 212,359	\$ -
SNRHA loan - 2	1,511,441	-	-	1,511,441	-
SNRHA loan - 3	3,713,111	900	-	3,714,011	-
SNRHA loan - 4	332,759	-	-	332,759	-
SNRHA loan - 5	288,770	-	-	288,770	-
AHP Note	360,000	-	-	360,000	-
	<u>\$ 6,418,440</u>	<u>\$ 900</u>	<u>\$ -</u>	6,419,340	<u>\$ -</u>
Interest payable - long term				<u>2,009,238</u>	
Total notes and mortgages payable				<u>\$ 8,428,578</u>	

SNRHA Loan 1 – On March 1, 2006, the company entered into the first leasehold loan agreement with the Housing Authority of the City of Las Vegas, an affiliate of the managing member, in the maximum amount of \$212,359. The loan bears simple interest at the long-term applicable federal rate. Principal and interest payments are payable out of available cash flows, as defined in the operating agreement. Principal and interest accrued are payable on March 1, 2061. For the Year Ended December 31, 2020, interest expense was \$9,939. As of December 31, 2020, the principal balance was \$212,359 and the accrued interest was \$147,423.

SNRHA Loan 2 – On March 1, 2006, the company entered into the second leasehold loan agreement with the Housing Authority of the City of Las Vegas, an affiliate of the managing member, in the maximum amount of \$1,511,441. The loan bears simple interest at the long-term applicable federal rate. Principal and interest payments are payable out of available cash flows, as defined in the operating agreement. For the Year Ended December 31, 2020, interest expense was \$70,735. As of December 31, 2020, the principal balance was \$1,511,441 and the accrued interest was \$1,049,238.

SNRHA Loan 3 – On March 1, 2006, the company entered into the third leasehold loan agreement with the Housing Authority of the City of Las Vegas, an affiliate of the managing member, in the maximum amount of \$3,750,000. The loan bears simple interest at the long-term applicable federal rate. Principal and interest payments are payable out of available cash flows, as defined in the operating agreement. For the Year Ended December 31, 2020, interest expense was \$37,500. As of December 31, 2020, the principal balance was \$3,714,011 and the accrued interest was \$556,252.

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NOTES TO FINANCIAL STATEMENTS
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(Continued)

NOTE L - LONG-TERM DEBT - Discretely Presented Component Units: (Cont'd)

SNRHA Loan 4 – On March 1, 2006, the company entered into the fourth leasehold loan agreement with the Housing Authority of the City of Las Vegas, an affiliate of the managing member, in the maximum amount of \$490,159. The loan bears simple interest at the long-term applicable federal rate. Principal and interest payments are payable out of available cash flows, as defined in the operating agreement. For the Year Ended December 31, 2020, interest expense was \$3,328. As of December 31, 2020, the principal balance was \$332,759 and the accrued interest was \$50,727.

SNRHA Loan 5 – On March 1, 2006, the company entered into the fifth leasehold loan agreement with the Housing Authority of the City of Las Vegas, an affiliate of the managing member, in the maximum amount of \$2,725,307. The loan bears simple interest at the long-term applicable federal rate. Principal and interest payments are payable out of available cash flows, as defined in the operating agreement. For the Year Ended December 31, 2020, interest expense was \$13,515. As of December 31, 2020, the principal balance was \$288,770 and the accrued interest was \$158,798.

AHP Note Payable – On March 1, 2006, the company entered into the federal home loan agreement with Affordable Housing Program, Inc., in the maximum amount of \$360,000. The loan bears simple interest at the long-term applicable federal rate. Principal and interest payments are payable out of available cash flows, as defined in the operating agreement. For the Year Ended December 31, 2020, interest expense was \$3,600. As of December 31, 2020, the principal balance was \$360,000 and the accrued interest was \$46,800.

Notes and mortgages payable for **SRB Limited Partnership** consist of the following as of December 31, 2020:

	Balance <u>12/31/2019</u>	Increases/ Reclassifications	Payments/ Decreases	Balance <u>12/31/2020</u>	Current Portion
SNRHA loans	\$ 3,340,000	\$ -	\$ -	\$ 3,340,000	\$ -
Limited partner loans	1,105,096	-	(26,084)	1,079,012	28,856
Note - NorthMarq	3,046,580	-	(80,366)	2,966,214	89,766
	<u>\$ 7,491,676</u>	<u>\$ -</u>	<u>\$ (106,450)</u>	7,385,226	<u>\$ 118,622</u>
Interest payable - long term				<u>1,092,904</u>	
Total notes and mortgages payable				<u>\$ 8,478,130</u>	

SNRHA Loans – On March 9, 2007, the Partnership entered into promissory note agreements with Affordable Housing Program, Inc., (AHP), an affiliate of the General Partner, for Phase I of the Project. AHP was awarded HOME investment Partnership Program Funds (HOME) and Low-Income Housing Tax Funds (LIHTF) in the amounts of \$168,295 and \$1,501,705, respectively. The notes bear interest at the Applicable Federal Rate, fixed at 4.8% at the time of the agreement. The notes are secured by the All-Inclusive Leasehold Deed of Trust. Principal will become due at the time of a transfer of interest in the property or failure to maintain the affordability requirements mandated by HOME and LIHTF agreements before the end of the tax credit compliance period. If neither of these events occur principal is forgiven. As of December 31, 2020, the total principal balance was \$1,670,000 and accrued interest was \$1,087,021. Interest expense for each year was \$80,160.

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NOTES TO FINANCIAL STATEMENTS
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(Continued)

NOTE L - LONG-TERM DEBT - Discretely Presented Component Units: (Cont'd)

On January 18, 2019, the Partnership entered into additional note agreements with AHP. AHP was awarded additional HOME and LIHTF in the amounts of \$693,000 and \$977,000, respectively, for Phase II of the Project. The notes bear no interest and are secured by the All-Inclusive Deed of trust. Principal will become due at the time of a transfer of interest in the property or failure to maintain the affordability requirements mandated by HOME and LIHTF agreements before the end of the tax credit compliance period. If neither of these events occur principal is forgiven. As of December 31, 2020, the principal balance was \$1,670,000.

Limited Partner Note – On December 7, 2007, the Partnership entered into a loan agreement with the Limited Partner for construction of Phase II in the amount of \$6,500,000 during the construction period, converting to \$1,300,000 for the permanent period. The loan bears interest at the 30-day LIBOR rate, plus 2.1% per annum, during the construction period and a fixed rate of 6.5% during the permanent period. On May 31, 2010, \$5,200,000 of the loan converted to equity and the permanent period began. Beginning on June 1, 2010, monthly payments of principal and interest in the amount of \$8,217 are required through maturity. The note matures on January 1, 2026, at which time a lump sum payment of any outstanding principal and interest shall be required. As of December 31, 2020, the accrued interest was \$5,883. The principal balance as of December 31, 2020, was \$1,079,012 and interest expense was \$73,118.

NorthMarq Note – On June 13, 2007, the Partnerships construction financing for Phase I of the Project from SA Affordable Housing, LLC, an affiliate of the Limited Partner, converted to permanent financing in the amount of \$3,700,000 and all loan servicing duties were transferred to NorthMarq Capital, Inc. The note is secured by the Project and bears interest at 7.289% per annum. Interest only payments were required for the first 2 years. Beginning April 1, 2008, the Partnership is obligated to make monthly payments based on a 16-year amortization schedule. The note matures March 1, 2024, at which point a lump sum payment of all outstanding balances are due. As of December 31, 2020, accrued interest was \$18,105. As of December 31, 2020, the principal balance was \$2,966,214 and interest expense was \$220,080.

Notes and mortgages payable for **Rose Gardens Senior LP** consist of the following as of December 31, 2020:

	Balance <u>12/31/2019</u>	Increases/ Reclassifications	Payments/ Decreases	Balance <u>12/31/2020</u>	Current Portion
Permanent bond payable	\$ 3,643,993	\$ -	\$ (31,642)	\$ 3,612,351	\$ 43,407
SNRHA loan - 1	695,000	-	-	695,000	-
SNRHA loan -2	5,330,868	-	(123,219)	5,207,649	-
NHD	1,500,000	-	(584,704)	915,296	-
AHP Note	1,441,000	59,000	-	1,500,000	-
	<u>\$ 12,610,861</u>	<u>\$ 59,000</u>	<u>\$ (739,565)</u>	11,930,296	<u>\$ 43,407</u>
Interest payable - long term				<u>208,372</u>	
Total notes and mortgages payable				<u>\$ 12,138,668</u>	

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(Continued)

NOTE L - LONG-TERM DEBT - Discretely Presented Component Units: (Cont'd)

Permanent Bond Payable – On November 15, 2019, the construction loan converted to a permanent loan in the amount of \$3,797,000. The loan is secured by the deed of trust on the Project. The permanent loan has a fixed interest rate of 4.97% and shall mature on November 1, 2035. Monthly principal and interest payments of \$19,090 are required starting on January 1, 2021. As of December 31, 2020, the outstanding balance was \$3,612,351, with accrued interest of \$15,555.

SNRHA Loans – Southern Nevada Regional Housing Authority, an affiliate of the General Partner, loaned \$695,000 to the Partnership. The loan accrues and compounds interest at a rate of 2.55% per annum and is payable from cash flow as defined in the Partnership Agreement. The loan is expected to mature December 31, 2052. As of December 31, 2020 the outstanding balance of the loan was \$695,000 with accrued interest of \$58,787.

Southern Nevada Regional Housing Authority loaned an additional \$5,787,006 to the Partnership. The loan accrues and compounds annually at 1% interest. The loan is due and payable from cash flow as defined in the Partnership Agreement. The expected maturity date is December 31, 2052. As of December 31, 2020, the balance outstanding was \$5,207,649 with accrued interest of \$29,146.

Note Payable – Nevada Housing Division – Pursuant to the Promissory Note dated October 11, 2017, Nevada Housing Division loaned \$1,500,000 to the Partnership. The loan accrues annually at 3% interest. The loan is due and payable from available cash flow. Any remaining unpaid principal and interest shall be due and payable upon maturity on June 1, 2047. As of December 31, 2020, the balance outstanding was \$915,296 with accrued interest of \$15,179.

AHP Loan – During 2017 the Partnership received funding from Affordable Housing Program in the total sum of \$1,500,000. This \$1,500,000 consists of \$1,000,000 which is expected to mature December 31, 2052 and \$500,000 which is expected to mature 35 years after the date of the completion report as defined in the Partnership Agreement. The total funding bears 3% per annum and is secured by the All-Inclusive Deed of Trust. As of December 31, 2020 the balance outstanding was \$1,500,000 with accrued interest of \$120,439.

Notes and mortgages payable for **Espinoza Terrace, LLC** consist of the following as of December 31, 2020:

	Balance 12/31/2019	Increases/ Reclassifications	Payments/ Decreases	Balance 12/31/2020	Current Portion
Construction loans	\$ 6,561,363	\$ 3,055,567	\$ -	\$ 9,616,930	\$ -
HOME	750,000	-	-	750,000	-
AHP Note	1,000,000	-	-	1,000,000	-
LIHTF	1,000,000	-	-	1,000,000	-
SNRHA loans	7,291,064	401	-	7,291,465	-
	<u>\$ 16,602,427</u>	<u>\$ 3,055,968</u>	<u>\$ -</u>	19,658,395	<u>\$ -</u>
Interest payable - long term				<u>842,261</u>	
Total notes and mortgages payable				<u>\$ 20,500,656</u>	

SOUTHERN NEVADA REGIONAL HOUSING AUTHORITY
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NOTES TO FINANCIAL STATEMENTS
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(Continued)

NOTE L - LONG-TERM DEBT - Discretely Presented Component Units: (Cont'd)

Construction Loan – On July 20, 2018, the Company obtained a construction loan for JP Morgan Chase Bank, N.A. in the amount of \$10,000,000. The Construction loan bears interest at a rate of 2.5% plus the applicable adjusted LIBOR rate per annum. Interest payments are due on the 10th date of each month. The Construction Loan is secured by a deed of trust on the Project and matures on January 18, 2022. During the period, interest expense was \$64,417, of which \$5,139 was capitalized to fixed assets. As of December 31, 2020, accrued interest was \$16,285 and the balance on the loan was \$9,616,930.

HOME Loan – On July 1, 2018, the Company entered into a loan agreement with the City of Henderson in the amount of \$750,000. The loan bears interest at a rate of 3.91% per annum, compounded annually. Annual payments of principal and interest are due and payable from available cash flow. During the period, interest expense was \$44,561, of which \$8,457 was capitalized to fixed assets. As of December 31, 2020, the outstanding principal balance was \$750,000 and accrued interest was \$75,628.

AHP Note – On July 1, 2018, the Company entered into an agreement with Charles Schwab Bank in the amount of \$1,000,000 from funds provided by the Federal Home Loan Bank of San Francisco pursuant to the regulations governing the Affordable Housing Program (AHP). The AHP Loan is secured by a deed of trust on the Project and bears interest at a rate of 4.4% per annum. The AHP Loan will not be amortized and payment of principal balance and any accrued interest will be due and payable in full on June 30, 2068. As of December 31, 2020, the outstanding principal balance was \$1,000,000.

LIHTF – On July 1, 2018, the Company entered into an agreement with Affordable Housing Program, Inc., an affiliate of the Management Member, in the amount of \$1,000,000. The loan is secured by a deed of trust on the Project and bears interest at a rate of 3.9% per annum, compounded annually. Payment of the principal balance and any accrued interest will be due and payable in full on July 1, 2068. During the period, interest expense was \$59,318, of which \$11,274 was capitalized to fixed assets. As of December 31, 2020, the outstanding principal balance was \$1,000,000 and accrued interest was \$100,745.

SNRHA Loans – On July 1, 2018, the Company entered into a loan agreement with the Southern Nevada Regional Housing Authority (SNRHA), an affiliate of the Managing Member, in the amount of \$1,966,696 (GAP Note), \$4,150,000 (Seller Note) and \$1,193,881 (Bridge Loan), collectively the “SNRHA Loans”. The GAP Note and Seller Note bear interest at 4.10% per annum, compounded annually and the Bridge Loan bears no interest. These loans are secured by a deed of trust on the Project and mature on July 1, 2068. Annual principal and interest payments on the SNRHA Loans shall be payable only to the extent available from cash flow. For the period, interest expense on the loans was \$381,689, of which \$18,113 was capitalized to fixed assets. As of December 31, 2020, the outstanding balance of the loans was \$7,291,465, and accrued interest was \$649,603.

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NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
(Continued)

NOTE L - LONG-TERM DEBT - Discretely Presented Component Units: (Cont'd)

Notes and mortgages payable for **Archie Grant Park, LLC** consist of the following as of December 31, 2020:

	Balance 12/31/2019	Increases/ Reclassifications	Payments/ Decreases	Balance 12/31/2020	Current Portion
Chase	\$ -	\$ 6,230,500	\$ -	\$ 6,230,500	\$ -
City of Las Vegas	-	1,350,000	-	1,350,000	-
NHD	-	1,900,000	-	1,900,000	-
AHP	-	1,250,000	-	1,250,000	-
SNRHA loans	-	6,246,000	-	6,246,000	-
	<u>\$ -</u>	<u>\$ 16,976,500</u>	<u>\$ -</u>	16,976,500	<u>\$ -</u>
Interest payable - long term				<u>336,652</u>	
Total notes and mortgages payable				<u>\$ 17,313,152</u>	

JP Morgan Chase Bank – On September 30, 2019, the Company obtained a construction loan from JP Morgan Chase Bank, N.A. (“Chase”) in the amount of \$9,820,000. This loan bears interest at a rate of 2.5% plus the applicable LIBOR rate per annum. Interest payments are due on the 10th day of each month. The loan is secured by a deed of trust on the Project and matures on October 27, 2021. As of December 31, 2020, the outstanding balance of the loan was \$6,230,500, and accrued interest was \$9,170.

City of Las Vegas – On September 1, 2019, the Company entered into a loan agreement with the City of Las Vegas in the amount of \$1,500,000. This loan is secured by a deed of trust on the Project and matures on December 31, 2069. The loan bears interest at a rate of 3.05% per annum, compounded annually. Annual payments of interest and principal are due and payable from available cash flow, as defined in the loan agreement. As of December 31, 2020, the outstanding balance of the loan was \$1,350,000, and accrued interest was \$33,710.

NHD – On September 1, 2019, the Company entered into a loan agreement with the Nevada Housing Division in the amount of \$2,000,000. This loan is secured by a deed of trust on the Project and matures on August 31, 2069. The loan bears interest at a rate of 3.05% per annum, compounded annually. As of December 31, 2020, the outstanding balance of the loan was \$1,900,000, and accrued interest was \$37,828.

AHP – On September 1, 2019, the Company entered into a loan agreement with Charles Schwab Bank in the amount of \$1,250,000 from funds provided by the Federal Home Loan Bank of San Francisco pursuant to the regulations governing the Affordable Housing Program. This loan is secured by a deed of trust on the Project and bears no interest. This loan will not amortize and payment of principal balance and any accrued interest will be due and payable in full on August 31, 2069. As of December 31, 2020, the outstanding balance of the loan was \$1,250,000.

SNRHA Loans – On September 1, 2019, the Company entered into a loan agreement with the Southern Nevada Regional Housing Authority, in the amount of \$225,000. This note bears interest at a rate of 3.05% per annum. On September 1, 2019, the Company entered into a second loan with SNRHA in the amount of \$6,690,000. This loan also bears interest at a rate of 3.05% per annum. The collective balance of these loans at December 31, 2020 was \$6,246,000 and accrued interest was \$255,944.

SOUTHERN NEVADA REGIONAL HOUSING AUTHORITY
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NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
(Continued)

NOTE L - LONG-TERM DEBT - Discretely Presented Component Units: (Cont'd)

Notes and mortgages payable for **Wardelle Street Townhouses, LLC** consist of the following as of December 31, 2020:

	Balance 12/31/2019	Increases/ Reclassifications	Payments/ Decreases	Balance 12/31/2020	Current Portion
CCDFI	\$ -	\$ 7,529,599	\$ -	\$ 7,529,599	\$ -
City of Las Vegas	-	1,342,726	-	1,342,726	-
Clark County	-	895,144	-	895,144	-
SNRHA loans	-	6,189,737	-	6,189,737	-
	<u>\$ -</u>	<u>\$ 15,957,206</u>	<u>\$ -</u>	<u>15,957,206</u>	<u>\$ -</u>
Interest payable - long term				<u>131,076</u>	
Total notes and mortgages payable				<u>\$ 16,088,282</u>	

CCDFI – On December 30, 2019, the Company entered into a loan agreement with Clearinghouse Community Development Financial Institution (CCDFI) in the amount of \$10,500,000. This loan is secured by a deed of trust on the Project and matures on September 30, 2021. The loan bears interest at a rate of 4.0% per annum, compounded annually. Commencing January 1, 2020, monthly interest only payments are due on the first day of each month. As of December 31, 2020, the balance was \$7,529,599 and accrued interest was \$21,262. This loan will be converted into a permanent loan upon maturity.

City of Las Vegas – On December 30, 2019, the Company entered into a promissory note with the City of Las Vegas, Nevada in the amount of \$1,500,000. This loan is secured by a deed of trust on the Project and matures on December 30, 2059. The loan bears interest at a rate of 1.0% per annum. As of December 31, 2020, the outstanding balance of the loan was \$1,342,726, and accrued interest was \$15,000.

Clark County – On December 30, 2019, the Company entered into a promissory note with Clark County, Nevada in the amount of \$1,000,000. This loan is secured by a deed of trust on the Project and matures on December 30, 2059. The loan bears interest at a rate of 1.0% per annum. As of December 31, 2020, the outstanding balance of the loan was \$895,144, and accrued interest was \$6,592.

SNRHA Loans – On December 30, 2019, the Company entered into a loan agreement with the Southern Nevada Regional Housing Authority, in the amount of \$4,499,900. This note bears interest at a rate of 1.90% per annum. On September 1, 2019, the Company entered into a second loan with SNRHA in the amount of \$1,720,000. This loan bears interest at a rate of 2.65% per annum. The collective balance of these loans at December 31, 2020 was \$6,189,737 and accrued interest was \$131,076.

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NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
(Continued)

NOTE M - OTHER NONCURRENT LIABILITIES - Discretely Presented Component Units:

Landsman Family, LLC - Developer Fee: On September 24, 2015 Landsman Family, LLC entered into a Developer Agreement with Affordable Housing Program, Inc. (AHP), an affiliate of the Authority. Pursuant to the Agreement, AHP will earn a total development fee of \$2,350,000 for services relating to the development of the Project. The developer fee does not accrue interest and shall be payable out of available cash flow. As of December 31, 2020, the outstanding developer fee of \$895,267 remained payable.

Espinoza Terrace, LLC - Developer Fee: Pursuant to the Development Services Agreement dated July 1, 2018, the Company agreed to pay Affordable Housing Program, Inc. (AHP), an affiliate of the Authority a total development fee of \$1,300,000 for services relating to the development of the Project. The developer fee will be paid from capital contributions and any unpaid portion after 4th equity installment shall be paid from available cash flow. And deferred development fee after the 4th equity installment will accrue interest at a rate of 6% per annum, compounded annually. As of December 31, 2020, a developer fee of \$1,108,648 remained payable.

Additionally, during the prior period, SNRHA advanced funds to Espinoza Terrace, LLC for construction costs. The outstanding balances is unsecured, does not bear interest, and is payable out of available cash flow. As of December 31, 2020, the amount payable to SNRHA was \$139,793.

NOTE N - RESTRICTIONS AND DESIGNATION ON NET POSITION:

The Authority has cash and cash equivalents restricted by grantors and lending agencies for specified programs. These funds are temporarily restricted until used for the program purpose for the time required by the grant or the program purpose as specified by the lender. The designation and restrictions on Net Position was for the following purposes at September 30, 2021:

	Primary Government	Component Units	Total
Modernization	\$ 816,839	\$ -	\$ 816,839
COCC	5,065	-	5,065
HAP Voucher Equity	1,615,381	-	1,615,381
Emergency Housing Voucher Equity	1,535,721	-	1,535,721
Reserves/Escrows	-	4,805,873	4,805,873
	\$ 3,973,006	\$ 4,805,873	\$ 8,778,879

NOTE O - RISK MANAGEMENT:

The Housing Board is exposed to various risks of losses related to torts; theft or, damage to, and destruction of assets; error and omissions; injuries to employees; and natural disasters. Claims liabilities are reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated. There were no claims more than commercial coverage during the previous three years. These losses include an estimate of claims that have been incurred but not reported. On September 30, 2021, there were no liabilities to be reported.

SOUTHERN NEVADA REGIONAL HOUSING AUTHORITY
Las Vegas, Nevada
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
(Continued)

NOTE P - OPERATING LEASE:

The Authority entered into a lease agreement on March 14, 2003, with the Resources for Community Development (RCD) to lease land to RCD until March 14, 2078. Total rental income under the lease agreement is \$1 per year for the entire term of the loan.

NOTE Q - DEFERRED INFLOW:

The Deferred Inflow as of September 30, 2021, consists of the following items:

Landsman Family, LLC - Ground Lease - Note F	\$ 1,263,840
Biegger Estates, LLC - Ground Lease - Note F	2,001,160
Wells Fargo - Interest Swap Agreement - Note K	383,792
Accrued pension obligation - Note R	<u>17,410,197</u>
	<u>\$ 21,058,989</u>

NOTE R - EMPLOYEES RETIREMENT PLAN:

Plan Description

The Authority contributes to the State of Nevada Public Employees Retirement System (the System), a multi-employer, cost sharing defined benefit plan. The System was established in 1948 by the legislature and is governed by the Public Employees' Retirement Board, whose seven members are appointed by the Governor. The System 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 Provided

Benefits, as required by the Nevada Revised Statutes (NRS or statute), 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. 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 and after July 1, 2001, this multiplier is 2.67% of average compensation. For members entering the System on or after January 1, 2010, there is a 2.5% multiplier. The System offers several alternatives to the unmodified service retirement allowance which, in general, allow the retired employee to accept a reduced service retirement allowance payable monthly during his or her lifetime and various optional monthly payments to a named beneficiary after his or her death. Post-retirement increases are provided by authority of NRS 286.575-.579.

SOUTHERN NEVADA REGIONAL HOUSING AUTHORITY
Las Vegas, Nevada

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
(Continued)

NOTE R - EMPLOYEES RETIREMENT PLAN: (Cont'd)

Contributions

The Authority, for establishing and amending the obligation to make contributions and member contribution rates, is set by statute. 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 contribution plans. Contributions are shared equally by employer and employee. Employees can take a reduced salary and have contributions made by the employer (EPC) or can make contributions by a payroll deduction matched by the employer.

The System's 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.

The System receives an actuarial valuation on an annual basis indicating the contribution rates required to fund the System on an actuarial reserve basis. Contributions actually made are in accordance with the required rates established by the Nevada Legislature. These statutory rates are increased/decreased pursuant to NRS 286.421 and 286.450.

The actuary 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 fiscal year ended June 30, 2021 the Statutory Employer/employee matching rate was 14.50% for Regular and the Employer-pay contribution (EPC) rate was 28.00%.

Net Pension Liability

The Authority's net pension liability (NPL) of \$18,468,166 was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The net pension liability is allocated among all employers which includes the State and participating agencies.

Actuarial Assumptions

Inflation rate	2.55%	Investment rate of return	7.25%
Payroll Growth	4.25%	Productivity pay increase	0.50%
Projected salary increases	Regular: 4.20% to 9.10%, depending on services, rates include inflation and productivity increases		
Other assumptions	Same as those used in the June 30, 2021, funding actuarial valuation		

Actuarial Cost Method

The Entry Age Normal actuarial funding method is used to determine costs. Under this funding method, the total employer contribution rate consists of two elements: the normal cost rate and the unfunded actuarial liability (UAL) rate.

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NOTES TO FINANCIAL STATEMENTS
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(Continued)

NOTE R - EMPLOYEES RETIREMENT PLAN: (Cont'd)

The individual entry age normal method is used to determine liabilities. Under the individual entry age normal method, a normal cost rate is calculated for each employee. This rate is determined by taking the value, as of age at entry into the plan, of the member's projected future benefits, and dividing it by the value, also as of the member's entry age, of his or her expected future salary. The normal cost for each employee is the product of his or her pay and his or her normal cost rate. The normal cost for the group is the sum of the normal costs for all members.

Experience gains and losses, i.e. decreases or increases in liabilities and/or in assets when actual experience differs from the actuarial assumptions, affect the unfunded actuarial accrued liability.

Asset Valuation Method

The actuarial valuation employs a technique for determining the actuarial value of assets which dampens the swing in the market value. The specific technique adopted in this valuation is a 5-year smoothed market.

Amortization

The net pension liability of the System is amortized over separate 30-year period amortization layers based on the valuations during which each separate layer previously established.

Significant actuarial assumptions employed by the actuary for funding purposes as of June 30, 2021 are as follows:

Investment Rate of Return – 7.25% per annum, compounded annually including 2.50% for inflation.

Salary Increases, Merit and Inflation – 4.20% to 9.10% per year.

Mortality Rates – For active members and non-disabled retirees, the RP2000 Tables projected forward to 2021 using Scale AA are used; for all recipients of disability benefits, the Revenue Ruling 96-7 Disabled Mortality Table for Males and Females is used.

The long-term expected rate of return on pension plan assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major class of assets. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2021, are summarized in the following table.

Asset Class	Target Allocation	Long Term Expected Rate of Return
US Stocks	42%	5.50%
International Stocks	18%	5.50%
US Bonds	28%	0.75%
Private Markets	12%	6.65%

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NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
(Continued)

NOTE R - EMPLOYEES RETIREMENT PLAN: (Cont'd)

Discount Rate

The discount rate used to measure the collective total pension liability was 7.25% for 2021 for the System. The projection of cash flows used to determine the discount rate assumed that the plan member contributions will be made at the current contribution rate and that employer and non-employer entity contributions will be made at contractually required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the Authority's proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the Authority share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1.0% Decrease (6.25%)	Current Discount Rate (7.25%)	1.0% Increase (8.25%)
PERS' Net Pension Liability	\$ 36,769,527	\$ 18,468,166	\$ 3,371,041

Pension expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2021, the Authority recognized pension expense/(income) of (\$347,922). At September 30, 2021, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between actual and expected experience	2,045,712	129,972
Changes in assumptions	6,131,749	-
Difference between projected and actual earnings on pension plan investments	-	15,069,435
Changes in proportion differences between employer contributions and proportionate share of contributions	866,740	2,210,790
Difference between actual and expected contributions	-	-
Contributions paid subsequent to the measurement date - FY 2020	880,314	-
Total	9,924,515	17,410,197

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NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
(Continued)

NOTE R - EMPLOYEES RETIREMENT PLAN: (Cont'd)

The \$880,314 reported as deferred outflows of resources related to pensions resulting from the Authority contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	Amount recognized in Pension Expense as an increase or (decrease) to Pension Expense
2021	\$ (2,097,639)
2022	\$ (2,063,269)
2023	\$ (2,140,248)
2024	\$ (2,293,947)
2025	\$ 1,109,421
thereafter	\$ -

Additional Financial and Actuarial Information

Additional financial and actuarial information with respect to the System can be found in the Nevada PERS' 2021 Comprehensive Annual Financial Report available online at www.nvpers.org or by contacting the System at (775) 687-4200.

NOTE S - IMPAIRMENT OF CAPITAL ASSETS:

GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*, establishes accounting and financial reporting standards for impairment of capital assets. Under the provisions of the statement, prominent events or changes in circumstances affecting capital assets are required to be evaluated to determine whether impairment of a capital asset has occurred. Impaired capital assets that will no longer be used should be reported at the lower of carrying value or fair value. Impairment of capital assets with physical damage generally should be measured using the restoration cost approach, which uses the estimated cost to restore the capital asset to identify the portion of the historical cost of the capital asset that should be written-off. No such impairment loss was incurred during the current year.

NOTE T - ECONOMIC DEPENDENCY:

The Housing Board received approximately 88% of its revenue from HUD. If the amount of revenue received from HUD falls below critical levels, The Housing Board's operating reserves could be adversely affected. Both the Housing Board Owned Housing Program and the Section 8 Program are economically dependent on annual contributions and grants from HUD.

SOUTHERN NEVADA REGIONAL HOUSING AUTHORITY
Las Vegas, Nevada

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
(Continued)

NOTE U - PRIOR PERIOD ADJUSTMENTS:

During the current fiscal year, the Authority recorded prior period adjustments totaling \$14,211,655. There was \$555,325 in adjustments to the Housing Choice Voucher program due to prior year portability balances not properly reconciled. Additionally, there was \$13,656,330 due to the re-inclusion of Bennett Plaza (AMP 413) and Lubertha Johnston (AMP 401) properties. These two sites were originally written off the Public Housing ledger due to the RAD conversion. However, during the current fiscal year, it was determined that these properties do still belong the Authority, and therefore, they have been added back to the Authority's assets in the blended component units.

NOTE V - COMMITMENTS & CONTINGENCIES:

The Authority is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Claims liabilities are reported when it is probably that a loss has occurred and the amount of that loss can be reasonably estimated. At September 30, 2021, there were no contingent liabilities to be reported. The entity is subject to possible examinations made by federal regulators who determine compliance with terms, conditions, laws and regulations governing grants given to the entity in the current and prior years. These examinations may result in required refunds by the entity to federal grantors and/or program beneficiaries. There were no examinations conducted during the current year.

NOTE W - SUPPLEMENTARY INFORMATION:

The supplementary information has been included in order to show the financial statements of the Housing Board on the GAAP basis of accounting but in the format of the HUD Handbook 7476.3, *Audit Guide*. This is due to the fact that some supplementary information is reviewed by the field office and provides greater detail concerning the operations of the Housing Board.

NOTE X - SUBSEQUENT EVENTS:

Events that occur after the statement of net position date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the statement of net position are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the statement of net position date require disclosure in the accompanying notes. Management evaluated the activity of the SNVRHA through May 25, 2022 (the date the financial statements were available to be issued) and concluded that there are no additional items that need to be addressed. The spread of a novel strain of coronavirus (COVID-19) in 2020 and 2021 has caused significant volatility in the U.S. Markets. There is significant uncertainty around the breadth and duration of business disruptions related to COVID-19, as well as its impact on the U.S. economy. The extent of the impact of COVID-19 on the financial performance, including unemployment rates and the ability for tenants to pay their rent, will depend on certain developments, including the duration and spread of the outbreak, which is uncertain and cannot be determined at this time.

NOTE Y - PARTNERSHIP CAPITAL CONTRIBUTIONS:

The Discretely Presented Component Unit had a partnership capital contribution of \$4,016,952 during this fiscal year end as noted in the financials.

SOUTHERN NEVADA REGIONAL HOUSING AUTHORITY
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NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
(Continued)

NOTE Z - DISCRETE COMPONENT UNITS CONDENSED FINANCIALS:

The Authority has several discretely presented component units, as described in Note A, 4, whose condensed financials follow:

Discrete Component Units - Combining Schedule
NET POSITION ACCOUNTS
December 31, 2020

Account Description	Landsman Family, LLC	Vera Johnson B, LP	Biegger Estates, LLC	Vera Johnson A Family, LLC	SRB, LP	Rose Gardens Senior, LP	Honolulu Street Family Housing, LLC	Espinoza Terrace, LLC	Archie Grant Park, LLC	Wardelle Street Townhouses, LLC	TOTAL
ASSETS:											
CURRENT ASSETS:											
Cash:											
Cash - unrestricted	\$ 334,013	\$ 227,314	\$ 883,008	\$ 280,767	\$ 96,057	\$ 695,421	\$ 99,440	\$ 401,344	\$ 1,013,796	\$ 1,500,171	\$ 5,531,331
Cash - other restricted	889,671	556,552	549,340	241,235	1,116,954	547,045	553,122	342,642	9,312	0	4,805,873
Cash - tenant security deposits	34,814	44,449	49,481	17,390	40,342	26,450	13,991	21,750	19,625	4,450	272,742
Cash - restricted for payment of current liabilities	0	0	0	0	0	0	0	0	0	0	0
Total Cash	1,258,498	828,315	1,481,829	539,392	1,253,353	1,268,916	666,553	765,736	1,042,733	1,504,621	10,609,946
Accounts and notes receivables:											
Accounts receivable - tenants rents	21,803	15,943	25,314	160,618	1,246	6,537	42,160	22,063	68,962	82,358	447,004
Allowance for doubtful accounts - tenants	(21,803)	0	0	0	0	0	0	0	0	0	(21,803)
Total receivables - net	0	15,943	25,314	160,618	1,246	6,537	42,160	22,063	68,962	82,358	425,201
Current investments:											
Prepaid expenses and other assets	58,592	9,543	42,092	32,906	27,226	8,405	53,900	10,083	37,768	0	280,515
TOTAL CURRENT ASSETS	1,317,090	853,801	1,549,235	732,916	1,281,825	1,283,858	762,613	797,882	1,149,463	1,586,979	11,315,662
NONCURRENT ASSETS:											
Capital Assets:											
Land	2,122	764,367	85,380	0	17,984	695,000	0	594,593	1,097,995	247,735	3,505,176
Buildings	15,195,495	12,135,673	12,584,825	8,689,884	21,673,129	17,135,878	4,152,134	14,951,246	15,267,288	8,703,419	130,488,971
Furniture & equipment - dwellings	320,045	0	85,650	0	0	0	0	0	0	0	405,695
Furniture & equipment - admin	0	740,840	730,081	1,559,640	0	1,047,744	639,775	1,874,309	575,456	391,183	7,559,028
Leasehold improvements	0	0	0	0	0	0	0	0	0	0	0
Accumulated depreciation	(4,118,487)	(2,298,446)	(1,912,595)	(1,263,496)	(8,616,564)	(1,231,396)	(3,456,277)	(1,035,979)	(227,451)	(26,088)	(24,186,729)
Construction in process	0	0	0	0	0	0	0	0	1,324,808	7,540,710	8,865,518
Infrastructure	5,032,157	1,956,029	1,684,445	1,123,258	2,663,586	1,525,716	0	2,488,309	0	1,114,943	17,588,443
Total capital assets - net	16,431,332	13,298,463	13,257,786	10,109,286	15,738,135	19,172,942	1,335,632	18,872,478	18,038,096	17,971,952	144,226,102
Other assets	1,311,884	69,900	2,071,983	61,845	19,770	81,211	4,642	1,056,164	3,120,593	1,768,797	9,566,789
TOTAL NONCURRENT ASSETS	17,743,216	13,368,363	15,329,769	10,171,131	15,757,905	19,254,153	1,340,274	19,928,642	21,158,689	19,740,749	153,792,891
DEFERRED OUTFLOW OF RESOURCES	0	0	0	0	0	0	0	0	0	0	0
TOTAL ASSETS & DEFERRED OUTFLOW OF RESOURCES	\$ 19,060,306	\$ 14,222,164	\$ 16,879,004	\$ 10,904,047	\$ 17,039,730	\$ 20,538,011	\$ 2,102,887	\$ 20,726,524	\$ 22,308,152	\$ 21,327,728	\$ 165,108,553

SOUTHERN NEVADA REGIONAL HOUSING AUTHORITY
Las Vegas, Nevada

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
(Continued)

NOTE Z - DISCRETE COMPONENT UNITS CONDENSED FINANCIALS: (Cont'd)

Discrete Component Units - Combining Schedule												
NET POSITION ACCOUNTS												
December 31, 2020												
Account Description	Landsman Family, LLC	Vera Johnson B, LP	Blegger Estates, LLC	Vera Johnson A Family, LLC	SRB, LP	Rose Gardens Senior, LP	Honolulu Street Family Housing, LLC	Espinoza Terrace, LLC	Archie Grant Park, LLC	Wardelle Street Townhouses, LLC	TOTAL	
LIABILITIES AND NET POSITION:												
LIABILITIES:												
CURRENT LIABILITIES:												
Cash overdraft	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
Accounts payable <= 90 days	48,192	20,896	26,483	6,716	49,925	17,720	34,203	17,807	303,095	145,119	670,156	
Accounts payable > 90 days	0	0	0	0	0	0	0	0	0	0	0	
Accrued salaries/payroll withholding	0	0	0	0	0	0	0	0	0	0	0	
Accrued compensated absences - current	0	0	0	0	0	0	0	0	0	0	0	
Accrued contingency liability	0	0	0	0	0	0	0	0	0	0	0	
Accrued interest payable	0	9,139	9,755	0	18,105	30,734	0	91,913	336,652	42,854	539,152	
Accounts payable - HUD PHA programs	0	0	0	0	0	0	0	0	0	0	0	
Accounts payable - PHA projects	0	0	0	0	0	0	0	0	0	0	0	
Accounts payable - other gov.	0	0	0	0	0	0	0	0	0	0	0	
Tenant security deposits	34,814	44,449	49,481	17,390	40,342	26,450	13,991	21,750	19,625	4,450	272,742	
Unearned revenue	14,344	3,983	12,673	6,816	22,892	3,096	0	6,967	47,793	0	118,564	
Current portion of L-T debt - capital projects	43,576	38,512	35,992	0	118,622	43,407	0	0	0	0	280,109	
Current portion of L-T debt - operating borrowings	0	0	0	0	0	0	0	0	0	0	0	
Other current liabilities	14,372	0	0	6,000	0	0	0	3,000	461,488	3,030,091	3,514,951	
Accrued liabilities - other	229,876	50,648	77,967	0	6,137	0	49,555	1,284,691	3,233,323	656,686	5,588,883	
Interprogram (due to)	0	0	0	0	0	0	0	0	0	0	0	
Loan liability - current	0	0	0	0	0	0	0	0	0	0	0	
TOTAL CURRENT LIABILITIES	385,174	167,627	212,351	36,922	256,023	121,407	97,749	1,426,128	4,401,976	3,879,200	10,984,557	
NONCURRENT LIABILITIES:												
Long-term debt, net of current - capital projects	14,293,590	5,327,256	8,502,712	3,808,415	8,359,508	12,095,261	8,428,578	20,408,743	16,976,500	16,088,282	114,288,845	
Long-term debt, net of current - operating borrowing	0	0	0	0	0	0	0	0	0	0	0	
Noncurrent liabilities - other	2,290,996	0	0	0	0	0	0	0	0	0	2,290,996	
Accrued comp. absences - long term	0	0	0	0	0	0	0	0	0	0	0	
Loan liability - noncurrent	0	0	0	0	0	0	0	0	0	0	0	
FASB 5 liabilities	0	0	0	0	0	0	0	0	0	0	0	
Accrued pensions & OPEB liabilities	0	0	0	0	0	0	0	0	0	0	0	
TOTAL NONCURRENT LIABILITIES	16,584,586	5,327,256	8,502,712	3,808,415	8,359,508	12,095,261	8,428,578	20,408,743	16,976,500	16,088,282	116,579,841	
TOTAL LIABILITIES	16,969,760	5,494,883	8,715,063	3,845,337	8,615,531	12,216,668	8,526,327	21,834,871	21,378,476	19,967,482	127,564,398	
DEFERRED INFLOW OF RESOURCES	0	0	0	0	0	0	0	0	0	0	0	
NET POSITION:												
Net Investment in Capital Assets	2,094,166	7,932,695	4,719,082	6,300,871	7,260,005	7,034,274	(7,092,946)	(1,536,265)	1,061,596	1,883,670	29,657,148	
Restricted	889,671	556,552	549,340	241,235	1,116,954	547,045	553,122	342,642	9,312	0	4,805,873	
Unrestricted	(893,291)	238,034	2,895,519	516,604	47,240	740,024	116,384	85,276	(141,232)	(523,424)	3,081,134	
TOTAL NET POSITION	2,090,546	8,727,281	8,163,941	7,058,710	8,424,199	8,321,343	(6,423,440)	(1,108,347)	929,676	1,360,246	37,544,155	
TOTAL LIABILITIES, DEFERRED INFLOWS & NET POSITION	\$ 19,060,306	\$ 14,222,164	\$ 16,879,004	\$ 10,904,047	\$ 17,039,730	\$ 20,538,011	\$ 2,102,887	\$ 20,726,524	\$ 22,308,152	\$ 21,327,728	\$ 165,108,553	

SOUTHERN NEVADA REGIONAL HOUSING AUTHORITY
Las Vegas, Nevada

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
(Continued)

NOTE Z - DISCRETE COMPONENT UNITS CONDENSED FINANCIALS: (Cont'd)

Discrete Component Units - Combining Schedule
REVENUES, EXPENSES, AND CHANGES IN NET POSITION ACCOUNTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Account Description	Landsman Family, LLC	Vera Johnson B, LP	Biegger Estates, LLC	Vera Johnson A Family, LLC	SRB, LP	Rose Gardens Senior, LP	Honolulu Street Family Housing, LLC	Espinoza Terrace, LLC	Archie Grant Park, LLC	Wardelle Street Townhouses, LLC	TOTAL
REVENUES:											
Net tenant rental revenue	\$ 953,337	\$ 930,796	\$ 901,716	\$ 570,602	\$ 1,453,098	\$ 1,314,220	\$ 165,909	\$ 781,362	\$ 787,848	\$ 866	\$ 7,859,754
Tenant revenue - other	15,869	0	16,463	0	0	0	0	0	0	0	32,332
Total tenant revenue	969,206	930,796	918,179	570,602	1,453,098	1,314,220	165,909	781,362	787,848	866	7,892,086
Other revenue	0	3,160	0	441,185	17,008	295,786	405,956	660	1,798,294	1,513,536	4,475,585
Gain/(loss) on disposition	0	(2,210)	0	0	0	0	0	0	0	0	(2,210)
Investment income - restricted	1,054	209	363	0	1,057	191	119	6	0	0	2,999
TOTAL REVENUES	\$ 970,260	\$ 931,955	\$ 918,542	\$ 1,011,787	\$ 1,471,163	\$ 1,610,197	\$ 571,984	\$ 782,028	\$ 2,586,142	\$ 1,514,402	\$ 12,368,460
EXPENSES:											
Administrative Expense	193,852	211,539	231,818	76,867	136,495	219,624	228,536	103,219	154,063	290	1,556,303
Tenant Services	0	53,068	0	0	0	1,421	0	0	0	0	54,489
Utilities Expense	160,815	78,489	72,748	86,097	309,728	109,352	112,042	75,735	127,925	0	1,132,931
Ordinary Maintenance & Operation	205,508	173,849	192,807	210,881	421,782	134,170	149,454	326,370	598,924	6,523	2,420,268
Insurance Premiums	54,108	33,391	71,109	34,026	114,713	31,954	58,371	23,544	46,457	0	467,673
General Expenses	126,449	50,648	75,768	3,000	7,500	28,454	22,871	27,828	106,822	20,667	470,007
Financial Expenses	537,785	308,213	349,277	166,271	384,252	347,302	144,161	601,281	386,156	95,811	3,320,609
TOTAL OPERATING EXPENSE	1,278,517	909,197	993,527	577,142	1,374,470	872,277	715,435	1,157,977	1,420,347	123,391	9,422,280
EXCESS OPERATING REVENUE	(308,257)	22,758	(74,985)	434,645	96,693	737,920	(143,451)	(375,949)	1,165,795	1,391,011	2,946,180
Other Expenses											
Depreciation expense	663,500	470,501	480,417	434,980	675,000	598,240	57,356	719,374	236,119	30,765	4,366,252
Total Other Expenses	663,500	470,501	480,417	434,980	675,000	598,240	57,356	719,374	236,119	30,765	4,366,252
TOTAL EXPENSES	\$ 1,942,017	\$ 1,379,698	\$ 1,473,944	\$ 1,012,122	\$ 2,049,470	\$ 1,470,517	\$ 772,791	\$ 1,877,351	\$ 1,656,466	\$ 154,156	\$ 13,788,532
EXCESS OF REVENUE OVER EXPENSES	\$ (971,757)	\$ (447,743)	\$ (555,402)	\$ (335)	\$ (578,307)	\$ 139,680	\$ (200,807)	\$ (1,095,323)	\$ 929,676	\$ 1,360,246	\$ (1,420,072)
Beginning Net Position	3,062,303	9,175,024	8,719,343	7,059,045	9,002,506	8,181,663	(6,222,633)	(13,024)	0	0	38,964,227
Prior year adjustment	0	0	0	0	0	0	0	0	0	0	0
Ending Net Position	\$ 2,090,546	\$ 8,727,281	\$ 8,163,941	\$ 7,058,710	\$ 8,424,199	\$ 8,321,343	\$ (6,423,440)	\$ (1,108,347)	\$ 929,676	\$ 1,360,246	\$ 37,544,155

SOUTHERN NEVADA REGIONAL HOUSING AUTHORITY
Las Vegas, Nevada

SINGLE AUDIT SECTION

FISCAL YEAR ENDED SEPTEMBER 30, 2021



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Commissioners
Southern Nevada Regional Housing Authority
Las Vegas, Nevada

San Francisco Regional Office
Public Housing Division
One Sansome Street, Suite 1200
San Francisco, CA 94104

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the aggregate discretely presented component units of the Southern Nevada Regional Housing Authority, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Southern Nevada Regional Housing Authority's basic financial statements, and have issued our report thereon dated May 25, 2022. Our report includes a reference to other auditors who audited the financial statements of Landsman Family, LLC, Vera Johnson B, LP, Biegger Estates, LLC, Vera Johnson A Family, LLC, SRB, LP, Rose Gardens Senior, LP, Honolulu Street, LLC, Espinoza Terrace, LLC, Archie Grant Park, LLC and Wardelle Street Townhouses, LLC, as of December 31, 2020, as described in our report on the Authority's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

Management of the Southern Nevada Regional Housing Authority is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit of the financial statements, we considered the Housing Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Housing Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Southern Nevada Regional Housing Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the

determination of the financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Rector, Reeder & Lofton, PC
Certified Public Accountants

Loganville, Georgia
May 25, 2022



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Commissioners
Southern Nevada Regional Housing Authority
Las Vegas, Nevada

San Francisco Regional Office
Public Housing Division
One Sansome Street, Suite 1200
San Francisco, CA 94104

Report on Compliance for Each Major Federal Program

We have audited the Southern Nevada Regional Housing Authority's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Southern Nevada Regional Housing Authority's major federal programs for the year ended September 30, 2021. The Southern Nevada Regional Housing Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Southern Nevada Regional Housing Authority's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Southern Nevada Regional Housing Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the Southern Nevada Regional Housing Authority's compliance with those requirements.

Opinion on Each Major Federal Program

In our opinion, the Southern Nevada Regional Housing Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2021.

Report on Internal Control Over Compliance

The management of the Southern Nevada Regional Housing Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Southern Nevada Regional Housing Authority's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Accordingly, this report is not suitable for any other purpose.

Rector, Reeder & Lofton, PC
Certified Public Accountants

Loganville, Georgia
May 25, 2022

**Southern Nevada Regional Housing Authority
Las Vegas, Nevada
STATUS OF PRIOR AUDIT FINDINGS**

The prior audit report for the period ended September 30, 2020 contained one formal audit finding as noted below.

Finding 2020-001 – Housing Choice Voucher Tenant Files – Eligibility – Internal Control over Tenant Files – Noncompliance and Material Weakness

Housing Choice Voucher Program CFDA #14.871

Condition & Cause:

Our review of three hundred and thirty (330) Housing Choice Voucher tenant files revealed that there was a total of seventeen (17) income-related errors, which represent 5.15% of the total files examined. Of these seventeen (17) errors, there were eight (8) which could be numerically extrapolated to the population. Based upon this computation the error was material to the Housing Assistance Payments and therefore reported as a finding for noncompliance and a material weakness. The nine (9) remaining files were a result of differences between the EIV system and the reexamination data in the file.

Current Status:

The Housing Authority has made considerable progress in this area. As a result of our current examination of 105 tenant files with only 1 error noted (0.9% error rate), we have determined that *this audit find has been cleared*.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor’s Results:

Financial Statements

Type of report issued on the financial statements:	Unmodified
Internal control over financial reporting:	
Material weakness (es) identified?	No
Significant deficiency (ies) identified not considered to be material weaknesses?	None reported
Noncompliance material to the financial statements noted?	No

Federal Awards

Internal controls over major programs:	
Material weakness (es) identified?	No
Significant deficiency (ies) identified not considered to be material weaknesses?	None reported
Type of report issued on the compliance for major programs:	No
Any audit findings disclosed that are required to be reported in Accordance with Uniform Guidance?	No

**Southern Nevada Regional Housing Authority
Las Vegas, Nevada**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)**

Section I – Summary of Auditor’s Results: (Cont’d)

Identification of major programs:

-CFDA #14.871	Section 8 Housing Choice Voucher Program (Cluster)
-CFDA #14.879	Mainstream Vouchers (Cluster)
-CFDA #14.EHV	Emergency Housing Vouchers (Cluster)
-CFDA #14.850	Public and Indian Housing

Dollar threshold used to distinguish between Type A and Type B programs: **\$3,000,000**

Did the Authority qualify as a low-risk auditee? **No**

Section II – Financial Statement Findings

Findings related to financial statements in accordance with GAGAS:

NONE REPORTED

Section III – Financial Statement Findings

Findings and questioned costs for Federal Awards as defined in Section .510:

NONE REPORTED

SOUTHERN NEVADA REGIONAL HOUSING AUTHORITY
Las Vegas, Nevada

SUPPLEMENTAL INFORMATION

FISCAL YEAR ENDED SEPTEMBER 30, 2021

Southern Nevada Regional Housing Authority
Las Vegas, Nevada

FINANCIAL DATA SUBMISSION SUMMARY
NET POSITION ACCOUNTS
September 30, 2021

FDS Line # Account Description	Public and Indian Housing 14.850	Component Unit Discretely Presented	Blended Component Unit	PIH Family Self-Sufficiency Program 14.896	Business Activities	State/Local
ASSETS:						
CURRENT ASSETS:						
Cash:						
111	\$ 9,132,155	\$ 5,531,331	\$ 5,490,853	\$ 0	\$ 0	\$ 0
112	0	0	0	0	0	0
113	990,606	4,805,873	0	0	0	0
114	498,675	272,742	31,565	0	425,942	0
115	0	0	0	0	0	0
100	<u>10,621,436</u>	<u>10,609,946</u>	<u>5,522,418</u>	<u>0</u>	<u>425,942</u>	<u>0</u>
Accounts and notes receivables:						
121	0	0	0	0	0	0
122	47,659	0	0	77,462	0	0
124	0	0	0	0	0	0
125	191,830	0	0	0	56,529	0
126	311,036	447,004	45,961	0	173,332	0
126.1	(202,994)	(21,803)	(34,894)	0	(77,825)	0
126.2	(58,674)	0	0	0	(55,226)	0
127	0	0	0	0	0	0
128	0	0	0	0	0	0
128.1	0	0	0	0	0	0
129	8,796	0	0	0	174	0
120	<u>297,653</u>	<u>425,201</u>	<u>11,067</u>	<u>77,462</u>	<u>96,984</u>	<u>0</u>
Current investments:						
131	5,346,028	0	0	0	0	0
132	0	0	0	0	0	0
142	118,005	280,515	5,093	0	50,760	0
143	181,004	0	12,406	0	141,198	0
143.1	0	0	0	0	0	0
144	692,617	0	0	0	0	0
145	0	0	0	0	0	0
150	<u>17,256,743</u>	<u>11,315,662</u>	<u>5,550,984</u>	<u>77,462</u>	<u>714,884</u>	<u>0</u>
NONCURRENT ASSETS:						
Capital Assets:						
161	17,761,207	3,505,176	0	0	3,008,759	0
162	142,844,449	130,488,971	13,600,905	0	49,418,856	0
163	212,292	405,695	0	0	37,928	0
164	1,540,414	7,559,028	0	0	587,941	0
165	14,461,109	0	0	0	210,569	0
166	(128,553,968)	(24,186,729)	(906,727)	0	(26,627,059)	0
167	0	8,865,518	0	0	0	0
168	3,431,176	17,588,443	0	0	664,005	0
160	<u>51,696,679</u>	<u>144,226,102</u>	<u>12,694,178</u>	<u>0</u>	<u>27,300,999</u>	<u>0</u>
171	45,634,240	0	7,450,000	0	1,723,800	0
172	0	0	0	0	0	0
173	0	0	0	0	0	0
174	5,417	9,566,789	3,165,448	0	0	0
176	0	0	669,014	0	0	0
180	<u>97,336,336</u>	<u>153,792,891</u>	<u>23,978,640</u>	<u>0</u>	<u>29,024,799</u>	<u>0</u>
200	<u>3,294,948</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,161,168</u>	<u>0</u>
290	\$ <u>117,888,027</u>	\$ <u>165,108,553</u>	\$ <u>29,529,624</u>	\$ <u>77,462</u>	\$ <u>30,900,851</u>	\$ <u>0</u>

Mainstream Vouchers 14.879	Section 8 Housing Choice Vouchers 14.871	Resident Opportunity and Supportive Services 14.870	Public Housing CARES Act Funding 14.PHC	HCV CARES Act Funding 14.HCC	Emergency Housing Voucher 14.EHV	Central Office Cost Center	Elimination	TOTAL
\$ 0	\$ 8,149,167	\$ 0	\$ 0	\$ 0	\$ 360,168	\$ 0	\$ 0	\$ 28,663,674
0	0	0	0	0	0	0	0	0
2,123	2,617,483	0	0	0	2,561,221	5,065	0	10,982,371
0	0	0	0	0	0	0	0	1,228,924
0	0	0	0	0	0	0	0	0
<u>2,123</u>	<u>10,766,650</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,921,389</u>	<u>5,065</u>	<u>0</u>	<u>40,874,969</u>
0	0	0	0	0	0	0	0	0
435,527	0	7,485	0	0	0	0	0	568,133
0	0	0	0	0	0	0	0	0
1,798	473,891	0	0	0	0	327,017	0	1,051,065
0	0	0	0	0	0	0	0	977,333
0	0	0	0	0	0	0	0	(337,516)
(1,235)	(414,406)	0	0	0	0	0	0	(529,541)
0	0	0	0	0	0	0	0	0
0	91,425	0	0	0	0	0	0	91,425
0	(90,017)	0	0	0	0	0	0	(90,017)
0	3,744	0	0	0	0	0	0	12,714
<u>436,090</u>	<u>64,637</u>	<u>7,485</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>327,017</u>	<u>0</u>	<u>1,743,596</u>
0	2,236,483	0	0	0	0	0	0	7,582,511
0	0	0	0	0	0	0	0	0
0	54,275	0	0	0	0	58,048	0	566,696
0	0	0	0	0	0	9,530	0	344,138
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	4,755,068	(5,447,685)	0
0	0	0	0	0	0	0	0	0
<u>438,213</u>	<u>13,122,045</u>	<u>7,485</u>	<u>0</u>	<u>0</u>	<u>2,921,389</u>	<u>5,154,728</u>	<u>(5,447,685)</u>	<u>51,111,910</u>
0	0	0	0	0	0	215,819	0	24,490,961
0	0	0	0	0	0	4,306,730	0	340,659,911
0	0	0	0	0	0	0	0	655,915
0	552,400	0	0	0	0	1,766,006	0	12,005,789
0	1,238,468	0	0	0	0	64,658	0	15,974,804
0	(830,737)	0	0	0	0	(5,613,390)	0	(186,718,610)
0	0	0	0	0	0	0	0	8,865,518
0	0	0	0	0	0	0	0	21,683,624
0	960,131	0	0	0	0	739,823	0	237,617,912
0	332,759	0	0	0	0	0	0	55,140,799
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	12,737,654
0	0	0	0	0	0	0	0	669,014
0	<u>1,292,890</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>739,823</u>	<u>0</u>	<u>306,165,379</u>
0	3,066,666	0	0	0	0	2,401,733	0	9,924,515
<u>\$ 438,213</u>	<u>\$ 17,481,601</u>	<u>\$ 7,485</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,921,389</u>	<u>\$ 8,296,284</u>	<u>\$ (5,447,685)</u>	<u>\$ 367,201,804</u>

Southern Nevada Regional Housing Authority
Las Vegas, Nevada

FINANCIAL DATA SUBMISSION SUMMARY
NET POSITION ACCOUNTS
September 30, 2021

FDS Line#	Account Description	Public and Indian Housing 14,850	Component Unit Discretely Presented	Blended Component Unit	PIH Family Self-Sufficiency Program 14,896	Business Activities	State/Local
LIABILITIES AND NET POSITION:							
LIABILITIES:							
CURRENT LIABILITIES:							
311	Cash overdraft	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
312	Accounts payable <= 90 days	605,086	670,156	24,148	0	163,346	0
313	Accounts payable > 90 days	0	0	0	0	0	0
321	Accrued salaries/payroll withholding	562,921	0	8,486	10,559	31,032	0
322	Accrued compensated absences - current	0	0	0	0	0	0
324	Accrued contingency liability	0	0	0	0	0	0
325	Accrued interest payable	0	539,152	0	0	0	0
331	Accounts payable - HUD PHA programs	0	0	0	0	0	0
332	Accounts payable - PHA projects	0	0	0	0	0	0
333	Accounts payable - other gov.	272,181	0	0	0	0	0
341	Tenant security deposits	498,675	272,742	31,565	0	425,942	0
342	Unearned revenue	11,468	118,564	34,875	0	93,685	0
343	Current portion of L-T debt - capital projects	0	280,109	0	0	350,940	0
344	Current portion of L-T debt - operating borrowings	0	0	0	0	0	0
345	Other current liabilities	92,295	3,514,951	1,130	0	100	0
346	Accrued liabilities - other	0	5,588,883	0	0	0	0
347	Interprogram (due to)	2,333,523	0	728	66,903	2,626,671	0
348	Loan Liability - current	0	0	0	0	0	0
310	TOTAL CURRENT LIABILITIES	<u>4,376,149</u>	<u>10,984,557</u>	<u>100,932</u>	<u>77,462</u>	<u>3,691,716</u>	<u>0</u>
NONCURRENT LIABILITIES:							
351	Long-term debt, net of current - capital projects	0	114,288,845	0	0	1,251,513	0
352	Long-term debt, net of current - operating borrowing:	0	0	0	0	0	0
353	Noncurrent liabilities - other	173,767	2,290,996	0	0	0	0
354	Accrued comp. absences - long term	716,305	0	53,926	0	232,794	0
355	Loan liability - noncurrent	1,000,000	0	3,700,000	0	0	0
356	FASB 5 liabilities	0	0	0	0	0	0
357	Accrued pensions & OPEB liabilities	6,131,432	0	0	0	2,160,776	0
350	TOTAL NONCURRENT LIABILITIES	<u>8,021,504</u>	<u>116,579,841</u>	<u>3,753,926</u>	<u>0</u>	<u>3,645,083</u>	<u>0</u>
300	TOTAL LIABILITIES	<u>12,397,653</u>	<u>127,564,398</u>	<u>3,854,858</u>	<u>77,462</u>	<u>7,336,799</u>	<u>0</u>
400	DEFERRED INFLOW OF RESOURCES	9,045,197	0	0	0	2,420,782	0
NET POSITION:							
508.4	Net Investment in Capital Assets	51,696,679	29,657,148	12,694,178	0	25,698,546	0
511.4	Restricted	816,839	4,805,873	0	0	0	0
512.4	Unrestricted	43,931,659	3,081,134	12,980,588	0	(4,555,276)	0
513	TOTAL NET POSITION	<u>96,445,177</u>	<u>37,544,155</u>	<u>25,674,766</u>	<u>0</u>	<u>21,143,270</u>	<u>0</u>
600	TOTAL LIABILITIES AND NET POSITION	<u>\$ 117,888,027</u>	<u>\$ 165,108,553</u>	<u>\$ 29,529,624</u>	<u>\$ 77,462</u>	<u>\$ 30,900,851</u>	<u>\$ 0</u>

Mainstream Vouchers	Section 8 Housing Choice Vouchers	Resident Opportunity and Supportive Services	Public Housing CARES Act Funding	HVC CARES Act Funding	Emergency Housing Voucher	Central Office Cost Center	Elimination	TOTAL
14.879	14.871	14.870	14.PHC	14.HCC	14.EHV			
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
531	378,249	0	0	0	1,140	49,200	0	1,891,856
0	0	0	0	0	0	0	0	0
0	65,602	1,111	0	0	0	79,683	0	759,394
0	0	0	0	0	0	38,124	0	38,124
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	539,152
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	272,181
0	0	0	0	0	0	0	0	1,228,924
0	100	0	0	0	1,025,500	0	0	1,284,192
0	0	0	0	0	0	0	0	631,049
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	3,608,476
0	0	0	0	0	0	0	0	5,588,883
413,486	0	6,374	0	0	0	0	(5,447,685)	0
0	0	0	0	0	0	0	0	0
<u>414,017</u>	<u>443,951</u>	<u>7,485</u>	<u>0</u>	<u>0</u>	<u>1,026,640</u>	<u>167,007</u>	<u>(5,447,685)</u>	<u>15,842,231</u>
0	0	0	0	0	0	0	0	115,540,358
0	0	0	0	0	0	0	0	0
2,123	1,002,102	0	0	0	0	0	0	3,468,988
0	410,244	0	0	0	0	488,870	0	1,902,139
0	0	0	0	0	0	0	0	4,700,000
0	0	0	0	0	0	0	0	0
0	5,706,664	0	0	0	0	4,469,294	0	18,468,166
<u>2,123</u>	<u>7,119,010</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,958,164</u>	<u>0</u>	<u>144,079,651</u>
<u>416,140</u>	<u>7,562,961</u>	<u>7,485</u>	<u>0</u>	<u>0</u>	<u>1,026,640</u>	<u>5,125,171</u>	<u>(5,447,685)</u>	<u>159,921,882</u>
<u>0</u>	<u>5,379,747</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,213,263</u>	<u>0</u>	<u>21,058,989</u>
0	960,131	0	0	0	0	739,823	0	121,446,505
0	1,615,381	0	0	0	1,535,721	5,065	0	8,778,879
<u>22,073</u>	<u>1,963,381</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>359,028</u>	<u>(1,787,038)</u>	<u>0</u>	<u>55,995,549</u>
<u>22,073</u>	<u>4,538,893</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,894,749</u>	<u>(1,042,150)</u>	<u>0</u>	<u>186,220,933</u>
\$ <u>438,213</u>	\$ <u>17,481,601</u>	\$ <u>7,485</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>2,921,389</u>	\$ <u>8,296,284</u>	\$ <u>(5,447,685)</u>	\$ <u>367,201,804</u>

Southern Nevada Regional Housing Authority
Las Vegas, Nevada

**FINANCIAL DATA SUBMISSION SUMMARY
REVENUES, EXPENSES, AND CHANGES IN NET POSITION ACCOUNTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

FDS Line#	Account Description	Public and Indian Housing 14,850	Component Unit Discretely Presented	Blended Component Unit	PIH Family Self-Sufficiency Program 14,896	Business Activities	State/Local
REVENUES:							
70300	Net tenant rental revenue	\$ 5,601,813	\$ 7,859,754	\$ 1,346,961	\$ 0	\$ 6,153,566	\$ 0
70400	Tenant revenue - other	<u>239,268</u>	<u>32,332</u>	<u>13,161</u>	<u>0</u>	<u>134,689</u>	<u>0</u>
70500	Total tenant revenue	5,841,081	7,892,086	1,360,122	0	6,288,255	0
70600	HUD PHA grants - operating	13,872,754	0	0	677,553	0	0
70610	HUD PHA grants - capital	83,239	0	0	0	0	0
70710	Management fee	0	0	0	0	0	0
70720	Asset management fee	0	0	0	0	0	0
70730	Bookkeeping fee	0	0	0	0	0	0
70740	Front line service fee	0	0	0	0	0	0
70750	Other fees	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
70700	Total fee revenue	0	0	0	0	0	0
70800	Other government grants	0	0	0	0	18,033	8,923
71100	Investment income - unrestricted	0	0	0	0	0	0
71200	Mortgage interest income	515,972	0	0	0	0	0
71300	Proceeds from disposition of assets held for sale	0	0	0	0	0	0
71310	Cost of sales of assets	0	0	0	0	0	0
71400	Fraud income	0	0	0	0	0	0
71500	Other revenue	559,126	4,475,585	2,429,756	0	1,333,637	0
71600	Gain/(loss) on disposition	(78,485)	(2,210)	0	0	0	0
72000	Investment income - restricted	<u>0</u>	<u>2,999</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
70000	TOTAL REVENUES	\$ 20,793,687	\$ 12,368,460	\$ 3,789,878	\$ 677,553	\$ 7,639,925	\$ 8,923
EXPENSES:							
Administrative							
91100	Administrative salaries	\$ 1,280,146	\$ 466,219	\$ 176,504	\$ 0	\$ 905,569	\$ 0
91200	Auditing fees	44,234	64,782	108	0	66,619	0
91300	Management fees	2,006,187	443,169	144,400	0	668,572	0
91310	Bookkeeping fees	174,786	0	0	0	84,662	0
91400	Advertising & marketing	2,014	6,426	0	0	0	0
91500	Employee benefits - administrative	166,207	68,319	73,602	0	185,875	0
91600	Office expense	413,598	129,133	24,018	0	203,637	6,691
91700	Legal expense	21,488	99,001	4,967	0	27,486	0
91800	Travel expense	3,438	904	1,031	0	6,194	1,589
91810	Allocated overhead	0	0	0	0	0	0
91900	Other operating - administrative	<u>2,475,158</u>	<u>278,350</u>	<u>28,113</u>	<u>0</u>	<u>161,892</u>	<u>0</u>
91000	Total Administrative Expense	6,587,256	1,556,303	452,743	0	2,310,506	8,280
92000	Asset management fee	<u>168,360</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Tenant Services							
92100	Tenant services - salaries	204,487	0	17,218	470,688	39,356	0
92200	Relocation costs	0	0	0	0	0	0
92300	Employee benefits - tenant services	80,659	0	7,216	187,204	5,117	0
92400	Other tenant services	<u>39,217</u>	<u>54,489</u>	<u>0</u>	<u>0</u>	<u>15,216</u>	<u>643</u>
92500	Total Tenant Services	324,363	54,489	24,434	657,892	59,689	643
Utilities							
93100	Water	880,318	231,741	64,464	0	351,640	0
93200	Electricity	371,905	67,556	61,188	0	107,074	0
93300	Gas	66,817	16,387	14,373	0	5,205	0
93400	Fuel	0	0	0	0	0	0
93500	Labor	0	0	0	0	0	0
93600	Sewer	431,812	105,720	34,761	0	236,411	0
93700	Employee benefits - utilities	0	0	0	0	0	0
93800	Other utilities expense	<u>0</u>	<u>711,527</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
93000	Total Utilities Expense	1,750,852	1,132,931	174,786	0	700,330	0

Mainstream Vouchers 14.879	Section 8 Housing Choice Vouchers 14.871	Resident Opportunity and Supportive Services 14.870	Public Housing CARES Act Funding 14.PHC	HVC CARES Act Funding 14.HCC	Emergency Housing Voucher 14.EHV	Central Office Cost Center	Elimination	TOTAL
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 20,962,094
0	0	0	0	0	0	0	0	419,450
0	0	0	0	0	0	0	0	21,381,544
2,097,562	133,520,362	90,481	243,073	1,232,874	1,940,995	0	0	153,675,654
0	0	0	0	0	0	0	0	83,239
0	0	0	0	0	0	4,872,834	(4,771,746)	101,088
0	0	0	0	0	0	168,360	(168,360)	0
0	0	0	0	0	0	1,341,570	(1,341,570)	0
0	0	0	0	0	0	2,664,641	(2,664,641)	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	9,047,405	(8,946,317)	101,088
0	0	0	0	0	0	0	0	26,956
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	515,972
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	22,984	0	0	0	0	0	0	22,984
0	259,532	0	0	0	0	222,639	0	9,280,275
0	0	0	0	0	0	0	0	(80,695)
0	0	0	0	0	0	0	0	2,999
\$ 2,097,562	\$ 133,802,878	\$ 90,481	\$ 243,073	\$ 1,232,874	\$ 1,940,995	\$ 9,270,044	\$ (8,946,317)	\$ 185,010,016
\$ 75,089	\$ 3,119,442	\$ 0	\$ 32,750	\$ 590,945	\$ 7,077	\$ 3,830,084	\$ 0	\$ 10,483,825
429	21,209	0	0	0	0	8,186	0	205,567
44,403	2,119,724	0	0	0	33,947	0	(4,771,746)	688,656
21,465	1,060,657	0	0	0	0	0	(1,341,570)	0
0	0	0	0	0	0	54,807	0	63,247
31,392	249,395	0	14,076	248,197	4,082	844,781	0	1,885,926
16,946	629,818	7,443	3,557	108,843	0	867,902	0	2,411,586
0	7,809	0	0	0	0	174,296	0	335,047
0	1,510	914	0	0	0	29,375	0	44,955
0	0	0	0	0	0	0	0	0
5,069	503,433	220	15,493	0	0	816,817	(2,664,641)	1,619,904
194,793	7,712,997	8,577	65,876	947,985	45,106	6,626,248	(8,777,957)	17,738,713
0	0	0	0	0	0	0	(168,360)	0
217	86,081	57,987	0	0	0	314,159	0	1,190,193
0	0	0	0	0	0	0	0	0
0	0	23,917	0	0	0	86,281	0	390,394
0	0	0	50,536	43,340	0	12,545	0	215,986
217	86,081	81,904	50,536	43,340	0	412,985	0	1,796,573
0	0	0	0	0	0	45,996	0	1,574,159
0	12,061	0	0	0	0	34,238	0	654,022
0	0	0	0	0	0	1,063	0	103,845
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	1,774	0	0	0	0	2,957	0	813,435
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	711,527
0	13,835	0	0	0	0	84,254	0	3,856,988

Southern Nevada Regional Housing Authority
Las Vegas, Nevada

**FINANCIAL DATA SUBMISSION SUMMARY
REVENUES, EXPENSES, AND CHANGES IN NET POSITION ACCOUNTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

FDS Line#	Account Description	Public and Indian Housing 14.850	Component Unit Discretely Presented	Blended Component Unit	PIH Family Self-Sufficiency Program 14.896	Business Activities	State/Local
Ordinary Maintenance & Operation							
94100	Labor	2,551,336	1,305,541	163,065	0	893,583	0
94200	Materials	1,114,269	138,793	30,962	0	443,563	0
94300	Contracts	2,811,446	934,385	156,961	0	991,759	0
94300-010	Garbage & trash removal contracts	0	74,224	0	0	0	0
94300-020	Heating & cooling contracts	0	13,749	0	0	0	0
94300-030	Snow removal contracts	0	0	0	0	0	0
94300-040	Elevator maintenance contracts	0	10,256	0	0	0	0
94300-050	Landscape & grounds contracts	0	24,873	0	0	0	0
94300-060	Unit turnaround contracts	0	8,606	0	0	0	0
94300-070	Electrical contracts	0	4,328	0	0	0	0
94300-080	Plumbing contracts	0	10,786	0	0	0	0
94300-090	Extermination contracts	0	9,781	0	0	0	0
94300-100	Janitorial contracts	0	0	0	0	0	0
94300-110	Routine maintenance contracts	0	0	0	0	0	0
94300-120	Contract costs - other	2,811,446	777,782	156,961	0	991,759	0
94500	Employee benefit contributions	297,626	41,549	67,319	0	177,141	0
94000	Total Ordinary Maintenance & Operation	6,774,677	2,420,268	418,307	0	2,506,046	0
Protective Services							
95100	Protective services - labor	0	0	0	0	0	0
95200	Protective services - other contract costs	0	0	0	0	0	0
95300	Other protective services	741,368	0	183,284	0	62,628	0
95500	Employee benefits - protective services	0	0	0	0	0	0
95000	Total Protective Services	741,368	0	183,284	0	62,628	0
Insurance Premiums							
96110	Property insurance	325,329	459,487	40,705	0	177,182	0
96120	Liability insurance	72,197	0	0	0	31,596	0
96130	Workmen's compensation	0	8,186	0	0	0	0
96140	Insurance - other	172,199	0	0	0	68,621	0
96100	Total Insurance Premiums	569,725	467,673	40,705	0	277,399	0
General Expenses							
96200	Other general expense	872,287	378,766	2,573	0	322,444	0
96210	Compensated absences	149,140	0	23,344	19,661	144,054	0
96300	Payments in lieu of taxes	272,181	39,505	0	0	0	0
96400	Bad debt - tenant rents	272,872	51,736	34,894	0	133,168	0
96500	Bad debt - mortgages	0	0	0	0	0	0
96600	Bad debt - other	0	0	0	0	25,325	0
96800	Severance expense	0	0	0	0	0	0
96000	Total General Expenses	1,566,480	470,007	60,811	19,661	624,991	0
Financial Expenses							
96710	Interest expense - mortgage payable	0	3,270,345	0	0	163,418	0
96720	Interest expense - notes payable	0	0	0	0	0	0
96730	Amortization - issuance costs	0	50,264	0	0	0	0
96700	Total Financial Expenses	0	3,320,609	0	0	163,418	0
96900	TOTAL OPERATING EXPENSE	18,483,081	9,422,280	1,355,070	677,553	6,705,007	8,923
97000	EXCESS OPERATING REVENUE	2,310,606	2,946,180	2,434,808	0	934,918	0

Mainstream Vouchers 14.879	Section 8 Housing Choice Vouchers 14.871	Resident Opportunity and Supportive Services 14.870	Public Housing CARES Act Funding 14.PHC	HVC CARES Act Funding 14.HCC	Emergency Housing Voucher 14.EHV	Central Office Cost Center	Elimination	TOTAL
0	16,834	0	4,644	0	0	33,777	0	4,968,780
0	23,256	0	37,098	0	0	88,485	0	1,876,426
0	66,529	0	10,844	0	0	215,104	0	5,187,028
0	0	0	0	0	0	0	0	74,224
0	0	0	0	0	0	0	0	13,749
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	10,256
0	0	0	0	0	0	0	0	24,873
0	0	0	0	0	0	0	0	8,606
0	0	0	0	0	0	0	0	4,328
0	0	0	0	0	0	0	0	10,786
0	0	0	0	0	0	0	0	9,781
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	66,529	0	10,844	0	0	215,104	0	5,030,425
0	7,146	0	1,811	0	0	6,013	0	598,605
0	113,765	0	54,397	0	0	343,379	0	12,630,839
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	50,450	0	47,605	0	0	63,682	0	1,149,017
0	0	0	0	0	0	0	0	0
0	50,450	0	47,605	0	0	63,682	0	1,149,017
0	0	0	0	0	0	6,328	0	1,009,031
0	52,817	0	0	0	0	1,010	0	157,620
0	0	0	0	0	0	0	0	8,186
0	101,916	0	0	0	0	66,348	0	409,084
0	154,733	0	0	0	0	73,686	0	1,583,921
3,431	271,612	0	0	241,549	0	67,790	0	2,160,452
266	13,135	0	0	0	0	178,975	0	528,575
0	0	0	0	0	0	0	0	311,686
1,235	0	0	0	0	0	0	0	493,905
0	0	0	0	0	0	0	0	0
0	144,599	0	0	0	0	0	0	169,924
0	0	0	0	0	0	0	0	0
4,932	429,346	0	0	241,549	0	246,765	0	3,664,542
0	0	0	0	0	0	0	0	3,433,763
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	50,264
0	0	0	0	0	0	0	0	3,484,027
199,942	8,561,207	90,481	218,414	1,232,874	45,106	7,850,999	(8,946,317)	45,904,620
1,897,620	125,241,671	0	24,659	0	1,895,889	1,419,045	0	139,105,396

Mainstream Vouchers 14.879	Section 8 Housing Choice Vouchers 14.871	Resident Opportunity and Supportive Services 14.870	Public Housing CARES Act Funding 14.PHC	HVC CARES Act Funding 14.HCC	Emergency Housing Voucher 14.EHV	Central Office Cost Center	Elimination	TOTAL
0	0	0	24,659	0	0	8,400	0	1,740,062
0	0	0	0	0	0	0	0	176,967
2,008,871	122,027,230	0	0	0	1,140	0	0	124,037,241
0	66,114	0	0	0	0	0	0	66,114
0	46,472	0	0	0	0	160,174	0	11,519,320
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
2,008,871	122,139,816	0	24,659	0	1,140	168,574	0	137,539,704
\$ 2,208,813	\$ 130,701,023	\$ 90,481	\$ 243,073	\$ 1,232,874	\$ 46,246	\$ 8,019,573	\$ (8,946,317)	\$ 183,444,324
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	(2,475,000)	0
0	0	0	0	0	0	0	2,475,000	0
0	0	0	0	0	0	0	0	0
\$ (111,251)	\$ 3,101,855	\$ 0	\$ 0	\$ 0	\$ 1,894,749	\$ 1,250,471	\$ 0	\$ 1,565,692
0	0	0	0	0	0	0	0	1,220,788
133,324	881,713	0	0	0	0	(2,292,621)	0	170,443,586
0	555,325	0	0	0	0	0	0	14,211,655
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
\$ 22,073	\$ 4,538,893	\$ 0	\$ 0	\$ 0	\$ 1,894,749	\$ (1,042,150)	\$ 0	\$ 186,220,933
0	2,923,512	0	0	0	359,028	0	0	3,282,540
0	1,615,381	0	0	0	1,535,721	0	0	3,151,102
3,576	140,532	0	0	0	1	0	0	197,184
2,862	141,421	0	0	0	1	0	0	195,845
0	0	0	0	0	0	0	0	10,048,342
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	83,239
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0

SOUTHERN NEVADA REGIONAL HOUSING AUTHORITY
Las Vegas, Nevada

SCHEDULE OF EXPENDITURES OF FEDERAL FINANCIAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Type	Federal CFDA #	Expenditures
<u>FEDERAL GRANTOR</u>			
<u>U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT:</u>			
Public Housing:			
Public and Indian Housing	A - Major	14.850	\$ 13,140,836
COVID-19 - Public and Indian Housing	A - Major	14.850	<u>243,073</u>
Total - Public and Indian Housing			13,383,909
Public Housing Capital Fund Program	B - Nonmajor	14.872	815,157
Resident Opportunity and Supportive Services	B - Nonmajor	14.870	90,481
Section 8 Housing Assistance Program:			
Section 8 Housing Choice Voucher (cluster)	A - Major	14.871	133,520,362
COVID-19 - Section 8 Housing Choice Voucher (cluster)	A - Major	14.871	<u>1,232,874</u>
Total - Section 8 Housing Choice Voucher (cluster)			134,753,236
Mainstream Vouchers (cluster)	A - Major	14.879	2,097,562
Emergency Housing Vouchers (cluster)	A - Major	14.EHV	1,940,995
Family Self Sufficiency - Combined Program:			
PIH Family Self-Sufficiency Program	B - Nonmajor	14.896	<u>677,553</u>
TOTAL FEDERAL FINANCIAL AWARDS			\$ <u><u>153,758,893</u></u>
Threshold for Type A & Type B			\$ <u><u>3,000,000</u></u>

The accompanying notes are an integral part of the financial statements.

SOUTHERN NEVADA REGIONAL HOUSING AUTHORITY
Las Vegas, Nevada

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

NOTE A - BASIS OF PRESENTATION:

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Authority and is presented on the full accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Uniform Guidance.

NOTE B - SUB-RECIPIENTS:

The Authority provided no federal awards to sub-recipients during the fiscal year ending September 30, 2021.

NOTE C - DISCLOSURE OF OTHER FORMS OF ASSISTANCE:

- The Authority received no federal awards of non-monetary assistance that are required to be disclosed for the year ended September 30, 2021.
- The Authority had no loans or loan guarantees to be disclosed as of September 30, 2021.
- The auditee did not elect to use the 10% de minimis cost rate.
- There were no federally restricted endowment funds required to be disclosed for the fiscal year ended September 30, 2021.
- The Authority maintains the following limits of insurance as of September 30, 2021:

Property	\$ 350,223,560
Equipment Breakdown	\$ 100,000,000
Flood	\$ 250,000
Liability	\$ 2,000,000
Public Officials	\$ 1,000,000
Worker Compensation	Statutory
Employee Practice	\$ 1,000,000
Auto Liability	\$ 700,000

Settled claims have not exceeded the above limits over the past three years.