

CROPPER ROWE, LLP

CERTIFIED PUBLIC ACCOUNTANTS

NEVADA RURAL HOUSING AUTHORITY
ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2021
(Including Auditors' Report Thereon)

NEVADA RURAL HOUSING AUTHORITY
FINANCIAL STATEMENTS
JUNE 30, 2021

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditors' Report	1
Management's Discussion and Analysis	4
Business-type Fund Financial Statements:	
Statement of Net Position	11
Statement of Revenues, Expenses, and Changes in Net Position	12
Statement of Cash Flows	13
Notes to the Financial Statements	15
Required Supplementary Information:	
Schedule of the Authority's Proportionate Share of Net Pension Liability	37
Schedule of the Authority's Pension Plan Contributions	38
Other Supplementary Information:	
Schedule of Expenditures of Federal Awards	40
Notes to Schedule of Expenditures of Federal Awards	41
Unaudited Financial Data Schedule	42
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	50
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	52
Status of Prior Audit Findings	54
Schedule of Findings and Questioned Costs	55

INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
Nevada Rural Housing Authority
Carson City, Nevada

We have audited the accompanying financial statements of the business-type activities of the Nevada Rural Housing Authority, as of and for the year ended June 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 auditors' 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 basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of the Nevada Rural Housing Authority, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-9, the Schedule of Proportionate Share of Net Pension Liability on page 37, and the Schedule of Pension Plan Contributions on page 38 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 inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Nevada Rural Housing Authority's basic financial statements. The Schedule of Expenditures of Federal Awards on page 50 is required by the title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirement, Cost Principles, and Audit Requirements for Federal Awards*, and the accompanying Financial Data Schedule on pages 42-49, 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 basic financial statements.

The Schedule of Expenditures of Federal Awards and Financial Data Schedule are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards and Financial Data Schedule are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated December 2, 2021, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing, and not to provide an opinion on 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 compliance.



CROPPER ROWE, LLP
Walnut Creek, California
December 2, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT’S DISCUSSION AND ANALYSIS

As management of Nevada Rural Housing Authority, we offer readers of the Authority’s financial statements this narrative, overview and analysis of the financial activities of Nevada Rural Housing Authority for the fiscal year ended June 30, 2021. We encourage readers to consider the information presented here in conjunction with Nevada Rural Housing Authority’s financial statements as presented in this report.

The Nevada Rural Housing Authority (the Authority) is a Public Housing Authority as defined in Section 8 of the United States Housing Act of 1937, as amended and a public body corporate and politic established pursuant to the Nevada Revised Statute 616. The Authority was organized in 1973 under the laws of the State of Nevada to primarily provide housing assistance to low and moderate-income families and individuals.

The Nevada Rural Housing Authority predominantly provides rental housing assistance to homeless, as well as low income families and individuals. The Authority also facilitates single family mortgage financing with down payment assistance and administers a Mortgage Credit Certificate program funded through Private Activity Bond Cap. In addition, the Authority acquires, develops and owns low income multifamily housing in rural areas of Nevada to promote, provide and preserve affordable housing across the State. Primary funding is as follows:

- Acquisition, development and rehabilitation of multifamily housing units has been funded mostly through federal tax credit partnerships that the Authority participates in
- Governmental grants received from the U.S. Department of Housing and Urban Development (HUD) and the U.S. Department of Agriculture (USDA) Rural Development
- Developer and management fees
- Fees generated through its mortgage programs
- Rent collections from its owned or administered multifamily housing units.
- Other programs supporting Nevada’s rural low-income housing needs through Weatherization grant services and Continuum of Care program

The following management discussion and analysis (MD&A) will discuss the results of the Authority’s operations. Key financial information for the current fiscal year will be compared with those of the prior year.

Financial Highlights

- The assets and deferred outflows of resources of the Authority exceeded its liabilities and deferred inflows of resources, resulting in a Net Position of \$19,062,553 at the close of fiscal year 2021 as opposed to \$15,509,182 for fiscal year 2020.
- Total assets at June 30, 2021 were \$26,739,356. Of this, \$11,062,728 represents current assets, and \$15,676,628 represents non-current assets. Total assets at June 30, 2021 increased by \$5,254,114 from the June 30, 2020 balance of \$21,485,242.

- Net capital assets for the fiscal year 2021 increased by \$887,382 from \$6,862,483 at June 30, 2020 to \$7,749,865 at June 30, 2021 primarily due to the additional development projects in process and office building improvements. Capital assets are reflected at cost, less accumulated depreciation for all capital assets.
- At June 30, 2021 there was \$1,559,995 of deferred outflows of resources compared to \$1,436,632 at June 30, 2020. See detail discussed in Note 7 of the financial statements.
- Total liabilities at June 30, 2021 were \$8,933,986. Of this, \$2,963,877 represents current liabilities, and \$5,970,109 represents non-current liabilities. Total liabilities at June 30, 2021 increased by \$1,938,331 from the June 30, 2020 balance of \$6,995,655. This is primarily due to \$1,500,000 in deferred revenue from the Emergency Rental Assistance Program (ERAP) and increased PERS liability.
- At June 30, 2021, there was \$302,812 of deferred inflows of resources compared to \$417,037 at June 30, 2020. As discussed in Note 7 of the financial statements, differences between projected and actual investments earnings and expected and actual experience accounted for the variance.
- As of June 30, 2021, the Authority's Unrestricted Net Position was \$11,818,098, its Restricted Net Position was \$936,501, and its Net Investment in Capital Assets was \$6,307,954. This represents a total Net Position at June 30, 2021 of \$19,062,553 compared to a total Net Position at June 30, 2020 of \$15,509,182.
- The primary source of revenues for the Authority for the fiscal year ended June 30, 2021 were grants from federal agencies. Grant revenues for the fiscal year 2021 were \$19,706,248 versus \$14,078,017 for fiscal year 2020. The large increase was due to federal funding for the Care Housing Assistance Program (CHAP) and ERAP.
- Operating revenues for the Authority for the 2021 fiscal year were \$27,627,615 and operating expenses were \$24,439,586. Operating revenues and expenses for the fiscal year 2020 were \$21,540,691 and \$19,291,082, respectively.
- The major program expenditure, as reflected on the Statement of Revenues, Expenses, and Changes in Net Position, was for Section 8 housing assistance payments. There was \$10,362,864 of housing assistance payment expenses for fiscal year 2021. This represents a decrease of \$122,811 of the amount for fiscal year 2020 of \$10,485,675.
- Tenant Services expenses were \$5,013,917 in the fiscal year 2021 versus \$337,234 in the prior year. This increase is due to federal funding for the CARES and ERAP programs.
- Expenditures of Federal Awards amounted to \$19,490,179 for 2021 for an increase of \$4,603,718 from the prior fiscal year's expenditures of \$14,886,461.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements, which are comprised of a Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position, Statement of Cash Flows and Notes to the Financial Statements.

Government-Wide Financial Statements

The *Statement of Net Position* presents information on the Authority's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The *Statement of Revenues, Expenses, and Changes in Net Position* presents information showing how the Authority's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The *Statement of Cash Flows* presents the change in the Housing Authority's cash and cash equivalents during the most recent fiscal year.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Authority uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Some programs are required to be established by the United States Department of Housing and Urban Development (HUD). However, the Authority also administers other programs to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using grants and other moneys. All of the funds of the Authority are classified as an enterprise housing fund as a result of *Government Accounting Standards Board* No. 34.

Enterprise funds account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. They are reported using the full accrual method of accounting in which all assets and all liabilities associated with the operation of these funds are included on the Statement of Net Position. The focus of enterprise funds is on income measurement, which together with the maintenance of equity, is an important financial indication.

Notes to the Basic Financial Statements

The Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the fund financial statements.

Supplementary Information

The Schedule of the Authority's Proportionate Share of Net Pension Liability, the Schedule of the Authority's Pension Plan Contributions, the Schedule of Expenditures of Federal Awards and the Financial Data Schedule are presented for purposes of additional analysis as required by the title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirement, Cost Principles, and Audit Requirements for Federal Awards*, the Governmental Accounting Standards Board Statements (GASB), and the U.S. Department of Housing and Urban Development. These schedules can be found in the supplementary information sections of this report.

Financial Analysis

As we noted earlier, the Authority uses funds to help it control and manage money for particular purposes. A portion of the Authority's net assets reflect the investment in capital assets (e.g. land, buildings and improvements, furniture, equipment and machinery). The Authority uses these capital assets to provide services to clients; consequently, these assets are not available for future spending.

Economic Factors

The Housing Authority is primarily dependent upon HUD for the funding of operations. Therefore, the Housing Authority is affected more by the federal budget than by state or local economic conditions. Changes in HUD grants affect the number of households that can be assisted under these federally funded programs on an ongoing basis.

Budgetary Highlights

An agency-wide budget was prepared for the fiscal year ended June 30, 2021. The budget was primarily used as a management tool. Budgets are prepared in accordance with the accounting procedures prescribed by the applicable funding agency and revised during the year as appropriate.

Comparative Statement of Net Position

The following table reflects the Statement of Net Position at June 30, 2021 compared to prior year. The Authority is engaged only in Business-Type Activities:

Comparative Statement of Net Position				
June 30, 2021				
	<u>2021</u>	<u>2020</u>	<u>Increase/ (Decrease)</u>	<u>Percentage Change</u>
Assets and Deferred Outflows				
Current assets	\$ 11,062,728	\$ 7,316,338	\$ 3,746,390	51.21%
Mortgage loan receivable	7,620,347	7,091,550	528,797	7.46%
Mortgage interest receivable	306,416	214,871	91,545	42.60%
Capital Assets (net of accumulated depreciation)	7,749,865	6,862,483	887,382	12.93%
Deferred outflows	<u>1,559,995</u>	<u>1,436,632</u>	<u>123,363</u>	8.59%
Total Assets and Deferred Outflows	<u>28,299,351</u>	<u>22,921,874</u>	<u>5,377,477</u>	23.46%
Liabilities and Deferred Inflows				
Current liabilities	2,963,877	978,388	1,985,489	202.93%
Non-current liabilities	5,970,109	6,017,267	(47,158)	(0.78)%
Deferred inflows	<u>302,812</u>	<u>417,037</u>	<u>(114,225)</u>	(27.39)%
Total Liabilities and Deferred Inflows	<u>9,236,798</u>	<u>7,412,692</u>	<u>1,824,106</u>	24.61%
Net Position				
Net investment in Capital Assets	6,307,954	5,427,051	808,903	16.23%
Restricted	936,501	918,911	17,590	1.91%
Unrestricted	<u>11,818,098</u>	<u>9,163,220</u>	<u>2,654,878</u>	28.97%
Total Net Position	<u>\$ 19,062,553</u>	<u>\$ 15,509,182</u>	<u>\$ 3,553,371</u>	22.91%

Comparative Statement of Revenues, Expenses, and Changes in Net Position

The table below presents the Statement of Revenues, Expenses, and Changes in Net Position for the fiscal year ended June 30, 2021 compared to prior year.

Comparative Statement of Revenues, Expenses, and Changes in Net Position Year Ended June 30, 2021

	<u>2021</u>	<u>2020</u>	<u>Increase/ Decrease</u>	<u>Percentage Change</u>
<u>Operating Revenues</u>				
Grants	\$ 19,004,853	\$ 14,078,017	\$ 4,926,836	35.00%
Rents	269,950	292,892	(22,942)	(7.83)%
Mortgage and Developer fees	5,171,857	3,987,603	1,184,254	29.70%
Other	3,180,955	3,182,179	(1,224)	(0.04)%
Total operating revenues	<u>27,627,615</u>	<u>21,540,691</u>	<u>6,086,924</u>	28.26%
<u>Operating Expenses</u>				
Administration	7,305,617	6,438,468	867,149	13.47%
Utilities	99,421	128,104	(28,683)	(22.39)%
Maintenance	1,133,733	1,328,124	(194,391)	(14.64)%
Tenant services	5,013,917	337,233	4,676,684	1,386.78%
General	218,138	266,315	(48,177)	(18.09)%
Housing Assistance Payments	10,362,864	10,485,675	(122,811)	(1.17)%
Depreciation	305,896	307,163	(1,267)	(0.41)%
Total operating expenses	<u>24,439,586</u>	<u>19,291,082</u>	<u>5,148,504</u>	26.69%
Operating Income (Loss)	<u>3,188,029</u>	<u>2,249,609</u>	<u>938,420</u>	41.71%
<u>Non-Operating Revenue (Expenses)</u>				
Interest Income	358,574	368,428	(9,854)	(2.67)%
Interest Expense	(11,365)	(42,610)	31,245	73.33%
Gain on sale of fixed assets	18,133	(165,328)	183,461	110.97%
Net Non-Operating Revenue (Loss)	<u>365,342</u>	<u>160,490</u>	<u>204,852</u>	127.64%
Change in Net Position	<u>3,553,371</u>	<u>2,410,099</u>	<u>1,143,272</u>	47.44%
Beginning Net Position	15,509,182	11,499,258	4,009,924	34.87%
Prior period adjustment	<u>-</u>	<u>1,599,826</u>	<u>(1,599,826)</u>	(100)%
Beginning Net Position, restated	<u>15,509,182</u>	<u>13,099,084</u>	<u>2,410,098</u>	18.40%
Net Position, End of Year	<u>\$ 19,062,553</u>	<u>\$ 15,509,183</u>	<u>\$ 3,553,370</u>	22.91%

Analysis of the Authority's Overall Financial Position and Results of Operations:

As indicated in the above comparative statements the Authority's net position at June 30, 2021 increased by \$3,553,371.

Changes in Capital Assets

Capital assets (net of accumulated depreciation) are presented below illustrating changes from prior year:

Changes in Capital Assets (Net of Accumulated Depreciation)

	<u>2021</u>	<u>2020</u>	<u>Increase/ Decrease</u>	<u>Percentage Change</u>
Land	\$ 3,237,167	\$ 3,047,167	\$ 190,000	6.24%
Buildings and Improvements	4,301,394	3,705,896	595,498	16.07%
Equipment	<u>211,304</u>	<u>109,420</u>	<u>101,884</u>	93.11 %
Total	<u>\$ 7,749,865</u>	<u>\$ 6,862,483</u>	<u>\$ 887,382</u>	12.93%

The Authority's capital assets as of June 30, 2021 were \$7,749,865 (net of accumulated depreciation). During the fiscal year 2021 the Authority's net capital assets increased \$887,382 or 12.93%. Land increased due to land donated to the Authority. Buildings, Improvements and Equipment increased due to increased predevelopment costs on additional projects under construction and capital improvements made to the Office Building. Additional information pertaining to the Authority's capital assets as of June 30, 2021 is presented in Note 4 to the Financial Statements.

Changes in Mortgage Debt

Mortgage debt is presented below to illustrate changes from the prior year:

	<u>2021</u>	<u>2020</u>	<u>Increase/ (Decrease)</u>	<u>Percentage Change</u>
Notes payable	<u>\$ 1,441,909</u>	<u>\$ 1,485,431</u>	<u>\$ (43,522)</u>	(2.93)%
Total	<u>\$ 1,441,909</u>	<u>\$ 1,485,431</u>	<u>\$ (43,522)</u>	(2.93)%

At June 30, 2021, the Authority had long-term debt outstanding of \$1,441,909. During the fiscal year, long-term debt decreased by \$43,522 or 2.93% primarily due to payments made on notes payable. Additional information pertaining to the Authority's long-term debt as of June 30, 2021 is presented in Note 5 in the "Notes to the Financial Statements".

Requests for information

This financial report is designed to provide citizens, taxpayers, and creditors with a general overview of the Authority's finances and to show the Authority's accountability for the money it receives. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Director of Finance at 3695 Desatoya Drive, Carson City, Nevada 89701.

BASIC FINANCIAL STATEMENTS

NEVADA RURAL HOUSING AUTHORITY
STATEMENT OF NET POSITION
JUNE 30, 2021

	Nevada Rural Housing Authority	Nevada Rural Housing Inc.	Total Combined
<u>ASSETS</u>			
Current Assets:			
Cash and investments (Note 2)	\$ 7,030,717	\$ 230,205	\$ 7,260,922
Restricted Cash (Note 2)	805,962	-	805,962
Due from other agencies	564,710	-	564,710
Accounts receivable	2,304,852	8,400	2,313,252
Prepaid expenses	8,803	-	8,803
Investments in Other Entities (Note 2)	347,684	258,227	605,911
Total current assets	<u>11,062,728</u>	<u>496,832</u>	<u>11,559,560</u>
Noncurrent assets:			
Mortgage loan receivable (Note 3)	7,620,347	100,000	7,720,347
Mortgage interest receivable	306,416	3,503	309,919
Capital assets, net (Note 4)	7,749,865	374,484	8,124,349
Total noncurrent assets	<u>15,676,628</u>	<u>477,987</u>	<u>16,154,615</u>
Total Assets	<u>26,739,356</u>	<u>974,819</u>	<u>27,714,175</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Pension Plan (Note 7)	1,559,995	-	1,559,995
Total deferred outflows	<u>1,559,995</u>	<u>-</u>	<u>1,559,995</u>
Total assets and deferred outflows of resources	<u>28,299,351</u>	<u>974,819</u>	<u>29,274,170</u>
<u>LIABILITIES</u>			
Current Liabilities:			
Accounts payable	397,911	-	397,911
Tenant security deposits	21,979	-	21,979
Accrued liabilities	213,808	-	213,808
Compensated absences (Note 6)	18,555	-	18,555
Deferred revenues	1,681,620	20,000	1,701,620
Interest payable	40,538	-	40,538
Notes payable (Note 5)	589,466	-	589,466
Total current liabilities	<u>2,963,877</u>	<u>20,000</u>	<u>2,983,877</u>
Noncurrent liabilities:			
Compensated absences (Note 6)	166,993	-	166,993
Notes payable (Note 5)	852,443	111,530	963,973
Pension liability (Note 7)	4,950,673	-	4,950,673
Total noncurrent liabilities	<u>5,970,109</u>	<u>111,530</u>	<u>6,081,639</u>
Total liabilities	<u>8,933,986</u>	<u>131,530</u>	<u>9,065,516</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Pension Plan (Note 7)	302,812	-	302,812
Total liabilities and deferred inflows of resources	<u>9,236,798</u>	<u>131,530</u>	<u>9,368,328</u>
<u>NET POSITION</u>			
Net investment in capital assets	6,307,954	262,954	6,570,908
Restricted	936,501	-	936,501
Unrestricted	11,818,098	580,335	12,398,433
Total Net Position	<u>\$ 19,062,553</u>	<u>\$ 843,289</u>	<u>\$ 19,905,842</u>

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

NEVADA RURAL HOUSING AUTHORITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2021

	Nevada Rural Housing Authority	Nevada Rural Housing Inc.	Total Combined
<u>Operating Revenues</u>			
Grants	\$ 19,004,853	\$ -	\$ 19,004,853
Rents	269,950	15,442	285,392
Mortgage issuer and lender fees	3,755,357	-	3,755,357
Developer fees	1,416,500	-	1,416,500
Other	3,180,955	381,703	3,562,658
Total operating revenues	<u>27,627,615</u>	<u>397,145</u>	<u>28,024,760</u>
<u>Operating Expenses</u>			
Administration	7,305,617	132,314	7,437,931
Utilities	99,421	1,059	100,480
Maintenance	1,133,733	1,219	1,134,952
General	218,138	4,446	222,584
Tenant services	5,013,917	-	5,013,917
Housing assistance payments	10,362,864	-	10,362,864
Depreciation	305,896	4,218	310,114
Total operating expenses	<u>24,439,586</u>	<u>143,256</u>	<u>24,582,842</u>
Operating income (loss)	<u>3,188,029</u>	<u>253,889</u>	<u>3,441,918</u>
<u>Non-Operating Revenues (Expenses)</u>			
Interest income - investments	171,862	1,032	172,894
Interest income - mortgage loans	186,712	-	186,712
Gain (loss) on sale of capital asset	18,133	-	18,133
Interest expense	(11,365)	-	(11,365)
Net non-operating revenue	<u>365,342</u>	<u>1,032</u>	<u>366,374</u>
Change in net position	<u>3,553,371</u>	<u>254,921</u>	<u>3,808,292</u>
Total beginning net position	<u>15,509,182</u>	<u>588,368</u>	<u>16,097,550</u>
Total ending net position	<u>\$ 19,062,553</u>	<u>\$ 843,289</u>	<u>\$ 19,905,842</u>

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

NEVADA RURAL HOUSING AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021

	Nevada Rural Housing Authority	Nevada Rural Housing Inc.	Total Combined
<u>Cash flows from operating activities:</u>			
Grants received	\$ 20,281,547	\$ 6,945	\$ 20,288,492
Cash received from rents	269,950	15,442	285,392
Development and mortgage fees	4,778,269	500	4,778,769
Other cash receipts	3,180,955	381,703	3,562,658
Cash payments to suppliers and landlords	(19,489,265)	(145,501)	(19,634,766)
Cash payments to employees	(4,241,015)	-	(4,241,015)
Net cash provided (used) in operating activities	<u>4,780,441</u>	<u>259,089</u>	<u>5,039,530</u>
<u>Cash flows from capital and related financing activities:</u>			
Interest paid on long-term debt	(8,883)	-	(8,883)
Disposal (purchase) of fixed assets	(1,175,145)	(260,000)	(1,435,145)
Principal paid	(43,522)	-	(43,522)
Interest received from mortgage loans	95,167	35	95,202
Net cash provided (used) in capital and related financing activities	<u>(1,132,383)</u>	<u>(259,965)</u>	<u>(1,392,348)</u>
<u>Cash flows from investing activities:</u>			
Increase in principal during the year	(528,796)	-	(528,796)
Purchase of investment	(347,684)	(69,325)	(417,009)
Interest received from investments	171,861	1,032	172,893
Net cash provided (used) in investing activities	<u>(704,619)</u>	<u>(68,293)</u>	<u>(772,912)</u>
Net increase (decrease) in cash	2,943,439	(69,169)	2,874,270
Cash at beginning of year	4,893,240	299,374	5,192,614
Cash at end of year	<u>\$ 7,836,679</u>	<u>\$ 230,205</u>	<u>\$ 8,066,884</u>
<u>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</u>			
Operating income (loss)	\$ 3,188,029	\$ 253,889	\$ 3,441,918
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	305,896	4,218	310,114
(Increase)/decrease in assets:			
Accounts receivable	(393,588)	500	(393,088)
Amounts due from other agencies	(118,187)	-	(118,187)
Prepaid expenses	56,507	-	56,507
Increase/(decrease) in liabilities:			
Accounts payable	56,318	(6,463)	49,855
Tenant security deposits	566	-	566
Accrued liabilities	(18,383)	-	(18,383)
Deferred revenues	1,394,881	6,945	1,401,826
Accrued compensated absences	36,804	-	36,804
Net pension liability	509,186	-	509,186
Deferred inflows and outflows	(237,588)	-	(237,588)
Net cash provided (used) in operating activities	<u>\$ 4,780,441</u>	<u>\$ 259,089</u>	<u>\$ 5,039,530</u>

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

NOTES TO THE FINANCIAL STATEMENTS

NEVADA RURAL HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Nevada Rural Housing Authority (the Authority) conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental entities. The following is a summary of the more significant policies.

A. Definition of Reporting Entity

The Nevada Rural Housing Authority (the Authority) was established during 1973 by Nevada Revised Statute 616 and updated by Nevada Revised Statute 315. The Authority is governed by a five-member Board of Commissioners appointed to four-year terms. The Authority was organized to promote the health and safety of the residents of the State of Nevada and to develop more desirable neighborhoods and alleviate poverty in the counties, cities, and towns of the state by making provisions for decent, safe and sanitary low-rent housing facilities for persons of low and moderate income. Since being established, the Authority has not only administered a Section 8 (Housing Choice Voucher) program and other grants, but also introduced single family bond programs and acted as sponsor and developer to several affordable multifamily housing projects across rural Nevada.

The Authority has implemented the provisions of the Governmental Accounting Standards Board, codified in GASB section 2100, “Defining the Government Reporting”. For financial reporting purposes, the Authority’s financial statements include all funds over and other organizations over which Authority officials exercise oversight responsibility. Oversight responsibility includes such duties as appointment of governing body members, budget review, approval of tax levies, responsibility for outstanding debt secured by the Authority’s full faith and credit, or revenues, and the responsibility for funding deficits.

Discretely Presented Component Unit

Nevada Rural Housing Inc. (NRHI) is a non-profit 501(c)3 that fills a role on behalf of the Authority when such a non-profit is needed. NRHI does not undertake business that is not in the interest of or which is not supported by the Authority. The Authority serves as the Developer for all Low Income Housing Tax Credit projects in which NRHI is the Managing Member of the tax credit entities’ Managing Member. There is one board member in common between the two entities. The Authority is contracted by NRHI to provide administration and technical services necessary to handle its daily business affairs.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e. the statement of net position; the statement of revenues, expenses, and changes in net position; and the statement of cash flows) report the financial information of the Authority’s operations as a whole.

For financial reporting purposes, the Authority reports all of its operations as a single business type activity in a single enterprise housing fund. Therefore, for the Authority the government-wide and fund financial statements are the same. These basic financial statements are presented in accordance with the standards established by the Governmental Accounting Standards Board (GASB).

NEVADA RURAL HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The financial statements and the Schedule of Expenditures of Federal Awards are reported using the *economic resources measurement focus* and the *accrual basis* of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when related cash flows take place. Nonexchange transactions are those in which the Authority receives value without directly giving equal value in exchange. These transactions include revenues from federal, state, and local assistance programs. Revenues from these sources are recognized in the fiscal year in which all eligibility requirements have been met.

The Authority applies all applicable Financial Accounting Standards Board (FASB) pronouncements issued before December 30, 1989 in accounting and reporting for its proprietary operations and it has implemented in fiscal year 2016 GASB Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-December 30, 1989 FASB and AICPA Pronouncements for FASB Pronouncements after December 30, 1989.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* activities. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Authority's enterprise housing fund are grants from federal funding agencies for housing assistance payments earned, fees generated through its mortgage programs, administrative and developer fees, and rental income from its owned housing units. Operating expenses include employee services and supplies, administrative expenses, management fees, utilities, housing assistance payments to landlords, and depreciation of its capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, Liabilities, and Net Position

1. Cash and Investments

Cash

For purposes of the accompanying statement of cash flows, the Authority considers all of their cash, including restricted cash, to be cash and equivalents. The Authority considers all of their investments to be highly liquid and, therefore, to be cash equivalents.

Cash and cash equivalents include amounts in demand deposits, certificates of deposit, money market accounts, and savings accounts. All of the Authority's investments can be converted to cash in a relatively short amount of time and are therefore presented in the Statement of Cash Flows.

NEVADA RURAL HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments

Investments are carried at fair value. Fair value is based on quoted market price, if applicable, otherwise the fair value hierarchy is as follows.

Level 1 – Values are unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.

Level 2 – Inputs – other than quoted prices – included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – Certain inputs are unobservable inputs (supported by little or no market activity), such as the Authority's best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

Additional cash and investment disclosures are presented in Note 2. All of the Authority's investments are considered Level 1.

2. Restricted Assets

Restricted cash, cash equivalents, and investments, represent deposits that are used for replacement reserves, security deposit payable amounts to tenants, amounts that are required by grants from HUD to be used only to provide housing assistance for individuals and families that meet various income, age, and employment standards.

3. Receivables

All receivables are reported at their gross value and are reduced by an allowance for doubtful accounts if such an amount is considered applicable.

4. Prepaid expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items the financial statements.

5. Capital Assets

Capital assets which include land, buildings, improvements, and furniture and equipment, are reported at historical cost. Contributed capital assets are recorded at fair value at the time received. Interest expense during any development periods 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.

NEVADA RURAL HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

5. Capital Assets (continued)

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	19-40 years
Improvements	15 years
Furniture and Equipment	5 years

6. Compensated Absences

It is the Authority's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation pay is accrued when incurred. A portion of unused sick leave is only payable to employees who have over 10 years of service upon termination of their employment.

7. Taxes

The Authority is exempt from federal income taxes. The Authority is also exempt from property taxes but makes payments in lieu of taxes on some of its owned housing units.

8. Net Position

Net position represents the differences between assets and liabilities. Net position consists of investment in capital assets, net of related debt; restricted net position; and unrestricted net position. Net position invested in capital assets, net of related debt, consists of capital assets, net of depreciation, reduced by the outstanding balances of borrowings used for the construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

9. Deferred Outflows/Inflows of Resources

In addition to assets and liabilities, the Statement of Net Position includes separate sections for deferred outflows and inflows of resources. These separate sections represent a consumption or acquisition of net position that applies to future periods and will not be recognized as outflows (revenues) or inflows (expenses) until that time.

10. Pensions

For purposes of measuring the net pension liability (NPL) and deferred outflows/inflows of resources related to pensions, pension expense, information about the fiduciary net position (FNP) of the Authority's Public Employees' Retirement System (PERS) Plans and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by Nevada PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NEVADA RURAL HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

11. Operating Revenues and Expenses

Operating revenues are those revenues that are generated from the primary operations of the Authority. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the Authority. All other expenses are reported as nonoperating expenses.

E. Estimates

Management of the Authority has made certain estimates and assumptions relating to the reporting of assets and liabilities and revenues and expenses to prepare the financial statements. Actual results may differ from those estimates.

F. New GASB Pronouncements

Implemented New GASB Pronouncements

GASB Statement No. 84, *Fiduciary Activities*. - The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this Statement are effective for the financial statements for periods beginning after December 15, 2019 (fiscal 2021). Earlier application is encouraged. The Authority doesn't believe this statement will have a significant impact on the Authority's financial statements.

GASB Statement No. 90, *Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61*. - The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. The requirements of this Statement 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, requiring reporting of information about component units if the government acquires a 100 percent equity interest provides information about the cost of services to be provided by the component unit in relation to the consideration provided to acquire the component unit.

NEVADA RURAL HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The requirements of this Statement are effective for reporting periods beginning after December 15, 2019 (fiscal 2021). Earlier application is encouraged. The requirements should be applied retroactively, except for the provisions related to (1) reporting a majority equity interest in a component unit and (2) reporting a component unit if the government acquires a 100 percent equity interest. Those provisions should be applied on a prospective basis.

Upcoming New GASB Pronouncements

GASB Statement No. 87, *Leases*. - The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments.

This Statement will increase the usefulness of governments' financial statements by requiring reporting of certain lease liabilities that currently are not reported. It will enhance comparability of financial statements among governments by requiring lessees and lessors to report leases under a single model.

This Statement also will enhance the decision-usefulness of the information provided to financial statement users by requiring notes to financial statements related to the timing, significance, and purpose of a government's leasing arrangements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021 (fiscal 2023). Earlier application is encouraged.

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. - The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

The requirements of this Statement 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 resulting information also will enhance the comparability of information about capital assets and the cost of borrowing for a reporting period for both governmental activities and business-type activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020 (fiscal 2022). Earlier application is encouraged. The requirements of this Statement should be applied prospectively.

GASB Statement No. 91, *Conduit Debt Obligations*. - 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.

NEVADA RURAL HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The requirements of this Statement will improve financial reporting by eliminating the existing option for issuers to report conduit debt obligations as their own liabilities, thereby ending significant diversity in practice. The clarified definition will resolve stakeholders' uncertainty as to whether a given financing is, in fact, a conduit debt obligation. Requiring issuers to recognize liabilities associated with additional commitments extended by issuers and to recognize assets and deferred inflows of resources related to certain arrangements associated with conduit debt obligations also will eliminate diversity, thereby improving comparability in reporting by issuers. Revised disclosure requirements will provide financial statement users with better information regarding the commitments issuers extend and the likelihood that they will fulfill those commitments. That information will inform users of the potential impact of such commitments on the financial resources of issuers and help users assess issuers' roles in conduit debt obligations.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2021 (fiscal 2023). Earlier application is encouraged. The Authority does not believe this statement will have a significant impact on the Authority's financial statements.

GASB Statement No. 92, *Omnibus 2020*. - The 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 during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions. The topics include but are not limited to leases, intra-entity transfers between a primary government and a post-employment benefit plan component unit, accounting for pensions and OPEB related assets, measurement of liabilities related to asset retirement obligations, and nonrecurring fair value measurements of assets or liabilities.

The requirements of this Statement are effective for reporting periods beginning after June 15, 2021 (fiscal 2022).

GASB Statement No. 93, *Replacement of Interbank Offered Rates*. - The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an Interbank Offer Rate (IBOR). This Statement achieves that objective by:

- Providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment
- Clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate
- Clarifying that the uncertainty related to the continued availability of IBORs does not, by itself, affect the assessment of whether the occurrence of a hedged transaction is probable
- Removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap
- Identifying a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of an interest rate swap.
- Clarifying the definition of *reference rate*, as it is used in Statement 53, as amended.

NEVADA RURAL HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The removal of London IBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021 (fiscal year 2022-23). All other requirements of this Statement are effective for reporting periods beginning after June 15, 2020 (fiscal year 2020-21). The Authority does not believe that the implementation of this Pronouncement will have an impact on the financial statements.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. - The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction.

The requirements of this Statement will improve financial reporting by establishing the definitions of PPPs and APAs and providing uniform guidance on accounting and financial reporting for transactions that meet those definitions. That uniform guidance will provide more relevant and reliable information for financial statement users and create greater consistency in practice. This Statement will enhance the decision usefulness of a government's financial statements by requiring governments to report assets and liabilities related to PPPs consistently and disclose important information about PPP transactions. The required disclosures will allow users to understand the scale and important aspects of a government's PPPs and evaluate a government's future obligations and assets resulting from PPP.

PPPs should be recognized and measured using the facts and circumstances that exist at the beginning of the period of implementation (or if applicable to earlier periods, the beginning of the earliest period restated).

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022 (fiscal year 2022-23), and all reporting periods thereafter. The Authority has not yet determined whether the implementation of this Pronouncement will have a material impact on the financial statements.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. - This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended.

NEVADA RURAL HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The requirements of this Statement will improve financial reporting by establishing a definition for SBITAs and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022 (fiscal year 2022-23), and all reporting periods thereafter. The Authority has not yet determined whether the implementation of this Pronouncement will have a material impact on the financial statements.

GASB Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32. - The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021 (fiscal year 2021-22). For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this Statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021 (fiscal year 2021-22).

G. Budgets and Budgetary Accounting

Each year the Authority's Board of Commissioners adopts an operating budget. This budget may be revised during the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of the adoption of the annual budget.

NEVADA RURAL HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. Blue Bird, LLC

As of February 25, 2021, NRHA and NRHI entered into an operating agreement as members to form Blue Bird Property, LLC with a percentage interest of 51% and 49% respectively. The purpose of this for-profit entity is to provide property management services to NRHA/NRHI owned properties with the ability to expand into management of external properties.

As of June 30, 2021, NRHA provided capital contributions totaling \$347,684 in the form of cash and services and NRHI provided \$69,325 in the form of cash for startup costs. Operations began June 1, 2021.

Beginning with fiscal year 2022, Blue Bird Property, LLC will be included in the audit as a component unit. Blue Bird Property, LLC has a calendar year end.

Note 2 - CASH AND INVESTMENTS

Cash and investments as of June 30, 2021, are classified in the accompanying financial statements as follows:

	<u>NRHA</u>	<u>NRHI</u>
Unrestricted cash and investments	\$ 7,030,717	\$ 230,205
Restricted cash	<u>805,962</u>	<u>-</u>
Total cash and investments	7,836,679	230,205
Investments in other entities	<u>347,684</u>	<u>258,227</u>
Total	<u>\$ 8,184,363</u>	<u>\$ 488,432</u>

Combined unrestricted and restricted cash and investments as of June 30, 2021, consist of the following:

	<u>NRHA</u>	<u>NRHI</u>
Checking and savings deposits with financial institutions	\$ 2,687,615	\$ 230,205
Guaranteed fixed annuity contracts	871,269	-
Money market accounts	3,454,595	-
Mortgage backed securities	822,600	-
Other investments	500	-
Petty cash on hand	<u>100</u>	<u>-</u>
Total cash and investments	<u>\$ 7,836,679</u>	<u>\$ 230,205</u>

Interest Rate Risk – Interest rate risk is the risk of possible reduction in the value of a security, especially a bond, resulting from the rise in interest rates. To limit exposure to interest rate risk, the Nevada Revised Statutes limits banker's acceptances to 180 days maturities, repurchase agreements to 90 days, U.S. Treasuries and Agencies to less than 10 years, and commercial paper to 270 days maturity. At June 30, 2021, the Authority was not invested in any of these investments.

NEVADA RURAL HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 2 - CASH AND INVESTMENTS (continued)

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation and is a function of the credit quality ratings of its investments. In accordance with the Nevada Revised Statutes, the Authority limits its investment instruments by their credit risk. The Authority's investment in VALIC Guaranteed Fixed Deferred Annuity Contracts is rated by nationally recognized statistical rating organizations as "A".

Custodial Credit Risk – Custodial credit risk is the risk that in the event of a bank or brokerage failure, the Authority's deposits may not be returned. The Authority's bank deposits are either covered by FDIC insurance or are collateralized. At June 30, 2021, \$6,660,230 of the Authority's cash and investments were over the FDIC insurance limit.

Note 3 - MORTGAGE LOAN RECEIVABLE

The Authority has issued mortgage loans to assist in the construction of affordable housing. The notes are due at various times ranging from 2047 through 2071.

	<u>June 30, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2021</u>
Mortgage Notes Receivable	\$ 7,091,550	\$ 528,797	\$ -	\$ 7,620,347

NRHI issued a promissory note in 2017 for \$100,000 which has accrued \$3,503 in interest as of June 30, 2021. The note is due to NRHI in 2067.

Note 4 - CAPITAL ASSETS

The following is a summary of the Authority's changes in capital assets for the fiscal year ended June 30, 2021:

	<u>Balance July 1, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2021</u>
Land	\$ 3,047,167	\$ 190,000	\$ -	\$ 3,237,167
Buildings and improvements	6,364,260	1,250,992	(418,568)	7,196,684
Furniture and Equipment	<u>524,487</u>	<u>170,853</u>	<u>(80,821)</u>	<u>614,519</u>
Total capital assets	<u>9,935,914</u>	<u>1,611,845</u>	<u>(499,389)</u>	<u>11,048,370</u>
Less Accumulated depreciation:				
Buildings and Improvements	(2,658,364)	(236,926)	-	(2,895,290)
Furniture and Equipment	<u>(415,067)</u>	<u>(68,969)</u>	<u>80,821</u>	<u>(403,215)</u>
Total accumulated depreciation	<u>(3,073,431)</u>	<u>(305,895)</u>	<u>80,821</u>	<u>(3,298,505)</u>
Total capital assets, net	<u>\$ 6,862,483</u>	<u>\$ 1,305,950</u>	<u>\$ (418,568)</u>	<u>\$ 7,749,865</u>

NEVADA RURAL HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 4 - CAPITAL ASSETS (continued)

The following is a summary of NRHI's changes in capital assets for the fiscal year ended June 30, 2021.

	Balance July 1, 2020	Additions	Adjustments and Deletions	Balance June 30, 2021
Land	\$ 43,274	\$ 260,000	\$ -	\$ 303,274
Buildings	98,443	-	-	98,443
Total capital assets	<u>141,717</u>	<u>260,000</u>	<u>-</u>	<u>401,717</u>
Less Accumulated depreciation:				
Buildings	(23,015)	(4,218)	-	(27,233)
Total accumulated depreciation	(23,015)	(4,218)	-	(27,233)
Total capital assets, net	<u>\$ 118,702</u>	<u>\$ 255,782</u>	<u>\$ -</u>	<u>\$ 374,484</u>

Note 5 - NOTES PAYABLE/LONG TERM DEBT

The following is a summary of changes in debt for the year ended June 30, 2021:

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021	Current
Mortgage notes	\$ 1,485,431	\$ -	\$ (43,522)	\$ 1,441,909	\$ 589,466
Compensated Absences (Note 6)	148,744	694,720	(657,916)	185,548	18,555
	<u>\$ 1,634,175</u>	<u>\$ 694,720</u>	<u>\$ (701,438)</u>	<u>\$ 1,627,457</u>	<u>\$ 608,021</u>

A description of the debt recorded at June 30, 2021 for the housing authority is as follows:

	<u>Balance</u>
<u>Winnemucca Manor</u>	
Installment note, due February 1, 2041; secured by a consolidated deed of trust on real property and security agreement which includes an assignment of rents; interest at 8.5% per annum. Per an agreement with the USDA dated February 12, 2013 the monthly principal and interest payments are deferred until February 2034 at which time all deferred principal and interest is due.	\$ 212,526

Installment note, due February 1, 2041; secured by a consolidated deed of trust on real property and security agreement which includes an assignment of rents; interest at 9% per annum. Per an agreement with the USDA dated February 12, 2013 the monthly principal and interest payments have been deferred from March 2013 until February 2034 at which time all deferred principal and interest is due.	31,576
--	--------

NEVADA RURAL HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 5 - NOTES PAYABLE/LONG TERM DEBT (continued)

Installment note, due February 1, 2041; secured by a consolidated deed of trust on real property and security agreement which includes interest at 10.75% per annum. Per an agreement with the USDA dated February 12, 2013 the monthly principal and interest payments have been deferred from March 2013 until February 2034 at which time all accrued principal and interest is due. 17,782

Installment note, due February 1, 2061; secured by a deed of trust on real property and security agreement which includes interest at 3.125%. Monthly principal and interest payments total \$1,000. 279,528

Yerington Manor

Installment note due February 1, 2029, secured by a deed of trust on real property and security agreement which includes an assignment of rents, interest at 8.25% per annum, required monthly principal and interest payments are \$3,373. 229,394

Installment note due March 1, 2029, secured by a deed of trust on real property and security agreement which includes an assignment of rents, interest at 8.75% per annum, required monthly principal and interest payments are \$1,721. 115,912

Installment note due December 25, 2029, secured by a deed of trust on real property and security agreement which includes an assignment of rents, interest at 9.00% per annum, required monthly principal and interest payments are \$323. 21,559

Installment note due March 2, 2039, secured by a deed of trust on real property and security agreement which includes an assignment of rents, interest at 9.00% per annum, monthly principal and interest payments amount to \$4,416. 468,877

Installment note due March 2, 2039 secured by a deed of trust on real property and security agreement which includes an assignment of rents, interest at 9.5% per annum, monthly principal and interest payments amount to \$630. 64,755

Total notes payable at June 30, 2021 \$ 1,441,909

NEVADA RURAL HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 5 - NOTES PAYABLE/LONG TERM DEBT (continued)

A schedule of debt payment requirements to maturity for mortgage debt obligations other than compensated absences follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Principal</u> <u>Payments</u>	<u>Interest</u> <u>Payments</u>	<u>Total</u> <u>Payments</u>
2022	\$ 589,466	\$ 5,901	\$ 595,367
2023	52,357	(2,907)	49,450
2024	57,048	(7,598)	49,450
2025	62,160	(12,710)	49,450
2026	67,731	(18,281)	49,450
2027 – 2031	276,863	(104,742)	172,121
2032 – 2036	189,335	(105,214)	84,121
2037 – 2041	146,949	(100,637)	46,312
	<u>\$ 1,441,909</u>	<u>\$ (346,188)</u>	<u>\$ 1,095,721</u>

Nevada Rural Housing Inc. (NRHI) entered into a deferred loan agreement due on April 12, 2027, in the amount of \$111,530 with an annual interest rate of 1.00%. The loan is being deferred for the period of affordability and repayment of the loan including principal and interest will be forgiven at the end of the period of affordability as long as the project meets all HUD HOME program requirements.

Winnemucca Manor was sold subsequent to year end, and the related notes payable were transferred to the purchaser. As Winnemucca Manor was in the process of being transferred, the full balance of the Winnemucca Manor notes are due in the fiscal year ending June 30, 2022.

Note 6 - COMPENSATED ABSENCES

It is the Authority's policy to permit employees to accumulate earned but unused vacation leave. This leave will be used in future periods or paid to employees upon separation from the Authority. Employees also are entitled to receive unused sick leave at separation of service up to a maximum of \$8,000 based upon the number of years of service, after being with the Authority ten years or more. At June 30, 2021 accrued vacation and sick leave, \$185,548, has been valued by the Authority and has been recorded as a short-term liability of \$18,555 and a long-term liability of \$166,993.

Note 7 – EMPLOYEE RETIREMENT PLAN

A. General Information about the Pension Plan

Plan Descriptions – Public Employee Retirement System of Nevada (PERS) administers a cost-sharing, multiple-employer, defined benefit public employees' retirement system. The system was established by the Nevada Legislature in 1947, effective July 1, 1948. The system is administered to provide a reasonable base income to qualified employees who have been employed by a public employer and whose earning capacities have been removed or substantially impaired by age or disability.

NEVADA RURAL HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 7 – EMPLOYEE RETIREMENT PLAN (continued)

Additional information supporting the Schedule of Employer Allocations and the Schedule of Pension Amounts by Employer is located in the PERS Comprehensive Annual Financial Report (CAFR) available on the PERS website at www.nvpers.org under Quick Links – Publications.

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

Monthly benefit allowances for members are computed as 2.5% of average compensation for each accredited year of service prior to July 1, 2001. For service earned on or after July 1, 2001, this factor is 2.67% of average compensation. For members entering the System on or after January 1, 2010, there is a 2.5% service time factor. For members entering the system on or after July 1, 2015, there is a 2.25% factor. 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.

Vesting – Regular members become fully vested as to benefits upon completion of five years of service. Members entering the system on or after July 1, 2015 are eligible for retirement at age 65 with five years of service, or at age 62 with ten years of service, or at age 55 with thirty years of service, or at any age with thirty-three and one third years of service. See the chart below for details regarding vesting prior to June 30, 2015.

The normal ceiling limitation on monthly benefits allowances is 75% of average compensation. However, a member who has an effective date of membership before July 1, 1985, is entitled to a benefit up to 90% of average compensation.

The Plans’ provisions and benefits in effect at June 30, 2020, are summarized as follows:

	Prior to Jan 1, 2010	Jan 1, 2010 to June 30, 2015	On or after Jul 1, 2015
Retirement age based on years of service	60 after 10 years, 65 after 5 years, any after 30 years	62 after 10 years, 65 after 5 years, any after 30 years	55 after 30 years, 62 after 10 years, 65 after 5 years, any after 33 1/3 years

NEVADA RURAL HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 7 – EMPLOYEE RETIREMENT PLAN (continued)

Contributions – The authority for establishing and amending the obligation to make employer 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, 2020 the Regular Statutory Employer/employee matching rate was 15.25%. The Regular Employer-pay contribution (EPC) rate was 29.25%.

For the year ended June 30, 2021, the contributions recognized as part of pension expense were as follows:

Contributions – employer	\$ 500,452
Contributions – employee	\$ 285,001

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

Pension Liability - The following table shows the Plan’s proportionate share of the regular risk pool collective net pension liability over the measurement period ended June 30, 2020:

	Proportionate Share of Net <u>Pension Liability</u>	Pool <u>Percentage</u>
Balance at 6/30/19 – Measurement date	\$ 4,441,488	0.03257%
Balance at 6/30/20 – Measurement date	<u>4,950,673</u>	<u>0.03554%</u>
Total Net Change	<u>\$ 509,185</u>	<u>0.00297%</u>

NEVADA RURAL HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 7 – EMPLOYEE RETIREMENT PLAN (continued)

The Authority's net pension liability (NPL) was measured as of June 30, 2020, and the total pension liability used to calculate the pension liability was determined by an actuarial valuation as of that date. The NPL of \$4,950,673 is measured as the proportionate share of the net pension liability of \$13,928,336,726 (or 0.03554%).

The employer allocation percentage of the net pension liability was based on the total contributions due on wages paid during the measurement period. Each employer's proportion of the net pension liability is based on the employer contributions relative to the total combined employer contributions for all employers for the period ended June 30, 2020.

Pension expense – As of June 30, 2021, the Authority recognized pension expense of \$271,597.

Deferred inflows/outflows - At June 30, 2021, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 500,452	\$ -
Differences between actual and expected experience	153,814	(63,925)
Changes in assumptions	139,059	-
Net differences between projected and actual earnings on pension plan investments	-	(187,016)
Adjustment due to differences between actual Contributions and proportionate share of contributions	<u>766,670</u>	<u>(51,871)</u>
Total	<u>\$ 1,559,995</u>	<u>\$ (302,812)</u>

\$500,452 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022 (measurement period ended June 30, 2021). Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Period Ended June 30	Deferred Outflows/inflows of Resources
2022	\$ (78,282)
2023	38,949
2024	44,981
2025	31,471
2026	4,495
2027	318
Thereafter	-

NEVADA RURAL HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 7 – EMPLOYEE RETIREMENT PLAN (continued)

Actuarial Methods and Assumptions Used to Determine Total Pension Liability – The System’s net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Assumptions:		
Investment Rate of Return	7.50%	
Inflation	2.75%	
Productivity pay increase	0.50%	
Projected Salary Increase	4.25% to 9.15% depends on service.	
	Includes inflation and productivity	
	Increases	
Other assumptions	Same as those used in the June 30, 2020 funding actuarial valuation	

Actuarial assumptions used in the June 30, 2020 valuation were based on the results of the experience study for the period July 1, 2012 through June 30, 2016.

Discount Rate – The discount rate used to measure the total pension liability was 7.50% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed plan contributions will be made in amounts consistent with statutory provisions and recognizing the plan’s current funding policy and cost-sharing mechanism between employers and members. For this purpose, all contributions that are intended to fund benefits for all plan members and their beneficiaries are included, except that projected contributions are intended to fund the service costs for future plan members and their beneficiaries are not included.

Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments for 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 as of June 30, 2020.

The following was the Pension Board adopted policy target asset allocation as of June 30, 2020:

Asset Class	Target Allocation	Long-Term Geometric Expected Real Rate of Return*
U.S. Stocks	42.0%	5.50%
International Stocks	18.0%	5.50%
U.S. Bonds	28.0%	0.75%
Private Markets	12.0%	6.65%
Total	100.0%	

*As of June 30, 2020, PERS’s long-term inflation assumption was 2.75%.

NEVADA RURAL HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 7 – EMPLOYEE RETIREMENT PLAN (continued)

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate –

The following presents the Authority's proportionate share of the net pension liability, calculated using the discount rate of 7.50 percent, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.50%) or 1-percentage point higher (8.50%) than the current discount rate:

	Discount Rate - 1%	Current Discount Rate	Discount Rate +1%
	(6.50%)	(7.50%)	(8.50%)
Plan's Net Pension Liability	\$ 7,721,137	\$ 4,950,673	\$ 2,647,238

Pension Plan Fiduciary Net Position – Detailed information about each pension plan's fiduciary net position is available in the separately issued PERS' Comprehensive Annual Financial Report, available on the PERS website at www.nvpers.org.

Note 8 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description – The Authority has established a Retiree Healthcare Plan (HC Plan), Nevada Rural Housing Authority Employee Health Benefit Plan (NVRHAEHBP), and administers a single-employer defined benefit retiree healthcare plan. Additionally, the Authority contributes to an agent multiple-employer defined benefit postemployment healthcare plan, Public Employees' Benefits Plan (PEBP). Each plan provides medical, vision, dental, and life insurance benefits to eligible retired Authority employees and beneficiaries. Benefit provisions for the NRHAEHBP are established pursuant to NRS 287.023 and amended through negotiations between the Authority and the respective associations. NRS 288.150 assigns the authority to establish benefit provisions to the Board of Commissioners. The plan provides healthcare insurance for eligible retirees and their beneficiaries through the Authority's group health insurance plan, which covers both active and retired members. The Authority implemented GASB No. 75 beginning with the fiscal year ending June 30, 2018.

Under NRS 287.023, eligible retirees are able to participate in the plan at the same premium rates as active employees. Retirees are required to pay 100% of their premiums under the plan. As of June 30, 2020, two retirees were using this plan. The NVRHAEHBP does not issue a publicly available financial report.

Authority employees who met the eligibility requirements effective September 1, 2008 for retirement within the Public Employee Retirement System had the option upon retirement to enroll in coverage under the PEBP. NRS 287.023 sunsetted the option to join PEBP for Authority employees who retired after December 29, 2008. Local governments are required to pay the same portion of cost of coverage for those persons joining PEBP that the State of Nevada pays for those persons retired from state service who have continued to participate in the plan.

NEVADA RURAL HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 8 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)

While PEBP is generally closed to Authority retirees after September 1, 2008, former employees covered by PEBP at the time of their retirement (through a subsequent employer) may join the plan and the Authority is assessed a portion of their cost.

The Authority's annual cost for the two retirees is projected to be less than \$1,000 in the fiscal year ending June 30, 2021, with an immaterial estimated long-term liability. This OPEB liability has not been recognized in these financial statements.

Note 9 – CONTINGENT LIABILITIES

Federal Grants

The Authority has received funds from various federal, state, and local grant programs. It is possible that at some future date it may be determined that the Authority was not in compliance with applicable grant requirements. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the Authority does not expect such disallowed amounts, if any, to materially affect the financial statements.

Contingent Liability

For the following partnerships, the Nevada Rural Housing Authority (the Authority) has guaranteed performance regarding delivery of low-income housing tax credits, funding of operating deficits, and maintaining compliance with applicable provisions of Internal Revenue Code Section 42.

West Minor Street Associates, LLC	West Minor Street Associates II, LLC
Sunridge Fallon Associates, LLC	Southwood Associates, LLC
Desert Properties, LLC	Belmont Associates, LLC
Bristlecone Apartments Associates, LLC	Shadows Associates, LLC
Pinion Apartments, LLC	Jeanell Drive Associates, LLC
Mountain View Village, LLC	Winnemucca Village, LLC

In addition, the Authority has guaranteed performance regarding repayment of permanent loans and payment of development fees for Southwood Associates, LLC under provisions of the same code. Failure to maintain compliance or to correct noncompliance within a specified time period could result in a default and create financial costs to the Authority. There are no outstanding faults that are probable in which the loss is estimable, which would be required to be accrued in these financial statements.

Note 10 – DEFERRED REVENUES

At June 30, 2021, the Authority had a deferred revenue balance of \$1,681,620. \$1,500,000 of the deferred revenue balance was for funding of the Emergency Rental Assistance Program, which will be drawn upon as support is provided to families.

NEVADA RURAL HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 11 – SUBSEQUENT EVENTS

Management evaluated all activity of the Authority through the date of the audit opinion, the date on which the financial statements were available to be issued, and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

Winnemucca Manor was sold subsequent to year end, and the related notes payable were transferred to the purchaser.

REQUIRED SUPPLEMENTARY INFORMATION
(Other than the MD&A)

**NEVADA RURAL HOUSING AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2021**

**Schedule of the Authority's Proportionate Share of the Net Pension Liability
Last 10 Years***

Measurement date	Fiscal year ended June 30,						
	2015	2016	2017	2018	2019	2020	2021
	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020
Plan's Proportion of the Net Pension Liability/(Asset)	0.02218%	0.02364%	0.02968%	0.03199%	0.03123%	0.03257%	0.03554%
Plan's Proportionate Share of the Net Pension Liability/(Asset)	\$ 2,311,800	\$ 2,709,403	\$ 3,993,550	\$ 4,254,861	\$ 4,259,470	\$ 4,441,488	\$ 4,950,673
Plan's Covered-Employee Payroll	\$ 1,379,650	\$ 1,319,436	\$ 1,760,342	\$ 2,003,011	\$ 2,010,588	\$ 2,173,079	\$ 2,456,390
Plan's Proportionate Share of the Net Pension Liability/(asset) as a Percentage of its Covered-Employee Payroll	168%	205%	227%	212%	212%	204%	202%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	76.51%	75.13%	72.23%	74.40%	75.24%	76.46%	77.04%
Plan's Proportionate Share of Aggregate Fiduciary Net Position	\$ 7,446,953	\$ 8,181,974	\$ 10,388,602	\$ 12,376,433	\$ 12,940,341	\$ 14,424,210	\$ 16,611,480

* Fiscal year ending June 30, 2015 was the 1st year of implementation, therefore only seven years of information is shown

NEVADA RURAL HOUSING AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2021

Schedule of the Authority's Pension Plan Contributions
Last 10 Years*

Measurement date	Fiscal year ended June 30,						
	2015	2016	2017	2018	2019	2020	2021
	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020
Actuarially Determined Contributions	\$ 181,479	\$ 189,751	\$ 189,128	\$ 281,128	\$ 362,009	\$ 356,637	\$ 436,133
Contributions in Relation to the Actuarially Determined Contribution - Employer	(181,479)	(189,751)	(189,128)	(281,128)	(362,009)	(356,637)	(436,133)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 1,379,650	\$ 1,319,436	\$ 1,760,342	\$ 2,003,011	\$ 2,010,588	\$ 2,173,079	\$ 2,456,390
Contributions as a Percentage of Covered-Employee Payroll	13.15%	14.38%	10.74%	14.04%	18.01%	16.41%	17.76%

Notes to Schedule:

Valuation Date: June 30, 2020

Methods and assumptions used to determine contributions rates:

Actuarial Cost method	Entry Age Normal Actuarial Cost Method
Amortization Policy	Separate 30-year period amortization layers
Asset Valuation Method	Market Value of Assets less unrecognized returns in each of the last five years
Inflation rate	2.75%
Investment Rate of Return	7.50%
Projected salary increases	4.25% to 9.15%, depending on years of service
Retirement Age	Varies based on years of service
Mortality rates	Healthy: Headcount-Weighted RP-2014 Healthy Annuitant table projected to 2020 with Scale MP-2016, set forward one year for spouses and beneficiaries. For ages less than 50, mortality rates are based on the Headcount-Weighted RP-2014 Employee Mortality Tables. Those mortality rates are adjusted by the ratio of the mortality rate for members at age 50 to the mortality rate at age 50 from the Employee mortality tables listed above. The mortality rates are then projected to 2020 with Scale MP-2016.
	Disabled: Headcount-Weighted RP-2014 Disabled Retiree Table, set forward four years.
	Pre-retirement: Headcount-Weighted RP-2014 Employee table, projected to 2020 with Scale MP-2016.

* Fiscal year ending June 30, 2015 was the 1st year of implementation, therefore only seven years of information is shown

OTHER SUPPLEMENTARY INFORMATION

**NEVADA RURAL HOUSING AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021**

<u>Federal Grantor/ Pass Through Grantor</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Identifying Number</u>	<u>Expenditures</u>
<u>Department of Housing and Urban Development (HUD):</u>			
Direct Programs:			
Rent Supplements – Rental Housing for			
Lower Income Families	14.149		\$ 92,277
Neighborhood Stabilization Program	14.256		41,238
Dollar Home Sales	14.313		9,110
Multifamily Housing Service Coordinators	14.191		81,906
Housing Voucher Cluster:			
Mainstream Vouchers	14.879		905,066
Mainstream CARES Act Funding	14.MSC		17
Section 8 Housing Choice Vouchers	14.871		10,724,012
HCV CARES Act Funding	14.HCC		<u>142,692</u>
Total U.S. Department of Housing and Urban Development			<u>11,996,318</u>
<u>U.S. Department of Agriculture (USDA):</u>			
Direct Programs:			
Rural Rental Assistance Programs	10.427		1,957,167
Rural Housing Preservation Grant	10.433		<u>31,899</u>
Total U.S. Department of Agriculture			<u>1,989,066</u>
<u>Department of Energy (DOE):</u>			
Passed through from State of Nevada Housing Division:			
Weatherization Assistance for Low-Income Persons	81.042	DOE/2016/02	<u>232,718</u>
Total Department of Energy			<u>232,718</u>
<u>Department of Health and Human Services (HH&S):</u>			
Passed through from State of Nevada Housing Division:			
Low Income Home Energy Assistance	93.568	LIHEA/2016/02	<u>201,351</u>
Total Department of Health and Human Services			<u>201,351</u>
<u>Department of the Treasury</u>			
Direct Programs:			
Coronavirus Relief Fund (CHAP)	21.019		4,098,647
Emergency Rental Assistance (ERAP)	21.023		<u>1,188,148</u>
Total Department of the Treasury			<u>5,286,795</u>
Total Federal Expenditures			<u>\$ 19,706,248</u>

See Notes to the Schedule of Expenditures of Federal Awards

NEVADA RURAL HOUSING AUTHORITY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2021

1. The Schedule of Expenditures of Federal Awards presents the activities of federal award programs expended by the Nevada Rural Housing Authority (the “Authority”). The Authority’s reporting entity is defined in Note 1 to the financial statements.
2. The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Authority under programs of the federal government for the year ended June 30, 2021. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Authority.
3. The Schedule of Expenditures of Federal Awards is presented on the accrual basis of accounting. This is the same method of accounting as was used in the preparation of the Authority’s basic financial statements.
4. The Authority did not pass-through any federal awards to subrecipients during the fiscal year ended June 30, 2021.
5. Per compliance requirements, the \$1,830,554 of Rural Rental Assistance Program (CFDA #10.427) expenditures include the balance of the debt (\$1,441,910) outstanding at June 30, 2021.

NEVADA RURAL HSG AUTH (NV905)

Carson City, NV

Entity Wide Balance Sheet Summary

Submission Type: Unaudited/Single Audit

Fiscal Year End: 06/30/2021

	14.879 Mainstream Vouchers	14.MSC Mainstream CARES Act Funding	14.149 Rent Supplements, Rental Housing for Lower Income Families	14.313 Dollar Home Sales	14.256 Neighborhood Stabilization Program (Recovery Act Funded)	93.568 Low-Income Home Energy Assistance	14.HCC HCV CARES Act Funding	81.042 Weatherization Assistance for Low- Income Persons
111 Cash - Unrestricted	\$59,195	\$0		\$0	\$10,028	\$0	\$0	\$0
112 Cash - Restricted - Modernization and Development	\$0	\$0		\$0	\$0	\$0	\$0	\$0
113 Cash - Other Restricted	\$0	\$0		\$0	\$0	\$0	\$12,327	\$0
114 Cash - Tenant Security Deposits	\$0	\$0		\$0	\$4,913	\$0	\$0	\$0
115 Cash - Restricted for Payment of Current Liabilities	\$0	\$0		\$0	\$0	\$0	\$0	\$0
100 Total Cash	\$59,195	\$0	\$0	\$0	\$14,941	\$0	\$12,327	\$0
121 Accounts Receivable - PHA Projects	\$0	\$0		\$0	\$0	\$0	\$0	\$0
122 Accounts Receivable - HUD Other Projects	\$0	\$0		\$0	\$0	\$0	\$0	\$0
124 Accounts Receivable - Other Government	\$0	\$0		\$0	\$0	\$22,532	\$0	\$20,678
125 Accounts Receivable - Miscellaneous	\$0	\$0		\$100	\$0	\$0	\$0	\$0
126 Accounts Receivable - Tenants	\$0	\$0		\$0	\$19	\$0	\$0	\$0
126.1 Allowance for Doubtful Accounts - Tenants	\$0	\$0		\$0	\$0	\$0	\$0	\$0
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0		\$0	\$0	\$0	\$0	\$0
127 Notes, Loans, & Mortgages Receivable - Current	\$0	\$0		\$0	\$0	\$0	\$0	\$0
128 Fraud Recovery	\$763	\$0		\$0	\$0	\$0	\$0	\$0
128.1 Allowance for Doubtful Accounts - Fraud	-\$763	\$0		\$0	\$0	\$0	\$0	\$0
129 Accrued Interest Receivable	\$0	\$0		\$0	\$0	\$0	\$0	\$0
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$0	\$0	\$0	\$100	\$19	\$22,532	\$0	\$20,678
131 Investments - Unrestricted	\$0	\$0		\$0	\$0	\$0	\$0	\$0
132 Investments - Restricted	\$0	\$0		\$0	\$0	\$0	\$0	\$0
135 Investments - Restricted for Payment of Current Liability	\$0	\$0		\$0	\$0	\$0	\$0	\$0
142 Prepaid Expenses and Other Assets	\$0	\$0		\$0	\$0	\$0	\$0	\$0
143 Inventories	\$0	\$0		\$0	\$0	\$0	\$0	\$0
143.1 Allowance for Obsolete Inventories	\$0	\$0		\$0	\$0	\$0	\$0	\$0
144 Inter Program Due From	\$0	\$0		\$90,634	\$0	\$0	\$0	\$0
145 Assets Held for Sale	\$0	\$0		\$0	\$0	\$0	\$0	\$0
150 Total Current Assets	\$59,195	\$0	\$0	\$90,734	\$14,960	\$22,532	\$12,327	\$20,678
161 Land	\$0	\$0		\$19,800	\$226,260	\$0	\$0	\$0
162 Buildings	\$0	\$0		\$66,582	\$446,585	\$0	\$0	\$0
163 Furniture, Equipment & Machinery - Dwellings	\$14,651	\$0		\$14,947	\$0	\$0	\$0	\$0
164 Furniture, Equipment & Machinery - Administration	\$0	\$0		\$0	\$0	\$0	\$0	\$0
165 Leasehold Improvements	\$0	\$0		\$0	\$0	\$0	\$0	\$0
166 Accumulated Depreciation	-\$8,286	\$0		-\$31,895	-\$177,146	\$0	\$0	\$0
167 Construction in Progress	\$0	\$0		\$0	\$0	\$0	\$0	\$0
168 Infrastructure	\$0	\$0		\$0	\$0	\$0	\$0	\$0
160 Total Capital Assets, Net of Accumulated Depreciation	\$6,365	\$0	\$0	\$69,434	\$495,699	\$0	\$0	\$0
171 Notes, Loans and Mortgages Receivable - Non-Current	\$0	\$0		\$0	\$0	\$0	\$0	\$0
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due	\$0	\$0		\$0	\$0	\$0	\$0	\$0
173 Grants Receivable - Non Current	\$0	\$0		\$0	\$0	\$0	\$0	\$0
174 Other Assets	\$0	\$0		\$0	\$0	\$0	\$0	\$0
176 Investments in Joint Ventures	\$0	\$0		\$0	\$0	\$0	\$0	\$0
180 Total Non-Current Assets	\$6,365	\$0	\$0	\$69,434	\$495,699	\$0	\$0	\$0
200 Deferred Outflow of Resources	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
290 Total Assets and Deferred Outflow of Resources	\$65,560	\$0	\$0	\$160,168	\$510,659	\$22,532	\$12,327	\$20,678
311 Bank Overdraft	\$0	\$0		\$0	\$0	\$0	\$0	\$0
312 Accounts Payable <= 90 Days	\$201	\$0		\$0	\$0	\$0	\$0	\$0
313 Accounts Payable >90 Days Past Due	\$0	\$0		\$0	\$0	\$0	\$0	\$0
321 Accrued Wage/Payroll Taxes Payable	\$2,498	\$0		\$0	\$0	\$0	\$0	\$0
322 Accrued Compensated Absences - Current Portion	\$477	\$0		\$0	\$0	\$0	\$0	\$0
324 Accrued Contingency Liability	\$0	\$0		\$0	\$0	\$0	\$0	\$0
325 Accrued Interest Payable	\$0	\$0		\$0	\$0	\$0	\$0	\$0
331 Accounts Payable - HUD PHA Programs	\$0	\$0		\$0	\$0	\$0	\$0	\$0
332 Account Payable - PHA Projects	\$0	\$0		\$0	\$0	\$0	\$0	\$0
333 Accounts Payable - Other Government	\$0	\$0		\$0	\$0	\$0	\$0	\$0
341 Tenant Security Deposits	\$0	\$0		\$0	\$4,882	\$0	\$0	\$0
342 Unearned Revenue	\$0	\$0		\$0	\$366	\$0	\$12,327	\$0
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	\$0	\$0		\$0	\$0	\$0	\$0	\$0
344 Current Portion of Long-term Debt - Operating Borrowings	\$0	\$0		\$0	\$0	\$0	\$0	\$0
345 Other Current Liabilities	\$133	\$0		\$0	\$0	\$0	\$0	\$0
346 Accrued Liabilities - Other	\$18	\$0		\$0	\$0	\$0	\$0	\$0
347 Inter Program - Due To	\$0	\$0		\$0	\$0	\$22,535	\$0	\$27,284
348 Loan Liability - Current	\$0	\$0		\$0	\$0	\$0	\$0	\$0
310 Total Current Liabilities	\$3,327	\$0	\$0	\$0	\$5,248	\$22,535	\$12,327	\$27,284
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	\$0	\$0		\$0	\$0	\$0	\$0	\$0
352 Long-term Debt, Net of Current - Operating Borrowings	\$0	\$0		\$0	\$0	\$0	\$0	\$0

1 Business Activities	14.191 Multifamily Housing Service Coordinators	2 State/Local	10.433 Rural Housing Preservation Grants	21.019 Coronavirus Relief Fund	21.023 Emergency Rental Assistance Program	6.1 Component Unit Discretely Presented	10.427 Rural Rental Assistance Payments	14.871 Housing Choice Vouchers	14.EHV Emergency Housing Voucher	Subtotal	ELIM	Total
\$4,467,768	\$0	\$0	\$0	\$0	\$0	\$230,205	\$78,987	\$43,687	\$0	\$4,889,870		\$4,889,870
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
\$0	\$0	\$0	\$0	\$0	\$1,128,728	\$0	\$783,219	\$130,538	\$101,050	\$2,155,862		\$2,155,862
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$17,831	\$0	\$0	\$22,744		\$22,744
\$0	\$0	\$0	\$0	\$0	\$175,308	\$0	\$0	\$0	\$0	\$175,308		\$175,308
\$4,467,768	\$0	\$0	\$0	\$0	\$1,304,036	\$230,205	\$880,037	\$174,225	\$101,050	\$7,243,784	\$0	\$7,243,784
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
\$34,988	\$40,708	\$86,054	\$0	\$0	\$354,309	\$0	\$5,443	\$0	\$0	\$564,712		\$564,712
\$2,268,199	\$0	\$0	\$0	\$0	\$0	\$8,400	\$0	\$33,096	\$0	\$2,309,795		\$2,309,795
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,437	\$0	\$0	\$3,456		\$3,456
\$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	\$7,577	\$0	\$8,340		\$8,340
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-\$7,577	\$0	-\$8,340		-\$8,340
\$94,320	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$94,320		\$94,320
\$2,397,507	\$40,708	\$86,054	\$0	\$0	\$354,309	\$8,400	\$8,880	\$33,096	\$0	\$2,972,283	\$0	\$2,972,283
\$823,100	\$0	\$0	\$0	\$0	\$0	\$188,903	\$0	\$0	\$0	\$1,012,003		\$1,012,003
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
\$4,227	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,576	\$0	\$8,803		\$8,803
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
\$19,810,364	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$19,900,998	\$19,900,999	\$39,801,997
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
\$27,502,966	\$40,708	\$86,054	\$0	\$0	\$1,658,345	\$427,508	\$888,917	\$211,897	\$101,050	\$31,137,871	\$19,900,999	\$51,038,870
\$1,736,908	\$0	\$0	\$0	\$0	\$0	\$303,274	\$1,254,200	\$0	\$0	\$3,540,442		\$3,540,442
\$1,779,126	\$0	\$0	\$0	\$0	\$0	\$98,443	\$4,811,908	\$92,483	\$0	\$7,295,127		\$7,295,127
\$385,576	\$0	\$6,649	\$0	\$0	\$0	\$0	\$47,167	\$145,529	\$0	\$614,519		\$614,519
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
-\$379,743	\$0	-\$6,649	\$0	\$0	\$0	-\$27,234	-\$2,612,484	-\$82,303	\$0	-\$3,325,740		-\$3,325,740
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
\$3,521,867	\$0	\$0	\$0	\$0	\$0	\$374,483	\$3,500,791	\$155,709	\$0	\$8,124,348	\$0	\$8,124,348
\$8,180,129	\$0	\$0	\$0	\$0	\$0	\$172,828	\$0	\$0		\$8,352,957		\$8,352,957
\$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
\$11,701,996	\$0	\$0	\$0	\$0	\$0	\$547,311	\$3,500,791	\$155,709	\$0	\$16,477,305	\$0	\$16,477,305
\$1,105,818	\$31,826	\$0	\$0	\$0	\$1,146	\$0	\$0	\$421,205		\$1,559,995	\$0	\$1,559,995
\$40,310,780	\$72,534	\$86,054	\$0	\$0	\$1,659,491	\$974,819	\$4,389,708	\$788,811	\$101,050	\$49,175,171	\$19,900,999	\$69,076,170
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0		\$0
\$211,859	\$0	\$3,407	\$0	\$0	\$169,460	\$0	\$10,992	\$1,993		\$397,912		\$397,912
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0		\$0
\$95,505	\$2,220	\$0	\$0	\$0	\$5,848	\$0	\$0	\$24,815		\$130,886		\$130,886
\$12,520	\$822	\$0	\$0	\$0	\$0	\$0	\$0	\$4,736		\$18,555		\$18,555
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0		\$0
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$40,538	\$0		\$40,538		\$40,538
\$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	\$17,097	\$0		\$21,979		\$21,979
\$64,727	\$0	\$0	\$0	\$0	\$1,500,000	\$20,000	\$3,151	\$0	\$101,050	\$1,701,621		\$1,701,621
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$51,107	\$0		\$51,107		\$51,107
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0		\$0
\$3,016	\$0	\$0	\$0	\$0	\$0	\$0	\$9,637	\$1,320		\$14,106		\$14,106
\$68,620	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$178		\$68,816		\$68,816
\$19,723,483	\$29,394	\$98,302	\$0	\$0	\$0	\$0	\$0	\$0		\$19,900,998	\$19,900,999	\$39,801,997
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0		\$0
\$20,179,730	\$32,436	\$101,709	\$0	\$0	\$1,675,308	\$20,000	\$132,522	\$33,042	\$101,050	\$22,346,518	\$19,900,999	\$42,247,517
\$0	\$0	\$0	\$0	\$0	\$0	\$111,530	\$1,390,803	\$0		\$1,502,333		\$1,502,333
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0		\$0

NEVADA RURAL HSG AUTH (NV905)

Carson City, NV

Entity Wide Balance Sheet Summary

Submission Type: Unaudited/Single Audit

Fiscal Year End: 06/30/2021

	14.879 Mainstream Vouchers	14.MSC Mainstream CARES Act Funding	14.149 Rent Supplements, Rental Housing for Lower Income Families	14.313 Dollar Home Sales	14.256 Neighborhood Stabilization Program (Recovery Act Funded)	93.568 Low-Income Home Energy Assistance	14.HCC HCV CARES Act Funding	81.042 Weatherization Assistance for Low- Income Persons
353 Non-current Liabilities - Other	\$0	\$0		\$0	\$0	\$0	\$0	\$0
354 Accrued Compensated Absences - Non Current	\$4,291	\$0		\$0	\$0	\$0	\$0	\$0
355 Loan Liability - Non Current	\$0	\$0		\$0	\$0	\$0	\$0	\$0
356 FASB 5 Liabilities	\$0	\$0		\$0	\$0	\$0	\$0	\$0
357 Accrued Pension and OPEB Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
350 Total Non-Current Liabilities	\$4,291	\$0	\$0	\$0	\$0	\$0	\$0	\$0
300 Total Liabilities	\$7,618	\$0	\$0	\$0	\$5,248	\$22,535	\$12,327	\$27,284
400 Deferred Inflow of Resources	\$0	\$0		\$0	\$0	\$0	\$0	\$0
508.4 Net Investment in Capital Assets	\$6,365	\$0		\$69,434	\$495,699	\$0	\$0	\$0
511.4 Restricted Net Position	\$0	\$0		\$0	\$4,913	\$0	\$0	\$0
512.4 Unrestricted Net Position	\$51,577	\$0	\$0	\$90,734	\$4,799	-\$3	\$0	-\$6,606
513 Total Equity - Net Assets / Position	\$57,942	\$0	\$0	\$160,168	\$505,411	-\$3	\$0	-\$6,606
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$65,560	\$0	\$0	\$160,168	\$510,659	\$22,532	\$12,327	\$20,678

1 Business Activities	14.191 Multifamily Housing Service Coordinators	2 State/Local	10.433 Rural Housing Preservation Grants	21.019 Coronavirus Relief Fund	21.023 Emergency Rental Assistance Program	6.1 Component Unit Discretely Presented	10.427 Rural Rental Assistance Payments	14.871 Housing Choice Vouchers	14.EHV Emergency Housing Voucher	Subtotal	ELIM	Total
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0		\$0
\$112,676	\$7,398	\$0	\$0	\$0	\$0	\$0	\$0	\$42,628		\$166,993		\$166,993
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0		\$0
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0		\$0
\$3,539,410	\$100,154	\$0	\$0	\$0	\$3,669	\$0	\$0	\$1,306,379		\$4,949,612		\$4,949,612
\$3,652,086	\$107,552	\$0	\$0	\$0	\$3,669	\$111,530	\$1,390,803	\$1,349,007	\$0	\$6,618,938	\$0	\$6,618,938
\$23,831,816	\$139,988	\$101,709	\$0	\$0	\$1,678,977	\$131,530	\$1,523,325	\$1,382,049	\$101,050	\$28,965,456	\$19,900,999	\$48,866,455
\$214,187	\$6,533	\$0	\$0	\$0	\$0	\$0	\$0	\$83,153		\$303,873	\$0	\$303,873
\$3,521,867	\$0	\$0	\$0	\$0	\$0	\$262,953	\$2,058,881	\$155,709	\$0	\$6,570,908		\$6,570,908
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$801,050	\$130,538	\$0	\$936,501		\$936,501
\$12,742,910	-\$73,987	-\$15,655	\$0	\$0	-\$19,486	\$580,336	\$6,452	-\$962,638	\$0	\$12,398,433		\$12,398,433
\$16,264,777	-\$73,987	-\$15,655	\$0	\$0	-\$19,486	\$843,289	\$2,866,383	-\$676,391	\$0	\$19,905,842	\$0	\$19,905,842
\$40,310,780	\$72,534	\$86,054	\$0	\$0	\$1,659,491	\$974,819	\$4,389,708	\$788,811	\$101,050	\$49,175,171	\$19,900,999	\$69,076,170

NEVADA RURAL HSG AUTH (NV905)

Carson City, NV

Entity Wide Revenue and Expense Summary

Submission Type: Unaudited/Single Audit

Fiscal Year End: 06/30/2021

	14.879 Mainstream Vouchers	14.MSC Mainstream CARES Act Funding	14.149 Rent Supplements, Rental Housing for Lower Income Families	14.313 Dollar Home Sales	14.256 Neighborhood Stabilization Program (Recovery Act Funded)	93.568 Low-Income Home Energy Assistance	14.HCC HCV CARES Act Funding	81.042 Weatherization Assistance for Low- Income Persons
70300 Net Tenant Rental Revenue	\$0	\$0	\$0	\$14,304	\$57,223	\$0	\$0	\$0
70400 Tenant Revenue - Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
70500 Total Tenant Revenue	\$0	\$0	\$0	\$14,304	\$57,223	\$0	\$0	\$0
70600 HUD PHA Operating Grants	\$835,234	\$44,935	\$92,277	\$0	\$0	\$0	\$434,503	\$0
70610 Capital Grants	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
70710 Management Fee								
70720 Asset Management Fee								
70730 Book Keeping Fee								
70740 Front Line Service Fee								
70750 Other Fees								
70700 Total Fee Revenue								
70800 Other Government Grants	\$0	\$0	\$0	\$0	\$0	\$201,351	\$0	\$232,718
71100 Investment Income - Unrestricted	\$0	\$0	\$0	\$0	\$4	\$0	\$0	\$0
71200 Mortgage Interest Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
71300 Proceeds from Disposition of Assets Held for Sale	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
71310 Cost of Sale of Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
71400 Fraud Recovery	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
71500 Other Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
71600 Gain or Loss on Sale of Capital Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
72000 Investment Income - Restricted	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
70000 Total Revenue	\$835,234	\$44,935	\$92,277	\$14,304	\$57,227	\$201,351	\$434,503	\$232,718
91100 Administrative Salaries	\$54,557	\$0	\$0	\$0	\$0	\$35,215	\$551	\$46,870
91200 Auditing Fees	\$1,758	\$0	\$2,030	\$47	\$340	\$0	\$0	\$0
91300 Management Fee	\$0	\$0	\$18,707	\$1,430	\$7,688	\$0	\$0	\$0
91310 Book-keeping Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
91400 Advertising and Marketing	\$155	\$0	\$2,172	\$0	\$0	\$240	\$1,824	\$185
91500 Employee Benefit contributions - Administrative	\$25,929	\$0	\$0	\$0	\$0	\$11,836	\$0	\$16,118
91600 Office Expenses	\$7,095	\$0	\$6,779	\$73	\$310	\$7,105	\$47,841	\$27,894
91700 Legal Expense	\$8	\$0	\$0	\$0	\$0	\$0	\$0	\$0
91800 Travel	\$421	\$0	\$0	\$0	\$0	\$0	\$450	\$11,640
91810 Allocated Overhead	\$30,504	\$0	\$0	\$0	\$0	\$9,896	\$0	\$23,270
91900 Other	\$2,459	\$0	\$0	\$0	\$0	\$49	\$39,165	\$78
91000 Total Operating - Administrative	\$122,886	\$0	\$29,688	\$1,550	\$8,338	\$64,341	\$89,831	\$126,055
92000 Asset Management Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
92100 Tenant Services - Salaries	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
92200 Relocation Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
92300 Employee Benefit Contributions - Tenant Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
92400 Tenant Services - Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
92500 Total Tenant Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
93100 Water	\$33	\$0	\$3,571	\$10	\$0	\$0	\$0	\$0
93200 Electricity	\$281	\$0	\$2,793	\$0	\$0	\$0	\$0	\$0
93300 Gas	\$38	\$0	\$980	\$0	\$0	\$0	\$0	\$0
93400 Fuel	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
93500 Labor	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
93600 Sewer	\$38	\$0	\$16,522	\$0	\$2,315	\$0	\$0	\$0
93700 Employee Benefit Contributions - Utilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
93800 Other Utilities Expense	\$35	\$0	\$5,565	\$0	\$0	\$0	\$40	\$0
93000 Total Utilities	\$425	\$0	\$29,431	\$10	\$2,315	\$0	\$40	\$0
94100 Ordinary Maintenance and Operations - Labor	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
94200 Ordinary Maintenance and Operations - Materials and Other	\$103	\$0	\$9,900	\$852	\$38	\$218	\$3,021	\$4,025
94300 Ordinary Maintenance and Operations Contracts	\$1,642	\$0	\$16,717	\$745	\$10,161	\$135,514	\$6,987	\$96,930
94500 Employee Benefit Contributions - Ordinary Maintenance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
94000 Total Maintenance	\$1,745	\$0	\$26,617	\$1,597	\$10,199	\$135,732	\$10,008	\$100,955
95100 Protective Services - Labor	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
95200 Protective Services - Other Contract Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
95300 Protective Services - Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
95500 Employee Benefit Contributions - Protective Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
95000 Total Protective Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96110 Property Insurance	\$206	\$0	\$4,060	\$300	\$2,500	\$0	\$0	\$0
96120 Liability Insurance	\$91	\$0	\$0	\$0	\$0	\$0	\$0	\$4,000
96130 Workmen's Compensation	\$1,731	\$0	\$1,524	\$0	\$0	\$1,278	\$0	\$1,708
96140 All Other Insurance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96100 Total Insurance Premiums	\$2,028	\$0	\$5,584	\$300	\$2,500	\$1,278	\$0	\$5,708
96200 Other General Expenses	\$3,509	\$17	\$0	\$0	\$0	\$0	\$42,813	\$0

1 Business Activities	14.191 Multifamily Housing Service Coordinators	2 State/Local	10.433 Rural Housing Preservation Grants	21.019 Coronavirus Relief Fund	21.023 Emergency Rental Assistance Program	6.1 Component Unit Discretely Presented	10.427 Rural Rental Assistance Payments	14.871 Housing Choice Vouchers	14.EHV Emergency Housing Voucher	Subtotal	ELIM	Total
\$0	\$0	\$0	\$0	\$0	\$0	\$15,442	\$198,423	\$0		\$285,392		\$285,392
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0		\$0
\$0	\$0	\$0	\$0	\$0	\$0	\$15,442	\$198,423	\$0	\$0	\$285,392	\$0	\$285,392
\$0	\$77,703	\$0	\$0	\$0	\$0	\$0	\$0	\$10,657,064		\$12,141,716		\$12,141,716
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0		\$0
\$1,829,373										\$1,829,373		\$1,829,373
										\$0	\$0	\$0
\$512,467	\$0	\$895,727	\$30,460	\$3,726,043	\$1,110,368	\$0	\$154,004	\$0		\$6,863,138		\$6,863,138
\$171,367	\$0	\$0	\$0	\$0	\$0	\$1,032	\$491	\$0		\$172,894		\$172,894
\$186,712	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$186,712		\$186,712
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,733		\$6,733		\$6,733
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0		\$0
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0		\$0
\$5,914,109	\$0	\$0	\$0	\$372,604	\$58,294	\$381,704	\$7,731	\$170,174		\$6,904,616		\$6,904,616
\$11,400	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$11,400		\$11,400
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0		\$0
\$8,625,428	\$77,703	\$895,727	\$30,460	\$4,098,647	\$1,168,662	\$398,178	\$360,649	\$10,833,971	\$0	\$28,401,974	\$0	\$28,401,974
\$1,794,082	\$46,889	\$154,174	\$1,097	\$40,847	\$30,585	\$0	\$0	\$541,929		\$2,746,796		\$2,746,796
\$2,006	\$0	\$0	\$0	\$0	\$0	\$2,410	\$1,470	\$17,462		\$27,523		\$27,523
\$0	\$0	\$0	\$0	\$0	\$0	\$127,305	\$28,284	\$0		\$183,414		\$183,414
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0		\$0
\$213,889	\$0	\$539	\$0	\$5,673	\$0	\$0	\$2,979	\$1,542		\$229,198		\$229,198
\$818,287	\$22,734	\$51,940	\$310	\$3,581	\$7,827	\$0	\$0	\$257,560		\$1,216,122		\$1,216,122
\$237,693	\$315	\$24,586	\$0	\$35,206	\$0	\$120	\$12,446	\$70,460		\$477,943		\$477,943
\$17,729	\$0	\$0	\$0	\$330	\$0	\$0	\$286	\$80		\$18,433		\$18,433
\$38,437	\$0	\$1,246	\$0	\$0	\$0	\$0	\$0	\$4,181		\$56,375		\$56,375
\$1,185,129	\$7,064	\$67,758	\$5,077	\$148,970	\$17,634	\$0	\$18,829	\$303,009		\$1,817,140		\$1,817,140
\$316,281	\$3,583	\$52,550	\$0	\$135,744	\$21,000	\$2,478	\$66,655	\$24,427		\$664,469		\$664,469
\$4,623,533	\$80,585	\$352,793	\$6,484	\$370,351	\$77,046	\$132,313	\$130,949	\$1,220,670	\$0	\$7,437,413	\$0	\$7,437,413
\$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
\$177,507	\$0	\$0	\$0	\$3,726,043	\$1,110,368	\$0	\$0	\$0		\$5,013,918		\$5,013,918
\$177,507	\$0	\$0	\$0	\$3,726,043	\$1,110,368	\$0	\$0	\$0	\$0	\$5,013,918	\$0	\$5,013,918
\$1,097	\$0	\$0	\$0	\$0	\$0	\$406	\$6,837	\$329		\$12,283		\$12,283
\$10,707	\$0	\$0	\$0	\$0	\$0	\$33	\$3,630	\$2,792		\$20,236		\$20,236
\$2,139	\$0	\$2,139	\$0	\$0	\$0	\$45	\$2,728	\$373		\$6,303		\$6,303
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0		\$0
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0		\$0
\$1,327	\$0	\$0	\$0	\$0	\$0	\$536	\$22,504	\$360		\$43,622		\$43,622
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0		\$0
\$1,290	\$0	\$0	\$0	\$0	\$0	\$39	\$10,721	\$345		\$18,035		\$18,035
\$16,560	\$0	\$0	\$0	\$0	\$0	\$1,059	\$46,420	\$4,219	\$0	\$100,479	\$0	\$100,479
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0		\$0
\$4,904	\$0	\$17,168	\$0	\$0	\$0	\$263	\$23,825	\$1,029		\$55,538		\$55,538
\$117,750	\$0	\$524,599	\$25,383	\$0	\$0	\$956	\$125,717	\$16,312		\$1,079,413		\$1,079,413
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0		\$0
\$112,846	\$0	\$541,767	\$25,383	\$0	\$0	\$1,219	\$149,542	\$17,341	\$0	\$1,134,951	\$0	\$1,134,951
\$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
\$5,251	\$0	\$0	\$0	\$0	\$0	\$0	\$7,940	\$2,043		\$22,300		\$22,300
\$36,097	\$0	\$0	\$0	\$0	\$0	\$3,104	\$0	\$909		\$44,201		\$44,201
\$33,533	\$1,321	\$5,369	\$32	\$2,253	\$734	\$0	\$1,888	\$17,195		\$68,566		\$68,566
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0		\$0
\$74,881	\$1,321	\$5,369	\$32	\$2,253	\$734	\$3,104	\$9,828	\$20,147	\$0	\$135,067	\$0	\$135,067
\$1,159	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$34,841		\$82,339		\$82,339

NEVADA RURAL HSG AUTH (NV905)

Carson City, NV

Entity Wide Revenue and Expense Summary

Submission Type: Unaudited/Single Audit

Fiscal Year End: 06/30/2021

	14,879 Mainstream Vouchers	14,MS0 Mainstream CARES Act Funding	14,149 Rent Supplements, Rental Housing for Lower Income Families	14,313 Dollar Home Sales	14,256 Neighborhood Stabilization Program (Recovery Act Funded)	93,568 Low-Income Home Energy Assistance	14,HCC HCV CARES Act Funding	81,042 Weatherization Assistance for Low- Income Persons
96210 Compensated Absences	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96300 Payments in Lieu of Taxes	\$0	\$0	\$957	\$0	\$23	\$0	\$0	\$0
96400 Bad debt - Tenant Rents	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96500 Bad debt - Mortgages	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96600 Bad debt - Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96800 Severance Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96000 Total Other General Expenses	\$3,509	\$17	\$957	\$0	\$23	\$0	\$42,813	\$0
96710 Interest of Mortgage (or Bonds) Payable	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96720 Interest on Notes Payable (Short and Long Term)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96730 Amortization of Bond Issue Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96900 Total Operating Expenses	\$130,593	\$17	\$92,277	\$3,457	\$23,375	\$201,351	\$142,692	\$232,718
97000 Excess of Operating Revenue over Operating Expenses	\$704,641	\$44,918	\$0	\$10,847	\$33,852	\$0	\$291,811	\$0
97100 Extraordinary Maintenance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
97200 Casualty Losses - Non-capitalized	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
97300 Housing Assistance Payments	\$771,705	\$0	\$0	\$0	\$0	\$0	\$0	\$0
97350 HAP Portability-In	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
97400 Depreciation Expense	\$2,768	\$0	\$0	\$5,653	\$17,863	\$0	\$0	\$0
97500 Fraud Losses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
97600 Capital Outlays - Governmental Funds								
97700 Debt Principal Payment - Governmental Funds								
97800 Dwelling Units Rent Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
90000 Total Expenses	\$905,066	\$17	\$92,277	\$9,110	\$41,238	\$201,351	\$142,692	\$232,718
10010 Operating Transfer In	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10020 Operating transfer Out	\$0	-\$44,918	\$0	\$0	-\$28,500	\$0	-\$291,811	\$0
10030 Operating Transfers from/to Primary Government	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10040 Operating Transfers from/to Component Unit	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10050 Proceeds from Notes, Loans and Bonds								
10060 Proceeds from Property Sales								
10070 Extraordinary Items, Net Gain/Loss	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10080 Special Items (Net Gain/Loss)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10091 Inter Project Excess Cash Transfer In								
10092 Inter Project Excess Cash Transfer Out								
10093 Transfers between Program and Project - In	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10094 Transfers between Project and Program - Out	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10100 Total Other financing Sources (Uses)	\$0	-\$44,918	\$0	\$0	-\$28,500	\$0	-\$291,811	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$69,832	\$0	\$0	\$5,194	-\$12,511	\$0	\$0	\$0
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11030 Beginning Equity	\$127,774	\$0	\$0	\$154,974	\$517,922	-\$3	\$0	-\$6,606
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11050 Changes in Compensated Absence Balance								
11060 Changes in Contingent Liability Balance								
11070 Changes in Unrecognized Pension Transition Liability								
11080 Changes in Special Terms/Severance Benefits Liability								
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents								
11100 Changes in Allowance for Doubtful Accounts - Other								
11170 Administrative Fee Equity								
11180 Housing Assistance Payments Equity								
11190 Unit Months Available	1800	0	360	12	60	0	0	0
11210 Number of Unit Months Leased	1498	0	345	12	60	0	0	0
11270 Excess Cash								
11610 Land Purchases								
11620 Building Purchases								
11630 Furniture & Equipment - Dwelling Purchases								
11640 Furniture & Equipment - Administrative Purchases								
11650 Leasehold Improvements Purchases								
11660 Infrastructure Purchases								
13510 CFFP Debt Service Payments								
13901 Replacement Housing Factor Funds								

INDEPENDENT AUDITORS' 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*

To the Board of Commissioners
Nevada Rural Housing Authority
Carson City, Nevada

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 of the Nevada Rural Housing Authority, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated December 2, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance 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.



CROPPER ROWE, LLP
Walnut Creek, California
December 2, 2021

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM
GUIDANCE**

To the Board of Commissioners
Nevada Rural Housing Authority
Carson City, Nevada

Report on Compliance for Each Major Federal Program

We have audited the Nevada Rural 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 Authority's major federal programs for the year ended June 30, 2021. The Authority's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the 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 the 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 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 of the Authority's compliance.

Opinion on Each Major Federal Program

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

Report on Internal Control over Compliance

Management of the 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 the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each 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 the 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 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the business-type activities and aggregate discretely presented component unit of the Authority, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements. We issued our report thereon dated December 2, 2021, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



CROPPER ROWE, LLP
Walnut Creek, California
December 2, 2021

**NEVADA RURAL HOUSING AUTHORITY
STATUS OF PRIOR AUDIT FINDINGS
JUNE 30, 2020**

Finding 2020-001: During the year management found that a prior period adjustment was required for Nevada Rural Housing Authority (NRHA). An NRHA note receivable (\$1,599,826) which was executed during the year ended June 30, 2019, had not been recorded in the prior year.

Recommendation: 2020-001: We recommend that the management create and implement policies and procedures to evaluate the completeness of long-term assets and liabilities, especially for non-cash transactions, such as reviewing monthly minutes during month-end closing procedures to ensure the recording of each material transaction, and to evaluate the rights and obligations of transactions entered into during the year.

Management Response: 2020-001: Management has implemented procedures to ensure non-cash transactions are booked in a timely manner. A task has been added to the monthly check list as well as the balance sheet reconciliation process has been updated to include reconciliation with the property financials.

Status of Finding 2020-001: Auditor did not identify any material adjustments related to prior year audit findings.

**NEVADA RURAL HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2021**

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	unmodified
Internal control over financial reporting:	
Material weaknesses identified?	No
Reportable conditions identified not considered material weaknesses?	none reported
Noncompliance material to financial statements?	no

Federal Awards

Internal control over major programs:	
Material weaknesses identified?	no
Reportable conditions identified not considered material weaknesses?	none reported
Type of auditors' report issued on compliance for major programs:	unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516?	no
Identification of major programs:	
Rural Rental Assistance Program	10.427
Housing Voucher Cluster:	
Section 8 Housing Choice Vouchers	14.871
Mainstream Vouchers	14.879
Coronavirus Relief Fund	21,019
Emergency Rental Assistance	21,023
Dollar threshold to distinguish between Type A and Type B programs	\$750,000
Auditee qualified as low risk auditee?	no

Section II – Findings Related to the Financial Statements Required to be reported in Accordance with Generally Accepted Government Auditing Standards

Our audit disclosed no findings or questioned costs that related to the financial statements.

Section III - Federal Award Findings

Our audit disclosed no findings or questioned costs that related to federal awards.