

NEVADA RURAL HOUSING AUTHORITY
ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2025
(Including Auditors' Report Thereon)

**NEVADA RURAL HOUSING AUTHORITY
FINANCIAL STATEMENTS
JUNE 30, 2025**

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INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
Nevada Rural Housing Authority

Opinions

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component units of the Nevada Rural Housing Authority, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Nevada Rural Housing Authority's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of the Nevada Rural Housing Authority, as of June 30, 2025, and the respective changes in financial position, and, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the tax credit properties, which represent 100 percent of the aggregate discretely presented component units of the Tax Credit Properties as of June 30, 2025. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for tax credit properties, is based solely on the reports of the other auditors.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of the Authority's proportionate share of net pension liability, and schedule of the Authority's pension plan contributions on pages 5-10, and 39-42 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2025, on our consideration of the Nevada Rural Housing 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Nevada Rural Housing Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Nevada Rural Housing Authority's internal control over financial reporting and compliance.



CROPPER ROWE, LLP
Walnut Creek, California
September 30, 2025

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, 2025. 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 315. 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 \$22,481,368 at the close of fiscal year 2025 as opposed to \$23,456,613 for fiscal year 2024.
- Total assets at June 30, 2025 were \$57,497,900. Of this, \$33,532,216 represents current assets, and \$23,965,684 represents non-current assets. Total assets at June 30, 2025, increased by \$281,004 from the June 30, 2024, balance of \$57,216,896.

- Net capital assets for the fiscal year 2025 increased by \$650,794 from \$11,353,198 at June 30, 2024, to \$12,003,992 at June 30, 2025. Capital assets are reflected at cost, less accumulated depreciation for all capital assets.
- At June 30, 2025, there was \$3,156,763 of deferred outflows of resources compared to \$3,213,211 at June 30, 2024. See detail discussed in Note 7 of the financial statements.
- Total liabilities at June 30, 2025, were \$36,901,688. Of this, \$3,173,132 represents current liabilities, and \$33,728,556 represents non-current liabilities. Total liabilities at June 30, 2025, increased by \$153,113 from the June 30, 2024, balance of \$36,748,575. This is due in part to an assumption of loans as a result of the acquisition of the Saddlebrook apartments.
- At June 30, 2025, there was \$1,271,607 of deferred inflows of resources compared to \$224,919 at June 30, 2024. 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, 2025, the Authority's Unrestricted Net Position was \$11,190,312, its Restricted Net Position was \$846,171, and its Net Investment in Capital Assets was \$10,444,885. This represents a total Net Position at June 30, 2025, of \$22,481,368 compared to a total Net Position at June 30, 2024, of \$23,456,613.
- The primary source of revenues for the Authority for the fiscal year ended June 30, 2025, were grants from federal agencies. Grant revenues for the fiscal year 2025 were \$19,775,587 versus \$18,963,645 for fiscal year 2024. The increase was due to increasing our Budget Authority utilization to 97% from 83% in the prior year.
- Operating revenues for the Authority for the 2025 fiscal year were \$24,198,061 and operating expenses were \$25,642,095. Operating revenues and expenses for the fiscal year 2024 were \$24,006,905 and \$24,853,519, 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 \$14,075,421 of housing assistance payment expenses for fiscal year 2025. This represents an increase of \$1,282,781 of the amount for fiscal year 2024 of \$12,792,640.
- Tenant Services expenses were \$283,128 in the fiscal year 2025 versus \$338,127 in the prior year. This decrease is due to reduced grant funds for the Nevada Housing Division emergency assistance and security deposit grants.
- Expenditures of Federal Awards amounted to \$19,987,741 for 2025 for an increase of \$1,252,639 from the prior fiscal year's expenditures of \$18,735,102. This increase is due to an increase in housing choice vouchers expenditures due to payment standard increase and additional vouchers added and leased up.

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 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 Authority is primarily dependent upon HUD for the funding of operations. Therefore, the 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, 2025. 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, 2025, compared to prior year. The Authority is engaged only in Business-Type Activities:

Comparative Statement of Net Position				
June 30, 2025				
	2025	2024	Increase/ (Decrease)	Percentage Change
Assets and Deferred Outflows				
Current Assets	\$ 33,532,216	\$ 34,760,144	\$ (1,227,928)	-3.53%
Loan receivable	10,112,976	9,562,756	550,220	5.75%
Interest receivable	837,273	679,505	157,768	23.22%
Assets held for resale	1,011,443	861,293	150,150	17.43%
Capital Assets, net	12,003,992	11,353,198	650,794	5.73%
Deferred outflows	3,156,763	3,213,211	(56,448)	-1.76%
Total Assets and Deferred Outflows	<u>60,654,663</u>	<u>60,430,107</u>	<u>224,556</u>	0.37%
Liabilities and Deferred Inflows				
Current liabilities	3,173,132	2,219,593	953,539	42.96%
Non-current liabilities	33,728,556	34,528,982	(800,426)	-2.32%
Deferred inflows	1,271,607	224,919	1,046,688	465.36%
Total Liabilities and Deferred Inflows	<u>38,173,295</u>	<u>36,973,494</u>	<u>1,199,801</u>	3.25%
Net Position				
Net investment in Capital Assets	10,444,885	10,503,609	(58,724)	-0.56%
Restricted	846,171	545,235	300,936	55.19%
Unrestricted	11,190,312	12,407,769	(1,217,457)	-9.81%
Total Net Position	<u>\$ 22,481,368</u>	<u>\$ 23,456,613</u>	<u>\$ (975,245)</u>	-4.16%

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, 2025, compared to prior year.

Comparative Statement of Revenues, Expenses, and Changes in Net Position Year Ended June 30, 2025

	<u>2025</u>	<u>2024</u>	<u>Increase/ (Decrease)</u>	<u>Percentage Change</u>
Operating Revenues				
Grants	\$ 19,775,587	\$ 18,963,645	\$ 811,942	4.28%
Rents	292,597	272,800	19,797	7.26%
Mortgage and Developer Fees	1,828,120	1,568,377	259,743	16.56%
Other	2,301,757	3,202,083	(900,326)	-28.12%
Total operating Revenues	<u>24,198,061</u>	<u>24,006,905</u>	<u>191,156</u>	0.80%
Operating Expenses				
Administration	6,791,314	7,681,576	(890,262)	-11.59%
Utilities	88,781	72,922	15,859	21.75%
Maintenance	1,937,267	1,484,653	452,614	30.49%
Tenant services	283,128	338,127	(54,999)	-16.27%
General	2,068,585	2,110,301	(41,716)	-1.98%
Housing Assistance Payments	14,075,421	12,792,640	1,282,781	10.03%
Depreciation	397,599	373,300	24,299	6.51%
Total Operating Expenses	<u>25,642,095</u>	<u>24,853,519</u>	<u>788,576</u>	3.17%
Operating Income (Loss)	<u>(1,444,034)</u>	<u>(846,614)</u>	<u>(597,420)</u>	70.57%
Non-Operating Revenues (Expenses)				
Interest Income	2,109,926	375,745	1,734,181	461.53%
Interest Expense	(1,374,646)	(530,609)	(844,037)	159.07%
Gain (loss) on sale of fixed assets	(266,491)	472,018	(738,509)	-156.46%
Parcel acquisition	-	1,514,354	(1,514,354)	-100.00%
Net Non-Operating Revenue (Loss)	<u>468,789</u>	<u>1,831,508</u>	<u>(1,362,719)</u>	-74.40%
Change in Net Position	(975,245)	984,894	(1,960,139)	-199.02%
Beginning Net Position	<u>23,456,613</u>	<u>22,471,719</u>	<u>984,894</u>	4.38%
Net Position, end of year	<u>\$ 22,481,368</u>	<u>\$ 23,456,613</u>	<u>\$ (975,245)</u>	-4.16%

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, 2025, decreased by \$975,245.

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>2025</u>	<u>2024</u>	<u>Increase/ (Decrease)</u>	<u>Percentage Change</u>
Land	\$ 6,803,294	\$ 7,598,565	\$ (795,271)	-10.47%
Building and Improvements	4,850,271	3,255,841	1,594,430	48.97%
Equipment	256,288	348,166	(91,878)	-26.39%
Intangible lease asset	94,139	150,626	(56,487)	-37.50%
Net Position, end of year	<u>\$ 12,003,992</u>	<u>\$ 11,353,198</u>	<u>\$ 650,794</u>	5.73%

The Authority's capital assets as of June 30, 2025, were \$12,003,992 (net of accumulated depreciation). During the fiscal year 2025 the Authority's net capital assets increased \$650,794 or 5.73%. Buildings, Improvements and Equipment increased due to the acquisition of Saddlebrook apartments and a rehabilitation project at Yerington Manor.

Changes in Debt

Debt is presented below to illustrate changes from the prior year:

	<u>2025</u>	<u>2024</u>	<u>Increase/ (Decrease)</u>	<u>Percentage Change</u>
Notes Payable	\$ 1,559,107	\$ 849,589	\$ 709,518	83.51%
Bonds Payable	24,820,000	25,000,000	(180,000)	-0.72%
Net Position, end of year	<u>\$ 26,379,107</u>	<u>\$ 25,849,589</u>	<u>\$ 529,518</u>	2.05%

At June 30, 2025, the Authority had long-term debt outstanding of \$26,379,107. During the fiscal year, long-term debt increased by \$529,518 or 2.05%. This is due to the acquisition of Saddlebrook and assumption of their loans in the acquisition. Additional information pertaining to the Authority's long-term debt as of June 30, 2025, 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, 2025

	Nevada Rural Housing Authority	Discretely Presented Component Unit		
		Blue Bird Property, LLC	Tax Credit Properties	Total Combined
<u>ASSETS</u>				
Current Assets:				
Cash and investments (Note 2)	\$ 2,000,857	\$ 112,005	\$ 2,604,735	\$ 2,716,740
Restricted Cash (Note 2)	1,642,045	-	4,152,895	4,152,895
Restricted bond investment (Note 2)	25,011,797	-	-	-
Due from other agencies	485,985	-	-	-
Accounts receivable	3,529,221	62,340	128,026	190,366
Mortgage loan receivable (Note 3)	204,404	-	-	-
Prepaid expenses	28,929	-	162,524	162,524
Investments in other entities (Note 2)	628,978	-	-	-
Total current assets	<u>33,532,216</u>	<u>174,345</u>	<u>7,048,180</u>	<u>7,222,525</u>
Noncurrent assets:				
Mortgage loan receivable (Note 3)	10,112,976	-	-	-
Mortgage interest receivable	837,273	-	-	-
Assets held for resale	1,011,443	-	-	-
Tax credit fees, net of accumulated amortization	-	-	747,706	747,706
Capital assets, net (Note 4)	12,003,992	16,602	112,231,010	112,247,612
Total noncurrent assets	<u>23,965,684</u>	<u>16,602</u>	<u>112,978,716</u>	<u>112,995,318</u>
Total Assets	<u>57,497,900</u>	<u>190,947</u>	<u>120,026,896</u>	<u>120,217,843</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Pension Plan (Note 7)	3,156,763	-	-	-
Total deferred outflows	<u>3,156,763</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>60,654,663</u>	<u>190,947</u>	<u>120,026,896</u>	<u>120,217,843</u>
<u>LIABILITIES</u>				
Current Liabilities:				
Accounts payable	24,539	-	2,257,891	2,257,891
Tenant security deposits	20,131	-	175,783	175,783
Accrued liabilities	522,068	25,362	2,390,469	2,415,831
Accrued interest payable	216,670	127,814	1,976,497	2,104,311
Line of credit payable	1,870,582	-	-	-
Compensated absences (Note 6)	17,971	835	-	835
Deferred revenues	101,120	-	67,366	67,366
Lease payable (Note 5)	58,075	-	-	-
Bonds payable (Note 5)	265,000	-	-	-
Notes payable (Note 5)	76,976	-	22,679,822	22,679,822
Total current liabilities	<u>3,173,132</u>	<u>154,011</u>	<u>29,547,828</u>	<u>29,701,839</u>
Noncurrent liabilities:				
Lease payable (Note 5)	41,998	-	-	-
Compensated absences (Note 6)	161,741	7,514	-	7,514
Bonds payable (Note 5)	24,555,000	-	-	-
Premium on bond issuance	707,108	-	-	-
Notes payable (Note 5)	1,482,131	1,899,954	42,508,208	44,408,162
Pension liability (Note 7)	6,780,578	-	-	-
Total noncurrent liabilities	<u>33,728,556</u>	<u>1,907,468</u>	<u>42,508,208</u>	<u>44,415,676</u>
Total liabilities	<u>36,901,688</u>	<u>2,061,479</u>	<u>72,056,036</u>	<u>74,117,515</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Pension Plan (Note 7)	1,271,607	-	-	-
Total liabilities and deferred inflows of resources	<u>38,173,295</u>	<u>2,061,479</u>	<u>72,056,036</u>	<u>74,117,515</u>
<u>NET POSITION</u>				
Net investment in capital assets	10,444,885	16,602	69,466,395	69,482,997
Restricted	846,171	-	-	-
Unrestricted	11,190,312	(1,887,134)	(21,495,535)	(23,382,669)
Total Net Position	<u>\$ 22,481,368</u>	<u>\$ (1,870,532)</u>	<u>\$ 47,970,860</u>	<u>\$ 46,100,328</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, 2025

	Nevada Rural Housing Authority	Discretely Presented Component Unit		
		Blue Bird Property, LLC	Tax Credit Properties	Total Combined
<u>Operating Revenues</u>				
Grants	\$ 19,775,587	\$ -	\$ 482,269	\$ 482,269
Rents	292,597	-	5,950,397	5,950,397
Mortgage issuer and lender fees	278,317	-	-	-
Developer fees	1,549,803	-	-	-
Management fees	1,025,924	599,981	-	599,981
Other	1,275,833	1,742	134,862	136,604
Total operating revenues	<u>24,198,061</u>	<u>601,723</u>	<u>6,567,528</u>	<u>7,169,251</u>
<u>Operating Expenses</u>				
Administration	6,791,314	985,203	1,354,333	2,339,536
Utilities	88,781	-	789,351	789,351
Maintenance	1,937,267	10,306	1,176,228	1,186,534
General	2,068,585	25,274	1,714,527	1,739,801
Tenant services	283,128	-	-	-
Housing assistance payments	14,075,421	-	-	-
Depreciation	397,599	2,487	3,953,499	3,955,986
Total operating expenses	<u>25,642,095</u>	<u>1,023,270</u>	<u>8,987,938</u>	<u>10,011,208</u>
Operating income (loss)	<u>(1,444,034)</u>	<u>(421,547)</u>	<u>(2,420,410)</u>	<u>(2,841,957)</u>
<u>Non-Operating Revenues (Expenses)</u>				
Interest income - investments	1,907,381	-	9,126	9,126
Interest income - mortgage loans	202,545	-	-	-
Gain (loss) on sale of capital asset	(266,491)	-	-	-
Parcel acquisition	-	-	-	-
Contribution from (distribution to) members	-	-	11,013,641	11,013,641
Interest expense	(1,374,646)	(50,734)	(2,574,685)	(2,625,419)
Net non-operating revenue	<u>468,789</u>	<u>(50,734)</u>	<u>8,448,082</u>	<u>8,397,348</u>
Change in net position	(975,245)	(472,281)	6,027,672	5,555,391
Total beginning net position	<u>23,456,613</u>	<u>(1,398,251)</u>	<u>41,943,188</u>	<u>40,544,937</u>
Total ending net position	<u>\$ 22,481,368</u>	<u>\$ (1,870,532)</u>	<u>\$ 47,970,860</u>	<u>\$ 46,100,328</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, 2025

	Nevada Rural Housing Authority	Blue Bird Property, LLC	Total Combined
<u>Cash flows from operating activities:</u>			
Grants received	\$ 19,842,976	\$ -	\$ 19,842,976
Cash received from rents	292,597	599,981	892,578
Development and mortgage fees	1,828,120	-	1,828,120
Other cash receipts	2,301,757	(7,302)	2,294,455
Cash payments to suppliers and landlords	(20,673,529)	(954,711)	(21,628,240)
Cash payments to employees	(4,384,421)	3,972	(4,380,449)
Net cash provided (used) in operating activities	<u>(792,500)</u>	<u>(358,060)</u>	<u>(1,150,560)</u>
<u>Cash flows from noncapital and related financing activities:</u>			
Bonds issued	(180,000)	-	(180,000)
Recognition of bond premium	(141,422)	-	(141,422)
Draw down on line of credit	600,000	-	600,000
Net cash provided (used) in noncapital financing activities	<u>278,578</u>	<u>-</u>	<u>278,578</u>
<u>Cash flows from capital and related financing activities:</u>			
Interest paid on long-term debt	(1,251,867)	(50,733)	(1,302,600)
Disposal (purchase) of fixed assets	(1,314,884)	-	(1,314,884)
Principal paid	(174,136)	454,992	280,856
Assumption of debt	883,654	-	883,654
Rent and lease payments	(52,096)	-	(52,096)
Interest received from mortgage loans	44,777	-	44,777
Net cash provided (used) in capital and related financing activities	<u>(1,864,552)</u>	<u>404,259</u>	<u>(1,460,293)</u>
<u>Cash flows from investing activities:</u>			
Principal paid during the year	(754,624)	-	(754,624)
Redemption on investment	165	-	165
Purchase of assets held for resale	(150,150)	-	(150,150)
Parcel acquisition	-	-	-
Interest received from investments	1,907,381	-	1,907,381
Net cash provided (used) in investing activities	<u>1,002,772</u>	<u>-</u>	<u>1,002,772</u>
Net increase (decrease) in cash	(1,375,702)	46,199	(1,329,503)
Cash at beginning of year	30,030,401	65,806	30,096,207
Cash at end of year	<u>\$ 28,654,699</u>	<u>\$ 112,005</u>	<u>\$ 28,766,704</u>
<u>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</u>			
Operating income (loss)	\$ (1,444,034)	\$ (421,547)	\$ (1,865,581)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	397,599	2,487	400,086
(Increase)/decrease in assets:			
Accounts receivable	(214,993)	(9,044)	(224,037)
Amounts due from other agencies	281,685	-	281,685
Prepaid expenses	(10,227)	-	(10,227)
Increase/(decrease) in liabilities:			
Accounts payable	(273,969)	(710)	(274,679)
Tenant security deposits	3,268	-	3,268
Accrued liabilities	212,677	66,782	279,459
Deferred revenues	697	-	697
Accrued compensated absences	(26,872)	3,972	(22,900)
Net pension liability	281,669	-	281,669
Net cash provided (used) in operating activities	<u>\$ (792,500)</u>	<u>\$ (358,060)</u>	<u>\$ (1,150,560)</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, 2025

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 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.

Component Units: Component units are reported as part of the reporting entity under either the blended or discrete method of presentation. The blended method includes the financial statements of the blended unit as part of the business-type activities. The discrete method presents the financial statements of the component unit outside of the basic financial statement totals of the business-type activities.

In determining how to define the reporting entity, management has considered all potential component units. The decision to include component units in the reporting entity was made by applying the criteria set forth in the Governmental Accounting Standards Board (GASB) Statement No. 90, *Majority Equity Interests* — an amendment of GASB Statements No. 14 and No. 61. These include financial accountability, imposition of will, financial burden or benefit on the primary organization, and financial accountability as a result of fiscal dependency.

Through the application of these GASB criteria, management of the Authority determined that the following entities should be blended or discretely presented.

Blended 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.

NEVADA RURAL HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

Note 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Definition of Reporting Entity (continued)

Discretely Presented Component Units

The Authority has 16 discretely presented component units consisting, as listed and described below.

One of the discretely presented component units, Blue Bird Property, LLC, is wholly owned by the Authority and NRHI.

The Authority has a controlling minority interest in the remaining 15 discretely presented component units which are real estate limited partnerships as of December 31, 2025. The majority interests are held by third parties unrelated to the Authority. The Authority operates as the General Partner in the limited partnerships. As such, the Authority has certain rights and responsibilities, which enable it to impose its will on the limited partnerships. In accordance with GASB Statement No. 61, the real estate limited partnerships are included as a discretely presented component units in the financial statements. The real estate limited partnerships are presented for the year ended June 30, 2025, and management believes that there is no material event since that date that would affect the financial position or results of the discretely presented component unit.

Blue Bird Property, LLC (Blue Bird) is a limited liability property management company created by the Authority and NRHI in February 2021 with a 51%/49% shared interest. Blue Bird Property, LLC is responsible for the management of NRHA's affordable housing properties located throughout Nevada. This includes real estate operations, affordable housing finance and compliance, rental assistance/subsidy program administration, client services and community relations. There are two directors in common between the Authority and Blue Bird Property, LLC. The Authority provides guidance and oversight as needed to assist Blue Bird Property, LLC in meeting its mission. As of June 30, 2025, NRHA provided capital contributions totaling \$371,484 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.

Carson Southgate Enterprise, LLC, Carson Southgate Associates LLC, and Carson Southgate Associates II were formed on August 23, 2008, as limited liability companies under the laws of the State of Nevada, for the purpose of acquiring, owning, operating and financing a rental housing project known as Southgate Apartments (the project). Carson Southgate Enterprise wholly owns Carson Southgate Associates, LLC and Carson Southgate Associates II, LLC. Carson Southgate Enterprise partnership interests are held by third parties unrelated to the Authority, with the exception of the managing member, Nevada Rural Housing Inc., which is a blended component of the Authority.

West Minor Street Associates, LLC was formed on April 1, 2010, as a limited liability company under the laws of the State of Nevada, for the purpose of acquiring, owning, operating and financing a rental housing project known as Larios I (the project). The Company's partnership interests are held by third parties unrelated to the Authority, with the exception of the managing member, West Minor Street Manager, LLC, a Nevada Limited Liability Company, which is wholly owned by Nevada Rural Housing, Inc., which is a blended component of the Authority.

NEVADA RURAL HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

Note 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. Definition of Reporting Entity (continued)

Sunridge Fallon Associates, LLC was formed on April 23, 2012, as a limited liability company under the laws of the State of Nevada, for the purpose of acquiring, owning, operating and financing a rental housing project known as Indigo Village (the project). The Company's partnership interests are held by third parties unrelated to the Authority, with the exception of the managing member, Sunridge Fallon Manager, LLC, a Nevada Limited Liability Company, which is wholly owned by Nevada Rural Housing, Inc., which is a blended component of the Authority.

West Minor Street Associates II, LLC was formed on February 25, 2014, as a limited liability company under the laws of the State of Nevada, for the purpose of acquiring, owning, operating and financing a rental housing project known as Larios II (the project). The Company's partnership interests are held by third parties unrelated to the Authority, with the exception of the managing member, West Minor Street Manager II, LLC, a Nevada Limited Liability Company, which is wholly owned by Nevada Rural Housing, Inc., which is a blended component of the Authority.

Southwood Associates, LLC was formed on August 4, 2015, as a limited liability company under the laws of the State of Nevada, for the purpose of acquiring, owning, operating and financing a rental housing project known as Southwood Apartments (the project). The Company's partnership interests are held by third parties unrelated to the Authority, with the exception of the managing member, Southwood Manager, LLC, a Nevada Limited Liability Company, which is wholly owned by Nevada Rural Housing, Inc., which is a blended component of the Authority.

Jeanell Drive Associates, LLC was formed on August 4, 2015, as a limited liability company under the laws of the State of Nevada, for the purpose of acquiring, owning, operating and financing a rental housing project known as Richards Crossing (the project). The Company's partnership interests are held by third parties unrelated to the Authority, with the exception of the managing member, Jeanell Drive Manager, LLC, a Nevada Limited Liability Company, which is wholly owned by Nevada Rural Housing, Inc., which is a blended component of the Authority.

Belmont Associates, LLC was formed on April 11, 2017, as a limited liability company under the laws of the State of Nevada, for the purpose of acquiring, owning, operating and financing a rental housing project known as Belmont Apartments (the project). The Company's partnership interests are held by third parties unrelated to the Authority, with the exception of the managing member, Belmont Manager, LLC, a Nevada Limited Liability Company, which is wholly owned by Nevada Rural Housing Authority.

Bristlecone Apartments Associates, LLC was formed on April 20, 2018, as a limited liability company under the laws of the State of Nevada, for the purpose of acquiring, owning, operating and financing a rental housing project known as Bristlecone Apartments (the project). The Company's partnership interests are held by third parties unrelated to the Authority, with the exception of the managing member, Bristlecone Apartments Manager, LLC, a Nevada Limited Liability Company, which is wholly owned by Nevada Rural Housing Authority.

NEVADA RURAL HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

Note 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. Definition of Reporting Entity (continued)

Shadows Associates, LLC was formed on April 3, 2019, as a limited liability company under the laws of the State of Nevada, for the purpose of acquiring, owning, operating and financing a rental housing project known as Mountain Shadows Apartments (the project). The Company's partnership interests are held by third parties unrelated to the Authority, with the exception of the managing member, Shadows Manager, LLC, a Nevada Limited Liability Company, which is wholly owned by Nevada Rural Housing Authority.

Pinion Apartments, LLC was formed on April 3, 2019, as a limited liability company under the laws of the State of Nevada, for the purpose of acquiring, owning, operating and financing a rental housing project known as Pinion Apartments (the project). The Company's partnership interests are held by third parties unrelated to the Authority, with the exception of the managing member, Pinion Manager, LLC, a Nevada Limited Liability Company, which is wholly owned by Nevada Rural Housing Authority.

Mountain View Village, LLC was formed on March 18, 2020, as a limited liability company under the laws of the State of Nevada, for the purpose of acquiring, owning, operating and financing a rental housing project known as Mountain View Village (the project). The Company's partnership interests are held by third parties unrelated to the Authority, with the exception of the managing member, Mountain View Village Manager, LLC, a Nevada Limited Liability Company, which is wholly owned by Nevada Rural Housing Authority.

Winnemucca Village, LLC was formed on March 18, 2020, as a limited liability company under the laws of the State of Nevada, for the purpose of acquiring, owning, operating and financing a rental housing project known as Winnemucca Village (the project). The Company's partnership interests are held by third parties unrelated to the Authority, with the exception of the managing member, Winnemucca Village Manager, LLC, a Nevada Limited Liability Company, which is wholly owned by Nevada Rural Housing Authority.

Desert Properties Associates, LLC was formed on October 23, 2017, as a limited liability company under the laws of the State of Nevada, for the purpose of acquiring, owning, operating and financing a rental housing project known as Desert Apartments (the project). The Company's partnership interests are held by third parties unrelated to the Authority, with the exception of the managing member, Desert Properties Manager, LLC, a Nevada Limited Liability Company, which is wholly owned by Nevada Rural Housing Authority.

Hafen Village I, LLC was formed on April 13, 2021, as a limited liability company under the laws of the State of Nevada, for the purpose of acquiring, owning, operating and financing a rental housing project known as Hafen Village (the project). The Company's partnership interests are held by third parties unrelated to the Authority, with the exception of the managing member, Hafen Village I Manager, LLC, a Nevada Limited Liability Company, which is wholly owned by Nevada Rural Housing Authority. Hafen Village tax credit closing occurred October 7, 2022, and the project has completed construction by the end of fiscal year 2025.

NEVADA RURAL HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

Note 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. Definition of Reporting Entity (continued)

Pioche Apartments, LLC was formed on March 14, 2023, as a limited liability company under the laws of the State of Nevada, for the purpose of acquiring, owning, operating and financing a rental housing project known as Pioche Apartments (the project). The Company's partnership interests are held by third parties unrelated to the Authority, with the exception of the managing member, Pioche Apartments Manager, LLC, a Nevada Limited Liability Company, which is wholly owned by Nevada Rural Housing Authority.

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).

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.

NEVADA RURAL HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

Note 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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.

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.

NEVADA RURAL HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

Note 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Liabilities, and Net Position (continued)

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.

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.

NEVADA RURAL HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

Note 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Liabilities, and Net Position (continued)

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.

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

For the year ended June 30, 2025, the Authority implemented the following GASB pronouncements

GASB Statement No. 101, *Compensated Absences*. - The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

This Statement requires that a liability for certain types of compensated absences—including parental leave, military leave, and jury duty leave—not be recognized until the leave commences. This Statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used.

This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee’s pay rate as of the date of the financial statements. A liability for leave that has been used but not yet paid or settled should be measured at the amount of the cash payment or noncash settlement

NEVADA RURAL HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

Note 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. New GASB Pronouncements (continued)

Implemented New GASB Pronouncements (continued)

to be made. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities.

With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources.

The requirements of this Statement are effective for fiscal years beginning after December 15, 2023 (fiscal year 2025), and all reporting periods thereafter. The Authority has implemented the pronouncement for the year ended June 30, 2025.

GASB Statement No. 102, *Certain Risk Disclosures*. - The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints.

This Statement defines a concentration as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. Concentrations and constraints may limit a government's ability to acquire resources or control spending.

This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued.

The requirements of this Statement will improve financial reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a government's financial condition. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024 (fiscal year 2025), and all reporting periods thereafter. The Authority has implemented the pronouncement for the year ended June 30, 2025.

NEVADA RURAL HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

Note 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. New GASB Pronouncements (continued)

Upcoming New GASB Pronouncements

GASB Statement No. 103, *Financial Reporting Model Improvements* - The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues.

This Statement addresses the following components of the financial reporting model: (1) Management's Discussion and Analysis, (2) Unusual or Infrequent Items, (3) Presentation of the Proprietary Fund Statement of Revenues, Expenses, and Changes in Fund Net Position, (4) major Component Unit Information, and (5) Budgetary Comparison Information.

The Statement requires that the information presented in MD&A be limited to the related topics discussed in five sections: (1) Overview of the Financial Statements, (2) Financial Summary, (3) Detailed Analyses, (4) Significant Capital Asset and Long-Term Financing Activity, and (5) Currently Known Facts, Decisions, or Conditions. Furthermore, this Statement stresses that the detailed analyses should explain why balances and results of operations changed rather than simply presenting the amounts or percentages by which they changed. This Statement emphasizes that the analysis provided in MD&A should avoid unnecessary duplication by not repeating explanations that may be relevant to multiple sections and that "boilerplate" discussions should be avoided by presenting only the most relevant information, focused on the primary government. In addition, this Statement continues the requirement that information included in MD&A distinguish between that of the primary government and its discretely presented component units. These requirements for MD&A will improve the quality of the analysis of changes from the prior year, which will enhance the relevance of that information. They also will provide clarity regarding what information should be presented in MD&A.

This Statement describes unusual or infrequent items as transactions and other events that are either unusual in nature or infrequent in occurrence. The requirements for the separate presentation of unusual or infrequent items will provide clarity regarding which items should be reported separately from other inflows and outflows of resources.

This Statement requires that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses. The definitions of operating revenues and expenses and of nonoperating revenues and expenses will replace accounting policies that vary from government to government, thereby improving comparability. The addition of a subtotal for operating income (loss) and noncapital subsidies will improve the relevance of information provided in the proprietary fund statement of revenues, expenses, and changes in fund net position.

This Statement requires governments to present each major component unit separately in the reporting entity's statement of net position and statement of activities if it does not reduce the readability of the statements. If the readability of those statements would be reduced, combining statements of major

**NEVADA RURAL HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

Note 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. New GASB Pronouncements (continued)

Upcoming New GASB Pronouncements (continued)

component units should be presented after the fund financial statements. The requirement for presentation of major component unit information will improve comparability.

The requirement that budgetary comparison information be presented as RSI will improve comparability, and the inclusion of the specified variances and the explanations of significant variances will provide more useful information for making decisions and assessing accountability.

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.

H. 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.

Note 2 - CASH AND INVESTMENTS

Cash and investments as of June 30, 2025, are classified in the accompanying financial statements as follows:

	NRHA	Blue Bird
Unrestricted cash and investments	\$ 2,000,857	\$ 112,005
Restricted cash	1,642,045	-
Restricted investments	25,011,797	-
Total restricted cash	26,653,842	-
Total cash and investments	28,654,699	112,005
Investments in other entities	628,978	-
Total	\$ 29,283,677	\$ 112,005

Combined unrestricted and restricted cash and investments as of June 30, 2025, consist of the following:

NEVADA RURAL HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

Note 2 - CASH AND INVESTMENTS (continued)

	<u>NRHA</u>	<u>Blue Bird</u>
Checking and savings deposits with financial institutions	\$ 1,850,776	\$ 112,005
Held by trustees	954,032	-
Guaranteed fixed annuity contracts	20,612	-
Money market accounts	468,405	-
State investment pool	349,077	-
Investment in Blue Bird	440,809	-
Investment in tax credits	188,169	-
Investments held by trustees	<u>25,011,797</u>	<u>-</u>
Total cash and investments	<u>\$ 29,283,677</u>	<u>\$ 112,005</u>

The Authority's investments are authorized by Board resolutions.

The fair value of investments grouped by maturity and type at June 30, 2025, are:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less than 1</u>	<u>1 – 5</u>	<u>6 – 10</u>	<u>More than 10</u>
Mortgage-backed					
Securities	\$ 25,011,797	\$ -	\$ -	\$ -	\$ 25,011,797
Nevada LGIP	349,077	349,077	-	-	-
Variable annuity	<u>20,612</u>	<u>20,612</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 25,381,486</u>	<u>\$ 369,689</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,011,797</u>

State Investment Pool – The Nevada LGIP is a pooled investment fund administered by the Office of the State Treasurer under NRS 355.167. Local governments may deposit excess public monies into the fund to take advantage of pooled investment management, liquidity, and scale. Nevada Rural Housing Authority is considered local government and therefore eligible to participate.

Local government agencies may deposit any amount (no imposed maximum) into LGIP. Withdrawals may be made without a minimum or maximum limitation, though early withdrawals may require the liquidation of securities and may incur interest adjustments. The LGIP is designed to provide liquidity (a portion of the portfolio matures daily) and preserve safety of principal, while generating yield via authorized investments. This allows NRHA to receive any request for funds within 24 hours.

Local governments participating in LGIP are allocated interest monthly. During Fiscal Year 2025, the portfolio paid between 5.26% and 4.31%. Because the LGIP is governed by state statute and operated by the State Treasurer with oversight by the State Board of Finance, it is considered a prudent means of managing public funds with economies of scale, moderate yield, and liquidity.

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, 2025, the Authority was not invested in any of these investments.

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

NEVADA RURAL HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

Note 2 - CASH AND INVESTMENTS (continued)

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, 2025, \$1,657,038 of the Authority's and none of Blue Bird's cash and investments were over the FDIC insurance limit.

Note 3 - LOANS RECEIVABLE

The Authority has issued mortgage loans to assist in the construction of affordable housing. The loans are due at various times ranging from 2047 through 2071. Additionally, the Authority is due reimbursement for costs incurred on behalf of Blue Bird.

	<u>July 1, 2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2025</u>
Mortgage Notes Receivable	\$ 8,117,794	\$ 201,179	\$ (105,951)	\$ 8,213,022
Promissory Notes	-	230,000	(25,596)	204,404
Blue Bird Loan Receivable	<u>1,444,962</u>	<u>454,992</u>	-	<u>1,899,954</u>
TOTAL	<u>\$ 9,562,756</u>	<u>\$ 886,171</u>	<u>\$ (131,547)</u>	<u>\$ 10,317,380</u>

Note 4 - CAPITAL ASSETS

The following is a summary of the Authority's changes in capital assets for the fiscal year ended June 30, 2025:

	<u>July 1, 2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2025</u>
Land	\$ 7,598,565	\$ 107,000	\$ (902,271)	\$ 6,803,295
Buildings and improvements	6,008,479	1,848,664	(5,000)	7,852,143
Furniture and Equipment	904,314	-	(6,649)	897,665
Intangible lease asset	<u>169,454</u>	<u>-</u>	<u>-</u>	<u>169,454</u>
Total capital assets	<u>14,680,812</u>	<u>1,955,664</u>	<u>(913,920)</u>	<u>15,722,557</u>
Less Accumulated depreciation/amortization:				
Buildings and Improvements	(2,752,638)	(249,234)	-	(3,001,872)
Furniture and Equipment	(556,148)	(91,8778)	6,649	(641,377)
Intangible lease asset	<u>(18,828)</u>	<u>(56,487)</u>	<u>-</u>	<u>(75,315)</u>
Total accumulated depreciation/amortization	<u>(3,327,614)</u>	<u>(397,599)</u>	<u>-</u>	<u>(3,718,564)</u>
Total capital assets, net	<u>\$ 11,353,198</u>	<u>\$ 1,558,065</u>	<u>\$ (907,271)</u>	<u>\$ 12,003,992</u>

NEVADA RURAL HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

Note 4 - CAPITAL ASSETS (continued)

The following is a summary of Blue Bird’s changes in capital assets for the fiscal year ended June 30, 2025.

	<u>July 1, 2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2025</u>
Buildings	\$ 24,873	-	-	\$ 24,873
Total capital assets	<u>24,873</u>	<u>-</u>	<u>-</u>	<u>24,873</u>
Less Accumulated depreciation:				
Buildings	(5,784)	(2,487)	-	(8,271)
Total accumulated depreciation	<u>(5,784)</u>	<u>(2,487)</u>	<u>-</u>	<u>(8,271)</u>
Total capital assets, net	<u>\$ 19,089</u>	<u>\$ (2,487)</u>	<u>\$ -</u>	<u>\$ 16,602</u>

Buildings and improvements includes \$1,194,203 in construction in progress (CIP).

Note 5 - LONG TERM DEBT

The following is a summary of changes in debt for the year ended June 30, 2025:

	<u>July 1, 2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2025</u>	<u>Current</u>
Mortgage notes	\$ 849,589	\$ 772,124	\$ (174,136)	\$ 1,447,577	\$ 76,976
Deferred loan agreement	111,530	-	-	111,530	-
Bonds payable	25,000,000	-	(180,000)	24,820,000	265,000
Lease payable	152,169	-	(52,095)	100,074	58,075
Compensated Absences (Note 6)	206,584	-	(26,872)	179,712	17,971
	<u>\$ 26,319,872</u>	<u>\$ 772,124</u>	<u>\$ (433,103)</u>	<u>\$ 26,658,893</u>	<u>\$ 418,022</u>

Mortgage Notes

A description of the debt recorded at June 30, 2025, for the housing authority is as follows:

	<u>Balance</u>
<u>Yerington Manor</u>	
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.	\$ 125,188
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.	64,567
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.	12,059

NEVADA RURAL HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
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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. 415,877

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 9.50% per annum, monthly principal and interest payments amount to \$630. 57,761

Saddlebrook

Installment note due April 2058 secured by a deed of trust on real property and security agreement which includes an assignment of rents, interest at 5.375% per annum, monthly principal and interest payments amount to \$1,312. 545,681

Installment note due February 2049 secured by a deed of trust on real property and security agreement which includes an assignment of rents, interest at 1.00% per annum, annual principal and interest payments amount to \$10,659. 226,444

NRHI -

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. 111,530

Total notes payable at June 30, 2025 \$ 1,559,107

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>
2026	\$ 76,976	\$ (6,550)	\$ 70,426
2027	88,901	(13,051)	75,850
2028	95,967	(20,116)	75,851
2029	83,835	(17,868)	65,967
2030	42,689	536	43,225
2031 – 2035	263,798	(47,675)	216,123
2036 – 2040	299,128	(103,961)	195,167
Thereafter	496,283	(120,959)	375,324
Total NRHA	<u>1,447,577</u>	<u>(329,644)</u>	<u>1,117,933</u>
NRHI due in 2027	111,530	-	111,530
	<u>\$ 1,559,107</u>	<u>\$ (329,644)</u>	<u>\$ 1,229,463</u>

NEVADA RURAL HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

Note 5 - LONG TERM DEBT (continued)

Lease Payable

The Authority entered into an office lease that expires in February 2027. The original calculation of the cost of the right-of-use office lease asset was \$169,454. As of June 30, 2025, accumulated amortization on the office lease asset is \$75,315 (see Note 4). The following is a schedule of future minimum principal and interest payments to be paid under the operating lease.

<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>
2026	\$ 58,075	\$ 4,813	\$ 62,888
2027	41,999	1,030	43,029
	\$ 100,074	\$ 5,843	\$ 105,917

Bond Payable

In June 2024 the Authority issued \$25,000,000 of Single Family Mortgage Revenue Bonds with interest rates ranging from 4.22% to 6.00%. The Bonds are secured by a pledge of single family mortgage revenue bonds. Principle and interest payments are due semi-annually on May 1 and November 1 through November 2055. The Authority earned an initial premium on the bond of \$848,530. The premium will be amortized over the life of the bond on a straight-line basis. At June 30, 2025, the accumulated amortization on the premium was \$141,422, with a net balance of \$707,108.

The following is the bond debt service schedule to maturity:

<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>
2026	\$ 265,000	\$ 1,285,223	\$ 1,550,223
2027	340,000	1,271,433	1,611,433
2028	355,000	1,255,398	1,610,398
2029	375,000	1,238,470	1,613,470
2030	400,000	1,220,605	1,620,605
2031 – 2035	2,345,000	5,792,739	8,137,739
2036 – 2040	3,075,000	5,149,679	8,224,679
2041 – 2045	4,075,000	4,264,990	8,339,990
2046 – 2050	5,450,000	3,046,306	8,496,306
2051 – 2055	7,295,000	1,392,968	8,687,968
2056	845,000	25,350	870,350
Total	\$ 24,820,000	\$ 25,943,161	\$ 50,763,161

Blue Bird Property

Blue Bird Property entered into a revolving loan agreement with the Authority. During the year ended June 30, 2025, the Board passed a resolution to increase the maximum credit loan by \$500,000 to \$2,371,608. The Company has incurred start-up and administration costs which have been provided by the Authority. The loan account and loans are payable on demand. As of June 30, 2025, the Company's loan balance due to the Authority was \$1,899,954.

NEVADA RURAL HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

Note 6 - COMPENSATED ABSENCES

The Authority permits employees to accumulate earned but unused vacation and sick leave in accordance with its personnel policies. Vacation leave is available for use in future periods or is paid to employees upon separation from service. Employees with ten or more years of service are eligible to receive payment for unused sick leave at separation, subject to the following maximums based on years of service and unused sick leave in excess of 240 hours: \$2,500 for 10 years, \$4,000 for 15 years, \$6,000 for 20 years, and \$8,000 for 25 years or more.

In accordance with *Governmental Accounting Standards Board (GASB) Statement No. 101, "Compensated Absences,"* the Authority recognizes a liability for leave that has been earned but not yet used or paid, provided the leave is attributable to services already rendered, accumulates, and is more likely than not to be used for time off or otherwise paid or settled. The liability is measured using employees' pay rates in effect as of the financial statement date.

At June 30, 2025, the Authority recorded a liability for compensated absences in the amount of \$179,712, consisting of \$165,509 for accrued vacation leave and \$14,203 for accrued sick leave. The net change in the compensated absences liability for the year ended June 30, 2025, was a decrease of \$26,872. The entire liability is reported in the government-wide financial statements. Expenditures are recognized in the governmental fund financial statements to the extent the liability is expected to be liquidated with expendable available financial resources.

Management believes the amounts reported represent the best estimate of the Authority's obligation for compensated absences expected to be paid or settled in future periods.

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.

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.

**NEVADA RURAL HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

Note 7 – EMPLOYEE RETIREMENT PLAN (continued)

Monthly benefit allowances for members are computed as 2.50% 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, 2024, 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

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.

NEVADA RURAL HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

Note 7 – EMPLOYEE RETIREMENT PLAN (continued)

For the fiscal year ended June 30, 2024, the Regular Statutory Employer/employee matching rate was 15.50%. The Regular Employer-pay contribution (EPC) rate was 29.75%.

For the year ended June 30, 2025, the contributions recognized as part of pension expense were as follows:

Contributions – employer	\$ 776,955
Contributions – employee	\$ 320,989

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, 2024:

	Proportionate Share of Net Pension Liability	Pool Percentage
Balance at 6/30/23 – Measurement date	\$ 7,602,045	0.04165%
Balance at 6/30/24 – Measurement date	6,780,578	0.03753%
Total Net Change	<u>\$ (821,467)</u>	<u>0.00412%</u>

The Authority’s net pension liability (NPL) was measured as of June 30, 2024, and the total pension liability used to calculate the pension liability was determined by an actuarial valuation as of that date. The NPL of \$6,780,578 is measured as the proportionate share of the net pension liability of \$18,067,886,503 (or 0.03753%).

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, 2024.

Pension expense – As of June 30, 2025, the Authority recognized actuarial pension expense of \$853,126.

Deferred inflows/outflows - At June 30, 2025, 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	\$ 776,955	\$ -
Differences between actual and expected experience	1,438,475	-
Changes in assumptions	437,525	-
Net differences between projected and actual earnings on pension plan investments	-	(667,975)
Adjustment due to differences between actual Contributions and proportionate share of contributions	<u>503,808</u>	<u>(603,632)</u>
Total	<u>\$ 3,156,763</u>	<u>\$ (1,271,607)</u>

NEVADA RURAL HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

Note 7 – EMPLOYEE RETIREMENT PLAN (continued)

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

\$776,955 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, 2025 (measurement period ended June 30, 2024). 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
2026	\$ 177,109
2027	857,959
2028	64,126
2029	(950)
2030	109,783
Thereafter	-

Actuarial Methods and Assumptions Used to Determine Total Pension Liability – The System’s net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. 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	7.25%
Inflation	2.50%
Productivity pay increase	0.50%
Projected Salary Increase	4.20% to 9.10% for regular members varying by service, including inflation
Other assumptions	Same as those used in the June 30, 2023 funding actuarial valuation

Actuarial assumptions used in the June 30, 2024, valuation were based on the results of the June 30, 2020 experience study.

Discount Rate – The discount rate used to measure the total pension liability was 7.25% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed 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, 2024.

NEVADA RURAL HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

Note 7 – EMPLOYEE RETIREMENT PLAN (continued)

The following was the Pension Board adopted policy target asset allocation as of June 30, 2024:

Asset Class	Target Allocation	Long-Term Geometric Expected Real Rate of Return*
Large Cap U.S. Equity	34.0%	5.50%
Developed International Equity	14.0%	5.50%
U.S. Fixed Income	28.0%	2.25%
Private Equity	12.0%	6.65%
Short-term Investments	12.0%	0.50%
Total	100.0%	

*As of June 30, 2024, PERS’s long-term inflation assumption was 2.50%.

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 7.25 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 (6.25%) or 1-percentage point higher (8.25%) than the current discount rate:

	Discount Rate - 1% (6.25%)	Current Discount Rate (7.25%)	Discount Rate +1% (8.25%)
Plan’s Net Pension Liability	\$ 10,903,990	\$ 6,780,578	\$ 3,378,718

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.

**NEVADA RURAL HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

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

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.

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 three retirees is projected to be less than \$2,000 in the fiscal year ending June 30, 2025, with an immaterial estimated long-term liability. This OPEB liability has been deemed immaterial and 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 |
| Carson Southgate Enterprise, LLC | Hafen Village I LLC |
| Pioche Apartments 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.

REQUIRED SUPPLEMENTARY INFORMATION
(Other than the MD&A)

**NEVADA RURAL HOUSING AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2025**

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

	Fiscal year ended June 30,			
	2016	2017	2018	2019
Measurement date	6/30/2015	6/30/2016	6/30/2017	6/30/2018
Plan's Proportion of the Net Pension Liability/(Asset)	0.02364%	0.02968%	0.03199%	0.03123%
Plan's Proportionate Share of the Net Pension Liability/(Asset)	\$ 2,709,403	\$ 3,993,550	\$ 4,254,861	\$ 4,259,470
Plan's Covered-Employee Payroll	\$ 1,319,436	\$ 1,760,342	\$ 2,003,011	\$ 2,010,588
Plan's Proportionate Share of the Net Pension Liability/(asset) as a Percentage of its Covered-Employee Payroll	205%	227%	212%	212%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	75.13%	72.23%	74.40%	75.24%
Plan's Proportionate Share of Aggregate Fiduciary Net Position	\$ 8,181,974	\$ 10,388,602	\$ 12,376,433	\$ 12,940,341

**NEVADA RURAL HOUSING AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2025**

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

2020 6/30/2019	2021 6/30/2020	2022 6/30/2021	2023 6/30/2022	2024 6/30/2023	2025 6/30/2024
0.03257%	0.03554%	0.03751%	0.04303%	0.04165%	0.03753%
\$ 4,441,488	\$ 4,950,673	\$ 3,420,702	\$ 7,769,606	\$ 7,602,045	\$ 6,780,578
\$ 2,173,079	\$ 2,456,390	\$ 2,605,438	\$ 3,095,053	\$ 3,157,438	\$ 3,176,016
204%	202%	131%	251%	241%	213%
76.46%	77.04%	86.51%	75.10%	76.47%	76.47%
\$ 14,424,210	\$ 16,611,480	\$ 21,928,122	\$ 23,459,146	\$ 24,287,315	\$ 24,189,100

**NEVADA RURAL HOUSING AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2025**

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

	Fiscal year ended June 30,			
	2016	2017	2018	2019
Measurement date	6/30/2015	6/30/2016	6/30/2017	6/30/2018
Actuarially Determined Contributions	\$ 189,751	\$ 189,128	\$ 281,128	\$ 362,009
Contributions in Relation to the Actuarially Determined Contribution - Employer	<u>(189,751)</u>	<u>(189,128)</u>	<u>(281,128)</u>	<u>(362,009)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 1,319,436	\$ 1,760,342	\$ 2,003,011	\$ 2,010,588
Contributions as a Percentage of Covered-Employee Payroll	14.38%	10.74%	14.04%	18.01%

Notes to Schedule:

Valuation Date: June 30, 2024

Methods and assumptions used to determine contribution rates:

Actuarial Cost method	Entry Age Normal Actuarial Cost Method
Amortization Method	The Unfunded Actuarial Accrued Liability (UAAL) is amortized over a year-by-year closed amortization period as a level percent of payroll (3.50% payroll growth assumed). Effective June 30, 2022, the outstanding balance of all regular amortization bases except for the initial base dated June 30, 2004, were combined and re-amortized over 20 years.
Asset Valuation Method	Market Value of Assets less unrecognized returns in each of the last five years
Inflation rate	2.50%
Productivity pay increase	0.5% Plus
Investment Rate of Return	7.25%
Projected salary increases	Vary from 4.20% to 9.10%, depending on years of service. These rates included inflation and productivity pay increases.
Other assumptions	Same as those used in the June 30, 2024 funding actuarial valuation.

**NEVADA RURAL HOUSING AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2025**

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

2020 6/30/2019	2021 6/30/2020	2022 6/30/2021	2023 6/30/2022	2024 6/30/2023	2025 6/30/2024
\$ 356,637	\$ 436,133	\$ 500,452	\$ 610,462	\$ 484,735	\$ 539,670
<u>(356,637)</u>	<u>(436,133)</u>	<u>(500,452)</u>	<u>(610,462)</u>	<u>(482,143)</u>	<u>(533,078)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,592</u>	<u>\$ 6,592</u>
\$ 2,173,079	\$ 2,456,390	\$ 2,605,438	\$ 3,095,053	\$ 3,157,438	\$ 3,176,016
16.41%	17.76%	19.21%	19.72%	15.27%	16.78%

OTHER SUPPLEMENTARY INFORMATION

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**NEVADA RURAL HOUSING AUTHORITY
SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2025**

Combining Statement of Net Position

	Nevada Rural Housing Authority	Nevada Rural Housing Inc.	Total
<u>ASSETS</u>			
Current Assets:			
Cash and investments (Note 2)	\$ 1,636,313	\$ 364,544	\$ 2,000,857
Restricted Cash (Note 2)	1,642,045	-	1,642,045
Restricted bond investment (Note 2)	25,011,797	-	25,011,797
Due from other agencies	485,985	-	485,985
Accounts receivable	3,311,074	218,147	3,529,221
Mortgage loan receivable (Note 3)	204,404	-	204,404
Prepaid expenses	28,929	-	28,929
Investments in other entities (Note 2)	371,484	257,494	628,978
Total current assets	<u>32,692,031</u>	<u>840,185</u>	<u>33,532,216</u>
Noncurrent assets:			
Mortgage loan receivable (Note 3)	10,030,581	82,395	10,112,976
Mortgage interest receivable	836,838	435	837,273
Assets held for resale	1,011,443	-	1,011,443
Capital assets, net (Note 4)	11,906,379	97,613	12,003,992
Total noncurrent assets	<u>23,785,241</u>	<u>180,443</u>	<u>23,965,684</u>
Total Assets	<u>56,477,272</u>	<u>1,020,628</u>	<u>57,497,900</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Pension Plan (Note 7)	3,156,763	-	3,156,763
Total deferred outflows	<u>3,156,763</u>	<u>-</u>	<u>3,156,763</u>
Total assets and deferred outflows of resources	<u>59,634,035</u>	<u>1,020,628</u>	<u>60,654,663</u>
<u>LIABILITIES</u>			
Current Liabilities:			
Accounts payable	23,439	1,100	24,539
Tenant security deposits	20,131	-	20,131
Accrued liabilities	522,068	-	522,068
Accrued interest payable	216,670	-	216,670
Line of credit payable	1,870,582	-	1,870,582
Compensated absences (Note 6)	17,971	-	17,971
Deferred revenues	85,421	15,699	101,120
Lease payable (Note 5)	58,075	-	58,075
Bonds payable (Note 5)	265,000	-	265,000
Notes payable (Note 5)	76,976	-	76,976
Total current liabilities	<u>3,156,333</u>	<u>16,799</u>	<u>3,173,132</u>
Noncurrent liabilities:			
Lease payable (Note 5)	41,998	-	41,998
Compensated absences (Note 6)	161,741	-	161,741
Bonds payable (Note 5)	24,555,000	-	24,555,000
Premium on bond issuance	707,108	-	707,108
Notes payable (Note 5)	1,370,601	111,530	1,482,131
Pension liability (Note 7)	6,780,578	-	6,780,578
Total noncurrent liabilities	<u>33,617,026</u>	<u>111,530</u>	<u>33,728,556</u>
Total liabilities	<u>36,773,359</u>	<u>128,329</u>	<u>36,901,688</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Pension Plan (Note 7)	1,271,607	-	1,271,607
Total liabilities and deferred inflows of resources	<u>38,044,966</u>	<u>128,329</u>	<u>38,173,295</u>
<u>NET POSITION</u>			
Net investment in capital assets	10,458,802	(13,917)	10,444,885
Restricted	846,171	-	846,171
Unrestricted	10,284,096	906,216	11,190,312
Total Net Position	<u>\$ 21,589,069</u>	<u>\$ 892,299</u>	<u>\$ 22,481,368</u>

**NEVADA RURAL HOUSING AUTHORITY
SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2025**

Combining Schedule of Revenues, Expenses, and Changes in Net Position

	Nevada Rural Housing Authority	Nevada Rural Housing Inc.	Total
<u>Operating Revenues</u>			
Grants	\$ 19,775,587	\$ -	\$ 19,775,587
Rents	276,778	15,819	292,597
Mortgage issuer and lender fees	278,317	-	278,317
Developer fees	1,549,803	-	1,549,803
Management fees	1,025,924	-	1,025,924
Other	996,847	278,986	1,275,833
Total operating revenues	<u>23,903,256</u>	<u>294,805</u>	<u>24,198,061</u>
<u>Operating Expenses</u>			
Administration	6,620,999	170,315	6,791,314
Utilities	87,636	1,145	88,781
Maintenance	1,935,207	2,060	1,937,267
General	2,061,975	6,610	2,068,585
Tenant services	283,128	-	283,128
Housing assistance payments	14,075,421	-	14,075,421
Depreciation and amortization	393,381	4,218	397,599
Total operating expenses	<u>25,457,747</u>	<u>184,348</u>	<u>25,642,095</u>
Operating income (loss)	<u>(1,554,491)</u>	<u>110,457</u>	<u>(1,444,034)</u>
<u>Non-Operating Revenues (Expenses)</u>			
Interest income - investments	1,891,658	15,723	1,907,381
Interest income - mortgage loans	202,545	-	202,545
Gain (loss) on disposition of capital asset	(266,491)	-	(266,491)
Contribution from (distribution to) members	-	-	-
Interest expense	(1,374,646)	-	(1,374,646)
Net non-operating revenue	<u>453,066</u>	<u>15,723</u>	<u>468,789</u>
Change in net position	(1,101,425)	126,180	(975,245)
Total beginning net position	<u>22,690,494</u>	<u>766,119</u>	<u>23,456,613</u>
Total ending net position	<u>\$ 21,589,069</u>	<u>\$ 892,299</u>	<u>\$ 22,481,368</u>

**NEVADA RURAL HOUSING AUTHORITY
SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2025**

**Combining Statement of Net Position
December 31, 2024**

	West Minor Street Associates, LLC	West Minor Street Associates II, LLC	Sunridge Fallon Associates, LLC	Desert Properties, LLC	Belmont Properties, LLC	Bristlecone Apartments Associates, LLC
ASSETS						
Current Assets:						
Cash and investments (Note 2)	\$ 13,173	\$ 36,100	\$ 167,169	\$ 40,479	\$ 81,333	\$ 154,010
Restricted Cash (Note 2)	171,078	124,549	324,155	637,391	237,867	433,003
Due from other agencies	-	-	-	-	-	-
Accounts receivable	2,330	221	5,035	146	187	963
Prepaid expenses	1,469	1,408	1,958	12,077	897	22,149
Investments in Other Entities (Note 2)	-	-	-	-	-	-
Total current assets	<u>188,050</u>	<u>162,278</u>	<u>498,317</u>	<u>690,093</u>	<u>320,284</u>	<u>610,125</u>
Noncurrent assets:						
Mortgage loan receivable (Note 3)	-	-	-	-	-	-
Mortgage interest receivable	-	-	-	-	-	-
Assets held for resale	-	-	-	-	-	-
Tax credit fees, net of accumulated amortization	14,538	23,013	17,651	30,145	36,474	64,427
Capital assets, net (Note 4)	2,974,440	3,758,534	4,403,639	7,169,135	3,916,493	8,267,076
Total noncurrent assets	<u>2,988,978</u>	<u>3,781,547</u>	<u>4,421,290</u>	<u>7,199,280</u>	<u>3,952,967</u>	<u>8,331,503</u>
Total Assets	<u>3,177,028</u>	<u>3,943,825</u>	<u>4,919,607</u>	<u>7,889,373</u>	<u>4,273,251</u>	<u>8,941,628</u>
DEFERRED OUTFLOWS OF RESOURCES						
Pension Plan (Note 7)	-	-	-	-	-	-
Total deferred outflows	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>3,177,028</u>	<u>3,943,825</u>	<u>4,919,607</u>	<u>7,889,373</u>	<u>4,273,251</u>	<u>8,941,628</u>
LIABILITIES						
Current Liabilities:						
Accounts payable	24,461	19,555	20,377	23,770	4,449	19,534
Tenant security deposits	6,900	6,500	17,068	9,357	4,301	16,913
Accrued liabilities	237,361	16,941	16,964	20,533	51,682	15,551
Accrued interest payable	288,218	5,457	16,979	763,914	96,000	62,217
Line of credit payable	-	-	-	-	-	-
Compensated absences (Note 6)	-	-	-	-	-	-
Deferred revenues	11,056	3,893	933	919	14	7,792
Lease payable (Note 5)	-	-	-	-	-	-
Notes payable (Note 5)	19,229	6,924	30,816	33,713	2,575	15,052
Total current liabilities	<u>587,225</u>	<u>59,270</u>	<u>103,137</u>	<u>852,206</u>	<u>159,021</u>	<u>137,059</u>
Noncurrent liabilities:						
Lease payable (Note 5)	-	-	-	-	-	-
Compensated absences (Note 6)	-	-	-	-	-	-
Bonds payable (Note 5)	-	-	-	-	-	-
Premium on bond issuance	-	-	-	-	-	-
Notes payable (Note 5)	1,660,056	1,036,109	1,411,796	6,971,214	990,591	2,492,800
Pension liability (Note 7)	-	-	-	-	-	-
Total noncurrent liabilities	<u>1,660,056</u>	<u>1,036,109</u>	<u>1,411,796</u>	<u>6,971,214</u>	<u>990,591</u>	<u>2,492,800</u>
Total liabilities	<u>2,247,281</u>	<u>1,095,379</u>	<u>1,514,933</u>	<u>7,823,420</u>	<u>1,149,612</u>	<u>2,629,859</u>
DEFERRED INFLOWS OF RESOURCES						
Pension Plan (Note 7)	-	-	-	-	-	-
Total liabilities and deferred inflows of resources	<u>2,247,281</u>	<u>1,095,379</u>	<u>1,514,933</u>	<u>7,823,420</u>	<u>1,149,612</u>	<u>2,629,859</u>
NET POSITION						
Net investment in capital assets	1,295,155	2,715,501	2,961,027	164,208	2,923,327	5,759,224
Restricted	-	-	-	-	-	-
Unrestricted	(365,408)	132,945	443,647	(98,255)	200,312	552,545
Total Net Position	<u>\$ 929,747</u>	<u>\$ 2,848,446</u>	<u>\$ 3,404,674</u>	<u>\$ 65,953</u>	<u>\$ 3,123,639</u>	<u>\$ 6,311,769</u>

**NEVADA RURAL HOUSING AUTHORITY
SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2025**

**Combining Statement of Net Position
December 31, 2024**

Shadows Associates, LLC	Pinion Apartments, LLC	Jeanell Drive Associates, LLC	Mountain View Village, LLC	Southwood Associates, LLC	Winnemucca Village, LLC	Carson Southgate Enterprise, LLC	Hafen Village I, LLC	Pioche Apartments LLC	Total
\$ 75,059	\$ 81,247	\$ 187,886	\$ 150,680	\$ 26,924	\$ 103,561	\$ 216,356	\$ 1,269,001	\$ 1,757	\$ 2,604,735
372,371	227,954	255,874	302,290	148,805	170,478	716,620	28,509	1,951	4,152,895
-	-	-	-	-	-	-	-	-	-
5,346	1,264	2,169	4,689	561	305	22,146	82,664	-	128,026
1,211	1,370	-	15,048	1,157	2,945	81,815	19,020	-	162,524
-	-	-	-	-	-	-	-	-	-
<u>453,987</u>	<u>311,835</u>	<u>445,929</u>	<u>472,707</u>	<u>177,447</u>	<u>277,289</u>	<u>1,036,937</u>	<u>1,399,194</u>	<u>3,708</u>	<u>7,048,180</u>
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
49,142	49,045	37,327	62,623	19,208	49,105	-	295,008	-	747,706
<u>6,283,231</u>	<u>6,166,671</u>	<u>6,258,216</u>	<u>8,556,851</u>	<u>2,746,505</u>	<u>4,270,136</u>	<u>6,645,629</u>	<u>34,121,803</u>	<u>6,692,651</u>	<u>112,231,010</u>
<u>6,332,373</u>	<u>6,215,716</u>	<u>6,295,543</u>	<u>8,619,474</u>	<u>2,765,713</u>	<u>4,319,241</u>	<u>6,645,629</u>	<u>34,416,811</u>	<u>6,692,651</u>	<u>112,978,716</u>
<u>6,786,360</u>	<u>6,527,551</u>	<u>6,741,472</u>	<u>9,092,181</u>	<u>2,943,160</u>	<u>4,596,530</u>	<u>7,682,566</u>	<u>35,816,005</u>	<u>6,696,359</u>	<u>120,026,896</u>
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
<u>6,786,360</u>	<u>6,527,551</u>	<u>6,741,472</u>	<u>9,092,181</u>	<u>2,943,160</u>	<u>4,596,530</u>	<u>7,682,566</u>	<u>35,816,005</u>	<u>6,696,359</u>	<u>120,026,896</u>
-	-	-	-	-	-	-	-	-	-
6,646	6,876	5,622	39,426	7,237	5,344	52,931	37,637	1,984,026	2,257,891
6,200	6,581	13,300	9,250	7,601	4,210	39,334	27,518	750	175,783
107,591	107,591	3,000	77,273	2,000	53,750	-	1,676,042	4,190	2,390,469
187,437	84,501	20,240	8,875	66,907	21,346	202,619	151,787	-	1,976,497
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
1,944	514	6,201	1,895	1,768	766	17,764	11,390	517	67,366
-	-	-	-	-	-	-	-	-	-
12,274	14,659	-	50,784	7,624	6,445	56,312	22,071,229	352,186	22,679,822
<u>322,092</u>	<u>220,722</u>	<u>48,363</u>	<u>187,503</u>	<u>93,137</u>	<u>91,861</u>	<u>368,960</u>	<u>23,975,603</u>	<u>2,341,669</u>	<u>29,547,828</u>
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
2,278,426	2,060,302	1,693,952	4,021,563	1,387,617	1,462,015	8,041,066	4,381,000	2,619,701	42,508,208
-	-	-	-	-	-	-	-	-	-
<u>2,278,426</u>	<u>2,060,302</u>	<u>1,693,952</u>	<u>4,021,563</u>	<u>1,387,617</u>	<u>1,462,015</u>	<u>8,041,066</u>	<u>4,381,000</u>	<u>2,619,701</u>	<u>42,508,208</u>
<u>2,600,518</u>	<u>2,281,024</u>	<u>1,742,315</u>	<u>4,209,066</u>	<u>1,480,754</u>	<u>1,553,876</u>	<u>8,410,026</u>	<u>28,356,603</u>	<u>4,961,370</u>	<u>72,056,036</u>
-	-	-	-	-	-	-	-	-	-
<u>2,600,518</u>	<u>2,281,024</u>	<u>1,742,315</u>	<u>4,209,066</u>	<u>1,480,754</u>	<u>1,553,876</u>	<u>8,410,026</u>	<u>28,356,603</u>	<u>4,961,370</u>	<u>72,056,036</u>
-	-	-	-	-	-	-	-	-	-
3,992,531	4,091,710	4,564,264	4,484,504	1,351,264	2,801,676	(1,451,749)	29,740,803	4,072,950	69,466,395
-	-	-	-	-	-	-	-	-	-
193,311	154,817	434,893	398,611	111,142	240,978	724,289	(22,281,401)	(2,337,961)	(21,495,535)
<u>\$ 4,185,842</u>	<u>\$ 4,246,527</u>	<u>\$ 4,999,157</u>	<u>\$ 4,883,115</u>	<u>\$ 1,462,406</u>	<u>\$ 3,042,654</u>	<u>\$ (727,460)</u>	<u>\$ 7,459,402</u>	<u>\$ 1,734,989</u>	<u>\$ 47,970,860</u>

**NEVADA RURAL HOUSING AUTHORITY
SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2025**

**Combining Schedule of Revenues, Expenses, and Changes in Net Position
For the year ended December 31, 2024**

	West Minor Street Associates, LLC	West Minor Street Associates II, LLC	Sunridge Fallon Associates, LLC	Desert Properties, LLC	Belmont Properties, LLC	Bristlecone Apartments Associates, LLC
<u>Operating Revenues</u>						
Grants	\$ -	\$ -	\$ 319,983	\$ -	\$ 162,286	\$ -
Rents	232,350	246,097	135,192	454,340	57,227	553,883
Mortgage issuer and lender fees	-	-	-	-	-	-
Developer fees	-	-	-	-	-	-
Management fees	-	-	-	-	-	-
Parcel acquisition	-	-	-	-	-	-
Other	10,293	(4,512)	36,104	11,195	7,175	9,998
Total operating revenues	<u>242,643</u>	<u>241,585</u>	<u>491,279</u>	<u>465,535</u>	<u>226,688</u>	<u>563,881</u>
<u>Operating Expenses</u>						
Administration	79,479	68,491	81,779	76,791	58,161	148,853
Utilities	26,280	25,634	75,396	84,459	22,950	75,018
Maintenance	66,297	65,236	128,209	115,134	41,999	54,313
General	58,201	53,679	94,248	136,224	50,472	152,464
Tenant services	-	-	-	-	-	-
Housing assistance payments	-	-	-	-	-	-
Depreciation and amortization	237,081	145,710	180,809	306,075	150,693	297,421
Total operating expenses	<u>467,338</u>	<u>358,750</u>	<u>560,441</u>	<u>718,683</u>	<u>324,275</u>	<u>728,069</u>
Operating income (loss)	<u>(224,695)</u>	<u>(117,165)</u>	<u>(69,162)</u>	<u>(253,148)</u>	<u>(97,587)</u>	<u>(164,188)</u>
<u>Non-Operating Revenues (Expenses)</u>						
Interest income - investments	-	-	335	4,927	216	431
Interest income - mortgage loans	-	-	-	-	-	-
Gain (loss) on disposition of capital asset	-	-	-	-	-	-
Parcel acquisition	-	-	-	-	-	-
Contribution from (distribution to) members	-	(3,954)	(15,712)	-	-	-
Interest expense	(65,864)	(27,308)	(38,761)	(210,699)	(46,769)	(45,144)
Net non-operating revenue	<u>(65,864)</u>	<u>(31,262)</u>	<u>(54,138)</u>	<u>(205,772)</u>	<u>(46,553)</u>	<u>(44,713)</u>
Change in net position	<u>(290,559)</u>	<u>(148,427)</u>	<u>(123,300)</u>	<u>(458,920)</u>	<u>(144,140)</u>	<u>(208,901)</u>
Total beginning net position	<u>1,220,306</u>	<u>2,996,873</u>	<u>3,527,974</u>	<u>524,873</u>	<u>3,267,779</u>	<u>6,520,670</u>
Total ending net position	<u>\$ 929,747</u>	<u>\$ 2,848,446</u>	<u>\$ 3,404,674</u>	<u>\$ 65,953</u>	<u>\$ 3,123,639</u>	<u>\$ 6,311,769</u>

**NEVADA RURAL HOUSING AUTHORITY
SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2025**

**Combining Schedule of Revenues, Expenses, and Changes in Net Position
For the year ended December 31, 2024**

Shadows Associates, LLC	Pinion Apartments, LLC	Jeanell Drive Associates, LLC	Mountain View Village, LLC	Southwood Associates, LLC	Winnemucca Village, LLC	Carson Southgate Enterprise, LLC	Hafen Village I, LLC	Pioche Apartments LLC	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 482,269
288,310	276,022	579,952	520,903	278,997	189,158	1,459,146	653,244	25,576	5,950,397
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
7,298	13,123	3,991	11,008	2,641	3,803	14,912	6,683	1,150	134,862
295,608	289,145	583,943	531,911	281,638	192,961	1,474,058	659,927	26,726	6,567,528
74,671	78,178	98,208	101,130	64,436	52,401	233,858	118,104	19,793	1,354,333
40,807	47,950	74,836	48,758	40,620	22,733	119,304	79,282	5,324	789,351
34,648	37,059	62,253	62,830	63,568	25,218	402,405	15,816	1,243	1,176,228
92,801	93,782	236,271	141,042	79,117	81,216	239,237	203,484	2,289	1,714,527
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
250,446	245,441	260,002	272,807	162,867	129,645	597,913	716,589	-	3,953,499
493,373	502,410	731,570	626,567	410,608	311,213	1,592,717	1,133,275	28,649	8,987,938
(197,765)	(213,265)	(147,627)	(94,656)	(128,970)	(118,252)	(118,659)	(473,348)	(1,923)	(2,420,410)
470	163	126	1,420	117	167	732	21	1	9,126
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	9,296,396	1,736,911	11,013,641
(65,023)	(42,913)	(13,454)	(183,238)	(23,199)	(21,353)	(427,293)	(1,363,667)	-	(2,574,685)
(64,553)	(42,750)	(13,328)	(181,818)	(23,082)	(21,186)	(426,561)	7,932,750	1,736,912	8,448,082
(262,318)	(256,015)	(160,955)	(276,474)	(152,052)	(139,438)	(545,220)	7,459,402	1,734,989	6,027,672
4,448,160	4,502,542	5,160,112	5,159,589	1,614,458	3,182,092	(182,240)	-	-	41,943,188
\$ 4,185,842	\$ 4,246,527	\$ 4,999,157	\$ 4,883,115	\$ 1,462,406	\$ 3,042,654	\$ (727,460)	\$ 7,459,402	\$ 1,734,989	\$ 47,970,860

**NEVADA RURAL HOUSING AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025**

<u>Federal Grantor/ Pass Through Grantor</u>	<u>Federal ALN 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		\$ 141,965
Neighborhood Stabilization Program	14.256		50,229
Dollar Home Sales	14.313		6,391
Multifamily Housing Service Coordinators	14.191		90,796
Housing Voucher Cluster:			
Emergency Housing Voucher	14.EHV		413,625
Mainstream Vouchers	14.879		1,313,361
Section 8 Housing Choice Vouchers	14.871		<u>13,723,434</u>
Total Housing Voucher Cluster			<u>15,450,420</u>
Total U.S. Department of Housing and Urban Development			<u>15,739,801</u>
 <u>U.S. Department of Agriculture (USDA):</u>			
Direct Programs:			
Rural Rental Assistance Programs	10.427		<u>1,611,247</u>
Total U.S. Department of Agriculture			<u>1,611,247</u>
 <u>Department of Energy (DOE):</u>			
Passed through from State of Nevada Housing Division:			
Weatherization Assistance for Low-Income Persons	81.042	[a]	<u>166,312</u>
Total Department of Energy			<u>166,312</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	[b]	<u>190,697</u>
Total Department of Health and Human Services			<u>190,697</u>
 <u>Department of the Treasury</u>			
Passed through County of Nye and State of Nevada Housing Division:			
Coronavirus State and Local Fiscal Recovery Funds	21.027	[c]	<u>2,279,684</u>
Total Department of the Treasury			<u>2,279,684</u>
			 <u>\$ 19,987,741</u>

[a] DOE/2023/01, DOE/2024/01, DOE/2025/01, DOE/2023/05, DOE/2024/05, DOE/2025/05, BIL/2025/01, BIL/2025/05

[b] LIHEAP/2024/01, LIHEAP/2024/05, EAP2401s/2024/01, EAP2401s/2024/05 EAP2301b/2023/05, EAP2301c/2023/05, EAP2301c/2023/01, EAP2301d/2023/05, EAP2301d/2023/01

[c] HMNI Project #1208

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, 2025

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, 2025. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the 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, 2025.
5. Per compliance requirements, the \$1,611,247 of Rural Rental Assistance Program (CFDA #10.427) expenditures include the balance of the debt (\$1,221,134) outstanding at June 30, 2025.
6. The Authority did not elect to use the 10% de minimis indirect cost rate during the year ended June 30, 2025.

NEVADA RURAL HOUSING AUTHORITY
Carson City, Nevada
Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit Fiscal Year End: 06/30/2025

	14.879 Mainstream Vouchers	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	81.042 Weatherization Assistance for Low-Income Persons	1 Business Activities	14.191 Multifamily Housing Service Coordinators
111 Cash - Unrestricted	\$ 25,527	\$ -	\$ -	\$ 3,359	\$ -	\$ -	\$ 650,496	\$ -
112 Cash - Restricted - Modernization and Development	-	-	-	-	-	-	-	-
113 Cash - Other Restricted	6,282	-	-	-	-	-	981,959	-
114 Cash - Tenant Security Deposits	-	-	-	5,085	-	-	-	-
115 Cash - Restricted for Payment of Current Liabilities	-	-	-	-	-	-	-	-
100 Total Cash	31,809	-	-	8,444	-	-	1,632,455	-
121 Accounts Receivable - PHA Projects	-	-	-	-	-	-	-	-
122 Accounts Receivable - HUD Other Projects	-	-	-	-	-	-	-	-
124 Accounts Receivable - Other Government	-	-	-	-	-	21,776	20,947	50,475
125 Accounts Receivable - Miscellaneous	98	-	100	13	-	-	3,291,029	-
126 Accounts Receivable - Tenants	-	-	-	879	-	-	-	-
126.1 Allowance for Doubtful Accounts - Tenants	-	-	-	-	-	-	-	-
126.2 Allowance for Doubtful Accounts - Other	-	-	-	-	-	-	-	-
127 Notes, Loans, & Mortgages Receivable - Current	-	-	-	-	-	-	204,404	-
128 Fraud Recovery	737	-	-	-	-	-	-	-
128.1 Allowance for Doubtful Accounts - Fraud	(737)	-	-	-	-	-	-	-
129 Accrued Interest Receivable	-	-	-	-	-	-	102,426	-
120 Total Receivables, Net of Allowances for Doubtful Accounts	98	-	100	892	-	21,776	3,618,806	50,475
131 Investments - Unrestricted	-	-	-	-	-	-	-	-
132 Investments - Restricted	-	-	-	-	-	-	25,011,797	-
135 Investments - Restricted for Payment of Current Liability	-	-	-	-	-	-	-	-
142 Prepaid Expenses and Other Assets	448	-	-	-	-	-	17,345	-
143 Inventories	-	-	-	-	-	-	-	-
143.1 Allowance for Obsolete Inventories	-	-	-	-	-	-	-	-
144 Inter Program Due From	-	-	133,818	-	-	-	9,108,983	-
145 Assets Held for Sale	-	-	-	-	-	-	1,011,442	-
150 Total Current Assets	32,355	-	133,918	9,336	-	21,776	40,400,828	50,475
161 Land	-	-	19,800	226,260	-	-	5,202,760	-
162 Buildings	-	-	66,581	446,585	-	-	2,322,723	-
163 Furniture, Equipment & Machinery - Dwellings	11,512	-	14,947	-	-	-	861,437	-
164 Furniture, Equipment & Machinery - Administration	-	-	-	-	-	-	-	-
165 Leasehold Improvements	-	-	-	-	-	-	-	-
166 Accumulated Depreciation	(10,955)	-	(52,228)	(248,599)	-	-	(900,588)	-
167 Construction in Progress	-	-	-	-	-	-	-	-
168 Infrastructure	-	-	-	-	-	-	-	-
160 Total Capital Assets, Net of Accumulated Depreciation	557	-	49,100	424,246	-	-	7,486,332	-
171 Notes, Loans and Mortgages Receivable - Non-Current	-	-	-	-	-	-	10,764,992	-
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due	-	-	-	-	-	-	-	-
173 Grants Receivable - Non Current	-	-	-	-	-	-	-	-
174 Other Assets	-	-	-	-	-	-	6,515	-
176 Investments in Joint Ventures	-	-	-	-	-	-	371,484	-
180 Total Non-Current Assets	557	-	49,100	424,246	-	-	18,629,323	-
200 Deferred Outflow of Resources	-	-	-	-	-	-	2,299,264	31,826
290 Total Assets and Deferred Outflow of Resources	32,912	-	183,018	433,582	-	21,776	61,329,415	82,301
311 Bank Overdraft	-	-	-	-	-	-	-	-
312 Accounts Payable <= 90 Days	245	-	-	-	-	-	14,547	-
313 Accounts Payable >90 Days Past Due	-	-	-	-	-	-	-	-
321 Accrued Wage/Payroll Taxes Payable	2,544	-	-	-	-	-	156,651	556
322 Accrued Compensated Absences - Current Portion	36	-	-	-	-	-	13,870	-
324 Accrued Contingency Liability	-	-	-	-	-	-	-	-
325 Accrued Interest Payable	-	-	-	-	-	-	216,670	-
331 Accounts Payable - HUD PHA Programs	-	-	-	-	-	-	-	-
332 Account Payable - PHA Projects	-	-	-	-	-	-	-	-
333 Accounts Payable - Other Government	-	-	-	-	-	-	-	-
341 Tenant Security Deposits	-	-	-	5,085	-	-	-	-
342 Unearned Revenue	-	-	-	2,338	-	-	-	-
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	-	-	-	-	-	-	-	-
344 Current Portion of Long-term Debt - Operating Borrowings	-	-	-	-	-	-	-	-
345 Other Current Liabilities	940	-	-	-	-	-	65,449	-
346 Accrued Liabilities - Other	1,274	-	-	-	-	-	2,138,812	-
347 Inter Program - Due To	-	-	-	-	-	21,776	8,780,806	49,045
348 Loan Liability - Current	-	-	-	-	-	-	-	-
310 Total Current Liabilities	5,039	-	-	7,423	-	21,776	11,386,805	49,601
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	-	-	-	-	-	-	41,998	-
352 Long-term Debt, Net of Current - Operating Borrowings	-	-	-	-	-	-	-	-
353 Non-current Liabilities - Other	-	-	-	-	-	-	25,527,108	-
354 Accrued Compensated Absences - Non Current	3,587	-	-	-	-	-	124,827	-
355 Loan Liability - Non Current	-	-	-	-	-	-	-	-
356 FASB 5 Liabilities	-	-	-	-	-	-	-	-
357 Accrued Pension and OPEB Liabilities	-	-	-	-	-	-	4,876,877	100,154
350 Total Non-Current Liabilities	3,587	-	-	-	-	-	30,570,810	100,154
300 Total Liabilities	8,626	-	-	7,423	-	21,776	41,957,615	149,755
400 Deferred Inflow of Resources	-	-	-	-	-	-	946,823	6,533
508.4 Net Investment in Capital Assets	463	-	49,100	424,246	-	-	7,486,332	-
511.4 Restricted Net Position	6,282	-	-	-	-	-	-	-
512.4 Unrestricted Net Position	17,541	-	133,918	1,913	-	-	10,938,644	(73,987)
513 Total Equity - Net Assets / Position	24,286	-	183,018	426,159	-	-	18,424,977	(73,987)
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$ 32,912	\$ -	\$ 183,018	\$ 433,582	\$ -	\$ 21,776	\$ 61,329,415	\$ 82,301

NEVADA RURAL HOUSING AUTHORITY
Carson City, Nevada
Entity Wide Balance Sheet Summary

2 State/Local	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	21,027 Coronavirus State and Local Fiscal Recovery Funds	10,427 Rural Rental Assistance Payments	14,871 Housing Choice Vouchers	14,414 Emergency Housing Voucher	Subtotal	ELIM	Total
\$ -	\$ 2,716,739	\$ 364,544	\$ -	\$ 71,272	\$ 542,346	\$ 70,694	\$ 4,444,977	\$ -	\$ 4,444,977
-	3,951,242	-	-	636,524	175,527	90,810	5,842,344	-	5,842,344
-	201,656	-	-	18,477	-	-	225,218	-	225,218
-	6,869,637	364,544	-	726,273	717,873	161,504	10,512,539	-	10,512,539
-	-	-	-	-	-	-	-	-	-
15,584	86,834	-	377,203	-	-	-	572,819	-	572,819
207	63,406	218,147	-	-	17,339	1,280	3,591,619	-	3,591,619
-	40,127	-	-	129	-	-	41,135	-	41,135
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	204,404	-	204,404
-	-	-	-	-	7,603	-	8,340	-	8,340
-	-	-	-	-	(7,603)	-	(8,340)	-	(8,340)
-	-	-	-	-	-	-	102,426	-	102,426
15,791	190,367	218,147	377,203	129	17,339	1,280	4,512,403	-	4,512,403
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	25,011,797	-	25,011,797
-	-	-	-	-	-	-	-	-	-
-	910,226	-	-	-	4,622	-	932,641	-	932,641
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	9,242,801	(9,242,801)	-
-	-	-	-	-	-	-	1,011,442	-	1,011,442
15,791	7,970,230	582,691	377,203	726,402	739,834	162,784	51,223,623	(9,242,801)	41,980,822
-	3,547,515	43,273	-	1,311,200	-	-	10,350,808	-	10,350,808
-	130,379,806	98,443	-	4,825,326	92,483	-	138,231,947	-	138,231,947
-	6,982,194	-	-	60,417	118,806	-	8,049,313	-	8,049,313
-	-	-	-	-	-	-	-	-	-
-	(28,661,905)	(44,103)	-	(2,327,840)	(134,249)	-	(32,380,467)	-	(32,380,467)
-	-	-	-	-	-	-	-	-	-
-	112,247,610	97,613	-	3,869,103	77,040	-	124,251,601	-	124,251,601
-	-	82,830	-	-	-	-	10,847,822	-	10,847,822
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	6,515	-	6,515
-	-	257,494	-	-	-	-	628,978	-	628,978
-	112,247,610	437,937	-	3,869,103	77,040	-	135,734,916	-	135,734,916
-	-	-	-	-	825,673	-	3,156,763	-	3,156,763
15,791	120,217,840	1,020,628	377,203	4,595,505	1,642,547	162,784	190,115,302	(9,242,801)	180,872,501
-	-	-	-	-	-	-	-	-	-
-	1,480,890	1,100	1,820	4,305	2,523	-	1,505,430	-	1,505,430
-	-	-	-	-	-	-	-	-	-
-	94,305	-	-	9,173	30,963	-	294,192	-	294,192
-	835	-	-	-	4,065	-	18,806	-	18,806
-	-	-	-	-	-	-	-	-	-
-	2,104,309	-	-	-	-	-	2,320,979	-	2,320,979
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	175,783	-	-	15,045	-	-	195,913	-	195,913
-	67,364	15,699	-	3,177	-	79,906	168,484	-	168,484
-	267,945	-	-	76,440	-	-	344,385	-	344,385
-	-	-	-	-	-	-	-	-	-
-	692,365	-	-	7,501	22,168	1,543	789,966	-	789,966
-	57,359	-	-	-	13,152	-	2,210,597	-	2,210,597
15,791	-	-	375,383	-	-	-	9,242,801	(9,242,801)	-
-	22,743,055	-	-	-	-	-	22,743,055	-	22,743,055
15,791	27,684,210	16,799	377,203	115,641	72,871	81,449	39,834,608	(9,242,801)	30,591,807
-	42,023,516	111,530	-	1,371,137	-	-	43,548,181	-	43,548,181
-	1,899,954	-	-	-	-	-	1,899,954	-	1,899,954
-	2,502,318	-	-	-	-	-	28,029,426	-	28,029,426
-	7,514	-	-	-	33,327	-	169,255	-	169,255
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	1,803,547	-	6,780,578	-	6,780,578
-	46,433,302	111,530	-	1,371,137	1,836,874	-	80,427,394	-	80,427,394
15,791	74,117,512	128,329	377,203	1,486,778	1,909,745	81,449	120,262,002	(9,242,801)	111,019,201
-	-	-	-	-	318,251	-	1,271,607	-	1,271,607
-	69,956,150	(13,917)	-	2,421,526	77,134	-	80,401,035	-	80,401,035
-	-	-	-	655,001	175,527	9,361	846,171	-	846,171
-	(25,855,822)	906,216	-	32,200	(838,110)	71,974	(12,665,513)	-	(12,665,513)
-	46,100,328	892,299	-	3,108,727	(585,449)	81,335	68,581,693	-	68,581,693
\$ 15,791	\$ 120,217,840	\$ 1,020,628	\$ 377,203	\$ 4,595,505	\$ 1,642,547	\$ 162,784	\$ 190,115,302	\$ (9,242,801)	\$ 180,872,501

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the aggregate discretely presented component units of Nevada Rural Housing Authority, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Nevada Rural Housing Authority's basic financial statements, and have issued our report thereon dated September 30, 2025.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Nevada Rural Housing 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

A handwritten signature in blue ink, appearing to read "CROPPER ROWE, LLP".

CROPPER ROWE, LLP
Walnut Creek, California
September 30, 2025

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Nevada Rural Housing Authority's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Nevada Rural Housing Authority's major federal programs for the year ended June 30, 2025. Nevada Rural Housing Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Nevada Rural Housing 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, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Nevada Rural Housing Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as

fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Nevada Rural Housing Authority's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Nevada Rural Housing Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Nevada Rural Housing Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Nevada Rural Housing Authority's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

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

A handwritten signature in blue ink, appearing to read "Cripper Rowe LLP".

CROPPER ROWE, LLP
Walnut Creek, California
September 30, 2025

**NEVADA RURAL HOUSING AUTHORITY
STATUS OF PRIOR AUDIT FINDINGS
JUNE 30, 2025**

No findings in the prior year.

**NEVADA RURAL HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2025**

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?	no
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:	
Housing Voucher Cluster:	
Section 8 Housing Choice Vouchers	14.871
Mainstream Vouchers	14.879
Emergency Housing Voucher	14.EHV
Rural Rental Assistance Programs	10.427
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 related to the financial statements required to be reported in accordance with Generally Accepted Government Auditing Standards.

Section III - Federal Award Findings

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