

SOUTHERN NEVADA REGIONAL HOUSING AUTHORITY
Las Vegas, Nevada

MANAGEMENT'S DISCUSSION & ANALYSIS
AND AUDITED FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2016

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SOUTHERN NEVADA REGIONAL HOUSING AUTHORITY
Las Vegas, Nevada

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

FISCAL YEAR ENDED SEPTEMBER 30, 2016



RECTOR & LOFTON
REEDER & P.C.

**UNMODIFIED OPINIONS ON BASIC FINANCIAL STATEMENTS ACCOMPANIED BY REQUIRED SUPPLEMENTARY INFORMATION
AND OTHER INFORMATION – STATE OR LOCAL GOVERNMENTAL ENTITY**

INDEPENDENT AUDITOR'S REPORT

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

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

Report on Financial Statements

We have audited the accompanying financial statements of the Southern Nevada Regional Housing Authority as of and for the year ended September 30, 2016, and the related notes to the financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Southern Nevada Regional Housing Authority, as of September 30, 2016, and the respective changes in financial position and, where appropriate, cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

The financial statements include the discretely presented financial statements of Landsman Family, LLC as of December 31, 2015. These financial statements were audited by other auditors whose reports expressed an unmodified opinion on those statements.

Required Supplementary Information

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

Supplementary and Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements of the Southern Nevada Regional Housing Authority. The accompanying Schedule of Expenditures of Federal Awards as required by Uniform Guidance, as well as the Financial Data Schedules and Special Reports required by the U.S. Department of Housing and Urban Development, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements.

This information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2017 on our consideration of the Housing Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.


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

Lawrenceville, Georgia
June 23, 2017

SOUTHERN NEVADA REGIONAL HOUSING AUTHORITY
Las Vegas, Nevada

MANAGEMENT'S DISCUSSION & ANALYSIS

FISCAL YEAR ENDED SEPTEMBER 30, 2016

**SOUTHERN NEVADA REGIONAL HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2016**

This section of the Southern Nevada Regional Housing Authority's (the Authority) financial report presents management's analysis of the Authority's financial performance during the year ended September 30, 2016.

FINANCIAL HIGHLIGHTS AND CONCLUSIONS

At September 30, 2016, total assets were \$195,387,920, deferred outflow of resources was \$5,143,855, liabilities were \$48,115,411, and deferred inflow of resources was \$3,733,439; thus total net position was \$148,682,925. Total revenues and expenses were \$156,827,287 and \$154,373,357, respectively.

SNRHA Properties Under RAD Conversion Complete in 2016

Vera Johnson B

Vera Johnson Manor "B" Mixed-Finance project entails the acquisition / rehabilitation of an existing 112-unit low-income family development located in Las Vegas, NV. The property was constructed in 1984 under the Federal Low-Income Public Housing program and is owned and operated by the Southern Nevada Regional Housing Authority (SNRHA). The property was awarded \$1MIL in 2014 9% Low Income Housing Tax Credits and \$1MIL in HOME Funds for its substantial rehabilitation.

The SNRHA submitted December 2013 a RAD application for Vera Johnson Manor B (AMP 314) anticipating a Conditional Housing Assistance Payment (CHAP) agreement issuance by January 2014. However; the CHAP was received April 2015. In an effort to preserve the HOME Funds and Tax Credit Allocations, the SNRHA proceeded with a Mixed Finance Proposal as an Interim Plan for closing mid-April, 2015. Construction was completed May 2016 with a RAD conversion anticipated October 2016. The SNRHA is partnering with Nevada HAND for this project

Vera Johnson Manor B is the fourth public housing preservation venture by the SNRHA and its non-profit subsidiary, Affordable Housing Program, Inc.

The project financing for Vera Johnson Manor B includes equity from the sale of 9% Low Income Housing Tax Credits issued through the Nevada Housing Division, public housing capital funds from SNRHA and HOME funds from City of Las Vegas.

Biegger Estates

Biegger Estates RAD project entails the acquisition / rehabilitation of an existing 119-unit low-income family development located in Las Vegas, NV. The property was constructed in 1985 under the Federal Low-Income Public Housing program and is owned and operated by the Southern Nevada Regional Housing Authority (SNRHA). The property was awarded \$1MIL in 2015 9% Low Income Housing Tax Credits for its substantial rehabilitation.

The SNRHA submitted March 2015 a RAD application for Biegger Estates and received a Conditional Housing Assistance Payment (CHAP) agreement July 2015. The RAD Conversion Commitment (RCC) was

received March 2016. Financials closed in May 2016. Construction completion anticipated July 2017. The SNRHA self-developed this project

The project financing for Biegger Estates includes equity from the sale of 9% Low Income Housing Tax Credits issued through the Nevada Housing Division and operating funds and public housing capital funds from SNRHA.

The property renovations include comprehensive modernization of all 119 family units and complete site upgrades. The renovation work includes high energy-efficiency standards, as well as, water conservation measures in the units and site with extensive xeriscaping landscape. The work also includes upgrades to their community/administrative building which contain a multi-purpose room and warming kitchen, a computer lab, a library/reading area, exercise room, leasing office. The administrative building also contains space where the SNRHA and local supportive service organizations will provide a variety of programs to residents such as after-school activities for youth, financial literacy, and resource referrals to nutrition / wellness programs and to promote self-sufficiency.

Biegger Estates is the fifth public housing preservation venture by the SNRHA and its non-profit subsidiary, Affordable Housing Program, Inc.

REQUIRED FINANCIAL STATEMENTS

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

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

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

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

FINANCIAL ANALYSIS OF THE AUTHORITY

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

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

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

	<u>2016</u>	<u>2015</u>	<u>Total Change</u>	<u>% Change</u>
Current Assets	\$ 22,054,542	\$ 23,403,513	\$ (1,348,971)	-5.76%
Capital Assets	140,510,106	150,244,644	(9,734,538)	-6.48%
Noncurrent Assets	32,823,272	17,173,020	15,650,252	91.13%
Deferred Outflows	5,143,855	964,466	4,179,389	433.34%
Total Assets & Deferred Outflows	<u>\$ 200,531,775</u>	<u>\$ 191,785,643</u>	<u>\$ 8,746,132</u>	4.56%
Current Liabilities	\$ 4,201,714	\$ 4,481,650	\$ (279,936)	-6.25%
Noncurrent Liabilities	43,913,697	35,838,802	8,074,895	22.53%
Total Liabilities	<u>48,115,411</u>	<u>40,320,452</u>	<u>7,794,959</u>	19.33%
Deferred Inflows	<u>3,733,439</u>	<u>5,236,196</u>	<u>(1,502,757)</u>	-28.70%
Net investment in capital assets	137,494,601	147,798,155	(10,303,554)	-6.97%
Restricted	5,691,181	6,753,824	(1,062,643)	-15.73%
Unrestricted	5,497,143	(8,322,984)	13,820,127	-166.05%
Total Net Position	<u>148,682,925</u>	<u>146,228,995</u>	<u>2,453,930</u>	1.68%
Total Liabilities, Deferred Inflows & Net Position	<u>\$ 200,531,775</u>	<u>\$ 191,785,643</u>	<u>\$ 8,746,132</u>	4.56%

Total Assets and Deferred Outflows increased by \$8,746,132 or 4.56%. This increase was largely contributed to the increases in Deferred Outflows of \$4,179,389 or 433.34%, which is due to the timing of pension payments as well as the change in market rates and pension liability amounts. This is discussed further in the accompanying Notes to the Financial Statements. Other Noncurrent Assets also increased significantly by \$15,650,252 or 91.13%, which is due to the noncurrent portion of Notes Receivable of \$12,525,284 or 90.56%, due to additional loan agreements entered into for mixed finance and/or RAD projects. Current Assets decreased by \$1,348,971 or 5.76% due mainly to decreases in prepaid expenses of \$2,680,276 or 92.71%, which is due to the reclassification of pre-development costs. Capital Assets also decreased by \$9,734,538 or 6.48% due to capital dispositions during the year.

Total Liabilities increased by \$7,794,959 or 19.33%, which was due entirely to increases in noncurrent liabilities of \$8,074,895 or 22.53%. The majority of the increase was in Net Pension and OPEB liabilities of \$6,199,787 or 23.30%. This is due to the changes in assumptions in the long-term pension liability published for this fiscal year. The details of this liability is found in the accompanying Notes to the Financial Statements.

Deferred Inflows decreased during the year from \$5,236,196 to \$3,733,439, a decrease of \$1,502,757 or 28.70%.

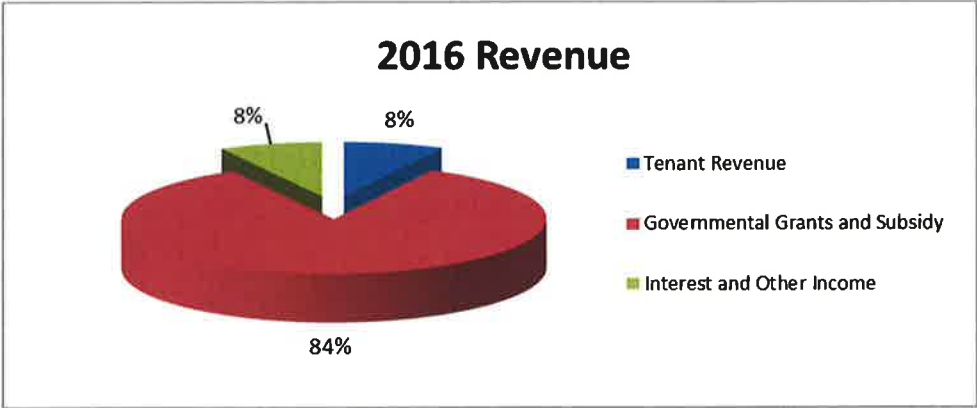
Total Net Position increased by \$2,453,930 or 1.68%. Table II, below, provides a statement of these results.

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

	<u>2016</u>	<u>2015</u>	<u>Total Change</u>	<u>% Change</u>
Tenant Revenue	\$ 11,910,546	\$ 11,369,321	\$ 541,225	4.76%
Governmental Grants and Subsidy	132,565,398	130,462,324	2,103,074	1.61%
Interest Income	110,622	147,635	(37,013)	-25.07%
Other Income	12,240,721	2,154,943	10,085,778	468.03%
Total Revenue	<u>156,827,287</u>	<u>144,134,223</u>	<u>12,693,064</u>	<u>8.81%</u>
Administration	16,773,178	17,407,270	(634,092)	-3.64%
Tenant Services	2,717,692	3,191,893	(474,201)	-14.86%
Utilities	3,135,049	3,506,311	(371,262)	-10.59%
Maintenance	11,699,240	11,793,888	(94,648)	-0.80%
Protective services	533,037	605,434	(72,397)	-11.96%
Interest expense	328,987	265,958	63,029	23.70%
General expense	4,267,240	2,984,953	1,282,287	42.96%
Housing Assistance Payments	104,728,655	102,627,517	2,101,138	2.05%
Depreciation	10,190,279	10,334,459	(144,180)	-1.40%
Total Expenses	<u>154,373,357</u>	<u>152,717,683</u>	<u>1,655,674</u>	<u>1.08%</u>
Change in Net Position	2,453,930	(8,583,460)	11,037,390	-128.59%
Beginning Net Position	146,228,995	154,812,455	(8,583,460)	-5.54%
Ending Net Position	<u>\$ 148,682,925</u>	<u>\$ 146,228,995</u>	<u>\$ 2,453,930</u>	<u>1.68%</u>

REVENUES

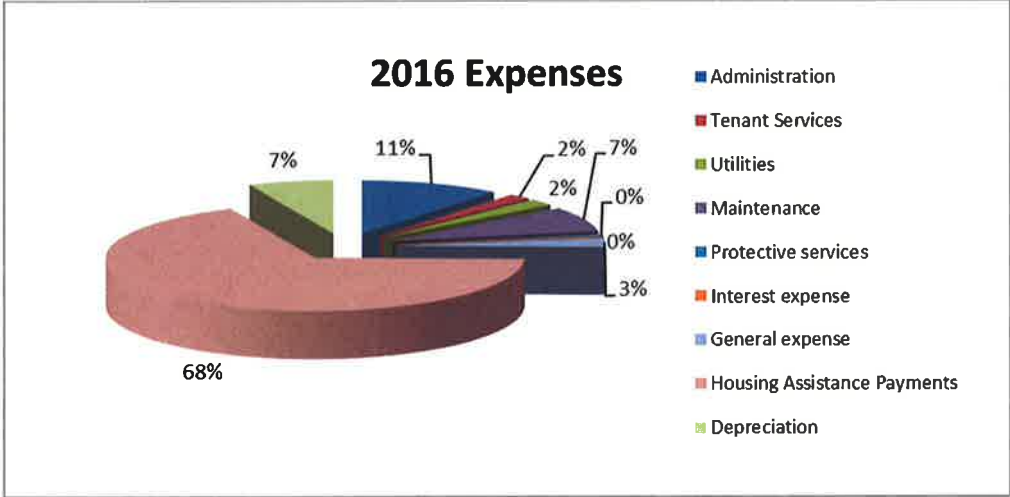
In reviewing the Statement of Revenues, Expenses, and Changes in Net Position, you will find that 84% of the Authority's revenues are derived from grants from the Department of Housing and Urban Development and other governmental agencies. The Authority receives revenue from tenants for dwelling rental charges and miscellaneous charges of 8% of total revenue. Other Revenue including interest from investments comprises the remaining 8%.



Total Revenue increased by \$12,693,064 or 8.81%. The largest increase was in other income of \$10,085,778 or 468.03%, which was due to the gain on sale of Capital Assets of \$7,577,783. Other income also increased by \$2,280,744 or 109.10%, which was due to the accrual of a developer fee. Grants received during the year also increased by \$2,103,074 or 1.61%. Tenant revenue increased slightly by \$541,225 or 4.76% due to increased occupancy.

EXPENSES

Total Expenses remained relatively unchanged during the year, increasing by only \$1,655,674 or 1.08%.



Administrative expenses decreased by \$634,092 or 3.64% due mostly to vacant salary positions and decreases in employee benefits due to the calculation of pension expense for the current year. Tenant services decreased by \$474,201 or 14.86% due to decreased activities during the year. Utilities expense decreased by \$371,262 or 10.59%, with the largest decrease in electricity of \$194,590 or 18.56% due to the Rental Assistance Demonstration conversion (RAD). Maintenance expense decreased by \$94,648 or less than one percent. Protective services decreased by \$72,397 or 11.96% due to the Rental Assistance Demonstration conversion (RAD). General expenses increased by \$1,282,287 or 42.96%. The largest increase was in compensated absences of \$676,532 or 519.0%, which was due to a change in the accounting of actual comp time paid and in other general expenses of \$684,994 or 55.42% mainly due to the payment of excess revenue to the City of Las Vegas per the management agreement. Interest expense

increased by \$63,029 or 23.70% due to increased debt acquired during the year. HAP expense increased by \$2,101,138 or 2.05% due to increased utilization. Depreciation expense decreased slightly by \$144,180 or 1.40%.

CAPITAL ASSETS

At September 30, 2016 the Authority had invested \$140,510,106 in various capital assets as listed in the following schedule.

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

	<u>2016</u>	<u>2015</u>	<u>Total Change</u>	<u>% Change</u>
Land	\$ 21,495,459	\$ 20,733,653	\$ 761,806	3.67%
Buildings & improvements	275,810,041	284,497,253	(8,687,212)	-3.05%
Infrastructure	4,095,181	4,095,181	-	0.00%
Equipment	5,309,322	4,898,186	411,136	8.39%
Construction in Progress	-	-	-	0.00%
Accumulated Depreciation	(166,199,897)	(163,979,629)	(2,220,268)	1.35%
Total Capital Assets	\$ 140,510,106	\$ 150,244,644	\$ (9,734,538)	-6.48%

LONG-TERM DEBT ACTIVITY

During fiscal year 2016, the Authority acquired a new promissory note in the amount of \$1,000,000, which was for the rehabilitation of Landsman Garden Apartments. The chart below illustrates the other changes in debt.

**Southern Nevada Regional Housing Authority
Long-term Debt
Table IV**

	<u>Balance 10/1/2015</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance 9/30/2016</u>	<u>Current Portion of Balance</u>
Capital Projects/Mortgages Payable	\$ 2,446,489	\$ 1,000,000	\$ (240,974)	\$ 3,205,515	\$ 253,009
Loan liability - all noncurrent	3,700,763	745,578	-	4,446,341	-
Operating Borrowings	1,046,926	-	(60,520)	986,406	64,720
Total long-term liabilities	\$ 7,194,178	\$ 1,745,578	\$ (301,494)	\$ 8,638,262	\$ 317,729

ECONOMIC FACTORS AND EVENTS AFFECTING OPERATIONS

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

- The 2016 prorated funding level was 90.21% compared to the prior year of 85.36%, which is an increase of 4.85%. The 2017 prorated operating subsidy funding level is anticipated to be approximately 92%. The funding proration for the Housing Assistance Payment (HAP) 2016 was 99.58%; whereas the Administrative Fee proration was 84%. The HCV's funding for 2017 is at 97.28% for HAP, but the Administrative Fee proration remains at 80%. Overall, HUD's funding had been consistently lower than 100% forcing the Authority to use operating reserves. The Authority continues to find strategies to enhance its revenue stream and control expenses.
- The Authority continues to comply with the HUD requirements of asset-based management since regionalization of the Authority. The Authority has developed and maintained a system of budgeting and accounting for each asset management project (AMP) in a manner that will allow for analysis of the actual revenues and expenses associated with each property.

CONCLUSIONS

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

REQUEST FOR INFORMATION

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

Southern Nevada Regional Housing Authority
Attention: Director of Finance
5390 E. Flamingo Road
Las Vegas, Nevada 89122-5338

SOUTHERN NEVADA REGIONAL HOUSING AUTHORITY
Las Vegas, Nevada

AUDITED FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2016

SOUTHERN NEVADA REGIONAL HOUSING AUTHORITY
Las Vegas, NV

STATEMENT OF NET POSITION
September 30, 2016

ASSETS

	<u>PRIMARY GOVERNMENT</u>	<u>COMPONENT UNIT</u>	<u>TOTAL (Memorandum Only)</u>
<u>Current Assets</u>			
Cash & cash equivalents - unrestricted	\$ 5,715,080	\$ 156,107	\$ 5,871,187
Cash & cash equivalents - restricted	8,295,257	254,642	8,549,899
Investments - unrestricted	5,649,903	-	5,649,903
Investments - restricted	-	-	-
Accounts receivable	1,195,166	631,431	1,826,597
Notes receivable	-	-	-
Prepaid expenses	210,782	1,332,525	1,543,307
Inventories	988,354	-	988,354
	<u>22,054,542</u>	<u>2,374,705</u>	<u>24,429,247</u>
Total Current Assets			
<u>Noncurrent Assets</u>			
Notes receivable	26,356,931	-	26,356,931
Other assets	6,466,341	217,944	6,684,285
Investment in joint ventures	-	-	-
	<u>32,823,272</u>	<u>217,944</u>	<u>33,041,216</u>
Total Other Noncurrent Assets			
Capital Assets			
Land	21,495,459	2,122	21,497,581
Buildings	259,392,710	15,195,495	274,588,205
Improvements	16,417,331	-	16,417,331
Furniture & equipment	5,309,322	306,059	5,615,381
Infrastructure	4,095,181	5,032,157	9,127,338
	<u>306,710,003</u>	<u>20,535,833</u>	<u>327,245,836</u>
Less: Accumulated depreciation	<u>(166,199,897)</u>	<u>(804,135)</u>	<u>(167,004,032)</u>
Total Capital Assets	<u>140,510,106</u>	<u>19,731,698</u>	<u>160,241,804</u>
Total Noncurrent Assets	<u>173,333,378</u>	<u>19,949,642</u>	<u>193,283,020</u>
Deferred Outflow of Resources	<u>5,143,855</u>	<u>-</u>	<u>5,143,855</u>
TOTAL ASSETS	<u>\$ 200,531,775</u>	<u>\$ 22,324,347</u>	<u>\$ 222,856,122</u>

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

LIABILITIES & NET POSITION

	PRIMARY GOVERNMENT	COMPONENT UNIT	TOTAL (Memorandum Only)
<u>Current Liabilities</u>			
Accounts payable	\$ 2,040,061	\$ 87,949	\$ 2,128,010
Accrued liabilities	664,492	246	664,738
Unearned revenue	153,170	45,955	199,125
Long term debt - current portion	317,729	34,125	351,854
Loan liability - current portion	-	-	-
Tenant security deposits/escrow deposits	<u>1,026,262</u>	<u>13,990</u>	<u>1,040,252</u>
Total Current Liabilities	<u>4,201,714</u>	<u>182,265</u>	<u>4,383,979</u>
<u>Noncurrent Liabilities</u>			
Accrued compensated absences	1,646,705	-	1,646,705
Long term debt	3,874,192	16,846,332	20,720,524
Accrued pension liability	32,808,270	-	32,808,270
Other noncurrent liabilities	1,138,189	-	1,138,189
Loan Liability - non current	<u>4,446,341</u>	<u>-</u>	<u>4,446,341</u>
Total Noncurrent Liabilities	<u>43,913,697</u>	<u>16,846,332</u>	<u>60,760,029</u>
TOTAL LIABILITIES	<u>48,115,411</u>	<u>17,028,597</u>	<u>65,144,008</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	137,494,601	4,539,075	142,033,676
Restricted	5,691,181	254,642	5,945,823
Unrestricted	<u>5,497,143</u>	<u>502,033</u>	<u>5,999,176</u>
TOTAL NET POSITION	<u>148,682,925</u>	<u>5,295,750</u>	<u>153,978,675</u>
DEFERRED INFLOW OF RESOURCES	<u>3,733,439</u>	<u>-</u>	<u>3,733,439</u>
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES & NET POSITION	<u>\$ 200,531,775</u>	<u>\$ 22,324,347</u>	<u>\$ 222,856,122</u>

SOUTHERN NEVADA REGIONAL HOUSING AUTHORITY
Las Vegas, NV

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	<u>PRIMARY GOVERNMENT</u>	<u>COMPONENT UNIT</u>	<u>TOTAL (Memorandum Only)</u>
<u>Operating Revenues</u>			
Dwelling rent	\$ 11,910,546	\$ 1,469,158	\$ 13,379,704
Governmental grants & subsidy	131,574,369	-	131,574,369
Other income	4,701,838	5,472	4,707,310
Total Operating Revenues	<u>148,186,753</u>	<u>1,474,630</u>	<u>149,661,383</u>
<u>Operating Expenses</u>			
Administration	16,773,178	211,360	16,984,538
Tenant services	2,717,692	-	2,717,692
Utilities	3,135,049	134,913	3,269,962
Maintenance & operations	11,699,240	90,002	11,789,242
Protective services	533,037	-	533,037
General expense	4,267,240	250,808	4,518,048
Housing assistance payments	104,728,655	-	104,728,655
Depreciation expense	10,190,279	804,135	10,994,414
Total Operating Expense	<u>154,044,370</u>	<u>1,491,218</u>	<u>155,535,588</u>
Net Operating Income/(Loss)	<u>(5,857,617)</u>	<u>(16,588)</u>	<u>(5,874,205)</u>
<u>Nonoperating Revenues/(Expenses)</u>			
Investment & mortgage income	110,622	7	110,629
Interest expense	(328,987)	(880,241)	(1,209,228)
Amortization of loan fees	-	(295,112)	(295,112)
Gain/(Loss) on disposition of assets	7,538,883	-	7,538,883
Net Nonoperating Revenues/(Expenses)	<u>7,320,518</u>	<u>(1,175,346)</u>	<u>6,145,172</u>
Net Income/(Loss) before capital contributions	1,462,901	(1,191,934)	270,967
Capital grants/capital contributions	991,029	6,487,684	991,029
Increase/(Decrease) in Net Position	2,453,930	5,295,750	1,261,996
Total Net Position - beginning	146,228,995	-	146,228,995
Total Net Position - ending	<u>\$ 148,682,925</u>	<u>\$ 5,295,750</u>	<u>\$ 147,490,991</u>

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

SOUTHERN NEVADA REGIONAL HOUSING AUTHORITY
Las Vegas, NV

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	<u>PRIMARY</u> <u>GOVERNMENT</u>	<u>COMPONENT</u> <u>UNIT</u>	<u>TOTAL</u> <u>(Memorandum</u> <u>Only)</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Receipts from customers and users	\$ 16,612,384	\$ 1,474,630	\$ 18,087,014
Governmental grants & subsidy - operations	131,574,369	-	131,574,369
Payments to suppliers	(12,434,865)	(187,170)	(12,622,035)
Payments for housing assistance	(104,728,655)	-	(104,728,655)
Payments to employees	(22,139,770)	(177,479)	(22,317,249)
	<u>8,883,463</u>	<u>1,109,981</u>	<u>9,993,444</u>
NET CASH PROVIDED/(USED) FROM OPERATING ACTIVITIES			
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Investments redeemed for cash	1,222,548	-	1,222,548
Advanced payment for land lease	-	(1,360,000)	(1,360,000)
Increase in intangible assets	-	(836,837)	(836,837)
Cash distributed for notes receivable	(15,651,625)	-	(15,651,625)
Interest received	110,622	7	110,629
	<u>(14,318,455)</u>	<u>(2,196,830)</u>	<u>(16,515,285)</u>
NET CASH PROVIDED/(USED) FROM INVESTING ACTIVITIES			
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>			
Grant revenue - capital grants	991,029	-	991,029
Acquisition of capital assets - capital grant program	(991,029)	-	(991,029)
Acquisition of capital assets - Public Housing	(1,075,985)	-	(1,075,985)
Acquisition of capital assets - business activities	(900,519)	-	(900,519)
Acquisition of capital assets - COCC	(90,796)	-	(90,796)
Acquisition of capital assets - DCU	-	(17,862,052)	(17,862,052)
Proceeds from capital dispositions	10,141,471	-	10,141,471
Proceeds from issuance of debt obligations	698,506	13,752,207	14,450,713
Capital Contributions	-	6,487,684	6,487,684
Interest paid	(328,987)	(880,241)	(1,209,228)
	<u>8,443,690</u>	<u>1,497,598</u>	<u>9,941,288</u>
NET CASH PROVIDED/(USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES			
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	3,008,698	410,749	3,419,447
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<u>11,001,639</u>	<u>-</u>	<u>11,001,639</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>\$ 14,010,337</u>	<u>\$ 410,749</u>	<u>\$ 14,421,086</u>

SOUTHERN NEVADA REGIONAL HOUSING AUTHORITY
Las Vegas, NV

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	<u>PRIMARY GOVERNMENT</u>	<u>COMPONENT UNIT</u>	<u>TOTAL (Memorandum Only)</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Net Income/(Loss) from operations	\$ (5,857,617)	\$ (16,588)	\$ (5,874,205)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Depreciation	10,190,279	804,135	10,994,414
Decrease (Increase) in accounts receivable	326,863	40,694	367,557
Decrease (Increase) in prepaid expenses	2,680,276	73,430	2,753,706
Decrease (Increase) in inventory	127,982	-	127,982
Decrease (Increase) in investments in joint venture	1,373	-	1,373
Increase (Decrease) in accounts payable	(598,337)	87,949	(510,388)
Increase (Decrease) in accrued liabilities	452,202	30,246	482,448
Increase (Decrease) in unearned revenue	27,442	-	27,442
Increase (Decrease) in other noncurrent liabilities	236,941	76,125	313,066
Increase (Decrease) in deferred outflows, inflows, and pension liabilities	517,641	-	517,641
Increase (Decrease) in security/trust deposits	778,418	13,990	792,408
	<u>8,883,463</u>	<u>1,109,981</u>	<u>9,993,444</u>
NET CASH PROVIDED/(USED) FROM OPERATING ACTIVITIES	<u>\$ 8,883,463</u>	<u>\$ 1,109,981</u>	<u>\$ 9,993,444</u>

SOUTHERN NEVADA REGIONAL HOUSING AUTHORITY
Las Vegas, Nevada

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

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

1. Introduction:

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

2. Organization:

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

3. Reporting Entity:

The accompanying combined financial statements include the accounts of all Authority operations for the year ended September 30, 2016. The criteria for including organizations as component units with the Authority's reporting entity, as set forth in Section 2100 of GASB's Governmental Accounting and Financial Reporting Standards, include the following:

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

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

4. Real Estate Limited Partnerships:

Landsman Family, LLC (the Company) – was formed on December 10, 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 Landsman Gardens (the project). The Company's partnership interests are held by third parties unrelated to the Authority, with the exception of the managing member, Landsman Family Manager, LLC, a Nevada Limited Liability Company, which is wholly owned by Affordable Housing Program, Inc., which is a blended component of the Authority. The Authority has certain rights and responsibilities, which enables it to impose its will on the Company. In accordance with GASB Statement No. 61, the Company is included as a discretely presented component unit in the financial statements.

SOUTHERN NEVADA REGIONAL HOUSING AUTHORITY
Las Vegas, Nevada

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016
(Continued)

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

5. Development Corporations:

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

The following Development Corporations are included as blended component units of the Authority:

- Affordable Housing Program, Inc.
- Honolulu Street Family Housing, Inc.

6. Basis of Presentation:

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

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

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

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

Housing Choice Voucher programs (HCVP) include the Voucher, VASH, Mainstream and Disaster Housing programs. Under these programs, rental assistance payments are made by the Authority primarily to landlords on behalf of eligible families. These programs are funded by the annual contributions contract with HUD, ACC# NV018.

SOUTHERN NEVADA REGIONAL HOUSING AUTHORITY
Las Vegas, Nevada

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016
(Continued)

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

6. Basis of Presentation: (Cont'd)

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

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

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

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

7. Basis of Accounting and Measurement Focus:

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

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

SOUTHERN NEVADA REGIONAL HOUSING AUTHORITY
Las Vegas, Nevada

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016
(Continued)

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

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

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

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

8. Revenues and Expenses:

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

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

9. Encumbrances:

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

10. Budgets:

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

11. Inventories:

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

SOUTHERN NEVADA REGIONAL HOUSING AUTHORITY
Las Vegas, Nevada

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016
(Continued)

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

12. Capital Assets and Depreciation:

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

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

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

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

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

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

13. Collection Losses:

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

14. Cash and Cash Equivalents:

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

15. Investments:

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

SOUTHERN NEVADA REGIONAL HOUSING AUTHORITY
Las Vegas, Nevada

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016
(Continued)

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

16. Compensated Absences:

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

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

17. Use of Estimates:

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

18. Inter-program Receivables and Payables:

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

19. Allowance for Doubtful Accounts:

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

20. Prepaid Expenses:

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

SOUTHERN NEVADA REGIONAL HOUSING AUTHORITY
Las Vegas, Nevada

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016
(Continued)

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

21. Intangible Assets:

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

22. Capitalized Interest:

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

23. Restricted Net Position:

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

24. Grants and Contributions:

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

25. Unearned Revenue:

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

26. New Pronouncements:

There were no new pronouncements implemented in the current fiscal year.

SOUTHERN NEVADA REGIONAL HOUSING AUTHORITY
Las Vegas, Nevada

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016
(Continued)

NOTE B - CASH, CASH EQUIVALENTS, AND INVESTMENTS:

Nevada law NRS 356.360 requires banks and savings and loan institutions participating in the Nevada Collateral Pool to pledge government securities with a market value of 102% of the amount of uninsured balances of public money held by the depository. Under Nevada law this collateral is held in a separate investment pool by another institution in the depository's name.

Cash, restricted cash, and investments are classified in the financial statements based on whether or not their use is restricted under the terms of the Authority's debt instruments or agency agreements. The Authority's carrying amount of cash and cash equivalents as of September 30, 2016 was \$19,660,240, and the bank balance was \$21,415,550.

Cash and Cash Equivalents

Cash and cash equivalents are maintained on deposit in demand accounts with Wells Fargo and BNY Mellon. Of the amounts deposited into the bank, \$500,000 is covered by the Federal Deposit Insurance Corporation. The remaining \$19,160,240 is properly collateralized by the financial institution in accordance with the regulations of the Nevada Collateral Pool.

September 30, 2016, Cash and cash equivalents of the primary government and discrete component units are presented in the basic financial statements as of September 30, 2016 as follows:

	<u>Primary Government</u>	<u>Component Units</u>
	Cash and Cash Equivalents	Cash and Cash Equivalents
Unrestricted	\$ 5,715,080	\$ 156,107
Restricted	<u>8,295,257</u>	<u>254,642</u>
Total	<u>\$ 14,010,337</u>	<u>\$ 410,749</u>

Investments and Investments Policy

The Nevada Government Code allows the Authority to invest in the following, provided ratings of the issuers are acceptable to the Authority and approved percentages and maturities are not exceeded. The table below also identifies certain provisions of the Nevada Government Code. The Authority has no documented investment policy of its own. As of September 30, 2016, the Authority had \$5,649,903 in unrestricted investments.

Interest Rate Risk

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

SOUTHERN NEVADA REGIONAL HOUSING AUTHORITY
Las Vegas, Nevada

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016
(Continued)

NOTE B - CASH, CASH EQUIVALENTS, AND INVESTMENTS: (Cont'd)

Credit Risk

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

Custodial Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. As of September 30, 2016, the Authority held investments in U.S. Treasuries and other federal agency securities which were held by the Authority's custodian in the Authority's name.

Concentration of Credit Risk

The Authority is required to disclose investments that represent a concentration of five percent or more of investments in any issuer held by individual Authority funds in the securities of issuers other than U.S. Treasury securities, mutual funds and external investment pools. The Authority's policy does not set a limit on the amount that may be invested in any single issuer. At September 30, 2016, investments in Federal Home Loan Mortgage Corporation notes represented approximately 70 percent of total investments.

Restricted cash and cash equivalents at September 30, 2016, were as follows:

Security deposit funds	\$ 1,123,523
FSS escrow funds	1,138,189
Modernization	5,452,825
Current liabilities	17,398
HAP equity	<u>563,322</u>
	<u>\$ 8,295,257</u>

SOUTHERN NEVADA REGIONAL HOUSING AUTHORITY
Las Vegas, Nevada

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016
(Continued)

NOTE C - ACCOUNTS RECEIVABLE:

Accounts receivable, including all applicable allowances for uncollectible accounts at September 30, 2016, consisted of the following:

	Primary Government
Tenants (net of allowance of \$78,614)	\$ 151,672
A/R - HUD	389,227
Other government agencies	149,464
A/R - miscellaneous (net of allowance of \$904,019)	181,907
Accrued interest receivable	37,216
Fraud (net of allowance of \$1,435,275)	285,680
	\$ 1,195,166

Note: The above receivable balance excludes \$4,732,312 of interfund receivables that have been eliminated as a result of financial statement consolidation.

NOTE D - NOTES RECEIVABLE:

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

While these units are not owned by the Authority, they are part of the PHA's Annual Contributions Contract and are eligible to receive low-income public housing subsidy. The Authority has entered into a 90-year ground lease (at \$1 per year) with the project's owner, Honolulu Street Family Housing, LLC and has retained the right of first refusal to purchase the units at the end of the tax-credit compliance period.

Additionally during the year, the Authority issued five additional notes. Vera B Notes one and two were issued on April 1, 2015, in the amounts of \$3,700,000 and \$810,281, respectively. Biegger Estates LLP Notes one and two were issued on May 2, 2016, in the amounts of \$5,000,000 and \$700,000, respectively. Finally, an additional note was added to Seller's notes in the amount of \$2,315,003.

The Authority has established Honolulu Street Family Housing Inc. (HSFH Inc.) to act as managing member of the LLC. HSFH Inc. is also a 0.01 percent partner in the LLC. In addition, Affordable Housing Program Inc. (AHP), a wholly-owned component unit of the Authority, was designated as the developer of the property. As of September 30, 2016, the cumulative note receivable principal balances totaled \$26,356,931, with total accrued interest of \$2,177,910, for which all was reduced by an allowance equal to the accrued interest.

SOUTHERN NEVADA REGIONAL HOUSING AUTHORITY
Las Vegas, Nevada

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016
(Continued)

NOTE D - NOTES RECEIVABLE: (Cont'd)

As of September 30, 2016, notes receivable consisted of the following:

	10/1/2015	Additions	Receipts	9/30/2016
Note receivable - First leasehold loan, dated 3/1/06 (interest rate - 4.68%; due 3/1/2061)	\$ 212,359	\$ -	\$ -	\$ 212,359
Note receivable - Second leasehold loan, dated 3/1/06 (interest rate - 4.68%; due 3/1/2061)	1,511,441	-	-	1,511,441
Note receivable - Third leasehold loan, dated 3/1/06 (interest rate - 1.00%; due 3/1/2016)	3,750,000	-	-	3,750,000
Note receivable - Fourth leasehold loan, Section 8 Reserves, loaned 7/30/08 (interest rate - 1.00%; due 8/1/2062)	332,759	-	-	332,759
Note receivable - Fifth leasehold loan, Scat Sites Fund, loaned 7/9/08 (interest rate - 4.83%; due 1/1/2061)	288,770	-	-	288,770
Note receivable - Federal Home Loan, loaned 9/10/07 (interest rate - 1.00%; due 9/10/2062)	360,000	-	-	360,000
Note receivable - Seller's Note 1, loaned 12/5/13 (interest rate - 3.32%; due 4/1/2055)	2,976,000	-	-	2,976,000
Note receivable - Seller's Note 2, loaned 12/5/13 (interest rate - 3.32%, due 4/1/2055)	4,400,318	2,315,003	-	6,715,321
Note receivable - Biegger Estates LLP, loaned 5/2/16 (interest rate - 3.75%; due 5/31/2051)	-	5,000,000	-	5,000,000
Note receivable - Biegger Estates LLP - GAP, loaned 5/2/16 (interest rate - 2.33%; due 5/31/2051)	-	700,000	-	700,000
Notes receivable - Vera Johnson B LP, loaned 4/1/15 (interest rate - 4.0%; due 3/31/2070)	-	3,700,000	-	3,700,000
Notes receivable - Vera Johnson B LP-GAP, loaned 4/1/15 (interest rate - 0%; due 4/30/2070)	-	810,281	-	810,281
Accrued interest on notes receivable - long-term from inception	1,526,383	651,527	-	2,177,910
Less: allowance for accrued interest on notes receivable - long-term from inception	<u>(1,526,383)</u>	<u>(651,527)</u>	<u>-</u>	<u>(2,177,910)</u>
Total notes receivable	<u>\$ 13,831,647</u>	<u>\$ 12,525,284</u>	<u>\$ -</u>	<u>\$ 26,356,931</u>

NOTE E - PREPAID EXPENSES & INVENTORY:

Prepaid expenses and inventory at September 30, 2016, consisted of the following:

	Primary Government
Prepaid insurance and other assets	\$ 210,782
Inventory	<u>988,354</u>
	<u>\$ 1,199,136</u>

SOUTHERN NEVADA REGIONAL HOUSING AUTHORITY
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NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016
(Continued)

NOTE F - OTHER NONCURRENT ASSETS:

During 2015, the Authority advanced funds to Landsman Family, LLC, a Nevada Limited Liability Company that was formed on December 5, 2013 to rehabilitate and operate a 100-unit multifamily project, to pay for construction costs. The outstanding balance does not bear any interest and is payable out of available cash flow. The amount due was \$30,000.

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

As of December 31, 2015, Landsman Family, LLC reported intangible assets, net of amortization, in the amount of \$217,944. Intangible assets include loan and tax credit fees.

As of December 31, 2015, Vera Johnson B LP, a Nevada limited partnership that was formed to operate a 112-unit low-income residential project, reported intangible assets, net of amortization, in the amount of \$223,759. Intangible assets include loan and tax credit fees.

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

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

SOUTHERN NEVADA REGIONAL HOUSING AUTHORITY
Las Vegas, Nevada

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016
(Continued)

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

As of September 30, 2016, other noncurrent assets consisted of the following:

Primary Government

Construction advances	\$ 30,000
Developer fees	2,350,000
Notes receivable (see Note K)	3,340,000
Accrued interest on notes	<u>746,341</u>
	<u>\$ 6,466,341</u>

Component Units

Intangible assets, net of accumulated amortization	<u>\$ 217,944</u>
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NOTE G - CAPITAL ASSETS:

Changes in capital assets of the primary government consisted of the following as of September 30, 2016:

	Balance at 9/30/2015	Additions/ Increases	Dispositions/ Decreases	Balance at 9/30/2016
Enterprise Activities				
Capital assets not being depreciated:				
Land	\$ 20,733,653	\$ 886,900	\$ (125,094)	\$ 21,495,459
Construction in progress	-	-	-	-
Total capital assets not being depreciated	<u>20,733,653</u>	<u>886,900</u>	<u>(125,094)</u>	<u>21,495,459</u>
Buildings & improvements	288,592,434	1,748,792	(10,436,004)	279,905,222
Furniture & equipment	4,898,186	422,637	(11,501)	5,309,322
Total capital assets being depreciated	<u>293,490,620</u>	<u>2,171,429</u>	<u>(10,447,505)</u>	<u>285,214,544</u>
Buildings & improvements	(159,700,654)	(9,979,201)	7,958,510	(161,721,345)
Furniture & equipment	(4,278,975)	(211,078)	11,501	(4,478,552)
Total accumulated depreciation	<u>(163,979,629)</u>	<u>(10,190,279)</u>	<u>7,970,011</u>	<u>(166,199,897)</u>
Net Book Value	<u>\$ 150,244,644</u>			<u>\$ 140,510,106</u>

The following activities affected Capital Assets during the audit period:

Opening balance at October 1, 2015	\$ 150,244,644
Acquisition of Capital Assets – Capital Fund Program	991,029
Acquisition of Capital Assets – Public Housing Operations	1,075,985
Acquisition of Capital Assets – COCC operations	90,796
Acquisition of Capital Assets – Business Activities operations	900,519
Dispositions, net	(2,602,588)
Depreciation expense	<u>(10,190,279)</u>
Balance at September 30, 2016	<u>\$ 140,510,106</u>

SOUTHERN NEVADA REGIONAL HOUSING AUTHORITY
Las Vegas, Nevada

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016
(Continued)

NOTE H - ACCOUNTS PAYABLE:

Accounts payable at September 30, 2016, consisted of the following:

	Primary Government	Component Units
Vendors and contractors payable	\$ 1,248,091	\$ 87,949
Accounts payable - HUD	334,798	-
PILOT	457,172	-
Tenant security deposits	<u>1,026,262</u>	<u>13,990</u>
	<u>\$ 3,066,323</u>	<u>\$ 101,939</u>

Note: The above payables balance excludes \$4,732,312 of interfund receivables that have been eliminated as a result of financial statement consolidation.

NOTE I - ACCRUED LIABILITIES & OTHER CURRENT LIABILITIES:

Other current liabilities consisted of the following as of September 30, 2016:

	Primary Government	Component Units
Accrued wages & fringes	\$ 137,379	\$ -
Accrued compensated absences - current portion	411,677	-
Noncurrent debt - current portion	317,729	34,125
Unearned revenue	153,170	45,955
Other current liabilities	<u>115,436</u>	<u>246</u>
	<u>\$ 1,135,391</u>	<u>\$ 80,326</u>

NOTE J - OTHER NONCURRENT LIABILITIES:

Other noncurrent liabilities – other consisted of the following as of September 30, 2016:

	Primary Government	Component Units
FSS Escrow Liability	\$ 1,138,189	\$ -
Loan liability - noncurrent	4,446,341	-
Accrued compensated absences - noncurrent	1,646,705	-
Accrued pension & OPEB liability	<u>32,808,270</u>	<u>-</u>
	<u>\$ 40,039,505</u>	<u>\$ -</u>

SOUTHERN NEVADA REGIONAL HOUSING AUTHORITY
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NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016
(Continued)

NOTE J - OTHER NONCURRENT LIABILITIES: (Cont'd)

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

	Balance at September 30, 2015	Increases	Decreases	Balance at September 30, 2016	Current Portion
FSS Escrow Liability	\$ 901,248	\$ 325,833	\$ (88,892)	\$ 1,138,189	\$ -
Compensated absences	1,795,552	806,884	(544,054)	2,058,382	411,677
Net pension liability	<u>26,608,483</u>	<u>6,199,787</u>	<u>-</u>	<u>32,808,270</u>	<u>-</u>
	<u>\$ 29,305,283</u>	<u>\$ 7,332,504</u>	<u>\$ (632,946)</u>	<u>\$ 36,004,841</u>	<u>\$ 411,677</u>

NOTE K - LONG-TERM DEBT:

A summary of changes of the primary government's long-term debt for the year ended September 30, 2016, is presented below.

	Balance 9/30/2015	Increases/ Reclassifications	Payments/ Decreases	Balance 9/30/2016	Current Portion
Mortgage Note Payable - Wells Fargo	\$ 2,054,348	\$ -	\$ (180,250)	\$ 1,874,098	\$ 190,010
Operating Note - Wells Fargo	1,046,926	-	(60,520)	986,406	64,720
City of Las Vegas - Senator Apts I	1,670,000	-	-	1,670,000	-
City of Las Vegas - Senator Apts II	1,670,000	-	-	1,670,000	-
Note Payable - Bank of Nevada	360,000	-	-	360,000	-
Note Payable - Phone Loan	150,935	-	(50,335)	100,600	51,797
Home Rental Income Fund	241,206	-	(10,389)	230,817	11,202
Promissory Note - City National Bank	-	1,000,000	-	1,000,000	-
Accrued Interest	763	745,578	-	746,341	-
	<u>\$ 7,194,178</u>	<u>\$ 1,745,578</u>	<u>\$ (301,494)</u>	<u>\$ 8,638,262</u>	<u>\$ 317,729</u>

Mortgage Note Payable – Wells Fargo: The capital projects mortgage note payable with Wells Fargo requires monthly payments of \$13,524 which includes both principal and interest. The loan bears interest at 0.2449% and matures on February 16, 2028. The loan is secured by a first deed of trust on the property referred to as Howard Canon Center and Robert Gordon Plaza.

Operating Note – Wells Fargo: The operating note payable with Wells Fargo requires monthly payments of \$4,410 which includes both principal and interest. The loan bears interest at 1.508% and matures on May 16, 2027. The loan is secured by a first deed of trust on the property referred to as Howard Canon Center and Robert Gordon Plaza.

SOUTHERN NEVADA REGIONAL HOUSING AUTHORITY
Las Vegas, Nevada

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016
(Continued)

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

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

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

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

Note Payable – Phone Loan: The note payable with Key Government Finance (Home Rental income fund) requires monthly payments of \$745 which includes both principal and interest. The loan bears interest at 7.55% and matures on June 1, 2029. The loan was used to acquire a new phone system and is unsecured.

Home Rental Income Fund: The Authority entered into an agreement with Key Government Finance, Inc. for a loan of \$254,795 at 2.87% per annum for a new phone system. The note is payable by the Authority and is unsecured. The monthly payment is \$4,286 including principal and interest. Final maturity date is anticipated for August 1, 2018. The remaining balance at September 30, 2015 is \$230,816.

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

SOUTHERN NEVADA REGIONAL HOUSING AUTHORITY
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NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016
(Continued)

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

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

		<u>Principal</u>		<u>Interest</u>		<u>Payment</u>
2017	\$	317,729	\$	37,269	\$	354,998
2018		325,602		33,260		358,862
2019		281,742		29,978		311,720
2020		290,760		27,199		317,959
2021		334,347		22,521		356,868
2022-2026		1,513,153		74,473		1,587,626
Thereafter		<u>5,574,929</u>		<u>10,098</u>		<u>5,585,027</u>
	\$	<u>8,638,262</u>	\$	<u>234,798</u>	\$	<u>8,873,060</u>

Notes and mortgages payable for Landsman Family, LLC, consist of the following as of December 31, 2015:

	<u>Balance</u>		<u>Increases/</u>		<u>Payments/</u>		<u>Balance</u>		<u>Current</u>
	<u>9/30/2015</u>		<u>Reclassifications</u>		<u>Decreases</u>		<u>12/31/2015</u>		<u>Portion</u>
Building Loan Agreement - PNC Bank	\$ 3,985,400	\$	-	\$	(24,510)	\$	3,960,890	\$	34,125
HOME Loan - City of Henderson	100,000		-		-		100,000		-
Bonds Payable - Nevada Housing Division Note	5,639,273		660,727		(6,300,000)		-		-
Bonds Payable - Nevada Housing Division Note	2,315,000		3,385,000		(5,700,000)		-		-
SNRHA Sellers Note	2,976,000		-		-		2,976,000		-
SNRHA Note	4,400,318		1,314,999		-		5,715,317		-
AHP Note	-		1,000,000		-		1,000,000		-
Developer Fee	-		2,350,000		-		2,350,000		-
	<u>\$ 19,415,991</u>		<u>\$ 8,710,726</u>		<u>\$(12,024,510)</u>		16,102,207		<u>\$ 34,125</u>
Interest payable							672,125		
Due to related party							30,000		
Company management fee payable							60,900		
Investor service fee payable							<u>15,225</u>		
Total notes and mortgages payable							<u>\$ 16,880,457</u>		

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

City of Henderson Loan: The loan is a non-interest bearing loan that matures on April 1, 2055. The loan is secured by a deed of trust on the property referred to as Landsman Garden Apartments and is subordinate to the PNC loan. Nevada Housing Division Note: the Nevada Housing Division issued \$5,700,000 in Multi- Unit Housing Revenue Bonds, Series 2013C-2 for Landsman Garden Apartments. The proceeds are being loaned to Landsman Family, LLC under a promissory note with interest at the daily LIBOR rate plus 1.75%. Advances at September 30, 2015 were \$5,639,273. The loan matured on December 15, 2015 and has been paid in full.

SOUTHERN NEVADA REGIONAL HOUSING AUTHORITY
Las Vegas, Nevada

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016
(Continued)

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

Nevada Housing Division Note: the Nevada Housing Division issued \$6,300,000 and \$5,700,000 in Multi-Unit Housing Revenue Bonds, Series 2013C-1 (C-1) and 2013C-2 (C-2) for Landsman Garden Apartments. The proceeds are being loaned to Landsman Family, LLC under a promissory note with interest rate at 0.63% (C-1) and Daily LIBOR rate plus 1.75% (C-2). The C-1 Note matures on December 1, 2015 and the C-2 Note matures on December 5, 2015. As of December 31, 2015 the C-1 and C-2 Note had been paid in full.

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

Southern Nevada Regional Housing Authority Note: The loan provides up to \$6,715,317 and bears interest at 3.32%. The loan matures on April 1, 2055. The loan is secured by a deed of trust on the property referred to as Landsman Garden Apartments. The Seller Note is due and payable from Surplus Cash. As of December 31, 2015, the outstanding loan balance was \$5,715,317.

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

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

NOTE L - RESTRICTIONS AND DESIGNATION ON NET POSITION:

The Authority has cash and cash equivalents restricted by grantors and lending agencies for specified programs. These funds are temporarily restricted until used for the program purpose for the time period required by the grant or the program purpose as specified by the lender.

The designation and restrictions on Net Position was for the following purposes at September 30, 2016:

	Primary Government	Component Units	Total
Modernization	\$ 5,127,859	\$ -	\$ 5,127,859
Housing Choice Vouchers - HAP Equity	563,322	-	563,322
Security deposits	-	13,990	13,990
Replacement reserves	-	225,900	225,900
Insurance/MIP escrows	-	14,752	14,752
	<u>\$ 5,691,181</u>	<u>\$ 254,642</u>	<u>\$ 5,945,823</u>

SOUTHERN NEVADA REGIONAL HOUSING AUTHORITY
Las Vegas, Nevada

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016
(Continued)

NOTE M - RISK MANAGEMENT:

The Housing Board is exposed to various risks of losses related to torts; theft or, damage to, and destruction of assets; error and omissions; injuries to employees; and natural disasters. Claims liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. There were no claims in excess of commercial coverage during the previous three years. These losses include an estimate of claims that have been incurred but not reported. At September 30, 2016, there were no liabilities to be reported.

NOTE N - OPERATING LEASE:

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

NOTE O - EMPLOYEES RETIREMENT PLAN:

Plan Description

The Authority contributes to the State of Nevada Public Employees Retirement System (the System), a multi-employer, cost sharing defined benefit plan. The System was established in 1948 by the legislature and is governed by the Public Employees' Retirement Board, whose seven members are appointed by the Governor. The System is administered to provide a reasonable base income to qualified employees who have been employed by a public employer and whose earnings capacities have been removed or substantially impaired by age or disability.

Benefits Provided

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

Monthly benefit allowances for members are computed as 2.5% of average compensation for each accredited year of service prior to July 1, 2001. For service earned on and after July 1, 2001, this multiplier is 2.67% of average compensation. For members entering the System on or after January 1, 2010, there is a 2.5% multiplier. The System offers several alternatives to the unmodified service retirement allowance which, in general, allow the retired employee to accept a reduced service retirement allowance payable monthly during his or her lifetime and various optional monthly payments to a named beneficiary after his or her death. Post-retirement increases are provided by authority of NRS 286.575-.579.

Contributions

The Authority, for establishing and amending the obligation to make contributions and member contribution rates, is set by statute. New hires, in agencies which did not elect the Employer-Pay Contribution (EPC) plan prior to July 1, 1983, have the option of selecting one of two contribution plans. Contributions are shared equally by employer and employee. Employees can take a reduced salary and have contributions made by the employer (EPC) or can make contributions by a payroll deduction matched by the employer.

SOUTHERN NEVADA REGIONAL HOUSING AUTHORITY
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NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016
(Continued)

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

The System's basic funding policy provides for periodic contributions at a level pattern of cost as a percentage of salary throughout an employee's working lifetime in order to accumulate sufficient assets to pay benefits when due.

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

The actuary funding method used is the Entry Age Normal Cost Method. It is intended to meet the funding objective and result in a relatively level long-term contributions requirement as a percentage of salary.

For the fiscal year ended June 30, 2015 and June 30, 2016 the Statutory Employer/employee matching rate was 13.25% for Regular and the Employer-pay contribution (EPC) rate was 25.75%.

Net Pension Liability

The Authority's net pension liability (NPL) of \$32,808,270 was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The net pension liability is allocated among all employers which includes the State and participating agencies.

Actuarial Assumptions

Inflation rate	3.50%
Payroll Growth	5.00%
Investment rate of return	8.00%
Productivity pay increase	0.75%
Projected salary increases	Regular: 4.60% to 9.75%, depending on services Rates include inflation and productivity increases
Consumer Price Index	3.50%
Other assumptions	Same as those used in the June 20, 2016 funding Actuarial valuation

Actuarial Cost Method

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

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

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

SOUTHERN NEVADA REGIONAL HOUSING AUTHORITY
Las Vegas, Nevada

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016
(Continued)

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

Asset Valuation Method

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

Amortization

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

Significant actuarial assumptions employed by the actuary for funding purposes as of June 30, 2016 and June 30, 2015 are as follows:

Investment Rate of Return – 8.0% per annum, compounded annually including 3.5% for inflation.

Salary Increases, Merit and Inflation – 3.50% to 5.50% per year

Mortality Rates – For active members and non-disabled retirees, the RP2000 Tables projected forward to 2016 using Scale AA are used; for all recipients of disability benefits, the Revenue Ruling 96-7 Disabled Mortality Table for Males and Females is used.

The long-term expected rate of return on pension plan assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major class of assets. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2016 are summarized in the following table.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Rate of Return</u>
Domestic Equity	42%	5.50%
International Equity	18%	5.75%
Domestic Fixed Income	30%	0.25%
Private Markets	10%	6.80%

As of June 30, 2016, PERS' long-term inflation assumption was 3.5%.

Discount Rate

The discount rate used to measure the collective total pension liability was 8.00% for 2016 for the System. The projection of cash flows used to determine the discount rate assumed that the plan member contributions will be made at the current contribution rate and that employer and non-employer entity contributions will be made at contractually required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

SOUTHERN NEVADA REGIONAL HOUSING AUTHORITY
Las Vegas, Nevada

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016
(Continued)

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

Discount Rate (Cont'd)

Sensitivity of the Authority's 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 8.00%, as well as what the Authority share of the net pension liability would be if it were calculated using a discount rate that is 1-percentagepoint lower (7.00 percent) or 1-percentagepoint higher (9.00 percent) than the current rate:

	1.0% Decrease (7.00%)	Current Discount Rate (8.00%)	1.0% Increase (9.00%)
PERS' Net Pension Liability	\$ 48,090,514	\$ 32,808,270	\$ 20,093,631

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

For the year ended September 30, 2016, the Authority recognized pension expense of \$4,134,752. At September 30, 2016, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between actual and expected experience	\$ -	\$ (2,558,383)
Changes in assumptions	-	-
Difference between projected and actual earnings on pension plan investments	3,275,854	-
Changes in proportion differences between employer contributions and proportionate share of contributions	1,076,116	(1,175,056)
Difference between actual and expected contributions	-	-
Contributions paid subsequent to the measurement date - FY 2016	791,885	-
Total	\$ 5,143,855	\$ (3,733,439)

SOUTHERN NEVADA REGIONAL HOUSING AUTHORITY
Las Vegas, Nevada

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016
(Continued)

NOTE R - RELATED PARTY TRANSACTIONS:

During FY 2016, there were no related party transactions to report.

NOTE S - COMMITMENTS & CONTINGENCIES:

The Authority is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Claims liabilities are reported when it is probably that a loss has occurred and the amount of that loss can be reasonably estimated. At September 30, 2016, there were no contingent liabilities to be reported.

The entity is subject to possible examinations made by federal regulators who determine compliance with terms, conditions, laws and regulations governing grants given to the entity in the current and prior years. These examinations may result in required refunds by the entity to federal grantors and/or program beneficiaries. There were no examinations conducted during the current year.

NOTE T - SUBSEQUENT EVENTS:

Events that occur after the statement of net position date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the statement of net position are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the statement of net position date require disclosure in the accompanying notes. Management evaluated the activity of the SNVRHA through June 23, 2017 (the date the financial statements were available to be issued) and concluded that there are no additional items that need to be addressed.

NOTE U - SUPPLEMENTARY INFORMATION:

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

NOTE V - PARTNERSHIP CAPITAL CONTRIBUTIONS:

The Discretely Presented Component Unit had a partnership capital contribution of \$6,487,684 during its first fiscal year end as noted in the financials.

SOUTHERN NEVADA REGIONAL HOUSING AUTHORITY
Las Vegas, Nevada

SINGLE AUDIT SECTION

FISCAL YEAR ENDED SEPTEMBER 30, 2016



**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**

INDEPENDENT AUDITOR'S REPORT

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

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

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 Southern Nevada Regional Housing Authority, as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the Southern Nevada Regional Housing Authority's basic financial statements, and have issued our report thereon dated June 23, 2017.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency, 2016-001.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Southern Nevada Regional Housing Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of the financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Southern Nevada Regional Housing Authority's Response to Findings

The Authority's response to the findings identified in our audit are described in the accompanying corrective action plan. The Authority's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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


Rector, Reeder & Lofton, PC
Certified Public Accountants

Lawrenceville, Georgia
June 23, 2017



REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE

INDEPENDENT AUDITOR'S REPORT

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

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

Report on Compliance for Each Major Federal Program

We have audited the Southern Nevada Regional Housing Authority' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Southern Nevada Regional Housing Authority' major federal programs for the year ended September 30, 2016. The Southern Nevada Regional Housing Authority' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the Southern Nevada Regional Housing Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2016.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2016-002. Our opinion on each major federal program is not modified with respect to these matters.

Report on Internal Control Over Compliance

The management of the Southern Nevada Regional Housing Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Southern Nevada Regional Housing Authority' internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2016-002, what we consider to be a significant deficiency.

The Authority's response to the internal control over compliance finding identified in our audit are described in the accompanying corrective action plan. The Authority's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Rector, Reeder & Lofton, PC
Certified Public Accountants

Lawrenceville, Georgia
June 23, 2017

**SOUTHERN NEVADA REGIONAL HOUSING AUTHORITY
Las Vegas, Nevada**

STATUS OF PRIOR AUDIT FINDINGS

The prior audit report for the period ended September 30, 2015, contained no formal audit findings.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor’s Results:

Financial Statements

Type of report issued on the financial statements:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified not considered to be material weaknesses?	Yes
Noncompliance material to the financial statements noted?	No

Federal Awards

Internal controls over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified not considered to be material weaknesses?	Yes

Type of report issued on the compliance for major programs:	Unmodified
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Any audit findings disclosed that are required to be reported under 2 CFR §200.516(a)?	Yes
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Identification of major programs:	
-CFDA #14.850	Public and Indian Housing
-CFDA #14.871	Section 8 Housing Choice Vouchers

Dollar threshold used to distinguish between Type A and Type B programs:	\$3,000,000
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Low Risk Auditee under 2 CFR §200.520?	No
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**SOUTHERN NEVADA REGIONAL HOUSING AUTHORITY
Las Vegas, Nevada**

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

Section II – Findings related to the Financial Statements required to be reported in accordance with GAGAS

Finding No. 2016-001 – Controls over materials inventory – Significant Deficiency

Condition & cause

Inventory is maintained decentralized from the main office and kept at the individual sites. Per staff interviews all maintenance employees and site managers have access to this inventory. For the Fiscal year 2016 inventory conducted as part of the year-end close revealed that \$210,282 of items in stock could not be adequately accounted for. These items consisted of the following:

Item Category	Amount
Appliances	\$ 25,846
Appliance Parts	13,735
Electrical	31,989
HVAC	24,413
Plumbing	50,104
Structural	41,430
Paint	16,055
Gardening/Other	6,710
Total unlocated	\$ 210,282

Criteria

Adequate internal controls require the proper safeguarding of assets and separation of duties and responsibilities. Also, the test of the internal controls working correctly should be that the inventory should be materially accurate to the actual booked amount on the general ledger.

Recommendation

Management should consider implementing more segregation of duties in this area to limit the number of employees who can access inventory. Additionally, the work order system should be updated to ensure that it is operating effectively and that all inventory costs are being captured on work so that costs are being charged to the appropriate cost center.

Questioned Costs: None

Repeat Finding: No

Was sampling statistically valid? Yes

Views of responsible officials: The Southern Nevada Regional Housing Authority agrees with the findings and the recommended corrective actions.

SOUTHERN NEVADA REGIONAL HOUSING AUTHORITY
Las Vegas, Nevada

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Section III – Federal Award Findings and Questioned Costs

Finding No. 2016-002 – Capital Asset Deficiencies – Other Matters – Significant Deficiency

Public Housing Program - CFDA # 14.850, Grant Year 2016

Condition & cause

Upon review of the detailed listing of capital assets and equipment we determined that the Housing Authority has not conducted an inventory of equipment or personal property assets within the last two years. When analyzing and testing certain equipment and improvement items we randomly selected a total of \$274,341.55 in capital assets, and of this amount \$81,524.19 was either not identifiable or not located. The Housing Authority has not maintained the detailed capital asset schedule in such a way that easily facilitates the annual or bi-annual inventory of equipment to determine that the asset has been safeguarded and retained by the agency. Because of the inadequate descriptions on the depreciation and capital asset schedule, we were unable to satisfy ourselves that certain capital assets actually existed.

Criteria

The *Uniform Administrative Requirements* give the requirements under *Section 503* which state that the equipment should be inventoried at least every two years and reconciled to the capital asset control schedule. The *Uniform Administrative Requirements* also provide the requirements for the information to be contained on the capital asset records.

Recommendation

We recommend that an inventory of all nonexpendable equipment be conducted, that the detailed capital asset schedule be updated and reconciled to at least once every two years, and that certain equipment items be written off the books if they are no longer in ownership by the agency.

Questioned Costs: None

Repeat Finding: No

Was sampling statistically valid? Yes

Views of responsible officials: The Southern Nevada Regional Housing Authority agrees with the findings and the recommended corrective actions.

**SOUTHERN NEVADA REGIONAL HOUSING AUTHORITY
Las Vegas, Nevada**

CORRECTIVE ACTION PLAN

Finding No. 2016-001 – Controls over materials inventory – Significant Deficiency

Corrective Action Plan: *As of October 2016, SNRHA has begun conducting random inventory cycle counts on all properties within the agency. These random cycle counts are ‘control triggers’, which should identify inventory deficiencies at each property where cycle counts are performed. High dollar inventory items are also counted during this random cycle count, such as appliances, tools, and equipment etc. SNRHA will also be ensuring that the Asset Managers, Maintenance Supervisors and an office staff person will maintain the keys to each inventory shop issuing out big ticket items. One suggestion is to develop a sign in/out log for staff when parts are taken out of the inventory location for repairs, listing the address and the work order number on the log.*

Contact Person: *Johnny Shaw, Procurement Manager*

Anticipated Completion Date: *July 2017*

Finding No. 2016-002 – Capital Asset Deficiencies – Other Matters – Significant Deficiency

Public Housing Program - CFDA # 14.850, Grant Year 2016

Corrective Action Plan: *SNRHA will be conducting an annual fixed assets inventory by September 2017. However, it should be noted that the agency does not currently have an adequate Fixed Assets Inventory System. Procurement & Contracts and the Finance Department is currently working with our IT Department and our agency software “Yardi” to see if existing system can handle the Fixed Assets capabilities, with an add-on module. If this strategy does not work, then SNRHA will pursue a third party vendor that has the software with capabilities data capturing piece such as bar-coding feature.*

SNRHA will continue to conduct an annual inventory of the Fixed Assets, to ensure said mentioned above inventory deficiencies are eliminated.

Contact Person: *Johnny Shaw, Procurement Manager*

Anticipated Completion Date: *September 2017*

SOUTHERN NEVADA REGIONAL HOUSING AUTHORITY
Las Vegas, Nevada

SUPPLEMENTAL INFORMATION

FISCAL YEAR ENDED SEPTEMBER 30, 2016

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

**FINANCIAL DATA SUBMISSION SUMMARY
NET POSITION ACCOUNTS
September 30, 2016**

<u>Account Description</u>	Business Activities	Component Unit Discretely Presented	Blended Component Unit	Public and Indian Housing 14,850	PIH Family Self-Sufficiency Program 14,896	Section 8 Housing Choice Vouchers 14,871
ASSETS:						
CURRENT ASSETS:						
Cash:						
Cash - unrestricted	\$ 0	\$ 156,107	\$ 2,084,403	\$ 2,579,536	\$ 0	\$ 656,327
Cash - restricted - modernization	0	0	0	0	0	0
Cash - other restricted	291,954	254,642	0	5,358,051	0	1,498,695
Cash - restricted current liabilities	0	0	0	13,502	0	3,896
Cash - tenant security deposits	486,498	0	0	637,025	0	0
Total Cash	778,452	410,749	2,084,403	8,588,114	0	2,158,918
Accounts and notes receivables:						
Accounts receivable - PHA projects	0	0	0	0	0	223,466
Accounts receivable - HUD	0	0	0	328,688	60,539	0
Accounts receivable - other government	0	0	0	7,537	0	0
Accounts receivable - miscellaneous	11,103	615,600	0	23,396	0	807,598
Accounts receivable - tenants rents	50,610	15,831	0	179,676	0	0
Allowance for doubtful accounts - tenants	(19,413)	0	0	(59,201)	0	0
Allowance for doubtful accounts - other	0	0	0	0	0	(894,651)
Notes receivable - current	0	0	0	0	0	0
Fraud recovery	0	0	0	0	0	1,720,955
Allowance for doubtful accounts - fraud	0	0	0	0	0	(1,435,275)
Accrued interest receivable	1,756	0	0	23,989	0	11,471
Total receivables - net	44,056	631,431	0	504,085	60,539	433,564
Current investments:						
Investments - unrestricted	0	0	0	3,100,847	0	2,549,056
Investments - restricted	0	0	0	0	0	0
Prepaid expenses and other assets	43,142	1,332,525	0	58,138	0	46,265
Inventories	237,083	0	0	703,023	0	0
Allowance for obsolete inventories	0	0	0	0	0	0
Assets held for sale	0	0	0	0	0	0
Interprogram due from	0	0	0	2,809,005	0	0
TOTAL CURRENT ASSETS	1,102,733	2,374,705	2,084,403	15,763,212	60,539	5,187,803
NONCURRENT ASSETS:						
Capital Assets:						
Land	3,392,784	2,122	0	17,886,856	0	0
Buildings	48,490,332	15,195,495	0	206,595,648	0	0
Furniture & equipment - dwelling	0	0	0	0	0	0
Furniture & equipment - admin	361,537	306,059	0	2,132,229	0	512,720
Improvements	0	0	0	15,114,205	0	1,238,468
Construction in process	0	0	0	0	0	0
Infrastructure	664,005	5,032,157	0	3,431,176	0	0
Accumulated depreciation	(20,148,546)	(804,135)	0	(139,540,742)	0	(734,915)
Total capital assets - net	32,760,112	19,731,698	0	105,619,372	0	1,016,273
Notes receivable - noncurrent	1,723,800	0	4,110,000	20,190,372	0	332,759
Other assets	0	217,944	6,436,341	30,000	0	0
Investment in joint ventures	0	0	0	0	0	0
TOTAL NONCURRENT ASSETS	34,483,912	19,949,642	10,546,341	125,839,744	0	1,349,032
DEFERRED OUTFLOW OF RESOURCES	521,956	0	0	1,995,886	0	1,431,327
TOTAL ASSETS & DEFERRED OUTFLOW OF RESOURCES	\$ 36,108,601	\$ 22,324,347	\$ 12,630,744	\$ 143,598,842	\$ 60,539	\$ 7,968,162

Community Development Block/Entitlement Grants 14.218	Supportive Housing for Persons with Disabilities 14.181	HOME Investment Partnerships Program 14.239	Workforce Other Federal Program 1	State/Local	Housing Counseling Assistance Program 14.169	Central Office Cost Center	Elimination	TOTAL
\$ 0	\$ 0	\$ 0	\$ 0	\$ 31,541	\$ 0	\$ 363,273	\$ 0	\$ 5,871,187
0	0	0	0	0	0	0	0	0
0	5,636	0	0	0	0	0	0	7,408,978
0	0	0	0	0	0	0	0	17,398
0	0	0	0	0	0	0	0	1,123,523
0	5,636	0	0	31,541	0	363,273	0	14,421,086
0	0	0	0	0	0	0	0	223,466
0	0	0	0	0	0	0	0	389,227
0	0	0	141,927	0	0	0	0	149,464
0	9,410	2,379	0	8,539	0	35	0	1,478,060
0	0	0	0	0	0	0	0	246,117
0	0	0	0	0	0	0	0	(78,614)
0	(9,368)	0	0	0	0	0	0	(904,019)
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	1,720,955
0	0	0	0	0	0	0	0	(1,435,275)
0	0	0	0	0	0	0	0	37,216
0	42	2,379	141,927	8,539	0	35	0	1,826,597
0	0	0	0	0	0	0	0	5,649,903
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	63,237	0	1,543,307
0	0	0	0	0	0	48,248	0	988,354
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	8,241	0	0	0	1,915,066	(4,732,312)	0
0	5,678	10,620	141,927	40,080	0	2,389,859	(4,732,312)	24,429,247
0	0	0	0	0	0	215,819	0	21,497,581
0	0	0	0	0	0	4,306,730	0	274,588,205
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	2,302,836	0	5,615,381
0	0	0	0	0	0	64,658	0	16,417,331
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	9,127,338
0	0	0	0	0	0	(5,775,694)	0	(167,004,032)
0	0	0	0	0	0	1,114,349	0	160,241,804
0	0	0	0	0	0	0	0	26,356,931
0	0	0	0	0	0	0	0	6,684,285
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	1,114,349	0	193,283,020
0	0	0	0	0	0	1,194,686	0	5,143,855
\$ 0	\$ 5,678	\$ 10,620	\$ 141,927	\$ 40,080	\$ 0	\$ 4,698,894	\$ (4,732,312)	\$ 222,856,122

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

**FINANCIAL DATA SUBMISSION SUMMARY
NET POSITION ACCOUNTS
September 30, 2016**

<u>Account Description</u>	<u>Business Activities</u>	<u>Component Unit Discretely Presented</u>	<u>Blended Component Unit</u>	<u>Public and Indian Housing 14.850</u>	<u>PIH Family Self-Sufficiency Program 14.896</u>	<u>Section 8 Housing Choice Vouchers 14.871</u>
LIABILITIES AND NET POSITION:						
LIABILITIES:						
CURRENT LIABILITIES:						
Cash overdraft	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Accounts payable < 90 days	132,746	87,949	0	786,711	0	278,953
Accrued salaries/payroll withholding	0	0	0	20,996	0	0
Accrued compensated absences	51,629	0	0	181,632	0	86,375
Accrued interest payable	0	0	0	0	0	0
Accounts payable - HUD PHA programs	0	0	0	0	0	329,225
Accounts payable - other gov.	0	0	0	442,656	0	3,896
Tenant security deposits	389,237	13,990	0	637,025	0	0
Unearned revenue	63,941	45,955	0	49,021	0	128
Current portion of L-T debt - capital	201,212	34,125	0	51,797	0	0
Current portion of L-T debt - operating	64,720	0	0	0	0	0
Other current liabilities	194	246	0	115,242	0	0
Accrued liabilities - other	0	0	0	0	0	0
Interprogram (due to)	2,658,647	0	1,554,210	317,625	60,539	0
Loan liability - current	0	0	0	0	0	0
TOTAL CURRENT LIABILITIES	3,562,326	182,265	1,554,210	2,602,705	60,539	698,577
NONCURRENT LIABILITIES:						
Long-term debt, net of current - capital	1,903,703	16,846,332	0	1,048,803	0	0
Long-term debt, net of current -operating	921,686	0	0	0	0	0
Accrued comp. absences - long term	206,517	0	0	726,527	0	345,498
Loan liability - noncurrent	0	0	4,446,341	0	0	0
Accrued pension & OPEB liabilities	3,329,164	0	0	12,729,993	0	9,129,203
Noncurrent liabilities - other	0	0	464	260,974	0	876,751
TOTAL NONCURRENT LIABILITIES	6,361,070	16,846,332	4,446,805	14,766,297	0	10,351,452
TOTAL LIABILITIES	9,923,396	17,028,597	6,001,015	17,369,002	60,539	11,050,029
DEFERRED INFLOW OF RESOURCES	378,843	0	0	1,448,620	0	1,038,864
NET POSITION:						
Net Investment in Capital Assets	30,845,207	4,539,075	0	104,518,772	0	1,016,273
Restricted	0	254,642	0	5,127,859	0	563,322
Unrestricted	(5,038,845)	502,033	6,629,729	15,134,589	0	(5,700,326)
TOTAL NET POSITION	25,806,362	5,295,750	6,629,729	124,781,220	0	(4,120,731)
TOTAL LIABILITIES AND NET POSITION	\$ 36,108,601	\$ 22,324,347	\$ 12,630,744	\$ 143,598,842	\$ 60,539	\$ 7,968,162

Community Development Block/Entitlement Grants 14.218	Supportive Housing for Persons with Disabilities 14.181	HOME Investment Partnerships Program 14.239	Other Federal Program 1	State/Local	Housing Counseling Assistance Program 14.169	Central Office Cost Center	Elimination	TOTAL
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	105	0	636	0	0	48,940	0	1,336,040
0	0	0	0	0	0	116,383	0	137,379
0	0	0	0	0	0	92,041	0	411,677
0	0	0	0	0	0	0	0	0
0	5,573	0	0	0	0	0	0	334,798
0	0	10,620	0	0	0	0	0	457,172
0	0	0	0	0	0	0	0	1,040,252
0	0	0	0	40,080	0	0	0	199,125
0	0	0	0	0	0	0	0	287,134
0	0	0	0	0	0	0	0	64,720
0	0	0	0	0	0	0	0	115,682
0	0	0	0	0	0	0	0	0
0	0	0	141,291	0	0	0	(4,732,312)	0
0	0	0	0	0	0	0	0	0
<u>0</u>	<u>5,678</u>	<u>10,620</u>	<u>141,927</u>	<u>40,080</u>	<u>0</u>	<u>257,364</u>	<u>(4,732,312)</u>	<u>4,383,979</u>
0	0	0	0	0	0	0	0	19,798,838
0	0	0	0	0	0	0	0	921,686
0	0	0	0	0	0	368,163	0	1,646,705
0	0	0	0	0	0	0	0	4,446,341
0	0	0	0	0	0	7,619,910	0	32,808,270
0	0	0	0	0	0	0	0	1,138,189
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>7,988,073</u>	<u>0</u>	<u>60,760,029</u>
<u>0</u>	<u>5,678</u>	<u>10,620</u>	<u>141,927</u>	<u>40,080</u>	<u>0</u>	<u>8,245,437</u>	<u>(4,732,312)</u>	<u>65,144,008</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>867,112</u>	<u>0</u>	<u>3,733,439</u>
0	0	0	0	0	0	1,114,349	0	142,033,676
0	0	0	0	0	0	0	0	5,945,823
0	0	0	0	0	0	(5,528,004)	0	5,999,176
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(4,413,655)</u>	<u>0</u>	<u>153,978,675</u>
<u>\$ 0</u>	<u>\$ 5,678</u>	<u>\$ 10,620</u>	<u>\$ 141,927</u>	<u>\$ 40,080</u>	<u>\$ 0</u>	<u>\$ 4,698,894</u>	<u>\$ (4,732,312)</u>	<u>\$ 222,856,122</u>

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

**FINANCIAL DATA SUBMISSION SUMMARY
REVENUES, EXPENSES, AND CHANGES IN NET POSITION ACCOUNTS
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

Section 8

Housing

Choice

Vouchers

<u>Account Description</u>	<u>Business Activities</u>	<u>Component Unit Discretely Presented</u>	<u>Blended Component Unit</u>	<u>Public and Indian Housing 14,850</u>	<u>PIH Family Self-Sufficiency Program 14,896</u>	<u>Section 8 Housing Choice Vouchers 14,871</u>
REVENUES:						
Net tenant rental revenue	\$ 5,772,331	\$ 1,469,158	\$ 0	\$ 5,471,840	\$ 0	\$ 0
Tenant revenue - other	370,799	0	0	295,576	0	0
Total tenant revenue	<u>6,143,130</u>	<u>1,469,158</u>	<u>0</u>	<u>5,767,416</u>	<u>0</u>	<u>0</u>
HUD PHA grants - operating	0	0	0	16,541,245	744,305	112,528,249
HUD PHA grants - capital	0	0	0	991,029	0	0
Management fee	0	0	0	0	0	0
Asset management fee	0	0	0	0	0	0
Bookkeeping fee	0	0	0	0	0	0
Front line service fee	0	0	0	0	0	0
Other fees	0	0	0	0	0	0
Other government grants	0	0	0	0	0	0
Investment income - unrestricted	1,159	7	10	22,723	0	6,570
Mortgage interest income	0	0	80,160	0	0	0
Proceeds from disposition of assets held for sale	0	0	0	0	0	0
Fraud income	0	0	0	0	0	330,428
Other revenue	654,863	5,472	2,519,818	808,809	0	101,797
Gain/(loss) on disposition	740,000	0	0	6,797,410	0	0
Investment income - restricted	0	0	0	0	0	0
TOTAL REVENUES	<u>\$ 7,539,152</u>	<u>\$ 1,474,637</u>	<u>\$ 2,599,988</u>	<u>\$ 30,928,632</u>	<u>\$ 744,305</u>	<u>\$ 112,967,044</u>
EXPENSES:						
Administrative						
Administrative salaries	\$ 582,514	\$ 85,190	\$ 0	\$ 1,682,733	\$ 0	\$ 3,393,578
Auditing fees	17,615	0	0	61,359	0	14,980
Management fees	683,396	0	0	2,532,461	0	1,221,945
Bookkeeping fees	86,125	0	0	231,858	0	965,130
Advertising & marketing	0	0	0	0	0	600
Employee benefits - administrative	278,711	56,793	0	807,676	0	1,651,723
Office expense	48,347	27,477	0	185,962	0	512,736
Legal expense	14,637	0	0	38,045	0	32,188
Travel expense	20,372	0	0	33,385	0	15,449
Allocated Overhead	0	0	0	0	0	0
Other operating - administrative	329,095	41,900	0	1,997,484	0	457,946
Total Administrative Expense	<u>2,060,812</u>	<u>211,360</u>	<u>0</u>	<u>7,570,963</u>	<u>0</u>	<u>8,266,275</u>
Asset management fee	<u>0</u>	<u>0</u>	<u>0</u>	<u>320,440</u>	<u>0</u>	<u>0</u>
Tenant Services						
Tenant services - salaries	30,317	0	0	235,000	528,231	126,067
Relocation costs	0	0	0	71,879	0	0
Employee benefits - tenant services	13,797	0	0	98,593	216,074	71,157
Other tenant services	10,417	0	0	23,058	0	1,547
Total Tenant Services	<u>54,531</u>	<u>0</u>	<u>0</u>	<u>428,530</u>	<u>744,305</u>	<u>198,771</u>
Utilities						
Water	275,379	98,487	0	1,066,876	0	0
Electricity	143,359	9,443	0	655,839	0	14,140
Gas	9,044	0	0	129,054	0	0
Sewer	222,595	26,983	0	539,269	0	1,972
Other utilities	0	0	0	0	0	0
Employee benefits - utilities	0	0	0	0	0	0
Total Utilities Expense	<u>650,377</u>	<u>134,913</u>	<u>0</u>	<u>2,391,038</u>	<u>0</u>	<u>16,112</u>

Community Development Block/Entitlement Grants 14.218	Supportive Housing for Persons with Disabilities 14.181	HOME Investment Partnerships Program 14.239	Other Federal Program 1	State/Local	Housing Counseling Assistance Program 14.169	Central Office Cost Center	Elimination	TOTAL
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 12,713,329
0	0	0	0	0	0	0	0	666,375
0	0	0	0	0	0	0	0	13,379,704
0	731,233	0	0	0	4,918	0	0	130,549,950
0	0	0	0	0	0	0	0	991,029
0	0	0	0	0	0	4,437,802	(4,437,802)	0
0	0	0	0	0	0	320,440	(320,440)	0
0	0	0	0	0	0	1,283,113	(1,283,113)	0
0	0	0	0	0	0	1,869,440	(1,869,440)	0
0	0	0	0	0	0	0	0	0
69,891	0	235,054	719,474	0	0	0	0	1,024,419
0	0	0	0	0	0	0	0	30,469
0	0	0	0	0	0	0	0	80,160
0	0	0	0	0	0	0	0	0
0	220	0	0	0	0	0	0	330,648
0	0	0	0	0	0	285,903	0	4,376,662
0	0	0	0	0	0	1,473	0	7,538,883
0	0	0	0	0	0	0	0	0
\$ 69,891	\$ 731,453	\$ 235,054	\$ 719,474	\$ 0	\$ 4,918	\$ 8,198,171	\$ (7,910,795)	\$ 158,301,924
\$ 34,747	\$ 0	\$ 12,157	\$ 0	\$ 0	\$ 0	\$ 3,245,791	\$ 0	\$ 9,036,710
0	0	0	0	0	0	10,273	0	104,227
0	0	0	0	0	0	0	(4,437,802)	0
0	0	0	0	0	0	0	(1,283,113)	0
0	0	0	0	0	0	78,013	0	78,613
15,253	0	6,776	0	0	0	1,534,395	0	4,351,327
0	0	0	0	0	0	705,906	0	1,480,428
0	0	0	0	0	0	234,335	0	319,205
0	0	0	0	0	0	61,744	0	130,950
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	526,093	(1,869,440)	1,483,078
50,000	0	18,933	0	0	0	6,396,550	(7,590,355)	16,984,538
0	0	0	0	0	0	0	(320,440)	0
0	323	0	440,277	0	3,561	388,094	0	1,751,870
0	0	0	0	0	0	0	0	71,879
0	182	0	145,499	0	1,357	173,268	0	719,927
0	0	0	108,083	0	0	30,911	0	174,016
0	505	0	693,859	0	4,918	592,273	0	2,717,692
0	0	0	0	0	0	32,073	0	1,472,815
0	0	0	0	0	0	40,768	0	863,549
0	0	0	0	0	0	1,879	0	139,977
0	0	0	0	0	0	2,802	0	793,621
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	77,522	0	3,269,962

Southern Nevada Regional Housing Authority
Las Vegas, Nevada

**FINANCIAL DATA SUBMISSION SUMMARY
REVENUES, EXPENSES, AND CHANGES IN NET POSITION ACCOUNTS
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

<u>Account Description</u>	Business Activities	Component Unit Discretely Presented	Blended Component Unit	Public and Indian Housing 14,850	PIH Family Self-Sufficiency Program 14,896	Section 8 Housing Choice Vouchers 14,871
Ordinary Maintenance & Operation						
Labor	886,773	21,298	0	3,305,381	0	354
Materials	346,431	0	0	1,018,233	0	25,672
Employee benefit contributions	413,547	14,198	0	1,617,395	0	251
Garbage & trash removal contracts	151,625	0	0	376,392	0	0
Heating & cooling contracts	13,485	0	0	33,912	0	0
Snow Removal contracts	0	0	0	0	0	0
Elevator maintenance contracts	402	0	0	23,821	0	0
Landscape & grounds contracts	153,672	0	0	252,702	0	0
Unit turnaround contracts	0	0	0	0	0	0
Electrical contracts	6,315	0	0	43,294	0	0
Plumbing contracts	27,155	0	0	105,840	0	0
Extermination contracts	59,658	0	0	277,941	0	0
Janitorial contracts	16,736	0	0	251,527	0	0
Routine maintenance contracts	345,116	54,506	0	774,398	0	0
Contract costs - other	71,472	0	0	289,650	0	38,720
Total Ordinary Maintenance & Operation	2,492,387	90,002	0	8,370,486	0	64,997
Protective Services						
Protective services - salaries	0	0	0	0	0	0
Employee benefits - protective services	0	0	0	0	0	0
Other protective services - contract costs	102,229	0	0	414,569	0	2,938
Total Protective Services	102,229	0	0	414,569	0	2,938
Insurance Premiums						
Property insurance	95,872	46,307	0	311,950	0	0
Liability insurance	33,057	0	0	119,423	0	70,102
Workmen's compensation	0	0	0	0	0	0
Insurance - other	32,783	0	0	97,669	0	47,136
Total Insurance Premiums	161,712	46,307	0	529,042	0	117,238
General Expenses						
Other general expense	389,652	204,501	1,074	1,421,751	0	94,136
Compensated absences	106,441	0	0	350,843	0	140,453
Payments in lieu of taxes	0	0	0	237,160	0	0
Bad debt - tenant rents	162,167	0	0	264,890	0	0
Bad debt - mortgages	0	0	0	0	0	0
Bad debt - other	0	0	0	0	0	0
Severance expense	0	0	0	0	0	0
Total General Expenses	658,260	204,501	1,074	2,274,644	0	234,589
Financial Expenses						
Interest expense - mortgage payable	210,059	0	80,160	0	0	0
Interest expense - notes payable	35,359	880,241	0	1,117	0	1,175
Amortization - issuance costs	0	295,112	0	0	0	0
Total Financial Expenses	245,418	1,175,353	80,160	1,117	0	1,175
TOTAL OPERATING EXPENSE	6,425,726	1,862,436	81,234	22,300,829	744,305	8,902,095
EXCESS OPERATING REVENUE	1,113,426	(387,799)	2,518,754	8,627,803	0	104,064,949

Community Development Block/Entitlement Grants 14.218	Supportive Housing for Persons with Disabilities 14.181	HOME Investment Partnerships Program 14.239	Other Federal Program 1	State/Local	Housing Counseling Assistance Program 14.169	Central Office Cost Center	Elimination	TOTAL
0	0	0	0	0	0	14,359	0	4,228,165
0	0	0	0	0	0	22,503	0	1,412,839
0	0	0	0	0	0	6,380	0	2,051,771
0	0	0	0	0	0	16,983	0	545,000
0	0	0	0	0	0	12,763	0	60,160
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	24,223
0	0	0	0	0	0	359	0	406,733
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	49,609
0	0	0	0	0	0	0	0	132,995
0	0	0	0	0	0	590	0	338,189
0	0	0	0	0	0	19,614	0	287,877
0	0	0	0	0	0	30,641	0	1,204,661
0	0	0	0	0	0	27,447	0	427,289
0	0	0	0	0	0	151,639	0	11,169,511
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	13,301	0	533,037
0	0	0	0	0	0	13,301	0	533,037
0	0	0	0	0	0	5,933	0	460,062
0	0	0	0	0	0	0	0	222,582
0	0	0	0	0	0	0	0	0
0	0	0	23,585	0	0	37,664	0	238,837
0	0	0	23,585	0	0	43,597	0	921,481
0	3,929	0	0	0	0	10,423	0	2,125,466
0	0	0	2,030	0	0	207,117	0	806,884
0	0	0	0	0	0	0	0	237,160
0	0	0	0	0	0	0	0	427,057
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	3,929	0	2,030	0	0	217,540	0	3,596,567
0	0	0	0	0	0	0	0	290,219
0	0	0	0	0	0	1,117	0	919,009
0	0	0	0	0	0	0	0	295,112
0	0	0	0	0	0	1,117	0	1,504,340
50,000	4,434	18,933	719,474	0	4,918	7,493,539	(7,910,795)	40,697,128
19,891	727,019	216,121	0	0	0	704,632	0	117,604,796

Southern Nevada Regional Housing Authority
Las Vegas, Nevada

**FINANCIAL DATA SUBMISSION SUMMARY
REVENUES, EXPENSES, AND CHANGES IN NET POSITION ACCOUNTS
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

<u>Account Description</u>	Business Activities	Component Unit Discretely Presented	Blended Component Unit	Public and Indian Housing 14.850	PIH Family Self-Sufficiency Program 14.896	Section 8 Housing Choice Vouchers 14.871
Other Expenses						
Extraordinary maintenance	49,609	0	0	478,020	0	41,029
Casualty losses	0	0	0	11,749	0	0
Housing assistance payments	0	0	0	0	0	103,829,415
Portability HAP expense	0	0	0	0	0	0
Depreciation expense	1,399,440	804,135	0	8,559,221	0	69,841
Total Other Expenses	<u>1,448,049</u>	<u>804,135</u>	<u>0</u>	<u>9,048,990</u>	<u>0</u>	<u>103,940,285</u>
TOTAL EXPENSES	<u>\$ 7,873,775</u>	<u>\$ 2,666,571</u>	<u>\$ 81,234</u>	<u>\$ 31,349,819</u>	<u>\$ 744,305</u>	<u>\$ 112,842,380</u>
EXCESS OF REVENUE OVER EXPENSES	<u>\$ (334,623)</u>	<u>\$ (1,191,934)</u>	<u>\$ 2,518,754</u>	<u>\$ (421,187)</u>	<u>\$ 0</u>	<u>\$ 124,664</u>
Transfer of funds	0	0	0	0	0	0
Special Item - OPEB	0	0	0	0	0	0
Transfer of equity	19,891	0	0	0	0	1,107,622
Capital contributions	0	6,487,684	0	0	0	0
Beginning Net Position	<u>26,121,094</u>	<u>0</u>	<u>4,110,975</u>	<u>125,202,407</u>	<u>0</u>	<u>(5,353,017)</u>
Ending Net Position	<u>\$ 25,806,362</u>	<u>\$ 5,295,750</u>	<u>\$ 6,629,729</u>	<u>\$ 124,781,220</u>	<u>\$ 0</u>	<u>\$ (4,120,731)</u>
Administrative Fund Equity	-	-	-	-	-	(4,684,053)
Housing Choice Voucher Equity	-	-	-	-	-	563,322
Units Available	12,798	2,544	-	33,838	-	131,285
Units Leased	12,313	1,835	-	32,362	-	128,684

Community Development Block/Entitlement Grants 14.218	Supportive Housing for Persons with Disabilities 14.181	HOME Investment Partnerships Program 14.239	Other Federal Program 1	State/Local	Housing Counseling Assistance Program 14.169	Central Office Cost Center	Elimination	TOTAL
0	0	0	0	0	0	29,004	0	596,662
0	0	0	0	0	0	11,320	0	23,069
0	683,119	216,121	0	0	0	0	0	104,728,655
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	161,777	0	10,994,414
0	683,119	216,121	0	0	0	202,101	0	116,342,800
\$ 50,000	\$ 687,553	\$ 235,054	\$ 719,474	\$ 0	\$ 4,918	\$ 7,695,640	\$ (7,910,795)	\$ 157,039,928
\$ 19,891	\$ 43,900	\$ 0	\$ 0	\$ 0	\$ 0	\$ 502,531	\$ 0	\$ 1,261,996
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
(19,891)	(1,107,622)	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	6,487,684
0	1,063,722	0	0	0	0	(4,916,186)	0	146,228,995
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (4,413,655)	\$ 0	\$ 153,978,675
-	-	-	-	-	-	-	-	(4,684,053)
-	-	-	-	-	-	-	-	563,322
-	1,140	309	-	-	-	-	-	181,914
-	1,032	309	-	-	-	-	-	176,535

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

**FINANCIAL DATA SUBMISSION SUMMARY
NET POSITION ACCOUNTS - AMPs
September 30, 2016**

<u>Account Description</u>	<u>NV018002305</u>	<u>NV01802310</u>	<u>NV018002401</u>	<u>NV018002402</u>	<u>NV018002403</u>	<u>NV018002404</u>	<u>NV018002405</u>
ASSETS:							
CURRENT ASSETS:							
Cash:							
Cash - unrestricted	\$ 0	\$ 80,436	\$ 311,543	\$ 286,887	\$ 59,656	\$ 169,385	\$ 24,258
Cash - restricted - modernization	0	0	0	0	0	0	0
Cash - other restricted	0	20,994	0	0	0	25,580	1,884
Cash - restricted current liabilities	0	0	0	3	0	716	0
Cash - tenant security deposits	0	12,708	57,358	82,962	57,162	69,657	0
Total Cash	0	114,138	368,901	369,852	116,818	265,338	26,142
Accounts and notes receivables:							
Accounts receivable - PHA projects	0	0	0	0	0	0	0
Accounts receivable - HUD	0	0	8,553	44	135	219	0
Accounts receivable - other government	7,537	0	0	0	0	0	0
Accounts receivable - miscellaneous	0	50	989	3,078	2,710	3,604	0
Accounts receivable - tenants rents	0	312	2,927	40,235	6,330	9,354	0
Allowance for doubtful accounts-tenants	0	(50)	(1,705)	(20,308)	(1,410)	(2,461)	0
Allowance for doubtful accounts - other	0	0	0	0	0	0	0
Notes receivable -current	0	0	0	0	0	0	0
Fraud recovery	0	0	0	0	0	0	0
Accrued interest receivable	0	0	0	0	0	0	0
Total receivables - net	7,537	312	10,764	23,049	7,765	10,716	0
Current investments:							
Investments - unrestricted	0	0	37,345	913,853	402,127	76,226	28,719
Investments - restricted	0	0	0	0	0	0	0
Prepaid expenses and other assets	0	1,116	2,605	3,349	2,977	2,977	0
Inventories	0	10,910	56,147	123,998	33,664	90,624	0
Allowance for obsolete inventories	0	0	0	0	0	0	0
Interprogram due from	0	0	0	0	0	0	0
TOTAL CURRENT ASSETS	7,537	126,476	475,762	1,434,101	563,351	445,881	54,861
NONCURRENT ASSETS:							
Capital Assets:							
Land	952,685	3,350,964	1,169,424	1,265,660	372,806	624,705	63,239
Buildings	0	15,432,780	46,528,439	10,028,601	21,770,050	18,008,198	0
Furniture & equipment - dwelling	0	0	0	0	0	0	0
Furniture & equipment - admin	6,460	7,025	81,148	168,168	358,335	194,479	0
Improvements	326,022	59,827	264,496	2,101,489	1,469,595	2,571,242	0
Construction in process	0	0	0	0	0	0	0
Infrastructure	0	0	0	0	0	0	3,431,176
Accumulated depreciation	(115,252)	(10,283,096)	(20,312,596)	(7,421,258)	(18,070,953)	(14,722,340)	(1,545,439)
Total capital assets - net	1,169,915	8,567,500	27,730,911	6,142,660	5,899,833	6,676,284	1,948,976
Notes receivable - noncurrent	0	0	0	0	0	0	0
Other assets	0	0	0	0	0	0	0
Investment in joint ventures	0	0	0	0	0	0	0
TOTAL NONCURRENT ASSETS	1,169,915	8,567,500	27,730,911	6,142,660	5,899,833	6,676,284	1,948,976
Deferred Outflow of Resources	0	14,411	200,135	237,036	217,874	215,890	0
TOTAL ASSETS & DEFERRED OUTFLOW OF RESOURCES	\$ 1,177,452	\$ 8,708,387	\$ 28,406,808	\$ 7,813,797	\$ 6,681,058	\$ 7,338,055	\$ 2,003,837

	<u>NV018002406</u>	<u>NV018002407</u>	<u>NV018002408</u>	<u>NV018002409</u>	<u>NV018002410</u>	<u>NV01802411</u>	<u>NV018013003</u>	<u>NV018013016</u>	<u>Other Project</u>	<u>TOTAL</u>
\$	255,799	\$ 421,513	\$ 341,529	\$ 318,183	\$ 0	\$ 0	\$ 128,019	\$ 182,328	\$ 0	\$ 2,579,536
	0	0	0	0	0	0	0	0	0	0
	8,497	19,647	60,856	894,953	0	31,565	0	18,797	4,275,278	5,358,051
	0	234	9,979	155	0	0	2,415	0	0	13,502
	54,147	92,277	76,910	107,275	0	4,925	4,353	17,291	0	637,025
	<u>318,443</u>	<u>533,671</u>	<u>489,274</u>	<u>1,320,566</u>	<u>0</u>	<u>36,490</u>	<u>134,787</u>	<u>218,416</u>	<u>4,275,278</u>	<u>8,588,114</u>
	0	0	0	0	0	0	0	0	0	0
	17,238	302,263	0	0	0	236	0	0	0	328,688
	0	0	0	0	0	0	0	0	0	7,537
	1,770	4,337	3,713	2,866	0	0	0	279	0	23,396
	25,739	17,009	41,674	33,457	0	0	0	2,639	0	179,676
	(10,711)	(1,295)	(7,673)	(13,488)	0	0	0	(100)	0	(59,201)
	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	23,989	23,989
	<u>34,036</u>	<u>322,314</u>	<u>37,714</u>	<u>22,835</u>	<u>0</u>	<u>236</u>	<u>0</u>	<u>2,818</u>	<u>23,989</u>	<u>504,085</u>
	0	499,038	404,344	377,327	0	0	145,776	216,092	0	3,100,847
	0	0	0	0	0	0	0	0	0	0
	4,466	5,210	4,466	3,721	0	0	0	0	27,251	58,138
	74,039	120,338	154,730	35,579	0	0	0	2,994	0	703,023
	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	2,809,005	2,809,005
	<u>430,984</u>	<u>1,480,571</u>	<u>1,090,528</u>	<u>1,760,028</u>	<u>0</u>	<u>36,726</u>	<u>280,563</u>	<u>440,320</u>	<u>7,135,523</u>	<u>15,763,212</u>
	1,852,913	602,195	509,173	5,539,476	0	0	38,900	0	1,544,716	17,886,856
	11,168,340	39,799,277	2,930,733	39,356,882	0	0	0	0	1,572,348	206,595,648
	0	0	0	0	0	0	0	0	0	0
	406,627	297,204	231,054	155,406	0	11,585	0	0	214,738	2,132,229
	1,217,319	1,960,436	1,076,195	3,371,358	0	0	0	0	696,226	15,114,205
	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	3,431,176
	(6,578,943)	(33,765,661)	(2,405,488)	(23,163,525)	0	(11,585)	0	0	(1,144,606)	(139,540,742)
	<u>8,066,256</u>	<u>8,893,451</u>	<u>2,341,667</u>	<u>25,259,597</u>	<u>0</u>	<u>0</u>	<u>38,900</u>	<u>0</u>	<u>2,883,422</u>	<u>105,619,372</u>
	5,700,000	0	0	0	0	4,510,285	9,691,317	0	288,770	20,190,372
	0	0	0	0	0	0	30,000	0	0	30,000
	0	0	0	0	0	0	0	0	0	0
	<u>13,766,256</u>	<u>8,893,451</u>	<u>2,341,667</u>	<u>25,259,597</u>	<u>0</u>	<u>4,510,285</u>	<u>9,760,217</u>	<u>0</u>	<u>3,172,192</u>	<u>125,839,744</u>
	<u>261,863</u>	<u>300,263</u>	<u>262,391</u>	<u>286,023</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,995,886</u>
\$	<u>14,459,103</u>	<u>10,674,285</u>	<u>3,694,586</u>	<u>27,305,648</u>	<u>0</u>	<u>4,547,011</u>	<u>10,040,780</u>	<u>440,320</u>	<u>10,307,715</u>	<u>143,598,842</u>

Southern Nevada Regional Housing Authority
Las Vegas, Nevada

FINANCIAL DATA SUBMISSION SUMMARY
NET POSITION ACCOUNTS - AMPs
September 30, 2016

Account Description	NV018002305	NV01802310	NV018002401	NV018002402	NV018002403	NV018002404	NV018002405
LIABILITIES AND NET POSITION:							
LIABILITIES:							
CURRENT LIABILITIES:							
Cash overdraft	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Accounts payable < 90 days	1,724	5,603	56,124	68,113	27,829	44,086	0
Accrued salaries/payroll withholding	0	0	0	0	0	0	0
Accrued compensated absences	0	16,134	15,551	16,787	14,651	20,036	0
Accrued interest payable	0	0	0	0	0	0	0
Accounts payable - HUD PHA programs	0	0	0	0	0	0	0
Accounts payable - other gov.	0	7,700	72,326	161,985	71,287	0	0
Tenant security deposits	0	12,708	57,358	82,962	57,162	69,657	0
Unearned revenue	0	1,442	867	18,640	5,103	66	0
Current portion of L-T debt - capital borrowings	0	0	0	0	0	0	0
Other current liabilities	0	0	0	38	0	716	0
Accrued liabilities - other	0	0	0	0	0	0	0
Loan liability - current	0	0	0	0	0	0	0
Interprogram (due to)	268,411	0	44	44	135	219	0
TOTAL CURRENT LIABILITIES	<u>270,135</u>	<u>43,587</u>	<u>202,270</u>	<u>348,569</u>	<u>176,167</u>	<u>134,780</u>	<u>0</u>
NONCURRENT LIABILITIES:							
Long-term debt, net of current - capital	0	0	0	0	0	0	0
Long-term debt, net of current - operating	0	0	0	0	0	0	0
Accrued comp, absences - long term	0	64,535	62,204	67,149	58,604	80,146	0
Accrued pension & OPEB liabilities	0	91,915	1,276,491	1,511,831	1,389,649	1,376,999	0
Noncurrent liabilities - other	0	20,994	0	0	0	25,580	1,884
TOTAL NONCURRENT LIABILITIES	<u>0</u>	<u>177,444</u>	<u>1,338,695</u>	<u>1,578,980</u>	<u>1,448,253</u>	<u>1,482,725</u>	<u>1,884</u>
TOTAL LIABILITIES	<u>270,135</u>	<u>221,031</u>	<u>1,540,965</u>	<u>1,927,549</u>	<u>1,624,420</u>	<u>1,617,505</u>	<u>1,884</u>
Deferred Inflow of Resources	0	10,459	145,259	172,040	158,137	156,697	0
NET POSITION:							
Net Investment in Capital Assets	1,169,915	8,567,500	27,730,911	6,142,660	5,899,833	6,676,284	1,948,976
Restricted	0	0	0	0	0	0	0
Unrestricted	(262,598)	(90,603)	(1,010,327)	(428,452)	(1,001,332)	(1,112,431)	52,977
TOTAL NET POSITION	<u>907,317</u>	<u>8,476,897</u>	<u>26,720,584</u>	<u>5,714,208</u>	<u>4,898,501</u>	<u>5,563,853</u>	<u>2,001,953</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	<u>\$ 1,177,452</u>	<u>\$ 8,708,387</u>	<u>\$ 28,406,808</u>	<u>\$ 7,813,797</u>	<u>\$ 6,681,058</u>	<u>\$ 7,338,055</u>	<u>\$ 2,003,837</u>

	<u>NV018002406</u>	<u>NV018002407</u>	<u>NV018002408</u>	<u>NV018002409</u>	<u>NV018002410</u>	<u>NV018002411</u>	<u>NV018013003</u>	<u>NV018013016</u>	<u>Other Project</u>	<u>TOTAL</u>	
\$	0	\$	0	\$	0	\$	0	\$	0	\$	0
	21,541	433,796	35,347	23,682	0	196	0	2,506	66,164	786,711	
	0	0	0	0	0	0	0	0	20,996	20,996	
	17,852	30,779	31,538	18,304	0	0	0	0	0	181,632	
	0	0	0	0	0	0	0	0	0	0	
	0	0	0	0	0	0	0	0	0	0	
	16,773	43,673	24,359	44,553	0	0	0	0	0	442,656	
	54,147	92,277	76,910	107,275	0	4,925	4,353	17,291	0	637,025	
	2,574	3,344	4,916	11,862	0	0	0	207	0	49,021	
	0	0	0	0	0	0	0	0	51,797	51,797	
	1,152	234	9,979	155	0	0	2,415	0	100,553	115,242	
	0	0	0	0	0	0	0	0	0	0	
	0	0	0	0	0	0	0	0	0	0	
	14,569	5,826	0	0	0	28,377	0	0	0	317,625	
	<u>128,608</u>	<u>609,929</u>	<u>183,049</u>	<u>205,831</u>	<u>0</u>	<u>33,498</u>	<u>6,768</u>	<u>20,004</u>	<u>239,510</u>	<u>2,602,705</u>	
	0	0	0	0	0	0	1,000,000	0	48,803	1,048,803	
	0	0	0	0	0	0	0	0	0	0	
	71,407	123,116	126,151	73,215	0	0	0	0	0	726,527	
	1,670,200	1,915,115	1,673,533	1,824,260	0	0	0	0	0	12,729,993	
	8,497	19,647	60,856	73,154	0	31,565	0	18,797	0	260,974	
	<u>1,750,104</u>	<u>2,057,878</u>	<u>1,860,540</u>	<u>1,970,629</u>	<u>0</u>	<u>31,565</u>	<u>1,000,000</u>	<u>18,797</u>	<u>48,803</u>	<u>14,766,297</u>	
	<u>1,878,712</u>	<u>2,667,807</u>	<u>2,043,589</u>	<u>2,176,460</u>	<u>0</u>	<u>65,063</u>	<u>1,006,768</u>	<u>38,801</u>	<u>288,313</u>	<u>17,369,002</u>	
	<u>190,062</u>	<u>217,932</u>	<u>190,441</u>	<u>207,593</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,448,620</u>	
	8,066,256	8,893,451	2,341,667	25,259,597	0	0	(961,100)	0	2,782,822	104,518,772	
	0	0	0	821,799	0	0	0	0	4,306,060	5,127,859	
	<u>4,324,073</u>	<u>(1,104,905)</u>	<u>(881,111)</u>	<u>(1,159,801)</u>	<u>0</u>	<u>4,481,948</u>	<u>9,995,112</u>	<u>401,519</u>	<u>2,930,520</u>	<u>15,134,589</u>	
	<u>12,390,329</u>	<u>7,788,546</u>	<u>1,460,556</u>	<u>24,921,595</u>	<u>0</u>	<u>4,481,948</u>	<u>9,034,012</u>	<u>401,519</u>	<u>10,019,402</u>	<u>124,781,220</u>	
\$	<u>14,459,103</u>	\$ <u>10,674,285</u>	\$ <u>3,694,586</u>	\$ <u>27,305,648</u>	\$ <u>0</u>	\$ <u>4,547,011</u>	\$ <u>10,040,780</u>	\$ <u>440,320</u>	\$ <u>10,307,715</u>	\$ <u>143,598,842</u>	

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

**FINANCIAL DATA SUBMISSION SUMMARY
REVENUES, EXPENSES, AND CHANGES IN
NET POSITION ACCOUNTS - COMBINED SCHEDULE - AMP's
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

<u>Account Description</u>	<u>NV018002305</u>	<u>NV01802310</u>	<u>NV018002401</u>	<u>NV018002402</u>	<u>NV018002403</u>	<u>NV018002404</u>	<u>NV018002405</u>
REVENUES:							
Net tenant rental revenue	\$ 0	\$ 104,528	\$ 669,735	\$ 1,226,214	\$ 788,863	\$ 589,702	\$ 0
Tenant revenue - other	0	2,839	19,660	37,840	17,779	14,324	0
Total tenant revenue	0	107,367	689,395	1,264,054	806,642	604,026	0
HUD PHA grants - operating	0	254,590	1,571,660	1,997,743	1,309,796	1,314,268	330,981
HUD PHA grants - capital	0	0	56,590	93,397	1,953	0	0
Management fee	0	0	0	0	0	0	0
Asset management fee	0	0	0	0	0	0	0
Bookkeeping fee	0	0	0	0	0	0	0
Front line service fee	0	0	0	0	0	0	0
Other government grants	0	0	0	0	0	0	0
Investment income - unrestricted	0	0	0	0	0	0	0
Mortgage interest income	0	0	0	0	0	0	0
Fraud income	0	0	0	0	0	0	0
Other revenue	7,537	0	0	0	10	3,226	0
Gain/(loss) on disposition	574,906	0	0	0	0	0	0
Investment income - restricted	0	0	0	0	0	0	0
TOTAL REVENUES	\$ 582,443	\$ 361,957	\$ 2,317,645	\$ 3,355,194	\$ 2,118,401	\$ 1,921,520	\$ 330,981
EXPENSES:							
Administrative							
Administrative salaries	\$ 0	\$ 45,603	\$ 208,223	\$ 207,216	\$ 189,411	\$ 141,869	\$ 0
Auditing fees	419	1,233	6,204	8,910	8,273	5,086	1,294
Management fees	0	37,079	575,021	365,560	228,313	219,893	0
Bookkeeping fees	0	4,095	25,988	40,373	25,215	24,285	0
Advertising & marketing	0	0	0	0	0	0	0
Employee benefits - administrative	0	20,712	100,888	99,189	95,179	72,169	0
Office expense	0	8,004	15,389	17,028	17,001	19,967	0
Legal expense	0	0	37,676	0	9	0	0
Travel expense	0	75	17,193	4,559	1,205	3,470	0
Allocated Overhead	0	0	0	0	0	0	0
Other operating - administrative	0	30,724	211,388	251,700	225,217	207,774	0
Total Administrative Expense	419	147,525	1,197,970	994,535	787,823	694,513	1,294
Asset management fee	0	5,520	36,240	55,080	35,280	33,000	0
Tenant Services							
Tenant services - salaries	0	968	38,877	89,770	41,133	30,735	985
Relocation	0	0	0	99	0	0	0
Employee benefits - tenant services	0	547	15,463	35,801	16,375	12,855	556
Other tenant services	0	99	2,764	5,887	4,250	3,742	0
Total Tenant Services	0	1,614	57,104	131,557	61,758	47,332	1,541
Utilities							
Water	75,368	27,036	121,258	91,852	54,710	126,318	0
Electricity	879	412	99,836	203,930	193,331	34,383	0
Gas	0	54	19,728	48,322	42,502	1,790	0
Sewer	0	11,289	61,075	98,730	67,339	58,773	0
Other utilities	0	0	0	0	0	0	0
Employee benefits - utilities	0	0	0	0	0	0	0
Total Utilities Expense	76,247	38,791	301,897	442,834	357,882	221,264	0
Ordinary Maintenance & Operation							
Labor	651	115,930	252,489	345,448	364,607	365,002	0
Materials	0	34,596	64,279	84,141	59,352	84,437	0
Employee benefit contributions	309	52,047	128,837	174,856	179,432	179,338	0
Garbage & trash removal contracts	3,455	8,313	37,054	41,756	29,036	30,983	0
Heating & cooling contracts	0	0	0	20,952	12,285	0	0
Snow removal contracts	0	0	0	0	0	0	0
Elevator maintenance contracts	0	0	9,502	6,955	7,364	0	0
Landscape & grounds contracts	0	1,000	60,448	45,306	42,390	21,595	0
Unit turnaround contracts	0	0	0	0	0	0	0
Electrical contracts	0	0	8,884	2,827	2,781	1,425	0
Plumbing contracts	0	3,468	782	9,497	8,469	1,365	0
Extermination contracts	0	5,732	23,305	68,851	50,304	17,422	0
Janitorial contracts	0	0	16,799	139,962	29,591	9,984	0
Routine maintenance contracts	0	42,247	47,764	71,683	55,688	50,187	0
Contract costs - other	0	2,194	51,648	46,690	26,322	22,344	21
Total Ordinary Maintenance & Operation	4,415	265,527	701,791	1,058,924	867,621	784,082	21

NV018002406	NV018002407	NV018002408	NV018002409	NV018002410	NV01802411	NV018013003	NV018013016	Other Project	TOTAL
\$ 411,193	\$ 610,198	\$ 367,711	\$ 558,070	\$ 0	\$ 0	\$ 0	\$ 145,626	\$ 0	\$ 5,471,840
54,575	46,980	65,032	32,359	0	0	0	4,188	0	295,576
465,768	657,178	432,743	590,429	0	0	0	149,814	0	5,767,416
2,529,497	2,513,527	2,044,104	1,614,325	0	667,992	145,812	246,950	0	16,541,245
0	839,089	0	0	0	0	0	0	0	991,029
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
13,773	1,321	4,492	50,509	0	18,432	708,200	47	1,262	808,809
3,188,217	0	0	0	0	3,034,287	0	0	0	6,797,410
0	0	0	0	0	0	0	0	0	0
\$ 6,197,255	\$ 4,011,115	\$ 2,481,339	\$ 2,255,263	\$ 0	\$ 3,720,711	\$ 854,012	\$ 396,811	\$ 23,985	\$ 30,928,632
\$ 288,497	\$ 212,651	\$ 179,040	\$ 163,910	\$ 0	\$ 34,268	\$ 106	\$ 11,939	\$ 0	\$ 1,682,733
5,667	8,230	6,195	6,515	0	1,660	3,344	329	0	61,359
217,448	302,879	246,853	232,456	0	58,946	10,187	37,826	0	2,532,461
21,338	33,450	27,263	25,673	0	0	0	4,178	0	231,858
0	0	0	0	0	0	0	0	0	0
135,317	98,008	88,613	81,715	0	10,294	69	5,523	0	807,676
21,856	22,252	19,973	41,264	0	366	0	2,862	0	185,962
0	0	0	0	0	0	0	0	360	38,045
1,205	2,330	1,888	1,460	0	0	0	0	0	33,385
0	0	0	0	0	0	0	0	0	0
283,119	334,352	265,341	162,198	0	2,806	0	22,865	0	1,997,484
974,447	1,014,152	835,166	715,191	0	108,340	13,706	85,522	360	7,570,963
30,760	46,080	37,680	35,040	0	0	0	5,760	0	320,440
3,260	6,214	8,828	7,828	0	5,417	0	985	0	235,000
0	0	0	11,538	0	60,242	0	0	0	71,879
1,840	3,507	4,983	4,418	0	1,692	0	556	0	98,593
998	1,448	3,833	11	0	0	0	26	0	23,058
6,098	11,169	17,644	23,795	0	67,351	0	1,567	0	428,530
69,315	226,778	153,247	115,333	0	0	0	275	5,386	1,066,876
28,277	43,818	44,332	6,641	0	0	0	0	0	655,839
3,062	8,708	3,104	1,784	0	0	0	0	0	129,054
48,278	67,645	53,878	72,262	0	0	0	0	0	539,269
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
148,932	346,949	254,561	196,020	0	0	0	275	5,386	2,391,038
450,925	514,134	488,097	370,407	0	148	106	37,437	0	3,305,381
92,001	214,676	90,080	148,037	0	28,313	0	15,703	102,618	1,018,293
220,030	248,065	232,567	185,909	0	37	74	15,894	0	1,617,395
39,863	76,005	43,057	64,668	0	0	0	887	1,315	376,392
0	675	0	0	0	0	0	0	0	33,912
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	23,821
1,569	55,157	4,860	16,803	0	0	0	999	2,575	252,702
0	0	0	0	0	0	0	0	0	0
1,650	14,637	3,700	6,390	0	0	0	1,000	0	43,294
10,837	41,732	1,396	25,314	0	0	0	2,980	0	105,840
23,738	35,461	27,015	22,834	0	0	0	3,279	0	277,941
17,143	27,837	9,356	855	0	0	0	0	0	251,527
96,083	170,609	45,507	156,392	0	0	0	38,238	0	774,398
18,763	61,311	27,862	29,293	0	1,148	0	2,054	0	289,650
972,602	1,460,299	973,497	1,026,902	0	29,646	180	118,471	106,508	8,370,486

Southern Nevada Regional Housing Authority
Las Vegas, Nevada

**FINANCIAL DATA SUBMISSION SUMMARY
REVENUES, EXPENSES, AND CHANGES IN
NET POSITION ACCOUNTS - COMBINED SCHEDULE - AMP's
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

<u>Account Description</u>	<u>NV018002305</u>	<u>NV01802310</u>	<u>NV018002401</u>	<u>NV018002402</u>	<u>NV018002403</u>	<u>NV018002404</u>	<u>NV018002405</u>
Protective Services							
Protective services - salaries	0	0	0	0	0	0	0
Employee benefits - protective services	0	0	0	0	0	0	0
Other protective services	0	0	77,767	50,253	53,948	31,706	0
Total Protective Services	0	0	77,767	50,253	53,948	31,706	0
General Expenses							
Property insurance	0	7,190	36,895	21,030	24,307	25,272	0
Liability insurance	0	1,978	11,709	16,708	10,740	10,647	2,591
Workmen's compensation	0	0	0	0	0	0	0
Insurance - other	0	8,180	6,642	3,378	8,724	14,911	0
Other general expense	0	0	1,258	0	0	0	302,702
Compensated absences	0	15,606	40,416	44,581	52,971	37,968	196
Payments in lieu of taxes	0	7,700	36,965	78,411	43,087	0	0
Bad debt - tenant rents	0	1,593	19,309	25,713	4,604	6,555	0
Bad debt - mortgages	0	0	0	0	0	0	0
Bad debt - other	0	0	0	0	0	0	0
Severance expense	0	0	0	0	0	0	0
Total General Expenses	0	42,247	153,194	189,821	144,433	95,353	305,489
Financial Expenses							
Interest expense - mortgage payable	0	0	0	0	0	0	0
Interest expense - notes payable	0	0	0	0	0	0	0
Amortization - issuance costs	0	0	0	0	0	0	0
Total Financial Expenses	0	0	0	0	0	0	0
TOTAL OPERATING EXPENSE	81,081	501,224	2,525,963	2,923,004	2,308,745	1,907,250	308,345
EXCESS OPERATING REVENUE	501,362	(139,267)	(208,318)	432,190	(190,344)	14,270	22,636
Other Expenses							
Extraordinary maintenance	7,593	947	2,486	114,537	106,346	77,771	0
Casualty losses	0	0	6,535	989	1,234	0	0
Housing assistance payments	0	0	0	0	0	0	0
Depreciation expense	22,084	431,077	2,165,105	580,285	536,657	707,918	172,029
Total Other Expenses	29,677	432,024	2,174,126	695,811	644,237	785,689	172,029
TOTAL EXPENSES	\$ 110,758	\$ 933,248	\$ 4,700,089	\$ 3,618,815	\$ 2,952,982	\$ 2,692,939	\$ 480,374
EXCESS OF REVENUE OVER EXPENSES	\$ 471,685	\$ (571,291)	\$ (2,382,444)	\$ (263,621)	\$ (834,581)	\$ (771,419)	\$ (149,393)
Transfer of funds	0	100,000	280,000	(485,000)	(280,000)	105,000	0
Transfer of equity	0	0	0	0	0	0	0
Prior period adjustments	0	0	0	0	0	0	0
Beginning Net Position	435,632	8,948,188	28,823,028	6,462,829	6,013,082	6,230,272	2,151,346
Ending Net Position	\$ 907,317	\$ 8,476,897	\$ 26,720,584	\$ 5,714,208	\$ 4,898,501	\$ 5,563,853	\$ 2,001,953
Units Available	-	552	3,585	5,496	3,504	3,300	720
Units Leased	-	546	3,426	5,371	3,338	3,238	718

NV018002406	NV018002407	NV018002408	NV018002409	NV018002410	NV01802411	NV018013003	NV018013016	Other Project	TOTAL
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
4,042	116,128	80,725	0	0	0	0	0	0	414,569
4,042	116,128	80,725	0	0	0	0	0	0	414,569
30,115	36,068	48,927	56,467	0	8,581	14,135	0	2,963	311,950
11,487	16,569	13,553	14,621	0	3,225	4,312	0	1,283	119,423
0	0	0	0	0	0	0	0	0	0
10,575	18,180	10,266	13,448	0	3,303	38	0	24	97,669
176,383	0	0	0	0	795,596	145,812	0	0	1,421,751
17,288	38,739	57,852	44,706	0	324	0	196	0	350,843
11,774	20,075	16,810	22,338	0	0	0	0	0	237,160
62,859	33,942	43,875	62,163	0	0	0	4,277	0	264,890
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
320,481	163,573	191,283	213,743	0	811,029	164,297	4,473	4,270	2,803,686
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	1,117	1,117
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	1,117	1,117
2,457,362	3,158,350	2,390,556	2,210,691	0	1,016,366	178,183	216,068	117,641	22,300,829
3,739,893	852,765	90,783	44,572	0	2,704,345	675,829	180,743	(93,656)	8,627,803
57,902	85,970	3,000	12,310	0	2,150	0	0	7,008	478,020
0	0	2,991	0	0	0	0	0	0	11,749
0	0	0	0	0	0	0	0	0	0
837,225	1,116,730	188,445	1,535,278	0	71,745	0	0	194,643	8,559,221
895,127	1,202,700	194,436	1,547,588	0	73,895	0	0	201,651	9,048,990
\$ 3,352,489	\$ 4,361,050	\$ 2,584,992	\$ 3,758,279	\$ 0	\$ 1,090,261	\$ 178,183	\$ 216,068	\$ 319,292	\$ 31,349,819
\$ 2,844,766	\$ (349,935)	\$ (103,653)	\$ (1,503,016)	\$ 0	\$ 2,630,450	\$ 675,829	\$ 180,743	\$ (295,307)	\$ (421,187)
280,000	0	0	0	0	0	0	0	0	0
0	0	0	0	(1,851,498)	1,851,498	0	0	0	0
0	0	0	0	0	0	0	0	0	0
9,265,563	8,138,481	1,564,209	26,424,611	1,851,498	0	8,358,183	220,776	10,314,709	125,202,407
\$ 12,390,329	\$ 7,788,546	\$ 1,460,556	\$ 24,921,595	\$ 0	\$ 4,481,948	\$ 9,034,012	\$ 401,519	\$ 10,019,402	\$ 124,781,220
3,075	4,572	3,706	3,504	-	1,248	-	576	-	33,838
2,845	4,424	3,575	3,423	-	901	-	557	-	32,362

**SOUTHERN NEVADA REGIONAL HOUSING AUTHORITY
Las Vegas, NV**

**SCHEDULE OF EXPENDITURES OF FEDERAL FINANCIAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	<u>Type</u>	<u>Federal CFDA #</u>	<u>Expenditures</u>
<u>FEDERAL GRANTOR</u>			
<u>U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT:</u>			
Public Housing:			
Public and Indian Housing	A - Major	14.850	\$ 14,854,976
Public Housing Capital Fund Program	B - Nonmajor	14.872	2,677,298
Section 8 Housing Assistance Program:			
Supportive Housing for Persons with Disabilities	B - Nonmajor	14.181	731,233
Housing Counseling Assistance Program	B - Nonmajor	14.169	4,918
Section 8 Housing Choice Voucher	A - Major	14.871	112,528,249
Family Self Sufficiency - Combined Program:			
PIH Family Self-Sufficiency Program	B - Nonmajor	14.896	744,305
<u>OTHER GOVERNMENT GRANTS:</u>			
<u>State/Local Financial Pass-Through Assistance</u>			
Community Development Block/Entitlement(NSP)	B - Nonmajor	14.218	69,891
HOME Investment Partnership Program	B - Nonmajor	14.239	235,054
<u>U.S. DEPARTMENT OF LABOR:</u>			
<u>State/Local Financial Pass-Through Assistance</u>			
Other Federal Program: Workforce Investment Act	B - Nonmajor	17.259	<u>719,474</u>
TOTAL FEDERAL FINANCIAL AWARDS			\$ <u>132,565,398</u>
Threshold for Type A & Type B			\$ <u>3,000,000</u>

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

SOUTHERN NEVADA REGIONAL HOUSING AUTHORITY
Las Vegas, Nevada

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

NOTE A - BASIS OF PRESENTATION:

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

NOTE B - SUB-RECIPIENTS:

The Authority provided no federal awards to sub-recipients during the fiscal year ending September 30, 2016.

NOTE C - DISCLOSURE OF OTHER FORMS OF ASSISTANCE:

- The Authority received no federal awards of non-monetary assistance that are required to be disclosed for the year ended September 30, 2016.
- The Authority had no loans or loan guarantees to be disclosed as of September 30, 2016.
- There were no federally restricted endowment funds required to be disclosed for the fiscal year ended September 30, 2016.
- The Authority maintains the following limits of insurance as of September 30, 2016:

Property	\$ 336,919,540
Equipment Breakdown	\$ 100,000,000
Flood	\$ 250,000
Liability	\$ 2,000,000
Public Officials	\$ 1,000,000
Worker Compensation	Statutory
Employee Practice	\$ 1,000,000

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

SOUTHERN NEVADA REGIONAL HOUSING AUTHORITY
Las Vegas, Nevada

SUPPLEMENTAL INFORMATION
SPECIAL REPORTS

FISCAL YEAR ENDED SEPTEMBER 30, 2016

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

**STATEMENT AND CERTIFICATION OF ACTUAL CAPITAL FUND PROGRAM COSTS
September 30, 2016**

PHASE NV39P018501-11

1 The Actual Capital Fund Program Costs of NV39P018501-11 are as follows:

Funds Approved	\$ 4,243,634
Funds Expended	<u>4,243,634</u>
Excess of Funds Approved	<u>\$ -</u>
Funds Advanced	\$ 4,243,634
Funds Expended	<u>4,243,634</u>
Excess of Funds Advanced	<u>\$ -</u>

- 2 All Costs were incurred in the prior audit period and accordingly were not reaudited by Rector, Reeder & Lofton, P.C.
- 3 The distribution of costs by major cost accounts as shown on the Final Statement of Modernization Cost dated March 2, 2015, accompanying the Actual Modernization Cost Certificate submitted to HUD for approval is in agreement with the PHA's records.
- 4 All Capital Fund Program costs have been paid and all related liabilities have been discharged through payment.

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

**STATEMENT AND CERTIFICATION OF ACTUAL CAPITAL FUND PROGRAM COSTS
September 30, 2016**

PHASE NV39R018502-14

1 The Actual Capital Fund Program Costs of NV39R018502-14 are as follows:

Funds Approved	\$ 170,192
Funds Expended	<u>170,192</u>
Excess of Funds Approved	<u>\$ -</u>
Funds Advanced	\$ 170,192
Funds Expended	<u>170,192</u>
Excess of Funds Advanced	<u>\$ -</u>

- 2 Audit period additions were \$170,192.00 and accordingly were audited by Rector, Reeder & Lofton, P.C.
- 3 The distribution of costs by major cost accounts as shown on the Final Statement of Modernization Cost dated August 22, 2016, accompanying the Actual Modernization Cost Certificate submitted to HUD for approval is in agreement with the PHA's records.
- 4 All Capital Fund Program costs have been paid and all related liabilities have been discharged through payment.

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

**STATEMENT AND CERTIFICATION OF ACTUAL CAPITAL FUND PROGRAM COSTS
September 30, 2016**

PHASE NV39P018501-13

- 1 The Actual Capital Fund Program Costs of NV39P018501-13 are as follows:

Funds Approved	\$ 3,666,347
Funds Expended	<u>3,666,347</u>
Excess of Funds Approved	<u>\$ -</u>
Funds Advanced	\$ 3,666,347
Funds Expended	<u>3,666,347</u>
Excess of Funds Advanced	<u>\$ -</u>

- 2 Audit period additions were \$246,838.59 and accordingly were audited by Rector, Reeder & Lofton, P.C.
- 3 The distribution of costs by major cost accounts as shown on the Final Statement of Modernization Cost dated September 28, 2016, accompanying the Actual Modernization Cost Certificate submitted to HUD for approval is in agreement with the PHA's records.
- 4 All Capital Fund Program costs have been paid and all related liabilities have been discharged through payment.